



CARNIVAL GROUP
INTERNATIONAL

**Carnival Group International
Holdings Limited**

嘉年華國際控股有限公司

Stock Code 股份代號：00996



Annual Report 2019 年報



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BOARD OF DIRECTORS

Executive Directors

Mr. Bai Xuefei (*Chairman*)

Mr. Luo Jiaqi

Independent Non-executive Directors

Mr. Chau Wai Hing

Mr. Ma Hang Kon Louis

Mr. Tso Hon Sai Bosco

AUDIT COMMITTEE

Mr. Chau Wai Hing (*Chairman*)

Mr. Ma Hang Kon Louis

Mr. Tso Hon Sai Bosco

REMUNERATION COMMITTEE

Mr. Chau Wai Hing (*Chairman*)

Mr. Ma Hang Kon Louis

Mr. Tso Hon Sai Bosco

NOMINATION COMMITTEE

Mr. Chau Wai Hing (*Chairman*)

Mr. Bai Xuefei

Mr. Tso Hon Sai Bosco

COMPANY SECRETARY

Ms. Chan Yuen Ying Stella

AUTHORISED REPRESENTATIVES

Mr. Bai Xuefei

Ms. Chan Yuen Ying Stella

LEGAL ADVISOR

DLA Piper Hong Kong

Freshfields Bruckhaus Deringer

AUDITORS

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

董事會

執行董事

白雪飛先生 (*主席*)

羅嘉奇先生

獨立非執行董事

周偉興先生

馬恒幹先生

曹漢璽先生

審核委員會

周偉興先生 (*主席*)

馬恒幹先生

曹漢璽先生

薪酬委員會

周偉興先生 (*主席*)

馬恒幹先生

曹漢璽先生

提名委員會

周偉興先生 (*主席*)

白雪飛先生

曹漢璽先生

公司秘書

陳婉縈女士

授權代表

白雪飛先生

陳婉縈女士

法律顧問

歐華律師事務所

富而德律師事務所

核數師

國衛會計師事務所有限公司

執業會計師

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 1106-08, 11th Floor
The Chinese Bank Building
61-65 Des Voeux Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

PRINCIPAL BANKERS

China Minsheng Banking Corp. Ltd.
Industrial Bank Co., Ltd.
Bank of China (Hong Kong) Limited
The Bank of East Asia Limited

STOCK CODE

996

WEBSITE

www.0996.com.hk

註冊辦事處

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

總辦事處及香港主要營業地點

香港中環
德輔道中61-65號
華人銀行大廈
11樓1106-08室

股份登記及過戶總處

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

於香港之股份登記及過戶分處

卓佳標準有限公司
香港灣仔
皇后大道東183號
合和中心54樓

主要往來銀行

中國民生銀行股份有限公司
興業銀行股份有限公司
中國銀行(香港)有限公司
東亞銀行有限公司

股份代號

996

網站

www.0996.com.hk

Chairman's Statement

主席報告

On behalf of the board (the “Board”) of directors (the “Directors”, each a “Director”) of Carnival Group International Holdings Limited (the “Company”), I present the annual results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2019.

FINANCIAL REVIEW

For the year ended 31 December 2019, the Group recorded a consolidated net loss of approximately HK\$3,429.5 million as compared to the net loss of approximately HK\$3,699.1 million for the year ended 31 December 2018. The loss is mainly due to (i) impairment loss on the property, plant and equipment of approximately HK\$593.5 million; (ii) the loss arising from changes in the fair value of the Group's investment properties of approximately HK\$314.9 million; (iii) impairment losses under expected credit loss (“ECL”) model of approximately HK\$555.6 million; (iv) the loss arising from listed securities investment of approximately HK\$794.5 million; (v) the fair value change on financial assets at fair value through profit or loss of approximately HK\$132.1 million, and (vi) finance cost of approximately HK\$903.2 million.

2019 REVIEW

The financial year ended 31 December 2019 was a challenging year in terms of macroeconomic stability and overall financing conditions. The Chinese economy is facing mounting downward pressure from such factors as ongoing China-US trade war, rapidly growing aging population and lower momentum of domestic spending. The property market, after going through a high-speed growth, has now showed a weaker growth momentum. Meanwhile, the Chinese government repeatedly stressed that “houses are for living, not for speculation” and introduced a number of policies in maintaining strict regulation on the property market. On the other hand, local governments were determined to adhere to the regulatory policies without any intention of relaxing the policies introduced, including the continuous implementation of the “4 Main Measures” (namely restrictions on purchasing, pricing, re-selling and mortgaging in the PRC). Both the macro environment and the local policies indirectly led to significantly increased pressure on the Group's sales cycle and caused adverse impact on the gross profit margin of the property development segment of the Group.

The year 2019 proved to be more of a challenge for investments. Equity and bond markets were globally under pressure as China-US trade negotiations continued to exert pressure, coupled with concerns surrounding slowdown in economic growth and tighter monetary and fiscal policy had affected investors' confidence. As a result, the Group inevitably recorded significant loss on its securities trading investments segment due to the severe fluctuations in the global capital market during the reporting period.

本人謹代表嘉年華國際控股有限公司（「本公司」）董事（「董事」）會（「董事會」）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全年業績。

財務回顧

截至二零一九年十二月三十一日止年度，本集團錄得綜合淨虧損約3,429,500,000港元，而截至二零一八年十二月三十一日止年度錄得淨虧損約3,699,100,000港元。有關虧損乃主要由於(i)物業、廠房及設備之減值虧損約593,500,000港元；(ii)本集團投資物業公平值變動產生之虧損約314,900,000港元；(iii)預期信貸虧損（「預期信貸虧損」）模式下之減值虧損約555,600,000港元；(iv)上市證券投資產生之虧損約794,500,000港元；(v)按公平值計入損益之金融資產之公平值變動約132,100,000港元；及(vi)財務成本約903,200,000港元。

二零一九年回顧

截至二零一九年十二月三十一日止的財政年度，宏觀經濟穩定性及整體融資環境均面臨挑戰。中國在中美貿易戰、人口老齡化加快、內生消費動力不足等多重因素的作用下，經濟下行壓力加大。房地產市場在經歷過高速發展後增長勢頭減弱，同時，中國政府多次強調「房住不炒」並出台多項政策維持對房地產市場的嚴格調控。另一方面，地方政府層面堅持調控政策不動搖、力度不放鬆，「四限政策」（在中國限購、限價、限售及限貸）持續實施。宏觀環境及地方政策均間接導致本集團銷售週期壓力大增及對本集團的物業發展分部毛利率造成不利影響。

投資市場於二零一九年面對較嚴峻的考驗。中美貿易談判繼續為市場增添壓力，加上圍繞經濟增長放緩的憂慮及貨幣和財政政策收緊，對投資者信心因而造成影響，導致環球股票及債券市場受壓。受上述因素影響，本集團證券買賣投資分部亦因為環球資本市場劇烈波動，於報告期內不可避免地錄得重大虧損。

PROSPECTS

After the signing of the Phase 1 Economic and Trade Agreement between the government of the United States of America (the "US") and the PRC's government in January 2020, the market seemed to be more stable for the time being though it still remained uncertain in its future development.

In addition, the outbreak of COVID-19 in Wuhan of the PRC, as well as the gradually mounting cases of infection reported in countries worldwide created further threats and anxieties. Although the government of the PRC has continuously implemented various and large-scale contingency measures to mitigate the adverse impact of the COVID-19, it is expected that the business environment in the PRC will remain soft in the near term until the spread of the COVID-19 is effectually contained. Meanwhile, many other countries are posing new challenges for controlling the spread of the virus. Before the COVID-19 outbreak could be fully contained, it will certainly have a significant negative impact on the global economy.

The property market, after going through a high-speed growth, has now showed a weaker growth momentum. Meanwhile, the Chinese government repeatedly stressed that "houses are for living, not for speculation" and introduced a number of policies in maintaining strict regulation on the property market. However, the ongoing COVID-19 might cause a general downturn in the Chinese economy. Up until now, sales offices of property companies in most cities of the PRC have been shuttered and even online signing systems have been closed in certain cities. Furthermore, works in construction sites were generally suspended, land auctions postponed and property agencies all temporarily closed. As the outbreak continues, it is expected that property development, investment, sales, commencement and completion of construction in the first quarter will be significantly affected.

Almost all sectors in the PRC have been affected by the spread of the outbreak as it caused extension of holiday and delay to resumption of work nationwide, suspended production in plants and disruption in logistics services. The property industry is not an exception in this regard. Presently, many cities in the PRC had issued notice of "suspension of operation" on the property market, prohibiting all property agencies and sales offices from opening for business. The China Real Estate Association also called for the industry to suspend bricks-and-mortar sales activities at all properties until the outbreak eases. Such control measures will essentially affect the property transaction market and objectively cause a standstill in transaction. Under the current outbreak in the PRC, the property sales offices in many cities were forced to shutter for avoiding crowds and gatherings, which will inevitably cause disruption to the normal operation of the property market.

前景

在美利堅合眾國（「美國」）政府與中國政府於二零二零年一月簽署第一階段經濟和貿易協議後，市場暫時似乎更加穩定，儘管其未來的發展仍然充滿不確定性。

此外，中國武漢爆發的2019冠狀病毒病，及隨後世界多國報告的感染病例逐步增多，進一步造成了威脅和焦慮。儘管中國政府已持續實施各種大規模的應急措施以減輕2019冠狀病毒病的不利影響，但預計中國的商業環境在短期內將保持疲弱，直到有效阻止2019冠狀病毒病擴散為止。同時，全球各個國家對控制病毒擴散帶來新的挑戰。在2019冠狀病毒病全面控制前，病毒勢必對全球經濟帶來極大的負面影響。

房地產市場在經歷過高速發展後增長勢頭減弱，同時，中國政府多次強調「房住不炒」並出台多項政策維持對房地產市場的嚴格調控。但2019冠狀病毒病持續可能引發中國經濟整體滑坡，截至目前為止，中國大多數城市售樓處已關閉，部分城市更是直接關閉網簽系統。此外，建築工地已基本停工、土地拍賣暫緩及地產仲介也悉數停業。隨著疫情持續，預計第一季房地產開發、投資、銷售、開工和竣工都將受到不小影響。

隨着疫情的擴散，中國各行業都受到影響，全國性延長假期和返工時間、工廠停產及物流停運，房地產行業也不例外。目前，中國多個城市下發了房地產市場「暫停經營」的通知，禁止房地產中介和售樓處繼續營業。中國房地產協會發出號召，各地樓盤暫時停止銷售活動，待疫情過後再恢復。該等管制行為實際會影響住房交易市場，客觀上造成了交易停滯。基於當前中國疫情，很多城市為了避免人員聚集，關閉售樓處，肯定會對房地產市場正常運行造成干擾。

Chairman's Statement 主席報告

The Company will continue to closely monitor the developments of COVID-19, and evaluate and actively respond to its impact on the Group's financial position and operating results. For the coming year, the Group will strengthen its cost control standards with an aim at pursuing sustainability.

Bai Xuefei

Chairman

Hong Kong, 29 April 2020

本公司將持續密切關注2019冠狀病毒病的發展情況，並評估和積極應對其對本集團財務狀況、經營成果等方面的影響。來年本集團將致力提升成本控制標準，以可持續發展為目標。

主席

白雪飛

香港，二零二零年四月二十九日

EXECUTIVE DIRECTORS

Mr. Bai Xuefei, aged 42, is the chairman of the Board and an executive Director. He is also a member of the nomination committee of the Company (the “Nomination Committee”). Mr. Bai holds a master degree in laws from Heilongjiang University and a bachelor degree in economics from China Agricultural University. Mr. Bai has been an executive director of Enterprise Development Holdings Limited (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”); Stock Code: 1808) since June 2018. He was an executive director and chief executive officer of Rentian Technology Holdings Limited (a company listed on the Main Board of the Stock Exchange; Stock Code: 885) from June 2018 to July 2018 and was an executive director and the co-chief executive officer of China Nuclear Energy Technology Corporation Limited (a company listed on the Main Board of the Stock Exchange; Stock Code: 611) from September 2016 to January 2018. He was a deputy general manager of China Nuclear Investment Co., Ltd. from July 2016 to May 2018, served as the head of the board office of China Nuclear Engineering Corporation Limited (a company listed on the Shanghai Stock Exchange; Stock Code: 601611) from May 2013 to July 2016 and was the director of the investor relations division of China Shenhua Energy Company Limited (a company both listed on the Shanghai Stock Exchange and the Main Board of the Stock Exchange; Stock Code: 601088 and 1088) from November 2004 to May 2013. He served as an officer of the policies and regulations research division of Shenhua Group Company Limited from June 2003 to November 2004.

Mr. Luo Jiaqi, aged 36, was appointed as an executive Director on 26 February 2020. He is also the Chief Financial Officer and a director of certain subsidiaries of the Group. Mr. Luo obtained a Master Degree of business administration from The Chinese University of Hong Kong on 7 November 2019. Prior to joining the Company, Mr. Luo had worked in several well-known enterprises. He held multiple management positions at HNA Group Co., Ltd. and was the chief financial officer of Hong Kong Airlines and an assistant to the president of Unitop Group. Mr. Luo has extensive financial and investment and financing management experience.

執行董事

白雪飛先生，42歲，為董事會主席兼執行董事。彼亦為本公司提名委員會（「提名委員會」）成員。白先生持有黑龍江大學法律碩士學位及中國農業大學經濟學學士學位。白先生自二零一八年六月起擔任企展控股有限公司（一間在香港聯合交易所有限公司（「聯交所」）主板上市之公司；股份代號：1808）之執行董事。彼於二零一八年六月至二零一八年七月期間擔任仁天科技控股有限公司（一間在聯交所主板上市之公司；股份代號：885）之執行董事兼行政總裁，並於二零一六年九月至二零一八年一月期間擔任中國核能科技集團有限公司（一間在聯交所主板上市之公司；股份代號：611）之執行董事及聯席行政總裁。彼於二零一六年七月至二零一八年五月期間擔任中核投資有限公司副總經理，於二零一三年五月至二零一六年七月期間擔任中國核工業建設股份有限公司（一間在上海證券交易所上市之公司；股份代號：601611）之董事會辦公室主任，並於二零零四年十一月至二零一三年五月期間擔任中國神華能源股份有限公司（一間在上海證券交易所及聯交所主板上市之公司；股份代號：601088及1088）之投資者關係處處長。彼於二零零三年六月至二零零四年十一月期間擔任神華集團有限責任公司之政策法規研究室主任科員。

羅嘉奇先生，36歲，於二零二零年二月二十六日獲委任為執行董事。彼亦為首席財務官及本集團若干附屬公司之董事。羅先生於二零一九年十一月七日於香港中文大學取得工商管理碩士學位。於加入本公司前，羅先生曾於多間知名企業任職。彼曾於海航集團有限公司任職多項管理職位，並曾擔任香港航空有限公司首席財務官及友和道通集團總裁助理職務。羅先生擁有豐富的財務和投融資管理經驗。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chau Wai Hing, aged 54, was appointed as an independent non-executive Director on 3 May 2019. He is also the chairman of each of the audit committee of the Company (the “Audit Committee”), Nomination Committee and the remuneration committee of the Company (the “Remuneration Committee”). Mr. Chau graduated from City University of Hong Kong with a Bachelor’s Degree in Quantitative Analysis for Business, Postgraduate Certificate in Professional Accounting and Master Degree in Finance. He also holds a Master Degree in Professional Accounting from the Southern Cross University in Australia. Mr. Chau is a fellow member of the Institute of Public Accountants in Australia, a fellow member of the Institute of Financial Accountants, a chartered member of the Chartered Institute for Securities and Investment and a member of the Hong Kong Securities and Investment Institute. He has been an independent non-executive director, a member of each of the audit committee, nomination committee and remuneration committee of Vestate Group Holdings Limited (Stock Code: 1386; a company listed on the Main Board of the Stock Exchange) since February 2017. Mr. Chau was the chairman, executive director, chairman of investment committee and authorized representative of Cocoon Holdings Limited (Stock Code: 428; a company listed on the Main Board of the Stock Exchange) from July 2015 to February 2019. From December 2008 to April 2015, he was the chairman and an executive director of UBA Investments Limited (Stock Code: 768; a company listed on the Main Board of the Stock Exchange). Mr. Chau has extensive experience in banking, finance and wealth management. He held senior positions at several international financial institutions including Bank of America (Asia) Limited and Merrill Lynch (Asia Pacific) Limited.

Mr. Ma Hang Kon Louis, aged 57, was appointed as an independent non-executive Director on 3 May 2019. He is also a member of each of the Audit Committee and the Remuneration Committee. Mr. Ma graduated from the Kellogg School of Business, Northwestern University in the United States, the Hong Kong University of Science and Technology and the Hong Kong Polytechnic (the predecessor of The Hong Kong Polytechnic University). He is a member of each of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Institute of Chartered Secretaries and Administrators. He has been the executive director, the chief financial officer, the company secretary and an authorised representative of the G.A. Holdings Limited under the GEM Listing Rules (Stock Code: 8126; a company listed on the GEM of Stock Exchange) since November 2015. Mr. Ma has over 30 years of working experience, mainly in professional services in Hong Kong, petrochemical, electronics and resources industries, both in the United States and in the Asia Pacific region. He also has extensive experience in managing businesses in listed companies both in Hong Kong and in the United States.

獨立非執行董事

周偉興先生，54歲，於二零一九年五月三日獲委任為獨立非執行董事。彼亦為本公司審核委員會（「審核委員會」）、提名委員會及本公司薪酬委員會（「薪酬委員會」）之主席。周先生於香港城市大學畢業並取得工商數量分析學士學位、專業會計學深造證書及金融學碩士學位。彼亦持有澳洲南格斯大學專業會計碩士學位。周先生為澳洲會計師協會之資深會員、英國財務會計師公會之資深會員、英國特許證券與投資協會之特許會員和香港證券及投資學會之會員。彼自二零一七年二月起出任國投集團控股有限公司（股份代號：1386；一間於聯交所主板上市之公司）之獨立非執行董事，彼亦擔任該公司審核委員會、提名委員會及薪酬委員會之成員。於二零一五年七月至二零一九年二月，周先生曾為中國天弓控股有限公司（股份代號：428；一間於聯交所主板上市之公司）之主席、執行董事、投資委員會主席及授權代表。彼亦於二零零八年十二月至二零一五年四月擔任開明投資有限公司（股份代號：768；一間於聯交所主板上市之公司）之主席及執行董事。周先生於銀行、金融及財富管理領域擁有豐富經驗。彼曾在不同的國際金融機構居高級職位，其中包括美國銀行（亞洲）有限公司及美林（亞太）有限公司。

馬恒幹先生，57歲，於二零一九年五月三日獲委任為獨立非執行董事。彼亦為審核委員會及薪酬委員會之成員。馬先生畢業於美國西北大學凱洛格商學院、香港科技大學及香港理工學院（香港理工大學之前身）。彼為香港會計師公會、英國特許公認會計師公會及英國特許秘書及行政人員公會之會員。自二零一五年十一月起，彼為G.A.控股有限公司（股份代號：8126；一間於聯交所GEM上市之公司）之執行董事、首席財務官、公司秘書以及GEM上市規則下之授權代表。馬先生擁有逾30年工作經驗，主要供職於香港專業服務、美國及亞太區石油化工、電子及資源行業。彼亦於香港及美國上市公司之業務管理方面累積豐富經驗。

Mr. Tso Hon Sai Bosco, aged 55, was appointed as an independent non-executive Director on 3 May 2019. He is also the member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee. Mr. Tso received his Bachelor of Laws degree from King's College London. He has been a Hong Kong practising solicitor since 1990. Mr. Tso was a non-executive director of ICO Group Limited (Stock Code: 1460; a company listed on the Main Board of the Stock Exchange) from October 2019 to April 2020. He has also been an independent non-executive director of Imperial Pacific International Holdings Limited (Stock Code: 1076; a company listed on the Main Board of Stock Exchange) since November 2013. Mr. Tso is also currently a consultant with Messrs. Tso Au Yim & Yeung, Solicitors. He was an independent non-executive director of Legend Strategy International Holdings Group Company Limited (Stock code: 1355; a company listed on the Main Board of Stock Exchange) from June 2015 to September 2018.

曹漢璽先生，55歲，於二零一九年五月三日獲委任為獨立非執行董事。彼亦為審核委員會、提名委員會及薪酬委員會之成員。曹先生獲倫敦King's College頒授法律學士學位。彼自一九九零年起一直為香港執業律師。曹先生於二零一九年十月至二零二零年四月期間擔任揚科集團有限公司（股份代號：1460；一間於聯交所主板上市之公司）之非執行董事。彼亦自二零一三年十一月起為博華太平洋國際控股有限公司（股份代號：1076；一間於聯交所主板上市之公司）之獨立非執行董事。曹先生現在亦為曹歐嚴楊律師行之顧問。彼曾於二零一五年六月至二零一八年九月期間擔任枋濬國際集團控股有限公司（股份代號：1355；一間於聯交所主板上市之公司）之獨立非執行董事。

Management Discussion and Analysis

管理層討論及分析

CORPORATE OVERVIEW

The Group is principally engaged in the theme-based leisure and consumption business, focusing on the design, development and operation of integrated large-scale tourist complex projects in key cities in and outside the PRC that comprise of theme parks, hotels, shopping and leisure facilities, as well as other theme-based consumption.

2019 REVIEW

The financial year ended 31 December 2019 was a challenging year in terms of macroeconomic stability and overall financing conditions. The Chinese economy is facing mounting downward pressure from such factors as ongoing China-US trade war, rapidly growing aging population and lower momentum of domestic spending. The property market, after going through a high-speed growth, has now showed a weaker growth momentum. Meanwhile, the Chinese government repeatedly stressed that “houses are for living, not for speculation” and introduced a number of policies in maintaining strict regulation on the property market. On the other hand, local governments were determined to adhere to the regulatory policies without any intention of relaxing the policies introduced, including the continuous implementation of the “4 Main Measures” (namely restrictions on purchasing, pricing, re-selling and mortgaging in the PRC). Both the macro environment and the local policies indirectly led to significantly increased pressure on the Group’s sales cycle and caused adverse impact on the gross profit margin of the property development segment of the Group.

The year 2019 proved to be more of a challenge for investments. Equity and bond markets were globally under pressure as China-US trade negotiations continued to exert pressure, coupled with concerns surrounding slowdown in economic growth and tighter monetary and fiscal policy had affected investors’ confidence. As a result, the Group inevitably recorded significant loss on its securities trading investments segment due to the severe fluctuations in the global capital market during the reporting period.

公司概覽

本集團主要從事主題休閒及消費業務，致力在中國及海外重點城市設計、開發及經營一體化大型旅遊綜合項目，包括主題公園、酒店、購物及休閒設施以及其他主題消費項目。

二零一九年回顧

截至二零一九年十二月三十一日止的財政年度，宏觀經濟穩定性及整體融資環境均面臨挑戰。中國在中美貿易戰、人口老齡化加快、內生消費動力不足等多重因素的作用下，經濟下行壓力加大。房地產市場在經歷過高速發展後增長勢頭減弱，同時，中國政府多次強調「房住不炒」並出台多項政策維持對房地產市場的嚴格調控。另一方面，地方政府層面堅持調控政策不動搖、力度不放鬆，「四限政策」（在中國限購、限價、限售及限貸）持續實施。宏觀環境及地方政策均間接導致本集團銷售週期壓力大增及對本集團的物業發展分部毛利率造成不利影響。

投資市場於二零一九年面對較嚴峻的考驗。中美貿易談判繼續為市場增添壓力，加上圍繞經濟增長放緩的憂慮及貨幣和財政政策收緊，對投資者信心因而造成影響，導致環球股票及債券市場受壓。受上述因素影響，本集團證券買賣投資分部亦因為環球資本市場劇烈波動，於報告期內不可避免地錄得重大虧損。

BUSINESS REVIEW

The Group's flagship project, Rio Carnival (Qingdao) ("Rio Carnival") is located in the Phoenix Island Tourist Resort Zone in Huangdao District, Qingdao city, Shandong province in the PRC and occupies an aggregate site area of approximately 350,000 square metres ("sq.m.") with a total gross floor area ("GFA") of approximately 800,000 sq.m.. Thanks to the rapid development of Qingdao City's West Coast New Area, the Group believes that Rio Carnival will benefit from the geoadvantage in the long run and be one of the first large-scale integrated commercial, residential and tourism complexes of its kind in China. It includes indoor and outdoor underwater ocean exploration theme parks, an up-scale star-rated hotel "Renaissance" and a luxury service apartment "Marriott Executive Apartment", an international premium brand outlet shopping mall, themed-street restaurant dining, a conference centre, a performance square for performances, concerts, sports matches and parades, and a world-class entertainment complex featuring the largest Lego education experience centre in China, one of the newest and largest DMAX cinema complexes in China (Jackie Chan Cinema), an indoor ice skating centre and a large sea-view Ferris wheel (琴島之眼). It is our aim for Rio Carnival to become one of the premier tourist destinations in China.

The hotel and outlet have commenced operations and other facilities will be opened in phases. As part of its business model, the Group also develops and sells high-end coastal residential properties and luxurious villas adjacent to its theme park, outlet mall and hotels in Rio Carnival. The residential properties occupy an aggregate site area of approximately 126,000 sq.m. with a total GFA of approximately 350,000 sq.m..

In late 2018, the Group entered into a sale and purchase agreement to dispose the entire interest in Joyous Investment Holdings Limited ("Joyous") (the "Disposal"), which held a property in Hong Kong's Southern District (Nos. 16A-16D Shouson Hill Road) with site area of approximately 50,000 square feet, at the aggregate consideration of HK\$1,860 million (subject to deduction of the relevant bank loan amount and other adjustments under the terms of the sale and purchase agreement). On 9 January 2019, the Company obtained written approvals for the Disposal from a group of Shareholders collectively owning or controlling approximately 62.16% of the voting rights in the Company on the date of the written approval. The Disposal was completed on 14 January 2019. The gain on Disposal was approximately HK\$296.4 million which comprised the net proceeds less the carrying value of the investment in Joyous and its subsidiary (the "Disposal Group") and after deducting the expenses directly related to the Disposal. The gain on Disposal has been recorded for the year ended 31 December 2019. The Group applied the net proceeds to settle certain debts owing by the Group to its creditors and as general working capital. As of the date of this report, the Company had fully utilised the net proceeds.

業務回顧

本集團之旗艦項目青島海上嘉年華（「青島海上嘉年華」）位於中國山東省青島市黃島區鳳凰島旅遊度假區，總佔地面積約350,000平方米（「平方米」），總建築面積（「建築面積」）約800,000平方米。隨著青島市西海岸新區的快速發展，本集團相信青島海上嘉年華長遠將可受惠於其地區優勢，並是中國第一批集商業、住宅及旅遊於一體的大型綜合項目之一。該項目集合室內外水底海洋探險主題樂園、一間高星級酒店「青島嘉年華萬麗酒店」及一間高檔服務式公寓「萬豪行政服務式公寓」、國際名牌購物商場、主題餐飲街、會展中心、可舉辦多種表演、音樂會、運動比賽及巡遊活動的表演廣場，以及設有中國最大的樂高教育體驗中心、中國最大最新的DMAX電影院（耀萊成龍國際影城）、室內滑冰場及大型海景摩天輪（琴島之眼）的世界級娛樂綜合體。本集團的目標是將青島海上嘉年華打造成為中國最佳旅遊勝地之一。

酒店及購物商場已開始運營，而其他設施將分階段逐步開業。作為經營模式的一部分，本集團亦在青島海上嘉年華的主題樂園、商場及酒店附近發展及銷售高端濱海住宅物業及豪華別墅。該等住宅物業總佔地面積約126,000平方米，總建築面積約350,000平方米。

於二零一八年底，本集團訂立買賣協議出售於豐盛投資控股有限公司（「豐盛」）的全部權益（「出售事項」），該公司持有香港南區一處物業（壽臣山道16A-16D號），佔地面積約50,000平方呎，合共代價為1,860,000,000港元（惟須扣減相關銀行貸款金額及作出買賣協議條款項下的其他調整）。於二零一九年一月九日，本公司已收到一組於有關書面批准日期共同擁有或控制本公司投票權約62.16%的股東就出售事項作出的書面批准。出售事項已於二零一九年一月十四日完成。出售事項之收益約為296,400,000港元，即為所得款項淨額減去於豐盛及其附屬公司（「出售集團」）的投資之賬面值及扣除與出售事項直接相關之開支。出售事項之收益已於截至二零一九年十二月三十一日止年度入賬。本集團已將所得款項淨額用於償還本集團結欠其債權人之若干債務及作為一般營運資金。截至本報告日期，本公司已完全動用所得款項淨額。

Beijing Airport Fushi International Real Estate Investment Company Limited* (北京空港富視國際房地產投資有限公司), a 99.4% non wholly-owned subsidiary of the Company, obtained the housing pre-sale permit issued by the Municipal Housing and Urban-Rural Development Committee of Beijing on 13 November 2019, pursuant to which the Company can sell the residences located in the Tianzhu Section of Shunyi Central Villa District in Beijing (the “Yanglin Project”). The Yanglin Project consists of 7 floors, of which one of the floors is for commercial purpose, four floors are for residential purpose and two basements for clubhouse and garages with a total of 111 residential units with total area of 21,984 sq.m., an average record price of RMB68,000 per sq.m. and total price of RMB1.49 billion, 215 saleable car parking spaces and 2 commercial units with total area of 1,026 sq.m., an average record price of RMB138,000 per sq.m. and total price of RMB142 million. Shunyi Central Villa District is one of the main international living areas in Beijing, consisting Continental Plaza, Ole Town, and Shine Hills which forms a distinctive regional business district. The Company is preparing for the sale of the Yanglin Project and is expected to be launched in June 2020.

During the year, the Directors have reviewed the business strategy of the Group and decided that the Group shall keep focusing on the integrated large-scale tourist complex project and property development. The Group will invest more resources in this segment when there are considerable opportunities.

PROSPECTS

After the signing of the Phase 1 Economic and Trade Agreement between the government of the United States of America (the “US”) and the PRC’s government in January 2020, the market seemed to be more stable for the time being though it still remained uncertain in its future development.

In addition, the outbreak of COVID-19 in Wuhan of the PRC, as well as the gradually mounting cases of infection reported in countries worldwide created further threats and anxieties. Although the government of the PRC has continuously implemented various and large-scale contingency measures to mitigate the adverse impact of the COVID-19, it is expected that the business environment in the PRC will remain soft in the near term until the spread of the COVID-19 is effectually contained. Meanwhile, many other countries are posing new challenges for controlling the spread of the virus. Before the COVID-19 outbreak could be fully contained, it will certainly have a significant negative impact on the global economy.

於二零一九年十一月十三日，本公司擁有99.4%之非全資附屬公司北京空港富視國際房地產投資有限公司於北京市取得由北京市住房和城鄉建設委員會發出的商品房預售許可證，據此本公司可銷售位於北京順義中央別墅區天竺板塊的住宅（「楊林項目」）。楊林項目共計7層，其中1層用作商業用途、4層用作住宅用途及地下兩層為會所及車庫，共計111套住宅，面積合共21,984平方米，平均備案價為每平方米人民幣68,000元，總價人民幣14.9億元、可銷售車位215個及2套商業單位面積合共1,026平方米，平均備案價為每平方米人民幣138,000元，總價人民幣1.42億元。順義中央別墅區為北京主要的國際生活區之一，由歐陸廣場、奧萊小鎮及中糧祥雲小鎮等，構成了具有特色的區域商圈。本公司正在為銷售楊林項目作準備，並預期在二零二零年六月正式開盤銷售。

年內，董事已檢討本集團的業務策略，並決定本集團繼續將重點放在一體化大型旅遊綜合項目及物業發展業務。本集團將適時於該分部投入更多資源，以把握可能出現的重大機會。

前景

在美利堅合眾國（「美國」）政府與中國政府於二零二零年一月簽署第一階段經濟和貿易協議後，市場暫時似乎更加穩定，儘管其未來的發展仍然充滿不確定性。

此外，中國武漢爆發的2019冠狀病毒病，及隨後世界多國報告的感染病例逐步增多，進一步造成了威脅和焦慮。儘管中國政府已持續實施各種大規模的應急措施以減輕2019冠狀病毒病的不利影響，但預計中國的商業環境在短期內將保持疲弱，直到有效阻止2019冠狀病毒病擴散為止。同時，全球各個國家對控制病毒擴散帶來新的挑戰。在2019冠狀病毒病全面控制前，病毒勢必對全球經濟帶來極大的負面影響。

The property market, after going through a high-speed growth, has now showed a weaker growth momentum. Meanwhile, the Chinese government repeatedly stressed that “houses are for living, not for speculation” and introduced a number of policies in maintaining strict regulation on the property market. However, the ongoing COVID-19 might cause a general downturn in the Chinese economy. Up until now, sales offices of property companies in most cities of the PRC have been shuttered and even online signing systems have been closed in certain cities. Furthermore, works in construction sites were generally suspended, land auctions postponed and property agencies all temporarily closed. As the outbreak continues, it is expected that property development, investment, sales, commencement and completion of construction in the first quarter will be significantly affected.

Almost all sectors in the PRC have been affected by the spread of COVID-19 as it caused extension of holiday and delay to resumption of work nationwide, suspended production in plants and disruption in logistics services. The property industry is not an exception in this regard. Presently, many cities in the PRC had issued notice of “suspension of operation” on the property market, prohibiting all property agencies and sales offices from opening for business. The China Real Estate Association also called for the industry to suspend bricks-and-mortar sales activities at all properties until the outbreak eases. Such control measures will essentially affect the property transaction market and objectively cause a standstill in transaction. Under the current outbreak of COVID-19 in the PRC, the property sales offices in many cities were forced to shutter for avoiding crowds and gatherings, which will inevitably cause disruption to the normal operation of the property market.

The Company will continue to closely monitor the developments of COVID-19, and evaluate and actively respond to its impact on the Group’s financial position and operating results. For the coming year, the Group will strengthen its cost control standards with an aim at pursuing sustainability.

During the year ended 31 December 2019, the Group derived most of its revenue from the following segments:

Property Development and Investment

Revenue from the Group’s property development and investment segments was approximately HK\$239.5 million for the year ended 31 December 2019, compared to HK\$1,603.2 million for the year ended 31 December 2018. For the year ended 31 December 2019, the revenue was mostly derived from the sale of residential and commercial units of the remaining completed properties in Qingdao and Chengdu in the PRC. However, the discount rebates provided to customers on selling these remaining units lowered the gross profit margin. Within the reporting period, the PRC property market was facing downward pressure, the Group’s property valuation suffered unavoidable impact and recorded a large impairment loss.

房地產市場在經歷過高速發展後增長勢頭減弱，同時，中國政府多次強調「房住不炒」並出台多項政策維持對房地產市場的嚴格調控。但2019冠狀病毒病持續可能引發中國經濟整體滑坡，截至目前為止，中國大多數城市售樓處已關閉，部分城市更是直接關閉網簽系統。此外，建築工地已基本停工、土地拍賣暫緩及地產仲介也悉數停業。隨著疫情持續，預計第一季房地產開發、投資、銷售、開工和竣工都將受到不小影響。

隨着2019冠狀病毒病的擴散，中國各行業都受到影響，全國性延長假期和返工時間、工廠停產及物流停運，房地產行業也不例外。目前，中國多個城市下發了房地產市場「暫停經營」的通知，禁止房地產中介和售樓處繼續營業。中國房地產協會發出號召，各地樓盤暫時停止銷售活動，待疫情過後再恢復。該等管制行為實際會影響住房交易市場，客觀上造成了交易停滯。基於當前中國2019冠狀病毒病疫情，很多城市為了避免人員聚集，關閉售樓處，肯定會對房地產市場正常運行造成干擾。

本公司將持續密切關注2019冠狀病毒病的發展情況，並評估和積極應對其對本集團財務狀況、經營成果等方面的影響。來年本集團將致力提升成本控制標準，以可持續發展為目標。

於截至二零一九年十二月三十一日止年度，本集團的收入主要來自以下分部：

物業開發及投資

截至二零一九年十二月三十一日止年度，本集團之物業開發及投資分部錄得收入約239,500,000港元，而截至二零一八年十二月三十一日止年度為1,603,200,000港元。截至二零一九年十二月三十一日止年度，收入主要來自銷售中國青島及成都的剩餘已落成物業的住宅及商業單位。然而，銷售該等剩餘單位時向客戶提供折扣優惠導致毛利率有所下降。於報告期內，中國房地產市場面臨下行壓力，本集團的物業估值受到不可避免的影響，錄得重大減值虧損。

Trading and Investment business

The Group invested in Hong Kong's listed securities and financial instruments as short-term and medium-term investments.

For the year ended 31 December 2019, due to the severe global market fluctuations, the Group's short-term investment portfolio and mid-term financial instruments stayed in significant loss-making situation and recorded net loss on investments of approximately HK\$794.5 million, compared to a net loss of approximately HK\$250.3 million for the year ended 31 December 2018.

As at 31 December 2019, the total value of the Group's securities investments was approximately HK\$15.2 million, compared to HK\$1,471.0 million as at 31 December 2018.

Hotel operation

The Group operates hotel business in the PRC. It includes hotel accommodation, food and banquet operations.

FINANCIAL REVIEW

Financial Results

		2019	2018	Change in percentage 變動
		二零一九年 HK\$'000 千港元	二零一八年 HK\$'000 千港元	百分比 HK\$'000 千港元
Revenue	收入	(475,701)	1,458,321	-133%
Gross loss	毛虧	(881,152)	(119,836)	635%
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(2,941,975)	(3,504,039)	-16%
Loss per share	每股虧損			
- Basic (HK dollar per share)	- 基本 (每股港元)	(0.12)	(0.15)	-20%
- Diluted (HK dollar per share)	- 攤薄 (每股港元)	(0.12)	(0.15)	-20%

貿易及投資業務

本集團投資於香港上市證券及金融工具作短期及中期投資。

截至二零一九年十二月三十一日止年度，由於環球市場嚴重波動，本集團之短期投資組合及中期金融工具處於大幅虧損狀態，錄得投資淨虧損約為794,500,000港元，而截至二零一八年十二月三十一日止年度為淨虧損約250,300,000港元。

於二零一九年十二月三十一日，本集團之證券投資總值約為15,200,000港元，而於二零一八年十二月三十一日約為1,471,000,000港元。

酒店經營

本集團於中國經營酒店業務。其包括酒店住宿、餐膳及宴會業務。

財務回顧

財務業績

For the year ended 31 December 2019, the Group recorded a consolidated net loss of approximately HK\$3,429.5 million as compared to the net loss of approximately HK\$3,699.1 million for the year ended 31 December 2018. The loss is mainly due to (i) impairment loss on the properties of approximately HK\$492.0 million; (ii) impairment loss on the aircraft of approximately HK\$101.5 million; (iii) the loss arising from changes in the fair value of the Group's investment properties of approximately HK\$314.9 million; (iv) impairment losses under ECL model of approximately HK\$555.6 million; (v) the loss arising from listed securities investment of approximately HK\$794.5 million; (vi) the fair value change on financial assets at fair value through profit or loss of approximately HK\$132.1 million, and (vii) finance cost of approximately HK\$903.2 million.

(i) Impairment loss on properties

The Group recognised an impairment loss on properties of approximately HK\$492,042,000 (2018: HK\$544,472,000) in respect of Rio Carnival, a residential/commercial development located in the West of Jianshan Road and South of Binhai Road, Huangdao District, Qingdao, Shandong Province, PRC. The Rio Carnival comprises a theme park, a convention centre, a hotel and ancillary facilities. The impairment loss on the theme park, convention centre and hotel ancillary facilities amounted to approximately HK\$46,496,000 (2018: HK\$399,625,000) while the impairment loss on the hotel amounted to approximately HK\$445,546,000 (2018: HK\$144,847,000).

In view of the loss-making arise from the owned properties during the year and the outbreak of COVID-19 at the year end, the effect may lead to the delay of construction work and unfavourable market environment, the Directors of the Company are of the view that there is an indication of impairment and has conducted impairment assessment on the recoverable amount of the owned properties and construction-in-progress. Therefore, a valuer was engaged to perform the valuation of the property, plant and equipment in respect of Rio Carnival.

The recoverable amount of Rio Carnival was valued by an independent professional valuer (the "Valuer"). The Valuer had appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuations conformed to International Valuation Standards. The valuation of the hotel and ancillary facilities, convention centre and theme park of Rio Carnival was arrived at adopting the discounted cash flow approach under the basis of on-going concern with forecast of input values including revenues, taxes, costs of goods sold, operation costs, interest expenses, amortisation of fixed assets and management fees, provided by the then Management, assuming that the properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. For properties which are under construction, the Valuer has taken into account the costs that will be expended to complete the development.

截至二零一九年十二月三十一日止年度，本集團錄得綜合淨虧損約3,429,500,000港元，而截至二零一八年十二月三十一日止年度錄得淨虧損約3,699,100,000港元。有關虧損乃主要由於(i)物業之減值虧損約492,000,000港元；(ii)飛機之減值虧損約101,500,000港元；(iii)本集團投資物業公平值變動產生之虧損約314,900,000港元；(iv)預期信貸虧損模式下之減值虧損約555,600,000港元；(v)上市證券投資產生之虧損約794,500,000港元；(vi)按公平值計入損益之金融資產之公平值變動約132,100,000港元；及(vii)財務成本約903,200,000港元。

(i) 物業之減值虧損

本集團就青島海上嘉年華（位於中國山東省青島市黃島區江山路西側及濱海大道南側的住宅／商業發展項目）確認物業之減值虧損約492,042,000港元（二零一八年：544,472,000港元）。青島海上嘉年華包括一個主題公園、一個會展中心、一間酒店及配套設施。主題公園、會展中心及酒店配套設施的減值虧損約為46,496,000港元（二零一八年：399,625,000港元），而酒店的減值虧損約為445,546,000港元（二零一八年：144,847,000港元）。

鑒於年內自有物業產生虧損及年末爆發2019冠狀病毒病，其影響可能導致建築工程延期及不利的市場環境，本公司董事認為存在減值跡象並已對自有物業及在建工程之可收回金額進行減值評估。因此，已委聘估值師對青島海上嘉年華有關之物業、廠房及設備進行估值。

青島海上嘉年華的可收回金額由獨立專業估值師（「估值師」）進行估值。估值師具備合適資格，且擁有近期就有關位置之同類型物業進行估值之經驗。有關估值符合國際估值準則。青島海上嘉年華的酒店及配套設施、會展中心及主題公園估值乃按持續經營基準採用折現現金流量法得出，其中的輸入值預測包括當時管理層提供的收入、稅項、已售貨品成本、經營成本、利息開支、固定資產攤銷及管理費，並假設該等物業將按照發展計劃完成及已就有關計劃獲得相關批文。就在建物業而言，估值師已計及完成發展將耗費之成本。

The forecast of input values adopted in the discounted cash flow approach by the Valuer is estimated by the Group to reflect the latest market conditions and sentiment. Moreover, in valuing the commercial portion of the hotel, the Valuer has adopted direct comparison approach with reference to comparable transactions in the locality.

There has been no change from the valuation technique used in prior year. In estimating the fair value of the properties, the highest and best use of the properties is their planned or current uses.

(ii) Impairment loss on the aircraft

The Group recorded an impairment loss on the aircraft of approximately HK\$101,506,000 (2018: Nil).

Impairment in value of aircraft is considered by writing down the carrying value to the estimated recoverable amount which is the higher of the value in use and the fair value less costs of disposal. The recoverable amount was determined based on the fair value less costs of disposal, using market comparison approach by reference to the estimated sales value as at 31 December 2019.

(iii) Fair value change on investment properties

A fair value loss on investment properties of approximately HK\$314,875,000 (2018: HK\$242,629,000) has been recognised for the year ended 31 December 2019. It comprised of (i) the fair value loss of the shopping mall in Qingdao of approximately HK\$340,084,000 (2018: Nil); (ii) fair value gain of the commercial premises in Chengdu of approximately HK\$9,937,000 (2018: HK\$48,695,000); and (iii) fair value gain of the commercial premises under construction in Chengdu of approximately HK\$15,272,000 (2018: Fair value loss HK\$291,324,000). Such fair value loss was mainly due to the downward pressure of the PRC property market and the unfavourable market environment.

The fair value of the Group's investment properties at 31 December 2019 and 2018 have been arrived on the basis of a valuation which carried out by the Valuer. The Valuer had appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuations conformed to International Valuation Standards.

估值師所採用折現現金流量法內採用的輸入值預測由本集團估計，以反映最新的市場狀況及氣氛。此外，於評估酒店商業部分之價值時，估值師已採用直接比較法，參考區內之可比較交易。

於往年所用之估值技術並無變動。於估計物業之公平值時，物業之最高及最佳用途為其計劃或現時用途。

(ii) 飛機之減值虧損

本集團錄得飛機之減值虧損約101,506,000港元（二零一八年：無）。

飛機價值之減值乃透過將賬面值撇減至估計可收回金額考慮，估計可收回金額為使用價值與公平值減出售成本之較高者。可收回金額乃使用市場比較法參考於二零一九年十二月三十一日之估計出售價值，基於公平值減出售成本而釐定。

(iii) 投資物業公平值變動

截至二零一九年十二月三十一日止年度已確認投資物業之公平值虧損約314,875,000港元（二零一八年：242,629,000港元）。其中包括 (i) 青島購物商場之公平值虧損約340,084,000港元（二零一八年：無）；(ii) 成都商業物業之公平值收益約9,937,000港元（二零一八年：48,695,000港元）；及(iii) 成都在建商業物業之公平值收益約15,272,000港元（二零一八年：公平值虧損291,324,000港元）。有關公平值虧損乃主要由於中國房地產市場面臨下行壓力及不利的市場環境。

本集團於二零一九年及二零一八年十二月三十一日之投資物業的公平值乃根據估值師進行的估值而釐定。估值師具備合適資格，且擁有近期就有關位置之同類型物業進行估值的經驗。有關估值符合國際估值準則。

The valuation of investment properties have been arrived at adopting direct comparison approach with reference to comparable transactions in the locality and also the income approach and assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. For properties which are under construction, the Valuer has taken into account the cost that will be expanded to complete the development.

There has been no change from the valuation technique used in prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

(iv) Impairment losses under ECL model

The Group recorded impairment losses under ECL model of approximately HK\$555,591,000 (2018: HK\$29,466,000).

Upon the Group's adoption of Hong Kong Financial Reporting Standard 9 – Financial Instruments (“HKFRS 9”) from 1 January 2018, the Group's loans and receivables, are subject to HKFRS 9's new ECL model, and the Group was required to revise its impairment methodology under HKFRS 9. The calculation of ECL for loans and receivables involves the assessment of default rate and recovery rate as well as forward-looking information that is reasonable and supportable at reporting date.

In view of the unfavourable market environment and the outbreak of COVID-19 at the year ended, the Directors of the Company is of the view that there is an indication of impairment and has conducted impairment assessment on account receivables, other receivables and promissory note (collectively “Receivables”) under HKFRS 9. The Company has appointed an independent and recognized international valuation specialist (“The Valuer”) to undertake an exercise to estimate of ECL allowance for the Company's Receivables. Assessment techniques were adopted in compliance with the HKFRS 9 and are calibrated to ensure that outputs reflect market conditions.

The Receivables are classified as Stage 1 to Stage 3 financial assets in accordance with HKFRS 9. The Company has recognized its Stage 1 to Stage 3 Receivables based on the number of overdue days. The Valuer has adopted the probability-weighted loss default model to determine the ECL for the Receivables.

投資物業之估值乃採用直接比較法參考區內之可比較交易以及收入法，並假設投資物業將按照發展計劃完成及已就有關計劃獲得相關批文而達致。就在建物業而言，估值師已計及完成發展將耗費之成本。

於往年所用之估值技術並無變動。於估計物業之公平值時，物業之最高及最佳用途為其現時用途。

(iv) 預期信貸虧損模式下之減值虧損

本集團錄得預期信貸虧損模式下之減值虧損約555,591,000港元（二零一八年：29,466,000港元）。

於本集團自二零一八年一月一日起採納香港財務報告準則第9號—金融工具（「香港財務報告準則第9號」）後，本集團之貸款及應收款項須遵守香港財務報告準則第9號的新預期信貸虧損模式，及本集團須根據香港財務報告準則第9號修訂其減值方法。貸款及應收款項之預期信貸虧損之計算涉及於報告日期評估違約率及收回率以及合理、有證據的前瞻性資料。

鑒於不利的市場環境及年底爆發2019冠狀病毒病，本公司董事認為存在減值跡象並已根據香港財務報告準則第9號對應收賬款、其他應收款項及承兌票據（統稱為「應收款項」）進行減值評估。本公司已委任一名獨立的認可國際估值專家（「估值師」）開展工作以估計本公司應收款項之預期信貸虧損撥備。評估技術乃根據香港財務報告準則第9號採納，並作出調整以確保得出之結果反映市場狀況。

應收款項根據香港財務報告準則第9號分類為第一階段至第三階段金融資產。本公司已根據逾期天數確認其第一階段至第三階段應收款項。估值師採用概率加權虧損違約模式釐定應收款項之預期信貸虧損。

The valuation methodology has remained consistent over the two financial reporting periods without significant changes in the source of inputs and assumptions.

(v) Loss from listed securities investment

The Group recorded a loss arising from securities investment of approximately HK\$794,487,000 (2018: HK\$250,328,000).

The listed securities are traded in an active market and their realised and unrealised gain/(loss) was determined based on the quoted market prices as at 31 December 2019.

(vi) Fair value change on financial assets

The Group recorded an impairment loss on fair value change on financial assets at fair value through profit or loss of approximately HK\$132,061,000 (2018: HK\$680,589,000). The fair value change on financial assets is related to the investments in MSQ Fund SPC.

MSQ Fund SPC invests in, among others, a luxury residential condominium complex real estate project in West Georgia Street, Vancouver, British Columbia, Canada. The impairment loss was mainly caused by the decrease in market price of the Canadian properties. The fair value of MSQ Fund SPC was determined with reference to the redemption price quoted by the fund administrator.

(vii) Finance cost

The Group recorded a finance cost of approximately HK\$903,247,000 (2018: HK\$42,668,000) during the year. The increase in finance cost is due to less amounts capitalised during the year.

Capital Structure, Liquidity and Financial Resources

As at 31 December 2019, the authorised share capital of the Company was HK\$10,000.0 million divided into 1,000,000,000,000 shares of HK\$0.01 each and the issued share capital of the Company was approximately HK\$237.0 million divided into 23,695,220,585 shares of HK\$0.01 each.

於兩個財務報告期間估值方法維持不變，參數的來源及假設並無重大變動。

(v) 上市證券投資之虧損

本集團錄得證券投資產生之虧損約794,487,000港元（二零一八年：250,328,000港元）。

上市證券於活躍市場進行交易及其已變現及未變現收益／（虧損）乃根據於二零一九年十二月三十一日之市場報價釐定。

(vi) 金融資產之公平值變動

本集團就按公平值計入損益之金融資產之公平值變動錄得減值虧損約132,061,000港元（二零一八年：680,589,000港元）。金融資產公平值變動乃與於MSQ Fund SPC之投資有關。

MSQ Fund SPC投資（其中包括）於加拿大不列顛哥倫比亞省溫哥華市佐治西街之豪華住宅綜合公寓群項目。有關減值虧損乃主要由加拿大物業市價下降所致。MSQ Fund SPC公平值乃經參考有關基金管理人的贖回報價釐定。

(vii) 財務成本

本集團於本年度內錄得財務成本約903,247,000港元（二零一八年：42,668,000港元）。財務成本增加乃由於本年度內資本化的金額減少。

資本結構、流動性及財務資源

於二零一九年十二月三十一日，本公司之法定股本為10,000,000,000港元，分為1,000,000,000,000股每股面值為0.01港元之股份；本公司之已發行股本約為237,000,000港元，分為23,695,220,585股每股面值為0.01港元之股份。

As at 31 December 2019, the current assets and current liabilities of the Group were approximately HK\$7,713.9 million (2018: approximately HK\$12,043.0 million) and approximately HK\$8,558.6 million (2018: approximately HK\$11,237.7 million) respectively. The liquidity ratio, which is calculated as current assets over current liabilities, was approximately 0.90 times as at 31 December 2019, as compared to that of approximately 1.07 times as at 31 December 2018. The decrease in liquidity ratio was mainly due to the written down of properties held for sale and impairment losses of deposits and other receivables under ECL model. The Group recognised an allowance for ECL of HK\$540.4 million (2018: approximately HK\$29.5 million) for deposits and other receivables under HKFRS 9.

As at 31 December 2019, the Group's total assets and total liabilities amounted to approximately HK\$18,479.3 million (2018: approximately HK\$24,256.1 million) and approximately HK\$13,919.7 million (2018: approximately HK\$15,985.2 million) respectively. The debt ratio, which is calculated based on total liabilities over total assets, was approximately 0.75 times as at 31 December 2019, as compared to that of approximately 0.66 times as at 31 December 2018.

The cash and bank deposits (including pledged bank deposits) as at 31 December 2019 were approximately HK\$74.6 million (2018: approximately HK\$784.3 million). The decrease was mainly due to debts settlements during the year ended 31 December 2019.

As at 31 December 2019, the net debt to equity ratio of the Group, expressed as a percentage of borrowings and long-term debts (including obligation under finance lease) net of cash and bank deposits (including pledged bank deposits) over total equity, was approximately 183.1% (2018: approximately 125.8%). The increase in net debt to equity ratio was mainly due to utilisation of cash and bank deposits for repayment of debts and general working capital.

於二零一九年十二月三十一日，本集團之流動資產及流動負債分別約為7,713,900,000港元（二零一八年：約為12,043,000,000港元）及約為8,558,600,000港元（二零一八年：約為11,237,700,000港元）。於二零一九年十二月三十一日，流動比率（按流動資產除以流動負債計算）約為0.90倍，而於二零一八年十二月三十一日約為1.07倍。流動比率下降乃主要由於持作出售物業撇減以及預期信貸虧損模式下按金及其他應收款項之減值虧損。本集團根據香港財務報告準則第9號就按金及其他應收款項確認預期信貸虧損撥備540,400,000港元（二零一八年：約29,500,000港元）。

於二零一九年十二月三十一日，本集團之資產總值及負債總額分別約為18,479,300,000港元（二零一八年：約為24,256,100,000港元）及約為13,919,700,000港元（二零一八年：約為15,985,200,000港元）。於二零一九年十二月三十一日，負債比率（按負債總額除以資產總值計算）約為0.75倍，而於二零一八年十二月三十一日約為0.66倍。

於二零一九年十二月三十一日，現金及銀行存款（包括已抵押銀行存款）約為74,600,000港元（二零一八年：約為784,300,000港元）。有關減少乃主要由於截至二零一九年十二月三十一日止年度內償還債務。

於二零一九年十二月三十一日，本集團淨債務對權益比率（按借款及長期債務（包括融資租賃項下之責任）扣除現金及銀行存款（包括已抵押銀行存款）除以權益總額之百分比計算）約為183.1%（二零一八年：約為125.8%）。淨債務對權益比率增加乃主要由於動用現金及銀行存款償還債務及一般營運資金。

On 21 November 2018, the Company entered into a placing agreement (“CB Placing Agreement”) with Guoyuan Capital (Hong Kong) Limited (the “CB Placing Agent”) pursuant to which the Company conditionally agreed to issue, and the CB Placing Agent conditionally agreed to procure, on a best effort basis, investor(s) to subscribe for, the 8% unsecured convertible bonds due 2020 (with an option to extend to 2021) of the Company (the “CB”) in an aggregate principal amount of up to US\$350.0 million in one or more tranches. Subsequently, on 1 February 2019, the Company and the CB Placing Agent entered into the supplemental agreement to amend and supplement certain terms of the CB Placing Agreement, including, among other things (i) revising the reference of the CB to 8% unsecured convertible bonds due 2021 (with an option to extend to 2022) instead, (ii) amending the placing period of the CB to the period commencing on the date of the CB Placing Agreement to the 60th business day after the date of special general meeting of the Company (i.e. 27 February 2019), and (iii) amending the pricing mechanism of setting the initial conversion price of the CB. For details, please refer to the announcements of the Company dated 21 November 2018 and 1 February 2019. The CB Placing Agreement and the special mandate to allot and issue the conversion shares upon conversion of the CB were approved by the Shareholders in the special general meeting of the Company held on 27 February 2019. On 29 May 2019, being the long stop date of the CB Placing Agreement, the CB Placing Agreement lapsed. No CB were issued under the CB Placing Agreement.

On 16 January 2019, the Company had sought and obtained the approval of the requisite number of the 8% secured bonds holders with an aggregate principal amount of up to US\$285.0 million (the “Bonds”) by way of extraordinary resolutions in writing in accordance with the trust deed to further amend certain terms and conditions of the Bonds of which the maturity date of the Bonds had been further extended from 16 January 2019 to 16 January 2021.

On 13 February 2019, the Company had sought and obtained the required consent of (US\$180.0 million aggregate principal amount of senior bonds) a majority of not less than 75% of the bondholders in respect of the proposed amendments to (i) extend the scheduled maturity date of the bonds to 22 March 2021; (ii) amend the interest rate from 8.0% per annum to 10.0% per annum during the extended period; and (iii) modify the redemption right at the option of the Company to reflect the extended maturity date were passed. On 28 February 2019, the capital reorganisation of the Company including reduction of the par value of each of the issued shares of the Company from HK\$0.20 each to HK\$0.01 each and subdivision of every authorised but unissued share of the Company to 20 shares of HK\$0.01 each, had become effective.

於二零一八年十一月二十一日，本公司與國元融資（香港）有限公司（「可換股債券配售代理」）訂立配售協議（「可換股債券配售協議」），據此，本公司有條件同意發行，而可換股債券配售代理有條件同意按竭盡所能基準促使投資者認購本公司以一批或多批發行的將於二零二零年（有選擇權延長到二零二一年）到期的合共本金額最多達350,000,000美元的8厘息無抵押可換股債券（「可換股債券」）。其後，於二零一九年二月一日，本公司與可換股債券配售代理訂立補充協議，修訂及補充可換股債券配售協議的若干條款，其中包括但不限於(i)將可換股債券的描述更改為將於二零二一年（有選擇權延長到二零二二年）到期的8厘息無抵押可換股債券，(ii)將可換股債券的配售期修訂為由可換股債券配售協議日期起至本公司股東特別大會日期（即二零一九年二月二十七日）後第60個營業日止期間，及(iii)修訂設定可換股債券初步兌換價的定價機制。有關詳情，請參閱本公司日期為二零一八年十一月二十一日及二零一九年二月一日之公告。可換股債券配售協議及於可換股債券獲兌換時配發及發行兌換股份的特別授權已於二零一九年二月二十七日舉行的本公司股東特別大會上獲股東批准。於二零一九年五月二十九日（即可換股債券配售協議的最後截止日期），可換股債券配售協議已失效。概無可換股債券已經根據可換股債券配售協議獲發行。

於二零一九年一月十六日，本公司已根據信託契據以書面特別決議案方式尋求及獲得合共本金額最多達285,000,000美元8厘息有抵押債券（「該債券」）必要數目之持有人批准，進一步修訂該債券之若干條款及條件，其中該債券之到期日已由二零一九年一月十六日進一步延長至二零二一年一月十六日。

於二零一九年二月十三日，本公司已尋求並獲得合共本金額180,000,000美元優先債券之不少於75%之大多數債券持有人給予必要的同意，同意下列建議修訂(i)延長該等債券的預定到期日至二零二一年三月二十二日；(ii)於延長期間的年息率由8.0厘改為10.0厘；及(iii)更改本公司贖回債券的選擇權利以反映延長到期日已獲通過。於二零一九年二月二十八日，本公司之股本重組（包括將本公司每股已發行股份的面值由每股0.20港元削減至每股0.01港元及將本公司每股法定但未發行股份分拆為20股每股0.01港元之股份）已經生效。

On 23 September 2019, the Company and Haitong Global Investment SPC III (acting on behalf of and for the account of Haitong Dynamic Fund) (the “Investor”) entered into a legally binding term sheet (the “Term Sheet”), pursuant to which (a) the Investor conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue an aggregate of 4,739,044,117 new shares to be allotted and issued by the Company to the Investor (the “Capitalisation Shares”) at a subscription price of HK\$0.03 per Capitalisation Share; (b) the consideration payable by the Investor shall be satisfied by capitalising no more than HK\$200 million of the total outstanding principal amount of the CB and the interest accrued thereon outstanding to the Investor; and (c) Haitong Dynamic Investment Fund II S.P. will become the second largest Shareholder holding approximately 16.67% of the issued share capital as enlarged by the Capitalisation Shares (the “Proposed Loan Capitalisation”). The parties would enter into an agreement setting out the final terms of the Proposed Loan Capitalisation on or around 15 October 2019 (the “Agreement”). Completion of the Proposed Loan Capitalisation was subject to various conditions. On 16 October 2019, the Company and the Investor entered into a supplemental term sheet (the “Supplemental Term Sheet”), pursuant to which the parties agreed to extend (i) the date for the entering into of the Agreement from on or around 15 October 2019 to on or around 31 October 2019; and (ii) the long stop date to fulfill the conditions precedent under the Term Sheet from 31 October 2019 to 21 November 2019. On 31 October 2019, the Company and the Investor entered into a second supplemental term sheet (the “Second Supplemental Term Sheet”), pursuant to which the parties agreed to extend (i) the date for the entering into of the Agreement from on or around 31 October 2019 to on or around 30 November 2019; and (ii) the long stop date to fulfill the conditions precedent under the Term Sheets from 21 November 2019 to 21 December 2019. Subsequently, as the condition precedent regarding seeking for approval of one of the creditor had not been fulfilled or waived by the agreed date as set out in the Second Supplemental Term Sheet, the Proposed Loan Capitalisation lapsed and ceased to have any effect automatically on 30 November 2019, and no Capitalisation Shares were allotted or issued by the Company under the general mandate.

On 23 September 2019, the Company and Qingdao City Construction Cultural Industry Company Limited* (青島城投文化產業有限公司) entered into a memorandum of understanding, pursuant to which the parties intended to create a cultural, sports and tourism complex that integrates health care for elderly, public health and consumption upgrades throughout China.

於二零一九年九月二十三日，本公司與Haitong Global Investment SPC III (為及代表Haitong Dynamic Fund) (「投資者」)訂立一份具法律約束力的條款文件(「條款文件」)，據此，(a)投資者有條件同意認購而本公司有條件同意配發及發行將由本公司向投資者配發及發行的合共4,739,044,117股新股份(「資本化股份」)，認購價為每股資本化股份0.03港元；(b)投資者應付代價將以資本化可換股債券尚未償還本金總額及尚未支付投資者的相關應計利息不超過200,000,000港元的方式支付；及(c)Haitong Dynamic Investment Fund II S.P.將成為第二大股東，持有經資本化股份擴大後已發行股本約16.67%(「建議貸款資本化」)。訂約方將於二零一九年十月十五日或前後訂立規定建議貸款資本化最終條款的協議(「該協議」)。建議貸款資本化的完成取決於多項條件。於二零一九年十月十六日，本公司與投資者訂立補充條款文件(「補充條款文件」)，據此，訂約方同意(i)將訂立該協議的日期由二零一九年十月十五日或前後延長至二零一九年十月三十一日或前後；及(ii)達成條款文件項下先決條件之最後截止日期由二零一九年十月三十一日延長至二零一九年十一月二十一日。於二零一九年十月三十一日，本公司與投資者訂立第二份補充條款文件(「第二補充條款文件」)，據此，訂約方同意(i)將訂立該協議的日期由二零一九年十月三十一日或前後延長至二零一九年十一月三十日或前後；及(ii)達成條款文件項下先決條件之最後截止日期由二零一九年十一月二十一日延長至二零一九年十二月二十一日。隨後，由於與尋求其中一名債權人批准有關的先決條件並未在第二份補充條款文件所載的協定日期前達成或獲豁免，建議貸款資本化已於二零一九年十一月三十日失效並自動終止效力，而本公司並無根據一般授權配發及發行資本化股份。

於二零一九年九月二十三日，本公司與青島城投文化產業有限公司訂立諒解備忘錄，據此，雙方有意在全中國範圍內打造集康養、大健康及消費升級的文體旅遊城市綜合體。

On 22 November 2019, the Company noticed that a winding up petition (the “Petition”) was filed by Huang Wenhui (the “Petitioner”) that the Company might be wound up by the High Court of the Hong Kong Special Administrative Region (the “High Court”) on the ground that the Company is insolvent and unable to pay its debt. The winding up petition was scheduled to be heard before the High Court at 9:30 a.m. on 22 January 2020. Subsequently, upon the joint application of the Company and the Petitioner to withdraw the Petition, the High Court ordered on 13 December 2019, inter alia, that the Petition be withdrawn.

Certain of the Group’s PRC subsidiaries entered into financing agreements including guarantees or security agreements with various PRC banks and financial institutions. These loans have original terms ranging from 12 months to 36 months.

The principal amounts outstanding under these loans in the PRC generally bear interest at fixed rates calculated by reference to the relevant bank’s benchmark interest rate for such loans. Interest payments are payable on either monthly or quarterly basis and must be on each payment date as provided in the particular loan agreement.

FOREIGN EXCHANGE EXPOSURE

Substantially all of the Group’s sales and operating costs are denominated in the functional currency of each individual group entity i.e. Renminbi and Hong Kong dollar. As at 31 December 2019, except for the borrowings of principal amount of HK\$3,571.3 million by the Company are denominated in United States Dollar, other borrowings or share placements denominated in the functional currency of each individual group entity. Accordingly, the Directors consider that the currency risk is low to moderate. The Group currently does not have a formal currency hedging policy in relation to currency risk. The Directors monitor the Group’s exposure on an on-going basis and will consider hedging the currency risk should the need arises.

CONTINGENT LIABILITIES

As at 31 December 2019, the Group had no material contingent liabilities.

CHARGES ON THE GROUP’S ASSETS

As at 31 December 2019, the Group’s certain property, plant and equipment, investment properties, inventories, bank deposits and equity securities listed in Hong Kong of approximately HK\$14,432.6 million (2018: approximately HK\$18,551.4 million) were pledged to banks and other financial institutions to secure certain loan facilities granted to the Group.

於二零一九年十一月二十二日，本公司注意到Huang Wenhui（「呈請人」）提出清盤呈請（「該呈請」），以本公司無力償債及未能支付其債務為理由而請求香港特別行政區高等法院（「高等法院」）將本公司清盤。清盤呈請定於二零二零年一月二十二日上午九時三十分於高等法院聆訊。隨後，經本公司與呈請人聯合申請撤回該呈請，高等法院於二零一九年十二月十三日作出頒令（其中包括）呈請已被撤回。

本集團若干中國附屬公司與數家中國的銀行及金融機構訂立多份融資協議，包括擔保或抵押協議。該等貸款之原訂期限由12個月至36個月不等。

該等中國境內貸款的未償還本金額通常按固定利率計息，有關利率乃參考相關銀行提供有關貸款之基準利率計算。利息款項按月或按季支付，並必須於特定貸款協議中規定之各個付款日期支付。

外匯風險

本集團絕大部分銷售及經營成本以各個別集團實體之功能貨幣，即人民幣及港元計值。於二零一九年十二月三十一日，除本公司本金額為3,571,300,000港元的借貸以美元計值外，其他借貸或批股均以各個別集團實體之功能貨幣計值。故此，董事認為貨幣風險為低至中等。本集團目前並無有關貨幣風險之正式貨幣對沖政策。董事持續監控本集團所面對之風險，並將於有需要時考慮對沖貨幣風險。

或然負債

於二零一九年十二月三十一日，本集團並無任何重大或然負債。

本集團資產抵押

於二零一九年十二月三十一日，本集團已向銀行及其他金融機構抵押約為14,432,600,000港元（二零一八年：約為18,551,400,000港元）的若干物業、廠房及設備、投資物業、存貨、銀行存款及於香港上市的股本證券，作為本集團獲授之若干貸款融資的抵押。

MATERIAL ACQUISITIONS OR DISPOSALS

On 30 December 2018, a direct wholly-owned subsidiary of the Company as seller, and the Company, entered into a sale and purchase agreement with an independent third party as purchaser, pursuant to which (a) the seller agreed to sell to the purchaser the entire issued share capital of the Disposal Group, which held a property in Hong Kong's Southern District (i.e. the Sale Share); and (b) the Company agreed to assign to the purchaser the loans owing by the Disposal Group to the Company (i.e. the Sale Loan), at an aggregate consideration of HK\$1,860 million (subject to a deduction of the bank loan and other adjustments) subject to the terms of the sale and purchase agreement. Details of which are set out in the announcement of the Company dated 31 December 2018.

The Disposal was completed on 14 January 2019. The gain on Disposal was approximately HK\$296.4 million which comprised the net proceeds less the carrying value of the investment in the Disposal Group and after deducting the expenses directly related to the Disposal. The gain on Disposal has been recorded for the year ended 31 December 2019. The Group applied the net proceeds to settle certain debts owing by the Group by its creditors and as general working capital.

EMPLOYEE INFORMATION

As at 31 December 2019, the Group had 326 employees (2018: 413 employees). The employees of the Group are remunerated in accordance with their work experience, performance and prevailing industry practices. The remuneration policy and package of the Group are periodically reviewed by the management. For the year ended 31 December 2019, the total staff costs of the Group were approximately HK\$131.6 million (2018: approximately HK\$181.0 million), representing a decrease of approximately 27% over the corresponding period of 2018. The decrease in staff cost was mainly due to the decrease of employees.

DIVIDEND

The Board resolved not to recommend any dividend for the year ended 31 December 2019 (2018: Nil).

重大收購或出售

於二零一八年十二月三十日，本公司一間直接全資附屬公司（作為賣方）及本公司與一名獨立第三方（作為買方）訂立買賣協議，據此(a)賣方同意向買方出售出售集團（其持有香港南區一處物業）全部已發行股本（即銷售股份）；及(b)本公司同意向買方轉讓出售集團結欠本公司的貸款（即銷售貸款），合共代價為1,860,000,000港元（須扣減銀行貸款及作出其他調整），惟須受買賣協議的條款規限。有關詳情載於本公司日期為二零一八年十二月三十一日之公告。

出售事項已於二零一九年一月十四日完成。出售事項之收益約為296,400,000港元，即為所得款項淨額減去於出售集團的投資之賬面值及扣除與出售事項直接相關之開支。出售事項之收益已於截至二零一九年十二月三十一日止年度入賬。本集團已將所得款項淨額用於償還本集團結欠其債權人之若干債務及作為一般營運資金。

僱員資料

於二零一九年十二月三十一日，本集團有326名僱員（二零一八年：413名僱員）。本集團僱員之薪酬乃基於其工作經驗、表現及現行行業慣例而制定。管理層定期檢討本集團之薪酬政策及待遇。截至二零一九年十二月三十一日止年度，本集團之員工成本總額約為131,600,000港元（二零一八年：約為181,000,000港元），較二零一八年同期減少約27%。員工成本減少乃主要由於僱員人數減少。

股息

董事會議決不就截至二零一九年十二月三十一日止年度建議任何股息（二零一八年：無）。

EVENT AFTER THE REPORTING PERIOD

On 22 January 2020, a winding up petition was presented against the Company in respect of certain alleged indebtedness of approximately HK\$10.6 million owed to Mr. Sheng Hou Feng (the “Petition by Mr. Shen HF”) in respect of a private immigration bonds issued by the Company. The hearing originally scheduled to be heard on 18 March 2020 has been adjourned to a date to be fixed due to the outbreak of the COVID-19. Certain individuals who are alleged creditors of the Company served notices of intention to appear on the hearing of the Petition by Mr. Shen HF. On 10 March 2020, another winding up petition was presented against the Company in respect of certain alleged indebtedness of approximately HK\$30.2 million owed to Ms. Zhang Jingchu in respect of a private senior immigration bonds issued by the Company. The hearing is scheduled to be heard on 3 June 2020.

The Company has appointed Houlihan Lokey (China) Limited as financial advisor (the “Financial Adviser”) to assess the financial position of the Company and to identify all options available at this time to regularise the position as soon as practicable. The Company may oppose the Petition by Mr. Shen HF and/or seek an adjournment of the hearing while the Company explores the options for implementing a financial restructuring with the Financial Adviser.

For further details, please refer to the announcements published by the Company on 23 January 2020, 14 February 2020, 6 March 2020 and 11 March 2020.

STATUS OF THE DEBT RESTRUCTURING PLAN

The Company’s real estate business is mainly located in China and has been affected by the tightening government policy in the real estate industry in China over the past years and the recent outbreak of COVID-19, leading to a strained liquidity position of the Company. The Company has been actively engaging with its creditors in order to stabilise the current situation and in an effort to achieve a consensual restructuring. The Company has convened six meetings with the institutional creditors to provide updates on its operational and financial status and future business plan, and to discuss about its debt restructuring plan since April 2019. Major creditors have established a clear understanding of the Company’s financial status and have indicated their willingness to work constructively with the Company. Certain creditors are considering to provide capital to support the Company in light of its current difficulties.

On 5 December 2019, the Company appointed the Financial Advisor to assist the Company in assessing its financial position and to advise the Company on formulating and implementing a debt restructuring plan for its USD-denominated Bonds. Subsequently, on 3 March 2020, the Company formally extended the Financial Advisor’s mandate to include the bond relating to immigration loans constituted with various creditors (“Immigration Bonds”).

報告期後事項

於二零二零年一月二十二日，一名呈請人就指稱結欠沈厚鋒先生有關本公司所發行私人移民債券的債務約10,600,000港元提出要求本公司清盤之呈請（「沈厚鋒先生之呈請」）。聆訊原定於二零二零年三月十八日進行，因2019冠狀病毒病爆發已延期至另行釐定的日期。若干聲稱是本公司債權人的個人已提交有意出席沈厚鋒先生之呈請聆訊的通知。於二零二零年三月十日，另一呈請人就指稱結欠張靜初女士有關本公司所發行私人優先移民債券之債務約30,200,000港元提出要求本公司清盤之呈請。聆訊定於二零二零年六月三日進行。

本公司已委聘華利安諾基（中國）有限公司作為財務顧問（「財務顧問」），以評估本公司的財務狀況並於切實可行範圍內盡快識別當前所有可用的方案以調整該狀況。本公司或會就沈厚鋒先生之呈請提出抗辯及／或尋求延後聆訊，同時本公司將與財務顧問探討有關實施財務重組的方案。

有關進一步詳情，請參閱本公司於二零二零年一月二十三日、二零二零年二月十四日、二零二零年三月六日及二零二零年三月十一日刊發之公告。

債務重組計劃狀況

本公司的房地產業務主要位於中國，受過去幾年中國政府收緊房地產政策以及近期2019冠狀病毒病爆發的影響，導致本公司存在流動性緊張的狀況。本公司一直積極與其債權人洽商以穩定目前狀況及努力達成經一致同意的重組。自二零一九年四月以來，本公司與機構債權人召開了六次會議，向彼等提供有關其營運及財務狀況以及未來業務計劃的最新情況，並討論其債務重組計劃。主要債權人已充分了解本公司的財務狀況，亦表示願意與本公司攜手進行有建設性的工作。部分債權人就本公司目前的困難，正在考慮向本公司提供資金支持。

於二零一九年十二月五日，本公司已委任財務顧問，以協助本公司評估其財務狀況以及就制定和實施其美元債券的債務重組計劃提供意見。隨後，於二零二零年三月三日，本公司正式擴大財務顧問的授權至涵蓋由不同債權人組成之移民貸款有關之債券（「移民債券」）。

On 14 January 2020, the Company, together with the Financial Advisor, convened the sixth meeting with its institutional creditors to provide (i) an update on the financial and operational conditions faced by the Company, and (ii) a preliminary restructuring framework for all of its debt obligations. Subsequently on 23 January 2020, a revised debt restructuring proposal was circulated to the institutional creditors based on the feedback received after the meeting.

In addition, both directly and through its Financial Advisor, the Company has made efforts to contact holders of its Immigration Bonds to advise them of the Company's current situation. The Company will consider further feedback from the creditors, and will work with all relevant parties, in an effort to reach a consensual restructuring.

The recent outbreak of the COVID-19 and the outstanding indebtedness affected the financial position and operation of the Group to a certain extent and the Company believes that an expedited and consensual restructuring will best protect its creditors as it will (1) establish a long-term sustainable capital structure; (2) provide adequate runway for the Company's management to implement a turnaround of the business; and (3) unlock the value of its onshore construction projects for the benefit of all creditors. Any enforcement or other remedial actions, however, would significantly impair the value of the Company and recoveries to its creditors.

The restructuring process has been delayed due to the outbreak of COVID-19. The Company will continue working with its professional advisers to put forward the restructuring progress with an aim to achieve a consensual restructuring as early as practicable.

The Company has recently engaged an international law firm with extensive experience in restructuring to address the Petitions presented by Immigration Bondholders and to assist with formulating and implementing a restructuring plan.

於二零二零年一月十四日，本公司連同財務顧問與機構債權人召開第六次會議，以提供(i)有關本公司所面臨的財務及營運狀況的最新情況，及(ii)有關本公司全部債務責任的初步重組框架。隨後，於二零二零年一月二十三日，根據於該會議上收到的反饋而修訂後的債務重組方案已傳予機構債權人。

此外，本公司直接及透過其財務顧問努力聯絡其移民債券持有人，向彼等告知本公司的目前狀況。本公司將考慮自債權人獲得的進一步反饋，並將致力與有關各方合力達成經一致同意的重組。

近期2019冠狀病毒病的爆發及未償還債務對本集團的財務狀況及營運帶來一定程度的影響，故此，本公司認為加快達成經一致同意的重組將能最大程度地保障債權人的利益，原因為重組將(1)建立長期可持續的資本架構；(2)為本公司管理層扭轉業務提供充分的空間；及(3)釋放境內建築項目的價值，有利於全體債權人。然而，任何強制執行行動或其他補救行動將會嚴重損害本公司的價值和不利於債權人收回債務。

因2019冠狀病毒病爆發的影響，重組工作受到延遲。本公司和其專業顧問將繼續努力推進重組進程，爭取早日就重組達成一致同意。

本公司最近已委聘了一所擁有豐富重組經驗的國際律師事務所處理移民債券持有人呈交的呈請及協助制定及實施重組計劃。

THE MANAGEMENT'S POSITION, VIEW AND ASSESSMENT ON THE DISCLAIMER OPINION

During the course of audit of the consolidated financial statement of the Group for the year ended 31 December 2019, the Auditors had raised concern on the Group's ability to operate as a going concern. In order to address this concern, the Company has taken the measures to continue in operational existence for the foreseeable future including but not limited to:

- (i) The debt restructuring plan is expected to be launched in the second half of 2020;
- (ii) The proposed sale of Yanglin Project in 2020 with an aim to improve the cashflow of the Group;
- (ii) Certain existing creditors will provide financial support to the Group.

Based on the above, and in preparing the consolidated financial statements, the Directors have reviewed the Group's financial and liquidity position, and planned to improve the liquidity by the above measures. As such, the Board considered the Group will have sufficient liquidity to finance its operations for the next twelve months and therefore is of the view that the Group would be able to continue as a going concern.

Despite the effort made by the Company to address the concern, the Auditors issued the Disclaimer Opinion as they cast doubt on the certainty of the debt restructuring plan and financial support by certain existing creditors. The management of the Company (the "Management") has considered the Auditors' rationale and understood their consideration in arriving their opinion.

AUDIT COMMITTEE'S VIEW ON THE DISCLAIMER OPINION

The members of the audit committee of the Company (the "Audit Committee") had critically reviewed the Disclaimer Opinion, the Management's position concerning the Disclaimer Opinion and measures taken by the Company for addressing the Disclaimer Opinion. The Audit Committee agreed with the Management's position based on the reasons above. Moreover, the Audit Committee requested the Management to take all necessary actions to address the effect on the Disclaimer Opinion. The Audit Committee had also discussed with the Auditors regarding the financial position of the Group, measures taken and to be taken by the Company, and considered the Auditors' rationale and understood their consideration in arriving their opinion.

管理層關於不發表意見之意見、觀點及評估

於審計本集團截至二零一九年十二月三十一日止年度綜合財務報表過程中，核數師對本集團之持續經營能力提出疑慮。為釋除此疑慮，本公司已採取多項旨在保持於可預見未來持續經營之措施，包括但不限於：

- (i) 預期將於二零二零年下半年啟動債務重組計劃；
- (ii) 建議於二零二零年銷售楊林項目，以改善本集團的現金流；
- (ii) 若干現有債權人將向本集團提供財務支持。

基於上述情況，於編製綜合財務報表時，董事已檢討本集團之財務及流動資金狀況，並計劃透過上述措施改善流動性。因此，董事會認為本集團將有充足流動資金滿足未來12個月營運需要，故認為本集團將能夠持續經營。

儘管本公司努力釋除此疑慮，但核數師仍作出不發表意見，原因是彼等對債務重組計劃及若干現有債權人提供財務支持的確定性存疑。本公司管理層（「管理層」）已考慮核數師的理由，並理解彼等在達致彼等意見時的考慮。

審核委員會關於不發表意見之觀點

本公司審核委員會（「審核委員會」）之成員已對不發表意見、管理層關於不發表意見之意見以及本公司為應對不發表意見而採取之措施進行嚴格審查。基於上文所述原因，審核委員會同意管理層之意見。此外，審核委員會已要求管理層採取一切必要行動釋除有關不發表意見之影響。審核委員會亦已與核數師討論本集團之財務狀況、本公司已採取及將採取之措施，及已考慮核數師的理由並理解彼等在達致彼等意見時的考慮。

The Company is committed to maintain good corporate governance practices and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the Shareholders' value.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as its own code of corporate governance.

Under CG Code provision A.2.1, the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual. The Company was partially in compliance with the provision for the year ended 31 December 2019 as both positions were taken up by Mr. King Pak Fu ("Mr. King") until 4 April 2019. Following the appointment of Mr. Li Wanle, the former executive director and chief executive officer of the Company, who was appointed on 4 April 2019 and resigned on 18 June 2019, the roles of the chairman and the chief executive officer had been separated and performed by different individuals. For the period from 27 June 2019 to 23 September 2019, Mr. King and Mr. Zhang Peng ("Mr. Zhang"), the former executive director, chairman and chief executive officer, who was appointed on 27 June 2019 and resigned on 26 February 2020, were the joint chairmen of the Company. Following the resignation of Mr. King on 23 September 2019, both positions were taken up by Mr. Zhang. However, the Board believed that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enabled more effective and efficient overall strategic planning for the Group. The Board believed that the balance of power and authority for the arrangement during the year ended 31 December 2019 did not impair and was adequately ensured by the Board's composition which comprised experienced and high caliber individuals with sufficient number thereof being independent non-executive Directors.

Under CG Code provision A.2.7, the Chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors. During the year under review, due to other business engagements, neither Mr. King nor Mr. Zhang, the former Chairman of the Board, held any meetings with the independent non-executive Directors without the presence of other Directors.

本公司一直致力維持良好之企業管治常規及程序，以確保披露資料之完整性、透明度及質素，從而提高股東價值。

企業管治常規

本公司已採納聯交所證券上市規則（「上市規則」）附錄十四所載之企業管治守則（「企業管治守則」）中所載之守則條文作為其本身之企業管治守則。

根據企業管治守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。於截至二零一九年十二月三十一日止年度，景百孚先生（「景先生」）兼任該兩個職位直至二零一九年四月四日，故本公司部分遵守了該項條文。於本公司前任執行董事兼行政總裁李萬樂先生（於二零一九年四月四日獲委任並於二零一九年六月十八日辭任）獲委任後，主席與行政總裁的角色其後已有區分並由不同人士擔任。於二零一九年六月二十七日至二零一九年九月二十三日期間，景先生與張鵬先生（「張先生」，前任執行董事、主席兼行政總裁，於二零一九年六月二十七日獲委任並於二零二零年二月二十六日辭任）共同擔任本公司之聯席主席。於景先生於二零一九年九月二十三日辭任後，該兩個職位由張先生一人擔任。然而，董事會認為，由一人同時兼任主席與行政總裁的角色有利於確保本集團的領導貫徹一致及使本集團的整體策略規劃更有效及高效。董事會認為，於截至二零一九年十二月三十一日止年度的安排下權力和授權的分佈均衡不會受損，且董事會乃由經驗豐富及具才幹之人士組成，且有足夠數目之獨立非執行董事，故亦足以確保權力和授權的分佈均衡。

根據企業管治守則條文第A.2.7條，主席應至少每年與獨立非執行董事舉行沒有其他董事出席的會議。於回顧年度，由於其他公務安排，景先生或張先生（均為前任董事會主席）均無與獨立非執行董事舉行沒有其他董事出席的會議。

Under CG Code provision C.1.2, the management should provide all members of the Board with monthly updates giving balanced and understandable assessment of the Company's performance, position and prospects in sufficient details. During the year ended 31 December 2019, the management of the Company provided to the Board interim updates with consolidated financial statement of the Company's performance, position and prospects in sufficient details during regular Board meetings of the Company. In addition, the management has provided all members of the Board updates on any material changes to the performance, position and prospects of the Company and sufficient information for matters brought before the Board.

Under CG Code provision D.1.4, the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Mr. Chan Wai Cheung Admiral and Mr. Lie Chi Wing, the former independent non-executive directors of the Company, who resigned on 9 April 2019 and 1 May 2019, respectively. However, they were subject to retirement by rotation at least once in every three years in accordance with the Bye-Laws. In addition, the Directors had followed the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-Executive Directors" published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors actively complied with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies. Nevertheless, all the current Directors have entered into service contracts with the Company and have formal letters of appointment for the year ended 31 December 2019.

Under CG Code provision E.1.2, the chairman of the Board should attend the annual general meeting of the Company. The former chairman of the Board, Mr. King did not attend the annual general meeting of the Company held on 31 May 2019 ("2019 AGM") due to pre-arranged business engagement. However, the chairman of each of the Audit Committee, the Nomination Committee and the Remuneration Committee attended the 2019 AGM. The current chairman of the Board will endeavour to attend all future annual general meetings of the Company unless unexpected or special circumstances prevent the chairman from doing so.

Save as disclosed above, in the opinion of the Directors, the Company was in compliance with all other relevant code provisions set out in the CG Code during the year ended 31 December 2019.

根據企業管治守則條文第C.1.2條，管理層應每月向董事會全體成員提供更新資料，當中載列詳盡內容，以公正及易於理解的角度評估本公司的表現、狀況及前景。於截至二零一九年十二月三十一日止年度，本公司管理層已於本公司董事會定期會議上向董事會提供中期更新資料，並載列詳盡內容，以列示有關本公司表現、狀況及前景的綜合財務報表。此外，管理層已向董事會全體成員提供有關本公司表現、狀況及前景發生任何重大變動的更新資料及有關提呈董事會事宜的詳盡資料。

根據企業管治守則條文第D.1.4條，本公司應有正式的董事委任書，訂明有關委任的主要條款及條件。本公司與本公司前任獨立非執行董事陳偉璋先生及李志榮先生（分別已於二零一九年四月九日及二零一九年五月一日辭任）並無正式的委任書。然而，彼等須根據章程細則至少每三年輪流退任一次。此外，董事於履行彼等作為董事之職責及責任時，已遵守公司註冊處發出的「董事責任指引」以及香港董事學會出版的「董事指引」及「獨立非執行董事指南」所載的指引。此外，董事積極遵守法規及普通法項下之要求、上市規則、法律及其他法規之要求以及本公司之業務及管治政策。儘管如此，截至二零一九年十二月三十一日止年度，所有現任董事已與本公司訂立服務合約及有正式的委任書。

根據企業管治守則條文第E.1.2條，董事會主席應出席本公司股東週年大會。前任董事會主席景先生因事前的公務安排，並無出席於二零一九年五月三十一日舉行之本公司股東週年大會（「二零一九年股東週年大會」）。然而，審核委員會、提名委員會及薪酬委員會之主席有出席二零一九年股東週年大會。董事會現任主席將在無意外或特殊事件妨礙之情況下盡力出席本公司所有日後股東週年大會。

除上文所披露者外，董事認為，於截至二零一九年十二月三十一日止年度，本公司已遵守企業管治守則所載的所有其他相關守則條文。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Mr. King, the former joint chairman and an executive director and a controlling Shareholder, for himself and on behalf of Better Joint Venture Limited ("Better Joint"), a company wholly-owned by Mr. King, Glory Merit International Holdings Limited ("Glory Merit"), a company owned by Mr. King as to 99% of the share equity, and Elite Mile Investments Limited ("Elite Mile"), a company wholly-owned by Mr. King, informed the Company that there were disposal of the Company's shares held by Better Joint, Glory Merit and Elite Mile on the Stock Exchange during March 2019, arising from part enforcement of share charges and/or margin financings in respect of certain shares held by Better Joint, Glory Merit and Elite Mile by certain securities brokers. It is noted that Rule A.3(a)(i) of the Model Code with respect to dealing in securities during the period of 60 days immediately preceding the publication date of the annual results of the year ended 31 December 2018, and Rule B.8 of the Model Code with respect to dealing in any securities by first notifying in writing a director designated by the Board and receiving a dated written acknowledgement, were not complied with by Mr. King. Mr. King unintentional non-fully compliance with such required standards in March 2019. Details of the forced sale of the shares of the Company were disclosed under the heading "unusual price movement" in the announcement of the Company dated 25 March 2019.

Save as disclosed above, the Company confirmed that all other Directors have complied with the required standards set out in the Model Code for the year ended 31 December 2019.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company, and is responsible for setting up the overall strategy and policies of the Group, reviewing the operation and financial performance, reviewing and monitoring the Group's financial control and risk management systems. The Board reserved for its decision or consideration matters covering overall Group strategy, major acquisitions and disposals, annual budgets, annual and interim results, recommendations on Directors' appointment or re-appointment, approval of major capital transactions and other significant operational and financial matters. The management was delegated the authority and responsibility by the Board for the daily management of the Group. In addition, the Board has also delegated various responsibilities to the Board committees. Further details of these committees are set out in this report.

董事進行證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易之行為守則。前任聯席主席、執行董事兼控股股東景先生為其本人及代表Better Joint Venture Limited（「Better Joint」，一間由景先生全資擁有之公司）、永德國際控股有限公司（「永德」，一間由景先生擁有99%股權之公司）及俊程投資有限公司（「俊程」，一間由景先生全資擁有之公司）告知本公司，由Better Joint、永德及俊程持有的本公司股份於二零一九年三月在聯交所被出售，此乃由於若干證券經紀強制執行部分與若干由Better Joint、永德及俊程持有之股份有關的股份抵押及／或保證金融資。我們注意到景先生未遵守標準守則第A.3(a)(i)條於截至二零一八年十二月三十一日止年度的年度業績刊發日期之前60日內不得買賣證券的規定，及標準守則第B.8條於未書面通知董事會指定的一名董事及接獲註明日期的確認書之前不得買賣任何證券的規定。景先生於二零一九年三月無意不完全遵守相關必守標準。有關被迫出售本公司股份之詳情披露於本公司日期為二零一九年三月二十五日之公告內「股價不尋常波動」部分。

除上文所披露者外，本公司確認所有其他董事於截至二零一九年十二月三十一日止年度內已遵守標準守則所載之必守標準。

董事會

董事會負責領導及控制本公司，並負責制定本集團之整體策略及政策、檢討營運及財務表現、審閱及監察本集團的財務控制及風險管理系統。董事會保留決定或審議整體集團策略、主要收購及出售、年度預算、年度及中期業績、建議委任或重新委任董事、主要資本交易之批准及其他重大的經營及財務事項等事宜的權利。董事會已將本集團日常管理之權力及責任轉授予管理層。此外，董事會亦向董事委員會轉授多項責任。各董事委員會之進一步詳情已載於本報告。

The Board currently consists of five Directors including two executive Directors and three independent non-executive Directors:

Executive Directors

Mr. Bai Xuefei (*Chairman*)

Mr. Luo Jiaqi

Independent Non-executive Directors

Mr. Chau Wai Hing

Mr. Ma Hang Kon Louis

Mr. Tso Hon Sai Bosco

The Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced Board composition is formed to ensure strong independence exists across the Board. The composition of the Board reflects the balanced skills and experience for effective leadership. The biographical information of the Directors are set out on pages 7 to 9 under the section headed “Biographies of Directors”.

Directors’ Training

According to the code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

All Directors have participated in continuous professional development and provided a record of training they received for the financial year ended 31 December 2019 to the Company.

董事會現時由五名董事組成，包括兩名執行董事及三名獨立非執行董事：

執行董事

白雪飛先生 (主席)

羅嘉奇先生

獨立非執行董事

周偉興先生

馬恒幹先生

曹漢璽先生

董事會成員間概無財務、業務、家屬或其他重大／相關的關係。上列董事會之組成均衡，可確保董事會具有高度的獨立性。董事會之組成具備均衡的技能及經驗，可作出有效的領導。董事之履歷資料載於第7頁至9頁「董事簡歷」一節。

董事之培訓

根據企業管治守則條文第A.6.5條，所有董事應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

全體董事均已參與持續專業發展，並已向本公司提供彼等於截至二零一九年十二月三十一日止財政年度接受培訓之記錄。

The individual training record of each Director received for the year ended 31 December 2019 is summarised below:

截至二零一九年十二月三十一日止年度內各董事接受之個人培訓記錄概述如下：

Name of Directors	董事姓名	Attending or participating in seminars/ reading materials relevant to the director's duties 出席或參加有關董事職責之研討會／閱讀相關材料
Executive Directors		執行董事
Mr. Zhang Peng (resigned on 26 February 2020)	張鵬先生 (於二零二零年二月二十六日辭任)	✓
Mr. Bai Xuefei	白雪飛先生	✓
Independent Non-executive Directors		獨立非執行董事
Mr. Chau Wai Hing	周偉興先生	✓
Mr. Ma Hang Kon Louis	馬恒幹先生	✓
Mr. Tso Hon Sai Bosco	曹漢璽先生	✓

Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code requires that the roles between the chairman and the chief executive officer should be segregated. Both positions were taken up by Mr. King until 4 April 2019. Following the appointment of Mr. Li Wanle, the former executive director and chief executive officer of the Company, who was appointed on 4 April 2019 and resigned on 18 June 2019, the roles of the chairman and the chief executive officer had been separated and performed by different individuals. For the period from 27 June 2019 to 23 September 2019, Mr. King and Mr. Zhang, the former executive director, chairman and chief executive officer, who was appointed on 27 June 2019 and resigned on 26 February 2020, were the joint chairmen of the Company. Following the resignation of Mr. King on 23 September 2019, both positions were taken up by Mr. Zhang. However, the Board believed that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enabled more effective and efficient overall strategic planning for the Group. The Board believed that the balance of power and authority for the arrangement during the year ended 31 December 2019 did not impair and was adequately ensured by the Board's composition which comprised experienced and high caliber individuals with sufficient number thereof being independent non-executive Directors.

主席及行政總裁

企業管治守則條文第A.2.1條規定，主席與行政總裁的角色應有區分。直至二零一九年四月四日前，該兩個職位由景先生兼任。於本公司前任執行董事兼行政總裁李萬樂先生（於二零一九年四月四日獲委任並於二零一九年六月十八日辭任）獲委任後，主席與行政總裁的角色其後已有區分並由不同人士擔任。於二零一九年六月二十七日至二零一九年九月二十三日期間，景先生與張先生（前任執行董事、主席兼行政總裁，於二零一九年六月二十七日獲委任並於二零二零年二月二十六日辭任）共同擔任本公司之聯席主席。於景先生於二零一九年九月二十三日辭任後，該兩個職位由張先生一人擔任。然而，董事會認為，由一人同時兼任主席與行政總裁的角色有利於確保本集團的領導貫徹一致及使本集團的整體策略規劃更有效及高效。董事會認為，於截至二零一九年十二月三十一日止年度的安排下權力和授權的分佈均衡不會受損，且董事會乃由經驗豐富及具才幹之人士組成，且有足夠數目之獨立非執行董事，故亦足以確保權力和授權的分佈均衡。

Non-executive Directors

The independent non-executive Directors are appointed for a specific term and they are also subject to the retirement by rotation at least once every three years in accordance with the Bye-Laws.

The three independent non-executive Directors are persons of high caliber, with academic and professional qualifications in the fields of accounting and finance. With their experience gained from various sectors, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. Each independent non-executive Director gives an annual confirmation of his independence to the Company, and the Company considered each of them is independent under Rule 3.13 of the Listing Rules.

Board Diversity Policy

The Board adopted a Board Diversity Policy on 23 August 2013 (the “Board Diversity Policy”) which sets out the approach to achieve diversity on the Board. The Company recognises that increasing diversity at the Board level will support the attainment of the Company’s strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into consideration its own business model and specific needs from time to time in determining the optimal composition of the Board.

The Board delegated certain duties under the Board Diversity Policy to the Nomination Committee. The Nomination Committee will discuss and review the necessity to set any measurable objectives for implementing the Board Diversity Policy from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

非執行董事

獨立非執行董事之委任有指定任期，彼等亦須根據章程細則至少每三年輪流退任一次。

三名獨立非執行董事均為具才幹之人士，持有會計及金融方面之學術及專業資格。憑藉彼等於多個行業累積之經驗，可為有效履行董事會之職責及責任提供強大支援。各獨立非執行董事已就其獨立身份向本公司發出年度確認書，而本公司認為彼等均屬上市規則第3.13條項下之獨立人士。

董事會成員多元化政策

董事會於二零一三年八月二十三日採納董事會成員多元化政策（「董事會成員多元化政策」），列載董事會為達致董事會成員多元化而採取之方針。本公司明白董事會成員多元化有助於達到本公司戰略目標及可持續發展。本公司通過考慮（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、知識及服務任期等因素致力實現董事會成員多元化。本公司在設定董事會成員的最佳組合時，亦會不時考慮自身的業務模式及具體需求。

董事會將董事會成員多元化政策項下的若干職責轉授予提名委員會。提名委員會將不時討論及檢討是否需要為執行董事會成員多元化政策而制定可計量目標，以確保有關目標適切可行及達到達標進度。

提名委員會將在適當時候檢討董事會成員多元化政策，以不時確保其持續行之有效。

Board Meetings

The Board has four scheduled meetings a year at approximately quarterly interval and additional meetings will be held as and when required. The four scheduled Board meetings for a year are planned in advance. During the regular meetings of the Board, the Board reviewed the operation and financial performance and reviewed and approved the annual and interim results.

During the year ended 31 December 2019, the Board held 6 meetings. All Directors were given an opportunity to include any matters in the agenda for regular Board meetings, and were given sufficient time to review documents and information relating to matters to be discussed in Board meetings in advance.

董事會會議

董事會每年大約按季度舉行四次定期會議，並會於需要時另外舉行會議。年度的四次定期會議會預先規劃。於董事會定期會議上，董事會已檢討營運及財務表現，及審閱並批准年度及中期業績。

於截至二零一九年十二月三十一日止年度，董事會曾舉行六次會議。全體董事均有機會將任何事宜納入董事會定期會議議程，且於董事會會議舉行前，均有充分時間事先審閱與將討論事宜相關之文件及資料。

Name of Directors	董事姓名	Number of attendance 出席會議次數
Executive Directors		
Mr. King Pak Fu (Note 1)	景百孚先生 (附註1)	6/6
Mr. Wang Chunning (Note 2)	汪春寧先生 (附註2)	1/1
Mr. Wang Yikun (Note 2)	王毅坤先生 (附註2)	1/1
Mr. Bai Xuefei	白雪飛先生	6/6
Ms. Qian Hui (Note 3)	錢慧女士 (附註3)	1/5
Mr. Li Wanle (Note 4)	李萬樂先生 (附註4)	N/A 不適用
Mr. Zhang Peng (Note 5)	張鵬先生 (附註5)	0/1
Independent Non-executive Directors		
Mr. Chan Wai Cheung Admiral (Note 6)	陳偉璋先生 (附註6)	5/5
Mr. Lie Chi Wing (Note 7)	李志榮先生 (附註7)	5/5
Ms. Hu Gin Ing (Note 8)	胡競英女士 (附註8)	3/5
Mr. Chau Wai Hing (Note 9)	周偉興先生 (附註9)	1/1
Mr. Ma Hang Kon Louis (Note 9)	馬恒幹先生 (附註9)	1/1
Mr. Tso Hon Sai Bosco (Note 9)	曹漢璽先生 (附註9)	1/1

Notes:

1. Mr. King Pak Fu resigned on 23 September 2019, 6 Board meetings were held before his resignation.
2. Mr. Wang Chunning and Mr. Wang Yikun both resigned on 1 March 2019, 1 Board meeting was held before their resignation.
3. Ms. Qian Hui resigned on 4 April 2019, 5 Board meetings were held before her resignation.
4. Mr. Li Wanle was appointed on 4 April 2019 and resigned on 18 June 2019, no Board meeting was held during his tenure of office.
5. Mr. Zhang Peng was appointed on 27 June 2019 and resigned on 26 February 2020, 1 Board meeting was held during his tenure of office in 2019.
6. Mr. Chan Wai Cheung Admiral resigned on 1 May 2019, 5 Board meetings were held before his resignation.
7. Mr. Lie Chi Wing resigned on 9 April 2019, 5 Board meetings were held before his resignation.
8. Ms. Hu Gin Ing resigned on 24 April 2019, 5 Board meetings were held before her resignation.
9. Mr. Chau Wai Hing, Mr. Ma Hang Kon Louis and Mr. Tso Hon Sai Bosco were appointed on 3 May 2019, 1 Board meeting was held after their appointment.

Board minutes are kept by the company secretary of the Company (the “Company Secretary”) and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required.

Appropriate insurance cover has been arranged by the Company in respect of relevant legal actions against its Directors.

附註：

1. 景百孚先生於二零一九年九月二十三日辭任，於其辭任前曾舉行六次董事會會議。
2. 汪春寧先生及王毅坤先生均於二零一九年三月一日辭任，於彼等辭任前曾舉行一次董事會會議。
3. 錢慧女士於二零一九年四月四日辭任，於其辭任前曾舉行五次董事會會議。
4. 李萬樂先生於二零一九年四月四日獲委任並於二零一九年六月十八日辭任，於其在任期間並無舉行董事會會議。
5. 張鵬先生於二零一九年六月二十七日獲委任並於二零二零年二月二十六日辭任，於其二零一九年在任期間曾舉行一次董事會會議。
6. 陳偉璋先生於二零一九年五月一日辭任，於其辭任前曾舉行五次董事會會議。
7. 李志榮先生於二零一九年四月九日辭任，於其辭任前曾舉行五次董事會會議。
8. 胡競英女士於二零一九年四月二十四日辭任，於其辭任前曾舉行五次董事會會議。
9. 周偉興先生、馬恒幹先生及曹漢靈先生於二零一九年五月三日獲委任，於彼等獲委任後曾舉行一次董事會會議。

董事會會議記錄由本公司之公司秘書（「公司秘書」）保存，並可供董事查閱。每名董事會成員均有權查閱董事會文件及相關資料，亦可在不受限制下取得公司秘書之意見及服務，並可於需要時尋求外界專業意見。

本公司已就針對其董事作出之相關法律行動安排適當之保險保障。

General Meetings

During the year ended 31 December 2019, 2 general meetings of the Company were held, being the special general meeting held on 27 February 2019 and the 2019 AGM.

股東大會

於截至二零一九年十二月三十一日止年度，本公司舉行兩次股東大會，即於二零一九年二月二十七日舉行之股東特別大會及二零一九年股東週年大會。

Name of Directors	董事姓名	Number of attendance 出席會議次數
Executive Directors		
Mr. King Pak Fu (Note 1)	景百孚先生 (附註1)	0/2
Mr. Wang Chunning (Note 2)	汪春寧先生 (附註2)	0/1
Mr. Wang Yikun (Note 2)	王毅坤先生 (附註2)	0/1
Mr. Bai Xuefei	白雪飛先生	2/2
Ms. Qian Hui (Note 3)	錢慧女士 (附註3)	0/1
Mr. Li Wanle (Note 4)	李萬樂先生 (附註4)	0/1
Mr. Zhang Peng (Note 5)	張鵬先生 (附註5)	N/A 不適用
Independent Non-executive Directors		
Mr. Chan Wai Cheung Admiral (Note 6)	陳偉璋先生 (附註6)	1/1
Mr. Lie Chi Wing (Note 7)	李志榮先生 (附註7)	0/1
Ms. Hu Gin Ing (Note 8)	胡競英女士 (附註8)	1/1
Mr. Chau Wai Hing (Note 9)	周偉興先生 (附註9)	1/1
Mr. Ma Hang Kon Louis (Note 9)	馬恒幹先生 (附註9)	1/1
Mr. Tso Hon Sai Bosco (Note 9)	曹漢鏗先生 (附註9)	1/1

Notes:

1. Mr. King Pak Fu resigned on 23 September 2019, 2 general meetings were held before his resignation.
2. Mr. Wang Chunning and Mr. Wang Yikun both resigned on 1 March 2019, 1 general meeting was held before their resignation.
3. Ms. Qian Hui resigned on 4 April 2019, 1 general meeting was held before her resignation.
4. Mr. Li Wanle was appointed on 4 April 2019 and resigned on 18 June 2019, 1 general meeting was held during his tenure of office.

附註:

1. 景百孚先生於二零一九年九月二十三日辭任，於其辭任前曾舉行兩次股東大會。
2. 汪春寧先生及王毅坤先生均於二零一九年三月一日辭任，於彼等辭任前曾舉行一次股東大會。
3. 錢慧女士於二零一九年四月四日辭任，於其辭任前曾舉行一次股東大會。
4. 李萬樂先生於二零一九年四月四日獲委任並於二零一九年六月十八日辭任，於其在任期間曾舉行一次股東大會。

5. Mr. Zhang Peng was appointed on 27 June 2019 and resigned on 26 February 2020, no general meeting was held during his tenure of office in 2019.
6. Mr. Chan Wai Cheung Admiral resigned on 1 May 2019, 1 general meeting was held before his resignation.
7. Mr. Lie Chi Wing resigned on 9 April 2019, 1 general meeting was held before his resignation.
8. Ms. Hu Gin Ing resigned on 24 April 2019, 1 general meeting was held before her resignation.
9. Mr. Chau Wai Hing, Mr. Ma Hang Kon Louis and Mr. Tso Hon Sai Bosco were appointed on 3 May 2019, 1 general meeting was held after their appointment.

The Board is responsible for maintaining an on-going dialogue with Shareholders and in particular, uses annual general meetings or other general meetings to communicate with them and encourage their participation.

NOMINATION COMMITTEE

In considering the nomination of new Directors, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates.

The Company established the Nomination Committee with written terms of reference on 28 March 2012 and currently consists of two independent non-executive Directors, namely Mr. Chau Wai Hing (as chairman) and Mr. Tso Hon Sai Bosco, and one executive Director, namely Mr. Bai Xuefei. The terms of reference of the Nomination Committee is currently made available on the websites of the Stock Exchange and the Company.

Terms of reference of the Nomination Committee are aligned with the code provisions set out in the CG Code.

The function of the Nomination Committee are to review the structure, size and diversity of the Board and made recommendations on any proposed changes to the Board to complement the Group's strategy; to identify qualified individuals to become members of the Board; to assess the independence of the independent non-executive Directors; to review the Board Diversity Policy and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and to make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer.

5. 張鵬先生於二零一九年六月二十七日獲委任並於二零二零年二月二十六日辭任，於其二零一九年在任期間並無舉行股東大會。
6. 陳偉璋先生於二零一九年五月一日辭任，於其辭任前曾舉行一次股東大會。
7. 李志榮先生於二零一九年四月九日辭任，於其辭任前曾舉行一次股東大會。
8. 胡競英女士於二零一九年四月二十四日辭任，於其辭任前曾舉行一次股東大會。
9. 周偉興先生、馬恒幹先生及曹漢璽先生於二零一九年五月三日獲委任，於彼等獲委任後曾舉行一次股東大會。

董事會負責與股東持續保持對話，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他們的參與。

提名委員會

於考慮提名新董事時，董事會將考慮候選人之資歷、才能、工作經驗、領導能力及專業操守。

本公司於二零一二年三月二十八日成立提名委員會並訂定書面職權範圍，現時由兩名獨立非執行董事周偉興先生（主席）及曹漢璽先生以及一名執行董事白雪飛先生組成。提名委員會之職權範圍現可於聯交所及本公司網站瀏覽。

提名委員會之職權範圍與企業管治守則所載守則條文一致。

提名委員會之職能為檢討董事會的架構、人數及成員多元化並就任何為配合本集團的策略而擬對董事會作出的變動提出建議；物色具備合適資格可擔任董事會成員的人士；評核獨立非執行董事的獨立性；檢討董事會成員多元化政策及檢討董事會為執行董事會成員多元化政策而制定的可計量目標和達標進度；以及就董事委任或重新委任以及董事（尤其是主席及行政總裁）繼任計劃向董事會提出建議。

To ensure changes to the Board composition can be managed without undue disruption, there should be a formal, considered and transparent procedure for selection, appointment and re-appointment of Directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new Director (to be an additional Director or fill a casual vacancy as and when it arises) or any re-appointment of Directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee.

The criteria to be applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities which, in particular, are set out as follows:

- (a) participating in Board meetings to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- (b) taking the lead where potential conflicts of interests arise;
- (c) serving on the Audit Committee, and the Remuneration Committee and the Committee (in the case of candidate for non-executive Director) and other relevant Board committees, if invited;
- (d) bringing a range of business and financial experience to the Board, giving the Board and any Committees on which he or she serves the benefit of his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board/Committee meetings;
- (e) scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- (f) ensuring the Committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
- (g) conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate.

為確保董事會組成人員的變更能夠在不受不適當的干擾的情況下進行，應設有正式、審慎並具透明度的董事甄選、委任及重新委任程序，並設定有秩序的董事繼任計劃（如認為有需要），包括定期檢討該等計劃。委任新董事（作為新增董事或填補所出現的臨時空缺）或重新委任任何董事，均由董事會根據提名委員會對建議候選人的推薦意見作出決定。

用於考慮候選人是否符合資格的標準，應建基於彼能否付出足夠時間和精力處理本公司的事務，並有助於董事會成員多元化及使董事會能有效履行其責任，尤其是下文所載各項：

- (a) 參加董事會會議並就策略、政策、表現、問責性、資源、主要委任及操守準則等事項作出獨立判斷；
- (b) 於出現潛在利益衝突時發揮領導作用；
- (c) 倘受邀時，須在審核委員會、以及薪酬委員會、委員會（如為非執行董事候選人）及其他相關董事會委員會任職；
- (d) 通過出席及參與董事會／委員會會議，為董事會帶來一系列的商業及財務經驗，而使董事會及其擔任成員的委員會受惠於其技能、專長、不同背景及資歷與多元化；
- (e) 監察本公司在達致議定之企業目標及指標方面的表現及監督相關表現的匯報情況；
- (f) 確保彼擔任成員的委員會履行董事會授予的權力及職能；及
- (g) 遵守董事會不時訂定，或本公司憲章文件不時所載，或法例或上市規則不時訂立的任何規定、指示及規例（如適用）。

If the candidate is proposed to be appointed as an independent non-executive Director (“INED”), his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate’s education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an INED with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

During the year ended 31 December 2019, the Nomination Committee held 1 meeting for assessing the independence of the independent non-executive Directors, considering the re-election of Directors and reviewing the structure, size and diversity of the Board.

如建議委任候選人為獨立非執行董事（「獨立非執行董事」），則須根據（其中包括）上市規則第3.13條（經聯交所可能不時作出修訂）所載的因素評估其獨立性。在適用的情況下，亦須評估該候選人的學歷、資格及經驗等整體情況，以考慮彼是否具備合適的專業資格或會計或相關財務管理專長（即上市規則第3.10(2)條所規定的相關資格或專長）以擔任獨立非執行董事。

於截至二零一九年十二月三十一日止年度，提名委員會曾舉行一次會議，以評估獨立非執行董事之獨立性、考慮董事之重選及檢討董事會之架構、人數及成員多元化。

Name of Members	成員姓名	Number of attendance 出席會議次數
Mr. Chau Wai Hing (<i>Chairman</i>) (Note 1)	周偉興先生 (主席) (附註1)	N/A 不適用
Mr. Tso Hon Sai Bosco (Note 1)	曹漢璽先生 (附註1)	N/A 不適用
Mr. Chan Wai Cheung Admiral (Note 2)	陳偉璋先生 (附註2)	1/1
Ms. Hu Gin Ing (Note 3)	胡競英女士 (附註3)	1/1
Mr. Bai Xuefei	白雪飛先生	1/1

Notes:

1. Mr. Chau Wai Hing and Mr. Tso Hon Sai Bosco were appointed on 3 May 2019, no meeting was held after their appointment.
2. Mr. Chan Wai Cheung Admiral resigned on 1 May 2019, 1 meeting was held before his resignation.
3. Ms. Hu Gin Ing resigned on 24 April 2019, 1 meeting was held before her resignation.

附註：

1. 周偉興先生及曹漢璽先生於二零一九年五月三日獲委任，於彼等獲委任後並無舉行會議。
2. 陳偉璋先生於二零一九年五月一日辭任，於彼辭任前曾舉行一次會議。
3. 胡競英女士於二零一九年四月二十四日辭任，於彼辭任前曾舉行一次會議。

Apart from the meeting held above, the Nomination Committee by passing of written resolutions made recommendation to the Board on the appointment of Directors.

除舉行上述會議外，提名委員會通過書面決議案就董事委任向董事會提出建議。

REMUNERATION COMMITTEE

The Company established the Remuneration Committee with written terms of reference and currently consists of three independent non-executive Directors, namely Mr. Chau Wai Hing (as chairman), Mr. Ma Hang Kon Louis and Mr. Tso Hon Sai Bosco. The terms of reference of the Remuneration Committee is currently made available on the Stock Exchange's website and the Company's website.

Terms of reference of the Remuneration Committee are aligned with the code provisions set out in the CG Code.

The main functions of the Remuneration Committee are (i) to make recommendations to the Board on the Company's policy and structure on the remuneration packages for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy and (ii) to determine the remuneration package of executive Directors and senior management.

During the year ended 31 December 2019, the Remuneration Committee held 1 meeting for reviewing the remuneration packages of the Directors and senior management.

薪酬委員會

本公司已成立薪酬委員會並訂定書面職權範圍，現時由三名獨立非執行董事周偉興先生（主席）、馬恒幹先生及曹漢璽先生組成。薪酬委員會之職權範圍現可於聯交所網站及本公司網站瀏覽。

薪酬委員會之職權範圍與企業管治守則所載守則條文一致。

薪酬委員會之主要職能為(i)就本公司董事及高級管理人員的全體薪酬政策及架構，及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；及(ii)釐定執行董事及高級管理層的薪酬待遇。

於截至二零一九年十二月三十一日止年度，薪酬委員會曾舉行一次會議，以檢討董事及高級管理層的薪酬待遇。

Name of Members	成員姓名	Number of attendance 出席會議次數
Mr. Chau Wai Hing (<i>Chairman</i>) (Note 1)	周偉興先生 (<i>主席</i>) (附註1)	N/A 不適用
Mr. Ma Hang Kon Louis (Note 1)	馬恒幹先生 (附註1)	N/A 不適用
Mr. Tso Hon Sai Bosco (Note 1)	曹漢璽先生 (附註1)	N/A 不適用
Mr. Chan Wai Cheung Admiral (Note 2)	陳偉璋先生 (附註2)	1/1
Mr. Lie Chi Wing (Note 3)	李志榮先生 (附註3)	1/1
Ms. Hu Gin Ing (Note 4)	胡競英女士 (附註4)	1/1

Notes:

1. Mr. Chau Wai Hing, Mr. Ma Hang Kon Louis and Mr. Tso Hon Sai Bosco were appointed on 3 May 2019, no meeting was held after their appointment.
2. Mr. Chan Wai Cheung Admiral resigned on 1 May 2019, 1 meeting was held before his resignation.
3. Mr. Lie Chi Wing resigned on 9 April 2019, 1 meeting was held before his resignation.
4. Ms. Hu Gin Ing resigned on 24 April 2019, 1 meeting was held before her resignation.

Apart from the meetings held above, the Remuneration Committee also by way of written resolutions made recommendation on the remuneration of new executive Directors.

The emoluments payable to Directors and senior management depend on their respective contractual terms under the employment agreements, if any, and is fixed by the Board with reference to the recommendation of the Remuneration Committee, the performance of the Group and the prevailing market conditions. Details of the remuneration of the Directors and senior management are set out in notes 11 and 12 to the consolidated financial statements.

AUDIT COMMITTEE

The Company established the Audit Committee on 9 November 1999 with written terms of reference in compliance with the CG Code and currently consists of three independent non-executive Directors, namely Mr. Chau Wai Hing (as chairman), Mr. Ma Hang Kon Louis and Mr. Tso Hon Sai Bosco. The terms of reference of the Audit Committee is currently made available on the websites of the Stock Exchange and the Company.

Terms of reference of the Audit Committee are aligned with the code provisions set out in the CG Code.

附註：

1. 周偉興先生、馬恒幹先生及曹漢璽先生於二零一九年五月三日獲委任，於彼等獲委任後並無舉行會議。
2. 陳偉璋先生於二零一九年五月一日辭任，於彼辭任前曾舉行一次會議。
3. 李志榮先生於二零一九年四月九日辭任，於彼辭任前曾舉行一次會議。
4. 胡競英女士於二零一九年四月二十四日辭任，於彼辭任前曾舉行一次會議。

除舉行上述會議外，薪酬委員會亦通過書面決議案就新執行董事的薪酬作出推薦建議。

應付董事及高級管理層之酬金乃根據彼等各自僱傭協議所訂明之合約條款（如有），以及由董事會參考薪酬委員會之推薦建議、本集團之表現及當時市場狀況釐定。有關董事及高級管理層之薪酬詳情載於綜合財務報表附註11及12。

審核委員會

本公司於一九九九年十一月九日成立審核委員會並按照企業管治守則訂定書面職權範圍，現時由三名獨立非執行董事周偉興先生（主席）、馬恒幹先生及曹漢璽先生組成。審核委員會之職權範圍現可於聯交所及本公司網站瀏覽。

審核委員會之職權範圍與企業管治守則所載守則條文一致。

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of such auditors; reviewing the interim and annual reports and financial statements of the Group; and overseeing the Company's financial reporting system including the adequacy of resources, qualifications and experience of staff in charge of the Company's financial reporting function and their training arrangement and budget, and risk management and internal control systems.

The Audit Committee meets the external auditors regularly to discuss any area of concern during the audit. The Audit Committee reviews the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual report.

During the year ended 31 December 2019, the Audit Committee held 2 meetings.

審核委員會主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議，批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；審閱本集團之中期及年度報告及財務報表；及監察本公司之財務申報制度（包括本公司在財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足）以及風險管理及內部監控系統。

審核委員會定期與外聘核數師會面，以討論審核過程中任何需關注事宜。審核委員會向董事會呈交中期及年度報告前先進行審閱。審核委員會不僅著重會計政策及慣例變動之影響，亦著重於審閱本公司中期及年度報告遵守會計準則、上市規則及其他法例規定之情況。

於截至二零一九年十二月三十一日止年度，審核委員會曾舉行兩次會議。

Name of Members	成員姓名	Number of attendance 出席會議次數
Mr. Chau Wai Hing (<i>Chairman</i>) (Note 1)	周偉興先生 (主席) (附註1)	1/1
Mr. Ma Hang Kon Louis (Note 1)	馬恒幹先生 (附註1)	1/1
Mr. Tso Hon Sai Bosco (Note 1)	曹漢璽先生 (附註1)	1/1
Mr. Chan Wai Cheung Admiral (Note 2)	陳偉璋先生 (附註2)	1/1
Mr. Lie Chi Wing (Note 3)	李志榮先生 (附註3)	1/1
Ms. Hu Gin Ing (Note 4)	胡競英女士 (附註4)	1/1

Notes:

1. Mr. Chau Wai Hing, Mr. Ma Hang Kon Louis and Mr. Tso Hon Sai Bosco were appointed on 3 May 2019, 1 meeting was held after their appointment.
2. Mr. Chan Wai Cheung Admiral resigned on 1 May 2019, 1 meeting was held before his resignation.
3. Mr. Lie Chi Wing resigned on 9 April 2019, 1 meeting was held before his resignation.
4. Ms. Hu Gin Ing resigned on 24 April 2019, 1 meeting was held before her resignation.

附註：

1. 周偉興先生、馬恒幹先生及曹漢璽先生於二零一九年五月三日獲委任，於彼等獲委任後曾舉行一次會議。
2. 陳偉璋先生於二零一九年五月一日辭任，於彼辭任前曾舉行一次會議。
3. 李志榮先生於二零一九年四月九日辭任，於彼辭任前曾舉行一次會議。
4. 胡競英女士於二零一九年四月二十四日辭任，於彼辭任前曾舉行一次會議。

During the year ended 31 December 2019, the Audit Committee reviewed, among others, the annual and interim results of the Group, which were in the opinion of the Audit Committee that the preparation of such results complied with the applicable accounting standards and the Listing Rules. The Audit Committee noted the existing risk management and internal control systems of the Group and also noted that review of the same will be carried out annually. The accounts for the year ended 31 December 2019 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the conclusion of the forthcoming annual general meeting of the Company (“2020 AGM”). The Audit Committee has recommended to the Board that HLB Hodgson Impey Cheng Limited be re-appointed as the auditors of the Company at the 2020 AGM.

CORPORATE GOVERNANCE FUNCTIONS

The corporate governance functions are performed by the Board.

The corporate governance functions are to develop and review the Company’s policies and practices on corporate governance to comply with the CG Code and other legal or regulatory requirements, to oversee the Company’s orientation program for new Director, to review and monitor the training and continuous professional development of Directors and senior management, to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors, and to review the Company’s disclosure in the Corporate Governance Report.

During the financial year ended 31 December 2019, the Board held 1 meeting for reviewing the training and continuous professional development of Directors, reviewing the Company’s compliance with the CG Code and reviewing the Company’s disclosure in Corporation Governance Report.

於截至二零一九年十二月三十一日止年度，審核委員會已審閱（其中包括）本集團之年度及中期業績，並認為有關業績之編製已遵守適用會計準則及上市規則。審核委員會已知悉本集團之現有風險管理及內部監控系統，並知悉有關系統將每年進行檢討。截至二零一九年十二月三十一日止年度之賬目乃由國衛會計師事務所有限公司審核，其任期將於本公司應屆股東週年大會（「二零二零年股東週年大會」）結束時屆滿。審核委員會已向董事會作出推薦建議於本公司二零二零年股東週年大會上續聘國衛會計師事務所有限公司為本公司之核數師。

企業管治職能

董事會履行企業管治職能。

企業管治職能包括制定及檢討本公司的企業管治政策及常規，以遵守企業管治守則和其他法律或規管要求，監督本公司為新董事提供的入職介紹方案，檢討及監察董事及高級管理人員之培訓及持續專業發展，制定、檢討及監察僱員及董事適用的操守準則及合規手冊（如有），並檢討本公司在企業管治報告內的披露。

於截至二零一九年十二月三十一日止財政年度，董事會曾舉行一次會議以檢討董事之培訓及持續專業發展、檢討本公司遵守企業管治守則的情況及檢討本公司在企業管治報告內的披露。

AUDITORS' REMUNERATION

During the year, the remuneration paid/payable to the Company's auditors are set out below:

Services rendered	已提供服務	Fee paid/payable 已付／ 應付費用 HK\$'000 千港元
Audit services	核數服務	
– current	– 當期	2,700
– understated in prior year	– 往年低估	1,000
Non-audit services	非核數服務	
– Review of disclosure of financial information in interim report	– 審閱中期報告內的財務資料披露	300
– Issuing letters and completion account in connection with the circular of proposed major disposal	– 就建議主要出售事項的通函出具函件及完成賬目	400
Total:	總計：	4,400

核數師酬金

年內已付／應付本公司核數師之酬金載列如下：

COMPANY SECRETARY

The Company engaged an external professional company secretarial services provider, Uni-1 Corporate Services Limited (“Uni-1”), to provide compliance and full range of company secretarial services to the Group in order to assist the Group to cope with the changing regulatory environment and to suit different commercial needs.

Ms. Chan Yuen Ying, Stella (“Ms. Chan”), the representative of Uni-1, was appointed as the Company Secretary on 19 December 2012.

Mr. Luo Jiaqi, an executive Director, is the primary point of contact at the Company for the Company Secretary.

According to the requirements of Rule 3.29 of the Listing Rules, Ms. Chan had taken no less than 15 hours of relevant professional training for the financial year ended 31 December 2019.

公司秘書

本公司已委任統一企業服務有限公司（「統一」）（一間提供公司秘書服務之外部專業公司）為本集團提供合規及各項公司秘書服務，以協助本集團應對持續變動的規管環境及配合不同商業需要。

於二零一二年十二月十九日，統一之代表陳婉縈女士（「陳女士」）獲委任為公司秘書。

執行董事羅嘉奇先生為公司秘書於本公司的主要聯絡人。

根據上市規則第3.29條之規定，截至二零一九年十二月三十一日止財政年度，陳女士已參加不少於十五小時的相關專業培訓。

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called a special general meeting.

Shareholders to convene a special general meeting

Shareholders may convene a special general meeting of the Company according to the provisions as set out in the Bye-Laws and the Companies Act of Bermuda. The procedures Shareholders can use to convene a special general meeting are set out in the document entitled "Procedures for a Shareholder to Propose a Person for Election as a Director", which is currently available on the Company's website.

Putting enquiries by Shareholders to the Board

Shareholders may send written enquiries to the Company for the attention of the Company Secretary at the Company's principal place of business in Hong Kong.

Procedures for putting forward proposals by Shareholders at Shareholders' meeting

The number of members necessary for a requisition for putting forward a proposal at a general meeting shall be:

- (a) any number of members representing not less than one-twentieth of the total voting rights at the date of the requisition; or
- (b) not less than one hundred members.

股東權利

本公司之股東大會為股東及董事會提供溝通之機會。本公司股東週年大會須每年舉行一次，地點由董事會釐定。股東週年大會以外之各股東大會均稱為股東特別大會。

股東召開股東特別大會

股東可根據章程細則及百慕達公司法所載條文召開本公司股東特別大會。股東召開股東特別大會適用之程序載於「股東提名候選董事的程序」之文件內，該文件現時可於本公司網站瀏覽。

股東向董事會提出查詢

股東可將書面查詢送交本公司之香港主要營業地點，註明收件人為公司秘書。

股東於股東大會上提呈建議之程序

於股東大會上請求提呈建議所需股東人數應為：

- (a) 代表不少於請求當日總投票權二十分之一之股東人數；或
- (b) 不少於一百名股東。

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, at the Company's principal place of business in Hong Kong in the case of:

- (a) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
- (b) any other requisition, not less than one week before the meeting.

The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with the necessary procedures.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all the resolutions to be set out in the notice of 2020 AGM will be vote by poll.

INVESTOR RELATIONS

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its Shareholders.

Information of the Company is disseminated to the Shareholders in the following manner:

- Delivery of annual and interim reports to all Shareholders;
- Publication of announcements on the annual and interim results on the Stock Exchange website, and issue of other announcements and Shareholders' circulars in accordance with the continuing disclosure obligations under the Listing Rules; and
- The general meeting of the Company is also an effective communication channel between the Board and the Shareholders.

由所有請求人簽署之一份或多份請求書副本連同本公司發出有關擬提呈決議案之通告或分發任何必要聲明所需之款項，須於下列時間呈遞本公司之香港主要營業地點：

- (a) 倘屬需要發出決議案通告之請求書，則須於有關會議舉行前不少於六個星期；及
- (b) 倘屬任何其他請求書，則須於有關會議舉行前不少於一個星期。

本公司將核實有關請求書，一旦確認請求適合及妥當，董事會將著手進行必要程序。

投票表決

根據上市規則第13.39(4)條之規定，除會議之主席以誠實信用的原則做出決定，容許純粹有關程序或行政事宜的決議案以舉手方式表決外，股東大會上，股東所作的任何表決必須以投票方式進行。因此，二零二零年股東週年大會通告所載之全部決議案將以投票方式表決。

投資者關係

本公司堅持採取開誠的態度，定期與股東溝通，並向彼等作出合理之資料披露。

本公司之資料以下列方式向股東傳達：

- 向全體股東送呈年度及中期報告；
- 在聯交所網站上刊登年度及中期業績公告及根據上市規則之持續披露責任刊發其他公告及股東通函；及
- 本公司股東大會亦是董事會與股東進行溝通之有效渠道之一。

DIVIDEND POLICY

In considering the payment of dividends, there shall be a balance between retaining adequate reserves for the Group's future growth and rewarding the Shareholders of the Company.

The Board shall also take into account, among other things, the following when considering the declaration and payment of dividends:

- the Group's overall results of operation, financial condition, working capital requirements, capital expenditure requirements, liquidity position and future expansions plans;
- the amount of retained earnings and distributable reserves of the Company;
- general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
- any other factors that the Board deems relevant.

The declaration and payment of dividends by the Company is subject to any restrictions under the Laws of Bermuda, the Company's Bye-Laws, the Listing Rules of the Stock Exchange and any other applicable laws and regulations.

The Company does not have any pre-determined dividend distribution ratio. The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future.

The Dividend Policy shall in no way constitute a legally binding commitment by the Group in respect of its future dividend and/or in no way obligate the Group to declare a dividend at any time or from time to time.

The Board will continually review the dividend policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the dividend Policy at any time.

股息政策

在考慮派付股息時，須在為本集團未來增長保留充足儲備與回報本公司股東之間取得平衡。

董事會在考慮宣派及派付股息時，亦須考慮（其中包括）以下事項：

- 本集團的整體經營業績、財務狀況、營運資金需求、資本開支需求、流動資金狀況及未來擴展計劃；
- 本公司的保留盈利及可分派儲備金額；
- 整體經濟狀況、本集團業務之業務週期及其他可能影響本集團的業務或財務表現及狀況之內在或外在因素；及
- 董事會認為相關之任何其他因素。

本公司宣派及派付股息須遵守百慕達法例、本公司之章程細則、聯交所上市規則及任何其他適用法律及規例的任何限制。

本公司沒有任何預先確定之股息分配比率。本公司過去的股息分配記錄不會用作決定本公司未來可能宣派或派付的股息水平之參考或依據。

股息政策概不構成本集團未來將派付股息之具法律約束力之承諾，及／或不會以任何方式令本集團有責任於任何時間或不時宣派股息。

董事會將持續檢討股息政策，且保留按其絕對酌情決定隨時更新、修訂、修改及／或撤銷股息政策之權利。

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Group's consolidated financial statements for each financial year which give a true and fair view of the financial position of the Group and of the financial performance and cash flows of the Group for that year. In preparing the consolidated financial statements for the year ended 31 December 2019, the Board has selected suitable accounting policies and applied them consistently; made judgements and estimates that are prudent, fair and reasonable and prepared the accounts on a going concern basis.

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

The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future based on the fact that 1) the debt restructuring plan is expected to be launched in the second half of 2020; 2) the sale of Yanglin Project can improve the cashflow of the Group; and 3) certain existing creditors will provide financial support to the Group, and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibilities (with relevant authorities) of risk management and internal control to the Audit Committee, who oversees management in the design, implementation and monitoring of the risk management and internal control systems, and management has provided a confirmation to the Audit Committee (and the Board) on the effectiveness of these systems for the year ended 31 December 2019.

董事對綜合財務報表之責任

董事會明瞭其須負責就各財政年度編製真實而中肯地反映本集團之財務狀況以及本集團於該年度之財務業績與現金流量之本集團綜合財務報表。於編製截至二零一九年十二月三十一日止年度之綜合財務報表時，董事會已選用並貫徹應用合適之會計政策；作出審慎、公平及合理之判斷與估計以及按持續經營基準編製賬目。

董事負責採取所有合理及必要步驟，保障本集團資產以及防止及辨識任何欺詐及其他違規行為。

董事經作出適當查詢後認為，基於1)預期將於二零二零年下半年啟動債務重組計劃；2)銷售楊林項目可改善本集團的現金流；及3)若干現有債權人將向本集團提供財務支持，本集團具備充足資源於可預見未來持續經營，因此，按持續經營基準編製綜合財務報表乃屬恰當。

風險管理及內部監控

董事會明瞭其須負責風險管理及內部監控系統以及檢討其成效。該等系統旨在管理而非消除無法實現業務目標之風險，且僅能就重大失實陳述或損失提供合理而非絕對的保證。

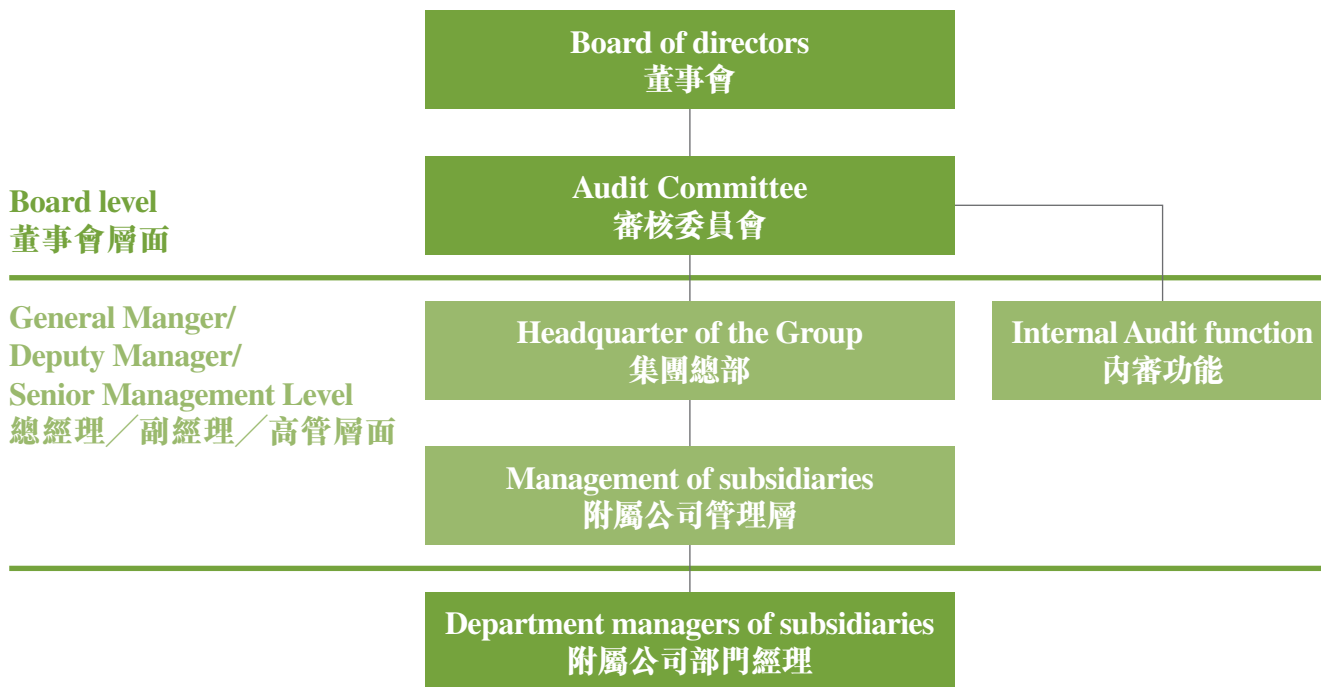
董事會已將其風險管理及內部監控的職責（與相關權力）轉授予審核委員會，而審核委員會監督管理層對風險管理及內部監控系統的設計、實施及監察，管理層已向審核委員會（及董事會）確認該等系統於截至二零一九年十二月三十一日止年度之有效性。

Main features of the risk management and internal control systems

The risk management framework of the Group and main responsibilities of the members in the framework are described as follows:

風險管理及內部監控系統的主要特點

本集團之風險管理架構以及架構內各成員的主要職責簡介如下：



Member	Main Responsibilities	成員	主要職責
The Board	<ul style="list-style-type: none"> • Set up goals for risk management strategy, assess and determine the nature and extent of risk acceptable to achieve the strategy goals; • Establish and maintain a proper and effective risk management and internal control systems; • Review the effectiveness of the risk management and internal control systems. 	董事會	<ul style="list-style-type: none"> • 訂立風險管理策略目標，評估及釐定達成策略目標時所願意接受的風險性質及程度； • 設立及維持合適及有效的風險管理及內部監控系統； • 檢討風險管理及內部監控系統的有效性。
Audit Committee	<ul style="list-style-type: none"> • Assist the Board in overseeing the risk level and the design and performance of the risk management and internal control systems; • Discuss the risk management and internal control systems with the management, ensure the management has fulfilled its responsibility of establishing effective systems; • Ensure that the internal audit function has sufficient resources for operation and has a proper position, review and supervise its performance; • Keep updated of various major risks confronted by the Group and the risk management status, make decisions for effective risk control; • Report the risk status of the Group and issues to be concerned or improved to the Board on a regular basis; • Review the Risk Management Operation Manual and its amendments; • Facilitate risk management and assessment, regularly appoint relevant accountable persons to implement risk assessment; • Organise and promote the establishment of the risk management system at the group level; • Review material risk assessment report and various risk management reports. 	審核委員會	<ul style="list-style-type: none"> • 協助董事會監察風險水平以及風險管理及內部監控系統的設計及運作成效； • 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系統； • 確保內審功能有足夠資源運作，並且有適當的地位，及檢討及監察其表現； • 保持更新本集團面臨的各項重大風險及其風險管理狀況，做出有效控制風險的決策； • 定期向董事會匯報本集團的風險現狀及需關注或完善的問題； • 審閱《風險管理操作手冊》及其修訂； • 推動風險管理和風險評估，定期委任相關責任人執行風險評估工作； • 組織並推動集團層面的風險管理系統建設； • 審閱重大風險評估報告及各項風險管理報告；

Member	Main Responsibilities	成員	主要職責
The Group's Headquarter	<ul style="list-style-type: none"> • Review major risk management measures, rectify and deal with the decisions made or actions adopted by relevant organisations or individuals beyond the risk management system; • Engage relevant persons to organise and coordinate various departments and projects to carry out identification and assessment of significant risks at the group level, summarise and analyse such information, submit risk assessment and various risk management reports; • Carry out risk management for other major issues. <ul style="list-style-type: none"> • Design, implement and supervise the risk management and internal control systems, maintain and update the risk management manual; • Oversee the implementation of the risk management policy and program, develop assessment standards and organisation for risk management; • Carry out relevant measures for construction of the risk management and internal control systems, organise the assessment on the management of subsidiaries and the building of a risk management team. • Continuously monitor risks to ensure principal risks are controlled within the tolerance of the Group; • Assess the external circumstance of the Group and enterprise macro-risk, propose a risk response plan regarding the risks inherent in the environment, strategy and operation process of the Company; • Organise and facilitate the construction of the risk management system at the group level; • Organise and coordinate various functions of the headquarter and the subsidiary to carry out major risk identification and assessment at the group level, summarise and analyse such information to prepare a material risk assessment report and various risk management reports at the group level, report to the Audit Committee the major risks at the group level; 	本集團總部	<ul style="list-style-type: none"> • 檢討重大風險管理措施，糾正及處理相關組織或個人超越風險管理系統做出的決定或行為； • 委派相關人員負責組織、統籌各部門和各項目開展集團層面的重大風險識別和評估工作，並對信息進行匯總分析和提交風險評估及各項風險管理報告； • 就其他重大事項進行風險管理。 <ul style="list-style-type: none"> • 設計、實施及監察風險管理及內部監控系統，並維持及更新風險管理手冊； • 監督風險管理政策和程序的實施，建立風險管理評價標準和組織； • 組織落實風險管理與內部監控系統建設的相關措施，組織對附屬公司管理層的考核和風險管理團隊的建設； • 持續監察風險，確保主要風險不會超出本集團的承受能力； • 評估本集團外部環境以及企業宏觀風險，就本集團環境、戰略、運營過程中所存在的風險提出風險應對方案； • 組織推動集團層面的風險管理系統建設； • 組織、協調總部各職能部門和附屬公司開展集團層面的重大風險識別和評估工作，並對上述信息進行匯總分析，擬備集團層面重大風險評估報告及各項風險管理報告，並向審核委員會匯報集團層面重大風險的信息；

Member	Main Responsibilities	成員	主要職責
Management of subsidiaries	<ul style="list-style-type: none"> Control the risks at the group level, conduct research to propose measures and plans for management of major risks at the group level, provide professional opinions for major risk decisions; Supervise the cultivation of the overall risk management culture of the Group. Ensure that the subsidiaries carry out the risk assessment in compliance with the risk management manual formulated by the Group; Review and approve the risk assessment results of the subsidiaries in respect of the business; Ensure that the subsidiaries implement effective risk management; Monitor the principal business risks confronted by the subsidiaries and the effectiveness of relevant risk management measures; Allocate resources such as fund and workforce to the subsidiaries for implementation of the risk assessment projects. 	附屬公司管理層	<ul style="list-style-type: none"> 負責對集團層面的風險進行監控，研究提出管理集團層面重大風險的相關措施和方案，為重大風險決策提供專業意見； 督導本集團整體風險管理文化的培育。 確保附屬公司遵照集團所制訂的風險管理手冊開展風險評估工作； 審閱及批准附屬公司業務層面風險評估結果； 確保附屬公司有效地管理風險； 監控附屬公司面臨的主要業務風險及相關風險管理措施的有效性； 配置附屬公司實施風險評估項目的有關資源（包括資金、人員等）。
Department managers of subsidiaries	<ul style="list-style-type: none"> Regularly update the risk register for its scope of business and carry out risk assessment as required by the Group; Formulate and implement a risk response plan for its scope of business, facilitate and implement the specific risk management measures. Monitor various risks for its scope of business and report risk information to the Risk Management Committee of the Group in a timely manner; Deal with other works related to risk management. 	附屬公司部門經理	<ul style="list-style-type: none"> 配合集團要求定期更新所屬業務的風險清單及執行風險評估等相關工作； 制定所屬業務的相關風險應對方案，並實施應對方案，負責具體風險管理措施的推進和實施； 對所屬業務的各類風險進行監控，及時向本集團風險管理委員會匯報風險信息； 處理風險管理其他相關工作。
Internal audit function	<ul style="list-style-type: none"> Report directly to the Audit Committee, analyze and conduct independent assessment on the adequacy and effectiveness of the risk management and internal control systems. 	內審功能	<ul style="list-style-type: none"> 直接向審核委員會匯報，負責對風險管理及內部監控系統是否足夠和有效作出分析及獨立評估。

The process used to identify, evaluate and manage significant risks

The risk management process of the Group is described as follows:

Project initiation	–	initiate risk management and prepare for relevant activities.
Risk identification	–	identify the current risks confronted.
Risk analysis	–	conduct two-dimension analysis on the risk including the impact extent and possibility of occurrence.
Risk response	–	choose a proper risk response method and develop a risk mitigation strategy.
Control measures	–	propose up-to-date internal control measures and policy and process.
Risk control	–	continuously monitor the risks identified and implement relevant internal control measures to ensure the effective operation of the risk response strategy.
Risk management report	–	summarise results of risk assessment and analysis and internal audit, formulate and report an action plan.

Internal audit function

The Group's internal audit function is performed by an internal audit team, which reports directly to the Audit Committee.

The Board also engaged an external independent consultant on internal audit, to conduct the annual review of the effectiveness of the risk management and internal control systems for the year ended 31 December 2019.

The Group has properly followed all recommendations provided by the external independent consultant, and ensures these recommendations will be implemented within a reasonable time.

用於辨認、評估及管理重大風險的程序

本集團之風險管理程序簡介如下：

項目啟動	–	啟動風險管理工作，預備展開相關活動。
風險識別	–	識別目前面臨的風險。
風險分析	–	以影響程度及發生的可能性兩個維度進行風險分析。
風險應對	–	選擇適當的風險應對方式，制定降低風險的策略。
控制措施	–	擬定適切其時的內部控制措施及政策和流程。
風險監控	–	持續監測識別出的風險及實施有關的內部控制措施，確保風險應對策略有效運行。
風險管理報告	–	總結風險評估及內部審核分析的結果，制定行動計劃並作出匯報。

內審功能

本集團的內審功能由內部審核團隊履行，其直接向審核委員會匯報。

董事會亦就內部審核委聘一名外部獨立顧問，對截至二零一九年十二月三十一日止年度風險管理及內部監控系統的有效性進行年度檢討。

本集團已妥為跟進外部獨立顧問提供的所有建議，並確保有關建議將於合理時間內落實。

Handling and dissemination of inside information

The Group regulates the handling and dissemination of inside information according to the “Guidelines on Disclosure of Inside Information” published by the Securities and Future Commission in June 2012 to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. The Company regularly reminds the Directors and employees about due compliance with all policies regarding the inside information. Also, the Company keeps Directors, senior management and employees apprised of the latest regulatory updates. The Company shall prepare or update appropriate guidelines or policies to ensure the compliance with regulatory requirements.

The Board has conducted a review of the systems of risk management and internal control for the year ended 31 December 2019 to ensure the effectiveness and adequacy of the systems. Such review shall be conducted annually. The Board considered that the risk management and internal control systems of Company for the year ended 31 December 2019 were effective and adequate.

CONSTITUTIONAL DOCUMENTS

There is no change in the Company’s constitutional documents during the year ended 31 December 2019.

處理及發佈內幕消息

本集團根據證券及期貨事務監察委員會於二零一二年六月發佈之「內幕消息披露指引」處理及發佈內幕消息，以確保內幕消息在獲適當批准披露前一直保密，並確保有效及一致地發佈有關消息。本公司定期提醒董事及僱員妥為遵守有關內幕消息之所有政策。此外，本公司會向董事、高級管理層及僱員發出最新監管更新的通知。本公司應編製或更新適當指引或政策以確保符合監管規定。

董事會已檢討截至二零一九年十二月三十一日止年度之風險管理及內部監控系統以確保其有效及足夠。該檢討每年進行。董事會認為，截至二零一九年十二月三十一日止年度本公司之風險管理及內部監控系統屬有效及足夠。

章程文件

於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變更。

Directors' Report

董事會報告

The Directors are pleased to present the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of its principal subsidiaries are set out in note 45 to the consolidated financial statements.

BUSINESS REVIEW

The business review, analysis using financial key performance indicators and future development in the Company's business of the Group for the year ended 31 December 2019 are set out in the section headed "Management Discussion and Analysis" on pages 10 to 26 of this annual report.

The environmental policies and performance, compliance with relevant laws and regulations and relationships with employees are also discussed in the Environmental, Social and Governance Report on pages 69 to 88.

Principal Risks and Uncertainties

Risks Pertaining to the Property Market

Project expansion by commercial brand from home and abroad has resulted in fierce competition among markets of second and third-tier cities in the PRC. Coupled with the growing of the existing competitors and the increasing of potential competitors, the market competition is getting more intensified. Confronted by the fierce competition from other operators, the Company needs to review its brand positioning and adopt phased upgrading and adjustment; otherwise, the business, operating results and the financial position would be materially adversely affected.

In addition, the Company has material interests in residential and commercial property development and property investment in the PRC and is therefore subject to the risks associated with the PRC's property market. The Company's operations in the PRC may also be exposed to the risks of policy changes, currency fluctuation, interest rate changes, demand-supply imbalance, changes in the overall economic conditions, competition in the labor market, and availability of financing, which may pose an adverse impact on the Company's business, financial condition or results of operations.

董事欣然提呈截至二零一九年十二月三十一日止年度之年度報告及本集團之經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股。其主要附屬公司之主要業務及其他詳情載於綜合財務報表附註45。

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回顧、使用財務關鍵績效指標之分析及本公司業務之未來發展載於本年報第10頁至第26頁之「管理層討論及分析」一節。

環境政策及表現、遵守相關法律及法規的情況以及與僱員的關係亦載述於第69頁至第88頁之環境、社會及管治報告。

主要風險及不明朗因素

物業市場相關風險

隨著國內外商業品牌的項目拓展，中國二三線城市市場競爭激烈。市場中的現存競爭者不斷壯大及潛在競爭者的增加，令市場競爭更趨白熱化。面對其他營運商帶來的激烈競爭，本公司需檢討其品牌定位及採取階段性升級調整，否則其業務、經營業績及財務狀況將會受到重大不利影響。

此外，本公司在中國的住宅和商用物業發展及物業投資項目中持有重大權益，因而受到中國房地產市場的相關風險影響。政策轉變、貨幣波動、利率變動、供求失衡、整體經濟狀況轉變、勞工市場競爭及融資供求情況都可能對本公司在中國的業務造成風險，或會對本公司的業務、財務狀況或經營業績造成不利影響。

The Company will actively collect data to have a better understanding of the market and develop coping strategies. The Company also conducts research in the properties nearby the project to have a good knowledge of the regional market, adjust its sales price and set up marketing plans and schedules, with an aim to maintain the Company's competitiveness in the industry.

Business Risk

Property development comprises multiple phases which include site selection, land acquisition, planning, design, construction, sales and after-sales service. Project development typically requires long turnover periods, significant financial investments and interaction with numerous parties. It is also subject to approval and supervision by a number of government authorities, such as authorities for the administration of land and resources, housing and urban-rural development, fire prevention and environmental protection, and will also be affected by factors such as market conditions.

In recent years, the government has announced policies containing more stringent approval requirements for land transactions, housing layout planning and application for construction permits and sales permits etc. This may result in even longer turnover periods for the Company's property development and sales, and increase our development costs and development risks.

As a property development company, if we are unable to obtain land required for our project development in a timely manner, our production operations will be forced into suspension. At present, the transfer of land sites for development and construction in the PRC is conducted through the "tender, auction and listing" system of transfer in the public market. Property development companies face intense competition in land acquisition. If the Company is unable to acquire land sites required for project development in a timely manner and maintain a dynamic land bank required for ongoing development, the Company's development will be restrained and the continuous growth in the Company's revenue and operating results will be seriously affected.

本公司將積極收集數據以更好地了解市場及作出應對策略。本公司亦在項目附近的樓盤進行研究，以了解地區行情、調整其售價及制定營銷計劃及時間表，從而保持本公司在行業內的競爭力。

業務風險

物業發展有多個階段，包括選址、購地、規劃、設計、建造、銷售及售後服務。項目發展一般需要較長周轉期、重大財務投資及與多方溝通合作，亦需要經過土地及資源管理、住房及城鄉發展、消防以及環境保護部門等多個政府機關批准及監督，同時會受市場狀況等因素影響。

近年來，政府宣佈對土地交易、住房佈置規劃及申請建築許可證及銷售許可證等採取更嚴格批准要求的政策。此舉可能加長本公司物業發展及銷售的周轉期，並增加發展成本及發展風險。

作為一間物業發展公司，倘我們無法如期取得項目發展所需要的土地，我們的生產營運將被迫停工。現時，中國發展及建築的土地出讓透過公開市場「招標、拍賣及掛牌」的出讓系統進行。物業發展公司於購地時面對激烈競爭。倘本公司無法如期取得項目發展所需要的土地並維持持續發展所需的充裕土地儲備，本公司的發展將受到限制，並嚴重影響本公司收入及經營業績的持續增長。

Financial Risk

An effective and sound financial management system is essential to the Company's operations. The Company may be exposed and impacted by factors such as shortage of fund flow, increase in costs of funding and currency fluctuation.

The finance team is embedded within the Group to provide financial management support by monitoring the financial market conditions and setting an appropriate financial strategy. The Company maintains an open and proactive relationship with the banking community, arranging different terms of loan facilities from different sources with different tenures and ensures continuous assessment of counterparty risks.

Compliance with the Relevant Laws and Regulations

During the year under review, as far as the Board and management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operation of the Group.

Key Relationships with Employees, Customers and Suppliers

The Group recognises that employees are one of the significant assets of the Group. The Group aims to continue establishing a caring environment to employees and emphasis the personal development of its employees.

The Group maintains a good relationship with our customers and suppliers. The Group aims to continue providing quality services and consumption experiences to our customers and establishing cooperation strategy with our suppliers.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 92 to 93.

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

財務風險

有效可靠之財務管理系統是本公司營運的重要一環。本公司或會面對及受若干因素所影響，例如資金流短缺、資金成本上升及貨幣波動等。

本集團內部專設財務團隊，透過監察金融市場狀況及制定合適的財政策略，提供財務管理支持。本公司與銀行界保持開放和積極的關係，安排訂立不同融資渠道不同條款及不同年期之貸款融資，並確保對交易對手方的風險進行持續評估。

遵守相關法律及法規的情況

於回顧年度內，據董事會及管理層所知，本集團並無嚴重違反或未遵守適用法律及法規而對本集團業務及營運造成重大影響的情況。

與員工、客戶及供應商的重要關係

本集團確認員工為本集團的重要資產之一。本集團持續致力為員工建立關愛的環境，並重視員工的個人發展。

本集團與客戶及供應商保持良好關係。本集團持續致力向客戶提供優質服務及消費體驗並與供應商建立合作策略。

業績及分派

本集團截至二零一九年十二月三十一日止年度之業績載於第92頁至第93頁之綜合損益及其他全面收益表中。

董事會不建議就截至二零一九年十二月三十一日止年度派發末期股息（二零一八年：無）。

CHARITABLE DONATIONS

During the year ended 31 December 2019, the Group made HK\$3,000 charitable donations (2018: HK\$125,000).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the Shareholders of the Company entitled to attend and vote at the 2020 AGM to be held on Tuesday, 23 June 2020, the register of members of the Company will be closed from Wednesday, 17 June 2020 to Tuesday, 23 June 2020, both days inclusive, during the period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 16 June 2020.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the year ended 31 December 2019 in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of the movements during the year ended 31 December 2019 in the investment properties of the Group are set out in note 16 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

At 31 December 2019, the aggregate amount of reserves available for distribution to equity holders of the Company was approximately HK\$4,526,612,000 (2018: approximately HK\$9,404,000).

SHARE CAPITAL

Details of the movements in the share capital during the year are set out in note 28 to the consolidated financial statements.

慈善捐款

於截至二零一九年十二月三十一日止年度內，本集團作出慈善捐款3,000港元（二零一八年：125,000港元）。

暫停辦理股份過戶登記

為確定有權出席將於二零二零年六月二十三日（星期二）舉行之二零二零年股東週年大會並於會上表決之本公司股東身份，本公司將由二零二零年六月十七日（星期三）至二零二零年六月二十三日（星期二）（包括首尾兩日）暫停辦理股份過戶登記手續，期間將不會辦理任何股份過戶登記。所有股份過戶登記文件連同有關股票，必須不遲於二零二零年六月十六日（星期二）下午四時三十分送交本公司之香港股份過戶登記分處卓佳標準有限公司，地址為香港灣仔皇后大道東183號合和中心54樓，以辦理登記手續。

物業、廠房及設備

本集團物業、廠房及設備於截至二零一九年十二月三十一日止年度之變動詳情載於綜合財務報表附註15。

投資物業

本集團投資物業於截至二零一九年十二月三十一日止年度之變動詳情載於綜合財務報表附註16。

可分派儲備

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約為4,526,612,000港元（二零一八年：約為9,404,000港元）。

股本

股本於年內之變動詳情載於綜合財務報表附註28。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Byelaws or the laws of Bermuda, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2019, the Company repurchased 79,560,000 shares at prices ranging from HK\$0.111 to HK\$0.137 per share on the Stock Exchange. Details of the repurchases are as follows:

Month/Year 年/月	Number of shares repurchased 購回股份數目	Purchase price per share 每股購回價		Aggregate purchase consideration (excluding expenses) 購回代價總額 (不包括費用) HK\$ 港元
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
January 2019 二零一九年一月	54,820,000	0.137	0.111	6,781,210
February 2019 二零一九年二月	24,740,000	0.125	0.117	2,947,410
	79,560,000			9,728,620

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2019.

優先購買權

本公司之章程細則或百慕達（即本公司註冊成立之司法權區）法例並無有關優先購買權的條文，規定本公司須按比例向本公司現有股東提呈發售新股。

購入、出售或贖回本公司上市證券

於截至二零一九年十二月三十一日止年度，本公司於聯交所以每股0.111港元至0.137港元的價格購回79,560,000股股份。購回詳情如下：

除上文所披露者外，於截至二零一九年十二月三十一日止年度內本公司或其任何附屬公司概無購入、出售或贖回任何本公司之上市證券。

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) when the Directors' Report prepared by the Directors is approved in accordance with section 391(1) (a) of the Companies Ordinance (Chapter 622 of the laws of Hong Kong).

GROUP FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 256 of this report.

DIRECTORS

The list of Directors of the Company during the year and up to the date of this annual report is set out below:

Executive Directors

Mr. King Pak Fu	<i>(resigned on 23 September 2019)</i>
Mr. Wang Chunning	<i>(resigned on 1 March 2019)</i>
Mr. Wang Yikun	<i>(resigned on 1 March 2019)</i>
Mr. Bai Xuefei (Chairman)	
Ms. Qian Hui	<i>(resigned on 4 April 2019)</i>
Mr. Li Wanle	<i>(appointed on 4 April 2019 and resigned on 18 June 2019)</i>
Mr. Zhang Peng	<i>(appointed on 27 June 2019 and resigned on 26 February 2020)</i>
Mr. Luo Jiaqi	<i>(appointed on 26 February 2020)</i>

獲准許的彌償條文

本公司已就董事及高級管理人員因公司業務而可能會面對的法律行動，為董事及高級人員作出合適的投保安排。於董事編製之董事會報告按照公司條例（香港法例第622章）第391(1)(a)條獲批准時，根據公司條例（香港法例第622章）第470條規定獲准許的彌償條文正於惠及董事的情況下有效。

集團財務概要

本集團過去五個財政年度之業績以及資產及負債之概要載於本報告第256頁。

董事

本公司於年內及直至本年報日期之董事名單載列如下：

執行董事

景百孚先生	<i>(於二零一九年九月二十三日辭任)</i>
汪春寧先生	<i>(於二零一九年三月一日辭任)</i>
王毅坤先生	<i>(於二零一九年三月一日辭任)</i>
白雪飛先生 (主席)	
錢慧女士	<i>(於二零一九年四月四日辭任)</i>
李萬樂先生	<i>(於二零一九年四月四日獲委任並於二零一九年六月十八日辭任)</i>
張鵬先生	<i>(於二零一九年六月二十七日獲委任並於二零二零年二月二十六日辭任)</i>
羅嘉奇先生	<i>(於二零二零年二月二十六日獲委任)</i>

Independent Non-executive Directors

Mr. Chan Wai Cheung Admiral	(resigned on 1 May 2019)
Mr. Lie Chi Wing	(resigned on 9 April 2019)
Ms. Hu Gin Ing	(resigned on 24 April 2019)
Mr. Chau Wai Hing	(appointed on 3 May 2019)
Mr. Ma Hang Kon Louis	(appointed on 3 May 2019)
Mr. Tso Hon Sai Bosco	(appointed on 3 May 2019)

In accordance with Bye-law 111 of the Bye-Laws, Mr. Chau Wai Hing and Mr. Bai Xuefei shall retire from office as Directors by rotation in the 2020 AGM. Both of them, being eligible, offer themselves for re-election at the 2020 AGM.

In accordance with Bye-law 115 of the Bye-Laws, Mr. Luo Jiaqi, being a Director appointed after the 2019 AGM, shall be subject to re-election at the 2020 AGM. Mr. Luo Jiaqi, being eligible, offers himself for re-election at the 2020 AGM.

DIRECTORS' SERVICE CONTRACTS

Mr. Bai Xuefei entered into a service contract with the Company on 17 July 2018 for an initial term of 3 years commencing from 17 July 2018 unless terminated by not less than one month's notice served by either party on the other. He is subject to retirement by rotation at least once in every three years in accordance with the Bye-Laws.

Mr. Luo Jiaqi entered into a service contract with the Company on 26 February 2020 for a term of three years commencing from 26 February 2020 unless terminated by not less than one month's notice in writing served by either party to the other. He is subject to retirement and re-election at the 2020 AGM after his appointment and thereafter subject to retirement by rotation in accordance with the Bye-laws.

Each of Mr. Chau Wai Hing, Mr. Ma Hang Kon Louis and Mr. Tso Hon Sai Bosco signed an appointment letter issued by the Company on 3 May 2019 for an initial term of one year commencing on 3 May 2019, which is automatically renewable for successive term of one year upon expiry of the said term, unless terminated by not less than one month's notice in writing served by either party to the other. They are subject to retirement by rotation at least once in every three years in accordance with the Bye-Laws.

獨立非執行董事

陳偉璋先生	(於二零一九年五月一日辭任)
李志榮先生	(於二零一九年四月九日辭任)
胡競英女士	(於二零一九年四月二十四日辭任)
周偉興先生	(於二零一九年五月三日獲委任)
馬恒幹先生	(於二零一九年五月三日獲委任)
曹漢璽先生	(於二零一九年五月三日獲委任)

根據章程細則第111條，周偉興先生及白雪飛先生須於二零二零年股東週年大會上輪流退任董事。彼等均符合資格且願意在二零二零年股東週年大會上重選連任。

根據章程細則第115條，於二零一九年股東週年大會後獲委任之董事羅嘉奇先生須於二零二零年股東週年大會上接受重選。羅嘉奇先生符合資格且願意在二零二零年股東週年大會上重選連任。

董事之服務合約

白雪飛先生於二零一八年七月十七日與本公司訂立服務合約，初步任期自二零一八年七月十七日起為期三年，可由任何一方向另一方發出不少於一個月通知予以終止。彼須根據章程細則至少每三年輪流退任一次。

羅嘉奇先生於二零二零年二月二十六日與本公司訂立服務合約，任期自二零二零年二月二十六日起為期三年，可由任何一方向另一方發出不少於一個月書面通知予以終止。彼須於彼獲委任後之二零二零年股東週年大會上退任及重選連任，且其後須根據章程細則輪流退任。

周偉興先生、馬恒幹先生及曹漢璽先生各自於二零一九年五月三日簽署由本公司發出的委任書，初步任期自二零一九年五月三日起為期一年，有關期限屆滿後自動重續一年，可由任何一方向另一方發出不少於一個月書面通知予以終止。彼等須根據章程細則至少每三年輪流退任一次。

None of the Directors who are proposed for re-election at the 2020 AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors, a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive Directors are independent.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under section headed "Share Option Schemes" below, at no time during the year ended 31 December 2019 was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of share in, or debt securities, including debenture, of the Company or any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed below in the section headed "Connected Transactions" and "Significant Related Party Transactions" in note 41 to the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company or any of its subsidiaries was a party, and in which a Director of the Company had a material interest, whether directly or indirectly subsisted at the year-end or at any time during the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

None of the Directors, chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations as defined in Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 December 2019.

擬於二零二零年股東週年大會重選連任之董事概無與本公司訂立在一內不可在不予賠償（法定賠償除外）的情況下終止之服務合約。

獨立性之確認

本公司已接獲每位獨立非執行董事根據上市規則第3.13條就其獨立性發出之確認書。本公司認為全體獨立非執行董事均為獨立人士。

董事購買股份或債權證之權利

除下文「購股權計劃」一節所披露者外，於截至二零一九年十二月三十一日止年度內任何時間，本公司或其任何附屬公司概無訂立任何安排，使董事可藉購入本公司或任何其他法人團體的股份或債務證券（包括債權證）而獲益。

董事於交易、安排或合約之權益

除下文「關連交易」一節及綜合財務報表附註41之「重大關連人士交易」所披露者外，本公司或其任何附屬公司並無訂立任何於本年度末或年內任何時間仍有效，且本公司董事直接或間接於當中擁有重大權益的有關本集團業務之重大交易、安排及合約。

董事及主要行政人員於股份及相關股份之權益及淡倉

於二零一九年十二月三十一日，概無董事、本公司主要行政人員或彼等之聯繫人於本公司或其任何相聯法團（定義見證券及期貨條例（香港法例第571章）（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中擁有記錄於根據證券及期貨條例第352條所存置之登記冊內，或根據標準守則之規定知會本公司及聯交所之任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, the register of substantial Shareholders maintained by the Company pursuant to section 336 of the SFO, the following Shareholders had notified the Company of relevant interests or short position in shares and underlying shares of Company as follows:

主要股東於股份及相關股份之權益及 淡倉

於二零一九年十二月三十一日，根據本公司按證券及期貨條例第336條存置之主要股東登記冊所載，下列股東已知會本公司有關彼等於本公司股份及相關股份之有關權益或淡倉如下：

Name of Shareholders	Capacity	Long position/ Short position	Ordinary shares (no. of shares)	Derivative shares (no. of shares)	Approximate percentage of the issued share capital of the Company	Notes
股東姓名／名稱	身份	好倉／淡倉	普通股 (股份數目)	衍生股 (股份數目)	佔本公司 已發行股本 概約百分比	附註
Mr. King 景先生	Interest of controlled corporations 受控法團權益	Long position 好倉	8,085,734,267	–	34.12	1
	Interest of controlled corporations 受控法團權益	Short position 淡倉	6,940,627,269	–	29.29	1
	Beneficial owner 實益擁有人	Long position 好倉	266,710,000	–	1.13	1
	Beneficial owner 實益擁有人	Short position 淡倉	266,710,000	–	1.13	1
Better Joint	Beneficial owner 實益擁有人	Long position 好倉	4,184,236,998	–	17.66	2
	Beneficial owner 實益擁有人	Short position 淡倉	3,508,700,000	–	14.81	2

Name of Shareholders	Capacity	Long position/ Short position	Ordinary shares (no. of shares)	Derivative shares (no. of shares)	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比	Notes
股東姓名／名稱	身份	好倉／淡倉	普通股 (股份數目)	衍生股 (股份數目)		附註
Elite Mile 俊程	Beneficial owner 實益擁有人	Long position 好倉	2,316,738,712	–	9.78	3
	Beneficial owner 實益擁有人	Short position 淡倉	2,316,738,712	–	9.78	3
Haitong International Securities Group Limited 海通國際證券集團有限公司	Interest of controlled corporation 受控法團權益	Long position 好倉	1,448,791,501	–	6.11	4
	Interest of controlled corporation 受控法團權益	Short position 淡倉	–	998,791,501	4.22	4
Chu Yuet Wah 李月華	Interest of controlled corporations 受控法團權益	Long position 好倉	1,750,300,000	–	7.39	5
Kingston Finance Limited 金利豐財務有限公司	Security interest 保證權益	Long position 好倉	1,750,000,000	–	7.39	5

Notes:

1. 4,184,236,998 ordinary shares in long position and 3,508,700,000 ordinary shares in short position are held through Better Joint, a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. King; (ii) 1,115,188,557 ordinary shares in both long position and short position are held through Glory Merit, a company incorporated in the British Virgin Islands with limited liability which is beneficially owned as to 99% by Mr. King; (iii) 2,316,738,712 ordinary shares in both long position and short position are held through Elite Mile, a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. King; (iv) 53,390,000 ordinary shares are held through Ever Success Ventures Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. King; (v) 416,180,000 shares are held through Sino Wealthy Limited, a company which is wholly-owned by Bremwood Holdings Limited, which is in turn wholly-owned by Gauteng Focus Limited, which is in turn wholly-owned by Rentian Technology Holdings Limited, a company which is held as to 24.51% by Mystery Idea Limited, a company wholly-owned by Mr. King; and (vi) 266,710,000 ordinary shares held directly by Mr. King.
2. Better Joint is the legal and beneficial owner of 4,184,236,998 ordinary shares in long position and 3,508,700,000 ordinary shares in short position. Better Joint is wholly and beneficially owned by Mr. King. By virtue of the SFO, Mr. King is deemed to be interested in those shares held by Better Joint.
3. Elite Mile is the legal and beneficial owner of 2,316,738,712 ordinary shares of the Company. Elite Mile is wholly and beneficially owned by Mr. King. By virtue of the SFO, Mr. King is deemed to be interested in those shares held by Elite Mile.
4. These include (i) 295,581,501 ordinary shares held through Haitong International New Energy VIII Limited, which is wholly-owned by Castle Range Developments Limited, which is in turn wholly owned by Haitong International (BVI) Limited; (ii) 1,153,210,000 ordinary shares in long position and 998,791,501 derivative shares in short position held through Haitong International Financial Solutions Limited, which is wholly-owned by Haitong International Finance Company Limited, which is in turn wholly-owned by Haitong International (BVI) Limited. Haitong International (BVI) Limited is wholly-owned by Haitong International Securities Group Limited, which is owned as to 63.08% by Haitong International Holdings Limited, a company which is wholly-owned by Haitong Securities Co., Ltd. By virtue of the SFO, Haitong Securities Co., Ltd is deemed to be interested in those interests held by Haitong International Securities Group Limited.

附註：

1. 4,184,236,998股普通股（好倉）及3,508,700,000股普通股（淡倉）乃透過於英屬處女群島註冊成立之有限公司Better Joint持有，而Better Joint則由景先生全資實益擁有；(ii) 1,115,188,557股普通股（好倉及淡倉）乃透過於英屬處女群島註冊成立之有限公司永德持有，而該公司則由景先生實益擁有99%；(iii) 2,316,738,712股普通股（好倉及淡倉）乃透過於英屬處女群島註冊成立之有限公司俊程持有，而該公司則由景先生全資實益擁有；(iv) 53,390,000股普通股乃透過於英屬處女群島註冊成立之有限公司Ever Success Ventures Limited持有，而該公司則由景先生全資實益擁有；(v) 416,180,000股股份乃透過Sino Wealthy Limited持有，Sino Wealthy Limited由Bremwood Holdings Limited全資擁有，Bremwood Holdings Limited由Gauteng Focus Limited全資擁有，Gauteng Focus Limited由仁天科技控股有限公司全資擁有，仁天科技控股有限公司由Mystery Idea Limited持有24.51%權益，而Mystery Idea Limited則由景先生全資擁有；及(vi) 266,710,000股普通股由景先生直接持有。
2. Better Joint為4,184,236,998股普通股（好倉）及3,508,700,000股普通股（淡倉）之法定及實益擁有人。Better Joint由景先生全資實益擁有。根據證券及期貨條例，景先生被視為於Better Joint持有之股份中擁有權益。
3. 俊程為本公司2,316,738,712股普通股之法定及實益擁有人。俊程由景先生全資實益擁有。根據證券及期貨條例，景先生被視為於俊程持有之股份中擁有權益。
4. 該等股份包括(i)透過Haitong International New Energy VIII Limited持有之295,581,501股普通股，Haitong International New Energy VIII Limited由Castle Range Developments Limited全資擁有，而Castle Range Developments Limited由Haitong International (BVI) Limited全資擁有；(ii)透過海通國際金融服務有限公司持有之1,153,210,000股普通股（好倉）及998,791,501股衍生股（淡倉），海通國際金融服務有限公司由海通國際財務有限公司全資擁有，而海通國際財務有限公司則由Haitong International (BVI) Limited全資擁有。Haitong International (BVI) Limited由海通國際證券集團有限公司全資擁有，海通國際證券集團有限公司由海通國際控股有限公司擁有63.08%權益，而海通國際控股有限公司則由Haitong Securities Co., Ltd全資擁有。根據證券及期貨條例，Haitong Securities Co., Ltd被視為於海通國際證券集團有限公司持有之權益中擁有權益。

5. These include security interest in 1,750,000,000 ordinary shares held through Kingston Finance Limited, which is wholly-owned by Ample Cheer Limited, which is in turn owned as to 20% by Insight Glory Limited and owned as to 80% by Best Forth Limited, both companies are wholly-owned by Chu Yuet Wah.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 31 December 2019.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors. Mr. King, the former joint chairman and an executive director and a substantial Shareholder, for himself and on behalf of Better Joint, a company wholly-owned by Mr. King, Glory Merit, a company owned by Mr. King as to 99% of the share equity, and Elite Mile, a company wholly-owned by Mr. King, informed the Company that there were disposal of the Company's shares held by Better Joint, Glory Merit and Elite Mile on the Stock Exchange during March 2019, arising from part enforcement of share charges and/or margin financings in respect of certain shares held by Better Joint, Glory Merit and Elite Mile by certain securities brokers. It is noted that Rule A.3(a)(i) of the Model Code with respect to dealing in securities during the period of 60 days immediately preceding the publication date of the annual results of the year ended 31 December 2018, and Rule B.8 of the Model Code with respect to dealing in any securities by first notifying in writing a director designated by the Board and receiving a dated written acknowledgement, were not complied with by Mr. King. Mr. King unintentional non-fully compliance with such required standards in March 2019. Details of the forced sale of the shares of the Company were disclosed under the heading "unusual price movement" in the announcement of the Company dated 25 March 2019.

Save as disclosed above, the Company confirmed that all other Directors have complied with the required standards set out in the Model Code for the year ended 31 December 2019.

CONNECTED TRANSACTION

There were no connected transactions during the year ended 31 December 2019.

5. 該等股份包括透過金利豐財務有限公司持有之1,750,000,000股普通股之保證權益，金利豐財務有限公司由Ample Cheer Limited全資擁有，Ample Cheer Limited由Insight Glory Limited擁有20%及由Best Forth Limited擁有80%，該兩間公司均由李月華全資擁有。

除上文所披露者外，於二零一九年十二月三十一日，概無其他人士根據本公司按證券及期貨條例第336條須存置之登記冊所載於本公司之股份或相關股份中擁有權益或淡倉。

董事進行證券交易之標準守則

本公司已採納標準守則作為董事進行證券交易之行為守則。前任聯席主席、執行董事兼主要股東景先生為其本人及代表Better Joint（一間由景先生全資擁有之公司）、永德（一間由景先生擁有99%股權之公司）及俊程（一間由景先生全資擁有之公司）告知本公司，由Better Joint、永德及俊程持有的本公司股份於二零一九年三月在聯交所被出售，此乃由於若干證券經紀強制執行部分與若干由Better Joint、永德及俊程持有之股份有關的股份抵押及／或保證金融資。我們注意到景先生未遵守標準守則第A.3(a)(i)條於截至二零一八年十二月三十一日止年度的年度業績刊發日期之前60日內不得買賣證券的規定，及標準守則第B.8條於未書面通知董事會指定的一名董事及獲覆註明日期的確認書之前不得買賣任何證券的規定。景先生於二零一九年三月無意不完全遵守相關必守標準。有關被迫出售本公司股份之詳情披露於本公司日期為二零一九年三月二十五日之公告內「股價不尋常波動」部分。

除上文所披露者外，本公司確認所有其他董事於截至二零一九年十二月三十一日止年度內已遵守標準守則所載之必守標準。

關連交易

截至二零一九年十二月三十一日止年度並無關連交易。

RELATED PARTY TRANSACTIONS

The Directors consider that the related party transactions disclosed under Note 41 to the consolidated financial statements did not fall under the definition of “connected transaction” or “continuing connected transaction” in Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders’ approval requirements under the Listing Rules. The Group has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) at the annual general meeting of the Company held on 31 May 2013. Pursuant to the Share Option Scheme, the Board may at its discretion offer options to any eligible participants including, but not limited to, any person being an employee, executive directors, or non-executive directors (including independent non-executive directors) of the Group or any invested entity and any supplier, adviser or consultant to any area of business or business development of any member of the Group or any invested entity.

As at the date of this annual report, the total number of shares available for issue under the Share Option Scheme (after considering the share options already granted under the Share Option Scheme) is 1,291,388,404, representing approximately 5.45% of the shares in issue as at the date of this annual report.

EQUITY-LINKED AGREEMENTS

Save as those disclosed in the sections headed “Share Option Scheme” in this Directors’ Report and “Capital Structure, Liquidity and Financial Resources” in the Management Discussion and Analysis and also “Convertible Bonds” in note 33 to the consolidated financial statements, no other equity-linked agreements were entered into by the Group, or existed during the year ended 31 December 2019.

有關連人士交易

董事認為，綜合財務報表附註41披露的有關連人士交易並不屬上市規則第十四A章界定的須遵守上市規則項下任何申報、公告或獨立股東批准規定的「關連交易」或「持續關連交易」。本集團已遵守上市規則第十四A章的披露規定。

購股權計劃

本公司於二零一三年五月三十一日舉行之本公司股東週年大會上採納一項購股權計劃（「購股權計劃」）。根據購股權計劃，董事會可酌情向任何合資格參與者，包括但不限於本集團或任何投資實體之僱員、執行董事或非執行董事（包括獨立非執行董事），及本集團任何成員公司或任何投資實體之任何業務範疇或業務發展之任何供應商、顧問或諮詢人提呈購股權。

於本年報日期，根據購股權計劃可供發行的股份總數（經考慮根據購股權計劃已授出的購股權）為1,291,388,404股，佔於本年報日期已發行股份約5.45%。

股票掛鈎協議

除於本董事會報告內「購股權計劃」一節及管理層討論及分析內「資本結構、流動性及財務資源」一節以及綜合財務報表附註33之「可換股債券」所披露者外，本集團於截至二零一九年十二月三十一日止年度並無訂立或存在其他股票掛鈎協議。

SUBSIDIARIES

Particulars of the principal subsidiaries of the Company as at 31 December 2019 are set out in note 45 to the consolidated financial statements.

BORROWINGS

Particulars of loans of the Group as at 31 December 2019 are set out in note 31 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

Contracts with the Group's five largest suppliers combined by value, accounted for 7% in value of total purchases during the year ended 31 December 2019, while contracts with the Group's largest supplier by value, accounted for 2% in value of total purchases during the year ended 31 December 2019. Contracts with the Group's five largest customers aggregated accounted for less than 14% of the Group's sales during the year ended 31 December 2019.

None of the Directors, their associates or any other Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

EMOLUMENT POLICY

The emolument policy for the employees of the Group is set up on the basis of their merit, qualifications and competence. The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics. Details of the Group's retirement benefit plans are set out in note 37 to the consolidated financial statements.

DIRECTORS' EMOLUMENTS

Details of the remuneration of the Directors for the year ended 31 December 2019 are set out in note 11 to the consolidated financial statements.

附屬公司

本公司於二零一九年十二月三十一日之主要附屬公司之詳情載於綜合財務報表附註45。

借款

本集團於二零一九年十二月三十一日之貸款詳情載於綜合財務報表附註31。

主要客戶及供應商

與本集團五大供應商所訂合約之價值合共佔截至二零一九年十二月三十一日止年度之採購總值7%，而與本集團最大供應商所訂合約之價值佔截至二零一九年十二月三十一日止年度之採購總值2%。與本集團五大客戶所訂合約之價值合共佔本集團截至二零一九年十二月三十一日止年度之銷售額少於14%。

概無董事、彼等之聯繫人或任何其他股東（就董事所知，擁有本公司股本超過5%者）於上述主要供應商或客戶中擁有權益。

薪酬政策

本集團僱員之薪酬政策乃按僱員之貢獻、資歷及能力釐定。董事之薪酬乃由薪酬委員會經考慮本集團之經營業績、個人表現及可比較市場統計數據後釐定。本集團退休福利計劃之詳情載於綜合財務報表附註37。

董事薪酬

截至二零一九年十二月三十一日止年度之董事薪酬詳情載於綜合財務報表附註11。

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the year and up to the date of this report.

AUDIT COMMITTEE

The Company established an Audit Committee on 9 November 1999 with written terms of reference, which was revised on 29 December 2015 and 28 March 2019, respectively to be in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting system and to review the risk management and internal control systems of the Group. The Audit Committee comprises three independent non-executive Directors of the Company, Mr. Chau Wai Hing (as chairman), Mr. Ma Hang Kon Louis and Mr. Tso Hon Sai Bosco. The Audit Committee has reviewed the audited consolidated financial statements of the Company for the year ended 31 December 2019.

AUDITORS

The accounts for the years ended 31 December 2017, 2018 and 2019 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the conclusion of the 2020 AGM. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as auditors of the Company for the subsequent year is to be proposed at the 2020 AGM.

On behalf of the Board
Carnival Group International Holdings Limited
Bai Xuefei
Chairman

Hong Kong, 29 April 2020

公眾持股量

於本年度及直至本報告日期，基於本公司可得之公開資料及據董事所知，本公司一直維持上市規則所規定之足夠公眾持股量。

審核委員會

本公司於一九九九年十一月九日成立審核委員會並制定書面職權範圍，之後於二零一五年十二月二十九日及二零一九年三月二十八日進行修訂以符合企業管治守則。審核委員會之主要職責為檢討及監督本集團之財務申報系統，以及檢討風險管理及內部監控系統。審核委員會由三名本公司獨立非執行董事組成，即周偉興先生（主席）、馬恒幹先生及曹漢璽先生。審核委員會已審閱本公司截至二零一九年十二月三十一日止年度之經審核綜合財務報表。

核數師

截至二零一七年、二零一八年及二零一九年十二月三十一日止年度之賬目已由國衛會計師事務所有限公司審核，其任期將於二零二零年股東週年大會結束時屆滿。本公司將於二零二零年股東週年大會上提呈有關續聘國衛會計師事務所有限公司為本公司隨後年度核數師之決議案。

代表董事會
嘉年華國際控股有限公司
主席
白雪飛

香港，二零二零年四月二十九日

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

Carnival Group International Holdings Limited (the “Company”), together with its subsidiaries (the “Group”), is pleased to present this Environmental, Social and Governance Report (the “Report”) to provide an overview of the Group’s management on significant issues affecting the operation, and the performance of the Group in terms of environmental and social aspects. This Report is prepared by the Group with the professional assistance of Absolute Value Business & Asset Valuation Limited.

Preparation Basis and Scope

This Report is prepared in accordance with Appendix 27 to the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) – “Environmental, Social and Governance Reporting Guide” and has complied with “comply or explain” provision in the Listing Rules.

This Report summarises the performance of the Group in respect of corporate social responsibility, covering its operating activities which are considered as material by the Group – property development and investment in the People’s Republic of China (“PRC”) and Hong Kong (“HK”). With the aim to optimise and improve the disclosure requirements in the Report, the Group has taken initiative to formulate policies, record relevant data, implement and monitor measures. This Report shall be published both in Chinese and English on the website of Stock Exchange. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

Reporting Period

This Report demonstrates our sustainability initiatives during the reporting period from 1 January 2019 to 31 December 2019.

Contact Information

The Group welcomes your feedback on this Report for our sustainability initiatives. Please contact us by email to security@0996.com.hk.

關於本報告

嘉年華國際控股有限公司（「本公司」）連同其附屬公司（「本集團」）欣然提呈本環境、社會及管治報告（「本報告」），以提供有關本集團對影響其營運的重大事宜的管理及本集團在環境和社會方面表現的概覽。本報告乃由本集團在精銳商業與資產評估有限公司的專業協助下編製。

編製基準及範圍

本報告乃依照香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄二十七－「環境、社會及管治報告指引」編製，並已遵守上市規則之「不遵守就解釋」條文。

本報告概述本集團在企業社會責任方面的表現，涵蓋本集團認為屬重要的經營活動，即在中華人民共和國（「中國」）及香港（「香港」）的物業發展及投資業務。為優化和完善本報告中的披露規定，本集團已主動制定政策、記錄相關數據、實施及監督相關措施。本報告以中、英文版本在聯交所網站刊發。中、英文版本如有任何歧義，概以英文版本為準。

匯報期間

本報告闡述我們於二零一九年一月一日至二零一九年十二月三十一日匯報期間在可持續發展方面的舉措。

聯絡資料

本集團歡迎閣下對本報告提出任何可持續發展措施方面的反饋。請電郵至 security@0996.com.hk 與我們聯絡。

INTRODUCTION

The Group is principally engaged in theme-based leisure and consumption business, focusing on the design, development and operation of integrated large-scale tourist complex projects in key cities in and outside the PRC. We are the only publicly listed operator of large-scale integrated tourism, hospitality and retail attraction, consisting of theme parks, hotels, premium outlet shopping, dining, conference and exhibition centres, entertainment and recreational facilities in the PRC. We aim to provide our customers with a themed one-stop shop for leisure, shopping, dining, entertainment and culture, and in return, we are capturing the fast-growing Chinese tourism market brought by the increasing spending power of Chinese population.

The Group has recognised the importance of sustainable development as it is crucial for the growth of the Group to achieve business excellence and to enhance long-term competitiveness. Sustainable development is ingrained in our core value. The Group endeavours to create long-term value for our stakeholders, including our employees, customers, shareholders, suppliers and the community as a whole. We engage with our stakeholders on an on-going basis to collect their views and act on their feedback. The key interests and concerns of our stakeholders are reflected and prioritised for disclosure in the report.

STAKEHOLDER ENGAGEMENT

The Group understands the success of the Group's business depends on the support from its key stakeholders, who (a) have invested or will invest in the Group; (b) have the ability to influence the outcomes within the Group; and (iii) are interested in or affected by or have the potential to be affected by the impact of the Group's activities, products, services and relationships. It allows the Group to understand risks and opportunities. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

Stakeholders are prioritised from time to time in view of the Group's roles and duties, strategic plan and business initiatives. The Group engages with its stakeholders to develop mutually beneficial relationships and to seek their views on its business proposals and initiatives as well as to promote sustainability in the marketplace, workplace, community and environment.

緒言

本集團主要從事主題休閒及消費業務，專注於中國境內外重點城市設計、開發及經營一體化大型旅遊綜合項目。我們是中國唯一公開上市的大型旅遊、酒店及零售綜合項目營運商，包括主題公園、酒店、名牌購物商場、餐飲、會展中心、休閒娛樂及康樂設施。我們致力於為客戶提供主題式休閒、購物、餐飲、娛樂及文化的一站式體驗，以把握中國人口消費力不斷提高、中國旅遊市場快速增長帶來的發展良機。

本集團深明，可持續發展是本集團實現卓越經營及提升長期競爭力的重要基石。可持續發展是我們深植的核心價值觀。本集團致力為各權益人，包括我們的僱員、客戶、股東、供應商及社區整體創造長遠價值。我們持續安排權益人參與我們的活動，了解他們的意見並採取跟進行動。本報告已反映並著重披露我們權益人感興趣及關注的主要議題。

權益人參與

本集團深明，本集團的業務成功依賴於(a)已投資或將投資於本集團；(b)有能力影響本集團的事宜；及(c)於本集團的業務、產品、服務及關係中佔有利益又或受其影響或潛在影響的主要權益人的支持。主要權益人的支持有助本集團了解風險及機遇。本集團將繼續致力確保與各主要權益人保持有效溝通及維持良好關係。

本集團不時因應其角色及職責、戰略規劃及業務計劃對權益人進行重要性排序。本集團冀透過權益人的參與發展與權益人互惠互利的關係、諮詢彼等對本集團業務建議及工作計劃的意見，以及推動市場、工作場所、社區及環境的可持續發展。

The Group acknowledges the importance of intelligence gained from the stakeholders' insights, inquiries and continuous interest in the Group's business activities. The Group has identified key stakeholders that are important to our business and established various channels for communication. The following table provides an overview of the Group's key stakeholders, and various platforms and methods of communication are used to reach, listen and respond.

本集團相信了解權益人對本集團業務活動的見解、查詢及持續關注議題尤為重要。本集團已確定對我們的業務而言屬重要的主要權益人，並已建立多重溝通渠道。下表概述本集團的主要權益人及各種接觸、聆聽和回應的平台及溝通方式。

Stakeholders 權益人	Issues of concern 關注議題	Engagement channels 參與渠道
Government and Regulatory authorities 政府及監管機構	- To comply with the laws and regulations - 遵守法律及規例	- Annual reports and announcements - 年度報告及公告
	- Proper tax payment - 按規繳稅	
	- Social responsibility - 社會責任	
	- Promote regional economic development and employment - 促進地區經濟發展及就業	
Shareholders and Investors 股東及投資者	- Low risk - 低風險	- Annual general meetings - 股東週年大會
	- Return on the investments - 投資回報	- Annual reports, interim reports and announcements - 年度報告、中期報告及公告
	- Protection of interests and fair treatment of shareholders - 保障股東權益及公平對待股東	
	- Information disclosure and transparency - 資訊披露及透明度	
	- Operations in compliance with applicable laws, rules and regulations - 根據適用法律、規則及規例營運	

Stakeholders 權益人	Issues of concern 關注議題	Engagement channels 參與渠道
Employees 僱員	- Safeguard the rights and interests of employees 保障僱員權益	- Training, seminars and briefing sessions 培訓、研討會及簡介會
	- Occupational health and safety 職業健康與安全	- Cultural and sport activities 文化及體育活動
	- Decent working environment 良好的工作環境	
	- Career development opportunities 事業發展機會	
Customers 客戶	- Product quality and quantity assurance 產品保質保量	- Company website, brochures, annual reports and announcements 公司網站、小冊子、年度報告及公告
	- Stable and long-term relationship 穩定及長期關係	- Customer service hotline 客戶服務熱線
	- Information transparency 資訊透明度	
	- Integrity 誠信	
	- Business ethics 商業道德	

Through general communication with stakeholders, the Group understands the expectations and concerns from stakeholders. The feedbacks obtained allow the Group to make more informed decisions, and to better assess and manage the resulting impact.

The Group have adopted the principle of materiality in the ESG reporting by understanding the key ESG issues that are important to the business of the Group. All the key ESG issues and key performance indicators (KPIs) are reported in the Report according to recommendations of the ESG Reporting Guide (Appendix 27 of the Listing Rules) and the GRI Guidelines.

The Group have evaluated the materiality and importance in ESG aspects through the following steps:

Step 1: Identification – Industry Benchmarking

- Relevant ESG areas were identified through the review of relevant ESG reports of the local and international industry peers.
- The materiality of each ESG areas was determined based on the important of each ESG area to the Group through internal discussion of the management and the recommendation of ESG Reporting Guide (Appendix 27 of the Listing Rules).

Step 2: Prioritisation – Stakeholder Engagement

- The Group discussed with key stakeholders on key ESG area identified above to ensure all the key aspects to be covered.

Step 3: Validation – Determining Material Issues

- Based on the discussion with key stakeholders and internal discussion among the management, the Group's management ensured all the key and material ESG areas, which is important to the business development, were reported and in compliance with ESG Reporting Guide.

As a result of this process carried out in 2019, those important ESG areas to the Group were discussed in this Report.

透過與權益人的一般溝通，本集團可了解權益人的期望及關注。取得的反饋讓本集團能夠作出更明智的決策，更好地評估及管理其產生的影響。

本集團已透過了解對本集團業務而言屬重要的環境、社會及管治主要議題，於環境、社會及管治報告中採納重要性原則。根據環境、社會及管治報告指引（上市規則附錄二十七）及GRI指引的建議，於本報告中就所有環境、社會及管治主要議題及關鍵績效指標(KPI)作出匯報。

本集團已透過以下步驟評估環境、社會及管治層面的重要性及重大性：

步驟1：識別－參考行業基準

- 透過審閱本地及國際同業的有關環境、社會及管治報告，確定相關的環境、社會及管治範疇。
- 透過管理層內部討論及參考環境、社會及管治報告指引（上市規則附錄二十七）的建議，根據各個環境、社會及管治報告範疇對本集團的重要程度，釐定各個環境、社會及管治範疇的重要性。

步驟2：排序－權益人的參與

- 本集團與主要權益人就上述已確定的環境、社會及管治報告主要範疇進行討論，以確保涵蓋所有重要的範疇。

步驟3：確認－釐定重要議題

- 根據與主要權益人的討論及管理層的內部討論，本集團管理層確保就所有對業務發展而言屬重要的主要及重要環境、社會及管治範疇作出匯報，並遵守環境、社會及管治報告指引。

本集團已於二零一九年進行上述程序，所得出對本集團屬重要的環境、社會及管治範疇已在本報告內討論。

ENVIRONMENTAL ASPECTS

The Group is committed to operating its businesses in an environmentally responsible manner through improving energy efficiency and minimising its environmental footprint. We understand that every property development project may cause an impact to the environment. To minimise the environmental impact of construction work, environmental impact assessment was carried out in the Group's flagship project – Rio Carnival (Qingdao). Monitoring environmental impacts is also integrated into its business operations, as efficient use of environmental resources can contribute to the operational efficiency and long-term sustainability of the company. The Group has established and implemented corresponding policies and procedures to set a guideline for the reduction of environmental impacts in its facilities, such as hotel and shopping centre. The Group is in strict compliance with the Regulations on the Administration of Construction Project Environmental Protection, and other relevant laws and regulations, and had no material non-compliance regarding environmental issues during the reporting period.

EMISSIONS

Air Pollutants Emission

Emission control is essential to mitigate the impact on the environment and to protect the health of employees. For our property development construction projects, the Group encourages its construction contractor to use responsible construction practices to reduce air pollutants emission and carries out monitoring procedures to ensure that the construction work complies with the relevant national laws and regulations. For example, the Group encourages the contractor to reduce the dust emission by spraying water when earth-moving activities or excavation are carried out. The Group's air pollutants emission is mainly generated from the use of vehicles and natural gas. During the reporting period, the decrease in air pollutant emission in 2019 was mainly attributable to the decrease in natural gas consumption due to the down size of development and sales of properties operations and reduction in motor vehicle used during the year.

環境層面

本集團致力透過提升能源效率及盡量減少對環境的影響，以對環境負責的方式經營業務。我們明瞭每個房地產開發項目都可能對環境造成影響。為盡量減少建築工程的環境影響，本集團在開展旗艦項目青島海上嘉年華時已進行環境影響評估。由於有效使用環境資源可提高公司的運營效率及促進公司長期可持續發展，我們亦將監控環境影響納入業務經營中。本集團已制定並實施相應的政策和程序，為旗下的酒店及購物中心等設施設定減少環境影響的指導方針。本集團嚴格遵守《建設項目環境保護管理條例》等相關法律及規例，匯報期內並無重大環境違規事項。

排放物

空氣污染物排放

控制排放對減輕對環境影響及保護員工健康至關重要。在物業開發建築項目中，本集團鼓勵建築承包商採用負責任的施工方法減少空氣污染物排放，並開展監測程序確保建築工程符合國家相關法律及規例。例如，本集團鼓勵承包商在進行移土活動或挖掘工程時使用灑水措施抑制粉塵。本集團的空氣污染物排放主要來自使用交通工具及天然氣。於匯報期間，二零一九年空氣污染物排放量減少主要是由於年內因物業發展及銷售業務的規模縮小令致天然氣消耗量減少及所使用汽車減少。

The air pollutants emission generated from the Group during the reporting period is as follows:

本集團於匯報期內產生的空氣污染物排放量如下：

Air Pollutants		Unit	2019 Total 二零一九年 總計	2018 Total 二零一八年 總計
空氣污染物		單位		
Nitrogen oxides (NO_x)	氮氧化物(NO_x)	kg 千克	1,227.01	22,638.08
Sulfur dioxide (SO_2)	二氧化硫(SO_2)	kg 千克	600.63	907.25
Particular matter (PM)	懸浮粒子(PM)	kg 千克	45.12	5.82

Greenhouse Gas (“GHG”) Emission

The Group recognises that climate change poses a risk to its business and it is committed to mitigating the effects of climate change. GHG is considered as one of the major contributors to the climate change. As the majority of the GHG emission of the Group comes from energy consumption, the Group tackles its GHG emission by reducing the energy consumption. The Group regards “China’s 13th of five-year national energy conservation and emission reduction comprehensive work planning” as its internal control policy for the emission reduction. Measures to encourage energy saving have been incorporated throughout our operations. Details are mentioned in the section “Use of Resources” of this Report. Regarding GHG emissions of the Group, scope 1 direct emissions and scope 2 and 3 indirect emissions are mainly resulted from combustion of fuels in motor vehicles and purchased electricity respectively. The decrease in total GHG emissions was mainly caused by the decrease in natural gas consumption and electricity consumption due to the down size of development and sales of properties operations.

溫室氣體排放

本集團明瞭氣候變化對其業務構成風險，並致力緩解氣候變化的影響。溫室氣體被認為是氣候變化的主要原因之一。由於本集團的大部分溫室氣體排放來自能源消耗，本集團透過節能減耗減控其溫室氣體排放。本集團將《「十三五」節能減排綜合工作方案》作為其減排工作的內部控制政策。在業務經營的各個方面，積極推行鼓勵節能的措施。詳情載述於本報告「資源使用」一節。關於本集團的溫室氣體排放，範圍一直接排放以及範圍二及三間接排放分別主要來自汽車燃料燃燒及外購電力。溫室氣體總排放量減少主要是由於物業發展及銷售業務規模縮小令致天然氣及電力消耗量減少。

The GHG emission during the reporting period is as follows:

於匯報期內的溫室氣體排放量如下：

Gas Emission ¹	Unit	2019 Total 二零一九年 總計	2018 Total 二零一八年 總計
溫室氣體排放 ¹	單位		
Scope 1 ² 範圍一 ²	tonnes of CO ₂ -e 噸二氧化碳當量	108.86	4,969.30
Scope 2 ³ 範圍二 ³	tonnes of CO ₂ -e 噸二氧化碳當量	16,128.16	19,282.03
Scope 3 ⁴ 範圍三 ⁴	Tonnes of CO ₂ -e 噸二氧化碳當量	167.93	–
Total 總計	tonnes of CO₂-e 噸二氧化碳當量	16,404.95	24,251.33
Intensity ⁵ 密度 ⁵	tonnes of CO ₂ -e/employee 噸二氧化碳當量／僱員	50.32	58.72

Hazardous and Non-hazardous Wastes

The Group's operational activities do not involve in the generation of hazardous waste. For the non-hazardous waste generation, the Group takes effort to reduce the non-hazardous waste in different property business operations by implementing corresponding measures.

For the construction projects, the Group encourages its contractors to reuse and recycle waste generated from construction and demolition. For shopping centre, there are several recycling bins located inside and outside the centre to separately collect recyclable and non-recyclable wastes. Electric hand dryers are installed in the washing rooms in the shopping centre to encourage the customers not to use towel paper to reduce waste. For our restaurants in the hotel, we recommend our customers in reducing food waste by posting notice. We record and separately collect the food waste for the formulation of related reduction measures. In our managed residential community, we have organised recycling activities for books to encourage the reduction of waste. In office, the employees are encouraged to use double-sided printing and to bring their own cups to minimise the use of paper and paper cups. The significant decrease in the amount of non-hazardous wastes generated in 2019 was mainly attributable to the efficient implementation of the resource saving strategies during the year.

- 1 The calculation of the greenhouse gas emission is based on the "Corporate accounting and Reporting Standard" from Greenhouse Gas Protocol.
- 2 Scope 1: Direct emissions from sources that are owned or controlled by the Group.
- 3 Scope 2: Indirect emissions from purchased electricity consumed by the Group.
- 4 Scope 3: Indirect emissions from water supply and sewage treatment.
- 5 The intensity refers to tonnes of carbon dioxide equivalent (CO₂-e) per the total number of employees at the end of the reporting period.

有害及無害廢棄物

本集團的經營活動並無產生有害廢棄物。在產生無害廢棄物方面，本集團已施行相應措施，努力減少各項物業業務經營產生的無害廢棄物。

在建築項目中，本集團鼓勵承包商對建造及拆遷過程中產生的廢棄物進行回收利用及循環再用。在購物中心，我們在中心內外設置多個回收箱，對可回收利用及不可回收的廢棄物進行分類收集。購物中心的洗手間裝設電動乾手器，鼓勵顧客不使用紙巾擦手，盡量減少廢棄物。在酒店餐廳，我們張貼提醒鼓勵顧客減少食物浪費。我們對餐廚垃圾進行記錄及分類收集，以制定相關的減控措施。在旗下管理的住宅區，我們組織圖書回收活動，鼓勵減少廢棄物。在辦公場所，我們鼓勵員工採用雙面打印及自帶飲水杯，盡量減少使用紙張及紙杯。二零一九年產生的無害廢棄物大幅減少主要是由於本年度有效實施資源節約策略。

- 1 溫室氣體排放量是根據溫室氣體盤查議定書的「企業會計與報告標準」計算。
- 2 範圍一：來自本集團擁有或控制的來源的直接排放。
- 3 範圍二：來自本集團消耗外購電力的間接排放。
- 4 範圍三：來自水供應及污水處理的間接排放。
- 5 密度指按於匯報期末僱員總數計的每名僱員二氧化碳當量(CO₂-e)噸數。

The wastes produced from the Group during the reporting period is as follows:

本集團於匯報期內產生的廢棄物如下：

Wastes disposal 廢棄物排放	Unit 單位	2019 Total 二零一九年 總計	2018 Total 二零一八年 總計
Non-hazardous wastes produced 所產生無害廢棄物	tonnes 噸	200.06	259.18
Non-hazardous wastes produced intensity ⁶ 產生無害廢棄物密度 ⁶	tonnes/employee 噸／僱員	0.61	0.63

USE OF RESOURCES

The Group has implemented different measures to achieve efficient use of energy and water for long-term sustainability.

Energy

To reduce electricity consumption, motion-activated lighting systems are installed in our developed properties. These properties are also designed to keep warm in winter and insulate heat in summer to reduce electricity consumption from air conditioning.

To bring down energy consumption caused by lighting in the shopping centre, our shopping centre is designed with glass curtain wall to allow natural light to enter into the internal area to the greatest extent during daytime. Many of our facilities like hotel, shopping centre and residential community use LED lighting and this measure is expected to be adopted throughout all the buildings to increase the energy efficiency.

We remind our employees to switch off idle electrical appliances to promote energy saving. Employees are also encouraged to use alternative measures such as videoconferencing to avoid unnecessary business travels. With these measures, not only the energy consumption can be saved, but also GHG emission can be reduced. During the reporting period, the decrease in the electricity and natural gas consumption in 2019 was mainly attributable to the down size of property business operations in this year.

⁶ The intensity refers to tonnes of non-hazardous waste per the total number of employees at the end of the reporting period.

資源使用

本集團已實施多項提升能源及水資源使用效益的措施，以實現長期可持續發展目標。

能源

為減少電力消耗，我們在旗下發展物業安裝運動感應照明系統，並在物業的設計上考慮冬季保暖、夏季隔熱的效能，以幫助減少空調耗電。

為降低購物中心照明的能源消耗，我們的購物中心採用玻璃幕牆設計，使室內區域在日間最大程度利用自然採光。我們的大部分酒店、購物中心及住宅區等設施均使用LED照明，預期日後會在所有樓宇設施全面推廣這一措施，以提高能源效益。

我們提醒員工關閉閒置的電器，倡導節約能源。另外，鼓勵員工盡量使用視頻會議等替代方式，避免不必要的商務旅行。上述措施不僅能節約能耗，亦有助減少溫室氣體排放。於匯報期間，二零一九年電力及天然氣消耗量減少主要是由於本年度物業業務經營規模縮小。

⁶ 密度指按於匯報期末僱員總數計的每名僱員無害廢棄物噸數。

During the reporting period, the energy consumptions of the Group are as follows:

本集團於匯報期內的能源耗量如下：

Energy consumption	Unit	2019 Total 二零一九年 總計	2018 Total 二零一八年 總計
能源耗量	單位		
Purchased electricity	kWh in '000s	26,040.25	21,824.24
外購電力	千個千瓦時		
Petrol	kWh in '000s	197.07	303.24
汽油	千個千瓦時		
Diesel	kWh in '000s	1.95	2.34
柴油	千個千瓦時		
Natural gas	kWh in '000s	30,468.02	23,391.81
天然氣	千個千瓦時		
Total energy consumption	kWh in '000s	56,707.29	45,521.63
能源總耗量	千個千瓦時		
Intensity ⁷	kWh in '000s/employee	173.95	110.22
密度 ⁷	千個千瓦時／僱員		

Water

Water is another important resource. The Group actively seeks ways to conserve water. For example, rainwater is collected for plant irrigation in the managed residential community. There are reminders placed to remind our customers to conserve water and we choose water-saving appliances such as automatic sensor water taps for the water facilities to achieve water saving objective. The increase in water consumption in 2019 was mainly due to the increase in revenue generated from the hotel, theme-park management and property management business of the Group during the year.

水

水是另一重要資源。本集團積極探尋各種途徑節約用水。例如，在旗下管理的住宅區收集雨水用於植物灌溉；張貼各種標示提醒顧客節約用水；供水設施選用自動感應水喉等節水器具，實現節約用水的目標。二零一九年耗水量增加主要是由於年內本集團的酒店、主題公園管理及物業管理業務收入增加。

⁷ The intensity refers to kWh of energy consumption per the total number of employees at the end of the reporting period.

⁷ 密度指按於匯報期末僱員總數計的每名僱員能源耗量千瓦時數。

The water consumption during the reporting period is as follow:

於匯報期內的耗水量如下：

Water	Unit	2019 Total 二零一九年 總計	2018 Total 二零一八年 總計
水	單位		
Water consumption 耗水量	m ³ 立方米	407,982.00	358,013.94
Intensity ⁸ 密度 ⁸	m ³ /employee 立方米／僱員	1,251.48	866.86

THE ENVIRONMENT AND NATURAL RESOURCES

The Group undertakes rigorous measures to minimise impacts to the environment. Various factors including those related to the environmental and social issues are taken into consideration in site selection and development. In particular, comprehensive investigation, assessment and remediation will be carried out in line with the applicable regulations for brownfield development. The menus in our hotel restaurants are designed according to seasonal shifts to prevent overreliance on certain food that could affect the ecosystems.

SOCIAL ASPECTS

Employment and Labour Practices

Employment

The Group believes that people are important assets for the sustainable development and aspires to create a caring environment to our people. The Group pays attention to the employees' rights and strictly complies with the Labour Law of the People's Republic of China. Policies of key human resources management practices in recruitment, promotion, working hours, equal opportunities, compensation and benefits are stipulated in the Employees' Handbook. The Group acknowledges the importance of attracting more talents to support our business growth. We collaborate with top universities in the PRC to organise recruitment fairs and talks, so as to source high-quality talents for the strategic growth of our business.

⁸ The intensity refers to m³ of water consumption per the total number of employees at the end of the reporting period.

環境及天然資源

本集團採取各種嚴格措施，盡力減少對環境的影響。於選址及發展項目時，將與環境及社會問題等相關的多項因素納入考慮。尤其是，在棕地開發過程中根據適用法規進行綜合調查、評估及補救措施。酒店餐廳的菜單設計會根據季節調整，避免過度依賴可能對生態系統造成影響的食物。

社會層面

僱傭及勞工常規

僱傭

本集團相信人才是可持續發展的重要資產，並致力為員工創造充滿關懷的環境。本集團重視員工的權益，嚴格遵守《中華人民共和國勞動法》，在《員工手冊》中訂明招聘、晉升、工時、平等機會、薪酬及福利等主要人力資源管理常規。本集團深知招納更多人才以支持業務發展的重要性。我們與國內頂尖大學合作舉辦招聘會及宣講會，物色高質素人才實現業務的策略性增長。

⁸ 密度指按於匯報期末僱員總數計的每名僱員耗水量立方米數。

The Group rewards and promotes employees based on their capability and performance. Competitive remuneration packages, which are in line with the market trends, are offered to our employees. Our employees are provided with other benefits including share options, insurance, transportation allowance, communication allowance, extended maternity leaves, retirement benefits, etc.

The Group is committed to constructing an inclusive workplace that embraces diversity and equal opportunity. The management sets zero tolerance to harassment and discrimination of any form. The Group promotes fair competition among employees and all employees have equal opportunities for promotion. Employees are hired and selected based on their qualifications and abilities, regardless of their gender, age, nationality, religious belief, marital status, etc. to ensure fair judgment and avoid any risk of favouritism or discrimination.

The Group's management attaches great importance to the needs and opinions of the employees. There are different means of communication between the management and employees, including department meeting, email and notice board. This can help maintain a good relationship between the management and employees.

We organised a variety of activities, including basketball competition, team building training camp, monthly birthday party and tug of war during the reporting period, in order to foster a harmonious working environment, strengthen the sense of belonging of employees, encourage the communication among different departments and create a work-life balance culture.

HEALTH AND SAFETY

Protecting the health, safety and wellbeing of our employees is our key priority. The Group has established Policy for safe working environment and strictly complies with Law of the People's Republic of China on Prevention and Treatment of Occupational Diseases. The Group ensures that its employees are able to carry out their daily work in a comfortable working environment by reminding and training them to apply proper personal protective equipment when necessary. Safety performance is monitored and followed up to encourage continuous improvement. The employees are required to participate in the regular fire evacuation drill. Regular safety talks and seminars are held to increase workplace safety awareness. Annual health checks are conducted to monitor the health and wellbeing of our workforce. In addition, the we also strive to provide clean drinking water, balanced diet and comfortable dining place to our employees for promoting a healthy living concept.

本集團根據員工的能力及表現為員工提供報酬及晉升機會。我們為員工提供符合市場趨勢、具競爭力的薪酬待遇。員工享有購股權、保險、交通補貼、通訊補貼、產假延長、退休福利等其他福利。

本集團致力營造多元共融、提倡平等機會的工作環境。管理層對任何形式的騷擾及歧視採取零容忍態度。本集團倡導員工公平競爭，所有員工享有平等的晉升機會。員工的招聘及選拔是依據資質及能力，而不考慮性別、年齡、國籍、宗教信仰、婚姻狀況等因素，以確保公平公正及杜絕一切形式的偏袒或歧視。

本集團管理層非常重視員工的需求及意見。管理層與員工之間有多種溝通方式，包括部門會議、電郵及公告欄等。上述措施可幫助管理層與員工之間維持良好關係。

為營造和諧工作氛圍、增強員工歸屬感、促進各部門之間溝通及倡導工作與生活平衡文化，我們於匯報期內組織了豐富的團隊活動，包括籃球比賽、團建培訓營、每月生日派對及拔河比賽等。

健康與安全

保護員工的健康、安全及福祉是我們的重中之重。本集團已制定《安全工作環境政策》，並嚴格遵守《中華人民共和國職業病防治法》。為確保員工能夠在舒適的工作環境中進行日常工作，本集團提醒及培訓員工在需要的情況下正確使用個人保護設施；持續監察安全表現，並採取跟進行動督促改進；要求員工參加定期的消防疏散演習；定期舉行安全座談會及講座，以提高員工的安全意識。我們每年為員工安排身體檢查，以監察員工的健康及身體狀況。此外，我們亦努力為員工提供潔淨的飲用水、均衡的飲食及舒適的餐飲場所，倡導健康的生活理念。

DEVELOPMENT AND TRAINING

The Group believes that fostering the knowledge and skills of its employees is a key to continuous business development and success. Training at all levels is available to meet the needs of our business growth as stipulated in the Group's Policy for training and development. Various trainings are provided based on the employee categories. For new employees, induction and mentorship are provided to help them better understand the corporate culture and settle in their new positions. For existing employees, internal and external trainings are offered to enhance their professional skills and knowledge. The training courses are provided through different means, including talks and electronic platforms. Electronic platforms can enable our employees to learn whenever and wherever they wish.

Assessment is conducted after the training for the Group to understand the effectiveness of the training and performance of the employees. This can help the Group to continuously improve the training programs offered to all levels of staff so as to enhance their job performance.

LABOUR STANDARDS

The Group strives to prohibit the use of child or forced labour in its operations. The Group has set the minimum age requirement for recruitment in our Employment management policy, which complies with the legislation on Provisions on the Prohibition of Using Child Labour. Our suppliers and contractors are expected to follow the same standard of labour practices when working with us. During the reporting period, the Group was in strict compliance with the relevant laws and regulations and no non-compliance regarding labour standards brought against the Group or its employees was noted.

OPERATING PRACTICES

Supply Chain Management

As a property developer, we actively collaborate with contractors for construction work services. We are keenly aware of the potential environmental and social risks associated with our supply chain and are committed to mitigating such risks in collaboration with our contractors. We have established Tender management system to set up principles and guidelines for selecting contractors. We only invite contractors with high-qualification and good reputation to join the tendering process. Environmental and safety performance is one of the key assessment criteria when we select contractors. Besides, the Group carries out on-site inspection from time to time to ensure the quality of services the contractors provided meets our standards.

發展及培訓

本集團相信提高員工的知識及技能是業務持續發展及成功的關鍵。我們根據本集團《培訓與發展政策》的規定，為各級員工提供培訓，以滿足業務發展需要。根據員工的不同類別，針對性地提供各種培訓。對於新員工，我們提供入職培訓及導師指導，幫助他們更好地了解企業文化及適應新崗位。對於現有員工，我們提供內部和外部培訓，幫助他們持續提高專業技能及知識。培訓課程形式多樣，包括講座及電子平台等，電子平台可讓員工隨時隨地進行學習。

培訓後會進行考核評估，讓本集團了解培訓的效果及員工的表現。此舉可幫助本集團持續改進各級員工的培訓計劃，以提升彼等的工作表現。

勞工準則

本集團致力禁止在業務經營中使用童工或強制勞工。本集團已在《僱傭管理政策》中訂明招聘的最低年齡要求，切實遵守《禁止使用童工規定》的法律要求。我們亦要求合作的供應商及承包商遵從相同的勞工常規準則。於匯報期內，本集團已嚴格遵守相關法律及規例，並無發現對本集團或其員工提出的勞工準則違規情況。

營運慣例

供應鏈管理

作為物業開發商，我們在建築工程服務中積極與承包商合作。我們非常重視供應鏈方面的潛在環境及社會風險，並致力與承包商合作盡量減低有關風險。我們建立《招標管理制度》，訂明甄選承包商的原則和指導方針。我們只邀請具有高素質和良好聲譽的承包商參與競標。我們一直將環境及安全表現作為甄選承包商的重要評估標準之一。此外，本集團不時進行現場檢查，以確保承包商提供的服務質素符合我們的標準。

PRODUCT RESPONSIBILITY

Achieving and maintaining high quality standard for construction projects and delivering quality products and services to customers are utmost important for sustainability development of the Group. We focus on product quality throughout the entire life cycle of property development. We have engaged experienced construction management company to conduct monthly monitoring report to ensure the quality of construction work provided by our contractors, and to identify and address potential defective work. Furthermore, the environment at our managed residential sites is regularly evaluated to ensure a clean and healthy environment for residents.

We have various mechanisms in place for handling customer feedback. Complaints are recorded and followed up by dedicated well-trained staff in a timely manner. After addressing the complaints received, we will implement relevant improvement measures to improve customer experience and the quality of services provided.

We respect customer data privacy and are committed to preventing customer data leakage or loss. Collected customer personal data is accessible only by authorised personnel and handled with care. We also observe the significance of having correct labelling of our products to protect the interests of our customers.

The Group is in strict compliance with the laws and regulations related to product responsibility. There is no any significant risk regarding product responsibility observed during the reporting period.

ANTI-CORRUPTION

The Group operates with a high standard of integrity and ethics. We implement policies and procedures to minimise risks of fraud, corruption and bribery. Our principle on anti-corruption is well conveyed to our employees through daily communication, training and workshops. The Group has established whistleblowing mechanisms that allow employees and third parties to report suspicious cases in a confidential manner. The Group has also set up a monitoring group to advocate self-discipline and integrity among employees. Our suppliers and contractors are expected to follow the same policy when working with us. If any legal case regarding corrupt practices was brought against our suppliers and contractors, we will terminate our cooperation with them immediately.

The Group has been in strict compliance with Criminal Law of the People's Republic of China. During the reporting period, no non-compliance regarding corrupt practices brought against the Group or its employees was noted.

產品責任

實現及維持建設項目高質量標準以及為客戶提供優質的產品和服務，對本集團的可持續發展至關重要。我們在物業開發的整個週期貫徹注重產品質量。我們已聘請經驗豐富的施工管理公司每月進行一次監測報告，以確保承包商提供的施工工程質量及識別和處理潛在的缺陷工程。此外，我們定期評估所管理住宅區的環境，確保為住戶提供乾淨健康的環境。

我們已建立多重收集客戶反饋的機制。收到的投訴會由訓練有素的專員記錄並及時跟進。在解決收到的投訴後，我們會實施相關的改善措施，以提升客戶體驗及所提供服務的質素。

我們尊重客戶資料的私隱，並致力防止客戶資料外洩或遺失。收集的客戶個人資料只供獲授權人員閱取並且會小心處理。此外，我們亦重視確保產品具有正確的標籤，以保障客戶的利益。

本集團嚴格遵守與產品責任有關的法律及規例。於匯報期內，並無察悉有關產品責任的重大風險。

反貪污

本集團堅持誠信經營，秉持極高的道德規範。我們已實施相關政策及程序，嚴格防範欺詐、腐敗及賄賂風險。透過日常宣傳、培訓及工作坊，不斷向員工灌輸反貪污原則。另外，本集團亦設有舉報機制，讓僱員及第三方可暗中舉報任何可疑事件。本集團亦設立監督小組，倡導員工誠信自律。我們的供應商和承包商在與我們合作時應遵循相同的政策。倘供應商及承包商被提起任何有關貪污的訴訟案件，我們會立即終止與其合作。

本集團一直嚴格遵守《中華人民共和國刑法》。於匯報期內，並無發現有關本集團或其僱員的貪污違規行為。

COMMUNITY

Community Investment

The Group is dedicated to improve the quality of life for and bring new lifestyles to the community through both its business operations and community involvement. We implement different policies including Donation management approach and Disability policy, which aim to maintain a long-term relationship with our stakeholders in the community for sustainable development. We seek to make contributions to events that have a positive impact on community development.

Over the years, we have continued to support many charitable events and provided relief to natural disaster victims through donations. Leveraging our expertise in property development, we built a park in close proximity of the surrounding neighbourhoods and provided free entrance to the public. To manifest our efforts in supporting an inclusive and caring community, we also hire persons with disabilities.

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社區

社區投資

本集團致力透過其業務經營及參與社區活動，改善社區生活質量，為社區構建新的生活方式。我們已實施《捐款管理辦法》、《殘疾政策》等多種政策，旨在與社區的權益人保持長期關係，以實現可持續發展。我們致力為對社區發展有積極影響的活動做出貢獻。

多年來，我們一直支持眾多慈善活動，多次向災區捐款。我們還利用自身的物業開發專長，在社區附近建設一個公園，免費向公眾開放。我們亦聘用殘疾人士，為構建包容和關愛的社區獻力。

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KPI 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	“Use of Resources – Energy” 「資源使用 – 能源」	77-78
KPI A2.1			
KPI A2.2	Water consumption in total and intensity 總耗水量及密度	“Use of Resources – Water” 「資源使用 – 水」	78-79
KPI A2.2			
KPI 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	“Use of Resources – Energy” 「資源使用 – 能源」	77
KPI A2.3			
KPI 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	“Use of Resources – Water” 「資源使用 – 水」	78
KPI A2.4			
KPI 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 to the Group’s business 對本集團業務不適用	–
KPI A2.5			

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs) 主要範疇、層面、一般披露及關鍵績效指標(KPI)	Section 章節	Page 頁次
A3: The Environment and Natural Resources A3 : 環境及天然資源		
General Disclosure 一般披露	“The Environment and Natural Resources” 「環境及天然資源」	79
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	79
KPI A3.1	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	「環境及天然資源」
B. Social B. 社會		
Employment and Labour Practices 僱傭及勞工常規		
B1: Employment B1 : 僱傭		
General Disclosure 一般披露	“Employment” 「僱傭」	79-80
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	-
KPI B1.1	按性別、僱傭類型、年齡組別及地區劃分的僱員總數	-
KPI B1.2	Employee turnover rate by gender, age group and geographical region	-
KPI B1.2	按性別、年齡組別及地區劃分的僱員流失比率	-

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs) 主要範疇、層面、一般披露及關鍵績效指標(KPI)		Section 章節	Page 頁次
B2: Health and safety B2 : 健康與安全			
General Disclosure 一般披露		“Health and Safety” 「健康與安全」	80
KPI B2.1 KPI B2.1	Number and rate of work-related fatalities 因工作關係而死亡的人數及比率	–	–
KPI B2.2 KPI B2.2	Lost days due to work injury 因工傷損失工作日數	–	–
KPI B2.3 KPI 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	“Health and Safety” 「健康與安全」	80
B3: Development and Training B3 : 發展及培訓			
General Disclosure 一般披露		“Development and Training” 「發展及培訓」	81
KPI B3.1 KPI B3.1	The percentage of employee trained and employee category 受訓僱員百分比及僱員類別	–	–
KPI B3.2 KPI 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	–	–
B4: Labour Standards B4 : 勞工準則			
General Disclosure 一般披露		“Labour Standards” 「勞工準則」	81
KPI B4.1 KPI 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	–	–
KPI B4.2 KPI 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	–	–

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs) 主要範疇、層面、一般披露及關鍵績效指標(KPI)	Section 章節	Page 頁次
Operating Practices 營運慣例		
B5: Supply Chain Management B5 : 供應鏈管理		
General Disclosure 一般披露	“Supply Chain Management” 「供應鏈管理」	81
KPI B5.1 KPI B5.1	Number of suppliers by geographical region 按地區劃分的供應商數目	–
KPI B5.2 KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored 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	–
B6: Product Responsibility B6 : 產品責任		
General Disclosure 一般披露	“Product Responsibility” 「產品責任」	82
KPI B6.1 KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons 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	–
KPI B6.2 KPI B6.2	Number of products and service related complaints received and how they are dealt with 接獲關於產品及服務的投訴數目以及應對方法	–
KPI B6.3 KPI B6.3	Description and 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	–
KPI B6.4 KPI 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	–
KPI B6.5 KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored 描述消費者資料保障及私隱政策、以及相關執行及監察方法	82

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs) 主要範疇、層面、一般披露及關鍵績效指標(KPI)		Section 章節	Page 頁次
B7: Anti-corruption B7 : 反貪污			
General Disclosure 一般披露		“Anti-corruption” 「反貪污」	82
KPI 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 case	No concluded legal case regarding corrupt practices was noted.	–
KPI B7.1	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	並無已審結的貪污訴訟案件。	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	–	–
KPI B7.2	描述防範措施及舉報程序，以及相關執行及監察方法		
Community 社區			
B8: Community Investment B8 : 社區投資			
General Disclosure 一般披露		“Community Investment” 「社區投資」	83
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	“Community Investment”	83
KPI B8.1	專注貢獻範疇 (如教育、環境事宜、勞工需求、健康、文化、體育)	「社區投資」	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	–	–
KPI B8.2	在專注範疇所動用資源 (如金錢或時間)		

Independent Auditors' Report 獨立核數師報告



國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

To the shareholders of
Carnival Group International Holdings Limited
(Incorporated in Bermuda with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Carnival Group International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 92 to 253, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

BASIS FOR DISCLAIMER OF OPINION

Multiple uncertainties relating to going concern

As disclosed in Note 3 to the consolidated financial statements, the Group incurred a net loss of approximately HK\$3,429,517,000 during the year ended 31 December 2019 and, as at that date, the Group had net current liabilities of approximately HK\$844,649,000. The directors of the Company are undertaking a debt restructuring plan (the "Debt Restructure Plan") which includes various plans and measures to resolve the Group's liquidity issues. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of the Debt Restructure Plan, which is subject to multiple uncertainties. All these conditions indicate the existence of multiple material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. If the Group fails to achieve all of the above mentioned plans and measures on a timely basis, it may not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The consolidated financial statements do not include any of these adjustments.

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致嘉年華國際控股有限公司股東

(於百慕達註冊成立之有限公司)

不發表意見

本核數師(以下簡稱「我們」)獲委聘審計列載於第92至253頁的嘉年華國際控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此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與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動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。

我們不對 貴集團的綜合財務報表發表意見。由於本報告「不發表意見的基礎」一節所述事項的重要性,我們未能獲取充足、適當的審計憑證為就此等綜合財務報表發表審計意見提供基礎。

不發表意見的基礎

有關持續經營的多項不確定性

誠如綜合財務報表附註3所披露, 貴集團於截至二零一九年十二月三十一日止年度產生淨虧損約3,429,517,000港元及 貴集團於該日錄得淨流動負債約844,649,000港元。 貴公司董事正進行一項債務重組計劃(「債務重組計劃」),當中包括多項解決 貴集團流動性問題的計劃及措施。綜合財務報表乃以持續經營為基礎擬備,其有效性視乎債務重組計劃的結果而定,而有關結果受多項不確定性影響。所有該等情況表明存在多項重大不確定性,可能導致對 貴集團的持續經營能力產生重大疑慮。倘 貴集團未能及時實現上述所有計劃及措施,其可能無法持續經營,而將須作出調整以撇減 貴集團資產的賬面值至其可收回金額,就可能出現的任何其他負債計提撥備及將非流動資產和非流動負債分別重新分類為流動資產和流動負債。綜合財務報表中並無包括任何該等調整。

Opening balances and comparatives

Upon the Group's adoption of Hong Kong Financial Reporting Standard 9 ("HKFRS 9") "Financial Instruments" from 1 January 2018, the Group's loans and receivables were subject to HKFRS 9's new expected credit loss model, and the Group was required to revise its impairment methodology under HKFRS 9. As at 31 December 2018, the Group had outstanding receivables due from a number of debtors (the "Receivables"). Based on management's impairment assessment, an impairment provision of approximately HK\$1,433,524,000 was made against these Receivables for the year ended 31 December 2018. In the absence of an independent professional valuation being made on expected credit loss, we were unable to obtain sufficient appropriate audit evidence to assess or corroborate the appropriateness and reasonableness of the assumptions adopted by management in their impairment assessment of the Receivables. Therefore, we were unable to conclude as to whether the amount of this impairment provision was, or was not, in accordance with the applicable accounting framework. Any adjustments found to be necessary in respect of the above would affect the Group's net assets as at 31 December 2018, its results for the year ended 31 December 2018, its opening reserves as at 1 January 2018 as a result of adoption of HKFRS 9, and the related disclosures in the consolidated financial statements for the year ended 31 December 2018. In our auditors' report dated 28 March 2019 on the consolidated financial statements of the Group for the year ended 31 December 2018, we qualified our opinion due to a limitation in the scope of our audit relating to this impairment provision. During the year ended 31 December 2019, the Receivables were written off by the Group as irrecoverable. Any adjustments found to be necessary would not be expected to have a significant impact on the net assets of the Group as at 31 December 2019 and its results for the year then ended.

RESPONSIBILITIES OF 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 Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("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.

期初結餘及比較資料

貴集團於二零一八年一月一日起採納香港財務報告準則第9號（「香港財務報告準則第9號」）「金融工具」後，貴集團的貸款及應收款項須遵守香港財務報告準則第9號的新預期信貸虧損模式，因此貴集團須根據香港財務報告準則第9號修訂其減值方法。於二零一八年十二月三十一日，貴集團有應收多名債務人的未償還應收款項（「該等應收款項」）。根據管理層的減值評估，於截至二零一八年十二月三十一日止年度已就該等應收款項確認減值撥備約1,433,524,000港元。由於並無就預期信貸虧損進行獨立專業估值，我們未能獲取充足、適當的審計憑證以評估或證實管理層對該等應收款項進行減值評估所採用假設的恰當性及合理性。因此，我們未能就該減值撥備金額是否符合適用會計框架作出結論。倘發現需就上述事宜作出任何調整，將會影響貴集團於二零一八年十二月三十一日的資產淨值，其截至二零一八年十二月三十一日止年度的業績，其因採納香港財務報告準則第9號而產生的於二零一八年一月一日的期初儲備以及截至二零一八年十二月三十一日止年度綜合財務報表內的相關披露。於我們日期為二零一九年三月二十八日有關貴集團截至二零一八年十二月三十一日止年度綜合財務報表的審計報告中，鑒於我們就該減值撥備的審計範圍存在限制，我們發表了保留意見。於截至二零一九年十二月三十一日止年度，貴集團已將該等應收款項撇銷為不可收回。發現需作出任何調整預期不會對貴集團於二零一九年十二月三十一日的資產淨值及其截至該日止年度的業績產生重大影響。

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（「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」）及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the consolidated financial statements of the Group in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditors' report. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

The engagement director on the audit resulting in the independent auditors' report is Hui Chun Keung, David.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hui Chun Keung, David
Practising Certificate Number: P05447

Hong Kong, 29 April 2020

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

審核委員會協助董事履行監督 貴集團的財務報告過程的責任。

核數師就審計綜合財務報表承擔的責任

我們的責任是根據香港會計師公會頒佈的《香港審計準則》對 貴集團的綜合財務報表進行審計，並出具核數師報告。本報告按照百慕達公司法第90條僅向 閣下（作為整體）作出，除此之外別無其他目的。我們概不就本報告的內容向任何其他人士承擔責任或負責。然而，由於本報告「不發表意見的基礎」一節所述事項，我們未能獲取充足、適當的審計憑證為就此等綜合財務報表發表審計意見提供基礎。

根據香港會計師公會頒佈的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於 貴集團，並已履行守則中的其他專業道德責任。

出具本獨立核數師報告的審計項目董事為許振強。

國衛會計師事務所有限公司
執業會計師

許振強
執業證書編號：P05447

香港，二零二零年四月二十九日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收入	5	(475,701)	1,458,321
Cost of sales	銷售成本		(405,451)	(1,578,157)
Gross loss	毛虧		(881,152)	(119,836)
Other income	其他收入	7	124,255	71,832
Selling and marketing expenses	銷售及營銷開支		(63,229)	(105,980)
Administrative expenses	行政開支		(444,965)	(460,364)
Fair value change on financial assets at fair value through profit or loss	按公平值計入損益之 金融資產之公平值變動		(132,061)	(680,589)
Fair value change on investment properties	投資物業之公平值變動	16	(314,875)	(242,629)
Gain on disposal of subsidiaries	出售附屬公司之收益	34	296,393	-
Loss on disposal of investment properties	出售投資物業之虧損		(34,982)	(200,140)
Impairment losses on other intangible assets	其他無形資產之減值虧損	17	-	(16,376)
Impairment losses on property, plant and equipment	物業、廠房及設備之減值虧損	15	(593,548)	(544,472)
Impairment losses on deposits and other receivables	按金及其他應收款項之 減值虧損	22	-	(1,433,524)
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模式下之 減值虧損，扣除撥回		(555,591)	(29,466)
Finance costs	財務成本	8	(903,247)	(42,668)
Loss before tax	除稅前虧損		(3,503,002)	(3,804,212)
Income tax credit	所得稅抵免	9	73,485	105,156
Loss for the year	年度虧損	10	(3,429,517)	(3,699,056)
Other comprehensive expense	其他全面支出			
<i>Item that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益之項目：</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income	按公平值計入其他全面收益 之權益工具投資之 公平值虧損		(25,000)	(3,000)
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可重新分類至損益之項目：</i>			
Fair value loss on debt instruments measured at fair value through other comprehensive income	按公平值計入其他全面收益 計量之債務工具之公平值虧損		-	(5,859)
Release of investments revaluation reserve upon disposal of debt instruments measured at fair value through other comprehensive income	於出售按公平值計入其他 全面收益計量之債務工具後 解除投資重估儲備		5,859	-
Exchange differences arising on translation of foreign operations	換算境外業務所產生之匯兌差異		(252,561)	(429,544)
Other comprehensive expense for the year, net of income tax	年度其他全面支出， 扣除所得稅		(271,702)	(438,403)
Total comprehensive expense for the year	年度全面支出總額		(3,701,219)	(4,137,459)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

	<i>Notes</i> <i>附註</i>	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss for the year attributable to:	下列人士應佔年度虧損：		
Owners of the Company	本公司擁有人	(2,941,975)	(3,504,039)
Non-controlling interests	非控股權益	(487,542)	(195,017)
		(3,429,517)	(3,699,056)
Total comprehensive expense attributable to:	下列人士應佔全面支出總額：		
Owners of the Company	本公司擁有人	(3,189,869)	(3,848,708)
Non-controlling interests	非控股權益	(511,350)	(288,751)
		(3,701,219)	(4,137,459)
Loss per share	每股虧損		
– Basic (<i>HK dollar per share</i>)	– 基本 (<i>每股港元</i>)	(0.12)	(0.15)
– Diluted (<i>HK dollar per share</i>)	– 攤薄 (<i>每股港元</i>)	(0.12)	(0.15)

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

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	5,493,381	6,326,423
Investment properties	投資物業	16	5,118,256	5,613,333
Other intangible assets	其他無形資產	17	-	-
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產	18	71,000	184,318
Note receivables	應收票據	22	82,792	89,039
			10,765,429	12,213,113
Current assets	流動資產			
Inventories	存貨	20	3,843,422	5,743,440
Trade receivables	應收貿易賬款	21	12,876	11,357
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	22	3,441,107	3,685,646
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	19	341,873	1,818,219
Pledged bank deposits	已抵押銀行存款	23	-	635,766
Cash and cash equivalents	現金及現金等價物	23	74,628	148,538
			7,713,906	12,042,966
Total assets	資產總值		18,479,335	24,256,079
Current liabilities	流動負債			
Trade payables	應付貿易賬款	24	1,357,154	1,222,205
Contract liabilities	合約負債	26	244,133	412,509
Deposits from customers	客戶訂金	25	11,813	9,064
Accrued liabilities and other payables	應計負債及其他應付款項	25	2,089,221	1,454,907
Amounts due to non-controlling interests	應付非控股權益款項	27	55,223	-
Amounts due to related companies	應付關連公司款項	27	161,584	8,469
Obligation under finance lease	融資租賃項下之責任	30	-	700
Lease liabilities	租賃負債	29	4,707	-
Borrowings – current portions	借款 – 流動部分	31	4,106,601	7,621,439
Current tax liabilities	即期稅項負債		528,119	508,365
			8,558,555	11,237,658
Net current (liabilities)/assets	流動(負債)/資產淨值		(844,649)	805,308
Total assets less current liabilities	總資產減流動負債		9,920,780	13,018,421

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

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Capital and reserves	資本及儲備			
Share capital	股本	28	236,952	4,754,956
Share premium and reserves	股份溢價及儲備		3,156,984	1,838,834
Equity attributable to owners of the Company	本公司擁有人應佔權益		3,393,936	6,593,790
Non-controlling interests	非控股權益		1,165,701	1,677,051
Total equity	權益總額		4,559,637	8,270,841
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	32	1,044,463	1,182,762
Borrowings	借款	31	4,316,680	3,563,315
Obligation under finance lease	融資租賃項下之責任	30	-	1,503
			5,361,143	4,747,580
			9,920,780	13,018,421

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 29 April 2020 and were signed on its behalf by:

綜合財務報表已於二零二零年四月二十九日獲董事會批准及授權刊發，並由下列董事代表簽署：

Bai Xuefei
白雪飛
Director
董事

Luo Jiaqi
羅嘉奇
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 歸屬於本公司擁有人										Non-controlling interests 非控股權益	Total equity 權益總額
		Share capital 股本	Share premium 股份溢價	Contributed surplus 繳入盈餘	Capital reserves 資本儲備	Convertible bonds equity reserve 可換股債券權益儲備	Translation reserve 匯兌儲備	Investments revaluation reserve 投資重估儲備	Revaluation reserve 重估儲備	Accumulated losses 累計虧損	Total 總計		
		HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元		
At 1 January 2018	於二零一八年一月一日	4,294,432	6,928,614	9,404	-	35,970	(186,870)	4,000	439,239	(1,919,761)	9,605,028	1,965,802	11,570,830
Loss for the year	年度虧損	-	-	-	-	-	-	-	-	(3,504,039)	(3,504,039)	(195,017)	(3,699,056)
Fair value loss on financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產之公平值虧損	-	-	-	-	-	-	(8,859)	-	-	(8,859)	-	(8,859)
Exchange differences arising on translation of foreign operations	換算境外業務所產生之匯兌差異	-	-	-	-	-	(335,810)	-	-	-	(335,810)	(93,734)	(429,544)
Total comprehensive expense for the year	年度全面支出總額	-	-	-	-	-	(335,810)	(8,859)	-	(3,504,039)	(3,848,708)	(288,751)	(4,137,459)
Release of revaluation reserve upon disposal of investment properties	於出售投資物業後解除重估儲備	-	-	-	-	-	-	-	(151,421)	151,421	-	-	-
Shares issued upon conversion of convertible bonds	因轉換可換股債券發行股份	36,250	45,470	-	-	-	-	-	-	-	81,720	-	81,720
Issue of shares by way of placing	透過配售發行股份	440,000	341,000	-	-	-	-	-	-	-	781,000	-	781,000
Transaction costs attributable to issue of shares	發行股份應佔交易成本	-	(2,000)	-	-	-	-	-	-	-	(2,000)	-	(2,000)
Extinguishment of convertible bonds (Note 31)	取消可換股債券 (附註31)	-	-	-	-	(35,970)	-	-	-	35,970	-	-	-
Repurchase of ordinary shares	購回普通股	(15,726)	(23,250)	-	15,726	-	-	-	-	-	(23,250)	-	(23,250)
At 31 December 2018	於二零一八年十二月三十一日	4,754,956	7,289,834	9,404	15,726	-	(522,680)	(4,859)	287,818	(5,236,409)	6,593,790	1,677,051	8,270,841
Adjustments	調整	-	-	-	-	-	-	-	-	(256)	(256)	-	(256)
At 1 January 2019 (restated)	於二零一九年一月一日 (經重列)	4,754,956	7,289,834	9,404	15,726	-	(522,680)	(4,859)	287,818	(5,236,665)	6,593,534	1,677,051	8,270,585
Loss for the year	年度虧損	-	-	-	-	-	-	-	-	(2,941,975)	(2,941,975)	(487,542)	(3,429,517)
Release of investments revaluation reserve upon disposal of debt instruments measured at fair value through other comprehensive income	於出售按公平值計入其他全面收益計量之債務工具後解除投資重估儲備	-	-	-	-	-	-	5,859	-	-	5,859	-	5,859
Fair value loss on financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產之公平值虧損	-	-	-	-	-	-	(25,000)	-	-	(25,000)	-	(25,000)
Release of revaluation reserve upon disposal of investment properties	於出售投資物業後解除重估儲備	-	-	-	-	-	-	-	(23,425)	23,425	-	-	-
Exchange differences arising on translation of foreign operations	換算境外業務所產生之匯兌差異	-	-	-	-	-	(228,753)	-	-	-	(228,753)	(23,808)	(252,561)
Total comprehensive expense for the year	年度全面支出總額	-	-	-	-	-	(228,753)	(19,141)	(23,425)	(2,918,550)	(3,189,869)	(511,350)	(3,701,219)
Capital reduction	削減股本	(4,517,208)	-	4,517,208	-	-	-	-	-	-	-	-	-
Repurchase of ordinary shares	購回普通股	(796)	(9,729)	-	796	-	-	-	-	-	(9,729)	-	(9,729)
At 31 December 2019	於二零一九年十二月三十一日	236,952	7,280,105	4,526,612	16,522	-	(751,433)	(24,000)	264,393	(8,155,215)	3,393,936	1,165,701	4,559,637

Consolidated Statement of Changes in Equity
綜合權益變動表

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

Notes:

- (a) Under the Companies Act of Bermuda, the share premium of the Company can be used in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.
- (b) The contributed surplus of the Group represented the net amount arising from the reduction of share premium account, capital reduction and amounts transferred to write off the accumulated losses.
- (c) Under the Companies Act of Bermuda, the contributed surplus of a company is available for distribution to shareholders. However, a company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if:
 - (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or
 - (ii) the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

附註：

- (a) 根據百慕達公司法，本公司之股份溢價可作繳付將發行予本公司股東作為已繳足紅股之本公司尚未發行股份。
- (b) 本集團之繳入盈餘指來自削減股份溢價賬、削減股本及轉撥以抵銷累計虧損之款項之淨額。
- (c) 根據百慕達公司法，公司之繳入盈餘可分派予股東。然而，於下列情況下，公司不可以繳入盈餘宣派或派付股息或作出分派：
 - (i) 此公司無法或在派付後將無法支付其到期之負債；或
 - (ii) 此公司之資產可變現價值會因此低於其負債及已發行股本及股份溢價賬之總額。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Operating activities	經營活動		
Loss for the year	年度虧損	(3,429,517)	(3,699,056)
Adjustments for:	調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	67,944	42,981
Income tax credit	所得稅抵免	(73,485)	(105,156)
Interest income on bank and other deposits	銀行及其他存款利息收入	(497)	(43,928)
Dividends from listed investments	來自上市投資之股息	(60)	(24,520)
Impairment losses on other intangible assets	其他無形資產之減值虧損	-	16,376
Fair value loss on investment properties	投資物業之公平值虧損	314,875	242,629
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值虧損	132,061	680,589
Finance costs	財務成本	903,247	42,668
Gain on disposal of subsidiaries	出售附屬公司之收益	(296,393)	-
Gain on derecognition of right-of-use assets	取消確認使用權資產之收益	(161)	-
Loss on disposal of investment properties	出售投資物業之虧損	34,982	200,140
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	11,935	48
Written-off on property, plant and equipment	物業、廠房及設備撇銷	8,722	228
Impairment losses on property, plant and equipment	物業、廠房及設備之減值虧損	593,548	544,472
Recognition of non-cash items in cost of sales	於銷售成本確認非現金項目	295,663	500,580
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模式下之減值虧損，扣除撥回	555,591	29,466
Impairment losses on deposits and other receivables	按金及其他應收款項之減值虧損	-	1,433,524
Loss on early redemption of bonds	提前贖回債券之虧損	36,323	8,758
Loss on disposal of financial assets at fair value through other comprehensive income	出售按公平值計入其他全面收益之金融資產之虧損	5,777	-
Gain on extinguishment of convertible bonds	取消可換股債券之收益	-	(18,617)
Gain on modification of bonds	債券修訂之收益	(86,688)	-

Consolidated Statement of Cash Flows
綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(926,133)	(148,818)
Movement in working capital:	營運資金變動：		
Inventories	存貨	(14,457)	1,015,060
Trade receivables	應收貿易賬款	(1,790)	8,162
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	(476,339)	(725,111)
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	1,344,285	444,360
Trade payables	應付貿易賬款	176,742	201,062
Deposit from customers	客戶按金	2,994	(3,274)
Accrued liabilities and other payables	應計負債及其他應付款項	(121,146)	700,081
Contract liabilities	合約負債	(162,634)	(1,161,036)
Amounts due to related companies	應付關連公司款項	149,372	-
Cash (used in)/generated from operations	經營(所用)/產生之現金	(29,106)	330,486
Tax paid	已付稅項	(10,980)	(25,958)
Net cash (used in)/from operating activities	經營活動(所用)/產生之現金淨額	(40,086)	304,528
Investing activities	投資活動		
Interest received	已收利息	497	43,928
Dividends received from listed investments	已收上市投資股息	60	24,520
Purchase of debt instruments at fair value through other comprehensive income	購買按公平值計入其他全面收益之債務工具	-	(94,177)
Repayment to related companies	向關連公司還款	-	(28,079)
Stamp duty refund	印花稅退稅	-	250,250
Withdrawal of pledged bank deposits	提取已抵押銀行存款	633,855	657,198
Additions to property, plant and equipment	添置物業、廠房及設備	(25,972)	(331,649)
Additions to investment properties	添置投資物業	-	(188,897)
Net cash inflow on disposal of subsidiaries	出售附屬公司之現金流入淨額	1,154,987	-
Proceeds from disposal of investment properties	出售投資物業之所得款項	39,345	299,725
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	89,033	-
Proceeds from disposal of debt instruments at fair value through other comprehensive income	出售按公平值計入其他全面收益之債務工具之所得款項	88,400	-
Net cash from investing activities	投資活動產生之現金淨額	1,980,205	632,819

Consolidated Statement of Cash Flows
綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	<i>Notes</i> 附註		
Financing activities	融資活動		
Interest paid	已付利息	(37,637)	(916,261)
New bank and other borrowings raised	新籌措之銀行及其他借款	195,224	1,022,341
Advances from a related company	來自一間關連公司的墊款	5,900	-
Advances from non-controlling interests	來自非控股權益的墊款	56,242	-
Repayment of bank and other borrowings	償還銀行及其他借款	(2,057,822)	(1,963,751)
Repayment of lease liabilities and obligation under finance lease	償還租賃負債及融資租賃項下之責任	(8,126)	(788)
Proceeds from issue of ordinary shares	發行普通股所得款項	-	781,000
Proceeds from issue of bonds	發行債券所得款項	-	123,900
Share issue expenses	發行股份支出	-	(2,000)
Bond direct expenses	債券直接支出	(1,112)	(38,508)
Repurchase of ordinary shares	購回普通股	(9,729)	(23,250)
Repurchase of bonds	購回債券	(155,394)	(85,712)
	31		
Net cash used in financing activities	融資活動所用之現金淨額	(2,012,454)	(1,103,029)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(72,335)	(165,682)
Cash and cash equivalents at the beginning of the year	年初之現金及現金等價物	148,538	322,252
Effects of foreign exchange rate changes	匯率變動影響	(1,575)	(8,032)
Cash and cash equivalents at the end of the year	年終之現金及現金等價物	74,628	148,538
	23		

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL INFORMATION

Carnival Group International Holdings Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company’s registered office is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company’s principal place of business in Hong Kong is situated at Suites 1106-08, 11th Floor, The Chinese Bank Building, 61-65 Des Voeux Road Central, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in theme based leisure and consumption business, focusing on the design, development and operation of integrated large-scale tourist complex projects in key cities in the People’s Republic of China (the “PRC”) that comprise of theme parks, hotels, shopping and leisure facilities as well as other theme based consumption.

1. 一般資料

嘉年華國際控股有限公司（「本公司」）於百慕達註冊成立為獲豁免的有限責任公司，其股份於香港聯合交易所有限公司（「聯交所」）主板上市。本公司之註冊辦事處設於 Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。本公司之香港主要營業地點設於香港中環德輔道中61-65號華人銀行大廈11樓1106-08室。

本公司及其附屬公司（統稱為「本集團」）主要從事主題休閒及消費業務，致力在中華人民共和國（「中國」）重點城市設計、開發及經營一體化大型旅遊綜合項目，包括主題公園、酒店、購物及休閒設施以及其他主題消費項目。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

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

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂

於本年度強制生效之香港財務報告準則之新訂準則及修訂

本集團於本年度首次應用以下由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則之新訂準則及修訂：

香港財務報告準則第16號	租賃
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
香港財務報告準則第9號之修訂	具有負補償之提前還款特性
香港會計準則第19號之修訂	計劃修正、縮減或清償
香港會計準則第28號之修訂	於聯營公司及合營企業之長期權益
香港財務報告準則之修訂	香港財務報告準則二零一五年至二零一七年週期之年度改進

除下文所述者外，於本年度應用香港財務報告準則之新訂準則及修訂對本集團於本年度及過往年度之綜合財務狀況及表現及／或於此等綜合財務報表所載列之披露並無重大影響。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 HKFRS 16 Leases

The Group has applied HKFRS 16 *Leases* (“HKFRS 16”) for the first time in the current year. HKFRS 16 superseded HKAS 17 *Leases* (“HKAS 17”), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to 1 January 2019, the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application.

As at 1 January 2019, the Group recognised additional lease liabilities and measured right-of-use assets at the carrying amounts as if HKFRS 16 had been applied since commencement dates, but discounted using the incremental borrowing rates of the relevant group entities at the date of initial application by applying HKFRS 16.C8(b)(i) transition. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the practical expedients described below to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts, and elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.1 香港財務報告準則第16號租賃

本集團於本年度首次應用香港財務報告準則第16號租賃（「香港財務報告準則第16號」）。香港財務報告準則第16號取代香港會計準則第17號租賃（「香港會計準則第17號」）及相關詮釋。

租賃的定義

本集團已選擇簡易實務處理方法，對先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）—詮釋第4號釐定安排是否包含租賃識別為租賃的合約應用香港財務報告準則第16號，而並無對先前並未識別為包含租賃的合約應用該準則。因此，本集團並無重新評估於首次應用日期（即二零一九年一月一日）前已存在的合約。

就於二零一九年一月一日或之後訂立或修訂的合約而言，本集團於評估合約是否包含租賃時應用根據香港財務報告準則第16號所載規定的租賃的定義。

作為承租人

本集團已追溯應用香港財務報告準則第16號，並將累計影響於首次應用日期確認。

於二零一九年一月一日，本集團按賬面值確認額外租賃負債及計量使用權資產，猶如自開始日期起已應用香港財務報告準則第16號，惟應用香港財務報告準則第16號C8(b)(i)的過渡方案，使用相關集團實體於首次應用日期的增量借貸利率進行折現。於首次應用日期的任何差額於期初累計虧損中確認，而比較資料並無重列。

於過渡時應用香港財務報告準則第16號項下經修訂的追溯法過程中，本集團按逐項租賃基準就先前根據香港會計準則第17號分類為經營租賃的租賃（以與相關租賃合約有關的情況為限）應用下述簡易實務處理方法，並選擇不就租期於首次應用日期起十二個月內到期的租賃確認使用權資產及租賃負債。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 HKFRS 16 Leases (Continued)

As a lessee (Continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied by the relevant group entities range from 2.4% to 4.35% per annum.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.1 香港財務報告準則第16號租賃（續）

作為承租人（續）

於確認先前分類為經營租賃的租賃的租賃負債時，本集團已應用於首次應用日期相關集團實體的增量借貸利率。相關集團實體所應用的加權平均增量借貸利率介乎每年2.4%至4.35%。

		Notes 附註	As at 1 January 2019 於二零一九年 一月一日 HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承擔		13,896
Lease liabilities discounted at relevant incremental borrowings rates	以有關增量借貸利率折現之租賃負債		13,588
Less: leases with lease term ending within 12 months from the date of initial application	減：租期於首次應用日期起計12個月內結束之租賃		(4,395)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 as at 1 January 2019	於二零一九年一月一日應用香港財務報告準則第16號後確認的有關經營租賃之租賃負債		9,193
Add: Obligation under finance leases recognised at 31 December 2018	加：於二零一八年十二月三十一日確認的融資租賃項下之責任	(a)	2,203
Lease liabilities as at 1 January 2019	於二零一九年一月一日之租賃負債		11,396
Analysed as:	分析為：		
Current liabilities	流動負債		6,728
Non-current liabilities	非流動負債		4,668
			11,396

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 HKFRS 16 Leases (Continued)

As a lessee (Continued)

The carrying amount of right-of-use assets for own use as at 1 January 2019 comprises the following:

		Notes 附註	Right-of-use asset 使用權資產 HK\$'000 千港元
Right-of-use asset relating to operating leases recognised upon application of HKFRS 16	於應用香港財務報告準則第16號後確認的有關經營租賃之使用權資產		8,937
Amounts included in property, plant and equipment	計入物業、廠房及設備之金額		
– Assets previously under finance leases	– 先前於融資租賃下之資產	(a)	2,933
– Others	– 其他	(b)	1,384,854
			1,396,724
By class:	按分類：		
Owned properties and construction in progress	自有物業及在建工程		1,393,791
Vehicles	車輛		2,933
			1,396,724

(a) In relation to assets previously under finance leases, the Group recategorised the carrying amounts of the relevant assets which were still under lease as at 1 January 2019 amounting to approximately HK\$2,933,000 as right-of-use assets included in the underlying assets. In addition, the Group reclassified the obligations under finance leases of approximately HK\$700,000 and approximately HK\$1,503,000 to lease liabilities as current liabilities and non-current liabilities respectively at 1 January 2019.

(b) This relates to for leasehold lands in the PRC for own use properties which were classified as property, plant and equipment as at 31 December 2018. Upon application of HKFRS 16, the carrying amount of approximately HK\$1,384,854,000 was recategorised as right-of-use assets included in the underlying assets.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.1 香港財務報告準則第16號租賃（續）

作為承租人（續）

於二零一九年一月一日之自用使用權資產之賬面值包括以下部分：

	Notes 附註	Right-of-use asset 使用權資產 HK\$'000 千港元
Right-of-use asset relating to operating leases recognised upon application of HKFRS 16		8,937
Amounts included in property, plant and equipment		
– Assets previously under finance leases	(a)	2,933
– Others	(b)	1,384,854
		1,396,724
By class:		
Owned properties and construction in progress		1,393,791
Vehicles		2,933
		1,396,724

(a) 就先前於融資租賃下之資產而言，本集團將於二零一九年一月一日仍為租賃下之相關資產之賬面值約2,933,000港元重新分類為使用權資產（計入相關資產）。此外，於二零一九年一月一日，本集團分別將融資租賃項下之責任約700,000港元及約1,503,000港元重新分類至租賃負債的流動負債及非流動負債。

(b) 此乃與於二零一八年十二月三十一日分類為物業、廠房及設備的中國自用物業的租賃土地有關。於應用香港財務報告準則第16號後，賬面值約1,384,854,000港元重新分類為使用權資產（計入相關資產）。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 HKFRS 16 Leases (Continued)

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

- (a) Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group’s consolidated statement of financial position at 1 January 2019. However, effective 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.
- (b) Before application of HKFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which HKAS 17 applied. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition. However, no adjustment has been made to adjust the refundable rental deposits received and advance lease payments since the amounts involved are insignificant.
- (c) Effective on 1 January 2019, the Group has applied HKFRS 15 *Revenue from Contracts with Customers* (“HKFRS 15”) to allocate consideration in the contract to each lease and non-lease components. The change in allocation basis has had no material impact on the consolidated financial statements of the Group for the current year.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.1 香港財務報告準則第16號租賃（續）

作為出租人

根據香港財務報告準則第16號的過渡條文，本集團毋須就本集團為出租人的租賃作出任何過渡調整，但須自首次應用日期起根據香港財務報告準則第16號對該等租賃進行會計處理，且並無重列比較資料。

- (a) 於應用香港財務報告準則第16號後，與現有租賃合約項下相同相關資產有關之已訂立但於首次應用日期後開始的新租賃合約以猶如現有租賃於二零一九年一月一日獲修訂的方式入賬。該項應用對本集團於二零一九年一月一日的綜合財務狀況表並無影響。然而，自二零一九年一月一日起，與修訂後經修訂租期有關的租賃付款按直線法於經延長租期內確認為收入。
- (b) 於應用香港財務報告準則第16號前，所收取的可退回租賃按金乃視為適用香港會計準則第17號的租賃下的權利及責任。根據香港財務報告準則第16號項下租賃付款的定義，該等按金並非與使用權資產相關的付款，並於過渡時作調整以反映折現影響。然而，由於所涉及金額並不重大，因此並無作出調整以調整已收取的可退回租賃按金及預付租賃付款。
- (c) 自二零一九年一月一日起，本集團已應用香港財務報告準則第15號 *客戶合約收入*（「香港財務報告準則第15號」），將合約代價分配至各租賃及非租賃部分。分配基準的變動對本集團本年度綜合財務報表並無重大影響。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 HKFRS 16 *Leases* (Continued)

The following table summarises the impact of transition to HKFRS 16 on accumulated losses at 1 January 2019:

		Accumulated losses 累計虧損 HK\$'000 千港元
At 31 December 2018	於二零一八年十二月三十一日	(5,236,409)
Impact of adopting HKFRS 16	採納香港財務報告準則第16號的影響	(256)
At 1 January 2019	於二零一九年一月一日	(5,236,665)

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.1 香港財務報告準則第16號租賃（續）

下表概述過渡至香港財務報告準則第16號對於二零一九年一月一日的累計虧損的影響：

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.1 HKFRS 16 Leases (Continued)

The following adjustments were made to the amounts recognised in the consolidated statement of financial position as at 1 January 2019. Line items that were not affected by the changes have not been included.

			Carrying amounts previously reported at 31 December 2018 先前於二零一八年十二月三十一日呈報的賬面值 HK\$'000 千港元	Adjustments 調整 HK\$'000 千港元	Carrying amounts under HKFRS 16 at 1 January 2019 於二零一九年一月一日香港財務報告準則第16號項下的賬面值 HK\$'000 千港元
Non-current assets	非流動資產				
Property, plant and equipment	物業、廠房及設備	15	6,326,423	8,937	6,335,360
Capital and Reserves	資本及儲備				
Share premium and reserves	股份溢價及儲備		3,515,885	(256)	3,515,629
Current liabilities	流動負債				
Lease liabilities	租賃負債		–	6,728	6,728
Obligation under finance leases	融資租賃項下之責任	30	700	(700)	–
Non-current liabilities	非流動負債				
Lease liabilities	租賃負債		–	4,668	4,668
Obligation under finance leases	融資租賃項下之責任	30	1,503	(1,503)	–

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 January 2019 as disclosed above.

附註：就截至二零一九年十二月三十一日止年度按間接方式報告經營活動的現金流量而言，營運資金變動乃根據上文所披露的於二零一九年一月一日期初綜合財務狀況表計算。

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.1 香港財務報告準則第16號租賃（續）

下列為對於二零一九年一月一日綜合財務狀況表確認之金額作出之調整。未受變動影響的項目並無納入。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 Impacts and changes in accounting policies of application of other new and amendments to HKFRSs

HK(IFRIC)-Int 23 *Uncertainty over Income Tax Treatments*

HK(IFRIC)-Int 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires the Group to determine whether uncertain tax positions are assessed separately or as a group and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by individual group entities in their respective income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Amendments to HKFRSs *Annual Improvements to HKFRSs 2015-2017 Cycle*

The annual improvement packages amended the following four standards.

HKAS 12 Income Taxes

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.2 應用香港財務報告準則之其他新訂準則及修訂的會計政策影響和變動

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（國際財務報告詮釋委員會）－詮釋第23號闡述了當所得稅處理存在不確定性時，如何確定會計稅務狀況。該詮釋要求本集團釐定不確定的稅務狀況是單獨評估還是作為一個整體評估，並評估稅務機關是否可能接受個別集團實體在其各自的所得稅申報中使用或擬使用的不確定稅務處理。如果可能，當期和遞延稅項與所得稅申報中的稅務處理一致。如果相關稅務機關不太可能接受不確定的稅務處理，則使用最可能的金額或預期值來反映每個不確定性的影響。

香港財務報告準則之修訂 *香港財務報告準則二零一五年至二零一七年週期之年度改進*

該年度改進方案修訂下列四項準則。

香港會計準則第12號所得稅

該修訂澄清，實體應根據其最初確認產生可分派溢利之交易，於損益、其他全面收益或權益內確認股息之所得稅影響，而不論已分派溢利及未分派溢利是否應用不同稅率。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 Impacts and changes in accounting policies of application of other new and amendments to HKFRSs (Continued)

Amendments to HKFRSs Annual Improvements to HKFRSs 2015-2017 Cycle (Continued)

HKAS 23 Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

HKFRS 3 Business Combinations

The amendments clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest in the joint operation at fair value. The previously held interest to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.

HKFRS 11 Joint Arrangements

The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not remeasure its previously held interest in the joint operation.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.2 應用香港財務報告準則之其他新訂準則及修訂的會計政策影響和變動（續）

香港財務報告準則之修訂香港財務報告準則二零一五年至二零一七年週期之年度改進（續）

香港會計準則第23號借貸成本

該修訂澄清，倘在相關資產已可用作擬定用途或供出售後仍有特定借款尚未償還，則在計算一般借款的資本化比率時，將有關借款作為實體一般借款資金的一部分。

香港財務報告準則第3號業務合併

該修訂澄清，當實體取得對一個共同經營的業務的控制權時，該實體應用分階段實現業務合併之規定，包括以公平值重新計量其先前於共同經營中所持有的權益。須重新計量之先前所持有的權益包括與共同經營有關之任何未確認資產、負債及商譽。

香港財務報告準則第11號合營安排

該修訂澄清，當參與屬一項業務的共同經營但不具有共同控制權之一方獲得對該共同經營之共同控制權時，該實體不重新計量其先前於共同經營中所持有的權益。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁴
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ⁴

¹ Effective for annual periods beginning on or after 1 January 2021.

² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2020.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, *the Amendments to References to the Conceptual Framework in HKFRS Standards*, will be effective for annual periods beginning on or after 1 January 2020.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

已頒佈但尚未生效之香港財務報告準則之新訂準則及修訂

本集團並無提早應用下列已頒佈但尚未生效之香港財務報告準則之新訂準則及修訂：

香港財務報告準則第17號	保險合約 ¹
香港財務報告準則第3號之修訂	業務之定義 ²
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或投入 ³
香港會計準則第1號及香港會計準則第8號之修訂	重要之定義 ⁴
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂	利率基準改革 ⁴

¹ 對二零二一年一月一日或其後開始的年度期間生效。

² 對收購日期為二零二零年一月一日或其後開始的首個年度期間初或之後的業務合併及資產收購生效。

³ 對待定日期或其後開始的年度期間生效。

⁴ 對二零二零年一月一日或其後開始的年度期間生效。

除上述香港財務報告準則之新訂準則及修訂外，經修訂之財務報告概念框架已於二零一八年頒佈。其相應的修訂，即對香港財務報告準則中引用概念框架的內容的修訂將於二零二零年一月一日或其後開始的年度期間生效。

除下述香港財務報告準則之新訂準則及修訂外，本公司董事預期應用所有其他香港財務報告準則之新訂準則及修訂於可預見未來不會對綜合財務報表產生重大影響。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

Amendments to HKFRS 3 *Definition of a Business*

The amendments:

- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis;
- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; and
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with early application permitted.

The optional concentration test and the amended definition of a business are not expected to have a significant impact to the Group.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

已頒佈但尚未生效之香港財務報告準則之新訂準則及修訂（續）

香港財務報告準則第3號之修訂業務之定義

該修訂：

- 新增可選擇進行的集中度測試，允許簡化對所收購的一組活動及資產是否構成業務的評估。可按逐項交易基準選擇是否應用可選擇進行的集中度測試；
- 澄清如果要構成業務，所收購的一組活動及資產必須至少包括一項投入及一項實質性過程，二者可以共同顯著促進創造產出的能力；及
- 縮小業務及產出的定義，重點關注於向客戶提供的貨品及服務，並刪除對節省成本能力的提述。

該修訂適用於收購日期為二零二零年一月一日或其後開始的首個年度報告期間或之後的所有業務合併及資產收購，允許提早應用。

可選擇進行的集中度測試及經修訂的業務定義預期不會對本集團造成重大影響。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

Amendments to HKAS 1 and HKAS 8 *Definition of Material*

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgments. In particular, the amendments:

- include the concept of “obscuring” material information in which the effect is similar to omitting or misstating the information;
- replace threshold for materiality influencing users from “could influence” to “could reasonably be expected to influence”; and
- include the use of the phrase “primary users” rather than simply referring to “users” which was considered too broad when deciding what information to disclose in the financial statements.

The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group’s annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

已頒佈但尚未生效之香港財務報告準則之新訂準則及修訂（續）

香港會計準則第1號及香港會計準則第8號之修訂重要之定義

該等修訂加入對判斷是否重要的額外指引及解釋，細化對重要之定義。具體而言，有關修訂：

- 包含「掩蓋」重要資料的概念，其產生與遺漏或錯報資料類似的影響；
- 將對影響使用者的重要性門檻由「可能影響」替換為「可合理預計將影響」；及
- 使用「主要使用者」而不是簡單提及「使用者」，因為在決定於財務報表披露哪些資料時「使用者」的解釋可能過於寬泛。

該等修訂亦統一所有香港財務報告準則中的定義，並將在本集團於二零二零年一月一日開始的年度期間強制生效。預期應用該等修訂不會對本集團的財務狀況及表現造成重大影響，惟可能影響於綜合財務報表中的列報及披露。

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 Interest Rate Benchmark Reform

The amendments deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in HKFRS 9 and HKAS 39 *Financial Instruments: Recognition and Measurement*, which require forward-looking analysis. The amendments modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform. The amendments also require specific disclosures about the extent to which the entities’ hedging relationships are affected by the amendments. There are also amendments to HKFRS 7 *Financial Instruments: Disclosures* regarding additional disclosures around uncertainty arising from the interest rate benchmark reform.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

已頒佈但尚未生效之香港財務報告準則之新訂準則及修訂（續）

香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂利率基準改革

該等修訂處理影響以另一利率取代現有利率基準之前期間財務報告的問題，並應對香港財務報告準則第9號及香港會計準則第39號 *金融工具：確認及計量* 中需要作前瞻性分析的特定對沖會計規定的影響。該等修訂對特定對沖會計規定作修改，使實體在假設對沖現金流量及來自對沖工具的現金流量所依據的利率基準不會因利率基準改革而改變的情況下應用該等對沖會計規定。該等修訂亦要求就實體的對沖關係因該等修訂所受影響的程度作特定披露。香港財務報告準則第7號 *金融工具：披露* 亦就利率基準改革所產生的不確定性的相關額外披露作出修訂。

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Going concern

The Group’s real estate business is mainly located in Mainland China and has been affected by the tightening government policy in the real estate industry in Mainland China over the past years and the recent outbreak of COVID-19, leading to a strained liquidity position of the Group. The Group incurred a net loss of approximately HK\$3,429,517,000 during the year ended 31 December 2019 and, as at that date, the Group had net current liabilities of approximately HK\$844,649,000. During the year ended 31 December 2019, the Group defaulted on certain borrowings amounting to approximately HK\$1,253,487,000 in aggregate. As disclosed in the Company’s announcement dated 27 March 2020, the directors of the Company are undertaking a debt restructuring plan (the “Debt Restructure Plan”) which includes various plans and measures to resolve the Group’s liquidity issues. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of the Debt Restructure Plan, which is subject to multiple uncertainties.

Notwithstanding the above, multiple material uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. If the Group fails to achieve all of the above mentioned plans and measures on a timely basis, it may not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group’s assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The consolidated financial statements do not include any of these adjustments.

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則（「上市規則」）及香港《公司條例》（「公司條例」）規定的適用披露。

綜合財務報表乃按歷史成本基準編製，惟若干物業及金融工具按各報告期末之公平值計量，詳情於下列會計政策闡述。

歷史成本一般按交換貨品及服務所付代價之公平值計算。

持續經營

本集團的房地產業務主要位於中國內地，受到過去幾年中國內地政府對房地產行業的緊縮政策及最近2019冠狀病毒病爆發的影響，導致本集團的流動性狀況緊張。本集團於截至二零一九年十二月三十一日止年度產生淨虧損約3,429,517,000港元及本集團於該日錄得淨流動負債約844,649,000港元。於截至二零一九年十二月三十一日止年度，本集團拖欠若干借款合同共約1,253,487,000港元。誠如本公司日期為二零二零年三月二十七日之公告所披露，本公司董事正進行一項債務重組計劃（「債務重組計劃」），當中包括多項解決本集團流動性問題的計劃及措施。綜合財務報表乃以持續經營為基礎擬備，其有效性視乎債務重組計劃的結果而定，而有關結果受多項不確定性影響。

儘管有上文所述，本集團是否能實現其上述計劃及措施存在多項重大不確定性。倘本集團未能及時實現上述所有計劃及措施，其可能無法持續經營，而將須作出調整以撇減本集團資產的賬面值至其可收回金額，就可能出現的任何其他負債計提撥備及將非流動資產和非流動負債分別重新分類為流動資產和流動負債。綜合財務報表中並無包括任何該等調整。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 (since 1 January 2019) or HKAS 17 (before application of HKFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

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.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3. 主要會計政策 (續)

公平值是在計量日期市場參與者於有序交易中，出售資產所能收到或者轉讓負債所需支付的價格，而不論有關價格是否可直接觀察或可採用其他估值技術估計。在估計資產或負債的公平值時，市場參與者於計量日期會考慮以對資產或負債定價的資產或負債特徵，本集團都會考慮。此等綜合財務報表的公平值之計量及／或披露均以該基準確定，惟香港財務報告準則第2號以股份付款中的股份付款交易、根據香港財務報告準則第16號（自二零一九年一月一日起）或香港會計準則第17號（於應用香港財務報告準則第16號前）列賬的租賃交易和與公平值相似但並非公平值的計量（例如香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值）除外。

非金融資產的公平值計量計及市場參與者能自最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者，所產生的經濟利益。

此外，就財務報告而言，公平值的計量按用以計量公平值的參數的可觀察性和該參數對公平值計量整體的重要性，分為第一、二或三級，詳情如下：

- 第一級參數指實體於計量日期可以取得的相同資產或負債於活躍市場的報價（未調整）；
- 第二級參數指除第一級所包括的報價外，就資產或負債而言可直接或間接觀察的參數；及
- 第三級參數指資產或負債的不可觀察參數。

主要會計政策載列如下。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or others parties;
- rights arising from other contractual agreements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3. 主要會計政策 (續)

綜合基準

綜合財務報表包括本公司及由本公司及其附屬公司所控制實體之財務報表。屬控制的情況即當本公司：

- 可對被投資方行使權力；
- 須承擔或享有參與被投資方所得之可變回報的風險或權利；及
- 有能力行使其權力以影響其回報。

倘事實及情況反映上述三項控制因素其中一項或多項發生變化，則本集團會重估是否仍然對被投資方擁有控制權。

本集團於被投資方之投票權未佔大多數情況下，只要投票權足以賦予本集團實際能力可單方面主導被投資方之相關活動，本集團即對被投資方擁有權力。在評估本集團於被投資方之投票權是否足以賦予其權力時，本集團考慮所有相關事實及情況，包括：

- 本集團持有投票權之規模相對於其他投票權持有人持有投票權之規模及分散性；
- 本集團、其他投票權持有人或其他方持有的潛在投票權；
- 自其他合約協議產生的權利；及
- 可顯示於需要作出決定時，本集團當前能否主導相關活動之任何其他事實及情況（包括於過往股東大會上之投票模式）。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investment in subsidiaries

Investment in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

3. 主要會計政策 (續)

綜合基準 (續)

本集團獲得附屬公司控制權時開始將附屬公司綜合入賬，於喪失附屬公司控制權時終止綜合入賬。具體而言，年內所收購或出售附屬公司之收入及開支於本集團獲得控制權日期起計入綜合損益及其他全面收益表，直至本集團不再控制該附屬公司日期為止。

損益及其他全面收益之每個項目均歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額均歸屬於本公司擁有人及非控股權益，即使會導致非控股權益出現虧損結餘亦然。

必要時會調整附屬公司財務報表以使其會計政策與本集團會計政策一致。

所有有關本集團成員之間的集團內資產及負債、權益、收入、開支及現金流量會於綜合時全數對銷。

於附屬公司之投資

於附屬公司之投資按成本減任何已識別減值虧損計入本公司之財務狀況表。

業務合併

業務收購採用收購法進行會計處理。業務合併中所轉讓代價按公平值計量，公平值乃按本集團為換取被收購方的控制權而轉讓的資產、本集團對被收購方前擁有人產生的的負債以及本集團發行的股權於收購日期的公平值之總和計算得出。與收購有關的成本一般於其產生時在損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amounts of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after reassessment, the net amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3. 主要會計政策 (續)

業務合併 (續)

於收購日期，已收購可識別資產及已承擔負債按其公平值確認，但以下各項除外：

- 遞延稅項資產或負債及僱員福利安排的相關負債或資產應分別根據香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認和計量；
- 與被收購方之以股份付款之安排或本集團訂立以替換被收購方以股份付款之安排之以股份付款之安排相關的負債或權益工具根據香港財務報告準則第2號以*股份付款*於收購日期計量（參見下文會計政策）；
- 按照香港財務報告準則第5號*持作出售之非流動資產及已終止經營業務*分類為持作出售的資產（或出售組別）根據該準則計量；及
- 租賃負債按剩餘租賃付款（定義見香港財務報告準則第16號）的現值確認及計量，猶如收購的租賃於收購日期為新租賃，惟(a)租期於收購日期起計十二個月內結束；或(b)相關資產為低價值的租賃除外。使用權資產按與相關租賃負債相同的金額確認及計量，並進行調整以反映與市場條款相比租賃的有利或不利條款。

商譽按所轉讓代價、於被收購方之任何非控股權益金額及收購人過往持有之被收購方股權（如有）之公平值之總和與於收購日期已收購可識別資產及已承擔負債淨額之差額計量。倘於重新評估後，已收購可識別資產及已承擔負債淨額高於所轉讓代價、於被收購方之任何非控股權益金額及收購人過往持有之被收購方權益（如有）之公平值之總和，差額即時於損益確認為議價收購收益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

When the consideration transferred by the Group in a business combination includes the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9/HKAS 39 would be accounted for on the same basis as would be required if the Group had disposal directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

3. 主要會計政策 (續)

業務合併 (續)

屬於現時擁有權益且於清盤時讓持有人按比例分佔相關附屬公司資產淨值之非控股權益，可以非控股權益按比例應佔被收購方可識別資產淨值之已確認金額或公平值計量。計量基準視乎每項交易而作出選擇。其他類型非控股權益以其公平值計量。

倘若本集團在業務合併中所轉讓代價包括或然代價，則或然代價按其在收購日期的公平值計量，並入賬列為業務合併中所轉讓代價的一部分。符合計量期間調整的條件的或然代價公平值變動會追溯調整。計量期間調整是指在「計量期間」（自收購日期起計不得超過一年）所獲取的關於收購日期存在的事實和環境的新資料而引致的調整。

倘若或然代價的後續變動不符合計量期間調整的條件，則其後續會計處理須視乎或然代價如何分類而定。分類為權益的或然代價在後續報告日期不會重新計量，而其後續結算會在權益中入賬。分類為資產或負債的或然代價在後續報告日期均按公平值重新計量，相關收益或虧損於損益確認。

倘業務合併分階段完成，本集團先前於被收購方持有之股權重新計量至收購日期（即本集團獲得控制權當日）之公平值，而所產生之收益或虧損（如有）於損益或其他全面收益（如適用）確認。先前於其他全面收益確認及根據香港財務報告準則第9號／香港會計準則第39號計量之於收購日期前於被收購方權益所產生金額將按假若本集團已直接出售先前所持股權情況下應採用的相同基準入賬。

倘業務合併之初始會計處理於合併發生之報告期末尚未完成，則本集團呈報未完成會計處理之項目的暫定金額。該等暫定金額會於計量期間（參見上文）予以追溯調整，並確認額外資產或負債，以反映所取得於收購日期已存在而倘已知則會影響該日已確認金額之事實與情況之新資料。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

3. 主要會計政策 (續)

客戶合約收入

根據香港財務報告準則第15號，本集團於達成履約責任時（或就此）確認收入，即於特定履約責任相關之貨品或服務的「控制權」轉移予客戶時。

履約責任指可區分的單一貨品或服務（或組合貨品或服務）或大致相同的一系列可區分貨品或服務。

倘符合下列其中一項標準，則控制權隨時間推移轉移及按完全達成相關履約責任的進度隨時間推移確認收入：

- 於本集團履約時客戶同時接收及消耗本集團履約帶來之利益；
- 本集團的履約創建及提升一項資產，該資產於本集團履約時由客戶控制；或
- 本集團的履約並無產生對本集團有替代用途的資產，且本集團享有可強制執行權利可收取至今已履約部分的付款。

否則，收入於客戶獲得可區分的貨品或服務的控制權之時間點確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (Continued)

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

3. 主要會計政策 (續)

客戶合約收入 (續)

合約資產指本集團就交換本集團已向客戶轉讓的貨品或服務而收取代價的尚未成為無條件的權利。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價到期付款前僅需時間推移。

合約負債指本集團因已向客戶收取代價（或已到期收取代價），而須向客戶轉移貨品或服務的責任。

同一項合約相關之合約資產及合約負債按淨額入賬及列報。

隨時間推移確認收入：計量完全達成履約責任之進度

產出法

完全達成履約責任之進度乃根據產出法計量，即透過直接計量迄今已轉移予客戶的貨品或服務價值，相對合約下承諾的剩餘貨品或服務價值確認收入，該方法最能反映本集團於轉移貨品或服務控制權方面的履約情況。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation (Continued)

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of services or for administrative purposes (other than construction-in-progress as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by managers and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 主要會計政策 (續)

客戶合約收入 (續)

隨時間推移確認收入：計量完全達成履約責任之進度 (續)

存在重大融資部分

於釐定交易價時，倘協定之付款時間（明示或暗示）為客戶或本集團提供有關向客戶轉移貨品或服務之重大融資利益，本集團會就貨幣時間價值之影響調整承諾代價金額。於此等情況下，合約即包含重大融資部分。不論融資承諾是否明確列於合約或隱含在合約訂約方協定之付款條款中，均可能存在重大融資部分。

對於付款與轉移相關貨品或服務相隔期間不足一年之合約，本集團應用簡易實務處理方法，不就任何重大融資部分調整交易價。

物業、廠房及設備

物業、廠房及設備包括持有用於生產或供應服務或用作行政用途之樓宇（下述在建工程除外），乃按成本減其後累計折舊及其後累計減值虧損（如有）於綜合財務狀況表列賬。

永久業權土地不予折舊，並按成本減其後累計減值虧損計量。

用於生產、供應或行政用途之在建物業以成本減任何已確認減值虧損列賬。成本包括為使資產達至其能按管理人擬定的方式運作所需的地點及狀態而直接應佔的任何成本及（就合資格資產而言）根據本集團會計政策資本化之借款成本。該等資產於資產可作擬定用途時開始按與其他物業資產相同之基準計提折舊。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is treated as “right-of-use assets” (upon application of HKFRS 16) or within the corresponding underlying assets (before application of HKFRS 16) except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than construction in progress less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Transfer from owner-occupied property to investment property carried at fair value

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land under HKFRS 16 or prepaid lease payment under HKAS 17) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

3. 主要會計政策 (續)

物業、廠房及設備 (續)

於租賃土地及樓宇的擁有權權益

當本集團就物業的擁有權權益 (包括租賃土地及樓宇成分) 付款時, 全部代價於租賃土地及樓宇成分之間按初始確認時的相對公平值的比例分配。

在有關費用能可靠地分配的情況下, 租賃土地權益入賬處理為「使用權資產」(於應用香港財務報告準則第16號後) 或於相應的相關資產內入賬處理 (於應用香港財務報告準則第16號前), 惟根據公平值模式分類及列賬為投資物業者除外。當代價無法在非租賃樓宇成分及不能分割的相關租賃土地權益之間可靠地分配時, 整項物業分類為物業、廠房及設備。

折舊乃按直線法在物業、廠房及設備項目 (在建工程除外) 估計可使用年內撇銷其成本減剩餘價值。估計可使用年期、剩餘價值及折舊方法於各報告期末作出檢討, 任何估計變動之影響按未來適用基準入賬。

從自用物業轉撥至按公平值列賬之投資物業

倘有證據顯示物業因其使用狀況有更改 (即不再由業主自用) 而變為投資物業, 該項目 (包括相關香港財務報告準則第16號項下的租賃土地或香港會計準則第17號項下的預付租賃付款) 於轉撥日期之賬面值與公平值之任何差額於其他全面收益內確認, 並於物業重估儲備中累計。其後當該物業出售或報廢時, 有關重估儲備將直接轉撥至保留溢利。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Building under development for future own-occupied purpose

Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes). Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties measured using the fair value model

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes).

Effective 1 January 2019, investment properties also include leased properties which are being recognised as right-of-use assets upon application of HKFRS 16 and subleased by the Group under operating leases.

3. 主要會計政策 (續)

物業、廠房及設備 (續)

以融資租賃方式持有之資產，按與自有資產相同之基準於其預計可使用年期內折舊。然而，倘無法合理確定擁有權將於租期結束時取得，則資產會按租期及可使用年期之較短者折舊。

物業、廠房及設備項目於出售或當預期持續使用該資產不再帶來未來經濟利益時取消確認。出售或報廢物業、廠房及設備項目產生之任何收益或虧損按出售所得款項與資產賬面值之差額釐定，並於損益確認。

作未來自用之發展中樓宇

在建樓宇按成本減任何已識別減值虧損列賬。樓宇於可供使用時（即於樓宇達致按管理層擬定方式運作所需地點及狀態時）開始折舊。

投資物業

投資物業指持作賺取租金及／或資本增值用途之物業（包括用於該等用途之在建物業）。投資物業包括持作未釐定日後用途之土地，乃視為持作資本增值用途。

採用公平值模式計量之投資物業

投資物業為持作賺取租金及／或作資本增值的物業（包括用於該等用途之在建物業）。

自二零一九年一月一日起，投資物業亦包括於應用香港財務報告準則第16號後確認為使用權資產並由本集團根據經營租賃轉租之租賃物業。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties (Continued)

Investment properties measured using the fair value model (Continued)

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Effective 1 January 2019, a leased property which is recognised as a right-of-use asset upon application of HKFRS 16 is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Costs include leasehold land cost, development cost, borrowing costs and other direct costs attributable to such properties, until the relevant properties reach a marketable state.

Net realisable value is determined by reference to management estimates of the selling price based on prevailing market conditions, less all estimated costs to completion and costs to be incurred in marketing and selling.

3. 主要會計政策 (續)

投資物業 (續)

採用公平值模式計量之投資物業 (續)

投資物業初始按成本計算，包括任何直接應佔開支。初始確認以後，投資物業以其公平值計量，並作調整以剔除任何預付或應計經營租賃收入。

投資物業之公平值變動所產生之收益或虧損計入其產生期間內之損益。

在建投資物業所產生之建設成本乃資本化為在建投資物業賬面值之一部分。

投資物業於出售或當投資物業被永久棄置及預期未來出售該投資物業不會帶來經濟利益時取消確認。自二零一九年一月一日起，倘本集團作為中間出租人將轉租分類為融資租賃，則於應用香港財務報告準則第16號後確認為使用權資產的租賃物業將取消確認。取消確認物業所產生之任何收益及虧損（按出售所得款項淨額與資產之賬面值之差額計算）於取消確認期間內計入損益。

持作出售物業

持作出售物業乃按成本及可變現淨值之較低者列賬。成本包括租賃土地成本、發展成本、借款成本及該等物業應佔之其他直接成本，直至有關物業可供出售為止。

可變現淨值乃參考管理層根據當時市況所估計之售價減所有估計完成成本及將產生之市場推廣及銷售成本後釐定。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Properties held for sale (Continued)

Properties under development for sale which are intended to be sold upon completion of development and properties for sale are classified as current assets. The leasehold land and building elements cannot be allocated in proportion to the relative carrying amounts and the entire properties are classified as properties held for sale. Properties under development for sale are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value represents the estimated selling price for the properties less estimated cost to completion and costs necessary to make the sales.

Properties under development for sale are transferred to properties for sale upon completion.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses/revalued amounts, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

3. 主要會計政策 (續)

持作出售物業 (續)

擬於完成後進行銷售之發展中待售物業及待售物業被分類為流動資產。租賃土地及樓宇成分無法按相對賬面值比例分配，而整項物業分類為持作出售物業。發展中待售物業以成本及可變現淨值兩者之較低者列賬。成本按特定識別基準釐定，包括分配所產生之有關發展開支及（倘適用）所資本化之借貸成本。可變現淨值指物業估計售價減估計完成成本及作出銷售之必要成本。

發展中待售物業於完成後轉撥至待售物業。

無形資產

單獨收購之無形資產

單獨收購而具有有限可使用年期之無形資產，按成本減累計攤銷及任何累計減值虧損／重估金額（即重估當日之公平值減其後累計攤銷及任何累計減值虧損）列賬。具有有限可使用年期之無形資產攤銷於估計可使用年內以直線法確認。估計可使用年期及攤銷方法於各報告期末檢討，任何估計變動之影響按未來適用基準入賬。單獨收購而具無限可使用年期之無形資產，按成本減任何其後累計減值虧損列賬。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策 (續)

除商譽外之物業、廠房及設備、使用權資產及無形資產之減值

於報告期末，本集團檢討具有有限可使用年期之物業、廠房及設備、使用權資產及無形資產之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。倘存在有關跡象，則會估計有關資產之可收回金額以釐定減值虧損（如有）之程度。具無限可使用年期之無形資產及未可供使用之無形資產，須至少每年及於出現可能減值跡象時進行減值測試。

物業、廠房及設備、使用權資產及無形資產之可收回金額進行個別估計。倘不能個別估計可收回金額，則本集團會估計資產所屬現金產生單位之可收回金額。

此外，本集團會評估公司資產是否存在減值跡象。倘存在有關跡象，如能識別合理及一致的分配基準，則公司資產亦被分配至個別現金產生單位，否則則分配至能識別合理及一致的分配基準的最小現金產生單位組別。

可收回金額乃公平值減出售成本與使用價值之較高者。在評估使用價值時，估計未來現金流量使用稅前折現率折現至其現值，該折現率反映市場當前對貨幣時間價值及資產（或現金產生單位）特定風險（並無就此調整未來現金流量之估計）的評估。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment on preproperty, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

Inventories

Inventories, other than properties held for sale, are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. 主要會計政策 (續)

除商譽外之物業、廠房及設備、使用權資產及無形資產之減值 (續)

倘估計資產 (或現金產生單位) 之可收回金額低於其賬面值, 則該資產 (或現金產生單位) 之賬面值須減至其可收回金額。就未能按合理一致基準分配至現金產生單位的公司資產或一部分公司資產而言, 本集團會將一組現金產生單位的賬面值 (包括分配至該組現金產生單位的公司資產或一部分公司資產的賬面值) 與該組現金產生單位的可收回金額作比較。於分配減值虧損時, 首先分配減值虧損以減少任何商譽的賬面值 (如適用), 然後按比例根據該單位或該組現金產生單位各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本 (如可計量)、其使用價值 (如可釐定) 及零之中的最高者。本應分配至該資產之減值虧損金額按比例分配至該單位或該組現金產生單位中的其他資產。減值虧損即時於損益確認, 除非有關資產根據其他準則按重估金額列賬, 在此情況下, 有關減值虧損作為根據該準則的重估減少處理。

倘其後減值虧損撥回, 則該資產 (或現金產生單位或一組現金產生單位) 之賬面值將增至重新估計之可收回金額, 但增加後之賬面值不得超過假設資產 (或現金產生單位或一組現金產生單位) 於過往年度並無確認減值虧損所釐定之賬面值。減值虧損之撥回即時於損益確認, 除非有關資產根據其他準則按重估金額列賬, 在此情況下, 有關減值虧損作為根據該準則的重估減少處理。

存貨

存貨 (持作出售物業除外) 按成本與可變現淨值兩者中之較低者列值。存貨成本以加權平均法確定。可變現淨值為存貨之估計售價減所有估計完成成本及作出有關銷售所需成本。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 2)

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.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2)

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

3. 主要會計政策 (續)

租賃

租賃的定義 (根據附註2的過渡應用香港財務報告準則第16號之後)

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的權利，則該合約是租賃或包含租賃。

就於首次應用日期或之後訂立或修訂或因業務合併而產生之合約而言，本集團於開始或修訂日期或收購日期（視適用情況而定）根據香港財務報告準則第16號項下的定義評估該合約是否為租賃或包含租賃。除非合約的條款及條件其後大幅變動，否則有關合約將不予重新評估。

本集團作為承租人 (根據附註2的過渡應用香港財務報告準則第16號之後)

將代價分配至合約組成部分

就含有一項租賃部分以及一項或多項額外租賃或非租賃部分的合約而言，本集團按租賃部分的單獨價格及非租賃部分的單獨價格總額的相對比例，將合約代價分配至各租賃部分（包括收購包含租賃土地及非租賃樓宇部分之物業擁有權權益之合約），除非無法可靠作出有關分配。

本集團亦應用簡易實務處理方法，不將非租賃部分從租賃部分中獨立分離，而是將租賃部分及任何相關的非租賃部分作為單獨租賃部分入賬。

作為一項簡易實務處理方法，當本集團合理預期對綜合財務報表之影響不會與組合內之個別租賃出現重大差異時，具有類似特點之租賃則會按組合基準入賬。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of office premises 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 lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (根據附註2的過渡應用香港財務報告準則第16號之後) (續)

短期租賃及低價值資產租賃

對租期為開始日期起計十二個月或以內及沒有購買選擇權的辦公物業租賃，本集團應用短期租賃確認豁免。其亦就低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款以直線法或另一系統性基準於租期內確認為開支。

使用權資產

使用權資產的成本包括：

- 租賃負債的初始計量金額；
- 於開始日期或之前作出的任何租賃付款，減任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團於拆卸及拆除相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況時產生的成本估計，除非該等成本乃就生產存貨而產生。

除分類為投資物業及按公平值模式計量者外，使用權資產按成本減去任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作調整。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Right-of-use assets (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment properties or inventory in “property, plant and equipment”, the same line item within which the corresponding underlying assets would be presented if they were owned. Right-of-use assets that meet the definition of investment property and inventory are presented within “investment properties” and “properties under development for sale” and “completed properties for sale” respectively.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 *Financial Instruments* (“HKFRS 9”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (根據附註2的過渡應用香港財務報告準則第16號之後) (續)

使用權資產 (續)

本集團合理確定於租期結束時會取得相關租賃資產擁有權的使用權資產自開始日期起至可使用年期結束期間計提折舊。在其他情況下，使用權資產以直線法於其估計可使用年期及租期 (以較短者為準) 內計提折舊。

本集團將不符合投資物業或存貨定義的使用權資產呈列於「物業、廠房及設備」內，即相應相關資產假若為自有情況下應呈列的相同項目內。符合投資物業及存貨定義的使用權資產分別呈列於「投資物業」及「發展中待售物業」及「已竣工待售物業」內。

可退回租賃按金

已付可退回租賃按金乃根據香港財務報告準則第9號金融工具 (「香港財務報告準則第9號」) 入賬且初始按公平值計量。對初始確認時的公平值作出的調整被視為額外租賃付款，並計入使用權資產成本。

租賃負債

於租賃開始日期，本集團按該日未付的租賃付款現值確認及計量租賃負債。倘租賃隱含的利率難以釐定，則本集團會使用租賃開始日期的增量借貸利率計算租賃付款的現值。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Lease liabilities (Continued)

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, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (根據附註2的過渡應用香港財務報告準則第16號之後) (續)

租賃負債 (續)

租賃付款包括:

- 固定付款 (包括實質性的固定付款) 減任何應收租賃優惠;
- 視乎指數或比率而定的可變租賃付款, 初步使用開始日期的指數或比率計量;
- 根據剩餘價值擔保預期應由本集團支付的金額;
- 如本集團合理確定將行使購買選擇權, 該選擇權的行使價; 及
- 如租期反映本集團會行使選擇權終止租賃, 終止租賃的相關罰款。

於開始日期後, 租賃負債根據利息增長及租賃付款作出調整。

倘出現以下情況, 本集團會重新計量租賃負債 (並對相關使用權資產作出相應調整):

- 租期有變, 或行使購買選擇權之評估出現變動; 在此情況下, 本集團將使用重新評估當日的經修訂折現率折現經修訂租賃付款, 重新計量相關租賃負債。
- 租賃付款有變, 而原因是於進行市場租金檢討後市場租金費率出現變動/已擔保剩餘價值項下的預期付款出現變動; 在此等情況下, 本集團將使用初始折現率折現經修訂租賃付款, 重新計量相關租賃負債。

本集團於綜合財務狀況表以單獨項目呈列租賃負債。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (根據附註2的過渡應用香港財務報告準則第16號之後) (續)

租賃修訂

倘出現以下情況，本集團會將租賃修訂作為一項單獨租賃入賬：

- 該項修訂透過增加使用一項或多項相關資產的權利擴大租賃範圍；及
- 租賃代價增加，增加的金額相當於範圍擴大對應的單獨價格，加上為反映特定合約的情況而對單獨價格進行的任何適當調整。

就未以單獨租賃入賬的租賃修訂而言，本集團基於經修訂的租賃的租期，透過使用於修訂生效日期的經修訂折現率折現經修訂的租賃付款重新計量租賃負債。

本集團透過對相關使用權資產進行相應調整，入賬處理租賃負債的重新計量。當經修訂合約包含租賃部分以及一個或多個額外租賃或非租賃部分時，本集團根據租賃部分的相對獨立價格及非租賃部分的獨立價格總額，將經修訂合約中的代價分配至每個租賃部分。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (prior to 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (於二零一九年一月一日前)

當租賃條款將擁有權所附帶之絕大部分風險及回報轉移予承租人時，租賃分類為融資租賃。所有其他租賃分類為經營租賃。

以融資租賃持有之資產乃按租賃開始時之公平值或 (倘為較低者) 按最低租賃付款之現值確認為本集團資產。對出租人之相應負債乃於綜合財務狀況表列作融資租賃責任。

租賃付款按比例於財務費用與租賃責任減少之間作出分配，從而使該等負債餘額之息率固定。財務費用即時於損益中確認，除非該費用為合資格資產直接應佔費用，在該情況下，該費用根據本集團之借貸成本的一般政策予以資本化 (參見下文的會計政策)。或然租金於其產生期間確認為開支。

經營租賃付款於有關租期以直線法確認為開支，惟倘另有系統性基準更能代表租賃資產之經濟利益被消耗的時間模式則另當別論。經營租賃所產生之或然租金於產生期間確認為開支。

倘訂立經營租賃時收取租賃優惠，則有關優惠確認為負債。優惠總利益以直線法確認為租金開支減少，惟倘另有系統性基準更能代表租賃資產之經濟利益被消耗的時間模式則另當別論。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. Other than investment properties measured under fair value model, such costs are recognised as an expense on a straight-line basis over the lease term. Upon application of HKFRS 16 on 1 January 2019, variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.

Interest and rental income which are derived from the Group's ordinary course of business are presented as revenue.

3. 主要會計政策 (續)

租賃 (續)

本集團作為出租人

租賃的分類及計量

本集團作為出租人之租賃分類為融資或經營租賃。當租賃條款將相關資產擁有權所附帶之絕大部分風險及回報轉移予承租人時，該合約分類為融資租賃。所有其他租賃分類為經營租賃。

根據融資租賃應收承租人款項按本集團於租賃項下之投資淨額金額確認為應收款項。融資租賃收入分配至各會計期間，以反映本集團就有關租賃之未收回投資淨額之固定定期回報率。

經營租賃之租金收入於有關租賃期內以直線法於損益確認。就磋商及安排經營租賃產生之初步直接成本乃加入租賃資產之賬面值。除按公平值模式計量之投資物業外，有關成本於租期內以直線法確認為開支。於二零一九年一月一日應用香港財務報告準則第16號後，視乎指數或比率而定的經營租賃可變租賃付款乃進行估算並計入將於租期內以直線基準確認的租賃付款總額。不視乎指數或比率而定的可變租賃付款於產生時確認為收入。

於本集團一般業務過程中產生的利息及租金收入呈列為收入。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessor (upon application of HKFRS 16 in accordance with transitions in note 2)

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. 主要會計政策 (續)

租賃 (續)

本集團作為出租人 (根據附註2的過渡應用香港財務報告準則第16號之後)

將代價分配至合約組成部分

倘合約包含租賃及非租賃部分，本集團應用香港財務報告準則第15號將合約代價分配至租賃及非租賃部分。非租賃部分按其相對獨立售價與租賃部分區分。

可退回租賃按金

所收取的可退回租賃按金根據香港財務報告準則第9號入賬，初始按公平值計量。於初始確認時對公平值之調整視為來自承租人之額外租賃付款。

租賃修訂

本集團將經營租賃的修訂於修訂生效日期起作為新租賃入賬，並將有關原租賃的任何預付或應計租賃付款視為新租賃的租賃付款一部分。

外幣

在編製各個別集團實體之財務報表時，以功能貨幣以外之貨幣（外幣）為單位之交易按於交易日期之適用匯率確認。於報告期末，以外幣列值之貨幣項目以當日之適用匯率重新換算。公平值以外幣列值之非貨幣項目應按於釐定公平值當日之適用匯率重新換算。以外幣歷史成本計量之非貨幣項目毋須重新換算。

結算貨幣項目及重新換算貨幣項目所產生匯兌差異於其產生期間在損益中確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. For properties under development for which revenue is recognised over time, the Group ceases to capitalise borrowing costs as soon as the properties are ready for the Group's intended sale.

Capitalisation of borrowing costs is suspended during extended periods in which the Group suspends active development of the qualifying asset.

3. 主要會計政策 (續)

外幣 (續)

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃採用於各報告期末之適用匯率換算為本集團之列賬貨幣（即港元）。收入及支出項目乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，在此情況下，則採用於交易當日適用之匯率。所產生之匯兌差異（如有）乃於其他全面收益確認，並於權益中匯兌儲備下累計。

於出售海外經營業務（即出售本集團於海外經營業務之全部權益，或導致失去控制權之出售包含海外經營業務之附屬公司）時，就本公司擁有人應佔之業務於權益累計之所有匯兌差異重新分類至損益。

因收購海外經營業務而產生之商譽及所購入可識別資產及負債公平值調整乃視作該海外經營業務之資產及負債，並按各報告期末之適用匯率換算。所產生之匯兌差異於其他全面收益確認。

借貸成本

收購、建造或生產合資格資產（即需一段較長時間始能達至其擬定用途或供出售之資產）直接應佔之借貸成本加入該等資產之成本，直至資產大體上已可用作擬定用途或供出售為止。就收入隨時間推移確認之發展中物業而言，本集團於物業可供本集團作擬定出售時盡快停止將借貸成本資本化。

於本集團暫停積極發展合資格資產的延長期間，借貸成本會暫停資本化。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs (Continued)

Effective 1 January 2019, any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Retirement benefit costs

Payments to defined contribution retirement benefit plans including state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3. 主要會計政策 (續)

借貸成本 (續)

自二零一九年一月一日起，於相關資產可作擬定用途或銷售時仍未償還之任何指定借貸計入一般借貸組合，以計算一般借貸的資本化比率。當指定借貸尚未支付合資格資產開支而用作臨時投資時，所賺取之投資收入會從合資格資本化之借貸成本中扣除。

所有其他借貸成本乃於產生期間於損益確認。

退休福利成本

定額供款退休福利計劃（包括國家管理之退休福利計劃及強制性公積金計劃）之付款乃於僱員提供服務而可享有供款時確認為開支。

短期僱員福利

短期僱員福利乃於僱員提供服務時按預期將予支付福利之未折現金額確認。除非另有香港財務報告準則規定或允許將福利計入資產成本內，否則所有短期僱員福利均確認為開支。

與工資及薪金、年假及病假有關之僱員應計福利乃於提供有關服務期間按預期將予支付作為換取該服務之福利之未折現金額確認為負債。

就短期僱員福利確認之負債乃按預期將予支付作為換取相關服務之福利之未折現金額計量。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred taxation.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策 (續)

稅項

所得稅支出指現時應付稅項及遞延稅項總和。

現時應付稅項按年度應課稅溢利計算。應課稅溢利與綜合損益表中所報除稅前虧損不同，乃由於其他年度應課稅或可抵扣稅收入或開支之項目及其他毋須課稅或不能抵扣稅之項目。本集團之即期稅項負債乃按報告期末已生效或實質生效之稅率計算。

遞延稅項就綜合財務報表資產及負債賬面值與計算應課稅溢利所用相應稅基間之暫時差額而確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產則通常就所有可抵扣稅之暫時差額於可能出現應課稅溢利以抵銷可抵扣稅之暫時差額時確認。若於一項交易中，因業務合併以外原因初始確認資產及負債而產生之暫時差額既不會影響應課稅溢利亦不會影響會計溢利，則不會確認有關遞延稅項資產及負債。

遞延稅項負債乃就與附屬公司有關之投資而引致之應課稅暫時差額而確認，惟若本集團可控制暫時差額撥回及暫時差額不大可能於可預見未來撥回之情況則除外。因與有關投資及權益有關之可抵扣稅暫時差額而產生之遞延稅項資產，僅於可能產生足夠應課稅溢利從而動用暫時差額之利益並且其預期可於可預見未來撥回時確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred taxes are recognised in profit or loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於各報告期末作檢討，並在不大可能有足夠應課稅溢利收回全部或部分資產時作調減。

遞延稅項資產及負債乃根據於報告期末前已生效或實質生效之稅率（及稅法），按預期於負債清償或資產變現期間適用之稅率計算。

遞延稅項負債及資產之計量反映按照本集團於報告期末所預期方式收回或清償其資產及負債之賬面值將出現之稅務後果。即期及遞延稅項於損益確認。

遞延稅項資產及負債於有依法可強制執行權利以即期稅項資產與即期稅項負債抵銷時，及於該等遞延稅項資產及負債乃與同一稅務機關對同一應課稅實體徵收的所得稅相關時抵銷。

即期及遞延稅項於損益中確認，惟其與於其他全面收益或直接於權益確認之項目有關則除外，於此情況下，即期及遞延稅項亦分別於其他全面收益或直接於權益確認。倘即期稅項或遞延稅項因業務合併之初始會計處理而產生，則其稅務影響計入業務合併之會計處理。

於評估所得稅處理的不確定性時，本集團會考慮有關稅務機關是否有可能接受個別集團實體在彼等各自之所得稅申報中使用或擬使用的不確定稅務處理。倘有可能，則即期及遞延稅項採用與所得稅申報之稅務處理一致之方式釐定。倘有關稅務機關不可能接受不確定稅務處理，則採用最可能的金額或預期價值反映各項不確定性的影響。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest/dividend income which are derived from the Group’s ordinary course of business are presented as revenue.

3. 主要會計政策 (續)

稅項 (續)

計量以公平值模式計量的投資物業之遞延稅項時，有關物業之賬面值乃假定透過銷售全數收回，惟假設被推翻則除外。倘投資物業可折舊且以目的為隨時間推移而非透過銷售消耗投資物業所包含的絕大部分經濟利益的商業模式持有，則有關假設被推翻。

金融工具

金融資產及金融負債乃當某集團實體成為工具合約條文之訂約方時確認。所有按常規方式購買或出售金融資產按交易日基準確認及取消確認。按常規方式購買或出售指須於市場規例或慣例一般所訂期間內交付資產的金融資產購買或出售。

金融資產及金融負債初始按公平值計量，惟客戶合約產生之應收貿易賬款初始根據香港財務報告準則第15號計量除外。收購或發行金融資產及金融負債（按公平值計入損益（「按公平值計入損益」）之金融資產或金融負債除外）直接應佔之交易成本於初始確認時在金融資產或金融負債之公平值內加入或扣減（如適用）。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本即時於損益確認。

實際利率法是一種在相關期間內用於計算金融資產或金融負債之攤銷成本及分配利息收入及利息開支之方法。實際利率是於金融資產或金融負債之預期壽命或者較短期間內（倘適用）準確將估計未來現金收款及付款（包括所有構成實際利率一部分之已付或已收費用及點數、交易成本及其他溢價或折讓）折現至初始確認賬面淨值之利率。

於本集團日常業務中產生之利息／股息收入列報為收入。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

3. 主要會計政策 (續)

金融工具 (續)

金融資產

金融資產之分類及其後計量

符合下列條件之金融資產其後按攤銷成本計量：

- 持有金融資產之業務模式目的是透過收取合約現金流量實現；及
- 合約條款在指定日期產生現金流量，而該現金流量僅為未償還本金金額之本金及利息付款。

符合以下條件之金融資產其後按公平值計入其他全面收益（「按公平值計入其他全面收益」）計量：

- 持有金融資產之業務模式目的是透過收取合約現金流量及進行出售實現；及
- 合約條款在指定日期產生現金流量，而該現金流量僅為未償還本金金額之本金及利息付款。

所有其他金融資產其後按公平值計入損益計量，惟在首次應用香港財務報告準則第9號／初始確認金融資產之日，倘權益投資並非持作買賣亦非收購方在香港財務報告準則第3號業務合併適用的業務合併中確認之或然代價，則本集團可不可撤銷地選擇於其他全面收益呈列權益投資公平值之其後變動。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significant reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (續)

符合以下條件之金融資產分類為持作買賣：

- 其主要為於不久的將來出售而購入；或
- 於初始確認時為本集團整體管理之已識別金融工具組合之一部分，且具有近期實際短期獲利模式；或
- 其為並非指定及有效作為對沖工具之衍生工具。

此外，如果能夠消除或顯著減少會計錯配，則本集團可不可撤銷地將須按攤銷成本或按公平值計入其他全面收益計量之金融資產指定為按公平值計入損益。

(i) 攤銷成本及利息收入

就其後按攤銷成本計量之金融資產及其後按公平值計入其他全面收益之債務工具／應收款項而言，利息收入乃使用實際利率法確認。利息收入乃透過對金融資產之總賬面值應用實際利率計算，惟其後出現信貸減值之金融資產除外（參見下文）。就其後出現信貸減值之金融資產而言，自下一報告期間起，利息收入乃透過對金融資產之攤銷成本應用實際利率而確認。倘已出現信貸減值之金融工具之信貸風險好轉，使有關金融資產不再出現信貸減值，於釐定有關資產不再出現信貸減值後之報告期間初起，利息收入乃透過對金融資產之總賬面值應用實際利率而確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income (“OCI”) and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt instruments. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (續)

(ii) 分類為按公平值計入其他全面收益之債務工具

分類為按公平值計入其他全面收益之債務工具因使用實際利率法計算的利息收入而產生之賬面值其後變動以及匯兌收益及虧損在損益中確認。該等債務工具的所有其他賬面值變動於其他全面收益(「其他全面收益」)中確認,並於按公平值計入其他全面收益儲備項下累計。減值撥備於損益中確認,並對其他全面收益作出相應調整而不減少該等債務工具之賬面值。在損益中確認之金額與倘該等債務工具以攤銷成本計量情況下應在損益中確認之金額相同。於取消確認該等債務工具時,先前於其他全面收益確認之累計收益或虧損重新分類至損益。

(iii) 指定為按公平值計入其他全面收益之權益工具

按公平值計入其他全面收益之權益工具投資其後按公平值加交易成本計量。其後,按公平值計量,公平值變動產生之收益及虧損於其他全面收益確認並於投資重估儲備累計;及無須作減值評估。於出售權益投資時累計收益或虧損不會重新分類至損益,而將轉撥至累計虧損。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(iii) Equity instruments designated as FVTOCI (Continued)

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with HKFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (續)

(iii) 指定為按公平值計入其他全面收益之權益工具 (續)

根據香港財務報告準則第9號，當本集團收取股息之權利確立時，於損益中確認該等權益工具投資之股息，除非股息明確代表投資成本的部分收回則除外。

(iv) 按公平值計入損益之金融資產

不符合按攤銷成本或按公平值計入其他全面收益或指定為按公平值計入其他全面收益計量的標準的金融資產按公平值計入損益計量。

按公平值計入損益之金融資產按各報告期末的公平值計量，任何公平值收益或虧損於損益中確認。於損益確認之收益或虧損淨額，不包括從金融資產賺取之任何股息或利息。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including note receivables, trade receivables, deposits and other receivables, pledged bank deposits and cash and cash equivalents) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值

本集團根據預期信貸虧損(「預期信貸虧損」)模式對須根據香港財務報告準則第9號進行減值的金融資產(包括應收票據、應收貿易賬款、按金及其他應收款項、已抵押銀行存款以及現金及現金等價物)進行減值評估。預期信貸虧損的金額於各報告日期更新,以反映信貸風險自初始確認以來的變動。

存續期預期信貸虧損指於相關工具於預計存續期內所有可能違約事件產生的預期信貸虧損。相反,12個月預期信貸虧損(「12個月預期信貸虧損」)指預計於報告日期後12個月內可能發生的違約事件產生的預期信貸虧損,為存續期預期信貸虧損的一部分。評估乃根據本集團過往信貸虧損經驗,並就債務人特定因素、整體經濟狀況以及對於報告日期之當時狀況及未來狀況預測的評估作調整。

本集團一直就應收貿易賬款確認存續期預期信貸虧損。該等資產的預期信貸虧損乃就其重大結餘的應收賬款進行個別評估及/或採用具合適組別的撥備矩陣進行集體評估。

就所有其他工具而言,本集團按相等於12個月預期信貸虧損的金額計量虧損撥備,除非當信貸風險自初始確認以來顯著上升,則本集團確認存續期預期信貸虧損。是否應確認存續期預期信貸虧損乃根據自初始確認以來發生違約的可能性或風險是否已顯著上升而評估。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the end of the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值 (續)

(i) 信貸風險顯著上升

於評估信貸風險是否自初始確認以來已顯著上升時，本集團比較金融工具於報告日期末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。作此評估時，本集團會考慮合理、有證據的定量及定性資料，包括過往經驗及毋須付出過多成本或精力即可獲得的前瞻性資料。

具體而言，評估信貸風險是否顯著上升時會考慮下列資料：

- 金融工具外部（如有）或內部信貸評級的實際或預期重大惡化；
- 信貸風險的外界市場指標的重大惡化，例如信貸息差大幅增加；
- 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人經營業績的實際或預期重大惡化；及
- 導致債務人履行其債務責任的能力大幅下降的債務人所在監管、經濟或技術環境的實際或預期重大不利變動。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default; ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external crediting rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值 (續)

(i) 信貸風險顯著上升 (續)

無論上述評估結果如何，本集團假定合約付款逾期超過30日時，信貸風險自初始確認以來已顯著上升，除非本集團有合理、有證據的資料證明並無顯著上升則當別論。

儘管有以上所述，倘於報告日期債務工具的信貸風險被釐定為較低，則本集團會假定債務工具的信貸風險自初始確認以來並無顯著上升。倘i)債務工具違約風險低；ii)借款人短期內履行合約現金流量責任的能力強勁及iii)經濟及營商環境於較長期間內的不利變動可能但未必會降低借款人履行合約現金流量責任的能力，則釐定債務工具的信貸風險較低。當按照公認的定義債務工具的內部或外部信貸評級為「投資級別」，則本集團將該債務工具視為信貸風險較低。

本集團定期監察用以識別信貸風險是否已顯著上升之標準的成效，並於適當時候作出修訂，以確保有關標準能夠於款項逾期之前識別出信貸風險顯著上升。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值 (續)

(ii) 違約之定義

就內部信貸風險管理而言，倘內部編製立或從外部來源獲得之資料顯示債務人不大可能向其債權人（包括本集團）全額還款（不考慮本集團持有之任何抵押品），則本集團認為發生違約事件。

無論上述分析結果如何，本集團認為，倘金融資產逾期超過90日，即發生違約事件，除非本集團具有說明更寬鬆的違約標準更為合適的合理、有證據的資料，則作別論。

(iii) 出現信貸減值之金融資產

當發生一項或多項事件而對金融資產之估計未來現金流量產生不利影響時，該金融資產即為出現信貸減值。金融資產出現信貸減值之證據包括以下事件之可觀察資料：

- 發行人或借款人陷入重大財務困難；
- 違反合約，例如違約或逾期事件；
- 借款人之貸款人出於與借款人財務困難有關的經濟或合約原因，而向借款人授予貸款人原本不會考慮之寬限；
- 借款人甚有可能破產或進行其他財務重組；或
- 財務困難以致該金融資產之活躍市場消失。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For trade receivables in respect of leasing, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the trade receivables in respect of leasing in accordance with HKFRS 16 (since 1 January 2019) or HKAS 17 (prior to 1 January 2019).

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值 (續)

(iv) 撇銷政策

當有資料顯示對手方陷入嚴重財務困難且並無實際收回款項之可能時(例如對手方被清盤或進入破產程序),或就應收貿易賬款而言,當有關款項逾期超過一年時(以較早發生者為準),本集團會撇銷金融資產。根據本集團收回款項的程序,已撇銷之金融資產仍可能受到執法活動的影響,在適當情況下考慮法律意見。撇銷構成取消確認事件。任何其後收回之款項於損益內確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率(即違約損失程度)及違約風險的函數。違約概率及違約損失率乃基於根據前瞻性資料調整的歷史數據評估。預期信貸虧損之估計反映無偏頗及概率加權金額,有關金額乃根據發生相應違約風險之金額作為加權數值而釐定。

一般而言,預期信貸虧損為本集團根據合約應收的合約現金流量與本集團預計將收到的所有現金流量之間的差額,並按初始確認時釐定的實際利率折現。就有關租賃之應收貿易賬款而言,釐定預期信貸虧損所用的現金流量與根據香港財務報告準則第16號(自二零一九年一月一日起)或香港會計準則第17號(於二零一九年一月一日前)計量有關租賃之應收貿易賬款所用的現金流量一致。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in debts instruments that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, note receivables, other receivables and deposits where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the investment revaluation reserve without reducing the carrying amount of these debt instruments. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值 (續)

(v) 預期信貸虧損的計量及確認 (續)

倘預期信貸虧損按集體基準計量或處理個別工具層面的證據尚未可得的情況，則金融工具按以下基準分組：

- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級 (倘有)。

管理層定期檢討分組方法，以確保各組別的組成項目仍然具有相似的信貸風險特徵。

利息收入按金融資產的總賬面值計算，惟倘金融資產出現信貸減值，則利息收入按金融資產的攤銷成本計算。

除按公平值計入其他全面收益之債務工具外，本集團通過調整所有金融工具的賬面值於損益確認彼等之減值收益或虧損，惟應收貿易賬款、應收票據、其他應收款項及按金除外，其透過虧損撥備賬確認相應調整。就按公平值計入其他全面收益計量之債務工具投資而言，虧損撥備於其他全面收益中確認，並於投資重估儲備中累計，而不減低該等債務工具之賬面值。該金額指有關累計虧損撥備的按公平值計入其他全面收益儲備之變動。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之取消確認

本集團僅於自資產獲取現金流量之合約權利到期時，或本集團將金融資產及資產所有權之絕大部分風險及回報轉移予另一實體時取消確認金融資產。倘本集團未轉移亦無保留資產所有權之絕大部分風險及回報，而是繼續控制已轉讓資產，則本集團確認其於該資產的保留權益並就其可能須支付之金額確認相關負債。倘本集團保留已轉讓金融資產所有權之絕大部分風險及回報，則本集團繼續確認該金融資產，並會就已收取之所得款項確認有抵押借款。

取消確認按攤銷成本計量的金融資產時，資產賬面值與已收及應收代價總和間之差額，於損益確認。

當取消確認分類為按公平值計入其他全面收益之債務工具投資時，先前於按公平值計入其他全面收益儲備累計之累計收益或虧損重新分類至損益。

當取消確認本集團於初始確認時選擇按公平值計入其他全面收益計量之權益工具投資時，先前於投資重估儲備累計之累計收益或虧損不會重新分類至損益，而是轉撥至累計虧損。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具

分類為債務或權益

集團實體發行之債務及權益工具乃根據合約安排內容及金融負債與權益工具之定義分類為金融負債或權益。

權益工具

權益工具乃證明於本集團扣減其所有負債之資產中擁有剩餘權益之任何合約。本公司發行之權益工具按已收所得款項(扣除直接發行成本)確認。

本公司購回本身之權益工具於權益直接確認及扣減。購買、出售、發行或註銷本公司本身之權益工具概不會於損益確認收益或虧損。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, (ii) it is designated as at FVTPL or (iii) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

3. 主要會計政策 (續)

金融工具 (續)

金融負債

所有金融負債其後使用實際利率法按攤銷成本或按公平值計入損益計量。

按公平值計入損益之金融負債

倘金融負債為(i)持作買賣，(ii)指定為按公平值計入損益，或(iii)適用香港財務報告準則第3號之業務合併中收購方之或然代價，則金融負債分類為按公平值計入損益。

在下列情況下，金融負債為持作買賣：

- 購入之目的主要是為於短期內購回；或
- 於初始確認時，其構成本集團合併管理之已識別金融工具之組合之一部分及具有近期實際短期獲利模式；或
- 其為並非指定及有效作為對沖工具之衍生工具。

在下列情況下，金融負債（持作買賣或業務合併中收購方之或然代價除外）可於初始確認時指定為按公平值計入損益：

- 該指定消除或大幅減少可能會出現的計量或確認方面的不一致性；或
- 該金融負債構成一組金融資產或金融負債或金融資產及金融負債組合之一部分，而根據本集團制定的風險管理或投資策略，其乃以公平值為基礎進行管理及評估績效，且有關分組之資料乃按此基準向內部提供；或
- 其構成包含一項或多項嵌入衍生工具的合約之一部分，而香港財務報告準則第9號允許將整個組合合約指定為按公平值計入損益。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL (Continued)

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated losses upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities including bank and other borrowings, trade payables, deposits from customers, accrued liabilities and other payables, amounts due to non-controlling interests, amounts due to related companies and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

Senior bonds

Senior bonds issued by the Company that contain both liability and early redemption option (which is not closely related to the host contract) are classified separately into respective items on initial recognition. At the date of issue, both the liability and early redemption option components are recognised at fair value.

In subsequent periods, the liability component of the senior bonds is carried at amortised cost using the effective interest method. The early redemption option is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the senior bonds are allocated to the liability and early redemption option components in proportion to their relative fair values. Transaction costs relating to the early redemption option are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the senior bonds using the effective interest method.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具 (續)

按公平值計入損益之金融負債 (續)

就指定為按公平值計入損益之金融負債而言，因金融負債信貸風險有變而導致其公平值變動的金額乃於其他全面收益中確認，除非於其他全面收益中確認該負債信貸風險變動的影響會產生或擴大損益的會計錯配，則作別論。就包含嵌入式衍生工具的金融負債而言，於釐定將於其他全面收益呈列的金額時，嵌入式衍生工具的公平值變動會被剔除。於其他全面收益中確認的金融負債信貸風險引起的公平值變動其後不會重新分類至損益；而會於取消確認金融負債後轉入累計虧損。

按攤銷成本列賬之金融負債

金融負債（包括銀行及其他借款、應付貿易賬款、客戶訂金、應計負債及其他應付款項、應付非控股權益款項、應付關連公司款項及租賃負債）其後採用實際利率法按攤銷成本計量。

優先債券

本公司發行之包括負債及提前贖回權（與主合約並非密切關聯）之優先債券於初始確認時分別分類至有關項目。於發行日期，負債及提前贖回權部分按公平值確認。

於後續期間，優先債券之負債部分乃採用實際利率法按攤銷成本列賬。提前贖回權乃按公平值計量且其公平值變動於損益確認。

與發行優先債券有關之交易成本按其相對公平值之比例分配予負債及提前贖回權部分。與提前贖回權有關的交易成本即時於損益中扣除。與負債部分有關的交易成本計入負債部分的賬面值，並使用實際利率法在優先債券之期限內攤銷。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition/Substantial modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The Group accounts for an exchange with a lender of a financial liability with substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

Non-substantial modifications of financial liabilities

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

3. 主要會計政策 (續)

金融工具 (續)

金融負債之取消確認／重大修訂

本集團當且僅當責任獲免除、取消或屆滿時，方會取消確認金融負債。獲取消確認之金融負債之賬面值與已付及應付代價間差額會於損益確認。

本集團將與金融負債的貸款方按實質上不同之條款進行之替換，列作取消原金融負債及確認新金融負債。若現有金融負債或其部分的條款作出重大修訂（無論是否由於本集團出現財務困難），亦入賬為取消原金融負債及確認新金融負債。

倘根據新條款現金流量經折現現值（包括任何已付費用減任何已收費用並使用原實際利率折現）與原金融負債剩餘現金流量經折現現值相差至少10%，則本集團認為有關條款屬有重大差異。因此，有關替換債務工具或修訂條款乃入賬作取消，而產生之任何成本或費用確認為取消收益或虧損之一部分。倘有關差額少於10%，則替換或修訂被視為非重大修訂。

金融負債之非重大修訂

就並無導致取消確認的金融負債非重大修訂而言，相關金融負債的賬面值將按以金融負債原實際利率折現之經修訂合約現金流量現值計算。所產生之交易成本或費用乃調整至經修訂金融負債之賬面值，並於剩餘年內攤銷。對金融負債賬面值之任何調整於修訂日期在損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of HKFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

3. 主要會計政策 (續)

金融工具 (續)

衍生金融工具

衍生工具初始按衍生工具合約訂立日期之公平值確認及其後按報告期末之公平值重新計量。所產生之收益或虧損於損益內確認，除非該衍生工具是指定為及有效作為對沖工具，在此情況下，於損益內確認之時間取決於對沖關係之性質。

嵌入式衍生工具

嵌入於包含香港財務報告準則第9號範圍內的金融資產主合約之混合合約之衍生工具不會分開處理。整個混合合約整體進行分類及按攤銷成本或公平值(如適用)作其後計量。

倘並非屬香港財務報告準則第9號範圍內的金融資產之嵌入於非衍生主合約之衍生工具符合衍生工具之定義，其風險與特性與主合約之風險及特性並無密切關係，且主合約並非按公平值計入損益之方式計量，則作為單獨的衍生工具處理。

一般而言，與主合約分開的單一個工具內之多項嵌入式衍生工具會作為單一個複合嵌入式衍生工具處理，除非該等衍生工具涉及不同的風險承擔及易於分開且互相獨立則作別論。

金融擔保合約

金融擔保合約為一項要求發行人作出特定付款，以付還持有人因特定債務人未能根據一項債務工具於債務到期時還款所蒙受之損失之合約。金融擔保合約負債初始按公平值計量。其後續按下列較高者計量：

- 根據香港財務報告準則第9號釐定的虧損撥備金額；及
- 初始確認的金額減去(如適用)於擔保期內確認的累計攤銷。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

3. 主要會計政策 (續)

金融工具 (續)

抵銷金融資產與金融負債

當且僅當本集團現時有依法可強制執行的權利抵銷已確認金額；且有意按淨額基準結算或同時變現資產及清償負債時，金融資產與金融負債方會作抵銷及於綜合財務狀況表呈列有關淨額。

撥備

倘本集團因過往事件而現時須承擔責任（法律或推定責任），而本集團可能須清償該責任且有關責任之金額能夠作出可靠估計，則確認撥備。

確認為撥備之金額乃經考慮責任相關之風險及不確定因素後，於報告期末為清償該當前責任所需代價之最佳估計。倘撥備使用清償該當前責任之估計現金流量計量，其賬面值為該等現金流量之現值（倘貨幣時間價值的影響屬重大）。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 of 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

- (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);

3. 主要會計政策 (續)

關連人士

下列人士將被視為本集團之關連人士：

- (a) 該人士為符合下列情況的人士或其近親：
 - (i) 擁有本集團之控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員成員；

或

- (b) 該人士為符合下列任何一項條件的實體：
 - (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 一實體為另一實體（或另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營企業；
 - (iii) 該實體與本集團屬同一第三方之合營企業；
 - (iv) 一實體為第三實體之合營企業，而另一實體為該第三實體的聯營公司；
 - (v) 該實體為本集團或與本集團有關連實體之僱員離職後福利計劃；
 - (vi) 該實體受(a)所識別之人士控制或共同控制；

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

(b) the party is an entity where any of the following conditions applies:
(Continued)

(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.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. 主要會計政策 (續)

關連人士 (續)

(b) 該人士為符合下列任何一項條件的實體：(續)

(vii) (a)(i)所識別之人士對該實體有重大影響力或為該實體(或該實體母公司)的主要管理人員成員；及

(viii) 該實體或其所屬集團之任何成員向本集團或本集團母公司提供主要管理人員服務。

一名人士之近親指在該人士與實體交易時預期可影響該人士或受該人士影響的家屬。

4. 關鍵會計判斷及估計不確定性因素之主要來源

應用附註3所述本集團之會計政策時，本公司董事須就難以自其他來源確定之資產及負債之賬面值作判斷、估計及假設。該等估計及有關假設乃根據過往經驗及其他視為相關之因素而作出。實際結果與該等估計或有差異。

各項估計及相關假設會持續檢討。倘會計估計之修訂僅影響修訂該估計之期間，有關修訂則會在該期間確認；倘修訂對當前及未來期間均有影響，則在作出修訂期間及未來期間確認。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of investment properties under construction

As described in Note 16, investment properties under construction are stated at fair value based on the valuation performed by independent professional valuers.

Investment properties under construction are valued by estimating the fair value of such properties as if they were completed in accordance with the relevant development plan and then deducting from that amount the estimated costs to complete the construction and a reasonable profit margin.

4. 關鍵會計判斷及估計不確定性因素之主要來源 (續)

應用會計政策時的關鍵判斷

以下是除涉及估計的判斷外(見下文),本公司董事於應用本集團會計政策時作出的對綜合財務報表所確認金額有最重大影響之關鍵判斷。

投資物業遞延稅項

就計量採用公平值模式計量的投資物業所產生的遞延稅項而言,本公司董事已審閱本集團的投資物業組合,認為本集團的若干投資物業乃以旨在隨時間推移(而非透過出售)消耗該投資物業所包含的絕大部分經濟利益的業務模式持有。因此,本公司董事於計量本集團有關投資物業的遞延稅項時,已決定推翻有關使用公平值模式計量的投資物業賬面值透過出售全部收回的推定。

估計不確定性因素之主要來源

以下為於報告期末有關未來的主要假設及估計不明朗因素的其他主要來源,其可能具有導致對下一財政年度內資產及負債之賬面值作出重大調整之重大風險。

在建投資物業之估值

如附註16所述,在建投資物業乃按獨立專業估價師進行之估值以公平值列賬。

在建投資物業乃透過估計該等物業之公平值進行估值,當中假設該等物業已根據有關發展計劃完成,並扣除完成建設之估計成本及合理利潤率。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Land appreciation tax (“LAT”)

The Group is subject to land appreciation tax in the PRC. However, the implementation and settlement of the tax varies amongst different tax jurisdictions in various cities of the PRC and certain projects of the Group have not finalised their LAT calculations and payments with any local tax authorities in the PRC. Accordingly, significant estimate is required in determining the amount of land appreciation and its related income tax provisions. The Group recognised the LAT based on management’s best estimates. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables except that trade receivables with significant balances and credit impaired are assessed for ECL individually. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group’s historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. As at 31 December 2019, the gross carrying amount of trade receivables was approximately HK\$12,876,000 (2018: approximately HK\$11,357,000) and no impairment allowance for credit losses was provided.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group’s trade receivables are disclosed in Notes 21 and 39.

4. 關鍵會計判斷及估計不確定性因素之主要來源 (續)

估計不確定性因素之主要來源 (續)

土地增值稅 (「土地增值稅」)

本集團須繳納中國土地增值稅。然而，中國各個城市的不同徵稅區的稅項徵收及支付有所差異，而本集團的若干項目尚未與任何中國地方稅務部門最終確定土地增值稅之計算及支付。因此，於釐定土地增值金額及其相關所得稅撥備時須作出重大估計。本集團基於管理層之最佳估計確認土地增值稅。最終的稅項結果或會不同於初步列賬之金額，而該等差異將影響與地方稅務部門確定該等稅項之期間內之所得稅支出及有關所得稅撥備。

應收貿易賬款之預期信貸虧損撥備

本集團採用撥備矩陣計算應收貿易賬款之預期信貸虧損，惟有重大結餘且已發生信貸減值之應收貿易賬款會個別評估預期信貸虧損。撥備率乃基於具有類似虧損模式的各應收賬款組別的內部信貸評級。撥備矩陣乃基於本集團的歷史違約率，當中計及無需付出過多成本或精力即可取得的合理、有證據的前瞻性資料。於各報告日期，本公司會重新評估過往觀察所得違約率，並會考慮前瞻性資料之變動。於二零一九年十二月三十一日，應收貿易賬款之賬面總值為約12,876,000港元（二零一八年：約11,357,000港元），且無計提信貸虧損之減值撥備。

預期信貸虧損之撥備易受估計變動之影響。有關預期信貸虧損及本集團應收貿易賬款之資料於附註21及39披露。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Construction costs estimation for revenue recognition

Certain projects of the Group are divided into several phases according to the development and delivery plans. The Group recognises sales upon delivery of properties. Cost of sales including construction costs specific to the phases and common costs allocable to the phases are calculated based on management's best estimation of the total development costs for the whole project and the allocation to each phase at the time when the properties are delivered.

Income taxes

There are transactions and calculations relating to the Group's ordinary business activities for which the ultimate tax determination is uncertain and judgement is required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Estimated useful lives of property, plant and equipment

Management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charges where useful lives are less than previously estimated, or it will write-off or write-down obsolete assets that have been abandoned or sold.

Write-down of properties under development for sale

Management performs a regular review on the carrying amounts of properties under development for sale. Based on management's review, write-down of properties under development for sale will be made when the estimated net realisable value has declined below the carrying amount.

These estimates require judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, rate of new properties sales, marketing costs (including price discounts required to stimulate sales) and the estimated costs to completion of properties, the legal and regulatory framework and general market conditions.

4. 關鍵會計判斷及估計不確定性因素之主要來源 (續)

估計不確定性因素之主要來源 (續)

收入確認的建築成本估計

本集團若干項目根據開發及交付計劃分為多個階段。本集團於交付物業時確認銷售。銷售成本(包括各期之建築成本及可分配至各期之共同成本)乃根據管理層對整個項目之總開發成本及物業交付時分配至各期之費用所作之最佳估計而計算。

所得稅

若干與本集團日常業務活動有關之交易及計算未能確定最終稅項，釐定所得稅撥備時須作出判斷。倘該等事宜之最終稅項結果與初步列賬之金額不同，則有關差異將會影響作出釐定年度之所得稅及遞延稅項撥備。

物業、廠房及設備之估計可使用年期

管理層釐定物業、廠房及設備之估計可使用年期以及相關折舊費用。該估計乃根據性質及功能相近之物業、廠房及設備實際可使用年期之過往經驗而作出。倘可使用年期較之前之估計為短，則管理層會提高折舊費用，或將已報廢或出售之過時資產撇銷或撇減。

發展中待售物業之撇減

管理層定期檢討發展中待售物業的賬面值。基於管理層之檢討，於估計可變現淨值跌至低於賬面值時對發展中待售物業進行撇減。

該等估計需要參考毗鄰地段近期之銷售交易、新物業銷售費率、市場推廣成本(包括必要的促銷折扣)及完成物業之估計成本、法律及監管框架以及整體市況對預計售價作出判斷。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of investment properties, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified professional valuers to perform the valuation of the Group's investment properties.

At the end of each reporting period, the management of the Group works closely with the independent qualified professional valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The Group will first consider and adopt Level 2 inputs where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the board of directors of the Company. Information about the valuation technique and inputs used in determining the fair value of the Group's investment properties are disclosed in Note 16.

Estimated impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

4. 關鍵會計判斷及估計不確定性因素之主要來源 (續)

估計不確定性因素之主要來源 (續)

公平值計量及估值過程

本集團部分資產及負債就財務報告之目的按公平值計量。

於估計投資物業的公平值時，本集團利用可取得之市場可觀察數據。當無法取得第一級參數時，本集團會委聘獨立合資格專業估值師對本集團投資物業進行估值。

於各報告期末，本集團管理層與獨立合資格專業估值師緊密合作，共同確定及決定合適之估值技術及第二級及第三級公平值計量之參數。本集團會首先考慮及採用第二級參數，此等數據為來自活躍市場可觀察報價之參數。當無法取得第二級參數時，本集團將會採用包括第三級數據的估值技術。當資產之公平值有重大轉變時，變動之原因會匯報本公司董事會。有關釐定本集團投資物業公平值時採用之估值技術及參數資料，於附註16中披露。

物業、廠房及設備及使用權資產之估計減值

物業、廠房及設備及使用權資產按成本減累計折舊及減值(如有)列賬。於釐定資產是否減值時，本集團須行使判斷及作出估計，特別是評估：(1)是否發生事件或有任何跡象而可能影響資產價值；(2)資產的賬面值是否有可收回金額(於為使用價值情況下，即未來現金流量的現值淨額，基於資產的持續使用而估計)作支持；及(3)於估計可收回金額(包括現金流量預測及適當的折現率)時應用的適當主要假設。當無法估計個別資產(包括使用權資產)之可收回金額時，本集團會估計資產所屬現金產生單位之可收回金額。改變有關假設及估計(包括現金流量預測內的折現率或增長率)可能對減值測試中使用之現值淨額產生重大影響。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Estimated impairment of property, plant and equipment and right-of-use assets (Continued)

As at 31 December 2019, the carrying amounts of right-of-use assets and property, plant and equipment, are approximately HK\$646,446,000 (2018: Nil) and approximately HK\$5,493,381,000 (2018: HK\$6,326,423,000) respectively, after taking into account the impairment losses of approximately HK\$593,548,000 (2018: approximately HK\$544,472,000 in respect of property, plant and equipment that have been recognised. Details of impairment of right-of-use assets and property, plant and equipment are disclosed in Note 15 respectively.

5. REVENUE

An analysis of the Group's revenue for the years ended 31 December 2019 and 2018 are as follows:

4. 關鍵會計判斷及估計不確定性因素之主要來源 (續)

估計不確定性因素之主要來源 (續)

物業、廠房及設備及使用權資產之估計減值 (續)

於二零一九年十二月三十一日，使用權資產及物業、廠房及設備之賬面值分別為約646,446,000港元(二零一八年：零)及約5,493,381,000港元(二零一八年：6,326,423,000港元)，當中經計及就物業、廠房及設備確認之減值虧損約593,548,000港元(二零一八年：約544,472,000港元)。有關使用權資產及物業、廠房及設備減值之詳情，分別於附註15披露。

5. 收入

本集團截至二零一九年及二零一八年十二月三十一日止年度之收入分析如下：

		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)
Sale of properties	銷售物業	152,091	1,492,146
Operating lease income from leasing of investment properties	來自出租投資物業之經營租賃收入	87,458	111,065
Restaurant operations of catering business	餐飲業務之餐廳經營	976	6,263
Realised and unrealised losses on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之已變現及未變現虧損	(794,487)	(250,328)
Dividend income from listed investments	來自上市投資之股息收入	60	24,520
Revenue from admission tickets	來自入場門票之收入	16,719	13,803
Hotel operations	酒店經營	53,920	52,623
Property management services	物業管理服務	7,562	5,852
Others	其他	-	2,377
		(475,701)	1,458,321

5. REVENUE (Continued)

(i) Disaggregation of revenue from contracts with customers

5. 收入 (續)

(i) 客戶合約收入之分類

		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)
<i>Represented by:</i>	<i>組成如下:</i>		
Revenue from contracts with customers:	客戶合約收入:		
Recognised at a point in time:	於時間點確認:		
– Development and sales of properties	– 發展及銷售物業	152,091	1,492,146
– Hotel food and beverage revenue	– 酒店餐飲收入	27,871	25,613
– Restaurant operations	– 餐廳經營	976	6,263
– Sales of admission tickets	– 銷售入場門票	16,719	13,803
		197,657	1,537,825
Recognised over time:	隨時間推移確認:		
– Property management services	– 物業管理服務	7,562	5,852
– Hotel room income	– 酒店客房收入	26,049	27,010
		33,611	32,862
Revenue from other sources:	來自其他來源之收入:		
– Operating lease income from leasing of investment properties	– 來自出租投資物業之經營租賃收入	87,458	111,065
– Realised and unrealised losses on financial assets at fair value through profit or loss	– 按公平值計入損益之金融資產之已變現及未變現虧損	(794,487)	(250,328)
– Dividend income from listed investments	– 來自上市投資之股息收入	60	24,520
– Others	– 其他	–	2,377
		(706,969)	(112,366)
		(475,701)	1,458,321

5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers

a) *Property development – sales of properties*

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customer's specifications with no alternative use.

Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers. Revenue from sales of properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

The Group receives certain amount of the contract value as deposits from customers when they sign the sale and purchase agreement.

b) *Provision of property management services*

Revenue from property management service income is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation, as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

5. 收入 (續)

(ii) 客戶合約之履約責任

a) 物業發展－銷售物業

就與客戶訂立之物業銷售合約而言，合約內所訂明之相關物業是基於客戶之特定規格要求，而無其他用途。

經考慮相關合約條款、法律環境及相關判例，本集團斷定，本集團在將相關物業轉交予客戶之前並無可強制執行的收款權利。因此，銷售物業之收入乃於已竣工物業轉交予客戶（即客戶取得已竣工物業之控制權）且本集團有現時權利收款並很可能可收取相關代價之時點確認。

本集團在客戶簽署買賣協議時向其收取合約價值之若干金額作為按金。

b) 提供物業管理服務

由於客戶於本集團履約時同時接收及消耗本集團履約帶來之利益，來自物業管理服務收入之收入乃按完全達成相關履約責任的進度隨時間推移確認。

5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers (Continued)

c) Restaurant operations of catering business

Revenue from restaurant operations of catering business is recognised when control of the goods has transferred, being at the point the customer receives the goods at restaurants.

d) Revenue from admission tickets

Revenue from admission tickets is recognised when the tickets are accepted and surrendered by the customer upon entering the theme park.

e) Revenue from hotel operations

Hotel room revenue is recognised over the duration of stay of the hotel guests. The Group receives deposit from customers when the hotel room reservation is made. The deposits received from the contracts prior to meeting the above criteria for revenue recognition are recognised as customer deposits and other deferred revenue under the Group's creditors, deposits and accruals. Food and beverage revenue is recognised at a point in time when control of the goods and services is transferred to customers. Other hotel income mainly comprises ancillary service income which is recognised at a point in time when control of the services is transferred to customers or over the service period, depending on the terms of the contracts.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All of the Group's remaining performance obligations for contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. 收入 (續)

(ii) 客戶合約之履約責任 (續)

c) 餐飲業務之餐廳經營

來自餐飲業務之餐廳經營之收入於貨品的控制權轉移時(即顧客於餐廳收到貨品時)確認。

d) 入場門票之收入

來自入場門票之收入於顧客進入主題公園時接納並交回門票時確認。

e) 酒店經營之收入

酒店客房收入於酒店賓客入住期間確認。本集團會在客戶預訂酒店客房時收取按金。自合約收取之按金在達致上述收入確認之標準前乃計入本集團應付賬款、按金及應計費用之下，確認為客戶按金及其他遞延收入。餐飲收入於貨品及服務之控制權轉移予客戶之時間點確認。其他酒店收入主要包括配套服務收入，乃於服務之控制權轉移予客戶之時間點或於服務期間確認，視乎合約條款而定。

(iii) 分配至客戶合約餘下履約責任之交易價格

本集團所有客戶合約餘下履約責任均為期一年或以內。按香港財務報告準則第15號所允許，並無披露分配至該等未完成合約之交易價格。

5. REVENUE (Continued)

(iv) Operating lease income from leasing of investment properties

		2019 二零一九年 HK\$'000 千港元
For operating leases:	就經營租賃而言：	
Lease payment that are fixed	固定租賃付款	29,370
Variable lease payments that do not depend on an index or rate	不視乎指數或利率之可變租賃付款	58,088
Total revenue arising from leases	租賃產生之收入總額	87,458

5. 收入 (續)

(iv) 來自出租投資物業之經營租賃收入

6. SEGMENT INFORMATION

The management has determined the operating segments based on the reports reviewed by the directors of the Company, being the chief operating decision maker (the “CODM”) that are used to assess performance and allocate resources. The management assesses the performance of the following operating segments as below:

- | | |
|--|--|
| (i) Property development and investment
物業發展及投資 | – Developing residential and commercial properties in the PRC and Hong Kong for sales and leasing;
– 於中國及香港發展作出售及租賃的住宅及商業物業； |
| (ii) Trading and investment business
貿易及投資業務 | – Investing in securities and financial instruments;
– 投資證券及金融工具； |
| (iii) Hotel operations
酒店經營 | – Hotel accommodation, food and banquet operations; and
– 酒店住宿、餐膳及宴會業務；及 |
| (iv) Others
其他 | – Providing retail-related consultancy, management services, operating kids edutainment centre, touring carnival and operating restaurants in Hong Kong.
– 提供零售相關顧問、管理服務、營運兒童教育娛樂中心、移動嘉年華會及於香港營運餐廳。 |

Following the changes of operating segment from three to four due to the opening of hotel in the PRC during the year ended 31 December 2019, the comparative segment information have been restated to reflect the changes in composition of reportable segments in the current year.

6. 分部資料

管理層已根據本公司董事（即主要營運決策者）就評估表現及分配資源所審閱之報告釐定經營分部。管理層評估下列經營分部的表現：

於截至二零一九年十二月三十一日止年度經營分部因在中國開設酒店而由三個改為四個後，比較分部資料已經重列，以反映本年度內報告分部組成的變動。

6. SEGMENT INFORMATION (Continued)

Segment revenues and results

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

For the year ended 31 December 2019

		Property development and investment segment 物業發展及 投資分部 HK\$'000 千港元	Trading and investment business segment 貿易及 投資業務 分部 HK\$'000 千港元	Hotel operations segment 酒店 經營分部 HK\$'000 千港元	Others segment 其他分部 HK\$'000 千港元	Inter-segment elimination 分部間對銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
REVENUE	收入						
External sales	外部銷售	239,549	(794,427)	53,920	25,257	–	(475,701)
Inter-segment sales	分部間之銷售	10,368	–	–	5,773	(16,141)	–
		249,917	(794,427)	53,920	31,030	(16,141)	(475,701)
RESULTS	業績						
Segment results	分部業績	(1,289,947)	(800,781)	(14,699)	(50,662)	–	(2,156,089)
Finance costs	財務成本						(903,247)
Unallocated income	未分配收入						37,473
Unallocated expenses	未分配支出						(481,139)
Loss before tax	除稅前虧損						(3,503,002)

6. 分部資料 (續)

分部收入及業績

下列為按須予報告及經營分部劃分之本集團收入及業績分析：

截至二零一九年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

The followings is an analysis of the Group's revenue and results by reportable and operating segments: (Continued)

For the year ended 31 December 2018

	Property development and investment segment 物業發展及 投資分部	Trading and investment business segment 貿易及 投資業務 分部	Hotel operations segment 酒店 經營分部	Others segment 其他分部	Inter-segment elimination 分部間對銷	Total 總額	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (Restated) (經重列)	HK\$'000 千港元	HK\$'000 千港元	
REVENUE	收入						
External sales	外部銷售	1,603,211	(225,808)	52,623	28,295	–	1,458,321
Inter-segment sales	分部間之銷售	1,623	–	–	4,998	(6,621)	–
		1,604,834	(225,808)	52,623	33,293	(6,621)	1,458,321
RESULTS	業績						
Segment results	分部業績	(1,123,019)	(1,663,348)	(23,220)	(6,735)	–	(2,816,322)
Finance costs	財務成本						(42,668)
Unallocated income	未分配收入						60,535
Unallocated expenses	未分配支出						(1,005,757)
Loss before tax	除稅前虧損						(3,804,212)

Segment revenue reported above represents revenue generated from external customers. Inter-segment sales are charged at prevailing market rates during the years ended 31 December 2019 and 2018.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents the profit earned by/(loss incurred from) each segment without allocation of central administration costs including directors' emoluments and finance costs. This is the measure reported to the CODM for the purposes of performance assessment and resources allocation.

6. 分部資料 (續)

分部收入及業績 (續)

下列為按須予報告及經營分部劃分之本集團收入及業績分析：(續)

截至二零一八年十二月三十一日止年度

以上報告之分部收入為來自外部客戶之收入。於截至二零一九年及二零一八年十二月三十一日止年度，分部間之銷售按現行市場費率收費。

經營分部之會計政策與本集團之會計政策相同。分部業績指並未分配中央管理成本(包括董事酬金及財務成本)之各分部賺取之溢利/(產生之虧損)。此乃向主要營運決策者呈報以評估表現及分配資源之計量方法。

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

Segment assets

		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)
Property development and investment segment	物業發展及投資分部	16,233,477	19,971,833
Trading and investment business segment	貿易及投資業務分部	626,435	1,953,401
Hotel operations segment	酒店經營分部	789,834	1,314,242
Others segment	其他分部	21,739	73,267
Total segment assets	分部資產總值	17,671,485	23,312,743
Unallocated corporate assets	未分配企業資產	807,850	943,336
Consolidated total assets	綜合資產總值	18,479,335	24,256,079

Note: All assets are allocated to operating segments other than certain bank balances and deposits and other unallocated assets.

6. 分部資料 (續)

分部資產及負債

下列為按須予報告及經營分部劃分之本集團資產及負債分析：

分部資產

	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)
Property development and investment segment	16,233,477	19,971,833
Trading and investment business segment	626,435	1,953,401
Hotel operations segment	789,834	1,314,242
Others segment	21,739	73,267
Total segment assets	17,671,485	23,312,743
Unallocated corporate assets	807,850	943,336
Consolidated total assets	18,479,335	24,256,079

附註：除若干銀行結餘及存款及其他未分配資產外，全部資產均分配至經營分部。

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

The following is an analysis of the Group's assets and liabilities by reportable and operating segments: (Continued)

Segment liabilities

		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)
Property development and investment segment	物業發展及投資分部	7,104,363	8,846,511
Trading and investment business segment	貿易及投資業務分部	60,438	540,570
Hotel operations segment	酒店經營分部	35,942	31,036
Others segment	其他分部	44,645	51,135
Total segment liabilities	分部負債總額	7,245,388	9,469,252
Unallocated corporate liabilities	未分配企業負債	6,674,310	6,515,986
Consolidated liabilities	綜合負債	13,919,698	15,985,238

Note: All liabilities are allocated to operating segments other than certain borrowings, deferred tax liabilities, lease liabilities and other unallocated liabilities.

6. 分部資料 (續)

分部資產及負債 (續)

下列為按須予報告及經營分部劃分之本集團資產及負債分析：(續)

分部負債

		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)
Property development and investment segment	物業發展及投資分部	7,104,363	8,846,511
Trading and investment business segment	貿易及投資業務分部	60,438	540,570
Hotel operations segment	酒店經營分部	35,942	31,036
Others segment	其他分部	44,645	51,135
Total segment liabilities	分部負債總額	7,245,388	9,469,252
Unallocated corporate liabilities	未分配企業負債	6,674,310	6,515,986
Consolidated liabilities	綜合負債	13,919,698	15,985,238

附註：除若干借款、遞延稅項負債、租賃負債及其他未分配負債外，全部負債均分配至經營分部。

6. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 31 December 2019

6. 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

	Property development and investment segment 物業發展及投資分部 HK\$'000 千港元	Trading and investment business segment 貿易及投資業務分部 HK\$'000 千港元	Hotel operations segment 酒店經營分部 HK\$'000 千港元	Others segment 其他分部 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts included in the measure of segment profit or loss or segment assets:	納入分部溢利或虧損或分部資產之計量之金額：					
Capital expenditure (Note)	79,934	-	14,848	376	-	95,158
Net foreign exchange differences	(10)	1,455	-	(12,934)	(17,893)	(29,382)
Write-down of other inventories	-	-	-	10,616	-	10,616
Write-down of properties held for sale	230,796	-	-	-	-	230,796
Depreciation of property, plant and equipment	27,986	-	1,804	32,041	6,113	67,944
Impairment losses on property, plant and equipment	492,042	-	-	101,506	-	593,548
Written-off on property, plant and equipment	-	-	-	5,448	3,274	8,722
Impairment losses under expected credit loss model, net of reversal	362,981	(4,482)	315	116,932	79,845	555,591
(Gain)/loss on disposal of property, plant and equipment	(1,460)	-	-	13,395	-	11,935
Loss on disposal of investment properties	34,982	-	-	-	-	34,982
Fair value loss on investment properties	314,875	-	-	-	-	314,875
Gain on disposal of subsidiaries	(296,393)	-	-	-	-	(296,393)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:	定期提供予主要營運決策者但並不納入分部溢利或虧損或分部資產之計量之金額：					
Interest income on bank and other deposits	(436)	(26)	(8)	(22)	(5)	(497)
Income tax credit	(73,485)	-	-	-	-	(73,485)

6. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 December 2018

	Property development and investment segment 物業發展及 投資分部 HK\$'000 千港元	Trading and investment business segment 貿易及投資 業務分部 HK\$'000 千港元	Hotel operations segment 酒店經營 分部 HK\$'000 千港元	Others segment (Restated) 其他分部 (經重列) HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts included in the measure of segment profit or loss or segment assets:	納入分部溢利或虧損或分部資產之計量之金額：					
Capital expenditure (Note)	981,411	-	4,970	1,752	224	988,357
Net foreign exchange differences	-	(145)	-	849	11,216	11,920
Depreciation of property, plant and equipment	5,636	-	1,568	7,041	28,736	42,981
Impairment losses on property, plant and equipment	544,472	-	-	-	-	544,472
Written-off on property, plant and equipment	-	-	-	228	-	228
Write-down of properties held for sale	61,789	-	-	-	-	61,789
Impairment losses on other intangible assets	-	-	-	16,376	-	16,376
Impairment losses on deposits and other receivables	-	301,400	-	-	1,132,124	1,433,524
Impairment losses under expected credit loss model, net of reversal	27,254	-	(1,109)	26,958	(23,637)	29,466
Loss on disposal of property, plant and equipment	48	-	-	-	-	48
Loss on disposal of investment properties	200,140	-	-	-	-	200,140
Fair value loss on investment properties	242,629	-	-	-	-	242,629
Fair value loss on financial assets at fair value through profit or loss	-	680,589	-	-	-	680,589
Gain on extinguishment of convertible bonds	-	-	-	-	(18,617)	(18,617)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:	定期提供予主要營運決策者但並不納入分部溢利或虧損或分部資產之計量之金額：					
Interest income on bank and other deposits	(954)	(441)	(8)	(25)	(42,500)	(43,928)
Income tax expenses/(credit)	(105,215)	-	-	-	59	(105,156)

Note: Capital expenditure comprises additions to property, plant and equipment and investment properties.

6. 分部資料 (續)

其他分部資料 (續)

截至二零一八年十二月三十一日止年度

附註：資本開支包括添置物業、廠房及設備及投資物業。

6. SEGMENT INFORMATION (Continued)

Geographic information

No geographical information has been presented as the Group's operating activities are mostly carried out in the PRC.

Information about major customers

During the years ended 31 December 2019 and 2018, there was no revenue from transactions with a single external customer which amounted to 10% or more of the Group's total revenue.

7. OTHER INCOME

6. 分部資料 (續)

地區資料

由於本集團之經營活動大部分於中國進行，故並無呈列地區資料。

主要客戶之資料

於截至二零一九年及二零一八年十二月三十一日止年度，概無來自與單一外部客戶進行交易之收入佔本集團收入總額之10%或以上。

7. 其他收入

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest income on bank and other deposits	銀行及其他存款利息收入	497	43,928
Gain in respect of convertible bonds extinguished during the year	年內取消可換股債券之收益	-	18,617
Gain on modification of bonds	債券修訂之收益	86,688	-
Net foreign exchange gains	匯兌收益淨額	29,382	-
Others	其他	7,688	9,287
		124,255	71,832

8. FINANCE COSTS

8. 財務成本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest on bank and other borrowings:	銀行及其他借款利息：		
– wholly repayable within five years	– 須於五年內悉數償還	500,884	613,911
Interest on lease liabilities/obligation under finance lease	租賃負債／融資租賃項下責任之 利息	520	124
Effective interest expense on	實際利息開支		
– senior bonds	– 優先債券	118,903	145,488
– bonds	– 債券	301,895	207,331
– convertible bonds	– 可換股債券	–	109,298
Total finance costs	財務成本總額	922,202	1,076,152
Less: amounts capitalised (<i>Note</i>)	減：資本化金額 (<i>附註</i>)	(18,955)	(1,033,484)
		903,247	42,668

The weighted average capitalisation rate on funds borrowed generally is 8.5% (2018: 8.5%) per annum.

借入資金之加權平均資本化年率一般為8.5% (二零一八年：8.5%)。

Note: Certain finance costs had been capitalised to property development projects in the PRC (2018: the PRC and Hong Kong) which are included in construction-in-progress of property, plant and equipment, investment properties and properties under development for sale. For the year ended 31 December 2019, the Group has ceased the capitalisation of finance cost in late 2019 due to the suspension of active development of certain projects.

附註： 若干財務成本已於中國 (二零一八年：中國及香港) 的物業發展項目 (計入物業、廠房及設備的在建工程、投資物業及發展中待售物業) 資本化。截至二零一九年十二月三十一日止年度，由於暫停積極發展若干項目，本集團已於二零一九年年底停止將財務成本資本化。

9. INCOME TAX CREDIT

9. 所得稅抵免

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax:	即期稅項：		
PRC Land Appreciation Tax ("LAT")	中國土地增值稅（「土地增值稅」）	24,103	12,003
Enterprise Income Tax ("EIT")	企業所得稅（「企業所得稅」）	17,897	170,759
Deferred tax (Note 32)	遞延稅項（附註32）	(115,485)	(287,918)
Income tax credit	所得稅抵免	(73,485)	(105,156)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

於二零一八年三月二十一日，香港立法會通過《2017年稅務（修訂）（第7號）條例草案》（「條例草案」），其引入兩級制利得稅率制度。條例草案已於二零一八年三月二十八日簽署成為法律並於翌日刊憲。根據兩級制利得稅率制度，合資格集團實體的首2,000,000港元溢利將按8.25%的稅率徵稅，而超過2,000,000港元的溢利將按16.5%的稅率徵稅。不符合兩級制利得稅率制度的集團實體的溢利繼續按16.5%的統一稅率徵稅。

本公司董事認為，於實施兩級制利得稅率制度後涉及之金額就綜合財務報表而言並不重大。於兩個年度，香港利得稅按估計應課稅溢利的16.5%計算。

於兩個年度，根據中國企業所得稅法（「企業所得稅法」）及企業所得稅法實施條例，中國附屬公司之稅率為25%。

9. INCOME TAX CREDIT (Continued)

The income tax credit for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

9. 所得稅抵免(續)

年度所得稅抵免與綜合損益及其他全面收益表所列除稅前虧損對賬如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss before tax	除稅前虧損	(3,503,002)	(3,804,212)
Tax at PRC Enterprise Income Tax rate of 25% (Note)	按中國企業所得稅稅率25%計算之稅項(附註)	(875,751)	(951,053)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(450,538)	(23,337)
Tax effect of expenses not deductible for tax purpose	不可抵扣稅開支之稅務影響	851,006	608,086
Tax effect of temporary difference not recognised LAT	未確認暫時差額之稅務影響 土地增值稅	5,930	5,068
Tax effect of LAT	土地增值稅之稅務影響	(6,026)	(3,001)
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	-	(67,440)
Tax losses not recognised	未確認稅項虧損	262,647	122,823
Effect of different tax rates of group entities operating in jurisdiction other than the PRC	於中國以外司法權區經營之集團實體不同稅率之影響	115,144	191,695
Income tax credit for the year	年度所得稅抵免	(73,485)	(105,156)

Note: Majority of the assessable profits and taxable losses of the Group were derived from or incurred by subsidiaries situated in the PRC and the applicable enterprise income tax rate of those subsidiaries is 25%.

附註：本集團大部分應課稅溢利及應課稅虧損來自或產生自位於中國的附屬公司，該等附屬公司適用的企業所得稅稅率為25%。

10. LOSS FOR THE YEAR

10. 年度虧損

Loss for the year has been arrived at after charging/(crediting):

年度虧損已扣除／（計入）以下各項：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Net foreign exchange differences	匯兌差異淨額	-	11,920
Auditors' remuneration	核數師薪酬		
- audit services	- 核數服務		
- current	- 當期	2,700	2,700
- understated in prior year	- 往年低估	1,000	-
- non-audit services	- 非核數服務	700	300
		4,400	3,000
Gross rental income from investment properties (Note (i))	來自投資物業之租金收入總額 (附註(i))	(87,458)	(111,065)
Less:	減：		
direct operating expenses incurred for investment properties that generated rental income during the year	年內產生租金收入之投資物業所產生直接經營支出	4,140	12,083
direct operating expenses incurred for investment properties that did not generate rental income during the year	年內並無產生租金收入之投資物業所產生直接經營支出	3,976	3,072
		(79,342)	(95,910)
Cost of properties and other inventories sold recognised as an expense	確認為開支之已售物業及其他存貨成本	164,039	1,516,368
Write-down of properties held for sale (Note (iii))	持作出售物業撇減 (附註(iii))	230,796	61,789
Write-down of other inventories (Note (iii))	其他存貨撇減 (附註(iii))	10,616	-
Expenses related to short-term leases/operating lease payments on rented premises	有關短期租賃之開支/ 租賃物業之經營租賃付款	2,270	11,309

10. LOSS FOR THE YEAR (Continued)

Loss for the year has been arrived at after charging/(crediting): (Continued)

10. 年度虧損(續)

年度虧損已扣除/(計入)以下各項:(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Employee benefits expense (including directors' emoluments)	僱員福利開支(包括董事酬金)		
– salaries and other benefits	– 薪金及其他福利	125,973	173,007
– contributions to retirement benefits schemes	– 退休福利計劃供款	5,616	8,000
		131,589	181,007
Less: amounts capitalised (Note (ii))	減: 資本化金額(附註(ii))	(23,216)	(15,970)
Total employee benefits expenses	僱員福利開支總額	108,373	165,037
Depreciation of property, plant and equipment	物業、廠房及設備折舊	130,869	42,985
Less: amounts capitalised (Note (ii))	減: 資本化金額(附註(ii))	(62,925)	(4)
Total depreciation expenses	折舊開支總額	67,944	42,981
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	11,935	48
Written-off on property, plant and equipment	物業、廠房及設備撇銷	8,722	228
Impairment losses on property, plant and equipment	物業、廠房及設備之減值虧損	593,548	544,472
Fair value loss on investment properties	投資物業之公平值虧損	314,875	242,629
Loss on disposal of investment properties	出售投資物業之虧損	34,982	200,140
Impairment losses on other intangible assets	其他無形資產之減值虧損	–	16,376

10. LOSS FOR THE YEAR (Continued)

Loss for the year has been arrived at after charging/(crediting): (Continued)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模式下之減值虧損，扣除撥回		
– note receivables	– 應收票據	15,175	–
– deposits and other receivables	– 按金及其他應收款項	540,416	29,466
		555,591	29,466
Impairment losses on deposits and other receivables	按金及其他應收款項之減值虧損	–	1,433,524
Loss on early redemption of bonds	提前贖回債券之虧損	36,323	8,758
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值虧損	132,061	680,589

Notes:

(i) Contingent rent of approximately HK\$58,088,000 (2018: approximately HK\$99,060,000) is included for the year ended 31 December 2019. The contingent rent is determined based on percentages of sales when incurred.

(ii) Certain employee benefits expenses, contributions to retirement benefits schemes and depreciation of property, plant and equipment had been capitalised to property development projects in the PRC.

For the year ended 31 December 2019, the Group has ceased the capitalisation in late 2019 due to the suspension of active development of certain projects.

(iii) The amount has been recognised as cost of sales and included in the consolidated statement of profit or loss and other comprehensive income.

10. 年度虧損 (續)

年度虧損已扣除／(計入)以下各項：(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模式下之減值虧損，扣除撥回		
– note receivables	– 應收票據	15,175	–
– deposits and other receivables	– 按金及其他應收款項	540,416	29,466
		555,591	29,466
Impairment losses on deposits and other receivables	按金及其他應收款項之減值虧損	–	1,433,524
Loss on early redemption of bonds	提前贖回債券之虧損	36,323	8,758
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值虧損	132,061	680,589

附註：

(i) 截至二零一九年十二月三十一日止年度計入或然租金約58,088,000港元(二零一八年：約99,060,000港元)。或然租金乃根據已產生銷售之百分比釐定。

(ii) 若干僱員福利開支、退休福利計劃供款及物業、廠房及設備折舊已於中國物業發展項目資本化。

截至二零一九年十二月三十一日止年度，由於暫停積極發展若干項目，本集團已於二零一九年年底停止資本化。

(iii) 該金額已確認為銷售成本並計入綜合損益及其他全面收益表。

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to the directors and the chief executive of the Company were as follows:

11. 董事及主要行政人員之酬金

已支付或應支付予本公司董事及主要行政人員之酬金如下：

		Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼 及實物利益 HK\$'000 千港元	Contributions to retirement benefits schemes 退休福利 計劃供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
For the year ended 31 December 2019		截至二零一九年十二月三十一日止年度			
Executive directors		執行董事			
Mr. King Pak Fu (Note (a))	景百孚先生 (附註(a))	-	14,400	14	14,414
Mr. Zhang Peng (Note (j))	張鵬先生 (附註(j))	-	564	6	570
Mr. Li Wanle (Note (i))	李萬樂先生 (附註(i))	-	300	-	300
Mr. Bai Xuefei (Note (f))	白雪飛先生 (附註(f))	-	1,363	18	1,381
Ms. Qian Hui (Note (g))	錢慧女士 (附註(g))	-	293	5	298
Mr. Wang Yikun (Note (b))	王毅坤先生 (附註(b))	-	-	-	-
Mr. Wang Chunning (Note (c))	汪春寧先生 (附註(c))	-	-	-	-
Independent non-executive directors		獨立非執行董事			
Ms. Hu Gin Ing (Note (l))	胡競英女士 (附註(l))	76	-	-	76
Mr. Chan Wai Cheung Admiral (Note (m))	陳偉璋先生 (附註(m))	80	-	-	80
Mr. Lie Chi Wing (Note (k))	李志榮先生 (附註(k))	66	-	-	66
Mr. Chau Wai Hing (Note (n))	周偉興先生 (附註(n))	238	-	-	238
Mr. Ma Hang Kun Louis (Note (n))	馬恒幹先生 (附註(n))	238	-	-	238
Mr. Tso Hon Sai Bosco (Note (n))	曹漢璽先生 (附註(n))	238	-	-	238
		936	16,920	43	17,899
For the year ended 31 December 2018		截至二零一八年十二月三十一日止年度			
Executive directors		執行董事			
Mr. King Pak Fu (Note (a))	景百孚先生 (附註(a))	-	23,427	18	23,445
Mr. Gong Xiao Cheng (Note (d))	宮曉程先生 (附註(d))	-	483	6	489
Mr. Wang Yikun (Note (b))	王毅坤先生 (附註(b))	-	3,716	-	3,716
Mr. Wang Chunning (Note (c))	汪春寧先生 (附註(c))	-	2,533	-	2,533
Mr. Wu Yanqi (Note (e))	吳延啟先生 (附註(e))	-	1,854	-	1,854
Mr. Li Jing (Note (h))	李京先生 (附註(h))	-	1,750	-	1,750
Mr. Bai Xuefei (Note (f))	白雪飛先生 (附註(f))	-	1,142	9	1,151
Ms. Qian Hui (Note (g))	錢慧女士 (附註(g))	-	1,333	9	1,342
Independent non-executive directors		獨立非執行董事			
Ms. Hu Gin Ing	胡競英女士	240	-	-	240
Mr. Chan Wai Cheung Admiral	陳偉璋先生	240	-	-	240
Mr. Lie Chi Wing	李志榮先生	240	-	-	240
		720	36,238	42	37,000

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

On 15 March 2018, Mr. Wang Chuning resigned as chief executive officer and the position was taken over by Mr. Wu Yanqi. Mr. King Pak Fu was appointed as the chief executive officer of the Company in place of Mr. Wu Yanqi who resigned from the position and was appointed as the vice president of the Company on 17 July 2018. On 4 April 2019, Mr. King Pak Fu resigned as chief executive officer and Mr. Li Wanle took over the position on the same date. Subsequently, Mr. Li Wanle resigned as chief executive officer on 18 June 2019 and Mr. Zhang Peng was appointed as chief executive officer on 27 June 2019. Effective from 26 February 2020, Mr. Zhang Peng resigned as chief executive officer. The emoluments disclosure above included those for services rendered by them as Chief Executive during the years ended 31 December 2019 and 2018.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

During the years ended 31 December 2019 and 2018, neither the chief executive officer nor any of the directors waived any emoluments.

During both years, no emoluments were paid by the Group to any of the directors or chief executive as an inducement to join or upon joining the Group or as compensation for loss of office.

Notes:

- (a) On 17 July 2018 and 4 April 2019, Mr. King Pak Fu was appointed and resigned as the chief executive officer of the Company respectively. With effect from 23 September 2019, Mr. King Pak Fu resigned as the joint chairman of the board and an executive director.
- (b) Mr. Wang Yikun resigned as an executive director on 1 March 2019.

11. 董事及主要行政人員之酬金 (續)

於二零一八年三月十五日，汪春寧先生辭任行政總裁職位，吳延啟先生繼任該職位。於二零一八年七月十七日，吳延啟先生辭任行政總裁職位並獲委任為本公司副總裁，景百孚先生接替吳延啟先生獲委任為本公司行政總裁。於二零一九年四月四日，景百孚先生辭任行政總裁並由李萬樂先生於同日接任該職位。其後，李萬樂先生於二零一九年六月十八日辭任行政總裁，而張鵬先生於二零一九年六月二十七日獲委任為行政總裁。自二零二零年二月二十六日起，張鵬先生辭任行政總裁。上文所披露之酬金包括彼等於截至二零一九年及二零一八年十二月三十一日止年度作為主要行政人員提供服務之酬金。

上述執行董事之酬金為彼等就管理本公司及本集團事務而提供服務之酬金。

上述獨立非執行董事之酬金為彼等作為本公司董事提供服務之酬金。

於截至二零一九年及二零一八年十二月三十一日止年度，行政總裁及董事概無放棄任何酬金。

於兩個年度，本集團概無向任何董事或主要行政人員支付任何酬金，作為招攬加入本集團或於加入本集團時之獎勵或離職補償。

附註：

- (a) 於二零一八年七月十七日及二零一九年四月四日，景百孚先生分別獲委任為及辭任本公司行政總裁。自二零一九年九月二十三日起，景百孚先生辭任董事會聯席主席及執行董事。
- (b) 王毅坤先生於二零一九年三月一日辭任執行董事。

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Notes: (Continued)

- (c) On 15 March 2018, Mr. Wang Chunning resigned as chief executive officer and was appointed as the vice chairman of the board. With effect from 1 March 2019, Mr. Wang Chunning resigned as the vice chairman of the board and an executive director.
- (d) Mr. Gong Xiao Cheng resigned as executive director on 26 April 2018.
- (e) Mr. Wu Yanqi was appointed as an executive director and the chief executive officer of the Company on 15 March 2018. On 17 July 2018, Mr. Wu Yanqi resigned as chief executive officer of the Company and was appointed as the vice president of the Company. With effect from 28 September 2018, Mr. Wu Yanqi has resigned as executive director.
- (f) Mr. Bai Xuefei was appointed as an executive director and the executive president of the Company on 17 July 2018. With effect from 26 February 2020, Mr. Bai Xuefei was appointed as the chairman of the board.
- (g) Ms. Qian Hui was appointed as an executive director on 17 July 2018 and resigned from the position on 4 April 2019.
- (h) Mr. Li Jing was appointed as an executive director on 15 March 2018 and resigned from the position on 17 July 2018.
- (i) Mr. Li Wanle was appointed as an executive director and the chief executive officer on 4 April 2019. With effect from 18 June 2019, Mr. Li Wanle resigned as an executive director and the chief executive officer.
- (j) Mr. Zhang Peng was appointed as an executive director, the chief executive officer and a joint chairman on 27 June 2019. Following Mr. King Pak Fu's resignation as the joint chairman on 23 September 2019, Mr. Zhang Peng was appointed as the chairman of the board. With effect from 26 February 2020, Mr. Zhang Peng resigned as an executive director, the chief executive officer and the chairman of the board.
- (k) Mr. Lie Chi Wing resigned as an independent non-executive director on 9 April 2019.
- (l) Ms. Hu Gin Ing resigned as an independent non-executive director on 24 April 2019.
- (m) Mr. Chan Wai Cheung, Admiral resigned as an independent non-executive director on 1 May 2019.
- (n) Mr. Chau Wai Hing, Mr. Ma Hang Kon Louis and Mr. Tso Hon Sai Bosco were appointed as an independent non-executive director on 3 May 2019.

11. 董事及主要行政人員之酬金 (續)

附註：(續)

- (c) 於二零一八年三月十五日，汪春寧先生辭任行政總裁並獲委任為董事會副主席。自二零一九年三月一日起，汪春寧先生辭任董事會副主席及執行董事。
- (d) 宮曉程先生於二零一八年四月二十六日辭任執行董事。
- (e) 吳延啟先生於二零一八年三月十五日獲委任為本公司執行董事及行政總裁。於二零一八年七月十七日，吳延啟先生辭任本公司行政總裁並獲委任為本公司副總裁。自二零一八年九月二十八日起，吳延啟先生辭任執行董事。
- (f) 白雪飛先生於二零一八年七月十七日獲委任為本公司執行董事及執行總裁。自二零二零年二月二十六日起，白雪飛先生獲委任為董事會主席。
- (g) 錢慧女士於二零一八年七月十七日獲委任為執行董事，並於二零一九年四月四日辭任該職位。
- (h) 李京先生於二零一八年三月十五日獲委任為執行董事，並於二零一八年七月十七日辭任該職位。
- (i) 李萬樂先生於二零一九年四月四日獲委任為執行董事及行政總裁。自二零一九年六月十八日起，李萬樂先生辭任執行董事及行政總裁。
- (j) 張鵬先生於二零一九年六月二十七日獲委任為執行董事、行政總裁及聯席主席。於景百孚先生於二零一九年九月二十三日辭任聯席主席後，張鵬先生獲委任為董事會主席。自二零二零年二月二十六日起，張鵬先生辭任執行董事、行政總裁及董事會主席。
- (k) 李志榮先生於二零一九年四月九日辭任獨立非執行董事。
- (l) 胡競英女士於二零一九年五月一日辭任獨立非執行董事。
- (m) 陳偉璋先生於二零一九年五月一日辭任獨立非執行董事。
- (n) 周偉興先生、馬恒幹先生及曹漢璽先生於二零一九年五月三日獲委任為獨立非執行董事。

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included two (2018: four) directors and the chief executive officer of the Company, details of whose remuneration are set out in Note 11 above. Details of the remuneration for the year of the remaining three (2018: one) highest paid employees who are neither a director nor chief executive officer of the Company are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	5,300	2,206
Contributions to retirement benefits schemes	退休福利計劃供款	18	-
		5,318	2,206

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands are as follows:

		2019 二零一九年 No. of employees 僱員人數	2018 二零一八年 No. of employees 僱員人數
Nil to HK\$1,000,000	零至1,000,000港元	-	-
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2	-
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	-	-
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	1

13. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year, nor has any dividend been proposed since the end of the reporting period (2018: Nil).

12. 五位最高薪酬僱員

年內，本集團五位最高薪酬僱員包括兩位（二零一八年：四位）本公司董事及行政總裁，彼等之薪酬詳情載於上文附註11。餘下三位（二零一八年：一位）並非本公司董事或行政總裁之最高薪酬僱員的年內薪酬詳情如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries and other benefits	5,300	2,206
Contributions to retirement benefits schemes	18	-
	5,318	2,206

薪酬介乎以下範圍的並非本公司董事的最高薪酬僱員人數如下：

	2019 二零一九年 No. of employees 僱員人數	2018 二零一八年 No. of employees 僱員人數
Nil to HK\$1,000,000	-	-
HK\$1,000,001 to HK\$1,500,000	2	-
HK\$1,500,001 to HK\$2,000,000	-	-
HK\$2,000,001 to HK\$2,500,000	1	1

13. 股息

年內並無向本公司普通股股東支付或建議派付任何股息，自報告期末以來亦無建議派付任何股息（二零一八年：無）。

14. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss	虧損		
Loss for the purposes of basic and diluted loss per share:	用以計算每股基本及攤薄虧損之虧損：		
Loss for the year attributable to owners of the Company	本公司擁有人應佔年度虧損	(2,941,975)	(3,504,039)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	用以計算每股基本及攤薄虧損之普通股加權平均數	23,732,057,955	23,624,102,941

The denominators used are the same as those detailed above for both basic and diluted loss per share.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares during the years ended 31 December 2019 and 2018.

14. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
虧損		
用以計算每股基本及攤薄虧損之虧損：		
本公司擁有人應佔年度虧損	(2,941,975)	(3,504,039)
股份數目		
用以計算每股基本及攤薄虧損之普通股加權平均數	23,732,057,955	23,624,102,941

就計算每股基本及攤薄虧損所使用之分母相同（如上文所詳列）。

每股攤薄虧損乃通過調整發行在外普通股之加權平均股數，假設轉換所有潛在攤薄普通股之方式計算。本公司於截至二零一九年及二零一八年十二月三十一日止年度並無潛在攤薄普通股。

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Owne d prop ert ies	Off ice pre m ise	Lea se ho ld im p ro ve m e n t s	Fur ni t ure, f i x t u r e a n d e q u i p m e n t	Mach in e r y	Ve h i c l e s	Con s t r u c t i o n - i n - p r o g r e s s	T o t a l
		自 有 物 業 H K \$' 0 0 0	辦 公 物 業 H K \$' 0 0 0	租 賃 物 業 裝 修 H K \$' 0 0 0	傢 俱、 裝 置 及 設 備 H K \$' 0 0 0	機 器 H K \$' 0 0 0	交 通 工 具 H K \$' 0 0 0	在 建 工 程 H K \$' 0 0 0	總 計 H K \$' 0 0 0
		千 港 元	千 港 元	千 港 元	千 港 元	千 港 元	千 港 元	千 港 元	千 港 元
COST	成本								
At 1 January 2018	於二零一八年一月一日	115,765	-	12,206	37,339	1,829	430,544	7,235,117	7,832,800
Additions	添置	-	-	38	7,121	136	2,077	673,362	682,734
Disposals	出售	-	-	-	-	-	(965)	-	(965)
Reclassified as held for sale	重新分類為持作出售	-	-	-	-	-	-	(1,138,699)	(1,138,699)
Written-off	撇銷	-	-	-	(366)	-	-	-	(366)
Exchange adjustments	匯兌調整	(6,005)	-	(32)	(1,688)	(100)	(451)	(354,574)	(362,850)
At 31 December 2018	於二零一八年十二月三十一日	109,760	-	12,212	42,406	1,865	431,205	6,415,206	7,012,654
Adjustments upon application of HKFRS 16	應用香港財務報告準則第16號之調整	-	8,937	-	-	-	-	-	8,937
At 1 January 2019 (restated)	於二零一九年一月一日 (經重列)	109,760	8,937	12,212	42,406	1,865	431,205	6,415,206	7,021,591
Additions	添置	14,744	6,191	-	261	544	354	73,064	95,158
Disposals	出售	(109,430)	-	-	(455)	-	(4,913)	-	(114,798)
Transfer from construction-in-progress	自在建工程轉撥	1,426,883	-	-	-	-	-	(1,426,883)	-
Derecognition upon early termination of leases	提前終止租賃後取消確認	-	(8,937)	-	-	-	-	-	(8,937)
Written-off	撇銷	-	-	(11,627)	(10,308)	-	-	-	(21,935)
Exchange adjustments	匯兌調整	(18,631)	(111)	(13)	(612)	(49)	(168)	(99,592)	(119,176)
At 31 December 2019	於二零一九年十二月三十一日	1,423,326	6,080	572	31,292	2,360	426,478	4,961,795	6,851,903
DEPRECIATION AND IMPAIRMENT	折舊及減值								
At 1 January 2018	於二零一八年一月一日	-	-	2,764	15,063	87	46,715	60,236	124,865
Provided for the year	年內撥備	5,374	-	3,149	7,579	126	26,757	-	42,985
Impairment loss recognised in profit or loss	於損益確認減值虧損	-	-	-	-	-	-	544,472	544,472
Eliminated on disposals	出售時對銷	-	-	-	-	-	(917)	-	(917)
Written-off	撇銷	-	-	-	(138)	-	-	-	(138)
Exchange adjustments	匯兌調整	(205)	-	(26)	(891)	(9)	(348)	(23,557)	(25,036)
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	5,169	-	5,887	21,613	204	72,207	581,151	686,231
Provided for the year	年內撥備	44,517	5,035	1,501	5,441	549	25,645	48,181	130,869
Impairment loss recognised in profit or loss	於損益確認減值虧損	445,546	-	-	-	-	101,506	46,496	593,548
Eliminated on disposals	出售時對銷	(9,878)	-	-	(455)	-	(2,624)	-	(12,957)
Transfer from construction-in-progress	自在建工程轉撥	138,901	-	-	-	-	-	(138,901)	-
Derecognition upon early termination of leases	提前終止租賃後取消確認	-	(3,909)	-	-	-	-	-	(3,909)
Written-off	撇銷	-	-	(6,804)	(6,409)	-	-	-	(13,213)
Exchange adjustments	匯兌調整	(11,069)	(20)	(12)	(384)	(14)	(126)	(10,422)	(22,047)
At 31 December 2019	於二零一九年十二月三十一日	613,186	1,106	572	19,806	739	196,608	526,505	1,358,522
CARRYING AMOUNTS	賬面值								
At 31 December 2019	於二零一九年十二月三十一日	810,140	4,974	-	11,486	1,621	229,870	4,435,290	5,493,381
At 31 December 2018	於二零一八年十二月三十一日	104,591	-	6,325	20,793	1,661	358,998	5,834,055	6,326,423

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, except for construction-in-progress, are depreciated on a straight-line basis at the following rates per annum:

Owned properties	Over the shorter of the term of the land use rights or 5%
Office premises	Over the term of the lease
Leasehold improvements	Over the shorter of the term of the lease or 10%
Furniture, fixtures and equipment	6.66%-33.33%
Machinery	10%
Vehicles	5%-33.33%

At 31 December 2018, motor vehicles amounting to approximately HK\$2,933,000 were held under finance lease.

The Group's construction-in-progress, including theme parks and convention centre under constructions, are situated in the PRC.

As at 31 December 2019, the Group has pledged construction-in-progress, owned properties and aircraft (included in vehicles) with a carrying amount of approximately HK\$4,435,290,000 (2018: HK\$5,834,055,000), HK\$810,140,000 (2018: Nil) and HK\$227,927,000 (2018: HK\$330,372,000) respectively to secure the Group's borrowings (Note 31). During the year ended 31 December 2019, the pledged aircraft of approximately HK\$210,254,000 became under the possession of the lenders since the Group defaulted in payment of principal and interest of certain borrowings with a carrying amount of approximately HK\$212,972,000, which was secured by the pledged aircraft.

15. 物業、廠房及設備 (續)

以上物業、廠房及設備項目(在建工程除外)按以下年率以直線法計算折舊:

自有物業	土地使用權年期或5%之較短者
辦公物業	租期
租賃物業裝修	租期或10%之較短者
傢俬、裝置及設備	6.66%至33.33%
機器	10%
交通工具	5%至33.33%

於二零一八年十二月三十一日,根據融資租賃持有約2,933,000港元之汽車。

本集團之在建工程(包括在建主題公園及會展中心)位於中國。

於二零一九年十二月三十一日,本集團已抵押賬面值分別約4,435,290,000港元(二零一八年:5,834,055,000港元)、810,140,000港元(二零一八年:無)及227,927,000港元(二零一八年:330,372,000港元)之在建工程、自有物業及飛機(計入交通工具),作為取得本集團之借款(附註31)之擔保。於截至二零一九年十二月三十一日止年度,由於本集團拖欠賬面值約為212,972,000港元以已抵押飛機作抵押的若干借款之本金及利息還款,已抵押飛機約210,254,000港元已由貸款人管有。

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The directors have performed an impairment assessment on the owned properties and construction-in-progress at 31 December 2019 and 2018 based on a valuation performed by APAC Asset Valuation and Consulting Limited (“APAC”), an independent professionally qualified valuer.

In view of the loss-making arise from the owned properties during the year and the outbreak of COVID-19 at the year ended, the effect may lead to the delay of construction work and unfavourable market environment, the Directors of the Company is of the view that there is an indication of impairment and has conducted impairment assessment on the recoverable amount of the owned properties and construction-in-progress. The recoverable amount of the owned properties had been determined by discounted cash flow and direct comparison method.

The estimation of the recoverable amount under discounted cash flow involves management judgement and is dependent on certain assumptions and key inputs which includes the discount rates, growth rates and estimated revenue per available room with estimated occupancy rates, admission tickets rate with estimated customer flow and estimated occupancy rate for functions events. The management used cash flow projections based on financial budgets approved by management covering a period of 5 years. The direct comparison approach with reference to comparable transactions in the locality.

As a result of the impairment assessment, an impairment loss of approximately HK\$445,546,000 (2018: Nil) and approximately HK\$46,496,000 (2018: approximately HK\$544,472,000), of the owned properties and construction in progress, were recognised in profit or loss during the year ended 31 December 2019 respectively.

An impairment loss on aircraft amounting to approximately HK\$101,506,000 was recognised in profit or loss for the year ended 31 December 2019 (2018: Nil). Impairment in value of aircraft is considered by writing down the carrying value to the estimated recoverable amount which is the higher of the value in use and the fair value less costs of disposal. The recoverable amount was determined based on the fair value less costs of disposal, using market comparison approach by reference to the estimated sales value as at 31 December 2019. The fair value on which the recoverable amount is based on is categorised as a Level 2 measurement.

15. 物業、廠房及設備 (續)

董事已根據獨立專業合資格估值師亞太資產評估及顧問有限公司(「亞太」)所進行之估值，對於二零一九年及二零一八年十二月三十一日之自有物業及在建工程進行減值評估。

鑒於年內自有物業產生虧損及年末爆發2019冠狀病毒病，其影響可能導致建築工程延期及不利的市場環境，本公司董事認為存在減值跡象並已對自有物業及在建工程之可收回金額進行減值評估。自有物業的可收回金額乃以折現現金流量及直接比較法釐定。

折現現金流量下之可收回金額的估計涉及管理層判斷，並依賴若干假設及主要輸入數據，包括折現率、增長率及使用估計入住率計算的每間客房估計收入、使用估計客流量計算的門票費用及項目活動的估計上座率。管理層使用基於管理層批准的涵蓋五年期間的財務預算得出的現金流量預測。直接比較法乃參考區內之可比較交易。

於進行減值評估後，已於截至二零一九年十二月三十一日止年度的損益中確認自有物業及在建工程之減值虧損分別約445,546,000港元(二零一八年：無)及約46,496,000港元(二零一八年：約544,472,000港元)。

截至二零一九年十二月三十一日止年度已於損益中確認飛機之減值虧損約101,506,000港元(二零一八年：無)。飛機價值之減值乃透過將賬面值撇減至估計可收回金額考慮，估計可收回金額為使用價值與公平值減出售成本之較高者。可收回金額乃使用市場比較法參考於二零一九年十二月三十一日之估計出售價值，基於公平值減出售成本而釐定。可收回金額所依據之公平值分類為第二級計量。

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The Group as lessee

Right-of-use assets (included in the property, plant and equipment)

		Leasehold land 租賃土地 HK\$'000 千港元	Vehicles 交通工具 HK\$'000 千港元	Office premises 辦公物業 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2019 Carrying amount	於二零一九年一月一日 賬面值	1,384,854	2,933	8,937	1,396,724
As at 31 December 2019 Carrying amount	於二零一九年十二月三十一日 賬面值	641,472	-	4,974	646,446
For the year ended 31 December 2019	截至二零一九年 十二月三十一日止年度				
Expense related to short-term leases with lease terms end with 12 months of the date of initial application of HKFRS 16	有關租期於首次應用香港財務報告準則第16號日期起12個月內屆滿之短期租賃之開支	-	-	2,270	2,270
Total cash outflow for leases	租賃現金流出總額	-	2,302	8,094	10,396
Addition to right-of-use assets	添置使用權資產	36,972	-	6,191	43,163
Depreciation charge	折舊費用	38,798	722	5,035	44,555

For both years, the Group leases various offices, staff quarters and parking lots for its operations. Lease contracts are entered into for fixed term of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several properties classified as owned properties and construction in progress. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

15. 物業、廠房及設備 (續)

本集團作為承租人

使用權資產 (計入物業、廠房及設備)

於兩個年度，本集團租賃多個辦公室、員工宿舍及停車位用於運營。租賃合約按固定年期1至3年訂立。租賃條款乃按個別基準磋商，包含多種不同條款及條件。於釐定租期及評估不可撤銷期間的長度時，本集團應用合約的定義及釐定合約可強制執行的期間。

此外，本集團擁有若干分類為自有物業及在建工程之物業。本集團為該等物業權益（包括相關租賃土地）之登記擁有人。已提前作出一次性付款以收購該等物業權益。僅當已作出付款能夠可靠地分配時，該等自有物業之租賃土地部分方會單獨呈列。

16. INVESTMENT PROPERTIES

16. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2018	於二零一八年一月一日	6,353,156
Additions	添置	305,623
Net decrease in fair value recognised in profit or loss	於損益中確認之公平值減少淨額	(242,629)
Disposal	出售	(499,865)
Exchange adjustments	匯兌調整	(302,952)
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	5,613,333
Net decrease in fair value recognised in profit or loss	於損益中確認之公平值減少淨額	(314,875)
Disposal	出售	(74,327)
Exchange adjustments	匯兌調整	(105,875)
At 31 December 2019	於二零一九年十二月三十一日	5,118,256
		2019 二零一九年 HK\$'000 千港元
		2018 二零一八年 HK\$'000 千港元
Fair value loss on investment properties revaluation included in profit or loss	計入損益之投資物業重估 公平值虧損	(314,875)
		(242,629)

16. INVESTMENT PROPERTIES (Continued)

The fair value of the Group's investment properties at 31 December 2019 and 2018 have been arrived at on the basis of a valuation carried out as of that date by APAC Asset Valuation and Consulting Limited ("APAC"), a firm of independent qualified professional valuer not connected with the Group. APAC had appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations and the valuations conformed to International Valuation Standards.

The valuation of investment properties have been arrived at adopting direct comparison approach with reference to comparable transactions in the locality and also the income approach and assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. For properties which are under construction, APAC has taken into account the costs that will be expended to complete the development.

There has been no change from the valuation technique used in prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

All of the Group's properties interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2019 and 2018 are as follows:

16. 投資物業 (續)

本集團於二零一九年及二零一八年十二月三十一日之投資物業之公平值，乃按與本集團概無任何關連之獨立合資格專業估值師公司亞太資產評估及顧問有限公司（「亞太」）截至該日進行之估值為基準而釐定。亞太具備合適資格且擁有近期就有關位置之同類型物業進行估值之經驗，而有關估值符合國際估值準則。

投資物業之估值乃採用直接比較法參考區內之可比較交易以及收入法，並假設投資物業將根據發展計劃完成及已就計劃獲得相關批文而達致。就在建物業而言，亞太已計及完成開發將耗費之成本。

於往年所用之估值技術並無變動。於估計物業之公平值時，物業之最高及最佳用途為其現時用途。

本集團根據經營租賃持有以賺取租金或為資產增值而持有之全部物業權益，乃使用公平值模式計量，並已分類為及列作投資物業入賬。

於二零一九年及二零一八年十二月三十一日，本集團投資物業之詳情及公平值等級資料如下：

		Fair value as at
	Level 3	31 December 2019
	第三級	於二零一九年
	HK\$'000	十二月三十一日
	千港元	之公平值
		HK\$'000
		千港元
Investment properties located in the PRC	位於中國之投資物業	5,118,256
		5,118,256

16. INVESTMENT PROPERTIES (Continued)

16. 投資物業 (續)

		Level 3	Fair value as at 31 December 2018 於二零一八年 十二月三十一日 之公平值 HK\$'000 千港元
Investment properties located in the PRC	位於中國之投資物業	5,613,333	5,613,333

There were no transfers into or out of Level 3 during the year.

年內，概無轉入或轉出第三級。

As at 31 December 2019, the Group's investment properties with a carrying amount of approximately HK\$5,118,256,000 (2018: approximately HK\$5,613,333,000) have been pledged to secure the Group's borrowings (Note 31).

於二零一九年十二月三十一日，本集團已抵押賬面值約為5,118,256,000港元（二零一八年：約為5,613,333,000港元）之投資物業，作為取得本集團之借款（附註31）之擔保。

The carrying amounts of investment properties shown above comprise:

上文所示之投資物業賬面值包括：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Outside Hong Kong	香港境外	5,118,256	5,613,333

16. INVESTMENT PROPERTIES (Continued)

At 31 December 2019

Investment properties held by the Group in the consolidated statement of financial position
綜合財務狀況表內本集團所持投資物業

Fair value hierarchy
公平值等級

Valuation technique and key inputs
估值技術及主要參數

Significant unobservable inputs
重大不可觀察參數

Relationship of unobservable inputs to fair value
不可觀察參數與公平值的關係

Sensitivity
敏感度

Commercial premises in Chengdu with carrying amount of approximately HK\$1,240,283,000 (2018: approximately HK\$100,970,000)
賬面值約1,240,283,000港元(二零一八年:約100,970,000港元)的成都商業物業

Level 3
第三級

Direct comparison method assuming sale in its existing state and by making reference to comparable sales evidences as available in the relevant market.
採用直接比較法，假設按其現況進行銷售，並參考相關市場內可獲得之同類性質物業之可比較銷售案例。

The key inputs are:
主要參數為:

(i) Price per square metre

Price per square metre, using market direct comparables and taking into account time, location and other individual factors such as quality, size, levels, etc., which is ranging from RMB16,600/sq.m. to RMB25,500/sq.m. (2018: RMB19,250/sq.m. to RMB35,000/sq.m.)

(i) 每平方米價格

每平方米價格(採用市場直接可比較案例，並經考慮時間、地段及質量、面積、樓層等其他個別因素)介乎每平方米人民幣16,600元至每平方米人民幣25,500元(二零一八年:每平方米人民幣19,250元至每平方米人民幣35,000元)

The higher the price per square metre, the higher the fair value.

每平方米價格越高，公平值越高。

If the price per square metre to the valuation model is 1% higher/lower, while all the other variables were held constant, the fair value of the property would increase/decrease by approximately RMB3,200,000 (2018: RMB0.89 million).

倘估值模型之每平方米價格上升/下降1%，而所有其他變量保持不變，則物業之公平值將增加/減少約人民幣3,200,000元(二零一八年:人民幣890,000元)。

16. 投資物業(續)

於二零一九年十二月三十一日

16. INVESTMENT PROPERTIES (Continued)

At 31 December 2019 (Continued)

Investment properties held by the Group in the consolidated statement of financial position 綜合財務狀況表內本集團所持投資物業	Fair value hierarchy 公平值等級	Valuation technique and key inputs 估值技術及主要參數	Significant unobservable inputs 重大不可觀察參數	Relationship of unobservable inputs to fair value 不可觀察參數與公平值的關係	Sensitivity 敏感度
Shopping mall in Qingdao with carrying amount of approximately HK\$3,877,973,000 (2018: approximately HK\$4,301,749,000) 賬面值約3,877,973,000港元(二零一八年:約4,301,749,000港元)的青島商場	Level 3 第三級	Direct comparison method 直接比較法			
		The key inputs are: 主要參數為:			
		Price per square metre 每平方米價格	Price per square metre using market direct comparables and taking into account of location, time and other individual factors such as quality, size, levels, etc., which is ranging from RMB43,500/sq.m. to RMB58,000/sq.m. (2018: RMB37,800/sq.m. to RMB63,000/sq.m.) 每平方米價格(採用市場直接可比較案例,並經考慮地段、時間及質量、面積、樓層等其他個別因素)介乎每平方米人民幣43,500元至每平方米人民幣58,000元(二零一八年:每平方米人民幣37,800元至每平方米人民幣63,000元)	The higher the price per square metre, the higher the fair value. 每平方米價格越高,公平值越高。	If the price per square metre to the valuation model is 1% higher/lower, while all the other variables were held constant, the fair value of the property would increase/decrease by RMB35 million (2018: RMB37.8 million). 倘估值模型之每平方米價格上升/下降1%,而所有其他變量保持不變,則物業之公平值將增加/減少人民幣35,000,000元(二零一八年:人民幣37,800,000元)。

16. 投資物業(續)

於二零一九年十二月三十一日(續)

16. INVESTMENT PROPERTIES (Continued)

At 31 December 2018

Investment properties held by the Group in the consolidated statement of financial position
本集團所持投資物業

Fair value hierarchy
公平值等級

Valuation technique and key inputs
估值技術及主要參數

Significant unobservable inputs
重大不可觀察參數

16. 投資物業 (續)

於二零一八年十二月三十一日

Relationship of unobservable inputs to fair value
不可觀察參數與公平值的關係

Sensitivity
敏感度

Commercial premises under construction in Chengdu with carrying amount of approximately HK\$1,210,614,000
賬面值為約1,210,614,000港元的成都在建商業物業

Level 3
第三級

Direct comparison method
直接比較法

The key inputs are:
主要參數為:

(i) Gross development value; and

Gross development value on completion basis, taking into account of time, location and individual factors such as quality, levels and size between the comparable and the property of approximately RMB1,388.2 million
總發展價值 (以完成之基準計算, 並經考慮與可資比較物業在時間、地段及質量、樓層及面積等個別因素方面之比較) 約為人民幣1,388,200,000元

The higher the gross development value, the higher the fair value.

If the price per square metre to the valuation model is 1% higher/lower, while all the other variables were held constant, the fair value of the property would increase/decrease by approximately RMB11.9 million.

(i) 總發展價值; 及

總發展價值越高, 公平值越高。

倘估值模式之每平方米價格上升/下降1%, 而所有其他變量保持不變, 物業公平值將增加/減少約人民幣11,900,000元。

(ii) Developer's profit

Developer's profit, taking into account of the progress of the property of 3%

The higher the developer's profit, the lower the fair value.

If the developer's profit to the valuation model is 1% higher/lower, while all the other variables were held constant, the fair value of the property would decrease by approximately RMB11.2 million and increase by RMB11.5 million.

(ii) 發展商利潤

發展商利潤 (經考慮物業進度) 為3%

發展商利潤越高, 公平值越低。

倘估值模式之發展商利潤上升/下降1%, 而所有其他變量保持不變, 物業公平值將減少約人民幣11,200,000元及增加人民幣11,500,000元。

17. OTHER INTANGIBLE ASSETS

17. 其他無形資產

		Licences 特許權 HK\$'000 千港元
COST	成本	
At 1 January 2018	於二零一八年一月一日	26,209
Exchange adjustments	匯兌調整	(787)
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	25,422
Exchange adjustments	匯兌調整	(303)
At 31 December 2019	於二零一九年十二月三十一日	25,119
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值	
At 1 January 2018	於二零一八年一月一日	9,691
Impairment loss recognised in the year (Note)	年內確認減值虧損 (附註)	16,376
Exchange adjustments	匯兌調整	(645)
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	25,422
Exchange adjustments	匯兌調整	(303)
At 31 December 2019	於二零一九年十二月三十一日	25,119
CARRYING AMOUNTS	賬面值	
At 31 December 2019	於二零一九年十二月三十一日	-
At 31 December 2018	於二零一八年十二月三十一日	-

Note:

The other intangible assets have finite useful life, such intangible assets are amortised on a straight-line basis over the following periods:

Licenses 2-8 years

An impairment loss of approximately HK\$16,376,000 for the licences had been recognised in the consolidated statement of profit or loss for the year ended 31 December 2018 to fully write down the carrying amount of the licenses due to the temporary suspension of operation of the kid edutainment centre in the PRC upon management's decision.

附註:

其他無形資產具有有限可使用年期，而該等無形資產按直線法於下列期間攤銷：

特許權 2-8年

由於根據管理層的決定位於中國的兒童教育娛樂中心暫時停業，已於截至二零一八年十二月三十一日止年度綜合損益表內就有關特許權確認減值虧損約16,376,000港元以全數撇減有關特許權的賬面值。

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

18. 按公平值計入其他全面收益之金融資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產		
Listed investments:	上市投資：		
– Investment in listed bonds in Singapore, with fixed interest of 9% and maturity date on 31 July 2021 (Note (ii))	– 投資固定利率9%及到期日為二零二一年七月三十一日之於新加坡之上市債券 (附註(ii))	–	88,318
Unlisted investments:	非上市投資：		
– Equity securities (Note (i))	– 權益證券 (附註(i))	71,000	96,000
		71,000	184,318
Analysed for reporting purposes as:	就報告目的分析為：		
Non-current assets	非流動資產	71,000	184,318

Notes:

- (i) On 31 October 2017, the Group entered into agreement with an individual third party and acquired the unlisted equity investments issued by private entity incorporated in Marshall Islands with limited liability with equity interests of 19.97%. The captioned entity is an investment holding company and its subsidiaries are principally engaged in provision of finance and money lending in Hong Kong and is measured at fair value.
- (ii) Detail of impairment assessment for the year ended 31 December 2018 are set out in Note 39.

附註：

- (i) 於二零一七年十月三十一日，本集團與一名個人第三方訂立協議，收購於馬紹爾群島註冊成立的私人有限責任公司發行的19.97%股權非上市權益投資。該公司是一間投資控股公司及其附屬公司主要於香港從事提供融資及放債，並乃按公平值計量。
- (ii) 截至二零一八年十二月三十一日止年度減值評估的詳情載於附註39。

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

19. 按公平值計入損益之金融資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	金融資產		
Equity securities listed in Hong Kong (Note (i))	於香港上市之權益證券 (附註(i))	15,232	1,300,290
Unlisted investment funds in Cayman Islands (Note (ii))	於開曼群島之非上市投資基金 (附註(ii))	326,641	517,929
		341,873	1,818,219

Notes:

- (i) The fair value of equity securities are determined based on the quoted market prices at the end of the reporting period.
- (ii) The fair value of unlisted investment fund is established by making reference to the redemption price quoted by respective fund administrators, which was determined based on net asset value of the fund measured on a fair value basis.
- (iii) During the year ended 2017, the Group had subscribed for a number of unlisted investment funds (“China Investment Funds”) managed by a private fund manager registered and approved by the Asset Management Association of China (the “Fund Manager Company”).

These China Investment Funds were measured at fair value and the fair value were established by making reference to the redemption price quoted by respective fund administrators which was based on the net asset value of the fund determined on a fair value basis. These China Investment Funds were redeemable by the Group at any time, within one year after the subscription upon giving a written notice in advance of the redemption and shall be redeemed at the end of the one-year period.

The scope of the China Investment Funds includes various financial instruments, such as listed bonds, reverse re-purchase bonds, bank deposits, sizeable negotiable certificates of deposit, currency market funds and other bank financial products, which have a low risk profile and high liquidity.

附註：

- (i) 權益證券的公平值根據於報告期末之市場報價釐定。
- (ii) 非上市投資基金之公平值乃經參考各基金管理人的贖回報價釐定，有關報價乃基於按公平值基準計量的基金資產淨值釐定。
- (iii) 於截至二零一七年度，本集團曾認購由一間在中國證券投資基金業協會註冊及獲批准的私募基金管理公司（「基金管理公司」）管理的多隻非上市投資基金（「中國投資基金」）。

該等中國投資基金按公平值計量，而公平值乃參考有關基金管理人的贖回報價釐定，有關報價乃基於按公平值基準釐定的基金資產淨值。該等中國投資基金可由本集團於認購後一年內隨時通過事先發出書面贖回通知予以贖回，並應於一年期間結束時贖回。

中國投資基金的投資範圍包括上市債券、債券逆回購、銀行存款、大額可轉讓存單、貨幣市場基金及其他銀行金融產品等多種低風險高流動性的金融工具。

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Notes: (Continued)

(iii) (Continued)

During late 2018, the Fund Manager Company had yet to provide any official reply to the Group which sought to enquire about the current status of these China Investment Funds, and the future ability of the Fund Manager Company to provide full redemption of all the outstanding principal investment amounts of these China Investment Funds at maturity or upon exercise of the redemption rights. The Group also noticed that the business office of the Fund Manager Company had not been in operation.

The Group has already taken legal action for the redemption of these China Investment Funds and will consider other remedial actions to minimise the negative impact arising from the possible non-recovery of all or any portion of such investments. After taking into consideration the Board's judgement regarding this significant issue, the Group considered the carrying amount of these China Investment Funds to be of no significant value and hence recognised a loss on these investments of approximately HK\$587,650,000 for the year ended 31 December 2018 to fully write down the carrying amount of these investments.

During the year ended 31 December 2019, the Group had taken further legal actions and also made attempts for the redemption of such China Investment Funds. However, as noticed by the Group from the media reports, the controlling shareholders and directors of the asset management Company, Mr. Zhang Wei, had been arrested by the Bureau of Public Security of Shenzhen Municipality for committing commercial crime and violent actions relating to triad society. Therefore, the Board of Directors considered such redemptions were remote and decided to write off the investments.

As at 31 December 2019, the Group had pledged equity securities listed in Hong Kong with carrying amount of approximately HK\$5,000 (2018: approximately HK\$737,126,000) to secure the Group's borrowings (Note 31).

19. 按公平值計入損益之金融資產

附註：(續)

(iii) (續)

於二零一八年底，在本公司就該等中國投資基金的現時狀況、基金管理公司將來在到期時或行使贖回權利時就該等中國投資基金的所有未贖回本金投資額提供全額贖回的能力作出查詢後，基金管理公司未有就此向本集團作出任何正式回覆。另外本集團亦注意到，基金管理公司的辦事處並沒有正常運作。

本公司已就贖回該等中國投資基金採取法律行動，並將考慮其他補救行動，務求將可能因無法收回該等投資的全部或任何部分而產生的負面影響減至最低。經考慮董事會有關此重大事項的判斷後，本集團認為該等中國投資基金的賬面值不具重大價值，因此已於截至二零一八年十二月三十一日止年度就該等投資確認虧損約587,650,000港元以全數撇減該等投資的賬面值。

於截至二零一九年十二月三十一日止年度，本集團已採取進一步的法律行動，並試圖贖回該等中國投資基金。然而，本集團從媒體報導中獲知，該資產管理公司的控股股東兼董事Zhang Wei先生已被深圳市公安局以涉嫌商業犯罪及黑社會暴力行為而逮捕。因此，董事會認為有關贖回的可能性極微並決定撤銷該等投資。

於二零一九年十二月三十一日，本集團已抵押賬面值約為5,000港元（二零一八年：約737,126,000港元）的於香港上市之權益證券，作為取得本集團借款（附註31）之擔保。

20. INVENTORIES

20. 存貨

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Properties under development for sale	發展中待售物業	3,206,064	4,953,034
Completed properties for sale	已竣工待售物業	634,915	778,129
		3,840,979	5,731,163
Food and beverages, and other operating items for catering and related service operations	餐飲以及餐飲及相關服務業務的 其他經營項目	-	5,947
Finished goods	製成品	2,443	6,330
		3,843,422	5,743,440

The Group's properties for sale with a carrying amount of approximately HK\$3,840,979,000 as at 31 December 2019 (2018: approximately HK\$5,731,163,000) have been pledged to secure the Group's borrowings (Note 31).

The properties for sale are situated in the PRC (2018: the PRC and Hong Kong). The properties under development for sales of approximately HK\$3,206,064,000 as at 31 December 2019 (2018: approximately HK\$1,728,485,000) are expected to be completed and available for sale within 12 months from the end of reporting period.

As at 31 December 2019, the Group's properties for sale with a carrying amount of approximately HK\$786,687,000 were restricted. Certain inventories held by the Group's subsidiaries including a number of unsold residential and commercial units and parking spaces of the projects in Qingdao and Chengdu of approximately 99,000 m² were subject to freezing order imposed by Shangdong provincial higher people's court in September 2019 (the "Seizure"). The Seizure of the inventories due to the dispute in between certain contractors in the PRC and the Group relating to the final payment of the construction cost. Since the deterioration of the financial positions of the Group's subsidiaries, the Group had failed to repay such outstanding payment. As of the reporting date, the Group had been actively negotiating the terms of settlement with the contractors, discussing the re-financing proposals from the local bankers and executing the relief measures from the The People's Government of Huangdao District. The management of the Group believes that the above measures will enable the project companies to overcome the current financial difficulties and release the Seizure in 2020.

於二零一九年十二月三十一日，本集團已抵押賬面值約為3,840,979,000港元（二零一八年：約為5,731,163,000港元）之待售物業，作為取得本集團借款（附註31）之擔保。

待售物業位於中國（二零一八年：中國及香港）。於二零一九年十二月三十一日，約3,206,064,000港元（二零一八年：約1,728,485,000港元）之發展中待售物業預期於報告期末後12個月內竣工及可供銷售。

於二零一九年十二月三十一日，本集團賬面值約為786,687,000港元的待售物業受限制。本集團附屬公司持有之若干存貨（包括面積約99,000平方米的青島及成都項目若干未售出住宅和商業單位及停車位）遭受山東省高級人民法院於二零一九年九月施加的凍結令（「司法查封」）。司法查封存貨乃由於若干中國承包商與本集團之間有關建築費用尾期款項的爭議。由於本集團附屬公司的財務狀況惡化，本集團未能償還有關未付款項。截至報告日期，本集團正積極與承包商磋商還款條款，與當地銀行商討再融資計劃及執行黃島區人民政府的濟助措施。本集團管理層認為，上述措施將能使項目公司克服目前的財務困難並於二零二零年解除司法查封。

20. INVENTORIES (Continued)

On 30 December 2018, the Company entered into a conditional sale and purchase agreement with an independent third party to sell the entire issued share of an indirectly wholly-owned subsidiary of the Company, Joyous Investment Holdings Limited and its subsidiary which directly holds the properties under development for sales in Hong Kong. The disposal was completed during the year ended 31 December 2019.

The leasehold land and building elements cannot be allocated in proportion to the relative carrying amounts and the entire properties are classified as properties for sale.

21. TRADE RECEIVABLES

As at 1 January 2018, trade receivables from contracts with customers amounted to approximately HK\$9,393,000.

Trade receivables arising from sale of properties are due for settlement in accordance with the terms of the related sale and purchase agreement. Revenue from admission tickets are mainly in form of settlement in cash and credit card. Rental receivables from tenants are payable on presentation of invoices.

20. 存貨 (續)

於二零一八年十二月三十日，本公司與一名獨立第三方訂立有條件買賣協議出售本公司間接全資附屬公司豐盛投資控股有限公司及其附屬公司之全部已發行股份，該公司直接持有位於香港之發展中待售物業。該出售事項已於截至二零一九年十二月三十一日止年度內完成。

租賃土地及樓宇成分無法按相對賬面值比例分配，而整項物業分類為待售物業。

21. 應收貿易賬款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables	應收貿易賬款		
– goods and services	– 貨品及服務	392	80
– leasing	– 租賃	12,484	11,277
		12,876	11,357

於二零一八年一月一日，來自客戶合約之應收貿易賬款約為9,393,000港元。

因銷售物業所產生之應收貿易賬款根據有關買賣協議條款到期結算。入場門票之收入主要以現金及信用卡結算。應收租戶租金於開具發票後應付。

21. TRADE RECEIVABLES (Continued)

The following is an aged analysis of trade receivables (net of allowance for credit losses), presented based on agreement terms and invoice date, at the end of the reporting period:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 – 30 days	0至30日	12,876	11,357

As at 31 December 2019, included in the Group's trade receivables were debtors with aggregate carrying amount of approximately HK\$12,484,000 (2018: approximately HK\$11,277,000) which are past due for which the Group has not provided for impairment loss as there had not been a significant change in credit quality and the amounts were still considered recoverable. The Group does not hold any collateral over these balances except for those from sale of properties. Trade receivables are non-interest bearing.

Detail of impairment assessment of trade receivables are set out in Note 39.

21. 應收貿易賬款 (續)

於報告期末，按協議條款及發票日期呈列之應收貿易賬款（扣除信貸虧損撥備）之賬齡分析如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 – 30 days	12,876	11,357

於二零一九年十二月三十一日，本集團之應收貿易賬款中包括總賬面值約為12,484,000港元（二零一八年：約11,277,000港元）之已逾期應收款項，而由於信貸質素並無重大變動且有關款項仍被視作可收回，故本集團並無提撥減值虧損。除銷售物業之結餘外，本集團並無就該等結餘持有任何抵押品。應收貿易賬款並不計息。

應收貿易賬款的減值評估詳情載於附註39。

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

22. 預付款項、按金及其他應收款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產		
Note receivables (Note (i))	應收票據 (附註(i))	82,792	89,039
		82,792	89,039
Current assets	流動資產		
Prepayments:	預付款項:		
– construction contracts	– 建築合約	2,018,611	1,858,161
– pre-sale related taxes	– 預售相關稅項	91,276	92,067
– others	– 其他	164,310	201,591
Deposits (Note (ii) & (iii))	按金 (附註(ii)及(iii))	4,946	13,474
Consideration receivables (Note (iii) & (iv))	應收代價 (附註(iii)及(iv))	22,139	101,811
Other receivables (Note (iii))	其他應收款項 (附註(iii))	1,139,825	1,418,542
		3,441,107	3,685,646
		3,523,899	3,774,685

Notes:

- (i) As announced by the Company on 20 December 2017, the Company has introduced a strategic partner to jointly develop a property located in Canada. Note receivables have been issued to the Company in relation to the strategic arrangement.

The note receivables in the principal amount of US\$11,400,000 bear interest at the rate of 5% per annum and have a maturity date falling 7 years from the date of issue or such other date as may be agreed between the Company and the issuer.

Details of impairment assessment of note receivables are set out in Note 39.

- (ii) The balance mainly represents deposits paid in advance to third parties for future supply of construction materials prior to entering into contracts with the suppliers.

附註:

- (i) 誠如本公司於二零一七年十二月二十日所公佈，本公司已引入戰略合作夥伴以共同開發位於加拿大的物業。有關應收票據乃就戰略安排而發行予本公司。

本金額為11,400,000美元的應收票據按年利率5%計息，到期日為發出日期起計滿7年或本公司與發行人可能協定的其他日期。

應收票據的減值評估詳情載於附註39。

- (ii) 該結餘主要為於與供應商訂立合約前就日後的建築材料供應向第三方預付的按金。

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

- (iii) The Group has provided an impairment for certain deposits and other receivables of approximately HK\$1,433,524,000 for the year ended 31 December 2018.

Impairment allowance of which approximately HK\$902,374,000 were related to the incident disclosed in Note 19 (iii), as the Group had also advanced monies for loans receivables and deposits to the related parties of the Fund Manager Company and the Group also noticed that the business office of these related parties had not been in operation. The Board had determined the likelihood of recovery of these monies was remote and therefore impairment had been provided for the year ended 31 December 2018.

Impairment allowance of approximately HK\$521,150,000 was related to receivables owned by several independent third parties who had been loss of contacts during the year and up to the reporting date. The Board had also determined the likelihood of recovery of these monies was remote and therefore impairment had been provided for the year ended 31 December 2018 to fully write down these receivables.

The remaining balance of the impairment allowance amounted to approximately HK\$10,000,000 related to receivables due from SMI Holdings Group Limited (“SMI”). The trading in SMI’s shares on the Stock Exchange had been suspended with effect from 3 September 2018. SMI had made announcements that since its trading suspension, SMI and certain of its subsidiaries had defaulted in certain borrowings. Pursuant to SMI’s announcement dated 12 March 2019, SMI was in progress of its debt restructuring. However, the letters of intent and the memorandum of understanding in relation to the above-mentioned debt restructuring activities were not legally binding, and might or might not materialise. Based on the reasons above, the Board had also determined the likelihood of recovery of these monies was remote and therefore impairment had been provided for the year ended 31 December 2018 to fully write down the receivables.

During the year ended 31 December 2019, the Board of Directors considered the recovery of these amounts were remote and decided to write-off such amounts accordingly.

Details of impairment assessment of deposits and other receivables are set out in Note 39.

- (iv) The balance mainly represent consideration receivables from disposal of subsidiaries.
- (v) Save as disclosed above, none of the above assets is either past due or impaired. The financial assets included in the above balances related to receivables for which there was no recent history of default.

22. 預付款項、按金及其他應收款項 (續)

附註：(續)

- (iii) 截至二零一八年十二月三十一日止年度，本集團已就若干按金及其他應收款項計提減值約1,433,524,000港元。

減值撥備約902,374,000港元乃與附註19(iii)披露的事件有關，原因為本集團亦有向基金管理公司的關連人士墊付應收貸款及按金款項而本集團亦注意到該等關連人士的辦事處並沒有正常運作。董事會已釐定收回該等款項之可能性極低，因此已於截至二零一八年十二月三十一日止年度計提減值。

減值撥備約521,150,000港元乃與於年內及直至報告日期失去聯絡之若干獨立第三方結欠的應收款項有關。董事會亦已釐定收回該等款項之可能性極低，因此已於截至二零一八年十二月三十一日止年度計提減值以全數撇減該等應收款項。

餘下減值撥備約10,000,000港元乃與應收星美控股集團有限公司（「星美」）的款項有關。星美的股份已自二零一八年九月三日起於聯交所停牌。星美已公佈，自其停牌以來，星美及其若干附屬公司已拖欠若干借款。根據星美日期為二零一九年三月十二日之公告，星美正在進行債務重組。然而，與上述債務重組活動有關的意向書及諒解備忘錄並不具有法律約束力，且未必會落實。基於上述原因，董事會亦已釐定收回該等款項之可能性極低，因此已於截至二零一八年十二月三十一日止年度計提減值以全數撇減該等應收款項。

於截至二零一九年十二月三十一日止年度，董事會認為該等款項的可收回性極低，因此決定撇銷該等款項。

按金及其他應收款項的減值評估詳情載於附註39。

- (iv) 該結餘主要為出售附屬公司的應收代價。
- (v) 除上文所披露者外，上述資產既無逾期亦未減值。計入上述結餘之金融資產與最近並無涉及拖欠記錄的應收款項有關。

23. PLEDGED BANK DEPOSITS/ CASH AND CASH EQUIVALENTS

23. 已抵押銀行存款／現金及現金等價物

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Pledged bank deposits	已抵押銀行存款	-	635,766
Cash and cash equivalents	現金及現金等價物	74,628	148,538
Cash and bank balances	現金及銀行結餘	74,628	784,304

Cash and bank balances of the Group comprise bank balances and cash held and short-term bank deposits that are interest-bearing at market interest rate and have original maturity of 3 months (2018: one year). The Group's bank deposits carry interest rates ranging from Nil to 1.1% (2018: Nil to 2.25%) per annum.

At 31 December 2019, approximately 0.98% (2018: approximately 2.6%) of the Group's bank balances and deposits are denominated in Hong Kong dollars and approximately 82.8% (2018: approximately 97%) in Renminbi ("RMB"). RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

As at 31 December 2019, the Group's bank balances and deposits of approximately HK\$17,227,000 (2018: approximately HK\$40,161,000) are solely for certain designated property development projects in the PRC.

As at 31 December 2019, the Group had no pledged bank deposits (2018: approximately HK\$635,766,000) to secure the Group's certain borrowings in the PRC (Note 31).

本集團之現金及銀行結餘包括所持之銀行結餘及現金以及按市場利率計息且原始期限為3個月(二零一八年:一年)之短期銀行存款。本集團銀行存款之年利率介乎零至1.1%(二零一八年:零至2.25%)。

於二零一九年十二月三十一日,本集團的銀行結餘及存款中港元佔約0.98%(二零一八年:約2.6%)及人民幣(「人民幣」)佔約82.8%(二零一八年:約97%)。人民幣為非自由兌換貨幣,且將資金匯出中國須受中國政府實施之外匯限制所規限。

於二零一九年十二月三十一日,本集團之銀行結餘及存款約17,227,000港元(二零一八年:約40,161,000港元)專用於位於中國之若干指定物業發展項目。

於二零一九年十二月三十一日,本集團並無已抵押銀行存款(二零一八年:約635,766,000港元),作為取得本集團於中國境內的若干借款(附註31)之擔保。

24. TRADE PAYABLES

Trade payables comprise amounts outstanding for construction costs, suppliers and on-going costs.

The following is an aged analysis of trade payables at the end of the reporting period.

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 – 30 days	0至30日	173,661	185,259
31 – 60 days	31至60日	–	–
61 – 90 days	61至90日	–	–
Over 90 days	90日以上	1,183,493	1,036,946
		1,357,154	1,222,205

Save as disclosed in Note 20 to the consolidated financial statements, regarding the Seizure of the inventories, the Group's subsidiaries were liable to pay a total amount of approximately HK\$594,000,000 (equivalent to approximately RMB533,000,000) construction cost together with default interest to certain contractors in the PRC, which had been accrued in trade payable to the consolidated financial statements.

25. DEPOSITS FROM CUSTOMERS/ACCRUED LIABILITIES AND OTHER PAYABLES

Deposits from customers:

Advances from customers of catering business	餐飲業務預收客戶款項	–	47
Others	其他	11,813	9,017
		11,813	9,064

24. 應付貿易賬款

應付貿易賬款包括有關建築成本、供應商及持續成本之尚未償還款項。

於報告期末，應付貿易賬款之賬齡分析如下。

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 – 30 days	173,661	185,259
31 – 60 days	–	–
61 – 90 days	–	–
Over 90 days	1,183,493	1,036,946
	1,357,154	1,222,205

除綜合財務報表附註20所披露者外，關於司法查封存貨，本集團附屬公司有責任向若干中國承包商支付建築費用連同違約利息合共約594,000,000港元（相當於約人民幣533,000,000元），有關款項已於綜合財務報表內的應付貿易賬款中累算。

25. 客戶訂金／應計負債及其他應付款項

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Advances from customers of catering business	–	47
Others	11,813	9,017
	11,813	9,064

25. DEPOSITS FROM CUSTOMERS/ACCRUED LIABILITIES AND OTHER PAYABLES (Continued)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Accrued liabilities and other payables:	應計負債及其他應付款項：		
Other payables	其他應付款項	1,077,761	1,246,174
Accruals	應計費用	30,881	34,978
Interest payable	應付利息	980,579	173,755
		2,089,221	1,454,907

26. CONTRACT LIABILITIES

As at 1 January 2018, contract liabilities amounted to approximately HK\$1,612,899,000. The movement of the contract liabilities represent the recognition of sales of properties.

During the year ended 31 December 2019, the Group has recognised revenue of approximately HK\$70,161,000 (2018: approximately HK\$1,336,524,000) that was included in the contract liabilities balance at the beginning of the year.

The Group receives certain amount of the contract value as deposits with the Group and progress payments from customers when and after they enter into the sale and purchase agreements for sale of properties. The deposits and advance payment schemes result in contract liabilities being recognised throughout the property construction period until the customer obtains control of the completed property.

25. 客戶訂金／應計負債及其他應付款項 (續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Accrued liabilities and other payables:	應計負債及其他應付款項：		
Other payables	其他應付款項	1,077,761	1,246,174
Accruals	應計費用	30,881	34,978
Interest payable	應付利息	980,579	173,755
		2,089,221	1,454,907

26. 合約負債

於二零一八年一月一日，合約負債約為1,612,899,000 港元。合約負債之變動乃為確認物業銷售。

於截至二零一九年十二月三十一日止年度，本集團已確認約70,161,000 港元（二零一八年：約1,336,524,000 港元）計入於年初合約負債結餘之收入。

本集團在客戶訂立銷售物業之買賣協議之時及之後向其收取合約價值之若干金額作為向本集團支付的按金及進度付款。按金及預先付款安排導致於整個物業施工期間確認合約負債，直至客戶取得已竣工物業的控制權為止。

27. AMOUNTS DUE TO RELATED COMPANIES/ NON-CONTROLLING INTERESTS

As at 31 December 2019, included in the amounts due to related companies was the loan from Enterprise Development Investment Holdings Limited with the carrying amount of approximately HK\$5,900,000, which was interest-bearing at 8% per annum and repayable on 20 February 2020. The remaining amounts and the amounts due to non-controlling interests were unsecured, interest free and repayable on demand.

Note:

A substantial shareholder of the Group has equity interests in these companies, including Enterprise Development Investment Holdings Limited, a listed company listed in the HKEX.

27. 應付關連公司／非控股權益款項

於二零一九年十二月三十一日，應付關連公司款項中包括來自企展投資控股有限公司賬面值約5,900,000港元之貸款，按年利率8%計息及須於二零二零年二月二十日償還。剩餘款項及應付非控股權益款項為無抵押、免息及須於要求時償還。

附註：

本集團一名主要股東於該等公司（包括企展投資控股有限公司，為一間於香港聯交所上市之上市公司）中擁有股權。

28. SHARE CAPITAL

28. 股本

		Notes 附註	Ordinary shares of HK\$0.2 each 每股面值 0.2港元之 普通股	Ordinary shares of HK\$0.01 each 每股面值 0.01港元之 普通股	Amount 金額 HK\$'000 千港元
Authorised:	法定：				
At 1 January 2018, 31 December 2018 and 1 January 2019	於二零一八年一月一日、 二零一八年十二月三十一日 及二零一九年一月一日		50,000,000,000	-	10,000,000
Share subdivision	股份分拆	(iv)	(50,000,000,000)	1,000,000,000,000	-
At 31 December 2019	於二零一九年十二月三十一日		-	1,000,000,000,000	10,000,000
Issued and fully paid:	已發行及繳足：				
At 1 January 2018	於二零一八年一月一日		21,472,160,585	-	4,294,432
Shares issued upon conversion of convertible bonds	因轉換可換股債券發行股份	(i)	181,250,000	-	36,250
Issue of shares by way of placing	透過配售發行股份	(ii)	2,200,000,000	-	440,000
Ordinary shares repurchased and cancelled	購回及註銷普通股	(iii)	(78,630,000)	-	(15,726)
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		23,774,780,585	-	4,754,956
Capital reduction	削減股本	(iv)	(23,774,780,585)	23,774,780,585	(4,517,208)
Ordinary shares repurchased and cancelled	購回及註銷普通股	(iii)	-	(79,560,000)	(796)
At 31 December 2019	於二零一九年十二月三十一日		-	23,695,220,585	236,952

28. SHARE CAPITAL (Continued)

Notes:

(i) Shares issued upon conversion of convertible bonds

On 25 January 2018, the Company issued 181,250,000 ordinary shares of HK\$0.20 each in the capital of the Company upon the conversion of the convertible bond with principal amount of HK\$72,500,000 at a price of HK\$0.40 per share.

(ii) Issue of shares by way of placing

On 2 February 2018, the Company allotted and issued 2,200,000,000 ordinary shares of HK\$0.20 each in the capital of the Company by way of placing at a placing price of HK\$0.355 per share. The Company raised approximately HK\$779,000,000 (net of expenses).

(iii) During the years ended 31 December 2018 and 2019, the Company repurchased certain of its own shares on the Stock Exchange.

Month of repurchase	購回月份	Number of ordinary shares 普通股數目	Price per share 每股價格		Aggregate consideration paid 支付總代價 HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
September 2018	二零一八年九月	78,630,000	0.305	0.280	23,250
January 2019*	二零一九年一月*	54,820,000	0.137	0.111	6,781
February 2019*	二零一九年二月*	24,740,000	0.125	0.117	2,948

* The above ordinary shares were cancelled upon repurchase in June 2019.

(iv) Capital reduction and share subdivision

Pursuant to a resolution passed in the special general meeting held on 27 February 2019, the Company announced (i) the capital reduction to reduce the par value of each issued share of the Company from HK\$0.20 to HK\$0.01 by cancelling the capital paid-up thereon to the extent of HK\$0.19 on each of its issued shares (the "Capital Reduction") and (ii) the subdivision the authorised but unissued shares of HK\$0.20 each into 20 new shares of HK\$0.01 each (the "Sub-Division"). The Capital Reduction and Sub-Division became effective on 28 February 2019 and the credit arising from the Capital Reduction of approximately HK\$4,517,208,000 has been transferred to the contributed surplus account of the Company within the meaning of the Companies Act.

28. 股本 (續)

附註：

(i) 因轉換可換股債券發行股份

於二零一八年一月二十五日，本公司因按每股0.40港元之價格轉換本金額為72,500,000港元之可換股債券，發行181,250,000股本公司股本中每股面值0.20港元之普通股。

(ii) 透過配售發行股份

於二零一八年二月二日，本公司透過配售，按每股0.355港元之配售價配發及發行2,200,000,000股本公司股本中每股面值0.20港元之普通股。本公司籌得約779,000,000港元（扣除費用）。

(iii) 於截至二零一八年及二零一九年十二月三十一日止年度，本公司於聯交所購回本公司若干股份。

Month of repurchase	購回月份	Number of ordinary shares 普通股數目	Price per share 每股價格		Aggregate consideration paid 支付總代價 HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
September 2018	二零一八年九月	78,630,000	0.305	0.280	23,250
January 2019*	二零一九年一月*	54,820,000	0.137	0.111	6,781
February 2019*	二零一九年二月*	24,740,000	0.125	0.117	2,948

* 上述普通股購回後已於二零一九年六月註銷。

(iv) 削減股本及股份分拆

根據於二零一九年二月二十七日舉行之股東特別大會通過之決議案，本公司宣佈(i)削減股本，透過註銷每股本公司已發行股份繳足股本0.19港元的方式，將每股本公司已發行股份的面值由0.20港元削減至0.01港元（「削減股本」）及(ii)將每股0.20港元的法定但未發行股份分拆為20股每股0.01港元的新股份（「分拆」）。削減股本及分拆於二零一九年二月二十八日生效，削減股本產生之進賬額約4,517,208,000港元已轉入本公司之繳入盈餘賬（定義見公司法）。

29. LEASE LIABILITIES

29. 租賃負債

2019
二零一九年
HK\$'000
千港元

Lease liabilities payable:	須於下列期間支付的租賃負債：	
Within one year	一年內	4,707

Lease obligations of approximately HK\$4,707,000 are denominated in RMB.

租賃責任約4,707,000 港元以人民幣列值。

30. OBLIGATION UNDER FINANCE LEASE

30. 融資租賃項下之責任

2018
二零一八年
HK\$'000
千港元

Analysis for reporting purpose as:	就報告目的分析為：	
Current liabilities	流動負債	700
Non-current liabilities	非流動負債	1,503
		2,203

The Group's leased certain of its motor vehicle under finance lease. As at 31 December 2018, the lease term is 5 years. Interest rates underlying the obligation under finance lease are fixed at respective contract dates 4.70% per annum.

本集團根據融資租賃租用其若干汽車。於二零一八年十二月三十一日，租期為5年。融資租賃項下之責任的利率於各合約日訂定，為每年4.70%。

30. OBLIGATION UNDER FINANCE LEASE (Continued)

As at 31 December 2018, the total future minimum lease payments under finance leases and their present value were as follows:

		Minimum lease payments 最低租賃付款 2018 二零一八年 HK\$'000 千港元	Present value of minimum lease payments 最低租賃付款現值 2018 二零一八年 HK\$'000 千港元
Obligation under finance lease payable:	於下列期間應付之 融資租賃項下之責任：		
Within one year	一年內	788	700
More than one year but not more than two years	一年以上但不超過兩年	788	734
More than two years but not more than five years	兩年以上但不超過五年	787	769
		2,363	2,203
Less: future finance charges	減：未來融資費用	(160)	N/A不適用
Present value of lease obligation	租賃責任之現值	2,203	2,203
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：12個月內到期結算 款項（列於流動 負債項下）		(700)
Amount due for settlement after 12 months	12個月後到期結算款項		1,503

The Group's obligation under finance lease is secured by the lessor's title to the leased assets.

Finance lease obligation is denominated in Hong Kong dollars.

30. 融資租賃項下之責任（續）

於二零一八年十二月三十一日，融資租賃項下之未來最低租賃付款總額及其現值如下：

		Minimum lease payments 最低租賃付款 2018 二零一八年 HK\$'000 千港元	Present value of minimum lease payments 最低租賃付款現值 2018 二零一八年 HK\$'000 千港元
Obligation under finance lease payable:	於下列期間應付之 融資租賃項下之責任：		
Within one year	一年內	788	700
More than one year but not more than two years	一年以上但不超過兩年	788	734
More than two years but not more than five years	兩年以上但不超過五年	787	769
		2,363	2,203
Less: future finance charges	減：未來融資費用	(160)	N/A不適用
Present value of lease obligation	租賃責任之現值	2,203	2,203
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：12個月內到期結算 款項（列於流動 負債項下）		(700)
Amount due for settlement after 12 months	12個月後到期結算款項		1,503

本集團於融資租賃項下之責任由出租人對租賃資產擁有權作擔保。

融資租賃責任以港元計值。

31. BORROWINGS

31. 借款

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank borrowings, secured (Note (i))	銀行借款，有抵押 (附註(i))	970,737	2,071,984
Other borrowings, secured (Note (i))	其他借款，有抵押 (附註(i))	3,053,699	4,492,377
Senior bonds (Note (ii))	優先債券 (附註(ii))	1,590,266	1,615,148
Bonds (Note (ii))	債券 (附註(ii))	2,808,579	3,005,245
		8,423,281	11,184,754
Carrying amounts repayable:	須予償還之賬面值：		
On demand or within one year	按要求或一年內	4,106,601	7,621,439
More than one year but not exceeding two years	一年以上但不超過兩年	4,316,680	1,735,062
More than two years but not exceeding five years	兩年以上但不超過五年	-	1,612,334
More than five years	五年以上	-	215,919
		8,423,281	11,184,754

Notes:

- (i) As at 31 December 2019, bank and other borrowings of approximately HK\$3,534,717,000 (2018: approximately HK\$4,332,484,000) are denominated in Renminbi ("RMB") and carried interest at fixed interest rates of 7.10% to 13% (2018: 3.38% to 13%) per annum. Bank and other borrowings of approximately HK\$212,972,000 (2018: approximately HK\$254,164,000) are denominated in United States Dollars ("USD") and carried interest at floating rate of London Interbank Offered Rate plus 3.78% per annum (2018: plus 5.54%). Bank and other borrowings of approximately HK\$276,747,000 (2018: approximately HK\$1,986,713,000) are denominated in HK\$ including approximately HK\$180,000,000 which carried interest at fixed interest rate of 6.5% per annum, approximately HK\$7,070,000 which carried interest at fixed interest rate of 9% per annum, approximately HK\$30,000,000 which carried interest at fixed interest rate of 12% per annum and approximately HK\$59,677,000 which carried interest at fixed interest rates of 3.95% to 14% per annum respectively (2018: approximately HK\$100,000,000 which carried interest at floating rate of Hong Kong Inter-bank Offered Rate plus 2% per annum, approximately HK\$686,388,000 which carried interest at floating rate of Hong Kong Inter-bank Offered Rate plus 1.5% per annum, approximately HK\$570,000,000 which carried interest at fixed interest rate of 6.5% per annum, approximately HK\$14,000,000 which carried interest at fixed interest rate of 9% per annum, and approximately HK\$616,325,000 which carried interest at fixed interest rates of 5% to 15.25% per annum respectively).

附註：

- (i) 於二零一九年十二月三十一日，銀行及其他借款約3,534,717,000港元(二零一八年：約4,332,484,000港元)以人民幣(「人民幣」)計值，並按固定年利率7.10%至13%(二零一八年：3.38%至13%)計息。銀行及其他借款約212,972,000港元(二零一八年：約254,164,000港元)以美元(「美元」)計值，並按倫敦銀行同業拆息加3.78%(二零一八年：加5.54%)的浮動年利率計息。銀行及其他借款約276,747,000港元(二零一八年：約1,986,713,000港元)以港元計值，其中包括約180,000,000港元按固定年利率6.5%計息，約7,070,000港元按固定年利率9%計息，約30,000,000港元按固定年利率12%計息及約59,677,000港元按固定年利率3.95%至14%計息(二零一八年：約100,000,000港元按香港銀行同業拆息加2%的浮動年利率計息，約686,388,000港元按香港銀行同業拆息加1.5%的浮動年利率計息，約570,000,000港元按固定年利率6.5%計息，約14,000,000港元按固定年利率9%計息，及約616,325,000港元按固定年利率5%至15.25%計息)。

31. BORROWINGS (Continued)

Notes: (Continued)

(i) (Continued)

The Group's bank and other borrowings were secured by the assets of the Group with the following carrying amounts:

(a)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Property, plant and equipment (Note 15)	物業、廠房及設備 (附註15)	5,473,357	5,834,055
Investment properties (Note 16)	投資物業 (附註16)	5,118,256	5,613,333
Properties for sale (Note 20)	待售物業 (附註20)	3,840,979	5,731,163
Equity securities listed in Hong Kong (Note 19)	於香港上市之權益證券 (附註19)	5	737,126
Pledged bank deposits (Note 23)	已抵押銀行存款 (附註23)	-	635,766
		14,432,597	18,551,443

(b) A personal guarantee was given by the substantial shareholder, Mr. King Pak Fu, of the Company for the Group's certain borrowings.

(c) Certain shares of non-controlling interests of the Group have been pledged to secure the borrowings.

(ii) Bonds payable

As at 31 December 2019, bonds and senior bonds payable of aggregate carrying amount of approximately HK\$3,358,330,000 (2018: approximately HK\$3,530,552,000) are denominated in USD and bear interest at the rates of 8% to 10% (2018: 8%) per annum. The bonds will mature on 16 January 2021 and 22 March 2021. Bonds payable amounting to approximately HK\$2,218,103,000 was recognised upon the extinguishment of convertible bonds during the year ended 31 December 2018.

On 16 January 2019, the Company entered into supplemental trust deed to extend the maturity date of the bonds in aggregate principal amount of US\$285,000,000 for 2 years after the maturity date, i.e. extend to 16 January 2021 and upon redemption of the bonds, the relevant redemption amount of the bonds shall make up an internal rate of return of 12% on the aggregate principal amount of such outstanding bonds calculated from 17 January 2019 until the redemption date, in addition to the amount making up an internal rate of return of 11% on the aggregate principal amount of the outstanding bonds calculated from the issue date to 16 January 2019 (the "Extension I"). On 13 February 2019, the Company obtained consent from substantial bondholders and executed supplemental trust deed to extend the maturity date of the bonds in aggregate principal amount of US\$162,500,000 for 2 years after the maturity date, i.e. extend to 22 March 2021 and amended the interest rate from 8.0% per annum to 10.0% per annum during the extended period (the "Extension II").

31. 借款 (續)

附註：(續)

(i) (續)

本集團之銀行及其他借款以本集團下列賬面值之資產作抵押：

(a)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Property, plant and equipment (Note 15)	物業、廠房及設備 (附註15)	5,473,357	5,834,055
Investment properties (Note 16)	投資物業 (附註16)	5,118,256	5,613,333
Properties for sale (Note 20)	待售物業 (附註20)	3,840,979	5,731,163
Equity securities listed in Hong Kong (Note 19)	於香港上市之權益證券 (附註19)	5	737,126
Pledged bank deposits (Note 23)	已抵押銀行存款 (附註23)	-	635,766
		14,432,597	18,551,443

(b) 本公司主要股東景百孚先生已就本集團若干借款提供個人擔保。

(c) 本集團之若干非控股權益股份已質押作為借款的擔保。

(ii) 應付債券

於二零一九年十二月三十一日，總賬面值約3,358,330,000港元（二零一八年：約3,530,552,000港元）的應付債券及優先債券以美元計值並按年利率8%至10%（二零一八年：8%）計息。該等債券將於二零二一年一月十六日及二零二一年三月二十二日到期。於截至二零一八年十二月三十一日止年度，於取消可換股債券後確認應付債券約2,218,103,000港元。

於二零一九年一月十六日，本公司訂立補充信託契據，將本金總額為285,000,000美元的債券之到期日延長至到期日後兩年（即延長至二零二一年一月十六日），及於贖回債券時，除須使有關未償還債券本金總額自發行日期起至二零一九年一月十六日止計算之內部回報率達到11%外，債券之相關贖回金額須使有關未償還債券本金總額自二零一九年一月十七日起至贖回日期止計算之內部回報率達到12%（「延期I」）。於二零一九年二月十三日，本公司取得主要債券持有人的同意並簽訂補充信託契據，將本金總額為162,500,000美元的債券之到期日延長至到期日後兩年（即延長至二零二一年三月二十二日）並將延長期間的利率由每年8.0%修訂為每年10.0%（「延期II」）。

31. BORROWINGS (Continued)

Notes: (Continued)

(ii) Bonds payable (Continued)

The Company accounted for the Extension I and Extension II as modification of the existing financial liabilities with the change in present value of the liabilities, which represents the difference between carrying amount of liabilities before the Extension and discounted new cash flows under new terms using original effective interest rate, recognised in the consolidated statement of profit or loss and other comprehensive income.

Bonds and senior bonds payable of aggregate carrying amount of approximately HK\$1,040,515,000 (2018: approximately HK\$1,089,841,000) are denominated in HKD and bear interest at the rate of 5% to 6% (2018: 5% to 6%) per annum. The bonds will mature on the date immediately following 1 year to 6 years (2018: 1 years to 8 years) after the date of issue of the bonds. The net proceeds of the bonds, after deducting the issuance costs, amounted to approximately HK\$104,816,000 during the year ended 31 December 2018.

During the year ended 31 December 2019, the Company had repaid the principal amount of approximately HK\$55,462,000 (2018: approximately HK\$44,530,000) on maturity date.

During the year ended 31 December 2019, the Company early redeemed a carrying amount of approximately HK\$119,071,000 (2018: approximately HK\$76,954,000) and recognised a loss on early redemption of approximately HK\$36,323,000 (2018: approximately HK\$8,758,000) in consolidated profit or loss.

Senior bonds and bonds payable of approximately HK\$2,370,743,000 (2018: approximately HK\$2,388,929,000) were unsecured, in particular, carrying amount of approximately HK\$1,330,228,000 (2018: approximately HK\$1,299,087,000) were guaranteed and approximately HK\$1,040,515,000 (2018: approximately HK\$1,089,842,000) were unguaranteed.

Bonds payable of approximately HK\$2,028,102,000 were secured by shares of the Group's certain subsidiaries and guaranteed by the substantial shareholder, Mr. King Pak Fu, as at 31 December 2019 (2018: approximately HK\$2,231,464,000).

31. 借款 (續)

附註：(續)

(ii) 應付債券 (續)

本公司將延期I及延期II入賬處理為對現有金融負債之修訂，於綜合損益及其他全面收益表中確認有關負債現值之變動，即延期前負債之賬面值與使用原實際利率折現新條款下之新現金流量之間的差額。

總賬面值約1,040,515,000港元(二零一八年：約1,089,841,000港元)的應付債券及優先債券以港元計值並按年利率5%至6%(二零一八年：5%至6%)計息。該等債券將於緊隨債券發行日期後滿1年至6年(二零一八年：1年至8年)之日到期。於截至二零一八年十二月三十一日止年度，該等債券所得款項淨額(扣除發行成本後)為約104,816,000港元。

於截至二零一九年十二月三十一日止年度，本公司已於到期日償還本金額約55,462,000港元(二零一八年：約44,530,000港元)。

於截至二零一九年十二月三十一日止年度，本公司已提前贖回賬面值約119,071,000港元(二零一八年：約76,954,000港元)並於綜合損益確認提前贖回虧損約36,323,000港元(二零一八年：約8,758,000港元)。

應付優先債券及債券約2,370,743,000港元(二零一八年：約2,388,929,000港元)為無抵押，其中賬面值約1,330,228,000港元(二零一八年：約1,299,087,000港元)為有擔保及約1,040,515,000港元(二零一八年：約1,089,842,000港元)為無擔保。

於二零一九年十二月三十一日，應付債券約2,028,102,000港元由本集團若干附屬公司的股份作抵押及由主要股東景百孚先生提供擔保(二零一八年：約2,231,464,000港元)。

31. BORROWINGS (Continued)

Notes: (Continued)

(ii) Bonds payable (Continued)

The movements of the Group's bonds payable for the years ended 31 December 2019 and 2018 are as follows:

		Total 總計 HK\$'000 千港元
Carrying amounts as at 1 January 2018	於二零一八年一月一日之賬面值	2,242,274
Net proceeds on date of issuance	於發行日的所得款項淨額	104,816
Exchange adjustments	匯兌調整	(3,051)
Interest paid	已付利息	(153,660)
Effective interest charged to profit or loss (Note 8)	於損益扣除之實際利息 (附註8)	352,819
Repurchase	購回	(85,712)
Loss on early redemption	提前贖回虧損	8,758
Repayment of principal	償還本金	(44,530)
Recognition upon extinguishment of convertible bonds	取消可換股債券後確認	2,218,103
Direct costs	直接成本	(19,424)
Carrying amounts as 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之賬面值	4,620,393
Exchange adjustments	匯兌調整	(18,250)
Interest paid	已付利息	(19,580)
Interest payable	應付利息	(342,182)
Effective interest charged to profit or loss (Note 8)	於損益扣除之實際利息 (附註8)	420,798
Repurchase	購回	(155,394)
Loss on early redemption	提前贖回虧損	36,323
Repayment of principal	償還本金	(55,462)
Gain on modification of bonds	債券修訂之收益	(86,688)
Direct costs	直接成本	(1,112)
Carrying amounts as at 31 December 2019	於二零一九年十二月三十一日之賬面值	4,398,846

The effective interest rate of the above bonds payable ranged from 8.14% to 17.40% per annum (2018: 8.14% to 17.84%).

上述應付債券的實際年利率介乎8.14%至17.40% (二零一八年: 8.14%至17.84%)。

31. 借款 (續)

附註: (續)

(ii) 應付債券 (續)

本集團應付債券於截至二零一九年及二零一八年十二月三十一日止年度之變動如下:

31. BORROWINGS (Continued)

Notes: (Continued)

- (iii) Due to the financial difficulties during the year ended 31 December 2019, the Group defaulted the payment of loan interests and fees of certain borrowings with an aggregate carrying amount of approximately HK\$1,253,487,000, which was secured by the charged assets and personal guarantee, are repayable on demand.

The directors of the Company are undertaking the Debt Restructure Plan and the other measures to resolve and improve the liquidity of the Group.

32. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	1,044,463	1,182,762

31. 借款 (續)

附註：(續)

- (iii) 由於截至二零一九年十二月三十一日止年度出現財務困難，本集團拖欠償還總賬面值約1,253,487,000港元的若干借款的貸款利息及費用，有關借款乃以已抵押資產及個人擔保作保證，須於要求時償還。

本公司董事正進行債務重組計劃及其他措施以解決及改善本集團的流動性。

32. 遞延稅項

就於綜合財務狀況表呈列用途，若干遞延稅項資產及負債已抵銷。以下為就財務報告目的之遞延稅項結餘分析：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	1,044,463	1,182,762

32. DEFERRED TAXATION (Continued)

The following are the major deferred tax balances recognised and the movements thereon during the current and prior years:

Deferred tax (assets)/liabilities:		Convertible bonds	Revaluation of properties	Deductible temporary differences arising from LAT provisions 土地增值稅 撥備產生之 可扣減稅 暫時差額	Total
遞延稅項(資產)/負債:		可換股債券 HK\$'000 千港元	重估物業 HK\$'000 千港元	HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	1,891	1,573,869	(36,233)	1,539,527
(Credited)/charged to profit or loss	於損益內(計入)/扣除	59	(284,976)	(3,001)	(287,918)
Extinguishment of convertible bonds	取消可換股債券	(1,950)	-	-	(1,950)
Exchange adjustments	匯兌調整	-	(68,891)	1,994	(66,897)
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	-	1,220,002	(37,240)	1,182,762
Credited to profit or loss	於損益內計入	-	(109,459)	(6,026)	(115,485)
Exchange adjustments	匯兌調整	-	(23,708)	894	(22,814)
At 31 December 2019	於二零一九年十二月三十一日	-	1,086,835	(42,372)	1,044,463

Deferred tax assets:

At the end of the reporting period, the Group has unused tax losses of approximately HK\$2,540,366,000 (2018: approximately HK\$1,317,652,000) available for offset against future profits. Approximately HK\$1,598,846,000 (2018: approximately HK\$1,092,588,000) of these tax losses may be carried forward indefinitely in Hong Kong and approximately HK\$941,520,000 (2018: approximately HK\$225,064,000) will expire within 5 years under other jurisdiction. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

At the end of the reporting period, the Group has deductible temporary difference of approximately HK\$5,930,000 (2018: approximately HK\$5,068,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

32. 遞延稅項(續)

以下為已確認之主要遞延稅項結餘及於本年度及過往年度之變動:

Deferred tax (assets)/liabilities:		Convertible bonds	Revaluation of properties	Deductible temporary differences arising from LAT provisions 土地增值稅 撥備產生之 可扣減稅 暫時差額	Total
遞延稅項(資產)/負債:		可換股債券 HK\$'000 千港元	重估物業 HK\$'000 千港元	HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	1,891	1,573,869	(36,233)	1,539,527
(Credited)/charged to profit or loss	於損益內(計入)/扣除	59	(284,976)	(3,001)	(287,918)
Extinguishment of convertible bonds	取消可換股債券	(1,950)	-	-	(1,950)
Exchange adjustments	匯兌調整	-	(68,891)	1,994	(66,897)
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	-	1,220,002	(37,240)	1,182,762
Credited to profit or loss	於損益內計入	-	(109,459)	(6,026)	(115,485)
Exchange adjustments	匯兌調整	-	(23,708)	894	(22,814)
At 31 December 2019	於二零一九年十二月三十一日	-	1,086,835	(42,372)	1,044,463

遞延稅項資產:

於報告期末,本集團有未動用之稅項虧損約2,540,366,000港元(二零一八年:約1,317,652,000港元)可供抵銷未來溢利。該等稅項虧損中約1,598,846,000港元(二零一八年:約1,092,588,000港元)於香港可無限期結轉及約941,520,000港元(二零一八年:約225,064,000港元)於其他司法權區於五年內屆期。由於無法預測未來溢利,故未有就稅項虧損確認遞延稅項資產。

於報告期末,本集團有可扣減稅暫時差額約5,930,000港元(二零一八年:約5,068,000港元)。由於不太可能有應課稅溢利可利用可扣減稅暫時差額進行抵銷,故未有就該等可扣減稅暫時差額確認遞延稅項資產。

33. CONVERTIBLE BONDS

Convertible bonds at amortised costs:

The movement of liability component at amortised costs of the convertible bonds are as follows:

		2015 Convertible Bonds II 二零一五年 可換股債券II (Note (a)) (附註(a)) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Carrying amount as at 1 January 2018	於二零一八年一月一日之 賬面值	2,296,659	2,296,659
Interest charged (Note 8)	利息支出 (附註8)	109,298	109,298
Interest paid	已付利息	(178,501)	(178,501)
Extinguishment of convertible bonds	取消可換股債券	(2,236,720)	(2,236,720)
Exchange adjustments	匯兌調整	9,264	9,264
Carrying amount as at 31 December 2018	於二零一八年十二月三十一日之 賬面值	-	-

33. 可換股債券

按攤銷成本列賬的可換股債券：

按攤銷成本列賬的可換股債券之負債部分變動如下：

		2015 Convertible Bonds II 二零一五年 可換股債券II (Note (a)) (附註(a)) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Carrying amount as at 1 January 2018	於二零一八年一月一日之 賬面值	2,296,659	2,296,659
Interest charged (Note 8)	利息支出 (附註8)	109,298	109,298
Interest paid	已付利息	(178,501)	(178,501)
Extinguishment of convertible bonds	取消可換股債券	(2,236,720)	(2,236,720)
Exchange adjustments	匯兌調整	9,264	9,264
Carrying amount as at 31 December 2018	於二零一八年十二月三十一日之 賬面值	-	-

33. CONVERTIBLE BONDS (Continued)

Convertible bonds at amortised costs: (Continued)

Notes:

- (a) On 3 July 2015, the Company, as issuer, entered into a placing agreement with China Minsheng Banking Corp., Ltd. Hong Kong Branch (“China Minsheng”), as lead manager, pursuant to which the Company has conditionally agreed to issue, and China Minsheng has conditionally agreed to use its best efforts to procure other investors to subscribe for the convertible bonds (“2015 Convertible Bonds II”) in the principal amount of up to USD200,000,000 (or up to USD300,000,000 if the option is exercised) at the initial conversion price of HK\$1.39 per share. The 2015 Convertible Bonds II are secured, bear an 8% interest per annum and have a term of 3 years.

The number of shares to be issued upon exercise of the conversion right attaching to 2015 Convertible Bonds II will be determined by translating the principal amount of 2015 Convertible Bonds II (with the agreed exchange rate of USD1 = HK\$7.755) into Hong Kong dollars and dividing at the conversion price.

On 14 August 2015, the Company and China Minsheng entered into a supplemental letter to amend and supplement the terms of the placing agreement pursuant to which it was agreed that, among others, the initial conversion price under the terms and conditions of the 2015 Convertible Bonds II would be amended from HK\$1.39 per share to HK\$1.26 per share subject to and in accordance with the terms and conditions thereof.

As at 31 December 2015, the Company completed the issuance of the 2015 Convertible Bonds II with an aggregate amount of USD285,000,000 dividing into four series on 16 July 2015 (referring as “Series 1”), 21 August 2015 (referring as “Series 2”), 2 September 2015 (referring as “Series 3”) and 9 September 2015 (referring as “Series 4”) respectively, to several individual investors and financial institutes in Hong Kong and the PRC.

The conversion price was further adjusted to HK\$1.155 per share upon rights issue on 28 August 2017.

33. 可換股債券 (續)

按攤銷成本列賬的可換股債券： (續)

附註：

- (a) 於二零一五年七月三日，本公司（作為發行人）與中國民生銀行股份有限公司香港分行（「中國民生」）（作為牽頭經辦人）訂立配售協議，據此，本公司有條件同意發行，及中國民生有條件同意竭盡所能促使其他投資者認購本金額最多200,000,000美元（或如若行使選擇權，可增加至最多300,000,000美元）的可換股債券（「二零一五年可換股債券II」），初步兌換價為每股1.39港元。二零一五年可換股債券II為有抵押、年利率為8%及年期為三年。

二零一五年可換股債券II所附帶換股權獲行使後發行的股份數目將由兌換二零一五年可換股債券II的本金額為港元（議定的兌換率為1美元兌7.755港元）並除以兌換價而釐定。

於二零一五年八月十四日，本公司與中國民生訂立補充函件修訂及補充配售協議之條款，據此協定（其中包括）根據二零一五年可換股債券II之條款及條件之初步兌換價由每股1.39港元修訂為每股1.26港元，惟須受限於其條款及條件。

於二零一五年十二月三十一日，本公司完成發行總額為285,000,000美元之二零一五年可換股債券II，分四次向香港及中國多個個人投資者及金融機構發行，有關日期分別為二零一五年七月十六日（「系列1」）、二零一五年八月二十一日（「系列2」）、二零一五年九月二日（「系列3」）及二零一五年九月九日（「系列4」）。

於二零一七年八月二十八日進行供股後，兌換價進一步調整至每股1.155港元。

33. CONVERTIBLE BONDS (Continued)

Convertible bonds at amortised costs: (Continued)

Notes: (Continued)

(a) (Continued)

The conversion period expired during 2018 pursuant to the terms and conditions of the 2015 Convertible Bonds II. Following the expiry of the conversion period of the 2015 Convertible Bonds II, all the conversion rights attaching to the 2015 Convertible Bonds II have lapsed and may not be exercised and the 2015 Convertible Bonds II have ceased to be convertible.

On 16 July 2018, the Company and China Minsheng entered into a second supplemental letter to amend and supplement the terms of the placing agreement pursuant to which it was agreed that, among others, the initial maturity date under the terms and conditions of the 2015 Convertible Bonds II would be amended from 16 July 2018 to 16 January 2019 subject to and in accordance with the terms and conditions thereof. With substantially different terms, the 2015 Convertible Bonds II has been accounted for as extinguishment of the original financial instrument and the recognition of new financial instrument. The Group has recognised bond payable and a gain of approximately HK\$18,617,000 on extinguishment of the convertible bonds to consolidated profit or loss for the year ended 31 December 2018.

As at 31 December 2018, there is no outstanding amount of the 2015 Convertible Bonds II.

The 2015 Convertible Bonds II contained two components, liability (together with embedded derivative for early redemption option by the Company which is closely related to the host debt) and equity elements. The equity elements are presented in equity under the heading of “convertible bonds equity reserve”. The effective interest rate of the liability component for 2015 Convertible Bonds II including Series 1 to 4 are ranged from 8.85% to 9.32% per annum at the date of initial recognition respectively.

33. 可換股債券 (續)

按攤銷成本列賬的可換股債券： (續)

附註：(續)

(a) (續)

根據二零一五年可換股債券II之條款及條件，換股期已於二零一八年屆滿。於二零一五年可換股債券II之換股期屆滿後，二零一五年可換股債券II所附帶之所有換股權已失效且不可行使及二零一五年可換股債券II已不可轉換。

於二零一八年七月十六日，本公司與中國民生訂立第二份補充函件，以修訂及補充配售協議之條款，據此協定（其中包括）二零一五年可換股債券II之條款及條件項下之初始到期日由二零一八年七月十六日修訂為二零一九年一月十六日，惟須受限於其條款及條件。由於條款存在重大不同，二零一五年可換股債券II已入賬處理為取消原金融工具及確認新金融工具。截至二零一八年十二月三十一日止年度，本集團已於綜合損益中就取消可換股債券確認應付債券及收益約18,617,000港元。

於二零一八年十二月三十一日，並無有關二零一五年可換股債券II之尚未償還款項。

二零一五年可換股債券II包括兩部分，負債（連同與主債務密切相關之本公司提前贖回選擇權之嵌入式衍生工具）及權益部分。權益部分於「可換股債券權益儲備」項下之權益內呈列。於初始確認日期，二零一五年可換股債券II（包括系列1至4）負債部分之實際年利率介乎8.85%至9.32%。

33. CONVERTIBLE BONDS (Continued)**Convertible bonds at amortised costs: (Continued)**

The movement of equity component of the convertible bonds is as follows:

		2015 Convertible Bonds II 二零一五年 可換股債券II HK\$'000 千港元	Total 總計 HK\$'000 千港元
Carrying amount as at 1 January 2018	於二零一八年一月一日 之賬面值	35,970	35,970
Extinguishment of convertible bonds	取消可換股債券	(35,970)	(35,970)
Carrying amount as at 31 December 2018 and 2019	於二零一八年及二零一九年 十二月三十一日之賬面值	-	-

Convertible bonds designated at fair value through profit or loss:

		2015 Convertible Bonds I 二零一五年 可換股債券I HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2018	於二零一八年一月一日	81,720
Conversion of convertible bonds	轉換可換股債券	(81,720)
At 31 December 2018 and 2019	於二零一八年及二零一九年十二月三十一日	-

33. 可換股債券 (續)**按攤銷成本列賬的可換股債券：
(續)**

可換股債券權益部分的變動如下：

		2015 Convertible Bonds II 二零一五年 可換股債券II HK\$'000 千港元	Total 總計 HK\$'000 千港元
Carrying amount as at 1 January 2018	於二零一八年一月一日 之賬面值	35,970	35,970
Extinguishment of convertible bonds	取消可換股債券	(35,970)	(35,970)
Carrying amount as at 31 December 2018 and 2019	於二零一八年及二零一九年 十二月三十一日之賬面值	-	-

指定按公平值計入損益之可換股債券：

		2015 Convertible Bonds I 二零一五年 可換股債券I HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2018	於二零一八年一月一日	81,720
Conversion of convertible bonds	轉換可換股債券	(81,720)
At 31 December 2018 and 2019	於二零一八年及二零一九年十二月三十一日	-

33. CONVERTIBLE BONDS (Continued)

Convertible bonds designated at fair value through profit or loss: (Continued)

Note:

On 17 June 2015, the Company issued the exchangeable and convertible bonds (“2015 Convertible Bonds I”) in principal amount of HK\$240,740,000 in favour of BFT Acquisition Guernsey L.P. (“BFT”) as consideration in relation to the acquisition of 99.99% equity interests in Nice Race Management Limited and its subsidiaries (the “Nice Race Group”). The 2015 Convertible bonds I are unsecured, non-interest bearing and have a term of 3 years.

BFT are entitled to (i) convert all or part of the 2015 Convertible Bonds I into ordinary shares of the Company from the thirtieth month of the date of issuance to maturity or upon the consummation of a fundamental corporate transaction during the term of the 2015 Convertible Bonds I at a conversion price of HK\$1.55 per share or (ii) exchange all or part of the 2015 Convertible Bonds I into a maximum of 14,250,095,000 ordinary shares of the Nice Race Group from the thirtieth month of the date of issuance to maturity or upon the consummation of a fundamental corporate transaction during the term of the 2015 Convertible Bonds I. If the conversion rights entitled are not exercised by the holder, the 2015 Convertible Bonds I not converted will be redeemed by the Company at its principal amount on the maturity date.

On 3 July 2015, the initial conversion price of HK\$1.55 per share of the 2015 Convertible Bonds I has been adjusted to HK\$1.39 per share upon the entering into the placing agreement of convertible bonds due 2018 as described in the 2015 Convertible Bonds II. On 14 August 2015, the conversion price was further adjusted to HK\$1.26 per share upon the entering into a supplemental letter to the placing agreement of convertible bonds as described in the 2015 Convertible Bonds II.

The conversion price was further adjusted to HK\$0.95 per share upon the issuance of shares on 21 June 2016 pursuant to the placing agreement dated 13 June 2016. The conversion price was further adjusted to HK\$0.88 per share upon the issuance of shares on 7 July 2016 pursuant to the subscription agreement dated 29 June 2016. The conversion price was further adjusted to HK\$0.873 per share upon the issuance of shares on 22 December 2016 pursuant to the placing agreement dated 14 December 2016. The conversion price was further adjusted to HK\$0.80 per share upon the issuance of shares on 17 May 2017 pursuant to the placing agreement dated 4 May 2017. The conversion price was further adjusted to HK\$0.40 per share upon rights issue on 28 August 2017.

33. 可換股債券 (續)

指定按公平值計入損益之可換股債券: (續)

附註:

於二零一五年六月十七日,本公司以BFT Acquisition Guernsey L.P. (「BFT」)為受益人發行本金額為240,740,000港元之可交換可換股債券(「二零一五年可換股債券I」),作為收購Nice Race Management Limited及其附屬公司(「Nice Race集團」)99.99%股權之相關代價。二零一五年可換股債券I為無抵押、免息及年期為三年。

BFT有權(i)由發行日起第30個月至到期日或二零一五年可換股債券I期內於基礎企業交易完成後以兌換價每股1.55港元將全部或部分二零一五年可換股債券I兌換為本公司普通股或(ii)由發行日起第30個月至到期日或二零一五年可換股債券I期內於基礎企業交易完成後將全部或部分二零一五年可換股債券I交換為最多14,250,095,000股Nice Race集團普通股。倘二零一五年可換股債券I持有人並無行使所享兌換權,未兌換之該債券將由本公司於到期日按本金額贖回。

於二零一五年七月三日,於訂立二零一八年到期之可換股債券配售協議後,二零一五年可換股債券I之初始兌換價每股1.55港元已調整為每股1.39港元(誠如二零一五年可換股債券II所述)。於二零一五年八月十四日,於訂立可換股債券配售協議補充函件後,有關兌換價進一步調整為每股1.26港元(誠如二零一五年可換股債券II所述)。

於二零一六年六月二十一日根據日期為二零一六年六月十三日之配售協議發行股份後,兌換價進一步調整至每股0.95港元。於二零一六年七月七日根據日期為二零一六年六月二十九日之認購協議發行股份後,兌換價進一步調整至每股0.88港元。於二零一六年十二月二十二日根據日期為二零一六年十二月十四日之配售協議發行股份後,兌換價進一步調整至每股0.873港元。於二零一七年五月十七日根據日期為二零一七年五月四日之配售協議發行股份後,兌換價進一步調整至每股0.80港元。於二零一七年八月二十八日進行供股後,兌換價進一步調整至每股0.40港元。

33. CONVERTIBLE BONDS (Continued)

Convertible bonds designated at fair value through profit or loss: (Continued)

Note: (Continued)

2015 Convertible Bonds I contain host debt liability, together with embedded derivative for converting into ordinary shares of the Nice Race Group which is not closely related to the host debt. The Group has irrevocably designated the whole 2015 Convertible Bonds I as financial liabilities measured at fair value through profit or loss.

As announced by the Company on 21 December 2017, the Company and BFT have agreed to reduce the BFT consideration to HK\$72,500,000 and therefore the principal amount of the 2015 Convertible Bonds I was reduced from HK\$240,740,000 to HK\$72,500,000.

On 25 January 2018, BFT converted the outstanding principal amount of HK\$72,500,000 and the Company issued 181,250,000 ordinary shares of the Company at the price of HK\$0.40 per share.

33. 可換股債券 (續)

指定按公平值計入損益之可換股債券：(續)

附註：(續)

二零一五年可換股債券I包含主債務負債(連同與主債務並無密切關連之兌換為Nice Race集團普通股之嵌入式衍生工具)。本集團已不可撤回地將二零一五年可換股債券I整體指定為按公平值計入損益計量之金融負債。

如本公司於二零一七年十二月二十一日所公佈，本公司與BFT已協定將BFT代價降低至72,500,000港元，因此二零一五年可換股債券I的本金額由240,740,000港元降低至72,500,000港元。

於二零一八年一月二十五日，BFT已轉換未償還本金額72,500,000港元而本公司已發行181,250,000股本公司普通股，價格為每股0.40港元。

34. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2019:

On 30 December 2018, the Group entered into a sale and purchase agreement (the “Agreement”) with an independent third party (the “Purchaser”) to dispose of the Group’s entire equity interests in Joyous Investment Holdings Limited and its subsidiaries (the “Joyous Group”) and the Group agreed to assign to the Purchaser the loans owing by the Joyous Group to the Company for a cash consideration of approximately HK\$1,860,000,000 (subject to a deduction of the loan owing by the Joyous Group to the bank and other adjustments) subject to the terms of the Agreement. Joyous Group is principally engaged in investment holding and property development in Hong Kong. The disposal of subsidiaries was completed on 14 January 2019.

Analysis of assets and liabilities over which control were lost:

		HK\$'000 千港元
Deposit	按金	2
Properties under development for sale	發展中銷售物業	1,559,724
Bank balances	銀行結餘	4,652
Amount due to ultimate holding company	應付最終控股公司款項	(788,620)
Accounts payable	應付賬款	(13,701)
Bank borrowings	銀行借款	(691,314)
		70,743
Gain on disposal of subsidiaries	出售附屬公司之收益	296,393
		367,136
Satisfied by:	支付方式:	
Gross consideration	代價總額	1,860,000
Less: bank borrowings	減: 銀行借款	(691,314)
Less: other adjustments	減: 其他調整	(9,047)
Cash consideration	現金代價	1,159,639
Less: amount due to ultimate holding company	減: 應付最終控股公司款項	(788,620)
Less: transaction costs and expenses	減: 交易成本及開支	(3,883)
		367,136
Net cash inflow on disposal of subsidiaries:	出售附屬公司之現金流入淨額:	
Cash consideration received and receivable, net of bank borrowings and other adjustments	已收及應收現金代價, 扣除銀行借款及其他調整	1,159,639
Less: cash and cash equivalent balances disposed	減: 所出售現金及現金等價物結餘	(4,652)
		1,154,987

34. 出售附屬公司

截至二零一九年十二月三十一日止年度:

於二零一八年十二月三十日, 本集團與一名獨立第三方(「買方」)訂立一份買賣協議(「協議」)出售本集團於豐盛投資控股有限公司及其附屬公司(「豐盛集團」)之全部股權及本集團同意向買方轉讓豐盛集團結欠本公司的貸款, 現金代價為約1,860,000,000港元(須扣減豐盛集團結欠銀行的貸款及作出其他調整), 惟須受協議的條款規限。豐盛集團主要於香港從事投資控股及房地產開發。該出售附屬公司事項已於二零一九年一月十四日完成。

喪失控制權情況下之資產及負債分析:

		HK\$'000 千港元
Deposit	按金	2
Properties under development for sale	發展中銷售物業	1,559,724
Bank balances	銀行結餘	4,652
Amount due to ultimate holding company	應付最終控股公司款項	(788,620)
Accounts payable	應付賬款	(13,701)
Bank borrowings	銀行借款	(691,314)
		70,743
Gain on disposal of subsidiaries	出售附屬公司之收益	296,393
		367,136
Satisfied by:	支付方式:	
Gross consideration	代價總額	1,860,000
Less: bank borrowings	減: 銀行借款	(691,314)
Less: other adjustments	減: 其他調整	(9,047)
Cash consideration	現金代價	1,159,639
Less: amount due to ultimate holding company	減: 應付最終控股公司款項	(788,620)
Less: transaction costs and expenses	減: 交易成本及開支	(3,883)
		367,136
Net cash inflow on disposal of subsidiaries:	出售附屬公司之現金流入淨額:	
Cash consideration received and receivable, net of bank borrowings and other adjustments	已收及應收現金代價, 扣除銀行借款及其他調整	1,159,639
Less: cash and cash equivalent balances disposed	減: 所出售現金及現金等價物結餘	(4,652)
		1,154,987

35. OPERATING LEASES

The Group as lessor

Minimum lease payments receivables on leases are as follows:

		2019 二零一九年 HK\$'000 千港元
Within one year	一年內	15,515
In the second year	第二年內	14,225
In the third year	第三年內	13,575
In the fourth year	第四年內	13,129
In the fifth year	第五年內	12,374
After five years	五年後	37,177
		105,995

At the end of the reporting period, the Group had following commitments for the future minimum lease income under non-cancellable operating leases:

		2018 二零一八年 HK\$'000 千港元
Within one year	一年內	14,311
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	51,517
After five years	五年後	46,464
		112,292

The Group leases its investment properties under operating lease. The leases run for an initial period of 1 to 15 years (2018: 3 to 15 years) in combination of fixed rentals and contingent rentals. Certain of these leases include contingent rentals which are determined based on percentages of sales of the tenants when the sales occurred.

35. 經營租賃

本集團作為出租人

租賃之應收最低租賃付款如下：

		2019 二零一九年 HK\$'000 千港元
Within one year	一年內	15,515
In the second year	第二年內	14,225
In the third year	第三年內	13,575
In the fourth year	第四年內	13,129
In the fifth year	第五年內	12,374
After five years	五年後	37,177
		105,995

於報告期末，本集團根據不可撤銷經營租賃之未來最低租賃收入承擔如下：

		2018 二零一八年 HK\$'000 千港元
Within one year	一年內	14,311
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	51,517
After five years	五年後	46,464
		112,292

本集團根據經營租賃出租其投資物業。租賃包括固定租金及或然租金，初步為期1至15年(二零一八年：3至15年)。部分租賃中包括於產生銷售時按租戶銷售額之百分比釐定之或然租金。

35. OPERATING LEASES (Continued)

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2018 二零一八年 HK\$'000 千港元
Within one year	一年內	9,475
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	4,013
Over five years	超過五年	408
		13,896

Operating lease payments represent rentals payable by the Group for certain offices premises and retail shops. At 31 December 2018, leases are negotiated for periods arranging from 1 to 9 years with fixed rentals.

35. 經營租賃 (續)

本集團作為承租人

於報告期末，本集團根據不可撤銷經營租賃須承擔之未來最低租賃付款到期情況如下：

		2018 二零一八年 HK\$'000 千港元
Within one year	一年內	9,475
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	4,013
Over five years	超過五年	408
		13,896

經營租賃付款指本集團租賃若干辦公室物業及零售商店的應付租金。於二零一八年十二月三十一日，租賃議定為固定租金，年期為1至9年。

36. CAPITAL COMMITMENTS

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Capital expenditure	資本開支		
– contracted but not provided for (Note)	– 已訂約但未撥備 (附註)	1,785,474	1,626,852

Note:

The above commitments include mainly the construction related costs on development of the Group's property, plant and equipment, investment properties, and properties for sale in the PRC.

37. RETIREMENT BENEFIT PLANS

Defined contribution plan

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the plans are held separately from those of the Group in funds under the control of trustees.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in the consolidated statement of profit or loss and other comprehensive income of approximately HK\$5,616,000 (2018: approximately HK\$7,570,000) represents contributions paid or payable to these plans by the Group at rates specified in the rules of the plans.

36. 資本承擔

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Capital expenditure		
– 已訂約但未撥備 (附註)	1,785,474	1,626,852

附註：

上述承擔主要包括發展本集團物業、廠房及設備、投資物業及於中國的待售物業的建築相關成本。

37. 退休福利計劃

定額供款計劃

本集團為所有香港合資格僱員營辦一項強制性公積金計劃。該計劃之資產與本集團之資產分開持有，並由信託人控制之基金管理。

本集團中國附屬公司之僱員為中國政府所設立之國家管理退休福利計劃之成員。該等附屬公司須按僱員工資的特定百分比作出退休福利計劃供款以為福利提供資金。本集團對該退休福利計劃之唯一責任為作出規定供款。

於綜合損益及其他全面收益表確認之總開支約為5,616,000港元（二零一八年：約為7,570,000港元）代表本集團按計劃規則訂明之比率就該等計劃已付或應付之供款。

38. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which included, borrowings and obligation under finance lease, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses.

Net debt to equity ratio

The Group's management reviews the capital structure on an on-going basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at the end of the reporting period was as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Debt (Note (i))	債務 (附註(i))	8,423,281	11,186,957
Cash and bank balance (Note 23)	現金及銀行結餘 (附註23)	(74,628)	(784,304)
Net debt	淨債務	8,348,653	10,402,653
Equity (Note (ii))	權益 (附註(ii))	4,559,637	8,270,841
Net debt to equity ratio	淨債務對權益比率	183%	126%

Notes:

- (i) Debt is defined as obligation under finance lease and borrowings, as detailed in Notes 30 and 31 respectively.
- (ii) Equity includes all capital and reserves of the Group and non-controlling interests.

38. 資本風險管理

本集團管理其資本，以確保本集團旗下實體將能繼續持續經營，並透過優化債務及權益結餘之平衡，為權益持有人帶來最大回報。本集團之整體策略與過往年度維持不變。

本集團之資本架構包括淨債務，當中包括借款及融資租賃項下之責任，扣除現金及現金等價物及本公司擁有人應佔權益（包括已發行股本、儲備及累計虧損）。

淨債務對權益比率

本集團之管理層持續檢討資本架構。作為檢討之一環，管理層會考慮資本成本及與各類別資本有關之風險。

於報告期末之資本負債比率如下：

附註：

- (i) 債務指分別於附註30及31詳述之融資租賃項下之責任及借款。
- (ii) 權益包括本集團所有資本及儲備以及非控股權益。

39. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at FVTPL	按公平值計入損益之金融資產	341,873	1,818,219
Financial assets at amortised cost	按攤銷成本計量之金融資產	1,337,206	2,418,527
Financial assets at FVTOCI	按公平值計入其他全面收益之 金融資產	71,000	184,318
Financial liabilities	金融負債		
Amortised cost	攤銷成本	12,091,170	13,881,602

(b) Financial risk management objectives and policies

The Group's major financial instruments include note receivables, bank balances and pledged bank deposits, trade receivables, deposits and other receivables, equity and debt investments, trade payables, accrued liabilities and other payables, amounts due to non-controlling interest, amounts due to related companies, borrowings, lease liabilities and obligation under finance lease. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no significant change to the Group's risks exposure relating to financial instruments or the manner in which it manages and measures the risks.

39. 金融工具

(a) 金融工具類別

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at FVTPL	按公平值計入損益之金融資產	341,873	1,818,219
Financial assets at amortised cost	按攤銷成本計量之金融資產	1,337,206	2,418,527
Financial assets at FVTOCI	按公平值計入其他全面收益之 金融資產	71,000	184,318
Financial liabilities	金融負債		
Amortised cost	攤銷成本	12,091,170	13,881,602

(b) 財務風險管理目標及政策

本集團之主要金融工具包括應收票據、銀行結餘及已抵押銀行存款、應收貿易賬款、存款及其他應收款項、權益及債務投資、應付貿易賬款、應計負債及其他應付款項、應付非控股權益款項、應付關連公司款項、借款、租賃負債及融資租賃項下之責任。該等金融工具之詳情於相關附註中披露。與該等金融工具相關之風險，以及減輕該等風險之政策於下文載述。管理層對該等風險進行管理及監察，確保及時及有效推行適當措施。

本集團就金融工具承擔之風險或其管理及計量風險之方式並無重大變動。

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

The Group's activities expose it to market risks of changes in currency risk, price risk and interest rate risk.

There has been no significant change to Group's exposure to market risks or the manner in which it manages and measures the risk over the year.

Currency risk

Substantially all of the Group's sales and operating costs are denominated in the functional currency of the group entity making the sales or incurring the costs. The Company has borrowings denominated at USD, other than the functional currency of the relevant group entities. The exposure of USD against HK\$ is considered insignificant as HK\$ is pegged to USD. Accordingly, the directors of the Company consider that the currency risk is not significant.

The Group currently does not have a formal currency hedging policy in relation to currency risk. The directors monitor the Group's exposure on an on-going basis and will consider hedging the currency risk should the need arise.

Equity price risk

The Group is exposed to equity price risk arising from trading of listed securities included in financial assets at fair value through profit or loss. The sensitivity analysis has been determined based on the exposure to equity price risk.

At the end of the reporting period, if the quoted stock prices had been 10% higher or lower while all other variables were held constant, the Group's net loss would increase or decrease by approximately HK\$1,523,000 (2018: approximately HK\$181,822,000) as a result of changes in fair value of investments.

Interest rate risk

The Group's fair value interest rate risk relates primarily to fixed-rate borrowings, obligation under finance lease and bonds payables. The Group is also exposed to cash flow interest rate risk in relation to variable-rate borrowings.

The Group currently does not have a formal interest rate hedging policy in relation to cash flow interest rate risk. The directors of the Company monitor the Group's exposure on an on-going basis and will consider hedging the interest rate risk should the need arise.

39. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險

本集團之活動令其面對貨幣風險、價格風險及利率風險變動之市場風險。

於年內，本集團承擔之市場風險及管理及計量風險之方式並無重大轉變。

貨幣風險

本集團絕大部分銷售及經營成本以進行銷售或產生成本之集團實體之功能貨幣列值。本公司有以美元（並非有關集團實體的功能貨幣）計值之借款。由於港元與美元掛鈎，美元兌港元之風險被認為並不重大。因此，本公司董事認為貨幣風險並不重大。

本集團目前並無有關貨幣風險之正式貨幣對沖政策。董事持續監察本集團面對之風險，並將於有需要時考慮對沖貨幣風險。

股票價格風險

本集團承受買賣計入按公平值計入損益之金融資產之上市證券帶來的股票價格風險。敏感度分析已根據所承擔之股票價格風險釐定。

於報告期末，倘股票報價上升或下調10%，而所有其他變量保持不變，則本集團之淨虧損將因投資公平值變動而增加或減少約1,523,000港元（二零一八年：約181,822,000港元）。

利率風險

本集團之公平值利率風險主要與定息借款、融資租賃項下之責任及應付債券有關。本集團亦承受有關浮息借款之現金流量利率風險。

本集團目前並無有關現金流量利率風險之正式利率對沖政策。本公司董事持續監察本集團面對之風險，並將於有需要時考慮對沖利率風險。

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Interest rate risk (Continued)

Sensitivity analysis

Variable-rate borrowings

The sensitivity analysis below has been determined based on the exposure to interest rates for the variable-rate borrowings at the end of the reporting period. A 50 basis points (2018: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represented management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2018: 50 basis points) higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2019 would have decreased/increased by approximately HK\$117,000 (2018: approximately HK\$11,610,000), assuming the interest on such borrowings would not be capitalised.

Credit risk and impairment provision

At 31 December 2019 and 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. There is no significant changes in the quality of that collateral as a result of deterioration or changes in the collateral policies of the entity during both reporting periods.

Trade receivables

In order to minimise the credit risk, the management of the Group has delegated a team responsible for monitoring procedures to ensure that follow up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade balances individually or based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

39. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

利率風險 (續)

敏感度分析

浮息借款

以下敏感度分析乃根據於報告期末浮息借款之利率風險而釐定。50個基點(二零一八年:50個基點)之上落幅度乃向主要管理人員內部匯報利率風險時採用的幅度並代表管理層對利率合理可能變動之評估。

倘利率上升/下降50個基點(二零一八年:50個基點),而所有其他變量保持不變,假設有關於借款之利息不進行資本化,則本集團截至二零一九年十二月三十一日止年度之溢利將減少/增加約117,000港元(二零一八年:約11,610,000港元)。

信貸風險及減值撥備

於二零一九年及二零一八年十二月三十一日,因對手方未能履行責任而令本集團蒙受財務損失之最高信貸風險乃因綜合財務狀況表所載列之相關已確認金融資產之賬面值而產生。本集團並無持有任何抵押品或其他增信措施為其金融資產的相關信貸風險提供保障。於兩個報告期內,並無因實體抵押政策轉差或變化導致有關抵押品質素出現重大變化。

應收貿易賬款

為將信貸風險減至最低,本集團管理層已委派一支團隊負責監督程序,確保採取跟進措施收回逾期債務。此外,本集團於應用香港財務報告準則第9號後根據預期信貸虧損模式就應收貿易賬款個別或根據撥備矩陣進行減值評估。就此,本公司董事認為本集團之信貸風險已大為減低。

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment provision (Continued)

Debt instruments at FVTOCI, note receivables, deposits and other receivables, pledged bank deposits and bank balances

The Group performs impairment assessment under ECL model upon application of HKFRS 9 on debt instruments at FVTOCI, note receivables, deposits and other receivables, pledged bank deposits and bank balances based on 12m ECL.

The credit risk of note receivables, deposits and other receivables are managed through an internal process. The credit quality of each counterparty is investigated before an advance is made. The Group also actively monitors the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on the outstanding balances individually. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The credit risk on pledged bank deposits and bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's debt instruments at FVTOCI mainly comprised listed bonds. The Group performed impairment assessment under ECL model upon application of HKFRS 9 on the outstanding balance. During the year ended 31 December 2019, no expected credit loss on debt instruments at FVTOCI was recognised in the consolidated profit or loss.

39. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值撥備 (續)

按公平值計入其他全面收益之債務工具、應收票據、按金及其他應收款項、已抵押銀行存款及銀行結餘

本集團於應用香港財務報告準則第9號後根據預期信貸虧損模式就按公平值計入其他全面收益之債務工具、應收票據、按金及其他應收款項、已抵押銀行存款及銀行結餘按12個月預期信貸虧損基準進行減值評估。

應收票據、按金及其他應收款項的信貸風險透過內部程序管理。於作出墊款前會對各對手方之信貸質素進行調查。本集團亦積極監察各債務人結欠的尚未償還款項並及時識別任何信貸風險以減低信貸相關虧損的風險。此外，本集團於應用香港財務報告準則第9號後根據預期信貸虧損模式就尚未償還結餘個別進行減值評估。就此，董事認為本集團的信貸風險已大為減低。

已抵押銀行存款及銀行結餘的信貸風險有限，因為對手方乃獲國際信貸評級機構授予高信貸評級的銀行。

本集團按公平值計入其他全面收益之債務工具主要為上市債券。本集團於應用香港財務報告準則第9號後根據預期信貸虧損模式就尚未償還結餘進行減值評估。於截至二零一九年十二月三十一日止年度，並無於綜合損益內就按公平值計入其他全面收益之債務工具確認任何預期信貸虧損。

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment provision (Continued)

The Group is exposed to concentration of credit risk on:

- deposits paid for acquisition of a property project and subsidiaries paid to counterparties which are all engaged in the PRC property development business, and are either state-owned entities or companies with good reputation; and

The Group's concentration of credit risk by geographical locations is in the PRC as all trade receivables from properties investment are arisen in PRC for both years.

Other than above, the Group does not have any other significant concentration of credit risk.

39. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值撥備 (續)

本集團面臨有關以下項目的集中信貸風險：

- 就收購一項物業項目及多間附屬公司向均在中國經營物業發展業務且為具有良好聲譽的國有實體或公司之對手方支付的按金；及

由於兩個年度所有來自物業投資之應收貿易賬款均於中國產生，故本集團按地理位置劃分信貸風險集中於中國。

除上述者外，本集團並無任何其他重大集中信貸風險。

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment provision (Continued)

The table below is the internal credit policy of the Group:

Internal credit rating 內部信貸評級	Description 描述	Trade receivables 應收貿易賬款	Other financial assets/ other items 其他金融資產/其他項目
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 對手方的違約風險較低及並無逾期款項	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值	12-month ECL 12個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle after due date 債務人經常於到期日後還款但通常於到期日後會結付款項	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值	12-month ECL 12個月預期信貸虧損
Doubtful 存疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 內部編製的資料或外部資源顯示自初始確認以來信貸風險已顯著上升	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產已發生信貸減值	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人出現嚴重財務困難且本集團並無實際可能收回款項	Amount is written off 撇銷有關金額	Amount is written off 撇銷有關金額

39. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值撥備 (續)

下表載列本集團的內部信貸政策：

Internal credit rating 內部信貸評級	Description 描述	Trade receivables 應收貿易賬款	Other financial assets/ other items 其他金融資產/其他項目
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 對手方的違約風險較低及並無逾期款項	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值	12-month ECL 12個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle after due date 債務人經常於到期日後還款但通常於到期日後會結付款項	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值	12-month ECL 12個月預期信貸虧損
Doubtful 存疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 內部編製的資料或外部資源顯示自初始確認以來信貸風險已顯著上升	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產已發生信貸減值	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人出現嚴重財務困難且本集團並無實際可能收回款項	Amount is written off 撇銷有關金額	Amount is written off 撇銷有關金額

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment provision (Continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL 12個月或存續期 預期信貸虧損	Gross carrying amounts 2019 二零一九年 賬面總值 HK\$'000 千港元	Gross carrying amounts 2018 二零一八年 賬面總值 HK\$'000 千港元
Debt instruments at FVTOCI 按公平值計入其他全面收益之 債務工具						
Investments in listed bonds 上市債券投資	19	BB-	(Note 5) (附註5)	12-month ECL 12個月預期信貸虧損	-	88,318
Financial assets at amortised costs 按攤銷成本計量之金融資產						
Pledged bank deposits 已抵押銀行存款	23	AA+	N/A 不適用	12-month ECL 12個月預期信貸虧損	-	635,766
Bank balances 銀行結餘	23	AA+	N/A 不適用	12-month ECL 12個月預期信貸虧損	74,628	148,538
Note receivables 應收票據	22	N/A 不適用	(Note 1&4) (附註1及4)	12-month ECL 12個月預期信貸虧損	97,967	89,039
Deposits and other receivables 按金及其他應收款項	22	N/A 不適用	(Note 1&3) (附註1及3)	12-month ECL 12個月預期信貸虧損 Lifetime ECL (not credit-impaired) 存續期預期信貸虧損 (未發生信貸減值) Credit-impaired 已發生信貸減值	1,195,444 419 778,879	622,355 711,912 1,864,210
					1,974,742	3,198,477
Trade receivables 應收貿易賬款	21	N/A 不適用	(Note 2) (附註2)	Lifetime ECL (provision matrix) 存續期預期信貸虧損 (撥備矩陣)	12,876	11,357

39. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值撥備 (續)

下表詳列本集團須進行預期信貸虧損評估的金融資產的信貸風險敞口：

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment provision (Continued)

Notes:

- For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

		Not past due/ No fixed repayment terms 未逾期/ 並無固定還款期	2018
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
Note receivables	應收票據	82,792	89,039
Deposits and other receivables	按金及其他應收款項	1,166,910	1,533,827

- For trade receivables, the Group has applied the simplified approach in accordance with HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the expected credit losses on those balances by using a provision matrix, grouped by internal credit rating.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its property investment operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. Trade receivables of approximately HK\$12,876,000 (2018: approximately HK\$11,557,000) are assessed based on provision matrix within lifetime ECL (not credit impaired).

During the years ended 31 December 2019 and 2018, no material impairment allowance on trade receivables is provided based on the provision matrix.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

39. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值撥備 (續)

附註：

- 就內部信貸風險管理而言，本集團使用逾期資料評估自初始確認以來信貸風險是否顯著上升。

- 就應收貿易賬款而言，本集團已應用香港財務報告準則第9號的簡化方法，按存續期預期信貸虧損計量虧損撥備。除有重大未償還結餘或已發生信貸減值的應收款項外，本集團使用撥備矩陣（按內部信貸評級分組）釐定該等結餘的預期信貸虧損。

作為本集團信貸風險管理的一環，本集團使用應收款項的賬齡評估其有關物業投資業務客戶的減值情況，此乃由於該等客戶包括大量有共同風險特徵的客戶，而該風險特徵代表客戶根據合約條款悉數付款的能力。應收貿易賬款約12,876,000港元（二零一八年：約11,557,000港元）乃根據撥備矩陣的存續期預期信貸虧損（未發生信貸減值）進行評估。

於截至二零一九年及二零一八年十二月三十一日止年度，應收貿易賬款根據撥備矩陣並無計提重大減值撥備。

估計虧損率乃於應收款項於預計年期根據過往觀察所得違約率估計，並就無需付出過多成本或精力即可取得的前瞻性資料作出調整。

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment provision (Continued)

Notes: (Continued)

3. The following table shows the reconciliation of loss allowance that has been recognised for deposits and other receivables.

		12m ECL	Lifetime ECL (not credit- impaired)	Lifetime ECL (credit- impaired)	Total
		12個月預期 信貸虧損	存續期預期 信貸虧損 (未發生 信貸減值)	存續期預期 信貸虧損 (已發生 信貸減值)	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	115,291	52,117	34,252	201,660
Impairment losses, net of reversal	減值虧損，扣除撥回	(43,743)	47,462	1,459,271	1,462,990
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	71,548	99,579	1,493,523	1,664,650
Write-offs	撇銷	-	-	(1,384,329)	(1,384,329)
Transfer to credit-impaired	轉撥至已發生信貸減值	(2,653)	(50,562)	53,215	-
Impairment losses, net of reversal	減值虧損，扣除撥回	100,519	(48,854)	488,751	540,416
Exchange adjustment	匯兌調整	7,845	(88)	(20,662)	(12,905)
As 31 December 2019	於二零一九年十二月三十一日	177,259	75	630,498	807,832

39. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值撥備 (續)

附註：(續)

3. 下表載列已就按金及其他應收款項確認的虧損撥備的對賬。

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment provision (Continued)

Notes: (Continued)

4. The following table shows the reconciliation of loss allowance that has been recognised for note receivables.

		12m ECL 12個月預期 信貸虧損 HK\$'000 千港元
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	-
Impairment losses	減值虧損	15,175
As 31 December 2019	於二零一九年十二月三十一日	15,175

During the year ended 31 December 2018, no material allowance on note receivables is provided based on 12m ECL.

5. During the year ended 31 December 2018, no material allowance on investments in listed bonds is provided based on 12m ECL.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and ensures compliance with loan covenants.

Liquidity tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for non-derivative financial liabilities are based on agreed repayment dates.

39. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值撥備 (續)

附註：(續)

4. 下表載列已就應收票據確認的虧損撥備的對賬。

		12m ECL 12個月預期 信貸虧損 HK\$'000 千港元
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	-
Impairment losses	減值虧損	15,175
As 31 December 2019	於二零一九年十二月三十一日	15,175

於截至二零一八年十二月三十一日止年度，並無根據12個月預期信貸虧損就應收票據計提重大撥備。

5. 於截至二零一八年十二月三十一日止年度，並無根據12個月預期信貸虧損就上市債券投資計提重大撥備。

流動資金風險

為管理流動資金風險，本集團監控及維持管理層認為充足之現金及現金等價物水平，以為本集團營運提供資金及減低現金流量變動之影響。管理層監控借款之動用情況，並確保已遵守貸款契諾。

流動資金表

下表詳述根據協定還款期，本集團之非衍生金融負債之餘下合約到期情況。下表反映基於本集團可被要求償付之最早日期之金融負債之未折現現金流量。非衍生金融負債的到期日乃基於協定還款日期。

39. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

		Weighted average interest rate 加權 平均利率 %	On demand or less than 1 year 按要求或 少於一年 HK\$'000 千港元	1 to 5 years 一至五年 HK\$'000 千港元	More than 5 years 超過五年 HK\$'000 千港元	Total undiscounted cash flows 未折現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
31 December 2019	二零一九年十二月三十一日						
Non-derivative financial liabilities	非衍生金融負債						
Trade payables	應付貿易賬款	-	1,357,154	-	-	1,357,154	1,357,154
Accrued liabilities and other payables	應計負債及其他應付款項	-	2,089,221	-	-	2,089,221	2,089,221
Borrowings:	借款:						
- Bank and other borrowings	- 銀行及其他借款	7.10 - 13	3,294,103	956,280	-	4,250,383	4,024,435
- Bonds	- 債券	8.14 - 17.40	1,348,170	3,380,820	-	4,728,990	4,398,846
Amounts due to related companies	應付關連公司款項	-	161,584	-	-	161,584	161,584
Amounts due to non-controlling interests	應付非控股權益款項	-	55,223	-	-	55,223	55,223
Lease liabilities	租賃負債	4.35	4,911	-	-	4,911	4,707
31 December 2018	二零一八年十二月三十一日						
Non-derivative financial liabilities	非衍生金融負債						
Trade payables	應付貿易賬款	-	1,222,205	-	-	1,222,205	1,222,205
Accrued liabilities and other payables	應計負債及其他應付款項	-	1,463,971	-	-	1,463,971	1,463,971
Borrowings:	借款:						
- Bank and other borrowings	- 銀行及其他借款	3.38 - 13	3,080,945	4,179,017	-	7,259,962	6,564,361
- Bonds	- 債券	8.14 - 17.84	3,971,231	744,207	234,643	4,950,081	4,620,393
Obligation under finance lease	融資租賃項下之責任	4.70	788	1,575	-	2,363	2,203
Amounts due to related companies	應付關連公司款項	-	8,469	-	-	8,469	8,469

39. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金表 (續)

39. FINANCIAL INSTRUMENTS (Continued)

(c) Fair values measurements of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices; and
- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value measurements recognised in the consolidated statement of financial position

		Fair value as at 公平值		Fair value hierarchy	Valuation technique and key input
		31 December 2019 於二零一九年 十二月三十一日 HK\$'000 千港元	31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元	公平值等級	估值技術及主要參數
Financial assets at FVTPL	按公平值計入損益之金融資產				
Equity securities listed in Hong Kong	於香港上市之權益證券	15,232	1,300,290	Level 1 第一級	Quoted price in an active market 活躍市場之報價
Unlisted private funds in Cayman Islands	於開曼群島之非上市 私募基金	326,641	517,929	Level 2 第二級	Dealing price of the fund derived from the net asset value of the fund 從基金的資產淨值得出之 基金交易價格
Financial assets at FVTOCI	按公平值計入其他全面收益之 金融資產				
Listed debt securities	上市債務證券	-	88,318	Level 1 第一級	Quoted price in an active market 活躍市場之報價
Equity securities	權益證券	71,000	96,000	Level 3 第三級	Market approach Key input - Discount for lack of marketability, determined by reference to various research studies at 25% 市場法 主要參數 - 缺乏流通性之折讓(參考各 種研究而釐定)為25%

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

During the years ended 31 December 2019 and 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

39. 金融工具 (續)

(c) 金融工具公平值計量

金融資產及金融負債之公平值乃按以下釐定：

- 具有標準條款及條件及於活躍流動市場買賣的金融資產及金融負債，乃參考所報市場買盤價及賣盤價釐定公平值；及
- 其他金融資產及金融負債之公平值乃根據基於折現現金流量分析之普遍採納定價模式釐定。

於綜合財務狀況表內確認之公平值計量

本公司董事認為，按攤銷成本於綜合財務報表入賬之金融資產及金融負債之賬面值與其公平值相若。

於截至二零一九年及二零一八年十二月三十一日止年度，第一級與第二級之間並無轉撥，亦無轉入或轉出第三級。本集團之政策為於轉撥發生之報告期末確認公平值等級各級之間的轉撥。

40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

40. 融資活動產生之負債對賬

下表詳列本集團融資活動產生之負債變動，包括現金及非現金變動。融資活動產生之負債乃現金流量已經或未來現金流量將會於本集團綜合現金流量表分類為融資活動現金流量之負債。

		Amounts due to non- controlling interests 應付 非控股 權益款項	Amounts due to related companies 應付關連 公司款項	Borrowings 借款	Lease liabilities 租賃負債	Obligation under finance lease 項下之責任	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2018	於二零一八年十二月三十一日	-	-	11,184,754	-	2,203	11,186,957
Adjustments upon application of HKFRS 16	於應用香港財務報告準則第16號後調整	-	-	-	11,396	(2,203)	9,193
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)	-	-	11,184,754	11,396	-	11,196,150
Financing cash flows	融資現金流量	56,242	5,900	(2,056,741)	(8,126)	-	(2,002,725)
Exchange adjustments	匯兌調整	(1,019)	-	(97,516)	(85)	-	(98,620)
Effective interest expenses (Note 8)	實際利息開支(附註8)	-	172	921,510	520	-	922,202
Loss on early redemption of bonds	提前贖回債券之虧損	-	-	36,323	-	-	36,323
Gain on modification of bonds	債券修訂之收益	-	-	(86,688)	-	-	(86,688)
Disposal of subsidiaries (Note 34)	出售附屬公司(附註34)	-	-	(691,314)	-	-	(691,314)
Interest payables	應付利息	-	-	(787,047)	-	-	(787,047)
New lease entered	訂立新租賃	-	-	-	6,191	-	6,191
Lease terminated	已終止租賃	-	-	-	(5,189)	-	(5,189)
At 31 December 2019	於二零一九年十二月三十一日	55,223	6,072	8,423,281	4,707	-	8,489,283

40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (Continued)

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities. (Continued)

40. 融資活動產生之負債對賬 (續)

下表詳列本集團融資活動產生之負債變動，包括現金及非現金變動。融資活動產生之負債乃現金流量已經或未來現金流量將會於本集團綜合現金流量表分類為融資活動現金流量之負債。(續)

		Amounts due to non-controlling interests	Amounts due to related companies	Borrowings	Lease liabilities	Obligation under finance lease	Total
		應付非控股權益款項	應付關連公司款項	借款	租賃負債	融資租賃項下之責任	總計
		(Note 27)	(Note 27)	(Note 31)	(Note 29)	(Note 30)	
		(附註27)	(附註27)	(附註31)	(附註29)	(附註30)	
		HK\$'000	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	千港元
At 1 January 2018	於二零一八年一月一日	-	-	9,922,691	-	2,867	12,303,937
Financing cash flows	融資現金流量	-	-	(1,679,490)	-	(788)	(1,858,779)
Exchange adjustments	匯兌調整	-	-	(252,038)	-	-	(242,774)
Interest expenses	利息開支	-	-	966,730	-	124	1,076,152
Loss on early redemption of bonds	提前贖回債券之虧損	-	-	8,758	-	-	8,758
Gain in respect of convertible bonds extinguished during the year	年內取消可換股債券之收益	-	-	2,218,103	-	-	(18,617)
Conversion of convertible bonds	轉換可換股債券	-	-	-	-	-	(81,720)
At 31 December 2018	於二零一八年十二月三十一日	-	-	11,184,754	-	2,203	11,186,957

41. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Transaction

Save as disclosed in Note 27 to the consolidated financial statements, the Group has the following transaction with related party.

Name of related party 關連人士名稱	Nature of transaction 交易性質	2019	2018
		二零一九年 HK\$'000 千港元	二零一八年 HK\$'000 千港元
Enterprise Development Investment Holdings Limited 企展投資控股有限公司	Finance cost 融資成本	172	-

(b) Compensation to key management personnel of the Group

		2019	2018
		二零一九年 HK\$'000 千港元	二零一八年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	17,856	36,958
Post-employment benefits	離職後福利	43	42
		17,899	37,000

42. CONTINGENT LIABILITIES AND LITIGATIONS

Saved as disclosed in Notes 20, 22 and 24 to the consolidated financial statements, the Group had no other material contingent liabilities and litigations aware of.

43. COMPARATIVE FIGURES

Certain comparative figures are reclassified to conform with the current year's presentation.

41. 重大關連人士交易

(a) 交易

除綜合財務報表附註27所披露者外，本集團有以下關連人士交易。

(b) 本集團主要管理人員薪酬

42. 或然負債及訴訟

除綜合財務報表附註20、22及24所披露者外，本集團並無已知悉的其他重大或然負債及訴訟。

43. 比較數字

若干比較數字已重新分類，以符合本年度之列報方式。

44. EVENTS AFTER THE REPORTING PERIOD

On 22 January 2020, a winding up petition was presented against the Company in respect of certain alleged indebtedness of approximately HK\$10.6 million owed to Mr. Sheng Hou Feng (the “Petition by Mr. Shen HF”) in respect of a private immigration bond issued by the Company. The hearing originally scheduled to be heard on 18 March 2020 has been adjourned to a date to be fixed due to the outbreak of the COVID-19. Certain individuals who are alleged creditors of the Company served notices of intention to appear on the hearing of the Petition by Mr. Shen HF. On 10 March 2020, another winding up petition was presented against the Company in respect of certain alleged indebtedness of approximately HK\$30.2 million owed to Ms. Zhang Jingchu in respect of a private senior immigration bond issued by the Company. The hearing is scheduled to be heard on 3 June 2020.

The Company has appointed Houlihan Lokey (China) Limited as financial advisor (the “Financial Adviser”) to assess the financial position of the Company and to identify all options available at this time to regularise the position as soon as practicable. The Company may oppose the Petition by Mr. Shen HF and/or seek an adjournment of the hearing while the Company explores the options for implementing a financial restructuring with the Financial Adviser.

The Company has been actively engaging with its creditors in order to stabilise the current situation and in an effort to achieve a consensual restructuring. The Company has convened six meetings with the institutional creditors to provide updates on its operational and financial status and future business plan, and to discuss about its debt restructuring plan since April 2019. Major creditors have established a clear understanding of the Company’s financial status and have indicated their willingness to work constructively with the Company. Certain creditors are considering to provide capital to support the Company in light of its current difficulties.

Subsequently, on 3 March 2020, the Company formally extended the Financial Advisor’s mandate to assist the Company in assessing its financial position and to advise the Company on formulating and implementing a debt restructuring plan for its USD-denominated Bonds.

44. 報告期後事項

於二零二零年一月二十二日，一名呈請人就指稱結欠沈厚鋒先生有關本公司所發行私人移民債券的債務約10,600,000港元提出要求本公司清盤之呈請（「沈厚鋒先生之呈請」）。聆訊原定於二零二零年三月十八日進行，因2019冠狀病毒病爆發已延期至另行釐定的日期。若干聲稱是本公司債權人的個人已提交有意出席沈厚鋒先生之呈請聆訊的通知。於二零二零年三月十日，另一呈請人就指稱結欠張靜初女士有關本公司所發行私人優先移民債券之債務約30,200,000港元提出要求本公司清盤之呈請。聆訊定於二零二零年六月三日進行。

本公司已委聘華利安諾基（中國）有限公司作為財務顧問（「財務顧問」），以評估本公司的財務狀況並於切實可行範圍內盡快識別當前所有可用的方案以調整該狀況。本公司或會就沈厚鋒先生之呈請提出抗辯及／或尋求延後聆訊，同時本公司將與財務顧問探討有關實施財務重組的方案。

本公司一直積極與其債權人洽商以穩定目前狀況及努力達成經一致同意的重組。自二零一九年四月以來，本公司與機構債權人召開了六次會議，向彼等提供有關其營運及財務狀況以及未來業務計劃的最新情況，並討論其債務重組計劃。主要債權人已充分了解本公司的財務狀況，亦表示願意與本公司攜手進行有建設性的工作。部分債權人就本公司目前的困難，正在考慮向本公司提供資金支持。

隨後，於二零二零年三月三日，本公司正式擴大財務顧問的授權以協助本公司評估其財務狀況以及就制定和實施其美元債券的債務重組計劃提供意見。

44. EVENTS AFTER THE REPORTING PERIOD (Continued)

On 14 January 2020, the Company, together with the Financial Advisor, convened the sixth meeting with its institutional creditors to provide (i) an update on the financial and operational conditions faced by the Company, and (ii) a preliminary restructuring framework for all of its debt obligations. Subsequently on 23 January 2020, a revised debt restructuring proposal was circulated to the institutional creditors based on the feedback received after the meeting.

In addition, both directly and through its Financial Advisor, the Company has made efforts to contact holders of its Immigration Bonds to advise them of the Company's current situation. The Company will consider further feedback from the creditors, and will work with all relevant parties, in an effort to reach a consensual restructuring.

The outbreak of a coronavirus (COVID-19) has led to substantial travel bans and lockdowns across China. Increased global and local travel restrictions amid virus infections locally and overseas also substantially reduced China's manufacturing capability, resulting in significant disruption to global supply chains and worldwide trade, posing a significant threat to the global economy. Therefore, not only does the Group expect weak performance from the property development and investment in the PRC, but also expect the performance of the hotel portfolio in the PRC to be negatively impacted in 2020. Given the dynamic nature of these circumstances, the related impact on the Group's consolidated results of operations, cash flows and financial condition could not be reasonably estimated at this stage and will be reflected in the Group's 2020 interim and annual financial statements.

44. 報告期後事項 (續)

於二零二零年一月十四日，本公司連同財務顧問與機構債權人召開第六次會議，以提供(i)有關本公司所面臨的財務及營運狀況的最新情況，及(ii)有關本公司全部債務責任的初步重組框架。隨後，於二零二零年一月二十三日，根據於該會議上收到的反饋而修訂後的債務重組方案已傳予機構債權人。

此外，本公司直接及透過其財務顧問努力聯絡其移民債券持有人，向彼等告知本公司的目前狀況。本公司將考慮自債權人獲得的進一步反饋，並將致力與有關各方合力達成經一致同意的重組。

冠狀病毒(2019冠狀病毒病)的爆發已導致中國各地實施大量出行禁令及封鎖。於本地及海外病毒感染期間全球及本地出行限制的增加亦顯著降低中國的製造能力，嚴重干擾了全球供應鏈及全球貿易，對全球經濟構成嚴重威脅。因此，本集團預計二零二零年於中國的房地產發展及投資將表現疲弱，且於中國的酒店組合的表現預計亦會受到負面影響。鑒於該等情況會不斷變化，因此其對本集團的綜合經營業績、現金流量及財務狀況的相關影響於現階段尚無法合理估計，而將在本集團二零二零年中期及年度財務報表中反映。

45. PARTICULARS OF PRINCIPAL
SUBSIDIARIES OF THE COMPANY AS AT 31
DECEMBER 2019

45. 於二零一九年十二月三十一日本
公司主要附屬公司之詳情

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/設立/ 營運地點	Registered capital/paid up capital 註冊資本/ 繳足資本	Proportion of ownership interests held by the Company 本公司持有擁有權 權益之比例	Principal activities 主要業務
Carnival Group (Hong Kong) Holdings Limited 嘉年華(香港)控股有限公司	Hong Kong 香港	Ordinary HK\$1 普通股1港元	100% (Indirect) 100% (間接)	Provision of management services in Hong Kong 在香港提供管理服務
Swift Fortune Investments Limited 捷發投資有限公司	BVI 英屬處女群島	Ordinary USD2 普通股2美元	100% (Direct) 100% (直接)	Securities Investment 證券投資
海上嘉年華(青島)置業有限公司	PRC (Note (i)) 中國(附註(i))	Registered capital RMB900,000,000 註冊資本人民幣900,000,000元	64% (Indirect) 64% (間接)	Property development in the PRC 在中國經營發展物業業務
青島海灣豪庭物業管理有限公司	PRC (Note (ii)) 中國(附註(ii))	Registered capital RMB1,000,000 註冊資本人民幣1,000,000元	64% (Indirect) 64% (間接)	Property management in the PRC 在中國經營物業管理業務
青島海上嘉年華商業管理有限公司	PRC (Note (ii)) 中國(附註(ii))	Registered capital RMB10,000,000 註冊資本人民幣10,000,000元	64% (Indirect) 64% (間接)	Commercial management in the PRC 在中國經營商業管理業務
深圳市多利偉投資發展有限公司	PRC (Note (ii)) 中國(附註(ii))	Registered capital RMB40,000,000 註冊資本人民幣40,000,000元	99.01% (Indirect) 99.01% (間接)	Property development in the PRC 在中國經營發展物業業務
成都市嘉錦置業有限公司	PRC (Note (iii)) 中國(附註(iii))	Registered capital RMB70,600,000 註冊資本人民幣70,600,000元	99.01% (Indirect) 99.01% (間接)	Property development in the PRC 在中國經營發展物業業務

45. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY AS AT 31 DECEMBER 2019 (Continued)

45. 於二零一九年十二月三十一日本公司主要附屬公司之詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/設立/ 營運地點	Registered capital/paid up capital 註冊資本/繳足資本	Proportion of ownership interests held by the Company 本公司持有擁有權益之比例	Principal activities 主要業務
青島嘉耀華置業有限公司	PRC (Note (ii)) 中國 (附註(ii))	Registered capital RMB10,000,000 註冊資本人民幣 10,000,000元	100% (Indirect) 100% (間接)	Property development in the PRC 在中國經營發展物業業務
北京空港富視國際房地產投資有限公司	PRC (Note (ii)) 中國 (附註(ii))	Registered capital RMB250,000,000 註冊資本人民幣 250,000,000元	99.4% (Indirect) 99.4% (間接)	Property development in the PRC 在中國經營發展物業業務

Notes:

- (i) The company is a sino-foreign equity joint venture established in the PRC.
- (ii) The company is a limited liability company established in the PRC.
- (iii) The company is a wholly foreign-owned enterprise established in the PRC.

附註：

- (i) 該公司是在中國成立之中外合資企業。
- (ii) 該公司是在中國成立之有限責任公司。
- (iii) 該公司是在中國成立之外商獨資企業。

46. DETAILS OF NON-WHOLLY OWNED SUBSIDIARY THAT HAS MATERIAL NON-CONTROLLING INTERESTS

46. 擁有重大非控股權益之非全資附屬公司資料

The table below shows details of non-wholly-owned subsidiary of the Group that has material non-controlling interests:

下表載列本集團擁有重大非控股權益之非全資附屬公司資料：

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要經營地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益持有擁有權益及投票權之比例		Loss attributable to non-controlling interests 非控股權益應佔虧損		Accumulated non-controlling interests 累計非控股權益	
		2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
海上嘉年華(青島)置業有限公司	PRC 中國	36%	36%	(551,835)	(224,151)	1,084,575	1,690,137

46. DETAILS OF NON-WHOLLY OWNED SUBSIDIARY THAT HAS MATERIAL NON-CONTROLLING INTERESTS (Continued)

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

海上嘉年華(青島)置業有限公司

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	3,376,733	3,298,096
Non-current assets	非流動資產	8,140,758	9,478,897
Current liabilities	流動負債	(7,068,221)	(5,591,628)
Non-current liabilities	非流動負債	(1,436,562)	(2,490,539)
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,928,133	3,004,689
Non-controlling interests	非控股權益	1,084,575	1,690,137
Revenue	收入	129,525	709,344
Loss for the year	年度虧損	(1,532,874)	(622,643)
Total comprehensive expense for the year	年度全面支出	(1,682,118)	(890,506)
Loss for the year attributable to the non-controlling interests	非控股權益應佔年度虧損	(551,835)	(224,151)
Total comprehensive expense attributable to the non-controlling interests	非控股權益應佔全面支出總額	(605,562)	(320,583)
Net cash inflow from operating activities	經營活動產生之淨現金流入	222,702	437,495
Net cash outflow from investing activities	投資活動產生之淨現金流出	(88,825)	(176,551)
Net cash outflow from financing activities	融資活動產生之淨現金流出	(154,342)	(220,922)
Net cash (outflow)/inflow	淨現金(流出)/流入	(20,465)	40,022

46. 擁有重大非控股權益之非全資附屬公司資料(續)

擁有重大非控股權益之本集團附屬公司財務資料概要載列如下。下列財務資料概要為集團之間對銷前之金額。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
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Current assets	流動資產	3,376,733	3,298,096
Non-current assets	非流動資產	8,140,758	9,478,897
Current liabilities	流動負債	(7,068,221)	(5,591,628)
Non-current liabilities	非流動負債	(1,436,562)	(2,490,539)
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,928,133	3,004,689
Non-controlling interests	非控股權益	1,084,575	1,690,137

Revenue	收入	129,525	709,344
Loss for the year	年度虧損	(1,532,874)	(622,643)
Total comprehensive expense for the year	年度全面支出	(1,682,118)	(890,506)
Loss for the year attributable to the non-controlling interests	非控股權益應佔年度虧損	(551,835)	(224,151)
Total comprehensive expense attributable to the non-controlling interests	非控股權益應佔全面支出總額	(605,562)	(320,583)

Net cash inflow from operating activities	經營活動產生之淨現金流入	222,702	437,495
Net cash outflow from investing activities	投資活動產生之淨現金流出	(88,825)	(176,551)
Net cash outflow from financing activities	融資活動產生之淨現金流出	(154,342)	(220,922)
Net cash (outflow)/inflow	淨現金(流出)/流入	(20,465)	40,022

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

47. 本公司財務狀況表及儲備

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	2,644,120	3,043,952
Note receivables	應收票據	82,792	89,039
		2,726,912	3,132,991
Current assets	流動資產		
Prepayments and other receivables	預付款項及其他應收款項	15,304	57,393
Amounts due from subsidiaries	應收附屬公司款項	1,892,244	10,894,971
Cash and cash equivalents	現金及現金等價物	338	12,167
		1,907,886	10,964,531
Total assets	資產總值	4,634,798	14,097,522
Current liabilities	流動負債		
Accrued liabilities and other payables	應計負債及其他應付款項	360,148	12,457
Amounts due to subsidiaries	應付附屬公司款項	496,932	1,314,938
Borrowings	借款	1,227,584	4,612,850
		2,084,664	5,940,245
Net current (liabilities)/assets	流動(負債)/資產淨值	(176,778)	5,024,286
Total assets less current liabilities	總資產減流動負債	2,550,134	8,157,277
Capital and reserves	資本及儲備		
Share capital	股本	236,952	4,754,956
Share premium and reserves	股份溢價及儲備	(1,233,638)	2,632,597
Total equity	權益總額	(996,686)	7,387,553
Non-current liabilities	非流動負債		
Borrowings	借款	3,546,820	769,724
		2,550,134	8,157,277

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 29 April 2020 and were signed on its behalf by:

本公司之財務狀況表已於二零二零年四月二十九日獲董事會批准及授權刊發，並由下列董事代表簽署：

Bai Xuefei
白雪飛
Director
董事

Luo Jiagi
羅嘉奇
Director
董事

47. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

47. 本公司財務狀況表及儲備 (續)

Movement in the Company's reserves

本公司之儲備變動

		Share premium	Contributed surplus	Capital reserve	Convertible bonds equity reserve	Accumulated losses	Total
		股份溢價	繳入盈餘	資本儲備	可換股債券權益儲備	累計虧損	總計
		HK\$'000	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	千港元
At 1 January 2018	於二零一八年一月一日	6,928,614	9,404	-	35,970	(4,172,505)	2,801,483
Loss for the year	年度虧損	-	-	-	-	(545,832)	(545,832)
Issue of shares by way of placing	透過配售發行股份	341,000	-	-	-	-	341,000
Transaction costs attributable to issue of shares	發行股份應佔交易成本	(2,000)	-	-	-	-	(2,000)
Shares issued upon conversion of convertible bonds	因轉換可換股債券發行股份	45,470	-	-	-	-	45,470
Extinguishment of convertible bonds	取消可換股債券	-	-	-	(35,970)	35,970	-
Repurchase of ordinary shares	購回普通股	(23,250)	-	15,726	-	-	(7,524)
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	7,289,834	9,404	15,726	-	(4,682,367)	2,632,597
Loss for the year	年度虧損	-	-	-	-	(8,374,510)	(8,374,510)
Capital reduction	削減股本	-	4,517,208	-	-	-	4,517,208
Repurchase of ordinary shares	購回普通股	(9,729)	-	796	-	-	(8,933)
At 31 December 2019	於二零一九年十二月三十一日	7,280,105	4,526,612	16,522	-	(13,056,877)	(1,233,638)

Particulars of the Major Properties Held

所持主要物業詳情

Details of the Group's major properties held as at 31 December 2019 under development for sale, investment or own use are as follows:

本集團於二零一九年十二月三十一日持作出售、投資或自用的發展中主要物業詳情如下：

Name of property and location	Intended use	Stage of completion	Expected year of completion	Approximate site area	Approximate gross floor area	Group's interest
物業名稱及地點	擬定用途	完成階段	預計完工年度	地盤面積	概約樓面面積	本集團所佔權益
				sq m 平方米	sq m 平方米	
(a) Rio Carnival, Huangdao District, Qingdao City, Shandong Province, the PRC 青島海上嘉年華 中國 山東省 青島市 黃島區	- Residential - Commercial	- Partially completed - Completed	2021 in phases	348,900	765,800	64%
(b) Carnival International Community, Chengdu Hi-tech Zone, Chengdu, Sichuan Province, the PRC 嘉年華國際社區 中國 四川省 成都市 成都高新區	- Residential - Commercial	- Completed - Completed	2019	72,500	481,000	100%

Particulars of the Major Properties Held
所持主要物業詳情

Name of property and location	Intended use	Stage of completion	Expected year of completion	Approximate site area	Approximate gross floor area	Group's interest
物業名稱及地點	擬定用途	完成階段	預計完工年度	概約地盤面積	概約樓面面積	本集團所佔權益
				sq m 平方米	sq m 平方米	
(c) Laoshan Project, No. 490 Xiangang East Road, Laoshan District, Qingdao, Shandong Province, the PRC 嶗山項目 中國 山東省 青島市嶗山區 香港東路490號	- Residential	- Partially completed	2021 in phases	44,440	111,573	99%
	- 住宅	- 部分完成	二零二一年 分階段完成			
(d) Beijing Project, 25th Street Zone, Shunyi New Town, Shunyi District, Beijing, the PRC 北京項目 中國 北京市 順義區 順義新城 第25街區	- Residential	- Land under development	2021 in phases	14,144	45,287	99.4%
	- 住宅	- 開發中土地	二零二一年 分階段完成			

Financial Summary

財務概要

A summary of the consolidated results and assets and liabilities of the Group for the last five financial years as extracted from the audited financial statements and restated as appropriate is set out below:

以下為本集團於最近五個財政年度之綜合業績以及資產及負債之概要。有關資料乃摘錄自經審核財務報表並經適當重列：

RESULTS		業績				
Year ended 31 December	截至十二月三十一日止年度	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Continuing operations	持續經營業務					
Revenue	收入	(475,701)	1,458,321	2,193,310	1,934,024	1,146,888
(Loss)/profit before tax	除稅前(虧損)/溢利	(3,503,002)	(3,804,212)	745,971	50,386	95,728
Income tax credit/(expense)	所得稅抵免/(支出)	73,485	105,156	(220,478)	(763)	8,162
(Loss)/profit for the year	年度(虧損)/溢利	(3,429,517)	(3,699,056)	525,493	49,623	103,890
(Loss)/profit for the year attributable to:	下列人士應佔年度(虧損)/溢利:					
Owners of the Company	本公司擁有人	(2,941,975)	(3,504,039)	394,700	123,740	120,453
Non-controlling interests	非控股權益	(487,542)	(195,017)	130,793	(74,117)	(16,563)
		(3,429,517)	(3,699,056)	525,493	49,623	103,890
ASSETS AND LIABILITIES		資產及負債				
Year ended 31 December	截至十二月三十一日止年度	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Assets	資產	18,479,335	24,256,079	29,518,421	25,147,400	23,020,389
Liabilities	負債	(13,919,698)	(15,985,238)	(17,768,885)	(16,395,344)	(15,934,093)
Net assets	資產淨值	4,559,637	8,270,841	11,749,536	8,752,056	7,086,296
Equity attributable to:	下列人士應佔權益:					
Owners of the Company	本公司擁有人	3,393,936	6,593,790	9,782,304	7,051,017	5,192,128
Non-controlling interests	非控股權益	1,165,701	1,677,051	1,967,232	1,701,039	1,894,168
		4,559,637	8,270,841	11,749,536	8,752,056	7,086,296



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