



IMPERIAL PACIFIC

INTERNATIONAL HOLDINGS

博華太平洋國際控股有限公司

2018

ANNUAL REPORT

年度報告

Incorporated in Bermuda with limited liability

於百慕達註冊成立之有限公司

Stock Code 股份代號: 1076

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Ms. Cai Lingli (resigned on 20 August 2018)

Ms. Xia Yuki Yu

Mr. Teng Sio I

Ms. Cui Li Jie (*Chairperson*)

Independent Non-executive Directors

Mr. Robert James Woolsey

Mr. Ng Hoi Yue

Mr. Tso Hon Sai Bosco

Mr. Lee Kwok Leung

EXECUTIVE COMMITTEE

Ms. Cai Lingli (resigned on 20 August 2018)

Ms. Xia Yuki Yu (*Chairperson*)

Mr. Teng Sio I

AUDIT COMMITTEE

Mr. Ng Hoi Yue (*Chairman*)

Mr. Tso Hon Sai Bosco

Mr. Lee Kwok Leung

NOMINATION COMMITTEE

Mr. Ng Hoi Yue (*Chairman*)

Mr. Tso Hon Sai Bosco

Mr. Lee Kwok Leung

REMUNERATION COMMITTEE

Mr. Ng Hoi Yue (*Chairman*)

Mr. Tso Hon Sai Bosco

Mr. Lee Kwok Leung

COMPANY SECRETARY

Ms. Lee Yuen Ting

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

董事會

執行董事

蔡靈麗女士(於二零一八年八月二十日辭任)

Xia Yuki Yu 女士

丁少儀先生

崔麗杰女士(*主席*)

獨立非執行董事

Robert James Woolsey 先生

伍海于先生

曹漢璽先生

李國樑先生

執行委員會

蔡靈麗女士(於二零一八年八月二十日辭任)

Xia Yuki Yu 女士(*主席*)

丁少儀先生

審核委員會

伍海于先生(*主席*)

曹漢璽先生

李國樑先生

提名委員會

伍海于先生(*主席*)

曹漢璽先生

李國樑先生

薪酬委員會

伍海于先生(*主席*)

曹漢璽先生

李國樑先生

公司秘書

李琬婷女士

主要股份過戶登記處

Conyers Corporate Services (Bermuda) Limited

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Hong Kong Registrars Limited
Shops 1712–1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Suites 7001, 7002 and 7014–7016, 70/F
Two International Finance Centre
No. 8 Finance Street
Central
Hong Kong

INDEPENDENT AUDITOR

Ernst & Young

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Bank of Saipan
The Macau Chinese Bank Limited
The Bank of China Macau Branch

WEBSITE

<http://www.equitynet.com.hk/1076>
<http://www.imperialpacific.com>

STOCK CODE

01076

香港股份過戶登記分處

香港證券登記有限公司
香港
灣仔
皇后大道東 183 號
合和中心 17 樓
1712–1716 號舖

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

主要營業地點

香港
中環
金融街 8 號
國際金融中心二期
70 樓 7001、7002 及 7014–7016 室

獨立核數師

安永會計師事務所

主要往來銀行

星展銀行(香港)有限公司
Bank of Saipan
澳門華人銀行有限公司
中國銀行澳門分行

網站

<http://www.equitynet.com.hk/1076>
<http://www.imperialpacific.com>

股份代號

01076

Letter from the Board

董事會函件

On behalf of the board of directors (the “**Board**”) (the “**Directors**”) of Imperial Pacific International Holdings Limited (the “**Company**”), I report on the financial results and operations of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2018.

FINANCIAL REVIEW

For the year ended 31 December 2018, the Group’s revenue was approximately HK\$3,254,587,000 (2017: approximately HK\$7,793,546,000). The Group’s loss attributable to owners of the Company was approximately HK\$2,965,023,000 (2017: profit of approximately HK\$637,473,000). Basic loss per share and diluted loss per share were both HK\$2.07 cents (2017: basic and diluted earnings per share were HK\$0.45 cent and HK\$0.24 cent respectively).

FINAL DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 December 2018 (2017: Nil).

APPRECIATION

The Group is well prepared to meet the challenges ahead with our prudent strategy as well as loyalty and professionalism of our staff. I would like to thank the professional advisors, my fellow Directors and our shareholders for their support during the year.

For and on behalf of the Board
Imperial Pacific International Holdings Limited

Cui Li Jie
Chairperson and Executive Director

Hong Kong, 26 March 2019

本人謹代表博華太平洋國際控股有限公司(「本公司」)董事(「董事」)會(「董事會」)呈報本公司及其附屬公司(「本集團」)截至二零一八年十二月三十一日止年度之財務業績及營運。

財務回顧

截至二零一八年十二月三十一日止年度，本集團收益約為3,254,587,000港元(二零一七年：約為7,793,546,000港元)。本公司持有人應佔本集團虧損約為2,965,023,000港元(二零一七年：溢利約為637,473,000港元)。每股基本虧損及每股攤薄虧損均為2.07港仙(二零一七年：每股基本及攤薄盈利分別為0.45港仙及0.24港仙)。

末期股息

董事會不建議派付截至二零一八年十二月三十一日止年度之任何股息(二零一七年：無)。

致謝

本集團隨時準備以審慎策略及僱員的忠誠及專業水平迎接挑戰。本人謹此對專業顧問、董事同仁及股東於年內的支持表示感謝。

代表董事會
博華太平洋國際控股有限公司

主席兼執行董事
崔麗杰

香港，二零一九年三月二十六日

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW

The Company is an investment holding company, and the Group is principally engaged in the gaming and resort business including the development and operation of integrated resort on the Island of Saipan.

Gaming and Resort Business

In August 2014, Imperial Pacific International (CNMI), LLC (the “Licensee” or “IPI”), an indirect wholly-owned subsidiary of the Company, and the Commonwealth of the Northern Mariana Islands (“CNMI”) entered into a casino license agreement in respect of the exclusive casino resort developer license for the Island of Saipan (as amended, the “Casino License Agreement”) pursuant to which the Casino Resort Developer License was granted to the Licensee subject to the terms and conditions as stipulated therein.

Imperial Pacific Resort Hotel • Saipan

On 27 November 2015, the Licensee launched the grand opening of the Temporary Casino within on the first floor of the T Galleria by DFS Saipan in Garapan, Island of Saipan (“Best Sunshine Live”). The grand opening of Best Sunshine Live supports the Group’s continuous evolution of Saipan into a diversified and world-leading entertainment and tourism destination.

On 6 July 2017, the Licensee successfully transferred operations of Best Sunshine Live to the casino portion of Imperial Pacific Resort Hotel • Saipan and commenced operation on the same day. After the transfer, the Company’s gaming capacity was increased from 48 tables and 141 slot machines at the Best Sunshine Live to 78 tables and 246 slot machines with maximum capacity of up to 193 tables and 365 slot machines upon completion of Imperial Pacific Resort Hotel • Saipan.

On 31 August 2018, the parties to the Casino License Agreement entered into a written amendment to the Casino License Agreement (the “Amendment Agreement”) pursuant to which, among other things, the implementation schedules under the Casino License Agreement have been amended and the proposal requirements thereunder have been set out in more details. Details of the Amendment Agreement have been disclosed in the announcement of the Company dated 31 August 2018.

業務回顧

本公司為投資控股公司，而本集團則主要從事博彩及度假村業務，包括發展及營運塞班島綜合度假村。

博彩及度假村業務

於二零一四年八月，本公司之間接全資附屬公司 Imperial Pacific International (CNMI), LLC (「持牌人」或「IPI」) 與北馬里亞納群島聯邦(「北馬里亞納」) 就獨家塞班島娛樂場度假村開發商牌照訂立娛樂場牌照協議(經修訂)(「娛樂場牌照協議」)，據此，持牌人獲授娛樂場度假村開發商牌照，惟須受當中所載條款及條件約束。

博華塞班度假村酒店

於二零一五年十一月二十七日，持牌人位於塞班島加拉班塞班島T廣場(T Galleria by DFS Saipan) 一樓之臨時賭場(「太平洋娛樂」) 隆重開幕。太平洋娛樂隆重開幕有利本集團持續將塞班島打造為領先全球的多元化娛樂及旅遊聖地。

於二零一七年七月六日，持牌人成功將太平洋娛樂業務營運移交予博華塞班度假村酒店轄下娛樂場，並於同日開始投入運作。移交後，本公司之博彩容量由太平洋娛樂之48張賭枱及141部角子機增至78張賭枱及246部角子機，待博華塞班度假村酒店落成後，最高容量可達193張賭枱及365部角子機。

於二零一八年八月三十一日，娛樂場牌照協議訂約各方訂立娛樂場牌照協議之書面修訂本(「修訂協議」)，據此(其中包括)娛樂場牌照協議項下實施時間表已作修訂，其項下提案要求亦已載入更多詳情。有關修訂協議之詳情已於本公司日期為二零一八年八月三十一日之公告內披露。

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW (Continued)

Imperial Pacific Resort Hotel • Saipan (Continued)

During the year ended 31 December 2018, unaudited VIP table games rolling of United States Dollars (“US\$”) 16,187 million (equivalent to approximately HK\$126,262 million) and revenue of approximately HK\$2,912 million (2017: HK\$7,345 million (as restated)) was generated from the operations of Imperial Pacific Resort Hotel • Saipan, both the VIP table games rolling and gross revenue showing a decline compared to the same period of last year due to the impact of the FIFA World Cup, tightening market credits and disruption caused by typhoon Yutu.

Major global construction companies, consulting firms, design and engineering firms as well as local sub-contractors have been engaged. As at 31 December 2018, approximately US\$792 million (equivalent to approximately HK\$6,218 million) (31 December 2017: US\$650 million, equivalent to approximately HK\$5,064 million) has been invested in design, consulting, engineering, construction material and labour. The lack of the labour situation has been ameliorated tremendously during the year, we have secured adequate labour supply from the Philippines and Taiwan to ensure the need of the construction.

BUSINESS OUTLOOK

Integrated Resort Development

The Imperial Pacific Resort Hotel • Saipan, perched on the water front of downtown Garapan, will boast restaurants with Michelin Stars, in addition to the 193 gaming tables and 365 slot machines, and 329 hotel rooms and 15 villas upon completion of construction.

An additional US\$137 million has been invested in design and construction of this super luxurious casino resort during the year which has brought the total investment to US\$792 million as at 31 December 2018. Great efforts have been made to solving the shortage of labour supply as well as bringing the construction work back to progress. Super typhoon Yutu, the most powerful tropical cyclone on Earth in 2018, stroke Saipan in October 2018 and caused devastating damages to the island. The construction site suffered some mild damages but resumed work fast.

業務回顧(續)

博華塞班度假村酒店(續)

截至二零一八年十二月三十一日止年度，博華塞班度假村酒店業務營運所產生之未經審核貴賓賭枱轉碼數為161億8,700萬美元(「美元」)(相當於約1,262億6,200萬港元)，而收益則約為29億1,200萬港元(二零一七年：73億4,500萬港元(重列))，貴賓賭枱轉碼數及總收益均較去年上半年有所下跌，歸因於國際足總世界盃之影響、收緊信用借款簽單信貸及颱風玉兔所造成的破壞。

本集團已委聘全球主要建築公司、顧問公司、設計及工程公司以及當地分包商。於二零一八年十二月三十一日，本集團已投放約7億9,200萬美元(相當於約62億1,800萬港元)(二零一七年十二月三十一日：6億5,000萬美元，相當於約50億6,400萬港元)於設計、顧問、工程、建材及勞動方面。年內勞工短缺情況已大大改善，我們從菲律賓及台灣取得充足人手供應，確保足以應付建築需求。

業務展望

綜合度假村發展

博華塞班度假村酒店位於加拉班市中心之海濱。待落成後，除193張賭枱、365部角子機、329間客房及15幢別墅外，博華塞班度假村酒店將設有米芝蓮星級餐廳。

年內，額外1億3,700萬美元已投放於設計及建設此豪華娛樂場度假村，令於二零一八年十二月三十一日之總投資增至7億9,200萬美元。憑藉種種努力，勞工短缺問題得到解決，建設工程亦重上軌道。堪稱二零一八年地上最強熱帶氣旋的強烈颱風玉兔於二零一八年十月吹襲塞班島，釀成毀滅性破壞。施工現場因受損輕微而火速復工。

Management Discussion and Analysis

管理層討論與分析

BUSINESS OUTLOOK *(Continued)*

Integrated Resort Development *(Continued)*

With the transfer to the new casino completed on 6 July 2017, we believe that new customers will continue to be attracted to Saipan and hence broaden our client base. However, due to the damage of Yutu, Saipan international airport was closed for almost one month, the operation at our Casino was adversely affected. With the visitation recovering and four new junket licenses approved by Commonwealth Casino Commission (the “CCC”), we expect to commence collaboration with gaming promoters in the coming year. Having the advantage of CNMI’s relatively low tax regime, we believe we will be able to offer very competitive commission rates to potential gaming promoters.

Supply of hotel rooms continued to be the crucial bottle-neck for the growth of tourist arrivals to the Island. According to the Hotel Association of the Northern Mariana Islands (the “HANMI”), for the calendar year of 2018, average hotel rates reached a new high of US\$150.86 per night, representing growth of US\$4.93 (or 3.38%) compared to 2017, with average hotel occupancy rates of 82.14%. We currently have 3 villas and 4 yachts in place as well as hotel rooms secured from local high quality hotels to better provide accommodations to our VIP customers. We also expect the successional opening of resort villas and hotels rooms of our resort starting next year will to a great extent enhance our capacity to better accommodate patrons.

Benefiting from Saipan’s favorable weather, stunning attractions, proximity location and flexible visa policies, with more hotels room to be built and opened, we believe visitation to the Island of Saipan still has great potential.

業務展望 *(續)*

綜合度假村發展 *(續)*

隨著二零一七年七月六日完成移交予新落成娛樂場，我們相信塞班島定能繼續吸納新客戶，從而擴大客戶基礎。然而，玉兔所造成破壞令塞班國際機場關閉接近一個月，賭場營運備受影響。隨著訪客重臨及聯邦賭場委員會(「聯邦賭場委員會」)新批四項中介人牌照，我們預計於來年開始與博彩中介人合作。憑藉北馬里亞納相對低稅率制度的優勢，我們相信將可向潛在博彩中介人提供非常具有競爭力的佣金率。

客房供應仍然是妨礙旅客人數增長的關鍵因素。根據北馬里亞納群島酒店協會(「北馬里亞納群島酒店協會」)之數據，於二零一八曆年，平均酒店房租創下每晚150.86美元的新高，較二零一七年增長4.93美元(或3.38%)，而平均酒店入住率則為82.14%。我們目前設有3幢別墅及4艘遊艇，並獲當地優質酒店提供客房，為貴賓客戶提供更理想住宿環境。我們亦預期於來年陸續增加別墅房間及酒店房間，大大提升我們的待客能力。

塞班島氣候怡人、景色秀麗、地點便捷及簽證政策靈活，加上將會興建及開闢更多客房，我們相信到訪塞班島的旅客人數仍具有龐大增長潛力。

Management Discussion and Analysis

管理層討論與分析

BUSINESS OUTLOOK (Continued)

Debt/Equity Fund Raising and Refinancing

On 31 October 2018, the Company entered into a placing agreement with the placing agent pursuant to which the placing agent agreed to act as a sole placing agent, on a best effort basis, for the purpose of arranging placees to subscribe for the bonds up to an aggregate principal amount of HK\$300,000,000. Details of the aforementioned placing agreements have been disclosed in the announcement of the Company dated 5 November 2018.

The Board does not rule out the possibility that the Company may carry out debt and/or equity fund raising plan(s) to further strengthen the financial position of the Group in the event that suitable fund raising opportunities arise in support of the development of the Group, including the casino and the integrated resort on the Island of Saipan. As at the date of this report, the Company has not yet concluded on any concrete fund raising opportunities.

FINANCIAL REVIEW

For the year ended 31 December 2018, the Group achieved revenue of HK\$3,255 million, representing a decrease by HK\$4,539 million. Loss attributable to equity holders of the Company for the year ended 31 December 2018 was HK\$2,965 million, as compared with the profit attributable to equity holders of HK\$637 million in the corresponding period of last year. The turnaround is mainly attributable to decrease in revenue, increase in impairment losses of trade receivables and increase in finance costs, operating and administrative expenses incurred during the year. Basic and diluted loss per share were HK2.07 cents and HK2.07 cents respectively, as compared with basic and diluted earnings per share of HK0.45 cent and HK0.24 cent respectively in the corresponding period of last year.

業務展望(續)

債務／股本集資及再融資

於二零一八年十月三十一日，本公司與配售代理訂立配售協議，據此，配售代理同意擔任獨家配售代理，按竭盡所能基準安排承配人認購本金總額最高達300,000,000港元之債券。有關上述配售協議之詳情已於本公司日期為二零一八年十一月五日之公告內披露。

倘出現合適集資機會，董事會不排除本公司可能會進行債務及／或股本集資計劃以進一步加強本集團財務狀況，從而支持本集團(包括於塞班島之娛樂場及綜合度假村)之發展。於本報告日期，本公司尚未就任何實質集資機會作出結論。

財務回顧

截至二零一八年十二月三十一日止年度，本集團所得收益減少45億3,900萬港元至32億5,500萬港元。截至二零一八年十二月三十一日止年度，本公司權益持有人應佔虧損為29億6,500萬港元，而去年同期之權益持有人應佔溢利則為6億3,700萬港元。轉盈為虧主要由於年內收益減少、應收貿易賬款之減值虧損增加、財務費用增加以及所產生經營及行政開支增加所致。每股基本及攤薄虧損分別為2.07港仙及2.07港仙，而去年同期之每股基本及攤薄盈利則分別為0.45港仙及0.24港仙。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (Continued)

Casino Gaming Operations

The following table sets forth the results of the casino gaming operations for the years ended 31 December 2018 and 2017:

財務回顧(續)

娛樂場博彩業務

下表載列截至二零一八年及二零一七年十二月三十一日止年度娛樂場博彩業務之業績：

		For the year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
(in thousands, except for number of gaming tables and slot machines and Electronic Table Game ("ETG") and percentage)	(以千計，賭枱及角子機以及電子桌面博彩(「電子桌面博彩」)數目及百分比除外)		
Average number of VIP gaming tables	貴賓賭枱平均數目	28	23
VIP table games rolling	貴賓賭枱轉碼數	126,262,045	385,855,800
VIP gross table games win	貴賓賭枱總贏額	4,676,523	12,728,872
VIP table games win percentage	貴賓賭枱贏率百分比	3.70%	3.30%
Average number of Mass Gaming tables	中場賭枱平均數目	45	39
Mass games drop	中場博彩投注額	660,546	926,906
Mass games gross table games win	中場賭枱總贏額	208,920	302,665
Mass games win percentage	中場博彩贏率百分比	31.63%	32.65%
Average number of slot machines and ETG	角子機及電子桌面博彩平均數目	262	165
Slot machines and ETG handle	角子機及電子桌面博彩收入總額	885,307	847,511
Slot machines and ETG gross win	角子機及電子桌面博彩總贏額	56,302	66,861
Slot machines and ETG hold percentage	角子機及電子桌面博彩贏率	6.36%	7.89%
Commissions	佣金	1,635,966	4,997,103

VIP Gaming Operations

A significant portion of our VIP casino customers is sourced through the Group's own marketing channels. Such high-spending VIP customers generally receive commission and allowances based on a percentage of the rolling chip turnover. The allowances can be utilized for expenses incurred on hotel rooms, food and beverages and other discretionary customer-related expenses. The Group's VIP players are also brought to us via intensive marketing.

VIP gaming operations also include premium mass gaming operations that do not receive commissions from the Group.

貴賓博彩業務

我們賭場大部分貴賓客源來自本集團自設市場營銷渠道。該等高消費貴賓客戶一般按轉碼營業額之百分比獲取佣金及津貼。津貼可用於支付酒店房間、餐飲及其他客戶相關酌情開支所產生之費用。密集式市場推廣亦為本集團帶來貴賓客戶。

貴賓博彩業務亦包括高端中場博彩業務，本集團不會就該業務支付佣金。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (Continued)

VIP Gaming Operations (Continued)

In addition, a minor operation of the Group's VIP customers has been sourced via a licenced junket operator since August 2016. The establishment of a new licenced junket incentive allowed the Group to bring in new customers which mitigated the Group's credit concerns for those VIP customers brought in by the junket operator.

VIP rolling chip volume for the year of 2018 reached approximately HK\$126,262 million (2017: HK\$385,856 million). VIP gaming revenue was HK\$2,912 million (2017: HK\$7,345 million) with a win percentage of 3.70% (2017: 3.30%). Our VIP customers primarily consist of credit players. Geographically, most of our direct VIP patrons come from China, Hong Kong, Macau and Korea.

Impairment

The gross trade receivables decreased to HK\$9,670 million, after written off trade receivables of HK\$4,690 million (2017: HK\$13,278 million) from VIP gaming operations for the year ended 31 December 2018. While the scale of VIP gaming operations had a significant impact to the Group, the Group regularly reviews the recoverability of trade receivables to ensure that adequate impairments are made for irrecoverable amounts.

Impairment of the Group's trade receivables was estimated based on expected credit losses which has taken into consideration the collectability of individual customers, debts' ageing profile, security provided in the form of front money and guarantee deposits as well as experience with collection trends in the casino industry and forward looking factors including the economic outlook and business conditions and provided provision for impairment on certain customers' trade receivables as follows:

- (i) as at 31 December 2018, the provision for impairment of trade receivables due from the Group's largest and the ten largest debtors amounted to HK\$657 million and HK\$1,922 million (2017: HK\$1,093 million and HK\$1,867 million) respectively. The aforementioned provisions were made based on the expected credit losses, which includes a review of individual customer's facts and circumstances (such as financial position and ongoing dialogue on settlement arrangements, etc), aging of the outstanding amounts, securities provided and past repayment records;

財務回顧(續)

貴賓博彩業務(續)

此外，自二零一六年八月起，本集團小部分貴賓客源來自持牌中介人營運商。設立新持牌中介人獎勵令本集團得以吸引新客戶，減低本集團對持牌中介人所帶來的貴賓客戶之信貸憂慮。

二零一八年度之貴賓轉碼金額達約1,262億6,200萬港元(二零一七年：3,858億5,600萬港元)。貴賓博彩收益為29億1,200萬港元(二零一七年：73億4,500萬港元)，贏率百分比則為3.70%(二零一七年：3.30%)。我們的貴賓客戶主要為信貸客戶。從地理位置而言，我們的直接貴賓客戶大多來自中國、香港、澳門及韓國。

減值

截至二零一八年十二月三十一日止年度，經撇銷應收貿易賬款46億9,000萬港元後，來自貴賓博彩業務的應收貿易賬款總額減至96億7,000萬港元(二零一七年：132億7,800萬港元)。由於貴賓博彩業務的規模對本集團具有重大影響，本集團定期檢討應收貿易賬款的可收回性以確保就不可收回款項作出足夠減值。

本集團應收貿易賬款減值乃根據預期信貸虧損估計作出，並考慮到個別客戶款項之可收回能力、債務之賬齡、以預付款及保證金形式提供之擔保、對娛樂場行業收款趨勢之經驗以及經濟前景及業務狀況等前瞻性因素，若干客戶應收貿易賬款所作出減值撥備如下：

- (i) 於二零一八年十二月三十一日，應收本集團最大及十大債務人的應收貿易賬款減值撥備分別為6億5,700萬港元及19億2,200萬港元(二零一七年：10億9,300萬港元及18億6,700萬港元)。上述撥備乃根據預期信貸虧損，包括對個別客戶的實際情況及狀況(例如財務狀況及在還款安排上之持續溝通等)、未償還款項之賬齡、所提供抵押及過往還款記錄的審閱而作出；

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (Continued)

Impairment (Continued)

- (ii) as at 31 December 2018, the provision for impairment of trade receivables due from the remaining customers of the Group amounted to HK\$2,768 million (2017: HK\$2,880 million) arising from regular review of the overdue balances by the management.

The Board has also prudently benchmarked against its industry peers on provision of bad debt on trade receivables and considered that the impairment of trade receivables as estimated by the Company in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018 to be comparable and in line with global industry standard.

The Board also wishes to elaborate below measures taken by the Group to recover the trade receivables:

- (i) credit terms extended by the Group are generally 30 days for gaming operations. The Group's credit and collection department, along with representatives of the VIP marketing department, regularly meet on a monthly basis to identify customers whose debts are due and the VIP marketing department will make contact with customers for recovery of the outstanding debts; and
- (ii) once the receivables are overdue for repayment and if the customers still have not repaid the outstanding debts within six months of the programme end date, the Group's credit and collection department will then issue demand letters to the customers, along with its guarantors (if applicable), for demand of immediate payments. If no responses were received thereafter, the Group's management may consider bringing legal actions against the customers in order to collect the outstanding debts.

財務回顧(續)

減值(續)

- (ii) 於二零一八年十二月三十一日，應收本集團其餘客戶的應收貿易賬款減值撥備27億6,800萬港元(二零一七年：28億8,000萬港元)乃產生自管理層對逾期結餘的定期審閱。

董事會亦審慎以同行對應收貿易賬款壞賬作出之撥備為基準，認為本公司於截至二零一八年十二月三十一日止年度之綜合損益及其他全面收益表內估計之應收貿易賬款減值可資比較，並符合全球行業標準。

董事會亦謹此說明本集團就收回應收貿易賬款而採取之以下措施：

- (i) 本集團一般就博彩業務給予30日信貸期。本集團之信貸及收款部門聯同貴賓營銷部門之代表每月定期識別債務到期之客戶，而貴賓營銷部門會聯絡客戶以收回未償還債務；及
- (ii) 應收款項一旦出現逾期還款及倘客戶於計劃結束日期六個月內仍未償還債務，本集團之信貸及收款部門將向客戶及其擔保人(如適用)發出要求還款通知書，要求即時還款。倘其後並無接獲任何回覆，則本集團管理層可能考慮向客戶採取法律行動以收回未償還債務。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (Continued)

Mass Gaming Operations

For the year ended 31 December 2018, revenue from mass gaming operations amounted to HK\$209 million (2017: HK\$303 million) and mass gaming drop reached HK\$661 million (2017: HK\$927million). Customers from the mass gaming operations do not receive commissions from the Group.

Going forward, we will continue to review our mass gaming areas to maximize table utilization, to expand our gaming areas, to innovate our gaming products and to invest in technologies and analytical capability to enhance table productivity and customer retention.

Slot Machines and ETG Gaming Operations

Revenue from the slot machines and ETG amounted to HK\$56 million (2017: HK\$67 million) and hold percentage reached 6.36 % (2017: 7.89%) for the year ended 31 December 2018.

Going forward, we will continue to re-examine the mix of our slot machines and ETG games in operation to maximize our casino profitability. We will also aim to develop technologies to enhance our analytical capability to help us deliver more personal and precision marketing efforts.

Cost of Sales

Cost of sales for the year ended 31 December 2018 was HK\$340 million (2017: HK\$851 million) which comprise principally the direct casino costs such as casino licence fees of US\$15 million (equivalent to approximately HK\$118 million) and Saipan's business gross revenue tax of US\$21 million (equivalent to approximately HK\$164 million).

Other income, gains and losses, net

Other income, gains and losses for the year ended 31 December 2018 mainly represent dividend income from equity investments designated at fair value through other comprehensive income of approximately HK\$0.5 million and write-off of property, plant and equipment as a result of the super typhoon Yutu.

財務回顧(續)

中場博彩業務

截至二零一八年十二月三十一日止年度，中場博彩業務之收益為2億900萬港元(二零一七年：3億300萬港元)，而中場博彩投注額則為6億6,100萬港元(二零一七年：9億2,700萬港元)。中場博彩業務之客戶並無收取本集團佣金。

展望未來，我們將會繼續檢討中場博彩區以盡力提升賭枱使用率、擴大博彩區、革新旗下博彩產品以及投資於技術及分析能力，藉此提升賭枱贏率及留住客戶。

角子機及電子桌面博彩業務

截至二零一八年十二月三十一日止年度，角子機及電子桌面博彩之收益為5,600萬港元(二零一七年：6,700萬港元)，而贏率則為6.36%(二零一七年：7.89%)。

展望未來，我們將會持續重審旗下角子機及電子桌面博彩之博彩組合以盡力提升賭場之盈利能力。我們亦致力開發新技術以提高分析能力，藉此推動更具個性及精闢獨到的市場推廣工作。

銷售成本

截至二零一八年十二月三十一日止年度之銷售成本為3億4,000萬港元(二零一七年：8億5,100萬港元)，主要包括直接賭場成本，如娛樂場牌照費1,500萬美元(相當於約1億1,800萬港元)及塞班島營業總收益稅2,100萬美元(相當於約1億6,400萬港元)。

淨其他收入、收益及虧損

截至二零一八年十二月三十一日止年度之其他收入、收益及虧損主要指來自指定為按公允價值計入其他全面收入之股本投資股息收入約50萬港元以及因超強颱風玉兔所造成之物業、廠房及設備撇銷。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (Continued)

Operating expenses

Operating expenses increased to HK\$6,008 million, which mainly result from the impairment losses on trade receivables increased to approximately HK\$4,356 million, staff cost increased to approximately of HK\$988 million, and depreciation and amortization expenses increased to approximately HK\$172 million during the year.

Adjusted EBITDA

The following table reconciles Adjusted EBITDA to its most directly comparable Hong Kong Financial Reporting Standards ("HKFRSs") measurement, (loss)/profit attributable to owners of the Company, for the years ended 31 December 2018 and 2017.

財務回顧(續)

營運開支

營運開支增至60億800萬港元，主要由於年內應收貿易賬款減值虧損增至約43億5,600萬港元、員工成本增至約9億8,800萬港元以及折舊及攤銷開支增至約1億7,200萬港元所致。

經調整 EBITDA

下表載列截至二零一八年及二零一七年十二月三十一日止年度經調整 EBITDA 與其最直接可比較香港財務報告準則之計量(即本公司持有人應佔(虧損)/溢利)之對賬。

		For the year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
(Loss)/profit for the year	年內(虧損)/溢利	(2,965,023)	637,473
Add/(less):	加/(減):		
Depreciation and amortization	折舊及攤銷	171,575	147,687
Casino licence fees	娛樂場牌照費	117,578	116,909
Interest income	利息收入	(1)	(2)
Fair value loss on available-for-sale investments	可供出售投資之公允價值虧損	-	33,855
Fair value gain on derivative financial instruments, net	衍生金融工具之公允價值收益淨額	(46)	(549)
Finance costs	財務費用	257,857	165,212
Taxes	稅項	(292,410)	870,960
Share-based payments	以股份為基礎之付款開支	17,298	21,635
Net foreign currency differences	匯兌差異淨額	18,035	4,155
Adjusted EBITDA (Note) (unaudited)	經調整 EBITDA (附註)(未經審核)	(2,675,137)	1,997,335

Note: Adjusted EBITDA is used by management as the primary measure of the Group's operating performance with that of our competitors. Adjusted EBITDA should not be considered in isolation, construed as an alternative to result or operating result as reported under HKFRSs or other combined operations or cash flow data, or interpreted as an alternative to cash flow as a measure of liquidity. Adjusted EBITDA presented in this report may not be comparable to other similarly titled measures of other companies operating in the gaming or other business industry sectors.

附註：管理層採用經調整 EBITDA，作為比較本集團與競爭對手的經營表現的主要計量指標。經調整 EBITDA 不應視作獨立參考數據；不應當作按香港財務報告準則呈列的業績或經營業績的替代指標或其他合併經營或現金流量數據的指標；亦不應解作替代現金流量作為流動性計量指標。本報告所呈列經調整 EBITDA 未必適合與其他經營博彩業務或其他行業的公司的其他類似名目之計量作比較。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (Continued)

Significant Investment and Acquisition

Apart from the development of integrated resort on the Island of Saipan, the Company did not have any significant investment, acquisition or disposal during the year that should be notified to the shareholders of the Company.

Capital expenditure

The Group incurred capital expenditure of approximately HK\$1,196 million (2017: approximately HK\$2,636 million) during the year ended 31 December 2018, mainly for construction of the Imperial Pacific Resort Hotel • Saipan and acquisition of gaming related equipment.

Liquidity and Financial Resources

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. Net debt includes convertible bonds and notes, unsecured bonds and notes, loans from related parties, other borrowings, less cash and cash equivalents. Capital represents total equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

財務回顧(續)

重大投資及收購事項

除於塞班島發展綜合度假村外，本公司年內並無須提請本公司股東垂注之任何重大投資、收購事項或出售事項。

資本開支

截至二零一八年十二月三十一日止年度，本集團產生資本開支約11億9,600萬港元(二零一七年：約26億3,600萬港元)，主要用於興建博華塞班度假村酒店及購買博彩相關設備。

流動資金及財務資源

本集團利用資本負債比率(淨債務除以經調整資本加淨債務)監察資本。淨債務包括可換股債券及票據、無抵押債券及票據、來自關聯方之貸款、其他借款減去現金及現金等值物。資本指本公司持有人應佔權益總額。於報告期末的資產負債比率如下：

		31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元	31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元
Net debt	淨債務	5,450,189	3,827,693
Total equity	總權益	890,253	3,852,965
Capital and net debt	資本及淨債務	6,340,442	7,680,658
Gearing ratio	資本負債比率	86.0%	49.8%

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (Continued)

Capital structure

During the year ended 31 December 2018, there was no change to the authorised and issued share capital of the Company (2017: no change).

As at 31 December 2018, the total number of issued shares was 142,984,807,678 (31 December 2017: 142,984,807,678).

Risk of Foreign Exchange Fluctuation

The business transactions of the Group are mainly carried in HK\$ and US\$ meaning that it will be subject to limited exchange rate exposure given HK\$ and US\$ are pegged. However, the Group will closely monitor this risk exposure and would take prudent measures as and when appropriate.

Capital Commitments

As at 31 December 2018, the Group had capital commitments of approximately HK\$458 million (31 December 2017: HK\$554 million).

Contingent Liabilities

Save as disclosed in note 35 to the consolidated financial statements, the Group did not have any other significant contingent liabilities as at 31 December 2018 and 31 December 2017.

Pledge of Assets

As at 31 December 2018, the Group did not have any pledge of assets (31 December 2017: Nil).

EMPLOYEES AND REMUNERATION POLICIES

The total number of staff of the Group as at 31 December 2018 was 1,786 (31 December 2017: 1,756).

Remuneration packages are reviewed annually and determined with reference to market and individual performance. In addition to salary payments, the Group also provides other employment benefits such as mandatory provident fund.

財務回顧(續)

資本架構

截至二零一八年十二月三十一日止年度，本公司之法定及已發行股本並無變動(二零一七年：並無變動)。

於二零一八年十二月三十一日，已發行股份總數為142,984,807,678股(二零一七年十二月三十一日：142,984,807,678股)。

外匯波動風險

本集團之業務交易主要以港元及美元進行。鑑於港元與美元掛鈎，本集團只須面對有限匯兌風險。然而，本集團將密切監視該風險，並適時採取審慎措施。

資本承擔

於二零一八年十二月三十一日，本集團之資本承擔約為4億5,800萬港元(二零一七年十二月三十一日：5億5,400萬港元)。

或然負債

除綜合財務報表附註35所披露者外，於二零一八年十二月三十一日及二零一七年十二月三十一日，本集團並無任何其他重大或然負債。

資產抵押

於二零一八年十二月三十一日，本集團並無任何資產抵押(二零一七年十二月三十一日：無)。

僱員及薪酬政策

於二零一八年十二月三十一日，本集團員工總數為1,786名(二零一七年十二月三十一日：1,756名)。

薪酬待遇乃按年審閱並參照市場及個人表現而釐定。除支付薪俸外，本集團亦提供其他僱員福利，例如強制性公積金。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

Corporate Governance

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board believes that good corporate governance is essential to the success of the Group and the enhancement of shareholders' value.

During the year ended 31 December 2018, the Company was in full compliance with the Code Provisions set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") (the "CG Code"), except for the following deviation:

Code Provision A.2.1

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Company currently does not have any officer with the title chief executive. At present, Ms. Cui Li Jie, being the Chairperson and an Executive Director of the Company and who has considerable industry experience, is responsible for the strategic planning, formulation of overall corporate development policies and managing the businesses of the Group. Notwithstanding the aforementioned, the Board will review the current structure from time to time and as and when appropriate if candidate with suitable leadership, knowledge, skills and experience is identified, the Company may make the necessary modification to the management structure.

企業管治常規

企業管治

本公司致力以透明、問責及獨立原則於合理框架內維持高水平企業管治。董事會認為，良好企業管治對本集團之成功及提升股東價值尤為重要。

截至二零一八年十二月三十一日止年度，本公司已全面遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載守則條文（「企業管治守則」），惟以下偏離情況除外：

守則條文第A.2.1條

根據企業管治守則之守則條文第A.2.1條，主席與行政總裁的角色應有所區分，並不應由同一人擔任。主席與行政總裁之職責分工應清晰界定並以書面列明。本公司現時並無任何職位為行政總裁之職員。現時，崔麗杰女士為本公司主席兼執行董事，彼擁有豐富行業經驗，負責本集團之策略規劃、制訂整體公司發展政策及管理本集團業務。然而，董事會將不時檢討現行架構，倘於適當時候物色到具備合適領導才能、知識、技術及經驗的候選人，本公司或會對管理架構作出所需修訂。

CORPORATE GOVERNANCE PRACTICES (Continued)

Code Provision A.6.7

Under code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend the general meetings and develop a balanced understanding of the views of shareholders. Due to other engagements, two independent non-executive Directors of the Company, Mr. Lee Kwok Leung and Mr. Robert James Woolsey, were unable to attend the annual general meeting of the Company held on 25 June 2018. However, the Board believes that the presence of the other independent non-executive Directors at such general meeting allowed the Board to develop a balanced understanding of the views of shareholders.

Code Provision E.1.2

According to code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. Ms. Cui Li Jie, being the Chairperson and an Executive Director of the Company, was unable to attend the annual general meeting of the Company held on 25 June 2018. Mr. Teng Sio I, an Executive Director, who is also familiar with the Group's business and operations, attended and chaired the aforementioned meeting. Other Directors, including two independent non-executive Directors, being the chairman/members of the Audit Committee, together with the external independent auditor attended the aforementioned annual general meeting and answered questions from the attending shareholders and investors. All resolutions proposed were duly passed by shareholders' voting at the meeting.

企業管治常規 (續)

守則條文第A.6.7條

根據企業管治守則之守則條文第A.6.7條，獨立非執行董事及其他非執行董事須出席股東大會，從而對股東意見有持平了解。由於其他事務在身，兩名本公司獨立非執行董事李國樑先生及Robert James Woolsey先生無法出席於二零一八年六月二十五日舉行之股東週年大會。然而，董事會相信，出席有關股東大會之其他獨立非執行董事能夠讓董事會對股東意見有持平了解。

守則條文第E.1.2條

根據企業管治守則之守則條文第E.1.2條，董事會主席應出席股東週年大會。本公司主席兼執行董事崔麗杰女士未能出席本公司於二零一八年六月二十五日舉行之股東週年大會，而同樣熟稔本集團業務及營運之執行董事丁少儀先生則有出席上述會議，並擔任大會主席。其他董事（包括分別為審核委員會主席／成員之兩名獨立非執行董事）與外聘獨立核數師亦有出席上述股東週年大會，並已回答出席會議之股東及投資者之提問。所有提呈決議案均獲股東於大會上表決正式通過。

Corporate Governance Report

企業管治報告

THE BOARD OF DIRECTORS

The Board currently comprises three executive Directors and four independent non-executive Directors. The brief biographical details of Board members are set out in the Biographical Details of the Directors and Senior Management on pages 28 to 31 of this annual report. The Board has established four board committees, namely Executive Committee, Audit Committee, Nomination Committee and Remuneration Committee. Attendance of the board meetings, the meetings of the board committees and the general meetings for the year ended 31 December 2018 is given below. The respective responsibilities of the Board and board committees are discussed later in this report.

董事會

董事會現由三名執行董事及四名獨立非執行董事組成。董事會成員之履歷詳情已載於本年報第28頁至第31頁之董事及高級管理人員履歷詳情內。董事會已設立四個董事委員會，包括執行委員會、審核委員會、提名委員會及薪酬委員會。截至二零一八年十二月三十一日止年度各董事出席董事會會議、董事委員會會議及股東大會的次數載列如下。董事會及董事委員會各自的職責將於本報告的稍後篇幅作出說明。

		No. of meetings attended/eligible to attend					General Meeting
		Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	Executive Committee Meeting	
		董事會會議	審核委員會會議	提名委員會會議	薪酬委員會會議	執行委員會會議	股東大會
Executive Directors	執行董事						
Ms. Cai Lingli ("Ms. Cai") (resigned on 20 August 2018)	蔡靈麗女士(「蔡女士」) (於二零一八年八月二十日辭任)	1/2	N/A 不適用	N/A 不適用	N/A 不適用	0/0	0/1
Ms. Xia Yuki Yu ("Ms. Xia")	Xia Yuki Yu 女士 (「Xia 女士」)	2/3	N/A 不適用	N/A 不適用	N/A 不適用	0/0	0/1
Mr. Teng Sio I ("Mr. Teng")	丁少儀先生(「丁先生」)	3/3	N/A 不適用	N/A 不適用	N/A 不適用	0/0	1/1
Ms. Cui Li Jie ("Ms. Cui")	崔麗杰女士(「崔女士」)	1/3	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Independent non-executive Directors	獨立非執行董事						
Mr. Ng Hoi Yue ("Mr. Ng")	伍海于先生(「伍先生」)	2/3	2/2	1/1	1/1	N/A 不適用	1/1
Mr. Tso Hon Sai Bosco ("Mr. Tso")	曹漢鏗先生(「曹先生」)	2/3	2/2	1/1	1/1	N/A 不適用	1/1
Mr. Lee Kwok Leung ("Mr. Lee")	李國樑先生(「李先生」)	2/3	2/2	1/1	1/1	N/A 不適用	0/1
Mr. Robert James Woolsey	Robert James Woolsey 先生	0/3	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	0/1

THE BOARD OF DIRECTORS (Continued)

The Board is primarily responsible for overseeing the business and affairs of the Group and aims at protecting and enhancing stakeholders' values. Currently, Ms. Cui, being the Chairperson of the Board (appointed by the Board on 23 January 2019) and an Executive Director and who has considerable industry experience, is responsible for the strategic planning, formulation of corporate policies and managing businesses. She is responsible for the leadership and effective running of the Board.

All Directors are regularly updated on governance and regulatory matters. There is an established procedure for all Directors to obtain independent professional advice at the expense of the Company in discharge of their duties.

The Board held meetings from time to time whenever necessary. Notice of at least 14 days has been given to all Directors for all regular board meetings and the Directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all Directors within reasonable time before the board meeting. Draft minutes of all board meetings are circulated to all Directors for comment within a reasonable time prior to confirmation.

Minutes of board meetings and meetings of board committees are kept by duly appointed secretaries of the respective meetings and all Directors have access to board papers and related materials, and are provided with adequate information on a timely manner, which enable the Board to make an informed decision on matters placed before it. The Company held three Board meetings and one general meeting in 2018.

An updated list of Directors, identifying their roles and functions at the Company, is available on the websites of the Company and the Stock Exchange.

董事會(續)

董事會主要負責監察本集團之業務及各種事務，旨在保障及提升各權益所有人之價值。目前，崔女士為董事會主席(於二零一九年一月二十三日獲董事會委任)兼執行董事，彼擁有豐富行業經驗，負責策略規劃、制訂公司政策及管理業務。彼負責領導董事會並使之能有效運作。

全體董事均定期獲得有關管治及監管事宜的更新資訊。全體董事亦可按照既定程序，尋求獨立專業意見以協助履行其責任，有關費用由本公司支付。

董事會不時在有需要時舉行會議。就董事會所有定期會議，全體董事均獲給予最少十四天通知，如有需要，董事可將討論事項納入有關議程。董事會定期會議的議程及附連之董事會文件在董事會會議前一段合理時間內派發予全體董事。所有董事會會議記錄初稿將於合理時間內向全體董事傳閱，以供董事提出意見，方予確認。

董事會及董事委員會的會議記錄由各會議經正式委任的秘書保存，全體董事均有權查閱董事會的文件及有關資料，並會及時獲得充分資料，使董事會可就提呈會議的事項作出知情決定。本公司於二零一八年曾舉行三次董事會會議及一次股東大會。

一份已更新且訂明各董事於本公司之角色和職能之董事名單可於本公司及聯交所網站查閱。

Corporate Governance Report

企業管治報告

NON-EXECUTIVE DIRECTORS

The Board currently has four independent non-executive Directors, one of the independent non-executive Directors holds appropriate professional qualifications, or accounting or related financial management expertise under Rule 3.10 of the Listing Rules.

Each of the independent non-executive Directors had entered into an appointment letter with the Company an initial term of one year, which is automatically renewable for successive terms of one year upon the expiry of the said term.

Each of the independent non-executive Directors has given the Company an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors are independent and meet the independence guidelines set out in Rule 3.13 of the Listing Rules.

DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

Under code provision A.6.5 of the CG Code, Directors of the Company should participate in continuous professional development to develop and refresh their knowledge and skills. Each newly appointed Director receives induction on the first occasion of his or her appointment, so as to ensure that he or she has appropriate understanding of the business and operations of the Company and that he or she is fully aware of his or her responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Directors are also regularly updated on the Group's business and industry environments where appropriate in the management's monthly reports to the Board as well as briefings and materials circulated to the Board before board meeting.

During the year, all Directors have participated in continuous professional development to develop and refresh their knowledge and skills so as to ensure that their contribution to the Board remains informed and relevant.

DIRECTORS' INSURANCE

The Company has arranged appropriate insurance cover in respect of legal actions against the Directors.

非執行董事

董事會現有四名獨立非執行董事，其中一名獨立非執行董事具備上市規則第3.10條所列的適當專業資格，或會計或相關的財務管理專長。

各獨立非執行董事已與本公司訂立委任函，初步任期為一年，可於上述任期屆滿後自動重續，每次為期一年。

各獨立非執行董事已根據上市規則第3.13條之規定向本公司提交年度獨立性確認書。本公司認為，所有獨立非執行董事均屬獨立人士，並符合上市規則第3.13條所載之獨立性指引。

董事之持續培訓和發展

根據企業管治守則守則條文第A.6.5條，本公司董事須參與持續專業發展，以增進和重溫其知識和技能。每名新任董事均於首次獲委任時獲得入職指引，以確保其適當了解本公司的業務及經營，並且完全知悉上市規則和有關監管規定下的責任及義務。董事亦透過提交董事會的管理層每月報告以及於董事會會議前向董事會傳閱的簡報及資料中獲定期提供有關本集團的業務及行業環境的適切最新資料。

年內，全體董事已參與持續專業發展，以增進和重溫其知識和技能，確保其繼續在具備全面資訊及切合所需之情況下向董事會作出貢獻。

董事之保險

本公司已就董事面臨之法律訴訟安排適當保險。

DELEGATION BY THE BOARD

The Board sets the Group's objectives and strategies and monitors its performance. The Board also decides on matters such as major transactions, director appointments, and dividend and accounting policies and monitors the internal controls of the Group's business operation. The Board has delegated the authority and responsibility of overseeing the Group's day to day operations to management executives.

When the Board delegates aspect of its management and administration functions to management, clear directions would be given as to the power of management, in particular, the circumstances where management should report back to the Board before making decision or entering into any commitments on behalf of the Group.

Principal functions that are specifically delegated by the Board to the management include (i) implementation of corporate strategy and policy initiatives; (ii) provision of management reports to the Board in respect of Group's performance, financial position and prospects; and (iii) day-to-day management of the Group.

REMUNERATION COMMITTEE

The Company has set up a Remuneration Committee to ensure that there are formal and transparent procedures for setting policies on the remuneration of Directors. The Remuneration Committee currently comprises three independent non-executive Directors, namely Mr. Ng, Mr. Tso and Mr. Lee. The Remuneration Committee is chaired by Mr. Ng.

The main duties of the Remuneration Committee are to: (i) make recommendations to the Board on the remuneration policy and structure for Directors and senior management; (ii) ensure that they are fairly rewarded for their individual contribution to the Group's overall performance, having regard to the interests of shareholders; (iii) determine the specific remuneration packages to all executive Directors and senior management; and (iv) review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

During the year, one Remuneration Committee meeting was held to review the remuneration packages of the Directors and to make recommendations to the Board on the remuneration packages of the new Director(s). The Remuneration Committee ensures that no Director is involved in deciding his own remuneration. The terms of reference of the Remuneration Committee, a copy of which is posted on the Stock Exchange's and Company's website, are consistent with the terms set out in the relevant section of the CG Code.

董事會授權

董事會負責訂立本集團目標及策略並監察其表現。董事會亦會就主要交易、董事委任及股息和會計政策等項目作出決定，並會監察本集團業務營運的內部監控程序。董事會已將監督本集團日常運作的權力和責任下放給管理人員。

當董事會將其管理及行政職能方面之權力轉授予管理層時，已同時就管理層之權力給予清晰規定，尤其是管理層須向董事會匯報後方可作出決定或代表本集團作出任何承諾之情況。

董事會特定授權予管理層之主要職責包括(i)實施企業策略及政策措施；(ii)向董事會提交有關本集團之表現、財務狀況及前景之管理報告；及(iii)本集團之日常管理。

薪酬委員會

本公司已成立薪酬委員會，以確保在制訂董事薪酬之政策上有正式及透明之程序。薪酬委員會現時由三名獨立非執行董事組成，包括伍先生、曹先生及李先生。伍先生為薪酬委員會之主席。

薪酬委員會之主要職責為：(i)就董事及高級管理層之薪酬政策及架構向董事會提供推薦建議；(ii)確保彼等已按其各自對本集團整體表現之貢獻獲得公平待遇，同時亦照顧到股東之利益；(iii)釐定全體執行董事及高級管理層之具體薪酬待遇；及(iv)參考董事會不時議決之企業目的及目標，不時檢討及審批以表現為基準之薪酬。

年內曾舉行一次薪酬委員會會議，以就董事之薪酬待遇作出檢討及向董事會建議新董事之薪酬待遇。薪酬委員會確保概無董事參與釐定其本身的薪酬。薪酬委員會的職權範圍與企業管治守則有關部分所載之條文一致。薪酬委員會的職權範圍已刊登在聯交所及本公司的網站內。

Corporate Governance Report

企業管治報告

NOMINATION COMMITTEE

The Company has set up a Nomination Committee to ensure fair and transparent procedures for the appointment, re-election and removal of Directors to the Board. The Nomination Committee currently comprises three independent non-executive Directors, namely Mr. Ng, Mr. Tso and Mr. Lee. The Nomination Committee is chaired by Mr. Ng.

The main duties of the Nomination Committee are to: (i) review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes; (ii) make recommendations to the Board on relevant matters relating to the appointment or re-appointment and succession planning of Directors; (iii) identify individuals suitably qualified to become board members and select or make recommendations to the Board on selection of, individuals nominated for directorships; and (iv) assess the independence of independent non-executive Directors.

In selecting and recommending candidates for directorship, the Nomination Committee will consider the experience, qualification and suitability of the candidates. The Board will approve the recommendations based on the same criteria. During the year, one Nomination Committee meeting was held to review the structure, size and composition of the Board, make recommendation for appointment of Directors and assess the independence of each of the independent non-executive Directors. The terms of reference of the Nomination Committee, a copy of which is posted on the Stock Exchange's and Company's website, are consistent with the terms set out in the relevant section of the CG Code.

DIVERSIFICATION OF THE BOARD

The Company recognizes and embraces the benefits of having a diverse Board, and sees diversity at Board level as an essential element in the attainment of its strategic objectives and its sustainable development. As such, the Board and the Nomination Committee have adopted the Board Diversity Policy on 24 March 2014 with principles as summarized below.

提名委員會

本公司已設立提名委員會，以確保董事會委任、重選及罷免董事之程序公平及透明。提名委員會現時由三名獨立非執行董事組成，包括伍先生、曹先生及李先生。伍先生為提名委員會之主席。

提名委員會之主要職責為：(i) 定期檢討董事會之架構、規模及組成（包括成員之技能、知識及經驗），並就任何建議作出之變動向董事會提供推薦建議；(ii) 就董事委任或兩度委任以及董事繼任計劃之有關事宜向董事會提供推薦建議；(iii) 物色具備合適資格可擔任董事會成員之人士，並挑選獲提名之個別人士出任董事或就此向董事會提供推薦建議；及(iv) 評估獨立非執行董事之獨立性。

挑選及推薦董事候選人時，提名委員會將考慮候選人的經驗、資歷及適合程度。董事會將根據相同準則批准推薦建議。年內曾舉行一次提名委員會會議，以檢討董事會之架構、規模及組成，並就委任董事提供推薦建議及評估各獨立非執行董事之獨立性。提名委員會的職權範圍與企業管治守則有關部分所載之條文一致。提名委員會的職權範圍已刊登在聯交所及本公司的網站內。

董事會成員多元化

本公司認同及深信多元化董事會帶來的裨益良多，並認為董事會層面的多元化為實現策略目標及其可持續發展之必要元素。因此，董事會及提名委員會已於二零一四年三月二十四日採納董事會成員多元化政策，其準則概述如下。

DIVERSIFICATION OF THE BOARD (Continued)

The Nomination Committee of the Company reviews and assesses the composition of the Board and makes recommendations to the Board on appointment of new Directors. The Nomination Committee also oversees the conduct of the annual review of the effectiveness of the Board. In reviewing and assessing the composition of the Board, the Nomination Committee will consider the benefits of all aspects of diversity in order to maintain an appropriate range and balance of talents, skills, experience and background on the Board. In recommending candidates for appointment to the Board, the Nomination Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board, including but not limit to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service etc.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Ng, Mr. Tso and Mr. Lee. The Audit Committee is chaired by Mr. Ng.

The main duties of the Audit Committee are to (i) review and monitor the preparation of the Group's financial statements and annual and half-year reports and accounts; (ii) monitor, develop and implement the Group's policy on appointment of external auditor; (iii) recommend the appointment and reappointment of the Group's external auditor; (iv) supervise the Group's financial reporting system, risk management and internal control systems and (v) develop and review the Company's policies and practices on corporate governance and make recommendations to the Board. The Audit Committee has reviewed with the management and the external auditors the accounting principles and practices adopted by the Group and have discussed auditing, internal controls and financial reporting matters. During the year, two Audit Committee meetings were held to review the financial reporting matters and internal control procedures of the Group and appointment of external auditor. The terms of reference of the Audit Committee, a copy of which is posted on the Stock Exchange's and Company's website, are consistent with the terms set out in the relevant section of the CG Code.

The Audit Committee is responsible for making recommendation to the Board on the appointment, re-appointment and removal of the external auditor and oversees the objectivity and effectiveness of the audit process in accordance with applicable standards. It also monitors the integrity of the Company's financial statements and their compliance with legal requirements and the Listing Rules in relation to financial reporting.

董事會成員多元化(續)

本公司提名委員會負責審閱及評估董事會的組成，並就委任新董事向董事會提出推薦建議。提名委員會亦監管董事會有效性年度審閱的進行。於審閱及評估董事會的組成時，提名委員會將考慮各方面多元化的裨益，以維持董事會的才能、技能、經驗及背景有恰當的比重及平衡。在推薦候選人加入董事會時，提名委員會將按客觀條件考慮候選人，並適度顧及董事會成員多元化的裨益，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識、服務年限等。

審核委員會

審核委員會現時由三名獨立非執行董事組成，包括伍先生、曹先生及李先生。伍先生為審核委員會之主席。

審核委員會之主要職責為：(i) 審閱及監督本集團財務報表及年度及半年度報告和賬目之編製；(ii) 監察、發展及執行本集團對委聘外聘核數師之政策；(iii) 就委聘及續聘本集團之外聘核數師提供推薦建議；(iv) 監督本集團之財務申報制度、風險管理及內部監控制度；及(v) 發展及檢討本公司之政策及企業管治常規，並向董事會提供推薦建議。審核委員會已與管理層及外聘核數師共同審閱本集團採納之會計原則及慣例，並商討有關審核、內部監控及財務申報事宜。年內曾舉行兩次審核委員會會議，以審閱本集團的財務申報事項及內部監控程序以及外聘核數師之委聘。審核委員會的職權範圍與企業管治守則有關部分所載之條文一致。審核委員會的職權範圍已刊登在聯交所及本公司的網站內。

審核委員會負責向董事會就委任、續聘及罷免外聘核數師提出推薦建議，並根據適用標準監管審核程序之客觀性及有效性，同時亦監察本公司財務報表之完備性以及其就財務申報遵守法律規定及上市規則之情況。

Corporate Governance Report

企業管治報告

EXECUTIVE COMMITTEE

The Executive Committee currently comprises two executive Directors, namely Ms. Xia and Mr. Teng. The Executive Committee is chaired by Ms. Xia.

The Executive Committee is vested with all the general powers of management and control of the activities of the Company and its subsidiaries as are vested in the Board, save and except for the approval of the Company's interim and annual reports and accounts, matters requiring a public announcement or discloseable or major transactions or other major disposals or acquisitions or corporate actions outside the ordinary and usual course of business of the Group which shall require the Board's approval.

The Executive Committee may exercise all such other powers and perform all such other acts as may be exercised and performed by the Board, save and except for those powers that may only be exercised by the Board pursuant to the Companies Act 1981 of Bermuda (the "Companies Act"), the Listing Rules or the bye-laws of the Company (the "Bye-laws").

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions by the Directors. Following a specific enquiry, all Directors confirmed they have complied with the standards set out in the Model Code throughout the year ended 31 December 2018.

To comply with the code provision A.6.4 of the CG Code, the Company has also adopted the Model Code as the code of conduct for securities transactions by relevant employees of the Group to regulate the dealings in the securities of the Company by certain employees of the Group who are considered to be likely in possession of unpublished price sensitive information of the Company.

ACCOUNTABILITY AND INTERNAL CONTROL

The Directors acknowledge their responsibility for preparing the financial statements of the Group. As at 31 December 2018, the Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

執行委員會

執行委員會現時由兩名執行董事組成，包括Xia女士及丁先生。Xia女士為執行委員會之主席。

執行委員會獲授予董事會所獲授關於本公司及其附屬公司活動之所有一般管理和控制權，惟批准本公司中期報告及年報以及賬目、須作出公告之事項或須予披露或主要交易或其他主要出售事項或收購事項或於本集團一般及日常業務過程以外進行之公司活動須由董事會批准則除外。

執行委員會可行使董事會可行使之其他所有權力及進行董事會可進行之其他所有行動，惟根據百慕達一九八一年公司法(「公司法」)、上市規則或本公司之細則(「細則」)僅可由董事會行使之權力則除外。

董事及有關僱員的證券交易守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)為董事進行證券交易的操守守則。經作出具體查詢，全體董事確認，彼等在截至二零一八年十二月三十一日止年度內已一直遵守標準守則所載之標準。

為遵守企業管治守則之守則條文第A.6.4條，本公司亦已採納標準守則為本集團有關僱員進行證券交易的操守守則，以規管本集團若干被認為可能會擁有本公司未公開之股價敏感資料的僱員買賣本公司之證券。

問責及內部監控

董事確認彼等須就編製本集團財務報表承擔責任。於二零一八年十二月三十一日，據董事所知，並無有關任何事件或情況的重大不明朗因素可能對本集團持續經營的能力產生重大疑問。

ACCOUNTABILITY AND INTERNAL CONTROL

(Continued)

The Board understands the importance of presenting a clear and comprehensive assessment of the Group's overall performance, financial position as well as prospects in a timely manner; and the Board is pleased to report that the annual and interim results of the Group are announced within three months and two months limit respectively after the end of the relevant periods.

The Board acknowledges its responsibility in evaluating and determining the nature and extent of risks in achieving the Group's objectives and maintaining sound and effective risk management and internal control systems for the Group to safeguard investments of the shareholders and assets of the Group at all times.

The Audit Committee reviews risk management and internal control issues, if any, identified by the external auditor, regulatory authorities and management, and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems. The Audit Committee in turn reports material issues, if any, to the Board. The Board and management have conducted regular reviews during the year on the effectiveness of the risk management and internal control systems covering all material controls in areas of financial, operational and compliance controls and various functions for risk management. The Group has its own internal audit function assessing and commenting on the adequacy and effectiveness of the risk management and internal control systems during the year.

For the year under review, the Board considered that the Group's internal control systems are adequate and effective and the Group has complied with the code provisions on internal control of the CG Code and report except for the deviations previously disclosed.

AUDITOR'S REMUNERATION

For the year ended 31 December 2018, the independent auditor of the Company provided audit and non-audit services to the Company and the Group.

The auditor's remuneration in relation to the audit and non-audit services for the year amounted to HK\$11,200,000 and HK\$3,100,000 respectively.

The statement of the auditor of the Company regarding their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 48 to 55.

問責及內部監控(續)

董事會深明按時呈報有關本集團整體表現、財務狀況及前景之清晰全面評估之重要性；而董事會欣然報告，本集團之全年及中期業績分別於有關期間結束後三個月及兩個月限期內作出公告。

董事會知悉其有責任評估及釐定其於達致本集團目標時所承受之風險性質及程度，並維持本集團良好及有效之風險管理及內部監控制度，使股東之投資及本集團之資產在任何時間均得到保障。

審核委員會審閱外聘核數師、監管機構及管理層所確定之風險管理及內部監控事項(如有)，並評估本集團風險管理及內部監控制度之充足性及有效性。審核委員會亦就重大事項(如有)向董事會報告。年內，董事會及管理層定期檢討風險管理及內部監控制度之有效性，包括所有重大財務、營運及合規監控環節以及多項風險管理工作。本集團自設內部審核部門，於年內就風險管理及內部監控制度是否足夠及有效進行評估及作出評價。

在回顧年度內，除上文所披露之偏離情況外，董事會認為本集團的內部監控制度已經足夠和有效，本集團亦已遵守企業管治守則及報告內有關內部監控的守則條文。

核數師薪酬

截至二零一八年十二月三十一日止年度，本公司獨立核數師向本公司及本集團提供核數及非核數服務。

年內，核數師就提供核數及非核數服務所得之薪酬分別為11,200,000港元及3,100,000港元。

本公司核數師就財務報表作出申報之責任聲明載於第48頁至第55頁之獨立核數師報告內。

Corporate Governance Report

企業管治報告

COMPANY SECRETARY

Ms. Lee Yuen Ting (“**Ms. Lee**”) has been the company secretary of the Company since 21 November 2013. She reports to the Chairperson of the Board and is responsible for advising the Board on corporate governance matters and ensuring that board procedures are followed and board activities are efficiently and effectively conducted. Ms. Lee has completed not less than 15 hours of relevant professional training.

SHAREHOLDERS’ RIGHTS

Convening a Special General Meeting

Shareholders may convene a special general meeting of the Company according to the provisions as set out in the Bye-laws and the Companies Act.

Pursuant to bye-law 58 of the Company’s Bye-laws, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in accordance with the provisions of the Companies Act.

Putting Forward Proposals at General Meetings

Pursuant to the Companies Act, shareholders representing not less than one-twentieth (5%) of the total voting right of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or not less than 100 shareholders are entitled to request the Company to give shareholders notice of a resolution which is intended to be moved at the general meeting. A written notice to that effect signed by the requisitionist(s) with details contact information must be deposited at the Company’s principle place of business in Hong Kong at Suites 7001, 7002 and 7014–7016, 70/F Two International Finance Centre No. 8 Finance Street Central Hong Kong for the attention of the Company Secretary. The notice shall contain, inter alia, a description of the proposed resolution desired to be put forward the general meeting, the reasons for such a proposal and any material interest of the proposing shareholder in such a proposal.

公司秘書

李琬婷女士(「**李女士**」)自二零一三年十一月二十一日起一直擔任本公司之公司秘書。彼向董事會主席報告，並負責向董事會提供有關企業管治事宜的意見，及確保遵循董事會程序及董事會行動順利地及有效地進行。李女士已完成不少於15個小時的相關專業培訓。

股東權利

召開股東特別大會

根據細則及公司法所載條文，股東可召開本公司股東特別大會。

根據本公司細則第58條，任何一位或以上於遞呈要求日期持有不少於本公司繳足股本(賦有本公司股東大會投票權)十分之一的股東於任何時候有權透過向董事會或本公司的公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩(2)個月內舉行。倘遞呈後二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可根據公司法條文自發作出此舉。

於股東大會上提呈建議

根據公司法，於提呈要求當日持有不少於在有關提呈事宜之大會上總投票權二十分之一(5%)之股東，或不少於100名股東，有權要求本公司向股東發出擬於股東大會上動議之決議案通告。由提呈要求者簽署之書面通知及詳細聯絡資料須送交本公司之香港主要營業地點，地址為香港中環金融街8號國際金融中心二期70樓7001、7002及7014–7016室，並註明收件人為公司秘書。該通知須載有(其中包括)擬於股東大會上動議之所提呈決議案詳情、有關建議之理由以及建議股東於有關建議之任何重大權益。

SHAREHOLDERS' RIGHTS (Continued)

Putting Forward Proposals at General Meetings

(Continued)

The request will be verified with the Company's share registrar in Bermuda or Hong Kong and upon their confirmation that the request is proper and in order, the Company will ask the Board to include the resolution in the agenda for the general meeting.

Making Enquiry to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing to the company secretary at the Company's office in Hong Kong at Suites 7001, 7002 and 7014–7016, 70/F Two International Finance Centre No. 8 Finance Street Central Hong Kong.

INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor's understanding of the Group's business performance and strategies. The Company has established a range of communication channels between itself, its shareholders and investors, including answering questions through the annual general meeting, the publications of annual and interim reports, notices, announcements and circulars on the websites of the Company at <http://www.equitynet.com.hk/1076> and <http://www.imperialpacific.com>.

CONSTITUTIONAL DOCUMENTS

During the year, there has been no significant change to the Company's constitutional documents. An updated version of the Bye-Laws of the Company is available on the websites of the Company and the Stock Exchange.

On behalf of the Board

Imperial Pacific International Holdings Limited

Cui Li Jie

Chairperson and Executive Director

Hong Kong, 26 March 2019

股東權利(續)

於股東大會上提呈建議(續)

有關要求將由本公司於百慕達或香港之股份過戶登記處核實，而經確認有關要求屬合適及符合程序後，本公司將要求董事會於股東大會議程中載入該決議案。

向董事會提出查詢

股東可隨時以書面形式將向董事會作出之查詢及關注之事項郵寄至本公司香港辦事處，地址為香港中環金融街8號國際金融中心二期70樓7001、7002及7014–7016室，請註明收件人為公司秘書。

投資者關係

本公司認為，與股東之有效溝通對加強投資者關係及加深投資者對本集團業務表現及策略之了解實屬必要。本公司已就其本身、股東與投資者之間的溝通設立多個渠道，當中包括通過股東週年大會回答問題，於本公司網站 <http://www.equitynet.com.hk/1076> 及 <http://www.imperialpacific.com> 刊發年報及中期報告、通告、公告及通函。

憲章文件

年內，本公司之憲章文件並無重大變動。本公司細則的更新版本載於本公司及聯交所網站。

代表董事會

博華太平洋國際控股有限公司

主席兼執行董事

崔麗杰

香港，二零一九年三月二十六日

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷詳情

EXECUTIVE DIRECTORS

Ms. Xia Yuki Yu (“**Ms. Xia**”), aged 45, has been appointed as an executive Director of the Company with effect from 21 November 2013. She is also a director of a certain subsidiaries of the Company. She has over fifteen years of experience in the public relation and marketing industry. Before joining the Group, Ms. Xia held executive positions in various enterprise groups operating in the gaming industry.

Mr. Teng Sio I (“**Mr. Teng**”), aged 37, joined the Company in November 2015 and has been appointed as an executive Director of the Company with effect from 18 April 2017. He is also a director of certain subsidiaries of the Company. Mr. Teng has solid experience in his roles as senior human resources management in sizable organizations of different fields. Prior to joining the Company, Mr. Teng served as a senior HR executive at one of Macau’s leading gaming-integrated resort complex (a complex with over 20,000 current employees). Under his supervision, he had led the team from pre-opening planning to successful openings during his years of service as senior management of the HR department. Mr. Teng is a bachelor degree holder in management. He is also a qualified trainer certified by Box Hill Institute and an expert certified by DDI, a global human resources consulting firm, in target selection.

Ms. Cui Li Jie (“**Ms. Cui**”), aged 60, the Chairperson of the Board, has been appointed as an executive Director of the Company with effect from 4 May 2017. She has been engaged in real estate projects and building materials trading, and has gained extensive experience in investment. Ms. Cui is also the sole director and sole shareholder of Inventive Star Limited, the controlling shareholder (as defined in the Listing Rules) of the Company.

執行董事

Xia Yuki Yu女士(「**Xia女士**」)，45歲，獲委任為本公司執行董事，自二零一三年十一月二十一日起生效。彼亦為本公司若干附屬公司之董事。彼於公共關係及市場推廣行業擁有逾十五年經驗。於加入本集團前，Xia女士曾於數間經營博彩行業的集團公司擔任行政要職。

丁少儀先生(「**丁先生**」)，37歲，於二零一五年十一月加盟本公司並自二零一七年四月十八日起獲委任為本公司執行董事。彼亦為本公司若干附屬公司之董事。丁先生專門從事博彩人力資源職務，於不同行業之大型機構擔當高級人力資源管理職務方面具備豐富經驗。於加盟本公司前，丁先生於澳門一家頂尖博彩綜合度假村(現有超過20,000名僱員)擔任高級人力資源行政人員。在擔任人力資源部高級經理之任期內，彼自該度假村之開業前計劃以至成功開業均負責監管並帶領其團隊工作。丁先生持有管理學士學位。彼亦為Box Hill Institute認可之合資格培訓員，及全球人力資源顧問機構DDI認可之目標挑選專家。

崔麗杰女士(「**崔女士**」)，60歲，董事會主席，獲委任為本公司執行董事，自二零一七年五月四日起生效。其先後經營房地產項目及建材貿易，並於投資方面具備豐富經驗。崔女士亦為本公司之控股股東(定義見上市規則) Inventive Star Limited之唯一董事及唯一股東。

Biographical Details of Directors and Senior Management 董事及高級管理人員履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ng Hoi Yue (“**Mr. Ng**”), aged 55, has been appointed as an independent non-executive Director of the Company with effect from 21 November 2013. He is a fellow member of The Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has been practising as a certified public accountant in Hong Kong since 1989. Mr. Ng is currently an executive director and the Deputy Chief Executive Officer of Asian Citrus Holdings Limited (stock code: 73) and an independent non-executive director Ulferts International Limited (stock code: 1711), both are companies listed on the Stock Exchange. He was an independent non-executive director of Emperor Cultural Group Limited (stock code: 491), a company listed on the Stock Exchange, for the period from 16 May 2002 to 13 November 2018.

Mr. Tso Hon Sai Bosco (“**Mr. Tso**”), aged 54, has been appointed as an independent non-executive Director of the Company with effect from 21 November 2013. He is currently a consultant with Messrs. Tso Au Yim & Yeung, Solicitors and has been a Hong Kong practising solicitor since 1990. Mr. Tso received his Bachelor of Laws degree from King’s College London. He was an independent non-executive director of Legend Strategy International Holdings Group Company Limited (stock code: 1355), a company listed on the Stock Exchange, for the period from 25 June 2015 to 6 September 2018.

Mr. Lee Kwok Leung (“**Mr. Lee**”), aged 65, has been appointed as an independent non-executive Director of the Company with effect from 21 November 2013. He has years of direct investment, fund management and banking experience. Mr. Lee holds an investment advisor status from the Securities and Futures Commissions from 2000. He has been appointed as an executive director of China Internet Investment Finance Holdings Limited (formerly known as Opes Asia Development Limited) (stock code: 810) since 8 May 2014, and the chairman and executive director of Mayer Holdings Limited (stock code: 1116) since 9 October 2014.

獨立非執行董事

伍海于先生(「伍先生」)，55歲，獲委任為本公司獨立非執行董事，自二零一三年十一月二十一日起生效。彼為英格蘭及威爾士特許會計師協會、香港會計師公會及特許公認會計師公會資深會員。彼自一九八九年起在香港從事執業會計師工作。伍先生現時擔任亞洲果業控股有限公司(股份代號：73)之執行董事兼副行政總裁以及歐化國際有限公司(股份代號：1711)之獨立非執行董事，兩間公司均於聯交所上市。彼曾於二零零二年五月十六日至二零一八年十一月十三日期間擔任聯交所上市公司英皇文化產業集團有限公司(股份代號：491)之獨立非執行董事。

曹漢璽先生(「曹先生」)，54歲，獲委任為本公司獨立非執行董事，自二零一三年十一月二十一日起生效。彼現為曹歐嚴楊律師行之顧問，並自一九九零年起一直為香港執業律師。曹先生獲倫敦King’s College頒授法律學士學位。彼曾於二零一五年六月二十五日至二零一八年九月六日期間擔任聯交所上市公司枋濬國際集團控股有限公司(股份代號：1355)之獨立非執行董事。

李國樑先生(「李先生」)，65歲，獲委任為本公司獨立非執行董事，自二零一三年十一月二十一日起生效。彼在直接投資、基金管理及銀行方面擁有多年經驗。李先生於二零零零年取得證券及期貨事務監察委員會認可之投資顧問資格。彼自二零一四年五月八日起獲委任為中國互聯網投資金融集團有限公司(前稱華保亞洲發展有限公司，股份代號：810)之執行董事，以及自二零一四年十月九日起獲委任為美亞控股有限公司(股份代號：1116)之主席及執行董事。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

(Continued)

Mr. Robert James Woolsey (“**Ambassador Woolsey**”), aged 77, has been appointed as an independent non-executive Director of the Company with effect from 16 May 2016, held Presidential appointments in two Republican and two Democratic administrations, most recently, from 1993 to 1995, as Director of Central Intelligence under President Bill Clinton. During his twelve years of government service, in addition to heading the CIA and the Intelligence Community, Ambassador Woolsey was Ambassador to the Negotiation on Conventional Armed Forces in Europe from 1989 to 1991, Under Secretary of the Navy from 1977 to 1979, and General Counsel to the U.S. Senate Committee on Armed Services from 1970 to 1973. He was appointed by the President to serve in Geneva, Switzerland, from 1983 to 1986 as Delegate at Large to the U.S. Soviet Strategic Arms Reduction Talks (START) and Nuclear and Space Arms Talks (NST). As an officer in the U.S. Army, he was an adviser on the U.S. Delegation to the Strategic Arms Limitation Talks (SALT I), in Helsinki and Vienna, from 1969 to 1970. He has served on numerous government and non-profit advisory boards such as the National Commission on Energy Policy and chaired the Clean Fuels Foundation and the New Uses Council. He also served as a Trustee of Stanford University and chaired the Executive Committee of the Board of Regents of The Smithsonian Institution. He has been a member of The National Commission on Terrorism, The Commission to Assess the Ballistic Missile Threat to the U.S., The President’s Commission on Federal Ethics Law Reform, The President’s Blue Ribbon Commission on Defense Management, and The President’s Commission on Strategic Forces. Ambassador Woolsey has also been a law partner at Shea & Gardner and a Vice President with the consulting firm of Booz Allen Hamilton. He also served on the boards of directors of a number of companies, including British Aerospace, Inc., Martin Marietta and Fairchild Industries. In 2009, he was the Annenberg Distinguished Visiting Fellow at the Hoover Institution at Stanford University; and from 2010 to 2011 he was a Senior Fellow at Yale University, where he taught in the Jackson Institute for Global Affairs. Ambassador Woolsey received his B.A. degree from Stanford University, where he graduated Magna Cum Laude and Phi Beta Kappa; an M.A. from Oxford University, where he was a Rhodes Scholar; and an LL.B from Yale Law School, where he was Managing Editor of the Yale Law Journal.

獨立非執行董事(續)

Robert James Woolsey 先生(「**Woolsey 大使**」), 77 歲, 自二零一六年五月十六日起獲委任為本公司獨立非執行董事, 曾分別於兩任共和黨及兩任民主黨治下接受總統任命任職, 最近期為於一九九三年至一九九五年出任克林頓總統直轄之中央情報局局長。Woolsey 大使服務政府十二年期間, 除領導中央情報局及情報體系外, 曾於一九八九年至一九九一年出任歐洲常規武裝力量談判大使(Ambassador to the Negotiation on Conventional Armed Forces in Europe), 於一九七七年至一九七九年出任海軍副部長, 及於一九七零年至一九七三年出任美國參議院軍事委員會總顧問。彼於一九八三年至一九八六年獲總統指派前往瑞士日內瓦擔當美蘇削減戰略武器談判(U.S. Soviet Strategic Arms Reduction Talks (START))及核武器與太空武器談判(Nuclear and Space Arms Talks (NST))之總代表(Delegate at Large)。作為美國陸軍軍官, 彼於一九六九年至一九七零年在赫爾辛基及維也納擔任第一輪戰略武器限制談判(Strategic Arms Limitation Talks (SALT I))之美國代表團(U.S. Delegation)顧問。彼亦曾任職多個政府及非牟利諮詢委員會, 如國家能源政策委員會(National Commission on Energy Policy), 並擔任 Clean Fuels Foundation 及 New Uses Council 之主席。彼另曾出任史丹福大學之理事及史密森尼學會(The Smithsonian Institution)董事會轄下執行委員會主席。彼為全國反恐主義委員會(The National Commission on Terrorism)、美國彈道導彈威脅評估委員會(The Commission to Assess the Ballistic Missile Threat to the U.S.)、聯邦道德法改革總統委員會(The President’s Commission on Federal Ethics Law Reform)、美國國防管理特別工作委員會(The President’s Blue Ribbon Commission on Defense Management)及戰略部隊總統委員會(The President’s Commission on Strategic Forces)成員。Woolsey 大使亦為 Shea & Gardner 之法律合夥人及博思艾倫漢密爾頓(Booz Allen Hamilton)諮詢公司之副總裁。彼另曾於多間公司擔任董事會職位, 包括英國航太公司(British Aerospace, Inc.)、馬丁•馬瑞塔(Martin Marietta)及 Fairchild Industries。於二零零九年, 彼為史丹福大學胡佛研究所(Hoover Institution)之 Annenberg 傑出客座研究員(Annenberg Distinguished Visiting Fellow), 後於二零一零年至二零一一年出任耶魯大學之高級研究員, 並曾於 Jackson Institute for Global Affairs 授課。Woolsey 大使於史丹福大學取得文學士學位, 以優等成績(Magna Cum Laude)及美國大學優等生之榮譽學會(Phi Beta Kappa)身分畢業; 於牛津大學取得文學碩士學位, 獲選為羅德學者; 及於耶魯法學院取得法學士學位, 為耶魯法學雜誌(Yale Law Journal)總編輯。

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Biographical Details of Directors and Senior Management 董事及高級管理人員履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

(Continued)

The Board has received annual confirmation of independence from each of its independent non-executive Directors. Save as disclosed, the Board members have no financial, business, family or other material relationships with each other or with the senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

獨立非執行董事(續)

董事會已收到來自各獨立非執行董事之年度獨立性確認書。除披露者外，董事會成員彼此之間或與本公司的高級管理層、主要股東(定義見上市規則)或控股股東(定義見上市規則)並無任何財務、業務、家族或其他重大關係。

Directors' Report

董事會報告

The Board hereby presents the annual report and the audited consolidated financial statements of the Company for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding.

Details of the principal activities of the principal subsidiaries of the Company are set out in note 1 to the consolidated financial statements.

Details of the business review and future development of the Group's businesses are set out in the sections headed "Business Review" and "Business Outlook" under "Management Discussion and Analysis" of this report. The discussion forms part of this directors' report.

SEGMENT INFORMATION

An analysis of the Group's revenue and segment information for the year ended 31 December 2018 is set out in note 4 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 56 to 57 of this annual report.

The Board does not recommend the payment of any dividend for the year ended 31 December 2018.

The Group understands the success of its businesses depends on the support from its key stakeholders, including employees, customers, suppliers, professional advisers and regulators. The Group will continue to ensure effective communication and maintain good relationships with each of its key stakeholders.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 200 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

董事會謹此提呈截至二零一八年十二月三十一日止年度本公司年報及經審核綜合財務報表。

主要業務及業務回顧

本公司主要業務為投資控股。

本公司主要附屬公司之主要業務詳情載於綜合財務報表附註1。

本集團業務的業務回顧及未來發展詳情載於本報告「管理層討論與分析」項下「業務回顧」及「業務展望」兩節。本討論構成本董事會報告一部分。

分部資料

截至二零一八年十二月三十一日止年度，本集團之收益及分部資料之分析載於綜合財務報表附註4。

業績及股息

本集團截至二零一八年十二月三十一日止年度之業績載於本年報第56頁至第57頁之綜合損益及其他全面收益表。

董事會不建議派付截至二零一八年十二月三十一日止年度之任何股息。

本集團明白，其業務的成功取決於其主要權益所有人(包括僱員、客戶、供應商、專業顧問及監管機構)的支持。本集團將繼續確保與其各名主要權益所有人進行有效溝通及維持良好關係。

財務概要

本集團過往五個財政年度之業績以及資產與負債之概要載於本年報第200頁。

物業、廠房及設備

年內，本集團之物業、廠房及設備之變動詳情載於綜合財務報表附註13。

SHARE CAPITAL

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

RESERVES

As at 31 December 2018, the Directors were of the opinion that the Company has no distributable reserves.

Details of movements in the reserves of the Company and the Group during the year are set out in note 43 to the consolidated financial statements and in the "Consolidated Statement of Changes in Equity" on page 60, respectively.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Corporate social responsibility and sustainability play an important role in our everyday business, and it is deeply rooted in our corporate value. We strive to make a difference in the Northern Mariana Islands and shoulder the responsibilities of a corporate citizen to grow with the community. We have a dedicated Corporate Social Responsibility Team that serves the community through charitable events, and seeks opportunities to empower the community by connecting them with education and employment.

In 2018, in order to fully implement the requirements of the Environmental, Social and Governance ("ESG") Reporting Guide in Appendix 27 of the Listing Rules, the Company has further attached great importance to organizing and arranging relevant preparation and disclosure, and the Company's ESG Report for the year ended 2018 will be published on the websites of the Company and the Stock Exchange.

股本

年內，本公司之股本變動詳情載於綜合財務報表附註28。

儲備

於二零一八年十二月三十一日，董事認為本公司並無可分派儲備。

年內本公司及本集團之儲備變動詳情分別載於綜合財務報表附註43及第60頁之「綜合權益變動表」。

環保政策及表現

企業社會責任及可持續發展在我們日常業務中擔當重要角色，對我們的企業價值根深柢固。我們致力於北馬里亞納群島作出改變，肩負企業公民的責任，與社區一起成長。我們擁有一支忠心耿耿的企業社會責任團隊，透過慈善活動服務社區，並透過提供教育及就業機會，探尋機遇壯大社區。

於二零一八年，為全面實施上市規則附錄二十七所載環境、社會及管治（「環境、社會及管治」）報告指引的規定，本公司更加重視組織及安排相關編製及披露，而本公司截至二零一八年止年度的環境、社會及管治報告將於本公司及聯交所網站上登載。

Directors' Report

董事會報告

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance of applicable rules and regulations. The Group has been allocating system and staff resources to ensure ongoing compliance with rules and regulations and to maintain cordial working relationships with regulators through effective communications. During the year, the Group has complied with, among others, to the best of our knowledge, the following major laws and regulations:

Hong Kong

- the Listing Rules;
- the Securities and Futures Ordinance;
- the Companies Ordinance; and
- the Gambling Ordinance.

Saipan

- The Commonwealth Gaming Act, codified at 4 CMC §§ 2301 et. seq.

SHARE OPTION SCHEME

The purpose of the Group's existing share option scheme adopted on 27 June 2013 (the "**Share Option Scheme**") is to enable the Group to attract, retain and motivate talented participants, including employee, officer, agent, consultant or representative of any member of the Group to strive for future development and expansion of the Group. The Share Option Scheme shall be valid and effective for a period of ten years.

At the beginning of the financial year ended 31 December 2018, 1,852,178,272 share options were outstanding pursuant to the Share Option Scheme (each option shall entitle the holder of the option to subscribe for one new Share) and 13,623,880,768 Shares, being 9.53% of the Shares then in issue were available for issue under the Share Option Scheme.

遵守相關法例及法規

本集團認同遵守監管規定的重要性以及違反適用規則及法規的風險。本集團一直分配系統及員工資源，以確保持續遵守規則及法規，同時透過有效溝通與監管機構保持良好的工作關係。年內，就我們所知，本集團已遵守(其中包括)以下主要法例及法規：

香港

- 上市規則；
- 證券及期貨條例；
- 公司條例；及
- 賭博條例。

塞班島

- The Commonwealth Gaming Act, codified at 4 CMC §§ 2301 et. seq.

購股權計劃

本集團於二零一三年六月二十七日採納之現有購股權計劃(「**購股權計劃**」)旨在幫助本集團招攬、留任及激勵具有才幹的參與者，包括本集團任何成員公司的員工、高級職員、代理、顧問或代表，以致力專注本集團的未來發展及擴充。購股權計劃的有效及生效期限為十年。

於截至二零一八年十二月三十一日止財政年度初，根據購股權計劃有1,852,178,272份購股權尚未行使(各份購股權賦予購股權持有人權利認購一股新股份)，而根據購股權計劃，13,623,880,768股股份(即當時已發行股份之9.53%)可予發行。

SHARE OPTION SCHEME (Continued)

The total number of the shares issued and to be issued upon exercise of the options granted to each participant, together with all options granted and to be granted to him/her under any other share option scheme(s) of the Company, within the 12-month period immediately preceding the proposed date of grant (including exercised, cancelled and outstanding options) shall not exceed 1% of the total number of the shares in issue as at the proposed date of grant. The exercise price of the share options is determinable by the Board, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer. The total number of shares which may be issued upon exercise of options must not exceed 30% of the number of shares in issue from time to time. No options may be granted if such grant would result in the 30% limit being exceeded.

OTHER INFORMATION

Movement of the share options under the Share Option Scheme during the year ended 31 December 2018 is as follows:

Categories of Participants	As at 1 January 2018	Granted	Exercised	Cancelled/ Lapsed	As at 31 December 2018	Exercise Price (HK\$)	Grant Date	Exercise Period
參與者類別	於二零一八年一月一日	已授出	已行使	已註銷/已失效	於二零一八年十二月三十一日	行使價 (港元)	授出日期	行使期
Directors								
董事								
Ms. Cai Lingli	3,527,272	-	-	3,527,272	-	0.22	18 June 2015	18 June 2018 — 17 June 2025
(resigned on 20 August 2018)	3,527,272	-	-	3,527,272	-	0.22	18 June 2015	18 June 2019 — 17 June 2025
	3,527,272	-	-	3,527,272	-	0.22	18 June 2015	18 June 2020 — 17 June 2025
	3,527,272	-	-	3,527,272	-	0.22	18 June 2015	18 June 2021 — 17 June 2025
	2,664,000	-	-	2,664,000	-	0.15	5 April 2017	5 April 2018 — 4 April 2027
	2,664,000	-	-	2,664,000	-	0.15	5 April 2017	5 April 2019 — 4 April 2027
	2,672,000	-	-	2,672,000	-	0.15	5 April 2017	5 April 2020 — 4 April 2027
蔡靈麗女士							二零一五年六月十八日	二零一八年六月十八日至二零二五年六月十七日
(於二零一八年八月二十日辭任)							二零一五年六月十八日	二零一九年六月十八日至二零二五年六月十七日
							二零一五年六月十八日	二零二零年六月十八日至二零二五年六月十七日
							二零一五年六月十八日	二零二一年六月十八日至二零二五年六月十七日
							二零一七年四月五日	二零一八年四月五日至二零二七年四月四日
							二零一七年四月五日	二零一九年四月五日至二零二七年四月四日
							二零一七年四月五日	二零二零年四月五日至二零二七年四月四日

購股權計劃 (續)

於緊接建議授出日期前12個月期間內，授予各參與者之購股權連同根據本公司任何其他購股權計劃已授予及將授予各參與者之所有購股權(包括已行使、已註銷及尚未行使之購股權)獲行使時已發行及將予發行之股份總數，不得超過於建議授出日期已發行股份總數之1%。購股權之行使價可由董事會釐定，惟不可低於下列三者中之最高者：(i) 提呈購股權要約當日本公司股份於聯交所之收市價；(ii) 緊接提呈要約當日前五個交易日本公司股份於聯交所之平均收市價；及(iii) 於提呈要約當日本公司股份的面值。因行使購股權而可能發行之股份總數，不得超過不時之已發行股份數目之30%。倘將導致超過該30%限額，則不得授出任何購股權。

其他資料

截至二零一八年十二月三十一日止年度，購股權計劃項下購股權之變動如下：

Directors' Report

董事會報告

OTHER INFORMATION (Continued)

其他資料(續)

Categories of Participants	As at 1 January 2018 於 二零一八年 一月一日	Granted 已授出	Exercised 已行使	Cancelled/ Lapsed 已註銷/ 已失效	As at 31 December 2018 於 二零一八年 十二月三十一日	Exercise Price (HK\$) 行使價 (港元)	Grant Date 授出日期	Exercise Period 行使期
Ms. Xia Yuki Yu	3,527,272	-	-	-	3,527,272	0.22	18 June 2015	18 June 2018 — 17 June 2025
	3,527,272	-	-	-	3,527,272	0.22	18 June 2015	18 June 2019 — 17 June 2025
	3,527,272	-	-	-	3,527,272	0.22	18 June 2015	18 June 2020 — 17 June 2025
	3,527,272	-	-	-	3,527,272	0.22	18 June 2015	18 June 2021 — 17 June 2025
	2,664,000	-	-	-	2,664,000	0.15	5 April 2017	5 April 2018 — 4 April 2027
	2,664,000	-	-	-	2,664,000	0.15	5 April 2017	5 April 2019 — 4 April 2027
	2,672,000	-	-	-	2,672,000	0.15	5 April 2017	5 April 2020 — 4 April 2027
Xia Yuki Yu 女士							二零一五年六月十八日	二零一八年六月十八日至二零二五年六月十七日
							二零一五年六月十八日	二零一九年六月十八日至二零二五年六月十七日
							二零一五年六月十八日	二零二零年六月十八日至二零二五年六月十七日
							二零一五年六月十八日	二零二一年六月十八日至二零二五年六月十七日
							二零一七年四月五日	二零一八年四月五日至二零二七年四月四日
							二零一七年四月五日	二零一九年四月五日至二零二七年四月四日
							二零一七年四月五日	二零二零年四月五日至二零二七年四月四日
Mr. Teng Sio I	6,660,000	-	-	-	6,660,000	0.15	5 April 2017	5 April 2018 — 4 April 2027
	6,660,000	-	-	-	6,660,000	0.15	5 April 2017	5 April 2019 — 4 April 2027
	6,680,000	-	-	-	6,680,000	0.15	5 April 2017	5 April 2020 — 4 April 2027
丁少儀先生							二零一七年四月五日	二零一八年四月五日至二零二七年四月四日
							二零一七年四月五日	二零一九年四月五日至二零二七年四月四日
							二零一七年四月五日	二零二零年四月五日至二零二七年四月四日
Mr. Robert James Woolsey	286,753	-	-	-	286,753	0.15	5 April 2017	5 April 2018 — 4 April 2027
	286,753	-	-	-	286,753	0.15	5 April 2017	5 April 2019 — 4 April 2027
	287,614	-	-	-	287,614	0.15	5 April 2017	5 April 2020 — 4 April 2027
Robert James Woolsey 先生							二零一七年四月五日	二零一八年四月五日至二零二七年四月四日
							二零一七年四月五日	二零一九年四月五日至二零二七年四月四日
							二零一七年四月五日	二零二零年四月五日至二零二七年四月四日
Mr. Ng Hoi Yue	66,600	-	-	-	66,600	0.15	5 April 2017	5 April 2018 — 4 April 2027
	66,600	-	-	-	66,600	0.15	5 April 2017	5 April 2019 — 4 April 2027
	66,800	-	-	-	66,800	0.15	5 April 2017	5 April 2020 — 4 April 2027
伍海于先生							二零一七年四月五日	二零一八年四月五日至二零二七年四月四日
							二零一七年四月五日	二零一九年四月五日至二零二七年四月四日
							二零一七年四月五日	二零二零年四月五日至二零二七年四月四日
Mr. Tso Hon Sai Bosco	66,600	-	-	-	66,600	0.15	5 April 2017	5 April 2018 — 4 April 2027
	66,600	-	-	-	66,600	0.15	5 April 2017	5 April 2019 — 4 April 2027
	66,800	-	-	-	66,800	0.15	5 April 2017	5 April 2020 — 4 April 2027
曹漢璽先生							二零一七年四月五日	二零一八年四月五日至二零二七年四月四日
							二零一七年四月五日	二零一九年四月五日至二零二七年四月四日
							二零一七年四月五日	二零二零年四月五日至二零二七年四月四日
Mr. Lee Kwok Leung	66,600	-	-	-	66,600	0.15	5 April 2017	5 April 2018 — 4 April 2027
	66,600	-	-	-	66,600	0.15	5 April 2017	5 April 2019 — 4 April 2027
	66,800	-	-	-	66,800	0.15	5 April 2017	5 April 2020 — 4 April 2027
李國霖先生							二零一七年四月五日	二零一八年四月五日至二零二七年四月四日
							二零一七年四月五日	二零一九年四月五日至二零二七年四月四日
							二零一七年四月五日	二零二零年四月五日至二零二七年四月四日

OTHER INFORMATION (Continued)

其他資料 (續)

Categories of Participants	As at 1 January 2018 於 二零一八年 一月一日	Granted	Exercised	Cancelled/ Lapsed 已註銷/ 已失效	As at 31 December 2018 於 二零一八年 十二月三十一日	Exercise Price (HK\$) 行使價 (港元)	Grant Date 授出日期	Exercise Period 行使期
Employees and others (in aggregate)	1,120,000,000	-	-	-	1,120,000,000	0.10525	3 December 2014	3 December 2014 – 2 December 2024
	69,232,904	-	-	18,390,908	50,841,996	0.22	18 June 2015	18 June 2018 – 17 June 2025
	69,232,904	-	-	18,390,908	50,841,996	0.22	18 June 2015	18 June 2019 – 17 June 2025
	69,232,904	-	-	18,390,908	50,841,996	0.22	18 June 2015	18 June 2020 – 17 June 2025
	69,232,904	-	-	18,390,908	50,841,996	0.22	18 June 2015	18 June 2021 – 17 June 2025
	950,000	-	-	-	950,000	0.255	26 November 2015	26 November 2016 – 25 November 2025
	950,000	-	-	-	950,000	0.255	26 November 2015	26 November 2017 – 25 November 2025
	950,000	-	-	-	950,000	0.255	26 November 2015	26 November 2018 – 25 November 2025
	950,000	-	-	-	950,000	0.255	26 November 2015	26 November 2019 – 25 November 2025
	128,460,511	-	-	73,833,926	54,626,585	0.15	5 April 2017	5 April 2018 – 4 April 2027
	128,460,511	-	-	73,833,926	54,626,585	0.15	5 April 2017	5 April 2019 – 4 April 2027
	128,846,338	-	-	74,055,708	54,790,630	0.15	5 April 2017	5 April 2020 – 4 April 2027
僱員及其他(合計)							二零一四年十二月三日 二零一五年六月十八日 二零一五年六月十八日 二零一五年六月十八日 二零一五年六月十八日 二零一五年六月十八日 二零一五年十一月二十六日 二零一五年十一月二十六日 二零一五年十一月二十六日 二零一五年十一月二十六日 二零一五年十一月二十六日 二零一五年十一月二十六日 二零一五年十一月二十六日 二零一五年十一月二十六日 二零一七年四月五日 二零一七年四月五日 二零一七年四月五日	二零一四年十二月三日至二零一四年十二月二日 二零一八年六月十八日至二零一五年六月十七日 二零一八年六月十八日至二零一五年六月十七日 二零一八年六月十八日至二零一五年六月十七日 二零一八年六月十八日至二零一五年六月十七日 二零一八年六月十八日至二零一五年六月十七日 二零一六年十一月二十六日至 二零一五年十一月二十五日 二零一七年十一月二十六日至 二零一五年十一月二十五日 二零一八年十一月二十六日至 二零一五年十一月二十五日 二零一八年十一月二十六日至 二零一五年十一月二十五日 二零一八年四月五日至二零一七年四月四日 二零一八年四月五日至二零一七年四月四日 二零一八年四月五日至二零一七年四月四日
Total	1,852,178,272	-	-	317,396,280	1,534,781,992			
總計								

During the year under review, no grantee had exercised any share options, no share options were granted and 317,396,280 share options lapsed. As at 31 December 2018, there were 1,534,781,992 share options outstanding pursuant to the Share Option Scheme. Further details of the Share Option Scheme are disclosed in note 29 to the consolidated financial statements.

於回顧年度內，概無承授人行使任何購股權、概無授出任何購股權及317,396,280份購股權已失效。於二零一八年十二月三十一日，根據購股權計劃有1,534,781,992份購股權尚未行使。購股權計劃之進一步詳情已於綜合財務報表附註29內披露。

Directors' Report

董事會報告

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes are set out in note 2.5 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SHARES

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

DONATIONS

Charitable and other donations made by the Group during the year ended 31 December 2018 amounted to approximately HK\$4,867,000 (2017: HK\$2,493,000).

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate amount of sales attributable to the Group's 5 largest customers accounted for approximately 61% (2017: 36%) of the total sales for the year and sales attributable to the largest customer accounted for approximately 39% (2017: 17%) of the total sales for the year. Our suppliers provide products and services such as food and beverages products, gaming equipment and machines, and construction services. Purchases from the Group's 5 largest suppliers accounted for approximately 70% (2017: 67%) of the total purchases for the year and purchases from the largest supplier accounted for approximately 55% (2017: 17%) of the total purchases for the year.

None of the Directors, their associates, or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) has any interest in the Group's five largest customers and suppliers during the year.

退休福利計劃

退休福利計劃之詳情載於綜合財務報表附註2.5。

優先購買權

本公司細則或百慕達(本公司註冊成立之司法權區)法律並無有關優先購買權之條文，規定本公司須按比例發售新股予現有股東。

購買、贖回或出售上市股份

於年內，概無本公司或其任何附屬公司購買、出售或贖回任何本公司上市證券。

捐款

於截至二零一八年十二月三十一日止年度，本集團撥出之慈善及其他捐款約為4,867,000港元(二零一七年：2,493,000港元)。

主要客戶及供應商

於年內，本集團五大客戶應佔總銷售額佔年度總銷售額約61%(二零一七年：36%)，而最大客戶應佔銷售額佔年度總銷售額約39%(二零一七年：17%)。我們的供應商提供產品及服務，如餐飲產品、博彩設備及機器以及建築服務。向本集團五大供應商作出之採購額佔年度採購總額約70%(二零一七年：67%)，而向最大供應商作出之採購額佔年度採購總額約55%(二零一七年：17%)。

董事、其聯繫人士或任何股東(就董事所知，擁有本公司股本5%以上)年內概無於本集團五大客戶及供應商中擁有任何權益。

CONTINUING CONNECTED TRANSACTIONS

On 8 December 2017, Best Fortune Corporation Limited, a direct wholly-owned subsidiary of the Company entered into an employment agreement (“**Employment Agreement**”) with Mr. Ji Xiao Bo (“**Mr. Ji**”) pursuant to which Mr. Ji will continue to be appointed as the Project Director of the casino resort project on the Island of Saipan. According to the New Employment Agreement, Mr. Ji is entitled to a basic annual salary of US\$1 million (equivalent to approximately HK\$7.75 million). The New Employment Agreement was fixed to a term that expires on 31 December 2020 but is, in any event, terminable on three months’ notice in writing by either party. To cater for the possibility of discretionary bonus being awarded, the Board had set a cap on the total amount (inclusive of discretionary bonus) that may be paid to Mr. Ji under the New Employment Agreement for each of the financial year ended/ending 31 December 2018, 2019 and 2020 of US\$2 million (equivalent to approximately HK\$15.52 million). Mr. Ji is the son of Ms. Cui and Ms. Cui is a Director of the Company and the sole shareholder of Inventive Star Limited (“**Inventive Star**”), the controlling shareholder (as defined in the Listing Rules) of the Company. Mr. Ji is therefore a connected person (as defined in the Listing Rules) and the Employment Agreement and New Employment Agreement therefore constituted a continuing connected transaction under Chapter 14A of the Listing Rules and subject to the reporting, annual review and announcement requirements, but was exempt from the independent shareholder’s approval requirement. Details of the Employment Agreement New Employment Agreement have been disclosed in the announcements of the Company dated 27 February 2015 and 8 December 2017.

持續關連交易

於二零一七年十二月八日，本公司之直接全資附屬公司振裕興業有限公司與紀曉波先生(「**紀先生**」)訂立僱用協議(「**僱用協議**」)，據此，紀先生將繼續獲委任為塞班島娛樂場度假村項目之項目總監。根據新僱用協議，紀先生有權收取基本年薪1百萬美元(相當於約7.75百萬港元)。新僱用協議為固定年期，並於二零二零年十二月三十一日屆滿，惟在任何情況下，任何一方可發出三個月書面通知予以終止。為切合可能授出酌情花紅之情況，董事會已就截至二零一八年、二零一九年及二零二零年十二月三十一日止財政年度各年新僱用協議項下可能支付予紀先生之總金額(包括酌情花紅)設定上限為2百萬美元(相當於約15.52百萬港元)。紀先生為崔女士之兒子，而崔女士為本公司董事及本公司控股股東(定義見上市規則) Inventive Star Limited(「**Inventive Star**」)之唯一股東。因此，紀先生為關連人士(定義見上市規則)，而僱用協議及新僱用協議構成上市規則第14A章項下之持續關連交易，並須遵守申報、年度審閱及公告規定，惟獲豁免遵守獨立股東批准之規定。僱用協議及新僱用協議之詳情已於本公司日期為二零一五年二月二十七日及二零一七年十二月八日之公告內披露。

Directors' Report

董事會報告

CONTINUING CONNECTED TRANSACTIONS

(Continued)

The independent auditor of the Company, Ernst & Young, was engaged to report on the Group's continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing findings and conclusions in respect of the abovementioned continuing connected transaction in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided to the Stock Exchange. The independent non-executive Directors have reviewed the abovementioned continuing connected transaction and the auditor's letter and have confirmed that such transaction was entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favorable to the Group than terms available to or from independent third parties; and (iii) in accordance with the relevant agreement governing it on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

DIRECTORS

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

Executive Directors

Ms. Cai Lingli (resigned on 20 August 2018)
Ms. Xia Yuki Yu
Mr. Teng Sio I
Ms. Cui Li Jie (Chairperson)

Independent non-executive Directors

Mr. Robert James Woolsey
Mr. Ng Hoi Yue
Mr. Tso Hon Sai Bosco
Mr. Lee Kwok Leung

持續關連交易 (續)

本公司聘請本公司獨立核數師安永會計師事務所根據香港會計師公會發出的香港鑑證業務準則第3000號(經修訂)「歷史財務資料審核或審閱以外的鑑證工作」及參考實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」報告本集團之持續關連交易。核數師已根據上市規則第14A.56條發出具無保留意見函件，函件載有其對上述持續關連交易的發現和總結。本公司已向聯交所呈交核數師函件副本。獨立非執行董事已審閱上述持續關連交易及核數師函件，並確認該項交易乃(i)於本集團日常及一般業務過程中；(ii)按一般商業條款或不遜於本集團向或自獨立第三方提供的條款；及(iii)根據規管該項交易的有關協議的條款進行，屬公平合理，並符合本公司股東的整體利益。

董事

年內及直至本年報日期，本公司之董事如下：

執行董事

蔡靈麗女士(於二零一八年八月二十日辭任)
Xia Yuki Yu 女士
丁少儀先生
崔麗杰女士(主席)

獨立非執行董事

Robert James Woolsey 先生
伍海于先生
曹漢璽先生
李國樑先生

DIRECTORS (Continued)

Pursuant to bye-law 87(1) of the Company's Bye-laws, Ms. Cui Li Jie, Ms. Xia Yuki Yu and Mr. Lee Kwok Leung shall retire from office at the forthcoming annual general meeting and being eligible, offer themselves for re-election as executive directors and independent non-executive Director respectively.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and Senior Management are set out on pages 28 to 31 of this annual report.

DIRECTORS' SERVICES CONTRACTS

No Director eligible for re-election at the forthcoming annual general meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements.

MANAGEMENT CONTRACTS

According to the available information, the Board is not aware of any contract during the year entered into with the management and administration of the whole or any substantial part of the business of the Company.

PERMITTED INDEMNITY PROVISION

Pursuant to bye-law 166 of the Company's Bye-Laws and relevant provisions of the regulations stipulated, every Director and other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all losses and liabilities which he or she may incur or sustain in or about the execution of the duties of his or her office or otherwise in relation thereto, and no Director or other officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his or her office or in relation thereto, provided that this Bye-Law shall only have effect in so far as its provisions are not avoided by the Companies Act.

The Company has taken out and maintained Directors' and officers' liabilities insurance throughout the year, which provides appropriate cover for the Directors.

董事(續)

根據本公司細則第87(1)條，崔麗杰女士、Xia Yuki Yu女士及李國樑先生將於應屆股東週年大會輪值退任，且合資格分別應選連任為執行董事及獨立非執行董事。

董事及高級管理人員履歷詳情

董事及高級管理人員之履歷詳情載於本年報第28頁至第31頁。

董事服務合約

於應屆股東週年大會合資格應選連任之董事概無與本集團訂立任何可由本集團於一年內毋須作出賠償(法定賠償除外)而終止之服務合約。

董事薪酬

董事薪酬之詳情載於綜合財務報表附註8。

管理合約

根據所獲得之資料，董事會概不知悉年內就本公司全部或大部分業務之管理及行政而訂立任何合約。

獲准彌償條文

根據本公司細則第166條及法規訂明之相關條文，本公司各董事及其他行政人員就其執行職務或與此相關之事宜招致或蒙受之一切損失或責任，均可從本公司資產及溢利中獲得彌償及保障，而各董事或其他行政人員毋須就其執行職務或與此相關之事宜而可能令本公司出現或招致之任何損失、損害或不幸負責，惟本細則僅在未被公司法廢止之情況下有效。

本公司於全年內均有投購董事及行政人員責任保險，為董事提供合適保障。

Directors' Report

董事會報告

DIRECTORS' INTERESTS IN COMPETING BUSINESS

To the best knowledge of the Directors, none of the Directors has any interest in competing business to the Group during the year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

To the best knowledge of the Directors, there was no contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party to and in which a Director has a material interest in, whether directly or indirectly, or between the Company, or its subsidiary companies, and a controlling shareholder or any of its subsidiaries, and subsisted at the end of the financial year under review or at any time during the financial year under review.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2018, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which are required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Division 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); (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers contained in the Listing Rules (the "Model Code") to be notified to the Company and the Stock Exchange, were as follows:

董事之競爭業務權益

據董事所知，年內董事概無於與本集團出現競爭之業務中擁有任何權益。

董事於重大合約之權益

據董事所知，本公司或其任何附屬公司或本公司、其附屬公司及控股股東或其任何附屬公司之間概無訂立與本集團業務有關，且董事於其中直接或間接擁有重大權益，並於回顧財政年度末或於回顧財政年度內任何時間仍然有效之重大合約。

董事及主要行政人員於股份、相關股份及債券中之權益及淡倉

於二零一八年十二月三十一日，各董事及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(「證券及期貨條例」)第XV部)之股份、相關股份及債券中擁有(i)須根據證券及期貨條例第XV部第7及8分部條文通知本公司及聯交所(包括根據證券及期貨條例有關條文彼等被認為或視作擁有之權益或淡倉)；(ii)須根據證券及期貨條例第XV部第352條記入該條所述之登記冊內；或(iii)須根據上市規則所載上市發行人董事進行證券交易的標準守則(「標準守則」)通知本公司及聯交所之權益及淡倉如下：

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

董事及主要行政人員於股份、相關股份及債券中之權益及淡倉(續)

Long positions in the ordinary shares/underlying shares of the Company:

於本公司普通股/相關股份之好倉：

Name of Director	Capacity	Long position/ Short position	Number of Shares/ underlying shares held 所持股份/ 相關股份數目	Percentage of issued share capital of the Company 佔本公司 已發行股本百分比
董事姓名	身分	好倉/淡倉		
Ms. Xia Yuki Yu Xia Yuki Yu 女士	Beneficial owner 實益擁有人	Long position 好倉	383,109,088 (Note 1) 383,109,088 (附註 1)	0.27% 0.27%
Ms. Cui Li Jie 崔麗杰女士	Interest of controlled corporation 受控制法團權益	Long position 好倉	90,755,089,280 90,755,089,280	63.47% 63.47%
	Interest of controlled corporation 受控制法團權益	Short position 淡倉	3,268,733,333 (Note 2) 3,268,733,333 (附註 2)	2.29% 2.29%
Mr. Teng Sio I 丁少儀先生	Beneficial owner 實益擁有人	Long position 好倉	20,000,000 (Note 3) 20,000,000 (附註 3)	0.01% 0.01%
Mr. Robert James Woolsey Robert James Woolsey 先生	Beneficial owner 實益擁有人	Long position 好倉	861,120 (Note 4) 861,120 (附註 4)	0.00% 0.00%
Mr. Ng Hoi Yue 伍海于先生	Beneficial owner 實益擁有人	Long position 好倉	200,000 (Note 5) 200,000 (附註 5)	0.00% 0.00%
Mr. Tso Hon Sai Bosco 曹漢璽先生	Beneficial owner 實益擁有人	Long position 好倉	200,000 (Note 5) 200,000 (附註 5)	0.00% 0.00%
Mr. Lee Kwok Leung 李國樑先生	Beneficial owner 實益擁有人	Long position 好倉	200,000 (Note 5) 200,000 (附註 5)	0.00% 0.00%

Directors' Report

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Notes:

1. On 18 June 2015 and 5 April 2017, 14,109,088 share options (after share options adjustments) and 8,000,000 share options were granted to Ms. Xia Yuki Yu pursuant to the Share Option Scheme respectively.
2. Inventive Star Limited had granted options over its shares of the Company at the exercise price of HK\$0.24 per share, exercisable to purchase a maximum of 3,268,733,333 shares.
3. On 5 April 2017, 20,000,000 share options were granted to Mr. Teng Sio I pursuant to the Share Option Scheme.
4. On 5 April 2017, 861,120 share options were granted to Mr. Robert James Woolsey pursuant to the Share Option Scheme.
5. On 5 April 2017, 200,000 share options were granted to Mr. Ng Hoi Yue, Mr. Tso Hon Sai Bosco and Mr. Lee Kwok Leung respectively pursuant to the Share Option Scheme.

Save as disclosed above, as at 31 December 2018, none of the Directors is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and none of the Directors, the chief executive of the Company nor their associates (as defined in the Listing Rules) had any other interests or short positions in the shares of the Company, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were 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 any such Director or the chief executive of the Company is taken or deemed to have under such provisions of the SFO); or (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or (c) were required to be notified to the Company or the Stock Exchange, pursuant to the Model Code for Securities Transaction by Directors of Listed Companies contained in the Listing Rules.

董事及主要行政人員於股份、相關股份及債券中之權益及淡倉(續)

附註：

1. 於二零一五年六月十八日及二零一七年四月五日，Xia Yuki Yu 女士根據購股權計劃分別獲授 14,109,088 份購股權(經購股權調整後)及 8,000,000 份購股權。
2. Inventive Star Limited 已就本公司股份授出購股權，行使相關購股權可按行使價每股 0.24 港元購買最多 3,268,733,333 股股份。
3. 於二零一七年四月五日，丁少儀先生根據購股權計劃獲授 20,000,000 份購股權。
4. 於二零一七年四月五日，Robert James Woolsey 先生根據購股權計劃獲授 861,120 份購股權。
5. 於二零一七年四月五日，伍海于先生、曹漢鏗先生及李國樑先生根據購股權計劃分別獲授 200,000 份購股權。

除上述披露者外，於二零一八年十二月三十一日，概無董事為根據證券及期貨條例第 XV 部第 2 及 3 分部之條文持有須向本公司披露之本公司股份及相關股份之權益或淡倉之公司之董事或僱員，且概無董事、本公司主要行政人員或彼等之聯繫人士(定義見上市規則)於本公司股份、本公司或任何相聯法團(定義見證券及期貨條例第 XV 部)相關股份及債券中，擁有任何其他權益或淡倉而(a)須根據證券及期貨條例第 XV 部第 7 及 8 分部通知本公司及聯交所(包括任何有關董事或本公司主要行政人員根據證券及期貨條例有關條文被認為或視作擁有之權益或淡倉)；或(b)須根據證券及期貨條例第 352 條記入本公司存置之登記冊內；或(c)須根據上市規則所載上市公司董事進行證券交易的標準守則通知本公司或聯交所。

SUBSTANTIAL SHAREHOLDER

As at 31 December 2018, in accordance with the register of the substantial shareholders kept by the Company under Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules, the following person was interested (including short positions) in the shares or underlying shares of the Company:

Long positions in the ordinary shares/underlying shares of the Company:

主要股東

於二零一八年十二月三十一日，根據本公司遵照證券及期貨條例第336條須存置之主要股東登記冊，或根據證券及期貨條例第XV部第2及3分部之條文及上市規則須予披露，以下人士擁有本公司股份或相關股份之權益(包括淡倉)：

於本公司普通股/相關股份之好倉：

Name of shareholder 股東名稱/姓名	Capacity 身分	Long position/ Short position 好倉/淡倉	Number of shares 股份數目	Approximate percentage of interest 概約權益百分比
Inventive Star Limited (Note 1)	Beneficial owner	Long position	90,755,089,280	63.47%
		Short position	3,268,733,333	2.29%
			(Note 2)	
Inventive Star Limited (附註1)	實益擁有人	好倉	90,755,089,280	63.47%
		淡倉	3,268,733,333	2.29%
			(附註2)	
Ms. Cui Li Jie (Note 1)	Interest of controlled corporation	Long position	90,755,089,280	63.47%
		Short position	3,268,733,333	2.29%
			(Note 2)	
崔麗杰女士(附註1)	受控制法團權益	好倉	90,755,089,280	63.47%
		淡倉	3,268,733,333	2.29%
			(附註2)	
Mr. Ji Xiaobo (Note 3)	Interest of controlled corporation	Long position	128,071,500,000	89.57%
紀曉波先生(附註3)	受控制法團權益	好倉	128,071,500,000	89.57%
Super Champion Global Limited (Note 3)	Beneficial owner	Long position	128,000,000,000	89.52%
超冠環球有限公司(附註3)	實益擁有人	好倉	128,000,000,000	89.52%

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDER (Continued)

Notes:

1. Inventive Star Limited is wholly and beneficially owned by Ms. Cui Li Jie.
2. Inventive Star Limited had granted options over its shares of the Company at the exercise price of HK\$0.24 per share, exercisable to purchase a maximum of 3,268,733,333 shares.
3. Super Champion Global Limited is wholly and beneficially owned by Mr. Ji Xiaobo and Super Champion Global Limited held the convertible notes issued by the Company in the principal amount of HK\$400,000,000 which were convertible to 128,000,000,000 conversion shares if the underlying conversion rights were exercised in full.

Save as disclosed above, as at 31 December 2018, no person (other than a Director or chief executive of the Company) had registered an interest or short position in the securities or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 16 to 27 of this annual report.

INDEPENDENT AUDITOR

On 25 June 2018, Ernst & Young was re-appointed as the auditor of the Company until the conclusion of the next annual general meeting of the Company. A resolution for the reappointment of Ernst & Young as auditor of the Company will be proposed at the forthcoming annual general meeting.

主要股東(續)

附註：

1. Inventive Star Limited 由崔麗杰女士全資實益擁有。
2. Inventive Star Limited 已就本公司股份授出購股權，行使相關購股權可按行使價每股 0.24 港元購買最多 3,268,733,333 股股份。
3. 超冠環球有限公司由紀曉波先生全資實益擁有，而超冠環球有限公司持有本公司所發行本金額為 400,000,000 港元之可換股票據，倘全面行使相關兌換權，則可兌換為 128,000,000,000 股兌換股份。

除上文所披露者外，於二零一八年十二月三十一日，概無其他人士（董事或本公司主要行政人員除外）於本公司之證券或相關股份中登記擁有根據證券及期貨條例第 336 條須予記錄之權益或淡倉。

企業管治

本公司致力維持高水平之企業管治常規。有關本公司所採納之企業管治常規資料刊載於本年報第 16 頁至第 27 頁之企業管治報告內。

獨立核數師

於二零一八年六月二十五日，安永會計師事務所獲續聘為本公司核數師，直至本公司下一屆股東週年大會結束時為止。有關續聘安永會計師事務所為本公司核數師之決議案將於應屆股東週年大會上提呈。

PUBLIC FLOAT

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

On behalf of the Board

Imperial Pacific International Holdings Limited

Cui Li Jie

Chairperson and Executive Director

Hong Kong, 26 March 2019

In the event of any inconsistency, the English text of this report shall prevail over the Chinese text.

公眾持股量

根據本公司所獲公開資料及就董事所知，於年內及直至本報告日期，本公司已按上市規則規定維持足夠之公眾持股量。

代表董事會

博華太平洋國際控股有限公司

主席兼執行董事

崔麗杰

香港，二零一九年三月二十六日

本報告之中英文本如有任何歧義，概以英文本為準。

Independent Auditor's Report

獨立核數師報告



TO THE SHAREHOLDERS OF IMPERIAL PACIFIC INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Imperial Pacific International Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 56 to 199, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

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.

致博華太平洋國際控股有限公司股東
(於百慕達註冊成立的有限公司)

意見

我們已審計列載於第56至199頁的博華太平洋國際控股有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了 貴集團於二零一八年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1 to the consolidated financial statements which indicates that the Group incurred a net loss of HK\$2,965,023,000 during the year ended 31 December 2018 and, as of that date, had net current liabilities of HK\$4,747,679,000 and capital commitments of HK\$457,757,000 as disclosed in note 34 to the consolidated financial statements. These conditions, along with other matters as set forth in note 2.1, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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

與持續經營相關之重大不明朗因素

我們注意到綜合財務報表附註2.1，當中顯示 貴集團於截至二零一八年十二月三十一日止年度產生虧損淨額2,965,023,000港元，截至該日之流動負債淨額為4,747,679,000港元及誠如綜合財務報表附註34所披露資本承擔為457,757,000港元。該等情況連同附註2.1所載其他事宜，反映存在可能對 貴集團繼續持續經營之能力構成重大疑問之重大不明朗因素。我們並無就該事宜修訂我們之意見。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在對綜合財務報表整體進行審計並形成意見的背景下進行處理的，我們不對這些事項提供單獨的意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

除「與持續經營相關之重大不明朗因素」所述之事宜外，我們已釐定下文所述事宜為須於我們報告內傳達之關鍵審計事項。

我們已經履行了本報告「核數師就審計綜合財務報表承擔的責任」部分闡述的責任，包括與這些關鍵審計事項相關的責任。相應地，我們的審計工作包括執行為應對評估綜合財務報表的重大錯誤陳述風險而設計的審計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為綜合財務報表整體發表審計意見提供了基礎。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key audit matter

How our audit addressed the key audit matter

關鍵審計事項

我們的審計應對關鍵審計事項的方式

Impairment of trade receivables

應收貿易賬款減值

The carrying value of the Group's trade receivables as at 31 December 2018 amounted to HK\$4,980 million, representing 39.1% of the Group's total assets as at 31 December 2018. The loss allowance charged to the profit and loss account for the year was HK\$4,356 million, and cumulative loss allowance of trade receivables carried as at 31 December 2018 was HK\$4,690 million. The loss allowance for impairment of trade receivables is maintained to reduce the Group's trade receivables to their estimated recoverable amounts which approximate to the fair value. Management evaluates the estimated loss allowance based on historical repayment behaviour of debtors, ageing profile, availability of collaterals in front money and/or guarantee deposits, specific information on individual customers as well as experience with collection trends in the casino industry, current economic and business conditions. The management's continued refinement of the impairment of trade receivables based on known customer information and changes in a region's economy or legal system can provide a significant change in estimate between periods.

貴集團應收貿易賬款於二零一八年十二月三十一日的賬面值為4,980,000,000港元，佔貴集團於二零一八年十二月三十一日的資產總值39.1%。年內於損益賬內扣除之虧損撥備為4,356,000,000港元，而於二零一八年十二月三十一日之應收貿易賬款累計虧損撥備則為4,690,000,000港元。應收貿易賬款維持減值虧損撥備旨在將貴集團之應收貿易賬款削減至與其公允價值相若之估計可收回金額。管理層根據債務人過往之還款行為、賬齡情況、預付款及／或保證金之可用抵押品、個別客戶之特定資料以及娛樂場行業常見收賬情況之經驗、當前經濟及業務狀況衡量估計虧損撥備。管理層根據已知客戶資料持續對應收貿易賬款減值作出的精進調整，以及一個地區的經濟或法律制度出現的變動均可能令不同期間的估計出現重大變化。

In assessing the adequacy of the loss allowance for the expected credit losses on the trade receivables, we test checked the accuracy of the aging profile, reviewed the historical repayment records, considered the availability of collaterals and performed searches on specific customer's information. We have also re-calculated the loss allowance for impairment of trade receivables using management's model and considered the adequacy of the loss allowance and disclosures in the consolidated financial statements.

於評估應收貿易賬款之預期信貸虧損之虧損撥備足夠與否時，我們測試及核查賬齡情況之準確度、審閱過往還款記錄、考慮抵押品之可用性並對特定客戶資料進行搜查。我們亦使用管理層之模式重新計算應收貿易賬款之減值虧損撥備，並考慮虧損撥備及綜合財務報表內之披露事項足夠與否。

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key audit matter

How our audit addressed the key audit matter

關鍵審計事項

我們的審計應對關鍵審計事項的方式

We identified the impairment assessment of the trade receivables as a key audit matter because of (i) the material amounts involved, and (ii) the significant judgement and assumptions involved in the determination of loss allowance under the expected credit losses model.

我們將應收貿易賬款之減值評估識別為關鍵審計事項，乃由於 (i) 當中涉及之重大金額；及 (ii) 在釐定預期信貸虧損模式下之虧損撥備時涉及之重大判斷及假設。

The Group's accounting policies and disclosures on trade receivables and loss allowance for expected credit losses are set out in notes 3 and 18 to the Group's consolidated financial statements.

貴集團有關應收貿易賬款以及預期信貸虧損之虧損撥備之會計政策及披露載於 貴集團之綜合財務報表附註3及18。

Capitalisation of costs into construction in progress

成本於在建工程中資本化

The Group commenced the construction of the Imperial Pacific Resort Hotel • Saipan in July 2015. For the year ended 31 December 2018, additions to construction in progress amounted to approximately HK\$1,122 million, with a carrying amount of HK\$3,994 million as at the end of the reporting period.

貴集團於二零一五年七月開始興建博華塞班度假村酒店。截至二零一八年十二月三十一日止年度，添置在建工程約為1,122,000,000港元，於報告期末之賬面值為3,994,000,000港元。

The Group's accounting policies and disclosures on construction in progress are set out in notes 2.5 and 13 to the Group's consolidated financial statements.

貴集團有關在建工程之會計政策及披露載於 貴集團之綜合財務報表附註2.5及13。

We tested the significant additions of the construction in progress in the year by agreeing to contracts, invoices and payments, and we also assessed the bases of capitalisation of overheads and interest expenses directly attributable to the finance of the construction activities. We also reviewed third-party surveyor's reports for the certified construction values and project's progress.

我們藉同意合約、發票及付款測試重大添置在建工程，同時，我們亦評估將建築活動融資直接應佔之費用及利息支出资本化之基礎。我們亦審閱第三方測量師就評估建築價值及項目進度所發出之報告。

We assessed the adequacy of the Group's disclosure regarding the construction in progress including the capital commitments at the end of the reporting period.

我們評估 貴集團於報告期末就在建工程(包括資本承擔)所作披露足夠與否。

We have also assessed the competence, objectivity and independence of the external surveyors.

我們亦評估該外聘測量師之能力、客觀性及獨立性。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

刊載於年度報告內其他信息

貴公司董事需對其他資料負責。其他信息包括刊載於年度報告內的信息，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的意見並不涵蓋其他信息，我們亦不對該等其他資料發表任何形式的鑒證結論。

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

董事就綜合財務報表須承擔的責任

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

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

審核委員會協助董事履行監督貴集團財務報告過程的職責。

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

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

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

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們遵照百慕達一九八一年公司法第90條僅對全體股東作出報告，除此以外，本報告並無其他用途。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

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

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

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

Independent Auditor's Report

獨立核數師報告

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

(Continued)

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

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

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

核數師就審計綜合財務報表承擔的責任 (續)

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

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

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

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

(Continued)

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

The engagement partner on the audit resulting in this independent auditor's report is Paul Kai Lung Go.

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

26 March 2019

核數師就審計綜合財務報表承擔的責任 (續)

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

出具本獨立核數師報告的審計項目合夥人是吳繼龍。

安永會計師事務所
執業會計師
香港中環
添美道1號
中信大廈22樓

二零一九年三月二十六日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Revenue	收益	5	3,254,587	7,793,546
Cost of sales	銷售成本		(339,512)	(850,654)
Gross profit	毛利		2,915,075	6,942,892
Other income, gains and losses, net	淨其他收入、收益及虧損		(25,788)	(45,388)
Selling and marketing expenses	銷售及市場推廣開支		(27,834)	(64,126)
Operating and administrative expenses	經營及行政開支		(6,007,609)	(5,775,571)
Share-based payments	以股份為基礎之付款開支		(17,298)	(21,635)
Finance costs	財務費用	7	(257,857)	(165,212)
PROFIT/(LOSS) BEFORE TAX	除稅前(虧損)/溢利	6	(3,421,311)	870,960
Income tax credit/(expense)	所得稅抵免/(開支)	10	456,288	(233,487)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司持有人應佔年內 溢利/(虧損)		(2,965,023)	637,473
OTHER COMPREHENSIVE INCOME/(LOSS) 其他全面收入/(虧損)				
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:	於其後期間可能重新分類至 損益之其他全面收入/ (虧損):			
Available-for-sale investments:	可供出售投資:			
Change in fair value	公允價值變動		—	(19,253)
Reclassification adjustments for losses included in profit or loss	計入損益之虧損重新 分類調整			
— loss on disposal	— 出售時虧損	6	—	266
— impairment loss	— 減值虧損	6	—	33,589
			—	14,602
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額		4,006	36,675

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
		Notes 附註		
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	於其後期間可能重新分類至損益之其他全面收入淨額		<u>4,006</u>	<u>51,277</u>
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:	於其後期間不會重新分類至損益之其他全面虧損：			
Equity investments designated at fair value through other comprehensive income:	指定為按公允價值計入其他全面收入之股本投資：			
— Change in fair value	— 公允價值變動		<u>(63,993)</u>	<u>—</u>
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	於其後期間不會重新分類至損益之其他全面虧損淨額		<u>(63,993)</u>	<u>—</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	年內其他全面收入/(虧損)		<u>(59,987)</u>	<u>51,277</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司持有人應佔年內全面收入/(虧損)總額		<u>(3,025,010)</u>	<u>688,750</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司持有人應佔每股盈利/(虧損)	12		
Basic	基本		<u>HK(2.07)cents 港仙</u>	<u>HK0.45 cent 港仙</u>
Diluted	攤薄		<u>HK(2.07)cents 港仙</u>	<u>HK0.24 cent 港仙</u>

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2018

於二零一八年十二月三十一日

			2018	2017
		Notes	二零一八年	二零一七年
		附註	HK\$'000	HK\$'000
			千港元	千港元
NON-CURRENT ASSETS				
非流動資產				
Property, plant and equipment	物業、廠房及設備	13	6,447,398	5,468,239
Prepaid land lease payments	預付土地租賃款項	14	178,292	181,967
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	15	203,784	352,963
Available-for-sale investments	可供出售投資	16	–	82,464
Equity investments designated at fair value through other comprehensive income	指定為按公允價值計入其他全面收入之股本投資	16	18,471	–
Trade receivables	應收貿易賬款	18	113,341	–
Deferred tax assets	遞延稅項資產	27	513,181	504,784
Total non-current assets	非流動資產總值		7,474,467	6,590,417
CURRENT ASSETS				
流動資產				
Prepaid land lease payments	預付土地租賃款項	14	4,540	4,526
Inventories	存貨	17	36,840	25,768
Trade receivables	應收貿易賬款	18	4,866,395	8,531,023
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	15	226,136	204,030
Derivative financial asset	衍生金融資產	22	24	1,010
Restricted bank deposit	受限制銀行存款	19	55,687	–
Cash and cash equivalents	現金及現金等值物	19	58,153	284,520
Total current assets	流動資產總值		5,247,775	9,050,877
CURRENT LIABILITIES				
流動負債				
Trade payables	應付貿易賬款	20	91,739	78,623
Other payables and accruals	其他應付款項及應計款項	21	5,782,782	6,931,685
Derivative financial liabilities	衍生金融負債	22	1	1,033
Loans from related parties	來自關聯方之貸款	23	125,398	197,593
Other borrowings	其他借款	24	2,962,525	1,189,492
Convertible bonds and notes	可換股債券及票據	25	48,879	–
Unsecured bonds and notes	無抵押債券及票據	26	747,777	–
Tax payable	應付稅項		236,353	664,775
Total current liabilities	流動負債總額		9,995,454	9,063,201
NET CURRENT LIABILITIES	流動負債淨額		(4,747,679)	(12,324)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		2,726,788	6,578,093

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2018
於二零一八年十二月三十一日

		Notes	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		附註		
NON-CURRENT LIABILITIES	非流動負債			
Other payables and accruals	其他應付款項及應計款項	21	212,772	-
Loans from related parties	來自關聯方之貸款	23	448,816	151,764
Other borrowings	其他借款	24	-	773,350
Convertible bonds and notes	可換股債券及票據	25	-	46,713
Unsecured bonds and notes	無抵押債券及票據	26	1,174,947	1,753,301
			<u>1,836,535</u>	<u>2,725,128</u>
Total non-current liabilities	非流動負債總額			
			<u>1,836,535</u>	<u>2,725,128</u>
NET ASSETS	資產淨值		<u>890,253</u>	<u>3,852,965</u>
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	28	71,492	71,492
Reserves	儲備	30	818,761	3,781,473
			<u>890,253</u>	<u>3,852,965</u>
Total equity	總權益			
			<u>890,253</u>	<u>3,852,965</u>

Cui Li Jie
崔麗杰
Director
董事

Xia Yuki Yu
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Attributable to owners of the Company 本公司持有人應佔									
		Share capital	Convertible notes reserve	Share premium account	Share option reserve	Exchange reserve	Other reserve	Investment reserve (non-recycling)	Investment reserve (recycling)	Accumulated losses	Total equity
Notes		股本	可換股票據儲備	股份溢價賬	購股權儲備	匯兌儲備	其他儲備	投資儲備 (不可轉回)	投資儲備 (可轉回)	累計虧損	總權益
附註		HK\$'000 千港元	HK\$'000 千港元 (note 25) (附註 25)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (note 30) (附註 30)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	70,826	1,480,332	1,984,779	50,714	(2,307)	-	-	(14,602)	(708,845)	2,860,897
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	637,473	637,473
Other comprehensive income for the year:	年內其他全面收入：										
Changes in fair value of available-for-sale investments, net	可供出售投資的公允價值變動淨額	-	-	-	-	-	-	-	14,602	-	14,602
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	36,675	-	-	-	-	36,675
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	36,675	-	-	14,602	637,473	688,750
Issue of shares upon conversion of convertible notes	可換股票據獲兌換時發行股份	28	666	281,017	-	-	-	-	-	-	281,683
Equity-settled share option arrangements	權益結算購股權安排	29	-	-	21,635	-	-	-	-	-	21,635
Transfer of reserve upon the lapse of share options	購股權失效時轉撥儲備	-	-	-	(1,557)	-	-	-	-	1,557	-
At 31 December 2017	於二零一七年十二月三十一日	71,492	1,480,332*	2,265,796*	70,792*	34,368*	-*	-*	-*	(69,815)*	3,852,965
At 31 December 2017	於二零一七年十二月三十一日	71,492	1,480,332	2,265,796	70,792	34,368	-	-	-	(69,815)	3,852,965
Effect of adoption of HKFRS 9	採納香港財務報告準則第9號之影響	2.3	-	-	-	-	-	(33,589)	-	33,589	-
At 1 January 2018 (restated)	於二零一八年一月一日(重列)	71,492	1,480,332	2,265,796	70,792	34,368	-	(33,589)	-	(36,226)	3,852,965
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(2,965,023)	(2,965,023)
Other comprehensive income/(loss) for the year:	年內其他全面收入/(虧損)：										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net	指定為按公允價值計入其他全面收入之股本投資之公允價值變動淨額	-	-	-	-	-	-	(63,993)	-	-	(63,993)
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	4,006	-	-	-	-	4,006
Total comprehensive income/(loss) for the year	年內全面收入/(虧損)總額	-	-	-	-	4,006	-	(63,993)	-	(2,965,023)	(3,025,010)
Equity-settled share option arrangements	權益結算購股權安排	29	-	-	17,298	-	-	-	-	-	17,298
Transfer of reserve upon the lapse of share options	購股權失效時轉撥儲備	-	-	-	(14,872)	-	-	-	-	14,872	-
Deemed capital contribution from a shareholder	視為一名股東出資	-	-	-	-	-	45,000	-	-	-	45,000
At 31 December 2018	於二零一八年十二月三十一日	71,492	1,480,332*	2,265,796*	73,218*	38,374*	45,000*	(97,582)*	-*	(2,986,377)*	890,253

* These reserve accounts comprise the consolidated reserves of HK\$818,761,000 (2017: HK\$3,781,473,000) in the consolidated statement of financial position.

* 此等儲備賬目包括綜合財務狀況表內之綜合儲備 818,761,000 港元(二零一七年：3,781,473,000 港元)。

Consolidated Statement of Cash Flows

綜合現金流量表

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

			2018	2017
	Notes		二零一八年	二零一七年
	附註		HK\$'000	HK\$'000
			千港元	千港元
CASH FLOWS FROM OPERATING ACTIVITIES		來自經營業務之現金流量		
Profit/(loss) before tax		除稅前溢利/(虧損)	(3,421,311)	870,960
Adjustments for:		調整項目：		
Finance costs	7	財務費用	257,857	165,212
Bank interest income	6	銀行利息收入	(1)	(2)
Dividend income from equity investments designated at fair value through other comprehensive income/available-for-sale investments	6	來自指定為按公允價值計入其他全面收入之股本投資/可供出售投資之股息收入	(537)	(14)
Loss on disposal/write-off of property, plant and equipment	6	出售/撤銷物業、廠房及設備之虧損	26,999	25,876
Gain on disposal of subsidiaries	6	出售附屬公司之收益	-	(11,966)
Fair value gain on derivative financial instruments, net	6	衍生金融工具之公允價值收益淨額	(46)	(549)
Depreciation	6	折舊	167,312	139,741
Amortisation of prepaid land lease payments	6	預付土地租賃款項攤銷	4,263	7,946
Impairment of prepayments for acquisition of non-current assets	6	購置非流動資產之預付款項之減值	132,395	-
Impairment of an available-for-sale investment	6	可供出售投資之減值	-	33,589
Fair value loss on available-for-sale investments (transfer from equity on disposal)	6	可供出售投資之公允價值虧損(於出售時從權益轉入)	-	266
Impairment losses recognised for trade receivables, net	6	確認應收貿易賬款之減值虧損淨額	4,355,689	4,185,431
Share-based payments	29	以股份為基礎之付款開支	17,298	21,635
Foreign exchange losses on financing activities		融資活動之匯兌虧損	16,919	-
			1,556,837	5,438,125
Increase in inventories		存貨增加	(11,012)	(18,881)
Increase in trade receivables		應收貿易賬款增加	(776,712)	(7,333,159)
Decrease/(increase) in prepayments and other assets		預付款項及其他資產減少/(增加)	(3,678)	53,106
Increase in trade payables		應付貿易賬款增加	12,663	56,246
Increase/(decrease) in other payables and accruals		其他應付款項及應計款項增加/(減少)	(958,216)	1,554,957
Cash used in operations		營運所用之現金	(180,118)	(249,606)
Overseas taxes paid		已付海外稅項	(6,180)	(213,945)
Net cash flows used in operating activities		經營業務所用之現金流量淨額	(186,298)	(463,551)

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
	Notes 附註		
CASH FLOWS FROM INVESTING ACTIVITIES	來自投資業務之現金流量		
Bank interest received	已收銀行利息	1	2
Dividends received from listed investments	來自上市投資之已收股息	537	14
Purchases of items of property, plant and equipment	購買物業、廠房及 設備項目	(1,226,120)	(1,543,692)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及 設備項目之所得款項	2,239	-
Additions to prepaid land lease payments	預付土地租賃款項增加	14	(73,923)
Disposal of subsidiaries	出售附屬公司	31	110,610
Proceeds from disposal of available-for-sale investments	出售可供出售投資之 所得款項	-	1,369
Decrease/(increase) in restricted bank deposit	受限制銀行存款減少/(增加)	(55,687)	11,624
Net cash flows used in investing activities	投資業務所用之現金流量淨額	(1,279,030)	(1,493,996)
CASH FLOWS FROM FINANCING ACTIVITIES	來自融資業務之現金流量		
Redemption of convertible notes	贖回可換股票據	-	(205,500)
Proceeds from issue of convertible bonds	來自發行可換股債券之所得款項	-	46,025
Proceeds from issue of unsecured bonds and notes	來自發行無抵押債券及票據之 所得款項	32,795	876,415
Proceeds from other borrowings	來自其他借款之所得款項	1,870,072	1,821,295
Repayment of other borrowings	償還其他借款	(803,166)	(367,952)
Proceeds from loans from related parties	來自關聯方之貸款之所得款項	403,000	64,742
Repayment of loans from related parties	償還來自關聯方之貸款	(182,925)	(28,390)
Interest paid	已付利息	(81,423)	(59,772)
Net cash flows from financing activities	來自融資業務之現金流量淨額	1,238,353	2,146,863

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	Notes 附註		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值物 增加/(減少)淨額	(226,975)	189,316
Cash and cash equivalents at beginning of year	年初之現金及現金等值物	284,520	93,945
Effect of foreign exchange rate changes, net	匯率變動之影響淨額	608	1,259
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末之現金及現金等值物	58,153	284,520
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值物結餘分析		
Cash and bank balances	現金及銀行結餘	58,153	284,520

Notes to Consolidated Financial Statements

綜合財務報表附註

31 December 2018

二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

Imperial Pacific International Holdings Limited (the “**Company**”) was incorporated in Bermuda as an investment holding company with limited liability under the Companies Act 1981 of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business is Suites 7001, 7002, 7014-7016, 70/F., Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong. The Company’s shares are listed on The Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

During the year, the Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the gaming and resort business, including the development of an integrated resort on the Island of Saipan, Commonwealth of the Northern Mariana Islands (“**CNMI**”).

In the opinion of the directors of the Company (the “**Directors**”), Inventive Star Limited (“**Inventive Star**”), a company incorporated in the British Virgin Islands, is the ultimate holding company of the Company and Ms. Cui Li Jie is the ultimate controlling party.

1. 公司及集團資料

博華太平洋國際控股有限公司(「**本公司**」)乃根據百慕達一九八一年公司法於百慕達註冊成立為投資控股有限公司。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda，而其主要營業地點為香港中環金融街8號國際金融中心二期70樓7001、7002、7014-7016室。本公司股份於香港聯合交易所有限公司(「**聯交所**」)主板上市。

年內，本公司及其附屬公司(統稱「**本集團**」)主要從事博彩及度假村業務，包括發展北馬里亞納群島聯邦(「**北馬里亞納**」)塞班島綜合度假村。

本公司董事(「**董事**」)認為，Inventive Star Limited(「**Inventive Star**」，一家於英屬處女群島註冊成立之公司)為本公司最終控股公司，而崔麗杰女士為最終控制人。

Notes to Consolidated Financial Statements

綜合財務報表附註

31 December 2018
二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries

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

1. 公司及集團資料(續)

有關附屬公司之資料

本公司主要附屬公司之詳情如下：

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered capital 已發行普通/ 註冊資本	Percentage of equity attributable to the Company 本公司應佔權益之百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Best Sunshine International Limited 佳曦國際有限公司	British Virgin Islands 英屬處女群島	US\$100 100美元	100	–	Investment holding 投資控股
Best Fortune Corporation Limited 振裕興業有限公司	Hong Kong 香港	HK\$1 1港元	100	–	Provision of management and consultancy services 提供管理及諮詢服務
New Praise Ventures Limited	British Virgin Islands	US\$1	100	–	Provision of management and consultancy services
New Praise Ventures Limited	英屬處女群島	1美元	100	–	提供管理及諮詢服務
Imperial Pacific International (CNMI), LLC ("IPI")	CNMI	US\$100	–	100	Development and operation of a hotel and casino resort
Imperial Pacific International (CNMI), LLC ("IPI")	北馬里亞納	100美元	–	100	發展及營運酒店及 娛樂場度假村
Imperial Pacific Properties, LLC	CNMI	US\$100	–	100	Holding of leasehold land in Saipan
Imperial Pacific Properties, LLC	北馬里亞納	100美元	–	100	於塞班島持有租賃土地
East Gain Global (CNMI) Limited	CNMI	US\$100	–	100	Holding of leasehold land in Saipan
East Gain Global (CNMI) Limited	北馬里亞納	100美元	–	100	於塞班島持有租賃土地
Pride Keen Limited 傲建有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	100	–	Holding of yachts 持有遊艇

Notes to Consolidated Financial Statements

綜合財務報表附註

31 December 2018

二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

1. 公司及集團資料(續)

有關附屬公司之資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered capital 已發行普通/ 註冊資本	Percentage of equity attributable to the Company 本公司應佔權益之百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Rich Surplus Ventures (CNMI), LLC	CNMI	US\$100	-	100	Holding of leasehold land in Saipan
Rich Surplus Ventures (CNMI), LLC	北馬里亞納	100美元	-	100	於塞班島持有租賃土地
Colour Palace CNMI LLC	CNMI	US\$100	-	100	Holding of leasehold land in Saipan
Colour Palace CNMI LLC	北馬里亞納	100美元	-	100	於塞班島持有租賃土地
Imperial Pacific Macau Limited	Macau	MOP25,000	-	100	Marketing and promotion of a hotel and casino resort
博華太平洋澳門有限公司	澳門	25,000澳門元	-	100	市場推廣及宣傳酒店及娛樂場度假村
Imperial Consultancy Macau Limited	Macau	MOP25,000	-	100	Marketing and consultancy services
博華顧問澳門一人有限公司	澳門	25,000澳門元	-	100	市場推廣及諮詢服務
Ideal Best (CNMI), LLC	CNMI	US\$100	-	100	Holding of leasehold land in Saipan
Ideal Best (CNMI), LLC	北馬里亞納	100美元	-	100	於塞班島持有租賃土地
Green Estate Holdings (CNMI), LLC	CNMI	US\$100	-	100	Holding of leasehold land in Saipan
Green Estate Holdings (CNMI), LLC	北馬里亞納	100美元	-	100	於塞班島持有租賃土地
Keen State Global (CNMI), LLC	CNMI	US\$100	-	100	Holding of leasehold land in Saipan
Keen State Global (CNMI), LLC	北馬里亞納	100美元	-	100	於塞班島持有租賃土地

Notes to Consolidated Financial Statements

綜合財務報表附註

31 December 2018
二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

1. 公司及集團資料(續)

有關附屬公司之資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered capital 已發行普通/ 註冊資本	Percentage of equity attributable to the Company 本公司應佔權益之百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Leading Chief (CNMI), LLC	CNMI	US\$100	-	100	Holding of leasehold land in Saipan
Leading Chief (CNMI), LLC	北馬里亞納	100美元	-	100	於塞班島持有租賃土地
Proper Grand (CNMI) LLC	CNMI	US\$100	-	100	Holding of leasehold land in Saipan
Proper Grand (CNMI) LLC	北馬里亞納	100美元	-	100	於塞班島持有租賃土地
Unity Sense (CNMI) LLC	CNMI	US\$100	-	100	Holding of leasehold land in Saipan
Unity Sense (CNMI) LLC	北馬里亞納	100美元	-	100	於塞班島持有租賃土地
Metro Time (CNMI), LLC	CNMI	US\$100	-	100	Holding of leasehold land in Saipan
Metro Time (CNMI), LLC	北馬里亞納	100美元	-	100	於塞班島持有租賃土地

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

董事認為，上表所載列之本公司附屬公司對本年度業績影響重大或構成本集團資產淨值之主要部分。董事認為，詳述其他附屬公司將導致所述資料過於冗長。

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2.1 BASIS OF PRESENTATION

Despite that the Group reported a net loss of HK\$2,965,023,000 for the year, had net current liabilities of HK\$4,747,679,000 and capital commitments of approximately HK\$457,757,000 as at 31 December 2018 as detailed in note 34 to the consolidated financial statements, the Directors consider that the Group will have adequate funds available to enable it to operate as a going concern, based on the Group's profit forecast and cash flow projection which, inter alia, take into account the past actual operating performance of the Group and the following:

- (a) **new financing from independent third parties** — subsequent to the end of the reporting period, the Company has raised new unsecured loans for an aggregate amount of approximately HK\$543,000,000 from independent third parties, of which HK\$340,000,000, HK\$185,000,000 and HK\$18,000,000 are repayable in 2019, 2021 and 2022, respectively;
- (b) **refinancing of loans due in 2019 (non-overdue amounts)** — subsequent to the end of the reporting period, the Company has agreed with its lenders to renew certain loan agreements of approximately HK\$434,899,000 outstanding as at 31 December 2018 which were originally due for repayment in 2019, and extended the repayment tenure to 2020, 2021 and 2022 for HK\$97,700,000, HK\$244,599,000 and HK\$92,600,000, respectively;
- (c) **refinancing of overdue loans** — subsequent to the end of the reporting period, save for loan amounts of HK\$350,000,000 and HK\$10,000,000 which have been repaid on 22 March 2019 and 24 March 2019, respectively, the Company has agreed with its lenders to extend the repayment tenure of certain overdue loan and note amounts of HK\$16,000,000 and HK\$849,849,000, which were overdue before these latest extension agreements, to the second half of 2019 or thereafter, respectively. Further details are set out in notes 24 and 26 to the consolidated financial statements;

2.1 呈列基準

儘管本集團年內錄得虧損淨額2,965,023,000港元，於二零一八年十二月三十一日之流動負債淨額為4,747,679,000港元及資本承擔約為457,757,000港元（詳述於綜合財務報表附註34），惟董事認為，根據本集團之溢利預測及現金流量預測，本集團將有足夠資金使其以持續經營方式經營，並已計及（其中包括）本集團過往實際經營表現及下列各項因素：

- (a) **來自獨立第三方之新融資** — 於報告期末後，本公司自獨立第三方取得新無抵押貸款總額約為543,000,000港元，其中340,000,000港元、185,000,000港元及18,000,000港元分別須於二零一九年、二零二一年及二零二二年償還；
- (b) **二零一九年到期之貸款再融資（未逾期金額）** — 於報告期末後，本公司與其貸方協定就於二零一八年十二月三十一日之未償還借款約434,899,000港元重訂若干貸款協議，該等借款原先於二零一九年到期償還，而其中97,700,000港元、244,599,000港元及92,600,000港元之還款期分別延至二零二零年、二零二一年及二零二二年；
- (c) **已逾期貸款再融資** — 於報告期末後，除已於二零一九年三月二十二日及二零一九年三月二十四日償還分別為數350,000,000港元及10,000,000港元之貸款外，本公司與其貸方協定就訂立該等最新延期協議前已逾期，為數16,000,000港元及849,849,000港元之若干已逾期貸款及票據金額之還款期分別延至二零一九年下半年或之後。有關詳情載於綜合財務報表附註24及26；

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綜合財務報表附註

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2.1 BASIS OF PRESENTATION (Continued)

- (d) subsequent to the end of the reporting period, the Company has obtained unsecured credit facilities in an aggregate amount of HK\$1,150,000,000 from two independent third parties for its working capital needs;
- (e) the ultimate holding company and other related parties have agreed to provide continuous financial support to the Group by not demanding repayment of any amounts due to them until the Group is in a financial position to repay without impairing its liquidity position, and to provide additional funding to finance the Group's operations and capital investments;
- (f) the management is in discussion with certain potential investors with a view to secure long term financing principally to be used to complete the remaining construction of the integrated gaming resort. As at the date of issuance of these financial statements, the investors and contractors are carrying out their due diligence and preparation work; and
- (g) the management will consider other financing arrangements with a view to increase the Group's capitalisation/equity.

Further details are set out in note 41 for events after the reporting period.

The Directors believe that, taking into account the above factors, the Group will have sufficient working capital to satisfy its present requirements for at least the next 12 months from the end of the reporting period. However, should the above financing be unavailable, the Group may be unable to continue as a going concern, in which case adjustments might have to be made to the carrying values of the Group's assets to state them at their realisable values, to provide for any further liabilities which might arise and to reclassify its non-current assets and non-current liabilities to current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in these consolidated financial statements.

2.1 呈列基準(續)

- (d) 於報告期末後，本公司因其營運資金需要自兩名獨立第三方取得總額為1,150,000,000港元之無抵押信貸融資；
- (e) 最終控股公司及其他關聯方已同意向本集團提供持續財務援助而不會要求償還任何應付彼等之款項，直至本集團之財務狀況足以償還有關款項而不會損害其流動資金狀況為止，並提供額外資金予本集團撥資其營運及資本投資；
- (f) 管理層與若干潛在投資者進行討論，以取得長期融資，主要用於完成興建綜合博彩度假村餘下部分。於刊發該等財務報表當日，投資者與承建商正進行盡職審查及準備工作；及
- (g) 管理層將考慮其他融資安排，務求增加本集團之市值／權益。

有關報告期後事項之詳情載於附註41。

董事經考慮上述因素後認為，本集團將有充裕營運資金應付其自報告期末起計未來至少12個月之需求。然而，如若無法取得上述融資，本集團可能無法按持續經營基準繼續營運，於此情況下，或需對本集團資產之賬面值作出調整，使其賬面值按其可變現價值列賬，以為可能進一步產生之負債計提撥備及將其非流動資產及非流動負債分別重新分類至流動資產及流動負債。該等調整之影響並無於該等財務報表內反映。

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2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income and derivative financial instruments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

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

2.2 編製基準

該等財務報表乃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」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港普遍採納之會計原則及香港公司條例之披露規定而編製。除指定為按公允價值計入其他全面收入之股本投資及按公允價值計量之衍生金融工具外，該等財務報表乃按歷史成本法編製。除另有說明者外，該等財務報表乃以港元(「港元」)呈列，而全部價值均調整至最近千元。

綜合基準

綜合財務報表包括本公司及其附屬公司截至二零一八年十二月三十一日止年度之財務報表。附屬公司指本公司直接或間接控制之實體(包括結構實體)。當本集團能透過其參與承擔或享有投資對象可變回報之風險或權利，並能夠向投資對象使用其權力影響回報金額(即現有權利可使本集團能於現時指揮投資對象的相關活動)，即代表取得控制權。

當本公司直接或間接擁有投資對象少於大多數的投票權或類似權利，本集團於評估其對投資對象是否擁有權力時會考慮所有相關事實及情況，包括：

- (a) 與投資對象之其他投票權持有人訂立之合約安排；
- (b) 其他合約安排所產生之權利；及
- (c) 本集團的投票權及潛在投票權。

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綜合財務報表附註

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2.2 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

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

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

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

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

2.2 編製基準(續)

綜合基準(續)

附屬公司之財務報表乃按與本公司相同的報告期間，採用一致的會計政策編製。附屬公司之業績乃自本集團獲得控制權當日起綜合入賬，並繼續綜合入賬，直至有關控制權終止當日為止。

關於本集團成員公司間交易之所有集團內公司間的資產及負債、權益、收入、開支及現金流量均於綜合入賬時悉數抵銷。

倘有事實及情況顯示上文所述三項控制元素中一項或多項元素出現變動，本集團會重新評估其是否對投資對象擁有控制權。附屬公司之所有權權益出現變動(並無失去控制權)作為一項權益交易入賬。

倘本集團失去對附屬公司之控制權，則會終止確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益之賬面值；及(iii)計入權益之累計匯兌差額；並確認(i)已收代價之公允價值；(ii)任何保留投資的公允價值；及(iii)因而於損益產生之盈餘或虧絀。先前已於其他全面收入確認之本集團應佔部分，按假設本集團已直接出售相關資產或負債的情況下須採用之相同基準，在適當情況下重新分類至損益或保留溢利。

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

Except for the amendments to HKFRS 4, amendments to HKAS 40 and *Annual Improvements 2014-2016 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRSs, are described below:

2.3 會計政策及披露變動

本集團於本年度之綜合財務報表首次採納以下新訂及經修訂香港財務報告準則。

香港財務報告準則第2號(修訂本)	股份付款交易之分類及計量
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具
香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約收益
香港財務報告準則第15號(修訂本)	香港財務報告準則第15號來自客戶合約收益之澄清
香港會計準則第40號(修訂本)	轉讓投資物業
香港(國際財務報告詮釋委員會)–詮釋第22號	外幣交易及預付代價
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	香港財務報告準則第1號及香港會計準則第28號(修訂本)

除與編製本集團財務報表無關之香港財務報告準則第4號(修訂本)、香港會計準則第40號(修訂本)及二零一四年至二零一六年週期之年度改進外，新訂及經修訂香港財務報告準則之性質及影響載述如下：

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (a) Amendments to HKFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The amendments have had no impact on the financial position or performance of the Group as the Group does not have any cash-settled share-based payment transactions and has no share-based payment transactions with net settlement features for withholding tax.

2.3 會計政策及披露變動(續)

- (a) 香港財務報告準則第2號(修訂本)涉及三個主要領域：歸屬條件對現金結算股份付款交易計量之影響；為履行僱員與以股份為基礎之付款開支相關之納稅義務而預扣一定金額以股份付款交易(具有淨結算特徵)之分類；以及修改股份付款交易之條款及條件令其分類由現金結算改為以權益結算之會計處理。該等修訂釐清於計量以權益結算以股份為基礎之付款開支時歸屬條件之入賬方法同樣適用於現金結算以股份為基礎之付款開支。該等修訂引入一個例外情況，致使當符合若干條件時，為履行僱員納稅義務而預扣一定金額以股份付款交易(具有淨結算特徵)將全部歸類為權益結算股份付款交易。此外，該等修訂釐清，倘修改現金結算股份付款交易之條款及條件，令其成為以權益結算股份付款交易，則該交易自修改日期起作為權益結算股份付款交易入賬。由於本集團並無任何現金結算股份付款交易，亦無具有預扣稅淨結算功能之股份付款交易，故應用該等修訂對本集團之財務狀況或表現並無任何影響。

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (b) HKFRS 9 Financial Instruments replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 39.

Classification and measurement

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

2.3 會計政策及披露變動(續)

- (b) 香港財務報告準則第9號金融工具於二零一八年一月一日或之後開始之年度期間取代香港會計準則第39號金融工具：確認及計量，匯集金融工具會計處理之三大方面：分類及計量、減值及對沖會計。

本集團已於二零一八年一月一日在適用之權益期初結餘確認過渡調整。因此，比較資料並無重列且將繼續根據香港會計準則第39號呈報。

分類及計量

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

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(b) (Continued)

Classification and measurement (Continued)

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

2.3 會計政策及披露變動(續)

(b) (續)

分類及計量(續)

於二零一八年一月一日，香港會計準則第39號項下之賬面值與香港財務報告準則第9號項下所呈報之結餘之對賬如下：

		HKAS 39 measurement 香港會計準則 第39號計量			HKFRS 9 measurement 香港財務報告準則 第9號計量	
		Category 類別	Amount 金額 HK\$'000 千港元	Reclassification 重新分類 HK\$'000 千港元	Amount 金額 HK\$'000 千港元	Category 類別
Financial assets	金融資產					
Equity investments designated at fair value through other comprehensive income	指定為按公允價值計入其他全面收入之股本投資	N/A 不適用	-	82,464	82,464	FVOCI ¹ (equity) (權益)
From: Available-for-sale investments	自：可供出售投資	(note) (附註)		82,464		
Available-for-sale investments	可供出售投資	AFS ²	82,464	(82,464)	-	N/A 不適用
To: Equity investments designated at fair value through other comprehensive income	至：指定為按公允價值計入其他全面收入之股本投資	(note) (附註)		(82,464)		
Trade receivables	應收貿易賬款	L&R ³	8,531,023	-	8,531,023	AC ⁴
Financial assets included in prepayment, deposits and other receivables	計入預付款項、按金及其他應收款項之金融資產	L&R	178,715	-	178,715	AC
Derivative financial asset	衍生金融資產	FVPL ⁵	1,010	-	1,010	FVPL (mandatory) (強制性)
Cash and cash equivalents	現金及現金等值物	L&R	284,520	-	284,520	AC
Total financial assets	金融資產總值		<u>9,077,732</u>	<u>-</u>	<u>9,077,732</u>	

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(b) (Continued)

Classification and measurement (Continued)

1	FVOCI:	Financial asset at fair value through other comprehensive income
2	AFS:	Available-for-sale investments
3	L&R:	Loans and receivables
4	AC:	Financial assets or financial liabilities at amortised cost
5	FVPL:	Financial instruments at fair value through profit or loss

Note:

The Group has elected the option to irrevocably designate all of its previous available-for sale equity investments as equity investments at fair value through other comprehensive income.

There has been no impact on the classification and measurement of the Group's financial liabilities as a result of the adoption of HKFRS 9.

2.3 會計政策及披露變動(續)

(b) (續)

分類及計量(續)

1	FVOCI:	按公允價值計入其他全面收入之金融資產
2	AFS:	可供出售投資
3	L&R:	貸款及應收款項
4	AC:	按攤銷成本列賬之金融資產或金融負債
5	FVPL:	按公允價值計入損益之金融工具

附註：

本集團已選擇不可撤銷地將其所有先前可供出售股本投資指定為按公允價值計入其他全面收入之股本投資。

採納香港財務報告準則第9號並無對本集團金融負債之分類及計量造成任何影響。

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(b) (Continued)

Impairment

HKFRS 9 requires an impairment on trade receivables, deposits and other receivables that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. Further details on the Group's accounting policy for impairment of financial assets are disclosed in note 2.5 to the consolidated financial statements. The adoption of HKFRS 9 has had no significant impact on the impairment of the financial assets of the Group.

Impact on reserve and accumulated losses

The impact of the above changes on the Group's equity is as follows:

2.3 會計政策及披露變動(續)

(b) (續)

減值

香港財務報告準則第9號規定，非根據香港財務報告準則第9號按公允價值計入損益入賬之應收貿易賬款、按金及其他應收款項之減值，須基於預期信貸虧損模式按十二個月基準或可用年期基準入賬。有關本集團金融資產減值方面之會計政策之進一步詳情於綜合財務報表附註2.5披露。採納香港財務報告準則第9號對本集團金融資產減值概無任何重大影響。

對儲備及累計虧損之影響

上述變動對本集團權益之影響如下：

		Investment reserve (non- recycling) 投資儲備 (不可轉回) HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元
At 31 December 2017	於二零一七年十二月三十一日	-	(69,815)
Reclassify the impairment loss provided in prior years from accumulated losses to investment reserve (non-recycling) in respect of equity investments designated at FVOCI	過往年度減值虧損撥備由累計虧損重新分類為指定為按公允價值計入其他全面收入之股本投資之投資儲備(不可轉回)	(33,589)	33,589
At 1 January 2018	於二零一八年一月一日	(33,589)	(36,226)

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(c) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in note 5 to the consolidated financial statements. As a result of the application of HKFRS 15, the Group has changed the accounting policy with respect to revenue recognition as further disclosed in note 2.5 to the consolidated financial statements.

2.3 會計政策及披露變動(續)

(c) 香港財務報告準則第15號及其修訂本取代香港會計準則第11號建築合約、香港會計準則第18號收益及相關詮釋，且(除少數例外情況外)其應用於客戶合約產生之所有收益。香港財務報告準則第15號就來自客戶合約之收益入賬確立一個新五步模式。根據香港財務報告準則第15號，收益按可反映實體預期就向客戶轉讓貨物或服務而有權在交換中獲取之代價金額進行確認。香港財務報告準則第15號之原則為就計量及確認收益提供更具結構之方法。該準則同時引入廣泛之定性及定量披露規定，包括分拆收益總額、關於履約責任、不同期間之間合約資產及負債賬目結餘之變動以及主要判斷及估計資料。有關披露資料已載於該等綜合財務報表附註5。誠如綜合財務報表附註2.5進一步披露，由於應用香港財務報告準則第15號，本集團已變更有關收益確認之會計政策。

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(c) (Continued)

Under HKFRS 15, gaming revenue represents the net difference between gaming wins and losses. Commissions related directly to customers are recorded as a reduction to gaming revenue. Gaming contracts include a performance obligation to honor the patron's wager and typically include a performance obligation to provide a product or service to the patron on a complimentary basis under the Group's loyalty programs. For wagering contracts that include products and services provided to a patron in exchange for complimentary commissions or points earned under the Group's loyalty programs, the Group allocates the estimated stand-alone selling price of the complimentary commissions or points earned to the loyalty program liability. The loyalty program liability is a deferral of revenue until redemption occurs. Upon redemption of the complimentary commissions or loyalty program points for Group-owned products and services, the standalone selling price of each product or service is allocated to the respective revenue type. For redemption of the complimentary commissions or loyalty program points with third parties, the redemption amount is deducted from the loyalty program liability and paid directly to the third party.

The Group has adopted HKFRS 15 using the full retrospective method of adoption. The effect of adopting HKFRS 15 is, as follows:

2.3 會計政策及披露變動(續)

(c) (續)

根據香港財務報告準則第15號，博彩收益指博彩收益與虧損之間之淨差額。直接與客戶相關之佣金記錄為博彩收益之扣減。博彩合約包括信守客戶下注之履約責任及一般包括根據本集團客戶忠誠計劃免費基礎向客戶提供產品或服務之履約責任。就包括向客戶提供產品或服務以根據本集團客戶忠誠計劃交換免費佣金或所賺取積分之下注合約而言，本集團分配免費佣金或所賺取積分之預計單獨售價至客戶忠誠計劃負債。客戶忠誠計劃負債為直至贖回產生時之遞延收益。就本集團擁有之產品及服務贖回免費佣金或客戶忠誠計劃積分後，各產品或服務之單獨售價將分配至各收益類別。就向第三方贖回免費佣金或客戶忠誠計劃積分而言，贖回額度自客戶忠誠計劃負債扣除並直接支付予第三方。

本集團已透過全面追溯採納方式採納香港財務報告準則第15號。採納香港財務報告準則第15號之影響如下：

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(c) (Continued)

Impact on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017.

2.3 會計政策及披露變動(續)

(c) (續)

對截至二零一七年十二月三十一日止年度之綜合損益及其他全面收益表之影響：

		Year ended 31 December 2017 (As previously reported) 截至 二零一七年 十二月三十一日 止年度 (如前呈列) HK\$'000 千港元	Reclassification 重新分類 HK\$'000 千港元	Year ended 31 December 2017 (As restated) 截至 二零一七年 十二月三十一日 止年度 (重列) HK\$'000 千港元
Gross revenue	總收益			
VIP gaming operations	貴賓博彩業務	12,728,872	(5,384,024)	7,344,848
Mass gaming operations	中場博彩業務	302,665	–	302,665
Slot machines and Electronic Table Game ("ETG") gaming operations	角子機及電子桌面博彩 (「電子桌面博彩」) 業務	66,861	–	66,861
Food and beverage	餐飲	57,210	21,962	79,172
		13,155,608	(5,362,062)	7,793,546
Commissions	佣金	(4,997,103)	4,997,103	–
Net revenue	收益淨額	8,158,505	(364,959)	7,793,546
Cost of sales	銷售成本	(1,215,613)	364,959	(850,654)
Gross profit	毛利	6,942,892	–	6,942,892

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(c) (Continued)

There is no impact on the consolidated statement of financial position. The contract liabilities consist of outstanding chip liabilities, loyalty program liabilities, patrons deposits and other gaming liabilities. There is no impact on the consolidated statement of changes in equity, consolidated statement of cash flows and basic and diluted earnings per share.

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

2.3 會計政策及披露變動(續)

(c) (續)

概無對綜合財務狀況表構成任何影響。合約負債包括未償還籌碼負債、客戶忠誠計劃負債、客戶按金及其他博彩負債。概無對綜合權益變動表、綜合現金流量表以及每股基本及攤薄盈利構成任何影響。

- (d) 香港(國際財務報告詮釋委員會)－詮釋第22號為在實體以外幣收取或支付預付代價及確認非貨幣資產或負債之情況下，當應用香港會計準則第21號時如何釐定交易日期提供指引。該詮釋澄清，就釐定於初步確認有關資產、開支或收入(或其中部分)時所用匯率而言，交易日期為實體初步確認因支付或收取預付代價而產生之非貨幣資產(如預付款項)或非貨幣負債(如遞延收入)當日。倘確認有關項目存在多筆付款或收款，實體須就每筆預付代價之付款或收款釐定交易日期。該詮釋對本集團之財務報表並無任何影響，原因為本集團確定初始確認非貨幣資產或非貨幣負債適用之匯率之會計政策符合在該詮釋中提供之指導。

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2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

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

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

2.4 已頒佈惟尚未生效之香港財務報告準則

本集團並無於該等財務報表應用下列已頒佈惟尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第3號 (修訂本)	業務之定義 ²
香港財務報告準則第9號 (修訂本)	具有負補償的提前償付特徵 ¹
香港財務報告準則第10號及 香港會計準則第28號 (修訂本)(二零一一年)	投資者與其聯營公司或合營 企業間資產出售或投入 ⁴
香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
香港會計準則第1號及 香港會計準則第8號(修訂本)	重大之定義 ²
香港會計準則第19號(修訂本)	計劃修訂、縮減或結算 ¹
香港會計準則第28號(修訂本)	於聯營公司及合營企業之 長期權益 ¹
香港(國際財務報告詮釋 委員會)-詮釋第23號	所得稅處理之不確定性 ¹
二零一五年至二零一七年週期 之年度改進	香港財務報告準則第3號、 香港財務報告準則第11號、 香港會計準則第12號及 香港會計準則第23號之修訂 ¹

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

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2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

Further information about those HKFRSs that are expected to be applicable to the Group is as follows.

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

2.4 已頒佈惟尚未生效之香港財務報告準則(續)

有關該等預期將適用於本集團之香港財務報告準則之進一步資料如下：

香港財務報告準則第3號(修訂本)釐清業務之定義並提供額外指引。該等修訂釐清，一項綜合活動及資產須至少包括一項參數與一個重要流程，且兩者須共同對創造收益之能力作出重大貢獻，方能被視為一項業務。在並未包含所有創造收益之參數及過程之情況下，業務亦可存續。該等修訂取消對市場參與者是否具備能力收購業務及持續產生收益而進行之評估，相反，其重點在於已取得之參數及已取得之重要流程能否共同對創造收益之能力作出重大貢獻。該等修訂亦收窄收益之定義，聚焦向客戶提供之貨品或服務、投資收入或來自日常活動之其他收入。此外，該等修訂提供有關評估已取得之流程是否屬重大之指引，並引入選擇性公允價值集中度測試，允許對一組已收購活動及資產是否屬一項業務進行簡單評估。本集團預期將於二零二零年一月一日起提前採納該等修訂。

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2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees — leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied and the lessee elects to apply that model to the right-of-use asset. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group adopts HKFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying HKAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemption allowed by the standard on lease contracts whose lease term end within 12 months as of the date of initial application. During 2018, the Group has performed an assessment on the impact of adoption of HKFRS 16.

2.4 已頒佈惟尚未生效之香港財務報告準則(續)

香港財務報告準則第16號取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會)詮釋第4號釐定安排是否包括租賃、香港(常設詮釋委員會)詮釋第15號經營租賃—優惠及香港(常設詮釋委員會)詮釋第27號評估牽涉租賃法律形式之交易之內容。該準則載列有關租賃確認、計量、呈列及披露之原則，並要求承租人確認絕大部分租賃資產及負債。該準則包括給予承租人兩項租賃確認豁免選擇—租賃低價值資產及短期租賃。於租賃開始日期，承租人將確認負債以作出租賃付款(即租賃負債)，而資產指於租期使用相關資產之權利(即使用權資產)。使用權資產其後按成本減累計折舊及任何減值虧損計量，除非使用權資產符合香港會計準則第40號投資物業之定義，或與重估模型適用之某類別物業、廠房及設備有關且承租人選擇將該模型應用至使用權資產，則作別論。租賃負債將於其後增加以反映有關租賃負債利息並因租賃付款而減少。承租人將須單獨確認有關租賃負債之利息開支及有關使用權資產之折舊開支。承租人亦將須於發生若干事件(如租期變動及用於釐定未來租賃付款之指數或利率變動導致之該等付款變動)時重新計量租賃負債。承租人將一般確認重新計量租賃負債金額，作為對使用權資產之調整。香港財務報告準則第16號項下之出租人會計處理與香港會計準則第17號項下之會計處理相比並無大幅變動。出租人將繼續使用香港會計準則第17號中之相同分類原則對所有租賃進行分類及區分經營租賃及融資租賃。香港財務報告準則第16號要求承租人及出租人作出較根據香港會計準則第17號更廣泛之披露。承租人可選擇以全面追溯或經修訂追溯方法應用該準則。本集團自二零一九年一月一日起採納香港財務報告準則第16號。本集團計劃採納香港財務報告準則第16號之過渡條文，以確認首次採納之累計影響作為對二零一九年一月一日之保留盈餘年初結餘之調整，且不會重列比較數據。此外，本集團計劃對過往應用香港會計準則第17號識別為租賃之合約應用新規定，並按餘下租賃付款現值計量租賃負債(使用本集團於首次應用日期之增量借貸利率貼現)。資產使用權將按租賃負債金額計量，並按任何緊接首次應用日期前於財務狀況表確認之租賃相關預付或應計租賃付款金額進行調整。本集團計劃就租期為截至首次應用日期12個月內終止之租賃合約採用相關標準容許之豁免情況。於二零一八年，本集團已評估採納香港財務報告準則第16號之影響。

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2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

As at 31 December 2018, the Group has non-cancellable operating lease commitments of HK\$137,907,000 as disclosed in note 33. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

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

2.4 已頒佈惟尚未生效之香港財務報告準則(續)

誠如附註33所披露，於二零一八年十二月三十一日，本集團之不可註銷經營租賃承擔為137,907,000港元。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6號後，本集團將就所有該等租賃確認使用權資產及相關負債，除非該等租賃為低價值或短期租賃，則作別論。

香港會計準則第1號及香港會計準則第8號之修訂本提供重大之新定義。新定義訂明，倘資料遺漏、失實或含糊不清，而合理預期可能會影響用作一般用途之財務報表之主要使用者按該等財務報表作出之決定，則資料屬重大。該等修訂釐清，重要性將視乎資料性質或重要性而定。倘資料失實可能合理預期影響主要使用者作出之決定，則屬重大。本集團預期自二零二零年一月一日起採納該等修訂。該等修訂預期不會對本集團之財務報表造成任何重大影響。

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2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The amendments are not expected to have any significant impact on the Group’s financial statements.

2.4 已頒佈惟尚未生效之香港財務報告準則(續)

香港(國際財務報告詮釋委員會)－詮釋第23號針對當稅項處理涉及影響香港會計準則第12號應用之不確定性(通常稱為「不確定稅項狀況」)時之所得稅(即期及遞延)會計處理。該詮釋並不適用於超出香港會計準則第12號範圍之稅項或徵費，尤其亦不包括涉及有關不確定稅項處理之利息及罰金規定。該詮釋具體針對(i)實體是否單獨考慮不確定稅項處理；(ii)實體對稅務機關之稅項處理檢查所作假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；及(iv)實體如何考慮事實及情況變動。該詮釋須追溯應用(方式可為在不使用事後確認下全面追溯應用，或在計及應用之累計影響下追溯應用，作為就於初步應用當日之期初權益之調整)，而不重列比較資料。本集團預期自二零一九年一月一日起採納該詮釋。預期該等修訂不會對本集團之財務報表產生任何重大影響。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.5 主要會計政策概要

業務合併及商譽

業務合併乃採用收購法入賬。轉讓代價乃按公允價值計量，計算方式為本集團所轉讓資產、本集團自收購對象之前擁有人所承擔負債及本集團為換取收購對象之控制權發行之股權於收購日期之公允價值總和。就各項業務合併而言，本集團選擇是否按公允價值或收購對象可識別資產淨值之應佔比例，計量收購對象屬現有擁有權權益之非控股權益，並賦予持有人權利於清盤時按比例分佔有關資產淨值。所有其他非控股權益部分均按公允價值計量。收購相關成本於產生時入賬。

當本集團收購一項業務時，其會根據合約條款、於收購日期的經濟環境及相關條件評估將承接之金融資產及負債，以作出適合分類及指示。此舉包括將被收購方主合約中之嵌入衍生工具進行分離。

倘業務合併分階段完成，先前持有之股權乃按於收購日期之公允價值重新計量，而所產生之收益或虧損乃於損益中確認。

任何由收購方轉讓之或然代價將於收購日期按公允價值確認。分類為資產或負債之或然代價乃按公允價值計量，而公允價值變動則於損益中確認。分類為權益之或然代價不會重新計量，其後結算於權益內入賬。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations and goodwill (Continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.5 主要會計政策概要(續)

業務合併及商譽(續)

商譽初步按成本(即所轉讓代價之合計金額、非控股權益之已確認金額及任何本集團過往於收購對象所持有權益之公允價值超出所收購可識別資產淨值及所承擔負債之差額)計量。倘此代價及其他項目之總和低於所收購資產淨值之公允價值，則有關差額在獲重新評估後於損益中確認為議價收購收益。

於初步確認後，商譽乃按成本減任何累計減值虧損計量。商譽於每年進行減值測試，或倘出現表明賬面價值可能減值之事宜或情況出現變動，則會作更頻密測試。本集團於十二月三十一日進行商譽年度減值測試。就減值測試而言，於業務合併中收購之商譽已自收購日期起被分配至本集團預期受惠於合併之協同效益之各現金產生單位，或現金產生單位組別，而不論本集團其他資產或負債是否分配至該等單位或單位組別。

減值乃根據評估商譽相關的現金產生單位(現金產生單位組別)之可收回金額而釐定。倘現金產生單位(現金產生單位組別)之可收回金額低於賬面值，則確認減值虧損。就商譽確認之減值虧損於隨後期間不予撥回。

倘商譽已被分配至現金產生單位(或現金產生單位組別)，且已出售該單位內部分業務，則於釐定出售的收益或虧損時，將與已出售業務有關之商譽計入業務之賬面值。在此等情況下，已出售之商譽按已出售業務之相對價值及已保留現金產生單位之部分而計量。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

2.5 主要會計政策概要(續)

公允價值計量

本集團於各報告期末按公允價值計量股本投資及衍生金融工具。公允價值為市場參與者於計量日期在有序交易中出售資產可收取的價格或轉讓負債可支付之價格。公允價值計量乃假設出售資產或轉讓負債之交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要或最具優勢市場須為本集團可進入之市場。資產或負債之公允價值乃基於市場參與者於資產或負債定價所用之假設計量(即假設市場參與者會以最佳經濟利益行事)。

非金融資產之公允價值計量須計及市場參與者透過最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途之其他市場參與者以產生經濟利益之能力。

本集團採納適用於不同情況且具備充分數據以供計量公允價值之估值技術，以盡量使用相關可觀察輸入值及盡量減少使用不可觀察輸入值。

所有於綜合財務報表計量或披露公允價值的資產及負債乃基於對公允價值計量整體而言屬重大的最低層輸入值按以下公允價值層級分類：

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets, properties held for sale, financial assets, investment properties and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.5 主要會計政策概要(續)

公允價值計量(續)

- 第一級 — 基於相同資產或負債於活躍市場的報價(未經調整)
- 第二級 — 按估值技術計量，而對公允價值計量而言屬重大的最低層輸入值可直接或間接觀察得出
- 第三級 — 按估值技術計量，而對公允價值計量而言屬重大的最低層輸入值不可觀察得出

就按經常性基準於綜合財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公允價值計量整體而言屬重大的最低層輸入值)確定是否發生不同層級轉移。

非金融資產減值

倘資產存在減值跡象或須進行年度減值測試(遞延稅項資產、持作出售物業、金融資產、投資物業及商譽除外)，則會就該項資產的可收回金額作出估計。資產之可收回金額為資產或現金產生單位的可使用價值與其公允價值減出售成本兩者中之較高者，並就個別資產而釐定，除非該項資產並不產生在頗大程度上獨立於其他資產或資產組別的現金流入，在此情況下，可收回金額以該項資產所屬之現金產生單位釐定。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets (Continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2.5 主要會計政策概要(續)

非金融資產減值(續)

資產之賬面值超逾其可收回金額時則確認減值虧損。於評估可使用價值時，估計未來現金流量將以除稅前貼現率折讓至現值，該貼現率反映現時市場對貨幣時間值及該項資產之特定風險的評估。減值虧損將於其產生期間於損益內與減值資產的功能一致的開支類別中扣除。

於各報告期末會評估是否有跡象顯示於過往確認的減值虧損可能不再存在或可能已減少。倘存在有關跡象，則會就有關可收回金額作出估計。僅於用以釐定資產之可收回金額的估計出現變動時，過往確認商譽以外的資產的減值虧損方可撥回，但撥回金額不得高於假設過往年度並無就該資產確認減值虧損而應有的賬面值(扣除任何折舊／攤銷)。該減值虧損的撥回於其產生期間計入損益。

關聯方

在下列情況下，有關一方將被視為與本集團有關聯：

- (a) 有關方為某一人士或該人士之近親，而該人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司之主要管理層成員；

或

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.5 主要會計政策概要(續)

關聯方(續)

(b) 有關方為實體且符合下列任何條件：

- (i) 該實體與本集團屬同一集團之成員公司；
- (ii) 一間實體為另一實體(或屬另一實體之母公司、附屬公司或同系附屬公司旗下)之聯營公司或合營企業；
- (iii) 該實體及本集團均為同一第三方之合營企業；
- (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司；
- (v) 該實體為離職後福利計劃，該計劃之受益人為本集團或與本集團有關的實體之僱員；
- (vi) 該實體由(a)項所述人士控制或共同控制；
- (vii) 於(a)(i)項所述人士對該實體有重大影響或屬該實體(或該實體之母公司)主要管理層成員；及
- (viii) 該實體或構成該實體一部分之任何集團成員公司，向本集團或本集團之母公司提供主要管理層成員服務。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land classified as finance leases	Over the lease terms
Buildings	2.5% – 4%
Yachts	10%
Motor vehicles	20%
Leasehold improvements	Over the shorter of the lease terms and 20%
Gaming machines and equipment	20%
Furniture and equipment	20%
Computer hardware and software	33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.5 主要會計政策概要(續)

物業、廠房及設備以及折舊

物業、廠房及設備(除在建工程外)按成本減累計折舊及任何減值虧損入賬。物業、廠房及設備項目的成本包括其購買價及使資產處於擬定用途之運作狀況及地點而產生的任何直接應佔成本。

物業、廠房及設備項目投入運作後產生之開支(例如維修及保養),一般於其產生期間自損益扣除。倘能夠符合確認標準,重大檢查之開支會於資產賬面值中資本化作為替換。倘物業、廠房及設備之主要部分須定期替換,本集團會確認該等部分為有特定可使用年期之個別資產及相應計提折舊。

折舊以直線法計算,按每項物業、廠房及設備項目之估計可使用年期撇銷其成本。為此目的而主要使用的每年折舊率如下:

分類為融資租賃之租賃土地	按租賃期
樓宇	2.5%–4%
遊艇	10%
汽車	20%
租賃裝修	按租賃期及20%之較短者
博彩機器及設備	20%
傢俬及設備	20%
電腦硬件及軟件	33%

倘物業、廠房及設備項目的部分有不同的可使用年期,則該項目的成本須在各部分之間合理分配,而各部分須單獨計算折舊。剩餘價值、可使用年期及折舊方法至少於各財政年度末檢討一次,並在適當情況下作出調整。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

2.5 主要會計政策概要(續)

物業、廠房及設備以及折舊(續)

初步確認之物業、廠房及設備項目(包括任何重要部分)於出售時或於預期使用或出售不會產生未來經濟利益時終止確認。於終止確認資產之年度在損益中確認之任何出售或報廢收益或虧損，為有關資產銷售所得款項淨額與其賬面值兩者間之差額。

在建工程指在建樓宇，乃以成本減去減值虧損入賬，且並無計提折舊。成本包括建設期內的建設直接成本及與借入資金相關的資本化借款成本。在建工程在落成及投入使用時重新分類至物業、廠房及設備之合適類別。

租賃

凡資產擁有權之絕大部分回報及風險轉移至本集團之租賃(不包括法定業權)均入賬列作融資租賃。於融資租賃開始時，租賃資產之成本按最低租賃款項之現值資本化，並連同相關責任(不包括利息部分)入賬，以反映購買及融資。資本化融資租賃項下持有的資產(包括融資租賃之預付土地租賃款項)乃計入物業、廠房及設備，並按資產之租賃年期及估計可使用年期(以較短者為準)折舊。該等租賃之財務費用乃自損益扣除，以便於租賃期內按固定比率扣除。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial assets at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

2.5 主要會計政策概要(續)

租賃(續)

凡資產擁有權之絕大部分回報及風險仍歸屬於出租人之租賃均入賬列作經營租賃。倘本集團為出租人，本集團根據經營租賃出租的資產包含於非流動資產中，而根據經營租賃應收之租金則以直線法於租賃期內計入損益。倘本集團為承租人，根據經營租賃應付之租金(扣除已收出租人之任何獎勵)乃於租賃期內以直線法自損益扣除。

經營租賃項下之預付土地租賃款項初步按成本呈列，其後以直線法於租賃期內確認。

投資及其他金融資產(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策)

初步確認及計量

金融資產可於初步確認時分類為其後按攤銷成本、按公允價值計入其他全面收入及按公允價值計入損益計量之金融資產。

初步確認時之金融資產分類取決於金融資產之合約現金流量特徵以及本集團管理該等資產之業務模式。除了並不包含重大融資組成部分或本集團已就此應用實務中有關不調整重大融資組成部分之影響之簡易處理方法之應收貿易賬款外，本集團初步按公允價值另加(倘金融資產並非按公允價值計入損益)交易成本計量金融資產。並不包含重大融資組成部分或本集團已就此應用實務中之簡易處理方法之應收貿易賬款，乃根據下文「收益確認」所載政策按香港財務報告準則第15號項下釐定之交易價格計量。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)

(Continued)

Initial recognition and measurement (Continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchase or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.5 主要會計政策概要(續)

投資及其他金融資產(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策)(續)

初步確認及計量(續)

為使金融資產按攤銷成本或按公允價值計入其他全面收入進行分類及計量，需產生純粹支付本金及未償還本金利息(「純粹支付本金及利息」)之現金流量。

本集團管理金融資產之業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收取合約現金流量、出售金融資產，或兩者兼有。

金融資產之所有一般買賣乃於交易日(即本集團承諾買賣該資產之日期)予以確認。一般買賣乃指按照一般市場規定或慣例在某期間內交付資產之金融資產買賣。

其後計量

金融資產其後視乎其歸屬於以下分類作計量：

按攤銷成本列賬之金融資產(債務工具)

倘同時符合以下兩個條件，本集團將按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合約現金流量之業務模式中持有之金融資產。
- 金融資產之合約條款於特定日期產生之現金流量純粹支付本金及未償還本金利息。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)

(Continued)

Subsequent measurement (Continued)

Financial assets at amortised cost (debt instruments)
(Continued)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gain and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.5 主要會計政策概要(續)

投資及其他金融資產(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策)(續)

其後計量(續)

按攤銷成本列賬之金融資產(債務工具)(續)

按攤銷成本列賬之金融資產其後使用實際利率法計量，且可予減值。當資產終止確認、修訂或減值時，則收益及虧損於損益表中確認。

按公允價值計入其他全面收入之金融資產(股本投資)

於初步確認時，本集團可選擇於股本投資符合香港會計準則第32號金融工具：呈列項下之股本定義且並非持作買賣時，將其股本投資不可撤回地分類為指定按公允價值計入其他全面收入之股本投資。分類乃按個別工具基準釐定。

該等金融資產之收益及虧損概不會劃轉至損益表。當確立付款權利時，倘與股息相關之經濟利益有可能流入本集團且股息金額能可靠計量，則股息於損益表中確認為其他收入，惟當本集團於作為收回金融資產部分成本之所得款項中獲益時則除外，於該情況下，該等收益於其他全面收益中入賬。指定按公允價值計入其他全面收入之股本投資毋須進行減值評估。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)

(Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial asset are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value profit or loss are also recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.5 主要會計政策概要(續)

投資及其他金融資產(根據香港會計準則第39號於二零一八年一月一日前適用之政策)

其後計量(續)

按公允價值計入損益之金融資產

按公允價值計入損益之金融資產包括持作買賣金融資產、於初步確認時指定為按公允價值計入損益之金融資產或強制規定須按公允價值計量之金融資產。倘金融資產乃為於短期內出售或購回而收購，則分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，惟指定為實際對沖工具者則除外。現金流量並非純粹支付本金及利息之金融資產，不論其業務模式如何，均按公允價值計入損益分類及計量。儘管如上文所述債務工具可按攤銷成本或按公允價值計入其他全面收入分類，惟於初步確認時，倘能夠消除或顯著減少會計錯配，則債務工具可指定為按公允價值計入損益。

按公允價值計入損益之金融資產於財務狀況表按公允價值列賬，公允價值之變動淨額於損益確認。

該類別包括本集團並無不可撤回地選擇按公允價值計入其他全面收入進行分類之衍生工具及股本投資。當確立付款權利時，倘與股息相關之經濟利益有可能流入本集團且股息金額能可靠計量，分類為按公允價值計入損益之金融資產之股本投資之股息亦於損益中確認為其他收入。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018)

(Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss (Continued)

A derivative embedded in a hybrid contract, with a financial liability or no-financial host, is separated from the host and accounted for as a separated derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

2.5 主要會計政策概要(續)

投資及其他金融資產(根據香港會計準則第39號於二零一八年一月一日前適用之政策)(續)

其後計量(續)

按公允價值計入損益之金融資產(續)

當嵌入混合合約(包含金融負債及非金融主體)之衍生工具具備與主體不密切相關之經濟特徵及風險;具備與嵌入式衍生工具相同條款之個別工具符合衍生工具之定義;且混合合約並非按公允價值計入損益計量,則該衍生工具與主體分開並作為個別衍生工具列賬。嵌入式衍生工具按公允價值計量,公允價值之變動於損益表內確認。僅於合約條款變動大幅影響原本所需現金流或將一項金融資產自按公允價值計入損益類別重新分類時,方會重新評估嵌入式衍生工具。

嵌入混合合約(包含金融資產主體)之衍生工具不得單獨入賬。金融資產主體連同嵌入式衍生工具須整體分類為按公允價值計入損益之金融資產。

投資及其他金融資產(根據香港會計準則第39號於二零一八年一月一日前適用之政策)

初步確認及計量

金融資產可於初步確認時分類為按公允價值計入損益之金融資產、貸款及應收款項以及可供出售金融投資(視乎情況而定)。除按公允價值計入損益入賬之金融資產外,金融資產於初步確認時乃以公允價值另加收購金融資產引致之交易成本計量。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018)

(Continued)

Initial recognition and measurement (Continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as other expenses in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

2.5 主要會計政策概要(續)

投資及其他金融資產(根據香港會計準則第39號於二零一八年一月一日前適用之政策)(續)

初步確認及計量(續)

金融資產之所有一般買賣乃於交易日(即本集團承諾買賣該資產之日期)予以確認。一般買賣乃指按照一般市場規定或慣例在某期間內交付資產之金融資產買賣。

其後計量

金融資產其後視乎其歸屬於以下分類作計量：

按公允價值計入損益之金融資產

按公允價值計入損益之金融資產包括持作買賣金融資產及於初步確認時指定為按公允價值計入損益之金融資產。倘金融資產乃為於短期內出售而收購，則分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，惟指定為香港會計準則第39號界定之實際對沖工具者則除外。

按公允價值計入損益之金融資產於財務狀況表按公允價值列賬，公允價值之正數變動淨額於損益呈列為其他收入及收益，而公允價值之負數變動淨額則於損益呈列為其他開支。該等公允價值變動淨額不包括根據下文「收益確認」所載政策確認就該等金融資產賺取之任何股息或利息。

於初步確認時指定為按公允價值計入損益之金融資產於初步確認日期及僅於符合香港會計準則第39號之準則時作出指定。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018)

(Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss (Continued)

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in unlisted equity investments. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss.

2.5 主要會計政策概要(續)

投資及其他金融資產(根據香港會計準則第39號於二零一八年一月一日前適用之政策)(續)

其後計量(續)

按公允價值計入損益之金融資產(續)

倘主合約之嵌入式衍生工具之經濟特徵及風險並非與主合約之經濟特徵及風險有緊密關係，且主合約並非持作買賣或指定為按公允價值計入損益，則有關衍生工具列賬為獨立衍生工具並按公允價值入賬。該等嵌入式衍生工具按公允價值計量，公允價值之變動於損益表中確認。僅於合約條款變動大幅影響原本所需現金流或將一項金融資產自按公允價值計入損益類別重新分類時，方會重新評估嵌入式衍生工具。

貸款及應收款項

貸款及應收款項為具有固定或可確定付款惟無活躍市場報價的非衍生金融資產。於初步計量後，該等資產其後以實際利率法扣除任何減值撥備按攤銷成本計量。計算攤銷成本時會考慮收購所產生之任何折讓或溢價，亦包括作為實際利率一部分的費用或成本。實際利率攤銷計入損益之其他收入及收益內。減值產生之虧損於財務費用(就貸款而言)及其他開支(就應收款項而言)的損益內確認。

可供出售金融投資

可供出售金融投資乃非上市之股本投資的非衍生金融資產。分類為可供出售之股本投資為並非分類為持作買賣或指定為按公允價值計入損益之股本投資。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018)

(Continued)

Available-for-sale financial investments (Continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

2.5 主要會計政策概要(續)

投資及其他金融資產(根據香港會計準則第39號於二零一八年一月一日前適用之政策)(續)

可供出售金融投資(續)

於初步確認後，可供出售金融投資其後以公允價值計量，而未變現收益或虧損則於可供出售投資重估儲備中確認為其他全面收入，直至投資被終止確認(累計收益或虧損屆時於其他收入中的收益或虧損確認)或被釐定出現減值為止，此時，累計收益或虧損由可供出售投資重估儲備重新分類至損益表中為其他收益或虧損的損益。於持有可供出售金融投資時所賺取之利息及股息分別列作利息收入及股息收入，並根據下文「收益確認」所載政策於損益中確認為其他收入。

當非上市股本投資的公允價值由於(a)合理公允價值估計範圍之變動相對該投資而言實屬重大，或(b)上述範圍內之各種估價之概率未能被合理評估且須用以估計公允價值，而未能被可靠計量時，則該等投資將按成本減任何減值虧損呈列。

本集團評估於短期內出售其可供出售金融資產之能力及意圖是否仍然合適。倘於罕見情況下，本集團因市場交投淡靜而無法買賣有關金融資產，而倘管理層有能力並有意於可見將來持有該等金融資產或持有至到期日，本集團可選擇將該等資產重新分類。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 January 2018)

(Continued)

Available-for-sale financial investments (Continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.5 主要會計政策概要 (續)

投資及其他金融資產(根據香港會計準則第39號於二零一八年一月一日前適用之政策)(續)

可供出售金融投資(續)

就自可供出售類別重新分類之金融資產而言，於重新分類日期的公允價值賬面值成為其新攤銷成本，而該項資產過往已於權益確認之收益或虧損於損益中以實際利率按資產餘下可使用年期攤銷。新攤銷成本與到期金額之任何差額同樣以實際利率按該資產餘下可使用年期攤銷。倘該項資產其後釐定為出現減值，於權益中所載之相關金額則須重新分類至損益。

終止確認金融資產(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策及根據香港會計準則第39號於二零一八年一月一日前適用之政策)

金融資產(或(如適用)一項金融資產之一部分或一組同類金融資產之一部分)主要在下列情況將被終止確認(即自本集團之綜合財務狀況表移除):

- 收取該項資產所得現金流量之權利已屆滿; 或
- 本集團已轉讓其收取該項資產所得現金流量之權利，或已根據一項「轉付」安排承擔責任，在並無重大延誤情況下，將所得現金流量全數付予第三方；及本集團(a)已轉讓該項資產絕大部分風險及回報；或(b)並無轉讓亦無保留該項資產絕大部分風險及回報，惟已轉讓該項資產的控制權。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018) (Continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.5 主要會計政策概要 (續)

終止確認金融資產 (根據香港財務報告準則第9號自二零一八年一月一日起適用之政策及根據香港會計準則第39號於二零一八年一月一日前適用之政策) (續)

當本集團轉讓其收取該項資產所得現金流量之權利或已訂立轉付安排時，本集團評估其自身是否已保留該資產擁有權的風險及回報以及有關程度。倘本集團並無轉讓亦無保留該項資產之絕大部分風險及回報，且並無轉讓該項資產的控制權，則本集團將按其持續涉及該項資產之程度繼續確認已轉讓資產。在此情況下，本集團亦確認相關負債。已轉讓資產及相關負債乃按可反映本集團已保留之權利及義務的基礎計量。

以對已轉讓資產作出擔保的方式的持續參與乃按資產原賬面值與本集團可能須償還之代價的最高金額之間的較低者計量。

金融資產減值 (根據香港財務報告準則第9號自二零一八年一月一日起適用之政策)

本集團就所有並非按公允價值計入損益持有之債務工具確認預期信貸虧損撥備。預期信貸虧損乃基於根據合約到期之合約現金流量與本集團預期收取之所有現金流量之間的差額而計算，並以原實際利率之近似值貼現。預期現金流量將包括出售所持抵押品之現金流量或構成合約條款之其他信貸提升措施。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

2.5 主要會計政策概要(續)

金融資產減值(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策)(續)

一般方法

預期信貸虧損分兩個階段進行確認。就自初步確認以來未有顯著增加之信貸風險而言，將就因未來十二個月內可能發生違約事件而產生之信貸虧損(12個月預期信貸虧損)計提預期信貸虧損撥備。就自初步確認以來已經顯著增加之信貸風險而言，不論何時發生違約，於餘下風險年期內之預期信貸虧損均須計提虧損撥備(全期預期信貸虧損)。

於各報告日期，本集團評估金融工具之信貸虧損自初步確認以來有否顯著增加。進行評估時，本集團比較於報告日期金融工具發生違約之風險與於首次確認日期金融工具發生違約之風險，並考慮無須不必要成本或工作即可獲得之合理可靠資料，包括過往及前瞻性資料。

倘合約已逾期還款90日，則本集團認為金融資產違約。然而，在若干情況下，倘內部或外部資料顯示，在計及本集團所持有any信貸提升措施前，本集團不大可能悉數收取未償還合約款項，則本集團亦可認為金融資產違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

按攤銷成本計量之金融資產須按一般方法減值並根據以下預期信貸虧損之計量階段分類，惟應用下文所詳述之簡化方法之應收貿易賬項則除外。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 January 2018) (Continued)

General approach (Continued)

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.5 主要會計政策概要(續)

金融資產減值(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策)(續)

一般方法(續)

第一階段 — 自初步確認以來信貸風險未有顯著上升之金融工具及該等按相當於12個月預期信貸虧損之金額計量虧損減值之金融工具

第二階段 — 自初步確認以來信貸風險已顯著上升惟未作出信貸減值之金融資產之金融工具及該等按相等於全期預期信貸虧損之金額計量虧損減值之金融工具

第三階段 — 於報告日期已作出信貸減值之金融資產(惟並非已購買或源生信貸減值)及該等按相等於全期預期信貸虧損之金額計量虧損減值之金融資產

簡化方法

就並不包含重大融資組成部分之應收貿易賬款而言或倘本集團應用實務中之簡易處理方法不調整重大融資組成部分之影響，本集團採用簡化方法計算預期信貸虧損。根據簡化方法，本集團不會追蹤信貸風險之變化，而是於各報告日期根據全期預期信貸虧損確認虧損撥備。本集團已根據其過往信貸虧損經驗設立撥備矩陣，就債務人及經濟環境之特定前瞻性因素作出調整。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

2.5 主要會計政策概要(續)

金融資產減值(根據香港會計準則第39號於二零一八年一月一日前適用之政策)本集團於各報告期末評估是否存有客觀證據顯示一項金融資產或一組金融資產出現減值。倘於初步確認資產後發生一項或多項事件，對該項金融資產或該組金融資產之估計未來現金流量造成影響，而有關影響能夠可靠地估計，則存在減值。減值證據可包括一名債務人或一組債務人正面臨重大經濟困難、拖欠或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量出現可計量減少，例如欠款變動或與違約相關之經濟狀況。

按攤銷成本列賬之金融資產

就按攤銷成本列賬之金融資產而言，本集團首先按個別基準就個別重大之金融資產或按共同基準就個別非重大之金融資產評估是否存在減值。倘本集團認定並無客觀證據顯示經個別評估之金融資產(不論重大與否)存在減值，則本集團將該項資產納入一組具有相似信貸風險特性之金融資產內，並共同評估該等金融資產是否存在減值。經個別評估減值且其減值虧損已予確認或繼續確認入賬的資產不會納入共同減值評估內。

任何已識別減值虧損之金額乃按資產賬面值與估計未來現金流量現值之差額(不包括尚未產生之未來信貸虧損)計量。估計未來現金流量之現值按金融資產之原訂實際利率(即初步確認時計算之實際利率)貼現。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (Continued)

Financial assets carried at amortised cost (Continued)

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

2.5 主要會計政策概要 (續)

金融資產減值 (根據香港會計準則第39號於二零一八年一月一日前適用之政策) (續)

按攤銷成本列賬之金融資產 (續)

資產之賬面值透過使用撥備賬而減少，而虧損則於損益內確認。利息收入採用計量減值虧損時用以貼現未來現金流量之利率，按已減少之賬面值持續累計。當未來可收回的機會渺茫，且所有抵押品已獲變現或轉撥至本集團時，貸款及應收款項連同任何相關撥備會被撇銷。

倘於其後期間，估計減值虧損的金額增加或減少，且有關增減乃因一項於確認減值後發生之事件所致，則先前確認之減值虧損可透過調整撥備賬而增加或減少。倘撇銷於其後收回，則該收回數額將計入損益內的其他開支。

可供出售金融投資

就可供出售金融投資而言，本集團於各報告期末評估是否存有客觀證據顯示一項投資或一組投資出現減值。

倘一項可供出售資產出現減值，則包括其成本值(扣除任何本金付款及攤銷)與其當時的公允價值之差額之金額，於減去先前於損益內確認之任何減值虧損後，將自其他全面收入中剔除，並於損益內確認。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 January 2018) (Continued)

Available-for-sale financial investments (Continued)

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss — is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

2.5 主要會計政策概要 (續)

金融資產減值 (根據香港會計準則第39號於二零一八年一月一日前適用之政策) (續)

可供出售金融投資 (續)

就分類為可供出售之股本投資而言，客觀證據包括一項投資的公允價值出現重大或持久下降，以至低於其成本。評估是否屬於「重大」乃與該項投資的原成本比較，而評估是否屬於「持久」則以公允價值低於其原成本為期長短為據。倘存在減值證據，則累計虧損 (按收購成本與當時的公允價值兩者之間差額計量，於減去該項投資先前於損益內確認之任何減值虧損) 後，將自其他全面收入中剔除，並於損益內確認。分類為可供出售之股本投資的減值虧損不會透過損益撥回。有關公允價值於減值後的增加直接於其他全面收入中確認。

釐定何為「重大」或「持久」需作出判斷。於作出此判斷時，本集團評估 (其中包括) 一項投資的公允價值低於其成本的持續期間或程度。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans from related parties, other borrowings, unsecured bonds and notes, convertible bonds and notes and derivative financial liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, loans and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.5 主要會計政策概要(續)

金融負債(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策及根據香港會計準則第39號於二零一八年一月一日前適用之政策)

初步確認及計量

金融負債於初步確認時分類為按公允價值計入損益之金融負債、貸款及借款或應付款項(視乎情況而定)。

所有金融負債初步按公允價值確認，而貸款及借款及應付款項則扣除直接應佔交易成本。

本集團之金融負債包括應付貿易賬款及其他應付款項、來自關聯方之貸款、其他借款、無抵押債券及票據、可換股債券及票據以及衍生金融負債。

其後計量

金融負債其後視乎其以下分類計量：

貸款及借款

於初步確認後，貸款及其他借款其後以實際利率法按攤銷成本計量，除非貼現影響甚微，於此情況下則按成本入賬。收益及虧損於終止確認負債時透過實際利率攤銷過程於損益內確認。

計算攤銷成本時乃經計及收購事項所產生之任何折讓或溢價，以及作為實際利率組成部分的費用或成本。實際利率攤銷乃計入損益內的財務費用。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018)

(Continued)

Subsequent measurement (Continued)

Convertible bonds and notes

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

If the conversion option of convertible bonds exhibits characteristics of an embedded derivative, it is separated from its liability component. On initial recognition, the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs are apportioned between the liability and derivative components of the convertible bonds based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

2.5 主要會計政策概要(續)

金融負債(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策及根據香港會計準則第39號於二零一八年一月一日前適用之政策)(續)

其後計量(續)

可換股債券及票據

可換股債券具有負債特徵之部分於扣除交易成本後在財務狀況表內確認為負債。於發行可換股債券時，負債部分之公允價值乃採用等值不可換股債券之市場利率釐定，而該數額按攤銷成本基準列作長期負債，直至有關債券獲兌換或贖回為止。所得款項餘額於扣除交易成本後，將分配至已確認並計入股東權益之換股期權內。換股期權之賬面值於其後年度將不會重新計量。交易成本根據工具首次確認時所得款項分配至負債與權益部分之比例，分攤至可換股債券之負債與權益部分。

倘可換股債券的換股期權顯示嵌入式衍生工具的特徵，則將該換股期權與其負債部分分開列賬。於初步確認時，可換股債券的衍生部分按公允價值計量並呈列為衍生金融工具之一部分。所得款項超出初步確認為衍生部分的任何金額確認為負債部分。交易成本乃根據該等工具獲初步確認時所得款項於可換股債券的負債及衍生部分間之分配情況，攤分至負債及衍生部分。與負債部分相關的交易成本部分初步確認為負債的一部分。與衍生工具有關的部分則即時於損益內確認。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial liabilities (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Mandatorily convertible notes

Mandatorily convertible note issued by the Company is an instrument that, at a certain time in the future, converts into shares of the Company. A mandatorily convertible note is recognised as equity in its entirety if the fixed stated principal will be settled through delivery of a fixed number of the Company's own shares; the principal of the convertible note is in the same currency as the functional currency of the Company; and the interest on the note is payable only at the discretion of the Company. On initial recognition, the note is measured at fair value, net of transaction costs, and included in shareholders' equity. The carrying amount of the note is not remeasured in subsequent years.

2.5 主要會計政策概要(續)

終止確認金融負債(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策及根據香港會計準則第39號於二零一八年一月一日前適用之政策)
當金融負債項下之責任已履行、取消或屆滿時，該金融負債會被終止確認。

當同一借貸方以大不相同條款之金融負債取代現有金融負債，或現有負債之條款被大幅修改，有關取代或修改被視作終止確認原來負債及確認新負債，而有關賬面值之差額則於損益內確認。

強制性可換股票據

本公司發行的強制性可換股票據將於未來若干時間後轉換為本公司股份。倘固定的本金將透過交付固定數量的本公司股份結算，則強制性可換股票據將全部確認為權益；可換股票據之本金與本公司之功能貨幣相同；而該票據之應付利息僅應由本公司酌情決定。於初步確認時，票據以公允價值計量且扣除交易成本計入股東權益中。票據之賬面值於其後年度不再重新計量。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 January 2018 and policies under HKAS 39 applicable before 1 January 2018)

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2.5 主要會計政策概要(續)

抵銷金融工具(根據香港財務報告準則第9號自二零一八年一月一日起適用之政策及根據香港會計準則第39號於二零一八年一月一日前適用之政策)

當現時存在一項可依法強制執行之權利可抵銷已確認金額，且亦有意以淨額結算或同時變現及償付債務時，則金融資產及金融負債可予抵銷，而其淨額則於財務狀況表內呈報。

存貨

存貨按成本與可變現淨值兩者中之較低者入賬。成本乃按加權平均基準計量。可變現淨值乃基於估計銷售價格減於完成及出售時產生之任何估計成本計算。

現金及現金等值物

就綜合現金流量表而言，現金及現金等值物包括於購入時起計一般到期日較短的三個月內的手頭現金及活期存款，以及可隨時轉換為已知數額現金且沒有重大價值變動風險的短期及高度流通投資減應要求償還及構成本集團現金管理一個完整部分的銀行透支。

就綜合財務狀況表而言，現金及現金等值物包括手頭及銀行現金，當中包括定期存款及與現金性質類似且無使用限制的資產。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.5 主要會計政策概要(續)

撥備

如因過往事宜而導致現時出現法律或推定責任，且日後資源可能須流出以清償該責任，倘對該等責任之金額可作出可靠估計時，則須確認撥備。

倘貼現具有重大影響，則須確認之撥備金額為清償有關責任之預期所需未來開支於報告期末之現值。已貼現之現值因時間過去而產生之金額增加，乃於損益內列入財務費用。

所得稅

所得稅包括即期及遞延稅項。就損益以外之項目確認之所得稅將於損益以外於其他全面收入或直接於權益內確認。

即期稅項資產及負債乃根據於報告期末已經頒佈或實質上已頒佈之稅率(及稅務法例)，並考慮本集團營運所在國家現行之詮釋及慣例，按預期可自稅務機關收回或向其支付之金額釐定。

遞延稅項乃就資產及負債之稅基及其作財務申報用途之賬面值於報告期末之所有暫時差額採用負債法作出撥備。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.5 主要會計政策概要(續)

所得稅(續)

遞延稅項負債乃就所有應課稅暫時差額予以確認，惟以下情況則屬例外：

- 當遞延稅項負債乃因初步確認商譽或不屬業務合併之交易中的資產或負債而產生，且於交易進行時對會計溢利或應課稅溢利或虧損均無影響；及
- 對涉及於附屬公司之投資的應課稅暫時差額而言，倘可撥回暫時差額之時間作出控制，以及暫時差額不大可能在可見將來撥回。

遞延稅項資產乃就所有可扣減之暫時差額、結轉未動用稅項抵免及任何未動用稅項虧損而確認。確認遞延稅項資產以可用作抵銷可扣減暫時差額、結轉未動用稅項抵免及未動用稅項虧損之應課稅溢利為限，惟以下情況則屬例外：

- 當可扣減暫時差額所得之遞延稅項資產乃於不屬業務合併之交易進行時因初步確認的資產或負債而產生，且對會計溢利或應課稅溢利或虧損均無影響；及
- 對於涉及於附屬公司之投資的可扣減暫時差額而言，遞延稅項資產僅在暫時差額有可能在可見將來撥回及應課稅溢利有可能出現以動用該等暫時差額時，方會確認。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

2.5 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產之賬面值於各報告期末均予以檢討，並扣減至不再可能有足夠應課稅溢利讓全部或部分遞延稅項資產被動用之金額為止。未確認之遞延稅項資產乃於各報告期末重估，並確認至可能有足夠應課稅溢利讓全部或部分遞延稅項資產被收回之金額為止。

遞延稅項資產及負債乃按預期資產變現或負債清償之期間適用之稅率計算，並以報告期末已頒佈或實質上頒佈之稅率（及稅務法例）為基準。

僅當存在法律上可強制執行之權利，於預期遞延稅項負債或資產大部分將抵銷或收回之各未來期間，可將有關相同稅務機關對相同課稅實體或擬按淨額基準結算即期稅項負債及資產或變現資產並即時抵銷負債之不同應課稅實體所徵收所得稅之即期稅項資產與即期稅項負債以及遞延稅項資產與遞延稅項負債抵銷，遞延稅項資產方可與遞延稅項負債互相抵銷。

收益確認

來自客戶合約收益

客戶合約收益於貨品或服務之控制權轉移予客戶時按本集團預期有權就相關貨品或服務可換取之代價金額確認。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract, contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2.5 主要會計政策概要(續)

收益確認(續)

來自客戶合約收益(續)

當合約中之代價包含可變金額時，本集團會估計因向客戶轉讓貨品或服務而有權獲取之代價金額。可變代價於合約開始時估計並受到約束，直至與可變代價相關之不確定因素得到解決時，所確認累計收益金額極有可能不會發生重大收益撥回。

當合約中包含融資部分，該融資部分為客戶提供超過一年之貨品或服務轉讓融資之重大利益時，收益按應收款項之現值計量，使用貼現率貼現，該貼現率將反映在本集團與客戶在合約開始時之單獨融資交易中。當合約中包含融資部分，該融資部分為本集團提供超過一年之重大財務利益時，合約項下確認之收益包括按實際利息法在合約負債上加算之利息。就客戶付款至轉移承諾貨品或服務之期限為一年或以內之合約而言，交易價格採用香港財務報告準則第15號實際中之簡易處理方法不會對重大融資部分之影響作出調整。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Casino revenues

Gross casino revenues are measured by the aggregate net difference between gaming wins and losses. The Group accounts for its casino wagering transactions on a portfolio basis versus an individual basis as all wagers have similar characteristics. Commissions rebated to customers either directly or indirectly through gaming promoters and cash discounts and other cash incentives earned by customers are recorded as a reduction of gross casino revenues. In addition to the wager, casino transactions typically include performance obligations related to complimentary goods or services provided in exchange for complimentary commissions or points earned under the Group's loyalty programs.

For casino transactions that include complimentary goods or services provided by the Group, the Group allocates the standalone selling price of each good or service to the appropriate revenue type based on the good or service provided. Complimentary goods or services that are provided under the Group's control and discretion and supplied by third parties are recorded as an operating expense.

2.5 主要會計政策概要(續)

收益確認(續)

來自客戶合約收益(續)

(a) 賭場收益

賭場總收益按博彩收益與虧損之間的總淨差額計量。由於所有下注均具有相似特徵，本集團就其賭場下注交易按與個別基準相對立之組合基準入賬。客戶所賺取經由博彩中介人直接或間接向客戶回贈之佣金以及現金折扣及其他現金獎勵，均入賬列作賭場總收益之扣減。除下注外，賭場交易一般包括與以本集團客戶忠誠計劃下所賺取之免費佣金或積分換取之贈品或贈送服務相關之履約責任。

就涉及本集團所提供贈品或贈送服務之賭場交易而言，本集團根據所提供貨品或服務將各貨品或服務之單獨售價分配至適當之收益類別。在本集團之控制及酌情決定下所提供並由第三方所供應之贈品或贈送服務，均入賬列作經營開支。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Casino revenues (Continued)

The Group operates different non-discretionary incentives programs which include the loyalty programs (“**Loyalty Programs**”) to encourage repeat business mainly from loyal slot machine customers and table games patrons. Customers earn complimentary commissions or points primarily based on gaming activity and such points can be redeemed for free play and other free goods and services. For casino transactions that include complimentary commissions or points earned under the Loyalty Programs, the Group defers a portion of the revenue by recording the estimated standalone selling price of the complimentary commissions or earned points that are expected to be redeemed as a liability. Upon redemption of the complimentary commissions or points for Group-owned goods or services, the standalone selling price of each good or service is allocated to the appropriate revenue type based on the good or service provided. Upon the redemption of the complimentary commissions or points with third parties, the redemption amount is deducted from the liability and paid directly to the third party.

After allocating amounts to the complimentary goods or services provided and to the points earned under the Loyalty Programs, the residual amount is recorded as casino revenue.

(b) Food and beverage

Food and beverage income are recognised when the food and beverage have been provided to the customer.

Other income

Interest income is recognised on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.5 主要會計政策概要(續)

收益確認(續)

來自客戶合約收益(續)

(a) 賭場收益(續)

本集團設有不同之非酌情獎勵計劃，當中包括客戶忠誠計劃(「**客戶忠誠計劃**」)，主要鼓勵角子機賭客及賭桌博彩常客再次惠顧。客戶主要基於博彩活動賺取免費佣金或積分，而該等積分可兌換免費博彩及其他免費貨品及服務。就包括客戶忠誠計劃下所賺取免費佣金或積分之賭場交易而言，本集團透過將預期會兌換之免費佣金或已賺取積分之估計單獨售價入賬列作負債，藉以將部分收益遞延入賬。於兌換免費佣金或積分以換領本集團所擁有之貨品或服務時，各項貨品或服務之單獨售價將根據所提供貨品或服務分配至適當之收益類別。於與第三方兌換免費佣金或積分時，兌換金額乃自負債中扣除並直接支付予第三方。

本集團將金額分配至所提供贈品或贈送服務及客戶忠誠計劃項下所賺取之積分後，將餘額入賬列作賭場收益。

(b) 餐飲

餐飲收入於餐飲已提供予客戶時確認。

其他收入

利息收入以應計基準使用實際利率法將金融工具之估計年期內或較短期間(如適用)之估計未來現金收入準確貼現至金融資產之賬面淨值。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Other income (Continued)

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 29 to the consolidated financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.5 主要會計政策概要(續)

收益確認(續)

其他收入(續)

股息收入乃於確立股東收取款項之權利後、股息相關之經濟利益將流向本集團及股息金額能可靠計量時確認。

合約負債

合約負債為本集團因已向客戶收取代價(或代價款項已到期)而須向客戶轉移貨品或服務之責任。倘客戶在本集團轉移貨品或服務予客戶之前支付代價，則在付款或付款到期時(以較早者為準)確認合約負債。合約負債於本集團履行合約時確認為收益。

以股份為基礎之付款開支

本公司設有購股權計劃，旨在向對本集團成功經營作出貢獻之合資格參與者提供獎勵及回報。本集團僱員(包括董事)以股份為基礎之付款開支方式收取薪酬，即僱員提供服務作為股本工具之代價(「**權益結算交易**」)。

就於二零零二年十一月七日後之授出與僱員進行權益結算交易之成本乃經參考授出當日之公允價值後計量。公允價值乃經外部估值師採用二項式模型釐定，其進一步詳情載於綜合財務報表附註29。

權益結算交易之成本，連同相應權益增加在表現及/或服務條件獲履行之期間內確認為僱員福利開支。於歸屬日期前之各報告期末，就權益結算交易確認之累計開支反映歸屬期屆滿之情況及本集團對最終將歸屬之股本工具數目之最佳估計。期內自損益扣除或計入損益之金額指期初及期末所確認之累計開支變動。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.5 主要會計政策概要(續)

以股份為基礎之付款開支(續)

釐定獎勵於授出日期之公允價值時並不計及服務及非市場表現條件，但會評估達成該等條件之可能性，作為本集團對最終將歸屬之股本工具數量之最佳估計之部分。市場表現條件反映於授出日期之公允價值內。獎勵所附帶但無相關服務要求之任何其他條件被視為非歸屬條件。除非另有服務及/或表現條件，否則非歸屬條件反映於獎勵之公允價值內，並將即時支銷獎勵。

就因市場表現欠佳及/或未達致服務條件而最終並無歸屬之獎勵而言，不會確認開支。倘獎勵包括市場或非歸屬條件，則在所有其他表現及/或服務條件均獲達成之情況下，不論是否達成市場條件或非歸屬條件，該等交易均被視作已歸屬。

倘以權益結算之獎勵之條款有所變更，則在達成獎勵原定條款之情況下，所確認開支最少須達致猶如條款並無變更之水平。此外，倘任何變更導致變更當日以股份為基礎之付款開支計量之總公允價值有所增加，或對僱員帶來其他利益，則會就該等變更確認開支。

倘以權益結算之獎勵被註銷，則被視為已於註銷當日獲歸屬，任何尚未確認之獎勵開支均即時確認，包括在本集團或僱員控制下之非歸屬條件未獲達成之任何獎勵。然而，倘授予新獎勵代替已註銷獎勵，並於授出當日指定為替代獎勵，則誠如前段所述，已註銷獎勵及新獎勵均被視為原有獎勵之變更。

尚未行使購股權之攤薄影響於計算每股盈利時反映為額外股份攤薄。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group’s employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a capitalisation rate of 9.24% (2017: 8.77%) has been applied to the expenditure on the individual assets.

2.5 主要會計政策概要(續)

其他僱員福利

退休金計劃

本集團根據強制性公積金計劃條例之規定，為合資格參與強制性公積金退休福利計劃(「強積金計劃」)之僱員設立定額供款之強積金計劃。根據強積金計劃之條款，本集團按有關僱員之基本薪金之某一百分點作出供款，並於作出供款時自損益扣除。強積金計劃之資產乃由獨立管理之基金與本集團之資產分開持有。本集團對強積金計劃作出之僱主供款乃全數歸屬於有關僱員，惟根據強積金計劃之規則，倘有關僱員於有關供款全數歸屬於有關僱員前離職，則有關供款將退回本集團之僱主自願性供款除外。

借款成本

因收購、建設或生產符合規定的資產(即需於一段長時間方能達致其原定用途或出售者)而直接產生之借款成本資本化作為該等資產之部分成本。倘資產已大致上可作其原定用途或出售，則該等借款成本將會停止資本化。將有待用於合資格資產之特定借款作短期投資所賺取之投資收入乃從可資本化借款成本中扣除。所有其他借款成本於其產生期間入賬。借款成本包括實體借入資金所產生的利息及其他成本。

倘資金一般用於借款並用於取得合資格資產時，個別資產開支的適用資本化比率為9.24%(二零一七年：8.77%)。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the consolidated financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.5 主要會計政策概要(續)

股息

當末期股息於股東大會上獲股東批准時會確認為負債。建議末期股息於綜合財務報表附註中披露。

由於本公司之組織章程大綱及細則授權董事宣派中期股息，故中期股息於建議時同時宣派。因此，中期股息於建議並宣派後隨即確認為負債。

外幣

此等綜合財務報表以港元(即本公司之功能貨幣)呈列。本集團內各實體決定其本身之功能貨幣，而各實體於財務報表中呈列之項目以有關功能貨幣計量。本集團內各實體錄得之外幣交易初步按交易日期當各自功能貨幣匯率入賬。於報告期末以外幣計值之貨幣資產及負債按該日適用的功能貨幣匯率換算。結算或換算貨幣項目產生之差額於損益中確認。

以外幣按歷史成本計量之非貨幣項目按首次交易日期之匯率換算。以外幣按公允價值計量之非貨幣項目按計量公允價值當日之匯率換算。換算按公允價值計量之非貨幣項目產生之收益或虧損之處理方式與確認該項目公允價值變動之收益或虧損一致(即於其他全面收入或損益確認其公允價值變動收益或虧損之項目，其匯兌差額亦相應於其他全面收入或損益中確認)。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.5 主要會計政策概要(續)

外幣(續)

於釐定初步確認時有關資產之匯率、終止確認與預付代價相關之非貨幣資產或非貨幣負債時之開支或收益，首次交易日期為本集團初步確認預付代價產生之非貨幣資產或非貨幣負債之日期。倘有多筆提前支付或收取之款項，本集團就每筆支付或收取之預付代價釐定交易日期。

若干海外附屬公司之功能貨幣並非港元，於報告期末，此等實體的資產及負債按報告期末之匯率換算為港元，此等實體之損益表按本年度之加權平均匯率換算為港元。

因此而產生之匯兌差額於其他全面收入中確認，並於匯兌儲備中累計。在出售海外業務時，與該特定海外業務相關之其他全面收入組成部分於損益中確認。

自收購海外業務產生之任何商譽以及對收購時產生的資產及負債之賬面值進行任何公允價值調整時，將被視作海外業務的資產及負債，並以結算日匯率換算。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量當日之匯率換算為港元。海外附屬公司在整年經常產生之現金流量按該年之加權平均匯率換算為港元。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables

The Group applies the simplified approach in calculating ECLs. An impairment analysis is performed at each reporting date using a loss rate approach to measure expected credit losses. The credit risk categorisation is determined based on a number of factors which include (i) debtors' ageing; (ii) historical repayment behaviour of debtors; (iii) availability of collaterals in front money or guarantee deposits; (iv) wealth proof; and (v) other debtors' specific information available to the Group which is relevant for credit risk assessment. The credit risk categorisation is adjusted to reflect subsequent information uncovered to an extent that such information provides evidence of conditions existed as at the year end date and forward-looking information. The expected loss rates are estimated based on the expected cash flows that can be recovered from the collateral and other estimated repayments based on historical recovery ratios.

3. 重大會計判斷及估計

於編製本集團之財務報表時，管理層須作出影響收益、開支、資產及負債之報告金額及其隨附披露，以及或然負債披露之判斷、估計及假設。有關此等假設及估計之不明朗因素可導致須對未來受影響資產或負債之賬面值作出重大調整。

估計不明朗因素

於報告期末存在重大風險導致於下一個財政年度對資產及負債之賬面值作出重大調整之未來主要假設及其他主要估計不明朗因素來源於下文載述。

就應收貿易賬款之預期信貸虧損計提撥備

本集團採用簡化方法計算預期信貸虧損。於各報告日期採用虧損率法進行減值分析，以計量預期信貸虧損。信貸風險分類乃按多項因素釐定，當中包括(i)應收賬款之賬齡；(ii)債務人過往還款記錄；(iii)有否提供預付款或保證金擔保；(iv)財產證明；及(v)本集團可得其他債務人並與信貸風險評估相關之特定資料。信貸風險分類乃經調整以反映其後發現之資料，而該等資料可為於年結日已存在之情況及前瞻性資料提供理據。預期虧損率乃按可自抵押品收回之預期現金流量及按歷史收回比率計算之其他估計還款估算。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables (Continued)

The assessment of the correlation among historical recovery ratio, estimated repayment and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and conditions. The Group's historical credit loss experience and estimates may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 18 to the consolidated financial statements.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 重大會計判斷及估計(續)

估計不明朗因素(續)

就應收貿易賬款之預期信貸虧損計提撥備(續)

對歷史收回比率、估計還款及預期信貸虧損之間的相關性進行之評估屬重大估計。預期信貸虧損金額對各種情況及狀況之變動相當敏感。本集團之過往信貸虧損經驗及估計可能亦未必能代表客戶日後之實際違約情況。有關本集團應收貿易賬款之預期信貸虧損之資料於綜合財務報表附註18披露。

非金融資產之減值

於各報告期末，本集團評估是否有任何跡象顯示所有非金融資產均出現減值。倘有跡象顯示非金融資產賬面值或不可收回，則該等非金融資產須進行減值測試。減值於資產或現金產生單位之賬面價值超過其可收回金額（即其公允價值減出售成本與使用價值之較高者）時出現。公允價值減出售成本之計算乃基於類似資產公平交易中具約束力交易之可獲取數據，或可觀察市場價格減出售該資產的增量成本。於進行使用價值計算時，管理層須估計自該資產或現金產生單位產生之預期未來現金流量，並以合適的貼現率計算該等現金流量現值。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Useful lives of property, plant and equipment

The Group determines the estimated useful lives and residual values for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different from previous estimates, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. The carrying amount of property, plant and equipment as at 31 December 2018 was HK\$6,447,398,000 (2017: HK\$5,468,239,000). Further details are set out in note 13 to the consolidated financial statements.

Income tax provision

The Group is subject to corporate income tax in the CNMI. As certain matters relating to income taxes are subject to the agreement by the local tax bureau, objective estimation and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax provisions in the period in which the differences are realised.

3. 重大會計判斷及估計(續)

估計不明朗因素(續)

物業、廠房及設備之可使用年期

本集團釐定本集團物業、廠房及設備之估計可使用年期及剩餘價值。該估計乃根據類似性質及功能之物業、廠房及設備之實際可使用年期及剩餘價值之過往經驗作出。當可使用年期及剩餘價值與先前估計不同時，本集團將修訂折舊開支，或將已棄用或出售之技術過時或非策略資產作出撇銷或撇減。於二零一八年十二月三十一日，物業、廠房及設備之賬面值為6,447,398,000港元(二零一七年：5,468,239,000港元)。進一步詳情載於綜合財務報表附註13。

所得稅撥備

本集團須繳納北馬里亞納企業所得稅。由於有關所得稅的若干事宜受當地稅務局的協議所規限，故釐定所得稅撥備時須根據現時已頒佈的稅法、法規及其他相關政策作出客觀估計及判斷。倘此等事宜的最終稅務結果有別於原來記錄的金額，則有關差額將對差額兌現期間之所得稅撥備構成影響。

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4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the gaming and resort business, including the development of an integrated resort on the Island of Saipan. No separate operating segment information is presented as the Group has only one operating segment.

Geographical information

Geographical information is not presented since all of the Group's revenue was derived from Island of Saipan, based on the locations of the customers. Over 95% of the Group's non-current assets are located in the Island of Saipan. Accordingly, the presentation of geographical information would provide no additional useful information to the users of these consolidated financial statements.

Information about major customers

Revenue from gaming operations of approximately HK\$1,274,585,000 (2017: HK\$1,488,401,000 (restated)) was derived from a single external customer.

4. 經營分部資料

本集團主要從事博彩及度假村業務，包括發展塞班島綜合度假村。由於本集團僅有一個經營分部，故並無呈列個別經營分部資料。

地區分部資料

由於根據客戶所在地點，本集團所有收益均來自塞班島，故並無呈列地區分部資料。本集團超過95%之非流動資產位於塞班島。因此，呈列地區分部資料不會向該等財務報表使用者提供有用的額外資料。

有關主要客戶之資料

博彩業務收益約1,274,585,000港元(二零一七年：1,488,401,000港元(重列))來自一名單一外部客戶。

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5. REVENUE

The Group's revenue is as follows:

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
VIP gaming operations	貴賓博彩業務	2,912,324	7,344,848
Mass gaming operations	中場博彩業務	208,920	302,665
Slot machines and ETG gaming operations	角子機及電子桌面博彩業務	56,302	66,861
Food and beverage	餐飲	77,041	79,172
		<u>3,254,587</u>	<u>7,793,546</u>

5. 收益

本集團之收益如下：

Details of contract liabilities are as follows:

有關合約負債之詳情如下：

		Outstanding chips liabilities		Loyalty program liabilities		Patrons deposits and other gaming liabilities	
		未償還籌碼負債		客戶忠誠計劃負債		客戶按金及其他博彩負債	
		2018	2017	2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 January	於一月一日之結餘	259,276	183,396	325,426	164,864	3,774,252	2,693,655
Balance at 31 December	於十二月三十一日 之結餘	<u>4,847</u>	<u>259,276</u>	<u>233,819</u>	<u>325,426</u>	<u>2,846,612</u>	<u>3,774,252</u>
Increase/(decrease)	增加/(減少)	<u>(254,429)</u>	<u>75,880</u>	<u>(91,607)</u>	<u>160,562</u>	<u>(927,640)</u>	<u>1,080,597</u>

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6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

6. 除稅前溢利／(虧損)

本集團除稅前溢利／(虧損)已扣除／(計入)以下各項：

		2018 二零一八年	2017 二零一七年
	Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Cost of inventories sold*	已出售存貨成本*	16,745	27,685
Business gross revenue tax ("BGRT")*	營業總收益稅 ("營業總收益稅")*	163,878	637,473
Depreciation	折舊 13	167,312	139,741
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷 14	4,263	7,946
Casino licence fees*	娛樂場牌照費*	117,578	116,909
Auditor's remuneration	核數師薪酬	11,200	12,000
Minimum lease payments under operating leases	根據經營租賃之 最低租賃款項	84,804	133,466
Employee benefit expenses (including directors' remuneration (note 8)):	僱員福利開支 (包括董事薪酬 (附註8)):		
Wages and salaries***	報酬及薪金***	986,692	641,669
Pension scheme contributions	退休金計劃供款	1,273	2,441
		987,965	644,110

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6. PROFIT/(LOSS) BEFORE TAX (Continued)

6. 除稅前溢利／(虧損)(續)

		2018	2017
		二零一八年	二零一七年
Notes		HK\$'000	HK\$'000
附註		千港元	千港元
	Foreign exchange differences, net	18,035	4,155
	Loss on disposal/write-off of property, plant and equipment**	26,999	25,876
	Impairment losses recognised for trade receivables, net	4,355,689	4,185,431
	Impairment of prepayments for acquisition of non-current assets	132,395	-
	Impairment of available-for-sale investments**	-	33,589
16	Fair value loss on available-for-sale investments (transfer from equity on disposal)**	-	266
16	Fair value gain on derivative financial instruments, net**	(46)	(549)
25	Dividend income from available-for-sale investments**	-	(14)
	Dividend income from equity investments at fair value through other comprehensive income**	(537)	-
	Bank interest income**	(1)	(2)
31	Gain on disposal of subsidiaries**	-	(11,966)

* Included in "Cost of sales" on the face of the consolidated statement of profit or loss and other comprehensive income.

** Included in "Other income, gains and losses, net" on the face of the consolidated statement of profit or loss and other comprehensive income.

*** Staff costs of HK\$385,270,000 (2017: HK\$121,975,000) included in the above were capitalised under property, plant and equipment.

* 計入綜合損益及其他全面收益表之「銷售成本」內。

** 計入綜合損益及其他全面收益表之「淨其他收入、收益及虧損」內。

*** 計入上文之員工成本385,270,000港元(二零一七年: 121,975,000港元)乃於物業、廠房及設備項下資本化。

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7. FINANCE COSTS

An analysis of finance costs is as follows:

		2018	2017
		二零一八年	二零一七年
	Note	HK\$'000	HK\$'000
	附註	千港元	千港元
Interest on other borrowings and loans from related parties	來自關聯方之其他借款及貸款之利息	301,235	137,114
Interest on convertible bonds and notes	可換股債券及票據之利息	4,167	22,643
Interest on unsecured bonds and notes	無抵押債券及票據之利息	155,640	120,270
		461,042	280,027
Less: Interest capitalised*	減：資本化利息*	(203,185)	(114,815)
		257,857	165,212

* The borrowing costs have been capitalised at the weighted average rate of 9.24% for the year ended 31 December 2018 (2017: 8.77%).

7. 財務費用

財務費用分析如下：

* 截至二零一八年十二月三十一日止年度，借款成本按加權平均利率9.24%撥充資本（二零一七年：8.77%）。

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8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fees	袍金	6,136	6,580
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	6,095	7,063
Share-based payments	以股份為基礎之付款開支	792	2,190
Pension scheme contributions	退休金計劃供款	124	156
		7,011	9,409
		13,147	15,989

During the years ended 31 December 2015 and 2017, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 29 to the consolidated financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the consolidated financial statements for the current year is included in the above directors' remuneration disclosures.

8. 董事薪酬

根據聯交所證券上市規則(「上市規則」、香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部披露的本年度董事薪酬如下：

截至二零一五年及二零一七年十二月三十一日止年度，若干董事就其向本集團提供的服務根據本公司的購股權計劃獲授購股權，進一步詳情載於綜合財務報表附註29。該等購股權的公允價值已在歸屬期間於損益中確認，乃於授予日確定，而在本年度綜合財務報表中確認的金額包括在上述董事薪酬之披露。

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8. DIRECTORS' REMUNERATION (Continued)

(a) Independent non-executive directors

8. 董事薪酬(續)

(a) 獨立非執行董事

		Salaries, allowances and benefits	Share-based payments	Pension scheme contributions	Total remuneration	
		Fees	in kind	in kind		
		薪金、 津貼及 袍金	以股份為 基礎之 實物利益	以股份為 基礎之 付款開支	退休金 計劃供款	總薪酬
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
2018	二零一八年					
Ng Hoi Yue	伍海于	180	15	5	-	200
Tso Hon Sai Bosco	曹漢璽	180	15	5	-	200
Lee Kwok Leung	李國樑	180	15	5	-	200
Robert James Woolsey	Robert James Woolsey	767	8	22	-	797
		<u>1,307</u>	<u>53</u>	<u>37</u>	<u>-</u>	<u>1,397</u>
2017	二零一七年					
Ng Hoi Yue	伍海于	180	15	6	-	201
Tso Hon Sai Bosco	曹漢璽	180	15	6	-	201
Lee Kwok Leung	李國樑	180	15	6	-	201
Eugene Raymond Sullivan*	Eugene Raymond Sullivan*	-	-	-	-	-
Robert James Woolsey	Robert James Woolsey	779	65	28	-	872
		<u>1,319</u>	<u>110</u>	<u>46</u>	<u>-</u>	<u>1,475</u>

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8. DIRECTORS' REMUNERATION (Continued)

(b) Non-executive director

8. 董事薪酬(續)

(b) 非執行董事

	Salaries, allowances and benefits	Share-based payments	Pension scheme contributions	Total remuneration		
Fees	in kind	in kind	in kind			
袍金	薪金、 津貼及 實物利益	以股份為 基礎之 付款開支	退休金 計劃供款	總薪酬		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
千港元	千港元	千港元	千港元	千港元		
2017						
Eugene Raymond Sullivan* (resigned on 15 June 2017)	Eugene Raymond Sullivan* (於二零一七年六月十五日 辭任)	461	-	158	-	619
		461	-	158	-	619

* Mr. Eugene Raymond Sullivan was redesignated as a non-executive director on 6 January 2017 and resigned as non-executive director on 15 June 2017.

* Eugene Raymond Sullivan 先生於二零一七年一月六日調任為非執行董事，後於二零一七年六月十五日辭任非執行董事。

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8. DIRECTORS' REMUNERATION (Continued)

(c) Executive directors

8. 董事薪酬(續)

(c) 執行董事

		Salaries, allowances and benefits	Share-based payments	Pension scheme contributions	Total remuneration
	Fees	in kind	以股份為 基礎之 付款開支	退休金 計劃供款	總薪酬
	袍金	實物利益			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
2018	二零一八年				
Cai Lingli (resigned on 20 August 2018)	蔡靈麗(於二零一八年 八月二十日辭任)	1,529	-	-	1,529
Xia Yuki Yu	Xia Yuki Yu	2,400	522	18	2,940
Teng Sio I	丁少儀	900	233	106	7,281
Cui Li Jie	崔麗杰	-	-	-	-
		<u>4,829</u>	<u>755</u>	<u>124</u>	<u>11,750</u>
2017	二零一七年				
Cai Lingli	蔡靈麗	2,400	698	-	3,098
Xia Yuki Yu	Xia Yuki Yu	2,400	698	50	3,148
Teng Sio I (appointed on 18 April 2017)	丁少儀(於二零一七年 四月十八日獲委任)	-	590	106	7,649
Cui Li Jie (appointed on 4 May 2017)	崔麗杰(於二零一七年 五月四日獲委任)	-	-	-	-
		<u>4,800</u>	<u>1,986</u>	<u>156</u>	<u>13,895</u>

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2017: Nil).

年內，概無董事訂有任何放棄或同意放棄任何薪酬之安排(二零一七年：無)。

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one director (2017: one), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining four (2017: four) highest paid employees who are not a director of the Company are as follows:

9. 首五名最高薪酬僱員

年內，首五名最高薪酬的僱員包括一名(二零一七年：一名)董事，該名董事薪酬詳情見上文附註8。年內，另外四名(二零一七年：四名)最高薪酬非本公司董事僱員的薪酬詳情如下：

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	31,706	53,338
Pension scheme contributions	退休金計劃供款	578	18
Share-based payments	以股份為基礎之付款開支	-	3,636
		<u>32,284</u>	<u>56,992</u>

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

薪酬在以下範圍內的非董事最高薪酬僱員的人數如下：

		Number of employees	
		僱員人數	
		2018	2017
		二零一八年	二零一七年
HK\$5,500,001 to HK\$6,000,000	5,500,001 港元至 6,000,000 港元	1	-
HK\$7,500,001 to HK\$8,000,000	7,500,001 港元至 8,000,000 港元	2	1
HK\$8,000,001 to HK\$8,500,000	8,000,001 港元至 8,500,000 港元	-	1
HK\$9,000,001 to HK\$9,500,000	9,000,001 港元至 9,500,000 港元	-	1
HK\$10,000,001 to HK\$15,000,000	10,000,001 港元至 15,000,000 港元	1	-
HK\$31,000,001 to HK\$31,500,000	31,000,001 港元至 31,500,000 港元	-	1
		<u>4</u>	<u>4</u>

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10. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2017: Nil). Income tax provision for the current year represents income tax on casino operations for the subsidiaries operating in the CNMI, which is calculated at the applicable tax rates on the taxable profits for the years ended 31 December 2018 and 2017.

10. 所得稅

由於本集團於年內並無在香港產生任何應課稅溢利(二零一七年：無)，故並無就香港利得稅作出撥備。本年度之所得稅撥備指於北馬里亞納經營之附屬公司就賭場業務應繳納之所得稅，乃根據截至二零一八年及二零一七年十二月三十一日止年度之應課稅溢利按適用稅率計算。

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Current tax — CNMI	即期稅項 — 北馬里亞納		
Charge for the year	年內開支	—	712,485
Overprovision in prior years	過往年度超額撥備	(449,172)	—
Deferred tax	遞延稅項		
Credit for the year	年內抵免	(258,081)	(478,998)
Overprovision in prior years	過往年度超額撥備	250,965	—
Total tax charge/(credit) for the year	年內稅項開支/(抵免)總額	(456,288)	233,487

The income tax charge/(credit) for the year is reconciled to the profit/(loss) before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

年內，所得稅開支/(抵免)與綜合損益及其他全面收益內除稅前溢利/(虧損)之調節如下：

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10. INCOME TAX (Continued)

10. 所得稅(續)

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Profit/(loss) before tax	除稅前溢利/(虧損)	(3,421,311)	870,960
Tax at the statutory tax rate	按法定稅率計算之稅項	(685,070)	360,425
Adjustment in respect of current and deferred taxes of previous periods	就過往期間之即期及遞延稅項作出調整	(198,207)	-
Income not subject to tax	毋須納稅之收入	(937)	(2,439)
Expenses not deductible for tax	不可扣稅之開支	995,211	1,496,867
Tax losses not recognised	未確認之稅項虧損	24,626	26,419
Temporary differences recognised	已確認之暫時性差異	(258,081)	(494,586)
Effect of decrease in rates on deferred tax	稅率下降對遞延稅項之影響	-	15,588
Statutory tax concessions	法定稅務優惠	(333,830)	(1,168,787)
Tax charge/(credit) at the Group's effective rate	按本集團實際稅率計算之稅項開支/(抵免)	(456,288)	233,487

The Covenant of the CNMI provides for the imposition of the Internal Revenue Code of the United States as the local income tax. CNMI legislation provides for income tax rebates with descending graduated percentages ranging from 90% to 50% on local income tax on CNMI source income. The CNMI also imposes graduated (1.5% to 5%) BGRT. For casino gaming revenue, the rebate offset amount shall be 100% of the income tax imposed on net gaming revenue taxable income up to US\$15 million. For casino net gaming taxable income in excess of US\$15 million, the rebate offset amount ranges from 90% to 50% of the income tax imposed.

The legislation requires the payment of corporate income tax on CNMI source income only to the extent the pre-rebate income tax exceeds BGRT. The Group records its income tax expenses net of the aforementioned BGRT credit, gaming rebate and income tax rebate.

北馬里亞納的契據規定實施美國國內稅收守則作為當地所得稅。北馬里亞納法例規定，所得稅退稅須按就北馬里亞納來源收入徵收之當地所得稅由90%遞減至50%之百分比計算。北馬里亞納亦徵收(由1.5%遞增至5%)營業總收益稅。就博彩收益而言，退稅抵銷金額須為就博彩收益應課稅收入淨額(上限為15,000,000美元)徵收之所得稅之100%。就超過15,000,000美元的賭場博彩收益應課稅收入淨額而言，退稅抵銷金額介乎所徵收所得稅之90%至50%。

該法例規定，僅在退稅前所得稅超過營業總收益稅之情況下方須就北馬里亞納來源收入繳納企業所得稅。本集團所記錄之所得稅開支已扣除上述營業總收益稅抵免、博彩回饋及所得稅退稅。

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10. INCOME TAX (Continued)

On 22 December 2017, the U.S. Tax Act (the "Tax Act") was signed into law by the U.S. President. The Tax Act significantly revised the U.S. corporate income tax laws by, among other things, lowering the U.S. corporate tax rate from a top rate of 35% to a flat rate of 21% effective from 1 January 2018, while also repealing the deduction for domestic production activities, implementing a territorial tax system and imposing a transition tax on deemed repatriated earnings of foreign subsidiaries ("U.S. Tax Reform").

11. DIVIDENDS

No dividends have been paid or declared by the Company for the year ended 31 December 2018 (2017: Nil).

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amounts is based on the loss for the year attributable to owners of the Company of HK\$2,965,023,000 (2017: profit of HK\$637,473,000), and the weighted average number of ordinary shares of 142,984,807,678 (2017: 142,977,501,742) in issue during the year.

No adjustment had been made to the basic loss per share amount presented for the year ended 31 December 2018 in respect of a dilution as the impact of the share options, convertible bonds and notes had an anti-dilutive effect on the basic loss per share amount presented.

The calculation of the diluted earnings per share amount for the year ended 31 December 2017 is based on the profit for the year attributable to owners of the Company, adjusted to reflect the effect of the deemed exercise of or conversion of all dilutive potential ordinary shares into ordinary shares. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

10. 所得稅 (續)

於二零一七年十二月二十二日，美國總統簽署美國稅務法案(「稅務法案」)為成為法例。稅務法案對美國企業所得稅法進行大幅修改，其中包括將美國企業稅率由35%調低至21%，自二零一八年一月一日起生效，同時亦取消減少國內生產活動、實施屬地稅制及對外國附屬公司的視作遣返盈利徵收過渡稅(「美國稅改」)。

11. 股息

本公司概無派付或宣派截至二零一八年十二月三十一日止年度之股息(二零一七年：無)。

12. 本公司持有人應佔每股盈利/(虧損)

每股基本盈利/(虧損)金額乃根據本公司持有人應佔年內虧損2,965,023,000港元(二零一七年：溢利637,473,000港元)，以及年內已發行普通股加權平均數142,984,807,678股(二零一七年：142,977,501,742股)計算。

由於購股權、可換股債券及票據對所呈列之每股基本虧損金額產生反攤薄影響，故此截至二零一八年十二月三十一日止年度就攤薄而言並未對所呈列之每股基本虧損金額作出任何調整。

截至二零一七年十二月三十一日止年度之每股攤薄盈利金額乃根據本公司持有人應佔年內溢利計算，並作出調整以反映所有潛在攤薄股份視為行使或兌換成普通股。在計算時所採用之普通股加權平均數即為計算每股基本盈利所採用之年內已發行普通股數目，以及視為行使或兌換所有潛在攤薄普通股為普通股後假設已無償發行之普通股加權平均數。

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12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (Continued)

The calculations of basic and diluted earnings/(loss) per share are based on:

12. 本公司持有人應佔每股盈利/(虧損)(續)

每股基本及攤薄盈利/(虧損)乃按下列各項計算得出：

	2018	2017
	二零一八年	二零一七年
	HK\$'000	HK\$'000
	千港元	千港元

Earnings/(Loss)	盈利/(虧損)				
Profit/(loss) attributable to owners of the Company, used in the basic and diluted earnings/(loss) per share calculation:	用於計算每股基本及攤薄盈利/(虧損)之本公司持有人應佔溢利/(虧損)：	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right; width: 20%; border-bottom: 1px solid black;">(2,965,023)</td> <td style="text-align: right; width: 20%; border-bottom: 1px solid black;">637,473</td> </tr> </table>		(2,965,023)	637,473
	(2,965,023)	637,473			

	Number of shares	
	股份數目	
	2018	2017
	二零一八年	二零一七年
	'000	'000
	千股	千股

Shares	股份				
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation	用於計算每股基本盈利/(虧損)之年內已發行普通股加權平均數	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right; width: 20%; border-bottom: 1px solid black;">142,984,808</td> <td style="text-align: right; width: 20%; border-bottom: 1px solid black;">142,977,502</td> </tr> </table>		142,984,808	142,977,502
	142,984,808	142,977,502			
Effect of dilution — weighted average number of ordinary shares:	攤薄影響 — 普通股加權平均數：				
Share options	購股權	-	208,451		
Convertible notes (Note)	可換股票據(附註)	-	128,000,000		
Weighted average number of ordinary shares in issue during the year used in the diluted earnings/(loss) per share calculation	用於計算每股攤薄盈利/(虧損)之年內已發行普通股加權平均數	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"></td> <td style="text-align: right; width: 20%; border-bottom: 1px solid black;">142,984,808</td> <td style="text-align: right; width: 20%; border-bottom: 1px solid black;">271,185,953</td> </tr> </table>		142,984,808	271,185,953
	142,984,808	271,185,953			

Note: The impact of the convertible notes issued on 19 March 2014 had a dilutive effect on the basic earnings per share amounts presented for the year ended 31 December 2017. CN 2015 (as defined in note 25) and CB 2017 (as defined in note 25) had no dilutive effect on the basic earnings per share amount presented as the exercise prices of CN 2015 and CB 2017 were higher than the average market price of the ordinary shares of the Company during the year ended 31 December 2017.

附註：於二零一四年三月十九日發行之可換股票據對截至二零一七年十二月三十一日止年度所呈列之每股基本盈利金額產生攤薄影響。二零一五年可換股票據(定義見附註25)及二零一七年可換股債券(定義見附註25)對所呈列之每股基本盈利金額並無產生攤薄影響，乃由於二零一五年可換股票據及二零一七年可換股債券之行使價高於截至二零一七年十二月三十一日止年度本公司普通股之平均市價所致。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

	Leasehold land classified as finance leases 租賃土地 分類為 融資租賃	Buildings	Yachts	Motor vehicles	Leasehold improvements	Gaming machines and equipment	Furniture and equipment	Computer hardware and software	Construction in progress	Total	
	樓宇 租賃	樓宇	遊艇	汽車	租賃裝修	博彩機器 及設備	傢俬及設備	電腦硬件 及軟件	在建工程	總計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Cost:	成本：										
At 1 January 2017	於二零一七年一月一日	10,347	40,868	172,003	34,849	86,058	86,882	49,773	34,140	2,662,936	3,177,856
Additions	添置	-	2,294	1,148	11,123	1,217	88,860	5,108	11,181	2,441,467	2,562,398
Transfer	轉讓	-	2,149,811	-	-	-	-	48,018	-	(2,197,829)	-
Disposal	出售	-	-	-	-	(34,363)	(3,862)	(3,742)	(2,550)	-	(44,517)
Exchange differences	匯兌差額	80	2,910	-	287	477	724	754	334	8,814	14,380
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	10,427	2,195,883	173,151	46,259	53,389	172,604	99,911	43,105	2,915,388	5,710,117
Additions	添置	-	-	-	7,534	623	31,429	3,995	29,706	1,122,423	1,195,710
Transfer	轉讓	-	22,675	-	-	-	-	-	-	(22,675)	-
Disposals/write-off	出售/撇銷	-	-	(38,292)	(564)	(3,172)	(8,712)	(5,663)	(1,038)	(26,966)	(84,407)
Exchange differences	匯兌差額	20	4,765	-	116	102	442	251	84	6,016	11,796
At 31 December 2018	於二零一八年十二月三十一日	10,447	2,223,323	134,859	53,345	50,942	195,763	98,494	71,857	3,994,186	6,833,216
Accumulated depreciation:	累計折舊：										
At 1 January 2017	於二零一七年一月一日	210	858	19,851	6,780	20,094	47,584	10,155	13,936	-	119,468
Charge for the year	年內扣除	206	24,719	17,291	8,195	13,722	39,206	22,149	14,253	-	139,741
Disposal	出售	-	-	-	-	(12,551)	(2,829)	(1,570)	(1,691)	-	(18,641)
Exchange differences	匯兌差額	1	58	-	69	93	463	352	274	-	1,310
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	417	25,635	37,142	15,044	21,358	84,424	31,086	26,772	-	241,878
Charge for the year	年內扣除	203	56,691	17,107	10,938	10,513	29,964	20,546	21,350	-	167,312
Disposals/written-off	出售/撇銷	-	-	(11,226)	(359)	(1,864)	(6,464)	(3,090)	(948)	-	(23,951)
Exchange differences	匯兌差額	4	45	-	33	35	348	68	46	-	579
At 31 December 2018	於二零一八年十二月三十一日	624	82,371	43,023	25,656	30,042	108,272	48,610	47,220	-	385,818
Carrying amount:	賬面值：										
At 31 December 2018	於二零一八年十二月三十一日	9,823	2,140,952	91,836	27,689	20,900	87,491	49,884	24,637	3,994,186	6,447,398
At 31 December 2017	於二零一七年十二月三十一日	10,010	2,170,248	136,009	31,215	32,031	88,180	68,825	16,333	2,915,388	5,468,239

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14. PREPAID LAND LEASE PAYMENTS

14. 預付土地租賃款項

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount at 1 January	於一月一日之賬面值	186,493	216,906
Additions during the year	年內添置	–	73,923
Disposal of subsidiaries (note 31)	出售附屬公司(附註31)	–	(98,640)
Amortisation provided during the year	年內計提攤銷	(4,263)	(7,946)
Exchange differences	匯兌差額	602	2,250
Carrying amount at 31 December	於十二月三十一日之賬面值	182,832	186,493
Less: Current portion	減：流動部分	(4,540)	(4,526)
Non-current portion	非流動部分	178,292	181,967

15. PREPAYMENTS AND OTHER RECEIVABLES

15. 預付款項及其他應收款項

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Prepaid casino licence fees	預付娛樂場牌照費	68,548	185,583
Prepayments for acquisition of non-current assets	購置非流動資產之預付款項	–	129,558
Prepayments	預付款項	142,648	63,137
Rental and other deposits	租金及其他按金	164,339	165,018
Other receivables	其他應收款項	54,385	13,697
Less: Current portion	減：流動部分	(226,136)	(204,030)
Non-current portion	非流動部分	203,784	352,963

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15. PREPAYMENTS AND OTHER RECEIVABLES

(Continued)

Included in other receivables is an amount of HK\$3,032,000 (2017: HK\$3,032,000) due from Worldwide Asia Engineering Limited (“**WWA**”), a company in which Mr. Wu Li Wen (“**Mr. Wu**”), a sibling of Ms. Wu Pei Tzu (“**Ms. Wu**”) who is a related party of the Company’s controlling shareholder, is a director. The amount is unsecured, interest-free and repayable on demand.

Where applicable, an impairment analysis is performed on deposits and other receivables at each reporting date by considering the probability of default of comparable companies with published credit ratings. In the situation where no comparable companies with credit rating can be identified, expected credit losses are estimated by a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forward-looking information, as appropriate. As at 31 December 2018, the Group has concluded that the probability of default and loss rate are low and the financial impact of expected credit losses for deposits and other receivables under HFKRS 9 is insignificant for the year ended 31 December 2018.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

15. 預付款項及其他應收款項(續)

其他應收款項包括應收環球亞洲工程有限公司(「環球亞洲」，本公司控股股東的關聯方 Wu Pei Tzu 女士(「**Wu 女士**」)的兄弟 Wu Li Wen 先生(「**Wu 先生**」)為該公司董事)款項 3,032,000 港元(二零一七年：3,032,000 港元)。有關款項為無抵押、免息及須按的要求償還。

在適當情況下，本集團會於各報告日期就按金及其他應收款項進行減值分析，當中考量已公佈信貸評級之可資比較公司之違約或然率。倘未能識別具有信貸評級之可資比較公司，在此情況下，本集團經參考其過往虧損記錄後採用虧損率法估計預期信貸虧損。虧損率乃經調整以反映目前狀況及前瞻性資料(如適用)。於二零一八年十二月三十一日，本集團總結認為，違約或然率及虧損率偏低，而截至二零一八年十二月三十一日止年度，根據香港財務報告準則第9號之按金及其他應收款項預期信貸虧損之財務影響並不重大。

上述各項資產概無逾期亦無減值。計入上述結餘之金融資產與近期並無拖欠記錄之應收款項有關。

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16. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE INVESTMENTS

16. 指定為按公允價值計入其他全面收入之股本投資／可供出售投資

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Equity investments designated at fair value through other comprehensive income	指定為按公允價值計入其他全面收入之股本投資		
Listed equity investments, at fair value	按公允價值列賬之上市股本投資	18,471	-
Available-for-sale investment	可供出售投資		
Listed equity investments, at fair value	按公允價值列賬之上市股本投資	-	82,464

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

During the year ended 31 December 2017, a gross loss in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK\$19,253,000, of which HK\$266,000 was reclassified from other comprehensive income to profit or loss for the year ended 31 December 2017 upon disposal.

There was a significant decline in the market value of a listed equity investment during the year ended 31 December 2017. The directors considered that such a decline indicated that the listed equity investment had been impaired and an impairment loss of HK\$33,589,000 which was previously recognised in other comprehensive income was reclassified to profit or loss during the year 31 December 2017.

The market value of the Group's listed equity investments at the date of approval of these consolidated financial statements was approximately HK\$25,597,000.

上述資產為不可撤回地指定為按公允價值計入其他全面收入之股本投資，原因為本集團認為該等投資之性質屬策略性投資。

截至二零一七年十二月三十一日止年度，於其他全面收入確認之本集團可供出售投資虧損總額為19,253,000港元，其中266,000港元於出售後由其他全面收入重新分類至截至二零一七年十二月三十一日止年度之損益。

截至二零一七年十二月三十一日止年度，上市股本投資市值大幅下跌。董事認為，有關下跌顯示上市股本投資已減值，而先前於其他全面收入確認之減值虧損33,589,000港元於截至二零一七年十二月三十一日止年度重新分類至損益。

本集團於該等綜合財務報表批准日期之上市股本投資市值約為25,597,000港元。

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17. INVENTORIES

17. 存貨

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount as at 31 December	於十二月三十一日之賬面值	<u>36,840</u>	<u>25,768</u>

18. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit term is generally 30 days for gaming operations. Each customer has a maximum credit limit. For new customers, payment in advance or certain form of guarantee is normally required. Overdue balances are reviewed regularly by the management. At the end of the reporting period, the Group has certain concentration of credit risk as 11% (2017: 8%) and 27% (2017: 23%) of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively. Trade receivables are non-interest-bearing.

18. 應收貿易賬款

本集團與客戶之交易條款主要與信貸有關。博彩業務之信貸期一般為30日。每名客戶均設有最高信貸限額。新客戶一般須預先付款或提供若干形式之保證。管理層定期檢討逾期餘款。於報告期末，本集團就應收本集團最大客戶及五大客戶之款項承擔若干信貸集中風險，分別佔本集團應收貿易賬款之11%（二零一七年：8%）及27%（二零一七年：23%）。應收貿易賬款並不計息。

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18. TRADE RECEIVABLES (Continued)

An ageing analysis of trade receivables as at the end of the reporting period, based on the program end date and net of loss allowance, is as follows:

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Within 1 month	一個月內	87,670	1,528,190
More than 1 month but within 3 months	多於一個月但三個月內	250,375	1,785,687
More than 3 months but within 6 months	多於三個月但六個月內	698,009	2,343,635
More than 6 months but within 1 year	多於六個月但一年內	2,893,206	5,213,536
More than 1 year	多於一年	5,740,637	2,407,012
		<u>9,669,897</u>	13,278,060
Impairment	減值	<u>(4,690,161)</u>	(4,747,037)
		<u>4,979,736</u>	8,531,023
Less: non-current portion	減：非流動部份	<u>(113,341)</u>	-
Current portion	流動部份	<u>4,866,395</u>	8,531,023

As at 31 December 2018, the Group had received guarantee deposits of HK\$1,824,700,000 (2017: HK\$1,881,315,000) (note 21(a)) from certain patrons/guarantors which can be used to offset against certain of the above trade receivables in an aggregate amount of approximately HK\$1,497,242,000 (2017: HK\$1,649,411,000) due from certain patrons in the event that the Group cannot recover the trade receivable amounts from these patrons in the normal course of its business.

18. 應收貿易賬款(續)

於報告期末，應收貿易賬款按博彩計劃結算日並扣減虧損撥備之賬齡分析如下：

於二零一八年十二月三十一日，本集團已收到來自若干客戶／擔保人之保證按金1,824,700,000港元(二零一七年：1,881,315,000港元)(附註21(a))，倘本集團未能在日常業務過程中向若干客戶收回彼等結欠之若干上述應收貿易賬款，則有關保證按金可用於抵銷此等客戶結欠之有關應收貿易賬款總額約1,497,242,000港元(二零一七年：1,649,411,000港元)。

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18. TRADE RECEIVABLES (Continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of year	年初	4,747,037	547,184
Impairment losses recognised	已確認之減值虧損	5,359,561	4,460,738
Impairment losses reversed	撥回減值虧損	(1,003,872)	(275,307)
Exchange differences	匯兌差額	12,150	14,422
Uncollectible amounts written off	撇銷不可收回金額	(4,424,715)	-
At end of year	年末	<u>4,690,161</u>	<u>4,747,037</u>

Impairment under HKFRS 9 for the year ended 31 December 2018

The Group applies a simplified approach in calculating ECLs. An impairment analysis is performed at each reporting date using a loss rate approach to measure expected credit losses. The credit risk categorisation is determined based on a number of factors which include (i) debtors' ageing; (ii) historical repayment behaviour of debtors; (iii) availability of collateral in front money or guarantee deposits; (iv) wealth proof; (v) other debtors' specific information available to the Group; and (vi) current industry conditions and future economic outlook which are relevant for credit risk assessment. The credit risk categorisation is adjusted to reflect subsequent information uncovered to an extent that such information provides evidence of conditions existed as at the year end date and forward-looking information. The expected loss rates are estimated based on the expected cash flows that can be recovered from the collateral and other estimated repayments based on historical recovery ratios.

18. 應收貿易賬款(續)

應收貿易賬款之減值虧損撥備變動如下：

截至二零一八年十二月三十一日止年度香港財務報告準則第9號項下減值
本集團採用簡化方法計算預期信貸虧損。於各報告日期使用虧損率法進行減值分析以計量預期信貸虧損。信貸風險分類乃根據多項因素釐定，其中包括(i)應收賬款之賬齡；(ii)債務人過往還款記錄；(iii)有否提供預付款或保證金擔保；(iv)財產證明；(v)本集團可得其他債務人特定資料；及(vi)與信貸風險評估有關之現時行業狀況及未來經濟前景。本集團將調整信貸風險分類以反映未曾發現之後續資料，致使有關資料提供截至年末日期所存在條件之證據及前瞻性資料。預期虧損率乃根據基於歷史收回率計算可從抵押品及其他估計還款收回之預期現金流量估計。

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18. TRADE RECEIVABLES (Continued)

Impairment under HKFRS 9 for the year ended 31 December 2018 (Continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables by credit risk categories:

		Average loss rate 平均虧損率	Gross carrying amount 賬面總值 2018 二零一八年 HK\$'000 千港元
Category A — Minimal Risk	A類 — 最低風險	0%	1,598,488
Category B — Lower Risk	B類 — 較低風險	45%	789,518
Category C — Moderate Risk	C類 — 中等風險	58%	5,806,083
Category D — Higher Risk	D類 — 較高風險	67%	1,475,808
			9,669,897

Impairment under HKAS 39 for the year ended 31 December 2017

Included in the above provision for impairment of trade receivables, which was measured based on incurred credit losses under HKAS 39 as at 31 December 2017, was a provision for individually impaired trade receivables of HK\$4,747,037,000 with a carrying amount before provision of HK\$10,982,381,000.

The individually impaired trade receivables as at 31 December 2017 related to customers which management considered that either none or only a portion of the receivables was expected to be recovered.

18. 應收貿易賬款(續)

截至二零一八年十二月三十一日止年度香港財務報告準則第9號項下減值(續)

以下為本集團應收貿易賬款按信貸風險類別劃分之信貸風險資料：

截至二零一七年十二月三十一日止年度香港會計準則第39號項下減值

於二零一七年十二月三十一日，上述根據香港會計準則第39號項下已產生信貸虧損計量應收貿易賬款之減值撥備包括個別減值應收貿易賬款撥備4,747,037,000港元，撥備前之賬面值為10,982,381,000港元。

於二零一七年十二月三十一日，個別減值應收貿易賬款與管理層認為預期並無或僅部分應收款項可予收回之客戶有關。

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18. TRADE RECEIVABLES (Continued)

Impairment under HKAS 39 for the year ended 31 December 2017 (Continued)

The ageing analysis of the trade receivables as at 31 December 2017 that were not individually nor collectively considered to be impaired under HKAS 39 is as follows:

		2017
		二零一七年
		HK\$'000
		千港元
Neither past due nor impaired	既未逾期亦未減值	839,872
Less than 1 month past due	逾期一個月以下	–
1 to 3 months past due	逾期一至三個月	33,991
4 to 6 months past due	逾期四至六個月	138,928
7 months to 1 year past due	逾期七個月至一年	458,100
More than 1 year past due	逾期一年以上	824,788
		<u>2,295,679</u>

Receivables that were neither past due nor impaired related to a group of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of individual customers who had either a good track record with the Group or the outstanding amounts are secured with guarantee deposits. Based on past experience, the directors of the Company were of the opinion that no provision for impairment was necessary in respect of these balances as there had not been a significant change in credit risk and the balances were still considered fully recoverable.

18. 應收貿易賬款(續)

截至二零一七年十二月三十一日止年度香港會計準則第39號項下減值(續)

於二零一七年十二月三十一日，並無根據香港會計準則第39號個別或集體視為減值之應收貿易賬款之賬齡分析如下：

既未逾期亦未減值之應收款項與大量並無近期欠款記錄之不同客戶有關。

已逾期但未減值之應收款項與若干於本集團擁有良好往績記錄或未償還款項以保證金作抵押之個別客戶有關。根據過往經驗，本公司董事認為，由於信貸風險並無重大變動，且餘款仍被視為可悉數收回，故此等餘款毋須作出減值撥備。

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19. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSIT

19. 現金及現金等值物以及受限制銀行存款

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Cash and cash equivalents	現金及現金等值物	58,153	284,520
Restricted bank deposit (note)	受限制銀行存款(附註)	55,687	-
		113,840	284,520

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted bank deposit are deposited with creditworthy banks with no recent history of default.

Note: Pursuant to the casino licence agreement, the Group is required to place a certain amount of deposit as community development fund towards education, scholarships, infrastructure, healthcare and employee retirement benefits, etc., in the Island of Saipan.

銀行現金乃根據銀行每日存款利率之浮動利率賺取利息。銀行結餘及受限制銀行存款存放於具良好信用且近期並無拖欠付款記錄之銀行。

附註：根據娛樂場牌照協議，本集團須於塞班島存入一定款項作為社區發展資金，用於教育、獎學金、基建、醫療保健及僱員退休福利等。

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20. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Within 1 month	一個月內	6,090	13,993
More than 1 month but within 3 months	多於一個月但三個月內	16,381	22,866
More than 3 months but within 6 months	多於三個月但六個月內	35,715	24,424
More than 6 months but within 1 year	多於六個月但一年內	28,704	14,355
More than 1 year	多於一年	4,849	2,985
		<u>91,739</u>	<u>78,623</u>

The trade payables are non-interest-bearing and have no fixed terms of repayment.

20. 應付貿易賬款

於報告期末，應付貿易賬款按發票日期之賬齡分析如下：

應付貿易賬款為免息及無固定償還條款。

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21. OTHER PAYABLES AND ACCRUALS

21. 其他應付款項及應計款項

		Notes	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (重列)
Patron deposits and other gaming liabilities	客戶按金及其他博彩負債	(a)	2,846,612	3,774,252
Deposits received	已收按金		550,103	354,893
Loyalty program liabilities	客戶忠誠計劃負債	(a)	233,819	325,426
Outstanding chip liabilities	未償還籌碼負債	(a)	4,847	259,276
BGRT payable	應付營業總收益稅		27,378	201,557
Construction related payables	應付建築相關款項		1,308,605	1,075,010
CN 2015 payable	應付二零一五年可換股票據	25	23,400	123,400
Provision for regulatory matters	監管事宜撥備		65,792	-
Other payables and accruals	其他應付款項及應計款項	(b)	934,998	817,871
			5,995,554	6,931,685
Less: Current portion	減：流動部分		(5,782,782)	(6,931,685)
Non-current portion	非流動部分		212,772	-

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21. OTHER PAYABLES AND ACCRUALS (Continued)

Notes:

- (a) There is often a timing difference between the cash payment by the customers and recognition of revenue for each of the associated performance obligations. The Group has the following main types of liabilities associated with contracts with customers: (1) outstanding chip liability, (2) loyalty program liability, and (3) patrons deposits and other gaming liabilities for gaming and non-gaming products and services yet to be provided.

The outstanding chip liability represents the collective amounts owed to junket operators and patrons in exchange for gaming chips in their possession. Outstanding chips are expected to be recognised as revenue or redeemed for cash within one year of being purchased. The loyalty program liability represents a deferral of revenue until patron redemption of complimentary commission or points earned. The loyalty program liabilities are expected to be redeemed and recognised as revenue within one year of being earned. Patron deposits and other gaming liabilities represent cash deposits made by customers for future services provided by the Group. The majority of these patron deposits and other gaming liabilities are expected to be recognised as revenue or refunded to the customer within one year of the date the deposit was recorded.

As at 31 December 2018, included in the Group's deposits received were deposits of HK\$1,824,700,000 (2017: HK\$1,881,315,000) from certain patrons/guarantors who have guaranteed the repayment of the trade receivables due from certain of the Group's casino patrons (the "Guarantee"). In the opinion of the directors, based on independent legal advice, the Group has the enforceable right to set off the deposits against any irrecoverable trade receivables due from these patrons under the Guarantee.

- (b) As at 31 December 2018, included in the amount was interest payable of HK\$154,558,000 (2017: HK\$105,973,000) to related parties.

21. 其他應付款項及應計款項(續)

附註：

- (a) 客戶現金付款與確認每項相關履約責任相關收益之間通常存在時間差異。本集團有以下涉及客戶合約之主要負債類別：(1)未償還籌碼負債；(2)客戶忠誠計劃負債；及(3)客戶按金以及其他與有待提供博彩及非博彩產品及服務有關之博彩負債。

未償還籌碼負債指中介人及客戶換取所持博彩籌碼所涉及之總額。未償還籌碼預期於購買後一年內確認為收益或兌換為現金。客戶忠誠計劃負債指直至客戶兌換所賺取免費佣金或積分為止之遞延收益。客戶忠誠度計劃負債預期於賺取後一年內兌換並確認為收益。客戶按金及其他博彩負債指客戶就本集團日後所提供服務以現金支付之按金。大部分客戶按金及其他博彩負債預期於按金記錄日期起計一年內確認為收益或退還予客戶。

於二零一八年十二月三十一日，來自若干客戶／擔保人就償還若干本集團賭場客戶結欠之應收貿易賬款作出擔保之按金1,824,700,000港元(二零一七年：1,881,315,000港元)(「擔保」)已計入本集團之已收按金內。董事認為，根據獨立法律意見，本集團擁有可強制執行權利將此等按金抵銷擔保項下該等賭場客戶結欠之任何不可收回應收貿易賬款。

- (b) 於二零一八年十二月三十一日，該款項包括應付關連方之利息154,558,000港元(二零一七年：105,973,000港元)。

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22. DERIVATIVE FINANCIAL INSTRUMENTS

22. 衍生金融工具

		2018		2017	
		二零一八年		二零一七年	
		Assets	Liabilities	Assets	Liabilities
		資產	負債	資產	負債
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元

Derivative financial instruments in relation to convertible bonds and notes 可換股債券及票據相關衍生金融工具

	24	1	1,010	1,033
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23. LOANS FROM RELATED PARTIES

At the end of the reporting period, the Group's loans from related parties were repayable as follows:

23. 來自關聯方之貸款

於報告期末，本集團來自關聯方之貸款償還如下：

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Within 1 year or on demand	一年內或應要求	125,398	197,593
In the second year (note)	第二年(附註)	248,000	151,764
In the third to fifth years (note)	第三年至第五年(附註)	200,816	-
		574,214	349,357
Less: non-current portion	減：非流動部分	(448,816)	(151,764)
Current portion	流動部分	125,398	197,593

Except for certain loan amount of HK\$238,816,000 (2017: HK\$169,006,000) that is interest-free and carried at amortised cost with an effective interest rate of 8% per annum, all loans from related parties are unsecured, interest bearing at 7.5%–12% (2017: 7.5%–9.5%) per annum.

除若干為數238,816,000港元(二零一七年：169,006,000港元)之免息、按攤銷成本列賬且實際年利率為8厘之貸款外，所有來自關聯方之貸款均為無抵押及按年利率7.5厘至12厘(二零一七年：7.5厘至9.5厘)計息。

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23. LOANS FROM RELATED PARTIES (Continued)

Note:

As at 31 December 2018, the lenders for these loans could have requested for immediate repayment on demand pursuant to the occurrence of a condition which could trigger an event of default which is customary in these types of loan agreements, as further detailed in note 24 to the consolidated financial statements. However, these loans have continued to be classified as non-current liabilities in accordance with the original loan repayment dates because the related parties have agreed to waive any notice of default, to continue providing financial support to the Group and will not demand repayment of amounts owed by the Group until it is in a position to repay without impairing its financial condition.

24. OTHER BORROWINGS

At the end of the reporting period, the Group's other borrowings were repayable as follows:

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Within 1 year or on demand (note i)	一年內或應要求(附註 i)	1,657,080	1,189,492
In the second year (note ii)	第二年(附註 ii)	952,925	773,350
In the third to fifth years (note ii)	第三年至第五年(附註 ii)	352,520	-
		2,962,525	1,962,842
Less: non-current portion (note ii)	減：非流動部分(附註 ii)	-	(773,350)
Current portion	流動部分	2,962,525	1,189,492

The other borrowings are unsecured, interest-bearing at 6%–15% (2017: 8%–13%) per annum.

As at 31 December 2018, an aggregate amount of HK\$605,925,000 included in the Group's other borrowings was pledged (2017: Nil) by certain patrons/guarantors who have guaranteed the repayment of the trade receivables due from some of the Group's patrons (the "Loan Guarantee"). In the opinion of the directors, based on independent legal advice, the Group has the enforceable right to set off the pledged loans against any irrecoverable trade receivables due from these patrons under the Loan Guarantee.

23. 來自關聯方之貸款(續)

附註：

於二零一八年十二月三十一日，該等貸款之貸方可於發生足以觸發違約事件之狀況時要求即時還款，而此做法就同類貸款協議而言實屬常見，進一步詳情載於綜合財務報表附註24。然而，由於關聯方已同意放棄任何違約通知及持續為本集團提供財務支持，並只會於不損害本集團財務狀況之情況下方會要求本集團償還欠款，故該等貸款繼續按原定貸款還款日期分類為非流動負債。

24. 其他借款

於報告期末，本集團其他借款償還如下：

其他借款為無抵押及按年利率6厘至15厘計息(二零一七年：8厘至13厘)。

於二零一八年十二月三十一日，本集團其他借款其中合共605,925,000港元(二零一七年：無)由若干客戶／擔保人就保證償還本集團部分客戶結欠之應收貿易賬款而抵押(「貸款擔保」)。董事經參考獨立法律意見後認為，本集團擁有可強制執行權利將抵押貸款抵銷貸款擔保項下該等客戶結欠之任何不可收回應收貿易賬款。

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24. OTHER BORROWINGS (Continued)

Notes:

- (i) This included other borrowings of HK\$586,850,000 and HK\$612,500,000 that were due to be repaid before 31 December 2018 and after 31 December 2018 up to the date of issuance of these financial statements, respectively. As at the date of issuance of these financial statements, save for loan amounts of HK\$350,000,000 and HK\$10,000,000 which have been subsequently repaid on 22 March 2019 and 24 March 2019, respectively, the Group has agreed with its lenders to extend the repayment tenure of the remaining loan amounts of HK\$839,350,000, which were overdue before these latest extension agreements to the second half of 2019 or thereafter. The directors of the Company have confirmed that the Company has not received any notice of default and/or demand for accelerated repayment from these lenders for any of the overdue loan amounts.

Subsequent to the end of the reporting period, certain of the Group's other borrowings totaling HK\$1,274,249,000 (inclusive of the abovementioned HK\$839,350,000) originally due for repayment in 2019 have been renewed and extended to become repayable in the second half of 2019 or thereafter. Further details are set out in note 41 to the consolidated financial statements.

- (ii) For the other borrowings included in current liabilities, HK\$952,925,000 and HK\$352,520,000 are repayable in 2020 and 2021, respectively. These loan agreements have included a clause which stated that an event of default would occur if any indebtedness of the Group is not paid when due. Upon the occurrence of this event of default, as further detailed in note 24(i) to the consolidated financial statements, these lenders could have demanded for immediate repayment of these loans. Notwithstanding that the Group has not received any notice of default/demand for the accelerated repayment for any of these loan amounts up to the date of issuance of these financial statements, and despite this aggregate amount of HK\$1,305,445,000 is repayable after 2019, they have all been included in current liabilities as the end of the reporting period.

Subsequent to the end of the reporting period, an aggregate of HK\$242,505,000 has been assigned by certain creditors to Mr. Ji. Further details are set out note 41(e) to the consolidated financial statements.

24. 其他借款 (續)

附註：

- (i) 截至此等財務報表刊發當日，此金額包括其他借款586,850,000港元及612,500,000港元，分別須於二零一八年十二月三十一日之前及二零一八年十二月三十一日之後償還。於此等財務報表刊發當日，除已於二零一九年三月二十二日及二零一九年三月二十四日償還分別為數350,000,000港元及10,000,000港元之貸款外，本集團與其貸方協定就訂立該等最新延期協議前已逾期，為數839,350,000港元之貸款餘額之還款期延至二零一九年下半年或之後。本公司董事確認，本公司尚未就任何逾期貸款接獲該等貸方發出之違約通知及／或提前還款要求。

於報告期末後，本集團若干原定於二零一九年到期還款之其他借款合共1,274,249,000港元（包括上述839,350,000港元）已重續及延長至二零一九年下半年或之後償還。進一步詳情載於綜合財務報表附註41。

- (ii) 就計入流動負債之其他借款而言，其中952,925,000港元及352,520,000港元分別須於二零二零年及二零二一年償還。該等貸款協議之條款規定，本集團未能償還到期債務即視作發生違約事件。誠如綜合財務報表附註24(i)進一步詳述，一旦發生此違約事件，該等貸方可要求即時償還該等貸款。儘管截至此等財務報表刊發當日本集團尚未就任何有關貸款接獲任何違約通知／提前還款要求，且合共1,305,445,000港元於二零一九年之後方須償還，惟全部有關貸款已於報告期末計入流動負債。

於報告期末後，若干貸方已向紀先生轉讓合共242,505,000港元。有關進一步詳情載於綜合財務報表附註41(e)。

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25. CONVERTIBLE BONDS AND NOTES

CN 2014

On 19 March 2014 (the “**Completion Date**”), the Company completed the acquisition (the “**Acquisition**”) of the entire issued share capital of and a shareholder’s loan to Excel Earth Limited (“**Excel Earth**”) and obtained a profit guarantee given by the vendor. The principal asset of Excel Earth was its interests under, and entitlements to, the transfer of five percent (5%) of the distributable profit of Hang Seng Sociedade Unipessoal Limitada, for each 12-month period, which had commenced on 1 January 2014 and terminated on 28 October 2015.

The Acquisition was satisfied by issuing zero coupon convertible notes (“**CN 2014**”) at the conversion price of HK\$0.05 per conversion share (as adjusted from HK\$1.00 per conversion share by the effect of the share subdivision) in the aggregate principal amount of HK\$400,000,000 due on the sixteenth anniversary of the Completion Date to the vendor in accordance with the terms and conditions of the acquisition agreement. The conversion price had been subsequently adjusted to HK\$0.003125 per conversion share after the bonus issue on 3 July 2015. On the Completion Date, the fair value of CN 2014 was approximately HK\$1,480,000,000, based on a valuation report issued by an independent valuer, Roma Appraisals Limited, dated 29 August 2014. Details of the Acquisition had been disclosed in the circular of the Company dated 8 January 2014. CN 2014 were recognised as equity in its entirety without a liability portion in accordance with the Group’s accounting policy for mandatorily convertible notes.

25. 可換股債券及票據

二零一四年可換股票據

於二零一四年三月十九日(「**完成日期**」)，本公司已完成收購坤佳有限公司(「**坤佳**」)之全部已發行股本及股東貸款(「**收購事項**」)，並獲賣方提供溢利保證。坤佳之主要資產為就自二零一四年一月一日起至二零一五年十月二十八日終止各個12個月期間向恒升一人有限公司取得其可分派溢利百分之五(5%)之權益及轉讓權。

根據收購協議之條款及條件，收購事項已透過按兌換價每股兌換股份0.05港元(已就股份拆細之影響自每股兌換股份1.00港元予以調整)向賣方發行本金總額為400,000,000港元於完成日期後滿十六週年到期之零息可換股票據(「**二零一四年可換股票據**」)償付。於二零一五年七月三日進行紅股發行後，兌換價其後已調整為每股兌換股份0.003125港元。於完成日期，根據獨立估值師羅馬國際評估有限公司所發出日期為二零一四年八月二十九日之估值報告，二零一四年可換股票據之公允價值約為1,480,000,000港元。收購事項之詳情已於本公司日期為二零一四年一月八日之通函內披露。根據本集團有關強制可換股票據之會計政策，二零一四年可換股票據確認為完全並無負債部分之權益。

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25. CONVERTIBLE BONDS AND NOTES (Continued) CN 2015

On 21 August 2015, the Company issued zero coupon convertible notes in the aggregate principal amount of HK\$841,900,000 ("CN 2015"). CN 2015 matured after 24 months from the date of issuance and were convertible into ordinary shares of the Company at any time between the date of issue of the notes and their settlement date. CN 2015 were convertible at the conversion price of HK\$0.225 per share.

The interest amortised for the year was calculated by applying an effective interest rate of 10.06% to the liability component for the 24-month period from the notes' issue date.

HK\$213,000,000 and HK\$300,000,000 of CN 2015 had been converted into ordinary shares of the Company in 2015 and 2017, respectively.

CN 2015 matured on 20 August 2017 and an aggregate principal amount of HK\$305,500,000 had been redeemed. As at 31 December 2018, the Company was in the process to redeem the remaining CN 2015 of an aggregate principal amount of HK\$23,400,000.

CB 2017

On 27 June 2017, the Company issued convertible bonds in the aggregate principal amount of HK\$50,000,000 which bear interest at 4% per annum ("CB 2017"). CB 2017 will mature after 24 months from the date of issuance and are convertible into ordinary shares of the Company at any time between the date of issue of the bonds and their settlement date. CB 2017 are convertible at a conversion price of HK\$0.176 per share.

The interest amortised for the year was calculated by applying an effective interest rate of 8.82% to the liability component for the 24-month period from the bonds' issue date.

25. 可換股債券及票據(續)

二零一五年可換股票據

於二零一五年八月二十一日，本公司發行本金總額為841,900,000港元之零息可換股票據(「二零一五年可換股票據」)。二零一五年可換股票據於發行日期起計24個月後到期，可於發行票據日期起至結算日期止期間任何時間兌換為本公司普通股。二零一五年可換股票據可按兌換價每股0.225港元兌換。

年內攤銷利息於票據發行日期起計24個月期間透過對負債部分應用實際利率10.06%計算。

二零一五年可換股票據其中213,000,000港元及300,000,000港元已先後於二零一五年及二零一七年兌換為本公司普通股。

二零一五年可換股票據於二零一七年八月二十日到期，本金總額其中305,500,000港元已贖回。於二零一八年十二月三十一日，本公司正贖回二零一五年可換股票據餘下本金總額23,400,000港元。

二零一七年可換股債券

於二零一七年六月二十七日，本公司發行按年利率4厘計息及本金總額為50,000,000港元之可換股債券(「二零一七年可換股債券」)。二零一七年可換股債券於發行日期起計24個月後到期，可於發行債券日期起至結算日期止期間任何時間兌換為本公司普通股。二零一七年可換股債券可按兌換價每股0.176港元兌換。

年內攤銷利息於債券發行日期起計24個月期間透過對負債部分應用實際利率8.82%計算。

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25. CONVERTIBLE BONDS AND NOTES (Continued)

CB 2017 (Continued)

The net proceeds received from the issuance of CN 2015 and CB 2017 have been split into the liability and derivative components and their movements are as follows:

25. 可換股債券及票據 (續)

二零一七年可換股債券 (續)

發行二零一五年可換股票據及二零一七年可換股債券之已收所得款項淨額已分拆為負債及衍生部分，其變動如下：

		Note 附註	Liability component 負債部分 HK\$'000 千港元	Derivative financial asset 衍生 金融資產 HK\$'000 千港元	Derivative financial liabilities 衍生 金融負債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日		590,018	-	215	590,233
Interest expense	利息開支	7	22,643	-	-	22,643
Coupon interest paid	已付票息		(1,033)	-	-	(1,033)
Conversion of CN 2015	兌換二零一五年可換股票據		(281,683)	-	-	(281,683)
Issuance of CB 2017	發行二零一七年可換股債券		45,668	(4,316)	4,673	46,025
Fair value (gain)/loss	公允價值(收益)/虧損		-	3,306	(3,855)	(549)
Maturity of CN 2015	二零一五年可換股票據到期		(328,900)	-	-	(328,900)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日		46,713	(1,010)	1,033	46,736
Interest expense	利息開支	7	4,167	-	-	4,167
Coupon interest paid	已付票息		(2,001)	-	-	(2,001)
Fair value (gain)/loss	公允價值(收益)/虧損		-	986	(1,032)	(46)
At 31 December 2018	於二零一八年十二月三十一日		48,879	(24)	1	48,856

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26. UNSECURED BONDS AND NOTES

26. 無抵押債券及票據

		31 December 2018 二零一八年十二月三十一日			31 December 2017 二零一七年十二月三十一日		
		Effective interest rate (%) 實際利率(%)	Maturity 到期	HK\$'000 千港元	Effective interest rate (%) 實際利率(%)	Maturity 到期	HK\$'000 千港元
Notes 附註							
Current:	流動：						
- Promissory notes	一承兌票據	(i)	0-12	2019	117,757	-	-
Repayable in the second year	須於第二年償還						
- 2017 Notes — 8.5%	— 二零一七年票據 — 8.5%	(b),(j)	8.65	2020	547,136	-	-
- 2017 Bonds AI — 5.25%	— 二零一七年債券 AI — 5.25%	(c),(j)	9.53	2020	12,555	-	-
					<u>559,691</u>		<u>-</u>
Repayable in the third to fifth years, inclusive	須於第三至五年 (包括首尾兩年)償還						
- 2018 Bonds AAI — 5.25%	— 二零一八年債券 AAI — 5.25%	(e),(j)	9.53	2021	23,234	-	-
- 2017 Bonds AII — 6.0%	— 二零一七年債券 AII — 6.0%	(d),(j)	9.56	2022	13,497	-	-
- 2018 Bonds AAll — 6.0%	— 二零一八年債券 AAll — 6.0%	(f),(j)	9.56	2022	6,193	-	-
					<u>42,924</u>		<u>-</u>
Repayable beyond five years	須於五年後償還						
- 2017 Bonds B — 6.0%	— 二零一七年債券 B — 6.0%	(g),(j)	9.56	2025	23,298	-	-
- 2018 Bonds BB — 6.0%	— 二零一八年債券 BB — 6.0%	(h),(j)	9.56	2025	4,107	-	-
					<u>27,405</u>		<u>-</u>
					<u>747,777</u>		<u>-</u>

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26. UNSECURED BONDS AND NOTES (Continued)

26. 無抵押債券及票據 (續)

		31 December 2018 二零一八年十二月三十一日			31 December 2017 二零一七年十二月三十一日		
		Effective interest rate (%) 實際利率(%)	Maturity 到期	HK\$'000 千港元	Effective interest rate (%) 實際利率(%)	Maturity 到期	HK\$'000 千港元
Notes 附註							
Non-current:	非流動：						
Repayable in the second year	須於第二年償還						
- 2017 Notes — 7.8%	— 二零一七年票據 — 7.8%	(a)	-	-	7.8	2019	1,164,000
				-			1,164,000
Repayable in the third to fifth years, inclusive	須於第三至五年 (包括首尾兩年)償還						
- 2017 Notes — 7.8%	— 二零一七年票據 — 7.8%	(a),(k)	7.8	2021	-	-	-
- 2017 Notes — 8.5%	— 二零一七年票據 — 8.5%	(b)	-	-	8.65	2020	541,306
- 2017 Bonds AI — 5.25%	— 二零一七年債券 AI — 5.25%	(c)	-	-	9.53	2020	12,091
- 2017 Bonds AII — 6.0%	— 二零一七年債券 AII — 6.0%	(d)	-	-	9.56	2022	13,126
				1,174,947			566,523
Repayable beyond five years	須於五年後償還						
- 2017 Bonds B — 6.0%	— 二零一七年債券 B — 6.0%	(g)	-	-	9.56	2025	22,778
				-			22,778
				1,174,947			1,753,301

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26. UNSECURED BONDS AND NOTES (Continued)

Notes:

- (a) On 22 February 2017 and 21 March 2017, the Company issued the 2017 Notes — 7.8% with principal amounts of US\$100,000,000 (approximately HK\$783,298,000) and US\$50,000,000 (approximately HK\$391,649,000), respectively to Inventive Star, which are interest bearing at 7.8% per annum and repayable on 21 February 2019 and 20 March 2019, respectively. On 27 August 2018, Inventive Star issued a letter of undertaking to the Company, pursuant to which Inventive Star undertakes that a notice of redemption will not be issued to the Company before February and March 2021 for the redemption and payment of the outstanding principal amounts of HK\$783,298,000 and HK\$391,649,000, respectively, together with the accrued interest thereon.
- (b) On 25 January 2017, 27 January 2017 and 7 February 2017, the Company issued the 2017 Notes — 8.5% with an aggregate principal amount of US\$70,000,000 (approximately HK\$543,380,000) to certain independent third parties, which are interest bearing at 8.5% per annum and repayable on 24 January 2020, 26 January 2020 and 6 February 2020, respectively.
- (c) On 15 September 2017, 20 September 2017, 13 October 2017, 3 November 2017 and 17 November 2017, the Company issued the 2017 Bonds AI — 5.25% with an aggregate principal amount of HK\$13,500,000 to certain independent third parties, which are interest bearing at 5.25% per annum and repayable in 2020.
- (d) On 15 September 2017, 3 November 2017 and 9 November 2017, the Company issued the 2017 Bonds All — 6.0% with an aggregate principal amount of HK\$15,000,000 to certain independent third parties, which are interest bearing at 6% per annum and repayable in 2022.
- (e) On 18 April 2018, 8 May 2018 and 28 May 2018, the Company issued the 2018 Bonds AAI — 5.25% with an aggregate principal amount of HK\$25,500,000 to certain independent third parties, which are interest bearing at 5.25% per annum and repayable in 2021.
- (f) On 15 May 2018 and 14 June 2018, the Company issued the 2018 Bonds AAll — 6% with an aggregate principal amount of HK\$7,000,000, to certain independent third parties, which are interest bearing at 6% per annum and repayable in 2022.
- (g) On 12 September 2017, 6 November 2017 and 20 November 2017, the Company issued the 2017 Bonds B — 6.0% with an aggregate principal amount of HK\$28,000,000 to certain independent third parties, which are interest bearing at 6% per annum and repayable in 2025.

26. 無抵押債券及票據(續)

附註：

- (a) 於二零一七年二月二十二日及二零一七年三月二十一日，本公司向Inventive Star發行本金總額分別為100,000,000美元(約783,298,000港元)及50,000,000美元(約391,649,000港元)之二零一七年票據—7.8%，按年利率7.8厘計息，並分別須於二零一九年二月二十一日及二零一九年三月二十日償還。於二零一八年八月二十七日，Inventive Star向本公司發出承諾函，據此，Inventive Star承諾不會於二零二一年二月及三月前向本公司發出贖回通知，以贖回及支付未償還本金總額分別783,298,000港元及391,649,000港元連同相關應計利息。
- (b) 於二零一七年一月二十五日、二零一七年一月二十七日及二零一七年二月七日，本公司向若干獨立第三方發行本金總額為70,000,000美元(約543,380,000港元)之二零一七年票據—8.5%，按年利率8.5厘計息，並分別須於二零二零年一月二十四日、二零二零年一月二十六日及二零二零年二月六日償還。
- (c) 於二零一七年九月十五日、二零一七年九月二十日、二零一七年十月十三日、二零一七年十一月三日及二零一七年十一月十七日，本公司向若干獨立第三方發行本金總額為13,500,000港元之二零一七年債券AI—5.25%，按年利率5.25厘計息，並須於二零二零年償還。
- (d) 於二零一七年九月十五日、二零一七年十一月三日及二零一七年十一月九日，本公司向若干獨立第三方發行本金總額為15,000,000港元之二零一七年債券All—6.0%，按年利率6厘計息，並須於二零二二年償還。
- (e) 於二零一八年四月十八日、二零一八年五月八日及二零一八年五月二十八日，本公司向若干獨立第三方發行本金總額為25,500,000港元之二零一八年債券AAI—5.25%，按年利率5.25厘計息，並須於二零二一年償還。
- (f) 於二零一八年五月十五日及二零一八年六月十四日，本公司向若干獨立第三方發行本金總額為7,000,000港元之二零一八年債券AAll—6%，按年利率6厘計息，並須於二零二二年償還。
- (g) 於二零一七年九月十二日、二零一七年十一月六日及二零一七年十一月二十日，本公司向若干獨立第三方發行本金總額為28,000,000港元之二零一七年債券B—6.0%，按年利率6厘計息，並須於二零二五年償還。

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26. UNSECURED BONDS AND NOTES (Continued)

Notes: (Continued)

- (h) On 17 April 2018 and 1 June 2018, the Company issued the 2018 Bonds BB — 6% with an aggregate principal amount of HK\$5,000,000, to certain independent third parties, which are interest bearing at 6% per annum and repayable in 2025.
- (i) During the year, the Company issued certain unsecured promissory notes with principal amounts of US\$11,700,000 (approximately HK\$91,258,000) and US\$3,400,000 (approximately HK\$26,499,000) to Inventive Star and certain independent third parties, respectively. Except for a note amount of US\$2,550,000 (approximately HK\$19,874,000) that is interest-free, all notes are interest bearing at 12% per annum and repayable in 2019. Subsequent to the end of the reporting period, all of these promissory notes have been extended to become repayable in 2020.
- (j) Included in the amounts are unsecured notes with an aggregate principal amount of HK\$637,380,000 that are repayable in 2020 or after. These notes include a clause which stated that an event of default would occur if any indebtedness of the Group is not paid when due. Upon the occurrence of an event of default, as further detailed in note 24(i) to the consolidated financial statements, these note holders could have demanded for immediate repayment of these notes. Notwithstanding that the Group has not received any notice of default/demand for the accelerated repayment for any of these notes amounts up to the date of issuance of these financial statements, and despite these notes are repayable in 2020 or after, the aggregate carrying amount of HK\$630,020,000 has been included in current liabilities at the end of the reporting period.
- (k) At the end of the reporting period, Inventive Star could have demanded for the immediate repayment pursuant to the occurrence of a condition which could trigger an event of default customary in these types of notes' agreements, as further detailed in note 24(i) to the consolidated financial statements. However, these notes have continued to be classified as non-current liabilities in accordance with the original notes' maturity dates because Inventive Star has agreed to waive any notice of default, to continue providing financial support to the Group and will not demand repayment of any amounts owed by the Group until it is in a position to repay without impairing its financial condition.

The unsecured notes issued by the Group are denominated in US\$. The unsecured bonds issued by the Group are denominated in HK\$.

26. 無抵押債券及票據 (續)

附註：(續)

- (h) 於二零一八年四月十七日及二零一八年六月一日，本公司向若干獨立第三方發行本金總額為5,000,000港元之二零一八年債券BB — 6%，按年利率6厘計息，並須於二零二五年償還。
- (i) 年內，本公司分別向Inventive Star及若干獨立第三方發行若干本金總額為11,700,000美元（約91,258,000港元）及3,400,000美元（約26,499,000港元）之無抵押承兌票據。除為數2,550,000美元（約19,874,000港元）之免息票據外，所有票據均按年利率12厘計息，並須於二零一九年償還。於報告期末後，上述所有承兌票據之還款期已延長至二零二零年。
- (j) 有關金額包括本金總額為637,380,000港元並須於二零二零年或之後償還之無抵押票據。該等票據之條款規定，本集團未能償還到期債務即視作發生違約事件。誠如綜合財務報表附註24(i)進一步詳述，一旦發生違約事件，有關票據持有人可要求即時償還該等票據。儘管截至此等財務報表刊發當日日本集團尚未就任何有關票據接獲任何違約通知／提前還款要求，且該等票據於二零二零年或之後方須償還，惟賬面總值630,020,000港元已於報告期末計入流動負債。
- (k) 於報告期末，Inventive Star可於發生足以觸發就此類票據協議而言屬常見違約事件之狀況時要求即時還款，進一步詳情載於綜合財務報表附註24(i)。然而，由於Inventive Star已同意放棄任何違約通知及持續為本集團提供財務支持，並只會於不損害本集團財務狀況之情況下方會要求本集團償還欠款，故該等票據繼續按原定票據到期日分類為非流動負債。

本集團發行之無抵押票據以美元計值。本集團發行之無抵押債券以港元計值。

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27. DEFERRED TAX

The movements in deferred tax assets during the year are as follows:

27. 遞延稅項

遞延稅項資產於年內之變動如下：

		Deductible temporary differences 可扣減 暫時差異 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	24,363
Deferred tax credited to profit or loss during the year	於年內計入損益的遞延稅項	478,998
Exchange differences	匯兌差額	1,423
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	504,784
Deferred tax credited to profit or loss during the year, net	於年內計入損益的遞延稅項淨額	7,116
Exchange differences	匯兌差額	1,281
At 31 December 2018	於二零一八年十二月三十一日	513,181

The Group has tax losses arising in Hong Kong of HK\$569,300,000 (2017: HK\$474,983,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in these entities that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

本集團於香港產生的稅項虧損為569,300,000港元(二零一七年：474,983,000港元)，並可供無限期抵銷產生有關虧損的公司之未來應課稅溢利。由於此等實體已虧損一段時間且認為其應課稅溢利不足以抵銷可動用之稅項虧損，故並無就此等虧損確認遞延稅項資產。

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28. SHARE CAPITAL

28. 股本

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Authorised:	法定：		
300,000,000,000 ordinary shares of HK\$0.0005 each	300,000,000,000 股 每股面值 0.0005 港元之普通股	<u>150,000</u>	<u>150,000</u>
Issued and fully paid:	已發行及繳足：		
142,984,807,678 ordinary shares of HK\$0.0005 each	142,984,807,678 股 每股面值 0.0005 港元之普通股	<u>71,492</u>	<u>71,492</u>

A summary of movements in the Company's share capital is as follows:

本公司股本之變動概要如下：

		Number of shares in issue 已發行 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	141,651,474	70,826	1,984,779	2,055,605
Issue of shares upon conversion of convertible notes (note)	兌換可換股票據時發行股份 (附註)	<u>1,333,333</u>	<u>666</u>	<u>281,017</u>	<u>281,683</u>
At 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年十二月三十一日、 二零一八年一月一日及 於二零一八年十二月三十一日	<u>142,984,807</u>	<u>71,492</u>	<u>2,265,796</u>	<u>2,337,288</u>

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28. SHARE CAPITAL (Continued)

Notes:

On 3 January 2017, the conversion rights attaching to CB 2015 with a principal amount of HK\$300,000,000 were exercised at the conversion price of HK\$0.225 per share, resulting in the issue of 1,333,333,333 new shares in the Company.

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 29 to the consolidated financial statements.

29. SHARE OPTION SCHEME

Equity-settled share option scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants include the full-time and part-time employees, executives, officers, directors, business consultants, agents, legal and financial advisers of the Company and the Company's subsidiaries. The Scheme became effective on 3 December 2014 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting.

28. 股本(續)

附註：

於二零一七年一月三日，因本金額為300,000,000港元之二零一五年可換股債券所附兌換權按兌換價每股0.225港元獲行使而發行1,333,333,333股本公司新股份。

購股權

本公司購股權計劃及根據該計劃發行購股權之詳情載於綜合財務報表附註29。

29. 購股權計劃

權益結算購股權計劃

本公司設立購股權計劃(「計劃」)，目的旨在向對本集團成功經營作出貢獻之合資格參與者提供獎勵及回報。計劃之合資格參與者包括本公司及本公司附屬公司之全職及兼職僱員、行政人員、管理人員、董事、業務顧問、代理、法律及財務顧問。除非計劃已取消或經修訂，計劃自二零一四年十二月三日起生效，並自該日起計十年內仍然生效。

現時批准根據計劃可授出之未行使購股權數目行使時不得多於本公司不時已發行股份的10%。於任何十二個月期間內每名合資格參與者根據計劃獲授購股權而可獲發行之股份最高數目，以本公司不時已發行股份1%為限。進一步授出超逾該上限之購股權須經股東在股東大會上批准。

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29. SHARE OPTION SCHEME (Continued)

Equity-settled share option scheme (Continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 30 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

29. 購股權計劃(續)

權益結算購股權計劃(續)

向本公司董事、主要行政人員、主要股東或彼等之任何聯繫人士授出購股權，須先經獨立非執行董事批准。此外，於任何十二個月期間內向本公司主要股東或獨立非執行董事或彼等之任何聯繫人士授出購股權，而所涉及股份超逾本公司不時已發行股份0.1%或總值(根據於授出日期之本公司股價計算)超逾5百萬港元，則須先經股東在股東大會上批准。

提呈授出的購股權之要約須於要約當日起計30日內接納，承授人並須支付合共1港元的象徵性代價。所授出的購股權的行使期由董事會釐定，並由若干歸屬期後開始，而屆滿日期不得遲於提呈購股權日期起計五年或計劃之到期日的較早者。

購股權之行使價可由董事釐定，惟不可低於下列三者中之最高者：(i) 提呈購股權要約當日本公司股份於聯交所之收市價；(ii) 緊接提呈要約當日前五個交易日本公司股份於聯交所之平均收市價；及(iii) 於提呈要約當日本公司股份的面值。

購股權並不賦予持有人收取股息的權利，亦無權在股東大會上投票。

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29. SHARE OPTION SCHEME (Continued)

Equity-settled share option scheme (Continued)

The following share options were outstanding under the Scheme:

29. 購股權計劃(續)

權益結算購股權計劃(續)

計劃項下尚未行使購股權如下：

		2018 二零一八年		2017 二零一七年	
		Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目	Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目
Outstanding as at 1 January	於一月一日尚未行使	0.135	1,852,178,272	0.132	1,462,669,808
Granted during the year	年內授出	-	-	0.150	532,479,220
Lapsed during the year	年內失效	0.170	<u>(317,396,280)</u>	0.167	<u>(142,970,756)</u>
Outstanding as at 31 December	於十二月三十一日尚未行使	0.128	<u>1,534,781,992</u>	0.135	<u>1,852,178,272</u>
Exercisable at 31 December	於十二月三十一日可予行使	0.113	<u>1,241,656,388</u>	0.106	<u>1,121,900,000</u>

No option was exercised during the year ended 31 December 2018 (2017: Nil).

截至二零一八年十二月三十一日止年度並無購股權獲行使(二零一七年：無)。

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29. SHARE OPTION SCHEME (Continued)

Equity-settled share option scheme (Continued)

Share options outstanding as at the end of the reporting period have the following exercise periods and exercise prices:

Grant date	Exercise period	Exercise price	Number of options 2018 二零一八年之購股權數目	Number of options 2017 二零一七年之購股權數目
授出日期	行使期	行使價 HK\$ 港元		
3 December 2014 二零一四年十二月三日	3 December 2014 – 2 December 2024 二零一四年十二月三日至 二零二四年十二月二日	0.105	1,120,000,000	1,120,000,000
18 June 2015 二零一五年六月十八日	Note 1 附註1	0.220	217,477,072	305,149,792
26 November 2015 二零一五年十一月二十六日	Note 2 附註2	0.255	3,800,000	3,800,000
5 April 2017 二零一七年四月五日	Note 3 附註3	0.150	193,504,920	423,228,480
			1,534,781,992	1,852,178,272
Weighted average remaining contractual life of options outstanding at the end of period 於報告期末尚未行使購股權餘下加權平均合約年期			6.08 years 6.08年	6.94 years 6.94年

29. 購股權計劃(續)

權益結算購股權計劃(續)

於報告期末尚未行使購股權之行使期及行使價如下：

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29. SHARE OPTION SCHEME (Continued)

Equity-settled share option scheme (Continued)

Note 1: 25% of the options granted will be vested on the third anniversary of the date of grant, another 25% of the options granted will be vested on the fourth anniversary of the date of grant, another 25% of the options granted will be vested on the fifth anniversary of the date of grant and the remaining 25% of the options granted will be vested on the sixth anniversary of the date of grant, up to 17 June 2025.

Note 2: 25% of the options granted are vested on the first anniversary of the date of grant, another 25% of the options granted are vested on the second anniversary of the date of grant, another 25% of the options granted are vested on the third anniversary of the date of grant and the remaining 25% of the options granted will be vested on the fourth anniversary of the date of grant, up to 26 November 2025.

Note 3: One-third of such share options are vested on the first anniversary of the date of grant; another 33.3% of the options granted will be vested on the second anniversary of the date of grant, the remaining 33.4% of the options granted will be vested on the third anniversary of the date of grant, up to 4 April 2027.

The fair value of the share options granted during the year ended 31 December 2017 was HK\$35,277,000 (approximately HK\$0.067 each), of which the Group recognised a share option expense of HK\$12,470,000 during the year ended 31 December 2017 in respect of these share options granted.

During the year ended 31 December 2018, the Group has recognised a share option expense of HK\$17,298,000 (2017: HK\$9,165,000) in respect of the share options granted in the prior years.

29. 購股權計劃(續)

權益結算購股權計劃(續)

附註1：已授出購股權其中25%將於授出日期第三週年歸屬，已授出購股權另外25%將於授出日期第四週年歸屬，已授出購股權另外25%將於授出日期第五週年歸屬，已授出購股權餘下25%將於授出日期第六週年歸屬，直至二零二五年六月十七日為止。

附註2：已授出購股權其中25%將於授出日期第一週年歸屬，已授出購股權另外25%將於授出日期第二週年歸屬，已授出購股權另外25%將於授出日期第三週年歸屬，已授出購股權餘下25%將於授出日期第四週年歸屬，直至二零二五年十一月二十六日為止。

附註3 有關購股權的三分其中一於授出日期第一週年歸屬，已授出購股權另外33.3%將於授出日期第二週年歸屬，已授出購股權餘下33.4%將於授出日期第三週年歸屬，直至二零二七年四月四日為止。

截至二零一七年十二月三十一日止年度已授出購股權之公允價值為35,277,000港元(約每份0.067港元)，其中本集團就該等截至二零一七年十二月三十一日止年度已授出購股權確認購股權開支12,470,000港元。

截至二零一八年十二月三十一日止年度，本集團已就先前年度已授出購股權確認購股權開支17,298,000港元(二零一七年：9,165,000港元)。

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29. SHARE OPTION SCHEME (Continued)

Equity-settled share option scheme (Continued)

The fair value of equity-settled share options granted during the year ended 31 December 2017 was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the year ended 31 December 2017:

Share price (closing price of grant date)	0.137
Exercise price	0.15
Expected volatility	47.2%
Expected dividend yield	0%
Risk-free interest rate	2.26%

Expected volatility was determined by calculating the historical volatility of the share price of comparable listed companies to the Company over the previous 10 years. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Share options granted to consultants were incentives for helping the Group expand its business network, acquire and explore new business projects and opportunities. The fair value of such benefit could not be estimated reliably and, as a result, the fair value was measured by reference to the fair value of share options granted.

At the end of the reporting period, the Company had 1,534,781,992 (2017: 1,852,178,272) share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 1,534,781,992 (2017: 1,852,178,272) additional ordinary shares of the Company and additional share capital and share premium amounts of approximately HK\$767,000 (2017: HK\$926,000) and HK\$194,673,000 (2017: HK\$248,540,000), respectively.

29. 購股權計劃(續)

權益結算購股權計劃(續)

截至二零一七年十二月三十一日止年度已授出權益結算購股權之公允價值於授出日期採用二項式模型並計及授出購股權時之條款及條件進行估計。下表載列截至二零一七年十二月三十一日止年度所使用模式之輸入資料：

股價(授出日期收市價)	0.137
行使價	0.15
預期波幅	47.2%
預期股息回報	0%
無風險利率	2.26%

預期波幅乃計算本公司可資比較上市公司股價於過去十年之歷史波幅釐定。在本集團最佳估算下，模式中之預期有效期已因應購股權之不可轉讓性、行使限制及行為等考慮因素之影響而有所調整。

授予顧問之購股權乃就協助本集團擴展其業務網絡、收購及尋找新業務項目及機會之獎勵。有關福利之公允價值不能可靠地估計，因此，其公允價值乃參考所授出購股權之公允價值計量。

於報告期末，本公司於計劃項下尚未行使之購股權為1,534,781,992份(二零一七年：1,852,178,272份)。在本公司現有資本結構下，尚未行使購股權獲悉數行使將導致本公司額外發行1,534,781,992股(二零一七年：1,852,178,272股)普通股，而股本及股份溢價則分別增加約767,000港元(二零一七年：926,000港元)及194,673,000港元(二零一七年：248,540,000港元)。

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29. SHARE OPTION SCHEME (Continued)

Share options offered by the controlling shareholder on 14 December 2015

On 14 December 2015, the controlling shareholder of the Company offered 3,191,666,665 share options (“Option A”) to independent investors and 77,066,668 share options (“Option B”) to consultants and employees (collectively the “Offerees”) enabling the Offerees to subscribe for an aggregate of 3,268,733,333 shares under the Share Option Scheme. The exercise price is HK\$0.24 per share. Under the Option A, the vesting period commenced 16 days after the grant date and grantees can exercise 100% share options. Under the Option B, grantees can exercise 25% share options 3 years after the grant date, 25% share options 4 years after the grant date, 25% share options 5 years after the grant date and 25% share options 6 years after the grant date.

At the end of the reporting period, none of the options offered by the controlling shareholder have been taken up by the Offerees. Correspondingly, the Group’s consolidated financial statements for the year ended 31 December 2018 have not reflected the effects of such share-based payments (2017: Nil).

30. RESERVES

The amounts of the Group’s reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 60 of this annual report.

Other reserve represented deemed capital contribution arising from non-current interest-free loans from a shareholder.

29. 購股權計劃(續)

控股股東於二零一五年十二月十四日授出的購股權

於二零一五年十二月十四日，本公司控股股東分別向獨立投資者以及顧問及僱員(統稱「承授人」)授出3,191,666,665份購股權(「購股權A」)及77,066,668份購股權(「購股權B」)，讓承授人可根據購股權計劃認購合共3,268,733,333股股份。行使價為每股0.24港元。根據購股權A，歸屬期自授出日期後16日開始，承授人可行使100%購股權。根據購股權B，承授人可於授出日期後3年行使25%購股權，於授出日期後4年行使25%購股權，於授出日期後5年行使25%購股權及於授出日期後6年行使25%購股權。

於報告期末，承授人尚未接納由控股股東授出之全部購股權。因此，本集團截至二零一八年十二月三十一日止年度之綜合財務報表未有反映該等以股份為基礎之付款開支之影響(二零一七年：無)。

30. 儲備

本集團於本年度及過往年度之儲備數額及其變動於本年報第60頁所載綜合權益變動表呈列。

其他儲備指股東之非即期免息貸款產生之視為出資。

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31. DISPOSAL OF SUBSIDIARIES

Year ended 31 December 2017

On 20 June 2017, the Group entered into a series of sale and purchase agreements with an independent third party to dispose of its entire equity interests in certain subsidiaries, for an aggregate consideration of HK\$110,610,000. The transaction was completed on 20 June 2017.

Details of the net assets of the subsidiaries disposed of and the financial impact are summarised as follows:

		Notes 附註	HK\$'000 千港元
Net assets disposed of:	已出售資產淨值：		
Prepaid land lease payments	預付土地租賃款項	14	98,640
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		12
Accruals and other payables	應計款項及其他應付款項		(8)
			98,644
Gain on disposal of subsidiaries	出售附屬公司之收益	6	11,966
			110,610
Satisfied by:	已透過以下方式償付：		
Cash	現金		110,610

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

		HK\$'000 千港元
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	出售附屬公司之現金及現金等值物流入淨額	110,610

31. 出售附屬公司

截至二零一七年十二月三十一日止年度於二零一七年六月二十日，本集團與一名獨立第三方訂立一系列買賣協議，以出售其於若干附屬公司之全部股權，總代價為110,610,000港元。交易已於二零一七年六月二十日完成。

有關已出售附屬公司之資產淨值及相關財務影響詳情概述如下：

出售附屬公司之現金及現金等值物流入淨額分析如下：

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32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transaction

- (i) During the year ended 31 December 2018, a loan due to an independent third party with a principal amount of HK\$40,000,000 and interest payable of HK\$9,736,000 were assigned to a related party.
- (ii) During the year ended 31 December 2018, the Company issued certain unsecured notes with an aggregate principal amount of US\$15,000,000 (equivalent to HK\$117,757,000) to certain independent third parties and the ultimate holding company to refinance interest payables on unsecured notes with an aggregate amount of US\$190,000,000 (equivalent to HK\$1,488,460,000) due to these parties.
- (iii) During the year ended 31 December 2018, an account receivable amount due from a customer was settled by way of offsetting a promissory note with a principal amount of HK\$100,000,000 due to this customer's related party.

32. 綜合現金流量表附註

(a) 主要非現金交易

- (i) 截至二零一八年十二月三十一日止年度，應付一名獨立第三方本金額為40,000,000港元之貸款及其應付利息9,736,000港元已轉讓予一名關聯方。
- (ii) 截至二零一八年十二月三十一日止年度，本公司向若干獨立第三方及最終控股公司發行若干本金總額為15,000,000美元（相當於約117,757,000港元）的無抵押票據，以重新注資就總值190,000,000美元（相當於1,488,460,000港元）之無抵押票據而應付該等各方的利息。
- (iii) 截至二零一八年十二月三十一日止年度，應收一名客戶之應收賬款金額以抵銷應付該名客戶之關聯方本金額100,000,000港元之承兌票據方式償付。

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32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Changes in liabilities arising from financing activities

32. 綜合現金流量表附註(續)

(b) 融資業務產生之負債變動

		Interest payable included in other payables	Loans from related parties	Other borrowings	Convertible bonds and notes	CN 2015 payable included in other payables	Unsecured bonds and notes
		包括其他應付款項之應付利息	來自關聯方之貸款	其他借款	可換股債券及票據	包括其他應付款項之二零一五年可換股票據	無抵押債券及票據
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年一月一日	58,296	1,037,241	644,917	590,018	-	-
Changes from financing cash flows	融資現金流變動	(59,772)	36,352	1,453,343	(159,475)	-	876,415
Interest expenses	利息開支	257,531	-	-	21,610	-	886
Changes in derivative of financial instruments	衍生金融工具變動	-	-	-	(357)	-	-
Refinance of loans from related parties	關聯方貸款再融資	-	(876,000)	-	-	-	876,000
Assignment of a loan and its related interests	轉讓貸款及其相關利息	(4,314)	151,764	(147,450)	-	-	-
Refinancing of a loan	貸款再融資	(12,032)	-	12,032	-	-	-
Maturity of CN 2015	二零一五年可換股票據到期	-	-	-	(123,400)	123,400	-
Conversion of CN 2015	兌換二零一五年可換股票據	-	-	-	(281,683)	-	-
At 31 December 2017	於二零一七年十二月三十一日	239,709	349,357	1,962,842	46,713	123,400	1,753,301
At 1 January 2018	於二零一八年一月一日	239,709	349,357	1,962,842	46,713	123,400	1,753,301
Changes from financing cash flows	融資現金流變動	(81,423)	220,075	1,066,906	-	-	32,795
Interest expenses	利息開支	452,883	-	3,297	2,166	-	2,696
Assignment of a loan and its related interest	轉讓貸款及其相關利息	(9,736)	49,736	(40,000)	-	-	-
Refinancing of interest payables	應付利息再融資	(117,757)	-	-	-	-	117,757
Trade receivables set-off	抵銷應收貿易賬款	-	-	-	-	(100,000)	-
Repayment of a loan by an item of property, plant and equipment	利用物業、廠房及設備項目償還貸款	-	-	(31,218)	-	-	-
Deemed capital contribution from a shareholder (note 30)	視為一名股東出資(附註30)	-	(45,000)	-	-	-	-
Exchange differences	匯兌差異	-	46	698	-	-	16,175
At 31 December 2018	於二零一八年十二月三十一日	483,676	574,214	2,962,525	48,879	23,400	1,922,724

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33. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	58,894	78,521
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	46,308	81,724
After five years	五年後	32,705	34,575
		<u>137,907</u>	<u>194,820</u>

Except for operating leases in respect of leasehold land on the Island of Saipan which have periods of 25 and 55 years, the leases typically run for an initial period of one to five years. None of the leases includes contingent rentals.

33. 經營租賃承擔

於報告期末，本集團根據到期之不可撤銷經營租賃之未來最低租賃款項總額如下：

除於塞班島之租賃土地之經營租賃為期25年及55年外，該等租賃之初步租期一般為一至五年不等，其中並無任何租賃包括或然租金。

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34. COMMITMENTS

In addition to the operating lease commitments detailed in note 33 above, the Group had the following commitments at the end of the reporting period:

34. 承擔

除上文附註33詳述之經營租賃承擔外，本集團於報告期末之承擔如下：

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Capital commitments	資本承擔		
Contracted, but not provided for:	已訂約，但未撥備：		
Property, plant and equipment	物業、廠房及設備	379,336	474,368
Prepaid land lease payments	預付土地租賃款項	78,421	79,167
		<u>457,757</u>	<u>553,535</u>
Other commitments	其他承擔		
Casino licence fee:	娛樂場牌照費：		
Within one year	一年內	117,510	-
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	470,040	468,840
After five years	五年後	1,762,650	1,875,360
		<u>2,350,200</u>	<u>2,344,200</u>
Community development fund fees:	社區發展資金費用：		
Within one year	一年內	156,680	156,280
		<u>2,506,880</u>	<u>2,500,480</u>

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35. CONTINGENT LIABILITIES

Unasserted claims and assessments

The Group may be exposed to payment of damages assessed by the United States Equal Employment Opportunity Commission (EEOC). As at 31 December 2018, several former employees of a subsidiary had filed discrimination claims against that subsidiary for alleged violation of EEOC regulations. Violations of EEOC regulations may expose the subsidiary to payment of damages, civil and administrative fines or penalties, court costs and fees in excess of US\$1,500,000 (approximately HK\$11,769,000).

In the opinion of the Directors, after taking into account the respective legal advices, as the aforementioned matters are possible unasserted claims and assessments and the likelihood of the Group making any significant amount of payments in respect of claims for damages is remote, the Group has not made any provision for loss in the consolidated financial statements.

Regulatory oversight

The Group is subject to the jurisdiction of various state, local and federal regulatory agencies (the “**Regulatory Authorities**”) in the conduct of its casino operations. Specifically, the Group is required to comply with the rules and regulations of the Commonwealth Casino Commission in the conduct of its gaming operations. The Group is also under the jurisdiction of the Financial Crimes Enforcement Network (“**FinCEN**”) in terms of its compliance with the anti-money laundering provisions of the Bank Secrecy Act (“**BSA**”). Should the Group violate the requirements of the Regulatory Authorities, it could be subject to various sanctions and disciplinary actions including monetary fines and penalties, restrictions and conditions on the scope of its operations, and the potential revocation of its gaming licence.

35. 或然負債

未確立之申索及評估

本集團經美國公平就業機會委員會(EEOC)評估後可能面臨損害賠償。於二零一八年十二月三十一日，一家附屬公司涉嫌違反EEOC之規例而遭其數名前僱員向其提出歧視申索。違反EEOC之規例可能令該附屬公司面臨超過1,500,000美元(約11,769,000港元)之損害賠償、民事及行政罰款、法院成本及費用。

董事認為，經考慮各自的法律意見後，由於上述事項為潛在未確立之申索及評估，且本集團不大可能就損害申索作出任何大額付款，故本集團概無於此等綜合財務報表就虧損作出任何撥備。

規管監督

本集團於進行其賭場業務時受不同州、地方及聯邦監管機構(「**監管機構**」)所監督。具體而言，本集團於進行其博彩業務時須遵照聯邦賭場委員會(Commonwealth Casino Commission)之規則及法規。在遵照銀行保密法之反洗黑錢條文(「**銀行保密法合規**」)方面，本集團亦受打擊金融罪行執法網絡(「**金融罪行執法網絡**」)所監督。倘本集團違反監管機構之規定，則其可能面臨不同制裁及處分，包括徵收罰款、限制及約束其業務範疇，以及可能撤銷其博彩牌照。

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35. CONTINGENT LIABILITIES (Continued)

Regulatory oversight (Continued)

During 2017, IPI was subject to a routine BSA compliance examination conducted by the Internal Revenue Service ("IRS"). Subsequent to end of the reporting period, the IRS issued a report with preliminary findings on IPI's anti-money laundering compliance. As at the date of issuance of these consolidated financial statements, IPI, together with its external legal and other professional advisers, are working to provide further information to the IRS to fully cooperate with the examination. Based on the facts currently known, it is not practicable at this time for the Group to accurately predict the resolution of this matter, including timing or any possible impact on the Group. IPI has been and is under normal operation without any interruption from this examination.

Other litigation matters

As at the end of the reporting period and up to the date of approval of these consolidated financial statements, apart from expressly stated above, the Group is a party to a number of civil litigation cases, as either a plaintiff or defendant. In the opinion of the Directors, after taking into account of the respective legal advices, these cases are either premature and/or the Group has a very high likelihood of success in its action and, therefore these cases will not have any significant adverse impact on the Group's results and financial position. In the opinion of the Directors, adequate provision has been made in these consolidated financial statements.

36. PLEDGE OF ASSETS

As at 31 December 2018, the Group did not have any pledge of assets (2017: Nil).

35. 或然負債(續)

規管監督(續)

於二零一七年，IPI 受到美國國家稅務局(「國稅局」)所進行之例行銀行保密法合規性核查。於報告期末後，國稅局已就有關IPI 反洗黑錢違規情況之初步調查結果發出報告。於刊發此等綜合財務報表當日，IPI 連同其外聘法律及其他專業顧問著手向國稅局提供進一步資料以全力協助有關核查。根據目前已知事實，本集團當前無法準確預測此事宜之解決方案，包括需時長短或對本集團可能造成之影響。IPI 自接受是次核查以來業務一直保持正常營運，並無出現任何業務中斷。

其他訴訟事項

於報告期末及直至刊發此等綜合財務報表當日，除明確訂明者外，本集團作為原告或被告涉及數項民事訴訟案件。董事認為，經考慮各自之法律意見後，此等案件尚處於早期階段及／或本集團於其訴訟之成功率相當高，故此等案件將不會對本集團之業績及財務狀況構成任何重大不利影響。董事認為，已於此等綜合財務報表作出充分撥備。

36. 資產抵押

於二零一八年十二月三十一日，本集團並無任何資產抵押(二零一七年：無)。

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37. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties during the year:

37. 關聯方交易

- (a) 除在綜合財務報表其他章節披露之交易外，本集團於年內有下列關聯方交易：

			2018	2017
			二零一八年	二零一七年
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
<i>Continuing connected transactions:</i>	<i>持續關連交易：</i>			
Salary paid to Ji Xiaobo ("Mr. Ji")	支付予紀曉波先生（「紀先生」）之薪金	(i)	7,839	7,793
<i>Exempted connected transactions:</i>	<i>獲豁免關連交易：</i>			
Interest expense on loans from and notes issued to related parties	來自向關聯方貸款及發行票據之利息開支	(ii)	127,792	97,560
Project management service fees to WWA	支付予環球亞洲之項目管理服務費	(iii)	10,880	34,881
Project management service fees to Mr. Wu	支付予Wu先生之項目管理服務費	(iv)	-	1,670

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37. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

Notes:

- (i) On 8 December 2017, Best Fortune entered into an employment agreement (the “**Employment Agreement**”) with Mr. Ji, the son of the ultimate controlling party of the Company, pursuant to which Mr. Ji was appointed as the Project Director of the casino resort project on the Island of Saipan. According to the Employment Agreement, Mr. Ji is entitled to a basic annual salary of US\$1,000,000 (equivalent to HK\$7,834,000) and a discretionary bonus. The aggregate amount of remuneration has a cap of US\$2,000,000 (equivalent to HK\$15,668,000).
 - (ii) During the year ended 31 December 2018, interest expense of HK\$127,792,000 (2017: HK\$97,560,000) was charged on loans from and notes issued to related parties. The interest rates ranged from 7.5% to 12% (2017: 7.5% to 9.5%) per annum.
 - (iii) During the year ended 31 December 2018, service fees of HK\$10,880,000 (2017: HK\$34,881,000) were payable to WWA for the project management services rendered to the Group. The amount mainly included reimbursements of staff costs and office overheads.
 - (iv) During the year ended 31 December 2017, service fees of HK\$1,670,000 were payable to Mr. Wu for the project management services rendered to the Group.
- (b) Details of the Group’s interest payable to related parties, loans from related parties and unsecured bonds and notes issued to related parties as at the end of the reporting period are included in notes 21, 23 and 26 to the consolidated financial statements.

37. 關聯方交易 (續)

(a) (續)

附註：

- (i) 於二零一七年十二月八日，振裕興業有限公司與本公司最終控制人之兒子紀先生訂立僱用協議(「僱用協議」)。據此，紀先生獲委任為於塞班島進行之娛樂場度假村項目之項目總監。根據僱用協議，紀先生有權每年收取基本薪金1,000,000美元(相當於約7,834,000港元)及酌情花紅。薪酬總額上限為2,000,000美元(相當於15,668,000港元)。
 - (ii) 截至二零一八年十二月三十一日止年度，來自向關聯方貸款及發行票據之利息開支為127,792,000港元(二零一七年：97,560,000港元)。年利率介乎7.5%至12%(二零一七年：7.5%至9.5%)。
 - (iii) 截至二零一八年十二月三十一日止年度，就向本集團提供之項目管理服務應付環球亞洲之服務費為10,880,000港元(二零一七年：34,881,000港元)。該款項主要包括員工成本及辦公室開支的報銷。
 - (iv) 截至二零一七年十二月三十一日止年度，就向本集團提供之項目管理服務應付Wu先生之服務費為1,670,000港元。
- (b) 本集團於報告期末應付關聯方之利息、來自關聯方之貸款以及向關聯方發行之無抵押債券及票據之詳情載於綜合財務報表附註21、23及26。

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37. RELATED PARTY TRANSACTIONS (Continued)

- (c) Compensation of key management personnel of the Group:

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and the senior management, is as follows:

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Short term employee benefits	短期僱員福利	37,950	66,981
Post-employment benefits	離職後福利	596	174
Share-based payments	以股份為基礎之付款開支	792	5,826
		39,338	72,981

Further details of directors' emoluments are included in note 8 to the consolidated financial statements.

38. FINANCIAL INSTRUMENTS BY CATEGORY

Other than the equity investments designated at fair value through other comprehensive income, available-for-sale investments and derivative financial instruments as disclosed in notes 16 and 22 to the consolidated financial statements, respectively, all financial assets and liabilities of the Group as at 31 December 2018 and 2017, are loans and receivables, and financial liabilities at amortised cost, respectively.

37. 關聯方交易 (續)

- (c) 本集團主要管理人員之酬金：

本集團主要管理人員之薪酬(包括支付予本公司董事及高級管理層之金額)如下：

董事酬金之進一步詳情載於綜合財務報表附註8。

38. 按類別劃分之金融工具

除綜合財務報表附註16及22分別披露之指定為按公允價值計入其他全面收入之股本投資、可供出售投資及衍生金融工具外，本集團於二零一八年及二零一七年十二月三十一日之所有金融資產及負債分別為貸款及應收款項以及按攤銷成本計量之金融負債。

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39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

39. 金融工具之公允價值及公允價值級別

本集團金融工具之賬面值及公允價值如下，惟賬面值與公允價值合理相若者除外：

		Carrying amounts		Fair values	
		賬面值		公允價值	
		2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Financial assets	金融資產				
Equity investments designated at fair value through other comprehensive income	指定為按公允價值計入其他全面收入之股本投資	18,471	–	18,471	–
Available-for-sale investments	可供出售投資	–	82,464	–	82,464
Derivative financial assets	衍生金融資產	24	1,010	24	1,010
		18,495	83,474	18,495	83,474
Financial liabilities	金融負債				
Derivative financial liabilities	衍生金融負債	1	1,033	1	1,033
Other borrowings	其他借款	2,962,525	1,962,842	2,962,525	1,927,824
Loans from related parties	來自關聯方之貸款	574,214	349,357	576,304	322,111
Convertible bonds and notes	可換股債券及票據	48,879	46,713	48,879	45,816
Unsecured bonds and notes	無抵押債券及票據	1,922,724	1,753,301	1,890,014	1,726,710
		5,508,343	4,113,246	5,477,723	4,023,494

Management has assessed that the fair values of cash and cash equivalents, restricted bank deposit, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

管理層已評估，現金及現金等值物、受限制銀行存款、應收貿易賬款、應付貿易賬款、計入預付款項、按金及其他應收款項之金融資產、計入其他應付款項及應計款項之金融負債的公允價值與其賬面值相若，主要由於此等工具於短期內到期所致。

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39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The Group's finance department headed by the Chief Financial Officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The Chief Financial Officer reports directly to the Chief Executive Officer and the Audit Committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the Chief Financial Officer. The valuation process and results are discussed with the Audit Committee twice a year for interim and annual financial reporting.

The fair values of the non-current portion of other borrowings, loans from related parties, convertible bonds and notes and unsecured bonds and notes have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for other borrowings, loans from related parties and unsecured bonds and notes as at 31 December 2018 was assessed to be insignificant. The fair value of the liability portion of the convertible bonds and notes is estimated by discounting the expected future cash flows using an equivalent market interest rate for a similar convertible bond or note with consideration of the Group's own non-performance risk.

The fair values of listed equity investments are based on quoted market prices.

The fair values of the embedded derivatives in convertible bonds and notes are determined by valuation techniques and based on assumptions on market conditions existing at the end of the reporting period. The valuation model requires the input of subjective assumptions, including the stock price, expected volatility and risk free rate.

39. 金融工具之公允價值及公允價值級別(續)

本集團由首席財務官領導的財務部門負責決定金融工具公允價值計量之政策及程序。首席財務官直接向行政總裁及審核委員會匯報。於各報告日期，財務部門分析金融工具之價值變動，並釐定估值中適用的主要輸入值。首席財務官審閱及批准估值，並就中期及年度財務報告的估值過程及結果與審核委員會每年進行兩次討論。

其他借款、來自關聯方之貸款、可換股債券及票據以及無抵押債券及票據非流動部分之公允價值乃按擁有相若條款、信貸風險及餘下年期工具的現時可用比率貼現預期未來現金流量計算。於二零一八年十二月三十一日，本集團本身就其他借款、來自關聯方之貸款及無抵押債券及票據之不履約風險被評為並不重大。可換股債券及票據負債部分之公允價值，乃按相若可換股債券或票據所用相等市場利率並考慮到本集團本身之不履約風險，貼現預期未來現金流量作出估計。

上市股本投資的公允價值乃按市場報價計算。

可換股債券及票據之嵌入式衍生工具之公允價值乃按估值方法釐定及按於報告期末對現時市場狀況之假設計算。估值模式規定主觀假設之輸入值，包括股價、預期波動及無風險利率。

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39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

As at 31 December 2018, the Group had financial assets designated at fair value through other comprehensive income which were previously classified as available-for-sale investments amounting to HK\$18,471,000 (2017: HK\$82,464,000) measured at Level 1 fair value.

As at 31 December 2018, the Group had derivative financial assets amounting to HK\$24,000 (2017: 1,010,000) measured at Level 2 fair value.

As at 31 December 2018, the Group had derivative financial liabilities amounting to HK\$1,000 (2017: HK\$1,033,000) measured at Level 2 fair value.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2017: Nil).

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivative financial instruments and equity investments designated at fair value through other comprehensive income, comprise other borrowings, loans from related parties, convertible bonds and notes, unsecured bonds and notes and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, liquidity risk and equity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.5 to the consolidated financial statements.

39. 金融工具之公允價值及公允價值級別(續)

於二零一八年十二月三十一日，本集團先前分類為可供出售投資之指定為按公允價值計入其他全面收入之金融資產18,471,000港元(二零一七年：82,464,000港元)乃按第一級公允價值計量。

於二零一八年十二月三十一日，本集團之衍生金融資產24,000港元(二零一七年：1,010,000港元)乃按第二級公允價值計量。

於二零一八年十二月三十一日，本集團之衍生金融負債1,000港元(二零一七年：1,033,000港元)乃按第二級公允價值計量。

年內，第一級與第二級之間概無任何公允價值計量之轉移，且金融資產及金融負債均無轉入或轉出第三級(二零一七年：無)。

40. 財務風險管理目標及政策

本集團衍生工具及指定為按公允價值計入其他全面收入之股本投資以外之主要金融工具包括其他借款、來自關聯方之貸款、可換股債券及票據、無抵押債券及票據以及現金及現金等值物。此等金融工具之主要目的為籌集資金作本集團經營所需。本集團擁有應收貿易賬款及應付貿易賬款等其他不同金融資產及負債，均直接來自其經營業務。

本集團金融工具之主要風險為外幣風險、信貸風險、流動資金風險及股本價格風險。董事會檢討及協定管理各項有關風險之政策，並概述如下。本集團有關衍生工具的會計政策載於綜合財務報表附註2.5。

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from future commercial transactions, recognised assets and liabilities, net investments in foreign operations or expenditure of operating units in currencies other than the units' functional currencies. During the year, the Group did not use any financial instruments for hedging purposes.

The majority of its foreign currency exposure comprises assets and liabilities denominated in US\$. The exchange rate of the HK\$ is pegged to the US\$ and has remained relatively stable over the past years. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

Credit risk

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of trade receivables.

In order to minimise the credit risk, the 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. The Group issues credit in the form of markers to approved casino customers following investigations of creditworthiness. In addition, the Group reviews the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are made for irrecoverable amounts.

40. 財務風險管理目標及政策(續)

外幣風險

本集團面對交易貨幣風險。有關風險來自未來商業交易、已確認資產及負債、海外業務投資淨額或經營單位開支以功能貨幣以外之其他貨幣為單位而產生。年內，本集團並無使用任何金融工具作對沖之用。

其外幣風險主要包括以美元計值之資產及負債，而港元之匯率與美元掛鈎並於過去數年維持較穩定。本集團透過密切監控匯率變動管理其外幣風險。

信貸風險

金融工具可能使本集團承受集中信貸風險(主要由應收貿易賬款組成)。

為降低信貸風險，本集團管理層成立團隊負責釐定信貸限額、信貸批准及其他監控程序，確保採取跟進行動收回逾期債務。本集團以借據的形式向通過信用審查的娛樂場客戶發出信貸。此外，本集團定期審閱各項個別貿易債務的可收回金額，確保就無法收回金額作出足夠減值虧損撥備。

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018.

40. 財務風險管理目標及政策(續)

於二零一八年十二月三十一日之最高風險及年結階段

下表顯示於二零一八年十二月三十一日根據本集團信貸政策所得信貸質素及最高信貸風險(有關資料主要以逾期資料為依據,除非毋須付出重大成本或精力即可取得其他資料)以及年結階段分類。

		12-month ECLs		Lifetime ECLs		
		12個月預期信貸虧損		全期預期信貸虧損		
		Stage 1	Stage 2	Stage 3	Simplified approach	
		第一階段	第二階段	第三階段	簡化方法	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Trade receivables*	應收貿易賬款*	-	-	-	4,866,395	4,866,395
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產					
— Normal**	— 正常**	218,724	-	-	-	218,724
Cash and cash equivalents	現金及現金等值物					
— Not yet past due	— 尚未逾期	113,840	-	-	-	113,840
		<u>332,564</u>	<u>-</u>	<u>-</u>	<u>4,866,395</u>	<u>5,198,959</u>

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Maximum exposure and year-end staging as at 31 December 2018 (Continued)

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 to the consolidated financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets would be considered to be "doubtful".

Maximum exposure as at 31 December 2017

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and trade and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 18 to the consolidated financial statements.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g. trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans from related parties, other borrowings, convertible bonds and notes and unsecured bonds and notes.

40. 財務風險管理目標及政策(續)

於二零一八年十二月三十一日之最高風險及年結階段(續)

* 就本集團應用簡化方法計算減值之應收貿易賬款而言，根據撥備矩陣計算之資料於綜合財務報表附註18披露。

** 倘計入預付款項、其他應收款項及其他資產之金融資產尚未逾期及並無資料顯示金融資產自初始確認以來之信貸風險顯著增加，信貸質素被視為「正常」。否則，金融資產之信貸質素將被視為「存疑」。

於二零一七年十二月三十一日之最高風險
本集團其他金融資產(包括現金及現金等值物以及應收貿易賬款及其他應收款項)之信貸風險乃因交易對手違約所產生，最高風險相等於該等工具之賬面值。

有關本集團應收貿易賬款所產生信貸風險之進一步量化數據乃於綜合財務報表附註18披露。

流動資金風險

本集團運用經常性流動資金規劃工具監察資金短缺之風險。該工具考慮金融工具及金融資產(如應收貿易賬款)之到期情況，以及預測來自經營活動之現金流量。

本集團的目的是要運用來自關聯方之貸款、其他借款、可換股債券及票據以及無抵押債券及票據在資金持續供應與靈活性之間維持平衡。

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

40. 財務風險管理目標及政策(續)

流動資金風險(續)

本集團於報告期末根據合約非貼現開支的金融負債之到期情況如下：

		2018				
		Within	Over 2			
		1 year	1 to 2	years but	Over	
		or on	years	within	5 years	Total
		demand		5 years		
		一年內或	一至兩年	超過兩年	超過五年	總計
		應要求		但五年內		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Trade payables	應付貿易賬款	91,739	-	-	-	91,739
Accruals and other payables	應計款項及其他應付款項	2,304,879	55,294	-	-	2,360,173
Other borrowings	其他借款	1,704,537	1,090,498	436,447	-	3,231,482
Loans from related parties	來自關聯方之貸款	125,398	264,333	231,902	-	621,633
Convertible bonds and notes	可換股債券及票據	50,970	-	-	-	50,970
Unsecured bonds and notes	無抵押債券及票據	141,495	705,521	1,322,745	35,718	2,205,479
		<u>4,419,018</u>	<u>2,115,646</u>	<u>1,991,094</u>	<u>35,718</u>	<u>8,561,476</u>

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

40. 財務風險管理目標及政策(續)

流動資金風險(續)

		2017 二零一七年				
		Within 1 year or on demand 一年內或 應要求 HK\$'000 千港元	1 to 2 years 一至兩年 HK\$'000 千港元	Over 2 years but within 5 years 超過兩年 但五年內 HK\$'000 千港元	Over 5 years 超過五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Trade payables	應付貿易賬款	78,623	-	-	-	78,623
Accruals and other payables	應計款項及其他應付款項	2,767,484	-	-	-	2,767,484
Other borrowings	其他借款	1,247,636	899,891	-	-	2,147,527
Loans from related parties	來自關聯方之貸款	197,593	151,764	-	-	349,357
Convertible bonds and notes	可換股債券及票據	2,000	50,970	-	-	52,970
Unsecured bonds and notes	無抵押債券及票據	21,971	1,313,306	629,636	31,845	1,996,758
		<u>4,315,307</u>	<u>2,415,931</u>	<u>629,636</u>	<u>31,845</u>	<u>7,392,719</u>

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual listed equity investments classified as equity investments designated at fair value through other comprehensive income (note 16) as at 31 December 2018 and 2017. The Group's listed investments are listed on the Hong Kong Stock Exchange and are valued at quoted market prices at the end of the reporting period. The Group is also exposed to equity price risk arising from changes in the price of the Company's own shares to the extent that the Company's own equity investments underlie the fair values of derivatives. The Group was also exposed to this risk through the conversion rights attached to the convertible bonds and notes (note 25) issued by the Company.

股本價格風險

股本價格風險即股本證券公允價值因股權指數水平及個別證券價值之變動而減少之風險。於二零一八年及二零一七年十二月三十一日，本集團面臨由分類為指定為按公允價值計入其他全面收入之股本投資(附註16)引致的股本價格風險。本集團之上市投資於香港聯交所上市，並於報告期末按所報市價計值。本集團亦面臨來自本公司自有股份價格變動之股本價格風險，惟限於本公司自有股本投資低於衍生工具之公允價值。本集團亦因本公司發行之可換股債券及票據(附註25)所附帶之兌換權而面臨有關風險。

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 2017.

40. 財務風險管理目標及政策(續)

資本管理

本集團資本管理之主要目標為確保本集團能夠持續經營，並維持穩健的資本比率，以支持其業務營運及最大限度地提高股東價值。

本集團根據經濟狀況之變化及相關資產之風險特徵管理其資本架構並作出調整。為維持或調整資本架構，本集團或會調整支付予股東之股息、退還資本予股東或發行新股。本集團毋須遵守任何外加的資本規定。截至二零一八年及二零一七年十二月三十一日止年度，本集團資本管理之目標、政策或流程並無出現變動。

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40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. Net debt includes convertible bonds and notes, unsecured bonds and notes, loans from related parties, other borrowings, less cash and cash equivalents. Capital represents total equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods are as follows:

40. 財務風險管理目標及政策(續)

資本管理(續)

本集團採用資產負債比率(即淨債務除經調整資本加淨債務)監控資本。淨債務包括可換股債券及票據、無抵押債券及票據、來自關聯方之貸款、其他借款，扣除現金及現金等值物。資本指本公司擁有人應佔股權總額。於報告期末的資產負債比率如下：

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Convertible bonds and notes	可換股債券及票據	48,879	46,713
Unsecured bonds and notes	無抵押債券及票據	1,922,724	1,753,301
Loans from related parties	來自關聯方之貸款	574,214	349,357
Other borrowings	其他借款	2,962,525	1,962,842
Less: Cash and cash equivalents	減：現金及現金等值物	(58,153)	(284,520)
Net debt	淨債務	<u>5,450,189</u>	<u>3,827,693</u>
Total equity	總權益	<u>890,253</u>	<u>3,852,965</u>
Capital and net debt	資本及淨債務	<u>6,340,442</u>	<u>7,680,658</u>
Gearing ratio	資產負債比率	<u>86.0%</u>	<u>49.8%</u>

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41. EVENTS AFTER THE REPORTING PERIOD

- (a) From January 2019 and up to the date of approval of these financial statements, the Company has obtained unsecured loans which are interest-bearing at 8%–18% per annum in an aggregate amount of approximately HK\$543,000,000 from independent third parties, of which HK\$340,000,000, HK\$185,000,000 and HK\$18,000,000 are repayable in 2019, 2021 and 2022 respectively;
- (b) from January 2019 and up to the date of approval of these financial statements, the Company has agreed with certain lenders to renew certain loan agreements of approximately HK\$434,899,000 outstanding as at 31 December 2018 which were originally due for repayment in 2019, and extended the repayment tenure to 2020, 2021 and 2022 for HK\$97,700,000, HK\$244,599,000 and HK\$92,600,000, respectively;
- (c) subsequent to the end of the reporting period, save for loan amounts of HK\$350,000,000 and HK\$10,000,000 which have been repaid on 22 March 2019 and 24 March 2019, respectively, the Company has agreed with its lenders to extend the repayment tenure of certain overdue loan and note amounts of HK\$16,000,000 and HK\$849,849,000, which were overdue before these latest extension agreements, to the second half of 2019 or thereafter, respectively;
- (d) on 22 March and 24 March 2019, the Company has obtained 2019 unsecured credit facilities of approximately HK\$700,000,000 and HK\$450,000,000 from two independent third parties and for its working capital needs; and

41. 報告期後事項

- (a) 自二零一九年一月起直至此等財務報告獲批准日期，本公司自獨立第三方取得總額約為543,000,000港元的無抵押貸款，有關貸款按年利率8厘至18厘計息，其中340,000,000港元、185,000,000港元及18,000,000港元須分別於二零一九年、二零二一年及二零二二年償還；
- (b) 自二零一九年一月起直至刊發此等財務報表當日，本公司與若干貸方協定就於二零一八年十二月三十一日之未償還借款約434,899,000港元重訂若干貸款協議，該等借款原先於二零一九年到期償還，而其中97,700,000港元、244,599,000港元及92,600,000港元之還款期分別延至二零二零年、二零二一年及二零二二年；
- (c) 於報告期末後，除已分別於二零一九年三月二十二日及二零一九年三月二十四日償還之貸款350,000,000港元及10,000,000港元外，本公司與貸方協議延長分別為16,000,000港元及849,849,000港元之若干逾期貸款及票據的還款期，該等款項已於最近期延長協議前逾期，並分別延至二零一九年下半年或較後時間；
- (d) 於二零一九年三月二十二日及三月二十四日，本公司分別自兩名獨立第三方取得約700,000,000港元及450,000,000港元之二零一九年無抵押信貸額度以應付其營運資金需求；及

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41. EVENTS AFTER THE REPORTING PERIOD

(Continued)

- (e) on 8 March 2019, pursuant to the deeds of assignment, the rights, titles and benefits in certain of the Company's loans and other payables in an aggregate amount of HK\$242,505,000 carried as at 31 December 2018 were assigned by the creditors, who are independent third parties and, as the assignor, to Mr. Ji. On the same date, the Company entered into certain loan agreements with Mr. Ji for these loans and other payables of the same amounts, the terms of which are unsecured, interest-free and repayable in 2022.

42. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and re-presented to conform with the current year's presentation.

41. 報告期後事項(續)

- (e) 於二零一九年三月八日，根據轉讓協議，於本公司貸款及其他應付款項中總金額為242,505,000港元之權利、所有權及利益已由債務人(其為獨立第三方)(作為轉讓人)轉讓予紀先生。同日，本公司就相同金額之該等貸款及其他應付款項與紀先生訂立若干貸款協議，其條款為無抵押、免息及須於二零二二年償還。

42. 比較金額

若干比較金額已重新分類及重列，與本年度之呈列一致。

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43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

43. 本公司財務狀況表

有關本公司於報告期末之財務狀況表的資料如下：

		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	4,222	9,177
Investments in subsidiaries	於附屬公司之投資	—*	—*
Deposits and other receivables	按金及其他應收款項	10,805	10,373
Interest in subsidiaries	於附屬公司之權益	7,211,420	6,586,765
Available-for-sale investments	可供出售投資	—	82,464
Equity investments designated at fair value through other comprehensive income	指定為按公允價值計入其他全面收入之股本投資	18,471	—
Total non-current assets	非流動資產總值	<u>7,244,918</u>	<u>6,688,779</u>
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	39,401	26,419
Derivative financial asset	衍生金融資產	24	1,010
Cash and cash equivalents	現金及現金等值物	29,829	49,460
Total current assets	流動資產總值	<u>69,254</u>	<u>76,889</u>

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43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued) 43. 本公司財務狀況表 (續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計款項	1,672,609	1,145,239
Derivative financial liabilities	衍生金融負債	1	1,033
Loans from related parties	來自關聯方之貸款	125,398	197,593
Other borrowings	其他借款	2,962,525	1,189,492
Convertible bonds and notes	可換股債券及票據	48,879	–
Unsecured bonds and notes	無抵押債券及票據	747,777	–
Total current liabilities	流動負債總額	<u>5,557,189</u>	<u>2,533,357</u>
NET CURRENT LIABILITIES	流動負債淨額	<u>(5,487,935)</u>	<u>(2,456,468)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	<u>1,756,983</u>	<u>4,232,311</u>
NON-CURRENT LIABILITIES	非流動負債		
Loans from related parties	來自關聯方之貸款	448,816	151,764
Other borrowings	其他借款	–	773,350
Convertible bonds and notes	可換股債券及票據	–	46,713
Unsecured bonds and notes	無抵押債券及票據	1,174,947	1,753,301
Total non-current liabilities	非流動負債總額	<u>1,623,763</u>	<u>2,725,128</u>
NET ASSETS	資產淨值	<u>133,220</u>	<u>1,507,183</u>
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	71,492	71,492
Reserves (note)	儲備(附註)	61,728	1,435,691
Total equity	總權益	<u>133,220</u>	<u>1,507,183</u>

* Less than HK\$1,000

* 少於1,000港元

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43. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

		Convertible notes reserve 可換股票據儲備 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Investment reserve (non-recycling) 投資儲備 (不可轉回) HK\$'000 千港元	Investment reserve (recycling) 投資儲備 (可轉回) HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	1,480,332	1,984,779	50,714	-	-	(14,602)	(1,827,565)	1,673,658
Loss for the year	年內虧損	-	-	-	-	-	-	(555,221)	(555,221)
Other comprehensive income for the year:	年內其他全面收入:								
Changes in fair value of available-for-sale investments, net	可供出售投資的公允價值變動淨額	-	-	-	-	-	14,602	-	14,602
Issue of new shares	發行新股份	-	-	-	-	-	-	-	-
Issue of shares upon conversion of convertible notes	可換股票據兌換時發行股份	-	281,017	-	-	-	-	-	281,017
Equity-settled share option arrangements	權益結算購股權安排	-	-	21,635	-	-	-	-	21,635
Transfer of reserve upon the lapse of share options	購股權失效時轉撥儲備	-	-	(1,557)	-	-	-	1,557	-
At 31 December 2017	於二零一七年十二月三十一日	1,480,332	2,265,796	70,792	-	-	-	(2,381,229)	1,435,691
Effect of adoption of HKFRS 9	採納香港財務報告準則第9號之影響	-	-	-	-	(33,589)	-	33,589	-
At 1 January 2018 (restated)	於二零一八年一月一日(重列)	1,480,332	2,265,796	70,792	-	(33,589)	-	(2,347,640)	1,435,691
Loss for the year	年內虧損	-	-	-	-	-	-	(1,372,268)	(1,372,268)
Other comprehensive loss for the year:	年內其他全面虧損:								
Changes in fair value of equity investments designated at fair value through other comprehensive income, net	指定為按公允價值計入其他全面收入之股本投資公允價值變動淨額	-	-	-	-	(63,993)	-	-	(63,993)
Equity-settled share option arrangements	權益結算購股權安排	-	-	17,298	-	-	-	-	17,298
Transfer of reserve upon the lapse of share options	購股權失效時轉撥儲備	-	-	(14,872)	-	-	-	14,872	-
Deemed capital contribution from a shareholder	視作一名股東出資	-	-	-	45,000	-	-	-	45,000
At 31 December 2018	於二零一八年十二月三十一日	1,480,332	2,265,796	73,218	45,000	(97,582)	-	(3,705,036)	61,728

附註:

本公司之儲備概要如下:

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.5 to the consolidated financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or transferred to retained profits should the related options expire or be forfeited.

購股權儲備包括尚未行使已授出購股權之公允價值，其進一步解釋載於綜合財務報表附註2.5以股份為基礎之付款開支之會計政策。該金額將於有關購股權獲行使時轉撥至股份溢價賬，或於有關購股權到期或被沒收時轉撥至保留溢利。

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44. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 26 March 2019.

44. 批准綜合財務報表

綜合財務報表已於二零一九年三月二十六日獲董事會批准及授權刊發。

Five-Year Financial Summary

五年財務概要

A summary of the results and of the assets and liabilities of the Group for each of five financial years, as extracted from the published audited financial statements and reclassified as appropriate is set out below. The amounts for each year in the five year financial summary have been adjusted for the effects of the retrospective changes of the adoption of HKFRS 15, as detailed in note 2.3 to the consolidated financial statements.

本集團於五個財政年度各年之業績以及資產及負債概要（乃摘錄自己刊發之經審核財務報表，並於適當情況下重新分類）載列如下。五年財務概要各年之金額已就採納香港財務報告準則第15號之追溯變動之影響作出調整，詳見綜合財務報表附註2.3。

RESULTS

業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2014 二零一四年 (note) (附註) HK\$'000 千港元	2015 二零一五年 (restated) (重列) HK\$'000 千港元	2016 二零一六年 (restated) (重列) HK\$'000 千港元	2017 二零一七年 (restated) (重列) HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
CONTINUING OPERATIONS	持續經營業務					
Revenue	收益	558,267	384,128	3,925,726	7,793,546	3,254,587
Profit/(loss) before tax	除稅前溢利/(虧損)	(1,558,351)	50,351	1,096,803	870,960	(3,421,311)
Income tax (expenses)/credit	所得稅(開支)/抵免	-	-	(160,910)	(233,487)	456,288
Profit/(loss) for the year from continuing operations	來自持續經營業務年內溢利/(虧損)	(1,558,351)	50,351	935,893	637,473	(2,965,023)
DISCONTINUED OPERATION	已終止業務					
Loss for the year from a discontinued operation	來自一項已終止業務年內虧損	-	(68,392)	(318)	-	-
Profit/(loss) for the year attributable to owners of the Company	本公司持有人應佔年內溢利/(虧損)	(1,558,351)	(18,041)	935,575	637,473	(2,965,023)

Note: The comparative amounts for the year ended 31 December 2014 have not been restated for the effects of the discontinued operation to the financial statements because, in the opinion of the Directors, the restatement of the prior year' amounts would provide no additional useful information to the users of these financial statements.

附註：截至二零一四年十二月三十一日止年度之比較金額並未因已終止業務對財務報表之影響而重列，原因為董事認為重述過往年度之金額不會為該等財務報表之使用者提供額外有用資料。

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				
		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total assets	資產總值	931,667	3,319,260	9,613,103	15,641,294	12,722,242
Total liabilities	負債總額	(60,384)	(1,571,735)	(6,752,206)	(11,788,329)	(11,831,989)
Net assets	資產淨值	871,283	1,747,525	2,860,897	3,852,965	890,253



IMPERIAL PACIFIC

INTERNATIONAL HOLDINGS

博華太平洋國際控股有限公司