



China Uptown Group Company Limited
中國上城集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

股份代號 Stock code: 2330



Annual Report **2018** 年報

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. LIU Feng (*Chairman*)
Mr. CHEN Xian (*Vice Chairman*)
Mr. LAU Sai Chung (*Chief Executive Officer*)
Mr. LIU Zhongxiang

Independent Non-Executive Directors

Mr. POON Lai Yin Michael
Mr. CHAR Shik Ngor Stephen
Ms. LI Jiansheng

AUDIT COMMITTEE

Mr. POON Lai Yin Michael (*Chairman*)
Mr. CHAR Shik Ngor Stephen
Ms. LI Jiansheng

REMUNERATION COMMITTEE

Ms. LI Jiansheng (*Chairman*)
Mr. POON Lai Yin Michael
Mr. CHAR Shik Ngor Stephen

NOMINATION COMMITTEE

Mr. CHAR Shik Ngor Stephen (*Chairman*)
Mr. POON Lai Yin Michael
Ms. LI Jiansheng

COMPANY SECRETARY

Mr. FU Lui

AUDITOR

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
Guangdong Nanyue Bank

LEGAL ADVISOR

Anthony Siu & Co.

董事會

執行董事

劉鋒先生 (*主席*)
陳賢先生 (*副主席*)
劉世忠先生 (*行政總裁*)
劉忠翔先生

獨立非執行董事

潘禮賢先生
查錫我先生
李建生女士

審核委員會

潘禮賢先生 (*主席*)
查錫我先生
李建生女士

薪酬委員會

李建生女士 (*主席*)
潘禮賢先生
查錫我先生

提名委員會

查錫我先生 (*主席*)
潘禮賢先生
李建生女士

公司秘書

府磊先生

核數師

德勤•關黃陳方會計師行

主要往來銀行

中國建設銀行(亞洲)股份有限公司
廣東南粵銀行

法律顧問

蕭一峰律師行

Corporate Information

公司資料

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 1501, 15/F
Tower 1, Silvercord
30 Canton Road
Tsimshatsui
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road, P. O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY WEBSITE

www.chinauptown.com.hk

STOCK CODE

2330

註冊辦事處

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

總辦事處及主要營業地址

香港
九龍
尖沙咀
廣東道30號
新港中心第一期
15樓1501室

主要股份登記及過戶處

SMP Partners (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road, P. O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

香港之股份登記及過戶處

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

公司網址

www.chinauptown.com.hk

股份代號

2330

Five Years Financial Summary

五年財務概要

Results	業績	Year ended 31 December 截至十二月三十一日止年度				
		2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年
Revenue (RMB'000)	收益 (人民幣千元)	90,251	615,899	479,111	7,801	11,108
(Loss) profit attributable to owners of the Company (RMB'000)	本公司之擁有人應佔(虧損)溢利 (人民幣千元)	(34,461)	44,702	4,612	(33,783)	50,192
(Loss) earnings per share (RMB cents)	每股(虧損)盈利 (人民幣分)					
From continuing and discontinued operations – Basic	來自持續經營業務及已終止經營業務 – 基本	(2.16)	2.93	0.30	(3.02)	5.33
– Diluted	– 攤薄	(2.16)	2.93	N/A不適用	N/A不適用	3.76

Assets and liabilities	資產及負債	At 31 December 於十二月三十一日				
		2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年
Total assets (RMB'000)	資產總值 (人民幣千元)	1,535,616	1,382,377	1,508,282	1,656,810	1,348,211
Total liabilities (RMB'000)	負債總額 (人民幣千元)	(942,117)	(787,982)	(974,254)	(1,134,447)	(838,331)
Net asset value (RMB'000)	資產淨值 (人民幣千元)	593,499	594,395	534,028	522,363	509,880
Equity attributable to owners of the parent (RMB'000)	母公司之擁有人應佔權益 (人民幣千元)	557,022	556,359	503,906	500,187	485,386
Non-controlling interests (RMB'000)	非控制權益 (人民幣千元)	36,477	38,036	30,122	22,176	24,494
Total equity	權益總額	593,499	594,395	534,028	522,363	509,880

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The review of the major business segments of the China Uptown Group Company Limited (the “Company”) and its subsidiaries (the “Group”) during the year ended 31 December 2018 (the “Year”) is as follows:

Property Development and Investment

During the Year, the revenue attributed to the property development and investment business amounted to approximately RMB90,251,000 (2017: RMB547,341,000) representing sales of properties of approximately RMB88,324,000 (2017: RMB546,659,000) and rental income of approximately RMB1,927,000 (2017: RMB682,000).

The Group owns a property development project located in Maoming City (the “Maoming Project”), Guangdong Province, the People’s Republic of China (the “PRC”). The Maoming Project would be developed into a composite of residential and commercial properties in three phases. Majority of commercial and residential properties of phase 1 and 2 of the Maoming Project were delivered and recognised as the revenue of the Group during the year ended 31 December 2017. The construction of phase 3 of the Maoming Project was completed in late 2018 while majority properties contracted for pre-sale will be ready for delivery in 2019. As a result, the financial performance of the property development business, due to reduction of properties delivered during the Year, has declined as compared to 2017.

A portion of the commercial properties of phase 1 and 2 of the Maoming Project of approximately 4,000 square metres was leased and classified as investment properties of the Group. Loss on fair value change on investment properties of approximately RMB4,853,000 (2017: gain of RMB43,644,000) was recorded during the Year.

業務回顧

中國上城集團有限公司(「本公司」)及其附屬公司(「本集團」)於截至二零一八年十二月三十一日止年度(「本年度」)之主要業務分部回顧如下：

物業發展及投資

於本年度，物業發展及投資業務應佔之收益約人民幣90,251,000元(二零一七年：人民幣547,341,000元)，即物業銷售約人民幣88,324,000元(二零一七年：人民幣546,659,000元)及租金收入約人民幣1,927,000元(二零一七年：人民幣682,000元)。

本集團於中華人民共和國(「中國」)廣東省茂名市擁有一個物業發展項目(「茂名項目」)。茂名項目將分三期發展為住宅與商用物業為一體的綜合發展項目。茂名項目第一期及第二期大部分商用與住宅物業已於截至二零一七年十二月三十一日止年度交付及確認為收益。茂名項目第三期已於二零一八年末竣工，而已訂約預售物業大部分將於二零一九年方可供交付。因此，物業發展業務的財務表現因本年度交付物業減少而較二零一七年有所下滑。

茂名項目第一期及第二期商用物業面積約4,000平方米的部分已予租賃並分類為本集團之投資物業。本年度已錄得投資物業之公允值變動虧損約人民幣4,853,000元(二零一七年：收益人民幣43,644,000元)。

Management Discussion and Analysis

管理層討論及分析

The residential and commercial properties contracted for pre-sales are as follows:

已進行訂約預售之住宅與商用物業如下：

		Sales	
		amounts	Percentage
		銷售金額	百分比
		RMB'000	(Note)
		人民幣千元	(附註)
Phase 1 & 2	第一期及第二期	52,055	38%
Phase 3	第三期	761,171	79%

Note: Refer to the percentage of area of residential and commercial properties contracted for pre-sales over the total unsold area of residential and commercial properties.

附註：指已訂約預售之住宅與商用物業面積佔未售住宅與商用物業總面積之百分比。

Trading of raw sugar

The Group has commenced its business in trading of raw sugar since late 2014. During the Year, in light of fluctuation in price of raw sugar and increased market risk, no trading of raw sugar was performed. With reference to the announcement dated 22 January 2018 and 14 February 2018 and circular dated 5 March 2018 of the Company, in 2018, the Group has entered into a master agreement and a supplemental agreement with China Sugar Holdings Limited ("China Sugar") to purchase raw cane sugar from China Sugar for a period of 34 months ending 31 December 2020. The management of the Company is of the view that such arrangement could enhance the sugar procurement network of the Group, mitigate price risk of raw sugar supply and achieve a more rapid expansion of its trading of raw sugar business.

There is no sales, purchase nor transactions with China Sugar for the period from 1 March 2018 to 31 December 2018 in view of the sugar market fluctuation. To mitigate the business risks, the management taken extra cautions in exploring business opportunity in 2018.

原糖貿易

本集團自二零一四年末起已開展原糖貿易業務。於本年度，鑒於原糖價格波動及市場風險增加，並無進行原糖貿易。經參照本公司日期為二零一八年一月二十二日及二零一八年二月十四日之公告及日期為二零一八年三月五日之通函，於二零一八年，本集團就向中國糖業集團有限公司（「中國糖業」）購買原蔗糖與中國糖業訂立總協議及補充協議，年期為截至二零二零年十二月三十一日止三十四個月。本公司管理層認為，有關安排可加強本集團之糖採購網絡，減輕原糖供應的價格風險，以便更迅速地拓展其原糖貿易業務。

鑒於糖類市場波動，於二零一八年三月一日至二零一八年十二月三十一日期間並無與中國糖業進行銷售、購買及交易。為減輕經營風險，管理層於二零一八年發掘商機時份外謹慎。

Management Discussion and Analysis

管理層討論及分析

MARKET OUTLOOK AND PROSPECTS

In 2018, the PRC economy remained complicated. Due to the trade dispute between the PRC and the United States of America, the economic performance will remain uncertain in 2019. Moreover, the operating environment of the nationwide real estate market will still be restricted, especially in first tier cities. The central government of the PRC reaffirmed that the real estate market regulation will not be unconditionally wavered.

However, urbanisation in the PRC is far from completion. The management of the Company is confident that our real estate project in Maoming City will not be materially affected. In particular (1) good reputation of the Maoming Project; (2) majority of properties of the Maoming Project was contracted for pre-sale; (3) average selling price of phase 3 of the Maoming Project gradually increased during the Year; and (4) the local city transformation created a strong end-user housing demands in the district of the Maoming Project.

Regarding the Maoming Project, the Company will continue to deliver the residential properties to its customers according to their pre-sale schedule.

The final number of deliveries in 2019 is subject to the project's comprehensive completion inspection by the local government and customers' final possession of the properties.

The remaining unsold residential units (without pre-sale contract) of phase 3, represented approximately 16% of total phase 3's residential units (by area), are mainly with better quality. The management will continue to adopt a higher selling price for these properties, and it is anticipated that the average selling price of these properties will be increased by approximately 10% to 20%. In order to achieve this result, several sales campaigns will be rolled out throughout 2019.

市場展望及前景

於二零一八年，中國經濟依然複雜多變。鑒於中國與美國之間的貿易爭端，於二零一九年，經濟表現仍將不明朗。此外，國內房地產市場（特別是一線城市）的經營環境仍將受到限制。中國中央政府重申房地產市場監管毫不動搖。

然而，中國的城市化進程遠未完成。本公司管理層堅信茂名市房地產項目將不會受到重大影響，具體原因在於(1)茂名項目聲譽良好；(2)茂名項目大部分物業已進行訂約預售；(3)茂名項目第三期之平均售價於本年度內逐漸上升；及(4)當地城市轉型帶來茂名項目所在地區終端用戶之強勁住房需求。

就茂名項目而言，本公司將繼續根據其預售時間表向其客戶交付住宅物業。

二零一九年交付的最終數目取決於當地政府的項目綜合竣工驗收及客戶最終所持物業。

第三期餘下未售出住宅單位（未訂約預售）佔第三期總住宅單位的約16%（按面積計），主要為較高質素的住宅單位。管理層將繼續就該等物業採用較高售價及預期該等物業的平均售價將提高約10%至20%。為達致此業績，將於整個二零一九年推出若干銷售活動。

Management Discussion and Analysis

管理層討論及分析

The remaining unsold commercial units (without pre-sale contract) represented approximately 50% of the project's total commercial units (by area). Since the residential units will be delivered to the customers during both first half year and second half year of 2019, the population in the community will continue to increase in 2019. As a result, the management will focus on commercial shops sales in late 2019 and early 2020 as the demand of commercial facilities in the community will be increased.

Regarding the car parks of Phase 3, the strata titles of the car parks will be ready in 2020. The management is in the view that the car park demands will increase as a result of increased number of vehicles and improvement of living standard in Maoming. As a result, the Company is planning to launch major sales activities of car parks in 2020 as more than 80% of car parks are pending for sales.

The management is also considering some improvements and additions of public facilities in the community in order to enhance the marketability of the remaining unsold properties, including residential units, commercial shops and car parks.

Besides the major sales activities of commercial shops, car park and clearance sales on residential units in 2019 and 2020, in 2019 the Company will continue to actively explore new investments opportunities in properties development business, particularly in other third tier and satellite cities since these will be mostly benefited by the continuous urbanisation in PRC and less affected by real estate market policies. The Company has repaid all construction loan and paid substantial portion of the construction fee of the Maoming Project, resources and cashflow will be available for other property project investments in 2019.

Regarding the trading of raw sugar business, it is the goal of the Group to expand its supply chain worldwide and to diversify its customer base in the coming years. As described above, securing a steady supply source from China Sugar will significantly improve the overall business flow and enhance the ability of the Group in exploring new customers in the coming years especially when the sugar market becomes more stable and more resources are now available for trading business.

餘下未售出商業單位（未訂約預售）佔項目總商業單位的約50%（按面積計）。由於住宅單位將於二零一九年上半年及下半年交付予客戶，因此於二零一九年，社區人口將繼續增加。因此，由於社區商業設施的需求將會增加，於二零一九年末及二零二零年初，管理層將專注於商舖銷售。

就第三期的停車場而言，將於二零二零年取得停車場的分層地契。管理層認為，由於車輛數目增加以及茂名生活水平改善，對停車場的需求將會增加。因此，由於超過80%停車場待售，本公司計劃於二零二零年推出停車場的主要銷售活動。

管理層亦正考慮於社區內改善及增設若干公共設施，以提升餘下未售出物業（包括住宅單位、商舖及停車場）的適銷性。

除二零一九年及二零二零年商舖、停車場的主要銷售活動及住宅單位的出清銷售外，於二零一九年本公司將繼續積極發掘於（特別是）其他三線城市及衛星城市物業發展業務的新投資機遇，原因是該等城市大部分將受惠於中國的持續城市化進程及受房地產市場政策的影響較小。本公司已償還所有建設貸款並已支付茂名項目的大部分建設費，於二零一九年，資源及現金流量將可用於其他物業項目投資。

原糖貿易業務方面，本集團之目標為於未來數年在全球範圍擴展其供應鏈及分散其客戶基礎。誠如上文所述，自中國糖業獲得穩定供應來源將大幅提升整體業務流及增強本集團於未來數年，特別是糖類市場更為穩定及貿易業務有更多目前可用資源時發掘新客戶之能力。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

For the Year, the Group's revenue amounted to approximately RMB90,251,000 (2017: RMB615,899,000). The loss attributable to owners of the Company was approximately RMB34,461,000 (2017: profit of RMB44,702,000). The downturn of the revenue and profit were mainly due to the following reasons:

- (i) The majority of Phase 1 & 2 of the Maoming Project, in particular the residential properties, was completed and recognised as revenue during the years ended 2016 and 2017. The majority of Phase 3 of the Maoming Project is scheduled to be delivered and recognised as revenue in 2019. As a result, the revenue and profit attributable to properties development business decreased significantly.
- (ii) The valuation of the Group's investment properties decreased slightly during the Year while a significant fair value change on investment properties were recorded in the corresponding period in 2017 upon the reclassification of investments properties from property held for sale. For the Year, the loss on fair value change on investment properties amounted to approximately RMB4,853,000 (2017: gain of RMB43,644,000); and
- (iii) No revenue was attributed to trading of raw sugar due to the underperforming market of raw sugar during the Year.

For the Year, the Group's operating activities generated a net cash inflow of approximately RMB116,262,000 (2017: outflow of RMB10,333,000). As at 31 December 2018, bank balances and cash was approximately RMB52,422,000 (2017: RMB26,322,000), restricted bank deposit was approximately RMB8,169,000 (2017: RMB8,015,000) and pledged bank deposits were approximately RMB38,085,000 (2017: RMB12,908,000).

財務回顧

於本年度，本集團的收益約人民幣90,251,000元（二零一七年：人民幣615,899,000元）。本公司擁有人應佔虧損約人民幣34,461,000元（二零一七年：溢利人民幣44,702,000元）。收益及溢利下跌主要是由於下列原因：

- (i) 茂名項目第一期及第二期（尤其是住宅物業）大部分已竣工且於截至二零一六年及二零一七年止年度確認收益。茂名項目第三期大部分計劃交付且於二零一九年確認收益。因此，歸屬於物業發展業務的收益及溢利大幅減少。
- (ii) 於本年度，本集團投資物業之估值略微減少，而於二零一七年同期投資物業於來自持作出售物業之投資物業重新分類後錄得公允值大幅變動。於本年度，投資物業公允值變動之虧損約人民幣4,853,000元（二零一七年：收益人民幣43,644,000元）；及
- (iii) 於本年度，由於原糖市場表現不佳，原糖貿易並無錄得收益。

於本年度，本集團經營業務產生的現金流入淨額約人民幣116,262,000元（二零一七年：流出人民幣10,333,000元）。於二零一八年十二月三十一日，銀行結存及現金約人民幣52,422,000元（二零一七年：人民幣26,322,000元）、有限制銀行存款約人民幣8,169,000元（二零一七年：人民幣8,015,000元）及已抵押銀行存款約人民幣38,085,000元（二零一七年：人民幣12,908,000元）。

Management Discussion and Analysis

管理層討論及分析

As at 31 December 2018, the total assets of the Group was approximately RMB1,535,616,000 (2017: RMB1,382,377,000), representing an increase of approximately 11%. The increase was mainly due to further construction of phase 3 of the Maoming Project. As at 31 December 2018, the Group's total secured bank borrowings and loan payables amounted to approximately RMB45,001,000 (2017: RMB135,960,000).

As at 31 December 2018, the gearing ratio, expressed as a percentage of total secured bank borrowings and loan payables over net assets was approximately 8% (2017: 23%) and the current ratio was approximately 1.6 (2017: 1.8).

FINANCE COSTS

For the Year, the finance costs were approximately RMB2,798,000 (2017: RMB6,701,000). For the Year, interest expenses of approximately RMB6,341,000 (2017: RMB5,143,000) was capitalised as properties under development. Finance costs mainly comprised of interests expenses on bank borrowings wholly repayable within five years of approximately RMB485,000 (2017: RMB4,963,000), interests expenses on loan payables of approximately RMB1,097,000 (2017: Nil) and interest expenses on receipt in advance of approximately RMB1,216,000 (2017: RMB1,738,000).

CAPITAL STRUCTURE

The issued ordinary share capital of the Company as at 31 December 2018 was approximately HK\$182,469,000 divided into 1,824,690,520 shares of HK\$0.10 each.

FUND RAISING ACTIVITY

On 14 September 2018, the Company and Celestial Securities Limited (the "Placing Agent") entered into a placing agreement pursuant to which the Placing Agent has conditionally agreed to place, on a best effort basis, up to 304,800,000 ordinary shares of the Company to not less than six placees to subscribe at HK\$0.15 per placing share, for and on behalf of the Company (the "Placing"). The Placing completed on 3 October 2018 that an aggregate of 300,212,000 placing shares have been successfully placed to not less than six placees at the placing price of HK\$0.15.

於二零一八年十二月三十一日，本集團的總資產約人民幣1,535,616,000元（二零一七年：人民幣1,382,377,000元），增加約11%。該增加乃主要由於進一步建造茂名項目第三期所致。於二零一八年十二月三十一日，本集團之有抵押銀行借款總額及應付貸款約人民幣45,001,000元（二零一七年：人民幣135,960,000元）。

於二零一八年十二月三十一日，負債率（以有抵押銀行借款總額及應付貸款除以資產淨值之百分比計算）約8%（二零一七年：23%），而流動比率約1.6（二零一七年：1.8）。

財務成本

本年度，財務成本約人民幣2,798,000元（二零一七年：人民幣6,701,000元）。本年度，利息開支約人民幣6,341,000元（二零一七年：人民幣5,143,000元）資本化為在建物業。財務成本主要包括須於五年內悉數償還的銀行借款之利息開支約人民幣485,000元（二零一七年：人民幣4,963,000元）、應付貸款之利息開支約人民幣1,097,000元（二零一七年：無）及預收款項之利息開支約人民幣1,216,000元（二零一七年：人民幣1,738,000元）。

資本結構

於二零一八年十二月三十一日，本公司的已發行普通股股本約港幣182,469,000元，分為1,824,690,520股每股港幣0.10元的股份。

集資活動

於二零一八年九月十四日，本公司與時富證券有限公司（「配售代理」）訂立配售協議，據此，配售代理已有條件同意代表本公司按盡力基準以每股配售股份港幣0.15元配售最多304,800,000股本公司普通股予不少於六名承配人以供認購（「配售事項」）。配售事項於二零一八年十月三日完成，合共300,212,000股配售股份按配售價港幣0.15元成功配售予不少於六名承配人。

Management Discussion and Analysis

管理層討論及分析

All conditions precedent of the placing as set out in the Placing Agreement have been fulfilled and the completion of the placing took place on 3 October 2018. Pursuant to the Placing Agreement, an aggregate of 300,212,000 placing shares with nominal value of HK\$30,021,200, have been placed by the Placing Agent to not less than six placees at the placing price. As a result, the net price per Placing Share was approximately HK\$0.1465/0.1466, representing a discount of approximately 1.6355% to the closing price of HK\$0.149 per share as quoted on the Stock Exchange on the date of the Placing Agreement.

The aggregate gross proceeds and the net proceeds (after deduction of applicable costs and expenses relating to the Placing) from the Placing were approximately HK\$45.03 million and HK\$43.99 million respectively, (i) of which approximately HK\$10 million was used for partial repayment of a secured interest-bearing bank loan; (ii) of which approximately HK\$30 million for partial repayment of an unsecured and interest-free loan payable to a related company controlled by a Director; and (iii) of which approximately HK\$3.99 million as general working capital of the Company. The Board considers that the Placing represents a good opportunity to (i) strengthen the financial position of the Group; (ii) reduce interest expenses from bank loan; and (iii) broaden the shareholder base of the Company. The Directors consider that the terms of the Placing are fair and reasonable and the Placing is in the interests of the Company and its shareholders as a whole.

Details were set out in the Company's announcements dated 14 September 2018 and 3 October 2018.

FOREIGN CURRENCY EXPOSURE

The Group mainly earns revenues and incurs costs in Renminbi, United States dollars and Hong Kong dollars. The Group's monetary assets and liabilities are denominated in Renminbi, United States dollars and Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, the management will monitor foreign exchange exposure closely and consider the use of hedging instruments when the need arises.

配售協議所載之配售事項之所有先決條件已獲達成，而配售事項已於二零一八年十月三日完成。根據配售協議，合共300,212,000股面值為港幣30,021,200元之配售股份已由配售代理按配售價配售予不少於六名承配人。因此，每股配售股份的淨價約為港幣0.1465/0.1466元，較聯交所於配售協議日期所報之收市價每股港幣0.149元折讓約1.6355%。

配售事項產生之所得款項總額及所得款項淨額（經扣除有關配售事項的適用成本及開支後）分別約港幣45,030,000元及港幣43,990,000元，其中(i)約港幣10,000,000元用於償還部分有抵押計息銀行貸款；(ii)約港幣30,000,000元用於償還部分應付董事控制之關連公司之無抵押免息貸款；及(iii)約港幣3,990,000元用作本公司之一般營運資金。董事會認為，配售事項乃(i)加強本集團財務狀況；(ii)減少銀行貸款利息開支；及(iii)拓寬本公司股東基礎之良機。董事認為，配售事項之條款屬公平合理，且配售事項符合本公司及其股東之整體利益。

詳情載於本公司日期為二零一八年九月十四日及二零一八年十月三日之公告。

外匯風險

本集團賺取的收益及產生的費用主要以人民幣、美元及港幣計算。本集團的貨幣資產及負債均以人民幣、美元及港幣計值。目前本集團並無任何外匯對沖政策。然而，管理層會密切監察外匯風險，並在有需要時考慮使用對沖工具。

Management Discussion and Analysis

管理層討論及分析

CHARGE ON ASSETS

As at 31 December 2018, certain of the Group's leasehold land and buildings with an aggregate carrying values of approximately RMB16,292,000 (2017: leasehold land and buildings and properties under development of RMB570,919,000) were pledged to banks for securing general banking facilities granted to certain subsidiaries of the Company. As at 31 December 2018, banking facilities of approximately RMB11,776,000 (2017: RMB119,304,000) were utilised and approximately RMB8,780,000 (2017: RMB8,686,000) were unutilised and available for the Group's future financing.

SEGMENT INFORMATION

The details of segment information are set out in note 6 of notes to the consolidated financial statements of this annual report.

CAPITAL COMMITMENTS

As at 31 December 2018, the Group had no capital commitments (2017: properties under development contracted for but not provided in the consolidated financial statements of approximately RMB249,161,000).

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2018, the Group employed 54 (2017: 71) full time employees in Hong Kong and the PRC. Total remuneration of the Group for the Year was approximately RMB11,826,000 (2017: RMB21,117,000). The Group's emolument policies are formulated on the basis of market trends, future plans and the performance of individuals, which will be reviewed periodically. Apart from provident fund scheme and state-managed social welfare scheme, share options will also be awarded to employees according to assessment of individuals' performance.

資產抵押

於二零一八年十二月三十一日，本集團將總賬面值約人民幣16,292,000元（二零一七年：租賃土地及樓宇及在建物業人民幣570,919,000元）的若干租賃土地及樓宇抵押予銀行，作為本公司若干附屬公司獲授一般銀行信貸之擔保。於二零一八年十二月三十一日，約人民幣11,776,000元（二零一七年：人民幣119,304,000元）的銀行信貸已動用及約人民幣8,780,000元（二零一七年：人民幣8,686,000元）未動用並可供用於本集團未來融資。

分部資料

分部資料之詳情載於本年報綜合財務報表附註6。

資本承擔

於二零一八年十二月三十一日，本集團並無資本承擔（二零一七年：已訂約但未於綜合財務報表撥備之在建物業約人民幣249,161,000元）。

僱員及薪酬政策

於二零一八年十二月三十一日，本集團在香港及中國僱用54位（二零一七年：71位）全職僱員。本集團於本年度之薪酬總額約人民幣11,826,000元（二零一七年：人民幣21,117,000元）。本集團的薪酬政策乃依據市場趨勢、未來計劃及僱員的個人表現而制訂，並定期進行檢討。除提供公積金計劃及國家管理社會福利計劃外，購股權將根據對個別僱員表現的評估向僱員授出，以作獎勵。

Management Discussion and Analysis

管理層討論及分析

CONTINGENT LIABILITIES

As at 31 December 2018, the Group's maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to approximately RMB632,271,000 (2017: RMB443,460,000).

DIVIDEND

No dividend was declared or proposed during the Year. The Board does not recommend the payment of any dividend for the Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions (the "Code Provisions") set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

Throughout the Year, the Company has complied with all the Code Provisions of the CG Code.

PURCHASE, SALE AND REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no significant investments held as at 31 December 2018 nor material acquisitions and disposals of subsidiaries during the Year. There is no plan for material investments or capital assets as at the date of this annual report.

或然負債

於二零一八年十二月三十一日，本集團就本集團物業之若干買家獲提供之按揭貸款之最高責任約人民幣632,271,000元（二零一七年：人民幣443,460,000元）。

股息

於本年度，並無宣派或擬派任何股息。董事會不建議派發本年度之任何股息。

遵守企業管治守則

本公司之企業管治常規乃以香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治守則及企業管治報告（「企業管治守則」）所載原則及守則條文（「守則條文」）為依據。

於本年度，本公司已遵守所有企業管治守則之守則條文。

購買、出售及贖回證券

於本年度，本公司及其任何附屬公司概無買賣或贖回本公司任何上市證券。

持有之重大投資、附屬公司之重大收購及出售，以及未來作重大投資或購入資本資產之計劃

於二零一八年十二月三十一日並無持有重大投資，於本年度內亦無附屬公司之重大收購及出售。於本年報日期，並無重大投資或購入資本資產之計劃。

Biographical Details of Directors

董事簡介

EXECUTIVE DIRECTORS

Mr. Liu Feng, aged 49, was appointed as an executive Director and chairman of the Company on 17 August 2012. Mr. Liu Feng has over twenty years' experience in the general management and sugars markets in the PRC. Mr. Liu Feng is Vice Director of Sugar Association of China* (中國糖業協會). Mr. Liu Feng is a founder of an enterprise engaged in the sugar and starch production business in the PRC. Mr. Liu Feng was awarded as a "Distinct Entrepreneur" by China Economic Trading Promotion Agency* (中國經濟貿易促進會) in 2011 and as a "Distinct Non-Government Entrepreneur of China" by China Non-Government Enterprise Directors Association* (中國民營企業家協會) in 2009. He holds an Executive Master Degree of Business Administration from Cheung Kong Graduate School of Business. Mr. Liu Feng is the father of Mr. Liu Zhongxiang, the executive Director.

Mr. Chen Xian ("Mr. Chen"), aged 55, was appointed as an executive Director and the vice-chairman of the Company on 12 October 2007 and was re-designated as the chairman of the Company on 30 November 2007. Mr. Chen was re-designated again as the vice-chairman of the Company on 17 August 2012. He is also a director of several subsidiaries of the Company. Mr. Chen is one of the founders of a sizeable property development company in Zhuhai, the PRC and has been a member of the senior management of a subsidiary of that company. Mr. Chen was mainly responsible for the investment and development of real estate projects of such companies. Before joining those companies, Mr. Chen worked as a senior member of certain stated-owned companies and the local authority. He has more than 16 years of extensive experience in the investment and development of real estate projects. He holds a Master Degree of Business Administration from the Asia International Open University (Macau).

* For identification purpose only

執行董事

劉鋒先生，四十九歲，於二零一二年八月十七日獲委任為本公司執行董事兼主席。劉鋒先生於綜合管理方面及中國之糖業市場擁有超逾二十年的經驗。劉鋒先生為中國糖業協會副理事長。劉鋒先生亦為一家在中國從事糖及澱粉生產業務的企業之創辦人。劉鋒先生於二零一一年及二零零九年分別被中國經濟貿易促進會評為「傑出企業家」及被中國民營企業家協會評為「中國優秀民營企業家」。彼持有長江商學院高級管理人員工商管理碩士學位(EMBA)。劉鋒先生為執行董事劉忠翔先生之父親。

陳賢先生(「陳先生」)，五十五歲，於二零零七年十月十二日獲委任為本公司之執行董事及副主席及於二零零七年十一月三十日調任為本公司主席。陳先生於二零一二年八月十七日調任為本公司副主席。彼亦為本公司若干附屬公司之董事。陳先生為中國珠海市一所具規模物業發展公司之創辦人之一及曾為該公司附屬公司的高級管理層成員，主要負責該等公司地產項目的投資及開發。於加入該等公司前，陳先生曾任若干國有企業及地方政府之高級管理人員。彼在房地產項目的投資及開發方面擁有超逾十六年的豐富經驗。彼持有亞洲(澳門)國際公開大學商業行政學碩士學位。

* 僅供識別

Biographical Details of Directors 董事簡介

Mr. Lau Sai Chung (“Mr. Lau”), aged 63, was appointed as an independent non-executive Director on 15 September 2006 and was re-designated as an executive Director on 30 November 2007. Mr. Lau was also appointed as the chief executive officer of the Company on 30 November 2007. He is currently also a director of several subsidiaries of the Company. Mr. Lau holds a Bachelor degree in Commerce with major in Accounting from the University of Alberta, Canada and has over 20 years’ experience in the field of banking and finance both in Hong Kong and North America. Mr. Lau is also a fellow member of the Institute of Canadian Bankers and The Hong Kong Institute of Directors, and a member of The Hong Kong Independent Non-Executive Director Association.

Mr. Liu Zhongxiang, aged 31, was appointed as an executive Director on 30 September 2015. He is currently also a director of several subsidiaries of the Company. Mr. Liu Zhongxiang obtained a diploma of legal secretary from the People’s Public Security University of China (中國人民公安大學) in 2009. Mr. Liu Zhongxiang has eight years of experience in diverse businesses, such as construction and sugar production and trading. Mr. Liu Zhongxiang is the son of Mr. Liu Feng, the chairman and the executive Director of the Company.

劉世忠先生(「劉先生」)，六十三歲，於二零零六年九月十五日獲委任為獨立非執行董事及於二零零七年十一月三十日調任為執行董事。劉先生亦於二零零七年十一月三十日獲委任為本公司的行政總裁。彼現時亦擔任本公司若干附屬公司的董事。劉先生持有加拿大阿爾伯塔大學商學學士學位(主修會計)及於香港及北美洲之銀行及金融方面擁有逾二十年的豐富經驗。劉先生亦是加拿大銀行家學會及香港董事學會的資深會員及香港獨立非執行董事協會會員。

劉忠翔先生，三十一歲，於二零一五年九月三十日獲委任為執行董事。彼現亦為本公司若干附屬公司之董事。劉忠翔先生於二零零九年取得中國人民公安大學法律文憑。劉忠翔先生在建築及製糖及糖業貿易等不同行業中擁有八年經驗。劉忠翔先生為本公司主席兼執行董事劉鋒先生之子。

Biographical Details of Directors

董事簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Poon Lai Yin Michael (“Mr. Poon”), aged 47, was appointed as an independent non-executive Director on 29 November 2006. Mr. Poon is also the chairman of the audit committee, a member of the nomination committee and a member of the remuneration committee of the Company. Mr. Poon is a fellow member of Hong Kong Institute of Certified Public Accountants, a member of CPA Australia and a practicing member of Asset Management Association of China. He holds a bachelor degree in administrative studies from York University in Canada and a master degree in practicing accounting with Monash University in Australia. Mr. Poon worked for an international accounting firm and was responsible for providing business advisory and assurance services for listed companies. He has over 20 years of experience in financial reporting, business advisory, auditing, taxation, accounting, merger and acquisition. Mr. Poon is currently an independent non-executive director of Smartac Group China Holdings Limited (Stock Code: 395) and Teamway International Group Holdings Limited (Stock Code: 1239), the shares of which are listed on main board of the Stock Exchange since 29 January 2010 and 19 March 2019, respectively. Mr. Poon is the executive director of Huakang Biomedical Holdings Company Limited (Stock Code: 8622), since 3 August 2017, the shares of which are listed on GEM of the Stock Exchange. Mr. Poon is also currently an independent non-executive director of Gtyneon Holding Limited (SGX: 5HJ), since 11 August 2017, the shares of which are listed on the Singapore Exchange Limited. Mr. Poon was an alternate to Mr. Amir Gal-Or, a non-executive director of Vincent Medical Holdings Limited (Stock Code: 1612) from February 2016 to July 2017, the shares of which are listed on Stock Exchange and the chief executive officer and company secretary of Anxin-China Holdings Limited (Stock Code: 1149) from February 2017 to May 2017, the shares of which were listed on main board of the Stock Exchange and were delisted on 20 December 2018.

獨立非執行董事

潘禮賢先生（「潘先生」），四十七歲，於二零零六年十一月二十九日獲委任為獨立非執行董事。潘先生亦為本公司審核委員會主席、提名委員會成員及薪酬委員會成員。潘先生為香港會計師公會資深會員、澳洲會計師公會會員及中國證券投資基金業協會執業會員。彼持有加拿大約克大學(York University)行政學學士學位及澳洲Monash University實務會計碩士學位。潘先生曾任職於某國際會計師事務所，為多間上市公司提供業務顧問及核證服務。彼於財務申報、業務諮詢、審計、稅務、會計、合併及收購方面擁有逾20年經驗。潘先生自二零一零年一月二十九日及二零一九年三月十九日起分別擔任中國智能集團控股有限公司（股份代號：395，其股份於聯交所主板上市）及Teamway International Group Holdings Limited（股份代號：1239，其股份於聯交所主板上市）之獨立非執行董事。潘先生自二零一七年八月三日起擔任華康生物醫學控股有限公司（股份代號：8622，其股份於聯交所GEM上市）之執行董事。潘先生自二零一七年八月十一日起亦為Gtyneon Holding Limited（新交所：5HJ，其股份於新加坡交易所上市）之獨立非執行董事。潘先生自二零一六年二月至二零一七年七月擔任永勝醫療控股有限公司（股份代號：1612，其股份於聯交所上市）之非執行董事Amir Gal-Or先生之替代董事及自二零一七年二月至二零一七年五月擔任中國安芯控股有限公司（股份代號：1149，其股份於聯交所主板上市並於二零一八年十二月二十日除牌）之行政總裁兼公司秘書。

Biographical Details of Directors 董事簡介

Mr. Char Shik Ngor Stephen (“Mr. Char”), aged 69, was appointed as an independent non-executive Director on 30 September 2015. Mr. Char is also the chairman of the nomination committee, a member of the audit committee and a member of the remuneration committee of the Company. Mr. Char is currently a Barrister-at-Law and was an independent non-executive director of National Investments Fund Limited (Stock Code: 1227), from May 2007 to November 2018, whose shares are listed on the main board of the Stock Exchange. Mr. Char holds a bachelor of laws (Honours) from the University of London and a master degree in Social Sciences from the University of Hong Kong. Mr. Char was also the chief investigator and senior assignment officer of the Independent Commission Against Corruption in Hong Kong from 1976 to 2004 and a chief executive officer of Garner Forest Industries Limited.

Ms. Li Jiansheng (“Ms. Li”), aged 64, was appointed as an independent non-executive Director on 30 September 2015. Ms. Li is also the chairman of the remuneration committee, a member of the audit committee and a member of the nomination committee of the Company. Ms. Li was graduated from Dongbei University of Finance and Economics of China (中國東北財經大學) in July 1982, majoring in infrastructure economics. In October 2006, Ms. Li obtained the certificate for practicing as PRC Corporate Legal Advisor from the Ministry of Personnel, the Ministry of Justice and the State-owned Assets Supervision and Administration Commission of the State Counsel of the PRC. She was recognized as a senior accountant by the Ministry of Personnel of the PRC in 1993 and has been a member of the Institute of Certified Public Accountants of the PRC since 1999. Ms. Li obtained a master degree in Executive MBA from HEC Paris in 2007 and a master degree in Science in Applied Accounting and Finance from Hong Kong Baptist University in 2011. Ms. Li, for the period from September 2007 to March 2014, was appointed as vice president, chief financial officer and general legal advisor of China Railway Group Limited (Stock Code: 0390), the shares of which are listed on the main board of the Stock Exchange.

查錫我先生(「查先生」)，六十九歲，於二零一五年九月三十日獲委任為獨立非執行董事。查先生亦擔任本公司提名委員會主席、審核委員會成員及薪酬委員會成員。查先生現時為一位大律師，於二零零七年五月至二零一八年十一月擔任國盛投資基金有限公司(股份代號：1227，其股份於聯交所主板上市)獨立非執行董事。查先生持有倫敦大學(榮譽)法學學士及香港大學社會科學碩士學位。查先生於一九七六年至二零零四年期間亦曾任香港廉政公署總調查主任及高級審查主任，亦曾任加林森林工業有限公司行政總裁。

李建生女士(「李女士」)，六十四歲，於二零一五年九月三十日獲委任為獨立非執行董事。李女士亦擔任本公司薪酬委員會主席、審核委員會成員及提名委員會成員。李女士於一九八二年七月畢業於中國東北財經大學基建經濟專業。於二零零六年十月，李女士獲得中國人事部、司法部及國務院國有資產監督管理委員會頒發的中國企業法律顧問執業證書。彼於一九九三年獲中國人事部認可為高級會計師及自一九九九年成為中國註冊會計師協會會員。李女士於二零零七年獲得巴黎高等商學院(HEC Paris)高級工商管理碩士學位及於二零一一年獲得香港浸會大學應用會計與金融碩士學位。李女士於二零零七年九月至二零一四年三月期間獲委任為中國中鐵股份有限公司(股份代號：0390，其股份於聯交所主板上市)副總裁、財務總監及總法律顧問。

Corporate Governance Report

企業管治報告

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures.

The Company's corporate governance practices are based on the principles and the CG Code set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 its own code of conduct regarding Directors' securities transactions during the Year. Having made specific enquiry of all Directors, the Company confirms that all Directors have complied with the required standard set out in the Model Code during the Year.

COMPOSITION AND BOARD PRACTICES

The Board is collectively responsible for the oversight of the management of the business and affairs of the Group with the objective of enhancing its corporate value. As at 31 December 2018, the Board consisted of seven Directors, comprising four executive Directors and three independent non-executive Directors. At least one of the independent non-executive Director possess appropriate professional accounting qualifications and financial management expertise, which complies with the requirement of the Listing Rules.

董事會及本公司管理層致力達致高水準之企業管治慣例及程序。

本公司之企業管治常規乃以上市規則附錄十四所載之企業管治守則所載之原則及企業管治守則為依據。

董事進行證券交易之標準守則

於本年度，本公司已採納上市規則附錄十所載上市發行人董事進行證券交易之標準守則（「標準守則」），作為其本身有關董事進行證券交易的操守守則。於本年度，向全體董事作出明確查詢後，本公司確認全體董事已遵守標準守則所載之規定標準。

董事會組成及董事會慣例

董事會負責集體監督管理本集團的業務及事宜，旨在提升企業價值。於二零一八年十二月三十一日，董事會合共由七名董事組成，當中包括四名執行董事及三名獨立非執行董事。至少一名獨立非執行董事具有上市規則規定之適當的專業會計資格及財務管理專長。

Corporate Governance Report

企業管治報告

Executive Directors

Mr. Liu Feng (*Chairman*)
Mr. Chen Xian (*Vice-Chairman*)
Mr. Lau Sai Chung (*Chief Executive Officer*)
Ms. Xia Dan (Resigned on 31 January 2018)

Mr. Liu Zhongxiang

Independent Non-executive Directors

Mr. Poon Lai Yin Michael
Mr. Char Shik Ngor Stephen
Ms. Li Jiansheng

The Directors' biographical information are set out in pages 14 to 17 of this annual report. All executive Directors have given sufficient time and attention to the affairs of the Group. Each executive Director has sufficient experience to hold the position so as to carry out his duties effectively. There is no relationship among the members of the Board except Mr. Liu Feng is the father of Mr. Liu Zhongxiang.

The Board has delegated the executive Directors with authority and responsibility by handling the management functions and operations of the day-to-day business of the Company, while reserving certain key matters for the approval by the Board. The types of decisions to be taken by the Board include annual and interim period financial reporting and control, equity fund raising, declaration of interim dividend and making recommendation of final dividend or other distributions, notifiable transactions under Chapters 14 and 14A of the Listing Rules and making recommendation for capital reorganization or scheme arrangement of the Company.

執行董事

劉鋒先生(主席)
陳賢先生(副主席)
劉世忠先生(行政總裁)
Xia Dan女士
(於二零一八年一月三十一日辭任)
劉忠翔先生

獨立非執行董事

潘禮賢先生
查錫我先生
李建生女士

董事履歷詳情載於本年報第14至第17頁。所有執行董事均就本集團事務付出充足時間及心力。每名執行董事均具有其職位所需之足夠經驗，以有效執行彼之職務。除劉鋒先生為劉忠翔先生之父親外，董事會成員之間並無關係。

董事會已將處理本公司一切管理及日常營運工作轉授本公司之執行董事負責，惟若干重要事項仍需經董事會批准。需由董事會作出決定之類別包括年度及中期財務匯報及監控、股本集資、宣派中期股息及建議末期股息或其他分派、根據上市規則第十四及十四A章須予公佈之交易，以及就本公司之股本重組或計劃安排作出建議。

Corporate Governance Report

企業管治報告

The Board and each Director have separate and independent access to the Company's senior management. A Director who considers a need for independent professional advice in order to perform his/her duties as a Director may convene, or request the secretary of the Company (the "Company Secretary") to convene, a meeting of the Board to approve the seeking of independent legal or other professional advice.

The Company adopts the practice of holding meetings of the Board regularly for at least four times a year at approximately quarterly intervals. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as the operation and financial performance of the Group. Notice of meeting of the Board will be sent to all Directors at least 14 days prior to a regular Board meeting. Reasonable notice will be given to Directors for ad-hoc Board meetings. Directors may participate either in person or through electronic means of communications.

During the Year, nine meetings of the Board were held, Directors are provided with relevant information to make informed decisions. The attendance of Directors at the Board meetings and the Board committees' meetings is set out in the table below:

董事會及各董事可自行接觸本公司之高級管理層。董事如認為需要獨立專業意見，以履行其為董事之責任，可召開或要求本公司之秘書（「公司秘書」）召開董事會會議，批准徵求獨立法律或其他專業意見。

本公司採納定期（一年最少四次，約每季一次）舉行董事會會議的措施。倘需要討論整體策略以及本集團的經營及財務表現，亦會召開臨時董事會會議。董事會會議通告將於日常董事會會議舉行前最少十四天送發予所有董事。就臨時董事會會議而言，合理通告亦會發予董事。董事可親身或透過電子通訊方式出席會議。

本年度已舉行九次董事會會議，董事已獲得相關資料以作出知情決定。董事會及董事委員會各董事之會議出席情況載列於下表：

Name of Directors 董事姓名	Board 董事會	Meetings attended/Eligible to attend 出席會議/合資格出席之會議			General Meetings 股東大會
		Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	
Executive Directors	執行董事				
Mr. Liu Feng	劉鋒先生	9/9	-	-	0/2
Mr. Chen Xian	陳賢先生	9/9	-	-	0/2
Mr. Lau Sai Chung	劉世忠先生	9/9	-	-	2/2
Ms. Xia Dan (Resigned on 31 January 2018)	Xia Dan女士 (於二零一八年一月三十一日辭任)	1/1	-	-	N/A不適用
Mr. Liu Zhongxiang	劉忠翔先生	9/9	-	-	0/2
Independent Non-executive Directors	獨立非執行董事				
Mr. Poon Lai Yin Michael	潘禮賢先生	9/9	2/2	3/3	2/2
Mr. Char Shik Ngor Stephen	查錫我先生	7/9	0/2	1/3	0/2
Ms. Li Jiansheng	李連生女士	9/9	2/2	3/3	2/2

Corporate Governance Report

企業管治報告

Directors' Induction and Continuous Professional Development

All Directors, including independent non-executive Directors, should keep abreast of their collective responsibilities as Directors and of the business and activities of the Group. Each newly appointed Director would receive a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements. The Group also provides briefings and other training to develop and refresh the Directors' knowledge and skills, and update all Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirement to ensure compliance and to enhance their awareness of good corporate governance practices.

During the Year, the Directors participated in the continuous professional developments in relation to regulatory update, the duties and responsibility of the Directors and the business of the Group in the following manner:

董事之入職及持續專業發展

全體董事（包括獨立非執行董事）均須了解彼等作為董事之共同職責，以及本集團之業務及活動。每位新委任之董事均會收到一份全面之入職資料，範圍涵蓋本公司之業務營運、政策及程序以及作為董事之一般、法定及監管責任，以確保董事足夠了解其於上市規則及其他相關監管規定下之責任。本集團亦會提供簡介會及其他培訓，以發展及更新董事之知識及技能，並向全體董事提供有關上市規則及其他適用監管規定之最新發展，以確保董事遵守相關規則及加強董事對良好企業管治常規之認識。

於本年度，董事透過以下方式參與有關監管事宜之最新訊息、董事之職務與職責及本集團業務之持續專業發展活動：

Name of Directors 董事姓名	Attended Seminars or Briefing/Read Materials 參加研討會或簡介會／閱讀材料
Executive Directors	
Mr. Liu Feng	劉鋒先生 ✓
Mr. Chen Xian	陳賢先生 ✓
Mr. Lau Sai Chung	劉世忠先生 ✓
Ms. Xia Dan (Resigned on 31 January 2018)	Xia Dan女士（於二零一八年一月三十一日辭任） N/A不適用
Mr. Liu Zhongxiang	劉忠翔先生 ✓
Independent Non-executive Directors	
Mr. Poon Lai Yin Michael	潘禮賢先生 ✓
Mr. Char Shik Ngor Stephen	查錫我先生 ✓
Ms. Li Jiansheng	李建生女士 ✓

Corporate Governance Report

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and chief executive officer of the Company (the “Chief Executive Officer”) are segregated and are currently held by Mr. Liu Feng and Mr. Lau Sai Chung respectively. The Chairman is responsible for the Group’s strategic planning and the management of the operations of the Board, while the Chief Executive Officer takes the lead in the Group’s operations and business development. There is a clear division of responsibilities between the Chairman and Chief Executive Officer which provides a balance of power and authority.

INDEPENDENT NON-EXECUTIVE DIRECTORS

All the independent non-executive Directors are appointed for a term of three years, and subject to re-election on retirement by rotation at the annual general meeting of the Company (the “AGM”) in accordance with the Company’s articles of association (the “Articles”). Two of the independent non-executive Directors have appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules. The Company has received the annual confirmation of independence from each of the independent non-executive Directors as required under Rule 3.13 of the Listing Rules. The Company, based on such confirmations, considers all independent non-executive Directors to be independent.

主席及行政總裁

本公司主席及行政總裁（「行政總裁」）之角色已予區分及現時分別由劉鋒先生及劉世忠先生出任。主席負責本集團之策略規劃及管理董事會運作，而行政總裁則領導本集團之經營及業務發展。主席與行政總裁之間分工清晰，以確保權力及授權分佈均衡。

獨立非執行董事

全體獨立非執行董事任期三年並須根據本公司之章程細則（「細則」）之規定於本公司股東週年大會（「股東週年大會」）上輪值退任及膺選連任。根據上市規則第3.10條，其中兩名獨立非執行董事必須具備適當的專業資格，或具備適當的會計或相關財務管理專長。本公司已收到各獨立非執行董事根據上市規則第3.13條發出之週年獨立性確認書。本公司據此等確認書認為全體獨立非執行董事均具備獨立身份。

Corporate Governance Report

企業管治報告

NOMINATION COMMITTEE

The Company established a nomination committee (the "Nomination Committee") with written terms of reference in compliance with the CG Code. On 20 December 2013, the Board adopted a set of the revised terms of reference of the Nomination Committee, which has brought it in line with the new Listing Rules relating to the board diversity with effective from 1 September 2013. The revised terms of reference setting out the Nomination Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange. The existing Nomination Committee has the following three members:

Independent Non-executive Directors

Mr. Char Shik Ngor Stephen (*Chairman*)
Mr. Poon Lai Yin Michael
Ms. Li Jiansheng

The Nomination Committee has adopted a written nomination procedure specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company.

The principal responsibilities of the Nomination Committee are reviewing and supervising the structure, size and composition of the Board, identifying qualified individuals to become members of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors.

Potential new Directors are identified and submitted to the Nomination Committee for approval. The nomination of Directors should take into consideration the candidate's qualification, ability and potential contribution to the Company. A candidate to be appointed as an independent non-executive Director must also satisfy the independence criteria set out in Rule 3.13 of the Listing Rules. No Director was newly appointed during the Year.

提名委員會

本公司成立提名委員會（「提名委員會」）並遵守企業管治守則訂立書面職權範圍。於二零一三年十二月二十日，董事會採納一系列經修訂之提名委員會職權範圍，其符合自二零一三年九月一日生效之有關董事會成員多元化之新上市規則。載有提名委員會權力、職責及責任之經修訂職權範圍可於本公司網站及聯交所網站查閱。提名委員會現共有以下三名成員：

獨立非執行董事

查錫我先生（*主席*）
潘禮賢先生
李建生女士

提名委員會已採納書面提名程序，列明挑選及建議本公司董事候選人之過程及準則。

提名委員會主要負責檢討及監督董事會之架構、規模及組成，物色合資格人士出任董事會成員，評估獨立非執行董事之獨立性，以及向董事會就委任或重選董事作出推薦建議。

物色到候任新董事後，均須提呈提名委員會審批。提名董事時須考慮候選人之資歷、能力及對本公司之潛在貢獻。獲委任為獨立非執行董事之候選人，亦須符合上市規則第3.13條所載之獨立性準則。於本年度，概無新委任之董事。

Corporate Governance Report

企業管治報告

During the Year, two meetings were held by the Nomination Committee to recommend the re-appointment of the Directors standing for re-election at the AGM, to review the size, structure, composition as well as diversity of the Board, to assess the independence of independent non-executive Directors and to consider the changes of Directors. The Nomination Committee has also reviewed the board diversity policy to ensure its effectiveness and considered that the Group has achieved the objectives of the board diversity policy during the Year.

REMUNERATION COMMITTEE

The Company established a remuneration committee (the "Remuneration Committee") with the written terms of reference in compliance with the CG Code. The terms of reference setting out the Remuneration Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange. The Remuneration Committee has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual executive Directors and senior management. The existing Remuneration Committee has the following three members:

Independent Non-executive Directors

Ms. Li Jiansheng (*Chairman*)
Mr. Poon Lai Yin Michael
Mr. Char Shik Ngor Stephen

The principal responsibilities of the Remuneration Committee are making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management, and reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time.

於本年度，提名委員會召開兩次會議，藉以建議續聘將於股東週年大會上膺選連任之董事；檢討董事會之規模、架構、組成及多元化、評估獨立非執行董事之獨立性，以及考慮董事之變更。提名委員會亦已檢討董事會成員多元政策以確保其成效，並認為本集團本年度達致董事會成員多元政策之目標。

薪酬委員會

本公司成立薪酬委員會（「薪酬委員會」）並遵守企業管治守則訂立書面職權範圍。載有薪酬委員會權力、職責及責任之職權範圍可於本公司網站及聯交所網站查閱。薪酬委員會在其採納之運作模式中擔任董事會之顧問角色，董事會保留最終批准各執行董事及高級管理層人士薪酬待遇之權力。薪酬委員會現共有以下三名成員：

獨立非執行董事

李建生女士（主席）
潘禮賢先生
查錫我先生

薪酬委員會之主要職責為就本公司全體董事及高級管理層之薪酬政策及架構向董事會提供建議，並參考董事會不時決議之企業目標及目的，審閱及批准管理層之薪酬方案。

Corporate Governance Report

企業管治報告

Details of the remuneration of Directors are set out in note 11 to the consolidated financial statements. During the Year, three meetings of Remuneration Committee were held for, inter alia, reviewing the remuneration policy and structure for as well as the remuneration packages of all Directors and the senior management and considering the remuneration packages of all newly appointed Directors. No Director was involved in deciding his/her own remuneration.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the CG Code. On 1 January 2019, the Board adopted a set of the revised terms of reference of the Audit Committee, which has brought it in line with the new requirement of the Listing Rules. The revised terms of reference setting out the Audit Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange. The existing Audit Committee has the following three members:

Independent Non-executive Directors

Mr. Poon Lai Yin Michael (*Chairman*)
Mr. Char Shik Ngor Stephen
Ms. Li Jiansheng

The principal responsibilities of the Audit Committee include making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the interim and annual reports and accounts of the Group; and supervising the financial reporting process and effectiveness of the risk management and internal control systems of the Group.

董事酬金之詳情載列於綜合財務報表附註11。於本年度，薪酬委員會召開了三次會議，藉以（其中包括）檢討本公司全體董事及高級管理層之薪酬政策、架構、薪酬組合及考慮全體新任董事之薪酬組合。概無董事參予釐定本身之酬金。

審核委員會

本公司成立審核委員會「審核委員會」並遵守企業管治守則訂立書面職權範圍。於二零一九年一月一日，董事會採納審核委員會的一系列職權範圍之修訂，使其符合上市規則之新規定。載有審核委員會權力、職責及責任之經修訂職權範圍可於本公司網站及聯交所網站查閱。審核委員會現共有以下三名成員：

獨立非執行董事

潘禮賢先生（主席）
查錫我先生
李建生女士

審核委員會主要負責就外聘核數師之委任、重聘及罷免向董事會作出建議，並審批外聘核數師之酬金及聘任條款，以及與該核數師之辭任或罷免有關之任何事宜；審閱中期報告、年報及本集團賬目；以及監察財務申報程序及本集團風險管理及內部監控系統是否有效。

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企業管治報告

During the Year, two meetings were held by the Audit Committee to review and make recommendation to the Board for approval of the audited results of the Group for the year ended 31 December 2017 and the unaudited interim results for the six months ended 30 June 2018, to discuss the accounting policies and practices which may affect the Group with the management of the Company and the Company's auditor, to make recommendation on re-appointment of external auditor for the approval of the shareholders in the AGM, to review the fees charged by the external auditor; and approve the remuneration and terms of engagement of external auditor and to review the effectiveness of risk management and internal control systems and internal audit functions of the Group.

CORPORATE GOVERNANCE FUNCTION

All members of the Board are responsible for performing the corporate governance functions. The terms of reference of corporate governance functions was adopted by the Board on 29 March 2012 and is in compliance with the CG Code. During the Year, the Board has reviewed the policy of the corporate governance and the corporate governance report of the Company.

Director's Nomination Policy

The director's nomination policy of the Company was adopted by the Board and became effective on 1 January 2019 and the Nomination Committee is responsible for execution.

Director Nomination Process

The Nomination Committee utilizes various methods for identifying director candidates, including recommendations from Board members, management, and headhunters. The Nomination Committee may also put forward director candidates who are not nominated by Board members. In addition, the Nomination Committee will consider director candidates properly submitted by shareholders of the Company through formal procedures set out in the Company's Procedures for Shareholders to Propose a Person for Election as a Director.

於本年度，審核委員會召開兩次會議，藉以審閱並建議董事會批准本集團截至二零一七年十二月三十一日止年度之經審核業績及截至二零一八年六月三十日止六個月之未經審核中期業績，與本公司管理層及本公司之核數師討論對本集團有影響之會計政策及實務、建議股東於股東週年大會上批准續聘外聘核數師、審閱外聘核數師支取之費用；及批准委聘核數師之薪酬及委聘條款及檢討本集團之風險管理及內部監控系統及內部審核職能是否有效用。

企業管治職能

董事會全體成員負責執行企業管治職能。企業管治職能之職權範圍已於二零一二年三月二十九日獲董事會採納，並符合企業管治守則。於本年度，董事會已檢討本公司之企業管治政策及企業管治報告。

提名董事的政策

本公司提名董事的政策經董事會採納並於二零一九年一月一日起生效，由提名委員會負責執行。

董事提名程序

提名委員會運用各種方法物色董事人選，當中包括董事會成員、管理層及專業獵頭公司之推薦建議，提名委員會亦可提名未獲董事會成員提名的董事候選人。此外，提名委員會將會考慮由本公司股東經載於本公司股東提名候選董事的程序的正式程序妥善提交之董事人選。

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For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing director candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

All director candidates, including incumbents and candidates nominated by shareholders of the Company are evaluated by the Nomination Committee based upon the director's qualifications. While director candidates will be evaluated on the same criteria, the Nomination Committee retains the discretion to establish the relative weighting of such criteria, which may vary based on the composition, skill sets, and experiences of the collective Board rather than on the individual candidate.

The Board shall have the final decision on all matters relating to the recommendation of director candidates by the Nomination Committee to stand for election at any general meeting. The Board will take such recommendations under advisement and is responsible for designating the director candidates to be elected at the annual general meeting of the Company and electing directors to fill Board vacancies.

Procedure for Appointment of New Director

Director candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as a Director.

The Nomination Committee shall, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the director candidate, evaluate such director candidate based on the criteria as set out below to determine whether such director candidate is qualified for directorship.

If the process yields one or more desirable director candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company and reference check of each director candidate (where applicable).

如要填補臨時空缺，提名委員會須推薦人選供董事會考慮及批准。如要推薦董事候選人在股東大會上參選，提名委員會須向董事會提名供其考慮及推薦參選。

所有董事候選人（包括現任董事及本公司股東提名之候選人）均由提名委員會基於董事資格進行評估。儘管董事候選人將按相同準則進行評估，但提名委員會保留為該等準則制定相對比重之酌情權，而該比重或會根據董事會整體之組成、技能及經驗而有所變更，而非按個別候選人釐定。

董事會對於提名委員會推薦之董事候選人在任何股東大會上參選的所有事宜有最後決定權。董事會將詳細考慮有關推薦建議，並負責指定將於本公司股東週年大會上獲選舉之董事候選人及挑選董事以填補董事會之空缺。

委任新董事的程序

董事候選人將會被要求按既定格式提交所需的個人資料，以及提交同意書，同意被任命為董事，並同意就其參選董事或與此有關的事情在任何文件或相關網站公開披露其個人資料。

提名委員會應在收到委任新董事的建議及董事候選人的個人資料（或相關詳情）後，依據以下列明的準則評估該董事候選人，以決定該董事候選人是否合資格擔任董事。

如過程涉及一個或多個合意的董事候選人，提名委員會應根據本公司的需要及每位董事候選人的證明審查（如適用）排列他們的優先次序。

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For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee shall evaluate such director candidate based on the criteria as set out below to determine whether such director candidate is qualified for directorship and where appropriate, the Nomination Committee and/or the Board shall make recommendation to Shareholders in respect of the proposed election of Director at the general meeting (where applicable).

A director candidate is allowed to withdraw his/her candidature at any time before the general meeting by serving a notice in writing to the company secretary of the Company.

Until the issue of the shareholder circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.

Procedure for Re-appointment of Director at General Meeting

The Nomination Committee shall review the overall contribution and service to the Company of the retiring Directors including their attendance of Board meetings and, where applicable, general meetings, and the level of participation and performance on the Board.

The Nomination Committee shall also review and determine whether the retiring Directors continue to meet the criteria as set out below.

The Nomination Committee and/or the Board shall then make recommendation to the Shareholders in respect of the proposed re-election of Directors at the general meeting.

任何經由股東提名就於本公司股東大會上選舉為董事的人士，提名委員會應依據以下列明的準則評估該董事候選人，以決定該董事候選人是否合資格擔任董事，並且，提名委員會及／或董事會應就於股東大會上建議選舉董事向股東提出建議（如適用）。

董事候選人可於股東大會舉行前任何時候向本公司公司秘書發出書面通知退選。

在直至發出股東通函前，被提名人士不可假設其已獲董事會推薦在股東大會上參選。

於股東大會上重選董事的程序

提名委員會應檢討退任董事對本公司的整體貢獻及服務，包括其出席董事會會議及股東大會（如適用）的出席率，以及在董事會的參與程度及表現。

提名委員會亦應檢討及確定退任董事是否仍然符合以下列明的準則。

提名委員會及／或董事會應就於股東大會上建議重選董事向股東提出建議。

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Director Selection Criteria

The Nomination Committee considers the following qualifications are at a minimum to be required of a director candidate in recommending to the Board potential new Director, or the continued service of existing Director:

- (a) the highest personal and professional ethics and integrity;
- (b) proven achievement and competence in the nominee's field and the ability to exercise sound business judgment;
- (c) qualifications including professional qualifications, skills, knowledge and experience that are complementary to those of the existing Board;
- (d) the ability to assist and support management and make significant contributions to the Company's success;
- (e) the contribution on diversity of the Board and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board;
- (f) an understanding of the fiduciary responsibilities that is required of a member of the Board and the commitment of time and energy necessary to diligently carry out those responsibilities; and
- (g) meet the "independence" criteria as required under the Listing Rules and the composition of the Board is in conformity with the provisions of the Listing Rules from time to time (where applicable).

Other than the foregoing, there are no stated minimum criteria for director candidate, although the Nomination Committee may also consider such other factors as it may deem to be in the best interests of the Company and the shareholders of the Company.

董事甄選準則

提名委員會認為以下為向董事會推薦董事候選人作為潛在新董事或現有董事持續就任所需之最低資格：

- (a) 最高水平之個人及專業操守和誠信；
- (b) 於獲提名人之範疇內具備過往實績及能力，並有能力行使良好之商業判斷；
- (c) 補足現有董事會之資格，包括專業資格、技能、知識及經驗；
- (d) 有能力協助及支援管理層，並為本公司達致成功作出重大貢獻；
- (e) 促進董事會成員多元化及任何由提名委員會所採納以達致董事會成員多元化的可計量目標；
- (f) 明白董事會成員所需承擔之受信責任，以及妥善履行該等責任所需投入之時間及精力；及
- (g) 須達到上市規則所規定之「獨立性」準則，且董事會組成須遵守上市規則不時之條文（如適用）。

除上文所述者外，儘管提名委員會亦可能考慮其可能視為符合本公司及本公司股東最佳利益之其他因素，惟概無明文規定董事候選人需達到之最低標準。

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BOARD DIVERSITY POLICY

On 20 December 2013, the Company has adopted a board diversity policy (the “Policy”) setting out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service.

The Board will consider setting measurable objectives to implement the Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

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

董事會成員多元化政策

於二零一三年十二月二十日，本公司已採納董事會成員多元化政策（「該政策」），當中列載董事會為達致及維持多元化以提升董事會之有效性而採取之方針。

根據該政策，本公司為尋求達致董事會成員多元化會考慮眾多因素，包括但不限於性別、年齡、文化及教育背景、族群特性、專業經驗、技能、知識及服務年資。

董事會將考慮制定可計量目標以推行該政策，並不時檢討該等目標以確保其合適度及確定達致該等目標之進度。

董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化之裨益。

甄選人選將以一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。最終將按人選之長處及可為董事會作出之貢獻而決定。

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As at the date of this annual report, the information (including sex, age, educational background, professional experience, term of appointment and designation) of the Board is as follows:

於本年報日期，董事會資料（包括性別、年齡、教育背景、專業經驗、任期及任職）如下：

		No. of Director 董事人數
Age group: 年齡組別：	Below 41 41歲以下	1
	41 to 50 41至50歲	2
	51 to 60 51至60歲	1
	Over 60 60歲以上	3
Gender: 性別：	Male 男	6
	Female 女	1
Educational background: 教育背景：	Hong Kong and Macau 香港及澳門	2
	The PRC 中國	3
	Overseas 海外	2
Length of service (year): 服務年限（年）：	1-5 1至5年	3
	6-10 6至10年	1
	Over 10 10年以上	3
Designation: 任職：	Executive Director 執行董事	4
	Independent Non-executive Director 獨立非執行董事	3

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For the purpose of implementation of the Policy, the following measurable objectives were adopted:

1. The Company shall comply with the requirements on board composition under the Listing Rules from time to time.
2. The number of independent non-executive Directors should be not less than three and one-third of the Board.
3. At least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise.
4. At least one Director should be the professional or have intensive experience of the industry on which the business of the Group is.

The Board has achieved the measurable objectives in the Policy.

AUDITOR'S REMUNERATION

Deloitte Touche Tohmatsu was appointed as the auditor of the Company with effect from 14 July 2017 to fill the casual vacancy following the resignation of SHINEWING (HK) CPA Limited and to hold office until the conclusion of the next annual general meeting of the Company.

The audit works of the Group for the Year were performed by Deloitte Touche Tohmatsu.

就執行該政策而言，已採納以下可計量目標：

1. 本公司應遵守上市規則項下不時之董事會組成之規定。
2. 獨立非執行董事人數應不少於三名及董事會人數之三分之一。
3. 至少一名獨立非執行董事必須具備適當的專業資格或會計或相關的財務管理專長。
4. 至少一名董事應為本集團業務所處行業之專業人士或於該行業擁有豐富經驗。

董事會已實現該政策之可計量目標。

核數師酬金

德勤•關黃陳方會計師行已獲委任為本公司核數師，自二零一七年七月十四日起生效，以填補因信永中和（香港）會計師事務所有限公司辭任而產生之臨時空缺，其任期直至本公司下屆股東週年大會結束時為止。

本集團本年度之核數工作由德勤•關黃陳方會計師行處理。

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The total fee paid/payable in respect of the statutory audit and non-audit services provided by external auditor is set out in the following table:

外聘核數師所提供之法定核數及非核數服務之已付／應付之費用總數載列於下表：

Services rendered	所提供服務	Fee paid/payable 已付／應付費用	
		For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 HK\$'000 港幣千元	For the year ended 31 December 2017 截至二零一七年 十二月三十一日 止年度 HK\$'000 港幣千元
Deloitte Touche Tohmatsu	德勤·關黃陳方會計師行		
– Audit services	– 核數服務	1,280	1,280
– Non-audit services	– 非核數服務		
Interim review	中期審閱	550	550
– Non-audit services Assurance – Continuing connected transactions	– 非核數服務擔保 – 持續關連交易	20	–
Total fee paid/payable	已付／應付之費用總數	1,850	1,830

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COMPANY SECRETARY

The Company Secretary, Mr. Fu Lui, was appointed on 2 July 2010. He is responsible to the Board for ensuring that Board procedures are followed and that the Board is fully briefed on all legislative, regulatory and corporate governance developments and has regarded to them when making decisions. The Company Secretary is also responsible for advising the Board on the Group's compliance with the continuing obligations of the Listing Rules, Codes on Takeovers and Mergers and Share Repurchases, Companies Ordinance, Securities and Futures Ordinance and other applicable laws, rules and regulations. During the Year, Mr. Fu Lui undertook not less than 15 hours of professional training to update his skills and knowledge.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors have acknowledged for the preparation of the consolidated financial statements at the end of the Year which gives a true and fair view of the state of affairs of the Group and of the results and cash flows for the Year. In preparing the consolidated financial statements for the Year, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis. The statement by the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 86 to 93 of this annual report.

公司秘書

公司秘書府磊先生乃於二零一零年七月二日獲委任。其對董事會負責，職責為確保董事會議事規則得到遵守，並確保在一切法律、監管及企業管治發展事宜上，董事會已獲充分知會，並且在作出決定時已考慮該等因素。公司秘書亦負責就本集團是否遵守《上市規則》、《公司收購、合併及股份購回守則》、《公司條例》、《證券及期貨條例》以及其他適用法律、規則及法規之持續責任向董事會提供建議。於本年度，府磊先生已進行不少於15小時之專業培訓，以更新其技能及知識。

董事及核數師對綜合財務報表之責任

董事確認編製年末之綜合財務報表，對本年度本集團事務、業績及現金流量提供真實及公平之意見。在編製本年度之綜合財務報表時，董事已貫徹採用合適之會計政策，作出審慎、公平而合理之判斷及推測，並按持續經營基準編製綜合財務報表。本公司核數師就本集團之綜合財務報表所申報之責任載於本年報第86至93頁之獨立核數師報告書。

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RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has the overall responsibility to ensure that sound and effective risk management and internal controls are maintained, while the management of the Company is charged with the responsibility to design and implement an internal control system to manage risks. A sound system of risk management and internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Risk Management and Internal Control Framework of the Group

The Board is responsible for the Group's system of risk management and internal controls and reviewing its effectiveness. The Audit Committee supports the Board in monitoring the Group's risk exposures, the design and operating effectiveness of the underlying risk management and internal control systems. The management of the Company assesses and presents regular reports to the Audit Committee on its own assessments of key risks, the strengths and weaknesses of the overall internal control systems, with action plans to address the weaknesses. External auditor also reports on any control issues identified in the course of its work. Taking these into consideration, the Audit Committee reviews the effectiveness of the Group's system of risk management and internal controls, and reports to the Board on such reviews. Work and findings of the management of the Company are considered by the Board in forming its own view on the effectiveness of the system.

Currently the Group engages independent professional team in performing internal audit work after considering the independence, flexibility, and overall efficiency. The Group will review on an annual basis the need for having an internal audit team to perform the function.

風險管理及內部監控

董事會負責維持完善有效的風險管理及內部監控，而本公司管理層則負責設計及執行內部監控制度以管理風險。良好的風險管理及內部監控制度旨在管理而非消除未能實現業務目標的風險，且只能針對重大錯誤陳述或遺失提供合理而非絕對的保證。

本集團的風險管理及內部監控架構

董事會負責本集團的風險管理及內部監控制度並檢討其成效。審核委員會協助董事會監察本集團承受的風險水平、有關之風險管理和內部監控系統的設計及運作成效。本公司管理層評估本集團的主要風險、整體內部監控制度並定期向審核委員報告，同時提出應對的行動方案。外聘核數師亦匯報在工作過程中識別的任任何監控事宜。經考慮以上各點，審核委員會會檢討公司風險管理及內部監控制度的成效，並向董事會報告檢討結果。董事會考慮本公司管理層的工作及檢討結果後，再就風險管理及內部監控制度的成效得出自己的意見。

現時本集團外聘獨立專業團隊以進行內部審核工作，以平衡內部審核工作的獨立性、靈活性及整體效益。本集團每年檢討是否需要以內部團隊進行內部審核工作。

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Risk Management and Internal Control Framework Diagram

風險管理及內部監控架構圖

"Top-down" 「由上而下」	The Board 董事會		
Oversight, identification, assessment and mitigation of risk at corporate level 監督、識別、評估及紓緩企業層面的風險	<ul style="list-style-type: none"> Has overall responsibility for the Group's risk management and internal control systems 負責集團整體的風險管理及內部監控系統 	<ul style="list-style-type: none"> Sets strategic objectives 訂立策略目標 Reviews the effectiveness of the Group's risk management and internal control systems 檢討本集團風險管理及內部監控系統的成效 	<ul style="list-style-type: none"> Monitors the nature and extent of risk exposure for the Group's principal risks 監察本集團主要風險的性質及程度
	Management 管理層	Audit Committee 審核委員會	Internal professionals 公司內部的合資格專才 External professionals 外聘之獨立專業團隊 External auditor 外聘核數師
	<ul style="list-style-type: none"> Designs, implements and monitors the Group's risk management and internal control systems 設計、執行及監察本集團的風險管理及內部監控系統 Assesses the Group's risks and mitigating measures 評估本集團的風險及相應的紓緩措施 	<ul style="list-style-type: none"> Supports the Board in monitoring risk exposure, design and operating effectiveness of the underlying risk management and internal control systems 協助董事會監察風險管理及內部監控系統的設計和運作成效 	<ul style="list-style-type: none"> Supports the Audit Committee in reviewing the effectiveness of the Group's risk management and internal control systems 協助審核委員會檢討本集團風險管理及內部監控系統的成效
"Bottom-up" 「由下而上」	Operational Level 業務營運層面		
Identification, assessment and mitigation of risk at business unit level and across functional areas 識別、評估及紓緩業務單位及職能範疇的風險	<ul style="list-style-type: none"> Risk identification, assessment and mitigation performed across the business 識別、評估及紓緩業務風險 	<ul style="list-style-type: none"> Risk management process and internal controls practice across business operations and functional areas 在各營運及職能範疇執行風險管理程序及內部監控措施 	

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Risk Management and Internal Control Systems and Procedures

Control Environment – The Group has been operating under an established and appropriate control environment with reference to principles of “Internal Control and Risk Management – A Basis Framework” issued by the Hong Kong Institute of Certified Public Accountants. Risk management and internal controls cover effective operations, reliable financial reporting and compliance.

Risk Assessment – The Group continues to drive improvements to its risk management process and the quality of risk information generated, while at the same time maintaining a simple and practical approach. We seek to have risk management features embedded within our operations, aiming to have a risk management system that is practised on a day-to-day basis by our operating units.

The Board reviews and understands the risk factors of the Group and operations annually, and the management of the Company continuously monitors the scope and quality of ongoing risk management and internal control systems. The “Top-down” monitoring ensures risk management features embedded within the operations and operated effectively.

Meanwhile, the heads of operation units participate in risk identification from “Bottom-up” so as to identify the Group’s overall risks.

Control Activities – The Group’s core property development business and trading of raw sugar involve well-established business processes. Control activities have traditionally been built on top-level reviews, segregation of duties and physical controls. We have been formalizing and documenting the control processes in policies and procedures. Written policies and procedures with defined limits of delegated authority are in place, which facilitate effective segregation of duties and controls.

風險管理及內部監控系統及程序

監控環境 – 本集團參考香港會計師公會發布的《內部監控與風險管理的基本架構》中所述之原則，建立一個妥善的監控環境下營運其業務。風險管理及內部監控覆蓋的範疇包括有效的運作、可靠的財務匯報以及適用的法例和規則之遵守。

風險評估 – 本集團持續致力提升風險管理程序和風險資訊質素，同時貫徹簡單切實的風險管理方向。我們致力將風險管理功能融入業務營運，制訂並維持一個可供各業務營運單位日常使用的風險管理系統。

董事會每年檢討及了解本集團及業務之風險因素，及管理層持續監察風險管理及內部監控系統的工作範疇及質素，以「由上而下」的監控確保風險管理功能融入業務營運中和發揮成效。

同時，業務營運單位以「由下而上」方式配合，要求營運單位主管參與識別營運風險，從而釐定本集團的整體風險。

監控工作 – 本集團的核心房地產開業務及原糖貿易已有成熟的營運流程配合運作。有關監控工作傳統上建基於高層審查、職責分工及實質監控等範疇。本集團一直努力將政策和程序的監控過程制度化及以書面記錄。本集團已制訂有關界定權限的書面政策和程序，以便有效劃分職責和控制權。

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Planning and budgeting processes are one of key control activities of the Group, which have been refined to take into consideration risk factors. All operating units prepare their respective operating plans pursuant to corporate objectives for consideration. In this process, they are required to identify material risks that may impact the achievement of their business objectives. Action items to mitigate the identified risks are developed for implementation as well as for achieving the budget and business objectives. Variance analyses are regularly performed and reported to the management of the Company and the Board. These help identify deficiencies and enable timely remedial actions to be taken.

Capital expenditures monitoring is also significant to the capital-intensive nature of the property business of the Group. Depending on the nature and the size of the projects, detailed analyses of expected capital expenditures are submitted to the heads of operating units, executive Directors or the Board for consideration and approval.

Monitoring Activities – The Board and Audit Committee oversee the process, monitored by internal and external professionals of the Group. The management of the Company has emphasized in its updated reports to the Audit Committee on movements of top risks and appropriate mitigating measures. There is at least one Audit Committee meeting substantially devoted to risks items.

項目規劃及預算制定過程是本集團的主要監控活動之一，並因應考慮風險因素的需要而作出改進。所有營運單位按照公司目標各自制訂營運計劃以供審核。過程中營運單位需要識別對實現業務目標可能有影響的重大風險，並制訂行動來緩解已識別的風險，務求達成預算和業務目標。業務營運單位定期進行差異分析，並向管理層和董事會匯報，以助找出不足之處和適時採取補救措施。

鑑於本集團房地產業務的資本密集性質，監控資本開支亦十分重要。視乎有關開支的性質及規模，有關資本開支需呈交營運單位主管、執行董事或董事會審核及批准。

監察工作 – 由董事會及審核委員會監督，而本集團內部及外聘專材監察。管理層已就最高風險的變化及適當的紓緩措施，加強向審核委員會匯報最新情況。審核委員會會議中，最少其中一次會議主要針對討論風險項目。

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Procedures and Internal Controls for Handling and Dissemination of Inside Information

In handling and dissemination of inside information, the Group:

- will conduct immediate dissemination once inside information is available and/or respective decision is made, except the inside information falling into the Safe Harbours of Securities and Futures Commission that allow non-disclosure;
- complies with applicable laws, rules and guidelines on disclosure of inside information issued by Securities and Futures Commission;
- decides and implements monitoring procedures regarding dissemination of inside information; and
- communicates with relevant persons about corporate information disclosure practices with respective training.

REVIEW ON EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROLS IN 2018

The Board and the Audit Committee reviewed the risk management and internal control systems of the Company for the Year and such review is conducted annually. The Board opts that during the Year, risk management and internal control systems are effective and sufficient, and no event leads to material impact on Group's financial, operational and compliance controls. Respective reviews cover the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, and the effectiveness of the Group's processes for financial reporting and Listing Rules compliance.

處理及發布內幕消息的程序和內部監控措施

在處理及發佈內幕消息方面，本集團：

- 一旦知悉內幕消息及／或在作出有關決定後須即時公佈，除非該等內幕消息屬於證券及期貨條例規定的安全港，無需披露；
- 於處理有關事務時恪守適用法律及法規以及證券及期貨事務監察委員會頒佈的《內幕消息披露指引》；
- 訂立及實施監控向公眾發佈內幕消息的程序；及
- 已向所有相關人員傳達有關企業資料披露政策的執行情況並提供相關培訓。

二零一八年檢討風險管理及內部監控之成效

董事會及審核委員會每年會對公司的風險管理及內部監控制度進行檢討。於本年度，董事會認為風險管理及內部監控制度有效及足夠，亦無發現任何可能對本集團財務監控、運作監控、合規監控以及風險管理功能可能構成重大影響的重要事項。檢討範圍涵蓋本集團會計、內部審計及財務匯報職能的資源、員工資歷及經驗，培訓課程及預算是否充足，以及有關財務報告及遵守《上市規則》規定之程序。

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RECOMMENDED BEST PRACTICES

Group's Risk Factors

As a basis of risk management, we should understand the Group's existing risk factors and respective change from time to time. Listed below are the nature of significant risk factors that the Group is facing, whilst the listed factors will not be exclusive:

Risk factors

- The Group may be unable to sell property investment at expected prices or terms due to volatility in the property market of the PRC.
- The Group is required to comply with numerous government rules and new regulations to be promulgated from time to time, and may be affected by tightening measures launched by the PRC government for regulating the real estate industry.
- The business of the Group may be significantly affected if the engaged external construction contractors encounter any problem during development of property given our full reliance on them to conduct all the construction projects.
- Principal revenues and expenses of the Group – Property development business are denominated in Renminbi. Investors may indirectly invest in the assets denominated in Renminbi. If Renminbi weakens against Hong Kong dollars, the asset value of the shares denominated in Hong Kong dollars will decline.
- Implementation fluency and efficiency of exchange control of the PRC will mitigate the ability of the Group's fund transfer.
- The management of the Company is exploring new investments opportunities in properties development business, Group's risk factors may have changes after investment.

推薦最佳常規

本集團風險事項

作為風險管理方針的基礎，我們必須了解本集團目前承受的風險狀況，以及這些風險如何隨時間而出現變化。下表闡述本集團數項主要重大風險的性質，惟並不構成已列有所有風險的清單：

風險事項

- 中國的房地產市場的波動，令本集團無法按預期的價格或條款出售房地產投資。
- 本集團須遵守多項政府法規及須受經常出台的新法規規管，可能因中國政府為調控房地產行業而頒佈的措施受影響。
- 現時依賴外聘建築承包商進行所有建設工程，若開發過程中聘用的外聘建築承包商發生問題，本集團業務將受到重大不利影響。
- 本集團主要收益及開支—房地產開發業務均以人民幣計值，投資者或會間接投資人民幣計值資產。如人民幣對港幣下調，以港幣計值股票的資產值將下降。
- 國內外匯管理的執行流暢度及效率會削弱集團調配資金的能力。
- 本集團管理層正發掘物業發展業務的新投資機遇，投資後的集團風險事項可能有所改變。

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COMMUNICATION WITH SHAREHOLDERS

The Board makes its endeavour to maintain an ongoing and transparent communication with all shareholders and, in particular, use general meetings to communicate with shareholders and encourage their participation. A shareholder's communication policy was adopted by the Board on 29 March 2012 aiming at providing the shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. The Company also uses various other means of communication with its shareholders, such as publication of annual and interim reports, announcements, circulars and additional information on the Group's business activities and development on the Company's website: www.chinauptown.com.hk.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company Secretary may be sent by post to the Company's head office and principal place of business at Suite 1501, 15/F., Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

Dividend policy

The dividend policy of the Company (the "Dividend Policy") was adopted by the Board and became effective on 1 January 2019.

The Dividend Policy is to ensure that the Board maintains an appropriate procedure on declaring and recommending the dividend payment of the Company. The Board endeavors to strike a balance between the shareholders' interests and prudent capital management with a sustainable dividend policy.

股東通訊

董事會致力不斷維持與全體股東之間具透明度的通訊，特別是以股東大會與股東溝通及鼓勵參與。股東通訊政策已於二零一二年三月二十九日獲董事會採納，該政策旨在確保股東及潛在投資者可隨時及適時地獲得本公司中肯及易於理解之資料。本公司亦透過各種其他方式與股東通訊，包括刊登年報及中期報告、公佈、通函以及有關本集團業務活動及發展之其他資料於本公司之網站：www.chinauptown.com.hk。

本公司繼續促進投資者關係，並加強與現有股東及潛在投資者溝通。歡迎投資者、利益相關者及公眾人士提供建議。向董事會或公司秘書提出之查詢，可郵寄至本公司之總辦事處及主要營業地點，地址為香港九龍尖沙咀廣東道30號新港中心第一期15樓1501室。

股息政策

本公司股息政策（「股息政策」）經董事會採納並於二零一九年一月一日起生效。

股息政策旨在確保董事會就本公司宣派及建議派付股息維持適當的程序。董事會通過可持續的股息政策，務求於股東利益與審慎資本管理之間取得平衡。

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The declaration and recommendation of dividends is subject to the decision of the Board after considering the Company's ability to pay dividends, which will depend upon, among other things:

- the Group's financial results;
- the Group's cashflow, liquidity and capital requirements;
- the Group's debt to equity ratios and the debt level;
- the accumulated profits and distributable reserves of the Group;
- the Group's shareholders' interests;
- the Group's current and future business operations, conditions, cycle and strategies;
- the general market conditions;
- the shareholders' and the investors' expectation and industry's norm;
- any restrictions on payment of dividends that may be imposed by the Group's lenders;
- statutory and regulatory restrictions;
- past dividend record; and
- any other factors the Board may deem relevant.

The Board has complete discretion on whether to pay a dividend and the form to pay, subject to any restrictions under the Companies Laws of Cayman Islands and the Articles. Any final dividends declared by the Company must be approved by an ordinary resolution of the shareholders of the Company at an annual general meeting and must not exceed the amount recommended by the Board.

宣派及建議派付股息須待董事會經考慮本公司派付股息之能力後作出決定方可作實，而本公司派付股息之能力將視乎下列各項而定，其中包括：

- 本集團的財務業績；
- 本集團的現金流量、流動資金及資金需求；
- 本集團的負債權益比率及債務水平；
- 本集團的累計溢利和可供分派儲備；
- 本集團的股東權益；
- 本集團現時及未來的業務營運、狀況、週期及策略；
- 一般市場情況；
- 股東及投資者的期望及行業的常規；
- 由本集團的貸款人可能施加的任何股息派發限制；
- 法定及監管限制；
- 過往派息記錄；及
- 董事會可能視為相關之任何其他因素。

董事會可全權酌情決定是否派付股息及派付之形式，惟須遵守開曼群島公司法及細則之任何限制。本公司宣派任何末期股息必須經本公司股東於股東週年大會上以普通決議案予以批准，且不得超過董事會所建議之金額。

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The Board may also consider declaring special dividends from time to time, in addition to the interim and/or final dividends.

There is no assurance that dividends will be paid in any particular amount for any given period.

SHAREHOLDERS' RIGHT

Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to the Articles, an extraordinary general meeting may be convened by the Board upon requisition by any one or more shareholders holding not less than one-tenth of the paid up capital of the Company and the securities being held carrying the right of voting at any general meetings of the Company. The shareholder shall make a written requisition to the Board or the Company Secretary at the Company's head office and principal place of business at Suite 1501, 15/F., Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal regarding any specified transaction/business and its supporting documents.

Procedures for putting forward Proposals at a General Meeting

A shareholder shall make a written requisition to the Board or the Company Secretary at the Company's head office and principal place of business at Suite 1501, 15/F., Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

除中期及／或末期股息外，董事會亦可不時考慮宣派特別股息。

本公司不能保證將在任何指定期間派付任何特定金額之股息。

股東之權利

股東召開股東特別大會之程序

根據細則，董事會可因應持有不少於本公司繳足股本十分之一且所持證券附有於本公司任何股東大會上投票之權利之任何一名或多名股東之要求召開股東特別大會。股東須向董事會或公司秘書提出書面要求，並將有關要求寄至本公司之總辦事處及主要營業地點（地址為香港九龍尖沙咀廣東道30號新港中心第一期15樓1501室），當中列明股東之持股信息、詳細聯繫方式、有關任何特定交易／業務之建議及其支持文件。

於股東大會上提呈建議之程序

股東須向董事會或公司秘書提出書面要求，並將有關要求寄至本公司之總辦事處及主要營業地點（地址為香港九龍尖沙咀廣東道30號新港中心第一期15樓1501室），當中列明股東之持股信息、詳細聯繫方式、擬於股東大會上提呈之有關任何特定交易／業務之建議及其支持文件。

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企業管治報告

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary at the Company's head office and principal place of business at Suite 1501, 15/F, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong or send email to info@chinauptown.com.hk.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

CONSTITUTIONAL DOCUMENTS

During the Year, there is no change in the Company's constitutional documents.

向董事會發出股東查詢之程序

股東可隨時以書面方式將其查詢及關注事宜寄往本公司之總辦事處及主要營業地點（地址為香港九龍尖沙咀廣東道30號新港中心第一期15樓1501室）或電郵至info@chinauptown.com.hk，透過公司秘書轉交予董事會。

股東亦可於本公司之股東大會上向董事會作出查詢。

組織章程文件

於本年度，本公司之組織章程文件並無變化。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THE REPORT

Reporting Guidelines

This is the third Environmental, Social and Governance (“ESG”) Report issued by China Uptown Group Company Limited (“Company”) and its subsidiaries (collectively, the “Group”). It has been prepared in compliance with the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities of the Hong Kong Stock Exchange (the “Listing Rules”).

Reporting Scope

This report covers ESG performance of the Company and its subsidiaries in both Hong Kong and the People’s Republic of China (“PRC”) from 1st January 2018 to 31st December 2018. This includes our office in Hong Kong and the Group’s property development business in the PRC.

Feedback

The report aims to be plain, clear and easy-to-read. The Group shall in the future continue to improve on content and delivery of information disclosed in the report. We welcome your feedback on the report for 2018 and any suggestions you have in terms of what you would like to see incorporated in our future reports. To contact us, you may do so at: info@chinauptown.com.hk.

關於報告

報告指引

此乃中國上城集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）刊發的第三份環境、社會及管治（「環境、社會及管治」）報告。其乃遵照香港聯交所證券上市規則（「上市規則」）附錄27所載的環境、社會及管治報告指引編製。

報告範圍

本報告涵蓋本公司及其附屬公司自二零一八年一月一日至二零一八年十二月三十一日在香港及中華人民共和國（中國）的環境、社會及管治表現，當中包括我們的香港辦事處及本集團於中國的物業發展業務。

反饋

報告以簡明易讀為目標。本集團日後將繼續完善報告所披露的內容及傳達的資訊。我們歡迎閣下就二零一八年報告作出反饋，以及就任何希望納入日後報告的事宜提出建議。閣下可通過info@chinauptown.com.hk聯絡我們。

Environmental, Social and Governance Report

環境、社會及管治報告

ESG MANAGEMENT APPROACH

China Uptown has been responding to environmental, social and governance issues appropriately. In addition to maintaining business growth, we are committed to bearing our share of social responsibility. Acknowledging the impact of its business on the environment and the community, the Group implements measures to ensure compliance with rules and regulations related to environment, occupational health and safety as well as product quality. The Group works closely with its stakeholders for mitigating risks and striving for outstanding performance in related aspects. We believe that such commitments help build a better, sustainable business.

As a property developer operating in China, we are aware of the stakeholders' expectations on enhancement of environment related practices followed in our business operations. We monitor construction projects strictly in terms of management of the site environment, reducing emissions, and wastes in order to minimize the environmental impact of the construction work. Our operations meet all relevant environmental laws and national standards and strive for adoption of greener construction methods whenever possible.

Maintaining close communication with its business partners is key to the Group's sustainable development, especially in aspects of occupational health and safety and product quality. We have established effective monitoring mechanisms for ensuring safe and high-quality construction. Through engaging with our suppliers and contractors on safety and quality standards, we adopt stringent acceptance inspections and procedures for preventing safety hazards and meeting customers' expectations.

環境、社會及管治的管理方針

中國上城一直適當響應環境、社會及管治議題。除維持業務增長外，我們承諾肩負我們應負的社會責任。顧及業務對環境及社區造成的影響，本集團實施措施確保遵守有關環保、職業健康與安全及產品質量相關的規則及法規。本集團與利益相關者緊密合作，務求降低風險及於相關方面爭取出色表現。我們相信上述承諾有助建立更理想及可持續發展的業務。

作為於中國經營的物業發展商，我們意識到利益相關者期望我們提升業務營運所奉行的環境相關實踐。我們從工地管理、減排及廢物等方面嚴格監控建設項目，盡可能減少建築工程對環境的影響。我們的業務符合所有相關環境法例及國家標準，並於可行情況下盡量採用更環保的施工方法。

與業務夥伴保持密切溝通是本集團可持續發展的關鍵，尤其在職業健康與安全及產品質量方面。我們已建立有效監督機制，確保施工安全且質量上乘。除針對安全及質量標準透過聘請供應商及承包商外，我們採納嚴格的驗收檢查程序，藉以預防安全隱患及滿足客戶期望。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group also attaches great importance to staff development. Our training programmes provide opportunities to our staff not only to attain necessary skills but to grow and achieve higher goals in their careers. We strive for a win-win situation where both the Company and its employees benefit through achieving common goals.

We understand that it is our long-term responsibility to protect the environment and enhance the social well-being of communities where we operate. The Group is committed to improving its ESG performance step-by-step through cooperating with stakeholders and we look forward to their valuable feedbacks and suggestions.

ENVIRONMENTAL MANAGEMENT

Embedding environmentally-friendly practices into its management and operations, the Group is committed to protecting the environment by measuring and managing its environmental impacts, striving to improve resource efficiency throughout the property development business. The Group has established an Environmental Management System (“EMS”) with ISO14001 certification. The EMS is led by the senior management, with the Environmental Protection Team to execute various environmental initiatives.

We have also set up an environmental protection and monitoring agency, with environmental technicians as the responsible party to manage and monitor the Group’s environmental performance, and coordinate environmental protection initiatives between the Group and the Government.

本集團亦非常重視員工發展。我們的培訓計劃為員工提供機會，不單學習必要技能，更可藉此於職業生涯實現更高目標。通過實現共同目標，公司與員工正努力締造雙方均獲益的雙贏局面。

我們深明保護環境及提高我們經營業務所在社區的福祉是我們的長期責任。為逐步改善環境、社會及管治表現，本集團致力與利益相關者合作，樂意傾聽其寶貴意見及建議。

環境管理

本集團將環保慣例融入其管理及運營，本集團致力於透過衡量及管理其環境影響保護環境，於整個物業發展業務過程中努力提升資源效率。本集團已建立符合ISO14001認證的環境管理體系（「環境管理體系」）。環境管理體系由高級管理層領導，環境保護團隊負責執行各種環保措施。

我們亦已成立一個環境保護及監控機構，環保技術人員作為負責方管理及監控本集團環境表現並協調本集團與政府之間的環保措施。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group strictly complies with all applicable laws and regulations related to environmental protection in Hong Kong and PRC, including but not limited to the Environmental Protection Law of the PRC, the Law of the PRC on the Prevention and Control of Air Pollution, the Law of the PRC on the Prevention and Control of Water Pollution, the Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes, the Law of the PRC on Conserving Energy, and the Law of the PRC on Environmental Impact Assessment.

In compliance with the Law of the PRC on Environmental Impact Assessment, we have commissioned a qualified inspection and testing organization to carry out environmental impact assessment, ensuring that environmental impacts of our projects, including noise, air pollutants and sewage, meet the relevant national standards at the design and construction stages.

During the year, the Group was not aware of any violation of relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Resource Conservation

The Group is committed to implementing various resource efficiency initiatives to reduce the carbon footprint of its operations and to fulfil its social responsibilities for addressing climate change. The Group's operations do not involve any material use of packaging materials.

本集團嚴格遵守香港及中國有關環保的一切適用法律及法規，包括但不限於《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》、《中華人民共和國水污染防治法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國節約能源法》及《中華人民共和國環境影響評價法》。

為符合《中華人民共和國環境影響評價法》，我們已委託合格的檢驗測試機構進行環境影響評估，確保我們項目的環境影響（包括噪音、空氣污染物及污水）在設計及施工階段符合相關國家標準。

年內，本集團概不知悉違反任何對本集團造成重大影響的有關空氣及溫室氣體排放、排放入水及土地以及產生有害及無害垃圾的相關法律及法規。

資源節約

本集團致力於實施各種資源效率措施，以減少其業務的碳排放及履行其應對氣候變化的社會責任。本集團的運營不涉及任何大量使用包裝材料。

Environmental, Social and Governance Report

環境、社會及管治報告

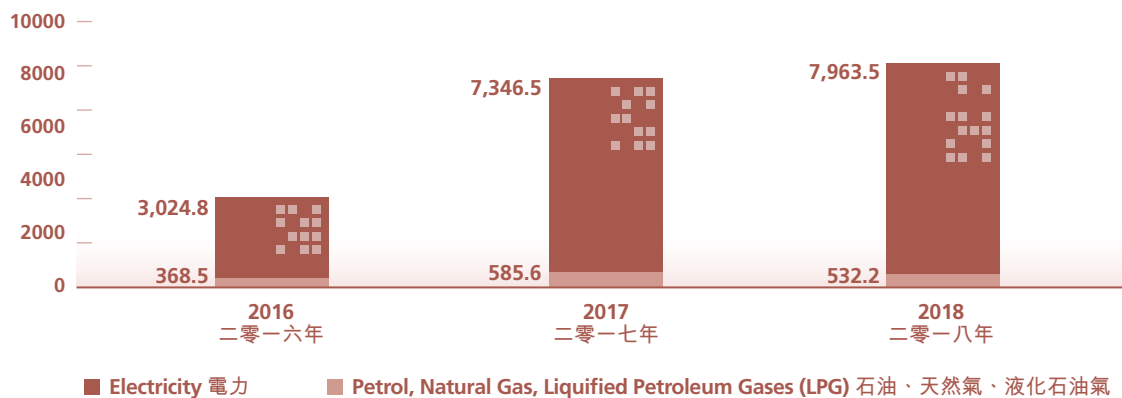
Energy Consumption

The Group's operations involve the use of petrol, liquefied petroleum gas (LPG) and electricity, of which petrol consumed by vehicles accounted for 99% of total energy consumption last year. In 2018, total energy consumption of the Group was 8,495.71 GJ, with energy intensity of 3.8 GJ per square meter of relevant floor area.

能源消耗

本集團的業務涉及使用汽油、液化石油氣 (LPG) 及電力，其中汽車消耗的汽油佔去年總能耗的99%。二零一八年，本集團的總能耗為8,495.71吉焦，能源密度為相關建築面積每平方米3.8吉焦。

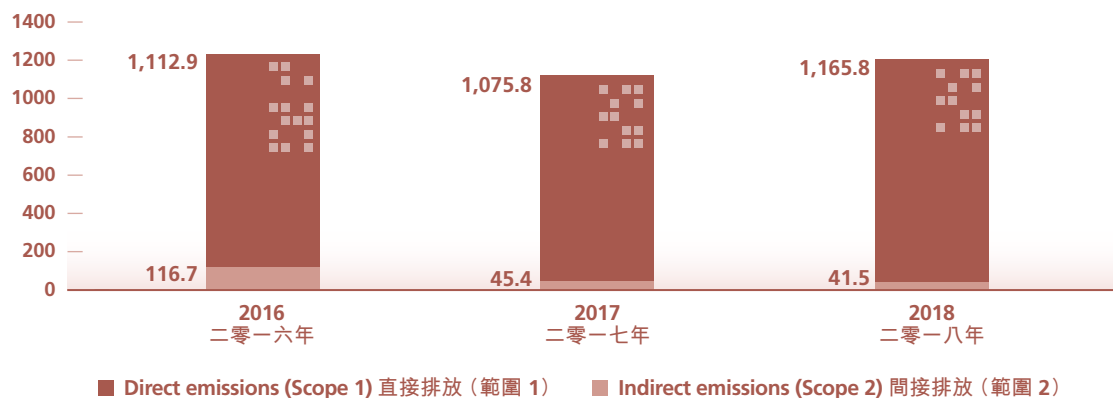
Total Energy Consumption (GJ)
能源耗用總量 (吉焦)



During the year, GHG emissions of the Group included direct emissions (Scope I) from petrol used by vehicles and LPG consumed, and indirect emissions (Scope II) from electricity consumption. In 2018, our total GHG emissions amounted to 1,207 tonnes of carbon dioxide equivalent (tCO₂e). Emission intensity was computed as 0.54 tCO₂e per square meter of relevant floor area.

年內，本集團的溫室氣體排放包括來自車輛使用的汽油及消耗的液化石油氣的直接排放（範圍I），以及電力消耗的間接排放（範圍II）。二零一八年，我們的溫室氣體排放總量為1,207噸二氧化碳當量(tCO₂e)。排放密度計算為相關建築面積每平方米0.54噸二氧化碳當量。

Total GHG Emissions (tCO₂e)
溫室氣體排放總量 (tCO₂e)



Environmental, Social and Governance Report

環境、社會及管治報告

Energy-saving Initiatives

We strive to adopt energy efficiency measures in our operations to reduce operational cost as well as protect the environment. At office, we actively adopt green office practices through recycling policy and reducing energy consumption in office lighting, air conditioning and other electrical appliances.

For property management, we monitor the performance of our service providers, ensuring their operations are aligned with our policies and guidelines in respect of environmental protection. We are actively exploring options of switching to renewable energy sources to further reduce fossil fuels consumption as well as greenhouse gases emissions.

Water Consumption and Conservation

In 2018, total water consumption in property development and office operations was 84,242 m³ and the water intensity was 37.69m³ per square meter of floor area. There was no issue in sourcing water that is fit for the purpose.

節能措施

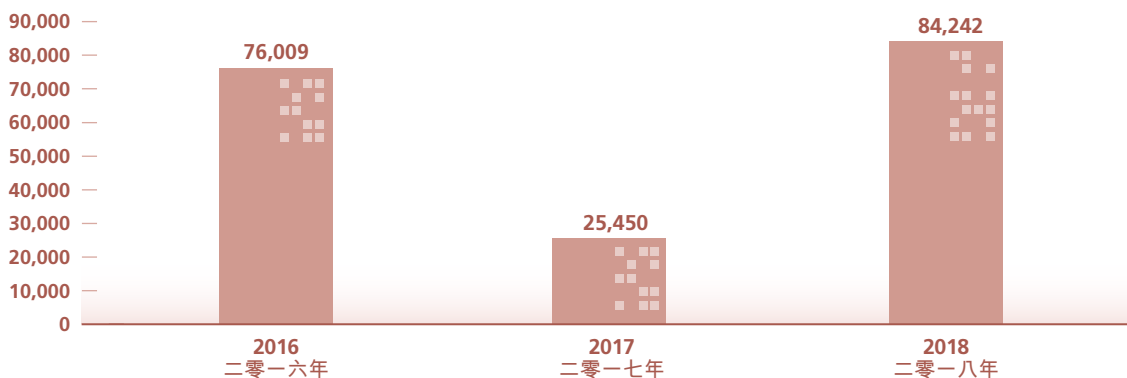
我們努力在運營中採用能效措施，以減少運營成本以及保護環境。在辦公室，我們透過回收政策及減少辦公室照明、空調及其他電器的能耗積極貫徹綠色辦公室實踐。

在物業管理方面，我們監控我們服務供應商的表現，確保彼等運營符合我們有關環保的政策及指引。我們積極探索轉換至可再生能源的選擇，以進一步減少化石燃料消耗及溫室氣體排放。

耗水與節水

於二零一八年，物業發展及辦公室運營的總耗水量為84,242立方米，用水密度為建築面積每平方米37.69立方米。在取得適用水源方面沒有重大問題。

Total Water Consumption (m³)
總耗水量 (立方米)



In response to the increasing demand for water resources, we focus on water saving measures in the process of property development and management. For instance, we set up temporary water treatment facilities at construction sites to filter the water used for machine washing and cooling and reuse it for construction operations.

作為對水資源日益增長需求的回應，我們注重物業發展及管理過程中的節水措施。例如，我們在建築工地建立臨時水處理設施以對水進行過濾，用於機器清洗及冷卻及再次用於建築業務。

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Emissions Mitigation

The Group is committed to reducing emissions of air pollutants, sewage and waste during its operations and has established relevant policy. The Environmental Protection Team is responsible for supervising and inspecting the implementation of emission control measures and provide recommendations where applicable.

As most of our construction work are outsourced, we maintain effective communication with our suppliers and contractors to minimize emissions. Our environmental protection department is responsible for monitoring environmental performance of the contractors and suppliers.

Air Emissions

Vehicle operation is the major source of the Group's air emissions. In 2018, the Group's sulphur oxides (SO_x), nitrogen oxides (NO_x) and particulate matters (PM) emissions were 0.2 kg, 17.6 kg, and 1.6 kg, respectively.

Solid Waste

The Group's operations do not involve generation of hazardous waste. In 2018, we generated 14.2 tonnes of non-hazardous waste, which was mainly from construction. The increase in waste generation is due to the new development projects during the year.

減排

本集團致力於減少其運營過程中的空氣污染物、污水及垃圾的排放，並已制定相關政策。環保團隊負責監督及檢查實施排放控制措施及於適用時提供意見。

由於大部分建築工程外判，我們與供應商及承包商維持有效溝通以儘量減少排放。我們的環保部門負責監控承包商及供應商的環保表現。

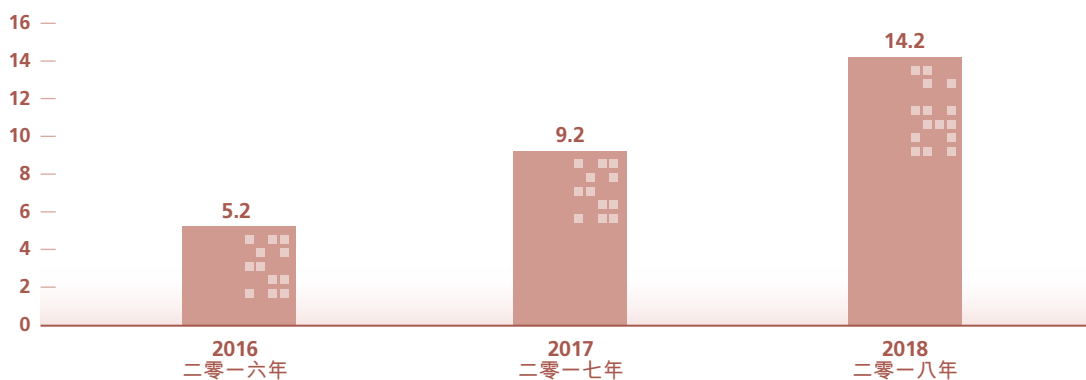
廢氣排放

車輛運營是本集團廢氣排放的主要來源。二零一八年，本集團的硫氧化物（SO_x）、氮氧化物（NO_x）及懸浮顆粒（PM）排放量分別為0.2千克、17.6千克及1.6千克。

固體廢物

本集團的業務不涉及產生有害廢物。於二零一八年，我們產生14.2噸無害廢物，主要來自建築施工。廢物產生增加乃由於年內新的開發項目所致。

Non-hazardous Waste (tonnes)
無害廢物（噸）



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Emission Reduction Measures

The Group conducts regular inspections, maintenance and monitoring of environmental protection facilities to ensure proper treatment of pollutants and waste. We encourage our contractors and suppliers to do the same. The following are several mitigation measures undertaken by the Group's property development projects:

減排措施

本集團進行定期檢查、保養及監控環保設施，確保妥當處理污染物及垃圾。我們鼓勵承包商及供應商亦如此行事。本集團的物業發展項目採取的多項減排措施如下：

Emissions 排放物	Mitigation Measures 減排措施
Air pollutants 空氣污染物	<ul style="list-style-type: none"> Use sprinklers and covers to reduce spreading of the dust generated by construction machinery and vehicles 使用灑水器及蓋板，以減少施工機械及車輛產生的灰塵擴散 Use protective nets at the construction site to prevent the spreading of dust 在施工現場使用防護網以防止灰塵擴散。
Solid waste 固體廢物	<ul style="list-style-type: none"> Collect waste at designated points, which is then centralized and managed by environmental department 在指定點收集垃圾，由環保部門統一集中管理 Recycle construction waste 回收建築垃圾
Noise 噪聲	<ul style="list-style-type: none"> Reasonably arrange construction time and strengthen the management of transportation vehicles 合理安排施工時間，加強運輸車輛管理 Adopt sound insulation and vibration reduction measures 採用隔音和減震措施 Set up greening areas to reduce noise from vehicles 設置綠化區域以減少車輛噪音
Water effluent 廢水	<ul style="list-style-type: none"> Set up temporary water treatment facilities to filter and reuse the water in construction sites 建立臨時水處理設施，過濾和再次利用建築工地的水

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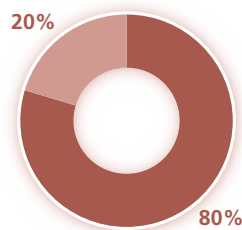
OUR PEOPLE & COMMUNITY

Employees are the foundation of the Group's accomplishments. We are committed to providing a comfortable and supportive workplace for them. As at 31 December 2018, the Group had a total of 54 employees. Below is an overview of the composition of our employees by region, gender, age and position:

我們的員工及社區

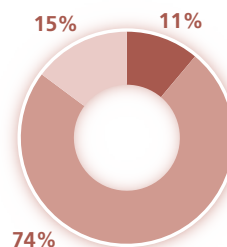
員工是本集團成功的基礎。我們致力於為彼等提供舒適及有利的工作場所。截至二零一八年十二月三十一日，本集團共有54名僱員。以下是按地區、性別、年齡及職位劃分的員工組成概況：

Geographic Region 地區



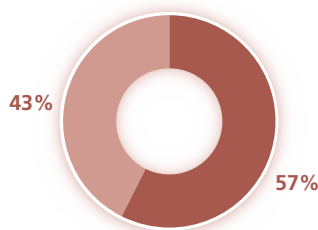
■ Maoming, China 中國茂名 ■ Hong Kong 香港

Age 年齡



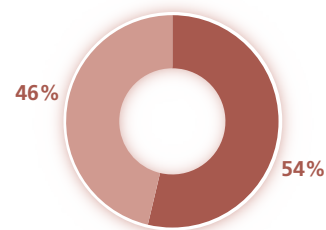
■ <30 ■ 30-50 ■ >50

Gender 性別



■ Male 男性 ■ Female 女性

Position 職位



■ Managerial 管理層 ■ Front Line 前線

The Company complied with all relevant laws and regulations, including but not limited to Labor Law of The People's Republic of China and the Hong Kong Employment Ordinance, that have a significant impact relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

本公司遵守有關賠償及解僱、招聘及晉升、工作時間、休息時間、平等機會、多元化、反歧視及其他福利等產生重大影響的一切相關法律及法規，包括但不限於《中華人民共和國勞動法》及《香港僱傭條例》。

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To ensure compliance, the Group recruits and selects employees on the basis of merit, regardless of age, race, gender, religion, family status or disability, treating all employees in a fair manner on remuneration, leave, resignation and termination arrangements.

Devoted to creating a diverse, secure and respectful workplace, a non-discrimination policy is set in place. Workplace harassment is prohibited. The Group encourages employees to report suspected cases of discrimination directly to the senior management. Thorough investigations are conducted immediately.

To enable the employees to achieve their full potential, we provide equal opportunities for training and development based on talent and needs. Employees' rewards and promotions are measured by ability, performance, contribution and experience.

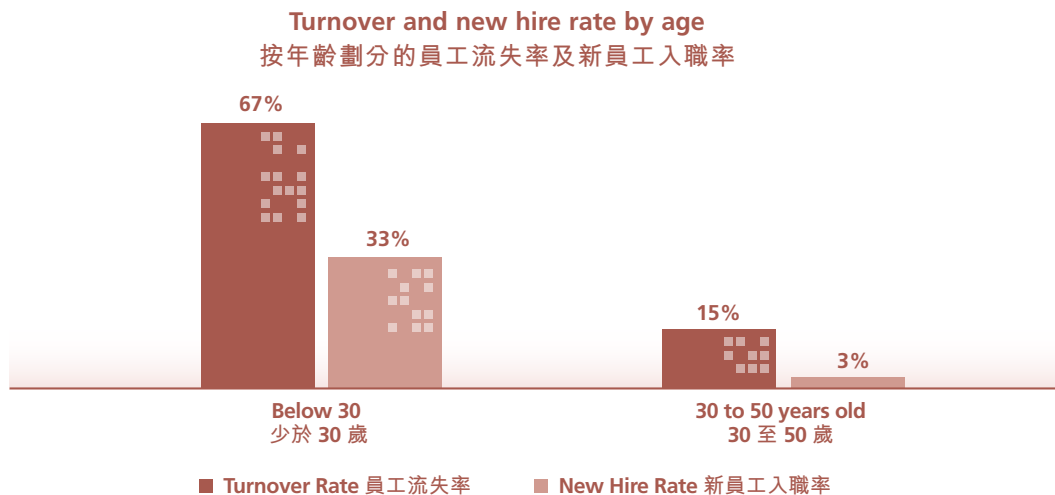
In 2018, our total turnover rate was 19%, while the new hire rate was 6%. The following section presents our turnover and new hire rate by age for the reporting period.

為確保合規，本集團招聘及挑選員工時著眼於個人長處，不分年齡、種族、性別、宗教、家庭狀況或殘疾情況，在薪酬、假期、辭職及終止僱用安排方面以公平方式對待全體僱員。

本集團致力於創造一個多元化、安全及互相尊重的工作場所，本集團制定有非歧視政策，禁止工作場所的騷擾。本集團鼓勵員工直接向高級管理層匯報疑似歧視案件，並會立即進行徹底調查。

為可令僱員發揮其全部潛力，我們根據才能及需要提供培訓及發展的平等機會。僱員獎勵及晉升乃憑能力、表現、貢獻及經驗衡量。

於二零一八年，我們的總員工流失率及新員工入職率分別為19%及6%。下表呈列我們於報告期內按年齡組別劃分的員工流失率及新員工入職率。



During the year, we were not aware of any non-compliance with laws and regulations having a significant impact on the Group relating to employment and labour practices; nor did we identify any incidents relating to the use of child or forced labour.

年內，我們概不知悉有關就業及勞工實踐對本集團造成重大影響的不符合法律及法規的任何情況，亦未發現有關使用童工或強制勞工的任何事件。

Environmental, Social and Governance Report

環境、社會及管治報告

Health and Safety

Strictly complying with the Production Safety Law of the People's Republic of China, the Group ensures safety practices are followed at construction sites rigorously according to national standards. Sub-contractors are required to establish emergency action plans, to prepare necessary equipment and machines and to minimize occupational hazards.

During construction, we supervise engineers in monitoring the safety practices and performance of the contractors. Contractors are required to submit a safety measures plan to the supervising engineer and the Group for approval before construction work commences.

The Group offers safety training to employees and regularly assesses the training needs to maintain standards and safety management. In 2018, a total of 1,091 person-times of safety training was recorded, with total safety training hours amounting to 645 hours.

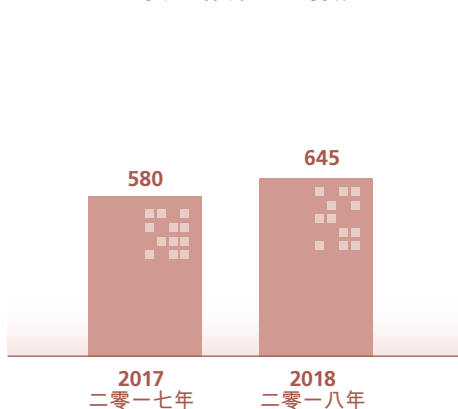
健康與安全

本集團嚴格遵守《中華人民共和國安全生產法》，確保建築工地的安全措施嚴格遵守國家標準。分包商須制定應變行動計劃及提供必要的設備與機器，盡可能減少職業危害。

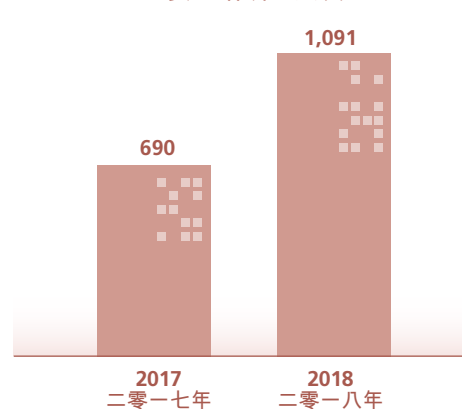
於施工過程中，我們監理工程師監控承包商的安全慣例及表現。施工前須向監理工程師及本集團提交安全措施計劃以供審批。

本集團向僱員提供安全培訓並定期評估培訓需求以維持標準及安全管理。於二零一八年，合共錄得1,091人次安全培訓，安全培訓總小時數為645小時。

Total safety training hours
安全培訓總小時數



Total person-times of safety training
安全培訓總人次



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We require our contractors to comply with all relevant environmental and hygiene management related laws and regulations to provide a safe and healthy working environment to their employees. There were no work-related fatalities recorded during the year. The Company was not aware of any non-compliance with laws and regulations that have a significant impact relating to providing a safe working environment and protection of employees from occupational hazards during the year.

Training and Development

Employees are the most valuable assets of the Group's long-term success. It is essential to contribute resources for training and strengthen the competencies of our employees.

Trainings are organised for employees, including directors, senior management and frontline staff, aiming not only to upgrade related skills for fulfillment of job-related duties but also to build capacity for achieving business goals of the Group. Suitable training and development opportunities are provided to assist employees to meet their training objectives. Mandatory participation from relevant employees is required in case of certain courses which have a significant impact or are related to major updates of regulations of the Group.

Regular training which includes weekly customer report, sales summary and marketing training aims to help employees understand the latest market situation. Monthly training aims to set future sales targets. Specific training for opening of model rooms, market competition, price and sales skills are also provided to enhance the competency of employees. Apart from internal training, external training programs and seminars are also encouraged in order to enhance their skills and abilities.

我們要求我們的承包商遵守一切相關環保及衛生管理相關法律及法規，以向僱員提供安全健康的工作環境。年內概無錄得工作相關的死亡事故。年內，本公司概不知悉具有重大影響的違反有關提供安全工作環境及保護員工免受職業危害的任何法律法規。

培訓及發展

員工是本集團長遠成功的最寶貴資產。我們認為有必要投放資源培訓及加強員工能力。

本集團針對員工（包括董事、高級管理層及前線員工）組織培訓，一方面不僅提升履行職務相關職責的相關技能，另一方面培養能力推動實現本集團業務目標。本集團提供合適的培訓及發展機會，協助員工達成培訓目標。倘若干課程對本集團主要法規更新有重大影響或與之有關，則我們會強制要求相關員工參與。

定期培訓包括每週客戶報告、銷售總結及營銷培訓，旨在協助員工了解最新市場狀況。每月培訓旨在確立未來銷售目標。我們亦提供建立樣板房、市場競爭、價格及銷售技巧的具體培訓，藉此提高員工能力。除內部培訓外，本公司亦鼓勵員工參與外部培訓計劃及研討會以增強技能及能力。

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In 2018, 68% of male employees and 65% of female employees received training, while 55% of managerial staff and 80% of front line employees were trained. The average training hours completed per employee was 12 hours during the year.

Community Investment

Striving to become a responsible corporate citizen, the Group has been bearing its share of social responsibility. Offering a helping hand to communities in need, we made a donation of RMB200,000 to community projects providing support for social development in 2018. The Group will continue to work with partners in the communities and explore its options when contributing to the society.

OPERATIONAL EXCELLENCE

It is the Group's mission to provide high quality properties to our customers. We strive to adopt best practices regarding supply chain management and quality assurance, ensuring all operational processes comply with excellent standards.

Supplier Management

With property development as the main business of the Group, we regard suppliers and contractors as our crucial business partners. We have a list of evaluation criteria, which include track record, financial strength and quality standards, to be taken into consideration during the selection process. To fulfill our commitment of providing quality services and products to our customers, we attach great importance to the international environmental, quality and safety standards, such as ISO 9001, ISO 14001 and OHSAS 18001. Contractors adopting these standards are given high priority.

於二零一八年，68%之男性員工及65%之女性員工已接受培訓，及55%之管理層及80%之前線人員已獲培訓。年內，每名員工的平均培訓時數為12小時。

社區投資

本集團一直承擔其應盡的社會責任，致力成為負責任的企業公民。我們向社區內有需要人士伸出援手，我們於二零一八年向社區項目捐款人民幣200,000元，為社會發展提供支持。本集團將繼續與社區夥伴合作，探索不同方式貢獻社會。

卓越營運

本集團的使命是向客戶提供優質物業。我們致力於採納有關供應鏈管理及質量保證的最佳做法，確保所有營運流程符合卓越標準。

供應商管理

本集團的主要業務為物業發展，我們視供應商及承包商為我們至關重要的業務夥伴。我們訂有於甄選過程中將會考慮的評估標準清單，包括往績記錄、財務實力及質量標準。為履行我們向客戶提供優質服務及產品的承諾，我們極其重視國際環境、質量及安全標準，如ISO 9001、ISO 14001及OHSAS 18001。我們優先考慮採納該等標準的承包商。

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Regarding the management of suppliers and contractors, constant and clear communication is our main approach, which helps ensure that they understand and align with our principles and values. Hence, we have included all essential terms and clauses in the contracts, such as construction scope and structure used, required quality standards, as well as mutual and separate responsibility.

We require contractors to avoid infringement of the rights of community members to use public facilities and any disruptions to their daily lives during the construction process, and we regularly monitor and assess contractors' ESG performance, which is taken into account when considering future collaboration.

To ensure and improve the quality of construction work, we encourage contractors to provide training in occupational safety to construction workers, and to arrange regular assessment to evaluate their skills and performance. We also welcome the establishment of a quality award system through negotiation with contractors, aiming to motivate and reward them for achieving quality standards higher than the national or contractual requirements.

Product Responsibility

Striving for excellence in the quality of our products and services and user experience, we put health and safety as our top priority, and require our business partners to meet the relevant regulatory requirements. Our contractors are responsible for maintaining construction quality by following the designated construction plan and appropriate construction standards, while environmental and hygiene conditions are also considered.

就供應商及承包商管理而言，持續且清晰的溝通是我們的主要方法，這有助確保彼等瞭解及符合我們的原則及價值觀。因此，我們已在合約中載有所有必要條款及條文，如施工範圍及所用結構、所需質量標準以及彼此及單獨責任。

我們要求承包商於施工過程中避免侵犯社區成員使用公共設施的權利及避免對其日常生活造成干擾，我們定期監控及評估承包商的環境、社會及管治表現，日後合作時也會考慮在內。

為確保及改善建築工程的質量，我們鼓勵承包商為建築工人提供職業安全培訓，並安排定期考核以評估其技能及表現。我們亦歡迎透過與承包商談判建立質量獎勵系統，旨在激勵彼等實現高於全國或承包要求的質量標準並對彼等提供獎勵。

產品責任

我們在產品質量及服務以及用戶體驗方面追求卓越的同時，亦將健康及安全視為我們的重中之重，並要求我們的業務夥伴符合相關監管要求。我們的承包商負責按照指定施工計劃及適當施工標準維持建築質量，同時亦會考慮環境及衛生條件。

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Before obtaining construction permit and commencement report, contractors are required to set up clear procedures for supervision of quality and safety in accordance with national regulations, and construction management agencies with specialized management personnel should be present at the construction site to ensure thorough checks. The Group assigns a supervising engineer to inspect the progress, quality and safety of the construction, and to carry out inspections and assessments on construction materials, equipment, facilities and techniques used by contractors. The engineer approves, notifies and confirms with the contractors important instructions on behalf of the Group.

在獲得施工許可證及開工報告前，承包商須根據國家法規建立監督質量及安全的明確程序，施工現場應有配備專業管理人員的施工管理機構以確保徹底核查。本集團指派一名監理工程師檢查施工進度、質量及安全，並對承包商使用的建築材料、設備、設施及技術進行檢驗及評估。工程師代表本集團批准、通知及與承包商確認重要指示。

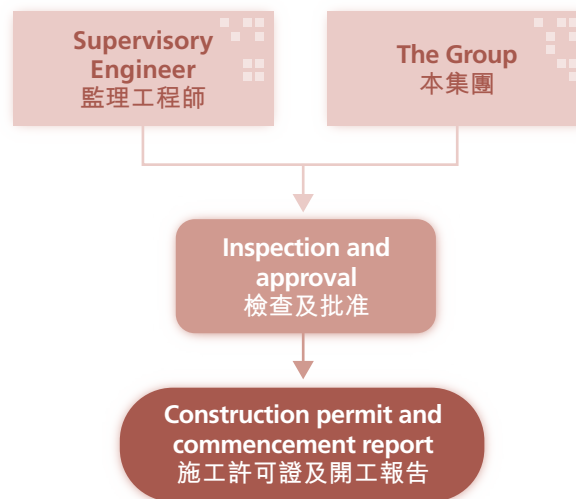


Figure 1: Inspection procedures before construction commences

圖1：施工開始前的檢驗程序

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Upon the completion of a construction project, it is subject to inspection and checking, ensuring the final product satisfies national and provincial standards. As shown in Figure 2, government authorities, supervising engineer and the Group carry out inspections in the areas of fire safety, environment and quality at the construction site, and an acceptance certificate is granted to the contractors on approval.

The Group submits relevant documents and license to the authority concerned, such as departments of public security, fire services and environmental protection, as required by the Regulations on the Quality Management of Construction Projects. If defects are found during the inspection, we require the relevant parties to take responsibility according to contractual terms. After the completion of remedial measures, re-checking is carried out before acceptance, with detailed records kept.

於建築項目竣工後，須進行檢驗及核查，確保最終產品符合國家及省級標準。誠如圖2所示，政府機構、監理工程師及本集團在施工現場對消防安全、環保及質量方面進行檢查，批准後向承包商頒發驗收證書。

本集團按照《建設工程質量管理條例》的要求，向有關部門，如公安、消防及環保等部門提交相關文件及許可證。倘於檢查過程中發現缺陷，我們要求相關方根據合約條款承擔責任。於補救措施完成後，在驗收前進行重新檢查，並保留詳細記錄。



Figure 2: Procedures of acceptance inspection

圖二：驗收程序

With respect to the property sales and services, we strive to disclose all necessary information, so as to help customers in decision-making. We put great emphasis on property management by working with qualified property management companies to raise customer satisfaction. In addition to regulatory compliance, we adopt an ethical approach in marketing communication, as demonstrated in our advertising and promotional activities.

針對物業銷售及服務，我們致力於披露一切必要資料，以便幫助客戶作出決定。我們極其重視物業管理，與合資格物業管理公司攜手提升客戶滿意度。除監管合規外，我們採用合乎道德標準的方法進行營銷宣傳，我們的廣告及推廣活動即是明證。

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Aiming to provide the best products and services, we greatly value customers' opinions and follow appropriate procedures to collect their feedback. Review of the feedback enables us to make improvements accordingly. During the year, we were not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

Anti-corruption

Integrity is one of the core values of the Group, we adopt a stringent approach towards corruption, following relevant anti-corruption laws and regulations, including but not limited to the Prevention of Bribery Ordinance of Hong Kong and the Criminal Law of the People's Republic of China. Mandatory reports must be filed to notify and report to the authorities if any acts of corruption are discovered.

Any form of bribery is strictly forbidden for all employees regardless of their positions and departments. We expect our employees and stakeholders to report any suspected corrupt conduct to senior managers. We provide training and information sessions on corruption prevention to employees in order to raise their anti-corruption awareness.

The Group takes any incidents of prosecution for corruption into consideration when choosing business partners, and does not collaborate with suppliers and contractors with past conviction records. We require our business partners to sign an Anti-corruption Agreement which is attached as an appendix in the contracts. Contractors must not violate the relevant anti-corruption laws and regulations during the contract period. Any corrupt behavior from contractors leads to termination of contract, request for compensation, and pursuit of legal actions.

為著提供最優質產品及服務，我們非常重視客戶意見及遵循適當程序收集彼等反饋。對反饋的審閱使得我們能作出相應改善。年內，我們並無發現任何不符合健康與安全、廣告、標籤、產品與服務私隱事宜及補救方法的法例及法規而對本集團產生重大影響的情況。

反貪污

誠信乃本集團核心價值觀之一，我們依照相關反貪污法律及法規採取嚴厲的反貪污手段，包括但不限於香港《防止賄賂條例》及《中華人民共和國刑法》。倘發現任何貪污行為，必須提交強制性報告，以通知當局並向當局匯報。

所有員工都嚴格禁止任何形式的賄賂，無論其職位及部門為何。我們希望員工及持份者向高級經理匯報任何可疑貪污行為。我們向員工提供有關預防貪污的培訓及資料會議，以提高彼等反貪污意識。

本集團在選擇業務合作夥伴時會考慮任何因貪污而被起訴的事件，不與過往有犯罪記錄的供應商及承包商合作。我們要求我們的業務夥伴簽訂合約附件隨附的反貪污協議。承包商於合約期內不得違反相關反貪污法律及法規。承包商的任何貪污行為均會導致合約中止、要求賠償及尋求法律訴訟。

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During the year, the Company was not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

年內，本公司並不知悉違反任何對本集團有重大影響的有關賄賂、勒索、欺詐及洗黑錢的法例及法規。

PERFORMANCE DATA SUMMARY

績效數據摘要

	Unit 單位	2018 二零一八年	2017 二零一七年
Total Headcount 總人數			
By Geographical Distribution 按地域分佈			
Maoming 茂名		43	60
Hong Kong 香港		11	11
Total 總計		54	71
By Age 按年齡			
<30		6	26
31-50		40	39
>50		8	6
By Gender 按性別			
Male 男性		31	36
Female 女性		23	35
By Educational Background 按教育背景			
Degree or above 學位或以上		41	50
High school or below 高中或以下		13	21
By Employee Category 按員工類別			
Management 管理層		29	34
Front line 前線		25	37

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	Unit 單位	2018 二零一八年	2017 二零一七年
Employee Turnover Rate 員工流失率			
By Age 按年齡			
<30		67%	10%
31-50		15%	4%
>50		0%	1%
By Gender 按性別			
Male 男性		3%	6%
Female 女性		39%	10%
Employee New Hire Rate 新員工入職率			
By Age 按年齡			
<30		33%	13%
31-50		3%	3%
>50		0%	0%
By Gender 按性別			
Male 男性		3%	6%
Female 女性		9%	10%
Percentage of Employees Trained 受訓員工百分比			
By Gender 按性別			
Male 男性		68%	63%
Female 女性		65%	65%

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	Unit 單位	2018 二零一八年	2017 二零一七年
By Employee Category			
按員工類別			
Management		55%	40%
管理層			
Front line		80%	85%
前線			
Average training hours		12	103
平均培訓時數			
By Gender			
按性別			
Male		12	
男性			
Female		12	
女性			
By Employee Category			
按員工類別			
Management		14	
管理層			
Front line		10	
前線			

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	Unit 單位	2018 二零一八年	2017 二零一七年	
Safety 安全	Safety Performance 安全表現			
	Work-related injuries 工傷	0	0	
	Lost days due to work injuries 因工傷損失工作日數	0	0	
	Work related fatalities 與工作有關的致命事故	0	0	
	Training on Occupational Health and Safety 職業健康與安全培訓			
	Total personal-times training 個人培訓總次數	1,091	960	
	Total training hours 總培訓時數	645	580	
	Percentage of employee trained 受訓員工百分比	58%	63%	
	Environment 環境	Total Resources Consumption 資源消耗總量		
		Electricity 電力	kWh 千瓦時	2,212,086
LPG 液化石油氣		kg 千克	2,500	3,000
Petrol 汽油		litre 公升	12,762	13,651.3
Total Energy intensity 總能量密度		GJ/m ² floor area 吉焦/ 每平方米— 建築面積	3.8	/
Water 水		m ³ 立方米	84,242	25,450
Water intensity 水密度		m ³ /m ² floor area 立方米/ 每平方米— 建築面積	37.69	/

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	Unit 單位	2018 二零一八年	2017 二零一七年	
Environment 環境	Greenhouse Gases Emissions 溫室氣體排放			
	GHG emissions 溫室氣體排放	tCO ₂ e 噸二氧化碳當量	1,207.3	1,121.2
	Scope I 範圍一	tCO ₂ e 噸二氧化碳當量	41.5	45.4
	Scope II 範圍二	tCO ₂ e 噸二氧化碳當量	1,165.8	1,075.8
	Emission intensity 排放密度	tCO ₂ e/m ² floor area 噸二氧化碳當量/ 每平方米— 建築面積	0.54	/
	Air Pollutants from Vehicles 車輛空氣污染物			
	NO _x 氮氧化物	kg 千克	17.6	16.4
	SO _x 硫氧化物	kg 千克	0.2	0.2
	PM 懸浮顆粒	kg 千克	1.6	1.5
	Waste 廢物			
	General waste without recycling 未回收一般廢物	Tons 公噸	14.2	9.22
	Community 社區	Donation		
		捐款	RMB '000 人民幣千元	200

Report of Directors

董事會報告

The Directors are pleased to present their report and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are engaged in (i) property development and investment; and (ii) trading of raw sugar. Details of the principal subsidiaries of the Company are set out in note 32 to the consolidated financial statements.

An analysis of the Group's turnover by business segments and geographical segments for the Year is set out in note 6 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The Group's results for the Year are set out in this annual report on pages 94 to 207. The Board does not recommend the payment of any dividend in respect of the Year.

FIVE YEARS FINANCIAL SUMMARY

A summary of the published results, assets and liabilities, and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements is set out on page 4 of this annual report. This summary does not form a part of the audited consolidated financial statements.

BUSINESS REVIEW AND MARKET OUTLOOK AND PROSPECTUS

A review of the business of the Group during the Year and a discussion on the Group's future business development are provided in the Management Discussion and Analysis on pages 5 to 13 of this annual report.

董事謹此欣然提呈本集團本年度之董事會報告及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。本集團之主要業務為(i)物業發展及投資；及(ii)原糖貿易。有關本公司主要附屬公司的詳情載於綜合財務報表附註32。

本集團本年度營業額業務分類及地區分類的分析載於綜合財務報表附註6。

業績及股息

本集團本年度之業績載於本年報第94至207頁。董事會不建議派發任何本年度股息。

五年財務摘要

本集團過去五個財政年度已公佈之業績、資產及負債及非控制性權益概要（節錄自經審核綜合財務報表）載於本年報第4頁。此概要並不構成經審核綜合財務報表之部份。

業務回顧、市場展望及前景

本集團於本年度之業務回顧及本集團未來業務發展之討論載於本年報第5至13頁管理層討論及分析內。

Report of Directors

董事會報告

Principal Risks and Uncertainties

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties including market risk, credit risk, and liquidity risk. The risk management policies and practices of the Group are shown in notes 35 and 36 to the consolidated financial statements.

Environmental Policies and Performance

The Group commits to the long term sustainability of the environment and communities in which it operates. Acting in an environmentally responsible manner, the Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction.

The Group also commits to the principle and practice of recycling and reducing. To help conserve the environment, it implements green office practices such as re-deployment of office furniture as far as possible, encourage use of recycled paper for printing and copying, double-sided printing and copying, reduce energy consumption by switching off idle lightings, air conditioning and electrical appliances. Details for the environmental policies and performance of the Group during the Year are set out on the Environmental, Social and Governance Report on pages 45 to 66.

Compliance with the Relevant Laws and Regulations

As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

主要風險及不確定因素

本集團之財務狀況、經營業績、業務及前景將受眾多風險及不確定因素影響，包括市場風險、信貸風險及流動資金風險。本集團之風險管理政策及實踐呈列於綜合財務報表附註35及36。

環境政策及表現

本集團致力於其經營所在環境及社區之長期可持續性。本集團以對環境負責之方式行事，盡力遵守有關環保之法律及法規，並採取有效措施達致資源有效利用、能源節約及廢物減少。

本集團亦奉行循環利用和節約之原則與實務。為幫助保護環境，本集團實施綠色辦公室行動，如盡可能重新安置淘汰的辦公室傢具、鼓勵使用廢舊紙張打印及複印、提倡雙面打印和複印、以及通過關閉閒置的照明、空調及電器減少能源消耗。本集團於本年度之環境政策及表現之詳情載於第45至66頁之環境、社會及管治報告。

遵守相關法律及法規

就董事會所知，本集團已於各重要方面遵守對本集團業務及經營產生重大影響之相關法律及法規。於本年度，本集團概無嚴重違反或不遵守適用法律及法規。

Report of Directors

董事會報告

Relationship with Suppliers, Customers and other Stakeholders

The Group understands the importance of maintaining a good relationship with its suppliers, customers and other stakeholders to meet its immediate and long-term goals.

During the Year, there were no material and significant dispute between the Group and its suppliers, customers and/or other stakeholders.

PERMITTED INDEMNITY

Pursuant to the memorandum of association of the Company and Articles, the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duties in their offices. Such permitted indemnity provision has been in force throughout the Year. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

PROPERTY, PLANT AND EQUIPMENT

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

ORDINARY SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's ordinary share capital and share options are set out in notes 25 and 26 to the consolidated financial statements.

與供應商、客戶及其他持份者的關係

本集團明白與其供應商、客戶及其他持份者維持良好關係，對達致即時及長遠目標極為重要。

於本年度，本集團與其供應商、客戶及／或其他持份者並無發生重大及嚴重糾紛。

獲准許的彌償

根據本公司組織章程大綱及細則、適用法律及法規，每名董事就彼等或彼等任何一人基於其職位履行其職務而產生或蒙受的所有訴訟、費用、收費、損失、損害及開支，均可自本公司的資產及溢利獲得彌償，確保免於就此受損。該等獲准許的彌償條文已於本年度內生效。本公司已就本集團董事及行政人員購買合適的董事及行政人員責任保險。

物業、廠房及設備

本集團於本年度之物業、廠房及設備之變動詳情載於綜合財務報表附註15。

普通股及購股權

本公司之普通股及購股權變動詳情載於綜合財務報表附註25及26。

Report of Directors

董事會報告

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

RESERVES

Details of movement in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 98 of this annual report.

DISTRIBUTABLE RESERVES

There is no distributable reserves of the Company as at 31 December 2018, including the share premium less the accumulated losses of the Company, available for distribution, calculated in accordance with the provisions of Companies Law of the Cayman Islands (2017: approximately RMB25,492,000).

Under the laws of the Cayman Islands, the share premium is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The reserves of the Company available for distribution further depend on the dividend distributable by the Company's subsidiaries.

優先購買權

根據細則及開曼群島法例，並無有關優先購買權之規定，以致本公司必須向其現有股東按持股比例發行本公司之新股份。

購買、出售或贖回上市證券

於本年度，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股份。

儲備

本集團於本年度之儲備變動詳情載於本年報第98頁之綜合權益變動表中。

可供分派儲備

於二零一八年十二月三十一日，根據開曼群島公司法之條文計算，本公司並無可供分派之可供分派儲備（包括本公司股份溢價減累計虧損）（二零一七年：約人民幣25,492,000元）。

根據開曼群島法例，股份溢價可分配予本公司股東，惟緊隨建議分派股息當日本公司將能償還其於日常業務過程中到期之債務。本公司可供分派之儲備進一步取決於本公司附屬公司可分派之股息。

Report of Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers during the Year is as follows:

主要客戶及供應商

於本年度，本集團主要客戶及供應商應佔銷售及採購額詳情如下：

		Percentage of the Group's total sales 佔本集團 總銷售額百分比
--	--	--

The largest customer	最大客戶	47%
Five largest customers	五大客戶	59%

		Percentage of the Group's total purchases 佔本集團 總採購額 百分比
--	--	--

The largest supplier	最大供應商	88%
Five largest suppliers in aggregate	五大供應商總計	95%

During the Year, none of the Directors, their close associates or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the total number of the Company's shares in issue) had any beneficial interest in the five largest customers and suppliers.

於本年度，董事、彼等之緊密聯繫人士或根據董事所知擁有本公司已發行股份總數之5%以上之本公司任何股東概無擁有五大客戶及供應商之任何實益權益。

DIRECTORS

The Directors during the Year and up to the report date are:

Executive Directors

Mr. Liu Feng (*Chairman*)
Mr. Chen Xian (*Vice-Chairman*)
Mr. Lau Sai Chung (*Chief Executive Officer*)
Ms. Xia Dan (Resigned on 31 January 2018)

Mr. Liu Zhongxiang

Independent Non-executive Directors

Mr. Poon Lai Yin Michael
Mr. Char Shik Ngor Stephen
Ms. Li Jiansheng

董事

以下為於本年度及截至報告日期之董事：

執行董事

劉鋒先生 (*主席*)
陳賢先生 (*副主席*)
劉世忠先生 (*行政總裁*)
Xia Dan女士 (於二零一八年一月三十一日辭任)
劉忠翔先生

獨立非執行董事

潘禮賢先生
查錫我先生
李建生女士

Report of Directors

董事會報告

Mr. Liu Zhongxiang, Mr. Poon Lai Yin Michael and Ms. Jiansheng shall retire from office by rotation pursuant to article 87(1) of the Articles, and being eligible, offer themselves for re-election at the forthcoming AGM.

BIOGRAPHIES OF DIRECTORS

Biographical details of the Directors are set out in pages 14 to 17 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company without fixed term. Each of the executive Directors may receive double pay and discretionary bonus, the amount of which will be determined by the Board as its absolute discretion having regard to the operation results of the Company.

Each of the independent non-executive Directors, namely Mr. Poon Lai Yin Michael, Mr. Char Shik Ngor Stephen and Ms. Li jiansheng, has entered into a letter of appointment with the Company for a term of three years.

No Director proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a significant beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any its subsidiaries was a party at any time during the Year.

劉忠翔先生、潘禮賢先生及李建生女士須根據細則第87(1)條於應屆股東週年大會上輪值退任，並合乎資格，願意於應屆股東週年大會上膺選連任。

董事簡歷

董事簡歷詳情載於本年報第14至17頁。

董事服務合約

每位執行董事已與本公司簽訂服務協議並沒有固定任期。各執行董事或可收取雙薪及酬情花紅，有關金額將由董事會全權酌情按本公司之經營業績而釐定。

獨立非執行董事潘禮賢先生、查錫我先生及李建生女士各自己與本公司訂立委任函，年期為三年。

本公司並無與擬於應屆股東週年大會上重選連任之董事訂立任何不可由本公司於一年內無償終止（法定補償除外）之服務合約。

董事合約權益

於本公司或其任何附屬公司於本年度內任何時間訂立與本集團業務有重大關連之任何合約中，董事概無擁有任何直接或間接之重大實益權益。

Report of Directors

董事會報告

INDEPENDENCE CONFIRMATION

The Company has received, from each of the independent non-executive Directors, namely Mr. Poon Lai Yin Michael, Mr. Char Shik Ngor Stephen and Ms. Li Jiansheng, an annual confirmation of their independence pursuant to the Listing Rules and the Company considers all of the independent non-executive Directors are independent.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the highest paid individuals of the Group are set out in note 11 to the consolidated financial statements.

RELATED PARTY/CONNECTED TRANSACTION

The Directors consider that those related party transactions disclosed in note 29 to the consolidated financial statements did not fall under the definition of “connected transactions” or “continuing connected transactions” (as the case may be) 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 Directors confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

On 22 January 2018, Techwayson Trading Limited (“Techwayson”), a wholly-owned subsidiary of the Company, entered into the master agreement (the “Master Agreement”) with China Sugar, a substantial shareholder of the Company, for purchase of raw cane sugar from China Sugar. On 14 February 2018, Techwayson and China Sugar entered into a supplement agreement (the “Supplemental Agreement”) to supplement and amend certain terms of the Master Agreement. The Master Agreement dated 22 January 2018 as supplemented and amended by the Supplemental Agreement dated 14 February 2018 (the “Revised Master Agreement”) has been approved by independent shareholders of the Company at the Company’s extraordinary general meeting convened on 21 March 2018.

確認獨立性

本公司已接獲各獨立非執行董事（即潘禮賢先生、查錫我先生及李建生女士）按照上市規則發出之獨立性年度確認書，而本公司認為全體獨立非執行董事屬獨立人士。

董事及五位最高薪人士酬金

董事及本集團最高薪人士的酬金詳情載於綜合財務報表附註11。

關連方／關連交易

董事認為，綜合財務報表附註29所披露之該等關連方交易不屬於上市規則第14A章之「關連交易」或「持續關連交易」（視乎情況而定），其須遵守上市規則項下之任何申報、公佈或獨立股東批准規定。董事確認，本公司已遵守上市規則第14A章之披露規定。

於二零一八年一月二十二日，本公司全資附屬公司德維森貿易有限公司（「德維森」）與本公司主要股東中國糖業訂立總協議（「總協議」），以向中國糖業購買原蔗糖。於二零一八年二月十四日，德維森與中國糖業訂立一份補充協議（「補充協議」），以補充及修改總協議之若干條款。日期為二零一八年一月二十二日的總協議（經日期為二零一八年二月十四日的補充協議補充及修訂）（「經修訂總協議」）已獲本公司獨立股東於本公司於二零一八年三月二十一日召開的股東特別大會上批准。

Report of Directors

董事會報告

Pursuant to the Revised Master Agreement, Techwayson agreed to purchase raw cane sugar from China Sugar for a term of thirty four (34) months, from 1 March 2018 to 31 December 2020 (both days inclusive).

Pursuant to the Revised Master Agreement, China Sugar and Techwayson shall enter into specific contract(s), which shall set out the details, including but not limited to the unit price of the raw cane sugar, quality specification, origin, packing, payment terms and destination. Detailed terms and conditions for the continuing connected transaction shall be governed by the specific contract(s) to be entered into between Techwayson and China Sugar pursuant to the Master Agreement.

There is no sales, purchase nor transactions with China Sugar for the period from 1 March 2018 to 31 December 2018 in view of the sugar market fluctuation.

China Sugar is wholly-owned by Mr. Liu Zhongxiang, the executive Director. Accordingly, China Sugar, Mr. Liu Zhongxiang and Mr. Liu Feng are the connected persons to the Company as defined under the Listing Rules and the transaction under the Revised Master Agreement constitutes continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

In view of the Group's plan to further expand its business in trading of raw cane sugar, the entering into of the Revised Master Agreement between Techwayson and China Sugar will strengthen the existing business and secure the procurement of sugar trading business of the Group and in turn increase the revenue of the Group.

根據經修訂總協議，德維森同意向中國糖業購買原蔗糖，年期為三十四(34)個月，自二零一八年三月一日起至二零二零年十二月三十一日止（包括首尾兩日）。

根據經修訂總協議，中國糖業與德維森應訂立特定合約，其中載列詳情，包括但不限於原蔗糖之單價、質量規格、原產地、包裝、付款條款及目的地。持續關連交易之詳細條款及條件應受德維森與中國糖業根據總協議將訂立之特定合約規管。

鑒於糖類市場波動，於二零一八年三月一日至二零一八年十二月三十一日期間並無與中國糖業進行銷售、購買及交易。

中國糖業由執行董事劉忠翔先生全資擁有。因此，中國糖業、劉忠翔先生及劉鋒先生為本公司之關連人士（定義見上市規則），而根據上市規則第14A章，經修訂總協議項下之交易構成本公司之持續關連交易。

鑑於本集團計劃進一步擴大其原蔗糖貿易之業務，德維森與中國糖業訂立經修訂總協議將鞏固現有業務及確保本集團糖貿易業務之採購並從而提高本集團之收益。

Report of Directors

董事會報告

The Directors, including the independent non-executive Directors, have reviewed the said continuing connected transaction and considered that (i) the Revised Master Agreement was entered into in the ordinary business and usual course of business of the Company; (ii) the Revised Master Agreement was entered into on normal commercial terms after arm's length negotiation; and (iii) the terms of the Revised Master Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Board received a letter from the auditor of the Company confirming that nothing has come to its attention that causes it to believe that the continuing connected transaction is under the situations as set out in rule 14A.56 (1) to (4) of the Listing Rules.

For the details, please refer to the (i) announcement dated 22 January 2018 and 14 February 2018; (ii) circular, notice of extraordinary general meeting and proxy form dispatched on 6 March 2018 and (iii) poll results of extraordinary general meeting dated 21 March 2018.

Save as disclosed above, there were no significant related party transactions and connected transactions entered into by the Group.

EMOLUMENT POLICY

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

Details of the related party and connected party transactions are set out in note 29 to the consolidated financial statements.

董事（包括獨立非執行董事）已審閱上述持續關連交易，並認為(i)經修訂總協議乃於本公司之正常及日常業務過程中訂立；(ii)經修訂總協議乃按照一般商業條款經公平磋商後訂立；及(iii)經修訂總協議之條款屬公平合理，且符合本公司及其股東之整體利益。

董事會收到本公司核數師發出的函件，確認概無發現任何事宜致使其認為持續關連交易屬於上市規則第14A.56 (1)至(4)條所載的情況。

有關詳情，請參閱(i)日期為二零一八年一月二十二日及二零一八年二月十四日的公告；(ii)於二零一八年三月六日寄發的股東特別大會通函、通告及委任代表表格及(iii)日期為二零一八年三月二十一日的股東特別大會投票結果。

除上文所披露者外，本集團概無訂立重大關連方交易及關連交易。

薪酬政策

董事之酬金乃根據本公司之經營業績、個人表現及可比較市場數據由薪酬委員會審議並經董事會批准。

關連人士及關連方交易之詳情於綜合財務報表附註29刊載。

Report of Directors

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2018, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (1) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (2) which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (3) which are required, pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

董事於本公司股份及相關股份的權益及淡倉

於二零一八年十二月三十一日，本公司之董事或主要行政人員於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有(1)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例有關條文被視為或當作擁有之權益或淡倉）；或(2)須記入根據證券及期貨條例第352條須設立的登記冊的權益及淡倉；或(3)根據標準守則而須通知本公司及聯交所之權益及淡倉如下：

Name of Directors 董事姓名	Capacity/Nature of interests 身份／權益性質	Number of ordinary share(s) held 所持普通股數目	Number of underlying shares held pursuant to share options 根據購股權持有的相關股份數目	Approximate percentage of the total number of shares of the Company in issue 佔本公司已發行股份總數的概約百分比
Mr. Liu Zhongxiang 劉忠翔先生	Beneficial owner 實益擁有人	-	15,000,000 (Note 1) (附註1)	0.82
	Interest of a controlled corporation 受控制公司的權益	242,105,262 (Note 2) (附註2)	-	13.27
Mr. Liu Feng 劉鋒先生	Beneficial owner 實益擁有人	-	4,000,000 (Note 1) (附註1)	0.22
Mr. Chen Xian 陳賢先生	Beneficial owner 實益擁有人	-	10,000,000 (Note 1) (附註1)	0.55

Report of Directors

董事會報告

Name of Directors 董事姓名	Capacity/Nature of interests 身份／權益性質	Number of ordinary share(s) held 所持 普通股數目	Number of underlying shares held pursuant to share options 根據購股權 持有的相關 股份數目	Approximate percentage of the total number of shares of the Company in issue 佔本公司 已發行股份 總數的概約 百分比
Mr. Lau Sai Chung 劉世忠先生	Beneficial owner 實益擁有人	-	8,000,000 (Note 1) (附註1)	0.44
		148,000	-	0.01
Mr. Poon Lai Yin Michael 潘禮賢先生	Beneficial owner 實益擁有人	-	1,000,000 (Note 1) (附註1)	0.05
Mr. Char Shak Ngor Stephen 查錫我先生	Beneficial owner 實益擁有人	-	1,000,000 (Note 1) (附註1)	0.05
Ms. Li Jiansheng 李建生女士	Beneficial owner 實益擁有人	-	1,000,000 (Note 1) (附註1)	0.05

Notes:

- These shares of the Company represent the share options granted by the Company on 13 July 2017 under the share option scheme of the Company.
- These shares of the Company are held by China Sugar Holdings Limited which is 100% owned by Mr. Liu Zhongxiang. By virtue of the SFO, Mr. Liu Zhongxiang is deemed to be interested in the shares of the Company held by China Sugar Holdings Limited.

Save as disclosed above, as at 31 December 2018, none of the Directors and chief executive of the Company nor their associates had any interest or short position in shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept under 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

- 該等本公司股份代表本公司於二零一七年七月十三日根據本公司購股權計劃授出之購股權。
- 該等本公司股份由中國糖業集團有限公司擁有，而中國糖業集團有限公司為劉忠翔先生100%擁有。根據證券及期貨條例，劉忠翔先生被視為擁有中國糖業集團有限公司所持本公司股份之權益。

除上文所披露者外，於二零一八年十二月三十一日，本公司董事及主要行政人員以及彼等的聯繫人士概無於本公司或其相聯法團的股份、相關股份或債券中擁有須記入根據證券及期貨條例第352條規定須存置之登記冊或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

Report of Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2018, so far as was known to the Directors, the following persons (other than the Directors or the chief executive of the Company) has interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of division 2 and 3 of Part XV of the SFO, or which were recorded in the register of substantial shareholder required to be kept by the Company under section 336 of the SFO.

Long position in ordinary shares

Name of substantial shareholders	Capacity/Nature of interests	Number of ordinary share(s) held	Number of underlying shares held pursuant to share options	Approximate percentage of the total number of shares of the Company in issue
主要股東姓名／名稱	身份／權益性質	所持普通股數目	根據購股權持有的相關股份數目	佔本公司已發行股份總數的概約百分比
China Sugar Holdings Limited 中國糖業集團有限公司	Beneficial owner 實益擁有人	242,105,262	–	13.27
Guangdong Nanyue Bank First Direct Branch* 廣東南粵銀行股份有限公司 第一直屬支行	Person having a security interest in shares 擁有股份之擔保權益之人士	242,105,262 (Note 1) (附註1)	–	13.27

Note:

- China Sugar Holdings Limited has provided a share charge in respect of the 242,105,262 shares held by it in favour of Guangdong Nanyue Bank First Direct Branch*.

* For identification purpose only

主要股東

於二零一八年十二月三十一日，董事獲悉以下人士（除本公司董事或主要行政人員外）於本公司股份或相關股份中擁有權益或淡倉，而根據證券及期貨條例第XV部第2及3分部須向本公司披露，或記入本公司根據證券及期貨條例第336條之規定須存置之主要股東登記冊內。

於普通股之好倉

Name of substantial shareholders	Capacity/Nature of interests	Number of ordinary share(s) held	Number of underlying shares held pursuant to share options	Approximate percentage of the total number of shares of the Company in issue
主要股東姓名／名稱	身份／權益性質	所持普通股數目	根據購股權持有的相關股份數目	佔本公司已發行股份總數的概約百分比
China Sugar Holdings Limited 中國糖業集團有限公司	Beneficial owner 實益擁有人	242,105,262	–	13.27
Guangdong Nanyue Bank First Direct Branch* 廣東南粵銀行股份有限公司 第一直屬支行	Person having a security interest in shares 擁有股份之擔保權益之人士	242,105,262 (Note 1) (附註1)	–	13.27

附註：

- 中國糖業集團有限公司就其持有之242,105,262股股份向廣東南粵銀行股份有限公司第一直屬支行提供股份押記。

* 僅供識別

Report of Directors

董事會報告

Save as disclosed above, the Directors and chief executive of the Company are not aware that there is any party who, as at 31 December 2018, had an interest or short position in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

A share option scheme was adopted by the shareholders of the Company at the AGM held on 30 November 2009 (the "Share Option Scheme"). The Share Option Scheme will remain in force for a period of 10 years commencing from the date of adoption of the Share Option Scheme from 30 November 2009 (the "Date of Adoption") (that is from 30 November 2009 to 29 November 2019). The purpose of the Share Option Scheme is to enable the Company to grant share options to the participants who, in the sole discretion of the Board, have made or may make contribution to the Group or any invested entity as well as to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economics interest in attaining the long term business objectives of the Group.

除上文所披露者外，於二零一八年十二月三十一日，本公司董事及主要行政人員概不知悉任何人士於本公司股份或相關股份中擁有權益或淡倉，而根據證券及期貨條例第XV部第2及3分部條文須向本公司披露，或記入本公司根據證券及期貨條例第336條之規定須存置之登記冊內。

購股權計劃

購股權計劃已於二零零九年十一月三十日舉行之股東週年大會上經本公司股東批准採納（「購股權計劃」）。購股權計劃自二零零九年十一月三十日（「採納日期」）採納購股權計劃日期起計十年期間（即二零零九年十一月三十日至二零一九年十一月二十九日）內仍為有效。購股權計劃旨在令本公司可由董事會全權酌情決定對為本集團或任何被投資實體作出或可能作出貢獻之參與者授予購股權，以及給予獎勵並協助本集團保留現有僱員及招聘額外僱員，並向其提供直接經濟利益，為達致本集團之長遠業務目標而努力。

Report of Directors 董事會報告

The Company may grant to eligible participants (including any directors, non-executive directors, employees, advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group whom the Board considers, in its sole discretion, have contributed or will contribute to the Group) options to subscribe for shares of the Company, subject to a maximum of 10% of the total number of shares of the Company in issue as at the adoption date and as at the approval date of refreshment from time to time, excluding for this purpose shares issued on the exercise of options. The subscription price will be determined by the Board and will not be less than the highest of (i) the nominal value of the Company's shares, (ii) the average of the closing price of the shares quoted on the main board of the Stock Exchange on the five trading days immediately preceding the grant date and (iii) the closing price of the shares on the grant date.

Upon acceptance of the options, the grantee of the Share Option Scheme shall pay HK\$1.00 to the Company as consideration for the grant. The acceptance of an offer of the grant of the option must be made within 21 days from the date of grant. The exercise period of any option granted under the Share Option Scheme is determined by the Board upon granting the options but in any event must not be more than 10 years commencing on the date of grant. The exercise period of options granted was disclosed belows.

本公司可向合資格參與者（包括董事會全權酌情認為曾經或將會對本集團作出貢獻之本集團任何成員公司之任何董事、非執行董事、僱員、顧問、諮詢顧問、分銷商、承建商、供應商、代理、客戶、業務夥伴、合營業務夥伴、創辦人及服務供應商）授出購股權以認購本公司股份，惟最多可認購於購股權計劃採納日期及於不時更新之批准日期的已發行股份總數之10%（不包括就此目的行使購股權而發行的股份）。認購價將由董事會釐定，其將不會低於下列價值之較高者：(i)本公司股份的面值，(ii)緊接於購股權授出日期前五個交易日於聯交所主板所報股份的平均收市價，及(iii)購股權授出日期的收市價。

購股權計劃之承授人接納購股權時須向本公司支付港幣1.00元作為授出代價。授出購股權之要約必須於授出日期後21日內接納。任何根據購股權計劃授出之購股權之行使期由董事會於授出購股權時釐定，且於任何情況下不得超過授出日期起計十年。已授出購股權之行使期披露如下。

Report of Directors

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The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not, in the absence of shareholders' approval, in aggregate exceed 10% of the aggregate number of shares of the Company in issue as at the date of approval of the Share Option Scheme. The Board may seek approval by the shareholders at general meeting to refresh the 10% limit. However, the total number of shares available for issue under exercise of options which may be granted under the Share Option Scheme in these circumstances must not exceed 10% of the total number of shares of the Company in issue as at the date of approval of the refreshment of the 10% limit.

On 27 May 2016, the shareholders of the Company had approved the refreshment of 10% limit of the grant of options under the Share Option Scheme. After the grant of 64,000,000 options on 13 July 2017, the total number of shares available for issue under the Share Option Scheme is 88,447,852 shares of the Company, representing approximately 4.85% of the total number of shares of the Company in issue as at the date of this annual report. The closing price of the shares of the Company immediately before 13 July 2017, on which the share options were granted, was HK\$0.245 per share.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of shares of the Company in issue from time to time and the maximum number of shares in respect of which options may be granted to each eligible participant shall not exceed 1% of the total number of shares of the Company in issue for the time being in any 12-month period up to and including the date of offer of the grant.

During the Year, no share option was lapsed, cancelled and exercised.

於未經股東批准之情況下，於行使根據購股權計劃及本公司任何其他購股權計劃將予授出之所有購股權將可能予以發行之股份數目，合共最多不得超過批准購股權計劃日期本公司已發行股份總數之10%。董事會可於股東大會上尋求股東批准更新10%上限。然而，於此情況下，行使根據購股權計劃可能授出之購股權而可予發行之股份總數不得超過於批准更新10%上限日期本公司已發行股份總數之10%。

於二零一六年五月二十七日，本公司股東已批准更新購股權計劃項下授出購股權10%限額。於二零一七年七月十三日授出64,000,000份購股權後，根據購股權計劃可予發行之股份總數為88,447,852股本公司股份，佔於本年報日期本公司已發行股份總數之約4.85%。本公司於緊接二零一七年七月十三日（購股權獲授出）前之股份收市價為每股港幣0.245元。

根據購股權計劃及本公司任何其他購股權計劃可能授出之購股權所涉及之股份數目，最多不得超逾本公司不時已發行股份總數之30%，而於截至及包括要約授出日期止任何12個月期間可授予各合資格參與者之購股權所涉及之股份數目，最多不可超逾本公司當時已發行股份總數之1%。

於本年度，概無購股權已失效、已註銷及獲行使。

Report of Directors

董事會報告

Details of the share options movements during the Year under the Share Option Scheme are as follows:

於本年度，購股權計劃項下之購股權變動詳情如下：

Name or category of grantees 姓名或承授人類別	Date of grant of share options 授出購股權日期	Exercise Price (HK\$) 行使價(港幣元)	Exercise Period 行使期	Vesting Period 歸屬期	Number of share options 購股權數目		
					Balance as at 1/1/2018 於二零一八年一月一日之結餘	Granted during the Period 於本期間授出	Balance as at 31/12/2018 於二零一八年十二月三十一日之結餘
Executive Director and beneficial owner of a substantial shareholder of the Company 本公司執行董事及主要股東之實益擁有人							
Liu Zhongxiang 劉忠翔	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	15,000,000	-	15,000,000
Directors 董事							
Liu Feng 劉鋒	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	4,000,000	-	4,000,000
Chen Xian 陳賢	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	10,000,000	-	10,000,000
Lau Sai Chung 劉世忠	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	8,000,000	-	8,000,000
Poon Lai Yin Michael 潘禮賢	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	1,000,000	-	1,000,000
Char Shak Ngor Stephen 查錫我	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	1,000,000	-	1,000,000
Li Jiansheng 李建生	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	1,000,000	-	1,000,000
Former Director 前任董事							
Xia Dan Xia Dan	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	5,000,000	-	5,000,000
Other employees 其他僱員							
In aggregate 合共	13/7/2017	0.25	13/7/2017 – 12/7/2022	N/A 不適用	19,000,000	-	19,000,000
Total 總計					64,000,000		64,000,000

Report of Directors

董事會報告

RIGHTS TO ACQUIRE COMPANY'S SECURITIES

Other than as disclosed under the sections "Share Option Scheme" and "Directors' Interests and Short Positions in the Shares and Underlying Shares of the Company" above, at no time during the Year was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company (including their spouses and children under age of 18) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

No Director had interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, during the Year and up to the date of this annual report.

MANAGEMENT CONTRACTS

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

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied throughout the Year with the Code Provisions of CG Code. Details of the Company's corporate governance practices are set out in the "Corporate Governance Report" section of this annual report.

購買本公司證券的權利

除上文「購股權計劃」及「董事於本公司股份及相關股份之權益及淡倉」等節所披露者外，本公司或其任何附屬公司或其任何同系附屬公司於本年度內任何時間概無參與訂立任何安排，讓董事或本公司主要行政人員（包括彼等配偶及年齡未滿十八歲之子女）擁有任何權利認購本公司或其任何相聯法團（定義見證券及期貨條例）之證券或藉購入本公司或任何其他法人團體之股份或債券而獲取利益。

董事在競爭業務之權益

於本年度及截至本年報日期，根據上市規則，董事概無於與本集團業務直接或間接競爭或可能競爭之業務中擁有權益。

管理合約

於本年度並無訂立或存在任何有關本公司業務之全部或任何重大部份之管理及行政合同。

企業管治

董事認為，本公司於本年度內已遵守企業管治守則之守則條文。本公司之企業管治常規詳情載於本年報「企業管治報告」一節。

Report of Directors

董事會報告

EVENTS AFTER THE REPORTING PERIOD

Save as otherwise disclosed, the Group does not have any material subsequent event after the reporting period and up to the date of this report.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge or its Directors as at the date of this annual report, the Company has maintained sufficient public float as required under the Listing Rules.

AUDIT COMMITTEE

The Company established an Audit Committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process, risk management and internal control systems of the Group. The Audit Committee currently comprises Mr. Poon Lai Yin Michael (Chairman), Mr. Char Shik Ngor Stephen and Ms. Li Jiansheng. The Audit Committee has reviewed and discussed with the management and the external auditor the financial reporting matters including the annual results for the Year.

CHANGES IN INFORMATION OF DIRECTORS

Subsequent to the date of the interim report of the Company for the six months ended 30 June 2018:

Mr. Char Shik Ngor Stephen and Ms. Li Jiansheng, the independent non-executive Directors, have entered into a letter of appointment with the Company for a term of three years commencing from 29 August 2018 and the remuneration packages remained unchanged, respectively.

Mr. Char Shik Ngor Stephen, resigned as an independent non-executive director of National Investments Fund Limited (Stock Code: 1227), the shares of which are listed on the main board of the Stock Exchange, with effect from 20 November 2018.

報告期後事項

除另行披露者外，本集團於報告期後直至本報告日期並無任何重大期後事項。

公眾持股量

於本年報日期，根據本公司可以得悉之公開資料所示及根據董事所知，本公司已維持上市規則所規定之充足公眾持股量。

審核委員會

本公司已成立審核委員會並遵守上市規則的要求訂立書面職權範圍，其目的為審閱及監督本集團之財務申報程序、風險管理及內部監控系統。審核委員會目前由潘禮賢先生（主席）、查錫我先生及李建生女士組成。審核委員會已與管理層及外聘核數師審閱及討論財務申報事宜，包括本年度之年度業績。

董事資料變動

於本公司截至二零一八年六月三十日止六個月之中期報告日期後：

獨立非執行董事查錫我先生及李建生女士已分別與本公司訂立委任函，自二零一八年八月二十九日起為期三年，薪酬待遇維持不變。

查錫我先生已辭任國盛投資基金有限公司（股份代號：1227，其股份於聯交所主板上市）獨立非執行董事，自二零一八年十一月二十日起生效。

Report of Directors

董事會報告

The shares of Huakang Biomedical Holdings Company Limited (Stock Code: 8622), which Mr. Poon Lai Yin Michael, the independent non-executive Director, acted as the executive director and chief financial officer, have been listed on the main board of the Stock Exchange on 13 December 2018.

Mr. Poon Lai Yin Michael has been appointed as an independent non-executive director of Teamway International Group Holdings Limited (Stock Code: 1239), the shares of which are listed on the main board of Stock Exchange, with effective from 19 March 2019.

AUDITOR

A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the forthcoming AGM.

On Behalf of the Board

Liu Feng
Chairman

Hong Kong, 27 March 2019

華康生物醫學控股有限公司（股份代號：8622，獨立非執行董事潘禮賢先生於該公司擔任執行董事兼財務總監）股份已於二零一八年十二月十三日於聯交所主板上市。

潘禮賢先生已獲委任為Teamway International Group Holdings Limited（股份代號：1239，其股份於聯交所主板上市）之獨立非執行董事，自二零一九年三月十九日起生效。

核數師

本公司將於應屆股東週年大會上提呈一項決議案，以續聘德勤•關黃陳方會計師行為本公司之核數師。

代表董事會

劉鋒
主席

香港，二零一九年三月二十七日

Independent Auditor's Report 獨立核數師報告

Deloitte.

德勤

TO THE MEMBERS OF CHINA UPTOWN GROUP COMPANY LIMITED

中國上城集團有限公司

(incorporated in the Cayman Islands with limited liability)

致中國上城集團有限公司全體股東

(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of China Uptown Group Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 94 to 207, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

意見

本核數師已審核列載於第94至207頁中國上城集團有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表,其中包括於二零一八年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

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

意見基礎

我們根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核。根據該等準則,我們的責任於本報告核數師就審核綜合財務報表之責任一節中進一步詳述。根據香港會計師公會之「專業會計師道德守則」(「守則」),我們獨立於貴集團,並已遵循守則履行其他道德責任。我們相信,我們所獲得之審核憑證能充足及適當地為我們的意見提供基礎。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

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

Key audit matter 關鍵審核事項

Revenue recognised from sale of properties

We identified revenue recognised from sale of properties as a key audit matter as it is significant to the consolidated statement of profit or loss and there is judgement involved in determining the appropriate point at which to recognise revenue from sale of properties.

由於就物業銷售確認之收益對綜合損益表之重要性及於確定確認物業銷售收益之適當節點時涉及判斷，我們將就物業銷售確認之收益識別為關鍵審核事項。

The Group's revenue from sale of properties for the year ended 31 December 2018 amounted to approximately RMB88 million, representing 98% of the Group's total revenue. As disclosed in note 5 to the consolidated financial statements, revenue from sale of properties is recognised when the development of the relevant properties have been completed and the control of the completed property is transferred to the customer.

截至二零一八年十二月三十一日止年度，貴集團物業銷售之收益為約人民幣88,000,000元，佔貴集團總收益之98%。誠如綜合財務報表附註5所披露，物業銷售之收益於完成發展有關物業且已完工物業之控制權已轉讓予客戶。

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期綜合財務報表中最為重要之事項。該等事項乃於我們審核整體綜合財務報表及達成我們對其的意見時進行處理，而我們不會對該等事項提供單獨的意見。

How the matter was addressed in our audit 如何於審核中處理該事項

就物業銷售確認之收益

Our procedures in relation to revenue recognised from sale of properties included:

我們有關就物業銷售確認之收益之程序包括：

- Obtaining an understanding and evaluating the Group's internal control over the process of revenue recognition of sale of properties; and
- 了解及評估 貴集團有關就物業銷售確認收益程序之內部監控；及
- Assessing whether the criteria for the delivery of properties have been fulfilled by checking, on a sample basis, to the terms of the sales and purchase agreements, the relevant completion certificate for construction work, as well as the delivery notices issued by the Group to the buyers to assess whether the control of properties are transferred to the buyers.
- 按抽樣基準評估轉交物業的標準是否已根據買賣協議的條款、建造工程相關完成證書以及本集團為評估物業控制權是否已轉讓予買方而向買方發出的交付通知達成。

Independent Auditor's Report

獨立核數師報告

Key audit matter

關鍵審核事項

Valuation of investment properties

We identified the valuation of investment properties as a key audit matter due to significance of the balance to the consolidated financial statements as a whole, combined with significant judgements associated with determining the fair value. As at 31 December 2018, the Group's investment properties in People's Republic of China (the "PRC"), amounted to RMB88,962,000. A loss arising from fair value change on investment properties of RMB4,853,000 was recognised in the consolidated statement of profit or loss for the year ended 31 December 2018.

由於投資物業結餘對整體綜合財務報表之重要性及與釐定公允值有關之重大判斷，我們將投資物業之估值識別為關鍵審核事項。於二零一八年十二月三十一日，貴集團於中華人民共和國（「中國」）之投資物業為人民幣88,962,000元。截至二零一八年十二月三十一日止年度，已於綜合損益表內確認投資物業之公允值變動產生之虧損人民幣4,853,000元。

As disclosed in note 14 to the consolidated financial statements, these investment properties are stated at fair value based on a valuation carried out by an independent professional property valuer (the "Valuer"). In determining the fair value of investment properties, the Valuer has used direct comparison approach by making reference to comparable sales evidences as available in the relevant market to reflect current market conditions as of the end of the reporting period. The key input used in valuing the investment properties by the Valuer is market observable transactions of similar properties.

誠如綜合財務報表附註14所披露，該等投資物業乃根據獨立專業物業估值師（「估值師」）進行之估值按公允值列賬。於釐定投資物業之公允值時，估值師已使用直接比較法並參考相關市場上可用之可比較銷售證據，以反映直至報告期末之現行市況。估值師對投資物業進行估值時所使用之關鍵輸入數據為類似物業之市場可觀察交易。

How the matter was addressed in our audit

如何於審核中處理該事項

投資物業之估值

Our procedures in relation to valuation of investment properties included:

我們有關投資物業之估值之程序包括：

- Evaluating the competence, capabilities and objectivity of the Valuer;
- 評估估值師之勝任程度、能力和客觀性；
- Obtaining an understanding from the Valuer about the valuation methodology, the performance of the property markets, significant assumptions adopted, critical judgemental areas on key inputs and data used in the valuation; and
- 了解估值師的估值方法、物業市場的表現、主要採用的假設及主要輸入數據和用作估值之數據作出關鍵性判斷的地方；及
- Assessing the accuracy of information provided by the management to the Valuer by checking to the sales prices of comparable properties, on a sample basis.
- 透過抽樣方式檢查可資比較物業之售價，從而評估管理層向估值師提供資料之準確性。

Independent Auditor's Report

獨立核數師報告

Key audit matter

關鍵審核事項

Valuation of properties held for sale

We identified the valuation of completed properties held for sale (the "PFS") as a key audit matter as it is significant to the consolidated financial statements and significant judgements are involved in the determination of the net realisable value (the "NRV") of the PFS.

由於持作出售之已建成物業（「持作出售物業」）之估值對綜合財務報表之重要性及於釐定持作出售物業之可變現淨值（「可變現淨值」）時涉及重大判斷，我們將其識別為關鍵審核事項。

The Group's PFS of approximately RMB1,312 million are situated in the PRC as at 31 December 2018 as disclosed in note 16 to the consolidated financial statements. The management of the Group determined the NRV of the PFS with reference to the estimated market prices of the PFS and valuation performed by the Valuer, which takes into account a number of factors including the current market prices of properties of a comparable standard and location. 於二零一八年十二月三十一日，貴集團約人民幣1,312,000,000元之持作出售物業位於中國（誠如綜合財務報表附註16所披露）。貴集團管理層於計及多項因素（包括具備可資比較標準及位置之物業之當前市價）後參考持作出售物業之估計市價及估值師進行之估值釐定持作出售物業之可變現淨值。

How the matter was addressed in our audit

如何於審核中處理該事項

持作出售物業之估值

Our procedures in relation to valuation of the PFS included:

我們有關持作出售物業之估值之程序包括：

- Evaluating the competence, capabilities and objectivity of the Valuer;
- 評估估值師之能力、實力及客觀性
- Obtaining an understanding from the Valuer about the valuation methodology, the performance of the property markets, significant assumptions adopted, critical judgemental areas on key inputs and data used in the valuation;
- 向估值師了解估值方法、物業市場表現、所採納之重大假設、估值所採用之主要輸入值及數據之重大判斷範疇及數據；
- Assessing the accuracy of information provided by the management to the Valuer by comparing details of existing lease agreement, on a sample basis; and
- 透過按抽樣基準比較現有租約詳情，評估管理層向估值師所提供之資料之準確性；及
- Assessing the management's estimation of the NRV of the PFS, on a sample basis, by comparing the estimated selling prices of the PFS to the recent market prices achieved in the same project or by comparable properties, based on our knowledge of the Group's business and the PRC real estate industry.
- 按抽樣基準，通過對比持作出售物業預估售價與相同項目或可比較物業近期的市場價格，根據我們對貴集團業務及中國房地產行業的了解，評估管理層對持作出售物業可變現淨值的估計。

Independent Auditor's Report

獨立核數師報告

Other Information

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

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

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the directors 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.

其他資料

貴公司董事須對其他資料負責。其他資料包括載入年報之資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表作出之意見並不包括其他資料，我們亦不會對其他資料發表任何形式之核證結論。

就我們審核綜合財務報表而言，我們的責任為閱讀其他資料，並於此過程中，考慮其他資料是否與綜合財務報表或我們於審核中所得知的情況有重大抵觸，或似乎有重大錯誤陳述。基於我們已執行之工作，倘我們認為此其他資料有重大錯誤陳述，我們須報告有關事實。就此，我們毋須作出報告。

董事及負責管治者就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實董事認為編製綜合財務報表所必要之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

於編製綜合財務報表時，董事負責評估貴集團持續經營之能力，並在適用情況下披露與持續經營有關的事項，以及採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，或除此之外並無其他實際可行之辦法。

Independent Auditor's Report

獨立核數師報告

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

負責管治者須負責監督 貴集團之財務申報程序。

核數師就審核綜合財務報表須承擔之責任

我們的目標為合理確定綜合財務報表整體而言是否不存在由於欺詐或錯誤而導致之重大錯誤陳述，並根據我們的協定委聘條款僅向全體股東發出載有我們意見之核數師報告，除此之外別無其他目的。我們不會就本報告內容向任何其他人士負上或承擔任何責任。合理確定屬高層次之核證，惟根據香港審計準則進行之審核工作概不保證總能察覺所存在之重大錯誤陳述。錯誤陳述可因欺詐或錯誤而產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出之經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審核時，我們運用專業判斷，並於整個審核過程中保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險、設計及執行審核程序以應對該等風險，以及獲取充足及適當之審核憑證，作為我們意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部控制之情況，因此未能發現因欺詐而導致之重大錯誤陳述的風險高於未能發現因錯誤而導致之重大錯誤陳述的風險。

Independent Auditor's Report

獨立核數師報告

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 了解與審核有關的內部控制，以設計適當的審核程序，但並非為對 貴集團內部控制之效能發表意見。
- 評估董事所採用會計政策之合適性及作出會計估計和相關披露之合理性。
- 對董事採用持續經營為會計基礎之恰當性作出結論，並根據所獲得之審核憑證，確定是否存在與事項或情況有關之重大不確定性，從而可能導致對 貴集團之持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，我們須於核數師報告中提請注意綜合財務報表中的相關披露，或倘有關披露不足，則修訂我們之意見。我們的結論乃基於截至核數師報告日期所獲得之審核憑證。然而，未來事項或情況可能導致 貴集團無法持續經營。
- 評估綜合財務報表之整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易及事項。
- 就 貴集團內實體或業務活動之財務資料獲取充足適當之審核憑證，以就綜合財務報表發表意見。我們須負責集團審核之方向、監督及執行。我們須為我們的審核意見承擔全部責任。

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

我們與負責管治者就（其中包括）審核之計劃範圍、時間安排及重大審核發現進行溝通，該等發現包括我們於審核過程中識別之內部控制之任何重大缺失。

Independent Auditor's Report

獨立核數師報告

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

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

The engagement partner on the audit resulting in the independent auditor's report is Chan Tsz Wai.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

27 March 2019

我們亦向負責管治者作出聲明，說明我們已符合有關獨立性之相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性之所有關係及其他事宜，以及相關防範措施（如適用）。

從與負責管治者溝通之事項中，我們釐定對本期間綜合財務報表之審核至關重要之事項，因而構成關鍵審核事項。我們於核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見之情況下，倘合理預期於報告中溝通某事項造成之負面後果超出產生之公眾利益，則我們決定不應於報告中溝通有關事項。

出具本獨立核數師報告之審核項目合夥人為陳子偉。

德勤•關黃陳方會計師行
執業會計師
香港

二零一九年三月二十七日

Consolidated Statement of Profit or Loss

綜合損益表

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

		NOTES 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收益	5	90,251	615,899
Cost of sales	銷售成本		(74,627)	(496,338)
Gross profit	毛利		15,624	119,561
Other income	其他收入	7	413	296
Fair value change on investment properties	投資物業之公允值變動	14	(4,853)	43,644
Fair value change on held-for-trading investment	持作交易用途之投資之公允值變動		-	(13)
Fair value change on financial asset at fair value through profit or loss	按公允值計入損益之財務資產之公允值變動		(6)	-
Selling and marketing expenses	銷售及營銷費用		(6,445)	(7,796)
Administrative expenses	行政費用		(31,299)	(35,477)
Finance costs	財務成本	8	(2,798)	(6,701)
(Loss) profit before taxation	除稅前(虧損)溢利		(29,364)	113,514
Income tax expense	所得稅開支	9	(6,656)	(60,898)
(Loss) profit for the year	年內(虧損)溢利	10	(36,020)	52,616
(Loss) profit for the year attributable to:	以下應佔年內(虧損)溢利:			
Owners of the Company	本公司之擁有人		(34,461)	44,702
Non-controlling interests	非控制性權益		(1,559)	7,914
			(36,020)	52,616
(Loss) earnings per share (in RMB cents)	每股(虧損)盈利(人民幣分)	13		
– Basic	– 基本		(2.16)	2.93
– Diluted	– 攤薄		(2.16)	2.93

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 2018 截至二零一八年十二月三十一日止年度

	NOTES 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
(Loss) profit for the year	年內(虧損)溢利	(36,020)	52,616
Other comprehensive (expense) income	其他全面(開支)收益		
<i>Item that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益之項目:</i>		
Exchange differences arising on translation of functional currency to presentation currency	因將功能貨幣換算為呈列貨幣產生之匯兌差額	9,482	(7,574)
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目:</i>		
Exchange differences arising on translation of financial statements of foreign operations	因換算海外業務之財務報表產生之匯兌差額	(11,802)	9,844
		(2,320)	2,270
Total comprehensive (expense) income for the year	年內全面(開支)收益總額	(38,340)	54,886
Total comprehensive (expense) income attributable to:	以下應佔全面(開支)收益總額:		
Owners of the Company	本公司之擁有人	(36,781)	46,972
Non-controlling interests	非控制性權益	(1,559)	7,914
		(38,340)	54,886

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

			2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	NOTE 附註			
Non-current Assets		非流動資產		
Investment properties	14	投資物業	88,962	93,815
Property, plant and equipment	15	物業、廠房及設備	19,051	19,030
			108,013	112,845
Current Assets		流動資產		
Properties under development	16	在建物業	–	744,072
Properties held for sale	16	持作出售物業	1,311,519	394,860
Other receivables	17	其他應收款項	10,875	83,328
Financial asset at fair value through profit or loss		按公允值計入損益之財務資產	21	–
Held-for-trading investment		持作交易用途之投資	–	27
Tax recoverable		可收回稅項	6,512	–
Restricted bank deposit	18	有限制銀行存款	8,169	8,015
Pledged bank deposits	19	已抵押銀行存款	38,085	12,908
Bank balances and cash	19	銀行結存及現金	52,422	26,322
			1,427,603	1,269,532
Current Liabilities		流動負債		
Trade and other payables	20	貿易及其他應付款項	71,455	564,953
Contract liabilities	21	合約負債	766,958	–
Loan payables	22	應付貸款	33,225	16,656
Amount due to a director	29	應付董事款項	2,862	2,714
Tax payable		應付稅項	–	20,919
Secured bank borrowings	23	有抵押銀行借款	11,776	119,304
			886,276	724,546
Net Current Assets		流動資產淨值	541,327	544,986
Total Assets Less Current Liabilities		總資產減流動負債	649,340	657,831
Non-current Liability		非流動負債		
Deferred tax liabilities	24	遞延稅項負債	55,841	63,436
Net Assets		資產淨值	593,499	594,395

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

			2018 二零一八年	2017 二零一七年
		NOTE 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Capital and Reserves	資本及儲備			
Share capital	股本	25	161,569	136,015
Reserves	儲備		395,453	420,344
Equity attributable to owners of the Company	本公司之擁有人應佔權益		557,022	556,359
Non-controlling interests	非控制性權益		36,477	38,036
Total Equity	權益總額		593,499	594,395

The consolidated financial statements on pages 94 to 207 were approved and authorised for issue by the Board of Directors on 27 March 2019 and are signed on its behalf by:

第94至207頁之綜合財務報表於二零一九年三月二十七日獲董事會批准及授權刊發，並由下列董事代表簽署：

Mr. Liu Feng
劉鋒先生
DIRECTOR
董事

Mr. Lau Sai Chung
劉世忠先生
DIRECTOR
董事

Consolidated Statement of Changes In Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司之擁有人應佔權益						Non-	
		Share capital	Share premium	Translation reserve	Share options reserve	Accumulated losses	Sub-total	controlling interests	Total
		股本	股份溢價	換算儲備	購股權儲備	累計虧損	小計	非控制性權益	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於二零一七年一月一日	136,015	567,100	(42,276)	-	(156,933)	503,906	30,122	534,028
Profit for the year	年內溢利	-	-	-	-	44,702	44,702	7,914	52,616
Exchange differences arising on translation of functional currency to presentation currency	因將功能貨幣換算為呈列貨幣產生之匯兌差額	-	-	(7,574)	-	-	(7,574)	-	(7,574)
Exchange differences arising on translation of financial statements of foreign operations	因換算海外業務之財務報表產生之匯兌差額	-	-	9,844	-	-	9,844	-	9,844
Total comprehensive income for the year	年內全面收益總額	-	-	2,270	-	44,702	46,972	7,914	54,886
Recognition of share-based payment expenses (note 26)	確認以股份為基礎的付款開支(附註26)	-	-	-	5,481	-	5,481	-	5,481
At 31 December 2017	於二零一七年十二月三十一日	136,015	567,100	(40,006)	5,481	(112,231)	556,359	38,036	594,395
Loss for the year	年內虧損	-	-	-	-	(34,461)	(34,461)	(1,559)	(36,020)
Exchange differences arising on translation of functional currency to presentation currency	因將功能貨幣換算為呈列貨幣產生之匯兌差額	-	-	9,482	-	-	9,482	-	9,482
Exchange differences arising on translation of financial statements of foreign operations	因換算海外業務之財務報表產生之匯兌差額	-	-	(11,802)	-	-	(11,802)	-	(11,802)
Total comprehensive expense for the year	年內全面開支總額	-	-	(2,320)	-	(34,461)	(36,781)	(1,559)	(38,340)
Issue of new shares (note 25)	發行新股份(附註25)	25,554	12,777	-	-	-	38,331	-	38,331
Transaction costs attribute to the issue of new shares	發行新股份應佔交易成本	-	(887)	-	-	-	(887)	-	(887)
At 31 December 2018	於二零一八年十二月三十一日	161,569	578,990	(42,326)	5,481	(146,692)	557,022	36,477	593,499

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營活動		
(Loss) profit before taxation	除稅前(虧損)溢利	(29,364)	113,514
Adjustments for:	調整項目:		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	949	837
Fair value change on held-for-trading investment	持作交易用途之 投資之公允值變動	-	13
Fair value change on financial asset at fair value through profit or loss	按公允值計入損益之財務資產 之公允值變動	6	-
Fair value change on investment properties	投資物業之公允值變動	4,853	(43,644)
Finance costs	財務成本	2,798	6,701
Interest income	利息收入	(413)	(296)
Share-based payment expenses	以股份為基礎的付款開支	-	5,481
Operating cash flows before movements in working capital	營運資金變動前之 經營現金流量	(21,171)	82,606
(Increase) decrease in properties held for sale	持作出售物業(增加)減少	(916,659)	446,549
Decrease in other receivables	其他應收款項減少	72,477	52,881
Decrease in trade and other payables	貿易及其他應付款項減少	(48,612)	(175,531)
Increase in contract liabilities	合約負債增加	321,496	-
Increase (decrease) in properties under development	在建物業增加(減少)	750,413	(384,098)
Cash generated from operations	經營所得現金	157,944	22,407
People's Republic of China (the "PRC") Enterprise Income Tax ("EIT") paid	已付中華人民共和國(「中國」) 企業所得稅(「企業所得稅」)	(11,151)	(8,083)
PRC Land Appreciation Tax ("LAT") paid	已付中國土地增值稅 (「土地增值稅」)	(30,531)	(24,657)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	經營活動所得(所用)現金淨額	116,262	(10,333)
INVESTING ACTIVITIES	投資活動		
Placement of pledged bank deposits	存放已抵押銀行存款	(43,502)	(54,871)
Placement of restricted bank deposit	存放有限制銀行存款	(154)	(127)
Purchase of property, plant and equipment	購買物業、廠房及設備	(119)	(1,718)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	18,325	76,007
Interest received	已收利息	413	441
Repayment of consideration payable	償還應付代價	-	(16,942)
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資活動(所用)所得現金淨額	(25,037)	2,790

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
FINANCING ACTIVITIES	融資活動		
Repayment of bank borrowings	償還銀行借款	(208,960)	(163,226)
Interest paid	已付利息	(9,139)	(12,207)
Repayment of loan	償還貸款	(8,438)	–
Expenses on issue shares	發行股份開支	(887)	–
New bank borrowings raised	新籌集之銀行借款	100,546	149,498
Issue of new shares	發行新股份	38,331	–
New loan raised	新籌集之貸款	23,478	17,342
Repayment to a director	向一名董事還款	–	(446)
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(65,069)	(9,039)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物之增加 (減少) 淨額	26,156	(16,582)
Effect of foreign exchange rate changes	匯率變動之影響	(56)	109
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於年初之現金及現金等價物	26,322	42,795
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	於年末之現金及現金等價物 其中包括銀行結存及現金	52,422	26,322

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL AND BASIS OF PREPARATION

China Uptown Group Company Limited (“the Company”) is an exempted company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in property development and investment as well as trading of raw sugar. The activities of its principal subsidiaries are set out in note 32 to the consolidated financial statements.

1. 一般資料及編製基準

中國上城集團有限公司(「本公司」)乃於開曼群島註冊成立之受豁免有限公司及其股份在香港聯合交易所有限公司(「香港聯交所」)主板上市。本公司之註冊辦事處及主要營業地址已於年報中之「公司資料」一節披露。

本公司為投資控股公司。本公司及其附屬公司(統稱為「本集團」)主要從事物業發展及投資以及原糖貿易。其主要附屬公司之業務載於綜合財務報表附註32。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. 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 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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 financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂

本年度強制生效之新訂香港財務報告準則及其修訂

本集團於本年度首次應用以下香港會計師公會（「香港會計師公會」）頒佈之新訂香港財務報告準則及其修訂：

香港財務報告準則第9號	財務工具
香港財務報告準則第15號	來自客戶合約之收益及相關修訂
香港（國際財務報告詮釋委員會）— 詮釋第22號	外幣交易及墊付代價
香港財務報告準則第2號之修訂	以股份為基礎的支付交易之分類及計量
香港財務報告準則第4號之修訂	與香港財務報告準則第4號保險合約一併應用之香港財務報告準則第9號財務工具
香港會計準則第28號之修訂	作為香港財務報告準則二零一四年至二零一六年週期之年度改進之一部分
香港會計準則第40號之修訂	轉移投資物業

除下文所述者外，於本年度應用新訂香港財務報告準則及其修訂並無對本集團於本年度及過往年度之財務表現及狀況及／或綜合財務報表所載披露構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening accumulated losses (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue* and HKAS 11 *Construction Contracts* and the related interpretations.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- Sales of properties
- Leasing of investment properties

Revenue from sales of properties is accounted for under HKFRS 15 from 1 January 2018, whereas revenue from leasing of investment of properties continues to be accounted for in accordance with HKAS 17 *Leases*.

Information about the Group's performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 3 and 5 respectively.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂（續）

本年度強制生效之新訂香港財務報告準則及其修訂（續）

香港財務報告準則第15號來自客戶合約之收益

本集團已於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而初始應用該準則的累計影響於初始應用日期（二零一八年一月一日）確認。初始應用日期的任何差額於期初累計虧損（或其他權益部分，倘適用）中確認，而並無重列比較資料。此外，根據香港財務報告準則第15號的過渡條文，本集團已選擇僅將該準則追溯應用於二零一八年一月一日尚未完成的合約。因此，若干比較資料可能無法用作比較，因比較資料乃按照香港會計準則第18號收益及香港會計準則第11號建築合約及相關詮釋編製。

本集團確認以下客戶合約產生的主要收益來源：

- 物業銷售
- 租賃投資物業

物業銷售收益自二零一八年一月一日起根據香港財務報告準則第15號入賬，而租賃投資物業之收益繼續根據香港會計準則第17號租賃入賬。

有關應用香港財務報告準則第15號所產生的本集團履約責任及會計政策的資料分別於附註3及5披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 15 Revenue from Contracts with Customers (Continued)

Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂（續）

本年度強制生效之新訂香港財務報告準則及其修訂（續）

香港財務報告準則第15號來自客戶合約之收益（續）

初始應用香港財務報告準則第15號引致之影響概要

於二零一八年一月一日，綜合財務狀況表確認之金額已作如下調整。未計入未受變動影響之項目。

對綜合財務狀況表之影響

	Carrying amounts previously reported at 31 December 2017	Reclassification	Carrying amounts under HKFRS 15 at 1 January 2018
	先前於二零一七年十二月三十一日呈報之賬面值 RMB'000 人民幣千元	重新分類 RMB'000 人民幣千元	香港財務報告準則第15號項下於二零一八年一月一日之賬面值 RMB'000 人民幣千元
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	564,953	119,491
Contract liabilities	合約負債	-	445,462

Note: As at 1 January 2018, receipt in advance from customers of RMB445,462,000 in respect of contracts relating to sales of property and sales of raw sugar previously included in trade and other payables were reclassified to contract liabilities.

附註：於二零一八年一月一日，有關物業銷售及原糖銷售合約之預收客戶款項人民幣445,462,000元（先前計入貿易及其他應付款項）已重新分類至合約負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 15 Revenue from Contracts with Customers (Continued)

Summary of effects arising from initial application of HKFRS 15 (Continued)

The following tables summarise the impacts of applying HKFRS 15 on the Group's consolidated statement of financial position as at 31 December 2018 and its consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂（續）

本年度強制生效之新訂香港財務報告準則及其修訂（續）

香港財務報告準則第15號來自客戶合約之收益（續）

初始應用香港財務報告準則第15號引致之影響概要（續）

下表概述應用香港財務報告準則第15號對本集團於二零一八年十二月三十一日之綜合財務狀況表及其本年度各項目受影響之綜合現金流量表之影響。未計入未受變動影響之項目。

對綜合財務狀況表之影響

			As reported	Adjustments	Amounts without application of HKFRS 15
		Notes	如呈報 RMB'000 人民幣千元	調整 RMB'000 人民幣千元	未應用香港財務報告準則第15號之金額 RMB'000 人民幣千元
Current Liabilities	流動負債				
Trade and other payables	貿易及其他應付款項	20	71,455	766,958	838,413
Contract liabilities	合約負債	21	766,958	(766,958)	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 15 Revenue from Contracts with Customers (Continued)

Summary of effects arising from initial application of HKFRS 15 (Continued)

Impact on the consolidated statement of cash flows

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂（續）

本年度強制生效之新訂香港財務報告準則及其修訂（續）

香港財務報告準則第15號來自客戶合約之收益（續）

初始應用香港財務報告準則第15號引致之影響概要（續）

對綜合現金流量表之影響

		As reported	Adjustments	Amounts without application of HKFRS 15
		如呈報	調整	未應用香港財務報告準則第15號之金額
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量			
Decrease in trade and other payables	貿易及其他應付款項減少	(48,612)	321,496	272,884
Increase in contract liabilities	合約負債增加	321,496	(321,496)	-

The application of HKFRS 15 has no significant impact on the timing and amounts of revenue in the current year and accumulated losses at 1 January 2018.

應用香港財務報告準則第15號對本年度收益之時間及金額以及於二零一八年一月一日之累計虧損並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and financial guarantee; and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂（續）

本年度強制生效之新訂香港財務報告準則及其修訂（續）

香港財務報告準則第9號財務工具

於本年度，本集團已應用香港財務報告準則第9號*財務工具*及其他香港財務報告準則有關相應之修訂。香港財務報告準則第9號引入1) 財務資產及財務負債之分類及計量；2) 財務資產及財務擔保的預期信貸虧損（「預期信貸虧損」）；及3) 一般對沖會計處理的新規定。

本集團已根據香港財務報告準則第9號所載過渡條文採用香港財務報告準則第9號，即將分類及計量規定（包括預期信貸虧損模式下的減值）追溯應用於二零一八年一月一日（初始應用日期）尚未終止確認的工具，且並無將該等規定應用於二零一八年一月一日已終止確認的工具。於二零一七年十二月三十一日的賬面值與於二零一八年一月一日的賬面值之差額於期初累計虧損及其他權益部分確認，而並無重列比較資料。

因此，若干比較資料可能無法用作比較，因比較資料乃按照香港會計準則第39號*財務工具：確認及計量*編製。

應用香港財務報告準則第9號引致之會計政策於附註3披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 9 Financial Instruments (Continued)

Summary of effects arising from initial application of HKFRS 9

Impairment under ECL model

Except for those which had been determined as credit impaired under HKAS 39, ECL for the Group’s financial assets at amortised cost, including restricted bank deposit, pledged bank deposits, other receivables and bank balances, are assessed on 12-month expected credit losses (“12m ECL”) basis as there had been no significant increase in credit risk since initial recognition.

As at 1 January 2018 and 31 December 2018, no additional credit loss allowance has been recognised against accumulated losses as the amount involved is insignificant.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ²
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ⁴
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂（續）

本年度強制生效之新訂香港財務報告準則及其修訂（續）

香港財務報告準則第9號財務工具（續）

初始應用香港財務報告準則第9號引致之影響概要

預期信貸虧損模式下的減值

除根據香港會計準則第39號被釐定為信貸減值者外，本集團按攤銷成本計量之財務資產（包括有限制銀行存款、已抵押銀行存款、其他應收款項及銀行結存）之預期信貸虧損乃按12個月預期信貸虧損（12個月預期信貸虧損）基準評估，原因為自初步確認以來信貸風險並無大幅增加。

於二零一八年一月一日及二零一八年十二月三十一日，由於所涉金額並不重大，故並無就累計虧損確認額外信貸虧損撥備。

已頒佈但尚未生效之新訂香港財務報告準則及其修訂

本集團並無提早應用以下已頒佈但尚未生效之新訂香港財務報告準則及其修訂以及詮釋：

香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ²
香港（國際財務報告詮釋委員會）— 詮釋第23號	所得稅處理之不確定性 ¹
香港財務報告準則第3號之修訂	業務的定義 ⁴
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點 ¹
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之資產銷售或貢獻 ³

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. 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 ⁵
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2019.

² Effective for annual periods beginning on or after 1 January 2021.

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

⁴ 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.

⁵ Effective for annual periods beginning on or after 1 January 2020.

Except as described below, the directors of the Company anticipate that the application of other new and amendments to HKFRSs and interpretations will have no material impact on the results and the financial position of the Group in the foreseeable future.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂（續）

已頒佈但尚未生效之新訂香港財務報告準則及其修訂（續）

香港會計準則第1號及香港會計準則第8號之修訂	重大的定義 ⁵
香港會計準則第19號之修訂	計劃修訂、削減或清償 ¹
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 ¹
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 ¹

¹ 於二零一九年一月一日或之後開始之年度期間生效。

² 於二零二一年一月一日或之後開始之年度期間生效。

³ 於待定日期或之後開始之年度期間生效。

⁴ 對收購日期為二零二零年一月一日或之後開始之首個年度期間初或之後的業務合併及資產收購生效。

⁵ 於二零二零年一月一日或之後開始之年度期間生效。

除下文所述者外，本公司董事預期應用其他新訂香港財務報告準則及香港財務報告準則之修訂及詮釋於可見未來將不會對本集團之業績及財務狀況造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. 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)

HKFRS 16 Leases

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

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂（續）

已頒佈但尚未生效之新訂香港財務報告準則及其修訂（續）

香港財務報告準則第16號租賃

香港財務報告準則第16號引進了一個綜合模型以識別租賃安排以及處理出租人及承租人的會計方法。香港財務報告準則第16號於其生效時將會取代香港會計準則第17號*租賃*及相關詮釋。

香港財務報告準則第16號按一項已識別資產是否由一名客戶控制的基準區分租賃及服務合約。此外，香港財務報告準則第16號要求售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬之規定而釐定。香港財務報告準則第16號亦載有有關分租及租賃修訂之規定。

除短期租賃及低價值資產租賃外，承租人在會計上對經營及融資租賃之區分會被刪除，而所有承租人之租賃將以確認使用權資產及相應負債之模式取代。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. 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)

HKFRS 16 Leases (Continued)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modification, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for own use while other operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be both presented as financing cash flows by the Group, upfront prepaid lease payments will continue to be presented as investing or operating cash flows in accordance with the nature, as appropriate.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂（續）

已頒佈但尚未生效之新訂香港財務報告準則及其修訂（續）

香港財務報告準則第16號租賃（續）

使用權資產初步按成本計量，其後以成本（惟若干情況除外）減累計折舊及減值虧損計量，並就任何租賃負債重新計量作出調整。租賃負債乃按當日未支付之租賃付款的現值初步計量。其後，租賃負債按利息及租賃付款，以及租賃修訂等的影響作調整。就現金流量分類而言，本集團現時將有關自用租賃土地的前期預付租賃付款呈列為投資現金流量，而其他經營租賃付款則呈列為經營現金流量。於應用香港財務報告準則第16號時，有關租賃負債之租賃付款將被分配為本金及利息部分，其將由本集團作為融資現金流量呈列，而前期預付租賃付款將繼續根據性質（倘適用）呈列為投資或經營現金流量。

除若干亦適用於出租人之要求外，香港財務報告準則第16號大致保留香港會計準則第17號之出租人會計要求，並繼續要求出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求詳盡之披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. 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)

HKFRS 16 Leases (Continued)

The Group intends to elect 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 applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application, if any, to opening accumulated losses without restating comparative information.

As at 31 December 2018, the Group had non-cancellable operating lease commitments of RMB16,000 as disclosed in note 30. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the directors of the Company do not anticipate that a right-of-use asset and a corresponding liability in respect of all these leases will be recognised as they qualify for low value or short-term leases.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂（續）

已頒佈但尚未生效之新訂香港財務報告準則及其修訂（續）

香港財務報告準則第16號租賃（續）

本集團擬選擇可行權宜方法，就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號釐定安排是否包括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號並未識別為包括租賃的合約應用該準則。因此，本集團將不會重新評估合約是否為或包括於首次應用日期前已存在的租賃。此外，本集團（作為承租人）擬選擇經修訂追溯法應用香港財務報告準則第16號，並將確認首次應用（如有）對期初累計虧損的累計影響，而並無重列比較資料。

於二零一八年十二月三十一日，本集團擁有不可撤銷經營租賃承擔人民幣16,000元（如附註30所披露）。初步評估顯示，該等安排將符合租賃之定義。於應用香港財務報告準則第16號後，本公司董事預期將不會就所有該等租賃確認使用權資產及對應負債，原因為其符合低值或短期租賃資格。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

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 Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial asset at fair value through profit or loss ("FVTPL")/held-for-trading investment, which are measured at fair values 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 consideration given in exchange for goods and services.

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 within the scope of HKAS 17 *Leases*, 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.

3. 重要會計政策

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，綜合財務報表包括香港聯交所證券上市規則及香港公司條例所規定之適用披露。

除投資物業及按公允值計入損益（「按公允值計入損益」）之財務資產／持作交易用途之投資於各報告期末按公允值計量外，綜合財務報表乃根據歷史成本基準編製（如下文所載會計政策所闡釋）。

歷史成本一般以貨品及服務交易代價的公允值為基準。

公允值為市場參與者於計量日進行之有序交易所出售資產可收取或轉讓負債須支付之價格，不論該價格是否可直接觀察或使用另一估值技術估算。於估計資產或負債之公允值時，本集團會考慮市場參與者於計量當日對資產或負債定價時所考慮之資產或負債特徵。該等綜合財務報表中作計量及／或披露目的之公允值以此為基礎確定，惟香港財務報告準則第2號以股份為基礎的付款範圍內的以股份為基礎的支付交易、香港會計準則第17號租賃範圍內的租賃交易及與公允值存在一定相似性但非公允值之計量項目（如香港會計準則第2號存貨的可變現淨值或香港會計準則第36號資產減值的使用價值）除外。

非財務資產之公允值計量計入市場參與者透過使用其資產之最高及最佳用途或透過將資產出售予將使用其最高及最佳用途之另一名市場參與者而能夠產生經濟利益之能力。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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. 重要會計政策 (續)

此外，就財務報告目的而言，公允值計量根據公允值計量輸入資料可觀察程度及輸入資料對公允值計量之整體重要性分為第一級、第二級或第三級，內容如下：

- 第一級輸入資料為實體可於計量日獲取之同類資產或負債於活躍市場的未經調整報價；
- 第二級輸入資料乃計入第一級的報價以外的輸入資料，為資產或負債可直接或間接觀察資料；及
- 第三級輸入資料為資產或負債不可直接觀察輸入資料。

主要會計政策載列如下。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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.

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 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 owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to 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 in line with the Group's accounting policies.

3. 重要會計政策 (續)

綜合基準

綜合財務報表綜合計算本公司及受本公司控制之實體及其附屬公司之財務報表。當本公司滿足以下條件時，即視為有控制權：

- 有權控制投資對象；
- 自參與投資對象營運所得浮動回報之承擔或權利；及
- 能夠使用其權力影響回報金額。

倘有事實及情形表明上文所列三項控制要素中的一項或多項發生變動，則本集團重新評估其是否有權控制投資對象。

附屬公司綜合始於本集團取得附屬公司控制權時，終於本集團喪失附屬公司控制權時。特別是，年內購入或出售附屬公司之收入及開支（從本集團取得控制之日起至本集團不再控制附屬公司之日）計入綜合損益表。

損益及其他各項全面收益項目歸於本公司擁有人及非控制性權益。附屬公司全面收入總額歸於本公司擁有人及非控制性權益，即使附屬公司的全面收支總額導致非控制性權益產生虧絀結餘。

如有需要，會對附屬公司之財務報表作出調整，致令其會計政策與本集團所採用者一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

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.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

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.

3. 重要會計政策 (續)

綜合基準 (續)

所有與本集團成員公司之間交易相關的集團內資產及負債、權益、收入、開支及現金流量於綜合賬目時悉數抵銷。

於附屬公司之非控制性權益與本集團於當中之權益分開呈列，指賦予其持有人權利於清盤時按比例分佔相關附屬公司資產淨值之現時擁有權權益。

來自客戶合約之收益 (根據附註2之過渡條文應用香港財務報告準則第15號後)

根據香港財務報告準則第15號，本集團在(或隨著)達成履約責任時(即特定履約責任的相關貨品或服務的「控制權」轉移至客戶時)確認收益。

履約責任指可區分的貨品或服務(或一批貨品或服務)或一系列大致相同的可區分的貨品或服務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (Continued)

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 or 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.

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.

3. 重要會計政策 (續)

來自客戶合約之收益(根據附註2之過渡條文應用香港財務報告準則第15號後)(續)

倘符合以下條件之一，控制權按時間轉移，而收益經參考完成達成相關履約責任的進度隨時間確認：

- 客戶於本集團履約時同時收取及消耗本集團履約所提供的利益；
- 本集團的履約創建或增強客戶於本集團履約時控制的資產；或
- 本集團的履約未創建對本集團具有替代用途的資產，而本集團有強制執行權收取至今已履約部分的款項。

否則，於客戶獲得可區分的貨品或服務控制權時確認收益。

合約資產指本集團就本集團經已向客戶轉移貨品或服務而收取代價的權利(尚未成為無條件)。其乃根據香港財務報告準則第9號進行減值評估。相反，應收款項指本集團收取代價的無條件權利，即代價僅須隨時間推移即到期支付。

合約負債指本集團就本集團經已自客戶收取的代價(或到期的代價金額)而向該客戶轉讓貨品或服務的責任。

與同一合約有關的合約資產及合約負債按淨額基準入賬及呈列。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue from sales of properties

For revenue from sales of properties, revenue is recognised at a point in time when control of completed property is transferred to the customer, being at the point that the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

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.

3. 重要會計政策 (續)

物業銷售之收益

就物業銷售之收益而言，收益於已完工物業控制權轉讓予客戶之時點確認，即客戶實質持有已完工物業或獲得已完工物業之合法業權之時點，且本集團現時有權收取付款並很可能收回代價。

存在重大融資成分

於釐定交易價時，倘向客戶轉移貨品或服務時（不論以明示或暗示方式）協定之付款時間為客戶或本集團帶來重大融資利益，則本集團就金額時間值的影響而調整已承諾之代價金額。於該等情況下，合約含有重大融資成分。不論於合約中以明示呈列或合約訂約方協定的支付條款暗示融資承諾，合約中均存在重大融資成分。

就相關貨品或服務之支付與轉移期間少於一年的合約而言，本集團就任何重大融資成分應用不調整交易價的實際權宜方法。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable in the normal course of business, net of discounts and sales related taxes.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the sale of properties is recognised when the properties are delivered and titles have passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

3. 重要會計政策 (續)

確認收益 (於二零一八年一月一日前)

收益按已收或應收代價之公允值計量及指於日常業務過程中之應收金額 (已扣除折扣及銷售相關稅項)。

當收益金額能可靠計量、未來經濟利益可能流向本集團及當本集團各活動 (如下文所述) 之具體條件已達成時, 則確認收益。

物業銷售之收益於交付物業及轉讓所有權時確認。

利息收入是按時間基準, 並參照未償還本金額及按所適用的實際利率計算, 而實際利率為可將透過財務資產的預期年期內的估計未來現金收入精確地貼現至於初步確認的該資產賬面淨值的利率。

本集團有關確認經營租賃收益之會計政策於下文有關租賃之會計政策詳述。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values 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.

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.

3. 重要會計政策 (續)

物業、廠房及設備

物業、廠房及設備按成本扣減其後累計折舊及其後累計減值虧損(如有)列入綜合財務狀況表內。

折舊乃採用直線法以撇銷資產成本減其估計可使用年期之剩餘價值確認。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討，而任何估計變動的影響按預期基準入賬。

物業、廠房及設備乃於出售後或預期持續使用該資產將不會產生未來經濟利益時取消確認。出售或停止使用一項物業、廠房及設備所產生之損益乃按出售所得款項與資產賬面值之差額計算，並於損益表內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Properties under development and properties held for sale

Properties under development and properties held for sale are stated at the lower of cost and net realisable value. Cost includes the cost of land, development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value is determined by the management based on prevailing market conditions and represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

Properties under development are transferred to properties held for sale upon completion.

The Group transfers a property from properties held for sale to investment properties when there is a change in use to hold the property to earn rentals and/or for capital appreciation rather than for sale in the ordinary course of business, which is evidenced by the inception of an operating lease to another party. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties, including those held for sale, are measured at fair value using the fair value model. All of the Group's property interests held under operating leases to earn rentals and/or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model. 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.

3. 重要會計政策 (續)

在建物業及持作出售物業

在建物業及持作出售物業按成本及可變現淨值兩者中的較低者列賬。成本包括土地成本、所產發展開支及(倘適當)資本化借貸成本。可變現淨值乃由管理層根據現行市況釐定，指估計售價減所有估計完工成本及銷售所需成本。

在建物業於建成時轉撥至持作出售物業。

本集團於用途變為持有物業以賺取租金或/及實現資本增值(而非於日常業務過程中出售)時，將物業從持作出售物業轉撥至投資物業(證據為給予另一方的經營租賃開始)。轉撥日期之物業公允值與其先前賬面值之間的任何差異於損益確認。

投資物業

投資物業乃持作賺取租金及/或實現資本增值的物業。

投資物業初步按成本(包括任何直接應佔開支)計量。於初步確認後，投資物業(包括持作出售投資物業)乃使用公允值模型按公允值計量。本集團根據經營租賃持有作賺取租金及/或資本增值用途之所有物業權益乃分類及入賬為物業投資及使用公允值模型計量。投資物業公允值變動產生之收益或虧損計入其所產生期間之損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investment properties (Continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Leases

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.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. 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.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

The Group as lessee

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term.

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.

3. 重要會計政策 (續)

投資物業 (續)

投資物業於出售時或當永久停止使用或預期不再帶來未來經濟利益時取消確認。因物業取消確認產生之任何收益或虧損(按出售所得款項淨額與資產賬面值之差額計算)乃於物業取消確認之期內列入損益。

租賃

當租賃條款將所有權的絕大部分風險及回報轉讓予承租人時，該等租賃即分類為融資租賃。所有其他租賃分類為經營租賃。

本集團作為出租人

經營租賃的租金收入乃以直線法於相關租賃期內在損益內確認。磋商及安排經營租賃產生之初始直接成本乃加入租賃資產之賬面值。除根據公允值模式計量之投資物業外，有關成本乃按租賃期以直線法確認為開支。

本集團日常業務過程產生之租金收入乃呈列為收益。

本集團作為承租人

經營租賃付款(包括收購根據經營租賃持有之土地之成本)乃按租賃期以直線法確認為開支。

倘訂立經營租賃可獲得租賃獎勵，則該等獎勵確認為負債。獎勵的利益總額按直線法確認為租金開支減少。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leasehold land and buildings

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) is allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

When the lease payments cannot be allocated reliably between the leasehold land and buildings elements, the entire property is generally classified as if the leasehold land is under finance lease.

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.

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 and included in finance costs in profit or loss in the period in which they are incurred.

3. 重要會計政策 (續)

租賃土地及樓宇

當本集團就一項包括租賃土地及樓宇元素的物業權益付款時，本集團根據對於各元素所有權附帶的絕大部分風險及回報是否已轉移至本集團之評估而將各元素分別作出分類，除非明確顯示兩項元素均屬經營租賃則除外，其時整項物業入賬列作經營租賃。具體而言，整項代價（包括任何一次性預付款項）按租賃土地及樓宇元素於初步確認時之租賃權益相對公允值之比例在租賃土地與樓宇元素之間分配。

倘租賃付款無法於租賃土地及樓宇元素之間可靠分配，則整項物業一般會按租賃土地屬融資租賃之方式分類。

借貸成本

因收購、興建或生產需要長時間籌備方可供其擬定用途或銷售之合資格資產所產生之直接借貸成本，計入該等資產之成本中，直至該等資產已大致上可供其擬定用途或銷售。

尚未用於合資格資產之特定借貸作短期投資賺取之投資收入，於合資格資本化之借貸成本中扣除。

所有其他借貸成本於產生期間的損益確認並計入財務成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the “MPF Scheme”) and state-managed retirement benefit schemes are recognised as expenses or capitalised in properties held for sale/properties under development, where appropriate, when employees have rendered services 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 (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

3. 重要會計政策 (續)

退休福利成本

強制性公積金計劃(「強積金計劃」)及國家管理之退休福利計劃之款額於僱員提供合資格獲取該供款之服務時確認為開支或(如適用)撥入持作出售物業／在建物業。

短期員工福利

短期僱員福利於僱員提供服務時按預期予以支付福利的未貼現金額計量。除非香港財務報告準則規定或准許將福利計入資產之成本，否則所有短期僱員福利均確認為開支。

僱員的累積福利(如工資、薪金、年假及病假)於扣除任何已付款項後確認負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at fair value of the equity instruments at the grant date.

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in share options reserve.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “(loss) profit before taxation” as reported in the consolidated statement of profit or loss because 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.

3. 重要會計政策 (續)

以權益結算以股份為基礎的支付交易

付予僱員及提供類似服務之其他人士之以權益結算以股份為基礎的付款乃按股本工具於授出日期之公允值計量。

於已授出購股權即時歸屬時，參考於授出日期已授出購股權之公允值而釐定之已收服務公允值於授出日期悉數確認為開支，並於購股權儲備中作出相應增加。

稅項

所得稅開支指即期應付稅項及遞延稅項之總和。

即期應付稅項乃按年內應課稅溢利計算。應課稅溢利與綜合損益表所報「除稅前(虧損)溢利」不同，乃由於其他年度應課稅或可扣稅收入或開支及毋須課稅或不可扣稅項目所致。本集團之即期稅項負債乃按報告期末已實施或實質上已實施之稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences 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 initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences 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 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.

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 rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3. 重要會計政策 (續)

稅項 (續)

遞延稅項指就綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基之暫時差額確認。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於一般可能出現應課稅溢利以抵銷可扣稅之暫時差額時就所有可扣稅暫時差額確認。倘暫時差額源自初步確認商譽或初步確認不影響應課稅溢利或會計溢利之交易（業務合併除外）中其他資產及負債，則不會確認該等遞延稅項資產及負債。

遞延稅項負債乃按於附屬公司之投資所產生應課稅暫時差額確認，惟若本集團可控制暫時差額之撥回，且暫時差額有可能於可見將來不會撥回之情況除外。從與該等投資相關的可扣除暫時差額產生的遞延稅項資產只有達到一定的程度才可確認，即有足夠的應課稅溢利來抵銷能夠利用暫時差額利益並預期於可預見將來撥回。

遞延稅項資產之賬面值於各報告期末檢討，並於可能不再有足夠應課稅溢利收回該項資產全部或部分之情況下調減。

遞延稅項資產及負債是按預期於償還負債或變現資產期間使用的稅率計算，基於報告期末前已實施或實質上已實施的稅率（及稅法）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

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.

For the purposes of measuring deferred taxes 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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.

Foreign currencies

The functional currency of the Company is Hong Kong Dollar while the consolidated financial statements are presented in Renminbi ("RMB") for consistent presentation as prior years.

3. 重要會計政策 (續)

稅項 (續)

遞延稅項負債和資產的計量反映報告期末按本集團預期收回或結算資產和負債的賬面值而將引致的稅務影響。

就使用公允值模式計量的投資物業的遞延稅項的計量而言，該等物業的賬面值被推定可透過銷售全部收回，除非該推定被駁回。當投資物業可折舊及以目的為消耗投資物業隨著時間所體現之絕大部分經濟利益的業務模式而非透過銷售持有時，該項推定被駁回。

遞延稅項資產及負債於有法定可執行權利以即期稅項資產與即期稅項負債抵銷時，以及於該等遞延稅項資產及負債與同一稅務機關所徵收的所得稅有關及本集團擬以淨額基準結清其即期稅項資產及負債時予以抵銷。

即期及遞延稅項在損益內確認，除了涉及在其他全面收益中或直接在權益中確認的項目，在這種情況下，即期及遞延稅項亦分別在其他全面收益中或直接在權益中確認。就因對業務合併進行初始會計處理而產生之即期稅項或遞延稅項而言，稅務影響乃計入業務合併之會計處理中。

外幣

本公司的功能貨幣為港幣，而綜合財務報表乃以人民幣（「人民幣」）呈列，以與過往年度呈列一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies (Continued)

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges 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 recognized in profit or loss in the period in which they arise.

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. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of the 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 (that is, 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, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), 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.

3. 重要會計政策 (續)

外幣 (續)

編製個別集團實體之財務報表時，以該實體功能貨幣以外貨幣（外幣）進行之交易乃按於交易日期當時之匯率確認入賬。於報告期末，以外幣列值之貨幣項目以結算當日之匯率重新換算。按公允值列賬且以外幣列值之非貨幣項目按公允值釐定當日之現行匯率重新換算。以外幣歷史成本計算之非貨幣項目毋須重新換算。

結清貨幣項目及重新換算貨幣項目之匯兌差額於其產生期間於損益確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按各報告期末適用之匯率換算為本集團之呈列貨幣（即人民幣）。收入及開支項目乃按期間平均匯率換算，惟匯率於該期間波動幅度較大除外（在此情況下，採用交易日適用之匯率）。所產生匯兌差額（如有）均於其他全面收益確認並於匯兌儲備項下之權益中累計。

於出售海外業務（即出售本集團於海外業務之全部權益，或出售涉及喪失於一間包括海外業務之附屬公司之控制權，或部分出售於合營安排或一間包括海外業務（其保留權益變為財務資產）之聯營公司之權益）時，就本公司擁有人應佔該業務而於權益累計之所有匯兌差額乃重新分類至損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instruments. 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. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss 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.

3. 重要會計政策 (續)

財務工具

當一間集團實體成為有關工具合約條文之訂約方時，財務資產及財務負債於綜合財務狀況表內確認。日常買賣乃指須於有關市場規則或慣例設定之時限內交付資產之購買或出售財務資產。

財務資產及財務負債首先以公允值計量。初步確認時，因收購或發行財務資產及財務負債（按公允值計入損益之財務資產及財務負債除外）產生之直接交易成本將視乎情況加入或扣除自財務資產或財務負債之公允值。因收購按公允值計入損益之財務資產或財務負債產生之直接交易成本即時於損益內確認。

實際利率法是一種計算財務資產或財務負債的攤銷成本及於有關期間攤分利息收入及利息開支的方法。實際利率乃將估計日後現金收入及付款（包括所有支付或收取構成整體實際利率之費用及利率差價、交易成本及其他溢價或折價）按財務資產或財務負債之預期使用年期，或較短期間（倘適用）實際貼現至初步確認之賬面淨值之利率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect 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/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. 重要會計政策 (續)

財務工具 (續)

財務資產

財務資產之分類及其後計量 (根據附註2之過渡條文應用香港財務報告準則第9號後)

符合下列條件之財務資產其後按攤銷成本計量：

- 於目的為收取合約現金流量的業務模式下持有的財務資產；及
- 合約條款令於指定日期產生的現金流量純粹為支付本金及未償還本金的利息。

符合下列條件之財務資產其後按公允值計入其他全面收益 (「按公允值計入其他全面收益」) 計量：

- 於透過收取合約現金流量及出售達致目的之業務模式下持有的財務資產；及
- 合約條款令於指定日期產生的現金流量純粹為支付本金及未償還本金的利息。

所有其他財務資產其後按公允值計入損益計量，惟倘一項股本投資並非持作交易用途，亦非於香港財務報告準則第3號業務合併適用的業務合併中收購方所確認的或然代價，於財務資產初始應用／初步確認日期，本集團可不可撤銷地選擇在其他全面收益中呈列股本投資公允值的其後變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (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 significantly reduces an accounting mismatch.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or FVTPL.

3. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產之分類及其後計量 (根據附註2之過渡條文應用香港財務報告準則第9號後) (續)

倘財務資產屬下列情況，則分類為持作交易：

- 購入之主要目的為於近期出售；或
- 初步確認時，是一組已確定之財務工具之一部分，由本集團集合管理，且有一個最近之短期獲利回吐實際格局；或
- 是一個衍生工具，並非指定為和有效之對沖工具。

此外，倘可消除或大幅減少會計錯配，本集團可不可撤銷地指定須按攤銷成本或按公允值計入其他全面收益計量的財務資產為按公允值計入損益計量。

所有屬香港財務報告準則第9號範圍內之已確認財務資產其後按攤銷成本或按公允值計入損益計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. 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. 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. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產之分類及其後計量 (根據附註2之過渡條文應用香港財務報告準則第9號後) (續)

(i) 攤銷成本及利息收入

其後按攤銷成本計量之財務資產的利息收入乃使用實際利率法予以確認。利息收入乃對一項財務資產總賬面值應用實際利率予以計算，惟其後已出現信貸減值的財務資產除外。就其後已出現信貸減值的財務資產而言，自下一報告期起，利息收入乃對財務資產攤銷成本應用實際利率予以確認。倘出現信貸減值的財務工具的信貸風險好轉，使財務資產不再出現信貸減值，則自釐定資產不再出現信貸減值後之報告期間初起，利息收入乃透過對財務資產總賬面值應用實際利率予以確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

(ii) 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 earned on the financial asset.

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including other receivables, restricted bank deposit, pledged bank deposits, bank balances and financial guarantee contracts.) 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, 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. Assessments 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.

3. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產之分類及其後計量 (根據附註2之過渡條文應用香港財務報告準則第9號後) (續)

(ii) 按公允值計入損益之財務資產

倘財務資產不符合按攤銷成本或按公允值計入其他全面收益或指定為按公允值計入其他全面收益計量的標準，則按公允值計入損益計量。

於各報告期末，按公允值計入損益之財務資產按公允值計量，而任何公允值收益或虧損於損益確認。於損益確認之收益或虧損淨額不包括財務資產賺取之任何股息。

財務資產減值 (根據附註2之過渡條文應用香港財務報告準則第9號後)

本集團就須根據香港財務報告準則第9號進行減值之財務資產 (包括其他應收款項、有限制銀行存款、已抵押銀行存款、銀行結存及財務擔保合約) 的預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期更新，以反映自初步確認以來信貸風險的變動。

全期預期信貸虧損指於相關工具的預期年期內所有可能違約事件將產生的預期信貸虧損。反之，12個月預期信貸虧損指預期於報告日期後12個月內可能發生的違約事件而導致的全期預期信貸虧損的一部分。評估乃按本集團過往信貸虧損經驗進行，並就債務人、整體經濟情況及評估於報告日期的當前情況及對未來情況的預測的特定因素作出調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

For all 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.

(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 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.

3. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產之分類及其後計量 (根據附註2之過渡條文應用香港財務報告準則第9號後) (續)

就所有工具而言，本集團計量的虧損撥備相等於12個月預期信貸虧損，除非當信貸風險自初步確認以來大幅增加，則本集團會確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃基於自初步確認以來出現違約的可能性或風險是否大幅增加。

(i) 信貸風險大幅增加

於評估信貸風險自初步確認以來是否大幅增加時，本集團對財務工具於報告日期就發生違約的風險與財務工具於初步確認日期就發生違約的風險作比較。作出此評估時，本集團會考慮合理有據的定量及定性資料，包括過往經驗及無需付出不必要的成本或精力獲取的前瞻性資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(i) Significant increase in credit risk (Continued)

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, the credit default swap prices for the debtor;
- 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; or
- 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. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產之分類及其後計量 (根據附註2之過渡條文應用香港財務報告準則第9號後) (續)

(i) 信貸風險大幅增加 (續)

具體而言，於評估信貸風險是否已大幅增加時會考慮以下資料：

- 財務工具的外部 (如有) 或內部信貸評級的實際或預期嚴重惡化；
- 信貸風險的外部市場指標嚴重惡化 (如債務人的信貸息差及信貸違約掉期價格大幅增加)；
- 商業、金融或經濟情況目前或預期有不利變動，預期將導致債務人償還債項的能力大幅降低；
- 債務人的經營業績實際或預期嚴重惡化；或
- 債務人的監管、經濟或技術環境有實際或預期重大不利變動，導致債務人償還債項的能力大幅降低。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (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.

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.

(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.

3. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產之分類及其後計量 (根據附註2之過渡條文應用香港財務報告準則第9號後) (續)

(i) 信貸風險大幅增加 (續)

不論上述評估結果如何，當合約付款已逾期超過30天，則本集團均假定信貸風險自初步確認以來大幅增加，除非本集團擁有合理有據之資料證明情況並非如此，則作別論。

本集團定期監察識別信貸風險是否大幅增加所用標準的有效性，並酌情修訂以確保該標準能夠在款項逾期前識別信貸風險的大幅增加。

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或自外界來源取得的資料顯示債務人不大可能悉數向債權人 (包括本集團) 還款 (未計及本集團所持任何抵押品) 時發生。

不論上述情況如何，本集團都認為，違約乃於財務資產逾期超過90天時發生，除非本集團擁有合理有據之資料證明有一項更為滯後之違約標準更為合適，則作別論。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default 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:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) 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;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

3. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產之分類及其後計量 (根據附註2之過渡條文應用香港財務報告準則第9號後) (續)

(iii) 已出現信貸減值的財務資產

財務資產在一項或多項違約事件 (對該項財務資產的估計未來現金流量構成不利影響) 發生時出現信貸減值。財務資產出現信貸減值的證據包括有關下列事件的可觀察數據:

- (a) 發行者或借款方陷入重大財務困難;
- (b) 違反合約, 例如拖欠或逾期事件;
- (c) 借款方的貸款方因有關借款方財務困難的經濟或合約理由而向借款方給予貸款方在其他情況下不會考慮的優惠;
- (d) 借款方將有可能破產或展開其他債務重組; 或
- (e) 該項財務資產的活躍市場因財務困難而消失。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (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 case of other receivables, when the amounts are past due, whichever occurs earlier. 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.

3. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產之分類及其後計量 (根據附註2之過渡條文應用香港財務報告準則第9號後) (續)

(iv) 撤銷政策

當資料顯示交易對方出現重大財務困難及無實際收回可能時(例如交易對方被清盤或已進入破產程序或倘其他應收款項金額逾期時(以較早者為準)),本集團則撤銷財務資產。經考慮法律意見(倘適用)後,遭撤銷的財務資產可能仍須按本集團收回程序進行強制執行活動。撤銷構成終止確認事項。任何其後收回在損益中確認。

(v) 預期信貸虧損之計量及確認

預期信貸虧損的計量為違約概率、違約虧損(即倘發生違約的虧損程度)及違約風險敞口的函數。違約概率及違約虧損的評估乃基於經前瞻性資料調整的歷史數據作出。預期信貸虧損的預估乃無偏概率加權金額,以各自發生違約的風險為權重確定。

一般而言,預期信貸虧損為根據合約應付本集團的所有合約現金流量與本集團預期收取的現金流量之間的差額,並按初步確認時釐定的實際利率貼現。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(v) Measurement and recognition of ECL (Continued)

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

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.

For financial guarantee contracts, the loss allowances are recognised 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 amount of income recognised over the guarantee period.

Except for financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

3. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產之分類及其後計量 (根據附註2之過渡條文應用香港財務報告準則第9號後) (續)

(v) 預期信貸虧損之計量及確認 (續)

就財務擔保合約而言，本集團僅需於債務人違反擔保文據條款之情況下作出付款。因此，預期虧損為補償持有人就所產生之信貸虧損的預期付款現值，扣除本集團預期自持有人、債務人或任何其他人士收取的任何款項。

利息收入按財務資產的總賬面值計算，除非財務資產出現信貸減值，在該情況下，利息收入乃按財務資產的攤銷成本計算。

就財務擔保合約而言，虧損撥備乃以按香港財務報告準則第9號釐定的虧損撥備金額與初步確認的金額減（如適用）於擔保期間確認的累計收入金額的較高者確認。

除財務擔保合約外，本集團藉調整所有財務工具的賬面值於損益中確認其減值收益或虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are classified into the following specified categories: financial assets at FVTPL and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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 marketplace.

(i) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is held for trading.

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.

3. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產之分類及其後計量 (於二零一八年一月一日應用香港財務報告準則第9號前)

財務資產分為以下特定類型：按公允值計入損益之財務資產以及貸款及應收款項。有關分類取決於財務資產之性質及目的，並於初步確認時釐定。所有財務資產之日常買賣，於交易日確認及終止確認。日常買賣乃指須於有關市場規則或慣例設定之時限內交付資產之購買或出售財務資產。

(i) 按公允值計入損益之財務資產

倘財務資產乃持作交易，則財務資產獲分類為按公允值計入損益。

倘財務資產屬下列情況，則分類為持作交易：

- 購入之主要目的為於近期出售；或
- 初步確認時，是一組已確定之財務工具之一部分，由本集團集合管理，且有一個最近之短期獲利回吐實際格局；或
- 是一個衍生工具，並非指定為和有效之對沖工具。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

(i) Financial assets at FVTPL (Continued)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the fair value change on held-for-trading investment line item. Fair value is determined in the manner described in note 36(d).

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including restricted bank deposit, pledged bank deposits, other receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

3. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產之分類及其後計量 (於二零一八年一月一日應用香港財務報告準則第9號前) (續)

(i) 按公允值計入損益之財務資產 (續)

按公允值計入損益之財務資產均以公允值列賬，重新計量產生之任何收益或虧損則於損益確認。於損益確認的收益或虧損淨額計入持作交易用途之投資項目之公允值變動內。公允值乃按附註36(d)所述方式釐定。

(ii) 貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款之非衍生財務資產，而其在活躍市場並無報價。繼初步確認之後，貸款及應收款項（包括有限制銀行存款、已抵押銀行存款、其他應收款項以及銀行結存及現金）均以實際利率法按攤銷成本計量後扣除任何減值。

利息收入以實際利率法確認，惟短期應收款項除外（其利息確認不屬重大）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the respective credit periods and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

3. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值 (於二零一八年一月一日應用香港財務報告準則第9號前)

財務資產 (按公允值計入損益之財務資產除外) 均於各報告期末進行評估, 以釐定是否出現減值跡象。財務資產在初步確認後, 當有客觀證據證明當一個或多個事件發生, 對該財務資產的估計未來現金流量有所影響, 財務資產將被視作減值。

客觀的減值證據包括:

- 發行者或交易對方出現重大財務困難; 或
- 違反合約, 如拖欠或無力支付利息或本金; 或
- 借款方有可能破產或展開債務重組。

有關應收款項組合減值之客觀證據可包括本集團過往收取款項之經驗、超過各自之信貸期之延遲付款數目增加, 以及與拖欠應收款項相關之國家或本地經濟狀況顯著變動。

就按攤銷成本入賬之財務資產而言, 已確認之減值虧損金額為資產之賬面值與按財務資產之原實際利率貼現後之估計未來現金流量之現值兩者之間的差額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值 (於二零一八年一月一日應用香港財務報告準則第9號前) (續)

所有財務資產之賬面值乃經減值虧損直接扣除。

就按攤銷成本計量之財務資產而言，倘減值虧損款額於往後期間減少，而有關減少與確認減值後發生之事項客觀相關，則早前確認之減值虧損將透過損益撥回，惟財務資產於減值撥回當日之賬面值不得超出並無確認減值時應有之攤銷成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (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.

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.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments 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 an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, loan payables, amount due to a director and secured bank borrowings are subsequently measured at amortised cost, using the effective interest method.

3. 重要會計政策 (續)

財務工具 (續)

終止確認財務資產

本集團僅於資產現金流量之合約權利屆滿時，或將財務資產及其所有權之絕大部分風險及回報轉讓予另一實體時，方會終止確認該等財務資產。

於終止確認按攤銷成本計量之財務資產時，該項資產賬面值與已收及應收代價之間的差額會於損益內確認。

財務負債和股本

分類為債務或股本

債務及股本工具乃根據所訂立合約安排之內容及財務負債和股本工具之定義分類為財務負債或股本。

股本工具

股本工具為證明於一間實體之資產經扣除其所有負債後之資產剩餘權益之任何合約。本公司發行之股本工具乃以已收所得款項扣除直接發行成本確認。

按攤銷成本計量之財務負債

財務負債（包括貿易及其他應付款項、應付貸款、應付董事款項及有抵押銀行借款）其後使用實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Derecognition 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.

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 payments when due in accordance with the terms of 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 (since 1 January 2018)/ HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (before application of HKFRS 9 on 1 January 2018); and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

3. 重要會計政策 (續)

財務工具 (續)

財務負債和股本 (續)

終止確認財務負債

本集團會並僅會於責任免除、撤銷或屆滿時，終止確認財務負債。終止確認的財務負債的賬面值與已付及應付代價之間的差額會於損益確認。

財務擔保合約

財務擔保合約為合約發行者根據某項債務工具之條款，因某特定債務人於到期日未能償還款項而須支付特定款項以補償合約持有者招致損失的一項合約。財務擔保合約負債初步以其公允值計量。其後續以下列較高者計量：

- 根據香港財務報告準則第9號（自二零一八年一月一日起）／香港會計準則第37號撥備、或然負債及或然資產（於二零一八年一月一日應用香港財務報告準則第9號前）釐定的虧損撥備的金額；及
- 初步確認金額減去於擔保期間確認的累計攤銷（如適用）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets 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.

The recoverable amount of tangible 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. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, 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 cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. 重要會計政策 (續)

財務工具 (續)

非財務資產減值

本集團於各報告期末檢討其有形資產之賬面值，以釐定該等資產是否已出現減值虧損跡象。倘出現有關跡象，則會估計相關資產之可收回金額，以釐定減值虧損（如有）程度。

無形資產之可收回金額予以單獨估計。倘無法單獨估計可收回金額，本集團會估計該資產所屬現金產生單位之可收回金額。倘可識別合理及一貫之分配基準，企業資產亦會被分配至個別現金產生單位，否則或會被分配至可合理地及按一貫分配基準而識別之最小現金產生單位中。

可收回金額是公允值減去出售成本與使用價值兩者中之較高者。在評估使用價值時，估計未來現金流量乃以可反映當時市場對貨幣時間價值及資產（或現金產生單位）特有風險評估（估計未來現金流量尚未就此作出調整）的除稅前貼現率貼現至現值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Impairment of non-financial assets (Continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors 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 associated 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 ongoing 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. 重要會計政策 (續)

財務工具 (續)

非財務資產減值 (續)

倘某項資產(或現金產生單位)之可收回金額估計低於其賬面值,則該項資產(或現金產生單位)之賬面值須減低至其可收回金額。減值虧損即時於損益內確認。

倘減值虧損隨後撥回,則該項資產(或現金產生單位)之賬面值乃增至其可收回金額之經修訂估計,惟已增加之賬面值不得超過於過往年度資產(或現金產生單位)並無確認任何減值虧損時釐定之賬面值。減值虧損撥回即時於損益內確認為收益。

4. 關鍵會計判斷及估計不明朗因素的主要來源

於應用本集團的會計政策(如附註3所述)時,董事須對未能即時自其他來源取得的資產及負債賬面值作出判斷、估計及假設。估計及有關假設乃以過往經驗及被視為相關的其他因素為基礎。實際結果可能會與該等估計有所不同。

估計及相關假設乃按持續基準審閱。會計估計的修訂乃於估計被修訂的期間(倘修訂僅影響該期間),或於修訂期間及未來期間(倘修訂影響本期間及未來期間)確認。

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

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimations, that the directors have been 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 liabilities arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in measuring the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. For those investment properties in the PRC, the deferred taxes on changes in fair value of investment properties are recognised taking into account LAT Tax and EIT payable upon sales of those investment properties in the PRC.

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 have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. 關鍵會計判斷及估計不明朗因素的主要來源 (續)

於應用會計政策時作出之關鍵判斷

以下為關鍵判斷，惟涉及董事於應用本集團會計政策過程中所作出且對綜合財務報表內確認之金額具有最重大影響之估計之判斷除外。

投資物業之遞延稅項

就計量由使用公允值模型計量之投資物業所產生的遞延稅項負債而言，董事已檢討本集團的投資物業組合及斷定本集團並無投資物業以隨時間流逝耗盡大體上包含在投資物業內的所有經濟得益為商業目的。因此，於計量本集團投資物業之遞延稅項時，董事認為，以公允值模式計量的投資物業之賬面值可透過出售悉數收回之假設並未被推翻。就該等位於中國之投資物業而言，投資物業之公允值變動之遞延稅項乃經計及於中國出售該等投資物業時應付之土地增值稅及企業所得稅確認。

估計不明朗因素的主要來源

以下為有關未來之主要假設及於報告期末估計不明朗因素之其他主要來源，彼等有重大風險導致下個財政年度內之資產及負債之賬面值作出重大調整。

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

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Fair value of investment properties

Investment properties are stated at fair value based on the valuations performed by an independent professional property valuer.

In determining the fair value of investment properties situated in the PRC, the valuer has used direct comparison approach by making reference to comparable sales evidences as available in the relevant market to reflect current market conditions as of the end of the reporting period.

In relying on those valuation reports, the directors have exercised their judgements and are satisfied that the methods of valuations are reflective of the current market conditions. Note 14 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of investment properties.

PRC LAT

The Group is subject to LAT in the PRC. The provision of the LAT is based on the management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation with the tax authorities for its property development projects. The final 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 period in which such tax is finalised with local tax authorities.

4. 關鍵會計判斷及估計不明朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

投資物業之公允值

投資物業乃根據獨立專業物業估值師進行之估值按公允值列賬。

於釐定位於中國之投資物業之公允值時，估值師使用直接比較法並參考相關市場上可用之可比較銷售證據，以反映截至報告期末之當前市況。

於倚賴該等估值報告時，董事已作出判斷並信納估值方法反映當前市況。附註14載有有關估值技術、釐定投資物業之公允值所用之輸入數據及關鍵假設之資料。

中國土地增值稅

本集團須支付中國的土地增值稅。土地增值稅之撥備乃基於管理層根據相關中國稅務法律及法規之規定之理解所作出之最佳估計。實際土地增值稅項負債需待物業發展項目完成後由稅務當局決定。本集團尚未向稅務當局落實其物業發展項目之土地增值稅計算。最後結果可能與最初記錄金額有所不同，且該等差異將影響向本地稅務當局落實有關稅項期間之所得稅開支及相關所得稅撥備。

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4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Estimated net realisable value of properties held for sale

The management of the Group determines the net realisable value of properties held for sale by using prevailing market data such as most recent sales transactions and internal estimates of cost based on quotes from contractors. These estimates require judgement as to the anticipated sale prices by reference to the valuation performed by an independent professional property valuer and recent sales transactions in nearby locations, rate of new property sales, marketing costs (including price discounts required to estimated for sales), the legal and regulatory framework and general market conditions. If the actual net realisable value of properties held for sale are less than expected as a result of changes in market conditions, material provision for impairment losses may result. At 31 December 2018, the carrying amount of properties held for sale was RMB1,311,519,000 (2017: RMB394,860,000). No impairment has been provided for both years.

4. 關鍵會計判斷及估計不明朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

持作出售物業之估計可變現淨值

本集團管理層透過使用最近銷售交易等當前市場數據及基於承建商報價所作之內部成本估計，釐定持作出售物業之可變現淨值。該等估計須透過參考獨立專業物業估值師進行之估值及鄰近位置之近期銷售交易、新物業銷售率、市場推廣成本（包括估計銷售所需之價格折扣）、法律及規管架構及一般市況判斷預期售價。倘持作出售物業之實際可變現淨值由於市況變化而低於預期，則或會作出重大減值虧損撥備。於二零一八年十二月三十一日，持作出售物業之賬面值為人民幣1,311,519,000元（二零一七年：人民幣394,860,000元）。該兩個年度內概無計提減值撥備。

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綜合財務報表附註

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

5. REVENUE

A. For the year ended 31 December 2018

(i) *Disaggregation of revenue from contracts with customers*

An analysis of the Group's revenue for the year is as follows:

5. 收益

A. 截至二零一八年十二月三十一日止年度

(i) 客戶合約收益分拆

本集團年內之收益分析如下：

		2018 二零一八年 RMB'000 人民幣千元
Sales of properties	物業銷售	88,324
Rental income	租金收入	1,927
		90,251

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綜合財務報表附註

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

5. REVENUE (Continued)

A. For the year ended 31 December 2018 (Continued)

(ii) Performance obligations for contracts with customers

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on standardised 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 development of the relevant properties have been completed and the properties have been delivered to the purchasers pursuant to the sale and purchase agreements.

The Group receives 100% of the contract value as receipt in advances from customers when they sign the sale and purchase agreement. Such advance payment schemes result in contract liabilities being recognised throughout the property construction period for the full amount of the contract price.

5. 收益 (續)

A. 截至二零一八年十二月三十一日止年度 (續)

(ii) 客戶合約之履約責任

就物業銷售與客戶訂立的合約而言，合約中規定的相關物業乃基於標準化要求，並無其他替代用途。經考慮相關合約條款、法律環境及相關法律先例，本集團認為，在轉讓相關物業予客戶前，本集團並無收取付款的可強制執行權利。因此，物業銷售的收益於相關物業開發已竣工且物業已根據買賣協議交付予買方的時點確認。

在簽訂買賣協議時，本集團自客戶收取合約價值的100%作為預收款項。該預先付款計劃導致於物業建設期確認有關合約價格全款的合約負債。

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綜合財務報表附註

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

5. REVENUE (Continued)

A. For the year ended 31 December 2018 (Continued)

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2018 and the expected timing of recognising revenue are as follows:

5. 收益 (續)

A. 截至二零一八年十二月三十一日止年度 (續)

(iii) 分配至客戶合約之餘下履約責任的交易價

於二零一八年十二月三十一日，分配至餘下履約責任的交易價（未清償或部分未清償）及預期確認收益時間如下：

		Sales of properties 物業銷售 RMB'000 人民幣千元
Within one year	於一年內	766,958

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綜合財務報表附註

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

5. REVENUE (Continued)

B. For the year ended 31 December 2017

An analysis of the Group's revenue for the year is as follows:

		2017 二零一七年 RMB'000 人民幣千元
Sales of properties	物業銷售	546,659
Sales of raw sugar	原糖銷售	68,558
Rental income	租金收入	682
		615,899

The amount of direct outgoings in relation to the leasing of properties is insignificant.

6. SEGMENT INFORMATION

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e. the executive directors of the Company) (the "CODM") in order to allocate resources to the segments and to assess their performance.

The Group's operating segments under HKFRS 8 "Operating Segments" are identified as the follows:

- Property development and investment: this segment primarily develops and sells office premises, commercial and residential properties. This segment also generates rental income from investment properties and achieves gain from the appreciation in the properties' values in the long term. All the Group's activities in this segment are carried out in the PRC.
- Trading of raw sugar: this segment trades raw sugar on a worldwide basis.

Property development and investment and trading of raw sugar also represent the Group's reportable segments.

5. 收益 (續)

B. 截至二零一七年十二月三十一日止年度

本集團年內收益分析如下：

		2017 二零一七年 RMB'000 人民幣千元
Sales of properties	物業銷售	546,659
Sales of raw sugar	原糖銷售	68,558
Rental income	租金收入	682
		615,899

與租賃物業有關的直接支出金額並不重大。

6. 分部資料

本集團根據主要營運決策者（「主要營運決策者」，即本公司執行董事）定期審閱以向分部分配資源及評估其表現之有關本集團分部之內部報告確定其經營分部。

根據香港財務報告準則第8號「經營分部」，本集團之經營分部識別如下：

- 物業發展及投資：該分部主要發展及銷售辦公室物業、商業及住宅物業。該分部亦自投資物業產生租金收入及自物業長期增值取得收益。本集團該分部之所有活動均於中國開展。
- 原糖貿易：該分部於全球範圍進行原糖貿易。

物業發展及投資以及原糖貿易亦為本集團之可呈報分部。

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6. SEGMENT INFORMATION (Continued)

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segment.

For the year ended 31 December 2018

		Property development and investment 物業發展及投資 RMB'000 人民幣千元	Trading of raw sugar 原糖貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue	收益	90,251	-	90,251
Segment loss	分部虧損	(9,043)	(2,486)	(11,529)
Bank interest income	銀行利息收入			413
Fair value change on financial asset at fair value through profit or loss	按公允值計入損益之 財務資產之公允值變動			(6)
Finance costs	財務成本			(2,798)
Unallocated corporate expenses	未分配公司開支			(15,444)
Loss before taxation	除稅前虧損			(29,364)

6. 分部資料 (續)

(a) 分部收益及業績

本集團收益及業績之分析按經營及可報告分部呈列如下：

截至二零一八年十二月三十一日止年度

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

		Property development and investment 物業發展及投資 RMB'000 人民幣千元	Trading of raw sugar 原糖貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue	收益	547,341	68,558	615,899
Segment profit	分部溢利	132,739	2,274	135,013
Bank interest income	銀行利息收入			296
Fair value change on held-for-trading investment	持作交易用途之投資之 公允值變動			(13)
Finance costs	財務成本			(458)
Unallocated corporate expenses	未分配公司開支			(21,324)
Profit before taxation	除稅前溢利			113,514

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

6. SEGMENT INFORMATION (Continued)

(a) Segment revenues and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit/loss represents the profit/loss of each segment without allocation of bank interest income, fair value change on financial asset at FVTPL/held-for-trading investment, certain finance costs and unallocated corporate expenses (i.e. central administration costs and directors' emoluments). This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

6. 分部資料 (續)

(a) 分部收益及業績 (續)

經營分部之會計政策與附註3所述本集團會計政策相同。分部溢利／虧損指各分部未分配銀行利息收入、按公允值計入損益之財務資產／持作交易用途之投資之公允值變動、若干財務成本及未分配公司開支（即中央行政費用及董事酬金）所產生之溢利／虧損。此乃報告予主要經營決策者用於資源分配及業績評估的措施。

(b) 分部資產及負債

本集團資產及負債之分析按報告及經營分部呈列如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Segment assets	分部資產		
– Property development and investment	– 物業發展及投資	1,466,396	1,339,710
– Trading of raw sugar	– 原糖貿易	–	2
Unallocated corporate assets	未分配企業資產		
– Financial asset at fair value through profit or loss	– 按公允值計入損益之財務資產	21	–
– Held-for-trading investment	– 持作交易用途之投資	–	27
– Bank balances and cash	– 銀行結存及現金	52,422	26,322
– Others	– 其他	16,777	16,316
Consolidated total assets	綜合資產總值	1,535,616	1,382,377
Segment liabilities	分部負債		
– Property development and investment	– 物業發展及投資	(891,357)	(700,297)
– Trading of raw sugar	– 原糖貿易	–	(33,559)
Unallocated corporate liabilities	未分配企業負債		
– Loan payables	– 應付貸款	(33,225)	(16,656)
– Amount due to a director	– 應付董事款項	(2,862)	(2,714)
– Tax payable	– 應付稅項	–	(20,919)
– Secured bank borrowings	– 有抵押銀行借款	(11,776)	(12,304)
– Others	– 其他	(2,897)	(1,533)
Consolidated total liabilities	綜合負債總額	(942,117)	(787,982)

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綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

(b) Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to segments assets other than certain other receivables, financial assets at FVTPL/ held-for-trading investments, tax recoverable, bank balances and cash and certain other assets; and
- all liabilities are allocated to segments liabilities other than certain other payables, loan payables, amount due to a director, tax payable, secured bank borrowings, deferred tax liabilities and certain other liabilities.

(c) Other segment information

2018

6. 分部資料 (續)

(b) 分部資產及負債 (續)

為監控分部之間的分部表現和分配資源的目的：

- 除若干其他應收款項、按公允值計入損益之財務資產／持作交易用途之投資、可收回稅項、銀行結存及現金以及若干其他資產外，所有資產均分配至分部資產；及
- 除若干其他應付款項、應付貸款、應付董事款項、應付稅項、有抵押銀行借款、遞延稅項負債及若干其他負債外，所有負債均分配至分部負債。

(c) 其他分部資料

二零一八年

		Property development and investment 物業發展及投資 RMB'000 人民幣千元	Trading of raw sugar 原糖貿易 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Consolidated 合併 RMB'000 人民幣千元
<i>Amounts included in the measure of segment profit or loss or segment assets:</i>	<i>計量分部損益或分部資產時已計入之款項：</i>				
Additions to property, plant and equipment	添置物業、廠房及設備	119	-	-	119
Fair value change on investment properties	投資物業之公允值變動	(4,853)	-	-	(4,853)
Finance costs	財務成本	-	-	2,798	2,798
Depreciation of property, plant and equipment	物業、廠房及設備折舊	395	-	554	949
<i>Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:</i>	<i>定期向主要經營決策者提供但不計入計量分部損益或分部資產的款項：</i>				
Fair value change on financial asset at fair value through profit or loss	按公允值計入損益之財務資產之公允值變動	-	-	6	6
Bank interest income	銀行利息收入	(407)	-	(6)	(413)
Income tax expense	所得稅開支	6,656	-	-	6,656

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

6. SEGMENT INFORMATION (Continued)

(c) Other segment information (Continued)

2017

6. 分部資料 (續)

(c) 其他分部資料 (續)

二零一七年

		Property development and investment 物業發展及投資 RMB'000 人民幣千元	Trading of raw sugar 原糖貿易 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Consolidated 合併 RMB'000 人民幣千元
<i>Amounts included in the measure of segment profit or loss or segment assets:</i>	<i>計量分部損益或分部資產時已計入之款項:</i>				
Additions to property, plant and equipment	添置物業、廠房及設備	1,718	-	-	1,718
Fair value change on investment properties	投資物業之公允值變動	43,644	-	-	43,644
Finance costs	財務成本	4,504	2,004	193	6,701
Depreciation of property, plant and equipment	物業、廠房及設備折舊	394	-	443	837
<i>Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:</i>	<i>定期向主要經營決策者提供但不計入計量分部損益或分部資產的款項:</i>				
Fair value change on held-for trading investment	持作交易用途之投資之公允值變動	-	-	13	13
Bank interest income	銀行利息收入	-	-	(296)	(296)
Income tax expense	所得稅開支	60,898	-	-	60,898

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

6. SEGMENT INFORMATION (Continued)

(d) Geographical information

For the year ended 31 December 2018, 100% (2017: 100%) of the Group's revenue and assets were derived from customers and operations based in the PRC including Hong Kong (by country of domicile) and accordingly, no further analysis of the Group's geographical information is disclosed.

(e) Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

6. 分部資料 (續)

(d) 地理資料

截至二零一八年十二月三十一日止年度，由於本集團100%（二零一七年：100%）來自客戶及營運之收益及資產均位於中國（包括香港）（所在國家），故並無進一步披露本集團之地區分類資料分析。

(e) 主要客戶資料

於相應年度來自對本集團總收益貢獻超過10%的客戶之收益如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Customer A (Note a)	客戶A (附註a)	-	68,558
Customer B (Note b)	客戶B (附註b)	42,465	-

Notes

- (a) Amount represented revenue generated from trading of raw sugar to this customer and this customer did not contribute any revenue of the Group in the year ended 31 December 2018.
- (b) Amount represented revenue generated from sales properties to this customer and this customer did not contribute any revenue of the Group in the year ended 31 December 2017.

附註：

- (a) 該金額指與該客戶進行原糖貿易產生之收益且該客戶於截至二零一八年十二月三十一日止年度並無為本集團貢獻任何收益。
- (b) 該金額指與該客戶進行物業銷售產生之收益且該客戶於截至二零一七年十二月三十一日止年度並無為本集團貢獻任何收益。

7. OTHER INCOME

7. 其他收入

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	413	296

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

8. FINANCE COSTS

8. 財務成本

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest expenses on	利息開支：		
– bank borrowings	– 銀行借款	6,826	10,106
– loan payable	– 應付貸款	1,097	–
– receipts in advance	– 預收款項	1,216	1,738
Total borrowing costs	總借款成本	9,139	11,844
Less: Amount capitalised in properties under development	減：在建物業的資本化金額	(6,341)	(5,143)
		2,798	6,701

Borrowing costs capitalised during the year arose on the general borrowing pool.

年內，資本化借款成本來自一般借款儲備。

9. INCOME TAX EXPENSE

9. 所得稅開支

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current tax	即期稅項		
PRC EIT	中國企業所得稅	6,825	37,148
PRC LAT	中國土地增值稅	7,426	32,610
		14,251	69,758
Deferred taxation (note 24)	遞延稅項(附註24)		
Current year	本年度	(7,595)	(8,860)
		6,656	60,898

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%.

於二零一八年三月二十一日，香港立法會通過《二零一七年稅務(修訂)(第7號)條例草案》(「該條例草案」)，引入利得稅兩級制。該條例草案於二零一八年三月二十八日簽署成為法律，並於翌日刊憲。根據利得稅兩級制，合資格集團實體首港幣2,000,000元之溢利將按8.25%之稅率課稅，而超過港幣2,000,000元之溢利將按16.5%之稅率課稅。不符合利得稅兩級制之集團實體之溢利將繼續按16.5%之統一稅率課稅。

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9. INCOME TAX EXPENSE (Continued)

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. No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at progressive rates ranging from 30% to 60% on the appreciation of land value, with certain allowable exemptions and deductions.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

9. 所得稅開支 (續)

本公司董事認為於實施利得稅兩級制後涉及之金額就綜合財務報表而言並不重大。於兩個年度之香港利得稅乃按估計應課稅溢利之16.5%計算。由於本集團之收入並無自香港產生亦無來自香港，故並無就香港利得稅作出撥備。

根據中華人民共和國企業所得稅法（「企業所得稅法」）及企業所得稅法實施條例，於兩個年度內，中國附屬公司的稅率均為25%。

土地增值稅撥備是按有關中國稅務法律及法規所載之規定作出估計。土地增值稅已就土地增值價值按30%至60%的遞增稅率作出撥備（附帶若干許可的豁免及減免）。

根據中國企業所得稅法，自二零零八年一月一日起，中國附屬公司須就其賺取之溢利所宣派之股息繳納預扣稅。綜合財務報表並未就中國附屬公司累計溢利引致之暫時差額作出遞延稅項撥備，概因本集團能夠控制撥回暫時差額之時間，而暫時差額可能不會於可預見將來撥回。

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9. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss as follows:

9. 所得稅開支 (續)

於年內之稅項開支與綜合損益表中的除稅前(虧損)溢利之對賬如下:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
(Loss) profit before taxation	除稅前(虧損)溢利	(29,364)	113,514
Tax calculated at applicable tax rates (Note)	按適用稅率計算之稅項(附註)	(4,358)	30,000
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	5,362	6,836
Tax effect of income not taxable for tax purpose	非課稅收入之稅務影響	(1)	(1)
Provision of PRC LAT for the year	年內中國土地增值稅撥備	7,426	32,610
Tax effect of PRC LAT deductible for PRC EIT	可就中國企業所得稅扣減 中國土地增值稅之稅務影響	(1,856)	(8,153)
Utilisation of tax losses previously not recognised	動用過往未確認之稅項虧損	-	(423)
Others	其他	83	29
Income tax expense	所得稅開支	6,656	60,898

Note: The weighted average applicable tax rate is 14.84% (2017: 26.43%).

附註: 加權平均適用稅率為14.84%(二零一七年: 26.43%)。

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綜合財務報表附註

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

10. (LOSS) PROFIT FOR THE YEAR

(Loss) profit for the year has been arrived at after charging:

10. 年內(虧損)溢利

年內(虧損)溢利已扣除以下各項:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Directors' remuneration (note 11a)	董事薪酬(附註11a)	7,128	11,041
Other staff costs	其他員工成本	4,089	7,803
Retirement benefits scheme contributions	退休福利計劃供款	609	646
Share-based payment expense for other staff	其他員工以股份為基礎的 支付開支	-	1,627
		11,826	21,117
Auditor's remuneration	核數師酬金	1,083	1,110
Cost of properties held for sale recognised as expenses (included in cost of sales)	確認為開支的持作出售物業成本 (計入銷售成本)	74,627	432,483
Net foreign exchange loss	匯兌虧損淨額	69	794
Depreciation of property, plant and equipment	物業、廠房及設備折舊	949	837
Operating lease rentals in respect of equipment	設備之經營租賃租金	29	28

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executive's emoluments

The emoluments paid or payable to each of the eight (2017: eight) directors and the chief executive were as follows:

11. 董事、主要行政人員及僱員酬金

(a) 董事及主要行政人員酬金

已向或應向八位(二零一七年:八位)董事及主要行政人員支付之酬金如下:

		Executive directors 執行董事					Independent non-executive directors 獨立非執行董事			Total 總計
		Mr. CHEN Xian 陳賢先生 RMB'000 人民幣千元	Mr. LAU Sai Chung 劉世忠先生 RMB'000 人民幣千元	Mr. LIU Feng 劉鋒先生 RMB'000 人民幣千元	Mr. LIU Zhongxiang 劉忠翔先生 RMB'000 人民幣千元	Ms. XIA Dan XIA Dan女士 RMB'000 人民幣千元	Mr. POON Lai Yin, Michael 潘禮賢先生 RMB'000 人民幣千元	Mr. CHAR Shik Ngor, Stephen 查錫我先生 RMB'000 人民幣千元	Ms. LI Jiansheng 李建生女士 RMB'000 人民幣千元	
For the year ended 31 December 2018	截至二零一八年 十二月三十一日止年度									
Directors' fees	董事袍金	-	-	-	-	-	152	152	152	456
Salaries and allowances	薪金及津貼	1,848	1,667	2,131	768	50	-	-	-	6,464
		1,848	1,667	2,131	768	50	152	152	152	6,920
Retirement benefits scheme contributions	退休福利計劃供款	51	51	51	51	4	-	-	-	208
Total	總計	1,899	1,718	2,182	819	54	152	152	152	7,128

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' and chief executive's emoluments (Continued)

11. 董事、主要行政人員及僱員酬金 (續)

(a) 董事及主要行政人員酬金 (續)

		Executive directors 執行董事					Independent non-executive directors 獨立非執行董事			Total 總計
		Mr. CHEN Xian 陳賢先生 RMB'000 人民幣千元	Mr. LAU Sai Chung 劉世忠先生 RMB'000 人民幣千元	Mr. LIU Feng 劉鋒先生 RMB'000 人民幣千元	Mr. LIU Zhongxiang 劉忠翔先生 RMB'000 人民幣千元	Ms. XIA Dan XIA Dan女士 RMB'000 人民幣千元	Mr. POON Lai Yin, Michael 潘禮賢先生 RMB'000 人民幣千元	Mr. CHAR Shik Ngor, Stephen 查錫我先生 RMB'000 人民幣千元	Ms. LI Jiansheng 李建生女士 RMB'000 人民幣千元	
For the year ended 31 December 2017	截至二零一七年 十二月三十一日止年度									
Directors' fees	董事袍金	-	-	-	-	-	156	156	156	468
Salaries and allowances	薪金及津貼	1,608	1,451	1,855	668	618	-	-	-	6,200
Discretionary bonus	酌情花紅	67	61	77	28	26	-	-	-	259
		1,675	1,512	1,932	696	644	156	156	156	6,927
Retirement benefits scheme contributions	退休福利計劃供款	52	52	52	52	52	-	-	-	260
Share-based payment expense	以股份為基礎的支付開支	856	685	343	1,284	428	86	86	86	3,854
Total	總計	2,583	2,249	2,327	2,032	1,124	242	242	242	11,041

Notes:

- (i) 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.
- (ii) The discretionary bonus is determined with reference to the prevailing market conditions, corporate and individual responsibility and performance during the years ended 31 December 2018 and 2017.
- (iii) Mr. Lau Sai Chung is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.
- (iv) Neither the chief executive nor any of the directors waived or agreed to waive any emoluments paid by the Group during the years ended 31 December 2018 and 2017.

附註：

- (i) 上文所示執行董事之酬金乃與彼等於本公司及本集團之事務管理服務有關。上文所示獨立非執行董事之酬金乃與彼等擔任本公司董事之服務有關。
- (ii) 該酌情花紅乃經參考截至二零一八年及二零一七年十二月三十一日止年度之現行市況、企業及個人責任及表現而釐定。
- (iii) 劉世忠先生亦為本公司行政總裁，以上所披露之酬金包括其作為行政總裁所提供服務之酬金。
- (iv) 截至二零一八年及二零一七年十二月三十一日止年度，概無主要行政人員或任何董事放棄或同意放棄本集團所支付之任何酬金。

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Employees' emoluments

Of the five individuals with highest emoluments in the Group, four (2017: four) were directors and the chief executive of the Company whose emoluments are set out above. The emoluments of the remaining one (2017: one) individual were as follows:

11. 董事、主要行政人員及僱員酬金 (續)

(b) 僱員酬金

本集團五名最高酬金個別人士中，四名（二零一七年：四名）為本公司之董事及主要行政人員，彼等之酬金已於上文列載。剩餘一名（二零一七年：一名）個別人士之酬金如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	926	873
Discretionary bonus	酌情花紅	-	73
Share-based payment expense	以股份為基礎的支付開支	-	514
Retirement benefits scheme contributions	退休福利計劃供款	51	52
		977	1,512

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Employees' emoluments (Continued)

Emoluments of the five individuals with highest emoluments including directors were within the following bands:

11. 董事、主要行政人員及僱員酬金 (續)

(b) 僱員酬金 (續)

五名最高酬金個別人士(包括董事)之酬金介乎以下範圍內:

		Number of individuals (including directors and chief executive) 員工數目(包括董事及 主要行政人員)	
		2018 二零一八年	2017 二零一七年
Nil to HK\$1,000,000 (equivalent to approximately RMB844,000 (2017: RMB867,000))	零至港幣1,000,000元 (相當於約人民幣844,000元 (二零一七年: 人民幣867,000元))	1	-
HK\$1,000,001 to HK\$1,500,000 (equivalent to approximately RMB844,001 to RMB1,266,000 (2017: RMB867,001 to RMB1,301,000))	港幣1,000,001元至 港幣1,500,000元(相當於約 人民幣844,001元至人民幣 1,266,000元(二零一七年: 人民幣867,001元至人民幣 1,301,000元))	1	-
HK\$1,500,001 to HK\$2,000,000 (equivalent to approximately RMB1,266,001 to RMB1,688,000 (2017: RMB1,301,001 to RMB1,735,000))	港幣1,500,001元至港幣 2,000,000元(相當於約 人民幣1,266,001元至 人民幣1,688,000元 (二零一七年: 人民幣 1,301,001元至人民幣 1,735,000元))	-	1
HK\$2,000,001 to HK\$2,500,000 (equivalent to approximately RMB1,688,001 to RMB2,110,000 (2017: RMB1,735,001 to RMB2,169,000))	港幣2,000,001元至 港幣2,500,000元(相當於約 人民幣1,688,001元至 人民幣2,110,000元 (二零一七年: 人民幣1,735,001元至 人民幣2,169,000元))	2	1
HK\$2,500,001 to HK\$3,000,000 (equivalent to approximately RMB2,110,001 to RMB2,532,000 (2017: RMB2,169,001 to RMB2,602,000))	港幣2,500,001元至 港幣3,000,000元(相當於約 人民幣2,110,001元至 人民幣2,532,000元 (二零一七年: 人民幣2,169,001元至 人民幣2,602,000元))	1	3
		5	5

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(c) No emolument have been paid by the Group to the directors and the chief executive of the Company or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 31 December 2018 and 2017.

12. DIVIDEND

No dividends were declared and proposed by the Company during the years ended 31 December 2018 and 2017, nor has any dividend been proposed since the end of the reporting period.

13. (LOSS) EARNINGS PER SHARE

The calculation of the basic and dilutive (loss) earnings per share attributable to owners of the Company is based on the following data:

11. 董事、主要行政人員及僱員酬金 (續)

(c) 截至二零一八年及二零一七年十二月三十一日止年度，本集團概無向本公司董事及主要行政人員或五名最高酬金個別人士支付酬金作為吸引加入或加入本集團時之獎金或作為離職補償。

12. 股息

於截至二零一八年及二零一七年十二月三十一日止年度，本公司概無宣派及建議支付任何股息，並自報告期末起亦無建議支付任何股息。

13. 每股（虧損）盈利

本公司擁有人應佔每股基本及攤薄（虧損）盈利乃根據以下數據計算：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
(Loss) earnings	(虧損) 盈利		
(Loss) earnings for the purpose of basic and diluted (loss) earnings per share for the year attributable to owners of the Company	就計算本公司擁有人應佔年內每股基本及攤薄（虧損）盈利而言之（虧損）盈利	(34,461)	44,702
Number of shares	股份數目		
Weighted average number of share for the purposes of basic and diluted (loss) earning per shares	股份加權平均數（就每股基本及攤薄（虧損）盈利而言）	1,598,503,397	1,524,478,520

The computation of diluted earnings per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for both 2018 and 2017.

計算每股攤薄盈利時並無假設本公司之購股權獲行使，原因為該等購股權之行使價高於股份於二零一八年及二零一七年兩個年度之平均市價。

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14. INVESTMENT PROPERTIES

14. 投資物業

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
FAIR VALUE	公允值		
At 1 January	於一月一日	93,815	–
Transfer from properties held for sale	轉撥自持作出售物業	–	50,171
(Decrease) increase in fair value recognised in profit or loss	於損益確認之公允值(減少)增加	(4,853)	43,644
At 31 December	於十二月三十一日	88,962	93,815

The fair values of the Group's investment properties of RMB88,962,000 as at 31 December 2018 (2017: RMB93,815,000) have been arrived at on a basis of valuation carried out by Vigers Appraisal & Consulting Limited, an independent professional property valuer not connected with the Group.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuer to perform the valuation. Management works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model. Management reports the valuation report and findings to directors semi-yearly to explain the cause of fluctuations in the fair value of the assets.

The independent property valuer adopted direct comparison approach by making reference to comparable sales evidences as available in the relevant market to reflect current market conditions as of the end of the reporting period to arrive the valuation of investment properties. There has been no change to the valuation technique during the year.

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

本集團投資物業於二零一八年十二月三十一日之公允值人民幣88,962,000元(二零一七年: 人民幣93,815,000元)乃基於與本集團並無關連之獨立專業物業估值師威格斯資產評估顧問有限公司進行之估值達致。

於估計資產之公允值時,本集團採用可取得之市場可觀察數據。倘並無可用之第一級輸入數據,則本集團委聘第三方合資格估值師進行估值。管理層與合資格外部估值師緊密合作,以確立合適之估值技術及模型之輸入數據。管理層每半年向董事匯報估值報告及結果,以解釋資產公允值波動之原因。

獨立物業估值師採納直接比較法並參考相關市場上可用之可比較銷售證據,以反映直至報告期末之現行市況以達致投資物業之估值。估值技術於年內並無變動。

於估計投資物業之公允值時,投資物業之最高及最佳用途為其當前用途。

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14. INVESTMENT PROPERTIES (Continued)

The key inputs used in valuing the investment properties by the independent property valuer under the aforesaid approach was market observable transactions of similar properties. A significant increase in the market transaction price used would result in a significant increase in fair value measurement of the investment properties, and vice versa.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2018 are as follows:

Category	Fair value hierarchy	Fair value 2018 二零一八年之 公允值 RMB'000 人民幣千元	Fair value 2017 二零一七年之 公允值 RMB'000 人民幣千元	Valuation techniques	Significant unobservable inputs 重大不可觀察 輸入數據	Fair value per square meter	Significant inputs to fair value
類別	公允值等級			估值技術		公允值/平方米	公允值之重大輸入數據
Retail shops in the PRC	Level 3	88,962	93,815	Direct Comparison Approach	Adjusted Transaction Price	RMB22,000 (2017: RMB23,200)	The higher the adjusted transaction price, the higher the fair value
於中國之零售店	第三級			直接比較法	經調整交易價	人民幣22,000元 (二零一七年: 人民幣23,200元)	經調整交易價越高,則公允值越高

There were no transfers into or out of Level 3 during the years ended 31 December 2018 and 2017.

14. 投資物業 (續)

獨立物業估值師根據前述方法對投資物業進行估值時使用之關鍵輸入數據為類似物業之市場可觀察交易。所用市場交易價格顯著增加將導致投資物業之公允值計量大幅增加,反之亦然。

本集團投資物業之詳情及有關於二零一八年十二月三十一日之公允值等級之資料如下:

截至二零一八年及二零一七年十二月三十一日止年度,概無轉入或轉出第三級。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Leasehold land and buildings 租賃土地及 樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃裝修 RMB'000 人民幣千元	Equipment 設備 RMB'000 人民幣千元	Furniture 傢俱 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
COST	成本						
At 1 January 2017	於二零一七年一月一日	21,492	941	1,528	175	1,293	25,429
Exchange realignment	匯兌調整	(1,415)	(62)	(100)	(12)	-	(1,589)
Additions	添置	-	-	20	-	1,698	1,718
At 31 December 2017	於二零一七年十二月三十一日	20,077	879	1,448	163	2,991	25,558
Exchange realignment	匯兌調整	1,005	32	96	8	-	1,141
Additions	添置	-	-	119	-	-	119
At 31 December 2018	於二零一八年十二月三十一日	21,082	911	1,663	171	2,991	26,818
ACCUMULATED DEPRECIATION	累計折舊						
At 1 January 2017	於二零一七年一月一日	3,976	941	705	175	273	6,070
Exchange realignment	匯兌調整	(260)	(62)	(45)	(12)	-	(379)
Provided for the year	年內撥備	439	-	230	-	168	837
At 31 December 2017	於二零一七年十二月三十一日	4,155	879	890	163	441	6,528
Exchange realignment	匯兌調整	208	32	42	8	-	290
Provided for the year	年內撥備	427	-	223	-	299	949
At 31 December 2018	於二零一八年十二月三十一日	4,790	911	1,155	171	740	7,767
CARRYING VALUES	賬面值						
At 31 December 2018	於二零一八年十二月三十一日	16,292	-	508	-	2,251	19,051
At 31 December 2017	於二零一七年十二月三十一日	15,922	-	558	-	2,550	19,030

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15. PROPERTY, PLANT AND EQUIPMENT

(Continued)

Notes:

- (a) The above items of property, plant and equipment are depreciated on a straight-line basis, after taking into account their estimated residual values, at the following useful lives or rates per annum:

Leasehold land and buildings	Over the shorter of the term of the lease or 50 years
Leasehold improvements	Over the shorter of the term of the leases or 5 years
Equipment	18% to 25%
Furniture	18% to 25%
Motor vehicles	10%

- (b) The leasehold land and buildings are situated in Hong Kong.
- (c) Leasehold land and buildings with an aggregate carrying value of RMB16,292,000 (2017: RMB15,922,000) have been pledged to secure general banking facilities granted to the Group.

15. 物業、廠房及設備 (續)

附註：

- (a) 以上物業、廠房及設備項目乃經計及其估計剩餘價值後按以下可使用年期或年率以直線法折舊：

租賃土地及樓宇	按租賃期或50年 (以較短者為準)
租賃裝修	按租賃期或5年 (以較短者為準)
設備	18%至25%
傢俱	18%至25%
汽車	10%

- (b) 租賃土地及樓宇均位於香港。
- (c) 租賃土地及樓宇之總賬面值人民幣16,292,000元(二零一七年：人民幣15,922,000元)已作為授予本集團一般銀行信貸之抵押。

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16. PROPERTIES UNDER DEVELOPMENT AND PROPERTIES HELD FOR SALE

Properties under development are classified as current assets as the construction period of the relevant property development project is expected to be completed in the normal operating cycle. At 31 December 2017, properties under development with a carrying value of RMB554,997,000 were pledged to secure general banking facilities granted to the Group.

Properties held for sale are situated on leasehold land in the PRC. All the properties held for sale are stated at cost.

17. OTHER RECEIVABLES

16. 在建物業及持作出售物業

由於預計相關物業發展項目之建設期將於正常經營週期內結束，因此在建物業被劃分為流動資產。於二零一七年十二月三十一日，賬面值為人民幣554,997,000元之在建物業已作為授予本集團一般銀行信貸之抵押。

持作出售物業乃位於中國之租賃土地。所有持作出售物業均以成本列賬。

17. 其他應收款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Other receivables	其他應收款項	10,554	16,434
Less: impairment loss recognised	減：已確認減值虧損	(429)	(407)
		10,125	16,027
Deposits and prepayments	按金及預付款項	750	66,086
Other tax recoverable	其他可收回稅項	-	1,215
		750	67,301
		10,875	83,328

Movement in impairment loss for deposits and other receivables are set out as below:

按金及其他應收款項之減值虧損變動載列如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	407	437
Exchange difference	滙兌差額	22	(30)
At 31 December	於十二月三十一日	429	407

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18. RESTRICTED BANK DEPOSIT

The restricted bank deposit represents a guarantee deposit for the construction of project required to be placed in a designated bank account by the PRC Construction Bureau of Maoming City. The amount will be released upon the bank received the certificate of property ownership.

Restricted bank deposit carries interest at a market rate of 1.75% (2017: 2.25%) per annum.

19. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

Pledged bank deposits amounting to RMB38,085,000 (2017: RMB12,908,000) have been pledged to guarantee the mortgage loans granted by the banks to the customers of the Group and are therefore classified as current assets.

The pledged bank deposits carry interest at a market rate of 0.30% (2017: 0.30%) per annum.

Bank balances carry interest at market rates which ranged from 0.01% to 0.30% (2017: 0.01% to 0.385%) per annum.

18. 有限制銀行存款

有限制銀行存款指須存入中國茂名市建設局指定銀行賬戶內用於工程建設之保證金。該金額將於銀行收取物業所有權證後解除。

有限制銀行存款按市場年利率1.75%（二零一七年：2.25%）計息。

19. 已抵押銀行存款及銀行結存及現金

為數人民幣38,085,000元（二零一七年：人民幣12,908,000元）之已抵押銀行存款已作抵押，以擔保銀行向本集團客戶授出之按揭貸款，因此分類為流動資產。

已抵押銀行存款按市場年利率0.30%（二零一七年：0.30%）計息。

銀行結存按市場年利率0.01%至0.30%（二零一七年：0.01%至0.385%）計息。

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20. TRADE AND OTHER PAYABLES

20. 貿易及其他應付款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade payables	貿易應付款項	445	36,641
Accrued expenditure on construction	應計建築開支	43,192	51,827
Other payables and accrued charges	其他應付款項及應計費用	27,818	31,023
Deposits and receipts in advance from pre-sale of properties	來自物業預售之按金及預收款項	-	412,983
Receipts in advance from sales of raw sugar	來自原糖銷售之預收款項	-	32,479
		71,455	564,953

Credit periods granted to the Group by suppliers range from 0 to 90 days.

供應商給予本集團0至90天之信貸期。

The following is an aging analysis of trade payables, presented based on the invoice date at the end of the reporting period:

於報告期末之貿易應付款項按發票日期呈列之賬齡分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 90 days	90天以內	108	36,502
91 – 365 days	91至365天	213	139
Over 365 days	超過365天	124	-
		445	36,641

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21. CONTRACT LIABILITIES

21. 合約負債

			31 December 2018 二零一八年 十二月三十一日	1 January 2018* 二零一八年 一月一日*
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Sales of properties	物業銷售	c	766,958	445,462

* The amounts in this column are after the adjustments from the application of HKFRS 15.

Contract liabilities are not expected to be settled within the Group's normal operating cycle.

Revenue recognised in the current year that was included in the contract liabilities balance at 1 January 2018 amounted to RMB88,324,000.

* 本欄內有關金額乃經應用香港財務報告準則第15號作出調整後得出。

預期合約負債不會於本集團之正常經營週期內清償。

計入於二零一八年一月一日的合約負債結餘的本年度已確認收益為人民幣88,324,000元。

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22. LOAN PAYABLES

Loan payables comprise:

- (i) Loan payable to an independent third party amounted RMB8,784,000 (2017: RMB16,656,000) is unsecured, interest-bearing at 6% per annum and repayable on 30 April 2019.
- (ii) Loan payable to a related party controlled by a director of the Company of RMB24,441,000 (31 December 2017: Nil) which is unsecured, interest-free and repayable on demand.

22. 應付貸款

應付貸款包括：

- (i) 應付一名獨立第三方貸款人民幣8,784,000元(二零一七年：人民幣16,656,000元)，該款項為無抵押，按年利率6%計息，並須於二零一九年四月三十日償還。
- (ii) 應付本公司一名董事控制之關連方貸款人民幣24,441,000元(二零一七年十二月三十一日：無)，該款項為無抵押、免息及須按要求償還。

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23. SECURED BANK BORROWINGS

23. 有抵押銀行借款

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Secured bank borrowings	有抵押銀行借款		
– Fixed-rate borrowings	– 固定利率借款	–	107,000
– Variable-rate borrowings	– 浮動利率借款	11,776	12,304
		11,776	119,304
Carrying amount repayable within one year*	應於一年內償還之賬面值*	8,784	8,327
Carrying amount of bank borrowings that contain a repayable on demand clause (show under current liabilities) but repayable*:	載有須按要求償還條款但須於以下日期償還之銀行借款之賬面值* (於流動負債項下所示):		
– within one year	– 一年內	1,245	7,997
– within a period of more than one year but not exceeding two years	– 一年後但不超過兩年期間	1,301	51,025
– within a period of more than two years but not exceeding five years	– 兩年後但不超過五年期間	446	51,955
Amount shown under current liabilities	於流動負債項下所示金額	11,776	119,304

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

* 該等到期款項乃根據貸款協議所載之計劃償還日期計算。

The Group's variable-rate borrowings carry interest at 3 months Hong Kong Interbank Offered Rate plus 2% per annum.

本集團之浮動利率借款乃按三個月香港銀行同業拆息加年利率2%計息。

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23. SECURED BANK BORROWINGS

(Continued)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

23. 有抵押銀行借款(續)

本集團借款之實際利率(其亦相當於合約利率)範圍如下:

		Year ended 31/12/2018 截至 二零一八年 十二月三十一日	Year ended 31/12/2017 截至 二零一七年 十二月三十一日
Effective interest rate:	實際利率:		
– Fixed-rate borrowings	– 固定利率借款	–	10.5%
– Variable-rate borrowings	– 浮動利率借款	3.08% to 5.48%	2.78% to 4.00%
		3.08%至 5.48%	2.78%至 4.00%

24. DEFERRED TAXATION

24. 遞延稅項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Deferred tax liabilities	遞延稅項負債	55,841	63,436

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24. DEFERRED TAXATION (Continued)

The following are the major deferred tax liabilities recognised and movements thereof during the current and prior reporting periods:

		LAT provision	Accelerated depreciation allowance	Impairment loss recognised in respect of trade receivables	Fair value adjustments arising from properties under development and properties held for sale	Change in fair value of investment properties	Tax losses	Total
		土地增值稅撥備	加速折舊撥備	款項之已確認減值虧損	持作出售物業之公允值調整	投資物業之公允值變動	稅項虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於二零一七年一月一日	3,578	4	540	(79,452)	-	3,034	(72,296)
Transfer of investment properties from properties held for sale	自持作出售物業轉撥投資物業	-	-	-	8,085	(8,085)	-	-
(Charge) credit to profit or loss	於損益(扣除)計入	(2,529)	(4)	(540)	24,787	(9,820)	(3,034)	8,860
At 31 December 2017	於二零一七年十二月三十一日	1,049	-	-	(46,580)	(17,905)	-	(63,436)
Credit to profit or loss	於損益計入	325	-	-	6,178	1,092	-	7,595
At 31 December 2018	於二零一八年十二月三十一日	1,374	-	-	(40,402)	(16,813)	-	(55,841)

At 31 December 2018, the Group had unused tax losses of RMB35,999,000 (2017: RMB34,050,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses as at 31 December 2018 (2017: Nil) due to the unpredictability of future profit streams. Losses of both years may be carried forward indefinitely.

24. 遞延稅項 (續)

於本期及過往報告期間，已確認的主要遞延稅項負債及其變動如下：

於二零一八年十二月三十一日，本集團有未動用稅項虧損人民幣35,999,000元（二零一七年：人民幣34,050,000元）可用作抵銷未來溢利。於二零一八年十二月三十一日，由於未來溢利來源之不可預知性，並無就該等虧損確認遞延稅項資產（二零一七年：無）。兩個年度之虧損可無限期結轉。

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25. SHARE CAPITAL

25. 股本

		Number of shares 股數	HK\$'000 港幣千元	Equivalent to 相當於 RMB'000 人民幣千元
Ordinary shares of HK\$0.10 each	每股港幣0.10元之普通股			
Authorised:	法定:			
At 1 January 2017, 31 December 2017 and 31 December 2018	於二零一七年一月一日、 二零一七年十二月三十一日及 二零一八年十二月三十一日	3,000,000,000	300,000	281,070
Issued and fully paid:	發行及已繳足:			
At 1 January 2017 and 31 December 2017	於二零一七年一月一日及 二零一七年十二月三十一日	1,524,478,520	152,448	136,015
Issue of new shares (Note)	發行新股份(附註)	300,212,000	30,021	25,554
At 31 December 2018	於二零一八年十二月三十一日	1,824,690,520	182,469	161,569

Note:

On 14 September 2018, the Company entered into a placing agreement (the "Placing Agreement") with a placing agent, an independent third party, to place 300,212,000 placing shares of the Company of HK\$0.15 each to not less than six placees who were not acting in concert with connected persons of the Company. On 3 October 2018, the Company had completed the placing of new shares under general mandate and conditions of the Placing Agreement under which a total of 300,212,000 placing shares were successfully placed by the placing agent to not less than six placees at the placing price of HK\$0.15 per share.

Pursuant to the subscription agreement entered into between the Company and subscribers on 3 October 2018, 300,212,000 subscription shares of HK\$0.15 each of the Company were subscribed by subscribers for a cash consideration of HK\$45,031,800 (equivalent to RMB38,331,000). All subscribers were independent third parties.

All the shares issued rank pari passu in all respects with the then existing shares in issue.

附註:

於二零一八年九月十四日，本公司與一名配售代理（為獨立第三方）訂立配售協議（「配售協議」），以向不少於六名並非與本公司關連人士一致行動之承配人配售300,212,000股本公司每股面值港幣0.15元之配售股份。於二零一八年十月三日，本公司已完成根據一般授權配售新股份及配售協議之條件，據此，合共300,212,000股配售股份已由配售代理成功按每股港幣0.15元之配售價配售予不少於六名承配人。

根據本公司與認購人於二零一八年十月三日訂立之認購協議，300,212,000股本公司每股面值港幣0.15元之認購股份已獲認購人認購，現金代價為港幣45,031,800元（相當於人民幣38,331,000元）。所有認購人均為獨立第三方。

所有已發行股份與當時現有已發行股份在各方面享有同等地位。

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26. SHARE OPTION SCHEME

A share option scheme was adopted by the Company on 30 November 2009 (the "Scheme").

The Company may grant to eligible participants (including any directors, non-executive directors, employees, advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group whom the board of directors consider, in its sole discretion, have contributed or will contribute to the Group) options to subscribe for shares in the Company, subject to a maximum of 10% of the issued share capital of the Company as at the adoption date and as at the approval date of refreshment from time to time, excluding for this purpose shares issued on the exercise of options. The subscription price will be determined by the Company's board of directors and will not be less than the highest of (i) the nominal value of the Company's shares, (ii) the average of the closing price of the shares quoted on the Hong Kong Stock Exchange on the five trading days immediately preceding the grant date and (iii) the closing price of the shares on the grant date.

On 13 July 2017, the Company granted a total of 64,000,000 share options to subscribe for 64,000,000 ordinary shares of HK\$0.10 each of the Company to certain eligible individuals without vesting conditions.

As at 31 December 2018 and 2017, the number of share granted and remained outstanding under the Scheme is 64,000,000. No share option has been exercised under the Scheme during the years ended 31 December 2018 and 2017.

26. 購股權計劃

本公司已於二零零九年十一月三十日採納一項購股權計劃（「該計劃」）。

本公司可向合資格參與者（包括董事會全權酌情認為曾經或將會對本集團作出貢獻之本集團任何成員公司之任何董事、非執行董事、僱員、顧問、諮詢顧問、分銷商、承建商、供應商、代理、客戶、業務夥伴、合營業務夥伴、創辦人及服務供應商）授出購股權以認購本公司股份，惟最多可認購本公司於購股權計劃採納日期及於不時更新之批准日期的已發行股本之10%（不包括就此目的行使購股權而發行的股份）。認購價將由本公司董事會釐定，其將不會低於下列價值之較高者：(i)本公司股份的面值，(ii)緊接於購股權授出日期前五個交易日於香港聯交所報股份的平均收市價，及(iii)購股權授出日期的收市價。

於二零一七年七月十三日，本公司授出合共64,000,000份購股權予若干名合資格人士，以認購64,000,000股本公司每股面值港幣0.10元之普通股，並無歸屬條件。

於二零一八年及二零一七年十二月三十一日，根據該計劃已授出但仍未行使之購股權數目為64,000,000份。截至二零一八年及二零一七年十二月三十一日止年度，該計劃項下並無購股權獲行使。

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26. SHARE OPTION SCHEME (Continued)

Movements of the Company's share options held by directors and employees during the year are as follows:

26. 購股權計劃 (續)

年內，董事及僱員持有之本公司購股權之變動如下：

Category of participant	Date of grant	Number of share options 購股權數目			Exercise period	Exercise price per share
		Outstanding at 1 January 2017	Granted during the year ended 31 December 2017	Outstanding at 31 December 2017 and 2018		
參與者類別	授出日期	於二零一七年 一月一日 尚未行使	於截至 二零一七年 十二月三十一日 止年度內授出	於二零一七年 及二零一八年 十二月三十一日 尚未行使	行使期	每股行使價 HK\$ 港幣元
Directors	13 July 2017	-	45,000,000	45,000,000	13 July 2017 to 12 July 2022	0.25
董事	二零一七年 七月十三日				二零一七年七月十三日至 二零二二年七月十二日	
Employees	13 July 2017	-	19,000,000	19,000,000	13 July 2017 to 12 July 2022	0.25
僱員	二零一七年 七月十三日				二零一七年七月十三日至 二零二二年七月十二日	
		-	64,000,000	64,000,000		
Weighted average exercise price (HK\$)		N/A	0.25	0.25		
加權平均行使價 (港幣元)		不適用				

Note: All the above share options are exercisable on the grant date.

附註：以上所有購股權均可以於授出日期行使。

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26. SHARE OPTION SCHEME (Continued)

The fair values of the share options at the grant date, were calculated using the Binomial Model. The inputs into the model were as follows:

Grant date	13 July 2017
Number of share options	64,000,000
Share price	HK\$0.25
Risk-free rate	1.194%
Expected volatility	45.34%
Time-to-maturity	12 July 2022

Expected volatility was determined by using the historical volatility of the Company's share price over one year and reference to the companies in the similar industry. The expected life used in the model has been adjusted, based on management best estimate, for the effect of non-transfer ability, exercise restrictions and behavioral considerations.

The fair value of the share options granted amounted to HK\$6,318,000 (equivalent to RMB5,481,000) in aggregate. The Group recognised a total expense of the same amount during the year ended 31 December 2017 in relation to the share options granted by the Company.

26. 購股權計劃 (續)

購股權於授出日期之公允值乃使用二項式模型計算。該模型之輸入數據如下：

授出日期	二零一七年七月十三日
購股權數目	64,000,000份
股價	港幣0.25元
無風險利率	1.194%
預期波幅	45.34%
到期時間	二零二二年七月十二日

預期波幅乃採用本公司股價於一年之歷史波幅並參考類似行業之公司之歷史波幅釐定。該模型所採用之預期年期已根據管理層之最佳估計，就不可轉讓性、行使限制及行為等考慮因素之影響作出調整。

已授出購股權之公允值合共為港幣6,318,000元（相當於人民幣5,481,000元）。本集團於截至二零一七年十二月三十一日止年度就本公司授出之購股權確認相同金額之總開支。

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27. RETIREMENT BENEFITS SCHEME

Hong Kong

The Group operates the MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for its Hong Kong employees. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, each of the subsidiaries (the "employer") in Hong Kong and its employees makes monthly mandatory contributions to the scheme at 5% of the employee's earnings as defined under the Mandatory Provident Fund Legislation. The mandatory contributions from each of the employer and employees are subject to a cap of HK\$1,500 per month. During the year ended 31 December 2018, a total contribution of RMB531,000 (2017: RMB572,000) was made by the Group in respect of this scheme.

The PRC, other than Hong Kong

As stipulated by rules and regulations in the PRC, the PRC subsidiaries are required to contribute to a state-managed retirement plan for all its employees at a certain percentage of the basic salaries of its employees. The state-managed retirement plan is responsible for the entire pension obligations payable to all retired employees. Under the state-managed retirement plan, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions. During the year ended 31 December 2018, a total contribution of approximately RMB286,000 (2017: RMB334,000) was made by the Group in respect of this scheme.

27. 退休福利計劃

香港

本集團安排香港僱員參與由香港強制性公積金計劃條例規定的強積金計劃。強積金計劃屬於界定供款計劃，由獨立受託人管理。根據強積金計劃，各香港附屬公司（「僱主」）及其僱員每月均按有關僱員之5%之收入（定義見強制性公積金法例）作出強制性供款。僱主及僱員之強制性供款以每月港幣1,500元為限。截至二零一八年十二月三十一日止年度，本集團就此計劃作出總供款人民幣531,000元（二零一七年：人民幣572,000元）。

中國，除香港外

根據中國的條例及法規規定，中國附屬公司須向為所有僱員而設置之國家退休福利計劃作出供款。供款額為僱員基本薪金的若干百分比。國家退休福利計劃負責向所有退休僱員支付所有退休金。在這個國家退休福利計劃之下，本集團除每年供款外不須對其他實際退休金支出或退休後福利作出任何進一步承擔。截至二零一八年十二月三十一日止年度，本集團就此計劃作出總供款約人民幣286,000元（二零一七年：人民幣334,000元）。

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28. PLEDGE OF ASSETS

At the end of the reporting period, certain assets of the Group were pledged to secure banking facilities granted to the Group as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Leasehold land and buildings	租賃土地及樓宇	16,292	15,922
Properties under development	在建物業	-	554,997
		16,292	570,919

29. RELATED PARTY DISCLOSURES

The remuneration of directors and other members of key management during the years ended 31 December 2018 and 2017 are as follows:

Compensation of key management personnel

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries and other benefits in kind	薪金及其他實物利益	7,845	7,873
Retirement benefits scheme contributions	退休福利計劃供款	207	312
Share-based payment expense	以股份為基礎的支付開支	-	4,368
		8,052	12,553

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Related party balances and transactions

Other than the disclosures in notes 11 and 22, and the amount due to a director disclosed on the consolidated statement of financial position which is denominated in HKD, unsecured, interest-free and repayable on demand, there were no other significant related party balances or transactions.

28. 抵押資產

於報告期末，本集團之若干資產已作為授予本集團銀行信貸之抵押如下：

29. 關連方披露

截至二零一八年及二零一七年十二月三十一日止年度，董事及其他主要管理層成員之酬金如下：

主要管理層成員之薪酬

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries and other benefits in kind	薪金及其他實物利益	7,845	7,873
Retirement benefits scheme contributions	退休福利計劃供款	207	312
Share-based payment expense	以股份為基礎的支付開支	-	4,368
		8,052	12,553

董事及主要管理人員之薪酬由薪酬委員會根據個人表現及市場趨勢釐定。

關連方結餘及交易

除附註11及22所披露者及於綜合財務狀況表披露以港幣計值且無抵押、免息及須按要求償還之應付董事款項外，概無任何其他重大關連方結餘或交易。

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30. COMMITMENTS

Commitments under operating leases

The Group as lessor

Property rental income earned during the year was RMB1,927,000 (2017: RMB682,000). The properties held had committed leases mainly running for the one to three years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments.

30. 承擔

經營租賃承擔

本集團作為出租人

於年內賺取之物業租金收入為人民幣1,927,000元(二零一七年:人民幣682,000元)。所持物業之租期主要介乎一至三年。

於報告期末,本集團已與租戶訂立以下未來最低租賃付款。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	2,203	1,851
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	3,167	4,434
		5,370	6,285

The Group as lessee

The Group leases certain of its premises and equipment under operating leases arrangements. Leases are negotiated for a term ranging from one to five (2017: one to five) years and rentals are fixed. None of the leases includes contingent rentals and terms of renewal were established in the leases.

本集團作為承租人

本集團根據經營租賃安排出租其若干物業及設備。洽談的租賃期介乎一年至五年(二零一七年:一年至五年)而租金已固定。概無租賃包括或然租金,惟租約中已訂明續租條款。

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30. COMMITMENTS (Continued)

Commitments under operating leases (Continued)

The Group as lessee (Continued)

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which are payable as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	10	12
In the second to fifth year inclusive	第二年至第五年（包括首尾兩年）	6	19
		16	31

Other commitments

At the end of the reporting period, the Group had the following capital commitments for properties under development:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Contracted for but not provided	已訂約但未撥備	-	249,161

30. 承擔 (續)

經營租賃承擔 (續)

本集團作為承租人 (續)

於報告期末，本集團應付之不可取消經營租賃下的未來最低租賃付款承擔如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	10	12
In the second to fifth year inclusive	第二年至第五年（包括首尾兩年）	6	19
		16	31

其他承擔

於報告日期末，本集團在建物業之資本承擔如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Contracted for but not provided	已訂約但未撥備	-	249,161

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31. CONTINGENT LIABILITIES

As at 31 December 2018, the Group's maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to RMB632,271,000 (2017: RMB443,460,000).

At the end of the reporting period, the Group provided guarantees in respect of the mortgage facilities granted by certain banks to certain purchasers of the Group's properties and pledged its bank deposits and properties to the relevant banks. Pursuant to the terms of the guarantees, upon default on mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owned by the defaulted purchasers to the banks.

Under the above arrangement, the bank deposits were pledged to the banks as securities on the mortgage loans. Upon default on mortgage payments by these purchasers, the banks are entitled to take over the bank deposits and legal titles of properties and can realise the pledged properties through open auction. The Group is obliged to repay the banks for the shortfall if bank deposits and the proceeds from selling the properties through the auction cannot cover the outstanding mortgage principals together with the accrued interest and penalties.

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans, and ends upon the earlier of (i) the issuance of real estate ownership certificates to purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties; and (ii) the settlement of mortgage loans between the mortgage banks and the purchasers.

In the opinion of the directors, the fair values of these financial guarantee contracts of the Group are insignificant at initial recognition and the directors consider that the possibility of default of the parties involved is remote; accordingly, no value has been recognised at the inception of these guarantee contracts and at the end of the each reporting period.

31. 或然負債

於二零一八年十二月三十一日，本集團就本集團物業之若干買家獲提供之按揭貸款之最高責任為人民幣632,271,000元（二零一七年：人民幣443,460,000元）。

於報告期末，本集團就若干銀行向本集團物業之若干買家授出之按揭貸款提供擔保，並向有關銀行抵押其銀行存款及物業。根據擔保條款，倘該等買家未能償還按揭款項，則本集團負責償還違約買家欠付銀行之未償還按揭本金連同應計利息及罰款。

根據以上安排，有關銀行存款已作為按揭貸款之擔保抵押予銀行。倘該等買家未能償還按揭款項，則銀行有權接收銀行存款及物業的法定業權，並可透過公開拍賣變現抵押物業。倘銀行存款及拍賣銷售物業所得款項無法補足未償還之按揭本金連同應計利息及罰款，則本集團須向銀行償還差額。

本集團之擔保期自授出有關按揭貸款日期開始，至以下各項中較早時間為止：(i)向買家發出房地產所有權證，一般於買家擁有相關物業後一至兩年內發出；及(ii)結清按揭銀行與買家之間的按揭貸款。

董事認為，本集團該等財務擔保合約之公允值於初步確認時微不足道，且董事認為訂約各方違約之可能性極小，因此，概無價值於訂立該等擔保合約時及於各報告期末確認。

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32. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the principal subsidiaries at 31 December 2018 and 2017 are as follows:

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation/ operation 成立/ 註冊成立/ 營業地點	Class of shares held 持有股份類別	Issued and fully paid capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion ownership interest held by the Company 本公司所持擁有權權益比例				Principal activities 主營業務
				2018 二零一八年		2017 二零一七年		
				Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Techwayson Management Limited 德維森管理有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$10,000 港幣10,000元	100%	-	100%	-	Provision of management services 提供管理服務
Techwayson Trading Limited 德維森貿易有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$10,000 港幣10,000元	100%	-	100%	-	Trading of raw sugar 原糖貿易
Maoming Huada Real Estate Development Limited* ("Maoming Huada") 茂名市華大房地產開發有限公司	The PRC 中國	Contributed capital 繳入資本	RMB50,000,000 人民幣50,000,000元	-	90%	-	90%	Development of real estate in the PRC 於中國發展房地產

* The English name is for identification purpose only

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

None of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during the year.

32. 本公司主要附屬公司之詳情

於二零一八年及二零一七年十二月三十一日之主要附屬公司詳細資料如下：

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation/ operation 成立/ 註冊成立/ 營業地點	Class of shares held 持有股份類別	Issued and fully paid capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion ownership interest held by the Company 本公司所持擁有權權益比例				Principal activities 主營業務
				2018 二零一八年		2017 二零一七年		
				Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Techwayson Management Limited 德維森管理有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$10,000 港幣10,000元	100%	-	100%	-	Provision of management services 提供管理服務
Techwayson Trading Limited 德維森貿易有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$10,000 港幣10,000元	100%	-	100%	-	Trading of raw sugar 原糖貿易
Maoming Huada Real Estate Development Limited* ("Maoming Huada") 茂名市華大房地產開發有限公司	The PRC 中國	Contributed capital 繳入資本	RMB50,000,000 人民幣50,000,000元	-	90%	-	90%	Development of real estate in the PRC 於中國發展房地產

* 英文名稱僅供識別。

上表呈列本公司董事認為主要影響本集團業績或資產之本集團附屬公司。本公司董事認為列出所有附屬公司資料將令篇幅過於冗長。

概無任何附屬公司在本年結或在年內任何時間有任何未償還債務證券。

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32. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong and the PRC. The principal activities of these subsidiaries are summarised as follows:

32. 本公司主要附屬公司之詳情 (續)

於報告期末，本公司有對本集團而言不屬重要之其他附屬公司。該等附屬公司多數於香港及中國經營。該等附屬公司之主要業務概述如下：

Principal activities 主營業務	Principal place of business 主要營業地點	Number of subsidiaries 附屬公司數目	
		2018 二零一八年	2017 二零一七年
Investment holding 投資控股	Hong Kong 香港	2	2
Investment holding 投資控股	The British Virgin Islands 英屬處女群島	1	1
Investment holding 投資控股	The PRC 中國	4	4
		7	7
Inactive 無業務	Hong Kong 香港	2	2
Inactive 無業務	The British Virgin Islands 英屬處女群島	1	1
Inactive 無業務	Cambodia 柬埔寨	1	1
Inactive 無業務	The PRC 中國	4	3
		8	7
		15	14

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33. NON-CONTROLLING INTERESTS

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立及主營業務地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控制性權益所持擁有權益及表決權比例		(Loss) profit allocated to non-controlling interests 分配予非控制性權益之(虧損)溢利		Accumulated non-controlling interest 累計非控制性權益	
		2018 二零一八年	2017 二零一七年	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Maoming Huada 茂名市華大	The PRC 中國	10%	10%	(1,559)	7,914	36,477	38,036
				(1,559)	7,914	36,477	38,036

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests as set out below.

33. 非控制性權益

下表列示有重大非控制性權益之本集團非全資附屬公司之詳細資料：

有重大非控制性權益之本集團附屬公司之財務資料摘要載列如下。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Maoming Huada	茂名市華大		
Current assets	流動資產	1,425,721	1,265,085
Non-current assets	非流動資產	91,703	96,956
Current liabilities	流動負債	(1,083,861)	(918,245)
Non-current liabilities	非流動負債	(55,841)	(63,436)
Equity attributable to owners of the Company	本公司擁有人應佔權益	341,245	342,324
Equity attributable to non-controlling interests	非控制性權益應佔權益	36,477	38,036

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33. NON-CONTROLLING INTERESTS

(Continued)

33. 非控制性權益 (續)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收益	90,251	547,341
(Loss) profit and total comprehensive (expense) income for the year	年內(虧損)溢利及全面(開支)收益總額	(15,593)	79,140
(Loss) profit and total comprehensive (expense) income for the year attributable to owners of the Company	本公司擁有人應佔年內(虧損)溢利及全面(開支)收益總額	(14,034)	71,226
(Loss) profit and total comprehensive (expense) income for the year attributable to non-controlling interests	非控制性權益應佔年內(虧損)溢利及全面(開支)收益總額	(1,559)	7,914
(Loss) profit and total comprehensive (expense) income for the year	年內(虧損)溢利及全面(開支)收益總額	(15,593)	79,140

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net cash inflow (outflow) from operating activities	經營活動所得現金流入(流出)淨額	159,883	(31,735)
Net cash (outflow) inflow from investing activities	投資活動所得現金(流出)流入淨額	(25,043)	19,582
Net cash outflow from financing activities	融資活動所得現金流出淨額	(107,000)	(5,648)
Net cash inflow (outflow)	現金流入(流出)淨額	27,840	(17,801)

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

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

34. 本公司財務狀況表

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current asset	非流動資產		
Interests in subsidiaries	於附屬公司之權益	1,009,623	1,009,623
Current assets	流動資產		
Other receivables	其他應收款項	240	205
Bank balances and cash	銀行結存及現金	621	900
		861	1,105
Current liabilities	流動負債		
Other payables	其他應付款項	1,888	1,102
Amounts due to subsidiaries	應付附屬公司款項	794,949	756,025
Amount due to a director	應付董事款項	2,862	2,714
Loan payables	應付貸款	33,225	16,656
		832,924	776,497
Net current liabilities	流動負債淨額	(832,063)	(775,392)
Total assets less current liabilities	總資產減流動負債	177,560	234,231
Capital and reserves	資本及儲備		
Ordinary share capital	普通股股本	161,569	136,015
Reserves	儲備	15,991	98,216
Total equity	權益總額	177,560	234,231

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34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

The movements in reserves are as follows:

34. 本公司財務狀況表 (續)

儲備變動如下：

		Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 繳入盈餘 RMB'000 人民幣千元 (Note) (附註)	Share options reserve 購股權儲備 RMB'000 人民幣千元	Translation reserve 匯兌儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	567,100	67,614	-	(18,206)	(524,662)	91,846
Loss for the year	年內虧損	-	-	-	-	(16,946)	(16,946)
Exchange difference arising on translation functional currency to presentation currency	將功能貨幣換算為呈列貨幣而產生之匯兌差額	-	-	-	17,835	-	17,835
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	-	-	-	17,835	(16,946)	889
Recognition of share-based payment expenses	確認以股份為基礎的付款開支	-	-	5,481	-	-	5,481
At 31 December 2017	於二零一七年十二月三十一日	567,100	67,614	5,481	(371)	(541,608)	98,216
Loss for the year	年內虧損	-	-	-	-	(50,760)	(50,760)
Exchange difference arising on translation functional currency to presentation currency	將功能貨幣換算為呈列貨幣而產生之匯兌差額	-	-	-	(43,355)	-	(43,355)
Total comprehensive expense for the year	年內全面開支總額	-	-	-	(43,355)	(50,760)	(94,115)
Issue of new shares	發行新股份	12,777	-	-	-	-	12,777
Transaction costs attributable to the issue of new shares	發行新股份應佔交易成本	(887)	-	-	-	-	(887)
At 31 December 2018	於二零一八年十二月三十一日	578,990	67,614	5,481	(43,726)	(592,368)	15,991

Note: Contributed surplus of the Company represents the difference between the nominal value of the ordinary shares issued by the Company and the net asset value of subsidiaries acquired through an exchange of shares pursuant to the group reorganisation in 2001.

附註：本公司繳入盈餘指本公司已發行普通股之面值與根據於二零零一年之集團重組交換股份所獲得附屬公司之資產淨值兩者之差額。

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35. 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 shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which include loan payables, amount due to a director and secured bank borrowings, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associate with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

35. 資本風險管理

本集團管理其資本，以確保本集團的實體能夠持續經營，同時透過優化債務及股權平衡最大限度地提高股東回報。本集團之整體策略與去年維持不變。

本集團的資本架構包括債務（包括應付貸款、應付董事款項及有抵押銀行借款）及本公司擁有人應佔權益（包括已發行股本及儲備）。

董事定期檢討資本架構。作為該檢討之一部分，董事考慮資本成本及與各類資本有關之風險。根據董事之推薦意見，本集團將透過派付股息、新股發行及股份購回以及發行新債務或贖回現有債務平衡其整體資本架構。

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36. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

36. 財務工具

(a) 財務工具類別

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Financial assets	財務資產		
Fair value through profit or loss (FVTPL)	按公允值計入損益(按公允值計入損益)		
Mandatorily measured at FVTPL	強制按公允值計入損益計量		
– Held-for-trading	– 持作交易	21	–
Financial assets at amortised costs	按攤銷成本計量之財務資產	108,801	27
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)	–	64,216
		108,822	64,243
Financial liabilities	財務負債		
At amortised cost	按攤銷成本	48,308	175,676

(b) Financial risk management objectives and policies

The Group's major financial instruments include other receivables, financial asset at FVTPL/held-for-trading investment, restricted bank deposit, pledged bank deposits, bank balances and cash, trade and other payables, loan payables, amount due to a director and secured bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with the Group's financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(b) 財務風險管理目標及政策

本集團之主要財務工具包括其他應收款項、按公允值計入損益之財務資產／持作交易用途之投資、有限制銀行存款、已抵押銀行存款、銀行結存及現金、貿易及其他應付款項、應付貸款、應付一名董事款項及有抵押銀行借款。財務工具之詳情於各相關附註披露。有關本集團財務工具之風險包括市場風險(利率風險)、信貸風險及流動資金風險。如何減輕該等風險之政策載列如下。管理層會管控該等風險承擔，確保適時有效地實施適當措施。

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36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to loan payable. The Group's loan payables carry fixed contractual interest rates and therefore expose the Group to fair value interest rate risk. The carrying value of the loan payables which are classified as financial liabilities at amortised cost is affected by the change in market interest rate. The Group currently does not have a fair value hedging policy (see note 22) for details of these loan payables. The Group is also exposed to cash flow interest rate risk in relation to restricted bank deposit, pledged bank deposits, bank balances and variable-rate bank borrowings. Interest rate risk is managed by the management on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. Interest rate risk on bank deposits is considered immaterial and therefore has been excluded from the sensitivity analysis below.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank borrowings at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2017: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel. Restricted bank deposits, pledged bank deposits and bank balances are excluded from sensitivity analysis as the directors of the Company consider that the exposure of cash flow interest rate risk arising from them is insignificant.

36. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險

利率風險

本集團就應付貸款面對公允值利率風險。本集團的應付貸款按固定合約利率計息，故本集團面對公允值利率風險。分類為按攤銷成本計量之財務負債的應付貸款之賬面值受市場利率變動影響。本集團現時並無公允值對沖政策（有關該等應付貸款的詳情請參閱附註22）。本集團亦就有限制銀行存款、已抵押銀行存款、銀行結存及浮動利率銀行借款面對現金流量利率風險。管理層按持續基準管理利率風險，主要目的為限制利息開支淨額受利率不利變動影響的程度。由於銀行存款的利率風險不大，因此並未包括在下列敏感度分析內。

利率敏感度分析

以下的敏感度分析是對於報告期末之浮動利率銀行借款的利率風險而作出。分析乃假設於報告期末未償還財務工具於整年度仍未償還而編製。向主要管理人員就利率風險進行內部匯報時，採用增加或減少50個基點（二零一七年：50個基點）。敏感度分析不包括有限制銀行存款、已抵押銀行存款及銀行結存，原因是本公司董事認為有關款項產生的現金流量利率風險不大。

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36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate sensitivity analysis (Continued)

If the interest rates had been 50 basis points (2017: 50 basis points) higher or lower and all other variables were held constant, the Group's loss (2017: profit) for the year would increase/decrease by RMB492,000 (2017: decrease/increase by RMB514,000).

Credit risk and impairment assessment

As at 31 December 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.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model under application of HKFRS 9 (2017: incurred loss model) on other receivables based on individually. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with good reputation.

36. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

利率敏感度分析 (續)

倘利率上升或下跌50個基點(二零一七年:50個基點),而所有其他可變因數維持不變,本集團年度虧損(二零一七年:溢利)將相應上升/下跌人民幣492,000元(二零一七年:下跌/上升人民幣514,000元)。

信貸風險及減值評估

於二零一八年十二月三十一日,由於交易對方未能履行責任,本集團面對因於綜合財務狀況表中列示之相關已確認財務資產賬面值而產生將對本集團造成財務損失之最大信貸風險。

為減低信貸風險,本集團管理層已成立專責隊伍負責釐定信貸限額、信貸批核及其他監控程序,以確保採取跟進行動追回逾期欠款。此外,於應用香港財務報告準則第9號後,本集團根據預期信貸虧損模式(二零一七年:已產生虧損模式)就其他應收款項進行個別減值評估。就此,董事認為可大幅減低本集團的信貸風險。

由於交易對方為具良好聲譽的銀行,因此有關流動資金及衍生財務工具的信貸風險有限。

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綜合財務報表附註

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 描述	Other financial assets/ other items 其他財務資產／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 交易對方的違約風險較低，且並無任何逾期款項	12-month ECL 12個月預期信貸虧損
Medium risk 中等風險	There have been significant increases in credit risk since initial recognition 自初步確認起，信貸風險已大幅增加	Lifetime ECL – not credit-impaired 全期預期信貸虧損－未出現信貸減值
High risk 高風險	There is evidence indicating the asset is credit-impaired 有證據表明資產已出現信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損－已出現信貸減值
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 有證據表明債務人陷入嚴重財務困難，而本集團日後實際上無法收回款項	Amount is written off 金額已撇銷

The tables below detail the credit risk exposures of the Group's other receivables, restricted bank deposit, pledged bank deposits, bank balance and cash which are subject to ECL assessment:

36. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

本集團的內部信貸風險級別評估包括以下分類：

下表詳述本集團其他應收款項、有限制銀行存款、已抵押銀行存款、銀行結存及現金（均需進行預期信貸虧損評估）所面臨之信貸風險：

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綜合財務報表附註

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36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

36. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

2018	二零一八年	Notes 附註	External credit rating 外界信貸評 級	Internal credit rating 內部信貸評 級	12-month or lifetime ECL 12個月或 全期預期信貸虧損	Gross carrying amount 總賬面值 RMB'000 人民幣千元
<i>Financial assets at amortised cost</i>	<i>按攤銷成本計量之 財務資產</i>					
Bank balances and cash	銀行結存及現金	19	A3	N/A 不適用	12-month ECL 12個月預期信貸虧損	52,422
Restricted bank deposit	有限制銀行存款	18	A3	N/A 不適用	12-month ECL 12個月預期信貸虧損	8,169
Pledged bank deposits	已抵押銀行存款	19	A3	N/A 不適用	12-month ECL 12個月預期信貸虧損	38,085
Other receivables	其他應收款項	17	N/A 不適用	Low risk 低風險 High risk 高風險	12-month ECL 12個月預期信貸虧損 Lifetime ECL – credit- impaired 全期預期信貸虧損—信貸 減值	10,125 429
<i>Other items</i>	<i>其他項目</i>					
Financial guarantee contracts (Note)	財務擔保合約 (附註)	31	N/A 不適用	Low risk 低風險	12-month ECL 12個月預期信貸虧損	632,271

Note: For financial guarantee contracts, the gross carrying amounts represents the maximum amount the Group has guaranteed under the respective contracts.

附註：就財務擔保合約而言，總賬面值指本集團根據各合約已擔保的最高金額。

The credit risks on bank balances, restricted bank deposit and pledged bank deposits are limited because counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

由於交易對方為獲得國際信貸評級機構評定為高信貸評級的銀行，因此有關銀行結存、有限制銀行存款及已抵押銀行存款的信貸風險有限。

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綜合財務報表附註

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The following table shows the movement in lifetime ECL that has been recognised for other receivables under the general approach.

		Lifetime ECL (credit impaired) 全期預期信 貸虧損(信貸 減值) RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	407
Exchange adjustments	匯兌調整	22
At 31 December 2018	於二零一八年十二月三十一日	429

Based on the ECL assessment, the credit exposure for other financial assets, which are subject to ECL assessment, are considered as low risk because the counterparties have a low risk of default and does not have material past due amounts. During the year ended 31 December 2018, no loss allowance provision for the amounts was recognised.

36. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

下表載列根據一般方法確認為其他應收款項的全期預期信貸虧損之變動。

由於交易對方違約風險較低且並無重大逾期金額，因此根據預期信貸虧損評估，其他財務資產（須進行預期信貸虧損評估）之信貸敞口被視為低風險。於截至二零一八年十二月三十一日止年度，概無就該等金額確認虧損撥備。

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綜合財務報表附註

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In 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 bank borrowings and ensures compliance with loan covenants.

Liquidity risk analysis

The following table details the Group's contractual maturity for their non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

36. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險

在管理流動資金風險時，本集團監察及維持管理層認為足夠的現金及現金等價物水平，以為本集團的經營提供資金，並減輕現金流量波動的影響。管理層監察銀行借款的使用及確保符合貸款契約。

流動資金風險分析

下表詳列本集團非衍生財務負債的合約到期情況。該等列表根據本集團可被要求還款的最早日期按財務負債未貼現現金流量計算而製成。其他非衍生財務負債的到期日乃根據所協定還款年期而定。

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綜合財務報表附註

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity risk analysis (Continued)

The table includes both interest and principal cash flows. To the extent that interest flows are floating rates, the undiscounted amount is derived from the interest rate at the end of the reporting period.

36. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金風險分析 (續)

下表載有利息及本金現金流量。於利息流量為浮動息率的前提下，未貼現金額乃以報告期末的利率計算。

		Weighted average interest rate	On demand or less than 3 months	3 months to 1 year	1 year to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amount at 31 December 2018
		加權平均利率 %	按要求或少於三個月 RMB'000 人民幣千元	三個月至一年 RMB'000 人民幣千元	一年至兩年 RMB'000 人民幣千元	兩年至五年 RMB'000 人民幣千元	未貼現現金流量總額 RMB'000 人民幣千元	於二零一八年十二月三十一日之賬面值 RMB'000 人民幣千元
Non-derivative financial liabilities	非衍生財務負債							
Trade and other payables	貿易及其他應付款項	N/A 不適用	445	-	-	-	445	445
Amount due to a director	應付董事款項	N/A 不適用	2,862	-	-	-	2,862	2,862
Secured bank borrowings	有抵押銀行借款							
- variable rate	- 浮動利率	5.1	11,776	-	-	-	11,776	11,776
Loan payables	應付貸款	1.6	24,441	9,048	-	-	33,489	33,225
Financial guarantee contracts	財務擔保合約	N/A 不適用	632,271	-	-	-	632,271	-
			671,795	9,048	-	-	680,843	48,308

		Weighted average interest rate	On demand or less than 3 months	3 months to 1 year	1 year to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amount at 31 December 2017
		加權平均利率 %	按要求或少於三個月 RMB'000 人民幣千元	三個月至一年 RMB'000 人民幣千元	一年至兩年 RMB'000 人民幣千元	兩年至五年 RMB'000 人民幣千元	未貼現現金流量總額 RMB'000 人民幣千元	於二零一七年十二月三十一日之賬面值 RMB'000 人民幣千元
Non-derivative financial liabilities	非衍生財務負債							
Trade and other payables	貿易及其他應付款項	N/A 不適用	37,002	-	-	-	37,002	37,002
Amount due to a director	應付董事款項	N/A 不適用	2,714	-	-	-	2,714	2,714
Secured bank borrowings	有抵押銀行借款							
- fixed rate	- 固定利率	10.5	109,770	-	-	-	109,770	107,000
- variable rate	- 浮動利率	3	12,395	-	-	-	12,395	12,304
Loan payable	應付貸款	6	246	16,738	-	-	16,984	16,656
Financial guarantee contracts	財務擔保合約	N/A 不適用	443,460	-	-	-	443,460	-
			605,587	16,738	-	-	622,325	175,676

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity risk analysis (Continued)

Bank borrowings with a repayment on demand clause are included in the "on demand or less than 3 months" time band in the above maturity analysis. As at 31 December 2018 and 2017, the aggregate undiscounted principal amounts of these bank borrowings amounted to RMB2,992,000 and RMB110,977,000 respectively. Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repaid three years (2017: four years) after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

	Weighted average interest rate	Within 1 year	1 year to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amount at
						31 December 2018
	加權平均利率 %	一年內 RMB'000 人民幣千元	一年至兩年 RMB'000 人民幣千元	兩年至五年 RMB'000 人民幣千元	未貼現現金流量總額 RMB'000 人民幣千元	於二零一八年十二月三十一日之賬面值 RMB'000 人民幣千元
Non-derivative financial liabilities						
Secured bank borrowings						
- variable rate	4	1,351	1,351	450	3,152	2,992
	Weighted average interest rate	Within 1 year	1 year to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amount at
	加權平均利率 %	一年內 RMB'000 人民幣千元	一年至兩年 RMB'000 人民幣千元	兩年至五年 RMB'000 人民幣千元	未貼現現金流量總額 RMB'000 人民幣千元	於二零一七年十二月三十一日之賬面值 RMB'000 人民幣千元
Non-derivative financial liabilities						
Secured bank borrowings						
- fixed rate	10.5	17,889	58,026	51,185	127,100	107,000
- variable rate	3	1,116	1,114	2,041	4,271	3,977
		19,005	59,140	53,226	131,371	110,977

36. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金風險分析 (續)

具有可按要求償還條款之銀行借款均計入上述到期日分析「按要求或少於三個月」之時間範圍內。於二零一八年及二零一七年十二月三十一日，銀行借款之未貼現本金額分別合共為人民幣2,992,000元及人民幣110,977,000元。計及本集團之財務狀況後，董事不相信銀行可能行使其要求即時還款之酌情權。本公司董事相信，該等銀行借款將於報告日期後三年（二零一七年：四年）內根據貸款協議所載預定還款日期償還，其詳情載於下表：

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綜合財務報表附註

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

36. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity risk analysis (Continued)

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

36. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金風險分析 (續)

上述財務擔保合約所包含的金額為本集團根據安排就全數擔保金額(倘擔保之交易對方申索該金額)可能被要求償付的最高金額。根據於報告期末之預測,本集團認為有可能無需根據有關安排支付任何款項。然而,此估計可能有所改變,取決於交易對方因其持有之已擔保財務應收款項遭受信貸虧損而根據擔保申索之可能性。

倘浮動利率的變動與報告期末釐定的估計利率不同,則上述浮動利率工具所包含的金額可予變動。

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

36. FINANCIAL INSTRUMENTS (Continued)

(c) Fair values

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on a discounted cash flow analysis using prices from observable current market transactions. The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair values.

(d) Fair value measurements of financial instruments

One of the Group's financial assets is measured at fair value at the end of the reporting period. The following table provides an analysis of financial instrument that is measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2018	於二零一八年十二月三十一日				
Financial assets at FVTPL	按公允價值計入損益之財務資產	21	-	-	21
As at 31 December 2017	於二零一七年十二月三十一日				
Held-for-trading investments	持作交易用途之投資	27	-	-	27

There were no transfers between Levels 1 and 2 during both years. The fair value of the financial assets at FVTPL/held-for-trading investments is from quoted bid prices in an active market.

36. 財務工具 (續)

(c) 公允值

財務資產及財務負債的公允值乃根據公認的定價模式按現時可觀察的市場交易之價格以貼現現金流量分析釐訂。董事認為，於綜合財務報表內確認的財務資產及財務負債賬面值與其公允值相若。

(d) 財務工具之公允值計量

本集團之其中一項財務資產於報告期末按公允值計量。下表載列財務工具之分析，其乃於初步確認後按公允值計量並根據可觀察公允值列入第一級至第三級。

於兩個年度，第一級與第二級之間並無轉撥。按公允值計入損益之財務資產／持作交易用途之投資之公允值來自於活躍市場所報買入值。

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綜合財務報表附註

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

37. 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.

37. 融資活動所產生負債之對賬

下表詳列本集團融資活動所產生負債之變動，包括現金及非現金變動。融資活動所產生負債指現金流已經或未來現金流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。

		Loan payables	Amount due to a director	Borrowings	Interest payable (included in other payables)	Total
		應付貸款	應付董事款項	借款	應付利息 (計入其他應付款項)	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	16,656	2,714	119,304	361	139,035
Financing cash flows	融資現金流量	15,040	–	(108,414)	(9,139)	(102,513)
Foreign exchange translation	匯率換算	1,529	148	886	(273)	2,290
Interest expenses	利息開支	–	–	–	2,798	2,798
Interest expense capitalised to properties under development	資本化至在建物業之利息開支	–	–	–	6,341	6,341
At 31 December 2018	於二零一八年十二月三十一日	33,225	2,862	11,776	88	47,951

		Loan payable	Amount due to a director	Borrowings	Interest payable (included in other payables)	Total
		應付貸款	應付董事款項	借款	應付利息 (計入其他應付款項)	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於二零一七年一月一日	–	3,160	133,539	375	137,074
Financing cash flows	融資現金流量	17,342	(446)	(13,728)	(12,207)	(9,039)
Foreign exchange translation	匯率換算	(686)	–	(507)	349	(844)
Interest expenses	利息開支	–	–	–	6,701	6,701
Interest expense capitalised to properties under development	資本化至在建物業之利息開支	–	–	–	5,143	5,143
At 31 December 2017	於二零一七年十二月三十一日	16,656	2,714	119,304	361	139,035

Schedule of Properties

物業概覽表

At 31 December 2018 於二零一八年十二月三十一日

A. PROPERTIES IN THE PRC

A. 位於中國之物業

Location 地點	Usage 用途	Area 面積	Lease term 租賃期	Group's interest 本集團 應佔權益	Stage of development & Classification 開發階段及 分類	Date of Completion 完工日期
Portion of Maoming Project, Zhanqian 7th Road, Yuehua East District, Maoming 茂名市站前七路 粵華東小區 茂名項目之部分	Commercial 商業	Gross floor area – approximately 4,000 sq. m. 建築總面積— 約4,000平方米	Medium to long term 中期至長期	90%	Completed, investment properties 已完成， 投資物業	2016 二零一六年
Unsold portion of Maoming Project, Zhanqian 7th Road, Yuehua East District, Maoming 茂名市站前七路 粵華東小區茂名項目 未出售部分	Commercial and residential complex 商業及住宅綜合體	Gross floor area – approximately 245,000 sq. m. 建築總面積— 約245,000平方米	Medium to long term 中期至長期	90%	Completed, properties held for sale 已完工，持作出 售物業	2016/2018 二零一六年/ 二零一八年

B. PROPERTIES IN HONG KONG

B. 位於香港之物業

Location 地點	Usage 用途	Approximate saleable area 概約可出售面積	Lease term 租賃期	Group's interest 本集團 應佔權益
Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon. 九龍尖沙咀廣東道30號新港中心一期15樓1501室	Office premises – Own use 寫字樓物業—自用	242 sq.m. 242平方米	Medium 中期	100%



China Uptown Group Company Limited
中國上城集團有限公司