



GR PROPERTIES
國銳地產

GR PROPERTIES LIMITED

國銳地產有限公司

Stock Code 股份代號: 108

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EXECUTIVE DIRECTORS

Mr. Wei Chunxian (*Chairman*)
Ms. Liu Shuhua (*Chief Executive Officer*)
Mr. Sun Zhongmin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tung Woon Cheung Eric
Mr. Chui Tsan Kit
(*resigned on 14 February 2018*)
Mr. Au Yeung Po Fung
Ms. To Tsz Wan Vivien
(*appointed on 14 February 2018*)

SECRETARY

Ms. Lui Mei Ka
(*resigned on 31 July 2018*)

Mr. Lam Chee Sum Eddie
(*appointed on 31 July 2018*)

AUDIT COMMITTEE

Mr. Tung Woon Cheung Eric
(*Chairman of the Audit Committee*)
Mr. Chui Tsan Kit
(*resigned on 14 February 2018*)
Mr. Au Yeung Po Fung
Ms. To Tsz Wan Vivien
(*appointed on 14 February 2018*)

NOMINATION COMMITTEE

Mr. Wei Chunxian
(*Chairman of the Nomination Committee*)
Mr. Tung Woon Cheung Eric
Mr. Au Yeung Po Fung

執行董事

魏純暹先生(*主席*)
劉淑華女士(*行政總裁*)
孫仲民先生

獨立非執行董事

董煥樟先生
徐燦傑先生
(*於二零一八年二月十四日辭任*)
歐陽寶豐先生
杜紫雲女士
(*於二零一八年二月十四日獲委任*)

秘書

雷美嘉女士
(*於二零一八年七月三十一日辭任*)

林智深先生
(*於二零一八年七月三十一日獲委任*)

審核委員會

董煥樟先生
(*審核委員會主席*)
徐燦傑先生
(*於二零一八年二月十四日辭任*)
歐陽寶豐先生
杜紫雲女士
(*於二零一八年二月十四日獲委任*)

提名委員會

魏純暹先生
(*提名委員會主席*)
董煥樟先生
歐陽寶豐先生

REMUNERATION COMMITTEE

Mr. Au Yeung Po Fung
(Chairman of the Remuneration Committee)
Mr. Tung Woon Cheung Eric
Mr. Chui Tsan Kit
(resigned on 14 February 2018)
Ms. To Tsz Wan Vivien
(appointed on 14 February 2018)

AUTHORISED REPRESENTATIVES

Ms. Liu Shuhua
Ms. Lui Mei Ka
(resigned on 31 July 2018)
Mr. Lam Chee Sum Eddie
(appointed on 31 July 2018)

AUDITOR

Ernst & Young

REGISTRAR

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

REGISTERED OFFICE

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STOCK CODE

108

WEBSITE

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薪酬委員會

歐陽寶豐先生
(薪酬委員會主席)
董煥樟先生
徐燦傑先生
(於二零一八年二月十四日辭任)
杜紫雲女士
(於二零一八年二月十四日獲委任)

授權代表

劉淑華女士
雷美嘉女士
(於二零一八年七月三十一日辭任)
林智深先生
(於二零一八年七月三十一日獲委任)

核數師

安永會計師事務所

股票登記處

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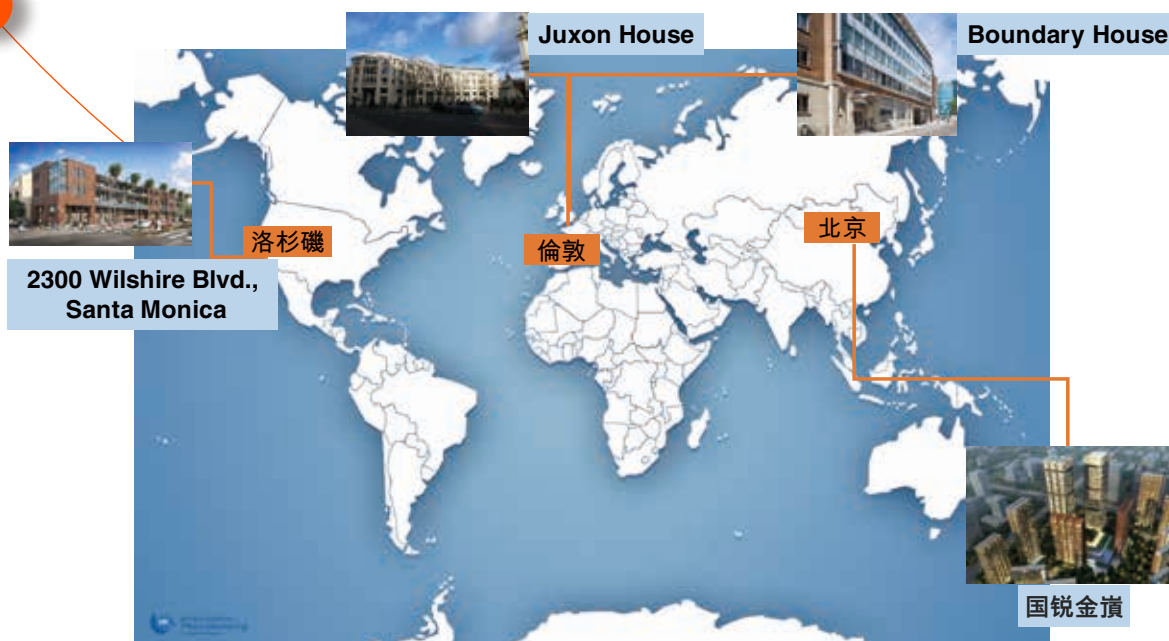
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網址

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CHAIRMAN'S STATEMENT

主席報告



Dear Shareholders,

I am pleased to present, as the chairman of the board of directors (the “Board”) of GR Properties Limited (the “Company”, together with its subsidiaries, the “Group”), the report for the year ended 31 December 2018 (the “Year”).

REVIEW AND OUTLOOK

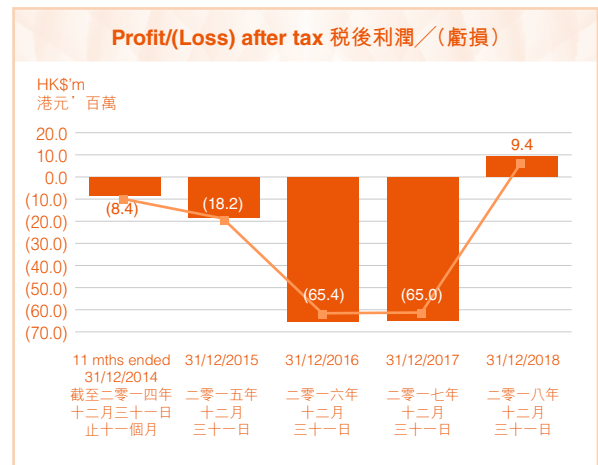
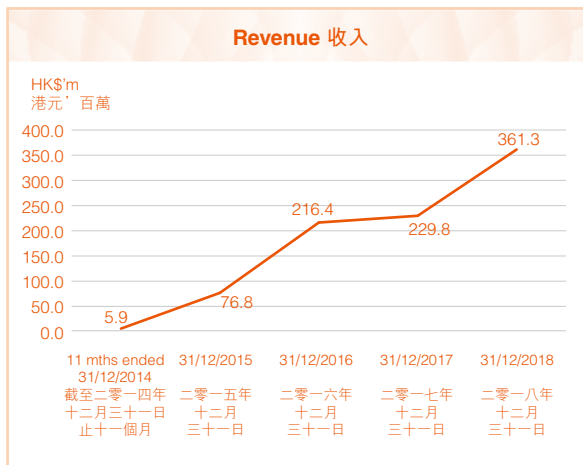
The Group began an entirely new era in its history during 2018, following the successful transformation of the Company from one that was engaged in property investment, hotel management and the sale of dye-sublimation printed products since 2014 into a company engaging in (i) the provision of property management services in the People’s Republic of China (the “PRC”); (ii) property development and investment worldwide, and (iii) operation and management of a leisure and lifestyle experience centre in the PRC.

各位股東：

本人欣然以國銳地產有限公司（「本公司」，連同其附屬公司，統稱為「本集團」）董事局（「董事局」）主席的身份提呈截至二零一八年十二月三十一日止年度（「本年度」）的報告。

回顧及展望

本集團在二零一八年開展新的一頁，由自二零一四年起從物業投資、酒店管理及銷售染料熱昇華印刷產品成功轉型為從事(i)在中華人民共和國（「中國」）提供物業管理服務；(ii)全球物業發展及投資，及(iii)經營及管理中國之休閒及時尚生活體驗中心的公司。



In recent years, numerous acquisitions such as Juxon House, Boundary House in London, Santa Monica project in Los Angeles together with property management and leisure and lifestyle experience business brought significant contributions to the development of the Group. The management team illustrated a more dynamic and professional business style. The main direction of the management team has been to build on the Group's long and extensive experience and excellent track record in property development and investment industry in the PRC, in order to channel its capabilities in new directions that will create greater value for its shareholders. All these efforts have begun to produce a significant improvement in the Group's financial performance in 2018.

During 2018, the Company has made two important strategic moves, namely (i) an open offer, which raised around HK\$728.05 million and (ii) acquisition of the entire capital of Wise Expert Investment Limited, which indirectly held a portions of office units at Guorui Square Block B, Beijing, the PRC. The open offer further strengthened the Group's solid financial base and the acquisition provides a stable revenue stream to the Group in future.

近年來，Juxon House，倫敦Boundary House，洛杉磯聖莫尼卡項目以及物業管理和休閒及時尚生活體驗業務等眾多收購為本集團的發展帶來了重大貢獻。管理層經營風格更顯朝氣，管理方式也更見專業。本集團歷史悠久，經驗豐富，多年來在物業發展及投資行業表現超卓，管理層將繼續往開來，在原有基礎上開拓業務新方向，為股東創造更大回報。二零一八年本集團的財務表現足證公司上下努力已見巨大成效。

於二零一八年，本公司作出兩項重大戰略舉措，即(i)完成公開發售並籌集約728,050,000港元及(ii)收購Wise Expert Investment Limited(其間接持有位於中國北京國銳廣場B座的部分辦公室單元)之全部股本。公開發售進一步加強本集團穩固之財務根基，且收購使本集團日後收入更為穩定。

CHAIRMAN'S STATEMENT

主席報告

In future, we will explore different equity and debt fund-raising opportunities to fund our future projects provided that the costs of funding is reasonable. Other than the investment in Culver City of Los Angeles, we will continue to seek investment opportunities for property development and investment in the USA or Europe given the return is reasonable. Nevertheless, the Group will not rule out any other possibilities to divest its investment with decent return. The Board will continue the strategy to expand the Group in future.

APPRECIATION

I would like to take this opportunity to express my heartfelt gratitude to the fellow members of the Board, and on behalf of the Board, the management and entire staff of the Group for their diligent work and contribution in the past year. Last but not the least, I would like to extend my sincerest appreciation to the investors and shareholders of the Company for their continuing confidence in and support for the Group over the years. In 2019, the business portfolio of the Group will continue to be optimised and rationalised to provide the Company's future development and business growth with a motive force. We will devote our best efforts to generate encouraging returns for our supportive shareholders.

Yours faithfully,
WEI CHUNXIAN
Chairman

Hong Kong, 29 March 2019

於未來，只要資金成本合理，我們將探索不同的權益及債務籌資機會，以為我們日後的項目集資。除對洛杉磯卡爾弗城的投資外，鑒於回報屬合理，我們將在美國或歐洲持續尋求物業開發及投資的投資機會。儘管如此，本集團並不排除可能帶來良好回報的任何其他投資機會。董事局日後將繼續採取策略以擴大本集團的業務。

致謝

本人謹藉此機會衷心感謝董事局全體同仁，並代表董事局感謝本集團的管理層及全體員工過去一年的努力工作和貢獻。最後，本人也誠意感謝本公司的投資者及股東多年以來一直對本集團的信心和支持。於二零一九年，本集團的業務組合將持續優化及合理化，為本公司未來的發展及業務增長注入了原動力。我們將會傾盡全力，為一直支持我們的股東帶來豐碩的回報。

此致
主席
魏純暹

香港，二零一九年三月二十九日

1. OVERVIEW OF THE YEAR

The Company has taken a big stride forward in year 2018. Our management is pleased to share with our supportive shareholders that we have made two strategic moves in 2018 which further expands our asset portfolio and equity base.

Open Offer

On 24 May 2018, the Company proposed to raise approximately HK\$728.05 million by way of open offer (the “Open Offer”), whereby 910,932,662 shares of the Company (“Shares”) shall be allotted and issued on the basis of one (1) offer Share for every (2) existing Shares held by the Shareholders on the record date. The Open Offer will only be available to the qualifying Shareholders. The Open Offer is fully underwritten by Gang Rui International Investment (HK) Limited, a company ultimately controlled by Mr. Wei Chunxian (“Mr. Wei”), Chairman of the Board and director of the Company (“Director(s)”) pursuant to the underwriting agreement.

Given the proceeds from Open Offer will be used to repay the outstanding liabilities and to finance the working capital of the Group, the Open Offer shall increase the total assets of the Group by approximately HK\$176.13 million and decrease the total liabilities of the Group by HK\$551.92 million. As such, the gearing ratio of the Group, as expressed as the ratio of total debts to total equities, would potentially decrease after completion of the Open Offer.

Hence, the Directors are of the view that the decrease of the gearing ratio could (1) strengthen the negotiation power of the Company to renew or obtain banking facilities; and (2) improve the financial position of the Group, which in turn will benefit the Company and the Shareholders as a whole. The Open Offer was completed on 24 July 2018.

For the details of the Open Offer, please refer to the Company’s announcement dated 24 May 2018 and circular dated 29 June 2018.

1. 本年度總覽

本公司於二零一八年邁出了重要的一步。管理層欣然向支持我們的股東提呈，我們已於二零一八年完成兩項戰略發展，從而進一步擴大了我們的資產組合及權益基礎。

公開發售

於二零一八年五月二十四日，本公司建議按股東於記錄日期每持有兩(2)股現有股份可獲發一(1)股發售股份之基準進行公開發售(「公開發售」)，配發及發行910,932,662股本公司股份(「股份」)，從而籌集約728,050,000港元。公開發售僅供合資格股東參與。根據包銷協議，公開發售由港銳國際投資(香港)有限公司全數包銷，而港銳國際投資(香港)有限公司由董事局主席兼本公司董事(「董事」)魏純暹先生(「魏先生」)最終控制。

鑒於公開發售所得款項將用於償還未償還負債及用作本集團一般營運資金，公開發售將使本集團資產總值增加約176,130,000港元及負債總額減少551,920,000港元。因此，本集團之資產負債率(以債務總額除以權益總額之比率表示)將有可能於公開發售完成後降低。

因此，董事認為，降低資產負債率可(1)加強本公司重續或取得銀行融資時之議價能力；及(2)改善本集團之財務狀況，繼而將對本公司及股東整體有利。公開發售已於二零一八年七月二十四日完成。

有關公開發售之詳情，請參閱本公司日期為二零一八年五月二十四日之公佈及日期為二零一八年六月二十九日之通函。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Acquisition of the entire issued share capital of Wise Expert Investment Limited, which indirectly held a property, comprising offices and basement of Guorui Square Block B in Beijing, the PRC

On 30 May 2018 (after trading hours), the Company, Winluck Global Limited, (“Vendor A”), being a company wholly-owned by Mr. Wei, and Silky Apex Limited, (“Vendor B”), being a company wholly-owned by Mr. Sun Zhongmin, a Director (collectively defined as the “Vendors”) entered into a sale and purchase agreement (the “Agreement”), pursuant to which the Vendors have conditionally agreed to sell and the Company has conditionally agreed to purchase the entire issued share capital of Wise Expert Investment Limited at the consideration of HK\$1,541,320,000. Since Mr. Wei and Mr. Sun Zhongmin are Directors, the Agreement constituted a connected transaction of the Company under the Listing Rules.

The Consideration shall be paid to the Vendors in the following manner:

- (i) as to HK\$361,260,800, by the allotment and issuance of consideration Shares at the issue price of HK\$0.80 per Share, being 410,934,160 new Shares to Vendor A (or to its designated nominee(s)) and 40,641,840 new Shares to Vendor B (or to its designated nominee(s)), by the Company pursuant to the payment schedule as set out in the Agreement; and
- (ii) as to the balance of HK\$1,180,059,200, by the issuance of convertible bonds in the aggregate principal amount of HK\$1,073,853,872 to Vendor A (or to its designated nominee(s)) and HK\$106,205,328 to Vendor B (or to its designated nominee(s)), by the Company pursuant to the payment schedule as set out in the Agreement. The convertible bonds are convertible into ordinary shares of the Company at an initial conversion price of HK\$0.80 per share.

收購Wise Expert Investment Limited (其間接持有位於中國北京國銳廣場B座辦公室及地下室之物業)全部已發行股本

於二零一八年五月三十日(交易時段後)，本公司、Winluck Global Limited(「賣方A」，一間由魏先生全資擁有之公司)及Silky Apex Limited(「賣方B」，一間由董事孫仲民先生全資擁有之公司)(統稱「賣方」)訂立買賣協議(「該協議」)，據此，賣方有條件同意出售及本公司有條件同意購買Wise Expert Investment Limited之全部已發行股本，代價為1,541,320,000港元。由於魏先生及孫仲民先生為董事，故根據上市規則，該協議構成本公司的一項關連交易。

代價將按以下方式向賣方支付：

- (i) 其中361,260,800港元由本公司根據該協議所載之付款時間表按每股股份0.80港元之發行價配發及發行代價股份(即分別向賣方A(或其指定提名人)及賣方B(或其指定提名人)配發及發行410,934,160股新股份及40,641,840股新股份)；及
- (ii) 結餘1,180,059,200港元由本公司根據該協議所載之付款時間表分別向賣方A(或其指定提名人)及賣方B(或其指定提名人)發行本金總額為1,073,853,872港元及106,205,328港元之可換股債券。可換股債券可按每股股份0.80港元之初步兌換價兌換為本公司之普通股。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Wise Expert Investment Limited and its subsidiaries are the sole owner of the property (the “Property”), located at Ronghua South Road, Daxing District, Beijing, the PRC, with a gross floor area of approximately 21,856.46 square meters, which is a composite residential/commercial development, comprising of residential, hotel, services apartment and office. Guorui Square Block B (the “Building”) is a 36-storey office building over a 3-storey basement for storage and plant room purposes. The Property comprises the whole of the basements, the whole of Levels 2 to 11, Unit 108 on Level 1M and Units 1201, 1202 and 1203 on Level 12M of the Building.

The Board considers the acquisition will allow the Group to strengthen its asset base and further develop its existing property management business. The Directors believe that the acquisition can optimise the property portfolio of the Group and broaden its income base through the stable rental incomes generated from the Property.

The transaction was first completed on 17 August 2018 upon fulfillment of the first set of conditions precedent under the Agreement.

For the details of this acquisition, please refer to the Company’s announcement dated 30 May 2018 and circular dated 20 July 2018.

Wise Expert Investment Limited及其附屬公司為有關物業(「該物業」)之唯一擁有人。該物業位於中國北京大興區榮華南路，總建築面積約為21,856.46平方米，其為綜合住宅／商業開發項目，包括住宅、酒店、服務公寓及辦公室。國銳廣場B座(「該建築」)為一座36層高之辦公大樓，有3層地下室，用於儲存及機房用途。該物業包括該建築整座地下室、整層的第2層至第11層、第1M層的108室以及第12M層的第1201、1202及1203室。

董事局認為收購事項將加強本集團之資產基礎，並進一步開發其現有物業管理業務。董事認為，收購事項可優化本集團物業組合，並通過該物業產生之穩定租金收入拓寬其收入基礎。

該項交易已於二零一八年八月十七日該協議下之第一批先決條件達成時第一次完成。

有關收購事項之詳情，請參閱本公司日期為二零一八年五月三十日之公佈及日期為二零一八年七月二十日之通函。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

2. BUSINESS REVIEW

During the year ended 31 December 2018 (the “Year”), the Group’s operations are organised into business units based on the nature of their operations. There are three reportable operating segments, including (i) the property management segment; (ii) the property development and investment segment; and (iii) the operation and management of a leisure and lifestyle experience centre. The first and third segments are located in the PRC, the second segment is located in the USA, UK and the PRC.

2.1 Property management segment

北京澳西物業管理有限公司(Beijing AOCEAN Property Management Company Limited*, or “AOCEAN Property Management”), a wholly-owned subsidiary of the Company, was engaged in the property management segment. As at 31 December 2018, AOCEAN Property Management managed 21 major residential and commercial property projects, which 15 projects were located in Beijing, the PRC and 6 newly added projects during the second half of 2018 were located in Hebei, the PRC. The services provided by AOCEAN Property Management under the management agreements thereof include, inter alia (i) provision of heat supply and maintenance services of heat exchange stations and pipeline network; (ii) provision of management services to car parks such as maintenance of various facilities and equipment in the car parks; and (iii) provision of property management services to vacant properties and general management services such as repair and maintenance of buildings and fire safety equipment and was facilities for residential and commercial property projects.

Adhering to the principle of human-oriented, and seeing from the perspective of customers and market needs, AOCEAN Property Management has been improving and perfecting its management system and service products so as to embed management into services and provide quality services wholeheartedly. AOCEAN Property Management will be dedicated to establishing community service network, enhancing Online to Online (“O2O”) development for the community and providing attentive services in order to improve customer satisfaction.

* The English name is an unofficial translation for identification purpose only.

2. 業務回顧

於截至二零一八年十二月三十一日止年度(「本年度」)內，本集團根據經營業務之性質來劃分業務分部，並有三個報告經營分部，包括(i)物業管理分部；(ii)物業發展及投資分部；及(iii)休閒及時尚生活體驗中心的運作及管理。第一個及第三個分部位於中國，而第二個分部則位於美國、英國及中國。

2.1 物業管理分部

物業管理板塊由本公司之全資附屬公司北京澳西物業管理有限公司(「澳西物業管理」)經營。於二零一八年十二月三十一日，澳西物業管理管理21個大型住宅及商用物業項目，其中15個項目位於中國北京，而二零一八年下半年有6個新增項目位於中國河北。澳西物業管理根據有關管理協議所提供之服務計有(其中包括)(i)提供供暖服務以及換熱站及輸送管道網絡之維修服務；(ii)提供停車場管理服務(例如維修停車場之各種設施及設備)；及(iii)提供有關空置物業之物業管理服務及一般管理服務(例如維修及保養有關樓宇以及住宅及商用物業項目的防火安全設備及設施)。

秉持以人為本的原則，並從客人及市場需要角度考量，澳西物業管理一直改善及完善其管理系統及服務產品，從而將管理與服務融為一體，並全心全意提供優質服務。澳西物業管理將致力建立社區服務網絡、提升社區之網上到網上營銷(「O2O」)發展，以及提供貼心服務，以提升客戶滿意度。

* 英文名稱為非官方名稱，僅供識別。

2.2 Property development and investment segment

During the Year, the property development and investment segment is located in the USA, UK and the PRC.

Santa Monica Project



In August 2015, the Group acquired a parcel of land located in Santa Monica, the County of Los Angeles, State of California, the USA. The parcel of land has a total site area of approximately 40,615 square feet. Total rentable/saleable floor area is approximately 38,000 square feet for residential use and approximately 25,000 square feet for commercial use and 190 on-site subterranean parking spaces upon completion of the development. The development cost of the land had been funded by way of construction loan from bank in the USA and internal resources of the Group.

2.2 物業發展及投資分部

於本年度，物業發展及投資分部位於美國、英國及中國。

聖莫尼卡項目

於二零一五年八月，本集團收購一幅位於美國加利福尼亞州洛杉磯聖莫尼卡市之土地。該幅土地之地盤面積合共約為40,615平方呎。發展完成後，可租／可售總佔地面積中約38,000平方呎作住宅用途，約25,000平方呎作商業用途及設有190個地下停車位。土地發展成本已以美國銀行提供之建築貸款及本集團之內部資源作為資金。

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For the commercial area, lease agreement with a famous supermarket has been entered into, representing approximately 60% of total commercial rentable area. We are actively negotiating with several potential tenants to lease up the remaining areas. Property leasing agent has been appointed for the residential lease. Marketing campaign will be launched to market in the first half of 2019 tentatively.

The infrastructure work of Santa Monica Project has been completed and interior work is conducted underway. This project is expected to be completed in first half of 2019. The delay can be attributable to the shortage of labour in the construction industry in Los Angeles. The plan of Santa Monica Project was to lease the commercial units and the residential units.

Culver City Project



On 14 September 2018, the Group and the Sellers entered into an agreement in relation to the acquisition of the entire partnership interests, which indirectly owns a parcel of land in Culver City of Los Angeles in the United States.

商業區已簽訂與知名超市的租賃協議，約佔商業可租用總區域的60%。我們正積極與若干潛在租戶談判，以租賃剩餘的區域。本集團已就住宅租賃委任物業租賃代理。營銷活動暫定於二零一九年上半年推向市場。

聖莫尼卡項目的基建工程已完工，而內部工程處於在建狀態。該項目預期將於二零一九年上半年竣工。誤工可歸因於洛杉磯建築業勞工短缺。聖莫尼卡項目計劃用於出租商業單元及住宅單元。

卡爾弗城項目

於二零一八年九月十四日，本集團與賣方就收購全部合夥權益訂立協議，賣方間接擁有位於美國洛杉磯卡爾弗城之地塊。

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Upon completion and subject to the relevant governmental approval(s), the Group intends to develop this land into: (i) one hundred and eight (108) multi-family residential apartment units, including eleven (11) rent-restricted affordable housing units, with such residential units containing 132,589 gross square feet; (ii) 3,600 gross square feet of retail space; and (iii) two levels of subterranean parking consisting of 184 parking spaces. The consideration for the acquisition of the entire partnership interests finally adjusted to US\$24,000,000.

The completion took place on 26 March 2019.

The Directors consider the acquisition to be an attractive investment opportunity to broaden the Group's property development operations in the United States, as this land is located within walking distances to the heart of Culver City, Los Angeles, which is the hub of a number of motion pictures and other production studios and is close to transportation network. This project is expected to mark the Group's further entrenchment in the western United States and enhance the Group's overall geographical diversification of business.

For the details of this acquisition, please refer to the Company's announcements dated 14 September 2018, 9 November 2018, 1 February 2019 and 27 March 2019.

於完成後及待取得相關政府批文後，本集團擬將地塊發展為：(i)一百零八(108)個多戶型住宅公寓單位，包括十一(11)個租金設限之可負擔住屋單位(該等住宅單位總面積為132,589平方呎)；(ii)總面積為3,600平方呎之零售空間；及(iii)兩層地下停車場，共提供184個停車位。收購全部合夥權益的代價最終調整為24,000,000美元。

該項目已於二零一九年三月二十六日完成。

董事認為，由於從地塊步行可達洛杉磯匯聚多間電影及其他製作公司之卡爾弗城中心區，附近交通網絡發達，故作為擴展本集團美國物業發展業務之投資機會，收購事項乃具吸引力之良機。該項目預計將成為本集團進一步進軍美國西部地區，提升本集團整體業務地理多元性之里程碑。

有關該收購之詳情，請參閱本公司日期為二零一八年九月十四日、二零一八年十一月九日、二零一九年二月一日及二零一九年三月二十七日之公佈。

Boundary House



Boundary House

Boundary House is located at the crossover between the increasingly vibrant Aldgate district popular with technology media telecommunications occupiers and the established city of London financial and insurance heartland. Boundary House is also close to numerous mainline and underground stations with convenient access of rail transportation, including the new Crossrail, which is a high speed train expected to be delivered and in service in second half of 2019 connecting the East-West of London. Boundary House is an office building with a net internal floor area of approximately 45,062 square feet, which comprises a ground floor and seven upper floors, basement storage and seven car park spaces. As at 31 December 2018, Boundary House is 89% occupied and is currently let to 12 office tenants. The leases can contribute approximately £1.1 million rental income to the Group annually, disregarding the rent free period provided to tenants.

The Group will study the feasibility of the redevelopment plan of Boundary House, assuming taking place in 2021. If the redevelopment is to proceed, it is believed that the gross floor area shall be increased subject to government approval.

Boundary House坐落於日漸繁華的Aldgate區，該區域入駐多家科技、媒體及電信企業且為倫敦市著名的金融及保險地帶。Boundary House鄰近多條鐵路幹線及地鐵站，包括新的Crossrail(其預計將於二零一九年下半年交付並投入服務、貫通倫敦東西的高速鐵路)，鐵路交通十分方便。Boundary House為一座辦公大樓，室內實用樓面面積約為45,062平方呎，由一層地下室、地面上七層樓、地庫儲物空間及七個停車位組成。於二零一八年十二月三十一日，Boundary House目前出租予12名辦公室租戶，出租率達89%。未計向租戶提供之免租期，該等租約每年可為本集團貢獻約1,100,000英鎊的租金收入。

本集團將研究Boundary House的重建計劃的可行性(假設將於二零二一年發生)。重建進行後，倘獲得政府批准，總建築面積被認為將會增加。

Juxon House



Juxon House

Juxon House is located at 100 St Pauls Churchyard, London, the UK. It sits in a prominent position on the northern-western side of St Pauls Cathedral, on the corner of Ludgate Hill/St Paul's Churchyard to the south and Ave Maria Lane to the west, with Paternoster Square to the east, which is a prime professional and financial district with the London Stock Exchange and some multinational organizations having offices in the near vicinity. Juxon House is a grade A commercial building with a net lettable floor area of approximately 123,781 square feet, among which the office accommodation, the retail accommodation, and the ancillary and storage area have a net lettable floor area of 100,774 square feet, 20,083 square feet and 2,924 square feet respectively. Juxon House comprises a lower ground floor, a ground floor and five upper floors, basement storage and 20 car park spaces. As at 31 December 2018, Juxon House was fully let to four office tenants and four retail tenants, which contributed approximately £6.1 million rental income to the Group annually, disregarding the rent free period provided to tenants.

Juxon House位於英國倫敦聖保羅教堂墓地第100號。其坐落於聖保羅大教堂西北側之黃金地段，南面為Ludgate Hill／聖保羅教堂墓地，西面為Ave Maria Lane，而東面則為帕特諾斯特廣場，乃倫敦證券交易所所在之主要專業及金融區，若干跨國公司在附近擁有辦事處。Juxon House為一座A級商業樓宇，可出租實用面積約為123,781平方呎，其中辦公場所、零售場所及配套及儲存區域之可出租實用面積分別為100,774平方呎、20,083平方呎及2,924平方呎。Juxon House包括一層底層、地面層及以上五個樓層、地下儲存室及20個停車位。於二零一八年十二月三十一日，Juxon House已完全出租予四名辦公室租戶及四名零售租戶，未計向租戶提供之免租期，每年可為本集團貢獻約6,100,000英鎊租金收入。

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Portion of offices and basement of Guorui Square Block B in Beijing, the PRC

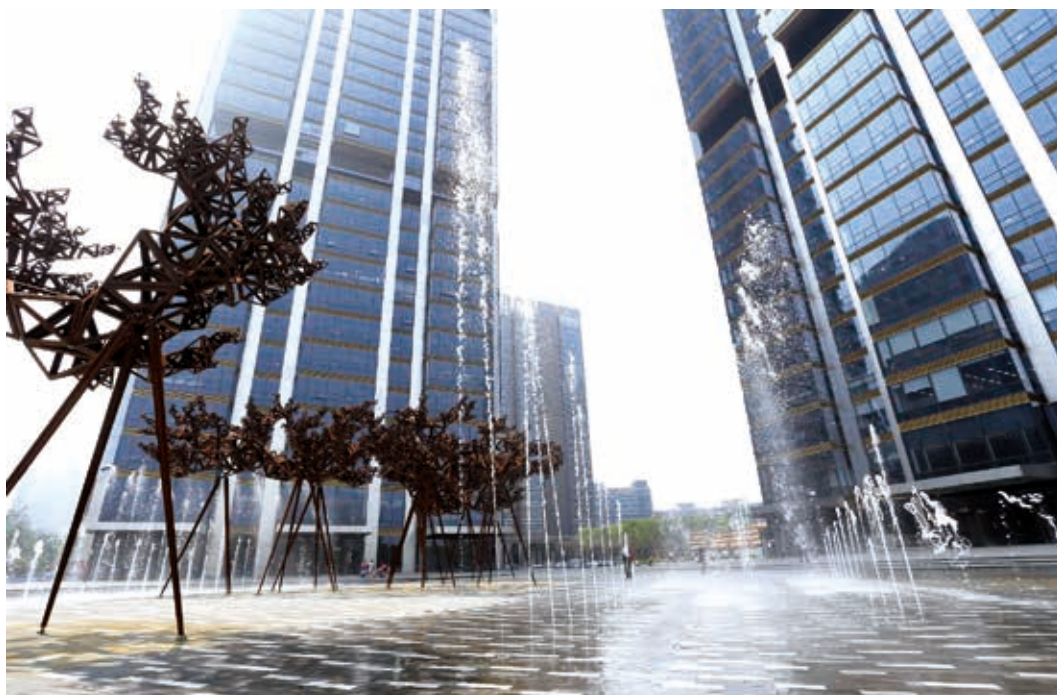
For the transaction detail, please refer to “Overview of the year” under Management Discussion and Analysis.

As at 31 December 2018, this property is currently under renovation. It is estimated this property will be handed over to the Group in the first half of 2019 accordingly. Pre-leasing activities shall commence afterwards.

中國北京國銳廣場B座之部分辦公室及地下室

有關交易詳情，請參閱管理層討論及分析項下的「本年度總覽」。

於二零一八年十二月三十一日，該物業正處於翻新階段。因此，預計該物業將於二零一九年上半年交予本集團。隨後將會展開預租活動。



2.3 Operation and management of leisure and lifestyle experience centre

2.3 休閒及時尚生活體驗中心之運作及管理



Operation and management of leisure and lifestyle experience centre

Wholly Express Limited and its subsidiaries (“Wholly Express Group”) are principally engaged in the operation and management of leisure and lifestyle experience centre, including but not limited to provision of catering, banquet, fitness and sport facilities services. Such services are provided in a property located at Ronghua South Road, Economic-Technological Development Area, Beijing, the PRC, which is self-owned by Wholly Express Group.

The property is located in Economic Technological Development Area located in Yizhuang (亦莊) at the southeast of Beijing, the PRC, which is surrounded by an area of large construction site under development. The construction site includes hotel, offices, residential and retail properties. The development of the remaining area is estimated to be completed gradually until 2022. During the period under review, the turnover increased dramatically from HK\$77,489,000 to HK\$90,158,000 in 2017 and 2018 respectively. Although the Wholly Express Group incurred net loss in the period under review which was mainly due to the surrounding area still being under development, the Company expects that the operation of leisure and lifestyle experience centre by the Wholly Express Group will gradually improve with the effect of increasing population and flow of people in surrounding area upon the completion of the construction site.

休閒及時尚生活體驗中心之運作及管理

Wholly Express Limited及其附屬公司(「Wholly Express集團」)主要從事一個休閒及時尚生活體驗中心之運作及管理(包括但不限於提供餐飲、宴會、健身及體育設施服務)。該等服務乃於一項由Wholly Express集團自置、位於中國北京經濟技術開發區榮華南路之物業中提供。

該物業位於中國北京東南部亦莊經濟技術開發區，周邊大部分建築工地正在開發。該建築工地附帶酒店、辦公室、住宅及零售物業。餘下區域之發展估計將於二零二二年前逐步完成。於回顧期內，營業額於二零一七年及二零一八年由77,489,000港元顯著增至90,158,000港元。儘管Wholly Express集團於回顧期內主要因周邊區域仍在開發而產生虧損淨額，本公司預計Wholly Express集團的休閒及時尚生活體驗中心之運營狀況將於建築工程完成後伴隨周邊區域人口及人流增加而逐步提升。

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3. FINANCIAL REVIEW

3. 財務回顧

| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Year ended 31 December 2017 截至 二零一七年 十二月三十一日 止年度 HK\$'000 千港元 |
|--------------------------------------|---------------------|---|---|
| Turnover | 營業額 | 361,282 | 229,822 |
| Profit/(Loss) for the year | 年內利潤／(虧損) | 9,430 | (65,014) |
| Assets and liabilities | 資產及負債 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
| Total assets | 資產總值 | 5,030,079 | 2,415,782 |
| Total liabilities | 負債總額 | 1,575,564 | 1,306,958 |
| Net assets | 資產淨額 | 3,454,515 | 1,108,824 |
| Total debts | 總債務 | 1,023,094 | 826,757 |
| Capital liquidity ratio [*] | 資本流動比率 [*] | 0.54 | 1.28 |
| Gearing ratio [#] | 資產負債率 [#] | 29.6% | 74.6% |

^{*} Bank balances and cash divided by current liabilities

[#] Total debts divided by total equity

^{*} 銀行結餘及現金除以流動負債

[#] 債務總額除以權益總額

3.1 Financial analysis

During the Year, the Group achieved a revenue of approximately HK\$361,282,000 (year ended 31 December 2017: approximately HK\$229,822,000). The substantial increase in revenue is mainly attributable to the completion of the acquisition of Juxon House in January 2018 which has contributed almost full year rental income of approximately HK\$63,945,000 to the Group during the Year. The increase in revenue during the Year was also contributed from the property management segment. During the Year, 21 major residential and commercial projects were managed by the Group in Beijing and Hebei while only 13 projects under management in 2017.

The Group recorded profit for the Year of approximately HK\$9,430,000 (year ended 31 December 2017: loss of approximately HK\$65,014,000). The profit for the Year was mainly due to:

- (i) The net profit generated from Juxon House, located at 100 St Pauls Churchyard, London, the UK. Juxon House was acquired at £134,500,000 in November 2017 and completed in January 2018, which contributed rental income of HK\$63,945,000 from the lease of Juxon House. During the Year, its net profit before fair value loss was approximately HK\$23,086,000, which was offset by the fair value loss of HK\$33,716,000 in Juxon House. After taking into account of 5% stamp duty and other transaction costs, the carrying value of Juxon House became approximately £142,200,000. Pursuant to the independent valuer's appraisal report, its fair value was £139,000,000. As such, fair value loss was made accordingly.

3.1 財務分析

本集團於本年度產生收入約361,282,000港元(截至二零一七年十二月三十一日止年度：約229,822,000港元)。收入顯著增加主要是由於於二零一八年一月完成收購Juxon House，其於本年度為本集團全年貢獻大部分租金收入約63,945,000港元。於本年度，收益增加亦來自物業管理分部。於本年度，本集團於北京及河北管理21個主要住宅及商業項目，於二零一七年僅管理13個項目。

本集團於本年度內錄得利潤約9,430,000港元(截至二零一七年十二月三十一日止年度：虧損約65,014,000港元)。本年度利潤增加乃主要由於：

- (i) 淨利潤產自位於英國倫敦聖保羅教堂墓地第100號的Juxon House。於二零一七年十一月以134,500,000英鎊收購Juxon House，並已於二零一八年一月完成，而自租賃Juxon House獲得租金收入為63,945,000港元。於本年度，其扣除公平值虧損的淨利潤約為23,086,000港元，被Juxon House的公平值虧損33,716,000港元所抵銷。經計及5%的印花稅及其他交易成本後，Juxon House的賬面值約為142,200,000英鎊。根據獨立估值師的評估報告，其公平值為139,000,000英鎊。因此，相應產生公平值虧損。

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- (ii) The recognition of the aggregate of fair value gain and fair value gain upon transfer of a property under development to investment property under construction of HK\$53,326,000 on Santa Monica Project located at Los Angeles of USA. Following the construction status of a property development project approaching completion, fair value gain will be recognized accordingly.
- (iii) The segment result of HK\$36,851,000 contributed by property management segment.

During the year ended 31 December 2018, the construction loan for Santa Monica Project had a balance of approximately US\$14,485,000 (equivalent to approximately HK\$113,440,000) (year ended 31 December 2017: HK\$55,121,000). In addition, the Group had two loans in aggregate of £91,051,000 (equivalent to approximately HK\$909,654,000) (year ended 31 December 2017: HK\$146,356,000) with Boundary House and Juxon House being charged as security for the loan. During the Year, the Group has no other new borrowings.

During the year ended 31 December 2016, the Company and Wintime Company Limited, an immediate holding company of the Company, entered into a shareholder loan facility agreement, pursuant to which Wintime Company Limited agrees to provide a facility with amount up to HK\$250,000,000 to the Company. This shareholder's loan is unsecured, interest bearing at 2% per annum and repayable on 36 months after drawdown. During the year ended 31 December 2017, the Company and Wintime Company Limited, entered into another shareholder loan facility agreement, pursuant to which Wintime Company Limited agrees to provide a facility with amount up to HK\$1,500,000,000 to the Company for financing the working capital requirements of the Group in connection with its property acquisition and development. This shareholder loan is also unsecured, interest bearing at 2% per annum and repayable on 36 months after drawdown.

- (ii) 就位於美國洛杉磯的聖莫尼卡項目確認公平值收益及將發展中物業轉至在建中的投資物業後的公平值收益合共53,326,000港元。隨著臨近完工的物業發展項目的建設進度，將相應確認公平值收益。
- (iii) 物業管理分部貢獻分部業績36,851,000港元。

截至二零一八年十二月三十一日止年度，聖莫尼卡項目的建築貸款的結餘約為14,485,000美元(相當於約113,440,000港元)(截至二零一七年十二月三十一日止年度：55,121,000港元)。此外，本集團以Boundary House及Juxon House作貸款擔保取得的兩筆貸款合共為91,051,000英鎊(相當於約909,654,000港元)(截至二零一七年十二月三十一日止年度：146,356,000港元)。於本年度，本集團並無其他新借款。

截至二零一六年十二月三十一日止年度，本公司與本公司之直接控股公司Wintime Company Limited訂立股東貸款融資協議，據此，Wintime Company Limited同意向本公司提供金額最高達250,000,000港元之融資。該股東貸款無抵押，按2%年利率計息，並須於提款後36個月償還。截至二零一七年十二月三十一日止年度，本公司與Wintime Company Limited訂立另一份股東貸款融資協議，據此，Wintime Company Limited同意向本公司提供金額最高達1,500,000,000港元之融資，以為本集團運營資金要求及其物業收購及發展融資。該股東貸款亦為無抵押，按2%年利率計息，並須於提款後36個月償還。

3.2 Cash flow management and liquidity risk

Management of the Group's cash flows is the responsibility of the Group's treasury function at the corporate level. Our objective is to maintain a balance between continuity of funding and flexibility through a combination of internal resources, bank borrowings, debts and equity securities, where appropriate. We are comfortable with our present financial and liquidity position, and will continue to maintain a reasonable liquidity buffer to ensure sufficient funds are available to meet liquidity requirements at all times.

The directors of the Company review the capital structure of the Group by using a gearing ratio, which is calculated on the basis of dividing the total debts by total equity. The review is conducted at least semi-annually and before each major financing or investment decision is made. The Group objective is to maintain a balance between continuity of funding and the flexibility through the use of borrowings including bank and other borrowings, shareholder's loan and other bond instruments, if any. The Group also monitors the current and expected liquidity requirements and its compliance with lending covenants regularly to ensure that it maintains sufficient working capital and adequate committed lines of funding to meet its liquidity requirement.

At 31 December 2018, the Group had unutilised facilities of approximately HK\$1,500,000,000 (31 December 2017: approximately HK\$1,124,720,000) from Wintime Company Limited. As at 31 December 2018, the Group has cash and cash equivalents of approximately HK\$345,163,000 (31 December 2017: approximately HK\$723,891,000) and total debts of approximately HK\$1,023,094,000 (31 December 2017: approximately HK\$826,757,000), which is considered as a healthy level of liquidity.

3.2 現金流量管理及流動資金風險

本集團之現金流量管理由總部之資金部門負責。我們旨在透過結合內部資源、銀行借款、債務及股本證券(如適用)，維持融資持續性與靈活性之間之平衡。我們對於目前之財務及資金流動狀況表示滿意，並將繼續維持合理緩衝資金，以確保隨時具有充裕資金應付流動資金需求。

本公司董事使用資產負債比率檢討本集團之資本架構。資產負債比率乃按債務總額除以權益總額計算。檢討於作出各重大融資或投資決定前至少每半年進行一次。本集團旨在通過使用借款(包括銀行及其他借款)、股東貸款及其他債券工具(如有)維持融資持續性與靈活性之間之平衡。本集團亦定期監察當前及預期的流動資金需求以及貸款保證契約之合規情況，確保維持充足營運資金及足夠融資額度以滿足流動資金需求。

於二零一八年十二月三十一日，本集團有未動用融資約1,500,000,000港元(二零一七年十二月三十一日：約1,124,720,000港元)，乃來自Wintime Company Limited。於二零一八年十二月三十一日，本集團有現金及現金等價物約345,163,000港元(二零一七年十二月三十一日：約723,891,000港元)及債務總額約1,023,094,000港元(二零一七年十二月三十一日：約826,757,000港元)，因此流動資金水平被視為屬穩健狀態。

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3.3 Foreign currency exposure

During the Year, the Group's business operations were principally in the PRC, UK and the USA and the main operational currencies are HK\$, RMB, £ and United States dollars ("US\$"). The Group's transactions were mainly denominated in RMB, £ and US\$. The majority of assets and liabilities are denominated in HK\$, RMB, £ and US\$. Any significant exchange rate fluctuations of foreign currencies against HK\$ may have financial impact to the Group. The Group does not have a foreign currency hedging policy at present. However, the Group will closely monitor the exchange rate movement trend and take corresponding measures in a timely manner to reduce foreign currency exchange risk and exposure.

3.4 Human resources and remuneration policy

As at 31 December 2018, the total number of employees of the Group (excluding Directors) was 724 (31 December 2017: 370). Most of them were located in the PRC.

Remuneration offered by the Group was determined in accordance with the relevant policies in Hong Kong, the PRC and the USA and with reference to market trend, as well as individual competence and performance of the staff. Other related benefits included contributions to Mandatory Provident Fund Schemes, social insurance and medical insurance funds.

3.5 Final dividend

The Board resolved not to declare any final dividend for the Year (year ended 31 December 2017: Nil)

3.3 外幣風險

於本年度內，本集團之業務營運主要在中國、英國及美國境內，而主要營運貨幣為港元、人民幣、英鎊及美元（「美元」）。本集團之交易主要以人民幣、英鎊及美元為單位。大部分資產和負債均以港元、人民幣、英鎊及美元為單位。外幣兌港元如有任何重大匯率波動，可能會對本集團構成財務影響。本集團目前並無外幣對沖政策。然而，本集團將密切關注匯率變化趨勢，及時採取應對措施以減輕外匯風險及承擔。

3.4 人力資源及薪酬政策

於二零一八年十二月三十一日，本集團之僱員（不包括董事）總數為724人（二零一七年十二月三十一日：370人），大部分在中國工作。

本集團提供之酬金乃根據香港、中國及美國有關政策，參考市場薪酬水平及員工個人能力、表現而釐定。其他有關福利包括強積金、社會保險基金及醫療保險基金供款。

3.5 末期股息

董事局議決不宣派本年度之任何末期股息（截至二零一七年十二月三十一日止年度：無）。

3.6 Pledge of assets

As at 31 December 2018, the Group had investment properties with an amount of approximately HK\$2,175,670,000 (31 December 2017: approximately HK\$470,948,000) and properties held for sale with an amount of approximately HK\$Nil (31 December 2017: approximately HK\$154,980,000) to secure bank borrowings of approximately HK\$1,023,094,000 (31 December 2017: approximately HK\$201,477,000). Such bank borrowings comprise of the construction loan for Santa Monica Project and the loan with Boundary House and Juxon House being charged as security.

As at 31 December 2018, trade receivables of approximately HK\$3,321,000 (31 December 2017: approximately HK\$61,000) in total was pledged to secure a bank loan granted to the Group.

As at 31 December 2018, deposit amounting to approximately HK\$39,230,000 (31 December 2017: HK\$39,636,000) has been pledged to secure standby letter of credit issued to the general contractor for Santa Monica Project.

3.7 Capital and other development related commitment and contingent liabilities

As at 31 December 2018 and 2017, the Group had no material contingent liabilities. As at 31 December 2018, the Group had contracted but not provided for commitments for development costs and capital expenditure in amount of approximately HK\$26,033,000 (31 December 2017: approximately HK\$103,548,000) and acquisition of partnership interest in a parcel of land in Los Angeles in amount of approximately HK\$184,040,000 (31 December 2017 approximately HK\$1,358,420,000 in relating to the acquisition of Juxon House),

3.6 資產抵押

於二零一八年十二月三十一日，本集團將金額約為2,175,670,000港元(二零一七年十二月三十一日：約470,948,000港元)之投資物業及金額約為零港元(二零一七年十二月三十一日：約154,980,000港元)之持作出售物業，作為約1,023,094,000港元(二零一七年十二月三十一日：約201,477,000港元)銀行借款之抵押。該等銀行借款包括聖莫尼卡項目之建築貸款及以Boundary House及Juxon House作擔保之貸款。

於二零一八年十二月三十一日，應收貿易賬款合計約3,321,000港元(二零一七年十二月三十一日：約61,000港元)已抵押作為本集團獲授銀行貸款之擔保。

於二零一八年十二月三十一日，金額約為39,230,000港元(二零一七年十二月三十一日：39,636,000港元)之存款已抵押作為向聖莫尼卡項目總承包商出具之備用信用證之擔保。

3.7 資本及其他開發相關之承擔及或然負債

於二零一八年及二零一七年十二月三十一日，本集團並無任何重大或然負債。於二零一八年十二月三十一日，本集團就開發成本及資本開支約26,033,000港元(二零一七年十二月三十一日：約103,548,000港元)及收購洛杉磯地塊的合夥權益約184,040,000港元(二零一七年十二月三十一日約1,358,420,000港元與收購Juxon House有關)擁有已訂約但未撥備承擔。

3.8 Property valuations

Property valuations on the Group's investment properties located in the UK and the USA and the property located in the PRC as at 31 December 2018 have been carried out by independent qualified professional valuers, Jones Lang LaSalle Limited, Knight Frank LLP, Cushman & Wakefield Western, Inc and Knight Frank Petty Limited, respectively. The property valuations were used in preparing 2018 annual results. The valuations were based on income capitalisation approach and sales comparison approach.

3.9 Significant investments and Material acquisitions and disposals of subsidiaries, associates and joint ventures

For significant investments held, their performance during the year and their future prospects, please refer to Section 2 "Business Review" in this announcement. Save as disclosed, the Group had no significant investments during the year.

For acquisitions during the Year, please refer to Section 1 "Overview of The Year" in this announcement. Save as disclosed, there were no other acquisitions and disposals of subsidiaries, associates and joint ventures during the Year.

3.8 物業估值

本集團於英國及美國之投資物業及位於中國之物業於二零一八年十二月三十一日之物業估值，分別由獨立合資格專業估值師仲量聯行有限公司、Knight Frank LLP、Cushman & Wakefield Western, Inc及萊坊測計師行有限公司進行。物業估值用於編製二零一八年年度業績。估值乃根據收入資本化法及銷售比較法而定。

3.9 重大投資及附屬公司、聯營公司及合營公司的重大收購及出售事項

有關本年度持有的重大投資及其表現及未來前景，請參閱本公佈第2節「業務回顧」。除所披露者外，本集團於本年度內並無重大投資。

就本年度之收購而言，請參閱本公佈第一節「本年度總覽」。除所披露者外，於本年度，附屬公司、聯營公司及合營公司概無任何其他收購及出售事項。

4. FUTURE PROSPECT

It is generally believed that the international outlook will remain positive as economic fundamentals remain in good shape and it is expected that there will be a mild growth in the global economy. However, the ongoing trade war between the United States and the PRC, the UK Brexit status, the anticipated increase in interest rate are expected to be the main risks inherent to the global economy in 2019.

Looking ahead, the Group will continue to engage prominently in property development and investment, and the relevant asset management services. However, the Group would be more cautious in considering investments in the international markets such as the USA and Europe in accordance with the future development strategy of the Group. This should give diversification and a hedge against the future domestic businesses of the Group with a reasonable return to the Shareholders. Other than capturing investment opportunities to establish the position and engage in the property market in Los Angeles and London for income generating real estates with potential of capital appreciation in the long term and re-development in future, the Group's focus will also be on the execution of existing projects, including but not limited to enhancement of operating performance as well as facilitation of projects developments. Besides, the Group will not rule out any possibilities to divest its investment with decent return so as to create value for Shareholders in the longer term. The Directors believe that after those potential acquisitions and execution of existing projects, the Group will be able to broaden its income base through the stable rental incomes generated from the properties.

4. 未來展望

市場普遍認為經濟基礎依然穩健，所以國際前景仍保持樂觀，並預期全球經濟將出現輕微增長。然而，美國與中國持續的貿易戰、英國脫歐狀況及預期利率上升預計將成為二零一九年全球經濟固有的主要風險。

展望將來，本集團將繼續主要從事物業發展及投資，以及相關資產管理服務。然而，本集團將按照本集團之未來發展策略，於考慮向美國及歐洲等國際市場作出投資時更加審慎，此舉應帶來多樣化，並於日後為本集團之國內業務提供對沖，從而為股東提供合理回報。本集團不單把握投資機遇，進軍洛杉磯及倫敦物業市場並建立橋頭堡，藉房地產長遠資本增值及未來重建潛力賺取收入，亦將專注於執行現有項目，包括但不限於提升營運表現及促進項目發展。此外，本集團將不排除任何獲得足夠回報後出售項目的可能性以從長遠為股東創造價值。董事相信，於進行上述各項潛在收購及執行現有項目後，憑藉該等物業產生之穩定租金收入，本集團之收入基礎將可擴大。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Apart from the Group's core businesses in property development and investments in the PRC, the USA and the UK, and the provision of property management services in Beijing, the Group will continue to place its efforts in searching for suitable investment opportunities which may strategically fit into its diversification moves and generate a steady source of income.

5. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold, redeemed or cancelled any of the Company's listed securities during the year ended 31 December 2018.

6. CORPORATE GOVERNANCE CODE

The Board of the Company is committed to maintain and ensure high standards of corporate governance practice. The Company stresses the importance of maintaining the quality of the Board by ensuring that the directors possess a wide range of expertise and the effective implementation of an accountability system, so as to ensure that business activities and decision making processes are regulated in a proper manner.

The Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") as stated in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2018.

The Company will seek to improve its management and raise its control level to enhance the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the shareholders.

除本集團在中國、美國及英國的物業發展及投資的核心業務及於北京提供物業管理服務外，本集團將繼續加大力度物色於策略上配合其多元化發展舉措之合適投資機會，務求帶來穩定收入來源。

5. 購買、出售或贖回上市證券

於截至二零一八年十二月三十一日止年度內，本公司及其任何附屬公司概無購買、出售、贖回或註銷任何本公司的上市證券。

6. 企業管治守則

本公司董事局致力維持及確保實施高水準之企業管治常規，本公司著重透過確保董事俱備不同專長及有效實行問責制度，保持董事局的質素，確保業務運作及決策過程均受到適當規管。

於截至二零一八年十二月三十一日止年度內，本公司已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之《企業管治守則》（「企業管治守則」）內所載之守則條文。

本公司將尋求改善其管理及加強監控水平，藉以提高本公司之競爭力及營運效率，確保得以持續發展及為股東帶來更豐厚回報。

7. COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 as contained in the Listing Rules. Having made specific enquiry to all directors of the Company, the Company is not aware of any non-compliance with the Model Code regarding the trading of the Company’s securities for the year ended 31 December 2018.

8. AUDIT COMMITTEE

The audit committee has reviewed the annual results and has no dissenting view on the accounting policies adopted by the Group and on the Group’s internal controls and risk management, accounting and financial reporting functions.

9. SCOPE OF WORK OF THE COMPANY’S AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2018 as set out in the preliminary announcement have been agreed by the Company’s auditor to the amounts set out in the Group’s draft consolidated financial statements for the Year. The work performed by the Company’s auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the Company’s auditor on the preliminary announcement.

7. 遵守董事進行證券交易之標準守則

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之標準守則(「標準守則」)。在向本公司所有董事作出特定查詢後，本公司並不知悉於截至二零一八年十二月三十一日止年度內，就買賣本公司證券方面有違反標準守則規定的情況。

8. 審核委員會

審核委員會已審閱全年業績，而其對本集團採納的會計政策以及本集團的內部監控及風險管理、會計及財務匯報職能並無異議。

9. 本公司核數師之工作範圍

本集團截至二零一八年十二月三十一日止年度載於初步公佈內之綜合財務狀況表、綜合損益表、綜合全面收益表及有關附註之數字，經由本公司核數師與本集團本年度綜合財務報表草擬本所載之金額進行核對並且同意。本公司核數師就此進行之工作，根據香港會計師公會所頒佈之香港審核準則、香港審閱聘任準則或香港核證聘任準則並不構成核證聘任，因此本公司核數師並未對初步公佈發表核證。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

Purpose of This Report

This is the third Environmental, Social and Governance Report (the “Report”) of GR Properties Limited (“GR Properties” or the “Company”), together with its subsidiaries (the “Group” or “We” or “Us”) to stakeholders, which reviews our guiding principles, policies and performance as to sustainable development in the past year.

Reporting Period and Scope

The Reporting Period commenced on 1 January 2018 and ended on 31 December 2018 (the “Reporting Period”). Our reporting scope for the year covers property management businesses of the Group located in Beijing (including six major property management projects) and was extended in the year to cover the business of the leisure and lifestyle experience center (the “Recreational Center”) successfully acquired by the Group in 2017, which was mainly engaged in catering, banquet, fitness and sport facilities services. Information regarding the sustainability performance of the Recreational Center in 2017 prior to the Group’s acquisition was not available and is therefore not presented in this Report.

Reporting Standards

This Report is prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Feedback

We highly value opinions of each stakeholder and treat them as the cornerstone for the development of the Group. If you have any opinions or suggestion on this Report and our sustainable development performance, please send us your comments to info@grproperties.com.hk.

Note: The property management business in this Report only includes our six property management projects, namely the Fortune Street project*, the Yigou project*, In-Beijing project*, the GOLDEN TOWER project*, the Kingdom Guorui project* and the North Garden project*. In particular, the total chargeable area of Kingdom Guorui project has increased during the Reporting Period as compared to 2017.

* The English name is an unofficial translation for identification purpose only.

關於本報告

報告目的

本報告是國銳地產有限公司(「國銳地產」或「本公司」)，連同其附屬公司(統稱為「本集團」或「我們」)向各位持份者所發表的第三份環境、社會及管治報告(「本報告」)，回顧我們在過去一年來對於可持續發展的方針、政策和績效。

報告期間及範圍

本報告的報告期為二零一八年一月一日至二零一八年十二月三十一日(「報告期間」)。我們本年度的報告範圍除了涵蓋本集團位於中國北京市的物業管理業務(包括六個主要的物業管理項目)外，我們於本年度增加了報告範圍，涵蓋本集團於二零一七年內成功收購之休閒及時尚生活體驗中心(「休閒中心」)業務，該休閒中心的主要業務包括餐飲、宴會、健身及體育設施服務。休閒中心被本集團收購前，其二零一七年的可持續發展表現並未能夠提供，因此相關資料不會於本報告中披露。

報告準則

本報告參照香港聯合交易所有限公司證券上市規則附錄二十七之《環境、社會及管治報告指引》編製。

意見回饋

我們對於每一個持份者的意見都極其重視，視之為本集團向前發展的基石。如閣下對本報告或本集團的可持續發展表現有任何意見或建議，可透過電郵 info@grproperties.com.hk 向我們提出。

註：本報告之物業管理業務部份僅包括我們其中六個物業管理項目，包括財滿街項目*、易構項目*、In北京項目*、金長安項目*、國銳•金嶺項目*及北花園項目*。其中國銳•金嶺項目於報告期間的物業收費面積相比二零一七年有所增長。

* 英文名稱為非官方名稱，僅供識別。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SUSTAINABILITY PERFORMANCE SUMMARY

可持續發展表現匯總

| Category 類別 | Property management 物業管理 | Recreational Center 休閒中心 | 2018 2018年 Total 合計 | 2017 2017年 Property management 物業管理 | Unit 單位 |
|---|--------------------------------|--------------------------------|------------------------------|---|--|
| Air emissions 廢氣 | | | | | |
| Nitrogen oxides (NO _x) 氮氧化物(NO _x) | 59.52 | 241.93 | 301.45 | 246.53 | Kg 公斤 |
| Sulfur oxides (SO _x) 硫氧化物(SO _x) | 11.01 | 51.72 | 62.73 | 56.15 | Kg 公斤 |
| Particulate matter (PM) 懸浮粒子(PM) | 1.16 | 2.27 | 3.43 | 95.63 | Kg 公斤 |
| Greenhouse gas (GHG) 溫室氣體 | | | | | |
| Total greenhouse gas emission (scope 1 and 2) ¹ 溫室氣體排放總量(範圍1及範圍2) ¹ | 8,662.32 | 5,918.21 | 14,580.53 | 15,841.27 | tCO ₂ e 公噸二氧化碳 當量 |
| Direct emissions (scope 1) 直接排放(範圍1) | 108.84 | 279.58 | 388.42 | 8,097.98 | tCO ₂ e 公噸二氧化碳 當量 |
| Indirect emissions (scope 2) ² 間接排放(範圍2) ² | 8,553.48 | 5,638.62 | 14,192.10 | 7,743.29 | tCO ₂ e 公噸二氧化碳 當量 |
| Greenhouse gas emissions intensity (average by number of household) 溫室氣體排放密度(住戶數平均) | 638.34 | N/A | N/A | 1,938.96 | Kg CO ₂ e/ household 公斤二氧化碳 當量/每戶 |
| Greenhouse gas emissions intensity (average by area) ³ 溫室氣體排放密度(面積平均) ³ | 6.55 | 210.94 | N/A | 13.05 | Kg CO ₂ e/m ² 公斤二氧化碳 當量/每平方米 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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| Category 類別 | Property management 物業管理 | Recreational Center 休閒中心 | 2018 | 2017 | Unit 單位 |
|--|--------------------------------|--------------------------------|-------------------|--------------------------------|--------------------------------|
| | | | 2018年 | 2017年 | |
| | | | Total 合計 | Property management 物業管理 | |
| Hazardous waste 有害廢棄物 | Nil 沒有 | Nil 沒有 | Nil 沒有 | Nil 沒有 | |
| Non-hazardous waste⁴ 無害廢棄物 ⁴ | | | | | |
| Total non-hazardous waste 無害廢棄物總量 | 28.95 | 117.00 | 145.95 | 28.95 | tonnes 公噸 |
| Intensity of non-hazardous waste (average by number of household) 無害廢棄物密度(住戶數平均) | 2.13 | N/A | N/A | 3.54 | Kg/household |
| Intensity of non-hazardous waste (average by area) ³ 無害廢棄物密度(面積平均) ³ | 0.02 | 不適用 4.17 | 不適用 N/A | 0.02 | 公斤/每戶 Kg/m ² |
| Total waste disposed to landfill 棄置廢物於堆填區總量 | 28.95 | 117.00 | 145.95 | 28.95 | tonnes 公噸 |
| Energy consumption 能源消耗 | | | | | |
| Total energy consumption 總能源耗量 | 10,136.69 | 10,052.95 | 20,189.64 | 49,254.06 | MWh 千個千瓦時 |
| Energy consumption for purchased electricity 外購電力能源耗量 | 9,672.60 | 4,528.77 | 14,201.37 | 8,756.41 | MWh 千個千瓦時 |
| Steam consumption for purchased ⁵ 外購蒸汽耗量 ⁵ | N/A 不適用 | 4,125.84 | 4,125.84 | N/A 不適用 | MWh 千個千瓦時 |
| Energy consumption for non-renewable fuels ² 非再生燃料能源耗量 ² | 464.10 | 1,398.34 | 1,862.44 | 40,497.66 | MWh 千個千瓦時 |
| Energy consumption intensity (average by number of household) 能源消耗密度(住戶數平均) | 0.75 | N/A | N/A | 6.03 | MWh/household |
| Energy consumption intensity (average by area) ³ 能源消耗密度(面積平均) ³ | 0.01 | 不適用 0.36 | 不適用 N/A | 0.04 | 千個千瓦時/每戶 MWh/m ² |
| | | | 不適用 | | 千個千瓦時/每平 方米 |

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環境、社會及管治報告

| Category 類別 | Property management 物業管理 | Recreational Center 休閒中心 | 2018 2018年 | 2017 2017年 | Unit 單位 |
|--|--------------------------------|--------------------------------|-------------------|--------------------------------|--|
| | | | Total 合計 | Property management 物業管理 | |
| Water consumption 耗水 | | | | | |
| Total water consumption 總耗水量 | 213,443.96 | 55,079.00 | 268,522.96 | 243,559.81 | m ³ 立方米 |
| Water consumption intensity (average by number of household) 耗水密度(住戶數平均) | 15.73 | N/A | N/A | 29.81 | m ³ /household 立方米/每戶 |
| Water consumption intensity (average by area) ³ 耗水密度(面積平均) ³ | 0.16 | 1.96 | N/A | 0.20 | m ³ /m ² 立方米/每平方米 |
| Packaging material 包裝材料 | Nil 沒有 | Nil 沒有 | Nil 沒有 | Nil 沒有 | |

1. According to the revised edition of the GHG Protocol: Corporate Accounting and Reporting Standard published by the World Business Council For Sustainable Development and the World Resources Institute, Scope 1 direct emissions include greenhouse gas emissions directly generated by businesses owned or controlled by the Group, and Scope 2 indirect emissions include "indirect energy" greenhouse gas emissions from the consumption of electricity (purchased or acquired), heat energy, refrigeration and steam within the Group.

2. Since operation and management of boilers in certain projects in the property management segment were outsourced to third parties during the Reporting Period, the natural gas data for 2018 only includes the consumption for the GOLDEN TOWER project.

3. For the property management segment, the intensity (emissions/resource consumption) is based on the total chargeable area, while for the Recreational Center, the intensity (emissions/resource consumption) is based on the area of operation

4. As the non-hazardous waste data did not include waste generated by owners in the property management segment, the data for 2017 were adjusted for the amount of waste generated in offices and public areas.

5. The consumption of steam purchased only included the amount of steam used in the Recreational Centre.

1 根據由世界企業永續發展協會及世界資源研究所發行的溫室氣體盤查議定書—企業會計與報告標則(修訂版)，範圍1直接排放涵蓋有本集團擁有或控制的業務直接產生的溫室氣體排放，而範圍2間接排放則涵蓋來自本集團內部消耗(購回來的或取得的)電力、熱能、冷凍及蒸氣所引致的「間接能源」溫室氣體排放。

2 由於物業管理業務部分項目的鍋爐於報告期間外包至第三方營運及管理，2018年天然氣的數據只包括金長安項目的使用量。

3 物業管理業務以總物業管理收費面積計算排放/資源耗用之密度，而休閒中心則以營業面積計算排放/資源耗用之密度

4 由於無害廢棄物的數據不包括物業管理業務的業主所產生的廢棄物，因此2017年的數據已根據辦公室及公共區域的廢棄物產生量作出調整。

5 外購蒸汽耗量只包括休閒中心的蒸汽使用量。

SUSTAINABLE OPERATIONS POLICY

Sustainable development is a long-term commitment of a responsible enterprise, and is deeply rooted in our people-oriented businesses. We have been implementing sustainable operations and worked towards a better life for the public, through continuously enhancing the sustainability of the environment, ensuring a high quality of services, building an outstanding and strong service team, carrying out rigorous supply chain management, maintaining a high level of ethics and integrity, caring for disadvantaged groups in the community and otherwise.

可持續營運方針

可持續發展是負責任企業的長期承諾，且深深植根於我們以人為本的業務當中，透過不斷加強環境的可持續性、確保服務品質卓越、建立優秀強大的服務團隊、嚴謹的供應鏈管理、維持高度的道德與誠信、關懷社區弱勢社群等各範疇的工作。我們一直貫徹可持續營運方針，將美好生活帶給公眾。

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISK MANAGEMENT

We manage our environmental, social and governance risks according to the Group's risk management system. The Board sets out environmental, social and governance objectives and risk tolerance levels. The management formulates various policies and measures based on relevant objectives. Employees at all levels in the Group identify potential risks and report to the management in day-to-day operations. The management report to the Board on the materiality and changes of environmental, social and governance risks in a timely manner. Through regular communication with stakeholders, continuous collection of environmental, social and governance indicator data, and preparation of annual environmental, social and governance reports, the management assist the Board in overseeing and implementing the Group's environmental, social and governance risk management.

環境、社會及管治風險管理

我們根據集團的風險管理體系管理我們的環境、社會及管治風險，董事局制定環境、社會及管治目標及風險接受程度，管理層根據有關目標制定各種政策及措施，集團內各層面的員工於日常營運過程中識別潛在的風險並向管理層反饋，管理層及時向董事局報告各環境、社會及管治風險的重要程度及變化情況。透過定期與持分者溝通，持續收集環境、社會及管治指標數據，以及編制年度環境、社會及管治報告等工作，管理層協助董事局監督並落實集團的環境、社會及管治風險管理工作。

**QUALITY, ENVIRONMENT,
OCCUPATIONAL HEALTH AND SAFETY
MANAGEMENT SYSTEM**

For our property management business, we have a sound environment, occupational health and safety, and quality management system, have established the Quality, Environment and OHS Management Manual to perfect our management system and define responsibilities of the management and departments, and has passed ISO14001: 2015 environmental management system, OHSAS18001: 2007 occupational health and safety management system and ISO9001: 2015 quality management system certifications. We spare no effort to maintain the quality of our services and protect the health and safety of the households, tenants and employees. During the Reporting Period, we engaged a third-party inspection agency to supervise and review our three standard systems and confirmed that we complied with relevant requirements of the three standards, namely GB/T19001-2015 Quality Management System Requirements, GB/T24001-2015 Environmental Management Systems — Requirements with Guidance for Use and GB/T28001-2011 Occupational Health and Safety Management System Specifications. We are committed to the sustainable development of the enterprise, environment and society by strengthening the management of daily operations.

**質量、環境、職業健康安全管理
體系**

我們的物業管理業務擁有健全的環境、職業健康與安全及質量管理系統，已建立了《質量、環境、職業健康安全管理手冊》完善我們的管理體系，明確管理層和各部門的職責，並且已經通過ISO14001: 2015環境管理體系、OHSAS18001: 2007職業健康安全管理體系和ISO9001: 2015質量管理體系認證。我們於維持服務質量和保障住戶、租戶以及員工的健康與安全方面不遺餘力。於報告期間，我們委任了第三方檢驗機構對我們的三標體系進行監督審核，確認了我們符合GB/T19001-2015《質量管理體系要求》、GB/T24001-2015《環境管理體系要求及使用指南》和GB/T28001-2011《職業健康安全管理體系規範》三個標準的相關要求。透過加強對日常營運的管理，實踐企業、環境和社會的持續發展。



AWARDS AND HONORS

獎項及榮譽

| <p>China Golden Key</p> <p>中國金鎖匙</p> | <p>Beijing Low-cost Housing Construction and Investment Center</p> <p>北京市保障性住房建設投資中心</p> |
|--|---|
| <p>China Excellent Service Team</p> <p>中國服務優秀服務團隊</p> <p>China Service Model Enterprise — GOLDEN TOWER</p> <p>中國服務示範企業 — 金長安大廈</p> | <p>2018 Excellent Property Management Enterprise Award</p> <p>2018年度優秀物業管理企業獎</p> |



COMMUNICATION WITH STAKEHOLDERS

We understand that stakeholders, including employees, owners and households, suppliers and business partners, shareholders and investors, government and the local community, are key to realizing the above sustainable development policy. Therefore, we treat the communication with stakeholders in paramount importance in our daily operations and business development. Through a variety of formal and informal channels, we maintain a close contact with our stakeholders to understand their opinions and recommendations on the Group's business and sustainability, so as to continuously improve our policies and performance in response to their needs.

Our channels of daily communication with stakeholders are as follows:

持份者溝通

我們深明，員工、業主與住戶、供應商與商業合作夥伴、股東及投資者、政府以及當地社區等持份者是實現以上可持續發展方針的關鍵。為此，我們將與持份者溝通視為日常營運和業務發展的重中之重，通過各種正式和非正式的渠道，和持份者保持緊密聯繫，以瞭解他們對集團業務和可持續發展的意見和建議，從而不斷提升我們的方針和表現，回應他們所需。

我們與持份者的日常溝通渠道如下：



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MATERIALITY ASSESSMENT

In order to better understand the opinions and expectations of our stakeholders, we engage a third party to conduct materiality assessment for us each year. Through opinion survey, we invite stakeholders to score and rank a total of 25 environmental, social and governance issues grouped into five main categories (namely “Quality of Working Environment”, “Environmental Protection and Green Operations”, “Operational Practices”, “Product and Service Responsibilities” and “Contribution to Communities”, thereby understanding their degree and change of attention to each significant issue, and enabling us to more comprehensively plan sustainable development work in the future.

重要性評估

為了更有效瞭解持份者的意見和期望，我們每年委任第三方為我們進行重要性評估工作，通過意見調查，邀請各類別的持份者就五個主要範疇（即「工作環境質素」、「環境保護和綠色營運」、「營運常規」、「產品與服務責任」以及「社區貢獻」），合共25個環境、社會及管治議題進行評分及排名，我們從而瞭解持份者就各重大議題的關注程度及其改變趨勢，以及以便我們在未來制定可持續發展工作時，有更全面的規劃。

Materiality Analysis of Issues

各議題之重要性分析

| Issue 議題 | Category 範疇 | Change 變化 | Rankings | Rankings |
|---|--|--------------|-----------------------|----------------------------|
| | | | for the Year 本年度排名 | for the Last Year 去年度排名 |
| Treatment of hazardous and non-hazardous waste 危險及非危險廢物處理 | Environmental protection and green operations 環境保護和綠色營運 | ↑ | 1 | 2 |
| Disaster emergency plan 災難應急預案 | Operational practices 營運常規 | ↓ | 2 | 1 |
| Exhaust emission 廢氣排放 | Environmental protection and green operations 環境保護和綠色營運 | → | 3 | 3 |
| Anti-corruption 反舞弊腐敗 | Operational practices 營運常規 | ↑ | 4 | 8 |
| Sewage discharge 污水排放 | Environmental protection and green operations 環境保護和綠色營運 | ↑ | 5 | 7 |
| Prevention of child and forced labour 防止童工及強制勞動 | Quality of working environment 工作環境質素 | ↑ | 6 | 10 |
| Supplier selection procedure 供應商選擇程序 | Operational practices 營運常規 | ↑ | 7 | 25 |
| Employment relationship and communication with employees 僱傭關係及員工溝通 | Quality of working environment 工作環境質素 | ↑ | 8 | 20 |
| Occupational safety and health 職業安全及健康 | Quality of working environment 工作環境質素 | ↑ | 9 | 12 |
| Diversity and equal opportunity 多元化及均等機會 | Quality of working environment 工作環境質素 | ↑ | 10 | 11 |

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| Issue 議題 | Category 範疇 | Change 變化 | Rankings for the Year 本年度排名 | Rankings for the Last Year 去年度排名 |
|---|---|--------------|-----------------------------------|---|
| Charity donation 慈善捐贈 | Contribution to Communities 社區貢獻 | ↑ | 11 | 13 |
| Trainings and development 培訓及發展 | Quality of working environment 工作環境質素 | ↑ | 12 | 14 |
| Employee turnover rate 員工流失率 | Quality of working environment 工作環境質素 | ↑ | 13 | 16 |
| Customer/consumer privacy 客戶／消費者私隱 | Product and service responsibilities 產品與服務責任 | ↓ | 14 | 5 |
| Greenhouse gas emission 溫室氣體排放 | Environmental protection and green operations 環境保護和綠色營運 | ↓ | 15 | 9 |
| Complaint handling 投訴處理 | Product and service responsibilities 產品與服務責任 | ↓ | 16 | 4 |
| Participation in volunteer activities 參與義工活動 | Contribution to Communities 社區貢獻 | → | 17 | 17 |
| Product safety 產品安全 | Product and service responsibilities 產品與服務責任 | ↑ | 18 | 19 |
| Intellectual property rights 知識產權 | Product and service responsibilities 產品與服務責任 | ↓ | 19 | 18 |
| Carbon trading mechanism 碳交易機制 | Environmental protection and green operations 環境保護和綠色營運 | ↓ | 20 | 15 |
| Energy and water conservation 節約能源及用水 | Environmental protection and green operations 環境保護和綠色營運 | ↓ | 21 | 6 |
| Evaluation of suppliers' environmental and social performance 供應商環境及社會表現評估 | Environmental protection and green operations 環境保護和綠色營運 | ↑ | 22 | 23 |
| Natural resource utilization (including energy and water utilization) 天然資源利用(包括能源及用水) | Environmental protection and green operations 環境保護和綠色營運 | ↓ | 23 | 21 |
| Employee benefits/leisure activities 員工福利／康樂活動 | Quality of working environment 工作環境質素 | → | 24 | 24 |
| Technology research and development 技術研究與開發 | Product and service responsibilities 產品與服務責任 | ↓ | 25 | 22 |

ENVIRONMENTAL PROTECTION

We actively advocate the management policy of “pollution prevention, energy saving, emission reduction, and environmental protection by all employees” in our businesses. We carry out environmental protection work through green management, the use of environmentally friendly equipment and the promotion of environmental awareness. We have formulated the Quality, Environment and OHS Management Manual to direct employees to strictly control the pollutant discharge and sources of pollution. We also actively adopt more environmentally friendly and resource-saving equipment to reduce the waste of resources and continuously strengthen the education, promotion and training on environmental protection to continuously enhance the environmental awareness of our employees, customers and business partners to implement sustainable development collectively.

環境保護

我們在業務中積極倡導「預防污染、節能減排、全員環保」的管理方針，我們透過推行綠色管理、採用綠色設備和推廣環保意識三種方式進行我們的環境保護工作。我們建立了《質量、環境、職業健康安全手冊》，指導員工嚴格控制污染物排放，控制污染源頭。我們亦積極採用更環保、更節約資源的設備，減低浪費資源及不斷加強對環境保護的教育、宣傳和培訓，以不斷增強員工、客戶以及各商業合作夥伴的環保意識，攜手落實可持續發展工作。

| Category 範疇 | Environmental Protection Tasks 環境保護工作 |
|--------------------------|--|
| Green management 綠色管理 | <ul style="list-style-type: none"> • Develop energy and water saving plan every year • 每年制定節能節水方案 • Organize monthly energy consumption analysis meeting to discuss and analyze the energy consumption data, status of indicators, and the remaining energy consumption quota • 組織每月能耗分析會議，針對能耗數據、指標情況、能耗剩餘額度，進行分析討論 • Cooperate with local suppliers as far as possible to reduce carbon emissions caused by transportation • 盡量與本地供應商合作，減少運輸過程所帶來的碳排放 • Maintain the temperature of air conditioning in office and public area at 26°C in summer and 22°C in winter • 將辦公室和公共區域的空調溫度維持於：夏天26度、冬天22度 • Regularly inspect and repair equipment to reduce energy and water wastage • 定期檢查各種設備，適時維修保養，減少因損壞而浪費水電 |

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| Category 範疇 | Environmental Protection Tasks 環境保護工作 |
|--|---|
| Environmentally friendly equipment 綠色設備 | <ul style="list-style-type: none"> • Install voice or infrared sensors to control the level of regional lighting • 安裝聲控或紅外線感應系統，控制區域燈光水平 • Replace ordinary lamps in garage of each project with LED lamps • 以LED燈管替代各項目車庫內普通燈管 • Adjust time switch in a timely manner based on the level of sunlight for lights and roof advertisement words • 要求項目對園區燈、樓頂廣告字根據日照情形及時調整時控開關 • Purchase appliances with at least Grade Two Energy Label as far as possible • 盡可能採購國家二級節能以上的環保設備 • Replace boiler burners to increase operational efficiency and reduce emission • 更換鍋爐燃燒器，提高運行效能及減低排放 • Use central control system for energy management, and adjust such system seasonally to save energy • 通過中央系統管理能源的使用，配合季節進行調整，以節省能源 • Adopt rainwater recycling system for irrigation • 通過雨水回收系統回收雨水進行灌溉 • Use non-negative pressure fresh water supply system to save energy • 使用無負壓淡水供應系統，節約能源 |
| Environmental awareness 環保意識 | <ul style="list-style-type: none"> • Provide environmental protection training for employees to improve their attention to environmental protection issues, and require them to apply energy saving measures into their daily work, including considering the necessity of energy dissipation and water consumption, turning off lights, powering off when leaving, keeping an eye on water and electricity waste caused by equipment damage, and arranging maintenance in case of any damage • 為員工提供環保相關培訓，提升對環境保護事宜的關注，要求員工把節能措施融入日常工作當中，包括考慮耗能耗水的必要性、隨手關燈、下班關機、注意是否有設備因損壞而浪費水電的情況，及時報修。 • Install sub-meter and implement “user/polluter-pays” policy to encourage water and electricity savings • 透過安裝水電分表，提倡「用／污者自付」的原則，鼓勵住戶節約 • Promote environmental awareness and provide guidelines to encourage better behaviours • 宣傳環保意識，提供指引，鼓勵改善行為習慣 |

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環境、社會及管治報告

Emissions

Exhaust gas

Our exhaust gas emissions are mainly caused by the fuel use for vehicles and the consumption of natural gas and steam for heating, cooking, domestic hot water supply and otherwise.

排放物

廢氣

我們的廢氣排放主要來自於車輛的燃料使用以及用作供暖、煮食、生活熱水等用途所消耗的天然氣和蒸汽所產生。

| Category | Property management | Recreational Center | 2018 Total | 2017 Property management | Unit |
|--|---------------------|---------------------|------------|--------------------------|----------|
| 類別 | 物業管理 | 休閒中心 | 2018年合計 | 2017年物業管理 | 單位 |
| Nitrogen oxides (NO _x) 氮氧化物(NO _x) | 59.52 | 241.93 | 301.45 | 246.53 | Kg 公斤 |
| Sulfur oxides (SO _x) 硫氧化物(SO _x) | 11.01 | 51.72 | 62.73 | 56.15 | Kg 公斤 |
| Particulate matter (PM) 懸浮粒子(PM) | 1.16 | 2.27 | 3.43 | 95.63 | Kg 公斤 |

Greenhouse gas

Our greenhouse gas emissions are mainly direct or indirect emissions caused by the use of purchased electricity, the fuel use for vehicles and the consumption of natural gas and steam for heating, cooking, domestic hot water supply and otherwise.

溫室氣體

我們的溫室氣體排放來源包括外購電力、車輛的燃料使用以及用作供暖、煮食、生活熱水等用途所消耗的天然氣和蒸汽所產生的直接或間接排放。

| Category | Property management | Recreational Center | 2018 Total | 2017 Property management | Unit |
|--|---------------------|---------------------|------------|--------------------------|------------------------------------|
| 類別 | 物業管理 | 休閒中心 | 2018年合計 | 2017年物業管理 | 單位 |
| Total greenhouse gas emission (scope 1 and 2) 溫室氣體排放總量(範圍1及範圍2) | 8,662.32 | 5,918.21 | 14,580.53 | 15,841.27 | tCO ₂ e 公噸 二氧化碳當量 |
| Direct emissions (scope 1) 直接排放(範圍1) | 108.84 | 279.58 | 388.42 | 8,097.98 | tCO ₂ e 公噸 二氧化碳當量 |
| Indirect emissions (scope 2) 間接排放(範圍2) | 8,553.48 | 5,638.62 | 14,192.10 | 7,743.29 | tCO ₂ e 公噸 二氧化碳當量 |

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| Category 類別 | Property management 物業管理 | Recreational Center 休閒中心 | 2018 | 2017 | Unit 單位 |
|---|--------------------------------|--------------------------------|----------------------|---|---|
| | | | Total 2018年 合計 | Property management 2017年 物業管理 | |
| Greenhouse gas emissions intensity (average by number of household) 溫室氣體排放密度(住戶數平均) | 638.34 | N/A | N/A | 1,938.96 | Kg CO ₂ e/ household 公斤二氧化碳當 量/每戶 |
| Greenhouse gas emissions intensity (average by area ²) 溫室氣體排放密度(面積平均 ²) | 6.55 | 210.94 | N/A | 13.05 | Kg CO ₂ e per square meter 公斤二氧化碳當 量/每平方米 |

In order to reduce air emissions, we carried out the boiler low-nitrogen combustion technology transformation project in the North Garden and GOLDEN TOWER property management projects in 2017. After the transformation, the boilers were able to continuously reduce nitrogen oxide emissions from combustion during the Reporting Period.

為了減低廢氣排放，我們在2017年於北花園及金長安物業管理項目均進行了鍋爐低氮燃燒技術改造工程，鍋爐經過改造後，於報告期間能夠持續減少於燃燒過程中所產生的氮氧化物排放量。

Non-hazardous waste

We do not produce significant amount of hazardous waste, while non-hazardous waste is mainly general refuse collected from various property management projects and public spaces in the Recreational Center, as well as waste papers from our offices which were collected and transported by third party for further handling.

無害廢棄物

我們並沒有產生大量的有害廢棄物，而無害廢棄物主要來自於各物業管理項目和休閒中心公用空間收集的一般廢棄物，以及我們辦公室所產生之廢紙。該等無害廢棄物由第三方收集及清運並作進一步處理。

² For the property management business, the intensity (emissions/resource consumption) is based on the total chargeable area, while for the Recreational Center, the intensity (emissions/resource consumption) is based on the area of operation

² 物業管理業務以總物業管理收費面積計算排放/資源耗用之密度，而休閒中心則以營業面積計算排放/資源耗用之密度

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環境、社會及管治報告

| Category 類別 | Property management 物業管理 | Recreational Center 休閒中心 | 2018 | 2017 | Unit 單位 |
|--|--------------------------------|--------------------------------|----------------------|---|------------------------------|
| | | | Total 2018年 合計 | Property management 2017年 物業管理 | |
| Hazardous waste 有害廢棄物 | Nil 沒有 | Nil 沒有 | Nil 沒有 | Nil 沒有 | |
| Non-hazardous waste 無害廢棄物 | | | | | |
| Total non-hazardous waste 無害廢棄物總量 | 28.95 | 117.00 | 145.95 | 28.95 | tonnes 公噸 |
| Intensity of non-hazardous waste (average by number of household) 無害廢棄物密度(住戶數平均) | 2.13 | N/A | N/A | 3.54 | Kg/household 公斤/每戶 |
| Intensity of non-hazardous waste (average by area) 無害廢棄物密度(面積平均) | 0.02 | 0.02 | N/A | 0.02 | Kg/m ² 公斤/每平方米 |
| Total waste disposed to landfill 棄置廢物於堆填區總量 | 28.95 | 117.00 | 145.95 | 28.95 | tonnes 公噸 |

We promote the practice of waste reduction at the source to owners, households and customers, by encouraging them to use environmentally friendly bags instead of plastic bags, classifying general refuse and recyclable waste, donating unwanted items to others instead of discard, and choosing environmentally friendly products and otherwise. In addition, we encourage employees to classify wastes, and require that construction waste generated by contractors or builders during decoration or maintenance should not be mixed into general refuse but should be separately treated and transferred in a timely manner. Meanwhile, we are also committed to enhancing employees' awareness of emission reduction, encouraging them to use electronic channels for communication, giving priority to the use of double-sided printing and recycling paper as far as possible, in the hope of achieving a "paperless" office.

我們向業主、住戶和顧客宣傳源頭減廢，鼓勵他們拒絕使用膠袋、使用環保袋、將一般廢棄物和可再生垃圾分類，將不需要的物品捐贈他人而非棄置，選擇較環保的產品等。此外，我們亦倡導員工將垃圾分類處理，規定外包商或承建商於裝修或維修過程中所產生的建築垃圾不得混入一般廢棄物中，必須分開處置並及時轉運。與此同時，我們亦致力提升員工的減排意識，鼓勵他們使用電子化渠道溝通，優先利用雙面列印並盡量回收再用紙張，希望實現「無紙化」的辦公室。

RESOURCE MANAGEMENT

Our energy consumption includes purchased electricity, fuel consumed by vehicles and natural gas and steam consumed for domestic hot water supply, cooking and heating purposes. The relevant consumption data are as follows:

能源管理

我們的能耗包括外購電力、車輛的燃油消耗以及用作生活熱水、廚房及供暖用途的天然氣及蒸汽，有關耗用的數據如下：

| Category | Property management | Recreational center | 2018 | 2017 | Unit |
|--|---------------------|---------------------|-----------|---------------------|--------------------|
| | | | Total | Property management | |
| 類別 | 物業管理 | 休閒中心 | 2018年合計 | 2017年物業管理 | 單位 |
| Total energy consumption | 10,136.69 | 10,052.95 | 20,189.64 | 49,254.06 | MWh |
| 總能源耗量 | | | | | 千個千瓦時 |
| Energy consumption for purchased electricity | 9,672.60 | 4,528.77 | 14,201.37 | 8,756.41 | MWh |
| 外購電力能源耗量 | | | | | 千個千瓦時 |
| Stream consumption for purchased | N/A | 4,125.84 | 4,125.84 | N/A | MWh |
| 外購蒸汽耗量 | 不適用 | | | 不適用 | 千個千瓦時 |
| Energy consumption for non-renewable fuels | 464.10 | 1,398.34 | 1,862.44 | 40,497.66 | MWh |
| 非再生燃料能源耗量 | | | | | 千個千瓦時 |
| Energy consumption intensity | 0.75 | N/A | N/A | 6.03 | MWh/ |
| (average by number of household) | | | | | household |
| 能源消耗密度(住戶數平均) | | 不適用 | 不適用 | | 千個千瓦時/ |
| | | | | | 每戶 |
| Energy consumption intensity (average by area) | 0.01 | 0.36 | N/A | 0.04 | MWh/m ² |
| 能源消耗密度(面積平均) | | | 不適用 | | 千個千瓦時/ |
| | | | | | 每平方米 |

In order to improve the energy efficiency of our property management business, we have formulated the “Energy Conservation and Environmental Protection Management Policy” to strengthen and standardize the management of energy conservation and emission reduction in properties, including regular inspection, cleaning and maintenance of equipment and facilities such as units, cooling towers and air conditioning systems, so as to effectively control energy consumption and avoid energy waste. In addition to daily maintenance, we have developed the 2018 Energy Saving Plan to supervise and urge the implementation of various energy saving measures in properties through modification works during the Reporting Period, with the hope of reducing energy consumption on an annual basis. The energy saving scheme implemented for various property management projects during the Reporting Period mainly covers the upgrade and transformation of lighting and air conditioning systems including:

為了提升能源效益，我們的物業管理業務已制定《節能環保管理政策》，加強並規範各物業的節能減排管理工作，包括定期檢查、清洗和維修各項設備設施如機組、冷卻塔、空調系統等，以有效控制其能耗並避免能源浪費。除了做好日常保養，我們亦制定了《2018年度節能方案》，督促各物業於報告期間透過改造工程落實各種節能措施，希望能按年減低能源消耗。各物業管理項目於報告期間實施的的節能方案主要涵蓋照明和空調系統升級改造包括：

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Lighting 照明

- Replacement of original lights with LED lights in the underground parking lot and floors of IN Beijing helped reduce the electricity consumption by approximately 2,900 kWh per month
- 於In北京的地下停車場和樓層內將原本燈具更改為LED燈，每月可減少約2,900千瓦時的用電量
- In Yigou (易構) and Kingdom Guorui (國銳金嶺), lighting switches in the public areas or staircases were replaced with voice sensors
- 於易構、國銳金嶺將公區或樓梯間的照明更換為聲音傳感器
- Luminaires were reduced or replaced with those with lower energy consumption in certain parking lots, dormitories, floors, corridors, lobbies, elevators, etc., without affecting the household
- 在不影響住戶情況下於部分停車場、宿舍、樓層、走廊、大堂、電梯等減少燈具數目或改用能耗較低的燈具
- Switches of street lamps and advertising lamps were replaced with time switches, and the turn on and turn off time were adjusted according to the weather and seasonal change in Fortune Street, Kingdom Guorui (國銳金嶺) and Yigou (易構) projects
- 於財滿街、國銳金嶺和易構項目將部分路燈或廣告字體改為時控開關，並根據天氣和季節變化調整開關時間

Air conditioning 空調

- The temperature was adjusted according the weather change, and refrigerating units were not turned on when the outdoor temperature did not reach the specified temperature
- 根據天氣變化調整溫度，室外溫度未達指定溫度不會開啓製冷機組
- Integrated controllers were used for the air conditioning in dormitories, to unify the control of room temperature, and turn-on and turn-off
- 就宿舍空調增加集成控制器，對房間溫度進行統一控制和開關
- The indoor temperature was maintained above 26 degrees in summer
- 於夏季將室內溫度控制至不低於26度
- The air conditioning temperature of the elevator machine room was controlled according to seasonal change and indoor temperature
- 按季節變換根據室內溫度控制電梯機房空調溫度

Meanwhile, we enhance the promotion of energy saving in properties, including posting energy-saving and environmental protection messages on the bulletin board, distributing energy-saving and environmental protection brochures, regularly promoting on official mobile application, and reminding employees to turn off the lights when leaving the workplace with an aim of improving the energy-saving awareness of employees and even the owners and households, to collectively contribute to environmental protection.

同時，我們會在各物業加強節能宣傳，包括於宣傳欄貼上節能環保的訊息、發放節能環保的宣傳手冊，並在官方手機應用程式定期進行宣傳，提醒員工在離開工作場所時關燈，旨在提升員工以至業主和住戶的節能意識，攜手為環保出一分力。

WATER RESOURCES MANAGEMENT

The water consumed by the Group daily is derived from the municipal water supply by the local water supply department, and the Group has not experienced any material issues in sourcing water that is fit for purpose and such sourcing has no impact on the groundwater or water resources in the natural environment. Our water consumption data during the Reporting Period are as follows:

水資源管理

集團日常所消耗的水資源都是來自當地供水部門提供的市政供水，且於求取適用水源方面並無遭遇任何重大問題，求取水源時亦不會對地下水或自然環境的水資源產生影響。以下是我們於報告期間的耗水數據：

| Category | Property management | Recreational Center | 2018 | 2017 | Unit |
|---|---------------------|---------------------|-------------|---------------------|--|
| | | | Total | Property management | |
| 類別 | 物業管理 | 休閒中心 | 2018年 合計 | 2017年 物業管理 | 單位 |
| Total water consumption 總耗水量 | 213,443.96 | 55,079.00 | 268,522.96 | 243,559.81 | m ³ 立方米 |
| Water consumption intensity (average by number of household) 耗水密度(住戶數平均) | 15.73 | N/A | N/A | 29.81 | m ³ /household 立方米/每戶 |
| Water consumption intensity (average by area) 耗水密度(面積平均) | 0.16 | 1.96 | N/A | 0.20 | m ³ /m ² 立方米/每平方米 |

We closely monitor the water consumption of properties and the Recreational Center and implement various water conservation measures:

我們嚴密監控各物業和休閒中心的耗水情況，落實各項節省用水的措施：

- In the North Garden project, we adjusted the time of water use for greening purposes to consume water at intervals
- In the office area of Kingdom Guorui, pressure reducing valves were installed to control the water flow
- In the Yigou project, public toilets were equipped with a water card system to control the duration of water consumption to reduce waste
- In the GOLDEN TOWER project, the cooling towers were upgraded to control the water flow
- 於北花園項目調整綠化用水的時間以分段用水
- 於國銳金嶺的辦公區域安裝減壓閥以控制水量
- 將易構項目的公共浴室安裝水卡系統，控制用水時間，減少浪費
- 將金長安項目的冷卻塔進行升級改造工程，控制其流量

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Swimming pool renovation

The Recreational Center has two adult and children's swimming pools. The pipelines of the two pools were connected, so when either pool was cleaned or repaired, it was necessary to close the other pool and drain and refill the water, contributing to a large amount of water consumption. In order to reduce waste, we renovated the swimming pools during the Reporting Period, separating the pipelines of the two pools into independent ones. After the renovation, cleaning of either swimming pool will not affect the operation of the other pool, which helps greatly reduce the water consumption.

COMPLIANCE WITH ENVIRONMENTAL PROTECTION REGULATIONS

Being responsible for the environment is undoubtedly the utmost and foremost step in sustainable development. We promise to comply with all environmental laws and regulations, including but not limited to the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Atmospheric Pollution Prevention and Control Law of the People's Republic of China and etc., striving to building a green community. We actively integrate the elements of energy conservation and emission reduction into operations to reduce the carbon footprint of our operations, so that our next generation can continue to live and work in peace and contentment in the community. During the Reporting Period, we were not subject to any complaint or charge in relation to violation of environmental protection regulations.

泳池改造

休閒中心內設有兩個成人及兒童泳池，由於兩個泳池的管道相連，以往其中一個泳池於清洗或維修時，另外一個泳池亦需停止運作並進行排水及重新注水，會消耗大量池水。為了減少浪費，我們於報告期間進行了泳池改造工程，將兩個泳池的管道改造成獨立管道。經過改造後，其中一個泳池清洗時不會影響另一個泳池運作，可大大減輕耗水量。

環境保護條例遵循序

對環境負責任就可持續發展而言，是最重要及最首要的一步。我們承諾謹遵所有環境相關的法例法規，包括但不限於《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》等，著力構建綠色社區，積極於營運過程中融入節能減排的元素，減少營運過程中產生的碳足印，讓我們的下一代能繼續在這片社區安居樂業。於報告期間，我們並沒有收到任何有關違反環保條例的投訴或控告。

EXCELLENT QUALITY

Property management

優越品質

物業管理



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In order to provide the highest quality services to owners and households and to realize the business philosophy of “creating high-quality products, providing prominent services”, we have formulated the Quality, Environment and OHS Management Manual, established the management policy of “making quality products and providing value-added services”, and strictly implemented the “Six Clear Principles” treating each task rigorously, and serving every customer with care.

為了向業主和住戶提供最優質的服務，實現「服務優質、物業增值」的經營理念，我們設有《質量、環境及職業健康安全管理手冊》，定立了「締造優質產品、奉獻超值服務」的管理方針，嚴格執行「六有原則」，嚴謹對待每一項任務、用心服務每一位客戶。



To guarantee the quality of service, we conduct daily inspection and weekly sampling inspection. We also conduct more than 900 quality inspections in all projects each year, including file management, machine room management, elevator operation, fire-fighting equipment, and sanitary conditions of the public areas etc., so as to ensure the service quality in four aspects, namely customer service, engineering, environment and security in all properties. In addition to internal inspections, we conduct performance assessments of business partners in charge of security, cleaning, parking lot management, maintenance, and green maintenance and otherwise, including the professionalism of personnel, use of materials, quality of site work, timeliness of service, occupational health and safety, customer praise and complaints, and select outstanding, good, qualified and unqualified partners. We will terminate the contract with any partner once it is identified as unqualified, and blacklist and permanently terminate the contract with any partner which has been identified as unqualified for two times.

為保障服務質量，我們會進行日常巡查、每週抽樣檢查，每年亦會在所有項目進行共900多項檢查品質檢查，包括檔案管理、機房管理、電梯運行、消防設施、公區衛生等多個類別，確保所有物業的客服、工程、環境和治安四大範疇的服務質素得以維持。除了內部檢查，我們會對保安、保潔、停車場管理、維保、綠化養護等合作方進行履約評估，內容包括人員專業程度、物資使用情況、現場工作質量、服務及時性、職業健康安全、客戶表揚及投訴等，並選出優秀、良好、合格和不合格的夥伴。對於任何不合格的夥伴，我們會終止合約，及不合格次數兩次，我們會將之列入黑名單並永久終止合約。

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Working with Golden Key to provide international-level property management services

The property management business of the Group has become a member of Golden Key International Alliance, an internationally recognized brand service organization, since 2013, and has always adhered to the high-end service philosophy, and provided owners and households with international top-ranking property management services. During the Reporting Period, certain employees of the Group have passed rigorous review and evaluation, obtaining a Golden Key certificate and becoming more professional and excellent property management talents, further improving our service quality.

In order to continuously improve our service level, we have worked with International Golden Key Service (國際金鎖匙服務) to arrange a number of customer service employees of the Group to participate in the “Golden Key High-end Marketing On-site Service Certification Class” training, so as to cultivate high-quality customer service professionals, through simulation training, team game and otherwise.

攜手金鎖匙，打造國際級物管服務

集團旗下的物業管理業務於2013年開始成為國際認可的品牌服務組織—金鎖匙國際聯盟的會員，一直秉持高端服務理念，為業主和住戶提供國際級的一流物業管理服務。於報告期間，集團旗下部分員工通過嚴謹的審查和考核，獲得金鎖匙的認證，成為更專業、更優質的物業管理專才，意味著我們的服務質量能夠進一步提升。

為持續提升服務水平，我們與國際金鎖匙服務攜手合作，安排集團旗下多名客戶服務人員參與「金鎖匙高端營銷案場服務認證班」培訓，透過模擬訓練和小組遊戲等環節，培養高質素的客戶服務專才。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Recreational Center

We pay special attention to the quality of services, so that customers can enjoy every service and facility with a good memory. Therefore, we have formulated the Quality Inspection Scheme to perfect the quality inspection system and standard in which we carry out weekly service quality and safety inspection, covering environmental sanitation, appearance, facilities and equipment, code of conduct, food safety, fire safety, dormitory management, work procedures, operations and etc., and monthly inspection, irregular comprehensive inspection, unannounced visit and otherwise, in the form of:

- Departmental self-inspection: Quality inspectors carry out inspection twice a week and supervise the rectification of problems in respective departments, summarize the problems identified, prepare a quality inspection report and submit it to the HR Department.
- Review by the Service Quality Department: The Service Quality Department, together with quality inspectors of departments, reviews the contents of quality inspection and safety reports of the departments every week, so as to ensure that problems are rectified properly
- Key department inspection: Inspections, follow-up actions, communications and urge work are carried out every week for key inspection departments, so as to improve the quality of services

休閒中心

我們特別注重服務的品質，務求讓顧客能夠好好享受每一項服務，每一項設施，留下一個美好回憶。為此，我們制定《質檢工作方案》，完善品質檢查體系和規範，我們每周會進行服務品質及安全檢查，範疇涵蓋環境衛生、儀容儀表、設施設備、行為規範、食品安全類、安全消防、宿舍管理、工作程序及操作等等，亦會以每月巡檢、不定期綜合檢查、進行檢查和暗訪等不同頻次進行質檢，形式包括：

- 部門自檢：質檢專員每週會於各自部門進行兩次檢查和督促問題整改，將發現的問題匯總並編寫質檢報告，上交人力資源部。
- 服務品質部複檢：服務品質部會聯同各部門的質檢專員每週各部門質檢、安全報告內容的複查，確保問題整改到位
- 重點部門檢查：每周制定出重點檢查部門開展相關的檢查、跟進、溝通、督促的工作，以提升各項服務品質

The Service Quality Department summarizes the inspections and prepares a report, which will be sent to department directors, who are required to make a reply for rectification, within 3 working days, including recording the rectified items in photos, or indicating the time needed for rectification. We organize a service quality meeting every week, analyze and summarize the problems of various departments identified in the quality inspection conducted in the previous week, and formulate corrective and preventive measures to continuously improve the service quality of each department for continuous improvement.

Mystery Shopper Scheme

In order to ensure the quality of services, the Recreational Center will, every six months, engage a testing agency, which will appoint a mystery shopper to carry out quality inspection of the Center's restaurants, SPA and fitness centers, which is divided into 25 processes with a total of 156 test indicators, including telephone booking, meal ordering, serving of dishes, payment and etc., to test the qualification of the service personnel, and record the specific test processes by recording or photographing, so as to report to managers items which require improvement. During the Reporting Period, the average score for the two inspections was 77.7%.

服務品質部會將檢查情況匯總成報告，發送至各部門總監並要求彼等在3個工作日內對整改情況進行回覆，包括將已整改的地方拍照記錄，或就需要整改回覆具體所需時間。我們每週會組織服務品質例會，對上週質檢中各部門存在的問題進行剖析、總結，並制定糾正及預防措施，務求不斷提升各部門的服務質素，精益求精。

神秘顧客計劃

為了確保服務品質，休閒中心每半年會委託檢測機構派出神秘顧客針對中心旗下的餐廳、SPA和健身中心進行品質檢查，分為25個環節，一共156個檢測指標，包括電話預訂、點餐、上餐、結帳等，以測試服務人員的達標情況，並將具體的測試過程以錄音或照片記錄，以便將需要改善的地方向管理人員反映。於報告期間，兩次檢查的平均得分率為77.7%。

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CONTACTING CUSTOMERS

Property Management

連繫顧客

物業管理



We have always advocated the service philosophy of “customer first”, and are committed to providing the most complete and considerate service for the owners, households and surrounding residents to provide a feeling of home. There are customer service specialists for all of the Group’s property projects to take care of the customers’ needs at all hours, including repair requests, comments on the services or complaints. If necessary or in case of any problems, owners and households can contact their corresponding customer service specialists through the 24-hour service hotline, the on-site customer service center of the project or the “Aocean Life” mobile application.

我們一直推崇「以客為先」的服務理念，致力為業主、住戶以至周邊居民提供最完善、最貼心的服務，讓他們感到賓至如歸。集團旗下所有物業項目均設有客服管家，業主和住戶如有需要或遇到任何問題，可透過24小時服務熱線、項目的現場客服中心或「澳生活」手機應用程式與客服管家即時聯繫，全天候照顧客戶所需，包括報修要求、對服務的意見或投訴等。

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Customers may make a repair request through “Aocean Life” mobile application of the Group. According to our “Customer Repair Request Management System”, the Engineering Department shall dispatch an engineer within 5 minutes to ensure the timelessness of repair, and ensure the personal safety of customers and the safety of the community.

客戶可透過集團旗下的「澳生活」手機應用程式提出報修要求，按照我們制定的《客戶報修管理制度》，工程部須於5分鐘內進行派工，確保及時維修，確保員工和客戶的人身以及社區安全。



With regard to customer complaints, we have formulated the Complaint Management System, pursuant to which we shall make a reply to a complaint in the system within 4 hours, an oral complaint within 1 working day and a written complaint within 3 working days. In order to ensure that all complaints are handled in the most appropriate manner to the satisfaction of customers, we follow up customers by telephone or in person, which shall cover all customers every year. In addition, we carry out at least one customer satisfaction survey each year to collect customer feedback and suggestions on the property projects and the quality of services, so as to continuously improve the quality of our services and “create high-quality products and provide prominent services”.

至於客戶投訴，我們設立《投訴管理制度》，制度規定投訴須在4小時內進行系統回覆，口頭投訴須在1個工作日內回覆，而書面投訴則須在3個工作日內回覆。為確保所有投訴都得到最合適的處理，確保客戶稱心滿意，我們會以電話或上門方式對客戶進行回訪，並規定每一年須覆蓋所有客戶。此外，我們每年會進行至少一次客戶滿意度調查，收集客戶對於物業項目和服務質素的意見和建議，以持續提升我們的服務品質，「締造優質生活，奉獻超值服務」。

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In order to better understand customers' views about us, we have specially added a "criticize and praise" function to the "Aocean Life" application, allowing customers to instantly upload photos and give a praise or suggestion for improvement so that our service team can make immediate response.

Recreational Center

For the business of the Recreational Center, in addition to our efforts to ensure the quality of services, we have always adhered to the philosophy of "treating customers with integrity and honesty" and treat every customer with care. In order to continuously improve our services, with regard to facilities and services of the Recreational Center, we invite customers to complete a satisfaction survey after daily service for giving a score and comment on the food of restaurants, the quality of service staff, dining environment, treatment methods, skills and otherwise, and regularly summarize and analyze the results of the survey, and identify the items that require improvement, and carry out corresponding improvement measures for continuous enhancement.

Health and Safety

As a constructor of the community, we must shoulder the responsibility to protect the safety of the community, and are committed to protecting the lives and properties of the public, so that every owner, households and customer can live and work in peace and contentment in the communities we manage.

As the property management business of the Group involves equipment maintenance, machine room management, power distribution, etc., in order to strengthen safety production management, we have, in accordance with the Safety Production Law of the People's Republic of China, the Regulations on the Reporting, Investigation and Handling of Work Safety Accidents, and the Safety Production Regulations of Beijing, formulated the Safety Production Management Manual, which sets out the safety policies and objectives of each property project, and identified safety risks and formulated appropriate response plans, including routine inspection and maintenance of equipment, regular safety drills, and strengthening of safety training, with the hope of completely eliminating potential safety hazards in properties and ensuring personal and environmental safety.

為了更瞭解客戶對我們的意見，我們於「澳生活」應用程式特別增設「批評表揚」的功能，讓客戶可即時上傳照片並作出表揚或提出改善建議，以便我們的服務團隊即時響應。

休閒中心

針對休閒中心的業務，除了致力保障服務質量，我們亦緊記「待客以誠」的理念，用心對待每一位顧客。為了不斷提升我們的服務，休閒中心旗下各項設施和服務會在日常服務後邀請顧客填寫滿意度調查表，就餐廳的食品、服務人員質素、用餐環境、療程手法、技能等進行評分和提出意見，並定期對調查結果進行總結和分析，而識別需要改善的地方，對症下藥，持續增強改進措施。

健康與安全

作為社區的建設者，我們必須肩負起守護保障社區安全的責任，致力保護大眾的性命和財產，讓每一個業主、住戶和顧客都能在我們管理的社區安居樂業。

由於集團旗下的物業管理業務涉及設備維護、機房管理、配電等工作，為強化安全生產管理工作，我們根據《中華人民共和國安全生產法》、《生產安全事故報告和調查處理條例》、《北京市安全生產條例》法律法規，制定了《安全生產管理手冊》，規定各物業項目的安全方針和目標，識別安全風險並制定合適的應對方案，包括進行日常設備設施檢查及維護、定期進行安全演練、加強安全培訓等，希望全面杜絕物業內的安全隱患，保障人身和環境安全。

Safety

With regard to fire safety, for the property management business, we have improved the maintenance and repair system for fire-fighting equipment, including daily inspection of the alarm system and fire-fighting equipment room, monthly random inspection of smoke detectors, temperature detectors, audible and visual alarms, monthly inspection of fire-fighting facilities, equipment, escape routes, safety exit and otherwise, and testing water supply pumps to ensure normal operation, and annual inspection of water supply and drainage systems. In addition, the safety officers of each property project regularly check the status of fire hydrants, pumps, fire controllers and other equipment to ensure that all facilities and equipment are in good condition and will not pose a safety risk.

In addition to daily inspection and examination, we have developed a detailed emergency plan, which defines the duties of members of the leading team, the order maintenance team, the evacuation team, the engineering team and otherwise, handling and post-emergency procedures, required materials and precautions, for emergencies such as fire, water logging, power outage, storm and electric shock, so as to ensure proper handling on site and ensure the personal safety of employees, owners and surrounding residents in case of an accident.

In addition to the property management business, the Recreational Center attaches great importance to fire safety and has formulated inspection and fire emergency systems for various equipment systems such as oil separator, power distribution rooms, swimming pool systems, machine rooms, boilers and etc., to standardize daily inspection procedures and maintenance systems, fire prevention measures and emergency measures in case of fires, power outage, natural disaster and etc.

安全

針對消防安全，物業管理業務就消防設備完善了維修保養制度，包括：每日檢查報警系統和消防設備機房，每月抽查煙霧、溫度、聲光感應報警器，每月檢查消防設施、器材、疏散通道、安全出口等並檢測供水泵確保運作正常，另外每年會檢測給排水系統。此外，各物業項目的安全負責人員亦會定期檢查消防栓、水泵、消防控制器等設備的狀態，確保所有設施設備運作情況良好，不會構成安全風險。

除了日常的巡查和檢查，我們亦設立了詳細的應急預案，對於突發事故，如火警、水浸、停電、暴雨、觸電等，明確領導小組、秩序小組、疏散小組和工程小組等人員的職責、處理和善後程序、所需物資以及注意事項，確保事故發生時能妥善處理現場，保障員工、業主和周邊居民的人身安全。

除了物業管理業務，休閒中心對消防安全亦極為重視，已就各項設備系統如隔油池、配電室、泳池系統、機房、鍋爐等設立巡查和防火應急制度，規範日常巡查程序及維修保養制度、防火措施以及突發事件如火災、斷電、自然災害等的應急措施。

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Developing drill plans to improve fire safety

In response to the national Fire Prevention Day on 9 November, we develop fire drill plans for all property projects each year, specifying the specific time, place, division of labour among emergency teams, drill procedures and etc., and carry out fire drills, with an aim of improving the fire prevention awareness of residents and the ability of employees to deal with emergencies.



制定演習方案，提升消防安全水平

為配合11月9日的全國消防日，所有物業項目每年會制定消防演習方案，列明具體的時間、地點、應急小組分工、演練程序等，進行消防演習，旨在提高居民的防火意識，同時加強員工處置突發事件的能力。



Hygiene

For the property management business, environmental officers of each property project carry out centralized cleaning and maintenance work in each area, beautifying the environment of the community and improving the appearance and image of the community every day, in accordance with the green maintenance standards. In addition, we engage a third-party testing agency to inspect the drinking water in projects every year to ensure that the water quality meets relevant requirements of the Hygienic Standards of Drinking Water and that drinking water is not contaminated or harmful to health.

Since the business of the Recreational Center involves fitness centers and SPA, personal items including beds, towels, slippers, cosmetics and otherwise are used. We pay special attention to environmental and personal hygiene, and require our employees to clean and disinfect all facilities, equipment and supplies including all fitness equipment, fitness products, furniture, towels, gymnasiums, sauna rooms, massage couches, beauty beds, slippers, changing rooms every day. In addition, we require that all cosmetics including powder puffs, cotton swabs and eyebrow brushes should not be shared, and require employees to keep cosmetics including lotion, face cream and loose powder in clean and sealed containers.

衛生

針對物業管理業務，每個物業項目的環境人員會按照綠化養護標準，每日於各個區域進行集中清理和養護工作，美化園區環境，改善園區面貌，提升園區形象。此外，我們每年亦會委託第三方檢測機構就項目內的飲用水進行檢測，確保水質達到《生活飲用水衛生標準》的相關要求，確保飲用水並沒有受到污染，對健康構成傷害。

由於休閒中心的業務涉及健身中心和SPA，會使用到床鋪、毛巾、拖鞋、化妝品等個人物品，我們對環境和個人衛生尤為重視，要求員工每天清潔並消毒所有健身設備、健身用品、傢俱、毛巾、球館、桑拿室、按摩床、美容床、拖鞋、更衣室等設施、設備和用品。除此之外，我們亦規定所有粉撲、棉花棒、眉毛刷等化妝品不得共用，將要求員工將乳液、面霜、蜜粉等化妝品保存在乾淨密封的容器。

In addition to the hygiene of the environment and supplies, food hygiene is an issue to which we attach great importance. For the catering service of the Recreational Center, we have formulated a personal and environmental hygiene system, which specifies the separation of raw and cooked food, finished and semi-finished products, food and medicines and debris, and have frequently cleaned and disinfected the surrounding environment, tableware and utensils, and strictly managed the environment, refrigerator and food hygiene, so as to meet the relevant requirements of the Food Safety Law, the Measures for the Supervision and Administration of Food Safety in Catering Services and other laws and regulations. In addition, we carry out daily kitchen hygiene inspection, and weekly comprehensive site inspection by the food safety manager, and develop a food safety inspection plan every month to systematize the procedures and standards of kitchen hygiene inspection. For food safety, we have strict standards for the acceptance of ingredients during purchase to ensure that the freshness, quality, colour, lustre and appearance of all ingredients meet the standards, and ensure the quality and hygiene of each dish at the source.

Swimming Pool Safety and Hygiene

In order to ensure the hygiene of swimming pools, we appoint a specialist to regularly inspect pipelines, system water pumps of swimming pools and otherwise, and clean the water tanks and water pump filters. In addition, we carry out internal and external inspections of the pool water, including daily scheduled measurement of the pH value, chlorine value, turbidity and temperature of the water in pools, and appoint of a third party to regularly measure the indoor temperature, humidity, carbon dioxide, water temperature, pH value, bacterial concentration of swimming pools, so as to ensure that the water quality complies with GB 9667-1996 Hygiene Standards of Swimming Places. In addition, in order to protect the safety of swimmers and reduce the accident risk, we require that all lifeguards should obtain a national occupational qualification and conduct assessment, including pre-job assessment, monthly common sense training and examination, and carry out quarterly rescue drill; and through emergency plans, formulate rescue measures for accidents including drowning and customer injuries so as to raise the safety awareness of lifeguards.

除了環境和用品的衛生，食物衛生同樣是我們極為重視的議題。針對休閒中心的餐飲服務，我們制定了個人和環境衛生制度，規定將生熟食品隔離、成品和半成品隔離、食品與藥物雜物隔離，並經常清洗及消毒周邊環境、餐具和器皿，同時對環境、冰箱和食品衛生實施嚴謹管理，以符合《食品安全法》、《餐飲服務食品安全監督管理辦法》等法律法規的相關要求。另外，我們每天會進行廚房衛生檢查，每周由食品安全管理員進行全面現場檢查，而每月亦會制訂食品安全檢查計劃，將廚房衛生檢查的程序和標準系統化。對於食品安全，我們於採購期間對配料的驗收設有嚴格標準，確保所有配料的新鮮度、質量、色澤和外觀均符合標準，從源頭保證每一道菜的質素和衛生。

泳池安全及衛生

為保障泳池衛生，我們會派專家定期檢查泳池管道、系統水泵等，並清洗水箱和水泵過濾網。此外，我們亦會就池水進行內部和外部檢測，包括每天定時檢測池水的酸鹼值、氯值、濁度和溫度，以及委託第三方定期就泳池室內空氣的室溫、濕度、二氧化碳、池水的溫度、酸鹼值、細菌濃度等進行檢測，確保水質符合GB 9667 - 1996《游泳場所衛生標準》。除此之外，為保障泳客安全，減低事故發生的風險，我們規定所有救生員須取得國家從業資格，並進行考核，包括入職考核、月度常識培訓及考核，每季度亦會進行安全救生演練，並透過突發事件緊急預案，制定溺水及顧客受傷等事故的救援措施，提升救生員的安全意識。

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PRIVACY PROTECTION

We strive to protect the security of customers' personal data. We comply with all laws protecting personal data privacy and develop privacy guidelines to guide our employees to properly treat personal data of customers. We continue to train our employees in protection of personal data privacy of customers, so as to raise their awareness of protecting personal data of customers. During the Reporting Period, there were no violations or data leakage-related cases involving us, or substantiated complaints from any external parties or regulatory bodies about the Group's failure to protect the privacy of customers and loss of customer data.

ADVERTISING AND LABELING

In the publicity and promotion of businesses, the Group strictly comply with all applicable laws and regulations, including but not limited to the Advertising Law of the People's Republic of China and the Law of the People's Republic of China on the Protection of Consumer Rights and Interests. In developing a promotion plan, the Group ensures the authenticity of the contents, so as to protect consumer rights and interests.

SUPPLY CHAIN MANAGEMENT

We carry out strict management of our suppliers. In selecting new suppliers, we carry out on-site assessment to review their licenses, qualifications, service quality, business management, material management, the degree of support, reputation and otherwise. We also conduct regular review of existing suppliers every year to ensure that they maintain the supply quality, the service level and otherwise.

In addition to strictly managing the supply quality of suppliers, we attach the same importance to the environmental and social risks of suppliers. In assessing the quality of suppliers, whether suppliers care for their employees and actively participate in charity activities of the community is also one of our considerations. During the course of purchase, we require suppliers to sign the Integrity Commitment, impress on them the attention of the Company to integrity and disallow any corruption, bribery and other illegal activities, and require them to undertake to comply with laws and regulations in producing products and providing services.

私隱保護

我們竭力保障客戶個人資料的安全，我們遵守所有保障個人資料私隱的法例，並制定保障私隱指引，指導員工妥善處理客戶個人資料。我們持續對員工進行保障客戶個人資料私隱的培訓，增強他們對保護客戶個人資料的意識。於報告期內，我們沒有任何違反或關於資料泄漏的個案，也並未收到任何來自外界團體或監管機構有關集團被證實未能保障客戶隱私及遺失客戶資料的投訴。

廣告及標籤

集團為業務進行宣傳及推廣時嚴格遵守所有適用的法例法規，包括但不限於《中華人民共和國廣告法》、《中華人民共和國消費者權益保護法》的要求，在制定宣傳方案時確保所有內容的真確性，保障消費者利益。

供應鏈管理

我們對供應商實施嚴格管理，於選擇新供應商時，我們會進行現場評估，審核其證照、資質、服務質素、業務管理、物料管理、配合度、信譽等。對於現有供應商，我們每年亦會進行定期評審，確保其供貨質量和服務水平等得以維持。

除了嚴格管理供應商的供貨品質，我們對供應商的環境和社會風險亦同樣重視。我們在評審供應商質量時，供應商是否有關愛員工、積極參與社區慈善活動亦屬於我們考慮的因素之一。我們採購期間要求供應商簽訂《廉政承諾書》，向他們強調公司對於廉潔的重視，絕不容許出現貪污、賄賂等違法行為，要求他們承諾在生產產品及提供服務的過程中守法守規。



Purchase of Food Materials

Since the restaurants in the Recreational Center involve the purchase of ingredients, we pay special attention to the quality of the food and accept the seafood products, grain and oil, wine, livestock and poultry meat according to the inspection standards promulgated by the state, and have formulated rules to prohibit the purchase of state-prohibited food additives, so that the quality of the production of its restaurants is ensured at the source.

食材採購

休閒中心業務旗下的餐廳由於涉及到配料採購，我們對食品的質量特別重視，會按照國家頒布的檢驗標準驗收水產類、糧油類、酒水類、畜禽肉類等食材，亦設有明文規定嚴禁採購國家禁止的食品添加劑，讓旗下餐廳的出品從源頭得到保證。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

EMPLOYEES

Employees are our most important and valuable asset as well as an important backbone for our sustainable development. We are committed to building and maintaining a workplace culture of equality and diversity, attract and retain valuable talents, provide competitive compensation and benefits, improve the career development ladder, and take care of the physical and mental health of our employees, fairly treat and respect each employee.

We strictly comply with all employment-related laws and regulations, so that all employees are protected by law, including but not limited to the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and the Social Insurance Law of the People's Republic of China. During the Reporting Period, we did not violate employment-related laws and regulations.

EMPLOYEE OVERVIEW

As at 31 December 2018, the Group had a total of 707⁷ employees in mainland China.

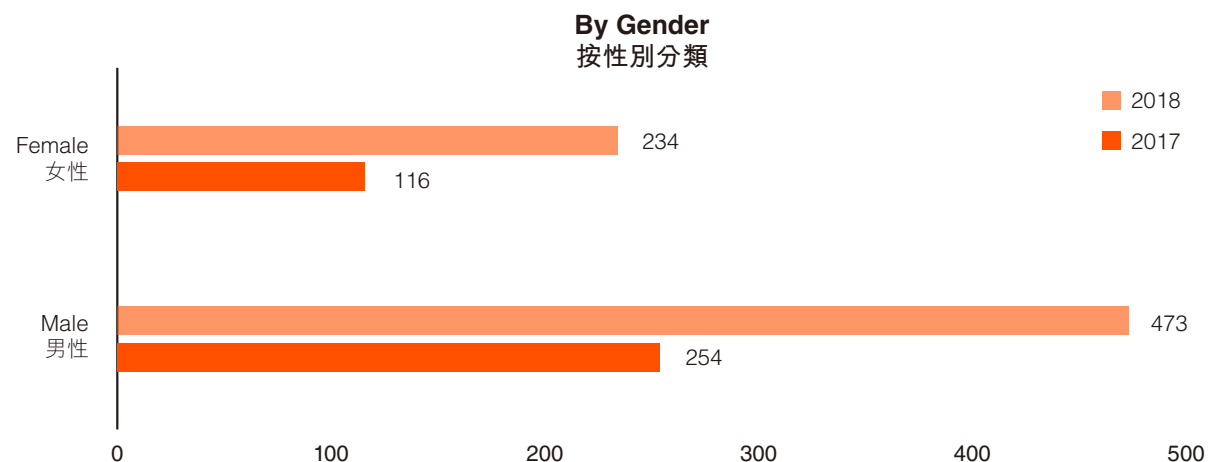
員工

員工是我們最重要、最寶貴的資產，亦是我們持續發展的重要支柱。我們致力建立並維持一個平等和多元化的職場文化，吸引並挽留寶貴人才，提供具競爭力的薪酬福利，完善職業發展階梯，同時照顧員工的身心健康，讓每一位員工都得到公平的對待和尊重。

我們嚴格遵守所有與僱傭相關的法例法規，讓所有員工都得到法律保障，包括但不限於《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國職業病防治法》、《中華人民共和國社會保險法》等。於報告期間，我們沒有發生任何違反僱傭相關法例法規的情況。

員工概覽

截至2018年12月31日，集團於中國內地一共聘用707⁷名員工。

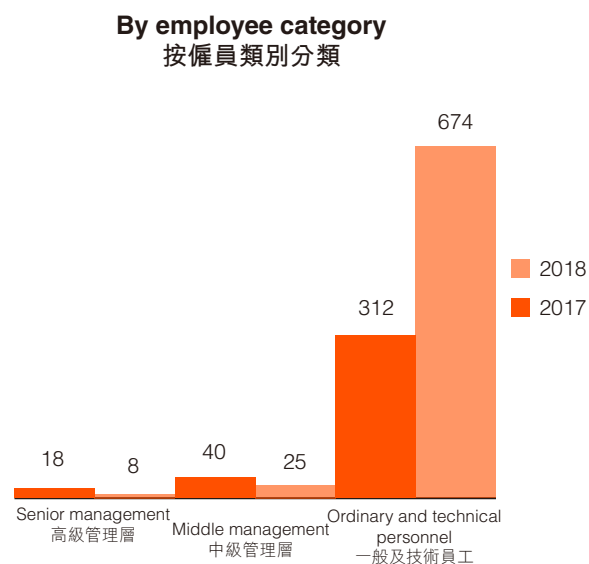
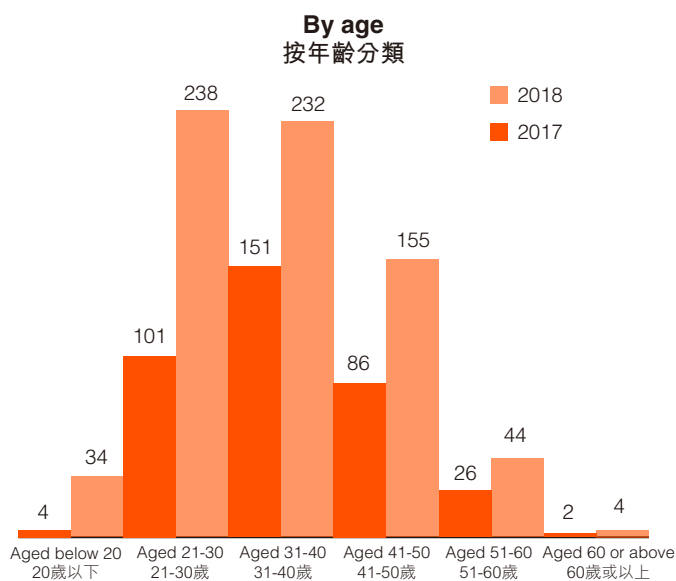


7 The data included the total number of employees of the Group as at 31 December 2018, while the scope of the report covered the general office and 6 major property projects in the property management segment, and the Recreational Center, in which there were 636 employees.

7 此數據包含集團截止2018年12月31日的員工總人數，而此報告範圍涵蓋物業管理業務的總辦公室和6個主要物業項目，以及休閒中心，其員工人數則有636名。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



Employee turnover rate by gender 按性別劃分的員工流失率

| | |
|-------------|--------|
| Male (男性) | 54.55% |
| Female (女性) | 84.19% |

Employee turnover rate by age 員工流失率的年齡分佈

| | |
|---------------------------|---------|
| Below age 20 (20歲以下) | 144.12% |
| Aged 21-30 (21-30歲) | 92.86% |
| Aged 31-40 (31-40歲) | 55.17% |
| Aged 41-50 (41-50歲) | 23.87% |
| Aged 50-60 (50-60歲) | 36.36% |
| Aged 60 or above (60歲或以上) | 100% |

RECRUITMENT OF TALENTS

The Group follows the principle of merit-based recruitment. During recruitment, we focus on the conduct, team spirit, academic qualification, professional knowledge, skills and other conditions of candidates, so as to recruit the most suitable talents to become a part of us. In addition, we are committed to becoming an equal-opportunity employer to create a diversified and discrimination-free workplace. We treat our employees equally regardless of their gender, race, religion and marital status, and have zero tolerance towards discrimination or unfairness.

CULTIVATION OF TALENTS

For the sustainable development of the Group, it is particularly important that employees equip themselves at all times and add value. Therefore, we focus on improving the Group's career development ladder and training plan, whereby employees can continuously improve themselves, are stimulated to keep improving, fulfill their ambitions, and develop their strengths in the Group.

The development of employees in the Group has a lot to do with their work performance. In order to effectively evaluate their performance, we have a performance management system, pursuant to which we carry out monthly, quarterly or annual performance assessments of employees, the results of which are taken into consideration in determination of the performance pay and adjustments to salaries and positions.

廣納人才

本集團遵循擇優錄用的用人原則，於招聘期間，我們會著重候選人的品行、團隊精神、學歷、專業知識及技能等條件，務求招攬最合適的人才成為我們的一份子。此外，我們亦致力成為平等機會僱主，營造多元化和「零」歧視的職場，不論員工的性別、種族、宗教、婚姻狀況等，我們皆一視同仁，絕不容許歧視或不公平的情況發生。

培育人才

員工時刻裝備自己，增值自己對集團的可持續發展尤為重要。故此，我們著力完善集團的職業發展階梯和培訓計劃，藉此讓員工不斷求進，激勵他們精益求精，實踐抱負，盡情在本集團發展所長。

員工於集團的發展與其工作表現有莫大關係。為了有效評估他們的表現，我們設有績效管理制度，會對員工進行月度、季度或年度的績效考核，其結果會作為績效工資、薪金調整和職位調整的考慮條件。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

With regard to training, each department arranges employees to serve as internal lecturers to impart the knowledge, skills, quality and culture related to businesses to their colleagues. We develop an annual or monthly training schedule based on the needs of each property project or department, covering new employee training, positions, fire safety management, leadership, professional quality and otherwise. Through diversified forms of training, such as course, seminar, audio-visual training, etc., employees can continuously learn and absorb the latest knowledge and keep improving at work. During the Reporting Period, for our property management business, we developed an annual training schedule and collected the needs of each property project to tailor a series of training courses covering:

- Fire safety and drill
- Emergency handling
- Professional ethics and work skills
- Security management
- Community culture construction
- Reception of owners and households
- Complaint handling
- Dormitory management system
- Skill of communication with owners
- Environmental hygiene

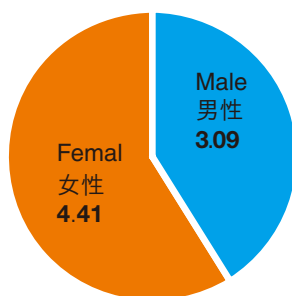
至於在培訓方面，各部門會安排員工擔任內部講師向同事傳授業務相關的知識、技能、素質和文化，薪火相傳。我們會按照各物業項目或部門的需求制定年度或月度的培訓計劃表，當中涵蓋新員工培訓、崗位、安全消防管理、領導力、職業素質等，透過多元化的培訓形式，如課程、研討會、視聽培訓等，讓員工在工作中亦能不斷學習和吸收最新的知識，持續進步。當中，我們的物業管理業務於報告期間制定了年度培訓計劃表，收集各個物業項目的需要，度身訂造一系列的培訓課程，內容涵蓋：

- 消防安全及演練
- 突發事件處理
- 職業道德和工作技能
- 治安管理
- 社區文化建設
- 業戶接待
- 投訴處理
- 宿舍管理制度
- 業主溝通技巧
- 環境衛生

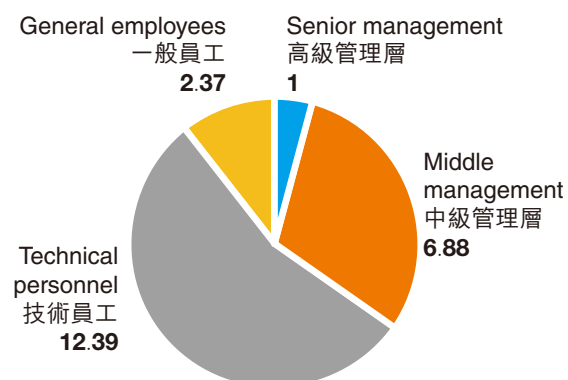
During the Reporting Period, the total training hours of the Group exceeded 2,150 hours, and the average training hours by gender and employee category is as follows:

於報告期間，集團的總培訓時數超過2,150小時，以下為按性別及僱用類別的平均受訓時數：

By Gender
按性別分類



By employee Category
按僱傭類別分類



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

Special training activity of “developing the service awareness and improving the service quality”

In late September, we organized a special training activity of “developing the service awareness and improving the service quality” for managers of each property project and members of related functional departments of the Group, for the purpose of improving their knowledge about the business development and property management of the Company, thus improving the quality of customer services.

「培養服務意識，提升服務品質」專題培訓活動

我們於9月下旬為集團旗下各物業項目的管理人員和相關職能部門員工舉辦了「培養服務意識，提升服務品質」的專題培訓活動，旨在讓他們了解更多有關公司的業務發展和物業管理的知識，從而提升客戶服務的品質。



Training courses for special working in underground confined spaces

In order to improve employees' safety awareness and skills, we arrange engineers to participate in training courses for special working in underground confined spaces, which mainly cover the basic knowledge of confined space, identification and assessment of dangerous and harmful factors, field safety knowledge, protective equipment, emergency rescue and etc., during the Reporting Period; and have set a professional knowledge test, and grant to participants who pass the test, a special work qualification certificate, so as to ensure that the operation of engineers meets the requirements of the Technical Regulation on Work Safety in Underground Confined Spaces, thus improving the safety management level.

地下有限空間特種作業培訓班

為提升員工的安全作業意識和技能，我們於報告期間安排了工程人員參與地下有限空間特種作業培訓班，內容主要包括有限空間的基本知識、危險有害因素識別和評估、作業現場安全知識、防護裝備、應急救援等，並設有專業知識考試，合格的參加者會獲頒發特種作業操作資格證書，確保工程人員的作業符合《地下有限空間作業安全技術規範》的要求，進而提升安全管理水平。

REMUNERATION AND BENEFITS

In formulating compensation and benefit systems of the Group, we provide our employees with reasonable remuneration, benefits and compensation at the market level, in sufficient consideration of their needs. The remuneration of an employee consists of basic salary, position salary, performance pay, commission and otherwise. In addition to public holidays and annual leaves, employees are entitled to take a leave of absence, marriage leave, maternity leave, bereavement leave, sick leave and otherwise. In order to enhance team cohesion and motivate employees to keep improving, we reward outstanding employees in the form of bonus, prize, vacation, promotion or salary increase. Other benefits include:

| | | | |
|----------------------------|--|--|---------------------------------|
| Dormitory 宿舍 | Meal 膳食 | Holiday allowance and gift 節日慰問金及禮品 | Communication allowance 通訊補貼 |
| Team building fund 團建基金 | Social insurances and housing provident fund 五險一金 | Transportation allowance 交通津貼 | Shopping discount 購物優惠 |

Protection of rights and interests of female employees

As an equal-opportunity employer, we pay special attention to rights and interests of female employees, and specially set a prenatal leave (1-2 times a month), abortion leave (15-90 days), breastfeeding leave (1 hour per day within 1 year after delivery) and leave on Women's Day, so as to protect their rights and interests.

We attach great importance to the two-way communication between employees and the management, and hope that they can build mutual trust with sincere and open communications. Employees may communicate and learn about the company's latest development through regular meetings, morning meetings, workshops, semi-annual and annual meetings, software systems, bulletin boards and etc. Employees may make a complaint in writing or by email. We conduct investigations and follow-up actions according to the information provided by the complainant, and undertake to keep the complainant's information confidential.

薪酬福利

在制定集團的薪酬和福利體系時，我們會充分考慮員工的需要，基於市場水平，向他們報以合理的報酬、福利和補償。員工的薪酬由基本工資、崗位工資、績效工資、提成等組成。除了公眾假期及年假，員工亦可享有事假、婚假、產假、喪假、病假等假期。為了提高團隊凝聚力，激勵員工不斷進步，我們會向表現出色的員工給予嘉獎，形式包括獎金、獎品、休假和職位或薪金調升等。其他福利包括：

保障女性員工權益

作為平等機會僱主，我們對女性員工的權益尤其重視，特別設有產檢假（每月1－2次，流產假（15－90天）、哺乳假（產後1年內每天1小時）、以及婦女節假，讓她們得到保障。

我們十分重視員工和管理層之間的雙向溝通，希望雙方能開誠佈公，建立互信。員工可透過例會、早會、專題研討會、半年及年度大會、軟件系統、公告欄等方式進行溝通並瞭解公司的最新發展。如員工有任何投訴，可採用書面或電郵形式進行申訴，我們會根據投訴人提供的信息及時開展調查並作出跟進行動，並承諾會對投訴人的資料保密。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In addition, we pay attention to the work-life balance of our employees. We organize a wide range of activities, such as annual dinner, outdoor sports, sports competition, annual outing or outward bound, so that employees can connect with one another, while relaxing themselves, thus strengthening their sense of belonging to the Company.

During the year, we held the first “employees’ calligraphy, painting and photography exhibition”, exhibiting employees’ artwork from their perspectives. Such event was strongly supported by employees and the public. After one round of voting, we granted a total of 3 awards, namely the Best Moment Award for the photographic work, the Ink Aroma Award (墨香獎) for the calligraphy work, and the Best Creation Award for the painting work as commendations.

除此之外，我們亦著重員工的工作與生活平衡，會組織各式各樣的活動，如晚宴、戶外運動、體育比賽、年度郊遊或拓展活動等，讓員工放鬆身心之餘，加強彼此之間的聯繫，增加對公司的歸屬感。

本年度，我們舉辦了首屆「職工書法、繪畫、攝影展」，從彼等角度展現員工的藝術作品。這次活動獲得員工以及公眾的鼎力支持，經過一輪票選後，一共頒發攝影作品 — 最佳瞬間獎、書法作品 — 墨香獎、繪畫作品 — 最佳創作獎3個獎項，以茲表揚。

Overview of Employees’ Activities

員工活動一覽

Annual meeting

年會



Outward bound
戶外拓展



OCCUPATIONAL HEALTH AND SAFETY

The Group have always adhered to the philosophy of people first and put the philosophy into practice through rigorous occupational health and safety management. For our property management business, we have obtained OHSAS18001:2007/GB/T28001-2011 Occupational Health and Safety Management System Certificate and developed a set of management manuals according to requirements of the certificate, to strengthen the safety management of the work environment, meanwhile, we have incorporated health and safety issues into daily training, so as to improve employees' awareness of safe operations, and endeavored to implement the philosophy of "safety first" in every property project and communicate it to every employee.

職業健康與安全

集團時刻銘記以人為本的理念，透過嚴謹的職業健康及安全管理，將這個理念付諸實行。我們的物業管理業務已取得 OHSAS18001:2007/GB/T28001-2011 職業健康安全管理體系認證並根據其要求制定一套管理手冊，加強工作環境的安全管理，同時將健康安全的課題納入日常培訓，提高員工的安全作業意識，務求將「安全第一」的理念覆蓋至每一個物業項目和員工。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

During the Reporting Period, there were no work-related injuries or fatalities of our employees.

我們於報告期間未有任何員工發生工傷或死亡事件。



We provide personal protective equipment, such as insulated shoes, gloves, safety helmet, etc., according to the position and work nature of employees, so as to reduce the accident risk. For the property management business, we provide anti-heatstroke or cold-proof equipment according to seasonal changes, so as to protect the safety of employees working outdoors.

根據員工的崗位和工作性質發放勞保用品，如絕緣鞋、手套、安全帽等，減低意外發生的風險。物業管理業務會按照季節變化提供防中暑或防寒裝備，為戶外工作的職工做好安全保障。



We carry out fire drills every year and inspect all fire-fighting and electronic equipment regularly to ensure environmental safety.

每年進行防火演習，並會定期檢查所有消防和電子設備設施，保障環境安全。



We arrange an annual physical examination for employees to take care of their physical health.

為員工安排年度體檢，照顧他們的身體安康。



The Recreational Center has formulated the “Regulations on Handling Work-related Injuries and accidents”, specifying the procedures and measures for the prevention and handling of work-related injuries and accidents, so as to avoid material casualties in accidents in a timely manner.

休閒中心編製《工傷及意外事故處理規定》，制定預防和處理工傷事故時的程序和措施，及時務求事故發生時能及時避免重大傷亡。

CHILD AND FORCED LABOUR PREVENTION

GR Properties has a zero tolerance of child and forced labour. In addition, we do not purchase or use services from suppliers who use child and forced labour. When new employees are recruited, the HR Department will be responsible for checking their ID cards to ensure that they are eligible by age. If child and forced labour is found, we will take immediate action to protect the victims and notify relevant social welfare institutions to ensure they receive appropriate assistance.

禁止童工及強制勞動政策

國銳地產明確禁止童工及強制勞動。我們亦不會向採用童工及強制勞動的供應商進行採購或使用其服務。新員工入職時，人力資源部會負責檢查員工身份證，確保其年齡符合工作資格。一旦發現童工及強制勞動的情況，我們必定會立即採取行動，保護受害人，並通知有關社會福利機構，以確保受害人取得適當的協助。

ETHICS AND INTEGRITY

Maintaining a high level of business ethics and integrity is the foundation for an enterprise. We require all employees to strictly comply with all relevant laws and regulations, including but not limited to the Anti-Unfair Competition Law of the People's Republic of China, the Criminal Law of the People's Republic of China, the Interim Provisions on Prohibition of Commercial Bribery, and strive to develop a corporate culture of compliance with laws and integrity. During the Reporting Period, no lawsuits were filed against us or our employees in relation to corruption.

Employees are required to maintain good business ethics and integrity. It is clearly outlined in our Employee Handbook (《員工手冊》) with respect to the moral regulations for employee behaviours, in which employees are forbidden to ask for or accept any interests from any business-related units, and where appropriate, our employees are required to report their interest conflict to the Group. In addition, we often provide relevant training to enhance employees' awareness in integrity and morality.

We have a report mechanism, through which our employees may report directly to our Audit Committee any suspected misconduct, bribery, corruption or fraud. Once the case is confirmed, we will take appropriate and timely actions, and inform relevant regulators to solve it impartially.

For further information about our corporate governance, please refer to the Corporate Governance Report.

道德誠信

維持高度的商業道德和誠信的企業立足的根本。我們要求所有員工嚴格遵守所有相關的法例法規，包括但不限於《中華人民共和國反不正當競爭法》、《中華人民共和國刑法》、《關於禁止商業賄賂行為的暫行規定》等，著力樹立守法誠信的企業文化。於報告期間，並無發生指控本集團或我們員工任何有關貪污之訴訟案件。

我們要求員工維持良好的商業道德及操守，我們於《員工手冊》中明確列出對於員工行為道德的規範要求，嚴禁其索取或收受任何業務關聯單位的利益，以及要求所有員工就其與公司存在利益衝突的情況進行申報。我們亦經常提供相關培訓，提升員工的誠信與道德意識。

我們亦設有舉報機制，員工可直接向審核委員會舉報任何懷疑行為不當、行賄、貪腐、舞弊等事件。一旦確認舉報情況屬實，我們必定採取合適、及時的行動，通知有關監管機構，秉公處理。

有關我們在企業管治方面的更多資料，請參閱我們的企業管治報告。

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CARE FOR THE COMMUNITY

The Group has had deep roots in the community and provided services for the community for years. While focusing on our business, we have also contributed to public welfare, organizing employees to actively participate in community activities, thus contributing to society. We focus our contribution on 3 main areas: health, charitable activities and environmental protection education.

Christmas Care

On Christmas Day, employees were organized by Fortune Street and GOLDEN TOWER of the property management business to dress up as Santa Claus and gave apples and gifts to surrounding households, sending their blessings and greetings.



Internship Opportunity

In order to support local education and nurture more young generations to become outstanding talents in the industry, we cooperate with schools of tourism management, hotel management, English for tourism or otherwise, and hire their students for internships for approximately 6-12 months in the Recreational Center, so as to enhance their knowledge about the industry, while improving their professional knowledge and skills, whereby they equip themselves to meet future challenges. We offer diversified trainings, accommodation and meals to interns. Interns who perform well may be hired as regular employees.

關懷社區

本集團多年來均扎根於社區，為社區提供服務。我們在專注業務的同時亦不忘投身公益，組織員工積極參與社區活動，藉實際行動向社會作出貢獻。我們的社區投資工作主要集中於三大範疇：健康、慈善公益活動，以及環保教育工作。

聖誕送暖

物業管理業務旗下的財滿街和金長安大廈趁著聖誕節，組織員工打扮成聖誕老人，向周邊住戶送上平安果和禮物，為他們送上節日祝福和溫暖，歡渡佳節。



實習機會

為支援本地教育，培育更多年青一代成為業內翹楚，我們會和旅遊管理、酒店管理、旅遊英語或相關專業學校合作，聘請其學生於休閒中心內進行為期約6-12個月的實習，加深對行業的認識，同時增進專業知識和技能，裝備自己以迎接未來的挑戰。我們會為實習生提供豐富的培訓、住宿和膳食。表現良好的實習生可獲錄用成為正式員工。

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《環境、社會及管治報告指引》索引

| Subject Areas, Aspects, General Disclosures and KPIs 主要範疇、層面、一般披露及關鍵業績指標 | | Chapter/Statement 章節／聲明 | Page 頁數 |
|---|---|----------------------------|--------------------|
| A. Environment A. 環境 | | | |
| Aspect A1: Emissions 層面A1：排放物 | | | |
| General Disclosure 一般披露 | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | Emissions 排放物 | P.40-42 P.40-42 |
| KPI A1.1 關鍵績效指標A1.1 | The types of emissions and respective emissions data. 排放物種類及相關排放數據。 | Emissions 排放物 | P.40 P.40 |
| KPI A1.2 關鍵績效指標A1.2 | Greenhouse gas emissions in total and intensity. 溫室氣體總排放量及密度。 | Emissions 排放物 | P.40-41 P.40-41 |
| KPI A1.3 關鍵績效指標A1.3 | Total hazardous waste produced and intensity. 所產生有害廢棄物總量及密度。 | Emissions 排放物 | P.42 P.42 |
| KPI A1.4 關鍵績效指標A1.4 | Total non-hazardous waste produced and intensity. 所產生無害廢棄物總量及密度。 | Emissions 排放物 | P.42 P.42 |
| KPI A1.5 關鍵績效指標A1.5 | Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。 | Emissions 排放物 | P.40-42 P.40-42 |
| KPI A1.6 關鍵績效指標A1.6 | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。 | Emissions 排放物 | P.40-42 P.40-42 |

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| Aspect A2: Use of Resources 層面A2：資源使用 | | | |
| General Disclosure 一般披露 | Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note:</i> Resources may be used in production, storage, transportation, buildings, electronic equipment, etc. 有效使用資源(包括能源、水及其他原材料)的政策。 註：資源可用於生產、儲存、運輸、樓宇、電子設備等。 | Management of Resources Management of Water Resources 能源管理 水資源管理 | P.43-46 P.43-46 |
| KPI A2.1 關鍵績效指標A2.1 | Direct and/or indirect energy consumption by type in total and intensity. 按類型劃分的直接及／或間接能源總耗量及密度。 | Management of Resources 能源管理 | P.43 P.43 |
| KPI A2.2 關鍵績效指標A2.2 | Water consumption in total and intensity. 總耗水量及密度。 | Management of Water Resources 水資源管理 | P.45-46 P.45-46 |
| KPI A2.3 關鍵績效指標A2.3 | Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。 | Management of Resources 能源管理 | P.43-44 P.43-44 |
| KPI A2.4 關鍵績效指標A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。 | Management of Water Resources 水資源管理 | P.46 P.46 |
| KPI A2.5 關鍵績效指標A2.5 | Total packaging material used for finished products and with reference to per unit produced. 製成品所用包裝材料的總量及每生產單位佔量。 | No packaging materials are used for the Group 集團並無涉及任何包裝物料使用 | N/A 不適用 |
| Aspect A3: The Environment and Natural Resources 層面A3：環境及天然資源 | | | |
| General Disclosure 一般披露 | Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。 | Environmental Protection 環境保護 | P.38-46 P.38-46 |
| KPI A3.1 關鍵績效指標A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。 | Environmental Protection 環境保護 | P.38-46 P.38-46 |

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| B. Social B. 社會 | | | |
| Employment and Labour Practices 僱傭及勞工常規 | | | |
| Aspect B1: Employment 層面B1：僱傭 | | | |
| General Disclosure 一般披露 | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, leaves, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | Employees 員工 | P.60-68 P.60-68 |
| KPI B1.1 關鍵績效指標B1.1 | Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。 | Employee Overview 員工概覽 | P.60-61 P.60-61 |
| KPI B1.2 關鍵績效指標B1.2 | Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。 | Employee Overview 員工概覽 | P.61 P.61 |
| Aspect B2: Health and Safety 層面B2：健康與安全 | | | |
| General Disclosure 一般披露 | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | Occupational Health and Safety 職業健康與安全 | P.67-68 P.67-68 |

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| KPI B2.1 關鍵績效 指標B2.1 | Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。 | Occupational Health and Safety 職業健康與安全 | P.67-68 P.67-68 |
| KPI B2.2 關鍵績效 指標B2.2 | Lost days due to work injury. 因工傷損失工作日數。 | Occupational Health and Safety 職業健康與安全 | P.67-68 P.67-68 |
| KPI B2.3 關鍵績效 指標B2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。 | Occupational Health and Safety 職業健康與安全 | P.67-68 P.67-68 |
| Aspect B3: Development and Training 層面B3：發展及培訓 | | | |
| General Disclosure 一般披露 | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。 | Cultivation of Talents 培育人才 | P.62-64 P.62-64 |
| KPI B3.1 關鍵績效 指標B3.1 | The percentage of employees trained by gender and employee category. 按性別及僱員類別劃分的受訓僱員百分比。 | Not disclosed for the year 本年度暫不披露相關數據 | N/A 不適用 |
| KPI B3.2 關鍵績效 指標B3.2 | The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。 | Cultivation of Talents 培育人才 | P.62-64 P.62-64 |
| Aspect B4: Labour Standards 層面B4：勞工準則 | | | |
| General Disclosure 一般披露 | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | Child and forced labour prevention 禁止童工及強制勞動政策 | P.68 P.68 |
| KPI B4.1 關鍵績效 指標B4.1 | Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。 | Child and Forced Labour Prevention 禁止童工及強制勞動政策 | P.68 P.68 |

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| KPI B4.2 關鍵績效 指標B4.2 | Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。 | Child and Forced Labour Prevention 禁止童工及強制勞動政策 | P.68 P.68 |
| Operating Practices 營運慣例 | | | |
| Aspect B5: Supply Chain Management 層面B5：供應鏈管理 | | | |
| General Disclosure 一般披露 | Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。 | Supply Chain Management 供應鏈管理 | P.58-59 P.58-59 |
| KPI B5.1 關鍵績效 指標B5.1 | Number of suppliers by geographical region 按地區劃分的供應商數目。 | Over 90% of our suppliers are local suppliers 我們的供應商超過90%為本地供應商 | N/A 不適用 |
| KPI B5.2 關鍵績效 指標B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。 | Supply Chain Management 供應鏈管理 | P.58-59 P.58-59 |
| Aspect B6: Product Responsibility 層面B6：產品責任 | | | |
| General Disclosure 一般披露 | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | Service Quality 服務質量 | P.47-58 P.47-58 |
| KPI B6.1 關鍵績效 指標B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。 | The Group is not engaged in product production 集團並無涉及產品生產 | N/A 不適用 |

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| KPI B6.2 關鍵績效 指標B6.2 | Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。 | The Group is not engaged in product production 集團並無涉及產品生產 | N/A 不適用 |
| KPI B6.3 關鍵績效 指標B6.3 | Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。 | Not applicable to the Group's businesses 不適用於集團業務 | N/A 不適用 |
| KPI B6.4 關鍵績效 指標B6.4 | Description of quality assurance process and recall procedures 描述質量檢定過程及產品回收程序 | The Group is not engaged in product production 集團並無涉及產品生產 | N/A 不適用 |
| KPI B6.5 關鍵績效 指標B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。 | Privacy Protection 私隱保護 | P.58 P.58 |
| Aspect B7: Anti-corruption 層面B7：反貪污 | | | |
| General Disclosure 一般披露 | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | Ethics and Integrity 道德誠信 | P.69 P.69 |
| KPI B7.1 關鍵績效 指標B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。 | Ethics and Integrity 道德誠信 | P.69 P.69 |
| KPI B7.2 關鍵績效 指標B7.2 | Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述防範措施及舉報程式，以及相關執行及監察方法。 | Ethics and Integrity 道德誠信 | P.69 P.69 |

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| Community 社區 | | | |
| Aspect B8: Community Investment 層面B8：社區投資 | | | |
| General Disclosure 一般披露 | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來瞭解營運所在社區需要和確保其業務活動會考慮社區利益的政策。 | Care for the Community 關懷社區 | P.70 P.70 |
| KPI B8.1 關鍵績效指標B8.1 | Focus areas of contribution. 專注貢獻範疇。 | Care for the Community 關懷社區 | P.70 P.70 |
| KPI B8.2 關鍵績效指標B8.2 | Resources contributed to the focus area. 在專注範疇所動用資源。 | Relevant information is not disclosed for the year 本年度暫不披露相關資料 | N/A 不適用 |

DIRECTORS' BIOGRAPHIES

董事履歷

EXECUTIVE DIRECTORS

Mr. Wei Chunxian, aged 55, was appointed as an executive director and the Chairman of the Company on 17 February 2014. He also acts as the Chairman of the Nomination Committee of the Company. Mr. Wei is also a director of certain subsidiaries of the Company. In addition, he is also the President of GR Properties USA Inc. and East Pacific Properties LLC (each a US subsidiary of the Company).

Mr. Wei graduated from the Department of Architecture, Beijing University of Civil Engineering and Architecture (北京建築工程學院) in 1985 and was conferred a Bachelor of Engineering degree in architecture. Thereafter, Mr. Wei obtained the senior engineer qualification in 1995. Mr. Wei has more than 10 years of management experience in the real estate sector, and is currently a director of Beijing Guorui Holdings Company Limited* (北京國銳控股有限公司) who is primarily responsible for its product planning and market strategies. Save as disclosed herein, Mr. Wei did not hold in the past three years any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Wei is a director and the beneficial owner to each of Wintime Company Limited ("Wintime") and Gang Rui International Investment (HK) Limited. ("Gang Rui"), collectively the controlling shareholder (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules")) of the Company. As at the date of this report, Wintime and Gang Rui each held 1,434,421,537 and 811,738,927 shares in the Company, representing approximately 44.94% and 25.43% interest in the issued share capital of the Company, respectively. Wintime is a wholly-owned subsidiary of Winluck Global Limited. The entire issued share capital of Winluck Global Limited is beneficially owned by Mr. Wei. Gang Rui is an indirectly wholly-owned subsidiary of Beijing Guorui Holdings Co. Limited* (北京國銳控股有限公司). Beijing Guorui Holdings Co. Limited* (北京國銳控股有限公司) which in turn is indirectly owned by Mr. Wei and Mr. Sun Zhongmin (an executive director of the Company) as to approximately 91% and 9%, respectively. As such, Mr. Wei was deemed to be interested in the said 2,246,160,464 shares in the Company under Part XV of the Securities and Futures Ordinance. Save as disclosed herein, Mr. Wei does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company within the meaning of the Listing Rules.

* The English name is an unofficial translation for identification purpose only

執行董事

魏純暉先生，現年五十五歲，於二零一四年二月十七日獲委任為本公司執行董事及主席。其亦擔任本公司提名委員會主席。魏先生亦出任本公司若干附屬公司之董事。此外，魏先生亦為GR Properties USA Inc.及East Pacific Properties LLC(均為本公司之美國附屬公司)之總裁。

魏先生於一九八五年畢業於北京建築工程學院建築系，取得建築工程學士學位。其後，魏先生於一九九五年獲得高級工程師資格。魏先生在房地產業擁有逾十年的管理經驗，現任北京國銳控股有限公司董事，主要負責其產品規劃及市場策略。除本文所披露者外，魏先生於過去三年並無在其證券於香港或海外任何證券市場上市的其他公眾公司中擔任任何董事職務。

魏先生是本公司控股股東(按香港聯合交易所有限公司證券上市規則(「上市規則」)所界定)Wintime Company Limited(「Wintime」)及港銳國際投資(香港)有限公司(「港銳」)的董事及實益擁有人。於本報告日期，Wintime及港銳各持有本公司1,434,421,537及811,738,927股股份，分別佔本公司已發行股本約44.94%及25.43%權益。Wintime為Winluck Global Limited之全資附屬公司。Winluck Global Limited之全部已發行股本由魏先生實益擁有。港銳為北京國銳控股有限公司之間接全資附屬公司。北京國銳控股有限公司，分別由魏先生及孫仲民先生(本公司執行董事)間接擁有約91%及9%權益。因此，根據《證券及期貨條例》第XV部，魏先生被視為於上述2,246,160,464股本公司股份中擁有權益。按上市規則的涵意，除本文所披露者外，魏先生與本公司任何其他董事、高層管理人員、主要股東或控股股東概無任何關係。

* 英文名稱為非官方名稱，僅供識別

Mr. Sun Zhongmin, aged 52, was appointed as an executive director of the Company on 17 February 2014.

Mr. Sun has been involved in the real estate sector since 1992. He has been engaged in preliminary work of real estate projects and is conversant with the procedures for various formalities and the relevant requirements. Mr. Sun is currently a director of Beijing Guorui Holdings Company Limited* (北京國銳控股有限公司). Save as disclosed herein, Mr. Sun did not hold in the past three years any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Sun is the beneficial owner of 136,752,350 shares in the Company, representing approximately 4.28% interest in the issued share capital of the Company.

Mr. Sun does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company within the meaning of the Listing Rules.

Ms. Liu Shuhua, aged 42, was appointed as an executive director and Chief Executive Officer of the Company on 17 February 2014. Ms. Liu is also a director of certain subsidiaries of the Company.

Ms. Liu graduated from the Central University of Finance and Economics (中央財經大學) in 1998 and was conferred a Bachelor of Economics degree in accountancy. Thereafter, Ms. Liu obtained the intermediate accountant qualification in 2004. Ms. Liu has been engaged in financial field for more than 10 years, including financial management work in real estate development enterprises. She is currently a director of Beijing Guorui Holdings Company Limited* (北京國銳控股有限公司). Save as disclosed herein, Ms. Liu did not hold in the past three years any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Ms. Liu does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company within the meaning of the Listing Rules.

孫仲民先生，現年五十二歲，於二零一四年二月十七日獲委任為本公司執行董事。

孫先生自一九九二年起投身房地產業。他一直從事房地產項目之前期工作，並熟悉不同手續及相關規定。孫先生現任北京國銳控股有限公司董事。除本文所披露者外，孫先生於過去三年並無在其證券於香港或海外任何證券市場上市的其他公眾公司中擔任任何董事職務。

孫先生為136,752,350股本公司股份之實益擁有人，相當於本公司已發行股本約4.28%權益。

按上市規則所界定，孫先生與本公司任何其他董事、高層管理人員、主要股東或控股股東概無任何關係。

劉淑華女士，現年四十二歲，於二零一四年二月十七日獲委任為本公司執行董事兼行政總裁。劉女士亦出任本公司若干附屬公司之董事。

劉女士於一九九八年畢業於中央財經大學，並取得會計學經濟學士學位。其後，劉女士於二零零四年取得中級會計師資格。劉女士從事財務業超過十年，包括房地產開發企業的財務管理工作。彼現任北京國銳控股有限公司之董事。除本文所披露者外，劉女士於過去三年並無在其證券於香港或海外任何證券市場上市的其他公眾公司中擔任任何董事職務。

按上市規則所界定，劉女士與本公司任何其他董事、高層管理人員、主要股東或控股股東概無任何關係。

* The English name is an unofficial translation for identification purpose only

* 英文名稱為非官方名稱，僅供識別

DIRECTORS' BIOGRAPHIES

董事履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tung Woon Cheung Eric, aged 48, was appointed as an independent non-executive director of the Company on 17 February 2014. He also acts as the Chairman of the Audit Committee and a member of each of the Company's Remuneration Committee and Nomination Committee.

Mr. Tung graduated from York University, Toronto, Canada with a bachelor's honours degree in administrative studies. Being an experienced Hong Kong certified public accountant and a U.S. certified public accountant (practising), he has gathered many years of experience in the financial and capital markets. Mr. Tung is the assistant president and general manager of the finance department of Beijing Enterprises Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 392), an executive director, the chief financial officer and company secretary of Beijing Enterprises Water Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 371), an independent non-executive director of South China Financial Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 619), as well as the company secretary of Biosino Bio-Technology and Science Incorporation (a company listed on the Growth Enterprise Market of the Stock Exchange, stock code: 8247). Save as disclosed herein, Mr. Tung did not hold in the past three years any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Tung does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company within the meaning of the Listing Rules.

Mr. Au Yeung Po Fung, aged 51, was appointed as an independent non-executive director of the Company on 12 July 2017. He also acts as he chairman of the Remuneration Committee and a member of each of the Company's audit committee and nomination committee. Mr. Au Yeung holds a Bachelor of Arts (Honours) Degree in Business Studies (Finance) from the Hong Kong Polytechnic University, is a fellow member of the Institute of Chartered Accountants in England and Wales, a fellow member of the Association of Chartered Certified Accountants, a fellow member of the Hong Kong Institute of Certified Public Accountants, a charter holder of the CFA Institute, and a member of Hong Kong Society of Financial Analysts.

獨立非執行董事

董渙樟先生，現年四十八歲，於二零一四年二月十七日獲委任為本公司獨立非執行董事。其亦擔任本公司審核委員會主席以及本公司薪酬委員會及提名委員會成員。

董先生畢業於加拿大多倫多約克大學，持有管理學榮譽學士學位。董先生為饒富經驗的香港註冊會計師及美國註冊會計師(執業)，在金融及資本市場累積多年經驗。董先生現任北京控股有限公司(聯交所主板上市公司，股份代號：392)之助理總裁兼財務部總經理、北控水務集團有限公司(聯交所主板上市公司，股份代號：371)之執行董事、財務總監兼公司秘書、南華金融控股有限公司(聯交所主板上市公司，股份代號：619)之獨立非執行董事，以及中生北控生物科技股份有限公司(聯交所GEM上市公司，股份代號：8247)之公司秘書。除本文所披露者外，董先生於過去三年並無在其證券於香港或海外任何證券市場上市的其他公眾公司中擔任任何董事職務。

按上市規則所界定，董先生與本公司任何其他董事、高層管理人員、主要股東或控股股東概無任何關係。

歐陽寶豐先生，現年五十一歲，於二零一七年七月十二日獲委任為本公司獨立非執行董事。彼亦為本公司薪酬委員會主席兼審核委員會及提名委員會成員。歐陽先生擁有香港理工大學商業學榮譽財經文學士學位，為英國與威爾斯特許會計師公會資深會員、英國特許公認會計師公會資深會員、香港會計師公會資深會員、美國特許金融分析師學會特許資格持有人及香港財經分析師學會會員。

Mr. Au Yeung is currently a vice president of a private property developer in Mainland China. Meanwhile, he is also an independent non-executive director to each of China LNG Group Limited (HKEX stock code: 931), Redsun Properties Group Limited (HKEX stock code: 1996), Shanshan Brand Management Co., Ltd. (HKEX stock code: 1749) and eBroker Group Limited (HKEX stock code: 8036), respectively. He served as the vice president and the chief financial officer of several property developers including South China Holdings Company Limited (HKEX stock code: 413), Fosun International Limited (HKEX stock code: 656), Sun Hung Kai Properties Limited (HKEX stock code: 16) and Powerlong Real Estate Holdings Limited (HKEX stock code: 1238), all of the companies are listed on the Stock Exchange of Hong Kong Limited. Mr. Au Yeung has been in charge of financial management for a number of companies across different industries, including property developers, financial institutions, conglomerates and international audit firm totally more than 29 years of experience. He was also an independent non-executive director of Kiu Hung International Holdings Limited from 20 May 2016 to 26 September 2016 (HKEX stock code: 381).

Mr. Au Yeung did not hold in the past three years any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Au Yeung does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company within the meaning of the Listing Rules.

歐陽先生目前為中國大陸私人物業開發商的副總裁。同時，彼亦為中國天然氣集團有限公司(港交所股份代號：931)、弘陽地產集團有限公司(港交所股份代號：1996)、杉杉品牌運營股份有限公司(港交所股份代號：1749)及電子交易集團有限公司(港交所股份代號：8036)之獨立非執行董事。彼擔任多個房地產開發商，包括南華集團控股有限公司(港交所股份代號：413)、復星國際有限公司(港交所股份代號：656)、新鴻基地產發展有限公司(港交所股份代號：16)及寶龍地產控股有限公司(港交所股份代號：1238)的副總裁及財務總監，該等公司均於香港聯合交易所有限公司上市。歐陽先生亦負責涉及多個行業的多家公司的財務管理，包括房地產開發商、金融機構、企業集團及國際審核公司，合共擁有逾29年經驗。於二零一六年五月二十日至二零一六年九月二十六日，彼亦為僑雄國際控股有限公司(港交所股份代號：381)之獨立非執行董事。

於過往三年，歐陽先生並無在證券在任何香港或海外證券市場上市之任何公眾公司擔任任何董事職務。

歐陽先生與上市規則涵義內之本公司任何董事、高級管理層或主要股東或控股股東概無任何關係。

DIRECTORS' BIOGRAPHIES

董事履歷

Ms. To Tsz Wan Vivien, aged 48, was appointed as an independent non-executive director of the Company on 14 February 2018. She also acts as a member of each of the Company's audit committee and remuneration committee.

Ms. To is a Certified Public Accountant (CPA Practicing) and Certified Tax Adviser (CTA). She has over 30 years of experience in finance and accounting field and over 20 years of management experience in information technology audit, computer system, finance and administration. Ms. To is the owner of a Hong Kong accounting firm which provides extensive management and consultancy services of accounting, audit, company secretary and taxation for the subsidiaries of listed companies from Europe, China, East Asia and Hong Kong. She is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong.

Ms. To did not hold in the past three years any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Ms. To does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company within the meaning of the Listing Rules.

杜紫雲女士，現年四十八歲，於二零一八年二月十四日獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會及薪酬委員會成員。

杜女士現為香港執業會計師及註冊稅務師，在財務及會計領域擁有累計超過30年之經驗，並具有超過20年之信息科技審計、計算機系統、財務及行政等專業領域之管理經驗。杜女士擁有一間香港會計師事務所，為多間歐洲、中國、東南亞和香港等上市公司之附屬公司提供會計、審計、公司秘書和稅務等管理及諮詢服務。杜女士現為香港會計師公會、英國特許公認會計師公會及香港稅務學會之會員。

於過往三年，杜女士並無在證券在任何香港或海外證券市場上市之任何公眾公司擔任任何董事職務。

杜女士與上市規則涵義內之本公司任何董事、高級管理層或主要股東或控股股東概無任何關係。

CORPORATE GOVERNANCE CODE

The Board is committed to maintaining and ensuring high standards of corporate governance practice. The Company stresses the importance of maintaining the quality of the Board by ensuring that the directors possess a wide range of expertise and the effective implementation of an accountability system, so as to ensure that business activities and decision making processes are regulated in a proper manner. The Company's corporate governance practices are based on the principles and code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules.

The Company will seek to improve its management and raise its control level to enhance the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the shareholders.

A. BOARD

A.1. The Board's Role and Delegation

The primary role of the Board is to maximise long-term shareholder's benefit. It assumes the responsibility for providing effective and responsible leadership and control of the Company, and directing and supervising the Company's affairs in the pursuit of the Group's strategic objectives.

To enhance efficiency, the Board has delegated the Chief Executive Officer the day-to-day leadership and the management of the Group.

企業管治守則

董事局致力維持及確保實施高水準之企業管治常規，本公司著重透過確保董事俱備不同專長及有效實行問責制度，保持董事局的質素，確保業務運作及決策過程均受到適當規範。本公司的企業管治常規乃基於上市規則附錄14所載企業管治守則（「企業管治守則」）中的原則及守則條文。

本公司將尋求改善其管理及加強監控水平，藉以提高本公司之競爭力及營運效率，確保得以持續發展及為股東帶來更豐厚回報。

A. 董事局

A.1. 董事局角色及權力轉授

董事局的主要角色是為股東爭取最大之長遠利益，肩負給予既有效又負責任的領導及監控本公司的責任，同時統管並監督本公司事務朝著本集團的策略性目標發展。

為提升效率，董事局已將本集團日常領導及管理的權力轉授予行政總裁。

A.2. Board Composition

At present, the Board comprises three executive directors and three independent non-executive directors. The directors of the Company during the year ended 31 December 2018 and up to the date of this report were:

Executive Directors

Mr. Wei Chunxian (*Chairman*)
Ms. Liu Shuhua (*Chief Executive Officer*)
Mr. Sun Zhongmin

Independent Non-executive Directors

Mr. Tung Woon Cheung Eric
Mr. Au Yeung Po Fung
Ms. To Tsz Wan Vivien
(*appointed on 14 February 2018*)
Mr. Chui Tsan Kit
(*resigned on 14 February 2018*)

On 14 February 2018, due to his own decision to devote more time to his other business commitments, Mr. Chui Tsan Kit tendered his written resignation as an independent non-executive director upon expiry of the director's service contract to the Board. He also resigned as a member of each of the Audit Committee and the Remuneration Committee of the Board. Ms. To Tsz Wan Vivien was appointed as an independent non-executive director and a member of each of the Audit Committee and the Remuneration Committee of the Board on the even date.

A.2. 董事局組成

目前，董事局包括三名執行董事及三名獨立非執行董事。截至二零一八年十二月三十一日止年度及直至本報告日期，本公司董事如下：

執行董事

魏純暹先生(*主席*)
劉淑華女士(*行政總裁*)
孫仲民先生

獨立非執行董事

董煥樟先生
歐陽寶豐先生
杜紫雲女士
(*於二零一八年二月十四日獲委任*)
徐燦傑先生
(*於二零一八年二月十四日辭任*)

由二零一八年二月十四日起，由於其本身決定投放更多時間處理其他事務，徐燦傑先生已經提交書面辭呈予董事局而於其董事服務合約屆滿後辭任獨立非執行董事。其亦辭任董事局審核委員會及提名委員會各自之成員。同日，杜紫雲女士已經獲委任為獨立非執行董事以及董事局審核委員會及提名委員會各自之成員。

The biographical details of the current directors are set out on pages 78 to 82 of this annual report. The Board possesses a balance of skills and experience which are appropriate for the requirements of the business of the Company. The opinions raised by the independent non-executive directors of the Company in the Board meetings facilitate the maintenance of good corporate governance practices. All independent non-executive directors have the appropriate professional qualifications and accounting and related financial management expertise as required by Rule 3.10 of the Listing Rules. A balanced composition of executive and independent non-executive directors also generates a strong independence element on the Board, which allows independent and objective decision making process for the best interests of the Company. The Company will review the composition of the Board regularly to ensure the Board possesses the appropriate and necessary expertise, skills and experience to meet the developmental needs of the business of the Group.

In compliance with Rule 3.10A of the Listing Rules, the Company has appointed three independent non-executive directors, representing more than one-third of the Board. All independent non-executive directors are free from any business or other relationship with the Company. The Company has received from each independent non-executive director, who were in the Board during the year, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers the independent non-executive directors to be independent.

The Board's primary functions are to set corporate policy and overall strategy for the Group and to provide effective oversight of the management of the Group's business and affairs. Apart from its statutory responsibilities, the Board also approves the strategic plans, key operational issues, investments and loans, reviews the financial performance of the Group and evaluates the performance and compensation of senior management. These functions are either carried out directly by the Board or through committees established by the Board. The Board is also responsible to maintain an effective risk management and internal control system.

各在任董事之履歷載於本年報第78頁至第82頁。董事局成員具備經營本公司業務所需之各種技能及經驗。本公司之獨立非執行董事於董事局會議上提出之意見有助維持良好之企業管治常規。全體獨立非執行董事均擁有適當之專業資格及會計及相關的財務管理專長，符合上市規則第3.10條之規定。執行董事及獨立非執行董事之均衡分配比例亦大大提升董事局之獨立性，可有效發揮獨立判斷及客觀地為本公司之最佳利益制訂決策。本公司將定期檢討董事局之組成，確保董事局擁有適當及所需之專長、技能及經驗，以滿足本集團之業務發展需求。

遵照上市規則第3.10A條，本公司已經委任三名獨立非執行董事，佔董事局成員人數超過三分之一。所有獨立非執行董事均無參與本公司之任何業務，與本公司亦不存在其他關係。本公司已接獲各於本年度內服務董事局的獨立非執行董事根據上市規則第3.13條就其獨立身份而發出之年度確認聲明，本公司認為各獨立非執行董事均屬獨立人士。

董事局之主要職能為制訂本集團之企業政策及整體策略，並提供有效監督本集團之業務及事務管理事宜。除其法定責任外，董事局亦負責批准本集團之策略計劃、主要營運措施、投資及貸款、審閱本集團之財務表現及評估高層管理人員之表現及薪酬。此等職能由董事局直接執行或通過由董事局成立之委員會執行。董事局亦負責維持有效風險管理及內部監控系統。

Regular Board meetings are held at least four times a year to approve the annual and interim results, and to review the business operation and the internal control system of the Group. Apart from these regular meetings, Board meetings are also held to approve major issues. At least 14 days' notice of each regular meeting is given to all directors. Agendas and accompanying Board papers are sent not less than three days before the date of Board meetings to ensure that the directors are given sufficient time to review the same. Draft minutes of Board meetings and Board committee meetings are circulated to directors for their review and comment. All the said minutes are kept by the company secretary of the Company and are open for inspection at any reasonable time on reasonable notice by any director.

A.3. Chairman and Chief Executive Officer

Code provision A.2.1 of the Corporate Governance Code stipulates that the roles of the chairman and the chief executive of an issuer should be separate and should not be performed by the same individual. With effect from 17 February 2014, Mr. Wei Chunxian and Ms. Liu Shuhua have been appointed as Chairman and Chief Executive Officer (the "CEO") of the Company respectively. There is a clear division of responsibilities between the Chairman and the CEO, in that the Chairman provides leadership for the Board and bears the primary responsibility for the functioning of the Board, by ensuring its effective operation, while the CEO is authorised and responsible for the management of the day-to-day business of the Group as well as the implementation of the strategies approved by the Board.

董事局每年至少舉行四次例會，議程包括批准全年及中期業績，以及檢討本集團之業務運作及內部監控系統。除此等例會外，董事局亦就批准重大事項召開會議。全體董事於每次例會舉行之前獲發至少14日通知。議程及有關文件於董事局會議舉行日期之前至少三日寄予董事，確保董事有充份時間審閱。董事獲分發董事局會議及董事委員會會議之草擬會議記錄以供審閱批註。上述所有會議記錄均由本公司之公司秘書保管，可供任何董事於任何合理時間內在發出合理通知後公開查閱。

A.3. 主席及行政總裁

《企業管治守則》守則條文第A.2.1條規定，發行人的主席與行政總裁的角色應有區分，並不應由一人同時兼任。由二零一四年二月十七日起，魏純暹先生及劉淑華女士分別獲委任為本公司主席及行政總裁（「行政總裁」）。主席與行政總裁之職責有清楚分工，其中主席領導董事局，其承擔之主要職責為確保董事局有效運作而履行其職能，而行政總裁則獲授權負責本集團之日常業務管理，以及實施獲董事局批准之策略。

A.4. Appointment and Re-Election of Directors

The procedures and process of appointment and removal of directors are laid down in the Company's Articles of Association (the "Articles").

All directors (including independent non-executive directors) have entered into service contracts or letters of appointment (as the case may be) with the Company for a term of one year, which is terminable by either party by giving no less than three months' or one month notice in advance to each other (as the case may be), subject to retirement from office by rotation and re-election at annual general meeting.

Pursuant to Article 81 of the Articles, at every annual general meeting one-third of the directors for the time being or, if their number is not a multiple of three, then the nearest number to but not less than one-third shall retire from office by rotation provided that every director shall be subject to retirement by rotation at least once every three years.

Pursuant to Article 83 of the Articles, a retiring director shall be eligible for re-election.

Pursuant to Articles 81 and 83 of the Articles, Mr. Wei Chunxian and Mr. Sun Zhongmin will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

A.4. 董事委任及重選

董事委任及罷免之程序及過程載於本公司組織章程細則(「細則」)。

各董事(包括獨立非執行董事)已經與本公司訂有服務合約或聘用函件(視屬何情況而定),為期一年,並可由任何一方向對方發出不少於三個月或一個月(視情況而定)之事先通知予以終止,並須於股東週年大會上輪流退任及重選。

根據細則第81條,於每屆股東週年大會上,當時為數三分之一(或如董事數目並非三或三之倍數,則最接近但不少於三分之一之數目)之董事須輪值退任,惟每位董事須至少每三年輪席退任一次。

根據細則第83條,退任董事將合資格膺選連任。

遵照細則第81條及第83條規定,魏純暹先生及孫仲民先生於即將召開之股東週年大會上輪流退任,而彼等各自均符合資格並願意膺選連任。

A.5. Board Diversity Policy

The Board has adopted a board diversity policy (the "Board Diversity Policy") in September 2013 which sets out the approach to achieve diversity on the Board.

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service.

Independence

The Board includes a balanced composition of executive, non-executive and independent non-executive directors so that there is a strong element of independence in the Board. The independent non-executive directors shall be of sufficient calibre and stature for their views to carry weight.

Gender and age

The Company is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, race, nationality, religion, age or family status. The same principle is applied to the selection of potential candidates for appointment to the Board.

A.5. 董事局成員多元化政策

董事局已經於二零一三年九月採納董事局成員多元化政策（「董事局成員多元化政策」），當中列出董事局成員多元化達標的方法。

為達致可持續的均衡發展，本公司視董事局層面日益多元化為支持其達到策略目標及維持可持續發展的關鍵元素。董事局所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事局成員多元化的裨益。

在構思董事局之組成時，董事局成員多元化已從多個方面進行考慮，包括但不限於性別、年齡、文化和教育背景、專業經驗、技能、知識以及服務任期。

獨立性

董事局中執行董事、非執行董事，以及獨立非執行董事的組合應保持均衡，以確保董事局具備高度的獨立性。獨立非執行董事需具備充分才幹及視野，其意見才具影響力。

性別及年齡

本公司承諾在所有營運業務範疇提供一個不論性別相互尊重的環境，並致力維持一個不受滋擾或不存有任何性別、身體或精神狀況、種族、國籍、宗教、年齡或家庭狀況歧視的工作間。同樣的原則也適用於董事候選人的甄選。

Skills and experience

The Board members should possess a balance of skills appropriate for the requirements of the business of the Group, including the independent non-executive directors possessing professional accounting and other qualifications. The directors have a mix of finance and management backgrounds that taken together provide the Group with considerable experience in a range of activities including banking, investment and the professions.

Measurable Objectives

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

Having reviewed the Board Diversity Policy and the Board's composition, the Nomination Committee considered that the requirements of the Board Diversity Policy had been met.

技能及經驗

董事局成員應具備配合本集團業務需要的不同技能，當中包括具備專業會計及其他資格的獨立非執行董事。結合擁有金融和管理背景的董事，為本集團提供了不同業務範疇(包括銀行、投資和專業服務)的豐富經驗。

可計量目標

1. 本公司須遵守上市規則對董事局組成之規定。
2. 董事局必須包括至少三名獨立非執行董事，並且獨立非執行董事必須佔董事局成員人數至少三分之一。
3. 至少一名獨立非執行董事必須具備適當的專業資格，或具備適當的會計或相關的財務管理專長。
4. 至少有一名董事是本集團業務所在行業的專業人士或擁有豐富經驗。

經回顧董事局成員多元化政策及董事局組成後，提名委員會認為已經符合董事局成員多元化政策之規定。

A.6. Induction and Continuing Development for Directors

Pursuant to the CG Code which has come into effect from 1 April 2012, all directors and the company secretary should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

Reading materials on relevant topics have been issued to directors where appropriate. All directors are encouraged to attend relevant training courses. Newly appointed director has received formal and tailored induction and training on his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Group and that he is fully aware of his responsibilities and obligations under the Listing Rules and the relevant regulatory requirements.

According to the records maintained by the Company, the directors received the following training with an emphasis on the roles, functions and duties of a director of a listed issuer in compliance with the requirements of the CG Code on continuous professional development during the year:

| Directors | 董事 | Read materials 閱讀材料 | Attended seminars/ briefings 出席研討會/ 簡介會 |
|--|-----------|--------------------------------|--|
| <i>Executive Directors</i> | | | |
| Mr. Wei Chunxian | 魏純暹先生 | ✓ | |
| Mr. Sun Zhongmin | 孫仲民先生 | ✓ | |
| Ms. Liu Shuhua | 劉淑華女士 | ✓ | |
| <i>Independent Non-executive Directors</i> | | | |
| Mr. Tung Woon Cheung Eric | 董煥樟先生 | ✓ | ✓ |
| Mr. Au Yeung Po Fung | 歐陽寶豐先生 | ✓ | ✓ |
| Mr. Chui Tsan Kit | 徐燦傑先生 | ✓ | ✓ |
| Ms. To Tsz Wan Vivien | 杜紫雲女士 | ✓ | ✓ |

During the year, all directors confirmed that they have complied with the CG Code.

A.6. 董事就任須知及持續發展

根據由二零一二年四月一日起生效之《企業管治守則》，所有董事及公司秘書應參與持續專業發展，以發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事局作出貢獻。

在適當時候已向董事發給有關課題之閱讀材料。我們亦鼓勵所有董事參加相關培訓課程。新委任的董事均已經在受委任時獲得正式兼特為其而設的就任須知及培訓，以確保其對本集團的運作及業務均有適當的理解，以及完全知道本身在上市規則及有關監管規定下的職責及責任。

根據本公司所保存之記錄，於本年度內，遵照《企業管治守則》有關持續專業發展之規定，董事已接受以下培訓，其中著重上市公司董事的角色、職能及責任：

於本年度內，所有董事確認，彼等均已遵守《企業管治守則》。

A.7. Directors' Attendance Record of Board and General Meetings

There were fourteen board meetings and two general meetings held during the year under review. The attendance of the directors at the board meetings and the general meetings was as follows:

| Directors | 董事 | Notes 附註 | No. of meetings attended/ held during the tenure of the directors 董事任期內出席/ 舉行會議次數 | |
|--|-------------------------------|-------------|---|----------------------------|
| | | | Board meeting 董事局會議 | General meeting 股東大會 |
| <i>Executive Directors</i> | | | | |
| Mr. Wei Chunxian (Chairman) | 魏純暹先生(主席) | | 14/14 | 2/2 |
| Mr. Sun Zhongmin | 孫仲民先生 | | 14/14 | 2/2 |
| Ms. Liu Shuhua | 劉淑華女士 | | 14/14 | 2/2 |
| <i>Independent Non-executive Directors</i> | | | | |
| Mr. Tung Woon Cheung Eric | 董渙樟先生 | | 14/14 | 2/2 |
| Mr. Au Yeung Po Fung | 歐陽寶豐先生 | | 14/14 | 2/2 |
| Mr. Chui Tsan Kit | 徐燦傑先生 | (a) | 1/1 | 0/0 |
| Ms. To Tsz Wan Vivien | 杜紫雲女士 | (b) | 13/13 | 2/2 |
| (a) | Resigned on 14 February 2018 | | (a) | 於二零一八年二月十四日辭任 |
| (b) | Appointed on 14 February 2018 | | (b) | 於二零一八年二月十四日獲委任 |

The Company has complied with the code provisions set out in the CG Code as stated in Appendix 14 of the Listing Rules throughout the year ended 31 December 2018.

A.7. 董事出席董事局會議及股東大會之記錄

於回顧年度內曾舉行十四次董事局會議及二次股東大會。董事出席董事局會議及股東大會的情況如下：

截至二零一八年十二月三十一日止年度，本公司已遵守上市規則附錄十四所載之《企業管治守則》內所載之守則條文。

A.8. Compliance with Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules. Having made specific enquiry to all directors of the Company, all the directors of the Company have confirmed that they have complied with the required standards and provisions as set out in the Model Code throughout the year ended 31 December 2018. The Company is not aware of any non-compliance with the Model Code regarding the trading of the Company’s securities for the year.

A.9. Corporate Governance Functions

The Board is responsible for performing the corporate governance functions set out in provision D.3.1 of the CG Code.

During the year, the Board reviewed the training and continuous professional development of directors and senior management, the compliance of the Model Code and the Company’s compliance with the CG Code.

A.10. Director’s Nomination Policy

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

Director Nomination Process

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

A.8. 遵守董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之《上市發行人董事進行證券交易之標準守則》(「標準守則」)。在向所有董事作出特定查詢後，本公司全體董事確認，截至二零一八年十二月三十一日止年度內，彼等均已遵守標準守則所載的規定標準及條文。本公司並不知悉本年度內，就買賣本公司證券方面有違反標準守則之情況。

A.9. 企業管治職能

董事局負責履行《企業管治守則》守則條文第D.3.1條所載的企業管治職責。

於本年度內，董事局已檢討董事及高級管理人員的培訓及持續專業發展；遵守《標準守則》的情況；及本公司遵守《企業管治守則》的情況。

A.10. 提名董事的政策

董事局於二零一九年一月一日採納提名本公司董事的政策並生效且由提名委員會負責執行。

董事提名程序

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

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

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

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

Procedure for Appointment of New Director

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

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

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

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

董事局對於其推薦候選人在股東大會上參選的所有事宜有最後決定權。董事局將詳細考慮有關推薦建議，並負責指定將於本公司股東週年大會上獲選舉之董事候選人及挑選董事以填補董事局之空缺。

委任新董事的程序

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

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

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

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

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

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

Procedure for Re-appointment of Director at General Meeting

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

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

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

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

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

董事候選人可於股東大會舉行前任何時候向公司秘書發出書面通知退選。

在直至發出股東通函前，被提名人士不可假設其已獲董事局推薦在股東大會上參選。

於股東大會上重選董事的程序

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

提名委員會亦應檢討及確定退任董事是否仍然符合以下列明的準則。

提名委員會及／或董事局應就於股東大會上重選董事向本公司股東提出建議。

Director Selection Criteria

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

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

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

董事甄選準則

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

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

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

A.11. Directors' and Officers' Insurance

The Company has arranged appropriate insurance cover in respect of potential legal actions against its directors and officers.

B. BOARD COMMITTEES

As part of good corporate governance, the Board has set up an Audit Committee, a Nomination Committee and a Remuneration Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference, which are posted on the websites of the Company and the Stock Exchange. All the Board committees should report to the Board on their decisions or recommendations made.

B.1. Audit Committee

The Board set up the Audit Committee in July 1999 with specific written terms of reference (which have been revised subsequently to cope with changes) which clearly deal with its authority and duties. The Audit Committee's role is to review the Group's financial reporting, internal controls and corporate governance issues and to make relevant recommendations to the Board.

During the year, the Audit Committee consisted of three independent non-executive directors. As at 1 January 2018, Mr. Tung Woon Cheung Eric acted as Chairman with Mr. Au Yeung Po Fung and Mr. Chui Tsan Kit acted as members. Subsequently on 14 February 2018, Mr. Chui Tsan Kit resigned and Ms. To Tsz Wan Vivien was appointed as independent non-executive director and acted as member of Audit Committee.

The corporate governance functions performed during the year included the following:

- (a) to develop and review an issuer's policies and practices on corporate governance and make recommendations to the Board;

A.11. 董事及高級人員之保險

本公司已經就其董事及高級人員可能會面對的法律行動作適當的投保安排。

B. 董事局轄下的委員會

作為良好企業管治的一部分，董事局已經成立審核委員會、提名委員會及薪酬委員會，以監督本公司事務的個別方面。所有董事局轄下的委員會均已制訂界定書面職權範圍，其載於本公司及聯交所之網站。所有董事局轄下的委員會均應向董事局匯報其決定及作出的建議。

B.1. 審核委員會

董事局於一九九九年七月成立審核委員會，並有書面職權範圍(因應其後變更曾經修訂)清晰確定其權力及職責。審核委員會負責審閱本集團之財務申報、內部監控及企業管治等問題，並向董事局提供有關建議。

於本年度內，審核委員會包括三名獨立非執行董事。於二零一八年一月一日，董煥樟先生擔任主席，歐陽寶豐先生及徐燦傑先生則擔任成員。於二零一八年二月十四日之後，徐燦傑先生辭任，杜紫雲女士獲委任為獨立非執行董事並擔任審核委員會成員。

於本年度內所履行的企業管治職能包括以下各項：

- (a) 制定及覆審發行人的企業管治政策及常規，並向董事局提出建議；

- | | |
|---|-----------------------------------|
| (b) to review and monitor the training and continuous professional development of directors and senior management; | (b) 覆審及監察董事及高級管理人員的培訓及持續專業發展； |
| (c) to review and monitor the issuer's policies and practices on compliance with legal and regulatory requirements; | (c) 覆審及監察發行人在遵守法律及監管規定方面的政策及常規； |
| (d) to develop, review and monitor the code of conduct applicable to employees and directors; and | (d) 制定、覆審及監察僱員及董事的操守準則；及 |
| (e) to review the issuer's compliance with the code and disclosure in the Corporate Governance Report. | (e) 覆審發行人遵守《守則》的情況及在《企業管治報告》內的披露。 |

In discharging its responsibilities, the Audit Committee has performed the following tasks during the year:

就履行其職責而言，審核委員會於本年度已進行如下工作：

- | | |
|--|--|
| (i) reviewed the effectiveness of the audit process in accordance with the applicable standards; | (i) 根據適用準則覆審審核過程之成效； |
| (ii) reviewed the draft interim and annual financial statements and the related draft results announcements; | (ii) 審閱已草擬之中期及全年財務報表及相關之草擬業績公佈； |
| (iii) reviewed the change in accounting standards and assessed the potential impacts on the Group's consolidated financial statements; | (iii) 審閱會計準則之變動及評估可能對本集團綜合財務報表產生之潛在影響； |
| (iv) discussed with the management the relevant issues including financial, operational and compliance controls and risk management functions and ensured that the management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget; and | (iv) 與管理層討論有關事項，包括財務、營運及遵守監控以及風險管理等工作及確保管理層履行其責任令本集團擁有有效的內部監控系統(包括本集團在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足)；及 |
| (v) made recommendation on the appointment or reappointment of the external auditor and approved their terms of engagement. | (v) 就委聘或續聘外聘核數師提供建議及批准委聘條件。 |

All members of the Audit Committee possess in-depth experience in their profession. All of them possess appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.21 of the Listing Rules.

審核委員會各成員在其專業範疇均擁有豐富經驗。彼等全部均根據上市規則第3.21條之規定，具備適當專業資格，或具備適當的會計或相關的財務管理專長。

The Audit Committee held two meetings during the year under review and the attendance of its members was as follows:

於回顧年度內曾舉行兩次審核委員會會議。其成員的出席情況如下：

| Members of Audit Committee | 審核委員會成員 | <i>Notes</i> <i>附註</i> | No. of meetings attended/ held during the tenure of the directors 董事任期內出席/ 舉行會議次數 |
|---|-------------------------------|---------------------------|--|
| Mr. Tung Woon Cheung Eric (Chairman) | 董煥樟先生 (主席) | | 2/2 |
| Mr. Au Yeung Po Fung | 歐陽寶豐先生 | | 2/2 |
| Mr. Chui Tsan Kit | 徐燦傑先生 | (a) | 0/0 |
| Ms. To Tsz Wan Vivien | 杜紫雲女士 | (b) | 2/2 |
| (a) | Resigned on 14 February 2018 | (a) | 於二零一八年二月十四日辭任 |
| (b) | Appointed on 14 February 2018 | (b) | 於二零一八年二月十四日獲委任 |

B.2. Nomination Committee

The Board set up the Nomination Committee in March 2007 with specific written terms of reference (which have been revised subsequently to cope with changes) which clearly deal with its authority and duties. The Nomination Committee's roles are principally to review the structure, size and composition of the Board on a regular basis and make recommendations to the Board regarding any proposed changes; identify individuals suitably qualified to become Board members and make recommendations to the Board in this regard; and assess the independence of independent non-executive directors.

In respect of code provision A.5.1 of the CG Code, the Nomination Committee of the Company is chaired by the Chairman of the Board and comprises a majority of independent non-executive directors.

During the year, the Nomination Committee consisted of three directors. Mr. Wei Chunxian acted as Chairman with Mr. Tung Woon Cheung Eric and Mr. Au Yeung Po Fung acted as members.

B.2. 提名委員會

董事局於二零零七年三月成立提名委員會，並有書面職權範圍(因應其後變更曾經修訂)清晰確定其權力及職責。提名委員會之職責主要包括：定期審閱董事局規定的架構、大小及組成及就任何建議修訂向董事局提供建議；物色合資格成為董事的合適人選，並就此向董事局提供建議；及評估獨立非執行董事的獨立性。

有關《企業管治守則》守則條文第A.5.1條，本公司提名委員會由董事局主席擔任主席，成員以獨立非執行董事佔大多數。

於本年度內，提名委員會包括三名董事。魏純暹先生擔任主席，董煥樟先生及歐陽寶豐先生則擔任成員。

The work performed by the Nomination Committee during the year included the following:

- i) to review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- ii) to assess on the independence of the independent non-executive Directors; and
- iii) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors and to identify individuals suitably qualified to become Board members.

The Nomination Committee held three meeting during the year under review and the attendance of its members was as follows:

於本年度內，提名委員會所進行之工作包括以下各項：

- i) 檢討董事局之架構、人數及成員多元化(包括但不限於性別、年齡、文化及教育背景、民族、專業經驗、技能、知識及服務任期)，並就任何為配合本公司策略而擬對董事局作出之變動提出建議；
- ii) 評核獨立非執行董事之獨立性；及
- iii) 就董事之委任或重新委任，以及董事繼任計劃向董事局提出建議，並物色具備合適資格可擔任董事局成員之人士。

於回顧年度內曾舉行三次提名委員會會議。其成員的出席情況如下：

| Members of Nomination Committee | 提名委員會成員 | <i>Notes</i> <i>附註</i> | No. of meetings attended/ held during the tenure of the directors 董事任期內出席/ 舉行會議次數 |
|--|----------------|---------------------------|--|
| Mr. Wei Chunxian (<i>Chairman</i>) | 魏純暹先生(主席) | | 1/1 |
| Mr. Tung Woon Cheung Eric | 董渙樟先生 | | 1/1 |
| Mr. Au Yeung Po Fung | 歐陽寶豐先生 | | 1/1 |

B.3. Remuneration Committee

The Board set up the Remuneration Committee in May 2005 with specific written terms of reference (which have been revised subsequently to cope with changes) which clearly deals with its authority and duties. The Remuneration Committee's role is to make recommendations to the Board on the remuneration policy and structure for directors and senior management and to ensure that they are fairly rewarded for their individual contribution to the Group's overall performance, having regard to the interests of shareholders. The principal duties of the Remuneration Committee include determining the specific remuneration packages of all executive directors and senior management with reference to corporate goals and objectives resolved by the Board from time to time. No director or any of his/her associates may be involved in any decisions as to his/her own remuneration.

In accordance with Rule 3.25 of the Listing Rules, the Remuneration Committee is chaired by an independent non-executive director and comprising a majority of independent non-executive directors.

During the year, the Remuneration Committee consisted of three directors. As at 1 January 2018, Mr. Au Yeung Po Fung acted as Chairman with Mr. Tung Woon Cheung Eric and Mr. Chui Tsan Kit acted as members. Subsequently on 14 February 2018, Mr. Chui Tsan Kit was resigned and Ms. To Tsz Wan Vivien was appointed as independent non-executive director and acted as member of Remuneration Committee.

The work performed by the Remuneration Committee during the year included the following:

- (i) reviewed and recommended the remuneration package of the independent non-executive directors of the Company; and
- (ii) reviewed and approved the remuneration package for the executive directors and management of the Company.

B.3. 薪酬委員會

董事局於二零零五年五月成立薪酬委員會，並有書面職權範圍(因應其後變更曾經修訂)清晰確定其權力及職責。薪酬委員會之職責為就董事及高層管理人員之薪酬政策及架構向董事局提供建議，並確保在顧及股東利益之餘，對本集團整體表現有所貢獻之董事及高層管理人員均獲得公平回報。薪酬委員會之主要職責包括參考董事局不時議決之公司目標及宗旨釐定全體執行董事及高層管理人員之薪酬待遇。概無董事或其任何聯繫人士可參與有關其本身薪酬之任何決定。

根據上市規則第3.25條，薪酬委員會由獨立非執行董事出任主席，大部分成員均為獨立非執行董事。

於本年度內，薪酬委員會包括三名董事。於二零一八年一月一日，歐陽寶豐先生擔任主席而董煥樟先生及徐燦傑先生擔任成員。於二零一八年二月十四日後，徐燦傑先生辭任及杜紫雲女士獲委任為獨立非執行董事及擔任薪酬委員會成員。

於本年度內，薪酬委員會所進行之工作包括以下各項：

- (i) 檢討及建議本公司獨立非執行董事的薪酬待遇；及
- (ii) 檢討及批准本公司執行董事及管理人員的薪酬待遇。

The Remuneration Committee held two meetings during the year under review and the attendance of its members was as follows:

於回顧年度內曾舉行兩次薪酬委員會會議。其成員的出席情況如下：

| Members of Remuneration Committee | | 薪酬委員會成員 | Notes 附註 | No. of meetings attended/ held during the tenure of the directors 董事任期內出席/ 舉行會議次數 |
|--|-------------------------------|---------|-------------|---|
| Mr. Au Yeung Po Fung (<i>Chairman</i>) | 歐陽寶豐先生 (主席) | | | 2/2 |
| Mr. Tung Woon Cheung Eric | 董煥樟先生 | | | 2/2 |
| Mr. Chui Tsan Kit | 徐燦傑先生 | (a) | | 0/0 |
| Ms. To Tsz Wan Vivien | 杜紫雲女士 | (b) | | 2/2 |
| (a) | Resigned on 14 February 2018 | | (a) | 於二零一八年二月十四日辭任 |
| (b) | Appointed on 14 February 2018 | | (b) | 於二零一八年二月十四日獲委任 |

C. RESPONSIBILITY FOR PREPARATION AND REPORTING OF ACCOUNTS

The directors of the Company acknowledge their responsibility for preparing the accounts which were prepared in accordance with statutory requirements and applicable accounting standards. A statement by the auditor about their reporting responsibilities is set out on pages 151 to 159 of this annual report.

The directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

C. 編製及呈報賬目之責任

本公司董事明白彼等須負責根據法例規定及適用會計準則編製賬目。核數師就其呈報責任而發出之聲明載於本年報第151頁至第159頁。

董事並不知悉有關任何事件或情況之重大不明朗因素為可能對本公司按持續經營基準繼續營業的能力構成重大疑問。

D. RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management Structure

The Board of directors is responsible to maintain an effective risk management and internal control system, in order to safeguard the interest of the Company and shareholders as a whole. However, the risk management and internal control systems were designed to manage rather than eliminate all risks exposure of the Group. It does not provide an absolute shield against inherent limitations such as unpredictable risks, uncontrollable events such as natural catastrophes, fraud, and errors of judgement, but it may provide reasonable, but not absolute, assurance against material misstatements or losses.

The Company established an Enterprise Risk Management framework in order to implement effective risk management. Our risk management structure is simple and clear, which has categorical duties.

Board of Directors

The Board plays an important role in the Group's risk management and internal control systems. The Board is responsible for establishing the risk management framework and risk management policies, and the relevant policies are aiming to assess and determine the Group's business strategies and defining the risk tolerance. The Board, with assistance from the Audit Committee, monitors risk management and internal control system in an on-going manner and reviews, at least annually, the effectiveness of the risk management and internal control system.

D. 風險管理及內部監控

風險管理架構

董事局有責任維持有效之風險管理及內部監控系統，以保障本公司及其股東的整體利益。然而，本集團制定的風險管理及內部監控系統旨在管理而非消除所有本集團需面對的風險。該等系統無法完全排除不可預測風險及不可控制事件（例如自然災害、欺詐及判斷失誤）等固有限制，只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

本公司通過建立企業風險管理框架，以落實有效的風險管理工作。本集團的風險管理架構簡單明確，責任清晰。

董事局

董事局是本集團風險管理及內部監控系統的總負責機構。董事局負責建立清晰的風險管理框架及風險管理政策，有關政策旨在評估及釐定本集團的業務戰略及定義風險承受程度。董事局授權審核委員會，並在其協助下持續監督本集團風險管理及內部監控系統，並且每年至少覆審一次本集團風險管理及內部監控系統的有效性。

Audit Committee

Audit Committee stands at the highest level of the risk management and internal control system below the Board. The Audit Committee assists the Board in overseeing the Group's risk management and internal control systems by providing advice and support in respect of all risk matters, including on-going monitoring of the implementation of risk management procedures, reviewing the Group's risk register, reviewing and approving the internal control review plans and results.

Management

The management of the Group is responsible for identifying and on-going monitoring strategic, operational, financial, reporting and compliance risks associated with the daily operations of the Group. The Management reports to the Board and Audit Committee on the relevant risks and their changes. The management also formulate various internal control measures to mitigate the risks, and rectify internal control deficiencies they identified in a timely manner.

Independent Professional Internal Control Advisor

To ensure the independence of the internal control review, the Group has outsourced the internal audit function to an independent professional internal control advisor (the "Internal Control Advisor"), whose work scope includes reviewing the effectiveness of the Group's risk management procedures and effectiveness of the internal control systems. The Internal Control Advisor formulates the internal control review plan based on risk assessment and gets approval from Audit Committee, and will communicate with the Audit Committee about the review results directly.

審核委員會

審核委員會為僅次於董事局的最高風險管理及內部監控系統負責機構，向董事局就所有風險事宜提供建議及支持，包括監督集團的整體風險管理程序的執行、審閱集團的主要風險名單、審批內部監控覆核計劃及審閱內部監控覆核結果等。

管理層

本集團管理層負責於日常營運過程中識別並持續監測集團所面對的戰略、營運及財務、報告和合規風險，向董事局及審核委員會匯報有關風險以及其變化情況。管理層亦制定各種紓緩風險的內部監控措施，並透過各途徑收集內部監控缺失資訊並及時執行整改。

獨立專業內控顧問

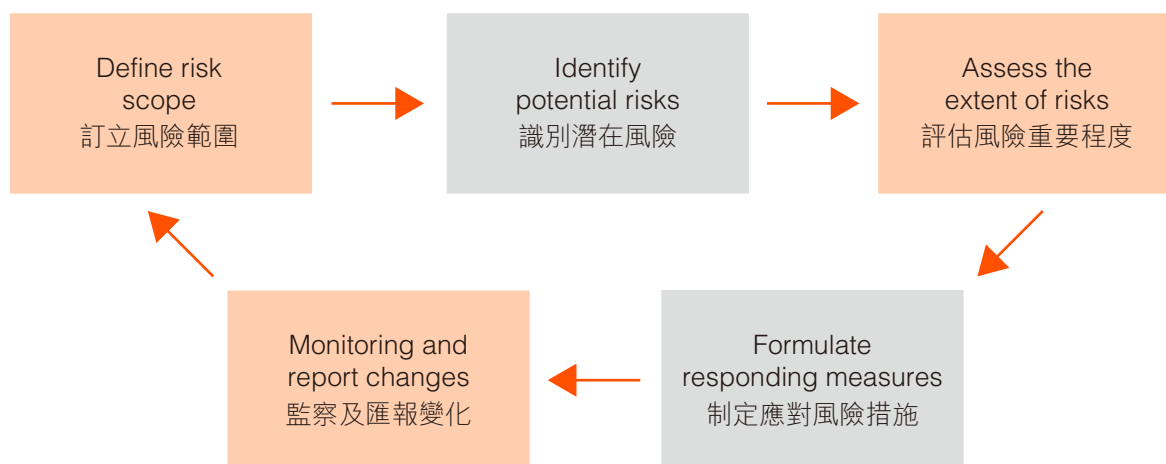
為保證內部監控覆核的獨立性，本集團將內部審核功能外判予獨立專業內控顧問(下稱「內控顧問」)，工作內容包括檢討本集團風險管理程序，以及內部監控系統有效性。內控顧問的內部監控覆核以風險評估為基礎制定，並由審核委員會審批，內控顧問亦會直接向審核委員會報告有關的覆審結果。

Risk Management Procedures

The Group has established the Enterprise Risk Management framework so as to effectively manage all kinds of risks faced by the Group. The Enterprise Risk Management framework defined the procedures for identifying, assessing, responding to and monitoring risks and their changes. Through regular discussion with each operating function, the Group strengthened the understanding of risk management so that all employees will understand and report the risks timely which enhanced the Group's ability to identify and manage risks.

風險管理程序

本集團建立了企業風險管理框架以有效地管理本集團所面對的各種風險。該企業風險管理框架定義了本集團識別、評估、應對和監測風險及其變化的程序。本集團透過定期研討加強各職能部門其對風險管理的認識，從而讓所有員工理解並及時匯報風險，加強本集團風險管理的能力。



In the course of risk identification, the Management liaise with each operating function, collect significant risk factors that affect the Group from the bottom to the top, in various aspects including strategic, operational, financial, reporting and complying aspects. After establishing risk assessment scope, the Management will assess the potential impact and possibilities of the risks and prioritise the risks, and make appropriate internal control measures are then developed to mitigate the risks identified and monitor the changes of risks in an on-going manner.

在進行風險識別時，管理層與各營運職能部門溝通，以由下而上方式收集對本集團有影響的重大風險因素，包括戰略、營運及財務、報告和合規等各個範疇。在建立風險評估範圍後，管理層根據風險的潛在影響與發生機會判斷風險的重要程度，制定應對有關風險的內控措施，並對風險的變化情況進行持續監察和匯報。

Main features of our risk management and internal control systems

Maintain an effective internal control system (operational level)

- Establish clear internal control policies and procedures, clearly define the responsibilities, authorities and accountabilities of each key position;
- Establish code of conduct, convey to all employee the Group's requirements on integrity and ethic;
- Establish whistle blowing mechanism, encourage employees to report incidents of misconduct or fraud;
- Establish appropriate level of information technology assess rights, avoid leakage of price sensitive information;
- Establish inside information disclosure policy, including reporting channels and responsible person of disclosure, unified response to external enquiries and obtain advice from professional financial advisors or the Stock Exchange, if necessary.

In 2018, the Board has reviewed the effectiveness of internal control policies and procedures, including those related to financial reporting and Listing Rule compliance and the Management also conveyed confirmation of the effectiveness of the risk management and internal control systems to the Board and the Audit Committee. The Board has considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit and financial reporting functions during the evaluation of the review of risk management and internal control systems.

風險管理及內部監控系統主要特點

維持有效的內控系統(營運層面)

- 設有明確的內部監控政策和程序，清晰界定各部門及職位的職責、授權及問責性；
- 設有員工行為守則，傳遞本集團對於員工誠信及道德價值方面的要求；
- 設有舉報機制，鼓勵僱員舉報涉嫌行為失當或舞弊的事件；
- 設置適當的資訊科技權限，防止股價敏感消息外泄。
- 設有內幕消息匯報政策，包括設立匯報渠道及信息披露負責人，統一回應外界查詢，並在需要時諮詢專業財務顧問或聯交所意見。

於二零一八年，董事局已覆審內部監控政策和程序的有效性，包括財務報告及遵守上市規則規定的程序，而管理層亦已向董事局及審核委員會確認風險管理及內部監控系統有效性。董事局在檢討風險管理及內部監控程序時，已考慮在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是否足夠。

On-going risk monitoring (risk management level)

Based on the risk management framework and risk management policies established by the Board, the Management communicate with each operating function, collect significant risk factors that affect the Group from the bottom to the top. The Group has established a risk register to record the risks identified, the Management will assess the potential impact and possibilities of each major risk and develop relevant internal control measures.

In 2018, the Management conducted evaluation of risk management structure and procedures and submitted a risk assessment report to the Board and Audit Committee, including a 3-years internal control review plan, to enable the Board and Audit Committee to effectively monitor the major business risks of the Group and know about how the Management responses to and mitigates such risks.

Procedures and internal controls for the handling and dissemination of inside information

We established appropriate level of information technology assess rights, avoiding leakage of price sensitive information. We also establish inside information disclosure policy, including reporting channels and responsible person of disclosure, unified response to external enquiries and obtain advice from professional financial advisors or the Stock Exchange, if necessary, in order to ensure compliance with the Listing Rules requirements regarding handling and dissemination of inside information.

Independent review

The Group has outsourced the Internal Control Advisor to conduct an internal control review, reviewed the effectiveness of the Group's risk management and internal control systems and submitted the internal review report to the Audit Committee.

持續監察風險(風險管理層面)

管理層根據董事局建立的風險管理框架及風險管理政策，與各營運職能部門溝通，由下而上方式收集對本集團有影響的重大風險資訊及持續監察風險的變化。本集團建立風險登記冊記錄已識別的風險，定期評估每項主要風險對本集團的潛在影響及發生的可能性，制定相關內控措施。

於二零一八年，管理層進行了風險管理架構及程序的檢討，並向董事局及審核委員會提交風險評估報告，以及未來三年的內控覆核計劃，讓董事局及審核委員會更有效地監察本集團的主要業務風險以及了解管理層如何應對及減低該等風險。

處理及發佈內幕消息的程序和內部監控措施

我們已設置適當的資訊科技權限，防止股價敏感消息外泄，並設有內幕消息匯報政策，包括設立匯報渠道及信息披露負責人，統一回應外界查詢，並在需要時諮詢專業財務顧問或聯交所意見，以確保符合上市規則對於處理及發佈內幕消息的要求。

獨立覆核

本集團已將內審職能外包至內控顧問，對本集團的風險管理及內部監控系統進行獨立覆核，覆核本集團風險管理和內部監控系統的有效性，並向審核委員會提交內控覆核報告。

In 2018, the Internal Control Advisor has completed the internal control review work during the year. The review aimed at the transaction incurred during the period from 1 January 2018 to 31 December 2018, and the scope of the review included the effectiveness of the internal control measures in corporate level and operational level. The Internal Control Advisor has reported the results of the internal control review work to the Audit Committee.

The Management has established remediation and improvement plan for internal control weaknesses identified. Nothing has come to the Audit Committee's or Board's attention to believe that risk management and internal control systems of the Group are inadequate or ineffective.

Principle risks and uncertainties

The following are the principal risks and uncertainties faced by the Group and their changes during the year:

於二零一八年，內控顧問已完成以本年度的內控覆核工作，覆核針對二零一八年一月一日至二零一八年十二月三十一日期間發生的交易，覆核範圍包括企業層面及營運層面的內控措施有效性。內控顧問亦已向審核委員會匯報內控覆核工作結果。

對於發現的內控問題或不足之處，管理層已制定糾正措施及改善方案。審核委員會及董事局未有注意到任何事件令他們相信現時的風險管理及內部監控系統存在重大不足。

本集團的主要風險及不確定性

以下各項為本集團的主要風險及不確定性，以及其於本年度的變動情況：

| Risk 風險 | Description 描述 | Key Risk Mitigations 主要風險緩解措施 | Changes 變動 |
|------------------------------|---|---|------------------|
| Economic downturn 經濟下行 | Affected by economic downturn, the number of people who are able to purchase or rent the property decreased. We may need to lower selling price or rental rate or may even not be able to sell or lease. We might also be unable to increase our property management/other additional service fee due to the overall worse economic conditions. 受總體經濟所影響令有能力購買或承租物業的人減少，本集團或需要下調售價／租金，甚至無法出售／出租。亦可能因總體經濟較差而難以提高管理費用／其他額外服務的費用。 | — Regularly analyse overall economic changes, adjust business strategies, and communicate quickly with managers in business areas through video conferencing to implement recommended improvements — 定期分析總體經濟轉變、調整業務策略，並通過視像會議快速與各業務區域管理人員溝通落實應變工作 — Conduct due diligence and understand local economy and property market outlook before acquisition of new property investment projects — 收購新的物業投資項目時進行盡職調查，瞭解當地經濟及物業市場前景 | Decreasing 減少 |

CORPORATE GOVERNANCE REPORT

企業管治報告

| Risk 風險 | Description 描述 | Key Risk Mitigations 主要風險緩解措施 | Changes 變動 |
|-------------------------|--|---|------------------|
| Human Resources 人力資源 | <p>Insufficient staff or incompetency of our staff might affect our ability to provide quality service to meet our customers' demands. In addition, labour costs in mainland China are expected to increase which might also decrease our profits or competitiveness.</p> <p>集團人員若在數量及質量上不足，無法高品質的服務水平滿足客戶要求。另外，中國內地的勞動力成本預期繼續增加亦可能會削弱公司的利潤或競爭力。</p> | <p>— Be close to the pay market dynamics, control the wastage rate</p> <p>— 緊貼薪酬市場動態，控制流失率</p> <p>— Recruitment planning every year, timely replenishment of staff turnover</p> <p>— 每年進行招聘規劃，及時補充流失人手</p> <p>— Provide adequate training for staff to improve staff service standards</p> <p>— 為員工提供充足培訓，提升員工服務水準</p> | No change 無變化 |
| Brand Name 品牌 | <p>If we fail to maintain our service level in customer service, engineering, cleaning or security, customers may lose confidence which will have a very negative impact on our Company's reputation and image.</p> <p>集團若未能維持服務水平，在客戶服務、工程質量、清潔或保安工作中出現重大問題，使客戶失去信任，對聲譽及形象造成極為負面的影響。</p> | <p>— Daily self-examination to maintain and enhance the quality of service and engineering</p> <p>— 日常進行服務質量自查維持及提升服務和工程質量水平</p> <p>— Investigate customers' satisfaction, monitor the latest ratings for each project, follow up timely on customers' complaints</p> <p>— 調查客戶滿意度，監察各項目的最新評級，及早就客戶關注事項進行跟進</p> <p>— Provide regular training for staff to ensure that employees have sufficient capacity to deal with problems</p> <p>— 定期培訓員工，確保員工有足夠能力處理問題</p> | Decreasing 減少 |

| Risk 風險 | Description 描述 | Key Risk Mitigations 主要風險緩解措施 | Changes 變動 |
|---------------------------|--|--|------------------|
| Outsourcing 外包 | <p>Failure by service providers and contractors to proceed projects to their completion on time and on the unsatisfactory quality of the work may incur extra cost to the Group in order to complete the work.</p> <p>服務供應商及承建商若未能妥善完成工作或其工作品質未如理想，可能會影響客戶對我們服務的滿意程度，或令我們需要增加額外成本以完成有關工作。</p> | <p>— Conduct strict assessment and follow due tender procedures in selecting outsourcing service providers.</p> <p>— 在選擇外包服務供應商時進行嚴謹的評估及招標工作。</p> <p>— Our project manager and legal staff would review the terms of a outsourcing agreement to ensure the duty and responsibility of each party therein are clearly defined and stated.</p> <p>— 項目經理和法務人員審查外包合同條款，確保各方職責條文清晰明確。</p> <p>— Evaluate and update performance by outsourcing service providers on regular basis to ensure their service standards meet the Group's requirements.</p> <p>— 定期跟進外包服務供應商表現，確保其服務水平符合集團要求。</p> | No Change 無變化 |
| Natural disasters 自然災害 | <p>Inappropriate handling of emergency situations triggered by natural disasters (e.g. fire, electric shock, traffic accident etc.) or epidemic outbreaks may lead to substantial/numerous claims and liabilities against the Group and damage to our reputation, in addition to human casualties and direct losses on assets.</p> <p>若集團不當處理突如其來的自然災害(例如火災、觸電、交通意外等)或傳染病爆發事件，除可能引致人命傷亡及直接資產損失外，亦可能令本集團面對大量/高額索償、法律責任，以及破壞集團聲譽等。</p> | <p>— Put in place various contingency plans and strategies and with designated persons-in-charge to deal with specific risks, and conduct of regular disaster drills.</p> <p>— 制定各種緊急應對預案及策略，訂立風險應對負責人，並定期進行防災演練。</p> <p>— Periodic checks on equipment for emergency and regular inspections would be conducted so that any source of severe hazards could be identified as early as possible.</p> <p>— 定期檢查防災設備，以及進行日常巡查，及早發現重大危險源。</p> <p>— Maintain third party liability insurance to diversify our risk exposure and review the scope and amount insured regularly.</p> <p>— 購買第三者責任保險以分散風險，定期檢討保障範圍和保額。</p> | No change 無變化 |

| Risk 風險 | Description 描述 | Key Risk Mitigations 主要風險緩解措施 | Changes 變動 |
|---|--|--|-----------------------|
| Occupational health and safety 職業健康與安全 | <p>Failure by the Group to put in place appropriate emergency equipment, formulate and oversee the implementation of various safety procedures that result in injuries of our employees in work may incur liability to the Group against any compensation, give adverse effect to our reputation and cause an outflow of talents.</p> <p>集團若未能提供合適防護設備、制定並監督各種安全程序的執行，引致員工在工作時受傷，集團可能需要負上賠償責任、對公司的聲譽造成負面影響，以及引起人才流失。</p> | <ul style="list-style-type: none"> — Put in place various work safety procedures, strictly observe and implement precautionary measures for all duties and procedures that are hazardous in nature. Designated persons would be appointed to oversee the implementation of such measures. — 制定安全工作程序，落實執行各種帶有危險性質工作時應使用的防護措施，並指派監督人員檢查執行情況 — Provide training on safety and raise the awareness of our employees on occupational safety. — 提供安全培訓，增強員工對職業安全的意識 — Conduct regular inspection on safety equipment to ensure they are in good working conditions. — 定期檢查安全設備，確保設備運作正常 | No change 無變化 |
| Interest rate 利率 | <p>The Group holds borrowings on floating interest. This may increase the cost and have an effect on profits due to the increase in interest rates.</p> <p>集團持有以浮動利息計算的借款，因此或會受利率上升所影響而增加成本，影響利潤。</p> | <ul style="list-style-type: none"> — Closely monitor the interest rate, and report to the management timely on the interest rate changes — 密切監察利率狀況，及時向管理層匯報最新利率變化 — Formulate policy and take measures to reduce interest rate risk — 制定應對政策應對及採取措施降低利率風險 | No change 無變化 |

| Risk 風險 | Description 描述 | Key Risk Mitigations 主要風險緩解措施 | Changes 變動 |
|--|--|--|------------------|
| Foreign exchange rate 匯率 | The Group holds assets and liabilities denominated in Hong Kong dollars, Renminbi, US dollars and GBP. Foreign exchange rate fluctuations may bring exchange losses to the Company. 集團持有以港元、人民幣、美元及英鎊計價之資產及負債。外匯匯率波動或會為本公司帶來匯兌損失。 | <ul style="list-style-type: none"> — Actively monitor the fluctuation in foreign exchange rate change, consider all necessary actions (such as reduce loan/investment, hedging). — 持續監察匯率風險，並制定相關應對政策（如減少借貸／投資、考慮對沖等） — Perform sensitivity analysis to quantify currency exposure — 定期進行敏感度分析，量化有關風險 | No change 無變化 |
| Relevant politics, policies and regulations on real estate 有關房地產的相關政治、政策及法規 | Changes in politics, policies and regulations on real estate might increase our operating expenses. If we breach relevant regulatory and governing requirements, such as lack of ability to adjust the operational procedures timely, the Group may incur losses due to penalty, suspension or interruption of operation 各種政策、法規及監管要求轉變或會增加集團營運開支。若集團違反相關法規及監管要求（包括因未能及時調節營運程序導致）亦可能會令本集團蒙受罰款、阻斷或妨礙營運而引起損失。 | <ul style="list-style-type: none"> — Actively monitor changes of laws and regulations associated with the business of the Group. — 積極監察與本集團業務相關的法律法規變動 — Consult legal staff or legal advisors to ensure the Group's compliance with policy, regulatory and governing requirements. — 諮詢法務人員或法務顧問確保本集團符合政策、法規及監管（包括牌照）要求 | No change 無變化 |

E. COMPANY SECRETARY

During the year, the company secretary of the Company has taken not less than 15 hours of relevant professional training.

E. 公司秘書

在本年度，本公司的公司秘書已參加不少於15小時的相關專業培訓。

F. AUDITOR'S REMUNERATION

The Company's external auditor is Ernst & Young. (including any entity that is under common control, ownership or management with Ernst & Young or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally). The remuneration paid/ payable to Ernst & Young in respect of audit services and permissible audit related and non-audit services for the year ended 31 December 2018 amounted to approximately HK\$2,000,000 and HK\$839,500 respectively. The non-audit services of HK\$839,500 comprised (i) accountants' report relating to circulars for acquisitions of approximately HK\$449,000 (ii) agree-upon procedures on interim financial information of approximately HK\$370,000; and (iii) other and tax services of approximately HK\$20,500.

G. COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

Pursuant to the Companies Ordinance, a general meeting of shareholders of the Company can be convened by a written request signed by shareholders holding at least 5% of the total rights of all the shareholders having a right to vote at that meeting, stating the nature of the business to be dealt with at that meeting, and deposited at the Company's registered office. The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's constitutional documents. Details of such rights to demand a poll and the poll procedures are included in all related circulars to shareholders and will be explained during the proceedings of meetings.

Poll results will be posted on the website of the Company and the Stock Exchange on the same day of the shareholders' meeting.

F. 核數師之酬金

本公司之外聘核數師為安永會計師事務所(包括與安永會計師事務所受共同控制或由其擁有或管理之任何實體或合理及知道所有有關資料的知情第三者斷定為在有關國家或國際上屬該核數師行一部分之任何實體)。於截至二零一八年十二月三十一日止年度內，就核數以及允許的核數相關及非核數服務已付／應付安永會計師事務所的薪酬分別約為2,000,000港元及839,500港元。839,500港元的非核數服務包括：(i)有關收購約449,000港元的通函的會計師報告；(ii)中期財務資料的協定程序約370,000港元；及(iii)其他及稅務服務約20,500港元。

G. 與股東及投資者溝通

根據《公司條例》，佔全體有權在股東大會上表決的股東的總表決權最少5%的股東可藉簽署書面要求召開本公司股東大會，要求須述明有待在有關股東大會上處理的事務的性質及存放於公司的註冊辦事處。股東於股東大會要求以投票表決決議案之權利及其程序載於本公司之公司章程。有關要求投票表決的權利及投票表決程序載於所有致股東相關通函，並將於大會期間再作解釋。

投票表決結果將於股東大會當日於本公司及聯交所網站刊載。

The general meeting of the Company provides a forum for communication between the shareholders and the Board. The Chairman of the Board, as well as the Chairmen of the Audit Committee, Nomination Committee and Remuneration Committee or in their absence, other members of the respective committees, normally attend the annual general meeting and other relevant shareholders' meetings to answer shareholders' queries at the shareholders' meetings.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including election of individual directors.

The Company continues to enhance communication and relations with its investors. Enquiries from investors are dealt with in an informative and timely manner.

H. DIVIDEND POLICY

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

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

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

- the Group's financial results;
- the Group's cashflow, liquidity and capital requirements;
- the Group's debt to equity ratios and the debt level;

本公司股東大會為股東與董事局提供溝通機會。董事局主席及審核委員會、提名委員會及薪酬委員會主席(若彼等缺席,則相關委員會的其他成員)一般會出席股東週年大會及其他有關股東大會,以在股東大會上回答股東提問。

股東大會上,將就重要事項(包括推選個別董事)提呈獨立決議案。

本公司不斷加強與投資者之間的溝通及關係。本公司會及時處理投資者的查詢,為投資者提供相關資料。

H. 股息政策

董事局於二零一九年一月一日採納股息政策(「股息政策」)並生效。

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

宣派及建議派付股息乃董事局經考慮本公司派付股息之能力後作出之決定,而本公司派付股息之能力將視乎下列各項而定,其中包括:

- 本集團的財務業績;
- 本集團的現金流量、流動資金及資金需求;
- 本集團的負債權益比率及債務水平;

- the retained earnings and distributable reserves of the Group;
 - the Group's shareholders' interests;
 - the Group's current and future business operations, conditions, cycle and strategies;
 - the general market conditions;
 - the shareholders' and the investors' expectation and industry's norm;
 - any restrictions on payment of dividends that may be imposed by the Group's lenders;
 - statutory and regulatory restrictions;
 - past dividend record; and
 - any other factors the Board may deem relevant.
- 本集團的保留盈餘和可供分派儲備；
 - 本集團的股東權益；
 - 本集團現時及未來的業務營運、狀況、周期及策略；
 - 一般市場情況；
 - 股東及投資者的期望及行業的常規；
 - 由本集團的貸款人可能施加的任何股息派發限制；
 - 法定及監管限制；
 - 過往派息紀錄；及
 - 董事局可能視為相關之任何其他因素。

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

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

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

I. CONSTITUTIONAL DOCUMENT

During the year ended 31 December 2018, the Company had not amended its constitutional document.

董事局可全權酌情決定是否派付股息及派付之形式，惟須遵守香港公司法及細則之任何限制。本公司宣佈任何末期股息必須經本公司股東於股東周年大會上以普通決議案予以批准，且不得超過董事局所建議之金額。

除中期及／或末期股息外，董事局亦可不時考慮宣派特別股息。

本公司不能保證將在任何指定期間派付任何特定金額之股息。

I. 組織章程文件

截至二零一八年十二月三十一日止年度，本公司並無修改其組織章程文件。

The board of directors (the “Board”) hereby present its report and the audited consolidated financial statements of GR Properties Limited (the “Company”) and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in the property development and investments in the PRC, the USA and the UK, and the provision of property management services in Beijing and Hebei Province, the PRC. Details of the principal activities of the subsidiaries are set out in note 1 to the consolidated financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group’s principal business activities are exposed to a variety of key risks including credit risk, interest rate risk, liquidity risk, operational risk and market risk.

The Group’s business and profitability growth during the Year is affected by the volatility and uncertainty of macro-economic conditions in Hong Kong, the PRC, the USA and the UK. The divergence of monetary policies in major advanced economies of global nations is expected to continue to contribute partly to the volatility of fund and trade flows and that of asset prices in Hong Kong, the PRC, the USA and the UK.

In particular, the potential impact on economic activities and real estate prices is also affected by political and economic developments in Hong Kong, the PRC, the USA and the UK. The long term business and profitability growth of the Group is expected to continue to be affected by the changes in macro-economic variables, including unemployment rates, real gross domestic product growth, consumer and asset price indexes and credit demand, and also qualitative factors such as political and economic policy developments of Hong Kong, the PRC, the USA and the UK.

RESULTS AND APPROPRIATION

The Group’s profit for the year ended 31 December 2018 and the Group’s financial position at that date are set out in the consolidated financial statements on pages 160 to 163.

董事局(「董事局」)謹此提呈其報告書以及國銳地產有限公司(「本公司」)及其附屬公司(統稱為「本集團」)截至二零一八年十二月三十一日止年度之經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股。本集團主要於中國、美國及英國從事物業發展及投資，以及在中國北京及河北省提供物業管理服務。附屬公司主要業務之詳情載於綜合財務報表附註1內。

主要風險及不確定因素

本集團的主要業務活動面臨多項重大風險，包括信貸風險、利率風險、流動資金風險、營運風險及市場風險。

於本年度內，本集團的業務及收益率增長受香港、中國、美國及英國宏觀經濟狀況波動及不確定之影響。預期全球主要發達經濟體貨幣政策的分歧仍將為資金及貿易往來以及香港、中國、美國及英國資產價格波動的部分因素。

尤其是，對經濟活動及房地產價格的潛在影響亦受香港、中國、美國及英國政治及經濟發展之影響。預計本集團長期業務及收益率增長將持續受失業率、實際國內生產總值增長、消費者及資產價格指數及信貸需求等宏觀經濟變量變動以及香港、中國、美國及英國政治及經濟政策發展等定性因素的影響。

業績及利潤分配

本集團截至二零一八年十二月三十一日止年度之利潤及本集團於當天之財務狀況，載於綜合財務報表第160頁至第163頁。

REPORT OF THE DIRECTORS 董事局報告書

The Board did not recommend the payment of final dividend for the Year (2017: Nil). No interim dividend was declared for the Year (2017: Nil).

BUSINESS REVIEW

Business review of the Group for the year ended 31 December 2018 has been stated in Chairman's Statement on pages 4 to 6 and Management Discussion and Analysis on pages 7 to 27.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The environmental policies and performance of the Group are set out in Environmental, Social and Governance Report on page 28 to 77.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

An account of the key relationships of the Group with its employees, customers and suppliers is contained in the Environmental, Social and Governance Report on page 28 to 77.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and equity of the Group for the last five financial years/period, as extracted from the audited consolidated financial statements for the year ended 31 December 2018 and the annual report of the Company for the year ended 31 December 2017 are set out on pages 291 to 292. This summary does not form part of the audited consolidated financial statements.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance. The Group has been allocating system and staff resources to ensure ongoing compliance with rules and regulations and to maintain strong working relationships with regulators through effective communications. During the year ended 31 December 2018, the Board is not aware of any material non-compliance with the relevant laws and regulations that had a significant impact on the Group.

董事局並無建議派付本年度末期股息(二零一七年：無)。概無於本年度派發中期股息(二零一七年：無)。

業務回顧

本集團截至二零一八年十二月三十一日止年度之業務回顧載於第4頁至第6頁「主席報告」以及第7頁至第27頁「管理層討論及分析」。

環境政策及表現

本集團的環境政策及表現載於第28頁至77頁的環境、社會及管治報告內。

與僱員、客戶及供應商的主要關係

本集團與其僱員、客戶及供應商的主要關係的賬目載於第28頁至第77頁的環境、社會及管治報告。

財務資料概要

本集團過去五個財政年度／期間之已刊發業績以及資產、負債和權益的概要(節錄自本公司截至二零一八年十二月三十一日止年度之經審核綜合財務報表及截至二零一七年十二月三十一日止年度之年報)，載於第291頁至第292頁。此概要並不構成經審核綜合財務報表的一部分。

遵守相關法律及法規

本集團明白遵守監管規定的重要性及不合規的風險。本集團一直分配系統及人力資源確保持續遵守規則及法規以及透過有效溝通維持與監管機構的穩固工作關係。於截至二零一八年十二月三十一日止年度，董事局並不知悉任何嚴重違反對本集團產生重大影響的相關法律及法規的情況。

SHARE CAPITAL

Details of movement in the Company's share capital during the year is set out in note 31 to the consolidated financial statements.

On 18 January 2018, the Company allotted and issued 95,446,723 new ordinary shares pursuant to the exercise of the conversion rights attached to the convertible bonds in the principal amount of HK\$86,856,518.44 at the issue price of HK\$0.91 per share. Based on the market price of the Company's shares of HK\$1.105 as at 18 January 2018, the share capital of the Company was increased by approximately HK\$105,468,628 as a result of the issuance of 95,446,723 new ordinary shares.

On 22 February 2018, the Company allotted and issued to not less than six allottees (who are independent third parties) 179,484,147 new ordinary shares pursuant to the subscription agreements all dated 26 January 2018 in the principal amount of HK\$179,484,147 at the issue price of HK\$1.00 per share. The net issue price was approximately HK\$1.00 per share. The closing price of the Company's shares on 26 January 2018 was HK\$1.08. Based on the market price of the Company's shares of HK\$0.996 as at 22 February 2018, the share capital of the Company was increased by approximately HK\$178,766,210 as a result of the issuance of 179,484,147 new ordinary shares. The proceeds raised through the subscription were used to repay loans and as general working capital of the Group.

On 24 July 2018, the Company allotted and issued 910,932,662 ordinary shares pursuant to the open offer at the issue price of HK\$0.80 per share. Based on the market price of the Company's shares of HK\$0.82 as at 24 July 2018, the share capital of the Company was increased by approximately HK\$746,964,782 as a result of the issuance of 910,932,662 new ordinary shares. Please refer to page 7 of this report for further detail regarding the open offer.

股本

本公司股本及可轉換債券於本年度內之變動詳情，分別載於綜合財務報表附註31內。

於二零一八年一月十八日，本公司根據發行價為每股0.91港元之本金額為86,856,518.44港元行使可換股債券所附之轉換權，配發及發行95,446,723股新普通股。根據本公司於二零一八年一月十八日的股份市價1.105港元，本公司股本因發行95,446,723股新普通股而增加約105,468,628港元。

於二零一八年二月二十二日，本公司根據二零一八年一月二十六日發行價為每股1.00港元之認購協議的本金額為179,484,147港元，向不少於六名承配人(均為獨立第三方)配發及發行179,484,147股新普通股。每股股份之淨發行價約為1.00港元。本公司股份於二零一八年一月二十六日的收市價為1.08港元。根據本公司於二零一八年二月二十二日的股份市價0.996港元，本公司股本因發行179,484,147股新普通股而增加約178,766,210港元。通過認購籌集的所得款項用於償還貸款以及作為本集團的一般營運資金。

於二零一八年七月二十四日，本公司根據公開發售每股股份之發售價0.80港元配發及發行910,932,662股普通股。根據本公司於二零一八年七月二十四日的股份市價0.82港元，本公司股本因發行910,932,662股新普通股而增加約746,964,782港元。有關公開發售的進一步詳情，請參閱本報告第7頁。

REPORT OF THE DIRECTORS 董事局報告書

On 17 August 2018, the Company completed the first completion with the acquisition of 95% of the share capital of Wise Expert Investment Limited, at a consideration of HK\$1,464,254,000, from Winluck Global Limited (a company wholly-owned by Mr. Wei Chunxian) and Silky Apex Limited (a company wholly-owned by Mr. Sun Zhongmin). The consideration was paid as to HK\$361,260,800 by the allotment and issue of 451,576,000 consideration shares at the issue price of HK\$0.80 per consideration share and the remaining HK\$1,102,993,200 by the issue of convertible bonds in the principal amount of HK\$1,102,993,200 convertible into 1,378,741,500 shares at the initial conversion price of HK\$0.80 per convertible share. By way of a summary, the conversion rights underlying the convertible bonds may be exercised provided that any such conversion (i) does not trigger general offer obligations under the Takeovers Code on the part of the bondholder or parties acting in concert with it; (ii) does not result in the public float of the Shares being less than 25% or such other percentages as the Listing Rules may prescribe, and that the relevant bondholder complies with the procedures set out in the conditions to the convertible bonds. Based on the market price of the Company's shares of HK\$0.82 as at 17 August 2018, the share capital of the Company was increased by HK\$370,292,320 as a result of the issuance of 451,576,000 consideration shares.

On 3 September 2018, the Company allotted and issued 7,500,000 new shares pursuant to the exercise of the conversion rights attached to the convertible bonds in the principal amount of HK\$6,000,000 at the issue price of HK\$0.80 per share. Based on the market price of the Company's shares of HK\$0.80 as at 3 September 2018, the share capital of the Company was increased by HK\$6,000,000 as a result of the issuance of 7,500,000 new shares.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

於二零一八年八月十七日，本公司自 Winluck Global Limited (一間由魏純暹先生全資擁有的公司) 及 Silky Apex Limited (一間由孫仲民先生全資擁有的公司) 處收購 Wise Expert Investment Limited 95% 的股本，收購代價為 1,464,254,000 港元。代價乃透過按每股代價股份發行價 0.80 港元配發及發行 451,576,000 股代價股份支付 361,260,800 港元，及透過按初始轉換價每股可轉換股份 0.80 港元發行可轉換為 1,378,741,500 股股份本金額為 1,102,993,200 港元的可轉換債券支付餘下 1,102,993,200 港元。作為總結，可轉換債券的轉換權可以行使，條件為任何該等轉換 (i) 不會觸發債券持有人或與其一致行動者根據收購守則承擔的全面要約責任；(ii) 不會導致股份的公眾持股量少於 25% 或上市規則所規定的其他百分比，且相關債券持有人須遵守可換股債券條件所載的程序。基於本公司股份於二零一八年八月十七日 0.82 港元的市價，本公司股本因發行 451,576,000 股代價股份而增加 370,292,320 港元。

於二零一八年九月三日，本公司根據發行價為每股股份 0.80 港元之本金額為 6,000,000 港元行使可換股債券所附之轉換權，配發及發行 7,500,000 股新股份。根據本公司於二零一八年九月三日的股份市價 0.80 港元，本公司股本因發行 7,500,000 股新股而增加 6,000,000 港元。

購買、贖回或出售本公司上市證券

於本年度內，本公司或其任何附屬公司概無購買、贖回或出售任何本公司上市證券。

DISTRIBUTABLE RESERVES

The Company had no reserve available for cash distribution/ or distribution in specie as at 31 December 2018 in accordance with the provisions of section 291, 297 and 299 of the Hong Kong Companies Ordinance.

Movements of the reserves in the Group and the Company during the Year are set out on page 270 and in Note 34 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2018 and 2017, less than 30% of the Group's revenue was attributable to the Group's five largest customers, and less than 30% of the Group's purchases were attributable to the Group's five largest suppliers.

During the year ended 31 December 2018, the Group has related party transactions with related companies (as disclosed in the note 39 to the consolidated financial statements), including 北京國銳房地產有限公司, 顯世中鴻科技發展有限公司及北京國隆置業有限公司, which are controlled by Mr. Wei Chunxian and Mr. Sun Zhongmin, directors of the Company. These related companies are top 5 customers of the Group.

Except as disclosed per above, none of the Directors of the Company, or any of their close associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's top five customers and suppliers.

CHARITABLE DONATIONS

During the year ended 31 December 2018 and 2017, the Group did not make any charitable donations.

DIRECTORS

The Directors of the Company during the Year were:

Executive directors:

Mr. Wei Chunxian (*Chairman*)
Ms. Liu Shuhua (*Chief Executive Officer*)
Mr. Sun Zhongmin

可供分派儲備

於二零一八年十二月三十一日，根據香港《公司條例》第291、297及299條之條文，本公司並無儲備可供用作現金分發及／或實物分發。

本集團及本公司於本年度內的儲備變動載於第270頁及綜合財務報表附註34中。

主要客戶及供應商

於截至二零一八年及二零一七年十二月三十一日止年度內，本集團五個最大的客戶所佔本集團收入的百分比少於30%，而本集團五個最大的供應商所佔本集團的購貨額百分比少於30%。

截至二零一八年十二月三十一日止年度，本集團與關連公司有關聯方交易（誠如綜合財務報表附註39所披露），包括北京國銳房地產有限公司、顯世中鴻科技發展有限公司及北京國隆置業有限公司，彼等由本公司之董事魏純暹先生及孫仲民先生控制。該等關連公司乃為本集團的五大客戶。

除上文披露者外，概無本公司董事或任何彼等各自之緊密聯繫人或任何股東（據董事所知擁有5%以上的本公司已發行股本者）在本集團五個最大客戶及五個最大供應商中擁有任何實益權益。

慈善捐贈

截至二零一八年及二零一七年十二月三十一日止年度，本集團並無作出任何慈善捐贈。

董事

於本年度內，本公司董事如下：

執行董事：

魏純暹先生（主席）
劉淑華女士（行政總裁）
孫仲民先生

REPORT OF THE DIRECTORS

董事局報告書

Independent non-executive directors:

Mr. Tung Woon Cheung Eric

Mr. Au Yeung Po Fung

Ms. To Tsz Wan Vivien

(appointed on 14 February 2018)

Mr. Chui Tsan Kit

(resigned on 14 February 2018)

In accordance with Articles 81 and 83 of the Company's Articles of Association, Mr. Wei Chunxian and Mr. Sun Zhongmin will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The Company has received written annual confirmations of independence from all independent non-executive directors and as at the date of this report all of them are considered to be independent.

BOARD CHANGES AND CHANGES IN DIRECTORS' INFORMATION

Information required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") is set out as follows:

Board changes

On 14 February 2018:

- Ms. To Tsz Wan Vivien succeeded Mr. Chui Tsan Kit to act as independent non-executive director of the Company.

DIRECTORS' BIOGRAPHIES

The biographical details of the directors of the Company are set out on pages 78 to 82 of this annual report.

DIRECTORS' SERVICE CONTRACTS

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

獨立非執行董事：

董煥樟先生

歐陽寶豐先生

杜紫雲女士

(於二零一八年二月十四日獲委任)

徐燦傑先生

(於二零一八年二月十四日辭任)

遵照本公司之組織章程細則第81條及第83條規定，魏純暹先生及孫仲民先生於即將召開之股東週年大會上退任，而彼等各自均符合資格並願意膺選連任。

本公司已收到各獨立非執行董事有關其獨立身份之書面年度確認，於本報告日期，本公司認為彼等確屬獨立人士。

董事局變動及董事資料變動

根據香港聯合交易所有限公司證券上市規則(「上市規則」)第13.51B(1)條須披露的資料載列如下：

董事局變動

於二零一八年二月十四日：

- 杜紫雲女士接替徐燦傑先生擔任本公司獨立非執行董事。

董事履歷

本公司董事之履歷詳情載於本年度報告第78頁至第82頁。

董事之服務合約

擬在下次股東週年大會上重選連任之董事均無與本公司訂立本集團在一年內不可在不予賠償(法定賠償除外)的情況下終止之服務合約。

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to directors' duties, responsibilities and performance and the results of the Group as well as the recommendation of the Remuneration Committee.

Further details of the Company's Remuneration Committee are set out in the corporate governance report on pages 100 to 101 of this annual report.

DIRECTORS OF SUBSIDIARIES

Other than the directors named under the paragraph headed "DIRECTORS" above, the persons who have served on the boards of the subsidiaries of the Company as at 31 December 2018 and up to the date of this report included Mr. Chen Gang and Ms. Huang Fei.

EMOLUMENT POLICY

The emolument of each of the directors and the employees of the Group is on the basis of their merit, qualification, competence and experience in the industry, the profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions, executive directors and employees also participate in bonus arrangements which are determined in accordance with the performance of the Group and the individual's performance.

PERMITTED INDEMNITY PROVISION

Article 137 of the Company's Articles of Association provides that every Director, executive Director, manager, secretary, officer and auditor of the Company shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, executive Director, manager, secretary, officer and auditor in defending any proceedings, whether civil or criminal, to the extent permitted by the Companies Ordinance. The Company has also maintained Directors and officers liability insurance during the Year.

董事薪酬

董事袍金須獲得股東在股東大會上批准，方可作實。其他薪酬由本公司董事局經參考董事職責、責任及表現及本集團業績以及薪酬委員會之建議後釐定。

有關本公司薪酬委員會之進一步詳情，載於本年報企業管治報告第100頁至第101頁。

附屬公司董事

除上文「董事」一段內所載之董事外，於二零一八年十二月三十一日及截至本報告日期，擔任本公司附屬公司董事者包括陳崗先生及黃菲女士。

薪酬政策

董事及本集團僱員各自之薪酬乃根據其才幹、資歷、能力及行業經驗、本集團之利潤以及其他本地及國際公司之薪酬標準及當前市場狀況而釐定。執行董事及僱員亦可參與獎金安排，其根據本集團表現及個人表現釐定。

獲准許彌償條文

本公司組織章程細則第137條規定，本公司每名董事、執行董事、經理、秘書、高級職員及核數師須就彼作為董事、執行董事、經理、秘書、高級職員及核數師對任何訴訟程序（無論民事或刑事）抗辯而產生的所有責任從本公司資金獲得彌償，惟須獲公司條例批准。本公司亦於本年度內購買董事及高級職員責任保險。

REPORT OF THE DIRECTORS

董事局報告書

MANAGEMENT CONTRACTS

Other than the service contracts of the Directors, the Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company during the Year.

REMUNERATION PAYABLE TO THE MEMBERS OF SENIOR MANAGEMENT BY BAND

Pursuant to Code Provision B.1.5 of the CG Code, for the remuneration payable to the members of the senior management by band for the Year, please refer to Directors' emoluments and the five highest paid employees, as required to be disclosed pursuant to Appendix 16 to the Listing Rules, in notes 9 and 10 respectively to the consolidated financial statements.

DIRECTORS' INTERESTS IN CONTRACTS AND CONTRACT OF SIGNIFICANCE

Details of the continuing connected transactions and significant related party transactions are disclosed in this report and in note 39 to the consolidated financial statement. Save for the above, no director nor a connected entity of a director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the holding companies of the Company, or any of the Company's subsidiaries or fellow subsidiaries was a party during the year.

管理合約

除與董事訂立的服務合約外，本公司並未與任何個人、公司或法團訂立任何合約以管理或執行本公司年內任何業務的全部或任何重要部分。

應付高級管理層成員薪酬範圍

根據企業管治守則守則條文第B.1.5條，有關本年度應付高級管理層成員薪酬範圍，請參閱根據上市規則附錄16分別於綜合財務報表附註9及10披露的董事薪酬及五位最高薪僱員。

董事於合約及重大合約中之權益

有關持續關連交易及重大關聯方交易之詳情載在本報告及綜合財務報表附註39內披露。除上文所述者外，在本年度內，概無董事或董事的有關連實體在由本公司控權公司或本公司的任何附屬公司或同系附屬公司訂立的、就本集團的業務而言屬重大的任何交易、安排或合約中，有直接或間接的具相當分量的利害關係。

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

At 31 December 2018, the interests and short positions of the directors and the chief executive and their associates in the shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (a) which 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 they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

(a) Interest in Shares

| Name of Director | Capacity | Number of Shares held | Number of underlying Shares | Approximate percentage of issued share capital |
|---------------------------|---|---|--|--|
| 董事姓名 | 身份 | 持有股份數目 | 相關股份數目 | 佔本公司已發行股本之概約百分比 (%) |
| Mr. Sun Zhongmin 孫仲民先生 | Beneficial owner 實益擁有人 | 136,752,350 (L) | 116,586,735 (Note 3) (附註3) | 7.94% |
| | Interest of controlled corporation 受控法團之權益 | | 8,669,925 (L) (Note 3) (附註3) | 0.27% |
| Mr. Wei Chunxian 魏純暹先生 | Interest of controlled corporation 受控法團之權益 | 2,246,160,464 (L) (Notes 1 and 2) (附註1及2) | 1,342,317,340 (L) (Note 3) (附註3) | 112.43% |
| Ms. Liu Shuhua 劉淑華女士 | Beneficial owner 實益擁有人 | | 5,020,500 (L) | 0.16% |

(L) denotes long position

(L) 代表好倉

董事及最高行政人員於股份及相關股份之權益及淡倉

於二零一八年十二月三十一日，董事及最高行政人員以及彼等之聯繫人士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）之股份中擁有：(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例之該等條文被當作或被視作擁有之權益或淡倉）；或(b)根據證券及期貨條例第352條須予記入該條文所述登記冊之權益及淡倉；或(c)根據聯交所證券上市規則（「上市規則」）內所載上市發行人董事進行證券交易之標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：

(a) 股份權益

REPORT OF THE DIRECTORS

董事局報告書

Note 1: 1,434,421,537 shares are held by Wintime Company Limited. Wintime Company Limited is a wholly-owned subsidiary of Winluck Global Limited. The entire issued share capital of Winluck Global Limited is beneficially owned by Mr. Wei Chunxian. Each of Winluck Global Limited and Mr. Wei Chunxian is deemed to be interested in the shares held by Wintime Company Limited under the SFO.

Note 2: 811,738,927 shares are held by Gang Rui International Investment (HK) Limited. Gang Rui International Investment (HK) Limited is owned as to 90% and 10% by Beijing Guo Rui Real Estate Development Co. Limited* (北京國銳房地產開發有限公司) and Future Glow Ventures Inc. respectively. Future Glow Ventures Inc. is wholly-owned by an independent third party. Beijing Guo Rui Real Estate Development Co. Limited* (北京國銳房地產開發有限公司) is wholly-owned by Beijing Guorui Holdings Co. Limited* (北京國銳控股有限公司) which in turn is indirectly owned by Mr. Wei Chunxian and Mr. Sun Zhongmin as to approximately 91% and 9%, respectively. Each of Beijing Guo Rui Real Estate Development Co. Limited* (北京國銳房地產開發有限公司), Beijing Guorui Holdings Co. Limited* (北京國銳控股有限公司) and Mr. Wei Chunxian is deemed to be interested in the Shares held by Gang Rui International Investment (HK) Limited under the SFO.

Note 3: Pursuant to an agreement entered into between the Company and the vendors (Winluck Global Limited and Silky Apex Limited) dated 30 May 2018, the consideration for the purchase and sale of the entire issued share capital of the Wise Expert Investment Limited shall be HK\$1,541,320,000, which shall be settled (a) as to HK\$361,260,800 by the allotment and issuance of 410,934,160 new shares to Winluck Global Limited (or to its designated nominee(s)) and 40,641,840 new Shares to Silky Apex Limited (or to its designated nominee(s)), by the Company pursuant to the payment schedule under the agreement; and (b) as to the balance of HK\$1,180,059,200, by the issuance of the convertible bonds at an initial conversion price of HK\$0.80 per conversion share in the aggregate principal amount of HK\$1,073,853,872 (i.e. equivalent to 1,342,317,340 conversion shares) to Winluck Global Limited (or to its designated nominee(s)) and HK\$106,205,328 (i.e. equivalent to 132,756,660 conversion shares) to Silky Apex Limited (or to its designated nominee(s)), by the Company pursuant to the payment schedule under the agreement.

附註 1: 該1,434,421,537股股份由Wintime Company Limited持有。Wintime Company Limited為Winluck Global Limited之全資附屬公司。Winluck Global Limited之全部已發行股本由魏純暹先生實益擁有。根據證券及期貨條例，Winluck Global Limited與魏純暹先生各自被視為於Wintime Company Limited所持有之股份中擁有權益。

附註 2: 該811,738,927股股份由港銳國際投資(香港)有限公司持有。港銳國際投資(香港)有限公司由北京國銳房地產開發有限公司及Future Glow Ventures Inc.分別擁有90%及10%權益。Future Glow Ventures Inc.由獨立第三方全資擁有。北京國銳房地產開發有限公司由北京國銳控股有限公司全資擁有，而北京國銳控股有限公司由魏純暹先生及孫仲民先生分別間接擁有約91%及9%權益。根據證券及期貨條例，北京國銳房地產開發有限公司、北京國銳控股有限公司與魏純暹先生各自被視為於港銳國際投資(香港)有限公司所持有之股份中擁有權益。

附註 3: 根據本公司及賣方(Winluck Global Limited及Silky Apex Limited)所訂立日期為二零一八年五月三十日之協議，買賣Wise Expert Investment Limited全部已發行股本之代價為1,541,320,000港元，(a)其中361,260,800港元須由本公司根據該協議下之付款時間表向Winluck Global Limited(或其指定提名人)及Silky Apex Limited(或其指定提名人)分別配發及發行410,934,160股新股份及40,641,840股新股份；及(b)結餘1,180,059,200港元須由本公司根據該協議下之付款時間表按每股兌換股份0.80港元之初步兌換價分別向Winluck Global Limited(或其指定提名人)及Silky Apex Limited(或其指定提名人)發行本金總額為1,073,853,872港元(即相等於1,342,317,340股兌換股份)及106,205,328港元(即相等於132,756,660股兌換股份)之可換股債券之方式支付。

(b) Interests in associated corporations

(b) 聯營公司權益

| Name of the member of the Group 本集團成員名稱 | Name of shareholder 股東名稱 | Approximate percentage of equity interest 股權概約百分比 |
|---|---|--|
| Ruilai Recreational Fitness Company Limited* (北京銳萊康體健身有限公司) 北京銳萊康體健身有限公司 | Xinrong (Beijing) Investment Fund Management Company Limited* (鑫隆(北京)投資基金管理有限公司) (Note) 鑫隆(北京)投資基金管理有限公司(附註) | 20% |

Note: Xinrong (Beijing) Investment Fund Management Company Limited* (鑫隆(北京)投資基金管理有限公司) is a company established in the PRC and indirectly wholly-owned as to 91% by a close associate of Mr. Wei Chunxian and as to 9% by Mr. Sun Zhongmin. Accordingly, Mr. Wei Chunxian is therefore deemed to be interested in the 20% equity interest in Ruilai Recreational Fitness Company Limited.

附註：鑫隆(北京)投資基金管理有限公司為一間於中國成立之公司，且由魏純暹先生之緊密聯繫人間接全資擁有91%的權益及由孫仲民先生間接全資擁有9%的權益。因此，魏純暹先生被視為於北京銳萊康體健身有限公司擁有20%的股權。

The English names of Chinese entities marked with "*" are translations of their Chinese names and are included for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.

中國實體帶有「*」的英文名稱為其中文名稱的英譯本，僅供識別，不得視為其官方英文名稱。如有歧義，以中文名稱為準。

Save as disclosed above, as at 31 December 2018, none of the directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (a) which 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 they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

除上文所披露者外，於二零一八年十二月三十一日，本公司董事及最高行政人員概無於本公司及其相關法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證中擁有或被視作擁有：(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之任何權益或淡倉(包括根據證券及期貨條例之該等條文被當作或被視作擁有之權益或淡倉)；或(b)根據證券及期貨條例第352條須予記入該條文所述登記冊之任何權益或淡倉；或(c)根據上市規則內所載上市發行人董事進行證券交易之標準守則須知會本公司及聯交所之任何權益或淡倉。

REPORT OF THE DIRECTORS

董事局報告書

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

To the best of the directors' knowledge, as at 31 December 2018, the following persons (not being directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

主要股東及其他人士於股份及相關股份之權益及淡倉

就董事所知，於二零一八年十二月三十一日，以下本公司董事或最高行政人員以外的人士，在股份及相關股份中擁有或被視為擁有權益或淡倉，而此等權益或淡倉根據《證券及期貨條例》第XV部第2及第3分部須向本公司及聯交所披露，或一如本公司根據《證券及期貨條例》第336條而備存的登記冊所載錄者：

LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY:

於本公司股份及相關股份之好倉：

| Name | Number of Shares (ordinary share) | Capacity | Percentage of Issued Share Capital (approximately) 佔已發行股本 百分比(概約) |
|---|--------------------------------------|--|--|
| 名稱 | 股份數目(普通股) | 身份 | |
| Wintime Company Limited (Note 1) Wintime Company Limited (附註1) | 2,689,076,302 (L) | Beneficial owner 實益擁有人 | 84.25% |
| Winluck Global Limited (Note 2) Winluck Global Limited (附註2) | 2,689,076,302 (L) | Beneficial Interest held by controlled corporation 受控法團持有之實益權益 | 84.25% |
| Gang Rui International Investment (HK) Limited (Note 3) 港銳國際投資(香港)有限公司 (附註3) | 811,738,927 (L) | Beneficial owner 實益擁有人 | 25.43% |
| Beijing Guorui Real Estate Development Co., Ltd (Note 4) 北京國銳房地產開發有限公司 (附註4) | 811,738,927 (L) | Beneficial interest held by controlled corporation 受控法團持有之實益權益 | 25.43% |
| Beijing Guorui Holdings Co., Ltd (Note 5) 北京國銳控股有限公司(附註5) | 811,738,927 (L) | Beneficial interest held by controlled corporation 受控法團持有之實益權益 | 25.43% |
| Beijing Wanzecheng Investment Consulting Center (Note 6) 北京萬澤誠投資顧問中心(附註6) | 811,738,927 (L) | Beneficial interest held by controlled corporation 受控法團持有之實益權益 | 25.43% |

Note 1: As at 31 December 2018, Wintime Company Limited holds 2,689,076,302 shares directly.

附註1：於二零一八年十二月三十一日，Wintime Company Limited直接持有2,689,076,302股股份。

Note 2: Winluck Global Limited is deemed to be interested in the 2,689,076,302 shares by virtue of its controlling interests in its wholly-owned subsidiary, Wintime Company Limited.

附註2：由於其全資附屬公司Wintime Company Limited的控股權益，Winluck Global Limited被視為於2,689,076,302股股份中擁有權益。

Pursuant to an agreement entered into between the Company and the vendors (Winluck Global Limited and Silky Apex Limited) dated 30 May 2018, the consideration for the purchase and sale of the entire issued share capital of the Wise Expert Investment Limited shall be HK\$1,541,320,000, which shall be settled (a) as to HK\$361,260,800 by the allotment and issuance of 410,934,160 new shares to Winluck Global Limited (or to its designated nominee(s)) and 40,641,840 new Shares to Silky Apex Limited (or to its designated nominee(s)), by the Company pursuant to the payment schedule under the agreement; and (b) as to the balance of HK\$1,180,059,200, by the issuance of the convertible bonds at an initial conversion price of HK\$0.80 per conversion share in the aggregate principal amount of HK\$1,073,853,872 (i.e. equivalent to 1,342,317,340 conversion shares) to Winluck Global Limited (or to its designated nominee(s)) and HK\$106,205,328 (i.e. equivalent to 132,756,660 conversion shares) to Silky Apex Limited (or to its designated nominee(s)), by the Company pursuant to the payment schedule under the agreement.

根據本公司及賣方(Winluck Global Limited及Silky Apex Limited)所訂立日期為二零一八年五月三十日之協議，買賣Wise Expert Investment Limited全部已發行股本之代價為1,541,320,000港元，(a)其中361,260,800港元須由本公司根據該協議下之付款時間表向Winluck Global Limited(或其指定提名人)及Silky Apex Limited(或其指定提名人)分別配發及發行410,934,160股新股份及40,641,840股新股份；及(b)結餘1,180,059,200港元須由本公司根據該協議下之付款時間表按每股兌換股份0.80港元之初步兌換價分別向Winluck Global Limited(或其指定提名人)及Silky Apex Limited(或其指定提名人)發行本金總額為1,073,853,872港元(即相等於1,342,317,340股兌換股份)及106,205,328港元(即相等於132,756,660股兌換股份)之可換股債券之方式支付。

As at 31 December 2018, Mr. Wei Chunxian is deemed to be interested in the 1,434,421,537 shares and is interested in the 1,254,654,765 conversion shares by virtue of his entire indirect equity interests in Wintime Company Limited. Mr. Wei Chunxian is also deemed to be interested in the 87,662,575 conversion shares by virtue of his entire equity interests in Winluck Global Limited.

於二零一八年十二月三十一日，由於魏純暉先生間接擁有Wintime Company Limited的全部股權，故其被視為於1,434,421,537股股份及1,254,654,765股轉換股份中擁有權益。由於魏純暉先生擁有Winluck Global Limited的全部股權，故其亦被視為於87,662,575股轉換股份中擁有權益。

Note 3: As at 31 December 2018, Gang Rui International Investment (HK) Limited is owned as to 90% and 10% by Beijing Guo Rui Real Estate Development Company Limited* (北京國銳房地產開發有限公司) and Future Glow Ventures Inc. respectively. Future Glow Ventures Inc. is wholly-owned by an independent third party.

附註3：於二零一八年十二月三十一日，港銳國際投資(香港)有限公司由北京國銳房地產開發有限公司及Future Glow Ventures Inc.分別擁有90%及10%權益。Future Glow Ventures Inc.由獨立第三方全資擁有。

REPORT OF THE DIRECTORS 董事局報告書

Note 4: As at 31 December 2018, Beijing Guorui Real Estate Development Company Limited* (北京國銳房地產開發有限公司) is a wholly-owned subsidiary of Beijing Guorui Holdings Company Limited* (北京國銳控股有限公司).

Note 5: As at 31 December 2018, Beijing Guorui Holdings Company Limited* (北京國銳控股有限公司) is owned as to 91% and 9% by Beijing Wanzecheng Investment Consulting Center* (北京萬澤誠投資顧問中心) and Beijing Zhongbomin Investment Consulting Center* (北京眾博民投資顧問中心) respectively.

Note 6: As at 31 December 2018, Beijing Wanzecheng Investment Consulting Center* (北京萬澤誠投資顧問中心) a wholly-owned by Mr. Wei Chunxian, a director of the Company.

As at 31 December 2018, Mr. Wei Chunxian is deemed to be interested in 811,738,927 shares held by Gang Rui International Investment (HK) Limited under the SFO.

Save as disclosed above, at 31 December 2018, the directors and the chief executive of the Company were not aware of any other person (other than the directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

附註4: 於二零一八年十二月三十一日，北京國銳房地產開發有限公司為北京國銳控股有限公司之全資附屬公司。

附註5: 於二零一八年十二月三十一日，北京國銳控股有限公司由北京萬澤誠投資顧問中心及北京眾博民投資顧問中心分別擁有91%及9%權益。

附註6: 於二零一八年十二月三十一日，北京萬澤誠投資顧問中心由本公司董事魏純暹先生全資擁有。

於二零一八年十二月三十一日，根據證券及期貨條例，魏純暹先生被視為於港銳國際投資(香港)有限公司所持有之811,738,927股股份中擁有權益。

除上文所披露者外，於二零一八年十二月三十一日，本公司董事及最高行政人員不知悉任何其他本公司董事或最高行政人員以外的人士，在股份及相關股份中擁有或被視為擁有權益或淡倉，而此等權益或淡倉根據《證券及期貨條例》第XV部第2及第3分部須向本公司及聯交所披露，或一如本公司根據《證券及期貨條例》第336條而備存的登記冊所載錄者。

SHARE OPTIONS

On 7 November 2016, the Company conditionally adopted the Share Option Scheme, pursuant to which the Board may, at its discretion, grant options to any Directors and any employee of the Company or the Group or any person, who, in the absolute opinion of the Board, have contributed or will contribute to the Company or the Group. The purpose of the Share Option Scheme is to (i) incentivise and reward those who have contributed or may contribute to the development of the Group; and (ii) attract and retain skilled and experienced personnel and motivate them to strive for the future development of the Group by providing them with an opportunity to acquire proprietary interests in the Company thereby linking their interest with that of the Group. Unless otherwise determined by the Board in the relevant offer letter to a grantee, there is no minimum period for which any share option (“Option”) must be held before it can be exercised and no performance target which needs to be achieved by a grantee before the options can be exercised. Under the Share Option Scheme, the Board will have absolute discretion in determining the subscription price (subject to the Listing Rules) in respect of any Option. The Board is of the view that the flexibility given to the Board will place the Group in a better position to incentivise or reward the Participants and retain human resources that are valuable to the growth and development of the Group as a whole.

The subscription price shall be such price determined by the Board in its absolute discretion and notified to the Participant in the offer and shall be at least the higher of (i) the closing price of a share as stated in the daily quotations sheet issued by the Stock Exchange on the date of offer of the grant; and (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of the grant. The consideration payable for acceptance of the option by each Participant is HK\$1.00 which shall be received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from, and inclusive of, the date of offer). If the Participant does not accept such grant of option pursuant to the procedures specified in the respective offer letter or notice within the stipulated time frame, such option shall be regarded as unaccepted and lapsed.

購股權

於二零一六年十一月七日，本公司有條件採納購股權計劃。據此，董事局可酌情向其全權認為對本公司或本集團作出或將作出貢獻之本公司或本集團或任何人士任何董事及任何僱員授予購股權。購股權計劃之目的是(i)鼓勵及嘉許對本集團發展曾作出貢獻或可能會作出貢獻的人士；及(ii)吸引及挽留具有技能及經驗的人員，透過提供收購本公司產權權益的機會激勵彼等努力為本集團未來發展付出，以便將其利益與本集團利益連成一陣線。除非董事局於寄予承授人之相關要約函件另有界定，任何購股權（「購股權」）在其可予行使前毋須持有最短期限，且承授人無需於購股權可予行使前達到任何表現目標。根據購股權計劃，董事局將擁有絕對酌情權釐定任何購股權之認購價（受上市規則所規限）。董事局認為，董事局獲授之靈活性將令本集團得以更好地激勵或獎勵參與者並挽留對本集團之整體增長及發展具有寶貴意義之人力資源。

認購價須為董事局全權酌情釐定之有關價格，並於要約時通知參與者，且不低於(i)聯交所於授出要約日期發出之每日報價表所示之每股收市價；及(ii)聯交所於緊接授出要約日期前五個營業日發出之每日報價表所示之股份平均收市價之較高者。各參與者接納購股權時應付之代價為1.00港元其將由本公司於要約可能註明的時間內接獲（不得遲於要約日期起計二十一日（包括當日））。倘參與者並無在指定時限內按照相關要約函件或通告上列明之程序接納有關授出購股權，則有關購股權須被視為不獲接納且失效。

REPORT OF THE DIRECTORS 董事局報告書

Following the refreshment of the scheme mandate limit by the shareholders of the Company at the annual general meeting dated 29 June 2018, and based on the 1,821,865,324 shares in issue at the same date, the maximum number of shares to be issued upon the exercise of options that may be granted under the Share Option Scheme are 182,186,532 shares, being 10% of the shares in issue as at the date of refreshment of the scheme mandate limit. Pursuant to Rule 17.03 of the Listing Rules, the total number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme must not, in aggregate, exceed 10% of the shares in issue as at the date of approval of the scheme mandate limit. The Board shall not grant any options which would result in the maximum aggregate number of shares which may be issued upon exercise of all outstanding options granted but yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Company exceeding, in aggregate, 30% of the shares in issue from time to time. The total number of shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company to each Participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue (the "Individual Limit"). Any further grant of options to a Participant which would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such Participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to approval of the Shareholders in general meeting with such Participant and his close associates (or his associates if such Participant is a connected person) abstaining from voting. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof.

The Share Option Scheme will remain in force for a period of 10 years commencing from the date of adoption of the Share Option Scheme.

於本公司股東在日期為二零一八年六月二十九日之股東周年大會上更新計劃授權限額後，並根據同日已發行1,821,865,324股股份，根據購股權計劃可能授出之購股權獲行使後將予發行的最高股份數目為182,186,532股，佔於更新計劃授權限額日期之已發行股份的10%，按照上市規則第17.03條，根據購股權計劃將授出之所有購股權獲行使而可能發行之股份總數，合共不得超過本公司於批准購股權計劃當日已發行股份之10%。董事局不得授出任何購股權，導致根據購股權計劃及本公司採納之任何其他購股權計劃已授出但尚未行使之所有購股權獲行使而可能發行之股份最高數目合共超過不時已發行股份之30%。於任何12個月期間，根據本公司購股權計劃及任何其他購股權計劃向各參與者授出之購股權(包括已行使及尚未行使購股權)獲行使而發行及將予發行之股份總數，不得超過已發行股份總數之1% (「個人上限」)。如向某參與者進一步授出購股權，將導致於直至及包括該次進一步授出購股權當日止12個月期間，向及將向該參與者授出之全部購股權(包括已行使、已註銷及尚未行使購股權)獲行使而發行及將予發行之股份超過個人上限，則須經股東於股東大會上批准，而該參與者及其緊密聯繫人(或倘該參與者為關連人士，則其聯繫人)須於該股東大會上放棄投票。購股權可於董事局可能釐定而不得超過授出日期起計十年期間內，在有關提前終止條文之規限下隨時根據購股權計劃之條款行使。

購股權計劃有效日期自購股權計劃採納日期起計十年。

| Names | Nature of interest | Number of share options 購股權數目 | | | | | Outstanding at 31 December 2018 於二零一八年十二月三十一日 | Date of grant 授出日期 | Exercise period 行使期 | Exercise price per share (HK\$) 每股行使價 (港元) |
|------------------|--------------------|---|----------------|------------------|-----------------------------|--|--|------------------------------|------------------------|---|
| | | Outstanding 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 | Outstanding at 31 December 2018 於二零一八年十二月三十一日 | | | | |
| Directors | | | | | | | | | | |
| 董事 | | | | | | | | | | |
| Liu Shuhua | Personal | — | 5,020,500 | — | — | 5,020,500 | 20 June 2018 | 20 June 2018 to 19 June 2023 | 0.827 | |
| 劉淑華 | 個人 | | | | | | 於二零一八年六月二十日 | 二零一八年六月二十日至二零二三年六月十九日 | | |

On 20 June 2018, the Company granted 5,000,000 share options to Ms. Liu Shuhua, a director and the Chief Executive Officer of the Company under the share option scheme adopted by the Company on 7 November 2016, with exercise price of HK\$0.83. Following the completion of the open offer, the exercise price and the number of shares to be allotted and issued upon exercise in full of the subscription rights attaching to the outstanding options were adjusted to HK\$0.827 and 5,020,500 shares respectively, with effect from 24 July 2018.

於二零一八年六月二十日，本公司根據本公司於二零一六年十一月七日採納的購股權計劃按行使價為0.83港元向本公司董事兼行政總裁劉淑華女士授出5,000,000份購股權。公開發售完成後，尚未行使購股權附帶之認購權獲悉數行使時將予配發及發行股份之行使價調整為0.827港元，股份數目調整為5,020,500股，自二零一八年七月二十四日起生效。

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2018, the Group entered into certain transactions which constituted connected transaction(s) and continuing connected transactions (as defined in the Listing Rules) of the Company, the details of which are set out below.

The independent non-executive directors of the Company have reviewed and confirmed that the continuing connected transactions undertaken by the Group were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or better; and (c) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

關連交易及持續關連交易

於截至二零一八年十二月三十一日止年度內，本集團進行若干構成本公司關連交易及持續關連交易(按上市規則之定義)之交易，有關詳情載列如下。

本公司的獨立非執行董事已經審核本集團所進行之持續關連交易，並確認該等交易是：(a)在本集團的日常業務中訂立；(b)按照一般商務條款或更佳條款進行；及(c)根據有關交易的協議進行，條款公平合理，並且符合本公司股東的整體利益。

REPORT OF THE DIRECTORS

董事局報告書

The auditor of the Company has also confirmed that nothing has come to the auditor's attention that causes it to believe that the continuing connected transactions (a) have not been approved by the Board; (b) were not, in all material aspects, in accordance with the pricing policies of the Group; (c) were not entered into in accordance with the relevant agreements governing such transactions, in all material respects; and (d) have exceeded the respective caps as aforesaid, where applicable.

A. Continuing connected transactions subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules

During the year ended 31 December 2018, 北京澳西物業管理有限公司 (Beijing AOCEAN Property Management Company Limited* or "AOCEAN Property Management"), a wholly-owned subsidiary of the Company, provided heat supply and maintenance services to a total of 12,548 property units of Beijing Guorui Group (Note 1) with a total floor area of approximately 1,214,189 square metres.

On 20 October 2017, AOCEAN Property Management and Beijing Guorui Property (for itself and for an on behalf of the Beijing Guorui Group)/Beijing Guorui Property (as the case may be) entered into new heat supply services agreement, new property management agreement and new Kingdom Guorui sales office management agreement, and upon such agreements having been approved by independent shareholders on 19 December 2017 and becoming effective on 1 January 2018, they superseded the original Beijing Guorui Property Heat Supply Services Agreement, Beijing Guolong Heat Supply Services Agreement, Beijing Guorui Property Management Agreement, Beijing Guolong Property Management Agreement and Kingdom Guorui Sales Office Management Agreement, originally all dated on 27 November 2015. For details of these new agreements, please refer to the announcements of the Company dated 20 October 2017 and the circular of the Company dated 24 November 2017.

本公司核數師亦已經確認，核數師並無注意到任何事情，可使他們認為有關持續關連交易：(a)並未獲董事局批准；(b)在各重大方面沒有按照本集團的定價政策進行；(c)在各重大方面沒有根據有關交易的協議進行；及(d)超逾上述各有關上限(如適用)。

A. 須遵守上市規則第十四A章有關申報、公告及獨立股東批准規定的持續關連交易

於截至二零一八年十二月三十一日止年度內，北京澳西物業管理有限公司(「澳西物業管理」)(其為本公司之全資附屬公司)為北京國銳(附註1)及北京國銳(附註1)合共12,548個物業單位(總樓面面積約1,214,189平方米)提供供暖及維修服務。

於二零一七年十月二十日，澳西物業管理及北京國銳(為其本身及代表北京國銳)／北京國銳(視屬何情況而定)訂立新供暖服務協議、新物業管理協議及新國銳•金嶺銷售辦事處管理協議，且該等協議已於二零一七年十二月十九日獲獨立股東批准並自二零一八年一月一日起生效後，彼等取代原定所有日期為二零一五年十一月二十七日之原北京國銳供暖服務協議、北京國隆供暖服務協議、北京國銳物業管理協議、北京國隆物業管理協議及國銳•金嶺銷售辦事處管理協議。有關該等新協議之詳情，請參閱本公司日期為二零一七年十月二十日之公告及本公司日期為二零一七年十一月二十四日之通函。

2018 New Heat Supply Services Agreement

二零一八年新供暖服務協議

| | | | |
|-------------------------|---|-------|--|
| Date: | 20 October 2017 | 日期： | 二零一七年十月二十日 |
| Parties: | (i) AOCEAN Property Management (ii) Beijing Guorui Property (for itself and for and on behalf of the Beijing Guorui Group) (Note 1) | 訂約方： | (i) 澳西物業管理 (ii) 北京國銳(為其本身及代表北京國銳集團) (附註1) |
| Term: | From 1 January 2018 to 31 December 2020 (both days inclusive) | 年期： | 自二零一八年一月一日至二零二零年十二月三十一日(包括首尾兩日) |
| Nature of Transactions: | <p>AOCEAN Property Management shall provide heat supply services to the members of Beijing Guorui Group. AOCEAN Property Management's responsibilities include (i) overseeing the daily operation and provision of repair and maintenance services of the heat exchange station and facilities and the pipeline network located in the property projects developed by Beijing Guorui Group, namely Fortune Street Phase One* (財滿街一期), Fortune Street Phase Two* (財滿街二期) and Rui City International Building* (銳城國際大廈) in Chaoyang District, Beijing, Kingdom Guorui* (國銳•金嶺) in Daxing District, Beijing, and North Garden* (北花園) at Gaobeidian, Chaoyang District, Beijing; and (ii) ensuring that the heat supply complies with governmental guidelines and standards, etc.</p> <p>AOCEAN Property Management charges the individual owners/tenants of the property units directly for those units which are occupied. The relevant members of the Beijing Guorui Group will be responsible for the fees of the vacant units or units occupied by Beijing Guorui Group within the aforesaid property projects</p> | 交易性質： | <p>澳西物業管理須向北京國銳集團成員公司提供供暖服務。澳西物業管理之責任包括：(i)監督位於北京國銳集團所發展之物業項目(即北京朝陽區財滿街一期*、財滿街二期*及銳城國際大廈*、北京大興區國銳•金嶺*以及北京朝陽區高碑店北花園*)的換熱站及設施以及管道網絡的日常運作以及提供維修保養之服務；及(ii)確保所提供之暖氣符合政府指引及標準等。</p> <p>有關已佔用物業單位，澳西物業管理直接向物業單位之個別業主／租戶收取費用。北京國銳集團有關成員公司將負責上述物業項目內空置單位或北京國銳集團所佔用單位之費用。</p> |
| Fees: | <p>Residential properties: RMB18 to RMB30 per square meter per heat supply season depending on the property project, payable on annual basis</p> <p>Commercial properties: RMB25.2 to RMB50.4 per square meter per heat supply season depending on the property project, payable on annual basis</p> | 費用： | <p>住宅物業：根據物業項目，每個供暖季節每平方米人民幣18元至人民幣30元，其須每年支付</p> <p>商用物業：根據物業項目，每個供暖季節每平方米人民幣25.2元至人民幣50.4元，其須每年支付</p> |

REPORT OF THE DIRECTORS

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Transaction amount during 1 January 2018 to 31 December 2018: RMB8,473,173 (equivalent to approximately HK\$10,056,809)

Annual cap: For the three years ending 31 December 2020 are RMB8,596,000, RMB9,456,000 and RMB10,401,000, respectively

* For identification purpose only

The transaction was announced by the Company in its announcement dated 20 October 2017 and approved by independent shareholders at the general meeting of the Company held on 19 December 2017.

2018 New Property Management Agreement

Date: 20 October 2017

Parties: (1) AOCEAN Property Management
(2) Beijing Guorui Property (for itself and for and on behalf of the Beijing Guorui Group) (Note 1)

Term: From 1 January 2018 to 31 December 2020 (both days inclusive)

Premises: Fortune Street Phase One* (財滿街一期), Fortune Street Phase Two* (財滿街二期), Rui City International Building* (銳城國際大廈), GOLDEN TOWER* (金長安大廈) in Chaoyang District, Beijing, and Kingdom Guorui* (國銳•金嶺), Fairyland (國銳境界) in Miyun, Beijing at Daxing District, Beijing, and North Garden* (北花園) at Gaobeidian, Chaoyang District, Beijing

Nature of Transactions: AOCEAN Property Management is responsible for (i) safekeeping of the keys of the vacant units; (ii) carrying out monthly inspections of the vacant units and keeping records accordingly; (iii) carrying out monthly cleaning of the vacant units; and (iv) inspecting the vacant units during bad weather conditions; (v) providing security services; and (vi) maintaining and managing facilities and assets for public use, etc.

二零一八年一月一日至二零一八年十二月三十一日交易金額：人民幣8,473,173元(相當於約10,056,809港元)

全年上限：截至二零二零年十二月三十一日止三個年度：分別為人民幣8,596,000元、人民幣9,456,000元及人民幣10,401,000元

* 僅供識別

該交易發表於本公司日期為二零一七年十月二十日之公佈並經獨立股東於本公司二零一七年十二月十九日召開之股東大會上批准。

二零一八年新物業管理協議

日期：二零一七年十月二十日

訂約方：(1) 澳西物業管理
(2) 北京國銳(為其本身及代表北京國銳集團)(附註1)

年期：自二零一八年一月一日至二零二零年十二月三十一日(包括首尾兩日)

物業：北京朝陽區財滿街一期*、財滿街二期*、銳城國際大廈*、金長安大廈*、北京大興區北京密雲國銳•金嶺*、國銳境界以及北京朝陽區高碑店北花園

交易性質：澳西物業管理負責：(i)保管空置單位之鑰匙；(ii)每月視察空置單位及作出相應記錄；(iii)每月清潔空置單位；(iv)於惡劣天氣狀況下視察空置單位；(v)提供保安服務；及(vi)維護和管理公共設施及資產等

Moreover, for particular property units, AOCEAN Property Management will also provide initial clean up services after completion of their construction (the "Initial Clean Up Services").

此外，就特定物業單位而言，澳西物業管理亦將於建築完工後提供初始清潔服務（「初始清潔服務」）。

Fees: The management fee ranges from RMB1.25 to RMB32.0 per square meter per month for different types of commercial and residential property units, payable on a quarterly basis

費用：視乎不同種類之商業及住宅物業單位，管理費介乎每月每平方米人民幣1.25元至人民幣32.0元之間，其須每季支付

For the Initial Clean Up Services, AOCEAN Property Management charges a fee calculated based on its actually incurred disbursement plus a margin of 10%.

就初始清潔服務而言，澳西物業管理將收取費用，乃根據其實際產生的支出加利潤率10%計算。

Transaction amount during 1 January 2018 to 31 December 2018: RMB14,109,796 (equivalent to approximately HK\$16,746,917)

二零一八年一月一日至二零一八年十二月三十一日交易金額：人民幣14,109,796元（相當於約16,746,917港元）

Annual cap: For the three years ending 31 December 2020 are RMB54,620,000, RM60,083,000 and RMB66,091,000, respectively

全年上限：截至二零二零年十二月三十一日止三個年度：分別為人民幣54,620,000元、人民幣60,083,000元及人民幣66,091,000元

* For identification purpose only

* 僅供識別

The transaction was announced by the Company in its announcement dated 20 October 2017 and approved by independent shareholders at the general meeting of the Company held on 19 December 2017.

該交易發表於本公司日期為二零一七年十月二十日之公佈並經獨立股東於本公司二零一七年十二月十九日召開之股東大會上批准。

2018 Kingdom Guorui Sales Office Management Agreement

二零一八年國銳•金嶺銷售辦事處管理協議

Date: 20 October 2017

日期：二零一七年十月二十日

Parties: (1) AOCEAN Property Management
(2) Beijing Guorui Property (Note 1)

訂約方： (1) 澳西物業管理
(2) 北京國銳(附註1)

Term: From 1 January 2018 to 31 December 2020 (both days inclusive)

年期：二零一八年一月一日至二零二零年十二月三十一日(首尾兩日包括在內)

Premises: Kingdom Guorui* (國銳•金嶺) — sales office and ancillary areas at Beijing Economic and Technological Development Area, Daxing District, Beijing

物業：北京市大興區北京經濟技術開發區國銳•金嶺銷售辦事處及附屬地方

REPORT OF THE DIRECTORS

董事局報告書

| | | |
|--|---|--|
| <p>Nature of Transactions:</p> | <p>AOCEAN Property Management is responsible for (i) welcoming and arranging customers to visit the show flats; (ii) coordinating services related to sales activities; (iii) the security, hygiene and concierge services of the property; (iv) the daily operation, management and maintenance of the common parts including the restaurants, bars and other amenities facilities and common facilities; (v) maintenance of the hygiene and security of the common parts of the property; (vi) refuse collection and disposal; (vii) maintenance and management of the greenery of the property, and so on.</p> | <p>交易性質：</p> <p>澳西物業管理負責：(i)迎接及安排客人參觀示範單位；(ii)統籌有關銷售活動的服務；(iii)有關物業之保安、衛生及禮賓服務；(iv)公共地方之日常運作、管理及保養，包括餐廳、酒吧及其他康樂設施及公共設施；(v)保持有關物業之公共地方的衛生及保安；(vi)收集垃圾及處置；(vii)保養及管理有關物業之綠化地帶等。</p> |
| <p>Fees:</p> | <p>Beijing Guorui Property shall bear the following expenses, disbursements, costs and fees, which are paid by AOCEAN Property Management in advance and settled between the parties quarterly:</p> <p>(i) the expenses incurred in the course of providing services to the property, including all supplies, materials and labour costs;</p> <p>(ii) disbursements including the costs incurred for external wall cleaning, floor brightening, maintenance of the exterior greenery as well as power charges and replacement costs of facilities;</p> <p>(iii) the costs of acquiring the fixed assets, equipment and facilities necessary for the additional services if Beijing Guorui Property requests AOCEAN Property Management to provide additional services or themed activities related to sales; and</p> <p>(iv) the relevant taxation and profit margin of 10% over the actual costs and expenses incurred in the course of managing the property.</p> | <p>費用：</p> <p>北京國銳須承擔以下開支、開銷、成本及費用，其先由澳西物業管理支付，並由有關各方每季結算：</p> <p>(i) 就有關物業提供服務的過程中所招致的開支，包括所有供應品、材料及人工成本；</p> <p>(ii) 開銷，包括就清潔外牆、地板打蠟、保養室外綠化地帶所招致的成本，以及電費及設施更換成本；</p> <p>(iii) (倘若北京國銳要求澳西物業管理提供額外服務或有關銷售的主題活動)就額外服務購買所需固定資產、設備及設施之成本；及</p> <p>(iv) 在管理有關物業的過程中所招致的有關稅項及實際成本及開支的10%的利潤。</p> |
| <p>Transaction amount during 1 January 2018 to 31 December 2018:</p> | <p>RMB4,100,328 (equivalent to approximately HK\$4,866,679)</p> | <p>二零一八年一月一日至二零一八年十二月三十一日交易金額：</p> <p>人民幣4,100,328元(相當於約4,866,679港元)</p> |

Annual cap: For the three years ending 31 December 2020 are RMB6,160,000, RMB6,776,000 and RMB7,454,000, respectively

全年上限：截至二零二零年十二月三十一日止三個年度：分別為人民幣6,160,000元、人民幣6,776,000元及人民幣7,454,000元

* For identification purpose only

* 僅供識別

The transaction was announced by the Company in its announcement dated 20 October 2017 and approved by independent shareholders at the general meeting of the Company held on 19 December 2017.

該交易發表於本公司日期為二零一七年十月二十日之公佈並經獨立股東於本公司二零一七年十二月十九日召開之股東大會上批准。

Note 1: 北京國銳房地產開發公司 (Beijing Guorui Property Development Company Limited*, or "Beijing Guorui Property", which together with its subsidiaries, as the "Beijing Guorui Group") is a connected person of the Company by virtue of Mr. Wei Chunxian (the Chairman, executive director and the controlling shareholder of the Company) being a director and the controlling shareholder of Beijing Guorui Property, holding approximately 91% equity interest (the remaining equity interest of approximately 9% being held by Mr. Sun Zhongmin (an executive director of the Company)) and each of Mr. Sun Zhongmin and Ms. Liu Shuhua (an executive director of the Company) being a director of Beijing Guorui Property. Since 北京國隆置業有限公司 (Beijing Guolong Property Company Limited* or "Beijing Guolong") is a wholly-owned subsidiary of Beijing Guorui Property, Beijing Guolong is also a connected person of the Company.

附註1：因為本公司主席、執行董事兼控股股東魏純暹先生為北京國銳房地產開發有限公司（「北京國銳」）連同其附屬公司統稱為「北京國銳集團」之董事兼控股股東，持有其約91%股權（其餘約9%股權則由本公司執行董事孫仲民先生持有，而孫仲民先生及本公司執行董事劉淑華女士各自均為北京國銳之董事，因此，北京國銳為本公司之關連人士。由於北京國隆置業有限公司（「北京國隆」）為北京國銳之全資附屬公司，因此，北京國隆亦為本公司之關連人士。

B. Continuing connected transactions subject to annual review and disclosure requirements under Chapter 14A.60 of the Listing Rules

B. 須遵守年度審核及上市規則第14A.60條披露規定之持續關連交易

(1) Ruilai Tenancy Agreement

(1) 銳萊租賃協議

Date: 12 January 2017 (as amended on 7 July 2017)

日期：二零一七年一月十二日（於二零一七年七月七日修訂）

Parties: (1) Beijing Guorui Property (as landlord) (Note 1)
(2) Beijing Ruilai Recreational Fitness Company Limited ("Ruilai Recreational") (as tenant)

訂約方：(1) 北京國銳（作為房東）（附註1）
(2) 北京銳萊康體健身有限公司（「銳萊康體」）（作為租戶）

REPORT OF THE DIRECTORS

董事局報告書

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| Premises: | Second Floor, Block B1-B2, Jinchang'an Building, No. 82 Donghuan 4th Road Central, Chaoyang District, Beijing, PRC (#北京市朝陽區東環四路中路 82號金長安大廈 B1-B2座2層號) of a total gross area of approximately 2,160 square metres. | 物業： | 中國北京市朝陽區東環四路中路82號金長安大廈B1-B2座2層號，總面積約2,160平方米。 |
| Term: | 1 February 2017 to 31 August 2019 | 年期： | 二零一七年二月一日至二零一九年八月三十一日 |
| Rent: | approximately RMB328,542 per month The annual rental payment payable by Ruilai Recreational to Guorui Property Development are as follows: | 租金： | 每月約人民幣328,542元 銳萊康體每年向國銳房地產開發應付租金如下： |

| | | From 1 February 2017 to 31 January 2018 二零一七年 二月一日至 二零一八年 一月三十一日 | From 1 February 2018 to 31 January 2019 二零一八年 二月一日至 二零一九年 一月三十一日 | From 1 February 2019 to 31 August 2019 二零一九年 二月一日至 二零一九年八 月三十一日 |
|--|--|--|--|---|
| | Annual rental amount (approx. in RMB) | 年租金 (約人民幣) | 3,942,504 | 2,299,794 |
| | (approx. in HKD) | (約港元) | 4,527,020 | 2,640,761 |
| Actual transaction amount during 1 January 2018 to 31 December 2018: | RMB3,942,504 (equivalent of approximately HK\$4,527,020) | | 於二零一八年一月一日至二零一八年十二月三十一日之實際交易金額： | 人民幣3,942,504元 (相當於約4,527,020港元) |
| Usages: | Fitness centre | | 用途： | 健身中心 |
| Management fee: | Ruilai Recreational shall pay a property management fee to 北京澳西商業管理有限公司 (AOCEAN Business Management Company Limited), an indirect wholly-owned subsidiary of the Group, of approximately RMB45,995 per month | | 管理費： | 銳萊康體亦將向本集團間接全資附屬公司北京澳西商業管理有限公司每月支付物業管理費約人民幣45,995元。 |

| | | From 1 February 2017 to 31 January 2018 二零一七年 二月一日至 二零一八年 一月三十一日 | From 1 February 2018 to 31 January 2019 二零一八年 二月一日至 二零一九年 一月三十一日 | From 1 February 2019 to 31 August 2019 二零一九年 二月一日至 二零一九年 八月三十一日 |
|--|--|--|--|---|
| Annual management fee amount (approx. in RMB) | 年度管理費金額 (約人民幣) | 551,940 | 551,940 | 321,965 |
| | (approx. in HKD) | 633,771 | 633,771 | 369,700 |
| Actual transaction amount during 1 January 2018 to 31 December 2018: | RMB551,940 (equivalent of approximately HK\$633,771) | 於二零一八年一月一日至二零一八年十二月三十一日之實際交易金額： 人民幣551,940元 (相當於約633,771港元) | | |

Ruilai Recreational is owned as to 80% by the Company and 20% by Xinrong (Beijing) Investment Fund Management Company Limited (鑫隆(北京)投資基金管理有限公司#), which is a company established in the PRC and indirectly wholly-owned by an associate of Mr. Wei and Mr. Sun. As stated in Note 1, Beijing Guorui Property is a connected person of the Company. As such, the provision of property management services by AOCEAN Business Management to Ruilai Recreational under the Ruilai Tenancy Agreement and the Ruilai Tenancy Agreement constitute connected transactions under chapter 14A of the Listing Rules.

The transaction was announced by the Company in its announcement dated 7 July 2017.

本公司及鑫隆(北京)投資基金管理有限公司(於中國成立,由魏先生的聯繫人及孫先生間接全資擁有的公司)擁有銳萊康體80%及20%之權益。如附註1所述,北京國銳為本公司之關連人士。因此,由澳西商業管理向銳萊康體根據銳萊租賃協議提供之物業管理服務及銳萊租賃協議構成上市規則第14A章項下之關連交易。

該交易已於本公司日期為二零一七年七月七日之公告中公佈。

(2) Ronghua Travel Tenancy Agreement

Date: 12 July 2014

Parties: (1) Beijing Guorui Property (as landlord) (Note 1)
(2) Beijing Ronghua Tiandi International Travel Agency Company Limited ("Ronghua Travel") (as tenant)

(2) 榮華旅行租賃協議

日期: 二零一四年七月十二日

訂約方: (1) 北京國銳(作為房東) (附註1)
(2) 北京榮華天地國際旅行社有限公司(「榮華旅行」)(作為租戶)

REPORT OF THE DIRECTORS

董事局報告書

Premises: No. 1008, Unit 2, Block 2-1, Block 2, No. 82, Dongsihuan Road Central, Chaoyang District, Beijing, PRC (#北京市朝陽區東四環中路82號2座2-1座2單元1008) of a total gross area of approximately 86 square meters.

Term: from 1 July 2014 to 30 June 2019

Rent: free of charge

Usage: registered office of Ronghua Travel

The transaction was announced by the Company in its announcement dated 7 July 2017.

物業：中國北京市朝陽區東四環中路82號2座2-1座2單元1008，總面積約86平方米。

年期：二零一四年七月一日至二零一九年六月三十日

租金：免費

用途：榮華旅行之註冊辦事處

該交易已於本公司日期為二零一七年七月七日之公告中公佈。

(3) Ronghua Advertising Tenancy Agreement

Date: 30 June 2014

Parties: (1) Beijing Guorui Property (as landlord) (Note 1)
(2) Beijing Ronghua Tiandi Advertising Company Limited ("Ronghua Advertising") (as tenant)

Premises: No. 802, Unit 1, Block 2-1, No. 82 Dongsihuan Road Central, Chaoyang District, Beijing, PRC (#北京市朝陽區東四環中路82號2-1座1單元802號) of a total gross area of approximately 86 square meters.

Term: 1 July 2014 to 30 June 2019

Rent: free of charge

Usage: registered office of Ronghua Advertising

The transaction was announced by the Company in its announcement dated 7 July 2017.

(3) 榮華廣告租賃協議

日期：二零一四年六月三十日

訂約方：(1) 北京國銳(作為房東)
(附註1)
(2) 北京榮華天地廣告有限公司
(「榮華廣告」)(作為租戶)

物業：中國北京市朝陽區東四環中路82號2-1座1單元802號，總面積約86平方米。

年期：二零一四年七月一日至二零一九年六月三十日

租金：免費

用途：榮華廣告之註冊辦事處

該交易已於本公司日期為二零一七年七月七日之公告中公佈。

(4) Crystal Tree Tenancy Agreement

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|-----------|---|
| Date: | 1 August 2016 (as amended on 7 July 2017) |
| Parties: | (1) Beijing Guorui Property (as landlord) (Note 1) (2) Beijing Crystal Tree Commercial Management Company Limited (“Crystal Tree”) (as tenant) |
| Premises: | No. 12, Block 1, No. 69 Chaoyang Road, Chaoyang District, Beijing, PRC (#北京市朝陽區朝陽路69號1樓12號) of a total gross floor area of approximately 2,000 square meters. |
| Term: | 3 years from 1 August 2016 |
| Rent: | free of charge |
| Usage: | registered office of Crystal Tree and operation of spa center |

The transaction was announced by the Company in its announcement dated 7 July 2017.

Ronghua Travel, Ronghua Advertising and Crystal Tree are indirect wholly-owned subsidiaries of the Company. As stated in Note 1, Beijing Guorui Property is a connected person of the Company. As such, Ronghua Travel Tenancy Agreement, Ronghua Advertising Tenancy Agreement and Crystal Tree Tenancy Agreement constitute connected transactions under Chapter 14A of the Listing Rules.

(4) 水晶樹租賃協議

| | |
|------|---|
| 日期： | 二零一六年八月一日(於二零一七年七月七日修訂) |
| 訂約方： | (1) 北京國銳(作為房東) (附註1) (2) 北京水晶樹商務管理有限公司(「水晶樹」)(作為租戶) |
| 物業： | 中國北京市朝陽區朝陽路69號1樓12號，總面積約2,000平方米。 |
| 年期： | 二零一六年八月一日起計三年 |
| 租金： | 免費 |
| 用途： | 水晶樹之註冊辦事處及經營水療中心 |

該交易已於本公司日期為二零一七年七月七日之公告中公佈。

榮華旅行、榮華廣告及水晶樹為本公司之間接全資附屬公司。如附註1所述，北京國銳為本公司之關連人士。因此，榮華旅行租賃協議、榮華廣告租賃協議及水晶樹租賃協議構成上市規則第14A章項下之關連交易。

REPORT OF THE DIRECTORS

董事局報告書

(5) Ruilai Recreational Tenancy Agreement

| | |
|--|--|
| Date: | 13 June 2017 |
| Parties: | (1) Beijing Winzone Technology Development Company Limited* (北京勝域科技發展有限公司) (“Winzone Technology”) (as landlord) (2) Ruilai Recreational (as tenant) |
| Premises: | Units 103-05, Block 3, No. 1 Ronghua South Road, Daxing District, Beijing, the PRC (#北京市北京經濟技術開發區榮華南路1號院3號樓103-05號) of a total gross floor area of approximately 50 square meters. |
| Term: | 3 years from 13 June 2017 |
| Rent: | RMB97,200 (equivalent of approximately HK\$121,250) per year |
| Usage: | registered office of Crystal Tree and operation of spa center |
| Actual transaction amount during 1 January 2018 to 31 December 2018: | RMB97,200 (equivalent of approximately HK\$121,250) |

The transaction was announced by the Company in its announcement dated 31 May 2018.

(6) Gym Services Agreement

| | |
|-----------------|--|
| Date: | 31 May 2018 |
| Parties: | (1) Beijing Guorui Hotel Management Company Limited* (北京國銳酒店管理有限公司) (“Guorui Hotel Management”) (2) Ruilai Recreational |
| Term: | 1 June 2018 to 31 May 2020 |
| Subject matter: | Ruilai Recreational is responsible for providing gym management services for Guorui Hotel Management's gym situated at Units 103-05, Block 3, No.1 Ronghua South Road, Daxing District, Beijing, the PRC (#北京經濟技術開發區榮華南路1號院3號樓103-05號) |

(5) 銳萊康體租賃協議

| | |
|---------------------------------|--|
| 日期: | 二零一七年六月十三日 |
| 訂約方: | (1) 北京勝域科技發展有限公司(「勝域科技」)(作為房東) (2) 銳萊康體(作為租戶) |
| 物業: | 中國北京市北京經濟技術開發區榮華南路1號院3號樓103-05號，總面積約50平方米。 |
| 年期: | 二零一七年六月十三日起計三年 |
| 租金: | 每年人民幣97,200元(相當於約121,250港元) |
| 用途: | 水晶樹之註冊辦事處及經營水療中心 |
| 於二零一八年一月一日至二零一八年十二月三十一日之實際交易金額: | 於二零一八年 人民幣97,200元(相當於約121,250港元) |

該交易已於本公司日期為二零一八年五月三十一日之公告中公佈。

(6) 健身室服務協議

| | |
|-------|---|
| 日期: | 二零一八年五月三十一日 |
| 訂約方: | (1) 北京國銳酒店管理有限公司(「國銳酒店管理」) (2) 銳萊康體 |
| 年期: | 二零一八年六月一日至二零二零年五月三十一日 |
| 主體事項: | 銳萊康體負責向國銳酒店管理位於中國北京市北京經濟技術開發區榮華南路1號院3號樓103-05號之健身室提供健身室管理服務 |

Service fee: Guorui Hotel Management shall pay Ruilai Recreational in cash on a monthly basis RMB420,000 (equivalent to approximately HK\$525,000) as part payment of its service fee. The monthly service fee payable will be determined based on 35% of Guorui Hotel Management's monthly operating revenue. The aforementioned service fee has been determined with reference to the historical operating revenue of Guorui Hotel Management and the price quotations from two Independent Third Parties for the provision of similar services to that of Ruilai Recreational under the Gym Services Agreement.

服務費：國銳酒店管理應每月向銳萊康體支付現金人民幣420,000元(相等於約525,000港元)，作為其服務費之部分付款。應付之每月服務費將按國銳酒店管理之每月經營收入之35%釐定。上述服務費已參照國銳酒店管理之歷史經營收入，以及兩名獨立第三方就提供與銳萊康體根據健身房服務協議所提供者相若之服務發出之報價釐定。

The service fee payable is subject to the following cap, which is determined with reference to the historical operating revenues of Guorui Hotel Management and the price quotations from two Independent Third Parties for the provision of similar services to that of Ruilai Recreational under the Gym Services Agreement:

應付服務費須受以下參照國銳酒店管理之歷史經營收入，以及兩名獨立第三方就提供與銳萊康體根據健身房服務協議所提供者相若之服務發出之報價釐定之上限規限：

| | From 1 June 2018 to 31 December 2018 | From 1 January 2019 to 31 December 2019 | From 1 January 2020 to 31 May 2020 |
|---|---|--|---|
| | 二零一八年 六月一日至 二零一八年 十二月三十一日 | 二零一九年 一月一日至 二零一九年 十二月三十一日 | 二零二零年 一月一日至 二零二零年 五月三十一日 |
| Annual management fee amount (approx. in RMB) (約人民幣) | 2,940,000 | 5,040,000 | 2,100,000 |
| (approx. in HKD) (約港元) | 3,675,000 | 6,300,000 | 2,625,000 |

The monthly payments made by Guorui Hotel Management will add up to the caps above. An assessment will be made within 30 days after each of the three periods described above to determine the amount of service fee that should have been charged for such period based on 35% of Guorui Hotel Management's monthly operating revenue. If it is determined that:

國銳酒店管理支付之每月付款將會累計，直至上述上限為止。於上述三個期間各自結束後30天內，將會進行一次評估，以按國銳酒店管理每月經營收入之35%釐定有關期間應收取之服務費金額。倘結論為：

- (i) the amount of service fee that should be charged for the relevant period (i.e. 35% of the actual amount of operating revenue of Guorui Hotel Management) is in excess of the above cap for the corresponding period (i.e. the aggregate monthly payments received), Guorui Hotel Management will not be required to pay any additional amount to Ruilai Recreational; or
- (ii) the amount of service fee that should be charged for the relevant period (i.e. 35% of the actual amount of operating revenue of Guorui Hotel Management) is less than the amount of the above cap for the corresponding period (i.e. the aggregate monthly payments received), then Ruilai Recreational shall return to Guorui Hotel Management the difference between the service fee chargeable for that period and the fees actually paid by Guorui Hotel Management during such period within 30 days after such assessment.
- (i) 相關期間應收取之服務費金額(即國銳酒店管理之經營收入實際金額之35%)超出上述相應期間之上限(即已收取每月付款總額),則國銳酒店管理將無須向銳萊康體支付任何額外金額;或
- (ii) 相關期間應收取之服務費金額(即國銳酒店管理之經營收入實際金額之35%)少於上述相應期間上限金額(即已收取每月付款總額),則銳萊康體將於有關評估後30天內,向國銳酒店管理退回該期間可收取服務費與國銳酒店管理於有關期間內實際已付費用之差額。

Option to renew: Guorui Hotel Management and Ruilai Recreational may negotiate within seven days prior to the expiry of the Gym Services Agreement whether to renew. The renewal of the Gym Services Agreement is subject to compliance with applicable Listing Rules.

重續選擇權: 國銳酒店管理及銳萊康體可於健身室服務協議屆滿前七天內磋商是否續約。重續健身室服務協議須遵守適用上市規則。

Actual transaction amount during 1 June 2018 to 31 December 2018: RMB2,940,000 (equivalent of approximately HK\$3,675,000)

於二零一八年六月一日至二零一八年十二月三十一日之實際交易金額: 人民幣2,940,000元(相當於約3,675,000港元)

The transaction was announced by the Company in its announcement dated 31 May 2018.

該交易發表於本公司日期為二零一八年五月三十一日之公佈。

(7) Winzone Tenancy Agreement

Date: 31 May 2018 (as supplemented on 9 November 2018)

Parties: (1) Winzone Technology (as landlord)
(2) Beijing Guorui Property (as tenant) (Note 1)

Term: 1 June 2018 to 31 May 2020

Premise: Unit 103, 1/F, Block 3, No. 1 Ronghua South Road, Daxing District, Beijing, the PRC (#北京市北京經濟技術開發區榮華南路1號院3號樓一層103號) of a total gross area of approximately 4,445 square meters (1 June 2018 to 9 November 2018)/1,791 square meters (10 November 2018 to 31 May 2020)

Usage: For office or operation only

Rent: approximately RMB200,040.30 per month (inclusive of VAT) (1 June 2018 to 9 November 2018) approximately RMB80,595 per month (inclusive of VAT) (10 November 2018 to 31 May 2020)

(7) 勝域租賃協議

日期：二零一八年五月三十一日(於二零一八年十一月九日經補充)

訂約方：(1) 勝域科技(作為業主)
(2) 北京國銳(作為租戶)(附註1)

年期：二零一八年六月一日至二零二零年五月三十一日

物業：中國北京市北京經濟技術開發區榮華南路1號院3號樓一層103號，總面積約4,445平方米(二零一八年六月一日至二零一八年十一月九日) / 1,791平方米(二零一八年十一月十日至二零二零年五月三十一日)

用途：只可作辦公室或業務用途

租金：每月約人民幣200,040.30元(含增值稅)(二零一八年六月一日至二零一八年十一月九日) 每月約人民幣80,595元(含增值稅)(二零一八年十一月十日至二零二零年五月三十一日)

Year ending 31 December

截至十二月三十一日止年度

| 2018 | 2019 | 2020 |
|-------|-------|-------|
| 二零一八年 | 二零一九年 | 二零二零年 |

| | | | | |
|---|-------------------|-----------|-----------|---------|
| Annual cap on rental amount (approx. in RMB) | 年度管理費金額 (約人民幣) | 1,197,226 | 967,140 | 402,976 |
| (approx. in HKD) | (約港元) | 1,352,865 | 1,092,868 | 455,363 |

Actual transaction amount during 1 June 2018 to 31 December 2018: RMB1,197,226 (equivalent of approximately HK\$1,352,865)

於二零一八年六月一日至二零一八年十二月三十一日之實際交易金額：人民幣1,197,226元(相當於約1,352,865港元)

The transaction was announced by the Company in its announcements dated 31 May 2018 and 9 November 2018 respectively.

該交易已分別於本公司日期為二零一八年五月三十一日及二零一八年十一月九日之公告中公佈。

REPORT OF THE DIRECTORS

董事局報告書

C. Connected transaction pursuant to Chapter 14A of the Listing Rules in respect of a shareholder loan

Interest on loan from a shareholder

| | |
|---|---|
| (1) Date of supplemental agreement: | 24 August 2016 |
| Parties: | (i) the Company (ii) Wintime Company Limited ("Wintime"), a company beneficially owned by Mr. Wei Chunxian as to 100% and a controlling shareholder of the Company |
| Principal amount: | HK\$250,000,000 |
| Terms: | Three years from the date of draw-down of the relevant shareholder loan or such other date as mutually agreed by Wintime and the Company |
| Purposes of shareholder loan: | For financing the working capital requirement of the Group in connection with its property acquisition and development |
| Interest rate: | 2% per annum |
| Total drawdown loan amount at 31 December 2018: | nil and principal has been fully repaid |
| Interest during the year: | approximately HK1,437,235 accrued interest not yet paid |
| (2) Date of supplemental agreement: | 24 November 2017 |
| Parties: | (i) the Company (ii) Wintime |
| Principal amount: | HK\$1,500,000,000 |
| Terms: | Three years from the date of draw-down of the relevant shareholder loan or such other date as mutually agreed by Wintime and the Company |
| Purposes of shareholder loan: | For financing the working capital requirement of the Group in connection with its property acquisition and development |
| Interest rate: | 2% per annum |
| Total drawdown loan amount at 31 December 2018: | nil and principal has been fully repaid |
| Interest during the year: | interest has been fully repaid |

C. 上市規則第十四A章所指之關連交易，其乃有關股東貸款

股東貸款利息

| | |
|-------------------------|---|
| (1) 補充協議日期: | 二零一六年八月二十四日 |
| 訂約方: | (i) 本公司 (ii) Wintime Company Limited (「Wintime」)，本公司控股股東魏純暉100%實益擁有之公司 |
| 本金額: | 250,000,000港元 |
| 年期: | 提取相關股東貸款之日或Wintime與本公司共同協定的其他日期起為期三年 |
| 股東貸款用途: | 為本集團物業收購及開發提供所需營運資金 |
| 利率: | 每年2% |
| 於二零一八年十二月三十一日已提取貸款款項總額: | 零及本金已全額償還 |
| 本年度利息: | 約1,437,235港元應計利息尚未支付 |
| (2) 補充協議日期: | 二零一七年十一月二十四日 |
| 訂約方: | (i) 本公司 (ii) Wintime |
| 本金額: | 1,500,000,000港元 |
| 年期: | 提取相關股東貸款之日或Wintime與本公司共同協定的其他日期起為期三年 |
| 股東貸款用途: | 為本集團物業收購及開發提供所需營運資金 |
| 利率: | 每年2% |
| 於二零一八年十二月三十一日已提取貸款款項總額: | 零及本金已全額償還 |
| 本年度利息: | 利息已悉數償還 |

RELATED PARTY TRANSACTIONS

A summary of the significant related party transactions which were undertaken in the normal course of business are set out in note 39 to the consolidated financial statements. For those related party transactions that constituted connected transactions or continuing connected transactions (as the case may be) (other than those described in the section above headed “Connected Transaction and Continuing Connected Transactions”) under the Listing Rules, these transactions are exempt from reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Company’s auditor was engaged to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this Report in accordance with Rule 14A.56 of the Listing Rules. The Company has provided a signed copy of the said letter to the Stock Exchange.

SUFFICIENCY OF PUBLIC FLOAT

At as the latest practicable date prior to the issue of this annual report, based on information that is publicly available to the Company and within the best knowledge of the Board, the Company maintained sufficient public float as required under the Listing Rules throughout the year ended 31 December 2018.

關聯方交易

在正常業務運作中進行之重大關聯方交易的概要載於綜合財務報表附註39內。有關根據上市規則構成關連交易或持續關連交易(視屬何情況而定)之關聯方交易(在上文「關連交易及持續關連交易」一節內所述者除外)，其根據上市規則第十四A章獲豁免遵守有關申報、年度審核、公告及獨立股東批准的規定。

本公司核數師獲委聘根據由香港會計師公會發出之香港鑑證委聘準則第3000號「歷史財務資料審核或審閱以外的鑑證委聘」及實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」就本集團之持續關連交易作出匯報。根據上市規則第14A.56條，核數師已經發出無保留意見函件，當中載有其有關本集團在本報告內披露之持續關連交易的結果及結論。本公司已經將上述函件已簽署的副本送交聯交所。

足夠公眾持股量

於本年報刊行前之最後實際可行日期，根據本公司得悉之公開資料及董事局所悉，本公司於截至二零一八年十二月三十一日止年度內皆按上市規則之規定維持充足之公眾持股量。

LOAN AGREEMENTS WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF CONTROLLING SHAREHOLDER

Pursuant to a construction loan agreement (the “**Construction Loan Agreement**”) entered into by and among East Pacific Properties LLC (“**East Pacific Properties**”), an indirect wholly-owned subsidiary of the Company as borrower, the Company as guarantor and a licensed bank as lender (the “**Lender**”) effective on 27 September 2016, the Lender has agreed to provide a bank loan (the “**Loan**”) in an aggregate amount of not exceeding eighteen million United States Dollars (US\$18,000,000.00) which shall be used to finance the direct construction costs and related expenses of the residential and retail buildings and relevant structures to be constructed on the land in Lots 1, 2, 3, 4, 5, 6 and 7 in Block 4 of The Chelsea Green Tract in the City of Santa Monica, County of Los Angeles, State of California of the US. The Loan shall be repaid in full on or before the maturity date (the “**Maturity Date**”), which is two (2) years after the day on which the Lender first advanced all or a portion of the Loan to East Pacific Properties. The Maturity Date may be extended twice, for periods of one year each, if there is no event of default then existing and East Pacific Properties has paid the Lender an extension fee as stipulated in the Construction Loan Agreement.

Pursuant to the Construction Loan Agreement, it shall constitute an event of default if Mr. Wei Chunxian, the controlling shareholder (has the meaning ascribed to it under the Listing Rules), an executive Director and the Chairman of the Company, does not maintain direct management in East Pacific Properties under which circumstance the Lender may in its absolute discretion declare all amounts owing by East Pacific Properties under the Construction Loan Agreement immediately due and payable.

CORPORATE GOVERNANCE

The Company is committed to maintaining the quality of corporate governance so as to ensure better transparency of the Company, protection of shareholders’ and stakeholders’ rights and enhance shareholder value. In the opinion of the Board of the Company, the Company had complied with all code provisions set out in the CG Code contained in Appendix 14 of the Listing Rules during the year ended 31 December 2018 and up to the date of publication of this annual report.

與控股股東具體表現關連契諾的 貸款協議

根據本公司的間接全資附屬公司East Pacific Properties LLC(「**East Pacific Properties**」)(作為借款人)、本公司(作為擔保人)與持牌銀行(作為貸款人)(「**貸款人**」)訂立的一份於二零一六年九月二十七日生效的建造貸款協議(「**建造貸款協議**」)，貸款人已經同意提供總額不超過一千八百萬美元(18,000,000.00美元)的銀行貸款(「**該筆貸款**」)，該筆貸款須用作撥付在一幅土地上建造住宅和零售建築物及有關結構的直接建造成本和相關開支，該幅土地位於美國加利福尼亞州洛杉磯聖莫尼卡市Chelsea Green Tract第4區地段1、2、3、4、5、6及7。該筆貸款必須在到期日(「**到期日**」)或之前全數償還，到期日為貸款人首次把該筆貸款的全部或部分墊付給East Pacific Properties當天以後兩(2)年。如果到時候沒有發生失責事項，而East Pacific Properties已經按照建造貸款協議內所規定支付延期費給貸款人，則到期日可以推遲兩次，每次為期一年。

根據建造貸款協議，如果本公司的控股股東(具有上市規則賦予此詞之涵義)、執行董事兼主席魏純暹先生並沒有維持對East Pacific Properties的直接管理權，則構成失責事項，在該情況下，貸款人可以全權酌情宣告East Pacific Properties根據建造貸款協議所欠負的所有款項立即到期及須立即償還。

企業管治

本公司致力維持企業管治質素，以確保本公司有更高透明度、保障股東及持份者權益以及提高股東價值。本公司董事局認為，於截至二零一八年十二月三十一日止年度內及截至本年報刊發日期，本公司已經遵守上市規則附錄十四內所載《企業管治守則》所載之所有守則條文。

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding Directors' securities transactions. Having made specific enquiry of the directors, all of the directors have complied with, for any part of the accounting year covered by this annual report, the required standard set out in the Model Code.

DIRECTORS AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed under the sections headed "Connected Transaction and Continuing Connected Transactions" and "Related Party Transactions" of this annual report, there were no contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the Year or at any time during the Year, and in which a Director had, whether directly or indirectly, a material interest, nor there were any other contracts of significance (whether or not for the provision of services) in relation to the Company's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

DIRECTORS' RIGHTS TO SUBSCRIBE SHARES OR DEBENTURES

Other than interests in share options of the Company as disclosed above, and in the share option schemes disclosed in this annual report, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executives, or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debenture of the Company or any other body corporate, and none of them had any right to subscribe for the securities of the Company or its associated corporations, or had exercised any such right during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at 31 December 2018, none of the Directors was interested in any business, which competed or was likely to compete, either directly or indirectly, with the Group's businesses.

遵守《標準守則》

本公司已採納上市規則附錄十所載之《標準守則》作為其有關董事進行證券交易的守則。在向董事作出特定查詢後，在本年報所涵蓋之會計年度的任何部分，各董事已經遵守《標準守則》所訂的標準，惟企業管治報告內所披露者除外。

董事及控權股東於合約之權益

除本年報「關連交易及持續關連交易」及「關聯方交易」章節所披露者外，本公司或本公司之任何附屬公司概無於本年度結束時或本年度內任何時間訂立與本公司業務有關且董事於其中直接或間接擁有重大權益之重大合約，本公司或本公司之任何附屬公司亦概無與控權股東或其任何附屬公司訂立與本公司業務有關之其他重大合約（無論是否就提供服務而言）。

董事認購股份或債券之權利

除上文披露本公司購股權之權益，及於本年報披露之購股權計劃外，本公司及其附屬公司並無於本年度期間參與任何安排，以致董事或高級管理人員或其配偶或其未滿18歲之子女，得以藉著購入本公司或其他機構之股份或債券而獲益。該等人士亦無持有任何權利認購本公司或其關連公司之證券，或於本年度期間行使任何該等權利。

董事於競爭性業務之權益

於二零一八年十二月三十一日，概無董事於與本集團業務直接或間接構成競爭或可能構成競爭之任何業務中擁有權益。

REPORT OF THE DIRECTORS

董事局報告書

RETIREMENT BENEFITS SCHEMES

Particulars of retirement benefits schemes of the Group are set out in Note 2.4 (headed “Other employee benefits (pension scheme)”) to the consolidated financial statements.

AUDITOR

The consolidated financial statements for the year ended 31 December 2018 have been audited by Ernst & Young. A resolution for their re-appointment as Auditor of the Company will be proposed at the forthcoming annual general meeting.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the year ended 31 December 2018 were approved by the Board on 29 March 2019.

ON BEHALF OF THE BOARD

Wei Chunxian

Chairman

Hong Kong
29 March 2019

退休福利計劃

本集團退休福利計劃之詳情載於綜合財務報表附註2.4(「其他僱員福利(退休金計劃)」)。

核數師

截至二零一八年十二月三十一日止年度之綜合財務報表已由安永會計師事務所任滿審核。一項有關續聘安永會計師事務所為本公司核數師的決議案，將於即將舉行之股東週年大會上提呈。

批准該等綜合財務報表

本集團截至二零一八年十二月三十一日止年度的綜合財務報表已於二零一九年三月二十九日獲董事局批准。

承董事局命

魏純暉

主席

香港
二零一九年三月二十九日



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To the members of GR Properties Limited
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of GR Properties Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 160 to 289, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HSAs”) 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.

致國銳地產有限公司全體股東
(於香港註冊成立之有限公司)

意見

我們已審核第160至289頁載列的國銳地產有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，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以及截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表、綜合現金流量表及綜合財務報表附註，包括重大會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團在二零一八年十二月三十一日的綜合財務狀況以及截至該日止年度的綜合財務表現和綜合現金流量，並已遵照香港公司條例妥為編製。

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審核工作。在這些準則下，我們的責任會在本報告中「核數師就審核綜合財務報表須承擔的責任」中進一步詳述。根據香港會計師公會之專業會計師道德守則(簡稱「守則」)，我們獨立於 貴集團，並已遵循守則履行其他道德責任。我們相信，我們所獲得的審核憑證是充足和適當地為我們的意見提供基礎。



KEY AUDIT MATTERS

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

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

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期綜合財務報表中最重要的事項。此等事項是在我們在審核綜合財務報表整體上和作出意見時進行處理的，而不會就此等事項單獨發表意見。下文載有我們的審計如何處理以下各項事項的資料。

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



KEY AUDIT MATTERS

Key audit matter

Impairment assessment of trade receivables

At 31 December 2018, the Group had trade receivables of approximately HK\$24,629,000, which arose from the provision of property management services and leasing of investment properties.

Significant management's judgements and estimates were involved in determining the amount of expected credit losses of these trade receivables at the end of the reporting period for impairment assessment.

Related disclosures are included in notes 3 and 19 to the consolidated financial statements.

How our audit addressed the key audit matter

In relation to impairment assessment of trade receivables, we obtained an understanding of the credit loss provisioning methodology adopted by the Group and assessed the reasonableness of the allowance for the expected credit losses estimated by the management with reference to the history of debtors' settlement patterns and ageing analysis of the trade receivables. We also, on a sample basis, tested the ageing analysis of the trade receivables prepared by the management; circulated and obtained direct debtor confirmations; and checked the settlement status subsequent to the reporting period. In addition, we assessed the qualification, independence and competency of the external valuer which was engaged by the Group to assist in the estimation of the expected credit losses of the trade receivables and involved our internal specialists to check the methodology, inputs and assumptions used by the external valuer in the expected credit loss estimation.

關鍵審核事項

主要審核事宜

應收貿易賬款的減值評估

於二零一八年十二月三十一日，貴集團應收貿易賬款合計約為24,629,000港元，其主要產生自提供物業管理服務及租賃投資物業。就減值評估釐定該等應收貿易賬款時涉及重大管理層於本報告日期有關預期信貸虧損金額的判斷及估計。

相關披露載於綜合財務報表附註3及19。

核數師如何解決主要審核事宜

就應收貿易賬款的減值評估而言，我們已獲取貴集團採用的信貸虧損撥備方法，並參考債務人結算模式的歷史及應收貿易賬款的賬齡分析，評估管理層估計的預期信貸虧損撥備的合理性。我們亦抽樣檢測管理層編製的應收貿易賬款賬齡分析；分發並獲得直接債務人確認書；及核實報告期後續結算情況。此外，我們評估貴集團外部估值師的資格、獨立性及能力以協助估計應收貿易賬款的預期信貸虧損，我們亦委任內部專家核實外部估值師於預期信貸虧損估計時使用的方法、輸入數據及假設。



KEY AUDIT MATTERS (continued)

Key audit matter

How our audit addressed the key audit matter

Impairment assessment of trade receivables (continued)

We considered the adequacy of the Group's disclosures in the consolidated financial statements in connection with the impairment of trade receivables.

Estimation of fair value of investment properties and a building

The carrying amounts of the Group's investment properties and a building (the "Building"), which is included in property, plant and equipment, amounted to approximately HK\$2,175,670,000 and approximately HK\$771,598,000, respectively, as at 31 December 2018 which represented 59% of the total assets of the Group in aggregate.

In accordance with the accounting policies of the Group, the investment properties and the Building are stated at fair value and a revalued amount in the consolidated financial statements, respectively. The valuation process is inherently subjective, and dependent on a number of estimates. The Group engaged external professionally qualified valuers to perform the valuation for the investment properties and the Building.

Related disclosures are included in notes 3, 13 and 14 to the consolidated financial statements.

We considered the objectivity, independence and competence of the valuation experts.

We assessed the appropriateness of the valuation methodology adopted by the valuers and evaluated the data used as inputs for the valuations and performed market value benchmarking against comparable properties.

We involved our internal valuation experts to assist us in evaluating the assumptions and methodologies for valuation of the investment properties and the Building held by the Group.

We considered the adequacy of the Group's disclosures in the consolidated financial statements in respect of fair value measurement of the investment properties and the Building.

關鍵審核事項(續)

主要審核事宜

核數師如何解決主要審核事宜

應收貿易賬款的減值評估(續)

我們已考慮 貴集團於綜合財務報表中有關應收貿易賬款減值的披露的充足性。

投資物業及一幢樓宇的公平值估計

於二零一八年十二月三十一日，貴集團投資物業及樓宇(「樓宇」)的賬面值，包括(物業、廠房及設備)分別約為2,175,670,000港元及約771,598,000港元，其佔 貴集團總資產合共59%。

根據 貴集團會計政策，投資物業及樓宇於綜合財務報表中分別按公平值及重估值呈列。估值過程帶有主觀性，並取決於大量估計。 貴集團聘用外部專業合資格估值師為投資物業及大樓估值。

我們已考慮估值專家的客觀性、獨立性及能力。我們已評估估值師採納的估值方法的適當性及評估作為輸入數據用於估值的數據，且對可資比較物業進行市值基準測試。

我們讓我們的內部估值專家協助我們評估 貴集團持有的投資物業及大樓涉及的假設及方法。

我們已考慮 貴集團於綜合財務報表中有關投資物業及大樓之公平值計量的披露的妥善性。

相關披露載於綜合財務報表附註3、13及14。



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 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.

年報所載的其他資料

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

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

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

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，貴公司董事負責評估貴公司持續經營的能力，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。



RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

董事就綜合財務報表須承擔的責任(續)

審計委員會協助 貴公司董事履行監督 貴集團財務報告過程的責任。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對整體綜合財務報表是否存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們按照香港公司條例第405條僅向 閣下(作為整體)報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

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



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

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

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

核數師就審計綜合財務報表承擔的責任(續)

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

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



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.

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，並根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者關注綜合財務報表中的相關披露資料，假若有關披露資料不足，則我們須出具非無保留意見的核數師報告。我們的結論是基於截至核數師報告日止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映交易及事項。
- 就貴集團實體或業務活動的財務資料獲取充分、適當的審計憑證，以對綜合財務報表發表意見。我們負責指導、監督及執行集團審計。我們對審計意見承擔全部負責。

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



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

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

From the matters communicated with the 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 CHENG Man.

核數師就審計綜合財務報表承擔的責任(續)

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

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

本獨立核數師報告的審計項目合夥人為 CHENG Man。

Ernst & Young
Certified Public Accountants
Hong Kong
29 March 2019

安永會計師事務所
執業會計師
香港
二零一九年三月二十九日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

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 |
|---|-----------------------|-------------|----------------------------------|----------------------------------|
| | | Notes 附註 | | |
| REVENUE | 收入 | 5 | 361,282 | 229,822 |
| Other income and gain, net | 其他收入及收益，淨額 | 6 | 10,249 | 17,490 |
| Cost of inventories sold | 存貨出售成本 | | (26,913) | (20,502) |
| Employee benefit expenses | 員工福利費用 | | (96,740) | (89,532) |
| Marketing expenses | 營銷費用 | | (963) | (441) |
| Depreciation and amortisation | 折舊及攤銷 | | (28,437) | (25,244) |
| Utilities, repairs and maintenance and rental expenses | 公共事業、維修及保養及租賃費用 | | (131,894) | (114,317) |
| Other operating expenses | 其他經營費用 | | (55,599) | (35,895) |
| Remeasurement gain upon transfer of a property under development to an investment property under construction | 發展中物業轉至在建中投資物業的重新計量收益 | 14(b) | 23,997 | — |
| Fair value loss of investment properties, net | 投資物業公平值虧損，淨額 | 14 | (201) | (20,552) |
| Finance costs | 財務費用 | 7 | (46,853) | (8,462) |
| PROFIT/(LOSS) BEFORE TAX | 稅前利潤／(虧損) | 8 | 7,928 | (67,633) |
| Income tax credit | 所得稅抵免 | 11 | 1,502 | 2,619 |
| PROFIT/(LOSS) FOR THE YEAR | 本年度利潤／(虧損) | | 9,430 | (65,014) |
| Attributable to: | 下列人士應佔： | | | |
| Shareholders of the Company | 本公司股東 | | 9,579 | (65,014) |
| Non-controlling interests | 非控股權益 | | (149) | — |
| | | | 9,430 | (65,014) |
| EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY | 本公司股東應佔每股盈利／(虧損) | 12 | | |
| Basic (HK\$) | 基本(港元) | | 0.0041 | (0.045) |
| Diluted (HK\$) | 攤薄(港元) | | 0.0033 | (0.045) |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

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 |
|--|-----------------------------|----------------------------------|----------------------------------|
| PROFIT/(LOSS) FOR THE YEAR | 本年度利潤／(虧損) | 9,430 | (65,014) |
| OTHER COMPREHENSIVE INCOME/(LOSS) | 其他全面收益／(虧損) | | |
| <i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i> | 以後期間或會重新分類至損益的其他全面收益／(虧損)： | | |
| — Change in fair value of a debt investment at fair value through other comprehensive income | — 按公平值計入其他全面收益的債務投資之公平值變動 | 16 352 | — |
| — Exchange differences on translation of foreign operations | — 換算海外業務產生之匯兌差額 | (72,585) | 97,406 |
| | | (72,233) | 97,406 |
| <i>Other comprehensive income/(loss) that will not to be reclassified to profit or loss in subsequent periods:</i> | 以後期間將不會重新分類至損益的其他全面收益／(虧損)： | | |
| — Change in fair value of a building | — 樓宇公平值變動 | 13 24,310 | 22,498 |
| — Income tax effect in respect of the change in fair value of a building | — 樓宇公平值變動之所得稅影響 | 30 (6,078) | (5,625) |
| | | 18,232 | 16,873 |
| OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX | 本年度其他全面收益／(虧損)，扣除所得稅 | (54,001) | 114,279 |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR | 本年度全面收益／(虧損)總額 | (44,571) | 49,265 |
| Attributable to: | 下列人士應佔： | | |
| Shareholders of the Company | 本公司股東 | (44,361) | 49,265 |
| Non-controlling interests | 非控股權益 | (210) | — |
| | | (44,571) | 49,265 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2018 二零一八年十二月三十一日

| | | | 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 | | | |
| NON-CURRENT ASSETS 非流動資產 | | | | |
| Property, plant and equipment | 物業、廠房及設備 | 13 | 785,360 | 828,589 |
| Investment properties | 投資物業 | 14 | 2,175,670 | 470,948 |
| Intangible assets | 無形資產 | 15 | 893 | 942 |
| Non-current deposits | 非流動訂金 | 20 | 1,525,745 | 145,491 |
| Deferred tax assets | 遞延稅項資產 | 30 | 12,579 | — |
| Total non-current assets | | | 4,500,247 | 1,445,970 |
| CURRENT ASSETS 流動資產 | | | | |
| Properties under development | 發展中物業 | 17 | — | 154,986 |
| Inventories | 存貨 | 18 | 1,497 | 5,446 |
| Trade receivables | 應收貿易賬款 | 19 | 24,629 | 25,429 |
| Prepayments, deposits and other receivables | 預付款項、訂金及其他應收款項 | 20 | 80,712 | 14,991 |
| Due from related companies | 應收關連公司款項 | 21 | 13,357 | 1,970 |
| Other taxes recoverable | 其他可收回稅項 | | 2,131 | 3,463 |
| Debt investment at fair value through other comprehensive income | 按公平值計入其他全面收益的債務投資 | 16 | 23,113 | — |
| Pledged bank deposit | 已質押銀行存款 | 22 | 39,230 | 39,636 |
| Cash and cash equivalents | 現金及現金等價物 | 22 | 345,163 | 723,891 |
| Total current assets | | | 529,832 | 969,812 |
| CURRENT LIABILITIES 流動負債 | | | | |
| Trade payables | 應付貿易賬款 | 23 | 65,929 | 63,724 |
| Receipts in advance | 預收款項 | 24 | 84,028 | 72,821 |
| Other payables and accruals | 其他應付款項和預提費用 | 25 | 113,167 | 143,202 |
| Due to a shareholder | 應付股東款項 | 26 | 1,437 | 3,778 |
| Due to a director | 應付董事款項 | 26 | 2,557 | 862 |
| Due to related companies | 應付關連公司款項 | 21 | 95,142 | 76,899 |
| Bank borrowings | 銀行借款 | 27 | 247,010 | 201,477 |
| Preference shares of a subsidiary | 一間附屬公司的優先股 | 28 | 15,671 | — |
| Income tax payables | 應付所得稅 | | 12,362 | 1,528 |
| Other taxes payable | 其他應付稅項 | | 7,449 | 1,212 |
| Total current liabilities | | | 644,752 | 565,503 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2018 二零一八年十二月三十一日

| | | 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 |
|---|--------------|-------------|----------------------------------|----------------------------------|
| NET CURRENT ASSETS/ (LIABILITIES) | 流動資產／(負債)淨額 | | (114,920) | 404,309 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 資產總值減流動負債 | | 4,385,327 | 1,850,279 |
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Bank borrowings | 銀行借款 | 27 | 776,084 | — |
| Loans from a shareholder | 應收股東款項 | 29 | — | 625,280 |
| Liability component of perpetual convertible bonds | 永久可換股債券的負債部分 | 33 | 48,929 | — |
| Preference shares of a subsidiary | 附屬公司優先股 | 28 | — | 16,534 |
| Deferred tax liabilities | 遞延稅項負債 | 30 | 105,799 | 99,641 |
| Total non-current liabilities | 非流動負債總額 | | 930,812 | 741,455 |
| Net assets | 資產淨額 | | 3,454,515 | 1,108,824 |
| EQUITY | 權益 | | | |
| Equity attributable to shareholders of the Company | 歸屬於本公司股東的權益 | | | |
| Share capital | 股本 | 31 | 3,146,571 | 1,780,663 |
| Equity component of perpetual convertible bonds | 永久可換股債券的權益部分 | 33 | 1,084,013 | 82,084 |
| Reserves | 儲備 | 34(a) | (798,848) | (753,923) |
| Non-controlling interests | 非控股權益 | | 3,431,736 | 1,108,824 |
| Total equity | 權益總額 | | 22,779 | — |
| | | | 3,454,515 | 1,108,824 |

Wei Chunxian
魏純暹
Director
董事

Liu Shuhua
劉淑華
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

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

| | | Attributable to shareholders of the Company 歸屬於本公司股東 | | | | | | | | | | | |
|--|--|---|--------------------------|-------------------------|-------------------------|------------------------------|---------------------------|------------------------------|---------------------------|-------------------------|-----------------------|---------------------------|-------------------------|
| | | Equity component of perpetual convertible bonds | Share option reserve | Capital reserve | Merge reserve | Property revaluation reserve | Fair value reserve | Exchange fluctuation reserve | PRC statutory reserve | Accumulated losses | Total | Non-controlling interests | Total equity |
| | | 永久可轉換債券的權益部分 HK\$'000 千港元 | 購股權儲備 HK\$'000 千港元 | 資本儲備 HK\$'000 千港元 | 合併儲備 HK\$'000 千港元 | 物業估值儲備 HK\$'000 千港元 | 公平價值儲備 HK\$'000 千港元 | 匯率波動儲備 HK\$'000 千港元 | 中國法定儲備 HK\$'000 千港元 | 累計虧損 HK\$'000 千港元 | 總計 HK\$'000 千港元 | 非控股權益 HK\$'000 千港元 | 權益總額 HK\$'000 千港元 |
| | | Notes | | (Note 31(b)) | (Note 31(c)) | (Note 31(d)) | | | (Note 31(e)) | | | | |
| | | 附註 | | (附註31(b)) | (附註31(c)) | (附註31(d)) | | | (附註31(e)) | | | | |
| At 1 January 2018: | | | | | | | | | | | | | |
| As previously reported | | | | | | | | | | | | | |
| Impact upon initial application of HKFRS 9 | | | | | | | | | | | | | |
| | | | 82,084 | 165,572 | (299,392) | 340,876 | — | 28,523 | 880 | (989,942) | 1,108,824 | — | 1,108,824 |
| | | | | | | | | | | | (2,443) | | (2,443) |
| As restated | | | 82,084 | 165,572 | (299,392) | 340,876 | — | 28,523 | 880 | (992,385) | 1,106,381 | — | 1,106,381 |
| Profit for the year | | | — | — | — | — | — | — | — | 9,579 | 9,579 | (149) | 9,430 |
| Other comprehensive income/(loss) for the year: | | | | | | | | | | | | | |
| Change in fair value of a building, net of income tax | | | — | — | — | 18,232 | — | — | — | — | 18,232 | — | 18,232 |
| Change in fair value of a debt investment at fair value through other comprehensive income | | | — | — | — | — | 352 | — | — | — | 352 | — | 352 |
| Exchange differences related to foreign operations | | | — | — | — | — | (72,375) | — | — | — | (72,375) | (210) | (72,585) |
| Total comprehensive income/(loss) for the year | | | — | — | — | 18,232 | 352 | (72,375) | — | 9,579 | (44,212) | (659) | (44,571) |
| Issue of new shares and perpetual convertible bonds for the acquisition of a subsidiary | | 31, 33, 35(b) | 370,292 | — | — | — | — | — | — | — | 370,292 | 23,138 | 393,430 |
| Issue of shares pursuant to conversion of perpetual convertible bonds | | 33(a) and (b) | 88,094 | — | — | — | — | — | — | — | 88,094 | — | 88,094 |
| Issue of shares pursuant to subscription agreements | | 31(c) | 179,484 | — | — | — | — | — | — | — | 179,484 | — | 179,484 |
| Issue of shares pursuant to an open offer | | 31(d) | 728,746 | — | — | — | — | — | — | — | 728,746 | — | 728,746 |
| Share issue expenses | | 31 | (698) | — | — | — | — | — | — | — | (698) | — | (698) |
| Equity-settled share option arrangement | | 32(a) | — | 1,730 | — | — | — | — | — | — | 1,730 | — | 1,730 |
| Transfer to accumulated losses | | | — | — | — | (12,786) | — | — | — | 12,786 | — | — | — |
| Transfer to PRC statutory reserve | | | — | — | — | — | — | — | 2,731 | (2,731) | — | — | — |
| At 31 December 2018 | | | 1,084,013 | 165,572 | (299,392) | 346,322 | 352 | (43,852) | 3,611 | (972,651) | 3,617,306 | 22,779 | 3,640,085 |

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後

Year ended 31 December 2017
截至二零一七年十二月三十一日止年度

| | | Attributable to shareholders of the Company 歸屬於本公司股東 | | | | | | | | | | | |
|---|------------------------------|---|-----------------|----------------------|-----------------|-----------------|------------------------------|------------------------------|-----------------------|--------------------|-----------------|---------------------------|-----------------|
| | | Equity component of perpetual convertible bonds | Share capital | Share option reserve | Capital reserve | Merger reserve | Property revaluation reserve | Exchange fluctuation reserve | PRC statutory reserve | Accumulated losses | Total | Non-controlling interests | Total equity |
| | | 可換取債券的權益部分 | 股本 | 購股權儲備 | 資本儲備 | 合併儲備 | 物業重估儲備 | 匯率波動儲備 | 中國法定儲備 | 累計虧損 | 總計 | 非控股權益 | 權益總額 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| | | Notes | 附註 | 附註 | 附註 | 附註 | 附註 | 附註 | 附註 | 附註 | 附註 | 附註 | 附註 |
| At 1 January 2017 | 於二零一七年一月一日 | | 1,219,965 | — | 165,572 | 444,274 | 334,218 | (68,883) | 1 | (934,164) | 1,160,983 | (6,227) | 1,154,756 |
| Loss for the year | 年內虧損 | | — | — | — | — | — | — | — | (65,014) | (65,014) | — | (65,014) |
| Other comprehensive income for the year: | 本財政年度其他全面收益： | | | | | | | | | | | | |
| Change in fair value of a building, net of income tax | 樓宇公平值變動(扣除所得稅) | | — | — | — | — | 16,873 | — | — | — | 16,873 | — | 16,873 |
| Exchange differences related to foreign operations | 境外經營業務匯率差額 | | — | — | — | — | — | 97,406 | — | — | 97,406 | — | 97,406 |
| Total comprehensive income/(loss) for the year | 本財政年度全面收益/(虧損)總額 | | — | — | — | — | 16,873 | 97,406 | — | (65,014) | 49,265 | — | 49,265 |
| Issue of shares upon exercise of share options | 行使購股權發行股份 | 31(a) | 6,417 | (1,167) | — | — | — | — | — | — | 5,250 | — | 5,250 |
| Issue of new shares and perpetual convertible bonds for the acquisition of a subsidiary | 發行新一類附屬公司新股份及永久可換取債券 | 31, 33 | 464,400 | — | — | (638,365) | — | — | — | — | — | — | — |
| Issue of shares upon conversion of perpetual convertible bonds | 轉換永久可換取債券發行股份 | 33 | 89,881 | (89,881) | — | — | — | — | — | — | — | — | — |
| Equity-settled share option arrangement | 以權益結算購股權安排 | 32(a) | — | 1,167 | — | — | — | — | — | — | 1,167 | — | 1,167 |
| Consideration paid to the beneficial owners of the Group for the acquisition of a building in a business combination under common control | 已付本集團業主權益有人款收轉共同控制下樓宇合併物業的代價 | | — | — | — | (402,994) | — | — | — | — | (402,994) | — | (402,994) |
| Capital contribution to a subsidiary under common control | 共同控制下向附屬公司注資 | | — | — | — | — | — | — | — | — | — | — | — |
| Acquisition of non-controlling interests | 收購非控股權益 | | — | — | — | 349,407 | — | — | — | — | 349,407 | — | 349,407 |
| Transfer to accumulated losses | 轉至累計虧損 | | — | — | — | (54,254) | (10,215) | — | — | — | (64,469) | 6,227 | (48,027) |
| Transfer to PRC statutory reserve | 轉至中國法定儲備 | | — | — | — | — | — | — | 879 | (879) | — | — | — |
| At 31 December 2017 | 於二零一七年十二月三十一日 | | 1,780,663 | 82,084 | 165,572 | (299,932) | 340,876 | 28,523 | 880* | (989,842)* | 1,108,824 | — | 1,108,824 |

* These reserve accounts comprise the consolidated negative reserves of HK\$798,848,000 (2017: HK\$753,923,000) in the consolidated statement of financial position as at 31 December 2018. 該等儲備賬包括於二零一八年十二月三十一日於綜合財務狀況表中之綜合負債儲備798,848,000港元(二零一七年: 753,923,000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

| | 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 |
|---|-----------------------|----------------------------------|----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | 經營活動產生的現金流量 | | |
| Profit/(loss) before tax | 稅前利潤/(虧損) | 7,928 | (67,633) |
| Adjustments for: | 調整項目： | | |
| Finance costs | 財務費用 | 46,853 | 8,462 |
| Interest income | 利息收入 | (4,555) | (2,259) |
| Loss on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目的虧損 | 83 | 19 |
| Depreciation | 折舊 | 28,342 | 25,070 |
| Amortisation of intangible assets | 無形資產攤銷 | 95 | 174 |
| Remeasurement gain upon transfer of a property under development to an investment property under construction | 發展中物業轉至在建中投資物業的重新計量收益 | (23,997) | — |
| Fair value loss of investment properties, net | 投資物業公平值虧損，淨額 | 201 | 20,552 |
| Equity-settled share option expense | 以權益結算購股權費用 | 1,730 | 1,167 |
| Impairment of trade receivables, net | 應收貿易賬款減值，淨額 | 2,208 | 2,520 |
| Operating profit/(loss) before working capital changes | 營運資金變動前的經營利潤/(虧損) | 58,888 | (11,928) |
| Increase in non-current deposits | 非流動訂金增加 | (253) | — |
| Increase in properties under development | 發展中物業增加 | (54,330) | (49,347) |
| Decrease in inventories | 存貨減少 | 3,820 | 153 |
| Increase in trade receivables | 應收貿易賬款增加 | (2,740) | (5,897) |
| Decrease/(increase) in prepayments, deposits and other receivables | 預付款項、訂金及其他應收款項減少/(增加) | (70,158) | 8,511 |
| Decrease/(increase) in amounts due from related companies | 應收關連公司款項減少/(增加) | (11,500) | 1,688 |
| Decrease/(increase) in other taxes recoverable | 其他應收稅項減少/(增加) | 1,200 | (3,194) |
| Increase in debt investment at fair value through other comprehensive income | 按公平值計入其他全面收益的債務投資增加 | (22,761) | — |
| Increase in trade payables | 應付貿易賬款增加 | 4,091 | 27,744 |
| Increase in receipts in advance | 預收款項增加 | 15,671 | 2,607 |
| Increase in other payables and accruals | 其他應付款和預提費用增加 | 3,888 | 7,041 |
| Decrease in amount due to a shareholder | 應付一名股東款項減少 | (8,723) | — |
| Increase in amount due to a director | 應付一名董事款項增加 | 1,695 | 1 |
| Increase in amounts due to related companies | 應付關連公司款項增加 | 5,679 | 1,142 |
| Increase/(decrease) in other taxes payable | 其他應付稅項增加/(減少) | 6,590 | (1,162) |
| Cash used in operations | 經營所用的現金 | (68,943) | (22,641) |
| PRC corporate income tax paid | 已付中國企業所得稅 | (2,066) | (2,151) |
| USA withholding tax paid | 已付美國預繳稅 | (287) | (479) |
| Net cash flows used in operating activities | 經營活動所用現金流量淨額 | (71,296) | (25,271) |

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 |
|--|--------------------|---------------|----------------------------------|----------------------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動產生的現金流量 | | | |
| Interest received | 已收利息 | 6 | 4,555 | 2,259 |
| Deposit paid for acquisition of a commercial building | 已付收購商業樓宇之訂金 | | — | (143,861) |
| Consideration paid for the acquisition of a building in prior years | 於往年度收購樓宇所付對價 | | — | (402,994) |
| Purchases of items of property, plant and equipment | 購買物業、廠房及設備項目 | 13 | (3,070) | (2,654) |
| Additions to investment properties | 添置投資物業 | | (1,402,463) | (57,333) |
| Purchase of intangible assets | 無形資產之購買 | 15 | (106) | (281) |
| Net cash flows used in investing activities | 投資活動所用的現金流量淨額 | | (1,401,084) | (604,864) |
| CASH FLOWS FROM FINANCING ACTIVITIES | 融資活動產生的現金流量 | | | |
| Proceeds from the issue of new shares | 發行新股所得款項 | 31(c) and (d) | 908,230 | — |
| Share issuance expenses | 股份發行費用 | 31 | (698) | — |
| Proceeds from exercise of share options | 行使購股權所得款項 | 31(a) | — | 5,250 |
| Increase in pledged bank deposit | 已質押銀行存款增加 | | — | (836) |
| New bank loans | 新銀行貸款 | 36(b) | 865,815 | 50,134 |
| New loans from a shareholder | 股東提供的新貸款 | 36(b) | — | 695,178 |
| Repayment of loans from a shareholder | 償還股東提供的貸款 | 36(b) | (613,489) | (135,237) |
| Short term advances from independent third parties | 獨立第三方短期墊款 | 36(b) | 31,721 | 72,873 |
| Repayment of short term advances from independent third parties | 償還獨立第三方短期墊款 | 36(b) | (60,300) | — |
| Short term advances from related companies | 關連公司短期墊款 | 36(b) | 21,134 | 153,954 |
| Repayment of short term advances from related companies | 償還關連公司短期墊款 | 36(b) | (3,273) | (108,410) |
| Capital contribution to a subsidiary acquired under common control | 共同控制下向附屬公司注資 | | — | 349,407 |
| Acquisition of non-controlling interests | 收購非控股權益 | | — | (48,027) |
| Interest paid for bank loans | 已付銀行貸款利息 | 36(b) | (36,000) | (4,700) |
| Interest paid for an interest-bearing advance from a related company | 已付關連公司有息墊款的利息 | | — | (1,202) |
| Payment of dividend of preference shares of a subsidiary | 支付附屬公司優先股股息 | 7, 36(b) | (1,143) | (1,112) |
| Net cash flows from financing activities | 融資活動產生的現金流量淨額 | | 1,111,997 | 1,027,272 |

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 |
|---|-----------------------|----------------------------------|----------------------------------|
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及現金等價物的 淨增加/(減少) | (360,383) | 397,137 |
| Cash and cash equivalents at beginning of year | 年初現金及現金等價物 | 723,891 | 290,574 |
| Effect of foreign exchange rate changes, net | 匯率變動影響淨額 | (18,345) | 36,180 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 年末現金及現金等價物 | 345,163 | 723,891 |

Note
附註

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1. CORPORATE AND GROUP INFORMATION

GR Properties Limited (the “Company”) is a limited liability company incorporated in Hong Kong and shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office and the principal place of business of the Company is located at Suite 1603, Wheelock House, 20 Pedder Street, Central, Hong Kong.

During the year ended 31 December 2018, the Company and its subsidiaries (collectively referred to as the “Group”) were involved in the following principal activities:

- property investment in the United Kingdom (the “UK”)
- property development and investment in the United States of America (the “USA”)
- provision of property management services in the mainland (“Mainland China”) of the People’s Republic of China (the “PRC”)
- operation and management of a leisure and lifestyle experience centre (the “Recreational Centre”) in Beijing, the PRC

At 31 December 2018, the immediate holding company of the Company is Wintime Company Limited (“Wintime”), which is incorporated in the British Virgin Islands with limited liability, and, in the opinion of the directors of the Company, the ultimate holding company of the Company is Winluck Global Limited (“Winluck Global”), which is incorporated in the British Virgin Islands with limited liability.

1. 公司及集團資料

國銳地產有限公司(「本公司»)為一家於香港註冊成立為有限公司，其股份於香港聯合交易所有限公司(「聯交所»)主板上市。本公司的註冊辦事處及主要營業地點位於香港中環畢打街20號會德豐大廈16樓1603室。

截至二零一八年十二月三十一日止年度，公司及其附屬公司(統稱為「本集團»)主要從事下列主要業務：

- 英國(「英國»)的物業投資
- 美利堅合眾國(「美國»)的物業發展及投資
- 在中華人民共和國(「中國»)大陸(「中國大陸»)提供物業管理服務
- 經營及管理中國北京市的休閒及時尚生活體驗中心(「休閒中心»)。

於二零一八年十二月三十一日，本公司的直接控股公司為於英屬處女群島註冊成立為有限公司的Wintime Company Limited(「Wintime»)，本公司董事認為，本集團的最終控股公司為於英屬處女群島註冊成立為有限責任公司的Winluck Global Limited(「Winluck Global»)。

NOTES TO FINANCIAL STATEMENTS

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 principal subsidiaries

Particulars of the Company's principal subsidiaries, which are all indirectly held by the Company, as at 31 December 2018 are as follows:

| Company name 名稱 | Place of incorporation/ registration and operations 註冊成立/註冊和 經營地點 | Issued ordinary share capital/ registered capital 已發行普通股本/ 註冊資本 | Percentage of equity attributable to the Company 本公司應佔 權益百分比 | Principal activities 主要經營活動 |
|--|---|---|--|--|
| East Pacific Properties LLC [#] | Delaware, USA 美國特拉華 | United States dollars ("US\$") 23,250,000 23,250,000美元 | 100% | Property development and investment 物業發展及投資 |
| GR Properties UK Limited [#] | British Virgin Islands/UK 英屬處女群島/英國 | Pound sterling ("£")1 1英鎊 | 100% | Property investment 物業投資 |
| Talent Chief Limited [#] | British Virgin Islands/UK 英屬處女群島/英國 | £1 1英鎊 | 100% | Property investment 物業投資 |
| 北京澳西物業管理有限公司 [#] | PRC/Mainland China 中國/中國大陸 Limited liability company 有限責任公司 | Renminbi ("RMB") 50,000,000 人民幣50,000,000元 | 100% | Provision of property management services 提供物業管理服務 |
| 北京國銳酒店管理有限公司 [#] | PRC/Mainland China 中國/中國大陸 Limited liability company 有限責任公司 | RMB40,000,000 人民幣40,000,000元 | 100% | Operation of a leisure and lifestyle experience centre 運營休閒及時尚 生活體驗中心 |
| 北京勝域科技發展有限公司 [#] | PRC/Mainland China 中國/中國大陸 Limited liability company 有限責任公司 | RMB1,000,000 人民幣1,000,000元 | 100% | Property holding 物業持有 |
| 北京水晶樹商務管理有限公司 [#] | PRC/Mainland China 中國/中國大陸 Limited liability company 有限責任公司 | RMB1,000,000 人民幣1,000,000元 | 100% | Provision of spa treatment service in a leisure and lifestyle experience centre 於休閒及時尚 生活體驗中心 提供水療護理服務 |

1. 公司及集團資料(續)

有關主要附屬公司的資料

於截至二零一八年十二月三十一日止年度內，本公司主要附屬公司(均由本公司間接持有)的詳情如下：

1. CORPORATE AND GROUP INFORMATION (continued)

Information about principal subsidiaries (continued)

- # Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network

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.

2.1 BASIS OF PRESENTATION AND PREPARATION

Basis of presentation

Despite that, as at 31 December 2018, the Group had net current liabilities of HK\$114,920,000 and capital commitments of HK\$290,018,000 in total as further detailed in note 38 to the 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 cash flow projection which, inter alia, takes into account the historical operating performance of the Group and the following:

- the unutilised banking facilities of HK\$80,745,000 available to the Group as at the date of approval of these financial statements and on the assumption that the existing banking facilities will continue to be available from the Group's principal bankers;
- the unutilised existing facility available to the Group provided by Wintime of HK\$1,500,000,000 at the date of approval of these financial statements; and
- a loan facility of HK\$200,000,000 provided by a related company ultimately controlled by Mr. Wei Chunxian, a director of the Company, to the Group in January 2019.

1. 公司及集團資料(續)

有關主要附屬公司的資料(續)

- # 未經香港安永會計師事務所或其他安永會計師事務所國際成員所審核

上表所羅列的本公司附屬公司是董事認為對本集團本年業績產生主要影響或構成本集團淨資產主要部分的公司。董事認為，羅列其他附屬公司將使本詳情內容冗長，故不贅述。

2.1 呈列及編製基礎

呈列基礎

儘管正如財務報表附註38所詳述，本集團於二零一八年十二月三十一日有流動負債淨額114,920,000港元及資本承擔合共290,018,000港元，董事認為，鑒於根據(其中包括)本集團的過往營運表現及下列各項作出的本集團現金流量預測，本集團將擁有充足資金按持續經營基準營運：

- 本集團於該等財務報表獲批准日期的未動用銀行融資80,745,000港元，並假設現有銀行融資將繼續獲本集團的主要往來銀行提供；
- 於該等財務報表獲批准日期，由Wintime向本集團提供的現有未動用銀行融資1,500,000,000港元；及
- 由本公司董事魏純暹先生最終控制的一間關連公司於二零一九年一月向本集團提供的貸款融資200,000,000港元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

2.1 BASIS OF PRESENTATION AND PREPARATION (continued)

Basis of presentation (continued)

In addition, the Company has an existing plan to realise certain investment properties, and will consider equity and/or debt financing when necessary to provide additional working capital to the Group. Accordingly, these financial statements have been prepared on the going concern basis which assumes, inter alia, the realisation of assets and satisfaction of liabilities in the normal course of business.

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (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 (the “HKICPA”), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for (i) investment properties and a debt investment at fair value through other comprehensive income which have been measured at fair value; and (ii) a building which has been measured at a revalued amount, as further detailed in note 2.4 to the financial statements. These financial statements are presented in Hong Kong dollar (“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).

2.1 呈列及編製基礎(續)

呈列基礎(續)

此外，本公司目前計劃變現若干投資物業，並將於必要時考慮進行股本及／或債務融資，以為本集團提供額外營運資金。因此，該等財務報表乃按持續經營基準編製，並假設(其中包括)於日常業務過程中變現資產及支付負債。

編製基礎

該等財務報表是按照香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)和詮釋)、香港普遍採納之會計原則及香港公司條例編製。編製該等財務報表時，除(i)已按公平值計量的投資物業及按公平值計入其他全面收益的債務投資；及(ii)一處按重估價值計量的樓宇外，均採用了歷史成本計價原則，進一步詳情載於財務報表附註2.4。除非另外說明，該等財務報表以港元(「港元」)列報，所有金額進位至最接近的千位數。

綜合基礎

該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的財務報表。附屬公司指本公司直接或間接控制的實體(包括結構化實體)。當本集團通過參與被投資方的相關活動而承擔可變回報的風險或享有可變回報，並且有能力運用對被投資方的權力(即是使本集團目前有能力主導被投資方的相關活動的現時權利)影響該等回報時，即取得控制權。

2.1 BASIS OF PRESENTATION AND PREPARATION (continued)

Basis of preparation (continued)

Basis of consolidation (continued)

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.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. Adjustments are made to bring into line any dissimilar accounting policies that may exist. Other than subsidiaries acquired under a business combination under common control during the year ended 31 December 2017 which are consolidated from the date when the combining entities first come under the control of the controlling shareholder of the Company, the results of other subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

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

2.1 呈列及編製基礎(續)

編製基礎(續)

綜合基礎(續)

當本公司直接或間接擁有少於被投資方大多數的表決或類似權利，在評估其是否擁有對被投資方的權力時，本集團會考慮所有相關事實和情況，包括：

- (a) 與被投資方其他表決權持有者的合同安排；
- (b) 其他合同安排產生的權利；及
- (c) 本集團的表決權及潛在表決權。

附屬公司之財務報表於本公司相同報告期間編製。本集團已作出調整以消除任何可能存在的會計政策分歧。除根據共同控制下的業務合併於截至二零一七年十二月三十一日止年度收購的附屬公司(其已自合併實體首次受本公司控股股東控制當日綜合入賬)外，其他附屬公司業績由收購日期(即本集團獲得控制權當日)起綜合入賬，及直至失去該控制權日期前持續綜合入賬。

損益及其他全面收益的各組成部分會歸屬於本公司股東及非控制性權益，即使此舉引致非控制性權益結餘為負數。本集團內部各公司之間交易有關的所有資產及負債、權益、收入、開支及現金流量於綜合賬目時全數抵銷。

如果事實及情況顯示上述控制的三項元素中一項或多項有變，則本集團會重新評估其是否仍然控制被投資方。附屬公司中不導致喪失控制權的所有者權益變動作為權益交易核算。

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2.1 BASIS OF PRESENTATION AND PREPARATION (continued)

Basis of preparation (continued)

Basis of consolidation (continued)

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 accumulated losses, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

| | |
|--|--|
| Amendments to HKFRS 2 | <i>Classification and Measurement of Share-based Payment Transactions</i> |
| 香港財務報告準則第2號(修訂本) | 分類及計量以股份為基準之付款交易 |
| Amendments to HKFRS 4 | <i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i> |
| 香港財務報告準則第4號(修訂本) | 與香港財務報告準則第4號「保險合約」一起應用香港財務報告準則第9號「金融工具」 |
| HKFRS 9 | <i>Financial Instruments</i> |
| 香港財務報告準則第9號 | 金融工具 |
| HKFRS 15 | <i>Revenue from Contracts with Customers</i> |
| 香港財務報告準則第15號 | 客戶合約收益 |
| Amendments to HKFRS 15 | <i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i> |
| 香港財務報告準則第15號(修訂本) | 澄清香港財務報告第15號「客戶合約收益」 |
| Amendments to HKAS 40 | <i>Transfers of Investment Property</i> |
| 香港會計準則第40號(修訂本) | 轉讓投資物業 |
| HK(IFRIC)-Int 22 | <i>Foreign Currency Transactions and Advance Consideration</i> |
| 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 |
| <i>Annual Improvements 2014–2016 cycle</i> | Amendments to HKFRS 1 and HKAS 28 |
| 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號及香港財務報告準則第28號(修訂本) |

2.1 呈列及編製基礎(續)

編製基礎(續)

綜合基礎(續)

如果本集團失去了對附屬公司的控制權，將終止確認：(i)附屬公司資產(包括商譽)和負債；(ii)非控制性權益的賬面金額；及(iii)計入權益的累計折算差異；並確認：(i)收到代價的公平值；(ii)剩餘投資的公平值；及(iii)在損益中確認由此產生的損益。本集團之前確認的其他全面收益構成部分應適當地重分類計入損益或累計虧損，基準與倘若本集團直接出售有關資產或負債所需者相同。

2.2 會計政策變動及披露

本集團於本年度財務報表首次採用下列新訂及經修訂香港財務報告準則：

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Other than as explained below regarding the impact of amendments to HKFRS 2, HKFRS 9, HKFRS 15, amendments to HKAS 40 and HK(IFRIC)-Int 22, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

- (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.

2.2 會計政策變動及披露(續)

除下文闡述的有關香港財務報告準則第2號(修訂本)、香港財務報告準則第9號、香港財務報告準則第15號、香港會計準則第40號(修訂本)及香港(國際財務報告詮釋委員會)——詮釋第22號的影響外，採納上述新訂及經修訂準則對該等財務報表並無重大財務影響。

- (a) 香港財務報告準則第2號(修訂本)闡述三大範疇：歸屬條件對計量以現金結算以股份為基礎付款交易的影響；為僱員履行與以股份為基礎付款的稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)的分類；以及對以股份為基礎付款交易的條款及條件作出令其分類由現金結算變為權益結算的修訂時的會計處理方法。該等修訂明確說明計量以權益結算以股份為基礎付款時歸屬條件的入賬方法亦適用於以現金結算以股份為基礎付款。該等修訂引入一個例外情況，在符合若干條件時，為僱員履行與以股份為基礎付款的稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)，將整項分類為以股本結算以股份為基礎付款交易。此外，該等修訂明確說明，倘以現金結算以股份為基礎付款交易的條款及條件有所修訂，令其成為以權益結算以股份為基礎付款交易，該交易自修訂日期起作為以權益結算的交易入賬。由於本集團並無任何以現金結算以股份為基礎之付款交易，亦無預扣稅項的以股份為基礎付款交易(附有淨額結算特質)，因此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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財務報表附註

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2.2 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

All financial assets and liabilities of the Group as at 31 December 2017 were classified as loans and receivables, and financial liabilities at amortised cost, respectively. Upon the adoption of HKFRS 9, the Group's financial assets as at 31 December 2017 are reclassified as financial assets at amortised cost from 1 January 2018 and the Group's financial liabilities as at 31 December 2017 continued to be classified as financial liabilities at amortised cost from 1 January 2018. There was no change in the measurement of the Group's financial assets and liabilities of the Group as at 31 December 2017 upon adoption of HKFRS 9.

2.2 會計政策變動及披露(續)

- (b) 香港財務報告準則第9號「金融工具」於由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」，將金融工具會計處理之三個範疇：分類及計量、減值及對沖會計處理合併。

本集團已對二零一八年一月一日之適用權益期初結餘確認過渡調整。因此，比較資料並無重列並繼續根據香港會計準則第39號呈報。

分類及計量

於二零一七年十二月三十一日，本集團所有金融資產及負債分別按攤銷成本分類為貸款及應收款項及金融負債。於採納香港財務報告準則第9號後，本集團於二零一七年十二月三十一日的金融資產自二零一八年一月一日起按攤銷成本重新分類為金融資產，及本集團於二零一七年十二月三十一日的金融負債自二零一八年一月一日起繼續分類為按攤銷成本列賬的金融負債。採納香港財務報告準則第9號後，本集團於二零一七年十二月三十一日的金融資產及負債之計量並無變動。

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財務報表附註

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) (continued)

Impairment

The following table reconciles aggregate opening impairment allowances in respect of trade receivables under HKAS 39 to the expected credit loss (“ECL”) allowances under HKFRS 9.

| | Impairment allowances under HKAS 39 as at 31 December 2017 於二零一七年十二月三十一日 香港會計準則第39號下之 減值撥備 HK\$'000 千港元 | Remeasurement 重新計量 HK\$'000 千港元 | ECL allowances under HKFRS 9 as at 1 January 2018 於二零一八年一月一日香港 財務報告準則 第9號下之預期 信貸虧損撥備 HK\$'000 千港元 |
|-----------------------------|--|--|---|
| Trade receivables 應收貿易賬款 | 9,021 | 2,443 | 11,464 |

Impact on accumulated losses

The impact of transition to HKFRS 9 on accumulated losses is as follows:

累計虧損之影響

香港財務報告準則第9號對累計虧損的過渡影響如下：

| | Accumulated losses 累計虧損 HK\$'000 千港元 |
|--|---|
| Balance as at 31 December 2017 under HKAS 39 香港會計準則第39號下 於二零一七年十二月 三十一日之結餘 | (989,842) |
| Recognition of expected credit losses for trade receivables under HKFRS 9 香港財務報告準則 第9號下應收貿易賬款 確認的預期信貸虧損 | (2,443) |
| Balance as at 1 January 2018 under HKFRS 9 香港財務報告準則 第9號下於二零一八年 一月一日之結餘 | (992,285) |

2.2 會計政策變動及披露(續)

(b) (續)

減值

下表為香港會計準則第39號下應收貿易賬款的年初減值撥備總額與香港財務報告準則第9號下的預期信貸虧損(「預期信貸虧損」)撥備的對賬。

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2.2 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 they apply, 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 financial statements. As a result of the application of HKFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 2.4 to the financial statements.

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018.

The adoption of HKFRS 15 and its amendments does not have a significant impact on the recognition of revenue of the Group, but has resulted in more disclosures in the financial statements.

2.2 會計政策變動及披露(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號建立一個新的五步模式，將客戶合約收入列賬。根據香港財務報告準則第15號，收益按反映實體預期就向客戶轉讓貨物或服務而有權獲得之代價金額確認。香港財務報告準則第15號之原則為計量及確認收入提供更加結構化之方法。該準則亦引入廣泛之定性及定量披露規定，包括分拆收入總額，關於履行責任、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之資料。有關披露載於本財務報表附註5。由於應用香港財務報告準則第15號，本集團已變更本財務報表附註2.4有關收益確認之會計政策。

本集團以經修訂追溯應用法採納香港財務報告準則第15號。根據此方法，該項準則適用於首次應用日期的所有合約或僅適用於本日期尚未完成的合約。本集團選擇將該項準則應用於於二零一八年一月一日尚未完成的合約。

採納香港財務報告準則第15號及其修訂本對本集團的收入確認並無重大影響，惟已導致於財務報表作出更多披露。

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (d) Amendments to HKAS 40 *Investment Property* clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. The amendments have had no impact on the Group's financial statements as the Group's existing accounting policy for the transfer into and out of investment property is consistent with the requirement set out in the amendments.
- (e) HK(IFRIC) — Int 22 provides guidance on how to determine the date of the transaction when applying HKAS 21 *The Effects of Changes in Foreign Exchange Rates* 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.

2.2 會計政策變動及披露(續)

- (d) 香港會計準則第40號(修訂本)「投資物業」澄清實體應將物業(包括建設中或發展中物業)轉撥至或轉撥自投資物業之時間。該等修訂指明，當物業符合或不再符合投資物業之定義且有證據證明用途發生變動，則用途出現變動。由於本集團有關轉撥至及轉撥自投資物業的現有會計政策與該等修訂所載規定一致，故該等修訂對本集團財務報表並無產生影響。
- (e) 香港(國際財務報告詮釋委員會) — 詮釋第22號就實體以外幣收取或支付預付代價及確認非貨幣性資產或負債的情況下應用香港會計準則第21號「匯率變動之影響」時如何釐定交易日期提供指引。該詮釋釐清，就釐定於初步確認有關資產、開支或收入(或其中部分)所用的匯率時，交易日期為實體初步確認因支付或收取預付代價而產生的非貨幣性資產(如預付款項)或非貨幣性負債(如遞延收入)之日。倘確認有關項目存在多筆預付款或預收款，實體應就預付代價的每筆付款或收款釐定交易日期。該詮釋並未對本集團的財務報表造成任何影響，原因為本集團為釐定非貨幣性資產或非貨幣性負債初步確認而應用的匯率的會計政策與該詮釋所提供的指引一致。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

| | |
|--|--|
| Amendments to HKFRS 3 香港財務報告準則第3號(修訂本) | <i>Definition of a Business</i> ² 業務的定義 ² |
| Amendments to HKFRS 9 香港財務報告準則第9號(修訂本) | <i>Prepayment Features with Negative Compensation</i> ¹ 提早還款特性及負補償 ¹ |
| Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則第28號(修訂本) | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴ 投資者與其聯營或合營企業之間的資產出售或注資 ⁴ |
| HKFRS 16 香港財務報告準則第16號 | <i>Leases</i> ¹ 租賃 ¹ |
| HKFRS 17 香港財務報告準則第17號 | <i>Insurance Contracts</i> ³ 保險合約 ³ |
| Amendments to HKAS 1 and HKAS 8 香港會計準則第1號及香港會計準則第8號(修訂本) | <i>Definition of Material</i> ² 重大的定義 ² |
| Amendments to HKAS 19 香港會計準則第19號(修訂本) | <i>Plan Amendment, Curtailment or Settlement</i> ¹ 計劃修訂、縮減或結算 ¹ |
| Amendments to HKAS 28 香港會計準則第28號(修訂本) | <i>Long-term Interests in Associates and Joint Ventures</i> ¹ 於聯營公司及合營企業的長期權益 ¹ |
| HK(IFRIC)-Int 23 香港(香港財務報告詮釋委員會) — 詮釋第23號 | <i>Uncertainty over Income Tax Treatments</i> ¹ 所得稅處理之不確定性 ¹ |
| <i>Annual Improvements 2015–2017 Cycle</i> 二零一五年至二零一七年週期之年度改進 | Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 ¹ 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(修訂本) ¹ |

2.3 已頒佈但尚未生效的香港財務報告準則

本集團並未於該等財務報表中採納以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

| | | | |
|---|---|---|------------------------|
| 1 | Effective for annual periods beginning on or after 1 January 2019 | 1 | 於二零一九年一月一日或之後開始的年度期間生效 |
| 2 | Effective for annual periods beginning on or after 1 January 2020 | 2 | 於二零二零年一月一日或之後開始的年度期間生效 |
| 3 | Effective for annual periods beginning on or after 1 January 2021 | 3 | 於二零二一年一月一日或之後開始的年度期間生效 |
| 4 | No mandatory effective date yet determined but available for adoption | 4 | 現並無釐定強制生效日期，惟可予提早採納 |

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

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

- (a) 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.

2.3 已頒佈但尚未生效的香港財務報告準則(續)

預期將適用於本集團的該等香港財務報告準則的進一步資料如下：

- (a) 香港財務報告準則第3號(修訂本)對業務定義進行澄清並提供額外指引。該等修訂澄清，倘要構成業務，一組整合的活動及資產須至少包括一項投入及一項實質性過程，二者可共同顯著促進創造產出的能力。業務可不具備所有創造產出所需的投入及過程。該等修訂刪除對市場參與者是否有能力取得業務並能持續產生產出的評估，轉而重點關注所取得的投入及所取得的實質性過程是否共同顯著促進創造產出的能力。該等修訂亦縮小產出的定義範圍，重點關注於向客戶提供的貨品或服務、投資收益或其他日常活動收益。此外，該等修訂為評估所取得的過程是否為實質性過程提供指引，並引入了可選的公平值集中度測試，允許對所取得的一組活動及資產是否不構成業務進行簡化評估。本集團預計將自二零二零年一月一日起採納該等修訂。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

(b) 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. 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

2.3 已頒佈但尚未生效的香港財務報告準則(續)

(b) 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(詮釋常務委員會) — 詮釋第15號經營租賃 — 優惠及香港(詮釋常務委員會) — 詮釋第27號評估涉及租賃法律形式交易的實質。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項選定租賃確認豁免 — 低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債(即租賃負債)及代表可使用相關資產的權利為資產(即有使用權資產)。除非有使用權資產符合香港會計準則第40號投資物業的定義，或涉及應用重估模型的物業、廠房及設備類別，否則有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人亦將須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。香港財

**2.3 ISSUED BUT NOT YET EFFECTIVE
HONG KONG FINANCIAL
REPORTING STANDARDS
(continued)**

- (b) (continued)
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 will adopt 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 accumulated losses as 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 consolidated 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 terms end within 12 months as of the date of initial application. During the year, the Group has performed a detailed assessment on the impact of adoption of HKFRS 16 and the Group has estimated that right-of-use assets and lease liabilities of HK\$14,387,000 each will be recognised as at 1 January 2019.

**2.3 已頒佈但尚未生效的香港財
務報告準則(續)**

- (b) (續)
務報告準則第16號要求承租人及出租人較根據香港會計準則第17號作出更多披露。出租人可選擇以全面追溯應用或經修訂追溯應用方式應用該準則。

本集團將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號的過渡性條文確認初步採納的累積影響，作為對二零一九年一月一日保留盈餘年初結餘的調整，及將不會重列比較數字。此外，本集團計劃將新規定應用於以往根據香港會計準則17號識別為租賃的合約，並根據剩餘租賃付款額按首次採納日期本集團增量借款利率折現的現值計量租賃負債。使用權資產將以租賃負債金額計量，並以緊接首次應用日期前於綜合財務狀況表中確認的與租賃有關的任何預付或應計租賃款的金額進行調整。本集團計劃就租賃期限自首次應用日期起租賃期限在12個月內的租賃合約使用準則允許的豁免條款。於本年度，本集團就採納香港財務報告準則第16號之影響進行詳細評估。本集團估計，使用權資產及租賃負債各14,387,000港元將於二零一九年一月一日確認。

NOTES TO FINANCIAL STATEMENTS

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

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

2.3 已頒佈但尚未生效的香港財 務報告準則(續)

- (c) 香港會計準則第1號及香港會計準則第8號(修訂本)對重大制定新定義。新定義指出，倘遺漏、錯誤陳述或掩蓋資料可合理地預期會對一般用途財務報表的主要使用者基於該等財務報表作出的決策造成影響，則有關資料屬於重大。該等修訂澄清，重大與否將視乎資料的性質或幅度。倘錯誤陳述資料可合理地預期會對主要使用者作出的決策造成影響，則有關資料屬於重大。本集團預期將自二零二零年一月一日起以前瞻方式採納該等修訂。該等修訂預期不會對本集團的財務報表造成重大影響。
- (d) 香港(國際財務報告詮釋委員會)一詮釋第23號提供倘稅項處理涉及影響香港會計準則第12號的應用的不確定性(通常稱之為「不確定稅務狀況」)，則第23號詮釋在該情況下的所得稅(即期及遞延)會計處理方法。該詮釋不適用於香港會計準則第12號範圍外的稅項或徵稅，尤其亦不包括與不確定稅項處理相關的權益及處罰相關規定。該詮釋具體處理(i)實體是否考慮不確定稅項進行單獨處理；(ii)實體對稅務機關的稅項處理檢查所作的假設；(iii)實體如何釐定應課稅利潤或稅項虧損、稅基、未動用稅項虧損、未動用稅收抵免及稅率；及(iv)實體如何考慮事實及情況變動。該詮釋須追溯應用(倘毋須採用事後確認，則可全面追溯應用；或追溯應用，則應用的累計效應將作為於首次應用日期的期初權益的調整，而毋須重列比較資料)。本集團預期自二零一九年一月一日起採納該詮釋。詮釋預期不會對本集團的財務報表產生任何重大影響。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations under common control

Business combinations of entities under common control are accounted for using the principle of merger accounting in accordance with the Accounting Guideline 5 *Merger Accounting for Common Control Combinations* (“AG 5”) issued by the HKICPA. Under the principle of merger accounting, the consolidated financial statements incorporate the financial statement items of the acquired entities or businesses in which the common control combination occurs from the date when the acquired entities or businesses first come under the control of the controlling party.

The net assets of the acquired entities or businesses are consolidated using the existing book values from the controlling party’s perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the common control combination. No amount is recognised in respect of goodwill or excess of acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the contribution of the controlling party’s interest. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities are recorded (net of any reserves of the acquired entities) have been recognised directly in equity as part of the merger reserve. Acquisition costs are expensed as incurred.

The consolidated statement of profit or loss and the consolidated statement of comprehensive income include the results of each of the acquired entities or businesses from the earliest date presented or since the date when the acquired entities or businesses first come under common control, where this is a shorter period.

2.4 主要會計政策摘要

業務合併及商譽

共同控制下的業務合併

共同控制下的實體業務合併乃根據香港會計師公會頒佈之會計指引第5號 *共同控制合併之合併會計法*（「會計指引第5號」）採用合併會計原則入賬。根據合併會計原則，自被收購實體或業務首度受控制方控制之日起，綜合財務報表即併入共同控制合併產生的被收購實體或業務的財務報表項目。

被收購實體或業務的資產淨值從控制方的角度使用現有賬面值綜合入賬。不會因共同控制合併作出調整以反映公平值或確認任何新資產或負債。且不會確認有關商譽或收購方於被收購方可識別資產、負債及或然負債淨公平值所佔權益多出共同控制合併時的成本（視乎控制方權益貢獻範圍）。收購成本（已付代價之公平值）與所記錄之資產及負債（扣除已收購實體之任何儲備）金額間之所有差額乃作為合併儲備之一部份直接於權益中確認。收購成本於產生時支銷。

綜合損益及綜合全面收益表包括由最早呈列日期起或被收購實體或業務首次受共同控制當日起各被收購實體或業務的業績（以較短期間為準）。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Other business combinations and goodwill

Other 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 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.

2.4 主要會計政策摘要(續)

業務合併及商譽(續)

其他業務合併及商譽

其他業務合併乃以購買法入賬。轉讓之代價乃以收購日期的公允價值計算，該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團自被收購方之前擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公平價值或被收購方可識別資產淨值的應佔比例，計量於被收購方的非控股權益，即於被收購方中賦予持有人在清盤時按比例分佔資產淨值的現有所有權權益。非控股權益的所有其他組成部分乃按公允價值計量。相關收購成本於產生時列為開支。

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適合的分類及指定，其中包括將被收購方主合約中的嵌入式衍生工具進行分離。

倘企業合併分階段完成，先前持有之股本權益於其收購日期按公平值重新計量，而所產生之任何盈虧於損益中確認。

收購方將予轉讓之任何或然代價於收購日期按公平值確認。分類為資產或負債之或然代價按公平值計量，而公平值之變動於損益中確認。分類為權益之或然代價毋須重新計量，而其後結算於權益中入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Other 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.

2.4 主要會計政策摘要(續)

業務合併及商譽(續)

其他業務合併及商譽(續)

商譽初步按成本計量，即已轉讓代價、已確認非控制性權益金額及任何本集團先前持有之被收購方股本權益公平值之總計，超出所收購可識別資產淨值及所承擔負債之差額。倘此代價及其他項目之總和低於所收購資產淨值之公平值，該差額將於重新評估後於損益中確認為議價收購收益。

初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，倘有事件發生或情況改變顯示賬面值可能減值，則會更頻密地進行測試。本集團於每年十二月三十一日進行商譽減值測試。為進行減值測試，於業務合併中收購之商譽自收購日期起分配至預期可從合併產生之協同效益中獲益之本集團各現金產生單位或現金產生單位組別，不論本集團其他資產或負債是否分配予該等單位或單位組別。

減值乃透過評估與商譽有關之現金產生單位(或現金產生單位組別)之可收回金額釐定。當現金產生單位(或現金產生單位組別)之可收回金額低於賬面金額時，減值虧損便予以確認。已確認之商譽減值虧損不得於後續期間撥回。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Other business combinations and goodwill (continued)

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.

Fair value measurement

The Group measures investment properties, a building and a debt investment at fair value through other comprehensive income at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset 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 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 is measured using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

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

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

2.4 主要會計政策摘要(續)

業務合併及商譽(續)

其他業務合併及商譽(續)

倘商譽獲分配至現金產生單位(或現金產生單位組別),則於出售該單位之部份業務時為釐定出售業務所產生之盈虧,與所出售業務相關之商譽會計入該業務之賬面值。在該情況下出售之商譽,乃根據所出售業務之相對價值及現金產生單位之留存份額計量。

公平值計量

於各報告期間末,本集團按公平值計量投資物業、一處樓宇及按公平值計入其他全面收益的債務投資。公平值是指市場參與者在計量日的有序交易中,出售一項資產所能收到的價格。公平值計量乃基於出售資產的交易在相關資產或負債的主要市場進行,或在不存在主要市場的情況下,則在相關資產或負債的最有利市場進行的假定。主要市場(或最有利市場)應當是本集團能夠進入的市場。資產的公平值乃基於市場參與者在對該資產定價時(假設市場參與者以實現其經濟利益最大化的方式行事)所採用的假設計量。

非金融資產的公平值計量會考慮市場參與者透過以最大限度使用該資產達致最佳用途,或透過將該資產出售給能夠以最大限度使用該資產達致最佳用途的其他市場參與者產生經濟利益的能力。

本集團採用在當前情況下適用並且有足夠可利用數據支持的估值技術去計量公平值,儘量使用相關可觀察輸入值及儘量減少使用不可觀察輸入值。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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

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

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

2.4 主要會計政策摘要(續)

公平值計量(續)

在財務報表內計量或披露公平值的所有資產，均根據對公平值計量整體而言具有重要意義的最低層次輸入值在下述公平值層次內進行分類：

- 第一層次 — 基於相同資產或負債在活躍市場上(未經調整)的報價
- 第二層次 — 基於對公平值計量而言具有重要意義的最低層次輸入值乃直接或間接可觀察的估值技術
- 第三層次 — 基於對公平值計量而言具有重要意義的最低層次輸入值乃不可觀察的估值技術

就持續於財務報表確認的資產而言，本集團於每個報告期末透過(按對公平值計量整體而言具有重要意義的最低層次輸入值)重新評估分類，以決定層次制度中各個層次間是否有轉移。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

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

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

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 a non-financial 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, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 主要會計政策摘要(續)

非金融資產減值

除了投資物業、遞延稅項資產、發展中物業、存貨及金融資產外，如果一項資產存在減值跡象，或需要進行年度減值測試，則估計資產的可收回金額。資產可收回金額按該資產或現金產出單元的使用價值和公平值減出售費用兩者中的較大者計算，並按單個資產單獨確認，除非該資產不能產出基本上獨立於其他資產或資產組所產生的現金流入，這種情況下，可確定該資產所屬的現金產出單元的可收回金額。

只有資產賬面金額超過其可收回金額時，才確認減值虧損。評估使用價值時，採用反映當前市場對資金時間價值和資產的特定風險的估價的稅前折現率，將估計未來現金流量折成現值。減值虧損於其產生期間的損益內扣除，惟資產按重估金額列賬則除外，在此情況下，減值虧損根據該重估資產的相關會計政策入賬。

於每個報告期末評估是否有跡象表明以前確認的減值虧損可能已不存在或可能降低。如果存在上述跡象，則對可收回金額進行估計。對於一項除商譽外的非金融資產來說，只有在用於確定資產可收回金額的估計發生變動時，以前確認的減值虧損才能轉回，但是由於該等資產的減值虧損的轉回而增加的資產賬面金額，不應高於資產以前年度沒有確認減值虧損時的賬面金額(減去攤銷/折舊)。這種減值虧損的轉回計入其發生當期的損益，惟資產按重估金額列賬則除外，在此情況下，減值虧損撥回根據該重估資產的相關會計政策入賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

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

- (a) the party is a person or a close member of that person's family and that person; (i) has control or joint control 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 holding company of the Group;

or

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

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a holding company, 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 holding company of the entity); and

2.4 主要會計政策摘要(續)

關聯方

在下列情況下，則一方被視為與本集團有關：

- (a) 個人或與該個人關係密切的家庭成員與本集團相關連，如果該個人：(i)對本集團實施控制或共同控制；(ii)對本集團實施重大影響；或(iii)是本集團或其控股公司的關鍵管理人員的成員；

或

- (b) 如果適用以下任何情形，則某實體與本集團相關連：

- (i) 該實體和本集團是同一集團的成員；
- (ii) 某一實體是另一實體（或是該另一實體的控股公司、附屬公司或同系附屬公司）的聯營企業或合營企業；
- (iii) 該實體和本集團都是相同第三方的合營企業；
- (iv) 某一實體是第三方的合營企業並且另一實體是該第三方的聯營企業；
- (v) 該實體是為本集團或與本集團相關的實體的僱員福利而設的離職後福利計劃；
- (vi) 該實體受(a)項所述個人的控制或共同控制；
- (vii) (a)(i)項所述的個人對該實體實施重大影響或是該實體（或該實體的控股公司）的關鍵管理人員的成員；及

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) (continued)

- (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 a holding company of the Group.

Property, plant and equipment and depreciation

Except for a building, which is stated at a revalued amount, being its fair value at the date of the revaluation less accumulated depreciation and any accumulated impairment losses, other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated 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.

2.4 主要會計政策摘要(續)

關聯方(續)

(b) (續)

- (viii) 向本集團或本集團母公司提供關鍵管理人員服務的實體或其所屬集團的任何控股公司。

物業、廠房及設備及其折舊

除樓宇按重新估值(即重新估值日期的公平值)減累計折舊及任何累計減值虧損之重估值計量外,其他物業、廠房及設備按成本減去累計折舊和任何累計減值虧損計量。物業、廠房及設備項目的成本包括其購買價格和將資產運抵指定地點並使其達到能夠按照預定的方式進行運作狀態的直接可歸屬成本。

物業、廠房及設備項目投入運行後發生的支出,比如維修和保養,通常在費用發生當期的損益中扣除。如果符合確認準則,則主要檢查的支出會作為替換資本化於資產賬面值。如果物業、廠房及設備的主要部分須定期替換,則本集團確認有關部分為獨立資產,其具有特定的使用年限及據此折舊。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Valuation in relation to the building is performed frequently enough to ensure that its fair value does not differ materially from its carrying amount. Changes in the value of the building are dealt with as movements in the property revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to profit or loss. Any subsequent revaluation surplus is credited to profit or loss to the extent of the deficit previously charged. An annual transfer from the property revaluation reserve to accumulated losses is made for the difference between the depreciation based on the revalued carrying amount of the building and the depreciation based on the building's original cost. On disposal of a revalued asset, the relevant portion of the property revaluation reserve realised in respect of previous valuations is transferred to accumulated losses as a movement in reserves.

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

| | |
|---|--|
| Building 樓宇 | Over the shorter of the lease term and 2.5% 租賃期和2.5%的較短者 |
| Leasehold improvements 租賃物業裝修 | Over the shorter of the lease terms and 33 $\frac{1}{3}$ % 租賃期和33 $\frac{1}{3}$ %的較短者 |
| Furniture, fixtures and office equipment 傢俬、裝置和辦公室設備 | 10% to 20% 10%至20% |
| Motor vehicles 汽車 | 20% 20% |

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.

2.4 主要會計政策摘要(續)

物業、廠房及設備及其折舊(續)

本集團經常對大樓進行全面估值以確保其公允價值與其賬面值不會有重大差異。大樓之價值變動會作物業重估儲備變動處理。倘按個別資產基準計算，該儲備總額不足以抵銷虧絀，則超出之虧絀將於損益中扣除，其後產生之任何重估盈餘按過往扣除之虧絀計入損益表。每年從物業重估儲備轉撥至累計虧損乃根據樓宇重估賬面值所計算之折舊與根據樓宇原來成本所計算之折舊兩者之差額作出。於出售經重估資產時，就過往估值變現之物業重估儲備相關部分轉撥至累計虧損，列作儲備變動。

各項物業、廠房及設備採用直線法在計算折舊的估計使用年限內削減其成本至其殘值。計算折舊之主要年期如下：

如果物業、廠房及設備項目的各部分具有不同使用年限，則在各部分間合理分配該項目的成本，且按各部分單獨計提折舊。於每個財政年度結算日，評估剩餘價值、使用年限和折舊方法，必要時進行調整。

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2.4 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 period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties include both completed investment properties and investment properties under construction.

Completed investment properties are a commercial building and an office building (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Investment properties under construction or development for future use as investment properties are classified as investment properties under construction. Such properties under construction is measured at cost, including transaction costs, and subsequent to initial recognition, are stated at fair value at the end of the reporting period when the fair value can be determined reliably.

2.4 主要會計政策摘要(續)

物業、廠房及設備及其折舊(續)

物業、廠房及設備項目(包括初始確認的任何重大部分)一經處置或預期其使用或處置將不會帶來未來經濟利益，則終止確認。於資產終止確認期間內的損益確認的處置或報廢的任何損益乃淨銷售收入和相關資產賬面金額之差。

投資物業

投資物業包括已落成投資物業及在建中投資物業。

已落成投資物業指為賺取租金收入及／或實現資本增值，而不是用於生產或提供商品或提供服務，或用於管理用途，或在日常經營過程中為銷售而持有的商業樓宇以及辦公樓宇的權益(包括符合投資物業定義的經營租賃房地產的租賃權益)。這種房地產初始按成本計量，包含交易費用。初始確認後，投資物業按反映報告期末市場狀況的公平值計量。

在建中或發展中以供在未來作為投資物業使用的投資物業分類為在建中投資物業。該等在建中物業按成本(包括交易成本)計量，於初始確認後，在公平值能夠可靠釐定的報告期間末按公平值列賬。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties (continued)

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise.

Any gains or losses on the retirement or disposal of a completed investment property are recognised in profit or loss in the period of the retirement or disposal.

For a transfer from inventories (i.e., properties under development or properties held for sale) to investment properties, any difference between the fair value of the property at the date of change in use and its previous carrying amount is recognised in profit or loss.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The estimated annual rates of amortisation of computer software are 10%-25%:

Operating leases

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.

2.4 主要會計政策摘要(續)

投資物業(續)

已落成投資物業公平值變動引起的損益計入損益發生期的損益。

已落成投資物業報廢或處置造成的損益在報廢或處置期內的損益確認。

由存貨(即發展中物業或持作出售物業)轉為投資物業,而物業在使用變更日期的公平值與其過往之賬面值的任何差額於損益內確認。

無形資產(商譽除外)

單獨取得的無形資產在初始確認時按成本計量。無形資產的使用年限分為有限或無限年期。

具有有限使用年限的無形資產在使用經濟期限內攤銷,並且如果有跡象表明該無形資產可能減值,則評估減值。具有有限使用年限的無形資產的攤銷期和攤銷方法至少於每個財政年度結算日作覆核。電腦軟件的估計年攤銷率為10%-25%:

經營租賃

如果一項租賃出租人實質上保留與資產所有權相關的幾乎全部風險和回報,則應按經營租賃進行會計處理。如果本集團是出租人,本集團按經營租賃出租的資產歸入非流動資產,經營租賃的應收租金按直線法在租賃期內計入損益。如果本集團是承租人,經營租賃的應付租金(經扣除出租人提供的任何優惠)按直線法在租賃期內計入損益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, or at fair value through other comprehensive income, as appropriate.

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

In order for a financial asset (debt instrument) 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.

2.4 主要會計政策摘要(續)

投資和其他金融資產(自二零一八年一月一日起適用的香港財務報告準則第9號之政策)

初始確認和計量

金融資產在初始確認時分類為後續按攤銷成本計量或按公平值計入其他全面收益(倘適用)。

初始確認金融資產分類取決於金融資產的合約現金流特徵，以及本集團管理金融資產的業務模式。除並未包含重大融資組成部分或本集團已實行權宜措施不調整重大融資組成部分影響的應收貿易賬款外，本集團按公平值初始計量金融資產，倘金融資產並非按公平值計入損益，則另加交易成本。並未包含重大融資組成部分或本集團已實行權宜措施的應收貿易賬款根據下文「收入確認」所述政策按香港財務報告準則第15號釐定的交易價計量。

金融資產須使現金流量僅為償還本金及未償還本金利息(「僅為償還本金及利息」)，方可分類為按攤銷成本計量或按公平值計入其他全面收益的金融資產(債務工具)。

2.4 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)

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 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:

(a) 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.

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

2.4 主要會計政策摘要(續)

投資和其他金融資產(自二零一八年一月一日起適用的香港財務報告準則第9號之政策)(續)

初始確認和計量(續)

本集團管理金融資產的業務模式指本集團如何管理其金融資產以產生現金流量。業務模式釐定現金流量會否因收取合約現金流量、出售金融資產或因前述兩者而產生。

所有常規購買和出售金融資產於交易日(即本集團承諾購買或銷售該資產之日)確認。常規購買或出售金融資產指購買或出售需要在一般由法規或市場慣例確定的期間內移交資產。

後續計量

金融資產的後續計量取決於以下分類：

(a) 按攤銷成本計量的金融資產(債務工具)

倘符合以下兩項條件，則本集團按攤銷成本計量金融資產：

- 金融資產乃於以持有金融資產為目標的業務模式內持有，旨在收取合約現金流量。
- 金融資產合約條款訂明於指定日期的現金流量僅可用作償還本金及未償還本金利息。

按攤銷成本計量的金融資產後續使用實際利率法計量，並可予減值。倘資產終止確認、修訂或減值，則收益及虧損於損益確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Subsequent measurement (continued)

- (b) Financial assets at fair value through other comprehensive income (debt instruments)

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.
- 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.

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

2.4 主要會計政策摘要(續)

投資和其他金融資產(自二零一八年一月一日起適用的香港財務報告準則第9號之政策)(續)

後續計量(續)

- (b) 按公平值計入其他全面收益的金融資產(債務工具)

倘符合以下兩項條件，則本集團按公平值計入其他全面收益計量金融資產：

- 金融資產乃於以持有金融資產為目標的業務模式內持有，旨在收取合約現金流量及出售金融資產。
- 金融資產合約條款訂明於指定日期的現金流量僅可用作償還本金及未償還本金利息。

就按公平值計入其他全面收益的債務投資而言，利息收入、外匯重估及減值虧損或撥回於損益中確認，並按與按攤銷成本計量的金融資產相同的方式計量。其餘公平值變動於其他全面收益中確認。終止確認時，於其他全面收益中確認的累計公平值變動將重新計入損益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (policies under HKAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial assets are all classified, at initial recognition, as loans and receivables. 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.

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

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 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 as interest income in profit or loss. The loss arising from impairment is recognised in profit or loss.

2.4 主要會計政策摘要(續)

金融資產(於二零一八年一月一日前適用之香港會計準則第39號項下的政策)

初始確認和計量

金融資產在初始確認時均分類為貸款和應收款項。初始確認金融資產時，按公平值加上歸屬於取得該金融資產的交易費用計量。

所有常規購買和出售金融資產於交易日(即本集團承諾購買或銷售該資產之日)確認。常規購買或出售金融資產指購買或出售需要在一般由法規或市場慣例確定的期間內移交資產。

後續計量

貸款和應收款項是具有固定的或可確定付款額，且沒有活躍市場市價的非衍生金融資產。初始計量後，此類資產後續計量採用實際利率法按攤餘成本減任何減值撥備計量。計算攤餘成本時，應考慮購買產生的任何折價或溢價，且包括作為實際利率不可或缺的費用和交易費用。實際利率攤銷包括在損益中的利息收入。減值產生的虧損在損益中確認。

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2.4 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)

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.

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.

2.4 主要會計政策摘要(續)

終止確認金融資產(自二零一八年一月一日起適用之香港財務報告準則第9號項下的政策及於二零一八年一月一日前適用之香港會計準則第39號項下的政策)

在下列主要情況下，應終止確認金融資產(或，如適用，金融資產的一部分，或一組相類似金融資產的一部分)：

- 獲取金融資產所產生的現金流量的權利屆滿；或
- 本集團轉讓了獲取金融資產所產生的現金流量的權利，或在「轉移」協議下承擔了需無重大延誤地向第三方全額支付這些取得的現金流量的義務；並且(a)本集團實質上轉讓了與該資產相關的幾乎全部風險和回報，或(b)雖然本集團實質上既未轉讓亦未保留與該資產相關的所有風險和回報，但轉移了資產的控制權。

如果本集團轉讓了收取一項資產所產生的現金流量的權利，或已經訂立轉移安排，其評估其是否保留與擁有該資產相關的風險和回報以及有關程度。如果其既未實質上轉移亦未保留與該資產相關的幾乎全部風險和回報，也沒有轉移對該資產的控制權，本集團則根據其對該被轉讓資產的持續參與程度確認該項資產。在該情況下，本集團亦確認相關負債。轉讓的資產及相關負債按反映本集團保留的權利和義務的基準計量。

如果持續參與形式為對被轉讓資產提供擔保，則持續參與程度的計量是下述兩者中的較低者：資產的原賬面金額和本集團可以被要求償還的代價的最大金額。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

2.4 主要會計政策摘要(續)

金融資產減值(自二零一八年一月一日起適用之香港財務報告準則第9號項下的政策)

本集團就並非按公平值計入損益的所有債務工具的預期信貸虧損確認撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期獲得的所有現金流量的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。

一般方法

預期信貸虧損分兩個階段進行確認。就自初始確認以來信貸風險並無顯著增加的信貸敞口而言，會就未來十二個月內可能發生的違約事件而導致的信貸虧損(十二個月預期信貸虧損)計提預期信貸虧損撥備。就自初始確認以來信貸風險顯著增加的信貸敞口而言，不論何時發生違約，須就餘下風險年期內的預期信貸虧損計提虧損撥備(存續期預期信貸虧損)。

於各報告日期，本集團評估金融工具的信貸風險自初始確認以來是否顯著增加。在進行評估時，本集團比較金融工具於報告日期發生違約的風險及金融工具於初始確認日期發生違約的風險，同時考慮無需消耗過多費用或精力即可獲得之合理且可支持的資料，包括歷史及前瞻性資料。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

General approach (continued)

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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

2.4 主要會計政策摘要(續)

金融資產減值(自二零一八年一月一日起適用之香港財務報告準則第9號項下的政策)(續)

一般方法(續)

就按公平值計入其他全面收益的債務投資而言，本集團應用低信貸風險簡化法。於各報告日期，本集團使用無需消耗過多費用或精力即可獲得之所有合理且可支持的資料，來評估債務投資是否被認為有低信貸風險。於作出該評估時，本集團重新評估債務投資的外部信貸評級。此外，本集團認為，當合約付款逾期超過30日時，信貸風險將大幅增加。

當合約付款逾期90天時，本集團認為金融資產違約。然而，在某些情況下，當內部或外部資料表明本集團在採取任何信貸改善措施前不太可能全額收回未付合約款項時，本集團亦可將一項金融資產視為違約。金融資產於並無合理預期可收回合約現金流量時撇銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

General approach (continued)

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

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

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

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

2.4 主要會計政策摘要(續)

金融資產減值(自二零一八年一月一日起適用之香港財務報告準則第9號項下的政策)(續)

一般方法(續)

按攤銷成本計量的金融資產須按一般方法計提減值，且就計量預期信貸虧損而言分為以下幾個階段，惟採用下述簡易方法的應收貿易賬款及合約資產除外。

第一階段 — 自初始確認以來信貸風險並無顯著增加的金融工具，其虧損撥備按相當於十二個月預期信貸虧損的金額計算

第二階段 — 自初始確認以來信貸風險顯著增加但並非信用減值的金融資產的金融工具，其虧損撥備按相等於存續期預期信貸虧損的金額計算

第三階段 — 在報告日期已發生信用減值的金融資產(但並非購買或初始信用減值的金融資產)，其虧損撥備按相等於存續期預期信貸虧損的金額計算

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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.

2.4 主要會計政策摘要(續)

金融資產減值(自二零一八年一月一日起適用之香港財務報告準則第9號項下的政策)(續)

簡化方法

就並未包含重大融資組成部分或本集團已實行權宜措施不調整重大融資組成部分影響的應收貿易賬款而言，本集團在計算預期信貸虧損時採用簡化方法。根據簡化方法，本集團並不跟蹤信貸風險的變化，而是於每個報告日期基於存續期預期信貸虧損確認虧損撥備。本集團已根據過往信貸虧損經驗建立撥備矩陣，並根據債務人具體的前瞻性因素及經濟環境作出調整。

金融資產減值(於二零一八年一月一日前適用之香港會計準則第39號項下的政策)

本集團於每一報告期末對是否有客觀證據表明金融資產或金融資產組發生減值做出評估。如果資產初始確認後發生的一個或多個事項對金融資產或金融資產組的預計未來現金流量的影響能可靠地估計，則存在減值。減值證據可包括債務人或一組債務人發生重大財務困難，拖欠利息或本金的支付，他們很可能破產或進行其他財務重組，以及有可觀察數據表示預計未來現金流量出現可量度的減少，例如與拖欠相聯繫的欠款或經濟狀況的改變。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Loans and receivables

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).

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 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.

2.4 主要會計政策摘要(續)

金融資產減值(於二零一八年一月一日前適用之香港會計準則第39號項下的政策)(續)

貸款及應收款項

有關以攤餘成本計量的金融資產，本集團首先要評估是否有客觀證據表明重大的個別金融資產個別發生減值或個別不重大的金融資產整體發生減值。如果本集團確定沒有客觀證據表明評估的個別金融資產，無論重大與否，發生減值，則該資產計入具有相似信用風險特徵的金融資產組，並對整個小組進行減值評估。已進行減值評估並確認或繼續確認減值虧損的個別資產，不計入整體減值評估中。

所辨認的任何減值虧損的金額按資產賬面金額和估計未來現金流量的現值(不包括尚未發生的未來信用虧損)之差計量。估計未來現金流量以金融資產初始實際利率(即初始確認時計算的實際利率)折現為現值。

資產的賬面金額通過備抵賬目的使用減少。減值虧損金額在損益中確認。利息收入繼續按減少後的賬面值累計，累計的利率為量度減值虧損時用以將未來現金流量折現的利率。當並無實際希望可於未來收回，而所有抵押品已經變賣或轉讓給本集團時，貸款及應收款項及任何相關準備會一併撇銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Loans and receivables (continued)

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.

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

The Group's financial liabilities include trade payables, other payables, amounts due to a director and related companies, bank borrowings, loans from a shareholder, preference shares of a subsidiary and liability component of perpetual convertible bonds.

Subsequent measurement

After initial recognition, financial liabilities at amortised cost 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.

2.4 主要會計政策摘要(續)

金融資產減值(於二零一八年一月一日前適用之香港會計準則第39號項下的政策)(續)

貸款及應收款項(續)

如果在以後的期間，估計減值虧損的金額增加或減少，而且這種情況客觀上與確認減值後發生的事件相關，則先前確認的減值虧損會透過調整備抵賬戶而增加或減少。如果撇銷金額其後收回，則收回金額會貸記於損益的其他費用中。

金融負債(自二零一八年一月一日起適用的香港財務報告準則第9號之政策及二零一八年一月一日前適用的香港會計準則第39號之政策)

初始確認和計量

金融負債在初始確認時分類為按攤銷成本計量的金融負債。所有金融負債初步按公平值確認，如屬以攤銷成本計量的金融負債，則扣除直接應佔交易成本。

本集團的金融負債包括應付貿易賬款、其他應付款、應付一名董事及關連公司款項、銀行借款、股東貸款、附屬公司優先股及永久可換股債券的負債部分。

後續計量

初始確認後，按攤銷成本計量之金融負債後續採用實際利率法按攤銷成本計量，除非折現的影響不重大，這種情況下，它們按成本計量。在負債終止確認時及在實際利率法攤銷過程中，產生的損益在損益表確認。

2.4 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)

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.

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.

Perpetual convertible bonds

The component of perpetual convertible bonds that exhibits characteristics of a liability is recognised as a liability in the consolidated statement of financial position, net of transaction costs. On issuance of perpetual 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 financial liability at amortised cost. The remainder of the proceeds is allocated to the equity component of the perpetual convertible bonds that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the equity component of the perpetual convertible bonds is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the perpetual convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

2.4 主要會計政策摘要(續)

金融負債(自二零一八年一月一日起適用之香港財務報告準則第9號項下的政策及於二零一八年一月一日前適用之香港會計準則第39號項下的政策)(續)

後續計量(續)

計算攤銷成本時，應考慮購買產生的任何折價或溢價，且包括作為實際利率不可或缺的費用和交易費用。實際利率攤銷包括在損益中的財務費用。

終止確認金融負債(自二零一八年一月一日起適用之香港財務報告準則第9號項下的政策及於二零一八年一月一日前適用之香港會計準則第39號項下的政策)

如果金融負債的責任已履行、撤銷或屆滿，則對金融負債進行終止確認。

如果現有金融負債被同一貸款方以實質上幾乎全部不同條款的另一金融負債取代，或者現有負債的條款幾乎全部被實質性修改，則此類替換或修改作為終止確認原負債和確認新負債處理，並且各自賬面金額的差異在損益中確認。

永久可換股債券

具有負債特徵的永久可換股債券部分於扣除交易費用後於綜合財務狀況表確認為負債。發行永久可換股債券時，負債部分的公平值採用等值不可換股債券的市場利率釐定；而該金額按攤銷成本入賬列為金融負債。餘下所得款項於扣除交易費用後分配至永久可換股債券之權益部分，該部分於股東權益內確認並計入其中。永久可換股債券之權益部分的賬面值不會於其後年度重新計量。交易費用於首次確認該等工具時按所得款項分配至負債及權益部分的比例在負債及永久可換股債券之權益部分之間分配。

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

Properties under development

Properties under development are intended to be held for sale after completion of the property development and are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle. On completion, the properties are transferred to properties held for sale.

Properties under development are stated at the lower of cost and net realisable value. Cost includes cost of land together with any other direct costs attributable to the development of the properties. Net realisable value is determined by reference to the estimated selling price based on prevailing market conditions less (i) anticipated cost to completion of the development in respect of properties under development; and (ii) estimated costs to be incurred in marketing and selling the properties.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis.

2.4 主要會計政策摘要(續)

金融工具的互相抵銷(自二零一八年一月一日起適用之香港財務報告準則第9號項下的政策及於二零一八年一月一日前適用之香港會計準則第39號項下的政策)

如果以現時可行法定權利將確認的金額互相抵銷，並且打算以淨額為基礎結算，或同時實現該資產和清償該負債，則金融資產和金融負債會互相抵銷，淨額在綜合財務狀況表報告中。

發展中物業

發展中物業為擬於物業發展完成後持作出售，並分類為流動資產，除非預期完成有關物業發展項目的建築期超過正常營業週期，則作別論。完成後，有關物業轉撥至持作出售物業。

發展中物業按成本和可變現淨值兩者中較小者列賬。成本包括土地成本及有關發展物業的任何其他直接成本。可變現淨值參考根據當前市場狀況估計的售價減去(i)估計完成發展有關發展中物業的成本；和(ii)估計推廣及銷售有關物業發生的成本計算。

存貨

存貨按成本與可變現淨值兩者之較低者入賬。成本乃根據先進先出法計算。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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.

2.4 主要會計政策摘要(續)

現金和現金等價物

就綜合現金流量表而言，現金和現金等價物包括手頭現金和活期存款，以及流動性強、易轉換成已知金額的現金且價值變動風險很小的短期投資，且購買時到期日通常為三個月。

就綜合財務狀況表而言，包括並無限制使用用途的手頭現金及銀行存款（包括定期存款及與現金性質類同的資產）。

撥備

因過去事項而需要承擔現時義務（法定或推定），而履行該義務很可能導致未來經濟資源的流出，且該義務的金額能夠可靠地估計，則應確認撥備。

如果貨幣時間價值的影響重大，撥備的金額應是未來履行義務預期所需支出在報告期末的現值。隨時間推移增加的折現現值金額計入損益的財務費用。

所得稅

所得稅包括當期稅項和遞延稅項。有關在損益以外確認的項目的所得稅，在損益以外（在其他全面收益或直接在權益中）確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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.

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.

2.4 主要會計政策摘要(續)

所得稅(續)

當期稅項資產和負債，以在報告期末已執行的或實質上已執行的稅率(及稅法)為基礎，根據本集團經營所在國家的現行詮釋和相關常規，按照預期自稅務部門收回或向稅務部門支付的金額計量。

遞延稅項採用負債法，對報告期末的資產和負債稅務基礎及其出於財務報告目的的賬面金額之間的所有暫時性差異作撥備。

所有應納稅暫時性差異均確認為遞延稅項負債，除非：

- 遞延稅項負債是由商譽或資產和負債於非業務合併交易的初始確認所產生，而在交易時既不影響會計利潤也不影響應納稅利潤或虧損；及
- 就與附屬公司、合營企業及聯營公司的投資相關的應納稅暫時性差異而言，如果能夠控制該暫時性差異轉回的時間安排並且暫時性差異在可預見的未來不會轉回。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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.

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.

2.4 主要會計政策摘要(續)

所得稅(續)

所有可抵扣的暫時性差異、結轉未利用的稅項抵減和未利用的稅務虧損確認為遞延稅項資產，但以很有可能有足夠的應納稅利潤抵銷可抵扣的暫時性差異、結轉未利用的稅項抵減和未利用的稅務虧損為限，除非：

- 遞延稅項資產是由資產和負債於非業務合併交易的初始確認所產生，而在交易時既不影響會計利潤也不影響應納稅利潤或虧損；及
- 就與附屬公司的投資相關的可抵扣的暫時性差異而言，遞延稅項資產確認為是以暫時性差異將於可預見的未來轉回且有足夠的應納稅利潤可用以抵銷暫時性差異為限。

於每一報告期末對遞延稅項資產的賬面金額予以覆核。如果不再是很可能獲得足夠的應納稅利潤以允許利用部分或全部遞延稅項資產的利益，應減少該項遞延稅項資產。相反，於每一報告期末應重新評估以前未確認的遞延稅項資產，在有足夠應納稅利潤可供所有或部分遞延稅項資產利用的限度內確認遞延稅項資產。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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 (applicable from 1 January 2018)

Revenue from contracts with customers

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

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

2.4 主要會計政策摘要(續)

所得稅(續)

遞延稅項資產和負債，以在報告期末已執行的或實質上將執行的稅率(和稅法)為基礎，按預期實現該資產或清償該負債的稅率計量。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之不同稅務實體徵收之所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

收入確認(自二零一八年一月一日起適用)

客戶合約收入

客戶合約收益於貨品或服務的控制權按反映本集團預期就交換該等貨品或服務而有權獲得之代價金額轉讓予客戶時確予以認。

倘合約中的代價包括可變金額，代價金額則按本集團就交換向客戶轉讓貨品或服務而有權獲得的金額估計。可變代價於合約初期估計並受限直至可變代價的相關不確定性於隨後排除後很可能不會產生已確認累計收入金額的重大收入撥回之時。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable from 1 January 2018) (continued)

Revenue from contracts with customers (continued)

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.

(a) *Provision of property management services*

In respect of property management services where the property management fee is charged on a lump sum basis, the Group acts as principal and is primary responsible for providing the property management services to the property owners, the Group recognises the property management fee received or receivable from property owners as its revenue and all related property management costs as its cost of services. Revenue from the provision of property management services is recognised over time when the services are rendered.

2.4 主要會計政策摘要(續)

收入確認(自二零一八年一月一日起適用)(續)

客戶合約收入(續)

倘合約包括於向客戶轉讓貨品或服務時為客戶提供一年以上重大融資利益的融資部分，則收入按應收金額的現值計量，並使用本集團與客戶於合約初期的單獨融資交易中反映的折現率折現。倘合約包括為本集團提供一年以上重大融資利益的融資部分，則根據該合約確認的收入包括按實際利率法計算的就合約負債所產生的利息開支。就客戶付款及轉讓承諾貨品或服務的期間為一年或以下的合約而言，交易價不會就重大融資部分的影響採用香港財務報告準則第15號的實際合宜方法進行調整。

(a) *提供物業管理服務*

就一次性收取物業管理費的物業管理服務而言，本集團作為委託人，且主要負責向業主提供物業管理服務，本集團將已收或應收業主的物業管理費確認為收益，並將所有相關的物業管理成本確認為服務成本。提供物業管理服務的收益於提供服務時隨時確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable from 1 January 2018) (continued)

Revenue from contracts with customers (continued)

- (b) *Provision of services in relation to operation of the Recreational Centre*

Revenue from the provision of services in relation to operation of the Recreational Centre is recognised over time when the related services are rendered.

- (c) *Sale of goods in relation to operation of the Recreational Centre*

Revenue from the sale of goods in relation to operation of the Recreational Centre is recognised at the point in time when control of the asset is transferred to the customer.

Revenue from other sources

- (a) *Rental income*

Revenue from rental income is recognised on a time proportion basis over the lease terms.

- (b) *Interest income*

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

2.4 主要會計政策摘要(續)

收入確認(自二零一八年一月一日起適用)(續)

客戶合約收入(續)

- (b) *就經營休閒中心提供服務*

就經營休閒中心提供服務所得收入於提供相關服務時按時間確認。

- (c) *就經營休閒中心銷售貨品*

就經營休閒中心銷售貨品所得收入於資產控制權轉讓予客戶時確認。

其他來源收入

- (a) *租金收入*

來自租賃收入的收入在租約期間按時間比例確認。

- (b) *利息收入*

利息收入採用實際利率法確認，應用的利率為在金融工具的預期壽命或更短期間(如適用)將估計未來現金收入準確折現至金融資產賬面淨值的利率。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (applicable before 1 January 2018)

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) rental income, on a time proportion basis over the lease terms;
- (b) from the rendering of property management services and the provision of services in relation to operation of the Recreational Centre, when the services have been rendered;
- (c) from the sale of goods in relation to operation of the Recreational Centre, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains either managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and
- (d) interest income, on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities (applicable from 1 January 2018)

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.

2.4 主要會計政策摘要(續)

收入確認(二零一八年一月一日前適用)

當經濟利益很可能流入本集團且收入可以可靠計量時，按以下基礎確認收入：

- (a) 租金收入而言，在租賃期按時間比例為基礎；
- (b) 就提供物業管理服務及休閒中心運營所提供之服務而言，在提供服務時；
- (c) 就休閒中心運營之商品銷售而言，倘本集團維持通常與所有權有關的管理參與度，當所有權之重大風險及回報已轉移至買方時，或無法有效控制商品銷售時；及
- (d) 利息收入而言，按應計基準採用實際利率法計算，應用的利率為在金融工具的預期壽命或更短期間(如適用)將估計未來現金收入準確折現至金融資產賬面淨值的利率。

合約負債(自二零一八年一月一日起適用)

合約負債為本集團就已收客戶代價(或應收代價金額)而須向客戶轉移商品或服務的責任。倘客戶在本集團向客戶轉移商品或服務前支付代價，則合約負債在作出付款或付款到期(以較早者為準)時確認。合約負債在本集團履行合約時確認為收益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 Black-Scholes model.

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.

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.

2.4 主要會計政策摘要(續)

以股份為基礎的付款

本公司設有購股權計劃，旨在給予為本集團業務成功作出貢獻之合資格參與者鼓勵及獎勵。本集團僱員(包括董事)按以股份為基礎付款形式收取酬金，而僱員則提供服務作為權益工具之代價(「以權益結算的交易」)。

與僱員進行的以權益結算的交易之成本乃參考授出當日之公平值計量。公平值由外部估值師利用柏力克—舒爾斯模式釐定。

以權益結算的交易的成本連同權益的相應增加，於表現及／或服務條件獲達成的期間內於僱員福利費用確認。於各報告期末直至歸屬日期為止就以權益結算的交易確認的累計開支反映歸屬期已屆滿程度及本集團對最終將會歸屬的權益工具數目的最佳估計。於某一期間扣除或計入於損益的金額指於期初及期末確認的累計開支變動。

釐定獎勵於授出日期的公平值時並不計及服務及非市場表現條件，惟達成有關條件的可能性會評估為本集團對最終將會歸屬的權益工具數目的最佳估計的一部分。市場表現條件在授出日期公平值中反映。獎勵所附帶但無相關服務要求的任何其他條件被視為非歸屬條件。除非同時附有服務及／或表現條件，否則非歸屬條件在獎勵的公平值中反映，並會導致獎勵即時支銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

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.

Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital. In addition, at the time when the share options are exercised, the amount previously recognised in the share option reserve will be transferred to the share capital account.

2.4 主要會計政策摘要(續)

以股份為基礎的付款(續)

就因非市場表現及／或服務條件未獲達成而最終並未歸屬的獎勵而言，並無確認任何開支。倘獎勵包括一項市場或非歸屬條件，則只要所有其他表現及／或服務條件已經達成，不論市場或非歸屬條件是否達成，交易被視為已歸屬。

倘以權益結算的獎勵的條款有所修訂，而獎勵的原有條款已達成，則會確認最少開支，猶如條款並無作出修訂。此外，倘任何修訂導致以股份為基礎的付款的公平值總額有所增加，或於修訂日期計量時為僱員帶來其他利益，則須就該等修訂確認開支。

倘以權益結算的獎勵被註銷，其將被視為猶如已於註銷日期歸屬，而尚未就獎勵確認的任何開支則即時確認。這包括在不符合本集團或僱員控制範圍內的非歸屬條件的情況下的任何獎勵。然而，倘有新獎勵取代已註銷獎勵，並於其授出日期指定為替代獎勵，則已註銷及新獎勵，均如前段所述被視為猶如其為原有獎勵的修訂。

尚未行使購股權的攤薄效應於計算每股盈利時列為額外股份攤薄。

於購股權獲行使時，本公司將因此而發行的股份記錄為額外股本。此外，於購股權獲行使時，先前於購股權儲備確認的款項將轉撥至股本溢價賬。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

Options which are cancelled prior to their exercise date or lapsed are deleted from the register of outstanding options. When the share options are still not exercised at the expiry date, the amount previously recognised in the share option reserve will be transferred to accumulated losses as a movement in reserves.

Other employee benefits (pension schemes)

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme in Hong Kong (the "MPF Scheme") under the Hong Kong 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.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions vest fully once made and are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 主要會計政策摘要(續)

以股份為基礎的付款(續)

於行使日期前註銷或失效之購股權均自尚未行使購股權登記冊中刪除。當購股權於屆滿日期仍未行使時，先前於購股權儲備確認之款項會轉撥至累計虧損作為儲備變動。

其他僱員福利(退休金計劃)

本集團按照香港強制性公積金計劃條例為有資格參與強積金計劃的該等僱員實行了界定供款的強制性公積金退休福利計劃(「強積金計劃」)。供款按照僱員基本工資的一定百分比計算，並根據強積金計劃的規定在需要支付時在損益中扣除。強積金計劃的資產由與本集團資產分開的獨立管理基金持有。本集團的僱主供款支付給強積金計劃後完全歸屬於僱員。

本集團於中國大陸的附屬公司的僱員必須參加由當地市政府管理的統一退休金計劃。該等附屬公司須貢獻其工資成本的若干百分比予統一退休金計劃。供款於投入計劃時即時全數歸計劃所有並根據統一退休金計劃的規定在需要支付時在損益中扣除。

借款費用

借款費用包括實體就借用資金而發生的利息及其他成本。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs (continued)

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.

Foreign currencies

These financial statements are presented in Hong Kong dollar, 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).

2.4 主要會計政策摘要(續)

借款費用(續)

因收購、建設或生產合資格資產(即需要一段頗長時間準備方可作其擬定用途或出售的資產)所直接產生的借款費用,乃予以資本化作為該等資產成本之一部分。倘若該等資產已大致能夠用作擬定用途或出售,其借款費用不再予以資本化。個別借款因尚未用於合資格資產而用作暫時性投資,所賺取的投資收入應從已資本化的借款費用中扣除。所有其他借款費用於產生期內支銷。

外幣

本財務報表以港元列報,港元為本公司的功能貨幣。本集團下的每一公司自行決定其功能貨幣,而每一公司財務報表中的項目使用該功能貨幣計量。本集團實體記錄的外幣交易在初始確認時按交易日它們各自的功能貨幣匯率記賬。以外幣列值的貨幣性資產和負債按報告期末的功能貨幣匯率折算。結算或折算貨幣項目所產生的差額計入損益。

以歷史成本計量的外幣計價非貨幣項目,按初始交易日的匯率折算。以公平值計量的外幣計價非貨幣項目,按照確定公平值之日的匯率折算。折算以公平值計量的非貨幣項目所產生的損益的處理方法與有關項目公平值變動的損益一致(即公平值損益分別在其他全面收益或損益中確認的折算差額亦分別在其他全面收益或損益中確認)。

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2.4 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 fluctuation reserve. On disposal of a foreign operation, the component of the exchange fluctuation reserve 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 certain overseas subsidiaries are translated into Hong Kong dollars at the exchange rates prevailing at the dates of the cash flows. Frequently recurring cash flows of these entities which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.4 主要會計政策摘要(續)

外幣(續)

於釐定終止確認與預付代價相關的非貨幣性資產或非貨幣性負債所產生的相關資產、開支或收入於初始確認時的匯率時，初始交易日期為本集團初步確認由預付代價產生的非貨幣性資產或非貨幣性負債的日期。倘存在多筆預付款或預收款，則本集團須釐定每次支付或收到預付代價的交易日期。

某些海外附屬公司的功能貨幣是港元之外的貨幣。於報告期末，這些公司的資產和負債按照報告期末的匯率折算成港元，而它們的損益表按照本年加權平均匯率折算成港元。由此產生的匯兌差額在其他全面收益中確認，並在匯兌波動儲備中累計。出售境外經營時，與上述特定境外經營相關的匯兌波動儲備部分在損益中確認。

購買境外經營產生的商譽和因購買而對有關資產和負債作出的公平值調整會作為該境外經營的資產和負債予以核算，並按期末匯率進行折算。

就綜合現金流量表而言，某些海外附屬公司的現金流按照現金流發生當日的匯率折算成港元。該等附屬公司於本年經常發生的現金流量按當年加權平均匯率折算成港元。

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.

The major judgements, estimates and assumptions, that have the most significant effect on the amounts recognised in the financial statements and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are set out below:

Provision for ECLs on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables, by applying ECL rates to different ageing groups of trade receivables. The ECL rate of each ageing group is determined by the Group based on the average of historical incurred credit loss experience on each ageing group in the past years and, where material, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future and significant management estimates are required in the estimates. When the actual outcome or expectation in future is different from the original estimates, such differences will impact on the carrying amounts of trade receivables and the amount of ECLs provided or reversed in the periods in which such estimates have been changed. The information about the ECLs on the Group's trade receivables is disclosed in note 19 to the financial statements.

3. 重大會計判斷和估計

編製本集團的財務報表要求管理層作出會影響收入、開支、資產和負債的報告金額及其隨附披露的判斷、估計和假設，並作出或然負債披露。有關該等假設和估計的不確定性可能導致可能須於未來對受影響資產或負債的賬面值作出重大調整的結果。

下面討論對財務報表中確認的金額最具重大影響的以及具有對下一會計年度資產和負債賬面金額造成重大調整的重大風險的重大判斷、估計和假設：

應收貿易賬款的預期信貸虧損撥備

本集團使用撥備矩陣計算應收貿易賬款的預期信貸虧損，方法為針對不同的應收貿易賬款賬齡組別使用預期信貸虧損率。每個賬齡組別的預期信貸虧損率由本集團根據過去幾年每個賬齡組別的過往信貸虧損的平均值確定，並在金額重大時根據債務人具體的前瞻性因素及經濟環境作出調整。

本集團的過往信貸虧損經驗及經濟狀況預測可能無法代表客戶未來的實際違約情況，且需要管理層作出重大估計。當日後的實際結果或預期與原先估計不同時，相關差異將影響相關估計出現變動期間應收貿易賬款的賬面值及預期信貸虧損的撥備或撥回金額。有關本集團應收貿易賬款的預期信貸虧損的資料於財務報表附註19內披露。

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財務報表附註

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation of fair value of investment properties and a building

The fair values of the Group's investment properties and a building are assessed by management based on property valuations performed by independent professionally qualified valuers. The assumptions adopted in the property valuations are based on information of annual rental income, supported by (i) the terms of any existing leases and other contracts; and (ii) (when possible) external evidence such as current market rents and recent prices for similar properties in the same location and condition.

Further details of the fair value estimation of the investment properties and a building, including the key assumptions used for fair value measurement and a sensitivity analysis, are set out in notes 13 and 14 to the financial statements.

Income tax

The Group is subject to income taxes in Hong Kong, Mainland China, the USA and the UK. The Group carefully evaluates tax implications of its transactions in accordance with prevailing tax regulations and makes tax provision accordingly. However, judgement is required in determining the Group's provision for income taxes as there are many transactions and calculations, of which the ultimate tax determination is uncertain, during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, the differences will impact on the income tax and deferred tax provision in the periods in which the determination is made. The carrying amount of current income tax payables carried as liabilities in the consolidated statement of financial position as at 31 December 2018 was approximately HK\$12,362,000 (2017: approximately HK\$1,528,000).

3. 重大會計判斷和估計(續)

投資物業及樓宇公平值的估計

本集團投資物業及樓宇之公平值乃由管理層根據獨立合資格專業估值師作出之物業估值評估。物業估值所採用的假設乃基於年租金收入的資料以及(i)任何現有租賃及其他合約的條款支持的資料；及(ii)(如有可能)外部證據(例如當前市場租金以及相同地點和條件下類似房產的近期價格)。

有關投資物業及樓宇公平值估計的進一步詳情，包括公平值計量所用的主要假設及敏感性分析，載於財務報表附註13及14內。

所得稅

本集團須繳納香港、中國大陸、美國及英國所得稅。本集團根據當前稅務法規謹慎評估其交易的稅務影響，並據此計提稅項準備。然而，於釐定本集團所得稅準備時須作出判斷，因為於通常業務運作中有很多最終稅項釐定不確定的交易及計算。倘若有關事宜的最終稅務結果與原先記錄金額不同，則有關差異將會影響到釐定期間的所得稅及遞延稅項準備。於二零一八年十二月三十一日，綜合財務狀況表內列為負債的當期應付所得稅項的賬面金額約為12,362,000港元(二零一七年：約1,528,000港元)。

**3. SIGNIFICANT ACCOUNTING
JUDGEMENTS AND ESTIMATES
(continued)**

**Classification of properties under
construction between investment properties
under construction and properties under
development**

The Group develops properties for future leasing to third parties to earn rentals and/or for capital appreciation. Judgement is made by management in determining whether a property under construction is designated as an investment property or a property held for future sale. The Group considers its intention of holding the properties at the early development stage of the related properties.

During the course of construction, the related properties under construction are accounted for as properties under development included in current assets if the properties are intended for sale after its completion, whereas, the properties are accounted for as investment properties under construction included in non-current assets if the properties are intended to be held to earn rentals and/or for capital appreciation. Upon completion of construction of the properties, the properties under development intended for future sale are transferred to properties held for sale and are stated at the lower of cost and net realisable value, while the properties that are intended to be held to earn rentals and/or for capital appreciation are transferred to completed investment properties, which are stated at fair value at the end of each reporting period.

If the Group changes the use of a property in future, the accounting treatment of the relevant property may be changed, with a corresponding impact on the financial position and financial performance of the Group.

3. 重大會計判斷和估計(續)

**在建中物業與在建中投資物業及
發展中物業的劃分**

本集團開發物業作日後租予第三方以賺取租金及／或為資本增值而持有的物業。決定把在建中物業指定為投資物業還是持有作日後出售之物業時，管理層會作出判斷。本集團在有關物業的發展初期考慮其持有物業的意向。

在建造期間，倘若物業擬於落成後出售，則有關在建中物業會作為包括在流動資產的發展中物業入賬；倘若物業擬為賺取租金及／或為資本增值而持有，則有關物業會在非流動資產的在建中投資物業入賬。於在建中物業落成後，擬用作日後銷售之發展中物業轉作持作出售之物業並按成本與可變現淨值兩者之較低者入賬，而擬持作以賺取租金及／或為資本增值而持有的物業轉作已落成投資物業，其於各報告期末按公平值入賬。

倘本集團日後更改物業的用途，相關物業的會計處理可能會發生變化，並對本集團的財務狀況及財務表現產生相應影響。

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4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the nature of their products and services and has three reportable operating segments as follows:

- (a) the property development and investment segment engages in (i) property development and property investment in the USA; and (ii) leasing of office and residential units in the UK;
- (b) the property management segment engages in the provision of property management services for office buildings, residential properties and car parks in Beijing and Hebei Province, the PRC; and
- (c) the operation of the Recreational Centre segment engages in the operation and management of a leisure and lifestyle experience centre in Beijing, the PRC

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that head office and corporate income and expenses are excluded from this measurement.

Segment assets and segment liabilities exclude unallocated head office and corporate assets as these assets and liabilities are managed on a group basis.

4. 經營板塊資料

出於管理目的，本集團根據其產品及服務性質來劃分業務單元，並有以下三個報告經營板塊：

- (a) 物業發展及投資板塊，其業務為(i)在美國從事物業發展及物業投資的業務；及(ii)在英國租賃辦公室及住宅單元；
- (b) 物業管理板塊，此板塊的業務為在中國北京市及河北省為辦公室樓宇、住宅物業及停車場提供物業管理服務；及
- (c) 經營於中國北京市從事休閒及時尚生活體驗中心之運作及管理的休閒中心板塊。

管理層分開監督本集團各經營板塊的業績，以決定如何分配資源及評估表現。板塊表現根據報告板塊利潤／虧損評估，而其以經調整稅前利潤／虧損計量。經調整稅前利潤／虧損的計量與本集團稅前利潤／虧損互相一致，惟其計量並不包括總部及公司收入及開支。

板塊資產和板塊負債不包括未分配總部及公司資產，因為該等資產和負債在集團層面管理。

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4. OPERATING SEGMENT INFORMATION (continued)

4. 經營板塊資料(續)

| | | Property development and investment 物業開發及投資 | | Property management 物業管理 | | Operation of the Recreational Centre 休閒中心經營 | | Total 總計 | |
|--|------------------|--|----------------------------------|----------------------------------|----------------------------------|--|----------------------------------|----------------------------------|----------------------------------|
| | | 2018 二零一八年 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 | 2017 二零一七年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
| Segment revenue | 板塊收入 | 75,067 | 10,212 | 196,057 | 142,121 | 90,158 | 77,489 | 361,282 | 229,822 |
| Segment results | 板塊業績 | 53,490 | (43,174) | 36,851 | 8,183 | (42,550) | (45,224) | 47,791 | (80,215) |
| <i>Reconciliation:</i> | <i>對賬:</i> | | | | | | | | |
| Other unallocated income and gain | 其他未分配收入及收益 | | | | | | | 1,828 | 15,689 |
| Corporate and other unallocated expenses | 公司及其他未分配費用 | | | | | | | (41,691) | (3,107) |
| Profit/(loss) before tax | 稅前利潤/(虧損) | | | | | | | 7,928 | (67,633) |
| Segment assets | 板塊資產 | 2,286,483 | 1,346,684 | 204,263 | 138,918 | 811,088 | 867,650 | 3,301,834 | 2,353,252 |
| <i>Reconciliation:</i> | <i>對賬:</i> | | | | | | | | |
| Corporate and other unallocated assets: | 公司及其他未分配資產: | | | | | | | | |
| — Property, plant and equipment | — 物業、廠房及設備 | | | | | | | 314 | 507 |
| — Prepayments, deposits and other receivables | — 預付款項、訂金及其他應收款項 | | | | | | | 1,527,251 | 1,502 |
| — Due from related companies | — 應收關連公司款項 | | | | | | | 360 | 244 |
| — Pledged bank deposit | — 有抵押銀行存款 | | | | | | | 39,230 | 39,636 |
| — Cash and cash equivalents | — 現金及現金等價物 | | | | | | | 161,090 | 20,641 |
| Total assets | 總資產 | | | | | | | 5,030,079 | 2,415,782 |
| Segment liabilities | 板塊負債 | 1,107,210 | 872,510 | 141,576 | 122,392 | 273,627 | 249,589 | 1,522,413 | 1,244,491 |
| <i>Reconciliation:</i> | <i>對賬:</i> | | | | | | | | |
| Corporate and other unallocated liabilities | 公司及其他未分配負債 | | | | | | | | |
| — Other payables and accruals | — 其他應付款及預提費用 | | | | | | | 2,785 | 62,467 |
| — Due to a shareholder | — 應付一名股東款項 | | | | | | | 1,437 | — |
| — Liability component of perpetual convertible bonds | — 永久可換股債券的負債部分 | | | | | | | 48,929 | — |
| Total liabilities | 總負債 | | | | | | | 1,575,564 | 1,306,958 |
| Other segment information: | 其他板塊資料: | | | | | | | | |
| Capital expenditure* | 資本開支* | | | | | | | | |
| — Operating segments | — 經營板塊 | 1,551,635 | 58,409 | 795 | 554 | 2,258 | 1,518 | 1,554,688 | 60,481 |
| — Amount unallocated | — 未分配金額 | | | | | | | 91 | 550 |
| | | | | | | | | 1,554,779 | 61,031 |
| Impairment of trade receivables | 應收貿易賬款減值 | | | | | | | | |
| — Operating segments | — 經營板塊 | 126 | — | 2,082 | 2,520 | — | — | 2,208 | 2,520 |
| Depreciation and amortisation | 折舊和攤銷 | | | | | | | | |
| — Operating segments | — 經營板塊 | 63 | 211 | 533 | 701 | 27,558 | 24,286 | 28,154 | 25,198 |
| — Amount unallocated | — 未分配金額 | | | | | | | 283 | 46 |
| | | | | | | | | 28,437 | 25,244 |
| Fair value loss of investment properties, net | 投資物業公平值虧損，淨額 | 201 | 20,552 | — | — | — | — | 201 | 20,552 |

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4. OPERATING SEGMENT INFORMATION (continued)

* Capital expenditure consists of additions to property, plant and equipment, investment properties and intangible assets, including assets from the acquisition of subsidiaries.

Geographical information

(a) Revenue from external customers

| | |
|----------------|------|
| Mainland China | 中國大陸 |
| UK | 英國 |

The revenue information above is based on the locations of the customers.

(b) Non-current assets

| | |
|-----------|----|
| The UK | 英國 |
| The USA | 美國 |
| The PRC | 中國 |
| Hong Kong | 香港 |

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

During the years ended 31 December 2018 and 2017, there was no single external customer which contributed over 10% of the Group's total revenue for each of these years.

4. 經營板塊資料(續)

* 資本開支包括物業、廠房及設備之添置、投資物業及無形資產(包括收購附屬公司之資產)。

地區資料

(a) 來自外部客戶的收入

| 2018 | 2017 |
|----------|----------|
| 二零一八年 | 二零一七年 |
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |

| | |
|---------|---------|
| 286,214 | 219,610 |
| 75,068 | 10,212 |

361,282 229,822

以上收入資料乃根據客戶地點而載。

(b) 非流動資產

| 2018 | 2017 |
|----------|----------|
| 二零一八年 | 二零一七年 |
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |

| | |
|-----------|---------|
| 1,656,442 | 278,473 |
| 519,536 | 192,813 |
| 785,631 | 828,687 |
| 314 | 506 |

2,961,923 1,300,479

上述非流動資產資料以資產所處區域為基礎，其並不包括金融工具及遞延稅項資產。

主要客戶資料

截至二零一八年及二零一七年十二月三十一日止年度，並無於該等年度各年對本集團總收益貢獻逾10%的單一外部客戶。

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5. REVENUE

An analysis of the Group's revenue 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 |
|--|-------------|----------------------------------|----------------------------------|
| Property management service income | 提供物業管理服務 | 196,057 | 142,121 |
| Operations of the Recreational Centre: | 經營休閒中心： | | |
| – Service income | – 服務收入 | 45,247 | 41,566 |
| – Sales of goods | – 銷售貨品 | 44,911 | 35,923 |
| Gross rental income | 租金收入總額 | 75,067 | 10,212 |
| Total revenue | 收入總額 | 361,282 | 229,822 |

Notes:

(a) Disaggregated revenue information
Year ended 31 December 2018

| Segments 板塊 | Type of goods or services | Property development and investment 物業發展及投資 HK\$'000 千港元 | Property management 物業管理 HK\$'000 千港元 | Operation of the Recreational Centre 休閒中心經營 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|----------------|--|---|--|---|--------------------------------|
| | Rendering of property management services | — | 196,057 | — | 196,057 |
| | Operations of the Recreational Centre: | | | | |
| | – Rendering of services | — | — | 45,247 | 45,247 |
| | – Sale of goods | — | — | 44,911 | 44,911 |
| | Total revenue from contracts with customers | — | 196,057 | 90,158 | 286,215 |
| | Revenue from another source — Gross rental income | 75,067 | — | — | 75,067 |
| | Total revenue | 75,067 | 196,057 | 90,158 | 361,282 |
| | Geographical market | | | | |
| | Total revenue from contracts with customers — Mainland China | — | 196,057 | 90,158 | 286,215 |
| | Revenue from another source — Gross rental income | 75,067 | — | — | 75,067 |
| | Total revenue | 75,067 | 196,057 | 90,158 | 361,282 |
| | Timing of revenue recognition | | | | |
| | Goods transferred at a point in time | — | — | 44,911 | 44,911 |
| | Services transferred over time | — | 196,057 | 45,247 | 241,304 |
| | Total revenue from contracts with customers | — | 196,057 | 90,158 | 286,215 |
| | Revenue from another source — Gross rental income | 75,067 | — | — | 75,067 |
| | Total revenue | 75,067 | 196,057 | 90,158 | 361,282 |

5. 收入

本集團的收入分析如下：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|-------------|----------------------------------|----------------------------------|
| Property management service income | 提供物業管理服務 | 196,057 | 142,121 |
| Operations of the Recreational Centre: | 經營休閒中心： | | |
| – Service income | – 服務收入 | 45,247 | 41,566 |
| – Sales of goods | – 銷售貨品 | 44,911 | 35,923 |
| Gross rental income | 租金收入總額 | 75,067 | 10,212 |
| Total revenue | 收入總額 | 361,282 | 229,822 |

附註：

(a) 收入分列資料
截至二零一八年十二月三十一日止年度

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5. REVENUE (continued)

Notes: (continued)

(a) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

| | | 2018 二零一八年 HK'000 千港元 |
|---|--------------|--------------------------------|
| Property management services | 物業管理服務 | 31,484 |
| Services in relation to operation of the Recreational Centre | 與經營休閒中心有關的服務 | 35,547 |
| | | 67,031 |

No revenue recognised during the year ended 31 December 2018 related to performance obligations satisfied or partially satisfied in previous periods.

(b) Performance obligations

Information about the Group's performance obligations in contracts with customers is summarised below:

Provision of property management service and services in relation to operation of the Recreational Centre

The performance obligation is satisfied over time as services are rendered and payment in advance is normally required.

Sale of goods in relation to operation of the Recreational Centre

Revenue from the sale of goods in relation to operation of the Recreational Centre is recognised at the point in time when the goods are delivered to the customers, and payment is made upon delivery.

5. 收入(續)

附註：(續)

(a) 收入分列資料(續)

下表列示於本報告期間確認的收入金額，其於計入報告期初的合約負債確認：

| | 2018 二零一八年 HK'000 千港元 |
|---|--------------------------------|
| Property management services | 31,484 |
| Services in relation to operation of the Recreational Centre | 35,547 |
| | 67,031 |

於截至二零一八年十二月三十一日止年度，並未確認與先前期間已履行或部分履行的履約責任有關的收入。

(b) 履約責任

有關本集團於客戶合約內的履約責任的資料概述如下：

提供物業管理服務及休閒中心運營相關服務

履約責任隨著提供服務的時間獲履行，且通常需要預先付款。

與休閒中心運營相關的貨品銷售

與休閒中心運營相關的貨品銷售收入乃於貨品交付至客戶及客戶付款時按銷售的節點確認。

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5. REVENUE (continued)

Notes: (continued)

(b) Performance obligations (continued)

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2018 are as follows:

| | | HK'000 千港元 |
|--------------------|------|---------------|
| Within one year | 一年內 | 23,703 |
| More than one year | 一年以上 | 275 |
| | | 23,978 |

The remaining performance obligations expected to be recognised in more than one year relate to services in relation to operation of the Recreational Centre that are to be satisfied within two years. All the other remaining performance obligations are expected to be recognised within one year. The amounts disclosed above do not include variable consideration which is constrained.

5. 收入(續)

附註：(續)

(b) 履約責任(續)

本集團於二零一八年十二月三十一日分配至剩餘履約責任(未履行或部分未履行)的交易價格如下：

| | HK'000 千港元 |
|------|---------------|
| 一年內 | 23,703 |
| 一年以上 | 275 |
| | 23,978 |

預期將於一年以上確認的剩餘履約責任涉及與經營休閒中心有關的服務，其將於兩年內獲履行。所有其他剩餘履約責任預期將於一年內確認。上述披露的金額不包括受限制可變代價。

6. OTHER INCOME AND GAIN, NET

An analysis of the Group's other income and gain, net 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 |
|--|-----------|----------------------------------|----------------------------------|
| Bank interest income | 銀行利息收入 | 3,520 | 2,259 |
| Interest income of loan receivables | 應收貸款利息收入 | 1,035 | — |
| Penalty income | 罰款收入 | 364 | 266 |
| Foreign exchange gain, net | 匯兌收益淨值 | 2,411 | 11,818 |
| Forfeiture of property management fee deposits | 沒收物業管理費訂金 | — | 2,606 |
| Others | 其他 | 2,919 | 541 |
| | | 10,249 | 17,490 |

6. 其他收入及收益，淨額

本集團其他收入及收益，淨額分析如下：

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31 December 2018 二零一八年十二月三十一日

7. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

| | | 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 |
|--|------------------|-------------|----------------------------------|----------------------------------|
| Interest on bank loans | 銀行貸款利息 | | 36,000 | 5,325 |
| Interest on loans from a shareholder | 股東提供的貸款利息 | 29 | 6,615 | 2,211 |
| Interest on a loan from a related company | 來自一間關連公司貸款的利息 | 39(vii) | — | 1,202 |
| Interest on perpetual convertible bonds | 永久可換股債券利息 | 33 | 8,374 | — |
| Interest on preference shares of a subsidiary | 附屬公司優先股的利息 | 28 | 1,143 | 1,112 |
| Total finance costs | 總財務費用 | | 52,132 | 9,850 |
| Less: Amount capitalised in investment properties under construction | 減：在建中投資物業的已資本化金額 | 14 | (5,279) | (763) |
| Amount capitalised in properties under development | 發展中投資物業的已資本化金額 | | — | (625) |
| | | | 46,853 | 8,462 |

7. 財務費用

本集團財務費用分析如下：

8. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

| | | 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 |
|--|------------------------|-------------|----------------------------------|----------------------------------|
| Depreciation | 折舊 | 13 | 28,342 | 25,070 |
| Amortisation of intangible assets | 無形資產攤銷 | 15 | 95 | 174 |
| Loss on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目的虧損 | | 83 | 19 |
| Minimum lease payments under operating leases in respect of land and buildings | 經營租賃的最低租賃付款 — 土地及樓宇 | | 17,784 | 10,151 |
| Employee benefit expense (including directors' remuneration (note 9)): | 僱員福利費用 (包括董事薪酬 (附註9)): | | | |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物利益 | | 89,144 | 84,941 |
| Equity-settled share option expense | 以權益結算購股權費用 | 32(a) | 1,730 | — |
| Pension scheme contributions | 退休金計劃供款 | | 5,866 | 4,591 |
| | | | 96,740 | 89,532 |
| Equity-settled share option expense of a consultant | 一名顧問之以權益結算購股權費用 | 32(a) | — | 1,167 |
| Auditor's remuneration | 核數師酬金 | | 2,000 | 1,850 |
| Impairment of trade receivables, net | 應收貿易賬款減值，淨額 | 19(b) | 2,208 | 2,520 |

8. 稅前利潤／(虧損)

本集團稅前利潤／(虧損)已扣除／(抵免)下列各項：

NOTES TO FINANCIAL STATEMENTS

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9. 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:

| | | Group 本集團 | |
|---|------------|----------------------------------|----------------------------------|
| | | 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 | 1,208 | 686 |
| Other emoluments: | 其他報酬： | | |
| Salaries, allowances and benefits in kind | 薪金、津貼和實物利益 | 168 | 2,226 |
| Equity-settled share option expense | 以權益結算購股權費用 | 1,730 | — |
| Pension scheme contributions | 退休金計劃供款 | 52 | 34 |
| | | 1,950 | 2,260 |
| Total remuneration | 薪酬總額 | 3,158 | 2,946 |

An analysis of the directors' remuneration, on a named basis, is as follows:

董事薪酬(以姓名為基準)分析如下：

Year ended 31 December 2018

截至二零一八年十二月三十一日止年度

| Name of director 董事姓名 | Fees 袍金 HK\$'000 千港元 | Salaries, allowances and benefits in kind 薪金、津貼和 實物利益 HK\$'000 千港元 | Equity-settled share option expense 以權益結算購 股權費用 HK\$'000 千港元 | Pension scheme contributions 退休金 計劃供款 HK\$'000 千港元 | Total remuneration 薪酬總計 HK\$'000 千港元 |
|---|-------------------------------|---|--|--|--|
| | | | | | |
| Executive directors: | | | | | |
| Mr. Wei Chunxian ("Mr. Wei") | 480 | 168 | — | 17 | 665 |
| Ms. Liu Shuhua | — | — | 1,730 | — | 1,730 |
| Mr. Sun Zhongmin ("Mr. Sun") | 368 | — | — | 15 | 383 |
| | 848 | 168 | 1,730 | 32 | 2,778 |
| Independent non-executive directors: | | | | | |
| Mr. Tung Woon Cheung Eric | 120 | — | — | 6 | 126 |
| Ms. To Tsz Wan Vivien^ | 106 | — | — | 7 | 113 |
| Mr. Au Yeung Po Fung | 120 | — | — | 6 | 126 |
| Mr. Chui Tsan Kit* | 14 | — | — | 1 | 15 |
| | 360 | — | — | 20 | 380 |
| Total | 1,208 | 168 | 1,730 | 52 | 3,158 |

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31 December 2018 二零一八年十二月三十一日

9. DIRECTORS' REMUNERATION (continued)

Year ended 31 December 2017

| Name of director 董事姓名 | Fees 袍金 HK\$'000 千港元 | Salaries, allowances and benefits in kind 薪金、津貼和實物利益 HK\$'000 千港元 | | Pension scheme contributions 退休金計劃供款 HK\$'000 千港元 | Total remuneration 薪酬總計 HK\$'000 千港元 |
|--|-------------------------------|--|----|--|---|
| | | | | | |
| Executive directors: 執行董事: | | | | | |
| Mr. Wei 魏先生 | 312 | 2,226 | 15 | 2,553 | |
| Ms. Liu Shuhua 劉淑華女士 | — | — | — | — | |
| Mr. Sun 孫先生 | — | — | — | — | |
| | 312 | 2,226 | 15 | 2,553 | |
| Independent non-executive directors: 獨立非執行董事: | | | | | |
| Mr. Tung Woon Cheung Eric 董煥樟先生 | 125 | — | 6 | 131 | |
| Mr. Au Yeung Po Fung [♠] 歐陽寶豐先生 [♠] | 57 | — | 3 | 60 | |
| Mr. Chui Tsan Kit 徐燦傑先生 | 125 | — | 6 | 131 | |
| Mr. Guan Zheng Michael [#] 管征先生 [#] | 67 | — | 4 | 71 | |
| | 374 | — | 19 | 393 | |
| Total 總計 | 686 | 2,226 | 34 | 2,946 | |

9. 董事薪酬(續)

截至二零一七年十二月三十一日止年度

| Name of director 董事姓名 | Fees 袍金 HK\$'000 千港元 | Salaries, allowances and benefits in kind 薪金、津貼和實物利益 HK\$'000 千港元 | | Pension scheme contributions 退休金計劃供款 HK\$'000 千港元 | Total remuneration 薪酬總計 HK\$'000 千港元 |
|--|-------------------------------|--|----|--|---|
| | | | | | |
| Executive directors: 執行董事: | | | | | |
| Mr. Wei 魏先生 | 312 | 2,226 | 15 | 2,553 | |
| Ms. Liu Shuhua 劉淑華女士 | — | — | — | — | |
| Mr. Sun 孫先生 | — | — | — | — | |
| | 312 | 2,226 | 15 | 2,553 | |
| Independent non-executive directors: 獨立非執行董事: | | | | | |
| Mr. Tung Woon Cheung Eric 董煥樟先生 | 125 | — | 6 | 131 | |
| Mr. Au Yeung Po Fung [♠] 歐陽寶豐先生 [♠] | 57 | — | 3 | 60 | |
| Mr. Chui Tsan Kit 徐燦傑先生 | 125 | — | 6 | 131 | |
| Mr. Guan Zheng Michael [#] 管征先生 [#] | 67 | — | 4 | 71 | |
| | 374 | — | 19 | 393 | |
| Total 總計 | 686 | 2,226 | 34 | 2,946 | |

[^] Appointed as an independent non-executive director of the Company on 14 February 2018.

^{*} Resigned as an independent non-executive director of the Company on 14 February 2018.

[♠] Appointed as an independent non-executive director of the Company on 12 July 2017.

[#] Resigned as an independent non-executive director of the Company on 12 July 2017.

Notes:

(a) A director was granted share options in the current year, in respect of her service to the Group, under a share option scheme of the Company, further details of which are set out in note 32(a) to the financial statements. The fair value of such options, which has been recognised in profit or loss in full during the current year, was determined as at the date of grant and is included in the above directors' remuneration disclosures.

(b) There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2017: Nil).

[^] 於二零一八年二月十四日獲委任為本公司獨立非執行董事。

^{*} 於二零一八年二月十四日辭任本公司獨立非執行董事。

[♠] 於二零一七年七月十二日獲委任本公司獨立非執行董事。

[#] 於二零一七年七月十二日辭任本公司獨立非執行董事。

附註:

(a) 一名董事因其對本集團的貢獻而於本年度根據本公司的購股權計劃獲授購股權，進一步詳情載於財務報表附註32(a)。該等購股權的公平值於本年度在損益內悉數確認，相關公平值於授出日期釐定，並包括在上述董事的薪酬披露內。

(b) 年內無董事放棄或同意放棄任何酬金的安排(二零一七年：無)。

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10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one (2017: one) director, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining four (2017: four) non-director, highest paid employees for the year are as follows:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|------------|----------------------------------|----------------------------------|
| Salaries, allowances and benefits in kind | 薪金、津貼和實物利益 | 3,797 | 3,621 |
| Equity-settled share option expense | 以權益結算購股權費用 | 1,730 | — |
| Pension scheme contributions | 退休金計劃供款 | 164 | 216 |
| | | 5,691 | 3,837 |

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

| | | Number of employees 僱員人數 | |
|--------------------------------|-----------------------------|-----------------------------|---------------|
| | | 2018 二零一八年 | 2017 二零一七年 |
| Nil to HK\$1,000,000 | 零至1,000,000港元 | 3 | 2 |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至 1,500,000港元 | 1 | 2 |
| | | 4 | 4 |

10. 五位最高薪僱員

年內，五位最高薪僱員中包括一名（二零一七年：一名）董事，其薪酬詳見上文附註9。年內餘下四名（二零一七年：四名）非董事的最高薪僱員之薪酬詳情如下：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|------------|----------------------------------|----------------------------------|
| Salaries, allowances and benefits in kind | 薪金、津貼和實物利益 | 3,797 | 3,621 |
| Equity-settled share option expense | 以權益結算購股權費用 | 1,730 | — |
| Pension scheme contributions | 退休金計劃供款 | 164 | 216 |
| | | 5,691 | 3,837 |

薪酬處於以下範圍內的非董事最高薪僱員的人數如下：

| | | Number of employees 僱員人數 | |
|--------------------------------|-----------------------------|-----------------------------|---------------|
| | | 2018 二零一八年 | 2017 二零一七年 |
| Nil to HK\$1,000,000 | 零至1,000,000港元 | 3 | 2 |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至 1,500,000港元 | 1 | 2 |
| | | 4 | 4 |

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財務報表附註

31 December 2018 二零一八年十二月三十一日

11. INCOME TAX

An analysis of the Group's income tax is as follows:

| | |
|-------------------------------|--------------------|
| Current — Mainland China | 當期 — 中國大陸 |
| Current — UK | 當期 — 英國 |
| Current — USA | 當期 — 美國 |
| Deferred (<i>note 30</i>) | 遞延 (<i>附註30</i>) |
| Total tax credit for the year | 本年度稅項抵免總額 |

Notes:

- (a) No provision for Hong Kong has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2017: Nil).

The PRC and UK income taxes in respect of operations in Mainland China and the UK are calculated at the applicable tax rates on the estimated assessable profits for the year, based on the prevailing legislation, interpretations and practices in respect thereof.

The USA corporate income tax provision represented withholding tax provision calculated at the applicable tax rate on interest income of advances to subsidiaries in the USA for the year, based on existing legislation, interpretations and practices in respect thereof.

11. 所得稅

本集團持續經營業務的所得稅分析如下：

| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|-------------------------------|----------------------------------|----------------------------------|
| Current — Mainland China | 9,855 | 1,770 |
| Current — UK | 3,584 | — |
| Current — USA | 287 | 254 |
| Deferred (<i>note 30</i>) | (15,228) | (4,643) |
| Total tax credit for the year | (1,502) | (2,619) |

附註：

- (a) 於本年度內，由於本集團並無產生任何於香港產生的應評稅利潤，因此，並無就香港計提準備（二零一七年：無）。

本年度有關中國大陸及英國經營業務的中國及英國所得稅按估計應課稅利潤計提，並根據有關的現行法律、詮釋和相關常規，按照適用稅率計算。

本年度美國企業所得稅準備指預扣稅項準備按向美國附屬公司作出的墊款的利息收入的適用稅率及有關的現行法律、詮釋及相關常規而計算。

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31 December 2018 二零一八年十二月三十一日

11. INCOME TAX (continued)

Notes:

- (b) A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory tax rates for the jurisdictions in which the Company and majority of its subsidiaries operate to the tax expense/(credit) at the effective tax rates, and a reconciliation of the applicable tax rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

Year ended 31 December 2018

| | Hong Kong 香港 | | Mainland China 中國大陸 | | The USA 美國 | | The UK 英國 | | Total 合計 | |
|---|-----------------|--------|------------------------|--------|-----------------|--------|-----------------|--------|-----------------|---------|
| | HK\$'000 千港元 | % | HK\$'000 千港元 | % | HK\$'000 千港元 | % | HK\$'000 千港元 | % | HK\$'000 千港元 | % |
| Profit/(loss) before tax | | | | | | | | | | |
| | (9,929) | | (8,556) | | 46,280 | | (19,867) | | 7,928 | |
| Tax expense/(credit) at the statutory tax rate | (1,641) | 16.5 | (2,139) | 25.0 | 18,512 | 40.0 | (3,973) | 20.0 | 10,759 | 135.7 |
| Income not subject to tax | (4,931) | 49.7 | (212) | 2.5 | (13,076) | (28.3) | (1,326) | 6.7 | (19,545) | (246.5) |
| Expenses not deductible for tax | 6,419 | (64.6) | 1,217 | (14.2) | — | — | 8,985 | (45.2) | 16,621 | 209.6 |
| Effect of withholding tax on interest income derived from the USA | 287 | (2.9) | — | — | — | — | — | — | 287 | 3.6 |
| Tax losses not recognised | 153 | (1.5) | 5,426 | (63.4) | (1,927) | (4.2) | (13,276) | 66.8 | (9,624) | (121.4) |
| Tax expense/(credit) at the Group's effective tax rate | 287 | (2.9) | 4,292 | (50.2) | 3,509 | 7.6 | (9,590) | 48.3 | (1,502) | (18.9) |

截至二零一八年十二月三十一日止年度

11. 所得稅(續)

附註：

- (b) 按照適用於本公司及其大多數附屬公司營運所在地的司法管轄區的稅前利潤/(虧損)的法定稅率計算出的稅項費用/(抵免)，與按實際稅率計算出的稅項費用/(抵免)的對賬，以及適用稅率(即法定稅率)和實際稅率的對賬如下：

Year ended 31 December 2017

| | Hong Kong 香港 | | Mainland China 中國大陸 | | The USA 美國 | | The UK 英國 | | Total 合計 | |
|---|-----------------|--------|------------------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|
| | HK\$'000 千港元 | % | HK\$'000 千港元 | % | HK\$'000 千港元 | % | HK\$'000 千港元 | % | HK\$'000 千港元 | % |
| Profit/(loss) before tax | 10,880 | | (37,016) | | (3,563) | | (37,934) | | (67,633) | |
| Tax expense/(credit) at the statutory tax rate | 1,797 | 16.5 | (9,254) | 25.0 | (1,425) | 40.0 | (7,587) | 20.0 | (16,469) | 24.4 |
| Income not subject to tax | (5,319) | (48.9) | (546) | 1.5 | — | — | — | — | (5,865) | 8.7 |
| Expenses not deductible for tax | 3,517 | 32.3 | 1,350 | (3.6) | — | — | 5,354 | (14.1) | 10,221 | (15.1) |
| Effect of withholding tax on interest income derived from the USA | 254 | 2.3 | — | — | — | — | — | — | 254 | (0.4) |
| Tax losses not recognised | 5 | — | 5,365 | (14.5) | 1,637 | (46.0) | 2,233 | (5.9) | 9,240 | (13.7) |
| Tax expense/(credit) at the Group's effective tax rate | 254 | 2.3 | (3,085) | 8.3 | 212 | (6.0) | — | — | (2,619) | 3.9 |

截至二零一七年十二月三十一日止年度

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31 December 2018 二零一八年十二月三十一日

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to shareholders of the Company, and the weighted average number of ordinary shares of the Company in issue during the year.

In respect of the year ended 31 December 2018, the calculation of the diluted earnings per share amount is based on the profit for the year attributable to shareholders of the Company, and the weighted average number of ordinary shares used in the calculation is the total of (i) the weighted average number of ordinary shares in issue during the year, as used in the basic earnings per share calculation; and (ii) the weighted average number of ordinary shares assumed to have been issued on the deemed conversion of all dilutive perpetual convertible bonds into ordinary shares of the Company. The share options outstanding during the year ended 31 December 2018 did not have a diluting effect on the earnings per share amount presented.

In respect of the diluted loss per share amount for the year ended 31 December 2017, no adjustment has been made to the basic loss per share amount presented in respect of a dilution as the impact of the perpetual convertible bonds and share options outstanding during the prior year had an anti-dilutive effect on the basic loss per share amount presented.

12. 歸屬於本公司股東的每股盈利／(虧損)

每股基本盈利／(虧損)金額乃根據本公司股東應佔年內利潤／(虧損)及本公司年內已發行普通股加權平均數計算。

就截至二零一八年十二月三十一日止年度，每股攤薄盈利金額乃根據本公司股東應佔年內利潤計算，而計算所用普通股的加權平均數之合計(i)本年度已發行普通股加權平均數，按每股基本盈利收益計算；及(ii)於視作行使本公司所有具攤薄永久可換股債券為普通股時，假定發行的普通股加權平均數。截至二零一八年十二月三十一日止年度未行使之購股權並無對所呈列的每股盈利金額產生攤薄影響。

就截至二零一七年十二月三十一日止年度的每股攤薄虧損金額而言，該攤薄所呈列的每股基本虧損金額並無作出調整，乃由於上個年度的未行使之永久可換股債券及購股權呈列的每股基本虧損金額有反攤薄影響所致。

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財務報表附註

31 December 2018 二零一八年十二月三十一日

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (continued)

The calculations of basic and diluted earnings/(loss) per share amounts are based on the following data:

Earnings/(loss)

Profit/(loss) for the year attributable to shareholders of the Company, used in the basic and diluted earnings/(loss) per share calculation

計算每股基本及攤薄盈利/(虧損)所用本公司股東應佔本年度利潤/(虧損)

Number of ordinary shares

Weighted average number of ordinary shares in issue during the year, used in the basic earnings/(loss) per share calculation

Effect of dilution of perpetual convertible bonds – weighted average number of ordinary shares

Weighted average number of ordinary shares during the year, used in the diluted earnings/(loss) per share calculation

計算每股基本盈利/(虧損)所用本年度已發行普通股之加權平均數

永久可換股債券攤薄的影響 — 普通股加權平均數

計算每股攤薄盈利/(虧損)所用本年度普通股之加權平均數

12. 歸屬於本公司股東的每股盈利/(虧損)(續)

每股基本及攤薄盈利/(虧損)金額乃根據下列數據計算：

盈利/(虧損)

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
|----------------------------------|----------------------------------|

| | |
|--------------|----------|
| 9,579 | (65,014) |
|--------------|----------|

普通股數目

| Number of shares 股份數目 | |
|--------------------------|---------------|
| 2018 二零一八年 | 2017 二零一七年 |

| | |
|----------------------|---------------|
| 2,363,185,511 | 1,448,547,818 |
|----------------------|---------------|

| | |
|--------------------|---|
| 511,216,011 | — |
|--------------------|---|

| | |
|----------------------|---------------|
| 2,874,401,522 | 1,448,547,818 |
|----------------------|---------------|

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財務報表附註

31 December 2018 二零一八年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

| | | Building | Leasehold improvements | Furniture, fixtures and office equipment | Motor vehicles | Total |
|---------------------------------------|--------------------------|----------|------------------------|--|----------------|----------|
| | | 樓宇 | 租賃物業裝修 | 傢俬、裝置和辦公室設備 | 汽車 | 合計 |
| | | 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 |
| | | (note) | | | | |
| | | (附註) | | | | |
| Year ended 31 December 2018 | 截至二零一八年十二月三十一日止年度 | | | | | |
| At 1 January 2018: | 於二零一八年一月一日： | | | | | |
| Cost or valuation | 成本或估值 | 864,255 | 8,208 | 22,969 | 2,756 | 898,188 |
| Accumulated depreciation | 累計折舊 | (53,302) | (2,642) | (11,732) | (1,923) | (69,599) |
| Net carrying amount | 賬面淨值 | 810,953 | 5,566 | 11,237 | 833 | 828,589 |
| Net carrying amount: | 賬面淨值： | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 810,953 | 5,566 | 11,237 | 833 | 828,589 |
| Additions | 添置 | — | 1,589 | 926 | 555 | 3,070 |
| Depreciation provided during the year | 本年計提折舊 | (22,253) | (1,972) | (3,744) | (373) | (28,342) |
| Disposals | 出售 | — | — | (26) | (70) | (96) |
| Surplus on revaluation | 重估盈餘 | 24,310 | — | — | — | 24,310 |
| Exchange realignment | 匯兌調整 | (41,412) | (268) | (443) | (48) | (42,171) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 771,598 | 4,915 | 7,950 | 897 | 785,360 |
| At 31 December 2018: | 於二零一八年十二月三十一日： | | | | | |
| Cost or valuation | 成本或估值 | 843,470 | 9,338 | 22,384 | 2,545 | 877,737 |
| Accumulated depreciation | 累計折舊 | (71,872) | (4,423) | (14,434) | (1,648) | (92,377) |
| Net carrying amount | 賬面淨值 | 771,598 | 4,915 | 7,950 | 897 | 785,360 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT (continued)

13. 物業、廠房及設備(續)

| | | Building | Leasehold improvements | Furniture, fixtures and office equipment | Motor vehicles | Total |
|---------------------------------------|--------------------------|----------|------------------------|--|----------------|----------|
| | | 樓宇 | 租賃物業裝修 | 傢俬、裝置和辦公室設備 | 汽車 | 合計 |
| | | 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 |
| | | (note) | | | | |
| | | (附註) | | | | |
| Year ended 31 December 2017 | 截至二零一七年十二月三十一日止年度 | | | | | |
| At 1 January 2017: | 於二零一七年一月一日: | | | | | |
| Cost or valuation | 成本或估值 | 782,798 | 6,844 | 19,808 | 2,563 | 812,013 |
| Accumulated depreciation | 累計折舊 | (30,768) | (917) | (7,465) | (1,473) | (40,623) |
| Net carrying amount | 賬面淨值 | 752,030 | 5,927 | 12,343 | 1,090 | 771,390 |
| Net carrying amount: | 賬面淨值: | | | | | |
| At 1 January 2017 | 於二零一七年一月一日 | 752,030 | 5,927 | 12,343 | 1,090 | 771,390 |
| Additions | 添置 | — | 845 | 1,809 | — | 2,654 |
| Depreciation provided during the year | 本年計提折舊 | (19,419) | (1,611) | (3,714) | (326) | (25,070) |
| Disposals | 出售 | — | — | (19) | — | (19) |
| Surplus on revaluation | 重估盈餘 | 22,498 | — | — | — | 22,498 |
| Exchange realignment | 匯兌調整 | 55,844 | 405 | 818 | 69 | 57,136 |
| At 31 December 2017 | 於二零一七年十二月三十一日 | 810,953 | 5,566 | 11,237 | 833 | 828,589 |
| At 31 December 2017: | 於二零一七年十二月三十一日: | | | | | |
| Cost or valuation | 成本或估值 | 864,255 | 8,208 | 22,969 | 2,756 | 898,188 |
| Accumulated depreciation | 累計折舊 | (53,302) | (2,642) | (11,732) | (1,923) | (69,599) |
| Net carrying amount | 賬面淨值 | 810,953 | 5,566 | 11,237 | 833 | 828,589 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT (continued)

Note: The Group's building was revalued on 31 December 2018 based on a valuation performed by Knight Frank Petty Limited, independent professional qualified valuers, at an open market value of RMB678,000,000 (equivalent to HK\$771,598,000), resulting in a revaluation surplus of HK\$24,310,000 which has been recognised as other comprehensive income in the property revaluation reserve during the year.

Fair value hierarchy disclosure

At 31 December 2018, the fair value of the building was measured using significant unobservable inputs (Level 3) as defined in HKFRS 13. During the year, there was no transfer into or out of Level 3 (2017: Nil).

Below is a summary of the valuation technique used and the key input to the valuation of the building:

| | Valuation technique 估值技術 | Significant unobservable input 重大不可觀察輸入數據 | Weighted average 加權平均 | |
|----------------|-----------------------------|--|--------------------------|---------------------------------------|
| | | | 2017 二零一七年 | 2018 二零一八年 |
| Building 大樓 | Direct comparison 直接比較 | Price per square metre 每平方米價格 | RMB24,073 人民幣24,073元 | RMB24,165 人民幣24,165元 |

The valuation of the building was based on the direct comparison approach by reference to comparable market transactions. A significant increase (decrease) in the estimated price per square metre in isolation would result in significant increase (decrease) in the fair value of the building.

13. 物業、廠房及設備(續)

附註：於二零一八年十二月三十一日，本集團樓宇由獨立專業合資格估值師萊坊測計師行有限公司進行重新估值，開放市場價值為人民幣678,000,000元(相當於771,598,000港元)，導致重新估值盈餘24,310,000港元於年內物業重估儲備中確認為其他全面收益。

公平值層級披露

於二零一八年十二月三十一日，大樓之公平值乃使用香港財務報告準則第13號界定之重大不可觀察輸入數據(第三層級)計量。於本年度內，概無轉入或轉出第三層級的情況(二零一七年：無)。

以下為大樓估值所採用的估值技術及主要輸入數據概要：

大樓的估值乃參照可比較市場交易採用直接比較法釐定。每平方米單獨估計價格大幅增加(減少)將導致大樓公平值大幅增加(減少)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

14. INVESTMENT PROPERTIES

14. 投資物業

| | | Completed | Under construction | Total |
|---|-----------------------------|-------------------|---------------------------|------------------|
| | | 已落成 | 在建中 | 合計 |
| | | (note (a)) | (note (b)) | |
| | | (附註(a)) | (附註(b)) | |
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| Carrying amount as at 1 January 2017 | 於二零一七年一月一日的賬面值 | 275,005 | 130,194 | 405,199 |
| Additions | 添置 | — | 57,333 | 57,333 |
| Interest capitalised (note 7) | 資本化利息(附註7) | — | 763 | 763 |
| Net gain/(loss) from fair value adjustments | 公平值調整產生的淨收益/(虧損) | (23,590) | 3,038 | (20,552) |
| Exchange realignment | 匯兌調整 | 27,058 | 1,147 | 28,205 |
| Carrying amount as 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的賬面值 | 278,473 | 192,475 | 470,948 |
| Additions | 添置 | 1,488,258 | 58,066 | 1,546,324 |
| Interest capitalised (note 7) | 資本化利息(附註7) | — | 5,279 | 5,279 |
| Net gain/(loss) from fair value adjustments | 公平值調整產生的淨收益/(虧損) | (29,530) | 29,329 | (201) |
| Transfer from properties under development | 轉撥自發展中物業 | — | 233,822 | 233,822 |
| Exchange realignment | 匯兌調整 | (80,759) | 257 | (80,502) |
| Carrying amount as at 31 December 2018 | 於二零一八年十二月三十一日的賬面值 | 1,656,442 | 519,228 | 2,175,670 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

14. INVESTMENT PROPERTIES (continued)

Notes:

- (a) The Group's completed investment properties as at 31 December 2018 represented an office building and a commercial building in London, the UK, which are leased to third parties under operating leases, further summary details of which are summarised in note 37(a) to the financial statements.
- (b) The Group's investment property under construction as at 31 December 2018 represented a commercial and residential complex (the "US Complex") currently being developed by the Group on a parcel of land located in Santa Monica, the County of Los Angeles, State of California, the USA, that would be leased out for rental income upon completion of the construction of the US Complex.

In the prior year, a portion of the US Complex was classified as properties under development as it would be put into market for sale upon completion of the construction, based on the Group's original development plan. During the current year, the Group changed the use of that portion and will lease it to third parties for earning rental income upon completion of the construction. Accordingly, that portion of the US Complex was reclassified to investment properties under construction during the current year and the difference between the fair value of the property at the date of change in use and its then carrying amount, amounting to HK\$23,997,000, was recognised in profit or loss during the year ended 31 December 2018.

- (c) Each year, the Group's senior management decides which external valuers to be appointed for the external valuations of the Group's investment properties. Selection criteria include market knowledge, independence and whether professional standards are maintained. The Group's senior management has ongoing discussions with the valuers on the valuation assumptions and valuation results when the valuations are performed.

The Group's completed investment properties were revalued on 31 December 2018 based on valuations performed by Jones Lang La Salle Limited and Knight Frank LLP, independent professionally qualified valuers.

The Group's investment property under construction was revalued on 31 December 2018 based on a valuation performed by Cushman & Wakefield Western, Inc., independent professionally qualified valuers.

Fair value hierarchy disclosure

At 31 December 2018, fair value measurement of the Group's investment properties were using significant unobservable inputs (Level 3) as defined in HKFRS 13. During the year, there was no transfer into or out of Level 3.

14. 投資物業(續)

附註：

- (a) 於二零一八年十二月三十一日，本集團已落成的投資物業指英國倫敦的辦公樓宇及商業樓宇。該物業以經營租賃的形式租給第三方，有關其概要詳情概述於財務報表附註37(a)。
- (b) 於二零一八年十二月三十一日，本集團在建中的投資物業為本集團正在一幅位於美國加利福尼亞州洛杉磯聖莫尼卡市之土地發展的部分商住綜合物業(「美國綜合物業」)，於美國綜合物業建造工程完成後，其將會出租以獲取租金收入。

於上個年度，根據本集團的原定發展計劃，部分美國綜合物業在完工後將投放市場銷售，因此該等物業被分類為發展中物業。於本年度，本集團變更該部分的用途，於完工後將出租予第三方以賺取租金收入。因此，該部分美國綜合物業於本年度被重新分類為在建投資物業，而該物業於變更改用途當日的公平值與其當時賬面值之間的差額(即23,997,000港元)於截至二零一八年十二月三十一日止年度在損益內確認。

- (c) 每年，本集團高級管理層決定委任哪一家外聘估值師負責本集團投資物業的外部估值。甄選準則包括市場知識、獨立性及是否維持專業水準。本集團高級管理層與估值師在進行估值時持續討論估值假設及估值結果。

於二零一八年十二月三十一日，本集團已落成的投資物業由獨立專業合格估值師Jones Lang La Salle Limited及Knight Frank LLP進行的估值釐定。

本集團的在建中投資物業於二零一八年十二月三十一日由獨立合資格專業估值師Cushman & Wakefield Western, Inc.重估。

公平值層級披露

於二零一八年十二月三十一日，本集團投資物業的公平值計量均使用重大不可觀察輸入值(第三層級)(定義見香港財務報告準則第13號)。於本年度內，概無轉入或轉出第三層級的公平值計量。

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31 December 2018 二零一八年十二月三十一日

14. INVESTMENT PROPERTIES (continued)

Notes: (continued)

(c) (continued)

Fair value hierarchy disclosure (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuations of the Group's investment properties:

| | Valuation techniques 估值技術 | Significant unobservable inputs 重大不可觀察輸入值 | Range of input 輸入值範圍 | |
|---|------------------------------|--|---|--|
| | | | 2018 二零一八年 | 2017 二零一七年 |
| Completed investment properties | | | | |
| An office building | Income capitalisation | (i) Equivalent yield (ii) Unit market rent per month | 5.09% £45.11 per square metre of gross floor area | 5% £22.5-£35 per square metre of gross floor area |
| 已落成投資物業 一座辦公樓宇 | 收入資本化法 | (i) 等價收益率 (ii) 每月單位市場租金 | 5.09% 每平方米 總樓面面積 45.11英鎊 | 5% 每平方米 總樓面面積 22.5英鎊至 35英鎊 |
| A commercial building | Income capitalisation | (i) Equivalent yield (ii) Unit market rent per month | 4.16% £56.28 per square metre of gross floor area | N/A 不適用 N/A 不適用 |
| 一座商業樓宇 | 收入資本化法 | (i) 等價收益率 (ii) 每月單位市場租金 | 4.16% 每平方米 總樓面面積 56.28英鎊 | |
| Investment property under construction | | | | |
| The US Complex | Income capitalisation | (i) Capitalisation rate (ii) Unit market rent per month | 4.4% Commercial portion: US\$72 per square metre of gross floor area | 3.8% Commercial portion: US\$67-US\$78 per square metre of gross floor area |
| | | | Residential portion: US\$4,900-US\$9,000 per unit of bedroom or townhouse | |
| 在建中投資物業 美國綜合物業 | 收入資本化法 | (i) 資本化率 (ii) 每月單位市場租金 | 4.4% 商業部份： 每平方米 總樓面面積 72美元 | 3.8% 商業部份： 每平方米 總樓面面積 67美元至78美元 |
| | | | 住宅部份： 每單位臥室或 聯排住宅 4,900美元至 9,000美元 | |

14. 投資物業(續)

附註：(續)

(c) (續)

公平值層級披露(續)

以下為就本集團投資物業估值所採用的估值技術及主要輸入值的概要：

| | Valuation techniques 估值技術 | Significant unobservable inputs 重大不可觀察輸入值 | Range of input 輸入值範圍 | |
|---|------------------------------|--|---|--|
| | | | 2018 二零一八年 | 2017 二零一七年 |
| Completed investment properties | | | | |
| An office building | Income capitalisation | (i) Equivalent yield (ii) Unit market rent per month | 5.09% £45.11 per square metre of gross floor area | 5% £22.5-£35 per square metre of gross floor area |
| 已落成投資物業 一座辦公樓宇 | 收入資本化法 | (i) 等價收益率 (ii) 每月單位市場租金 | 5.09% 每平方米 總樓面面積 45.11英鎊 | 5% 每平方米 總樓面面積 22.5英鎊至 35英鎊 |
| A commercial building | Income capitalisation | (i) Equivalent yield (ii) Unit market rent per month | 4.16% £56.28 per square metre of gross floor area | N/A 不適用 N/A 不適用 |
| 一座商業樓宇 | 收入資本化法 | (i) 等價收益率 (ii) 每月單位市場租金 | 4.16% 每平方米 總樓面面積 56.28英鎊 | |
| Investment property under construction | | | | |
| The US Complex | Income capitalisation | (i) Capitalisation rate (ii) Unit market rent per month | 4.4% Commercial portion: US\$72 per square metre of gross floor area | 3.8% Commercial portion: US\$67-US\$78 per square metre of gross floor area |
| | | | Residential portion: US\$4,900-US\$9,000 per unit of bedroom or townhouse | |
| 在建中投資物業 美國綜合物業 | 收入資本化法 | (i) 資本化率 (ii) 每月單位市場租金 | 4.4% 商業部份： 每平方米 總樓面面積 72美元 | 3.8% 商業部份： 每平方米 總樓面面積 67美元至78美元 |
| | | | 住宅部份： 每單位臥室或 聯排住宅 4,900美元至 9,000美元 | |

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14. INVESTMENT PROPERTIES (continued)

Notes: (continued)

(c) (continued)

Fair value hierarchy disclosure (continued)

The income capitalisation approach is applied based on net rental income that can be derived from existing tenancies with due allowance for the reversionary potential of the properties.

A significant increase (decrease) in the unit market rent per month in isolation would result in a significant increase (decrease) in the fair value of the investment properties. A significant increase (decrease) in the equivalent yield and capitalisation rate in isolation would result in a significant decrease (increase) in the fair value of the investment properties.

(d) At 31 December 2018, the Group's investment properties were all pledged to secure banking facilities granted to the Group (notes 27(a), (b) and (c)).

14. 投資物業(續)

附註：(續)

(c) (續)

公平值層級披露(續)

應用收入資本化法時乃基於可得自現有租賃的淨租金收入，並妥為計及有關物業的復歸潛力。

單獨每月單位市場租金大幅上升(下降)會導致投資物業公平值大幅上升(下降)。等價收益率及資本化率單獨大幅上升(下降)會導致投資物業公平值大幅下降(上升)。一般而言，就估計租金價值所作假設的變動會伴隨租金價值相同方向的變動以及等價收益率及資本化率相反方向的變動。

(d) 於二零一八年十二月三十一日，本集團抵押全部投資物業作為授予本集團的銀行融資之擔保(附註27(a)、(b)及(c))。

15. INTANGIBLE ASSETS

15. 無形資產

| | | Computer software 電腦軟件 | |
|---------------------------------------|-----------|----------------------------------|----------------------------------|
| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
| At 1 January: | 於一月一日： | | |
| Cost | 成本 | 1,275 | 913 |
| Accumulated amortisation | 累計攤銷 | (333) | (141) |
| Net carrying amount | 賬面淨值 | 942 | 772 |
| Net carrying amount: | 賬面淨值： | | |
| At 1 January | 於一月一日 | 942 | 772 |
| Additions | 添置 | 106 | 281 |
| Amortisation provided during the year | 本年計提攤銷 | (95) | (174) |
| Write-off | 撇銷 | (11) | — |
| Exchange realignment | 匯兌調整 | (49) | 63 |
| At 31 December | 於十二月三十一日 | 893 | 942 |
| At 31 December: | 於十二月三十一日： | | |
| Cost | 成本 | 1,300 | 1,275 |
| Accumulated amortisation | 累計攤銷 | (407) | (333) |
| Net carrying amount | 賬面淨值 | 893 | 942 |

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16. DEBT INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Unlisted debt investment, at fair value

The unlisted debt investment was designated at financial asset at fair value through other comprehensive income as the Group plans to both hold the financial asset to collect its contractual cash flows and sell it, as appropriate.

During the year ended 31 December 2018, the gross gain in respect of the unlisted debt investment recognised in other comprehensive income amounted to approximately HK\$352,000 (2017: Nil).

17. PROPERTIES UNDER DEVELOPMENT

Properties under development of the Group as at 31 December 2017 represented a portion of the US Complex (as defined in note 14(b)) which would be put into market for sale upon completion of the construction of the US Complex. At 31 December 2017, such properties were pledged to secure a bank facility granted to the Group (note 27(b)).

During the year ended 31 December 2018, the Group changed the use of the properties under development and hence reclassified them to investment properties under construction during the current year, as further detailed in note 14(b) to the financial statements.

18. INVENTORIES

| | |
|---|-------------|
| Food and beverages | 食物及飲品 |
| Other operating items for restaurant operations | 餐廳經營的其他經營項目 |
| Goods for resale | 貨品轉售 |
| Repair and maintenance parts | 維修及保養部件 |

16. 按公平值計入其他全面收益的債務投資

| | |
|----------------------------------|----------------------------------|
| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|

23,113

—

非上市債務投資被指定為按公平值計入其他全面收益的金融資產，乃由於本集團計劃為持有金融資產以收取合約現金流量及銷售它(倘適用)。

於截至二零一八年十二月三十一日止年度，於其他全面收益確認的非上市債務投資毛收益約為352,000港元(二零一七年：無)。

17. 發展中物業

本集團於二零一七年十二月三十一日的發展中物業為部分美國綜合物業(定義見附註14(b))，將於美國綜合物業完工後投放市場銷售。於二零一七年十二月三十一日，該等物業已被抵押以取得授予本集團的銀行融資(附註27(b))。

截至二零一八年十二月三十一日止年度，本集團更改發展中物業的用途，因此於本年度將其重新分類為在建投資物業，進一步詳情載於財務報表附註14(b)。

18. 存貨

| | |
|----------------------------------|----------------------------------|
| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|

543

409

334

3,909

148

758

472

370

1,497

5,446

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19. TRADE RECEIVABLES

| | |
|-----------------------------|-------------|
| Trade receivables | 應收貿易賬款 |
| Less: Impairment (note (b)) | 減：減值(附註(b)) |

Notes:

- (a) Trade receivables are non-interest-bearing and arise from the provision of property management services, leasing of investment properties and operation of the Recreational Centre. Tenants of the Group's managed properties are required to pay a calendar year's property management service fees annually in advance.

The Group's credit terms of its trade receivables are negotiated with and entered into under normal commercial terms with tenants of the properties managed by the Group, tenants of investment properties and customers of the Recreational Centre. The Group does not hold any collateral or other credit enhancements over these balances.

Included in the Group's trade receivables as at 31 December 2018 are amounts of HK\$3,395,000 (2017: HK\$3,447,000) in total due from companies controlled by two directors of the Company, which are repayable on credit terms similar to those offered to other tenants in the ordinary course of business. Mr. Wei and Mr. Sun, both being directors of the Company, have beneficial interests in these related companies.

At 31 December 2018, certain trade receivables of HK\$580,000 (2017: HK\$61,000) and HK\$2,741,000, (2017: Nil) in total were pledged to secure a bank loan facility granted to the Group for financing the purchase of an office building in London, the UK (note 27(a)) and another bank loan facility for the purchase of a commercial building in London, the UK (note 27(c)), respectively.

19. 應收貿易賬款

| 2018 | 2017 |
|---------------|---------------|
| 二零一八年 | 二零一七年 |
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |
| 37,717 | 34,450 |
| (13,088) | (9,021) |
| 24,629 | 25,429 |

附註：

- (a) 應收貿易賬款並不計息及於提供物業管理服務、租賃投資物業及經營休閒中心時產生。租戶租用本集團管理之物業，須每年預付一個曆年之物業管理服務費用。

本集團應收貿易賬款的信貸條款透過與本集團管理的物業租戶、投資物業租戶及休閒中心客戶按一般商務條款磋商訂立。本集團並沒有就這些餘額持有任何抵押品或其他信用增級。

本集團於二零一八年十二月三十一日的應收貿易賬款包括應收本公司兩名董事控制的公司之款項合共3,395,000港元(二零一七年：3,447,000港元)，並需按照類似於在日常業務過程中向其他租戶所提供的信用條款償還。魏先生及孫先生(均為本公司董事)於該等關連公司擁有實益權益。

於二零一八年十二月三十一日，若干應收貿易賬款合計580,000港元(二零一七年：61,000港元)及2,741,000港元(二零一七年：零)已分別抵押作為本集團購買英國倫敦的辦公樓宇之融資(附註27(a))而獲授銀行貸款融資及購買英國倫敦一座商業樓宇(附註27(c))而獲授另一銀行貸款融資之擔保。

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19. TRADE RECEIVABLES (continued)

Notes: (continued)

- (b) An ageing analysis of the trade receivables, based on due date and net of impairment, is as follows:

| | |
|--------------------|-----------|
| Past due: | 於以下期間內到期： |
| Less than 1 year | 一年內 |
| 1 year to 2 years | 一年至兩年 |
| 2 years to 3 years | 兩年至三年 |

The movements in the loss allowance for impairment of trade receivables during the year are as follows:

| | |
|--|------------------------------------|
| At 1 January: | 於一月一日： |
| As previously reported | 如之前呈報 |
| Effect of adoption of HKFRS 9 (note 2.2(b)) | 採納香港財務報告 準則第9號的影響 (附註2.2(b)) |
| As restated | 經重列 |
| Impairment losses | 減值虧損 |
| Exchange realignment | 匯兌調整 |

At 31 December 於十二月三十一日

Impairment under HKFRS 9 for the year ended
31 December 2018

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the average of historical incurred credit loss experience on each ageing group of trade receivables. Generally, trade receivables are written off if they are not considered recoverable by the Group and are not subject to enforcement activity.

19. 應收貿易賬款(續)

附註：(續)

- (b) 根據到期日期，應付貿易賬款(扣除減值)的賬齡分析如下：

| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--------------------|----------------------------------|----------------------------------|
| Past due: | | |
| Less than 1 year | 20,833 | 20,849 |
| 1 year to 2 years | 1,916 | 3,564 |
| 2 years to 3 years | 1,880 | 1,016 |
| | 24,629 | 25,429 |

於本年度內，應收貿易賬款減值虧損撥備的變動如下：

| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| At 1 January: | | |
| As previously reported | 9,021 | 5,950 |
| Effect of adoption of HKFRS 9 (note 2.2(b)) | 2,443 | — |
| As restated | 11,464 | 5,950 |
| Impairment losses | 2,208 | 2,520 |
| Exchange realignment | (584) | 551 |
| At 31 December | 13,088 | 9,021 |

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號之減值

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於各賬齡組別應收貿易賬款歷史已產生信貸虧損經驗的平均值釐定。一般而言，倘應收貿易賬款被本集團視為不可收回及毋須受限於強制執行活動則予以撇銷。

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19. TRADE RECEIVABLES (continued)

Notes: (continued)

(b) (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 using a provision matrix:

At 31 December 2018:

| | | |
|-----------------------------------|-------------|--------|
| Expected credit loss rate | 預期信貸虧損率 | 7.86% |
| Gross carrying amount (HK\$'000) | 賬面總值(千港元) | 22,610 |
| Expected credit losses (HK\$'000) | 預期信貸虧損(千港元) | 1,777 |

Impairment under HKAS 39 for the year ended 31 December 2017

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:

| | | |
|--------------------|------|--------|
| Past due: | 已逾期 | |
| Less than 1 year | 少於一年 | 20,849 |
| 1 year to 2 years | 一至兩年 | 3,564 |
| 2 years to 3 years | 兩至三年 | 1,016 |

Since there are a large number of tenants, impairment assessment of trade receivables is based on a collective assessment of individual tenants with similar characteristics and credit history, which indicate that trade receivables which are less than one year past due are not considered impaired. At 31 December 2017, trade receivables of HK\$4,580,000, net of provision for impairment, were past due over one year but not impaired according to collective assessment policy adopted by the management. The Group does not hold any collateral or other credit enhancements over these balances.

19. 應收貿易賬款(續)

附註：(續)

(b) (續)

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號之減值(續)

有關本集團採用撥備矩陣計量的應收貿易賬款的信貸風險資料載列如下：

於二零一八年十二月三十一日：

Ageing based on due date
基於到期日期的賬齡

| Less than 1 year 少於一年 | 1 to 2 years 一至兩年 | 2 to 3 years 兩至三年 | Over 3 years 三年以上 | Total 總計 |
|--------------------------|----------------------|----------------------|----------------------|-------------|
| 7.86% | 42.84% | 64.22% | 100% | |
| 22,610 | 3,352 | 5,255 | 6,500 | 37,717 |
| 1,777 | 1,436 | 3,375 | 6,500 | 13,088 |

截至二零一七年十二月三十一日止年度根據香港會計準則第39號之減值

根據香港會計準則第39號，於二零一七年十二月三十一日非個別或共同視作減值的應收貿易賬款之賬齡分析如下：

2017
二零一七年
HK\$'000
千港元

25,429

由於租戶為數眾多，因此，該等應收貿易賬款的減值評估根據特徵及信貸記錄類似的個別租戶的集體評估而進行，其顯示逾期少於一年的應收貿易賬款不視為減值。於二零一七年十二月三十一日，根據管理層採納的集體評估政策，4,580,000港元的應收貿易賬款(扣除減值撥備)已逾期超過一年但並無減值。本集團並沒有就這些餘額持有任何抵押品或其他信用增級。

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20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

20. 預付款項、訂金及其他應收款項

| | | 2018 二零一八年 | 2017 二零一七年 |
|--------------------------------------|-----------|------------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| | | 11,740 | 5,961 |
| Prepayments | 預付款項 | | |
| Deposits and other receivables | 訂金及其他應收款項 | 1,557,036 | 154,521 |
| Loan receivables | 應收貸款 | 37,681 | — |
| | | 1,606,457 | 160,482 |
| Portion classified as current assets | 分類為流動資產部分 | (80,712) | (14,991) |
| Non-current portion | 非流動部分 | 1,525,745 | 145,491 |

Notes:

(a) The Group's deposits and other receivables as at 31 December 2018 included, inter alia, the following:

- (i) refundable heating supply deposits of HK\$5,283,000 (2017: HK\$5,574,000) in total in respect of properties managed by the Group; and
- (ii) a non-current deposit of HK\$1,524,354,000 paid for the acquisition of certain floors of a commercial building which is located in Beijing, the PRC (2017: HK\$143,861,000 paid for the acquisition of the entire interest in a commercial building in London, the UK).

(b) Each of the loan receivables bears interest at a fixed rate, will become repayable in the year of 2019 and is secured by a trade receivable of the borrower with a security value to loan ratio of more than 2 times. During the year, interest income of HK\$1,035,000 was recognised in profit or loss in respect of these loan receivables. The loan receivables as at 31 December 2018 were neither past due nor impaired. No ECL was recognised against these loan receivables as, in the opinion of directors, the loss given default rate of each of these loan receivables is close to zero.

附註：

(a) 本集團於二零一八年十二月三十一日之訂金及其他應收款項包括(其中包括)以下內容：

- (i) 有關本集團管理物業的可退還的供暖訂金總額5,283,000港元(二零一七年：5,574,000港元)；及
- (ii) 非流動訂金1,524,354,000港元用於支付收購位於中國北京一棟商業樓宇的若干樓層(二零一七年：143,861,000港元用於支付收購英國倫敦商業樓宇之全部收益)。

(b) 按固定利率計息的應收貸款將於二零一九年償還，並由借款人的應收貿易賬款(抵押值貸款比率超過2倍)作抵押。年內，就該等應收貸款於損益內確認利息收入1,035,000港元。於二零一八年十二月三十一日的應收貸款既未逾期，亦無減值。並無就該等應收貸款確認預期信貸虧損，乃由於董事認為該等應收貸款的違約損失率趨近於零。

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21. BALANCES WITH RELATED COMPANIES

The balances with related companies are unsecured, interest-free and have no fixed terms of repayment. Two directors of the Company, namely Mr. Wei and Mr. Sun, have beneficial interests in these related companies.

(a) Due from related companies

Amounts due from related companies, disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

| Company name | At 31 December 2018 | Maximum amount outstanding during the current year | At 31 December 2017 and 1 January 2018 | Maximum amount outstanding during the prior year | At 1 January 2017 |
|---|-----------------------------------|--|--|--|-------------------------------|
| 公司名稱 | 二零一八年十二月三十一日 HK\$'000 千港元 | 本年度最高未償還金額 HK\$'000 千港元 | 於二零一七年十二月三十一日及二零一八年一月一日 HK\$'000 千港元 | 過往年度最高未償還金額 HK\$'000 千港元 | 於二零一七年一月一日 HK\$'000 千港元 |
| The ultimate holding company | 最終控股公司 | | | | |
| Winluck Global | Winluck Global | 18 | 18 | — | — |
| Other related companies | 其他關連公司 | | | | |
| 北京國銳金嶺售樓處 | 北京國銳金嶺售樓處 | — | — | — | 1,829 |
| 北京國銳房地產開發有限公司 | 北京國銳房地產開發有限公司 | — | — | — | 1,353 |
| 國銳金安分公司 (“Beijing Guorui Jinan Branch”) | 國銳金安分公司 (“北京國銳 Jinan Branch”) | — | — | — | 1,353 |
| 北京國隆置業有限公司 (“Beijing Guolong”) | 北京國隆置業有限公司 (“北京國隆”) | 1,637 | 1,830 | 1,830 | 4,329 |
| 北京國銳金嶺幼兒園 | 北京國銳金嶺幼兒園 | — | 140 | 140 | 164 |
| 北京凱朋科技發展有限公司 (“Beijing Kaipeng”) | 北京凱朋科技發展有限公司 (“北京凱朋”) | 11,314 | 11,314 | — | — |
| 北京集趣互動信息技術有限公司 (“Beijing Jiqu”) | 北京集趣互動信息技術有限公司 (“北京集趣”) | 26 | 26 | — | — |
| Silky Apex Limited (“Silky Apex”) | Silky Apex Limited (“Silky Apex”) | 2 | 2 | — | — |
| Gang Rui International Investment (HK) Limited (“Gang Rui”) | 港銳國際投資(香港)有限公司 (“港銳”) | 360 | 460 | — | — |
| | | <u>13,357</u> | <u>1,970</u> | <u>1,970</u> | <u>3,380</u> |

Note: Balances in the current year mainly represented property management fee, utilities expenses and miscellaneous expenses paid on behalf of Beijing Kaipeng, Beijing Jiqu, Winluck Global, Silky Apex, Gang Rui and Beijing Guolong.

21. 與關連公司的結餘

與關連公司的結餘為無抵押、免息和沒有固定還款期。本公司兩名董事魏先生及孫先生在該等關連公司中擁有實益權益。

(a) 應收關連公司款項

根據香港《公司條例》第383(1)(d)條及《公司(披露董事利益資料)規例》第3部披露的應收關連公司款項如下：

附註：本年度結餘主要指代表北京凱朋、北京集趣、Winluck Global、Silky Apex、港銳及北京國隆支付物業管理費用、公共事業開支及雜項開支。

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21. BALANCES WITH RELATED COMPANIES (continued)

(b) Due to related companies

Balance in the current year mainly represented short term advances from 北京國銳房地產開發有限公司 (“Guorui Property Development”) of HK\$37,779,000 (2017: HK\$25,484,000), 北京國銳控股有限公司 (“Guorui Holding”) of HK\$46,421,000 (2017: HK\$48,493,000) and Beijing Guorui Jinan Branch of HK\$9,964,000 (2017: Nil), respectively.

21. 與關連公司的結餘(續)

(b) 應付關連公司款項

本年度結餘主要指北京國銳房地產開發有限公司(「國銳房地產開發」)、北京國銳控股有限公司(「國銳控股」)及北京國銳Jinan branch的短期墊款分別為37,779,000港元(二零一七年：25,484,000港元)、46,421,000港元(二零一七年：48,493,000港元)及9,964,000港元(二零一七年：無)。

22. PLEDGED BANK DEPOSIT AND CASH AND CASH EQUIVALENTS

22. 已抵押銀行存款及現金及銀行結餘

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|------------------|----------------------------------|----------------------------------|
| Cash and bank balances other than time deposits | 除定期存款外的現金及銀行結餘 | 158,007 | 723,891 |
| Time deposits | 定期存款 | 226,386 | 39,636 |
| Total cash and bank balances | 現金及銀行結餘總額 | 384,393 | 763,527 |
| Less: Pledged bank deposit (note (c)) | 減：已抵押銀行存款(附註(c)) | (39,230) | (39,636) |
| Cash and cash equivalents | 現金及現金等價物 | 345,163 | 723,891 |

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22. PLEDGED BANK DEPOSIT AND CASH AND CASH EQUIVALENTS (continued)

Notes:

- (a) At 31 December 2018, the cash and bank balances of the Group denominated in RMB amounted to HK\$114,862,000 (2017: HK\$127,644,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.
- (b) Cash at banks earns interest at floating rates based on daily bank deposit rates. A short term time deposit was made for a period of twelve months, and earns interest at the short term time deposit rate. The bank balances and the pledged bank deposit are deposited with creditworthy banks with no recent history of default.
- (c) At 31 December 2018, a bank deposit of US\$5,066,000 (equivalent to HK\$39,230,000) (2017: US\$5,066,000 (equivalent to HK\$39,636,000)) was pledged to a bank for the issuance of a standby letter of credit in respect of future settlement to a contractor for the construction of the US Complex.

23. TRADE PAYABLES

Trade payables are non-interest-bearing and the average credit period is 60 days.

An ageing analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

| | |
|-----------------|--------|
| Within 3 months | 三個月內 |
| 3 to 6 months | 三至六個月 |
| 6 to 12 months | 六至十二個月 |
| Over 1 year | 一年以上 |

22. 已抵押銀行存款及現金及銀行結餘(續)

附註：

- (a) 於二零一八年十二月三十一日，本集團用人民幣列值的現金及銀行結餘達114,862,000港元(二零一七年：127,644,000港元，經重列)。儘管人民幣不能與其他貨幣自由兌換，但是根據中國大陸的中華人民共和國外匯管理條例及結匯、售匯及付匯管理規定，本集團可以通過有權進行外幣業務的銀行將人民幣兌換成其他貨幣。
- (b) 銀行存款按根據每日銀行存款利率計算之浮動利率計息。短期定期存款之存款期為十二個月，按有關之短期定期存款利率計息。銀行結餘及已抵押銀行存款乃存於並無近期違約記錄而具信譽的銀行。
- (c) 於二零一八年十二月三十一日，銀行存款5,066,000美元(相當於39,230,000港元)(二零一七年：5,066,000美元(相當於39,636,000港元))已抵押予銀行，以令其就向承包商日後結清美國綜合物業建造工程發出信貸備用函。

23. 應付貿易賬款

應付貿易賬款不計息，而平均信貸期限為60天。

根據發票日期，於報告期末，本集團應付貿易賬款的賬齡分析如下：

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|-----------------|--------|----------------------------------|----------------------------------|
| Within 3 months | 三個月內 | 47,393 | 50,010 |
| 3 to 6 months | 三至六個月 | 3,031 | 5,485 |
| 6 to 12 months | 六至十二個月 | 6,377 | 1,293 |
| Over 1 year | 一年以上 | 9,128 | 6,936 |
| | | 65,929 | 63,724 |

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24. RECEIPTS IN ADVANCE

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---------------------------|--------|----------------------------------|----------------------------------|
| Contract liabilities | 合約負債 | 75,848 | — |
| Other receipts in advance | 其他預收款項 | 8,180 | 72,821 |
| | | 84,028 | 72,821 |

The Group's receipts in advance represented (i) prepayments of property management fees received from tenants; (ii) cash receipts from customers which are stored in membership cards for future consumption in the Recreational Centre; and (iii) rental received in advance from tenants of the Group's investment properties. The prepaid management fee and value stored in the membership cards as at 31 December 2018 are classified as contract liabilities in the financial statements in accordance with HKFRS 15.

24. 預收款項

本集團的預收款項指(i)向租戶收取的物業管理費預付款項；(ii)客戶存入會員卡以供日後在休閒中心消費的現金；及(iii)向本集團的投資物業租戶預收的租金。根據香港財務報告準則第15號，於二零一八年十二月三十一日的預付管理費及存入會員卡的價值在財務報表中分類為合約負債。

25. OTHER PAYABLES AND ACCRUALS

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------|-------|----------------------------------|----------------------------------|
| Other payables | 其他應付款 | 99,310 | 133,508 |
| Accruals | 預提費用 | 13,857 | 9,694 |
| | | 113,167 | 143,202 |

The Group's other payables as at 31 December 2018 included, inter alia, the following:

- (i) amounts of HK\$1,700,000 (2017: HK\$2,916,000) in total payable to water, heating and electricity suppliers in respect of public utility fees collected from tenants on behalf of public utility suppliers;
- (ii) refundable decoration deposits and property management service fee deposits of HK\$14,774,000 (2017: HK\$16,189,000) in total received from tenants of a commercial building and residential properties managed by the Group; and
- (iii) advances from independent third parties of HK\$66,439,000 (2017: HK\$96,271,000) in total for the purpose of maintaining daily working capital and financing new investments. These advances are interest-free, unsecured and repayable on demand or within one year.

25. 其他應付款及預提費用

於二零一八年十二月三十一日，本集團的其他應付款包括(其中包括)以下各項：

- (i) 應付自來水、暖氣及電力款項合共1,700,000港元(二零一七年：2,916,000港元)，有關公用設施費用乃代公用設施供應商向租戶收取；
- (ii) 可予退還裝修訂金及物業管理服務費訂金14,774,000港元(二零一七年：16,189,000港元)，有關訂金乃向一幢由本集團管理之商業大廈及住宅物業之租戶收取；及
- (iii) 有關維持日常運營資金及為新投資融資之獨立第三方墊款66,439,000港元(二零一七年：96,271,000港元)。該等墊款為無息、無擔保且須按要求或於一年內償還。

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26. DUE TO A SHAREHOLDER AND A DIRECTOR

The balances with a shareholder and a director are unsecured, interest-free and have no fixed terms of repayment.

26. 應付股東及董事款項

股東及董事之結餘為無抵押、免息及無固定償還期。

27. BANK BORROWINGS

27. 銀行借款

| | | Notes 附註 | Effective interest rate 實際利率 (%) (%) | Maturity 到期日 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|--------------------|-------------|---|-------------------------------|----------------------------------|----------------------------------|
| Bank loan – secured | 銀行貸款 — 有抵押 | (a) | 3.10 | Revolving or 2018 循環或二零一八年 | 125,564 | 146,356 |
| Bank loan – secured | 銀行貸款 — 有抵押 | (b) | 2.59 | 2018 二零一八年 | 113,440 | 55,121 |
| Bank loan – secured | 銀行貸款 — 有抵押 | (c) | 2.89 | 2022 二零二二年 | 784,090 | — |
| | | | | | 1,023,094 | 201,477 |
| Analysed into amounts repayable: | 應付款項分析為： | | | | | |
| Within one year or on demand | 一年內或按要求 | | | | 247,010 | 201,477 |
| In the second year | 第二年 | | | | 8,006 | — |
| In the third to fifth years, inclusive | 第三至第五年(包括 首尾兩年) | | | | 768,078 | — |
| | | | | | 1,023,094 | 201,477 |
| Portion classified as current liabilities | 歸類為流動負債的部分 | | | | (247,010) | (201,477) |
| Non-current portion | 非流動部分 | | | | 776,084 | — |

Notes:

- (a) This bank loan was obtained to finance the purchase of an office building in London, the UK and is secured by a completed investment property with a carrying amount of HK\$267,748,000 (2017: HK\$278,473,000) as at 31 December 2018 (note 14(d)); and certain trade receivables of HK\$580,000 (2017: HK\$61,000) in total as at 31 December 2018 (note 19(a)). The bank loan facility contains a repayable on demand clause.

附註：

- (a) 本集團銀行貸款乃為購買英國倫敦的一棟辦公樓宇之融資而獲取，並由於二零一八年十二月三十一日已竣工投資物業之賬面值267,748,000港元(二零一七年：278,473,000港元)作抵押(附註14(d))；且於二零一八年十二月三十一日若干應收貿易賬款合共為580,000港元(二零一七年：61,000港元)(附註19(a))。銀行貸款融資包括按要求償還。

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27. BANK BORROWINGS (continued)

Notes: (continued)

- (b) This bank loan was obtained to finance the construction cost of the US Complex. The bank loan facility is guaranteed by the Company and secured by the pledge of the Group's investment properties under construction with a carrying amount of HK\$519,228,000 (2017: investment properties under construction and properties under development at carrying amounts of HK\$192,475,000 and HK\$154,986,000, respectively) as at 31 December 2018 (note 14(d)).
- (c) This bank loan was obtained to finance the purchase of a commercial building in London, the UK. The bank loan facility is secured by a completed investment property with a carrying amount of HK\$1,388,694,000 as at 31 December 2018 (note 14(d)) and certain trade receivables of HK\$2,741,000 in total as at 31 December 2018 (note 19(a)).
- (d) The bank borrowings were denominated in the following currencies:

| | |
|------|----|
| £ | 英鎊 |
| US\$ | 美元 |

27. 銀行借款(續)

附註：(續)

- (b) 本集團銀行貸款乃為美國綜合大樓建築成本之融資而獲取。本集團銀行貸款由本公司擔保及由本集團於二零一八年十二月三十一日在建中投資物業之賬面值519,228,000港元(二零一七年：在建中投資物業及發展中物業之賬面值分別為192,475,000港元及154,986,000港元)作抵押(附註14(d))。
- (c) 本集團銀行貸款乃為購買英國倫敦一座商業樓宇之融資而獲取。本集團銀行貸款由於二零一八年十二月三十一日已竣工投資物業之賬面值1,388,694,000港元作抵押(附註14(d))且於二零一八年十二月三十一日若干應收貿易賬款合共為2,741,000港元(附註19(a))。
- (d) 銀行借款以下列貨幣計值：

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 909,654 | 146,356 |
| 113,440 | 55,121 |
| 1,023,094 | 201,477 |

28. PREFERENCE SHARES OF A SUBSIDIARY

Balance represented preference shares without a par value of RMB13,770,000 issued in 2016 by a subsidiary of the Group to the non-controlling equity holder of the subsidiary, which is a company established in the PRC and indirectly wholly owned by an associate of Mr. Wei and Mr. Sun, both being directors of the Company. The preference shares shall have no voting rights but are entitled to annual dividends at the rate of 7% of the issued and paid up preference share capital of the subsidiary. The preference shares shall be redeemed in 3 years from the date of capital injection, which is in the year of 2019.

28. 一間附屬公司的優先股

結餘指本集團一間附屬公司於二零一六年向該附屬公司的非控股權益持有人發行人民幣13,770,000元的無面值優先股，該附屬公司為一間於中國成立的公司，並由魏先生及孫先生(均為本公司董事)的一間聯營公司間接全資擁有。該等優先股並無投票權，但有權按該附屬公司已發行及已支付的優先股股本的7%獲得年度股息。該等優先股應於注資日期後三年(即二零一九年)內贖回。

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28. PREFERENCE SHARES OF A SUBSIDIARY (continued)

The preference shares of the subsidiary had been accounted for as financial liabilities of the Group as the Group has a contractual obligation to deliver cash to the preference shareholder in 3 years from the date of capital injection.

During the year ended 31 December 2018, dividend paid and payable to the related party in respect of the preference shares of the subsidiary amounted to HK\$1,143,000 (2017: HK\$1,112,000), which was recognised as finance costs for the year.

29. LOANS FROM A SHAREHOLDER

During the year ended 31 December 2016, pursuant to a shareholder's loan agreement dated 28 July 2016 and a supplemental agreement dated 24 August 2016 entered into between the Company and Wintime, the immediate holding company, Wintime granted a shareholder's loan facility of HK\$250,000,000 (or its equivalent in £) to the Company, of which £5,875,000 (equivalent to HK\$61,970,000) had been utilised as at 31 December 2017.

During the year ended 31 December 2017, pursuant to another shareholder's loan agreement dated 24 November 2017 entered into between the Company and Wintime, Wintime granted an additional shareholder's loan facility of HK\$1,500,000,000 (or its equivalent in £) to the Company, of which £42,027,000 (equivalent to HK\$443,310,000) and HK\$120,000,000 had been utilised as at 31 December 2017.

All of the shareholder's loans as at 31 December 2017 were unsecured, bore interest at the rate of 2% per annum, and were repayable in 3 years from the date of drawdown of the shareholder's loans or such other date agreed between Wintime and the Company. During the year ended 31 December 2018, all shareholder's loans as at 31 December 2017 were repaid. Interest paid and payable to Wintime in respect of the shareholder's loans amounted to HK\$6,615,000 (2017: HK\$2,211,000), which was recognised as finance costs for the year.

These related party transactions constitute exempted connected transactions as defined in Chapter 14A of the Listing Rules.

28. 一間附屬公司的優先股(續)

該附屬公司的優先股已入賬列作本集團的財務負債，乃由於本集團有合約責任於注資日期後三年內向優先股股東交付現金。

截至二零一八年十二月三十一日止年度，就該附屬公司之優先股已付及應付關聯方之股息為1,143,000港元(二零一七年：1,112,000港元)，已於本年度確認為財務費用。

29. 股東持有的貸款

於截至二零一六年十二月三十一日止年度，根據本公司與本公司直接控股公司Wintime訂立日期為二零一六年七月二十八日之股東貸款協議及日期為二零一六年八月二十四日之補充協議，Wintime向本公司授予250,000,000港元(或等值的英鎊)之股東貸款融資，其中5,875,000英鎊(相當於61,970,000港元)已於二零一七年十二月三十一日被動用。

於截至二零一七年十二月三十一日止年度，根據本公司與Wintime訂立日期為二零一七年十一月二十四日之另一份股東貸款協議，Wintime向本公司授予1,500,000,000港元(或等值的英鎊)之額外股東貸款融資，其中42,027,000英鎊(相當於443,310,000港元)及120,000,000港元已於二零一七年十二月三十一日被動用。

於二零一七年十二月三十一日，所有的股東貸款均為無抵押，按2%的年利率計息且須於股東貸款提取日期起計三年內或Wintime與本公司達成的其他日期償還。截至二零一八年十二月三十一日止年度，所有股東貸款於二零一七年十二月三十一日已結清。已付利息及應付Wintime之股東貸款為6,615,000港元(二零一七年：2,211,000港元)，此乃於本年度確認為財務成本。

該等關聯方交易構成豁免關連交易(如上市規則第14A章所定義)。

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30. DEFERRED TAX

Net deferred tax assets and liabilities recognised in the consolidated statement of financial position are as follows:

| | |
|--------------------------|--------|
| Deferred tax assets | 遞延稅項資產 |
| Deferred tax liabilities | 遞延稅項負債 |

The movements in deferred tax assets/(liabilities) of the Group are as follows:

| | |
|--|---------------------|
| At 1 January | 於一月一日 |
| Net deferred tax credited to profit or loss during the year (note 11) | 遞延稅項淨額計入年度損益 (附註11) |
| Net deferred tax charged to other comprehensive income during the year | 年內計入其他全面收入的遞延稅項淨額 |
| Exchange realignment | 匯兌調整 |
| At 31 December | 於十二月三十一日 |

Notes:

- (a) At 31 December 2018, deferred tax assets have not been recognised in respect of unutilised tax losses of HK\$177,006,000 (2017: HK\$130,919,000) as they have arisen in the Company and certain subsidiaries that have been loss-making for some time and it is not probable that taxable profits will be available against which such tax losses can be utilised. Out of this amount, tax losses of HK\$136,551,000 (2017: HK\$92,414,000) will expire in one to five years.

30. 遞延稅項負債

於綜合財務狀況表確認的遞延稅項資產及負債淨額如下：

| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--------------------------|----------------------------------|----------------------------------|
| Deferred tax assets | 12,579 | - |
| Deferred tax liabilities | (105,799) | (99,641) |
| | (93,220) | (99,641) |

以下是本集團遞延稅項資產/(負債)的變動情況：

Arising from revaluation of investment properties and a building 產生自投資物業及樓宇重估

| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| At 1 January | (99,641) | (98,898) |
| Net deferred tax credited to profit or loss during the year (note 11) | 15,228 | 4,643 |
| Net deferred tax charged to other comprehensive income during the year | (6,078) | (5,625) |
| Exchange realignment | (2,729) | 239 |
| At 31 December | (93,220) | (99,641) |

附註：

- (a) 於二零一八年十二月三十一日，由於發生虧損的本公司及若干附屬公司已虧損一段時間，而且估計其不太可能產生用於抵銷有關稅務虧損的應稅利潤，因此並未就未利用稅務虧損177,006,000港元(二零一七年：130,919,000港元)確認遞延稅項資產。在該金額中，稅項虧損136,551,000港元(二零一七年：92,414,000港元)將會於一至五年內到期。

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30. DEFERRED TAX (continued)

Notes: (continued)

(b) Pursuant to the PRC corporate income tax law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

Pursuant to the UK profits tax law, a 20% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the UK. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the UK.

Pursuant to the USA corporate income tax law, a 30% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the USA. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the USA.

At 31 December 2018, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China, the UK and the USA (2017: Nil). In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China, the UK and the USA for which deferred tax liabilities have not been recognised was HK\$99,223,000 (2017: HK\$22,479,000) in aggregate as at 31 December 2018.

(c) There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

30. 遞延稅項負債(續)

附註：(續)

(b) 根據中國企業所得稅法，於中國大陸成立的外商投資企業向境外投資者宣佈派發股息須徵收10%預扣稅。此規定由二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後的盈利。倘若中國大陸與境外投資者的司法管轄區訂有稅務條約，則可運用較低的預扣稅率。就本集團而言，適用稅率為10%。因此，本集團須就於中國大陸成立的附屬公司由二零零八年一月一日起產生的盈利所分派的股息繳付預扣稅。

根據英國利得稅法，在英國成立的外商投資企業向外國投資者宣派的股息須徵收20%的預扣稅。本集團因此須就其在英國成立的附屬公司所分派的股息繳納預扣稅。

根據美國企業所得稅法，於美國成立的外商投資企業向境外投資者宣佈派發股息須徵收30%預扣稅。因此，本集團須就於美國成立的附屬公司所分派的股息繳付預扣稅。

於二零一八年十二月三十一日，概無就在中國內地、英國及美國成立應繳納預扣稅的本集團附屬公司的未匯付盈餘的應繳預扣稅而確認任何遞延稅項(二零一七年：無)。董事認為，在可見未來，該等附屬公司不大可能分派此等盈餘。於二零一八年十二月三十一日，尚未確認遞延稅項負債的於中國大陸、英國及美國附屬公司投資的暫時差異總額合共為99,223,000港元(二零一七年：22,479,000港元)。

(c) 本公司支付股東的股息無所得稅影響。

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31. SHARE CAPITAL

Shares

| | |
|---|--|
| Issued and fully paid: 3,191,873,987 (2017: 1,546,934,454) ordinary shares | 已發行及繳足： 3,191,873,987股 (二零一七年： 1,546,934,454)股 普通股 |
|---|--|

31. 股本

股份

| 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
|----------------------------------|----------------------------------|

| | |
|------------------|-----------|
| 3,146,571 | 1,780,663 |
|------------------|-----------|

A summary of movements in the Company's share capital during the years ended 31 December 2018 and 2017 is as follows:

截至二零一八年及二零一七年十二月三十一日止年度，本公司股本的變動概括如下：

| | | Notes 附註 | Number of shares in issue 已發行 股份的數量 | Share capital 股本 HK\$'000 千港元 |
|---|---------------------------------|----------------------------|--|--|
| At 1 January 2017: | 於二零一七年 一月一日： | | 897,420,738 | 1,219,965 |
| Issue of shares upon exercise of share options | 行使購股權後 發行股份 | (a) | 5,000,000 | 6,417 |
| Issue of shares for the acquisition of a subsidiary | 發行股份以收購 一間附屬公司 | (b) | 540,000,000 | 464,400 |
| Issue of shares upon conversion of perpetual convertible bonds | 轉換永久可換股 債券後發行股份 | 33(a) | 104,513,716 | 89,881 |
| 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 | | 1,546,934,454 | 1,780,663 |
| Issue of shares upon conversion of perpetual convertible bonds | 轉換永久可換股 債券後發行股份 | 33(a) and (b) 33(a)及(b) | 102,946,724 | 88,084 |
| Issue of shares pursuant to subscription agreements | 認購協議完成後 發行股份 | (c) | 179,484,147 | 179,484 |
| Issue of shares pursuant to an open offer | 公開發售完成後 發行股份 | (d) | 910,932,662 | 728,746 |
| Issue of shares for the acquisition of a subsidiary | 發行股份以收購 一間附屬公司 | 35(b) | 451,576,000 | 370,292 |
| Share issue expenses | 股份發行開支 | | — | (698) |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | | 3,191,873,987 | 3,146,571 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 二零一八年十二月三十一日

31. SHARE CAPITAL (continued)

Notes:

- (a) The subscription rights attaching to 5,000,000 share options issued under the Share Option Scheme (as defined in note 32) were exercised in May 2017 at the subscription price of HK\$1.05 per share, resulting in the issue of 5,000,000 ordinary shares of the Company for a total cash consideration of HK\$5,250,000. An amount of HK\$1,167,000 was transferred from the share option reserve to the share capital account upon the exercise of the share options.
- (b) Pursuant to a purchase and sale agreement entered into with Winluck Global and Silky Apex (collectively referred to as the "Vendors", related parties of the Group in which two directors of the Company have beneficial interests) on 7 July 2017, the Company issued a total of 540,000,000 ordinary shares to the Vendors on 31 August 2017 for the acquisition of 100% equity interest in Wholly Express Limited ("Wholly Express"). Further details of the acquisition are set out in note 35(a) to the financial statements and the Company's announcements dated 7 July 2017 and 31 August 2017, and a circular dated 8 August 2017, respectively.

Pursuant to another sale and purchase agreement entered into with the Vendors, on 30 May 2018, the Company issued a total of 451,576,000 ordinary shares to the Vendors on 17 August 2018 as partial consideration for the acquisition of 95% equity interest in Wise Expert Investment Limited ("Wise Expert"). Further details of the acquisition are set out in note 33(b) to the financial statements and the Company's announcements dated 30 May 2018 and 17 August 2018, and a circular dated 20 July 2018, respectively.

31. 股本(續)

附註：

- (a) 於二零一七年五月，購股權計劃（定義見附註32）下5,000,000份已發行購股權附帶認購權按每股1.05港元認購價行使，導致本公司發行5,000,000股普通股，現金代價總額5,250,000港元。行使購股權後，將1,167,000港元款項從購股權儲備轉讓至股本賬戶。
- (b) 根據與Winluck Global及Silky Apex（統指「賣方」，本公司兩名董事擁有實益權益的本集團關聯方）於二零一七年七月七日訂立之買賣協議，本公司於二零一七年八月三十一日向賣方發行總額為540,000,000股的普通股，以收購Wholly Express Limited（「Wholly Express」）的100%股權。有關該等收購之進一步詳情載於財務報表附註35(a)及本公司日期分別為二零一七年七月七日及二零一七年八月三十一日之公佈及日期為二零一七年八月八日之通函。

根據與賣方於二零一八年五月三十日訂立之另一份買賣協議，本公司於二零一八年八月十七日向賣方發行合共451,576,000股普通股，作為收購於Wise Expert Investment Limited（「Wise Expert」）的95%股權之部分代價。有關該收購之進一步詳情載於財務報表附註33(b)及本公司日期分別為二零一八年五月三十日及二零一八年八月十七日之公佈及日期為二零一八年七月二十日之通函。

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財務報表附註

31 December 2018 二零一八年十二月三十一日

31. SHARE CAPITAL (continued)

Notes: (continued)

(c) Pursuant to subscription agreements entered into with certain independent third parties on 26 January 2018, the Company issued a total of 179,484,147 ordinary shares at the subscription price of HK\$1.00 per subscription share to the independent third parties on 22 February 2018 for a total cash consideration before any related issuance expense of HK\$179,484,000. Further details of the subscription agreements are set out in the Company's announcements dated 26 January 2018 and 22 February 2018, respectively. The purpose of the issue of new shares under the subscription agreements is to raise funds for repayment of certain loan liabilities of the Group and providing additional general working capital to the Group.

(d) On 24 May 2018, the Company made an open offer (the "Open Offer") of new shares at the subscription price of HK\$0.80 per offer share on the basis of one new ordinary share of the Company for every two ordinary shares of the Company held by qualifying shareholders whose names are registered on the register of members of the Company on 13 June 2018. The purpose of the Open Offer is to raise funds for repayment of certain loan liabilities of the Group and providing additional general working capital to the Group.

The Open Offer became unconditional on 17 July 2018 and 910,932,662 new ordinary shares of the Company were issued under the Open Offer. Total proceeds from the Open Offer, before any issuance expenses, amounted to HK\$728,746,000.

Further details of the Open Offer are set out in the Company's announcements dated 24 May 2018 and 23 July 2018 and the prospectus of the Company dated 29 June 2018, respectively.

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 32 to the financial statements.

31. 股本(續)

附註：(續)

(c) 根據與認購人於二零一八年一月二十六日訂立之認購協議，本公司於二零一八年二月二十二日按每股認購股份1.00港元之認購價向獨立第三方發行合共179,484,147股普通股，現金代價總額為179,484,000港元。認購協議之進一步詳情載於本公司日期分別為二零一八年一月二十六日及二零一八年二月二十二日之公佈。根據認購協議發行新股之目的乃為償還本集團若干貸款債務籌集資金，並為本集團提供額外一般營運資金。

(d) 於二零一八年五月二十四日，本公司以每股發售股份0.80港元之認購價按於二零一八年六月十三日在本公司股東名冊登記之合資格股東每持有兩(2)股本公司普通股可獲發一(1)股新普通股之基準進行公開發售(「公開發售」)。公開發售之目的乃為償還本集團若干貸款債務籌集資金，並為本集團提供額外一般營運資金。

於二零一八年七月十七日，公開發售成為無條件，910,932,662股本公司新普通股根據公開發售獲發行。公開發售所得款項總額(扣除任何發行費用前)為728,746,000港元。

公開發售之進一步詳情載於本公司日期為二零一八年五月二十四日及二零一八年七月二十三日之公佈以及本公司日期為二零一八年六月二十九日之發售章程。

購股權

有關本公司的購股權計劃及根據該計劃發行的購股權詳情載於財務報表附註32。

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財務報表附註

31 December 2018 二零一八年十二月三十一日

32. SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed on 7 November 2016 (the "Adoption Date") for the primary purpose of (i) incentivising and rewarding those who have contributed or may contribute to the development of the Group; and (ii) attracting and retaining skilled and experienced personnel ("Eligible Participants") and motivating them to strive for the future development of the Group by providing them with an opportunity to acquire proprietary interests in the Company thereby linking their interest with that of the Group. The Share Option Scheme will remain in force for a period of ten years commencing on the Adoption Date and shall expire on 6 November 2026, subject to early termination provisions contained in the Share Option Scheme. The board of directors of the Company may grant options to Eligible Participants to subscribe for shares in the Company subject to the terms of the Share Option Scheme.

The total number of shares in respect of which options may be granted at any time under the Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at the Adoption Date, without prior approval from the Company's shareholders. Further, the total maximum number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the issued share capital of the Company from time to time. Options granted to a substantial shareholder or an independent non-executive director, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares as stated in the daily quotation sheets issued by the Stock Exchange at the date of the grant) in excess of HK\$5 million, within any 12-month period up to and including the date of grant, are subject to shareholders' approval in advance in a general meeting.

32. 購股權計劃

根據於二零一六年十一月七日(「採納日期」)通過的決議案，本公司的購股權計劃(「購股權計劃」)已獲採納，主要旨在通過提供獲得本公司適當權益的機會，(i)激勵及獎勵已對或可能對本集團的發展作出貢獻的人士；及(ii)吸引及留聘熟練及富有經驗的人員(「合資格參與者」)以及激勵彼等為本集團的未來奮鬥，從而將彼等的權益與本集團的權益聯繫在一起。購股權計劃將自採納日期起計有效十年，並應於二零二六年十一月六日屆滿，惟受限於購股權計劃內含的提早終止條文。在購股權計劃的條款規限下，本公司董事局可向合資格參與者授出購股權以認購本公司股份。

在未有本公司股東事前批准的情況下，根據購股權計劃可能隨時授出的購股權的有關股份總數不得超過本公司於採納日期已發行股份的10%。另外，悉數行使根據購股權計劃及本公司任何其他購股權計劃授出但未行使的全部尚未行使購股權後可能發行的股份最高總數不得超過本公司不時之已發行股本30%。倘向一名主要股東或獨立非執行董事或任何彼等各自的聯繫人授出的購股權於任何截至及包括授出日期12個月期間超過本公司任何時間的已發行股份0.1%及總價值(以聯交所於授出日期發出的每日報價表所述本公司股份收市價為基準)超過5,000,000港元，須事先於股東大會上取得股東批准。

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32. SHARE OPTION SCHEME (continued)

The following share options were outstanding under the Share Option Scheme during the year:

| | | 2018 二零一八年 | 2018 二零一八年 | 2017 二零一七年 | 2017 二零一七年 |
|------------------------------------|---------------|---|---|--|---|
| | | Weighted average exercise price (HK\$ per share) 加權平均行使價 (每股港元) HK\$'000 千港元 (note (b)) (附註(b)) | Number of options 購股權數目 HK\$'000 千港元 (note (b)) (附註(b)) | Weighted average exercise price (HK\$ per share) 加權平均行使價 (每股港元) HK\$'000 千港元 | Number of option 購股權數目 HK\$'000 千港元 |
| At 1 January | 於一月一日 | — | — | N/A 不適用 | — |
| Granted during the year (note (a)) | 本年度已授出(附註(a)) | 0.827 | 5,020,500 | 1.05 | 5,000,000 |
| Exercised during the year | 本年度已行使 | — | — | 1.05 | (5,000,000) |
| At 31 December | 於十二月三十一日 | 0.827 | 5,020,500 | N/A 不適用 | — |

Notes:

- (a) 5,000,000 (2017: 5,000,000) share options were granted to a director of the Company (2017: a consultant of the Group) without a vesting period on 20 June 2018 (2017: 20 April 2017) under the Share Option Scheme with an original exercise price of HK\$0.83 (2017: HK\$1.05) per share. The fair value of the share options granted during the year was HK\$1,730,000 (HK\$0.3461 each) (2017: HK\$1,167,000 (HK\$0.2333 each)), which was fully recognised as a share option expense in profit or loss during the year.

32. 購股權計劃(續)

於本年度，購股權計劃項下尚未行使的購股權如下：

| | | 2018 二零一八年 | 2018 二零一八年 | 2017 二零一七年 | 2017 二零一七年 |
|------------------------------------|---------------|---|---|--------------------------------------|--------------------------|
| | | 加權平均行使價 (每股港元) HK\$'000 千港元 (note (b)) (附註(b)) | 購股權數目 HK\$'000 千港元 (note (b)) (附註(b)) | 加權平均行使價 (每股港元) HK\$'000 千港元 | 購股權數目 HK\$'000 千港元 |
| At 1 January | 於一月一日 | — | — | N/A 不適用 | — |
| Granted during the year (note (a)) | 本年度已授出(附註(a)) | 0.827 | 5,020,500 | 1.05 | 5,000,000 |
| Exercised during the year | 本年度已行使 | — | — | 1.05 | (5,000,000) |
| At 31 December | 於十二月三十一日 | 0.827 | 5,020,500 | N/A 不適用 | — |

附註：

- (a) 於二零一八年六月二十日(二零一七年：二零一七年四月二十日)，本公司董事(二零一七年：本集團的一名顧問)根據購股權計劃以原行使價每股0.83港元(二零一七年：1.05港元)獲授5,000,000(二零一七年：5,000,000)份購股權，並無歸屬期。於本年度授出之購股權之公平值為1,730,000港元(每份0.3461港元)(二零一七年：1,167,000港元(每份0.2333港元))，全部於本年度之損益中確認為購股權開支。

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32. SHARE OPTION SCHEME (continued)

Notes: (continued)

(a) (continued)

The fair value of the equity-settled share options granted during the year was estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

| | | 2018 二零一八年 | 2017 二零一七年 |
|---------------------------------|-------------|---------------|---------------|
| Dividend yield (%) | 股息收益率(%) | 0% | 0.00007% |
| Expected volatility (%) | 預計波動率(%) | 65.1850% | 61.820% |
| Risk-free interest rate (%) | 無風險利率(%) | 2.80% | 1.11% |
| Expected life of options (year) | 購股權之預計年期(年) | 5 | 1 |
| Forfeiture rate | 沒收率 | 0% | 0% |

The expected life of the options is the time to maturity of the options granted under the Share Option Scheme. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

(b) In accordance with the terms of the Share Option Scheme and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding the adjustments to share options under rule 17.03(13) of the Listing Rules, the exercise price and the number of the 5,000,000 share options granted during the year ended 31 December 2018 under the Share Option Scheme and outstanding immediately before the completion of the Open Offer were adjusted to HK\$0.827 per share and 5,020,500 share options with effect from 24 July 2018. In the opinion of the directors, the adjustments to the exercise price and the number of the options did not provide additional benefits to the relevant share option holder and so there were no additional equity-settled share option expense incurred by the Group as a result of the adjustments.

The weighted average exercise price and the number of the options granted during the year ended 31 December 2018 and as at 31 December 2018 disclosed in the above table have taken into consideration the above-mentioned adjustments.

32. 購股權計劃(續)

附註：(續)

(a) (續)

於年內授出的以權益結算的購股權的公平值於使用柏力克-舒爾斯模式授出之日估計，經計及授出購股權之條款及條件。下表載列所用模型之輸入：

| | 2018 二零一八年 | 2017 二零一七年 |
|---------------------------------|---------------|---------------|
| Dividend yield (%) | 0% | 0.00007% |
| Expected volatility (%) | 65.1850% | 61.820% |
| Risk-free interest rate (%) | 2.80% | 1.11% |
| Expected life of options (year) | 5 | 1 |
| Forfeiture rate | 0% | 0% |

購股權之預計年期為根據購股權計劃授出之購股權之到期時間。預計波動率反映了過往波動率指示未來趨勢之假設，其未必代表實際結果。

概無授出購股權之其他特徵包含於公平值計量。

(b) 按照購股權計劃條款及聯交所於二零零五年九月五日所發表關於根據上市規則第17.03(13)條調整購股權之補充指引，根據購股權計劃於截至二零一八年十二月三十一日止年度已授出且於緊接公開發售完成前未行使之5,000,000份購股權之行使價及數目調整為每股0.827港元及5,020,500份購股權，自二零一八年七月二十四日起生效。董事認為，對購股權行使價及數目之調整並未為有關購股權持有人帶來額外利益，故本集團並未因調整而引致額外的以權益結算購股權費用。

上表所披露截至二零一八年十二月三十一日止年度及於二零一八年十二月三十一日已授出購股權之加權平均行使價及數目已計及上述調整。

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33. PERPETUAL CONVERTIBLE BONDS

The Company had two batches of perpetual convertible bonds outstanding during the years ended 31 December 2018 and 2017, the summary information of which is set out as follows:

| | | Batch one 第一批 (note (a)) (附註(a)) | Batch two 第二批 (note (b)) (附註(b)) |
|--|----------------------|--|--|
| Issuance date | 發行日期 | 31 August 2017 二零一七年 八月三十一日 | 17 August 2018 二零一八年 八月十七日 |
| Maturity date | 到期日 | No maturity date 無到期日 | No maturity date 無到期日 |
| Original principal amount | 原始本金額 | HK\$181,864,000 181,864,000港元 | HK\$1,102,993,200 1,102,993,200港元 |
| Coupon rate | 票面利率 | Zero 零 | 1% per annum and will cease to bear any coupon after the fifth anniversary of the date of issue 每年1%並將於發行 日期第五(5)週年後 終止承擔任何票息 |
| Conversion price per ordinary share of the Company (HK\$) | 本公司每股普通股之 兌換價(港元) | 0.91 | 0.80 |

These perpetual convertible bonds were accounted for as equity instruments or were bifurcated into a liability component and an equity component for accounting purposes, as further described in the accounting policy for "Perpetual convertible bonds" set out in note 2.4 to the financial statements. The following tables summarise the movements in the principal amounts, the number of conversion rights outstanding, the liability and equity components of the Company's perpetual convertible bonds during the years ended 31 December 2018 and 2017:

就會計處理而言，該等永久可換股債券作為權益工具入賬，或分為負債部分及權益部分，進一步詳情於財務報表附註2.4所載「永久可換股債券」的會計政策闡述。下表概述於截至二零一八年及二零一七年十二月三十一日止年度本公司永久可換股債券之本金額、未行使之兌換權數目以及負債及權益部分之變動：

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33. PERPETUAL CONVERTIBLE BONDS (continued)

Principal amount outstanding

| | | 未償還之本金額 | | |
|--|-------------------------------------|------------------|------------------|-----------------|
| | | Batch one 第一批 | Batch two 第二批 | Total 合計 |
| | | 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 | — | — | — |
| Issue of perpetual convertible bonds | 發行永久可換股債券 | 181,964 | — | 181,964 |
| Conversion into ordinary shares | 兌換為普通股 | (95,107) | — | (95,107) |
| 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 | 86,857 | — | 86,857 |
| Issue of perpetual convertible bonds | 發行永久可換股債券 | — | 1,102,993 | 1,102,993 |
| Conversion into ordinary shares | 兌換為普通股 | (86,857) | (6,000) | (92,857) |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | — | 1,096,993 | 1,096,993 |

Number of conversion rights outstanding

| | | 未行使之兌換權數目 | | |
|---|-------------------------------------|------------------|------------------|---------------|
| | | Batch one 第一批 | Batch two 第二批 | Total 合計 |
| At 1 January 2017 | 於二零一七年 一月一日 | — | — | — |
| Issue of perpetual convertible bonds | 發行永久可換股債券 | 199,960,440 | — | 199,960,440 |
| Conversion into ordinary shares | 兌換為普通股 | (104,513,716) | — | (104,513,716) |
| 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 | 95,446,724 | — | 95,446,724 |
| Issue of perpetual convertible bonds | 發行永久可換股債券 | — | 1,378,741,500 | 1,378,741,500 |
| Conversion into ordinary shares (note 31) | 兌換為普通股 (附註31) | (95,446,724) | (7,500,000) | (102,946,724) |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | — | 1,371,241,500 | 1,371,241,500 |

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33. PERPETUAL CONVERTIBLE BONDS (continued)

Liability component

負債部分

| | | Batch one 第一批 HK\$'000 千港元 | Batch two 第二批 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|--|---|-------------------------------------|-------------------------------------|--------------------------------|
| At 1 January 2017, 31 December 2017 and 1 January 2018 | 於二零一七年 一月一日、 二零一七年 十二月三十一日及 二零一八年 一月一日 | — | — | — |
| Issue of perpetual convertible bonds | 發行永久可換股債券 | — | 40,555 | 40,555 |
| Interest expense (note 7) | 利息開支(附註7) | — | 8,374 | 8,374 |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | — | 48,929 | 48,929 |

Equity component

權益部分

| | | Batch one 第一批 HK\$'000 千港元 | Batch two 第二批 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------------|
| At 1 January 2017 | 於二零一七年 一月一日 | — | — | — |
| Issue of perpetual convertible bonds | 發行永久可換股債券 | 171,965 | — | 171,965 |
| Transfer to share capital upon conversion into ordinary shares (notes (a) and 31) | 於兌換為普通股時轉 撥至股本(附註(a)及 31) | (89,881) | — | (89,881) |
| 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 | 82,084 | — | 82,084 |
| Issue of perpetual convertible bonds | 發行永久可換股債券 | — | 1,090,013 | 1,090,013 |
| Transfer to share capital upon conversion into ordinary shares (notes (a), (b) and 31) | 於兌換為普通股時 轉撥至股本(附註 (a)、(b)及31) | (82,084) | (6,000) | (88,084) |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | — | 1,084,013 | 1,084,013 |

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33. PERPETUAL CONVERTIBLE BONDS (continued)

Equity component (continued)

Notes:

- (a) These perpetual convertible bonds were issued to the Vendors (as defined in note 31(b)) pursuant to the sale and purchase agreement dated 7 July 2017 for the acquisition of Wholly Express (as defined in note 31(b)), further details of which are set out in note 35(a) to the financial statements.

For accounting purpose, the fair value of these perpetual convertible bonds issued as consideration for the acquisition of Wholly Express as at the date of completion of the acquisition amounted to approximately HK\$171,965,000.

Further details of the terms of these perpetual convertible bonds are set out in the Company's circular dated 8 August 2017.

During the year ended 31 December 2018, certain of these perpetual convertible bonds with an aggregate principal amount of approximately HK\$86,857,000 (2017: approximately HK\$95,107,000) were converted by bondholder into 95,446,724 (2017: 104,513,716) ordinary shares of the Company at the conversion price of HK\$0.91 per share. The carrying amount of the equity component of these perpetual convertible bonds at the date of conversion, which amounted to HK\$82,084,000 (2017: HK\$89,881,000), was transferred to the share capital account of the Company.

33. 永久可換股債券(續)

權益部分(續)

附註:

- (a) 該等永久可換股債券已根據於二零一七年七月七日收購Wholly Express(定義見附註31(b))的買賣協議向賣方(定義見附註31(b))發行,進一步詳情載於財務報表附註35(a)。

就會計處理而言,於完成收購日期作為收購Wholly Express之代價而發行之該等永久可換股債券之公平值約為171,965,000港元。

有關該等永久可換股債券條款的進一步詳情載於本公司日期為二零一七年八月八日之通函。

於截至二零一八年十二月三十一日止年度內,若干本金總額約86,857,000港元(二零一七年:約95,107,000港元)的永久可換股債券已由債券持有人按每股0.91港元的換股價轉換為本公司95,446,724股(二零一七年:104,513,716股)普通股。該等永久可換股債券之權益部分於轉換日之賬面值為82,084,000港元(二零一七年:89,881,000港元),已轉撥至本公司的股本賬戶。

33. PERPETUAL CONVERTIBLE BONDS (continued)

Equity component (continued)

Notes: (continued)

- (b) These perpetual convertible bonds were issued to the Vendors pursuant to the sale and purchase agreement dated 30 May 2018 for the acquisition of Wise Expert (as defined in note 31(b)), further details of which are set out in note 35(b) to the financial statements.

For accounting purpose, the fair value of these perpetual convertible bonds issued as consideration for the acquisition of Wise Expert Investment Limited as at the date of completion of the acquisition amounted to approximately HK\$1,130,568,000.

Further details of the terms of these perpetual convertible bonds are set out in the Company's circular dated 20 July 2018.

During the year ended 31 December 2018, certain of these perpetual convertible bonds with an aggregate principal amount of HK\$6,000,000 were converted by bondholder into 7,500,000 ordinary shares of the Company at the conversion price of HK\$0.80 per share. The carrying amount of the equity component of these perpetual convertible bonds at the date of conversion, which amounted to HK\$6,000,000, was transferred to the share capital account of the Company.

- (c) The conversion of the perpetual convertible bonds is subject to, amongst others, the condition that any conversion will not result in the public float of the Company' shares being less than 25% of the issued shares of the Company.

33. 永久可換股債券(續)

權益部分(續)

附註:(續)

- (b) 該等永久可換股債券已根據於二零一八年五月三十日收購Wise Expert(定義見附註31(b))的買賣協議向賣方發行,進一步詳情載於財務報表附註35(b)。

就會計處理而言,於完成收購日期作為收購Wise Expert Investment Limited之代價而發行之該等永久可換股債券之公平值約為1,130,568,000港元。

有關該等永久可換股債券條款的進一步詳情載於本公司日期為二零一八年七月二十日之通函。

於截至二零一八年十二月三十一日止年度內,若干本金總額約6,000,000港元的永久可換股債券已由債券持有人按每股0.80港元的換股價轉換為本公司7,500,000股普通股。該等永久可換股債券之權益部分於轉換日之賬面值為6,000,000港元,已轉撥至本公司的股本賬戶。

- (c) 轉換永久可換股債券須受(其中包括)任何轉換不會導致本公司股份的公眾持股量少於本公司已發行股份25%的條件所規限。

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34. RESERVES

- (a) The amounts of the Group's reserves and the movements therein for the current year and the prior year are presented in the consolidated statement of changes in equity.
- (b) Capital reserve mainly arose from deemed contributions from non-controlling shareholders of the Company as a result of certain liabilities of the Group of approximately HK\$161,035,000 in total being waived by two shareholders of the Company in February 2014.
- (c) Merger reserve represented the difference between (i) the amounts at which the assets and liabilities are recorded under a business combination under common control, net of any reserves of the acquired entities; and (ii) the cost of acquisition (fair value of consideration paid).
- (d) Property revaluation reserve represents cumulative revaluation surplus, net of deferred tax effect and any annual transfers to accumulated losses, of the building, which is located in Beijing, the PRC.
- (e) The PRC statutory reserve is the reserve set aside in accordance with the PRC Companies Law as applicable to the Group's subsidiaries established in Mainland China. None of the Group's PRC statutory reserve as at 31 December 2018 were distributable in the form of cash dividends.

34. 儲備

- (a) 本集團本年度及去年同期的儲備金額及相應變動列報於綜合權益變動表。
- (b) 資本儲備主要產生自本公司非控股股東之視為供款，由於本集團合共約161,035,000港元之若干負債於二零一四年二月獲本公司兩名股東豁免。
- (c) 合併儲備指(i)根據共同控制下的業務合併錄得的資產及負債金額，扣除已收購實體的任何儲備；及(ii)收購成本(已付代價的公平值)之間的差額。
- (d) 物業重估儲備指對位於中國北京的樓宇累計重估盈餘(扣除遞延稅項影響及任何年度轉至該樓宇的累計虧損)。
- (e) 中國法定儲備為根據適用於本集團在中國內地成立的附屬公司的中國公司法撥備的儲備。於二零一八年十二月三十一日，本集團中國法定儲備概無以現金股息形式分派。

35. ACQUISITION OF SUBSIDIARIES

(a) Business combination under common control

On 7 July 2017, the Group entered into a purchase and sale agreement with the Vendors (as defined in note 31(b)), which are related parties of the Group in which two directors of the Company have beneficial interests, to acquire the entire interest in Wholly Express (as defined in note 31(b)) at an aggregate consideration of HK\$673,364,000, satisfied as to (i) HK\$491,400,000 by the allotment and issue of 540,000,000 new ordinary shares of the Company to the Vendors; and (ii) as to the balance of HK\$181,964,000 by the issue of the perpetual convertible bonds in an even principal amount to the Vendors. The acquisition was completed on 31 August 2017.

For accounting purpose, the fair values of the ordinary shares and the perpetual convertible bonds issued as consideration for the acquisition as at the date of completion of the acquisition amounted to HK\$464,400,000 and HK\$171,965,000, respectively, resulting in a total consideration of HK\$636,365,000 transferred to the Vendors for the acquisition of Wholly Express. This acquisition transaction constitutes a connected transaction as defined in Chapter 14A of the Listing Rules.

Wholly Express and its subsidiaries (collectively, the "Wholly Express Group") are principally engaged in the operation of the Recreational Centre in Beijing, the PRC. Given the Wholly Express Group is controlled by Mr. Wei before and after the acquisition, the acquisition of Wholly Express was accounted for as a business combination under common control using the principle of merger accounting in accordance with AG 5 issued by the HKICPA in the preparation of the consolidated financial statements of the Group for the year ended 31 December 2017. Further details of the acquisition are set out in note 33 to the consolidated financial statements of the Company for the year ended 31 December 2017.

35. 收購附屬公司

(a) 共同控制下之業務合併

於二零一七年七月七日，本集團與賣方(定義見附註31(b))(其為本公司兩名董事於其中擁有實益權益的本集團關聯方)訂立買賣協議，以收購Wholly Express(定義見附註31(b))的全部股權，合計代價為673,364,000港元，(i)以本公司向賣方配發及發行540,000,000股新普通股股份491,400,000港元結付；及(ii)以通過向賣方發行(甚至按本金)的永久可換股債券結餘181,964,000港元結付。該收購事項於二零一七年八月三十一日完成。

就會計處理而言，於完成收購日期作為收購代價發行之普通股及永久可換股債券之公平值分別為464,400,000港元及171,965,000港元，導致總代價636,365,000港元轉讓予賣方以收購Wholly Express。根據上市規則第十四A章定義，該收購交易構成關連交易。

Wholly Express及其附屬公司(統稱為「Wholly Express集團」)主要從事中國北京的休閒中心運營。鑒於Wholly Express集團於收購前由魏先生控制且於收購後，在編製本集團截至二零一七年十二月三十一日止年度之綜合財務報表時，Wholly Express收購事項乃根據香港會計師公會頒佈之會計指引第5號採用合併會計法入賬被視為共同控制下的業務合併。收購之進一步詳情載於本公司截至二零一七年十二月三十一日止年度之綜合財務報表附註33。

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35. ACQUISITION OF SUBSIDIARIES (continued)

(b) Acquisition of assets and liabilities

Pursuant to a purchase and sale agreement entered into with the Vendors on 30 May 2018, the Company issued 451,576,000 new shares of the Company and perpetual convertible bonds in a total principal amount of HK\$1,102,993,200 (1,378,741,500 conversion rights embedded) for the acquisition of 95% shareholding in Wise Expert (as defined in note 31(b)), which was completed on 17 August 2018; and, subject to the fulfillment of certain conditions in future, the Company shall issue another tranche of perpetual convertible bonds in a total principal amount of HK\$77,066,000 (96,332,500 conversion rights embedded) for the acquisition of the remaining 5% shareholding in Wise Expert, which has not been effected as at the date of approval of these financial statements.

Other than entering into conditional sale and purchase agreements with a related company, in which Mr. Wei (a director of the Company) has a beneficial interest, in May 2017 to purchase a commercial building located in Beijing, Wise Expert and its subsidiary (the "Wise Expert Group") did not actively engage in any business at the completion date of the acquisition of 95% shareholding of Wise Expert. Accordingly, the acquisition is not considered as a business combination under HKFRS 3 but as an acquisition of assets and liabilities.

This acquisition transaction constitutes a connected transaction as defined in Chapter 14A of the Listing Rules.

35. 收購附屬公司(續)

(b) 收購資產及負債

根據於二零一八年五月三十日與賣方訂立之買賣協議，本公司發行451,576,000股本公司新股份及本金總額為1,102,993,200港元(併入1,378,741,500股之轉換權)之永久可換股債券，以收購Wise Expert(定義見附註31(b))的95%股權(收購事項已於二零一八年八月十七日完成)；而日後待若干條件獲達成後，本公司將發行另一批本金總額為77,066,000港元(併入96,332,500股之轉換權)之永久可換股債券，以收購Wise Expert的餘下5%股權，這於該等財務報表獲批准日期並未產生任何影響。

除與一間關連公司訂立之有條件買賣協議(據此，魏先生(本公司董事)擁有於二零一七年五月收購一座位於北京的商業樓宇之實益權益)外，於Wise Expert的95%股權之收購完成日期，Wise Expert及其附屬公司(「Wise Expert集團」)並未主動開展任何業務。因此，收購事項不被視為香港財務報告準則第3號項下的業務合併，而被視為收購資產及負債。

根據上市規則第十四A章定義，該收購交易構成關連交易。

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35. ACQUISITION OF SUBSIDIARIES (continued)

(b) Acquisition of assets and liabilities (continued)

For accounting purposes, the cost of acquisition for the acquisition has been allocated to the identifiable assets and liabilities of the Wise Expert Group as at the date of acquisition as follows:

| | | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------|----------------------------------|
| Net assets acquired: | 所收購資產淨值： | |
| Deposit paid for the acquisition of a property | 已付收購物業之按金 | 1,524,354 |
| Prepayments and other receivables | 預付款項及其他應收款項 | 407 |
| Other tax recoverable | 其他可收回稅項 | 1 |
| Cash and bank balances | 現金及銀行結餘 | 547 |
| Other payables and accruals | 其他應付款及預提費用 | (6) |
| Due to a related company | 應付一間關連公司款項 | (1,305) |
| Non-controlling interest | 非控股權益 | (23,138) |
| | | 1,500,860 |
| Satisfied by: | 以下列方式支付： | |
| Issue of new ordinary shares of the Company, at fair value | 按公平值發行本公司新普通股 | 370,292 |
| Issue of perpetual convertible bonds of the Company, at fair value | 按公平值發行本公司永久可換股債券 | 1,130,568 |
| | | 1,500,860 |

An analysis of the net inflow of cash and cash equivalents in respect of the acquisition of subsidiaries that was accounted for as an acquisition of assets and liabilities is as follows:

有關收購附屬公司(列作收購資產及負債)的現金及現金等價物淨流入分析如下：

| | | 2018 二零一八年 HK\$'000 千港元 |
|--|---|----------------------------------|
| Cash and bank balances acquired and net inflow of cash and cash equivalents in respect of the acquisition of subsidiaries that was accounted for as an acquisition of assets and liabilities | 有關收購附屬公司(列作收購資產及負債)之所收購現金及銀行結餘以及現金及現金等價物淨流入 | 547 |

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財務報表附註

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36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

Save as disclosed in notes 32(a), 33 and 35 to the financial statements regarding granting of share options, conversion of perpetual convertible bonds and issue of new ordinary shares and perpetual convertible bonds of the Company for the acquisition of Wise Expert and Wholly Express, the Group has no other major non-cash transactions of investing and financing activities during the years ended 31 December 2018 and 2017.

(b) Changes in liabilities arising from financing activities

36. 綜合現金流量表附註

(a) 重大非現金交易

除財務報表附註32(a)、33及35所披露之有關本公司為收購Wise Expert及Wholly Express而授出購股權、轉換永久可換股債券以及發行之新普通股及永久可換股債券外，本集團於截至二零一八年及二零一七年十二月三十一日止年度之投資及融資活動並無其他重大非現金交易。

(b) 產生自融資活動的負債變動

| | | Other payables and accruals 其他應付款及預提費用 HK\$'000 千港元 | Due to a shareholder 應付一名股東款項 HK\$'000 千港元 | Due to related companies 應付關連公司 HK\$'000 千港元 | Bank borrowings 銀行借款 HK\$'000 千港元 | Preference shares of a subsidiary 附屬公司之優先股 HK\$'000 千港元 | Loans from a shareholder 來自一名股東的貸款 HK\$'000 千港元 |
|--|-------------------------|--|---|---|--|--|--|
| At 1 January 2017 | 於二零一七年一月一日 | 59,850 | 1,376 | 24,708 | 137,532 | 15,376 | 61,458 |
| Changes from financing cash flows | 融資現金流量變動 | 68,936 | — | 44,342 | 50,134 | (1,112) | 559,941 |
| Changes from operating cash flows | 營運現金流量變動 | 7,041 | — | 1,142 | — | — | — |
| Interest expense | 利息開支 | 3,937 | 2,211 | 1,202 | — | 1,112 | — |
| Exchange realignment | 匯兌調整 | 3,438 | 191 | 5,505 | 13,811 | 1,158 | 3,881 |
| 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 | 143,202 | 3,778 | 76,899 | 201,477 | 16,534 | 625,280 |
| Changes from financing cash flows | 融資現金流量變動 | (59,300) | — | 17,861 | 865,815 | (1,143) | (613,489) |
| Changes from operating cash flows | 營運現金流量變動 | 3,888 | (8,723) | 5,679 | — | — | — |
| Interest expense | 利息開支 | 30,721 | 6,615 | — | — | 1,143 | — |
| Exchange realignment | 匯兌調整 | (5,344) | (233) | (5,297) | (44,198) | (863) | (11,791) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 113,167 | 1,437 | 95,142 | 1,023,094 | 15,671 | — |

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37. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 14) and certain portion of a building (note 13) to third parties and a related party in which two directors of the Company have beneficial interests under operating lease arrangements, with leases negotiated for terms ranging between 1 and 10 years (2017: between 1 and 3 years). The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the contract terms.

At 31 December 2018, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

| | | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| Within one year | 一年內 | 74,167 | 9,726 |
| In the second to fifth years, inclusive | 第二年至第五年， 包括首尾兩年 | 117,963 | 19,574 |
| After five years | 五年以上 | 50,961 | — |
| | | 243,091 | 29,300 |

37. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排向第三方及本公司兩名董事擁有實益權益的關聯方出租其投資物業(附註14)及樓宇之若干部分(附註13)，經協商，租賃期為一年至十年(二零一七年：一年至三年)不等。該等租賃的條款一般要求租戶支付保證金，並可以根據合約條款定期調整租金。

於二零一八年十二月三十一日，本集團根據與其租戶簽訂的不可撤銷經營租賃，可於以下年度到期日收取的未來最低租金總額如下：

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37. OPERATING LEASE ARRANGEMENTS (continued)

(b) As lessee

The Group leases office premises, staff quarters and a fitness centre from a related party, in which a director of the Company has a beneficial interest, under operating lease arrangements. Leases for properties are negotiated for terms ranging between 1 and 2 years (2017: between 2 and 5 years).

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

| | |
|---|----------------|
| Within one year | 一年內 |
| In the second to fifth years, inclusive | 第二年至第五年，包括首尾兩年 |

37. 經營租賃安排(續)

(b) 作為承租人

本集團根據經營租賃安排租賃辦公室物業、員工宿舍及自本公司董事擁有實益權益的關聯方租賃一個健身中心。經協商，物業租賃期為一年至兩年（二零一七年：二年至五年）。

於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃，於以下年度到期日應付的未來最低租金總額如下：

| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Within one year | 5,919 | 7,316 |
| In the second to fifth years, inclusive | 9,183 | 6,535 |
| | 15,102 | 13,851 |

38. CAPITAL AND OTHER COMMITMENTS

In addition to the operating lease commitments detailed in note 37(b) above, the Group had the following capital and other commitments as at the end of the reporting period:

38. 資本及其他承諾

除上文附註37(b)詳述的經營租賃承諾外，於報告期末，本集團作出以下資本及其他承諾：

| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Contracted, but not provided for: | 已簽約但未撥備： | |
| Purchase of items of plant and equipment | 購買廠房及設備項目 | 3,038 |
| Purchase of an investment property | 購置投資物業 | 1,358,420 |
| Acquisition of 5% equity interest of Wise Expert | 收購Wise Expert 5%之權益 | — |
| Construction of properties under development and investment properties | 建造發展中物業及投資物業 | 103,548 |
| | 26,033 | |
| Total | 合計 | 1,465,006 |
| | 290,018 | |

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39. RELATED PARTY DISCLOSURES

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

39. 關聯方披露

- (a) 於本年度內，除彼等財務報表他處詳述之交易外，本集團與關聯方發生以下重大交易：

| Company name 公司名稱 | Nature of transactions 交易性質 | 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 |
|--|---|-------------|----------------------------------|----------------------------------|
| Directors-controlled entities: | | | | |
| 董事控制實體： | | | | |
| Guorui Property Development 國銳房地產開發 | Property management fee income 物業管理費收入 | (i) | 27,009 | 14,178 |
| | Heat supply and maintenance fee income 供暖及維修費收入 | (i) | 5,682 | 722 |
| | Car park management fee income 停車場管理費收入 | (i) | 299 | 1,866 |
| | Steam supply fee income 蒸氣費收入 | (ii) | — | 1,478 |
| | Rendering of services in relation to operation of the Recreational Centre 經營休閒中心所提供的服務 | (iii) | 2,375 | — |
| | Rental income 租金收入 | (iv) | 2,847 | 927 |
| | Rental expense of a fitness centre 健身中心租金開支 | (v) | 2,995 | 4,330 |
| 北京顯世中鴻科技發展有限公司 | Property management fee income 物業管理費收入 | (ii) | 1,674 | 235 |
| | Car park management fee income 停車場管理費收入 | (ii) | — | 235 |
| | Property decoration fee income 物業裝修費收入 | (ii) | — | 1,578 |

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39. RELATED PARTY DISCLOSURES (continued)

(a) (continued)

39. 關聯方披露(續)

(a) (續)

| Company name 公司名稱 | Nature of transactions 交易性質 | 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 |
|-------------------------|--|-------------|----------------------------------|----------------------------------|
| Beijing Guolong 北京國隆 | Property management fee income 物業管理費收入 | (i) | 3,590 | 2,477 |
| | Heat supply and maintenance fee income 供暖及維修費收入 | (i) | 4,404 | 1,993 |
| 北京鑫銳小額貸款有限公司 | Rendering of services in relation to operation of the Recreational Centre 經營休閒中心所提供的 服務 | (iii) | — | 1,431 |
| | Interest paid and payable 已付及應付利息 | (vii) | — | 1,202 |
| Guorui Holding 國銳控股 | Office rental expense 辦公室租金開支 | (vi) | 460 | 567 |
| | Repair and maintenace expense 維修及保養開支 | (vi) | 185 | — |
| Wintime | Interest paid and payable 已付及應付利息 | 29 | 6,615 | 2,211 |
| 鑫隆(北京)投資基金管理 有限公司 | Dividend of preference shares of a subsidiary paid and payable 已付及應付一間附屬公司 優先股之股息 | 28 | 1,143 | 1,112 |

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39. RELATED PARTY DISCLOSURES (continued)

(a) (continued)

Notes:

- (i) The Group provides property management services to landlords of certain properties managed by the Group, in which two directors of the Company have beneficial interests. In return, the Group receives property management service fees, heat supply and maintenance service fees and car park management service fees which were charged at rates mutually agreed between the Group and the landlords. During the year ended 31 December 2018, the total fees received by the Group from landlords in respect of these services amounted to HK\$40,984,000 (2017: HK\$21,236,000). These related party transactions constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.
- (ii) During the year ended 31 December 2018, the Group received property management fee income, car park management fee income, steam supply fees and property decoration fees of HK\$1,674,000 (2017: HK\$3,526,000) in aggregate, which were charged at rates mutually agreed between the Group and the landlords, in which two directors of the Company have beneficial interests. These related party transactions constitute exempted connected transactions as defined in Chapter 14A of the Listing Rules.
- (iii) During the year ended 31 December 2018, the Group received service fees in relation to the operation of the Recreational Centre of HK\$2,375,000 (2017: HK\$1,431,000) in aggregate, which were charged at rates mutually agreed between the Group and the related parties, in which two directors of the Company have beneficial interests. These related party transactions constitute exempted connected transactions as defined in Chapter 14A of the Listing Rules.
- (iv) Rental expense was charged to this related company for the lease of an office premise at RMB2,400,000 (equivalent to HK\$2,847,000) (2017: RMB803,000 (equivalent to HK\$927,000)) during the year ended 31 December 2018, on a mutually agreed basis, which, in the opinion of the directors, approximated to market rates. This related party transaction constitutes an exempted continuing connected transaction as defined in Chapter 14A of the Listing Rules.

39. 關聯方披露(續)

(a) (續)

附註：

- (i) 本集團為本集團管理的若干物業的業主(兩名董事於其中擁有實益權益)提供物業管理服務。本集團則收取物業管理服務費、供暖及維修服務費及停車場管理服務費，其按本集團與業主雙方協議的價格收取。於截至二零一八年十二月三十一日止年度內，本集團就該等服務從業主收取的費用總數為40,984,000港元(二零一七年：21,236,000港元)。該等關聯方交易構成上市規則第十四A章定義的持續關連交易。
- (ii) 於截至二零一八年十二月三十一日止年度，本集團按本集團與業主共同協定的價格收取物業管理費收入、停車場管理費收入、蒸汽費收入及物業裝修費合共1,674,000港元(二零一七年：3,526,000港元)，本公司兩名董事於該等費用中擁有實益權益。該等關聯方交易構成上市規則第十四A章定義的獲豁免關連交易。
- (iii) 截至二零一八年十二月三十一日止年度，本集團已收取有關經營休閒中心之服務費合共2,375,000港元(二零一七年：1,431,000港元)，按本集團與關聯方共同商定的價格收取，本公司兩名董事均享有實益權益。該等關聯方交易構成上市規則第十四A章定義之獲豁免關連交易。
- (iv) 於截至二零一八年十二月三十一日止年度，該關連公司按董事認為與市場價格相若的共同協定基準就租賃辦公室物業支付租金開支人民幣2,400,000元(相當於2,847,000港元)(二零一七年：人民幣803,000元(相當於927,000港元))。該關聯方交易根據上市規則第十四A章之界定構成一項獲豁免持續關連交易。

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39. RELATED PARTY DISCLOSURES (continued)

(a) (continued)

(v) Rental expense was incurred by the Wholly Express Group and charged by this related company for the lease of a fitness centre at RMB2,525,000 (equivalent to HK\$2,995,000) (2017: RMB3,755,000 (equivalent to HK\$4,330,000)), on a mutually agreed basis, which, in the opinion of the directors, approximated to market rates, constitute a continuing connected transaction as defined in Chapter 14A of the Listing Rules.

(vi) Office rental expense and repair and maintenance expense was charged by this related company for the lease of office premise at RMB543,000 (equivalent to HK\$645,000) (2017: RMB492,000 (equivalent to HK\$567,000)) on a mutually-agreed basis, which, in the opinion of the directors, approximated to market rates. This related party transaction constitutes exempted continuing connected transaction as defined in Chapter 14A of the Listing Rules.

(vii) Pursuant to a related party's loan agreement dated 12 March 2017, a related party's loan facility of RMB94,000,000 was granted to a subsidiary of the Group in the prior year. The related party's loan bore interest at the rate of 4.35% per annum, and was repayable in 12 months from the date of drawdown of the related party's loan or such other date agreed between the subsidiary and the related party of the Group in which a director of the Company has a beneficial interest.

On 16 March 2017, the subsidiary drew down a total amount of RMB94,000,000 (equivalent to HK\$109,810,000) and on 2 June 2017, the Group's fully repaid the related party's loan.

39. 關聯方披露 (續)

(a) (續)

(v) 該關連公司按董事認為與市場價格相若的共同協定基準就Wholly Express集團產生的租賃一間健身中心收取租金開支人民幣2,525,000元(相當於2,995,000港元)(二零一七年：人民幣3,755,000元(相當於4,330,000港元))。根據上市規則第14A章之界定構成一項持續關連交易。

(vi) 該關連公司就租賃一間辦公室物業而收取的辦公室租金費用及維修以及保養費用為人民幣543,000元(相等於645,000港元)(二零一七年：人民幣492,000元(相等於567,000港元))，其乃按雙方協議而釐定，董事認為其與市場價格相若。該關聯方交易構成上市規則第十四A章定義的獲豁免持續關連交易。

(vii) 根據日期為二零一七年三月十二日的關聯方貸款協議，於過往年度本集團一間附屬公司獲授一項關聯方貸款融資人民幣94,000,000元。關聯方貸款年利率為4.35%，且須於提取關聯方貸款日期或附屬公司與本公司董事擁有實益權益的本集團關聯方協定的其他日期後十二個月內償還。

於二零一七年三月十六日，附屬公司提取總額人民幣94,000,000元(相當於109,810,000港元)。於二零一七年六月二日，本集團全額償還關聯方貸款。

39. RELATED PARTY DISCLOSURES (continued)

- (b) Outstanding balances with related parties
- Save as disclosed in notes 19(a), 21, 26, 28, 29 and 33 to the financial statements, the Group had no other material outstanding balances with related parties as at 31 December 2018 and 2017.
- (c) Key management personnel of the Group are directors of the Company, whose emoluments are included in note 9 to the financial statements.

40. FINANCIAL INSTRUMENTS BY CATEGORY

Except for a debt investment at fair value through other comprehensive income being classified as a financial asset at fair value through other comprehensive income, as further detailed in note 16 to the financial statements, all financial assets and liabilities of the Group as at 31 December 2018 and 2017 were financial assets and financial liabilities stated at amortised cost, respectively.

41. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of the financial assets and liabilities which are due to be received or settled within one year approximate to their carrying amounts largely due to the short term maturities of these instruments, therefore, no disclosure of the fair values of these financial instruments is made.

For other non-current financial assets and liabilities, in the opinion of the directors, since their carrying amounts are not significantly different from their respective fair values, no disclosure of the fair values of these financial instruments is made.

39. 關聯方披露(續)

- (b) 與關聯方之尚未支付結餘
- 於二零一八年及二零一七年十二月三十一日，除本財務報表附註19(a)、21、26、28、29及33所披露者外，本集團與關聯方並無任何其他重大尚未支付結餘。
- (c) 本集團主要管理人員為本公司董事，彼等之薪酬載於本財務報表附註9。

40. 金融工具分類

除按公平值計入其他全面收益的債務投資外，分類為按公平值計入其他全面收益的金融資產之進一步詳情載於財務報表附註16，於二零一八年及二零一七年十二月三十一日，本集團所有金融資產及負債均分別為按攤銷成本計量的金融資產及金融負債。

41. 金融工具的公平值

於一年內到期收取或支付的金融資產及負債的公平值接近其賬面金額，主要由於有關工具於短期內到期，因此，並無披露該等金融工具的公平值。

至於其他非流動金融資產及負債，董事認為，由於其賬面金額與其各自的公平值並無重大差異，因此並無披露有關金融工具的公平值。

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財務報表附註

31 December 2018 二零一八年十二月三十一日

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, a pledged bank deposit, debt investment at fair value through other comprehensive income, loans from a shareholder, bank borrowings, preference shares of a subsidiary and perpetual convertible bonds. The main purpose of these financial instruments is mainly for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, deposits and other receivables, trade payables, other payables and receipts in advance.

The main risk arising from the Group's financial instruments is foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. Since HK\$ is pegged to US\$, the Group does not have significant foreign exchange risk in respect of its operations in the USA. However, owing to its significant investments and operations in Mainland China and the UK, the Group's financial position and operating performance can be affected significantly by movements in RMB/HK\$ and £/HK\$ exchange rates.

42. 財務風險管理目標及政策

本集團的主要金融工具包括現金及現金等價物、已抵押銀行存款、按公平值計入其他全面收益的債務投資、股東提供的貸款、銀行借款、附屬公司優先股及永久可換股債券。這些金融工具的主要目的在於為本集團的運營融資。本集團具有多種其他金融資產和負債，比如應收貿易賬款、訂金及其他應收款、應付貿易賬款、其他應付款以及預收款項。

本集團的金融工具導致的主要風險是外幣風險、信用風險及流動資金風險。董事局已審議並批准管理外幣風險及流動風險的政策及該等風險概述如下：

外幣風險

外幣風險是指金融工具的價值因外匯匯率變化而波動的风险。由於港元與美元掛鈎，本集團於美國的經營尚未受到重大外匯風險。然而，由於本集團在中國大陸及英國有重大投資及經營，因此本集團財務狀況表及經營表現可能受人民幣兌港元及英鎊兌港元匯率變動的的重大影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

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42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB and £ exchange rates, with all other variables held constant, of the Group's profit/(loss) before tax (due to changes in fair value of monetary assets and liabilities).

| Year ended 31 December 2018 | 截至二零一八年 十二月三十一日止年度 | | |
|---|-----------------------|-----|----------|
| If Hong Kong dollar weakens against RMB | 倘若港元兌人民幣貶值 | 5 | 19,240 |
| If Hong Kong dollar strengthens against RMB | 倘若港元兌人民幣升值 | (5) | (19,240) |
| If Hong Kong dollar weakens against £ | 倘若港元兌英鎊貶值 | 5 | (43,601) |
| If Hong Kong dollar strengthens against £ | 倘若港元兌英鎊升值 | (5) | 43,601 |

| Year ended 31 December 2017 | 截至二零一七年 十二月三十一日止年度 | | |
|---|-----------------------|-----|---------|
| If Hong Kong dollar weakens against RMB | 倘若港元兌人民幣貶值 | 5 | (4,940) |
| If Hong Kong dollar strengthens against RMB | 倘若港元兌人民幣升值 | (5) | 4,940 |
| If Hong Kong dollar weakens against £ | 倘若港元兌英鎊貶值 | 5 | (9,134) |
| If Hong Kong dollar strengthens against £ | 倘若港元兌英鎊升值 | (5) | 9,134 |

42. 財務風險管理目標及政策 (續)

外幣風險(續)

下表說明了於報告期末其他變數保持不變，而人民幣及英鎊匯率出現合理可能波動的情況下，本集團稅前利潤／(虧損)(因貨幣資產及負債公平值出現變動)對波動的敏感性。

| Increase/ (decrease) in foreign exchange rate 外幣匯率 上升／(下降) % | Increase/ (decrease) in profit before tax 稅前利潤 增加／(減少) HK\$'000 千港元 |
|--|---|
|--|---|

| Increase/ (decrease) in foreign exchange rate 外幣匯率 上升／(下降) % | Decrease/ (increase) in loss before tax 稅前虧損 減少／(增加) HK\$'000 千港元 |
|--|---|
|--|---|

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財務報表附註

31 December 2018 二零一八年十二月三十一日

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

Credit risk arises from the potential failure of the Group's counterparties to meet their obligations under property management services agreements and rental agreements. Credit risk exposure is minimised by undertaking transactions with a large number of counterparties and conducting credit reviews on prospective tenants. In addition, the Group regularly reviews the recoverable amount of trade receivables to ensure that adequate provision for impairment losses is made for irrecoverable amounts. The Group has no significant concentrations of credit risk.

With respect to credit risk arising from other financial assets of the Group, which mainly comprise cash and bank balances and other receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

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 and staging classification as at 31 December 2018. The amounts presented are gross carrying amounts of financial assets.

| | | 12-month | Lifetime ECLs | | | | |
|---|-----------------------|----------|---------------|----------|----------|----------|----------|
| | | ECLs | Simplified | | | | |
| | | 十二個月 | Stage 1 | Stage 2 | Stage 3 | 簡化方法 | Total |
| | | 期信貸虧損 | 第一階段 | 第二階段 | 第三階段 | 簡化方法 | 合計 |
| | | | 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 | — | — | — | — | 24,629 | 24,629 |
| Financial assets included prepayments, deposits and other receivables | 計入預付款項、訂金及其他應收款項的金融資產 | 68,972 | — | — | — | — | 68,972 |
| Due from related companies | 應收關連公司款項 | 13,357 | — | — | — | — | 13,357 |
| Debt investment at fair value through other comprehensive income | 按公平值計入其他全面收益的債務投資 | 23,113 | — | — | — | — | 23,113 |
| Pledged bank deposit, not yet past due | 已抵押銀行存款(尚未逾期) | 39,230 | — | — | — | — | 39,230 |
| Cash and cash equivalents, not yet past due | 現金及現金等價物(尚未逾期) | 345,163 | — | — | — | — | 345,163 |
| | | | 489,835 | — | — | 24,629 | 514,464 |

42. 財務風險管理目標及政策 (續)

信用風險

信用風險因本集團之交易對方可能未能履行彼等於物業管理服務協議及租金協議下之責任而產生。本集團透過與大量交易對方進行交易及對潛在租戶進行信用審查，將信用風險減至最低。此外，本集團定期審閱應收貿易賬款之可收回金額以確保就不可收回金額計提足夠減值虧損撥備。本集團不存在重大集中信用風險的問題。

本集團其他金融資產主要包括現金及銀行結餘及其他應收款項，本集團有關這些金融資產的信用風險源自因交易對方違約，最大風險敞口等於這些工具的賬面金額。

下表列示基於本集團信貸政策的信貸質素及所面對的最大信貸風險，主要基於逾期資料(除非其他資料可在毋須花費不必要成本或精力的情況下獲得)及於二零一八年十二月三十一日的年結階段分類。所呈列的金額為金融資產的賬面總值。

**42. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES
(continued)**

Credit risk (continued)

For trade receivables to which the Group applies the simplified approach for impairment, information is disclosed in note 19 to the financial statements.

The credit quality of the financial assets included in prepayments, deposits and other receivables are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

The credit risk of the Group's other financial assets, which comprise amounts due from related parties and other receivables, debt investment at fair value through other comprehensive income and cash and bank balances, arises from default of the counterpart, with a maximum exposure equal to the carrying amounts of these instruments.

Liquidity risk

In light of the future business expansion of the Group, the Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements and the estimated future construction cost of the US Complex. The Group's objective is to maintain a balance between continuity of funding and flexibility through cash receipts from the issue of shares, as well as the strict control over its daily operating expenses. In the opinion of the directors of the Company, proceeds from a share placement obtained and capital contributed by shareholders by means of cash during the prior year and the current year, respectively to finance certain of the abovementioned capital commitments are expected to be fulfilled by the Group after 2018. Accordingly, the Group expects to have adequate sources of funding to finance the Group's operations and manage its liquidity position.

**42. 財務風險管理目標及政策
(續)**

信用風險(續)

就本集團採用簡化方法估算減值的應收貿易賬款而言，有關資料披露於財務報表附註19。

計入預付款項、訂金及其他應收款項的金融資產的信貸質素並未逾期，且並無資料表明自初始確認以來金融資產的信貸風險有顯著增加。

本集團其他金融資產(包括應收關聯方款項及其他應收款項、按公平值計入其他全面收益的債務投資以及現金及銀行結餘)的信貸風險乃因對手方違約而產生，所面臨的最大風險等於該等工具的賬面值。

流動風險

鑒於本集團未來業務拓展，本集團確保其維持足夠的現金及額度，以滿足其流動資金需要及美國綜合物業估計未來建造成本。本集團的目標是運用發行股份所收取的現金以及嚴格控制其日常經營開支以保持融資的持續性與靈活性的平衡。本公司董事認為，於過往年度及本年度內股份配售所獲所得款項及股東通過現金注資之資本提供預期本集團將於二零一八年後履行的若干上述資本承諾所需的資金。因此，本集團預期將會有足夠資金來源以提供本集團經營業務所需資金及管理其流動資金狀況。

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42. 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, is as follows:

| | | On demand 按要求 HK\$'000 千港元 | Within 1 year 一年以內 HK\$'000 千港元 | 1-5 years 一至五年 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|--|--------------------------|-------------------------------------|---|--------------------------------------|--------------------------------|
| 31 December 2018 | 二零一八年 十二月三十一日 | | | | |
| Trade payables | 貿易應付款項 | 15,505 | 50,424 | — | 65,929 |
| Other payables | 其他應付款 | 99,310 | — | — | 99,310 |
| Due to a director | 應付一名董事款項 | 2,557 | — | — | 2,557 |
| Due to a shareholder | 應付一名股東款項 | 1,437 | — | — | 1,437 |
| Due to related companies | 應付關連公司款項 | 95,142 | — | — | 95,142 |
| Bank borrowings (note) | 銀行借款(附註) | 125,564 | 121,446 | 776,084 | 1,023,094 |
| Preference shares of a subsidiary | 一間附屬公司的優先股 | — | 15,671 | — | 15,671 |
| Liability component of perpetual convertible bonds | 永久可換股債券的負債部分 | — | — | 48,929 | 48,929 |
| | | 339,515 | 187,541 | 825,013 | 1,352,069 |

| | | On demand 按要求 HK\$'000 千港元 | Within 1 year 一年以內 HK\$'000 千港元 | 1-5 years 一至五年 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|-----------------------------------|--------------------------|-------------------------------------|---|--------------------------------------|--------------------------------|
| 31 December 2017 | 二零一七年 十二月三十一日 | | | | |
| Trade payables | 貿易應付款項 | 37,185 | 26,539 | — | 63,724 |
| Other payables | 其他應付款 | 73,208 | 60,300 | — | 133,508 |
| Due to a director | 應付一名董事款項 | 862 | — | — | 862 |
| Due to a shareholder | 應付一名股東款項 | 3,778 | — | — | 3,778 |
| Due to related companies | 應付關連公司款項 | 76,899 | — | — | 76,899 |
| Bank borrowings (note) | 銀行借款(附註) | 149,957 | 57,900 | — | 207,857 |
| Preference shares of a subsidiary | 一間附屬公司的優先股 | — | 1,157 | 18,655 | 19,812 |
| Loans from a shareholder | 來自一名股東的貸款 | — | 12,506 | 636,652 | 649,158 |
| | | 341,889 | 158,402 | 655,307 | 1,155,598 |

42. 財務風險管理目標及政策 (續)

流動風險(續)

於報告期末，根據未經折現的合同付款額，本集團金融負債的到期期限狀況如下：

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Note: One of the loan agreements contains a repayment on demand clause giving the bank an unconditional right to call in the loan at any time and therefore, for the purpose of the above maturity profile, the total amount was classified as "on demand" as at 31 December 2018 and 2017. In accordance with the terms of the loan agreement, the contractual undiscounted payments of this bank borrowing amounted to HK\$125,564,000 (2017: HK\$149,957,000) which were repayable within 1 year as at 31 December 2018.

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 issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 2017.

43. EVENT AFTER THE REPORTING PERIOD

On 14 September 2018, the Group entered into a purchase and sale agreement with independent third parties to acquire the entire partnership interests in a company which owns a residential property in Culver City, the USA for a total cash consideration of US\$24,000,000. The transaction was completed on 27 March 2019.

44. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to confirm to the current year's presentation and disclosures.

42. 財務風險管理目標及政策 (續)

流動風險(續)

附註：貸款協議中的一項包括按按要求償還條款，賦予銀行隨時無條件催繳貸款的權利，因此，就上述到期期限情況而言，於二零一八年及二零一七年十二月三十一日，有關款項總額被分類為「按需求」。根據貸款協議條款，須於截至二零一八年十二月三十一日止一年內償還的銀行借款之合約未貼現還款達125,564,000港元(二零一七年：149,957,000港元)。

資本管理

本集團資本管理的主要目標為保障本集團繼續按持續經營基準營業的能力，並維持穩健的資本比率，以支持其業務及儘量增加股東價值。

本集團管理其資本架構，並就經濟情況及相關資產的風險特徵變動作出調整。維持或調整資本架構時，本集團可能會發行新股份。於截至二零一八年及二零一七年十二月三十一日止年度，管理資本的目標、政策或程序維持不變。

43. 報告期後事項

於二零一八年九月十四日，本集團與獨立第三方訂立買賣協議，以現金代價總額24,000,000美元收購一間於美國卡爾弗城擁有住宅物業的公司之全部合夥權益。該交易於二零一九年三月二十七日完成。

44. 比較金額

若干比較金額已重新分類，以確認本年度的列報及披露。

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財務報表附註

31 December 2018 二零一八年十二月三十一日

45. 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:

45. 本公司的財務狀況表

有關本公司於報告期末的財務狀況表的資料如下：

| | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 314 | 507 |
| Investments in subsidiaries | 2,062,561 | 591,349 |
| Due from subsidiaries | 180,490 | 180,490 |
| Non-current deposit | — | 429 |
| Total non-current assets | 2,243,365 | 772,775 |
| CURRENT ASSETS | | |
| Loans to subsidiaries | 390,441 | 337,910 |
| Due from subsidiaries | 658,783 | 665,484 |
| Due from related companies | 360 | — |
| Prepayments, deposits and other receivables | 2,897 | 1,318 |
| Pledged bank deposit | 39,230 | 39,636 |
| Cash and cash equivalents | 161,053 | 20,604 |
| Total current assets | 1,252,764 | 1,064,952 |
| CURRENT LIABILITIES | | |
| Other payables and accruals | 2,773 | 62,455 |
| Due to a shareholder | 1,437 | 3,778 |
| Due to subsidiaries | 318 | 318 |
| Total current liabilities | 4,528 | 66,551 |
| NET CURRENT ASSETS | 1,248,236 | 998,401 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 3,491,601 | 1,771,176 |
| NON-CURRENT LIABILITIES | | |
| Loans from a shareholder | — | 625,280 |
| Due to subsidiaries | 391 | 391 |
| Liability component of perpetual convertible bonds | 48,929 | — |
| Total non-current liabilities | 49,320 | 625,671 |
| Net assets | 3,442,281 | 1,145,505 |
| EQUITY | | |
| Share capital | 3,146,571 | 1,780,663 |
| Perpetual convertible bonds | — | 82,084 |
| Equity component of perpetual convertible bonds | 1,084,013 | — |
| Reserves (note) | (788,303) | (717,242) |
| Total equity | 3,442,281 | 1,145,505 |

Wei Chunxian
魏純暉
Director
董事

Liu Shuhua
劉淑華
Director
董事

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45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note: A summary of the Company's reserves is as follows:

| | | Capital reserve | Share option reserve | Accumulated losses | Total |
|---|-----------------------------|-----------------|----------------------|--------------------|-----------|
| | | 資本儲備 | 購股權儲備 | 累計虧損 | 合計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 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 | 10,868 | — | (693,371) | (682,503) |
| Loss for the year and total comprehensive loss for the year | 本年度虧損及 本年度全面虧損總額 | — | — | (34,739) | (34,739) |
| Equity-settled share option arrangement | 以權益結算購股權協議 | — | 1,167 | — | 1,167 |
| Exercise of share options | 行使購股權 | — | (1,167) | — | (1,167) |
| 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 | 10,868 | — | (728,110) | (717,242) |
| Loss for the year and total comprehensive loss for the year | 本年度虧損及 本年度全面虧損總額 | — | — | (72,791) | (72,791) |
| Equity-settled share options arrangement | 以權益結算購股權協議 | — | 1,730 | — | 1,730 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 10,868 | 1,730 | (800,901) | (788,303) |

45. 本公司的財務狀況表(續)

附註：本公司儲備概要如下：

46. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 29 March 2019.

46. 財務報表的批准

本財務報表於二零一九年三月二十九日由董事局通過並批准發佈。

PARTICULARS OF PROPERTIES

物業詳情

| Location 地點 | Use 用途 | Lease term 租賃期 | Attributable interest of the Group 歸屬於 本集團的權益 |
|--|-------------------------------------|---------------------------|---|
| Completed investment properties 已落成投資物業 | | | |
| Boundary House, 7-17 Jewry Street, London EC3N 2EX | Commercial 商業 | Medium term lease 中期租約 | 100% |
| Juxon House, 100 St Pauls Churchyard, London, EC 4M 8BU, the United Kingdom | Commercial 商業 | Long term lease 長期租約 | 100% |
| Investment properties under construction 在建中投資物業 | | | |
| 2300-2320 Wilshire Blvd., Santa Monica, CA90403, the USA | Residential/ Commercial 住宅／商業 | Not applicable 不適用 | 100% |
| A building included in property, plant and equipment 包括物業、廠房及設備之樓宇 | | | |
| Building No. 3 of Kingdom Guorui, 1 Ronghua South Road, Beijing Economic Technological Development Area, Beijing, the PRC 中國北京 經濟技術開發區 榮華南路1號院 國銳•金嶺 大廈3號 | Commercial 商業 | Medium term lease 中期租約 | 100% |

FIVE YEAR FINANCIAL SUMMARY

五年財務摘要

A summary of the results and of the assets, liabilities and total equity of the Group for the last five financial years/period, as extracted from the published annual report and audited financial statements, is set out below:

本集團過去五個財政年度／期間節錄自己刊發的年報及經審核財務報表的經營業績、資產、負債和權益合計的摘要如下：

RESULTS

業績

| | | Year ended 31 December | | | | Eleven months ended 31 December |
|---|-------------------------------|------------------------|----------|----------|----------|---------------------------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| | | 截至十二月三十一日止年度 | | | | |
| | | 二零一八年 | 二零一七年 | 二零一六年 | 二零一五年 | 止十一個月三十一日 |
| | | 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 |
| CONTINUING OPERATIONS | 持續經營業務 | | | | | |
| Revenue | 收入 | 361,282 | 229,822 | 216,392 | 76,809 | 5,937 |
| Profit/(loss) before tax from continuing operations | 持續經營業務產生的稅前利潤/(虧損) | 7,928 | (67,633) | (67,395) | (18,414) | (13,252) |
| Income tax | 所得稅 | 1,502 | 2,619 | 2,032 | 262 | (202) |
| PROFIT/(LOSS) FOR THE YEAR/PERIOD FROM CONTINUING OPERATIONS | 本年度/期間持續經營業務產生的利潤/(虧損) | 9,430 | (65,014) | (65,363) | (18,152) | (13,454) |
| DISCONTINUED OPERATION | 已終止經營業務 | | | | | |
| Profit for the year/period from discontinued operation | 本年度/期間已終止經營業務產生的利潤 | — | — | — | — | 5,106 |
| LOSS FOR THE YEAR/PERIOD | 本年度/期間虧損 | — | (65,014) | (65,363) | (18,152) | (8,348) |
| Attributable to: | 歸屬於： | | | | | |
| Shareholders of the Company | 本公司股東 | 9,579 | (65,014) | (62,798) | (18,152) | (8,348) |
| Non-controlling interests | 非控制性權益 | (149) | — | (2,565) | — | — |
| | | 9,430 | (65,014) | (65,363) | (18,152) | (8,348) |

FIVE YEAR FINANCIAL SUMMARY

五年財務摘要

ASSETS, LIABILITIES AND TOTAL EQUITY

資產、負債和權益合計

| | | At 31 December | | | | |
|-----------------------------|-------------|--------------------|-------------|-----------|-----------|----------|
| | | 於十二月三十一日 | | | | |
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| | | 二零一八年 | 二零一七年 | 二零一六年 | 二零一五年 | 二零一四年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Total assets | 資產總額 | 5,030,079 | 2,415,782 | 1,657,683 | 1,227,733 | 161,644 |
| Total liabilities | 負債總額 | (1,575,564) | (1,306,958) | (502,927) | (247,864) | (22,304) |
| NET ASSETS | 資產淨額 | 3,454,515 | 1,108,824 | 1,154,756 | 979,869 | 139,340 |
| Equity attributable to: | 歸屬於以下各方的權益： | | | | | |
| Shareholders of the Company | 本公司股東 | 3,431,736 | 1,108,824 | 1,160,983 | 987,199 | 139,340 |
| Non-controlling interests | 非控制性權益 | 22,779 | — | (6,227) | (7,330) | — |
| TOTAL EQUITY | 權益合計 | 3,454,515 | 1,108,824 | 1,154,756 | 979,869 | 139,340 |



GR PROPERTIES

國銳地產