



CARNIVAL GROUP
INTERNATIONAL

**Carnival Group International
Holdings Limited**

嘉年華國際控股有限公司

Stock Code 股份代號：00996



ANNUAL REPORT
年報 2018

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. King Pak Fu (*Chairman and Chief Executive Officer*)

Mr. Bai Xuefei

Ms. Qian Hui

Independent Non-executive Directors

Mr. Chan Wai Cheung Admiral

Mr. Lie Chi Wing

Ms. Hu Gin Ing

AUDIT COMMITTEE

Mr. Chan Wai Cheung Admiral (*Chairman*)

Mr. Lie Chi Wing

Ms. Hu Gin Ing

REMUNERATION COMMITTEE

Mr. Chan Wai Cheung Admiral (*Chairman*)

Mr. Lie Chi Wing

Ms. Hu Gin Ing

NOMINATION COMMITTEE

Mr. Chan Wai Cheung Admiral (*Chairman*)

Ms. Hu Gin Ing

Mr. Bai Xuefei

COMPANY SECRETARY

Ms. Chan Yuen Ying, Stella

AUTHORISED REPRESENTATIVES

Mr. King Pak Fu

Ms. Chan Yuen Ying, Stella

LEGAL ADVISOR

Minter Ellison

Sidley Austin

AUDITORS

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

董事會

執行董事

景百孚先生 (*主席兼行政總裁*)

白雪飛先生

錢慧女士

獨立非執行董事

陳偉璋先生

李志榮先生

胡競英女士

審核委員會

陳偉璋先生 (*主席*)

李志榮先生

胡競英女士

薪酬委員會

陳偉璋先生 (*主席*)

李志榮先生

胡競英女士

提名委員會

陳偉璋先生 (*主席*)

胡競英女士

白雪飛先生

公司秘書

陳婉綦女士

授權代表

景百孚先生

陳婉綦女士

法律顧問

銘德律師事務所

盛德律師事務所

核數師

國衛會計師事務所有限公司

執業會計師

Corporate Information 公司資料

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 1804-1810, 18th Floor
Everbright Centre
108 Gloucester Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Standard Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

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

STOCK CODE

996

WEBSITE

www.0996.com.hk

註冊辦事處

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

總辦事處及香港主要營業地點

香港灣仔
告士打道108號
光大中心
18樓1804-1810室

股份登記及過戶總處

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

於香港之股份登記及過戶分處

卓佳標準有限公司
香港灣仔
皇后大道東183號
合和中心22樓

主要往來銀行

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

股份代號

996

網站

www.0996.com.hk

Chairman's Statement

主席報告

On behalf of the board (the “Board”) of directors (the “Directors”, each a “Director”) of Carnival Group International Holdings Limited (the “Company”), I am pleased to present the annual results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2018.

FINANCIAL REVIEW

For the financial year ended 31 December 2018, the Group recorded a consolidated net loss of approximately HK\$3,699.1 million as compared to the net profit of approximately HK\$525.5 million for the year ended 31 December 2017. The change on the results is mainly due to (i) impairment loss on the properties of approximately HK\$544 million; (ii) the loss arising from changes in the fair value of the Group's investment properties of approximately HK\$200 million; (iii) impairment loss on deposits and other receivables of approximately HK\$1,463 million; (iv) the loss arising from securities investment of approximately HK\$250 million; (v) the provision for loss on investments of approximately HK\$587.6 million; and (vi) decrease in the gross profit margin of the property development segment of the Company.

2018 REVIEW

The financial year ended 31 December 2018 was a challenging year in terms of macroeconomic stability and overall financing conditions, under the policy of “Houses are for living but not for speculation” promulgated at The National People's Congress and The Chinese Political Consultative Conference (the “Two Sessions”) in first half 2018. On the other hand, local governments were determined to adhere to the regulatory policies without any intention of relaxing the policies introduced, including the continuous implementation of the “4 Main Measures” (namely restrictions on purchasing, pricing, re-selling and mortgaging in the PRC). The macro environment and the local policies indirectly added extra burden to the Group's sales cycle and the gross profit margin of the property development segment of the Group was adversely affected. Meanwhile, the backdrop of overall credit environments added extra difficulties to the Group's financing and refinancing activities.

After two years of steady growth, 2018 proved to be more of a challenge for investments. Equity and bond markets were globally under pressure as China-US trade negotiations continued to stay in focus and fresh concerns arose that economic growth may slow down amidst tighter monetary and fiscal policy eventually took their toll on investors confidence. As a result, the Group inevitably recorded significant loss on securities trading investments segment due to the severe fluctuations in global capital market within the reporting period.

本人謹代表嘉年華國際控股有限公司（「本公司」）董事（「董事」）會（「董事會」）欣然提呈本公司及其附屬公司（「本集團」）截至二零一八年十二月三十一日止年度之全年業績。

財務回顧

截至二零一八年十二月三十一日止財政年度，本集團錄得綜合淨虧損約3,699,100,000港元，而截至二零一七年十二月三十一日止年度錄得純利約525,500,000港元。有關業績變動乃主要由於(i)物業減值虧損約544,000,000港元；(ii)本集團投資物業公平值變動產生虧損約200,000,000港元；(iii)按金及其他應收款項減值虧損約1,463,000,000港元；(iv)證券投資產生虧損約250,000,000港元；(v)投資虧損撥備約587,600,000港元；及(vi)本公司物業發展分部毛利率下降。

二零一八年回顧

截至二零一八年十二月三十一日止財政年度，宏觀經濟穩定性及整體融資環境均面臨挑戰。二零一八年上半年全國人民代表大會及中國人民政治協商會議（「兩會」）提出「房住不炒」的政策。另一方面，地方政府層面堅持調控政策不動搖、力度不放鬆，「四限政策」（在中國限購、限價、限售、限貸）持續。宏觀環境及地方政策均間接導致本集團銷售週期壓力增大及對本集團的物業發展分部毛利率造成不利影響。同時，整體信貸環境的負面影響進一步加大本集團的融資及再融資活動的難度。

經歷兩年的穩定增長後，投資市場於二零一八年面對較嚴峻的考驗。中美貿易談判繼續為市場增添壓力，加上圍繞經濟增長放緩的憂慮及貨幣和財政政策收緊，對投資者信心因而造成影響，導致環球股票及債券市場受壓。受上述因素影響，本集團證券買賣投資分部亦因為環球資本市場劇烈波動，於報告期內不可避免地錄得重大虧損。

Chairman's Statement 主席報告

PROSPECTS

The Directors believe that the Company is the only listed company with a diverse portfolio of theme-based leisure and consumption businesses that include theme parks, hotels, shopping outlet shopping for international premium brands, dining, conference and exhibition centres, leisure, entertainment, education and recreational facilities in China. The Group aims to promote the concept of themed experiential leisure and travel by providing customers with a one-stop experience encompassing different distinctive themes to capture the opportunities brought about by the boosting domestic holiday-economy and spending power unleashed by the fast growing middle class in the People's Republic of China ("PRC") and the rapidly upgrading consumption pattern in PRC and overseas. Meanwhile, the Group has started to discuss on investment frameworks and obtained the support from the People's Government of Jiangbei District to launch the "Chongqing Carnival Cultural Tourism Comprehensive Development and Construction Project" in Jiangbei District of Chongqing Province in China. The Group believes replicating and refining Rio Carnival's successful business model to potential cities in PRC will complement its existing business, further expand our customer base, enhance our brand reputation and diversify its future sources of revenue.

Our business model is to attract and retain customers through different themes for their experiential consumption within our project complexes' consumption ecosystem, including high-end retail outlet malls, international star-rated hotels with wide-ranging amenities and recreational activities, world-class convention centers, stadiums, theaters, innovative theme parks, varieties of fine restaurants, sports and education options. We expect that projects designed, developed and managed by the Group will not merely bring new lifestyle concepts to residents and visitors alike, but will also become the new landmarks in cities where they are located, due to their superior locations and excellent retail, hospitality, dining, leisure, education and entertainment facilities.

With the disposal of Joyous Investment Holdings Limited completed in early 2019, the aggregate consideration of HK\$1,860.0 million (subject to a deduction of the bank loan and other adjustment) will substantially enhance the Group's financial position, allowing the Group to consistently identify development and acquisition opportunities for our core business as well as other sectors in the PRC and overseas market. Our strategies are open-minded in respect of different types of development and acquisition which bring potential growth and enhance synergy effects among the Group.

展望

董事相信本公司是中國唯一從事主題休閒及消費業務之上市公司，其廣泛之業務範疇包括主題樂園、酒店、國際名牌購物商場、餐飲、會展中心、休閒、娛樂、教育及康樂設施。本集團致力於推廣主題式休閒旅遊體驗，為客戶提供涵蓋不同獨特主題的一站式體驗，銳意把握中華人民共和國（「中國」）國內假日經濟繁榮及迅速擴大的中產階層消費力釋放以及中國及海外市場消費模式快速升級帶來的商機。同時，本集團已開始與重慶市江北區人民政府磋商投資框架並得到其支持在中國重慶市江北區進行「重慶嘉年華文旅綜合開發建設項目」。本集團相信，將海上嘉年華的成功商業模式提煉及複製到中國其他潛在城市，將可與本集團現有業務形成互補協同，有助進一步擴大客戶基礎，提升品牌聲譽及多元化未來收益來源。

我們的業務模式是透過旗下項目綜合體消費生態系統內多樣主題的體驗式消費吸引及挽留顧客，我們的消費項目包括高端零售商場、附有多種設施及休閒活動的國際星級酒店、世界級會議中心、體育場、劇院、創新主題公園、多種類高級餐廳，以及運動及教育選擇。我們預期，本集團設計、開發及管理的項目不僅將為居民及遊客帶來嶄新的生活方式概念，亦將因其優越的地理位置及優質的零售、住宿、餐飲、休閒、教育及娛樂設施而成為所在城市的新地標。

於二零一九年初完成出售豐盛投資控股有限公司後，總代價1,860,000,000港元（惟須扣減銀行貸款及作出其他調整）將大幅改善本集團的財務狀況，使本集團能夠持續在中國及海外市場物色切合我們核心業務及其他領域的發展及收購機會。我們秉持開放的態度，將考慮各種能為本集團帶來增長潛力及協同效益的發展及收購機會。

Chairman's Statement 主席報告

Within the reporting period, the Group and one large scale stated-owned enterprise (“SOE”) have entered into a memorandum of understanding, pursuant to which the SOE intends to become an important shareholder of the Company and make certain equity investments in the Company. The SOE based in the PRC principally engaged in cities operation and development, investment in urban infrastructure, investment and financing and asset management businesses, we believe an investment made by the SOE in the Group will inject sustainable momentum and enhance the competitiveness of the Group.

As the China-US trade negotiation has shown signs of turning positive in the beginning of 2019, the global capital market is regaining strong performance. In view of this, the Company entered into the convertible bonds placing agreement of an aggregate principal amount of up to US\$350.0 million and 4 large-scale SOE in the PRC may be subscribing for an aggregate principal amount of not less than US\$200.0 million will further strengthen the financial position and improve the liquidity level of the group. Moreover, the Group's trading and investment business segment will likely ameliorate and the Group will greatly enhance its risk control system to minimise the impacts brought by market fluctuations in the future.

Looking ahead, the Group's core business, namely its integrated tourism and leisure projects, will continue to benefit from PRC's growing tourism market, expanding middle class and the trend towards a consumption-upgrade economy in the PRC and abroad. The Group will fully leverage the uniqueness of our business model to gain first-mover advantage and seize the opportunities in PRC and overseas markets. Meanwhile, the PRC government indicated the willingness to aid private enterprises and ease financing activities of private enterprises, the Group believes these measures will lower the Group's financing costs and difficulty in obtaining financing in financial year 2019. We will consolidate, and further enhance the Group's leading position in the industry and strive to become a leading integrated tourism, hospitality and retail services project developer in PRC and abroad, thereby generating stable, long-term and abundant investment returns for our shareholders (the “Shareholders”) continuously. Meanwhile, we will seek suitable opportunities, to further enhance the Group's leading position in the industry, and strive to optimise the Shareholders returns.

King Pak Fu

Chairman and Chief Executive Officer

Hong Kong, 28 March 2019

於報告期內，本集團與一家大型國有企業（「國有企業」）訂立諒解備忘錄，據此，該國有企業擬成為本公司的重要股東及對本公司作出若干股權投資。該國有企業位於中國，主要從事城市經營與發展、城市基礎設施投資、投融資及資產管理業務，我們相信該國有企業對本集團作出的投資將為本集團注入持續發展動能及提升本集團的競爭力。

隨著二零一九年初中美貿易談判局勢出現轉好跡象，環球資本市場正重拾強勁表現。有鑒於此，本公司已訂立有關本金額合共最多達350,000,000美元的可換股債券配售協議，而四間中國大型國有企業可能將認購合共本金額不少於200,000,000美元，此將進一步加強本集團的財務狀況及改善流動資金水平。此外，本集團的貿易及投資業務分部亦有望改善，本集團將大大改善風險控制系統，致力減低將來市場波動帶來的影響。

展望未來，本集團的核心業務一體化旅遊及休閒綜合項目，將繼續受益於中國旅遊業市場的增長、中產階層的擴大及中國和海外消費升級經濟的趨勢。本集團將充分利用其業務模式的獨特性，在業界獲得先發優勢及捕捉中國和海外市場商機。同時，中國政府已表示將採取若干措施支持民營企業及緩解民營企業融資困難的問題，本集團相信有關措施將降低本集團於二零一九財政年度的融資成本及難度。我們將鞏固並進一步提升本集團在行業的領先地位，致力成為中國和海外領先的旅遊、酒店及零售服務綜合項目開發商，持續為我們的股東（「股東」）創造穩定、長期及豐碩的投資回報。同時，我們將致力物色合適的機會，進一步提升本集團在行業的領先地位，為股東爭取最大回報。

主席兼行政總裁

景百孚

香港，二零一九年三月二十八日

Biographies of Directors 董事簡歷

EXECUTIVE DIRECTORS

Mr. King Pak Fu, aged 48, was appointed as an executive Director on 10 September 2012 and was appointed as the chairman of the Board on 22 October 2012. He is experienced in property development and corporate management. Mr. King is currently the chairman and director of Fujian Start Group Co. Ltd. (a company listed on Shanghai Stock Exchange, stock code: 600734).

Mr. Bai Xuefei, aged 41, was appointed as an executive Director and executive president on 17 July 2018. He holds a master degree in laws from Heilongjiang University and a bachelor degree in economics from China Agricultural University. Mr. Bai has been an executive Director of Enterprise Development Holdings Limited (stock code: 1808; a company listed on the Main Board of the Stock Exchange) since June 2018. He was an executive director and chief executive officer of Rentian Technology Holdings Limited (stock code: 885; a company listed on the Main Board of the Stock Exchange) from June 2018 to July 2018 and was an executive director and the co-chief executive officer of China Nuclear Energy Technology Corporation Limited (stock code: 611; a company listed on the Main Board of the Stock Exchange) from September 2016 to January 2018. He was a deputy general manager of China Nuclear Investment Co., Ltd. from July 2016 to May 2018, served as the head of the board office of China Nuclear Engineering Corporation Limited (stock code: 601611; a company listed on the Shanghai Stock Exchange) from May 2013 to July 2016 and was the director of the investor relations division of China Shenhua Energy Company Limited (stock code: 601088 and 1088; a company both listed on the Shanghai Stock Exchange and the Main Board of the Stock Exchange) from November 2004 to May 2013. He served as an officer of the policies and regulations research division of Shenhua Group Company Limited from June 2003 to November 2004.

執行董事

景百孚先生，48歲，於二零一二年九月十日獲委任為執行董事，並於二零一二年十月二十二日獲委任為董事會主席。彼於物業開發及企業管理方面擁有豐富經驗。景先生現時為福建實達集團股份有限公司（一間在上海證券交易所上市之公司，股份代號：600734）之主席及董事。

白雪飛先生，41歲，於二零一八年七月十七日獲委任為執行董事及執行總裁。彼持有黑龍江大學法律碩士學位及中國農業大學經濟學學士學位。白先生自二零一八年六月起擔任企展控股有限公司（股份代號：1808；一間在聯交所主板上市之公司）之執行董事。彼於二零一八年六月至二零一八年七月期間擔任仁天科技控股有限公司（股份代號：885；一間在聯交所主板上市之公司）之執行董事兼行政總裁，並於二零一六年九月至二零一八年一月期間擔任中國核能科技集團有限公司（股份代號：611；一間在聯交所主板上市之公司）之執行董事及聯席行政總裁。彼於二零一六年七月至二零一八年五月期間擔任中核投資有限公司副總經理，於二零一三年五月至二零一六年七月期間擔任中國核工業建設股份有限公司（股份代號：601611；一間在上海證券交易所上市之公司）之董事會辦公室主任，並於二零零四年十一月至二零一三年五月期間擔任中國神華能源股份有限公司（股份代號：601088及1088；一間在上海證券交易所及聯交所主板上市之公司）之投資者關係處處長。彼於二零零三年六月至二零零四年十一月期間擔任神華集團有限責任公司之政策法規研究室主任科員。

Biographies of Directors 董事簡歷

Ms. Qian Hui, aged 37, was appointed as an executive Director on 17 July 2018. She graduated from Shijiazhuang Tiedao University with a Bachelor of Arts in Accounting in 2002 and obtained a Master of Business Administration from Hong Kong University of Science and Technology in 2007. Ms. Qian served as the structured finance manager of Noble Group Ltd. from 2007 to 2014 and was responsible for structured finance related to China. She served as the general manager of FB Green from 2014 to 2016, and was responsible for the operation of the capital market in China. She served as the managing director in alternative investment department of China Huarong (Macau) International Company Limited from December 2016 to June 2017. She served as a director in asset management department of Huarong International Financial Holdings Limited from July 2017 and June 2018. Ms. Qian has over 10 years of extensive experience in finance, investment and financing.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Wai Cheung Admiral, aged 45, was appointed as an independent non-executive Director on 10 December 2014. He is also the chairman of each of the audit committee, the remuneration committee and the nomination committee of the Company. He holds a Bachelor of Arts (Honours) in Accountancy from City University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in accounting and auditing field. Mr. Admiral Chan is an executive director of Energy International Investments Holdings Limited (stock code: 353; a company listed on the Main Board of the Stock Exchange), an independent non-executive director of SFund International Holdings Limited (stock code: 1367; a company listed on the Main Board of the Stock Exchange) and Zhong Ao Home Group Limited (stock code: 1538; a company listed on the Main Board of the Stock Exchange) and a non-executive director of China Nonferrous Metals Company Limited (stock code: 8306; a company listed on GEM of the Stock Exchange). He was also appointed as an independent non-executive director of EJE (Hong Kong) Holdings Limited (formerly known as Jia Meng Holdings Limited) (stock code: 8101; a company listed on GEM of the Stock Exchange) from September 2013 to May 2016.

錢慧女士，37歲，於二零一八年七月十七日獲委任為執行董事。彼於二零零二年於石家莊鐵道大學會計學專業本科畢業，並於二零零七年於香港科技大學工商管理碩士畢業。錢女士於二零零七年至二零一四年期間在來寶集團擔任結構性融資經理，負責與中國有關的結構性融資。彼於二零一四年至二零一六年期間在FB Green擔任總經理，負責中國資本市場的運作。彼於二零一六年十二月至二零一七年六月期間任職於中國華融（澳門）國際有限公司另類投資部門，擔任董事總經理。彼於二零一七年七月至二零一八年六月期間於華融國際金融控股有限公司資產管理部擔任主任。錢女士於金融、投資及融資領域擁有逾十年之豐富經驗。

獨立非執行董事

陳偉璋先生，45歲，於二零一四年十二月十日獲委任為獨立非執行董事。彼亦為本公司審核委員會、薪酬委員會及提名委員會各自之主席。彼持有香港城市大學會計學文學士（榮譽）學位。彼為香港會計師公會會員。彼於會計及審計方面具有豐富的經驗。陳偉璋先生現時為能源國際投資控股有限公司（股份代號：353；一間在聯交所主板上市之公司）之執行董事，廣州基金國際控股有限公司（股份代號：1367；一間在聯交所主板上市之公司）及中奧到家集團有限公司（股份代號：1538；一間在聯交所主板上市之公司）之獨立非執行董事及中國有色金屬有限公司（股份代號：8306；一間在聯交所GEM上市之公司）之非執行董事。彼亦於二零一三年九月至二零一六年五月期間擔任壹家壹品（香港）控股有限公司（前稱家夢控股有限公司）（股份代號：8101；一間在聯交所GEM上市之公司）之獨立非執行董事。

Biographies of Directors 董事簡歷

Mr. Lie Chi Wing, aged 41, was appointed as an independent non-executive Director on 5 February 2015. He is also a member of each of the audit committee and the remuneration committee of the Company. He holds a Bachelor Degree of Business Administration (First Class Honors) from The Hong Kong University of Science and Technology. He is a fellow member of the Association of Chartered Certified Accountants and a practicing member of the Hong Kong Institute of Certified Public Accountants. He is also a Chartered Financial Analyst. Mr. Lie has extensive experience in auditing and corporate advisory services with major international accounting firms. He is currently the company secretary of China Water Affairs Group Limited (stock code: 855; a company listed on the Main Board of the Stock Exchange).

Ms. Hu Gin Ing, aged 60, was appointed as an independent non-executive Director on 16 December 2013. She is also a member of each of the audit committee, the remuneration committee and the nomination committee of the Company. Ms. Hu holds a master degree in business administration from Florida International University, United States of America (“U.S.A.”), a master degree in sciences from Barry University, U.S.A. and a bachelor degree from National Taiwan University, major in foreign language. Ms. Hu is a member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants in U.S.A.. Ms. Hu currently holds the position of Corp. CFO, Global Finance, of Acer Incorporated, (stock code: 2353; a company listed on the Taiwan Stock Exchange). Ms. Hu has been a director of NHL CPA Ltd., Hong Kong since January 2005. She has been an independent non-executive director of Enterprise Development Holdings Limited (stock code: 1808; a company listed on the Main Board of the Stock Exchange) since March 2011, an independent non-executive director of Superactive Group Company Limited (stock code: 176; a company listed on the Main Board of the Stock Exchange) since November 2013 and an independent non-executive director of LVGEM (CHINA) Real Estate Investment Company Limited (stock code: 95; a company listed on the Main Board of the Stock Exchange) since May 2014. She was an independent director of Arich Enterprise Co. Ltd. (stock code: 4173; a company listed on the Taiwan Stock Exchange), from December 2012 to June 2015. She has over 24 years of experience in accounting and finance.

李志榮先生，41歲，於二零一五年二月五日獲委任為獨立非執行董事。彼亦為本公司審核委員會及薪酬委員會之成員。彼持有香港科技大學工商管理學士學位（一級榮譽）。彼為英國特許公認會計師公會資深會員及香港會計師公會執業會員。彼亦為特許財務分析師。李先生曾任職多間大型國際會計師事務所，在審計及企業諮詢服務方面饒富經驗。彼現時為中國水務集團有限公司（股份代號：855；一間在聯交所主板上市之公司）之公司秘書。

胡競英女士，60歲，於二零一三年十二月十六日獲委任為獨立非執行董事。彼亦為本公司審核委員會、薪酬委員會及提名委員會各自之成員。胡女士持有美利堅合眾國（「美國」）佛羅里達州立國際大學工商管理碩士學位、美國貝爾大學科學碩士學位及台灣大學文學士學位（主修外語）。胡女士為香港會計師公會之會員及美國執業會計師公會之會員。胡女士現時任職宏碁股份有限公司（股份代號：2353；一間在台灣證券交易所上市之公司）全球財務長。胡女士自二零零五年一月起擔任香港匯俊會計師事務所有限公司之董事。彼自二零一一年三月起擔任企展控股有限公司（股份代號：1808；一間在聯交所主板上市之公司）之獨立非執行董事，自二零一三年十一月起擔任先機企業集團有限公司（股份代號：176；一間在聯交所主板上市之公司）之獨立非執行董事，及自二零一四年五月起擔任綠景（中國）地產投資有限公司（股份代號：95；一間在聯交所主板上市之公司）之獨立非執行董事。彼於二零一二年十二月至二零一五年六月期間擔任久裕企業股份有限公司（股份代號：4173；一間在台灣證券交易所上市之公司）之獨立董事。彼在會計及財務方面積逾二十四年經驗。

Management Discussion and Analysis

管理層討論及分析

CORPORATE OVERVIEW

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

BUSINESS REVIEW

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

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

In late 2018, the Group entered into a sale and purchase agreement to dispose of the entire interest in Joyous Investment Holdings Limited, which held a property in Hong Kong's Southern District (Nos. 16A-16D Shouson Hill Road) with site area of approximately 50,000 square feet, at the aggregate consideration of HK\$1,860 million (subject to deduction of the relevant bank loan amount and other adjustments under the terms of the sale and purchase agreement). The gain on disposal of the interest in Joyous Investment Holdings Limited will be recorded in financial year 2019.

公司概覽

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

業務回顧

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

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

於二零一八年底，本集團訂立買賣協議出售於豐盛投資控股有限公司的全部權益，該公司持有香港南區一處物業（壽臣山道16A-16D號），佔地面積約50,000平方呎，合共代價為1,860,000,000港元（惟須扣減相關銀行貸款金額及作出買賣協議條款項下的其他調整）。至於出售豐盛投資控股有限公司權益之收益，將於二零一九財政年度入賬。

Management Discussion and Analysis

管理層討論及分析

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

After prudent considerations, the Group made one-off provisions on the long-outstanding receivables, and the low recoverability items specifically reviewed by the Group, which caused a comparatively large net loss for the financial year ended 31 December 2018 to ensure the Group's long term development solid.

During the year, the Group derived most of its revenue from the following segments:

Property Development and Investment

Revenue from the Group's property development and investment segments was approximately HK\$1,603.2 million for the year ended 31 December 2018, compared to HK\$1,699.9 million for the year ended 31 December 2017. For the year ended 31 December 2018, the revenue was mostly derived from the sale of residential units of the remaining completed properties in Qingdao and Chengdu in the PRC. However, the discount rebates provided to customers on selling these remaining units lowered the gross profit margin. Within the reporting period, the PRC property market was facing downward pressure, the Group's property valuation suffered unavoidable impact and recorded a large impairment loss. Whereas, aggregate consideration of the disposal of a subsidiary company, Joyous Investment Holdings Limited was HK\$1,860 million, will be recorded in the financial year of 2019.

Trading and Investment business

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

For the year ended 31 December 2018, due to the severe global market fluctuations, the Group's short-term investment portfolio and mid-term financial instruments stayed in significant loss-making situation and recorded net loss on investments of approximately HK\$250.3 million, compared to a positive performance of HK\$279.9 million for the year ended 31 December 2017, and the Group received dividend income from listed investments of approximately HK\$24.5 million for the year ended 31 December 2018, compared to HK\$29.4 million for the year ended 31 December 2017.

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

經過審慎考慮，為確保集團持續穩健地發展，本集團已就長期未償還應收款項及經本集團特別審查後認為可收回性較低的款項作出一次性撥備，因而導致截至二零一八年十二月三十一日止的財政年度錄得相對較大的淨虧損。

年內，本集團收入主要來自以下分部：

物業開發及投資

截至二零一八年十二月三十一日止年度，本集團之物業開發及投資分部錄得收入約1,603,200,000港元，而截至二零一七年十二月三十一日止年度為1,699,900,000港元。截至二零一八年十二月三十一日止年度，收入主要來自銷售中國青島及成都的剩餘已落成物業。然而，銷售該等剩餘單位時向客戶提供折扣優惠導致毛利率有所下降。於報告期內，中國房地產市場面臨下行壓力，本集團的物業估值受到不可避免的影響，錄得重大減值虧損。另一方面，出售附屬公司豐盛投資控股有限公司的合共代價1,860,000,000港元將於二零一九財政年度入賬。

貿易及投資業務

本集團投資於香港上市證券及金融工具作短期及中期投資。

截至二零一八年十二月三十一日止年度，由於環球市場嚴重波動，本集團之短期投資組合及中期金融工具處於大幅虧損狀態，錄得的投資虧損淨額約為250,300,000港元，而截至二零一七年十二月三十一日止年度為正面收益279,900,000港元，於截至二零一八年十二月三十一日止年度本集團收到上市投資之股息收入約24,500,000港元，而截至二零一七年十二月三十一日止年度約為29,400,000港元。

Management Discussion and Analysis

管理層討論及分析

During 2016 and 2017, the Company had subscribed for a number of funds (the “Funds”) managed by a company (the “Fund Company”) established under the laws of the PRC principally engaged in asset management. The scope of investments of the Funds include various financial instruments, such as bonds (including government bonds, financial bonds, company bonds and corporate bonds traded through banks or exchanges), reverse re-purchase bonds, bank deposits, sizeable negotiable certificates of deposit, currency market funds and other bank financial products, which have a low risk profile and high liquidity. However, the Fund Company has yet to provide any official reply in respect of the Company sought to enquire about the current status of the Funds, and the future ability of the Fund Company to provide full redemption of all the outstanding principal investment amounts of the Funds at maturity or upon exercise of the redemption rights. The Company also noticed that the business office of the Fund Company has not been in operation. The Company has already taken legal action for the redemption of the Funds and will consider other remedial actions to minimise the negative impact arising from the possible non-recovery of all or any portion of such investments. After the Board’s judgement regarding this significant issue, the Company made a provision for loss on investment of approximately HK\$587.6 million. In additions, a provision of approximately HK\$902 million of other receivables from the related parties of the Fund Company, which is also at low recoverability, had also been made.

As at 31 December 2018, the total value of the Group’s securities investments were approximately HK\$1,471.0 million, compared to HK\$1,602.4 million in 2017, of which each investment is less than 6.1% of the total assets for both years.

FINANCIAL REVIEW

Financial Results

Revenue	收入	1,458,321	2,193,310	-33.5%
Gross (loss)/profit	毛 (虧) / 利	(119,836)	1,023,735	-111.7%
(Loss)/profit attributable to owners of the Company	本公司擁有人應佔 (虧損) / 溢利	(3,504,039)	394,700	-987.8%
(Loss)/earnings per share	每股 (虧損) / 盈利			
– Basic (HK dollar per share)	– 基本 (每股港元)	(0.15)	0.02	-850%
– Diluted (HK dollar per share)	– 攤薄 (每股港元)	(0.15)	0.02	-850%

本公司於二零一六年及二零一七年曾認購由一間根據中國法律成立、主要從事資產管理的公司（「基金公司」）所管理的多項基金（「該等基金」）。該等基金的投資範圍包括債券（包括國債、金融債、公司債券、企業債券等銀行或交易所間市場交易的債券）、債券逆回購、銀行存款、大額可轉讓存單、貨幣市場基金及其他銀行理財產品等多種低風險高流動性的金融產品。然而，於本公司就該等基金的現時狀況、基金公司將來在存續期屆滿或行使贖回權利時就該等基金的所有未贖回本金投資額提供全額贖回的能力作出查詢後，基金公司未有就此作出正式回覆。另外本公司亦注意到，基金公司的辦事處並沒有正常運作。本公司已就贖回該等基金採取法律行動，並將考慮其他補救行動，務求將可能因無法收回該等投資的全部或任何部分而產生的負面影響減至最低。經董事會判斷此事項屬重大事項後，本公司已就投資計提虧損撥備約587,600,000港元。此外，考慮與基金公司的關連公司的其他應收款項可收回性亦較低，因此亦已計提撥備約902,000,000港元。

於二零一八年十二月三十一日，本集團證券投資總值約為1,471,000,000港元，而於二零一七年約為1,602,400,000港元，兩個年度單筆投資佔資產總值比例均少於6.1%。

財務回顧

財務業績

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	Change in percentage 變動百分比
Revenue	1,458,321	2,193,310	-33.5%
Gross (loss)/profit	(119,836)	1,023,735	-111.7%
(Loss)/profit attributable to owners of the Company	(3,504,039)	394,700	-987.8%
(Loss)/earnings per share			
– Basic (HK dollar per share)	(0.15)	0.02	-850%
– Diluted (HK dollar per share)	(0.15)	0.02	-850%

Management Discussion and Analysis

管理層討論及分析

For the financial year ended 31 December 2018, the Group recorded a consolidated net loss of approximately HK\$3,699.1 million as compared to the net profit of approximately HK\$525.5 million for the year ended 31 December 2017. The change on the results is mainly due to (i) impairment loss on the properties of approximately HK\$544 million; (ii) the loss arising from changes in the fair value of the Group's investment properties of approximately HK\$200 million; (iii) impairment loss on deposits and other receivables of approximately HK\$1,463 million; (iv) the loss arising from securities investment of approximately HK\$250 million; (v) the provision for loss on investments of approximately HK\$587.6 million; and (vi) decrease in the gross profit margin of the property development segment of the Company.

Capital Structure, Liquidity and Financial Resources

As at 31 December 2018, the authorised share capital of the Company was HK\$10,000.0 million divided into 50,000,000,000 shares of HK\$0.2 each and the issued share capital of the Company was approximately HK\$4,754.96 million divided into 23,774,780,585 shares of HK\$0.2 each. As at 31 December 2018, the current assets and current liabilities of the Group were approximately HK\$12,043.0 million (2017: approximately HK\$14,989.1 million) and approximately HK\$11,237.7 million (2017: approximately HK\$12,377.0 million) respectively. The liquidity ratio, which is calculated as current assets over current liabilities, was approximately 1.07 times as at 31 December 2018, as compared to that of approximately 1.21 times as at 31 December 2017. The decrease in liquidity ratio was mainly due to the decrease in current asset since there was an increase in provision for other receivables.

The Group's total assets and total liabilities as at 31 December 2018 amounted to approximately HK\$24,256.1 million (2017: approximately HK\$29,518.4 million) and approximately HK\$15,985.2 million (2017: approximately HK\$17,768.9 million) respectively. The debt ratio, which is calculated based on total liabilities over total assets, was approximately 0.66 times as at 31 December 2018, as compared to that of approximately 0.60 times as at 31 December 2017.

The cash and bank deposits (including pledge bank deposits) as at 31 December 2018 were approximately HK\$784.3 million (2017: approximately HK\$1,659.5 million). The decrease was mainly due to debts settlements during the year ended 31 December 2018.

截至二零一八年十二月三十一日止財政年度，本集團錄得綜合淨虧損約3,699,100,000港元，而截至二零一七年十二月三十一日止年度錄得純利約525,500,000港元。有關業績變動乃主要由於(i)物業減值虧損約544,000,000港元；(ii)本集團投資物業公平值變動產生虧損約200,000,000港元；(iii)按金及其他應收款項減值虧損約1,463,000,000港元；(iv)證券投資產生虧損約250,000,000港元；(v)投資虧損撥備約587,600,000港元；及(vi)本公司物業發展分部毛利率下降。

資本結構、流動性及財務資源

於二零一八年十二月三十一日，本公司之法定股本為10,000,000,000港元，分為50,000,000,000股每股面值為0.2港元之股份；本公司之已發行股本約為4,754,960,000港元，分為23,774,780,585股每股面值為0.2港元之股份。於二零一八年十二月三十一日，本集團之流動資產及流動負債分別約為12,043,000,000港元（二零一七年：約為14,989,100,000港元）及約為11,237,700,000港元（二零一七年：約為12,377,000,000港元）。於二零一八年十二月三十一日，流動比率（按流動資產除以流動負債計算）約為1.07倍，而於二零一七年十二月三十一日約為1.21倍。流動比率下降乃主要由於其他應收款項撥備增加導致流動資產減少。

於二零一八年十二月三十一日，本集團資產總值及負債總額分別約為24,256,100,000港元（二零一七年：約為29,518,400,000港元）及約為15,985,200,000港元（二零一七年：約為17,768,900,000港元）。於二零一八年十二月三十一日，負債比率（按負債總額除以資產總值計算）約為0.66倍，而於二零一七年十二月三十一日約為0.60倍。

於二零一八年十二月三十一日，現金及銀行存款（包括已抵押銀行存款）約為784,300,000港元（二零一七年：約為1,659,500,000港元）。該減少乃主要由於截至二零一八年十二月三十一日止年度內償還債務。

Management Discussion and Analysis

管理層討論及分析

As at 31 December 2018, the net debt to equity ratio of the Group, expressed as a percentage of borrowings and long-term debts (including obligation under finance lease and convertible bonds) net of cash and bank deposits (including pledge bank deposits) over total equity, was approximately 125.8% (2017: approximately 90.6%). The increase in net debt to equity ratio was mainly due to new borrowings during the year ended 31 December 2018.

On 25 January 2018, the Company issued 181,250,000 ordinary shares of HK\$0.20 each in the capital of the Company upon the conversion of the convertible bond with principal amount of HK\$72.5 million at price of HK\$0.40 per share.

On 22 January 2018, the Company entered into a placing agreement with Yue Xiu Securities Limited as placing agent, pursuant to which the Company agreed to place, through the placing agent, on a best efforts basis, up to 2,200,000,000 new shares to not less than six places who are professional, institutional or other investors and are independent third parties at the placing price of HK\$0.355 per placing share. The closing price on 22 January 2018 was HK\$0.36 per share. The Company issued 2,200,000,000 shares on 2 February 2018 and raised net proceeds of approximately HK\$779.0 million. The net proceeds raised were used as (i) approximately HK\$232.0 million for repayments of principal and interest payments of borrowings; (ii) approximately HK\$299.3 million invested in theme parks, residential properties and hotel real estate project in Qingdao; (iii) approximately HK\$170.9 million for cost of sales; (iv) approximately HK\$60.6 million for administrative expenses; and (v) approximately HK\$16.2 million for selling and marketing expenses. The net proceeds were used according to the intentions previously disclosed by the Company in the announcements dated 22 January 2018 and 26 January 2018.

During the year, the Company sought the consent from the holders of the US\$285.0 million 8% secured convertible bonds (the "Bonds") to amend the terms of the Bonds with maturity date extended to 16 January 2019. With substantially different terms, the Bonds have been accounted for as extinguishment of the original financial instrument and the recognition of new financial instrument.

於二零一八年十二月三十一日，本集團淨負債對權益比率（按借款及長期債務（包括融資租賃項下之責任及可換股債券）扣除現金及銀行存款（包括已抵押銀行存款）除以權益總額之百分比計算）約為125.8%（二零一七年：約為90.6%）。淨負債對權益比率上升乃主要由於截至二零一八年十二月三十一日止年度內的新增借款。

於二零一八年一月二十五日，本公司於按每股0.40港元之價格轉換本金額為72,500,000港元之可換股債券後，發行181,250,000股本公司股本中每股面值0.20港元之普通股。

於二零一八年一月二十二日，本公司與越秀證券有限公司（作為配售代理）訂立配售協議，據此本公司已同意按每股配售股份0.355港元之配售價透過配售代理按竭盡所能基準向不少於六名承配人（為專業人士、機構或其他投資者及獨立第三方）配售最多達2,200,000,000股新股份。於二零一八年一月二十二日之收市價為每股股份0.36港元。本公司已於二零一八年二月二日發行2,200,000,000股股份，籌得所得款項淨額約779,000,000港元。所籌集所得款項淨額按下列方式使用：(i)約232,000,000港元用於償還借款之本金及利息付款；(ii)約299,300,000港元用於投資青島的主題公園、住宅物業及酒店房地產項目；(iii)約170,900,000港元用於銷售成本；(iv)約60,600,000港元用於行政開支；及(v)約16,200,000港元用於銷售及營銷開支。所得款項淨額已根據本公司先前於日期為二零一八年一月二十二日及二零一八年一月二十六日之公告中所披露之擬定用途動用。

年內，本公司已尋求285,000,000美元8厘息有抵押可換股債券（「該債券」）的持有人同意修訂該債券之條款，將到期日延長至二零一九年一月十六日。由於條款存在重大不同，該債券已入賬處理為取消原金融工具及確認新金融工具。

Management Discussion and Analysis

管理層討論及分析

On 21 November 2018, the Company entered into a placing agreement (“CB Placing Agreement”) with Guoyuan Capital (Hong Kong) Limited (the “CB Placing Agent”) pursuant to which the Company conditionally agreed to issue, and the CB Placing Agent conditionally agreed to procure, on a best efforts basis, investor(s) to subscribe for, the 8% unsecured convertible bonds due 2020 (with an option to extend to 2021) of the Company (the “CB”) in an aggregate principal amount of up to US\$350.0 million in one or more tranches. Subsequently, on 1 February 2019, the Company and the CB Placing Agent entered into the supplemental agreement to amend and supplement certain terms of the CB Placing Agreement, including, among other things (i) revising the reference of the CB to 8% unsecured convertible bonds due 2021 (with an option to extend to 2022) instead, (ii) amending the placing period of the CB to the period commencing on the date of the CB Placing Agreement to the 60th business day after the date of special general meeting of the Company (i.e. 27 February 2019), and (iii) amending the pricing mechanism of setting the initial conversion price of the CB. For details, please refer to the announcements of the Company dated 21 November 2018 and 1 February 2019. The CB Placing Agreement and the special mandate to allot and issue the conversion shares upon conversion of the CB were approved by the Shareholders of the Company in the special general meeting of the Company held on 27 February 2019.

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

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

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

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

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

Management Discussion and Analysis 管理層討論及分析

FOREIGN EXCHANGE EXPOSURE

Substantially all of the Group's sales and operating costs are denominated in the functional currency of each individual group entity i.e. Renminbi and Hong Kong dollar. As at 31 December 2018, except for the borrowings of principal amount of US\$4,793.1 million by the Company are denominated in United States Dollar, other borrowings or share placements denominated in the functional currency of each individual group entity. Accordingly, the Directors consider that the currency risk is low to moderate. The Group currently does not have a formal currency hedging policy in relation to currency risk. The Directors monitor the Group's exposure on an on-going basis and will consider hedging the currency risk should the need arise.

CONTINGENT LIABILITIES

As at 31 December 2018, the Group had no material contingent liabilities.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2018, the Group's certain land-use rights, properties, bank deposits and equity securities listed in Hong Kong of approximately HK\$18,551.4 million (2017: approximately HK\$18,246.8 million) were pledged to banks and other financial institutions to secure certain loan facilities granted to the Group.

MATERIAL ACQUISITIONS OR DISPOSALS

On 30 December 2018, a direct wholly-owned subsidiary of the Company as seller, and the Company, entered into a sale and purchase agreement with an independent third party as purchaser, pursuant to which (a) the seller agreed to sell to the purchaser the entire issued share capital of the Joyous Investment Holdings Limited (together with its subsidiary, the "Target Group") (i.e. the Sale Share); and (b) the Company agreed to assign to the purchaser the loans owing by the Target Group to the Company (i.e. the Sale Loans), at the aggregate consideration of HK\$1,860 million (subject to a deduction of the bank loan and other adjustments) subject to the terms of the sale and purchase agreement. Details of which are set out in the announcement of the Company dated 31 December 2018.

外匯風險

本集團絕大部分銷售及經營成本以各個別集團實體之功能貨幣，即人民幣及港元計值。於二零一八年十二月三十一日，除本公司本金額為4,793,100,000美元的借貸以美元計值外，其他借貸或批股均以各個別集團實體之功能貨幣計值。故此，董事認為貨幣風險為低至中等。本集團目前並無有關貨幣風險之正式貨幣對沖政策。董事持續監控本集團所面對之風險，並將於有需要時考慮對沖貨幣風險。

或然負債

於二零一八年十二月三十一日，本集團並無任何重大或然負債。

本集團資產抵押

於二零一八年十二月三十一日，本集團已向銀行及其他金融機構抵押約為18,551,400,000港元（二零一七年：約為18,246,800,000港元）的若干土地使用權、物業、銀行存款及於香港上市的股本證券，作為本集團獲授之若干貸款融資的抵押。

重大收購或出售

於二零一八年十二月三十日，本公司一間直接全資附屬公司（作為賣方）及本公司與一名獨立第三方（作為買方）訂立買賣協議，據此(a)賣方同意向買方出售豐盛投資控股有限公司（連同其附屬公司統稱為「目標集團」）全部已發行股本（即銷售股份）；及(b)本公司同意向買方轉讓目標集團結欠本公司的貸款（即銷售貸款），合共代價為1,860,000,000港元（須扣減銀行貸款及作出其他調整），惟須受買賣協議的條款規限。有關詳情載於本公司於二零一八年十二月三十一日發佈之公告。

Management Discussion and Analysis

管理層討論及分析

EMPLOYEE INFORMATION

As at 31 December 2018, the Group had 413 employees (31 December 2017: 719 employees). The employees of the Group are remunerated in accordance with their work experience, performance and prevailing industry practices. The remuneration policy and package of the Group are periodically reviewed by the management. For the year ended 31 December 2018, the total staff costs of the Group were approximately HK\$181.0 million (2017: approximately HK\$231.3 million), representing an decrease of approximately 21.7% over the corresponding period of 2017. The decrease in staff cost was mainly due to the decrease of employees in financial year 2018.

僱員資料

於二零一八年十二月三十一日，本集團有413名僱員（二零一七年十二月三十一日：719名僱員）。本集團僱員之薪酬乃基於其工作經驗、表現及現行行業慣例而制訂。管理層定期檢討本集團之薪酬政策及待遇。截至二零一八年十二月三十一日止年度，本集團之員工成本總額約為181,000,000港元（二零一七年：約為231,300,000港元），較二零一七年同期減少約21.7%。員工成本減少乃主要由於二零一八財政年度僱員人數減少。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries and other benefits	薪金和其他福利	173,007	227,395
Contributions to retirement benefit schemes	退休福利計劃供款	8,000	4,755
Equity settled share-based payment	以權益結算股份支付之款項	-	(845)
Total employee benefits expense	僱員福利開支總額	181,007	231,305

DIVIDEND

The Board resolved not to recommend any dividend for the year ended 31 December 2018 (2017: Nil).

股息

董事會議決不建議就截至二零一八年十二月三十一日止年度派付任何股息（二零一七年：無）。

EVENT AFTER THE REPORTING PERIOD

On 30 December 2018, the Company entered into a sale and purchase agreement with the purchaser. On 9 January 2019, the Company has obtained written approvals for the disposal of the entire interest in Joyous Investment Holdings Limited from a group of Shareholders collectively owning or controlling an approximately 62.16% of the voting rights in the Company on the date of the written approval.

報告期後事項

於二零一八年十二月三十日，本公司與買方訂立買賣協議。於二零一九年一月九日，本公司已收到一組於有關書面批准日期共同擁有或控制本公司投票權約62.16%的股東書面批准出售豐盛投資控股有限公司全部權益。

Management Discussion and Analysis

管理層討論及分析

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

On 13 February 2019, the Company has sought and obtained the required consent of (US\$180.0 million aggregate principal amount of senior bonds) a majority of not less than 75% of the bondholders in respect of the proposed amendments to (i) extend the scheduled maturity date of the bonds to 22 March 2021 (the “Scheduled Maturity Date”), (ii) amend the interest rate from 8.0% per annum to 10.0% per annum during the extended period and (iii) modify the redemption right at the option of the Company to reflect the extended maturity date were passed.

On 28 February 2019, the capital reorganisation of the Company including reduction of the par value of each of the issued shares of the Company from HK\$0.20 each to HK\$0.01 each and subdivision of every authorised but unissued share of the Company to 20 shares of HK\$0.01 each, has become effective.

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

於二零一九年二月十三日，本公司已尋求並獲得本金額合共180,000,000美元優先債券之不少於75%之大多數債券持有人給予必要的同意有關建議修訂(i)延長該等債券的預定到期日至二零二一年三月二十二日（「預定到期日」）；(ii)於延長期間的年息率由8.0%改為10.0%及(iii)本公司贖回債券的選擇權利以反映延長到期日已獲通過。

於二零一九年二月二十八日，本公司之股本重組（包括將本公司每股已發行股份的面值由每股0.20港元削減至每股0.01港元及將本公司每股獲授權但未發行股份分拆為20股每股0.01港元之股份）已經生效。

Corporate Governance Report

企業管治報告

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

CORPORATE GOVERNANCE PRACTICES

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

Under CG Code provision A.2.1, the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual. Before 17 July 2018, the Company was in compliance with the provision as the chairman and the chief executive officer were segregated by Mr. King Pak Fu and Mr. Wu Yanqi respectively. Following the resignation of Mr. Wu Yanqi on 17 July 2018, the Company is not in compliance with the provision as both positions are taken up by Mr. King Pak Fu. However, the Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high caliber individuals with sufficient number thereof being independent non-executive Directors.

Under CG Code provision D1.4, the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Mr. Chan Wai Cheung Admiral and Mr. Lie Chi Wing, the independent non-executive Directors. However, they are subject to retirement by rotation at least once in every three years in accordance with the Bye-Laws. In addition, the Directors have followed the guidelines set out in “A Guide on Directors’ Duties” issued by the Companies Registry and “Guidelines for Directors” and “Guide for Independent Non-Executive Directors” published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors actively comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company’s business and governance policies.

Save as aforesaid, in the opinion of the Directors, during the year ended 31 December 2018, the Company was in compliance with all code provisions set out in the CG Code.

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

企業管治常規

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

根據企業管治守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。於二零一八年七月十七日之前，本公司已遵守該項條文，主席及行政總裁分別由景百孚先生及吳延啟先生擔任。於二零一八年七月十七日吳延啟先生辭任後，該兩個職位由景百孚先生同時兼任，故本公司未遵守該項條文。然而，董事會認為，由一人同時兼任主席與行政總裁的角色有利於確保本集團的領導貫徹一致及使本集團的整體策略規劃更有效及高效。董事會認為，現時安排下權力和授權的分佈均衡不會受損，且現時之董事會乃由經驗豐富及具才幹之人士組成，且有足夠數目之獨立非執行董事，故亦足以確保權力和授權的分佈均衡。

根據企業管治守則條文第D1.4條，本公司應有正式的董事委任書，訂明有關委任的主要條款及條件。本公司與獨立非執行董事陳偉璋先生及李志榮先生並無正式的委任書。然而，彼等須根據章程細則至少每三年輪流退任一次。此外，董事於履行彼等作為董事之職責及責任時，已遵守公司註冊處發出的「董事責任指引」以及香港董事學會出版的「董事指引」及「獨立非執行董事指南」所載的指引。此外，董事積極遵守法規及普通法項下之要求、上市規則、法律及其他法規之要求及本公司之業務及管治政策。

除上述者外，董事認為，於截至二零一八年十二月三十一日止年度，本公司已遵守企業管治守則所載的所有守則條文。

Corporate Governance Report 企業管治報告

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Mr. King Pak Fu ("Mr. King"), chairman, chief executive officer and substantial Shareholder of the Company, for himself and on behalf of Better Joint Venture Limited ("Better Joint"), a company wholly-owned by Mr. King, Glory Merit International Holdings Limited ("Glory Merit"), a company owned by Mr. King as to 99% of the share equity, and Elite Mile Investments Limited ("Elite Mile"), a company wholly-owned by Mr. King, informed the Company that there were disposal of the Company's shares held by Better Joint, Glory Merit and Elite Mile on the Stock Exchange during the year, arising from part enforcement of share charges and/or margin financings in respect of certain shares held by Better Joint, Glory Merit and Elite Mile by certain securities brokers. Mr. King is unintentionally not fully complied with such required standards. Save as disclosed above, the Company confirmed that all other Directors have complied with the required standards set out in the Model Code during the year ended 31 December 2018.

BOARD OF DIRECTORS

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

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

Executive Directors

Mr. King Pak Fu (*Chairman and Chief Executive Officer*)

Mr. Bai Xuefei

Ms. Qian Hui

Independent Non-executive Directors

Mr. Chan Wai Cheung Admiral

Mr. Lie Chi Wing

Ms. Hu Gin Ing

董事進行證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易之行為守則。本公司主席、行政總裁兼主要股東景百孚先生（「景先生」）為其本人及代表Better Joint Venture Limited（「Better Joint」，一間由景先生全資擁有之公司）、永德國際控股有限公司（「永德」，一間由景先生擁有99%股權之公司）及俊程投資有限公司（「俊程」，一間由景先生全資擁有之公司）告知本公司，年內由Better Joint、永德及俊程持有的本公司股份在聯交所被出售，此乃由於若干證券經紀強制執行部分與若干由Better Joint、永德及俊程持有之股份有關的股份抵押及／或保證金融資。景先生無意不完全遵守相關必守標準。除上文所披露者外，本公司確認所有其他董事於截至二零一八年十二月三十一日止年度內已遵守標準守則所載之必守標準。

董事會

董事會負責領導及控制本公司，並負責制定本集團之整體策略及政策、檢討營運及財務表現、審閱及監察本集團的財務控制及風險管理制度。整體集團策略、主要收購及出售、年度預算、年度及中期業績、建議委任或重新委任董事、主要資本交易之批准及其他重大的經營及財務事項，須留待董事會決定或考慮。管理層獲董事會授權負責本集團之日常管理。此外，董事會亦向董事委員會轉授多項職責。各董事委員會之進一步詳情已載於本報告。

董事會現時由六名董事組成，包括三名執行董事及三名獨立非執行董事：

執行董事

景百孚先生（*主席兼行政總裁*）

白雪飛先生

錢慧女士

獨立非執行董事

陳偉璋先生

李志榮先生

胡競英女士

Corporate Governance Report 企業管治報告

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

Directors’ Training

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

All Directors have participated in continuous professional development and provided a record of training they received for the financial year ended 31 December 2018 to the Company.

The individual training record of each Director received for the year ended 31 December 2018 is summarised below:

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

董事之培訓

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

全體董事均已參與持續專業發展，並已向本公司提供彼等於截至二零一八年十二月三十一日止財政年度接受培訓之記錄。

截至二零一八年十二月三十一日止年度內各董事接受之個人培訓記錄概述如下：

Name of Directors	董事姓名	Attending or participating in seminars/ reading materials relevant to the director’s duties 出席或參加有關董事責任之研討會／閱讀相關材料
Executive Directors		
Mr. King Pak Fu (<i>Chairman & Chief Executive Officer</i>)	景百孚先生 (<i>主席兼行政總裁</i>)	✓
Mr. Bai Xuefei (<i>appointed on 17 July 2018</i>)	白雪飛先生 (<i>於二零一八年七月十七日獲委任</i>)	✓
Ms. Qian Hui (<i>appointed on 17 July 2018</i>)	錢慧女士 (<i>於二零一八年七月十七日獲委任</i>)	✓
Independent Non-executive Directors		
Mr. Chan Wai Cheung Admiral	陳偉璋先生	✓
Mr. Lie Chi Wing	李志榮先生	✓
Ms. Hu Gin Ing	胡競英女士	✓

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Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code requires that the roles between the chairman and the chief executive officer should be segregated. Before 17 July 2018, the Company was in compliance with the provision as the chairman and the chief executive officer were segregated by Mr. King Pak Fu and Mr. Wu Yanqi respectively. Following the resignation of Mr. Wu Yanqi on 17 July 2018, the Company is not in compliance with the provision as both positions are taken up by Mr. King Pak Fu. However, the Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high caliber individuals with sufficient number thereof being independent non-executive Directors.

Non-executive Directors

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

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

Board Diversity Policy

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

主席及行政總裁

企業管治守則之守則條文第A.2.1條規定，主席與行政總裁的角色應有區分。於二零一八年七月十七日之前，本公司已遵守該項條文，主席及行政總裁分別由景百孚先生及吳延啟先生擔任。於二零一八年七月十七日吳延啟先生辭任後，該兩個職位由景百孚先生同時兼任，故本公司未遵守該項條文。然而，董事會認為，由一人同時兼任主席與行政總裁的角色有利於確保本集團的領導貫徹一致及使本集團的整體策略規劃更有效及高效。董事會認為，現時安排下權力和授權的分佈均衡不會受損，且現時之董事會乃由經驗豐富及具才幹之人士組成，且有足夠數目之獨立非執行董事，故亦足以確保權力和授權的分佈均衡。

非執行董事

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

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

董事會成員多元化政策

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

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

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

Board Meetings

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

During the year ended 31 December 2018, the Board held 11 meetings. All Directors were given an opportunity to include any matters in the agenda for regular Board meetings, and were given sufficient time to review documents and information relating to matters to be discussed in Board meetings in advance.

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

提名委員會將在適當時候檢討董事會成員多元化政策，以確保其持續行之有效。

董事會會議

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

於截至二零一八年十二月三十一日止年度，董事會曾舉行十一次會議。全體董事均有機會將任何事宜納入董事會定期會議議程，且於董事會會議舉行前，均有充分時間事先審閱與將討論事宜相關之文件及資料。

Name of Directors	董事姓名	Number of attendance	出席會議次數
Executive Directors		執行董事	
Mr. King Pak Fu (<i>Chairman and Chief Executive Officer</i>)	景百孚先生 (<i>主席兼行政總裁</i>)	2/11	
Mr. Wang Chunning	汪春寧先生	6/11	
Mr. Wu Yanqi (Note 1)	吳延啟先生 (附註1)	2/4	
Mr. Gong Xiao Cheng (Note 2)	宮曉程先生 (附註2)	2/3	
Mr. Wang Yikun	王毅坤先生	3/11	
Mr. Li Jing (Note 3)	李京先生 (附註3)	0/3	
Mr. Bai Xuefei (Note 4)	白雪飛先生 (附註4)	5/7	
Ms. Qian Hui (Note 4)	錢慧女士 (附註4)	4/7	
Independent Non-executive Directors		獨立非執行董事	
Mr. Chan Wai Cheung Admiral	陳偉璋先生	9/11	
Mr. Lie Chi Wing	李志榮先生	8/11	
Ms. Hu Gin Ing	胡競英女士	7/11	

Corporate Governance Report

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Notes:

1. Mr. Wu Yanqi was appointed on 15 March 2018 and resigned on 28 September 2018, 4 Board meetings were held during his tenure of office in 2018.
2. Mr. Gong Xiao Cheng resigned on 26 April 2018, 3 Board meetings were held before his resignation.
3. Mr. Li Jing was appointed on 15 March 2018 and resigned on 17 July 2018, 3 Board meetings were held during his tenure of office in 2018.
4. Mr. Bai Xuefei and Ms. Qian Hui were appointed on 17 July 2018, 7 Board meetings were held after their appointment.

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

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

General Meetings

During the year ended 31 December 2018, 1 general meeting of the Company was held, being the 2018 annual general meeting held on 23 May 2018.

附註：

1. 吳延啟先生於二零一八年三月十五日獲委任並於二零一八年九月二十八日辭任，於二零一八年彼任職期間曾舉行四次董事會會議。
2. 宮曉程先生於二零一八年四月二十六日辭任，於彼辭任前曾舉行三次董事會會議。
3. 李京先生於二零一八年三月十五日獲委任並於二零一八年七月十七日辭任，於二零一八年彼任職期間曾舉行三次董事會會議。
4. 白雪飛先生及錢慧女士於二零一八年七月十七日獲委任，於彼等獲委任後曾舉行七次董事會會議。

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

本公司已就針對其董事作出之相關法律行動安排適當之保險保障。

股東大會

截至二零一八年十二月三十一日止年度，本公司舉行一次股東大會，即於二零一八年五月二十三日舉行之二零一八年股東週年大會。

Name of Directors	董事姓名	Number of attendance 出席會議次數
Executive Directors		
Mr. King Pak Fu (<i>Chairman and Chief Executive Officer</i>)	景百孚先生 (<i>主席兼行政總裁</i>)	0/1
Mr. Wang Chunning	汪春寧先生	1/1
Mr. Wu Yanqi (Note 1)	吳延啟先生 (附註1)	0/1
Mr. Gong Xiao Cheng (Note 2)	宮曉程先生 (附註2)	N/A不適用
Mr. Wang Yikun	王毅坤先生	0/1
Mr. Li Jing (Note 3)	李京先生 (附註3)	0/1
Mr. Bai Xuefei (Note 4)	白雪飛先生 (附註4)	N/A不適用
Ms. Qian Hui (Note 4)	錢慧女士 (附註4)	N/A不適用
Independent Non-executive Directors		
Mr. Chan Wai Cheung Admiral	陳偉璋先生	1/1
Mr. Lie Chi Wing	李志榮先生	1/1
Ms. Hu Gin Ing	胡競英女士	0/1

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Notes:

1. Mr. Wu Yanqi was appointed on 15 March 2018 and resigned on 28 September 2018, 1 general meeting was held during his tenure of office in 2018.
2. Mr. Gong Xiao Cheng resigned on 26 April 2018, no general meeting was held before his resignation.
3. Mr. Li Jing was appointed on 15 March 2018 and resigned on 17 July 2018, 1 general meeting was held during his tenure of office in 2018.
4. Mr. Bai Xuefei and Ms. Qian Hui were appointed on 17 July 2018, no general meeting was held after their appointment.

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

NOMINATION COMMITTEE

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

The Company established the Nomination Committee with written terms of reference on 28 March 2012 and currently consists of two independent non-executive Directors, namely Mr. Chan Wai Cheung Admiral (as chairman) and Ms. Hu Gin Ing, and one executive Director, namely Mr. Bai Xuefei. The terms of reference of the Nomination Committee is currently made available on the websites of the Stock Exchange and the Company.

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

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

附註：

1. 吳延啟先生於二零一八年三月十五日獲委任並於二零一八年九月二十八日辭任，於二零一八年彼任職期間曾舉行一次股東大會。
2. 宮曉程先生於二零一八年四月二十六日辭任，於彼辭任前並無舉行股東大會。
3. 李京先生於二零一八年三月十五日獲委任並於二零一八年七月十七日辭任，於二零一八年彼任職期間曾舉行一次股東大會。
4. 白雪飛先生及錢慧女士於二零一八年七月十七日獲委任，於彼等獲委任後並無舉行股東大會。

董事會負責與股東持續保持對話，尤其是藉股東週年大會或其他股東大會與股東溝通及鼓勵他們的參與。

提名委員會

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

本公司於二零一二年三月二十八日成立提名委員會並訂定書面職權範圍，現時由兩名獨立非執行董事陳偉璋先生（主席）及胡競英女士以及一名執行董事白雪飛先生組成。提名委員會之職權範圍現可於聯交所及本公司網站瀏覽。

提名委員會之職權範圍與企業管治守則所載守則條文一致。

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

Corporate Governance Report

企業管治報告

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

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

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

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

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

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

Corporate Governance Report

企業管治報告

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

During the year ended 31 December 2018, the Nomination Committee held 2 meetings for assessing the independence of the independent non-executive Directors; considering the re-election of Directors; reviewing the structure, size and diversity of the Board; and considering the nomination of new Directors.

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

於截至二零一八年十二月三十一日止年度，提名委員會曾舉行兩次會議，以評估獨立非執行董事之獨立性；考慮董事之重選；檢討董事會之架構、規模及成員多元化；及考慮提名新董事。

Name of Members	成員姓名	Number of attendance 出席會議次數
Mr. Chan Wai Cheung Admiral (<i>Chairman</i>)	陳偉璋先生 (主席)	2/2
Ms. Hu Gin Ing	胡競英女士	1/2
Mr. Gong Xiao Cheng (Note 1)	宮曉程先生 (附註1)	1/1
Mr. Wong Chunning (Note 2)	汪春寧先生 (附註2)	1/1
Mr. Bai Xuefei (Note 3)	白雪飛先生 (附註3)	N/A 不適用

Notes:

- Mr. Gong Xiao Cheng resigned on 26 April 2018, 1 meeting was held before his resignation.
- Mr. Wong Chunning was appointed as a member of Nomination Committee on 26 April 2018 and resigned on 1 March 2019, 1 meeting was held during his tenure of office in 2018.
- Mr. Bai Xuefei was appointed as a member of Nomination Committee on 1 March 2019, no meeting was held after his appointment.

附註：

- 宮曉程先生於二零一八年四月二十六日辭任，於彼辭任前曾舉行一次會議。
- 汪春寧先生於二零一八年四月二十六日獲委任為提名委員會成員並於二零一九年三月一日辭任，於二零一八年彼任職期間曾舉行一次會議。
- 白雪飛先生於二零一九年三月一日獲委任為提名委員會成員，於彼獲委任後並無舉行會議。

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

除舉行上述會議外，提名委員會通過書面決議案就董事委任向董事會提出建議。

Corporate Governance Report 企業管治報告

REMUNERATION COMMITTEE

The Company established the remuneration committee (the “Remuneration Committee”) with written terms of reference and currently consists of three independent non-executive Directors, namely Mr. Chan Wai Cheung Admiral (as chairman), Mr. Lie Chi Wing and Ms. Hu Gin Ing. The terms of reference of the Remuneration Committee is currently made available on the Stock Exchange’s website and the Company’s website.

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

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

During the year ended 31 December 2018, the Remuneration Committee held 2 meetings for reviewing the remuneration packages of the Directors and senior management; and made recommendation on the remuneration of new Directors.

Name of Members

成員姓名

Number of attendance 出席會議次數

Mr. Chan Wai Cheung Admiral (<i>Chairman</i>)	陳偉璋先生 (主席)	2/2
Mr. Lie Chi Wing	李志榮先生	2/2
Ms. Hu Gin Ing	胡競英女士	1/2

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

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

薪酬委員會

本公司已成立薪酬委員會（「薪酬委員會」）並訂定書面職權範圍，現時由三名獨立非執行董事陳偉璋先生（主席）、李志榮先生和胡競英女士組成。薪酬委員會之職權範圍現可於聯交所網站及本公司網站瀏覽。

薪酬委員會之職權範圍與企業管治守則所載守則條文一致。

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

於截至二零一八年十二月三十一日止年度，薪酬委員會曾舉行兩次會議，以檢討董事及高級管理層的薪酬待遇；及就新董事的薪酬作出推薦建議。

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

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

Corporate Governance Report 企業管治報告

AUDIT COMMITTEE

The Company established the audit committee (the “Audit Committee”) on 9 November 1999 with written terms of reference in compliance with the CG Code and currently consists of three independent non-executive Directors, namely Mr. Chan Wai Cheung Admiral (as chairman), Mr. Lie Chi Wing and Ms. Hu Gin Ing. The terms of reference of the Audit Committee is currently made available on the websites of the Stock Exchange and the Company.

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

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

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

During the year ended 31 December 2018, the Audit Committee held 2 meetings.

審核委員會

本公司於一九九九年十一月九日成立審核委員會（「審核委員會」）並按照企業管治守則訂定書面職權範圍，現時由三名獨立非執行董事陳偉璋先生（主席）、李志榮先生及胡競英女士組成。審核委員會之職權範圍現可於聯交所及本公司網站瀏覽。

審核委員會之職權範圍與企業管治守則所載守則條文一致。

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

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

於截至二零一八年十二月三十一日止年度，審核委員會曾舉行兩次會議。

Name of Members	成員姓名	Number of attendance 出席會議次數
Mr. Chan Wai Cheung Admiral (<i>Chairman</i>)	陳偉璋先生 (主席)	2/2
Mr. Lie Chi Wing	李志榮先生	2/2
Ms. Hu Gin Ing	胡競英女士	2/2

Corporate Governance Report 企業管治報告

During the year ended 31 December 2018, the Audit Committee reviewed, among others, the annual and interim results of the Group, which were in the opinion of the Audit Committee that the preparation of such results complied with the applicable accounting standards and the Listing Rules.

The Audit Committee noted the existing risk management and internal control systems of the Group and also noted that review of the same will be carried out annually.

The accounts for the year ended 31 December 2018 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the conclusion of the forthcoming annual general meeting of the Company (“2019 AGM”). The Audit Committee has recommended to the Board that HLB Hodgson Impey Cheng Limited be re-appointed as the auditors of the Company at the 2019 AGM.

CORPORATE GOVERNANCE FUNCTIONS

The corporate governance functions are performed by the Board.

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

During the financial year ended 31 December 2018, the Board held 1 meeting for reviewing the training and continuous professional development of Directors, reviewing the Company’s compliance with the CG Code and reviewing the Company’s disclosure in Corporation Governance Report.

於截至二零一八年十二月三十一日止年度，審核委員會已審閱（其中包括）本集團之年度及中期業績，並認為有關業績之編製已遵守適用會計準則及上市規則。

審核委員會已知悉本集團之現有風險管理及內部監控系統，並知悉有關系統將每年進行檢討。

截至二零一八年十二月三十一日止年度之賬目乃由國衛會計師事務所有限公司審核，其任期將於本公司應屆股東週年大會（「二零一九年股東週年大會」）結束時屆滿。審核委員會已向董事會作出推薦建議於本公司二零一九年股東週年大會上續聘國衛會計師事務所有限公司為本公司之核數師。

企業管治職能

董事會履行企業管治職能。

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

於截至二零一八年十二月三十一日止財政年度，董事會曾舉行一次會議以檢討董事之培訓及持續專業發展、檢討本公司遵守企業管治守則的情況及檢討本公司在企業管治報告內的披露。

Corporate Governance Report 企業管治報告

AUDITORS' REMUNERATION

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

Services rendered	已提供服務	Fee paid/payable 已付費用/ 應付費用 HK\$'000 千港元
Audit services	核數服務	2,700
Non-audit services	非核數服務	
– Review of disclosure of financial information in interim report	– 審閱中期報告內的財務資料披露	300
Total:	總計：	3,000

COMPANY SECRETARY

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

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

Mr. Chan Wai Leung, the Chief Financial Officer, is the primary point of contact at the Company for the Company Secretary.

According to the requirements of Rule 3.29 of the Listing Rules, Ms. Chan had taken no less than 15 hours of relevant professional training for the financial year ended 31 December 2018.

核數師酬金

年內已付／應付本公司核數師之酬金載列如下：

Services rendered	已提供服務	Fee paid/payable 已付費用/ 應付費用 HK\$'000 千港元
Audit services	核數服務	2,700
Non-audit services	非核數服務	
– Review of disclosure of financial information in interim report	– 審閱中期報告內的財務資料披露	300
Total:	總計：	3,000

公司秘書

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

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

財務總監陳偉樑先生為公司秘書於本公司的主要聯絡人。

根據上市規則第3.29條之規定，截至二零一八年十二月三十一日止財政年度，陳女士已參加不少於十五小時的相關專業培訓。

Corporate Governance Report 企業管治報告

SHAREHOLDERS' RIGHTS

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

Shareholders to convene a special general meeting

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

Putting enquiries by Shareholders to the Board

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

Procedures for putting forward proposals by Shareholders at Shareholders' meeting

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

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

股東權利

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

股東召開股東特別大會

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

股東向董事會提出查詢

股東可將書面查詢送交本公司之香港主要營業地點，註明收件人為公司秘書。

股東於股東大會上提呈建議之程序

於股東大會上請求提呈建議所需股東人數應為：

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

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

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

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

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all the resolutions to be set out in the notice of 2019 AGM will be vote by poll.

INVESTOR RELATIONS

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

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

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

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

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

本公司將核證有關請求書，一旦確認請求適合及妥當，董事會將著手進行必要程序。

投票表決

根據上市規則第13.39(4)條之規定，除會議之主席以誠實信用的原則做出決定，容許純粹有關程序或行政事宜的決議案以舉手方式表決外，股東大會上，股東所作的任何表決必須以投票方式進行。因此，二零一九年股東週年大會通告所載之全部決議案將以投票方式表決。

與投資者關係

本公司堅持採取開誠的態度，定期與股東溝通，並向彼等作出合理之資料披露。

本公司之資料以下列方式向股東傳達：

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

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DIVIDEND POLICY

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

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

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

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

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

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

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

股息政策

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

董事會在考慮宣派及派付股息時，亦須考慮（其中包括）以下事項：

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

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

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

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

董事會將持續檢討股息政策，且享有絕對酌情權保留隨時更新、修訂、修改及／或撤銷股息政策之權利。

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Group's consolidated financial statements for each financial year which give a true and fair view of the financial position of the Group and of the financial performance and cash flows of the Group for that year. In preparing the consolidated financial statements for the year ended 31 December 2018, the Board has selected suitable accounting policies and applied them consistently; made judgements and estimates that are prudent, fair and reasonable and prepared the accounts on a going concern basis.

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

The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL

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

The Board has delegated its responsibilities (with relevant authorities) of risk management and internal control to the Audit Committee, who oversees management in the design, implementation and monitoring of the risk management and internal control systems, and management has provided a confirmation to the Audit Committee (and the Board) on the effectiveness of these systems for the year ended 31 December 2018.

董事對綜合財務報表之責任

董事會明瞭其須負責就各財政年度編製真實而中肯地反映本集團之財務狀況以及該年度之財務業績與現金流量之本集團綜合財務報表。於編製截至二零一八年十二月三十一日止年度之綜合財務報表時，董事會已選用並貫徹應用合適之會計政策；作出審慎、公平及合理之判斷與估計以及按持續經營基準編製賬目。

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

董事經作出適當查詢後認為，本集團具備充裕資源於可預見將來持續經營，因此，按持續經營基準編製綜合財務報表乃屬恰當。

風險管理及內部監控

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

董事會已將其風險管理及內部監控的職責（與相關權力）轉授予審核委員會，而審核委員會監督管理層對風險管理及內部監控系統的設計、實施及監察，管理層已向審核委員會（及董事會）確認該等系統於截至二零一八年十二月三十一日止年度之有效性。

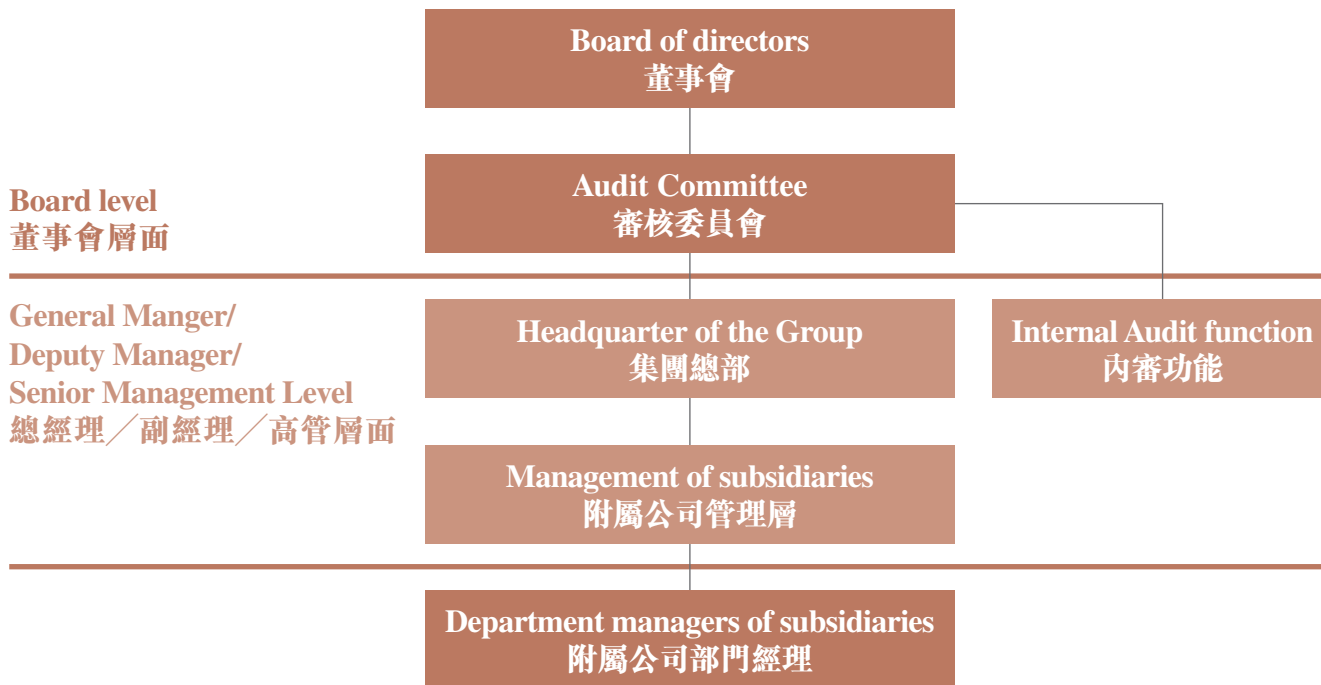
Corporate Governance Report 企業管治報告

Main features of the risk management and internal control systems

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

風險管理及內部監控系統的主要特點

本集團之風險管理架構以及架構內各成員的主要職責簡介如下：



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

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

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Member	Main Responsibilities	成員	主要職責
	<ul style="list-style-type: none"> Organise and coordinate various functions of the headquarter and the subsidiary to carry out major risk identification and assessment at the Group level, summarise and analyse such information to prepare a material risk assessment report and various risk management reports at the Group level, report to the Audit Committee the major risks at the Group level; Control the risks at the Group level, conduct research to propose measures and plans for management of major risks at the Group level, provide professional opinions for major risk decisions; Supervise the cultivation of the overall risk management culture of the Group. 		<ul style="list-style-type: none"> 組織、協調總部各職能部門和附屬公司開展集團層面的重大風險識別和評估工作，並對上述信息進行匯總分析，擬備集團層面重大風險評估報告及各項風險管理報告，並向審核委員會匯報集團層面重大風險的信息； 負責對集團層面的風險進行監控，研究提出管理集團層面重大風險的相關措施和方案，為重大風險決策提供專業意見； 督導本集團整體風險管理文化的培育。
Management of subsidiaries	<ul style="list-style-type: none"> Ensure that the subsidiaries carry out the risk assessment in compliance with the risk management manual formulated by the Group; Review and approve the risk assessment results of the subsidiaries in respect of the business; Ensure that the subsidiaries implement effective risk management; Monitor the principal business risks confronted by the subsidiaries and the effectiveness of relevant risk management measures; Allocate resources such as fund and workforce to the subsidiaries for implementation of the risk assessment projects. 	附屬公司管理層	<ul style="list-style-type: none"> 確保附屬公司遵照集團所制訂的風險管理手冊開展風險評估工作； 審閱及批准附屬公司業務層面風險評估結果； 確保附屬公司有效地管理風險； 監控附屬公司面臨的主要業務風險及相應風險管理措施的有效性； 配置附屬公司實施風險評估項目的有關資源（包括資金、人員等）。

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Member	Main Responsibilities
Department managers of subsidiaries	<ul style="list-style-type: none"> Regularly update the risk register for its scope of business and carry out risk assessment as required by the Group; Formulate and implement a risk response plan for its scope of business, facilitate and implement the specific risk management measures; Monitor various risks for its scope of business and report risk information to the risk management committee of the Group in a timely manner; Deal with other works related to risk management.
Internal audit function	<ul style="list-style-type: none"> Report directly to the Audit Committee, analyse and conduct independent assessment on the adequacy and effectiveness of the risk management and internal control systems.

The process used to identify, evaluate and manage significant risks

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

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

成員	主要職責
附屬公司 部門經理	<ul style="list-style-type: none"> 配合集團要求定期更新所屬業務的風險清單及執行風險評估等相關工作； 制定所屬業務的相關風險應對方案，並實施應對方案，負責具體風險管理措施的推進和實施； 對所屬業務的各類風險進行監控，及時向本集團風險管理委員會匯報風險信息； 處理風險管理其他相關工作。
內審功能	<ul style="list-style-type: none"> 直接向審核委員會匯報，負責對風險管理及內部監控系統是否足夠和有效作出分析及獨立評估。

用於辨認、評估及管理重大風險的程序

本集團之風險管理程序簡介如下：

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

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Internal audit function

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

The Board also engaged an external professional firm, APAC Consultancy and Internal Control Services Limited ("APAC"), to conduct the annual review of the effectiveness of the risk management and internal control systems for the year ended 31 December 2018.

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

Handling and dissemination of inside information

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

The Board has conducted a review of the systems of risk management and internal control for the year ended 31 December 2018 to ensure the effectiveness and adequacy of the systems. Such review shall be conducted annually. The Board considered that the risk management and internal control systems of Company for the year ended 31 December 2018 were effective and adequate.

CONSTITUTIONAL DOCUMENTS

There is no change in the Company's constitutional documents during the year ended 31 December 2018.

內審功能

本集團的內審功能由內部審核團隊履行，其直接向審核委員會匯報。

董事會亦委聘外部專業事務所亞太合規顧問及內控服務有限公司（「亞太合規顧問」），對截至二零一八年十二月三十一日止年度風險管理及內部監控系統的成效進行年度檢討。

本集團已妥為跟進亞太合規顧問提供的所有建議，並確保有關建議將於合理時間內落實。

處理及發佈內幕消息

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

董事會已檢討截至二零一八年十二月三十一日止年度之風險管理及內部監控系統以確保其有效及足夠。該檢討每年進行。董事會認為，本公司截至二零一八年十二月三十一日止年度之風險管理及內部監控系統屬有效及足夠。

章程文件

於截至二零一八年十二月三十一日止年度，本公司之章程文件並無變更。

Directors' Report

董事會報告

The Directors are pleased to present the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of its principal subsidiaries are set out in note 48 to the consolidated financial statements.

BUSINESS REVIEW

The business review, analysis using financial key performance indicators and future development in the Company's business of the Group for the year ended 31 December 2018 are set out in the section headed "Management Discussion and Analysis" on pages 10 to 18 of this annual report.

The environmental policies and performance, compliance with relevant laws and regulations and relationships with employees are also discussed in the Environmental, Social and Governance Report on pages 60 to 79.

Principal Risks and Uncertainties

Risks Pertaining to the Property Market

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

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

董事欣然提呈截至二零一八年十二月三十一日止年度之年度報告及本集團之經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股。其主要附屬公司之主要業務及其他詳情載於綜合財務報表附註48。

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、使用財務關鍵績效指標之分析及本公司業務之未來發展載於本年報第10頁至第18頁之「管理層討論與分析」一節。

環境政策及表現、遵守相關法律及法規的情況以及與僱員的關係亦載述於第60頁至第79頁之環境、社會及管治報告。

主要風險及不明朗因素

物業市場相關風險

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

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

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

Business Risk

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

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

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

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

業務風險

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

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

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

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Financial Risk

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

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

Compliance with the Relevant Laws and Regulations

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

Key Relationships with Employees, Customers and Suppliers

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

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

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 88 to 89.

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

財務風險

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

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

遵守相關法律及法規的情況

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

與員工、客戶及供應商的重要關係

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

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

業績及分派

本集團截至二零一八年十二月三十一日止年度之業績載於第88頁至第89頁之綜合損益及其他全面收益表中。

董事會不建議就截至二零一八年十二月三十一日止年度派發末期股息（二零一七年：無）。

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CHARITABLE DONATIONS

During the year ended 31 December 2018, the Group made HK\$125,000 charitable donations (2017: HK\$54,800).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the Shareholders of the Company entitled to attend and vote at the 2019 AGM to be held on Friday, 31 May 2019, the register of members of the Company will be closed from Monday, 27 May 2019 to Friday, 31 May 2019, both days inclusive, during the period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 24 May 2019.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the year ended 31 December 2018 in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of the movements during the year ended 31 December 2018 in the investment properties of the Group are set out in note 16 to the consolidated financial statements.

慈善捐款

於截至二零一八年十二月三十一日止年度內，本集團作出慈善捐款125,000港元（二零一七年：54,800港元）。

暫停股份過戶登記

為釐定有權出席本公司將於二零一九年五月三十一日（星期五）舉行之二零一九年股東週年大會並於會上投票之本公司股東身份，本公司之股份過戶登記將自二零一九年五月二十七日（星期一）至二零一九年五月三十一日（星期五）（包括首尾兩日）期間暫停，於該期間將不會進行股份過戶。所有轉讓文件連同有關股票須於二零一九年五月二十四日（星期五）下午四時三十分前交往本公司之香港股份過戶登記分處卓佳標準有限公司，地址為香港灣仔皇后大道東183號合和中心22樓，以辦理登記手續。

物業、廠房及設備

本集團物業、廠房及設備於截至二零一八年十二月三十一日止年度之變動詳情載於綜合財務報表附註15。

投資物業

本集團投資物業於截至二零一八年十二月三十一日止年度之變動詳情載於綜合財務報表附註16。

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DISTRIBUTABLE RESERVES

At 31 December 2018, the aggregate amount of reserves available for distribution to equity holders of the Company was approximately HK\$9,404,000 (2017: approximately HK\$9,404,000).

SHARE CAPITAL

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

SHARES ISSUED

During the year, the Company has issued shares with details as follows:

1. On 25 January 2018, the Company issued 181,250,000 ordinary shares of HK\$0.20 each in the capital of the Company upon the conversion of the convertible bond with principal amount of HK\$72,500,000 at price of HK\$0.40 per share; and
2. On 2 February 2018, the Company allotted and issued 2,200,000,000 ordinary shares of HK\$0.20 each in the capital of the Company by way of placing at a placing price of HK\$0.355 per share. The Company raised approximately HK\$779,000,000 (net of expenses).

PRE-EMPTIVE RIGHTS

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

可分派儲備

於二零一八年十二月三十一日，可供分派予本公司權益持有人之儲備總額約為9,404,000港元（二零一七年：約為9,404,000港元）。

股本

股本於年內之變動詳情載於綜合財務報表附註28。

已發行股份

年內，本公司發行股份之詳情如下：

1. 於二零一八年一月二十五日，本公司於本金額為72,500,000港元之可換股債券按每股0.40港元之價格獲轉換後，發行本公司股本中181,250,000股每股面值0.20港元之普通股；及
2. 於二零一八年二月二日，本公司透過配售，按配售價每股0.355港元配發及發行本公司股本中2,200,000,000股每股面值0.20港元之普通股。本公司籌得約779,000,000港元（扣除費用）。

優先購買權

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

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PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2018, the Company repurchased 78,630,000 shares of HKD0.20 each in the capital of the Company at prices ranging from HKD0.280 to HKD0.305 per Share on the Stock Exchange. Details of the repurchases are as follows:

Month/Year 年/月	Number of shares repurchased 購回股份數目	Purchase price per share 每股購回價		Aggregate purchase consideration (excluding expenses) 購回代價總額 (不包括費用) HKD 港元
		Highest 最高 HKD 港元	Lowest 最低 HKD 港元	
September 2018 二零一八年九月	78,630,000	0.305	0.280	23,249,750.00

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

PERMITTED INDEMNITY PROVISION

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

購入、出售或贖回本公司上市證券

於截至二零一八年十二月三十一日止年度，本公司於聯交所所以每股0.280港元至0.305港元的價格購回本公司股本中78,630,000股每股面值0.20港元之股份。購回詳情如下：

Month/Year 年/月	Number of shares repurchased 購回股份數目	Purchase price per share 每股購回價		Aggregate purchase consideration (excluding expenses) 購回代價總額 (不包括費用) HKD 港元
		Highest 最高 HKD 港元	Lowest 最低 HKD 港元	
September 2018 二零一八年九月	78,630,000	0.305	0.280	23,249,750.00

除上文所披露者外，年內本公司或其任何附屬公司概無購入、出售或贖回任何本公司之上市證券。

獲准許的彌償條文

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

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GROUP FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 268 of this report.

DIRECTORS

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

Executive Directors

Mr. King Pak Fu (<i>Chairman and Chief Executive Officer</i>)	
Mr. Wang Chunning	(resigned on 1 March 2019)
Mr. Gong Xiao Cheng	(resigned on 26 April 2018)
Mr. Wu Yanqi	(appointed on 15 March 2018 and resigned on 28 September 2018)
Mr. Wang Yikun	(resigned on 1 March 2019)
Mr. Li Jing	(appointed on 15 March 2018 and resigned on 17 July 2018)
Mr. Bai Xuefei	(appointed on 17 July 2018)
Ms. Qian Hui	(appointed on 17 July 2018)

Independent Non-executive Directors

Mr. Chan Wai Cheung Admiral
Mr. Lie Chi Wing
Ms. Hu Gin Ing

本集團財務概要

本集團過去五個財政年度之業績以及資產及負債之概要載於本報告第268頁。

董事

本公司於年內及直至本年報日期之董事名單載列如下：

執行董事

景百孚先生 (主席兼 行政總裁)	
汪春寧先生	(於二零一九年 三月一日辭任)
宮曉程先生	(於二零一八年 四月二十六日辭任)
吳延啟先生	(於二零一八年 三月十五日獲委任 並於二零一八年 九月二十八日辭任)
王毅坤先生	(於二零一九年 三月一日辭任)
李京先生	(於二零一八年 三月十五日獲委任 並於二零一八年 七月十七日辭任)
白雪飛先生	(於二零一八年 七月十七日獲委任)
錢慧女士	(於二零一八年 七月十七日獲委任)

獨立非執行董事

陳偉璋先生
李志榮先生
胡競英女士

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In accordance with Bye-law 111 of the Bye-Laws, Mr. Chan Wai Cheung Admiral and Ms. Hu Gin Ing shall retire from office as Directors by rotation in 2019 AGM. Ms. Hu Gin Ing, being eligible, offers herself for re-election at the 2019 AGM. However, Mr. Chan Wai Cheung Admiral confirmed he would not stand for re-election at the 2019 AGM as he would like to spend more time pursuing his own business.

In accordance with Bye-law 115 of the Bye-Laws, Mr. Bai Xuefei and Ms. Qian Hui, being Directors appointed after the 2018 annual general meeting of the Company, shall be subject to re-election at the 2019 AGM. Mr. Bai Xuefei, being eligible, offers himself for re-election at the 2019 AGM. However, Ms. Qian Hui confirmed she would not stand for re-election at the 2019 AGM as she would like to spend more time pursuing her own business.

DIRECTORS' SERVICE CONTRACTS

Mr. King Pak Fu entered into a service contract with the Company on 4 November 2015 with retrospective effect from 1 August 2015 with no specific term unless terminated by either party by giving 3 months' advance notice to the other.

Mr. Bai Xuefei entered into a service contract with the Company on 17 July 2018 for an initial term of 3 years commencing from 17 July 2018 unless terminated by not less than one month's notice served by either party on the other.

Ms. Qian Hui entered into a service contract with the Company on 17 July 2018 for an initial term of 3 years commencing from 17 July 2018 unless terminated by not less than one month's notice served by either party on the other.

Mr. Chan Wai Cheung Admiral signed an appointment letter issued by the Company on 10 December 2016 for a term of one year commencing on 10 December 2016, which is automatically renewable for successive term of one year upon expiry of the said term, and expired on 10 December 2018 and thereafter he is not appointed for a specific term. Mr. Chan is subject to retirement by rotation at least once in every three years in accordance with the Bye-Laws.

根據章程細則第111條，陳偉璋先生及胡競英女士須於二零一九年股東週年大會上輪流退任董事。胡競英女士符合資格且願意在二零一九年股東週年大會上重選連任。惟陳偉璋先生由於需要投放更多時間於其個人業務上，已確認彼將不會在二零一九年股東週年大會上膺選連任。

根據章程細則第115條，於本公司二零一八年股東週年大會後獲委任之董事白雪飛先生及錢慧女士須於二零一九年股東週年大會上接受重選。白雪飛先生符合資格且願意在二零一九年股東週年大會上重選連任。惟錢慧女士由於需要投放更多時間於其個人業務上，已確認彼將不會在二零一九年股東週年大會上膺選連任。

董事之服務合約

景百孚先生於二零一五年十一月四日與本公司訂立服務合約，由二零一五年八月一日起追溯生效，當中並無訂明指定任期，可由任何一方向另一方發出三個月事先通知予以終止。

白雪飛先生於二零一八年七月十七日與本公司訂立服務合約，初步任期自二零一八年七月十七日起為期三年，可由任何一方向另一方發出不少於一個月通知予以終止。

錢慧女士於二零一八年七月十七日與本公司訂立服務合約，初步任期自二零一八年七月十七日起為期三年，可由任何一方向另一方發出不少於一個月通知予以終止。

陳偉璋先生於二零一六年十二月十日簽署由本公司發出的委任書，初步任期自二零一六年十二月十日起為期一年，有關期限屆滿後自動重續一年，並已於二零一八年十二月十日屆滿，其後彼の委任並無指定任期。陳先生須根據章程細則至少每三年輪流退任一次。

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Mr. Lie Chi Wing signed an appointment letter issued by the Company on 5 February 2015 for an initial term of one year commencing on 5 February 2015, which was automatically renewable for successive term of one year upon the expiry of the said term, and expired on 5 February 2017 and thereafter he is not appointed for a specific term. Mr. Lie is subject to retirement by rotation at least once in every three years in accordance with the Bye-Laws.

Ms. Hu Gin Ing signed an appointment letter issued by the Company on 16 December 2015 for a term of one year commencing on 16 December 2015, which was automatically renewable for successive term of one year upon the expiry of the said term, and expired on 16 December 2017. Ms. Hu further signed an appointment letter issued by the Company on 16 December 2017 for a term of one year commencing on 16 December 2017, which is automatically renewable for successive term of one year upon the expiry of the said term.

None of the Directors who are proposed for re-election at the 2019 AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under section headed "Share Option Schemes" above and in Note 39 to the consolidated financial statements, at no time during the year ended 31 December 2018 was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of share in, or debt securities, including debenture, of the Company or any other body corporate.

李志榮先生於二零一五年二月五日簽署由本公司發出的委任書，初步任期自二零一五年二月五日起為期一年，有關期限屆滿後自動重續一年，並已於二零一七年二月五日屆滿，其後彼の委任並無指定任期。李先生須根據章程細則至少每三年輪流退任一次。

胡競英女士於二零一五年十二月十六日簽署由本公司發出的委任書，任期自二零一五年十二月十六日起為期一年，有關期限屆滿後自動重續一年，並已於二零一七年十二月十六日屆滿。胡女士其後於二零一七年十二月十六日簽署由本公司發出的委任書，任期自二零一七年十二月十六日起為期一年，有關期限屆滿後自動重續一年。

擬於二零一九年股東週年大會重選連任之董事概無與本公司訂立在一內不可在不予賠償（法定賠償除外）的情況下終止之服務合約。

獨立性之確認

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

董事購買股份或債權證之權利

除上文「購股權計劃」一節及綜合財務報表附註39所披露者外，於截至二零一八年十二月三十一日止年度內任何時間，本公司或其任何附屬公司概無訂立任何安排，使董事可藉購入本公司或任何其他法人團體的股份或債務證券（包括債權證）而獲益。

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DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed below in the section headed "Connected Transactions" and "Significant Related Party Transactions" in note 44 to the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company or any of its subsidiaries was a party, and in which a Director of the Company had a material interest, whether directly or indirectly subsisted at the year-end or at any time during the year.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were 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 are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code as set out in Appendix 10 to Listing Rules to be notified to the Company and the Stock Exchange, are set out below:

董事於交易、安排或合約之權益

除下文「關連交易」一節及綜合財務報表附註44之「重大關連人士交易」所披露者外，本公司或其任何附屬公司並無訂立任何於本年度末或年內任何時間仍有效，且本公司董事直接或間接於當中擁有重大權益的有關本集團業務之重大交易、安排及合約。

董事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，董事及本公司主要行政人員於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所之權益或淡倉（包括彼等根據證券及期貨條例有關條文被認為或視作擁有之權益或淡倉），或須根據證券及期貨條例第352條記錄在該條文所述登記冊內之權益或淡倉，或須根據上市規則附錄十之標準守則之規定知會本公司及聯交所之權益或淡倉載列如下：

Name of Directors	Capacity	Long position/ Short position	Ordinary shares (no. of shares)	Derivative shares (no. of shares)	Total number of shares held	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比	Note
董事姓名	身份	好倉／淡倉	普通股 (股份數目)	衍生股 (股份數目)	所持有 股份總數		附註
Mr. King Pak Fu ("Mr. King") 景百孚先生（「景先生」）	Interest of controlled corporations 受控法團權益	Long position 好倉	14,600,091,266	-	14,600,091,266	61.41	1
	Beneficial Owner 實益擁有人	Long position 好倉	183,510,000	-	183,510,000	0.77	1

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Note:

1. (i) 7,186,683,747 ordinary shares are held through Better Joint Venture Limited ("Better Joint"), a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. King; (ii) 1,583,068,557 ordinary shares are held through Glory Merit International Holdings Limited ("Glory Merit"), a company incorporated in the British Virgin Islands with limited liability which is beneficially owned as to 99% by Mr. King; (iii) 2,585,608,712 ordinary shares are held through Elite Mile Investments Limited ("Elite Mile"), a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. King; (iv) 53,390,000 ordinary shares are held through Ever Success Ventures Limited ("Ever Success"), a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. King; (v) 3,191,340,250 ordinary shares are held through Sino Wealthy Limited ("Sino Wealthy"), a company which is wholly-owned by Bremwood Holdings Limited ("Bremwood Holdings"), which is in turn wholly-owned by Gauteng Focus Limited ("Gauteng Focus"), which is in turn wholly-owned by Rentian Technology Holdings Limited ("Rentian Technology"), a company which is held as to 46.94% by Mystery Idea Limited ("Mystery Idea"), a company wholly-owned by Mr. King.

Save as disclosed above, none of the Directors, chief executives of the Company or their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations as defined in Part XV of the SFO as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 December 2018.

附註：

1. (i) 7,186,683,747股普通股乃透過於英屬處女群島註冊成立之有限公司Better Joint Venture Limited (「Better Joint」)持有，而該公司由景先生全資實益擁有；(ii) 1,583,068,557股普通股乃透過於英屬處女群島註冊成立之有限公司永德國際控股有限公司(「永德」)持有，而該公司由景先生實益擁有99%；(iii) 2,585,608,712股普通股乃透過於英屬處女群島註冊成立之有限公司俊程投資有限公司(「俊程」)持有，而該公司由景先生全資實益擁有；(iv) 53,390,000股普通股乃透過於英屬處女群島註冊成立之有限公司Ever Success Ventures Limited (「Ever Success」)持有，而該公司由景先生全資實益擁有；(v) 3,191,340,250股普通股乃透過Sino Wealthy Limited (「Sino Wealthy」)持有，而該公司由Bremwood Holdings Limited (「Bremwood Holdings」)全資擁有，Bremwood Holdings由Gauteng Focus Limited (「Gauteng Focus」)全資擁有，Gauteng Focus由仁天科技控股有限公司(「仁天科技」)全資擁有，仁天科技由Mystery Idea Limited (「Mystery Idea」)持有46.94%權益，而Mystery Idea由景先生全資擁有。

除上文所披露者外，於二零一八年十二月三十一日，概無董事、本公司主要行政人員或彼等之聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中擁有記錄在根據證券及期貨條例第352條所存置之登記冊內，或根據標準守則之規定須知會本公司及聯交所之任何權益或淡倉。

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

As at 31 December 2018, the register of substantial Shareholders maintained by the Company pursuant to section 336 of the SFO shows that other than the interests of the Directors and the chief executives, the following Shareholders had notified the Company of relevant interests or short position in shares and underlying shares of Company as follows:

主要股東於股份及相關股份之權益及 淡倉

於二零一八年十二月三十一日，根據本公司按證券及期貨條例第336條存置之主要股東登記冊所載，除董事及主要行政人員之權益外，下列股東已知會本公司有關彼等於本公司股份及相關股份之有關權益或淡倉如下：

Name	Capacity	Long position/ short position	Ordinary shares (no. of shares)	Derivative shares (no. of shares)	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比	Notes
股東姓名／名稱	身份	好倉／淡倉	普通股 (股份數目)	衍生股 (股份數目)		附註
Better Joint Better Joint	Beneficial owner 實益擁有人	Long position 好倉	7,216,223,747	–	30.36	1
Glory Merit 永德	Beneficial owner 實益擁有人	Long position 好倉	1,618,798,557	–	6.79	2
Elite Mile 俊程	Beneficial owner 實益擁有人	Long position 好倉	2,623,758,712	–	10.99	3
Sino Wealthy Sino Wealthy	Beneficial owner 實益擁有人	Long position 好倉	3,116,140,250	–	13.06	4
Haitong International Securities Group Limited 海通國際證券集團有限公司	Interest of controlled corporation 受控法團權益	Long position 好倉	1,358,791,501	–	5.72	5
	Interest of controlled corporation 受控法團權益	Short position 淡倉	–	908,791,501	3.82	5
Chu Yuet Wah 李月華	Interest of controlled corporations 受控法團權益	Long position 好倉	1,750,300,000	–	7.33	6

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Name	Capacity	Long position/ short position	Ordinary shares (no. of shares)	Derivative shares (no. of shares)	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比	Notes
股東姓名／名稱	身份	好倉／淡倉	普通股 (股份數目)	衍生股 (股份數目)		附註
Kingston Finance Limited 金利豐財務有限公司	Security interest 保證權益	Long position 好倉	1,750,000,000	–	7.33	6
Solar Eminent Limited Solar Eminent Limited	Beneficial Owner 實益擁有人	Long position 好倉	–	4,300,000,000	18.03	7
Yun Hongyu 雲洪玉	Interest of controlled corporation 受控法團權益	Long position 好倉	–	4,300,000,000	18.03	7
Notes:						附註：
1. Better Joint is the legal and beneficial owner of 7,216,223,747 ordinary shares. Better Joint is wholly and beneficially owned by Mr. King. By virtue of the SFO, Mr. King is deemed to be interested in those shares held by Better Joint.						1. Better Joint為7,216,223,747股普通股之法定及實益擁有人。Better Joint由景先生全資實益擁有。根據證券及期貨條例，景先生被視為於Better Joint持有之股份中擁有權益。
2. Glory Merit is the legal and beneficial owner of 1,618,798,557 ordinary shares of the Company. Glory Merit is beneficially owned as to 99% by Mr. King. By virtue of the SFO, Mr. King is deemed to be interested in those shares held by Glory Merit.						2. 永德為本公司1,618,798,557股普通股之法定及實益擁有人。永德由景先生實益擁有99%。根據證券及期貨條例，景先生被視為於永德持有之股份中擁有權益。
3. Elite Mile is the legal and beneficial owner of 2,623,758,712 ordinary shares of the Company. Elite Mile is wholly and beneficially owned by Mr. King. By virtue of the SFO, Mr. King is deemed to be interested in those shares held by Elite Mile.						3. 俊程為本公司2,623,758,712股普通股之法定及實益擁有人。俊程由景先生全資實益擁有。根據證券及期貨條例，景先生被視為於俊程持有之股份中擁有權益。
4. Sino Wealthy is the legal and beneficial owner of 3,116,140,250 ordinary shares of the Company, Sino Wealthy is wholly-owned by Bremwood Holdings, which is in turn wholly-owned by Gauteng Focus, which is in turn wholly-owned by Rentian Technology, a company which is held as to 46.94% by Mystery Idea, which in turn is wholly-owned by Mr. King. By virtue of the SFO, Mr. King is deemed to be interested in those shares held by Sino Wealthy.						4. Sino Wealthy為本公司3,116,140,250股普通股之法定及實益擁有人。Sino Wealthy由Bremwood Holdings全資擁有，Bremwood Holdings由Gauteng Focus全資擁有，Gauteng Focus由仁天科技全資擁有，仁天科技由Mystery Idea持有46.94%權益，而Mystery Idea由景先生全資擁有。根據證券及期貨條例，景先生被視為於Sino Wealthy持有之股份中擁有權益。

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5. These include (i) 295,581,501 ordinary shares held through Haitong International New Energy VIII Limited, which is wholly-owned by Castle Range Developments Limited, which is in turn wholly owned by Haitong International (BVI) Limited; (ii) 1,063,210,000 ordinary shares in long position and 908,791,501 derivative shares in short position held through Haitong International Financial Solutions Limited, which is wholly-owned by Haitong International Finance Company Limited, which is in turn wholly-owned by Haitong International (BVI) Limited. Haitong International (BVI) Limited is wholly-owned by Haitong International Securities Group Limited, which is owned as to 63.08% by Haitong International Holdings Limited, a company which is wholly-owned by Haitong Securities Co., Ltd. By virtue of the SFO, Haitong Securities Co., Ltd is deemed to be interested in those interests held by Haitong International Securities Group Limited.
6. These include (i) 300,000 ordinary shares held through Best China Limited, which is wholly-owned by Ms. Chu Yuet Wah; and (ii) security interest in 1,750,000,000 ordinary shares held through Kingston Finance Limited, which is wholly-owned by Ample Cheer Limited, which is in turn owned as to 20% by Insight Glory Limited and owned as to 80% by Best Forth Limited, both companies are wholly-owned by Ms. Chu Yuet Wah.
7. These 4,300,000,000 derivative shares are held through Solar Eminent Limited, which is wholly-owned by Ms. Yun Hongyu, pursuant to the share subscription agreement dated 22 October 2018 in respect of the subscription of 99 ordinary shares in Sunrise Colour Limited ("Sunrise Colour") and the conversion of one share in Sunrise Colour into non-voting deferred share, the transaction was subsequently terminated on 4 February 2019.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 31 December 2018.

5. 該等股份包括(i)透過Haitong International New Energy VIII Limited持有之295,581,501股普通股，Haitong International New Energy VIII Limited由Castle Range Developments Limited全資擁有，而Castle Range Developments Limited由Haitong International (BVI) Limited全資擁有；(ii)透過海通國際金融服務有限公司持有之1,063,210,000股普通股（好倉）及908,791,501股衍生股（淡倉），海通國際金融服務有限公司由海通國際財務有限公司全資擁有，而海通國際財務有限公司由Haitong International (BVI) Limited全資擁有。Haitong International (BVI) Limited由海通國際證券集團有限公司全資擁有，海通國際證券集團有限公司由海通國際控股有限公司擁有63.08%權益，而海通國際控股有限公司由Haitong Securities Co., Ltd全資擁有。根據證券及期貨條例，Haitong Securities Co., Ltd被視為於海通國際證券集團有限公司持有之權益中擁有權益。
6. 該等股份包括(i)透過Best China Limited持有之300,000股普通股，Best China Limited由李月華女士全資擁有；及(ii)透過金利豐財務有限公司持有之1,750,000,000股普通股之保證權益，金利豐財務有限公司由Ample Cheer Limited全資擁有，Ample Cheer Limited由Insight Glory Limited擁有20%權益及由Best Forth Limited擁有80%權益，兩間公司均由李月華女士全資擁有。
7. 該等4,300,000,000股衍生股乃透過赫陽有限公司（「赫陽」）持有，赫陽由雲洪玉女士全資擁有，根據日期為二零一八年十月二十二日的股份認購協議，內容有關認購彩曉有限公司（「彩曉」）之99股普通股股份及將彩曉的一股股份轉換為無投票權的遞延股份，該交易其後已於二零一九年二月四日終止。

除上文所披露者外，於二零一八年十二月三十一日，概無其他人士根據本公司按證券及期貨條例第336條須存置之登記冊所載於本公司之股份或相關股份中擁有權益或淡倉。

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MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Mr. King, chairman, chief executive officer and substantial Shareholder of the Company, for himself and on behalf of Better Joint, a company wholly-owned by Mr. King, Glory Merit, a company owned by Mr. King as to 99% of the share equity, and Elite Mile, a company wholly-owned by Mr. King, informed the Company that there were disposal of the Company's shares held by Better Joint, Glory Merit and Elite Mile on the Stock Exchange during the year, arising from part enforcement of share charges and/or margin financings in respect of certain shares held by Better Joint, Glory Merit and Elite Mile by certain securities brokers. Mr. King is unintentionally not fully complied with such required standards. Save as disclosed above, the Company confirmed that all other Directors have complied with the required standards set out in the Model Code during the year ended 31 December 2018.

CONNECTED TRANSACTION

There were no connected transactions during the year ended 31 December 2018.

RELATED PARTY TRANSACTIONS

The Directors consider that the related party transactions disclosed under Note 44 to the consolidated financial statements did not fall under the definition of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules. The Group has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

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標準守則作為董事進行證券交易之行為守則。本公司主席、行政總裁兼主要股東景先生為其本人及代表Better Joint（一間由景先生全資擁有之公司）、永德（一間由景先生擁有99%股權之公司）及俊程（一間由景先生全資擁有之公司）告知本公司，年內由Better Joint、永德及俊程持有的本公司股份在聯交所被出售，此乃由於若干證券經紀強制執行部分與若干由Better Joint、永德及俊程持有之股份有關的股份抵押及／或保證金融資。景先生無意不完全遵守相關必守標準。除上文所披露者外，本公司確認所有其他董事於截至二零一八年十二月三十一日止年度內已遵守標準守則所載之必守標準。

關連交易

截至二零一八年十二月三十一日止年度並無關連交易。

有關連人士交易

董事認為，綜合財務報表附註44披露的有關連人士交易並不屬上市規則第十四A章界定的須遵守上市規則項下任何申報、公告或獨立股東批准規定的「關連交易」或「持續關連交易」。本集團已遵守上市規則第十四A章的披露規定。

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SHARE OPTION SCHEME

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

As at the date of this annual report, the total number of shares available for issue under the Share Option Scheme (after considering the share options already granted under the Share Option Scheme) is 1,291,388,404, representing approximately 5.41% of the shares in issue as at the date of this annual report.

Details of the Company’s Share Option Scheme are set out in note 39 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save as those disclosed in the sections headed “Share Option Scheme” in this Directors’ Report and “Capital Structure, Liquidity and Financial Resources” in the Management Discussion and Analysis and also “Convertible Bonds” in note 32 to the consolidated financial statements, no other equity-linked agreements were entered into by the Group, or existed during the year ended 31 December 2018.

SUBSIDIARIES

Particulars of the principal subsidiaries of the Company as at 31 December 2018 are set out in note 48 to the consolidated financial statements.

BORROWINGS

Particulars of loans of the Group as at 31 December 2018 are set out in note 30 to the consolidated financial statements.

購股權計劃

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

於本年報日期，根據購股權計劃可供發行的股份總數（經考慮根據購股權計劃已授出的購股權）為1,291,388,404股，佔於本年報日期已發行股份約5.41%。

本公司購股權計劃之詳情載於綜合財務報表附註39。

股票掛鈎協議

除於本董事會報告內「購股權計劃」一節及管理層討論及分析內「資本結構、流動性及財務資源」一節以及綜合財務報表附註32之「可換股債券」所披露者外，本集團於截至二零一八年十二月三十一日止年度並無訂立或存在其他股票掛鈎協議。

附屬公司

本公司於二零一八年十二月三十一日之主要附屬公司之詳情載於綜合財務報表附註48。

借款

本集團於二零一八年十二月三十一日之貸款詳情載於綜合財務報表附註30。

Directors' Report 董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

Contracts with the Group's five largest suppliers combined by value, accounted for 11.28% in value of total purchases during the year ended 31 December 2018, while contracts with the Group's largest supplier by value, accounted for 3.42% in value of total purchases during the year ended 31 December 2018. Contracts with the Group's five largest customers aggregated accounted for less than 3.67% of the Group's sales during the year ended 31 December 2018.

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

EMOLUMENT POLICY

The emolument policy for the employees of the Group is set up on the basis of their merit, qualifications and competence. The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics. Details of the Company's Share Option Scheme are set out in note 39 to the consolidated financial statements. Details of the Group's retirement benefit plans are set out in note 40 to the consolidated financial statements.

DIRECTORS' EMOLUMENTS

Details of the remuneration of the Directors for the year ended 31 December 2018 are set out in note 11 to the consolidated financial statements.

PUBLIC FLOAT

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

主要客戶及供應商

與本集團五大供應商所訂合約之價值合共佔截至二零一八年十二月三十一日止年度之採購總值11.28%，而與本集團最大供應商所訂合約之價值佔截至二零一八年十二月三十一日止年度之採購總值3.42%。與本集團五大客戶所訂合約之價值合共佔本集團截至二零一八年十二月三十一日止年度之銷售額少於3.67%。

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

薪酬政策

本集團僱員之薪酬政策乃按僱員之貢獻、資歷及能力釐定。董事之薪酬乃由薪酬委員會經考慮本集團之經營業績、個人表現及可比較市場統計數據後釐定。本公司購股權計劃之詳情載於綜合財務報表附註39。本集團退休福利計劃之詳情載於綜合財務報表附註40。

董事薪酬

截至二零一八年十二月三十一日止年度之董事薪酬詳情載於綜合財務報表附註11。

公眾持股量

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

Directors' Report 董事會報告

AUDIT COMMITTEE

The Company established an Audit Committee on 9 November 1999 with written terms of reference, which was revised on 29 December 2015 to be in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting system and to review the risk management and internal control systems of the Group. The Audit Committee comprises three independent non-executive Directors of the Company, Mr. Chan Wai Cheung Admiral (as chairman), Mr. Lie Chi Wing and Ms. Hu Gin Ing. The Audit Committee has reviewed the audited consolidated financial statements of the Company for the year ended 31 December 2018.

AUDITORS

The accounts for the years ended 31 December 2016, 2017 and 2018 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the conclusion of the 2019 AGM. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as auditors of the Company for the subsequent year is to be proposed at the 2019 AGM.

On behalf of the Board
Carnival Group International Holdings Limited
King Pak Fu
Chairman and Chief Executive Officer

Hong Kong, 28 March 2019

審核委員會

本公司於一九九九年十一月九日成立審核委員會並制定書面職權範圍，之後於二零一五年十二月二十九日進行修訂以符合企業管治守則。審核委員會之主要職責為檢討及監督本集團之財務申報系統，以及檢討風險管理及內部監控系統。審核委員會由三名本公司獨立非執行董事組成，即陳偉璋先生（主席）、李志榮先生及胡競英女士。審核委員會已審閱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。

核數師

截至二零一六年、二零一七年及二零一八年十二月三十一日止年度之賬目已由國衛會計師事務所有限公司審核，其任期將於二零一九年股東週年大會結束時屆滿。本公司將於二零一九年股東週年大會上提呈有關續聘國衛會計師事務所有限公司為本公司隨後年度核數師之決議案。

代表董事會
嘉年華國際控股有限公司
主席兼行政總裁
景百孚

香港，二零一九年三月二十八日

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

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

Preparation Basis and Scope

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

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

Reporting Period

This Report demonstrates our sustainability initiatives during the reporting period from 1 January 2018 to 31 December 2018.

Contact Information

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

關於本報告

嘉年華國際控股有限公司（「本公司」）連同其附屬公司（「本集團」）欣然提呈本環境、社會及管治報告（「本報告」），以提供有關本集團對影響其營運的重大事宜的管理及在環境和社會方面表現的概覽。本報告乃由本集團在亞太合規顧問及內控服務有限公司的專業協助下編製。

編製基準及範圍

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

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

匯報期間

本報告闡述我們於二零一八年一月一日至二零一八年十二月三十一日匯報期間在可持續發展方面的舉措。

聯絡資料

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

Environmental, Social and Governance Report

環境、社會及管治報告

INTRODUCTION

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

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

STAKEHOLDER ENGAGEMENT

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

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

緒言

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

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

權益人參與

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

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

Environmental, Social and Governance Report

環境、社會及管治報告

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

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

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

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholders 權益人	Issues of concern 關注議題	Engagement channels 參與渠道
Employees 僱員	<ul style="list-style-type: none"> - Safeguard the rights and interests of employees 保障僱員權益 - Occupational health and safety 職業健康與安全 - Decent working environment 良好的工作環境 - Career development opportunities 事業發展機會 	<ul style="list-style-type: none"> - Training, seminars and briefing sessions 培訓、研討會及簡介會 - Cultural and sport activities 文化及體育活動
Customers 客戶	<ul style="list-style-type: none"> - Product quality and quantity assurance 產品保質保量 - Stable and long-term relationship 穩定及長期關係 - Information transparency 資訊透明度 - Integrity 誠信 - Business ethics 商業道德 	<ul style="list-style-type: none"> - Company website, brochures, annual reports and announcements 公司網站、小冊子、年度報告及公告 - Customer service hotline 客戶服務熱線

Environmental, Social and Governance Report

環境、社會及管治報告

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

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

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

Step 1: Identification – Industry Benchmarking

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

Step 2: Prioritisation – Stakeholder Engagement

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

Step 3: Validation – Determining Material Issues

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

As a result of this process carried out in 2018, those important ESG areas to the Group were discussed in this Report.

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

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

本集團已透過以下步驟評估環境、社會及管治層面的重要性及重大性：

步驟1：識別－參考行業基準

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

步驟2：排序－權益人的參與

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

步驟3：確認－釐定重要議題

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

本集團已於二零一八年進行上述程序，所得出對本集團屬重要的環境、社會及管治範疇已在本報告內討論。

Environmental, Social and Governance Report

環境、社會及管治報告

ENVIRONMENTAL ASPECTS

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

EMISSIONS

Air Pollutants Emission

Emission control is essential to mitigate the impact on the environment and to protect the health of employees. For our property development construction projects, the Group encourages its construction contractor to use responsible construction practices to reduce air pollutants emission and carries out monitoring procedures to ensure that the construction work complies with the relevant national laws and regulations. For example, the Group encourages the contractor to reduce the dust emission by spraying water when earth-moving activities or excavation are carried out. The Group's air pollutants emission is mainly generated from the use of vehicles and natural gas. During the reporting period, the increase in air pollutant emission in 2018 was mainly attributable to the increase in natural gas consumption and the increase in revenue generated from the hotel and theme-park management business during the year.

環境層面

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

排放物

空氣污染物排放

減控排放對減輕對環境影響及保護員工健康至關重要。在物業開發建築項目中，本集團鼓勵建築承包商採用負責任的施工方法減少空氣污染物排放，並開展監測程序確保建築工程符合國家相關法律及規例。例如，本集團鼓勵承包商在進行移土活動或挖掘工程時使用灑水措施抑制粉塵。本集團的空氣污染物排放主要來自使用汽車及天然氣。於匯報期間，二零一八年空氣污染物排放量增加主要是由於年內天然氣消耗量增加和酒店及主題公園管理業務收入增加。

Environmental, Social and Governance Report

環境、社會及管治報告

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

本集團於匯報期內產生的空氣污染物排放量如下：

Air Pollutants	Unit	2018	2018	2018	2017	
		PRC	HK ¹	Total	Total	
空氣污染物	單位	二零一八年 中國	二零一八年 香港 ¹	二零一八年 總計	二零一七年 總計	
Nitrogen oxides (<i>NO_x</i>)	氮氧化物(<i>NO_x</i>)	kg	22,638.08	–	22,638.08	13,763.54
Sulfur dioxide (<i>SO₂</i>)	二氧化硫(<i>SO₂</i>)	kg	907.25	–	907.25	552.22
Particular matter (PM)	懸浮粒子(PM)	kg	5.82	–	5.82	4.97

Greenhouse Gas (“GHG”) Emission

The Group recognises that climate change poses a risk to its business and it is committed to mitigating the effects of climate change. GHG is considered as one of the major contributors to the climate change. As the majority of the GHG emission of the Group comes from energy consumption, the Group tackles its GHG emission by reducing the energy consumption. The Group regards “China’s 13th of five-year national energy conservation and emission reduction comprehensive work planning” as its internal control policy for the emission reduction. Measures to encourage energy saving have been incorporated throughout our operations. Details are mentioned in the section “Use of Resources” of this Report. During the reporting period, the increase in GHG scope 1 emission in 2018 was mainly attributable to the increase in natural gas consumption and the increase in revenue generated from the hotel and theme-park management business in this year. Besides, the increase in GHG scope 2 emission in 2018 was mainly due to the increase in electricity consumption by the Group’s shopping mall and theme-park. Moreover, the increase in revenue generated from theme-park and shopping mall management business also led to the increase in GHG scope 2 emission during the year.

溫室氣體排放

本集團明瞭氣候變化對其業務構成風險，並致力緩解氣候變化的影響。溫室氣體被認為是氣候變化的主要原因之一。由於本集團的大部分溫室氣體排放來自能源消耗，本集團透過節能減耗減控其溫室氣體排放。本集團將《「十三五」節能減排綜合工作方案》作為其減排工作的內部控制政策。在業務經營的各個方面，積極推行鼓勵節能的措施。詳情載述於本報告「資源使用」一節。於匯報期間，二零一八年溫室氣體排放範圍一排放量增加主要是由於年內天然氣消耗量增加和酒店及主題公園管理業務收入增加。另外，二零一八年溫室氣體範圍二排放量增加主要是由於本集團的購物商場及主題公園耗電量增加。此外，主題公園及購物商場管理業務收入增加亦是導致年內溫室氣體範圍二排放量增加的原因。

1 There was no air pollutant emission in Hong Kong office as there was no mobile source during its daily operation in 2018.

1 二零一八年香港辦事處日常營運中並無流動污染源，故並無產生空氣污染物排放。

Environmental, Social and Governance Report

環境、社會及管治報告

The GHG emission during the reporting period is as follows:

報期內的溫室氣體排放量如下：

Gas Emission ²	Unit	2018 PRC 二零一八年 中國	2018 HK 二零一八年 香港	2018 Total 二零一八年 總計	2017 Total 二零一七年 總計
溫室氣體排放 ²	單位				
Scope 1 ³ 範圍一 ³	tonnes of CO ₂ -e 噸二氧化碳當量	4,969.30	–	4,969.30	3,046.42
Scope 2 ⁴ 範圍二 ⁴	tonnes of CO ₂ -e 噸二氧化碳當量	19,253.80	28.23	19,282.03	16,576.45
Total 總計	tonnes of CO₂-e 噸二氧化碳當量	24,223.10	28.23	24,251.33	19,622.87
Intensity 強度	tonnes of CO ₂ -e/HK\$'000 of revenue 噸二氧化碳當量／千港元收入	0.02	0.004		0.01

Hazardous and Non-hazardous Wastes

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

For the construction projects, the Group encourages its contractors to reuse and recycle waste generated from construction and demolition. For shopping centre, there are several recycling bins located inside and outside the centre to separately collect recyclable and non-recyclable wastes. Electric hand dryers are installed in the washing rooms in the shopping centre to encourage the customers not to use towel paper to reduce waste. For our restaurants in the hotel, we recommend our customers in reducing food waste by posting notice. We record and separately collect the food waste for the formulation of related reduction measures. In our managed residential community, we have organised recycling activities for books to encourage the reduction of waste. In office, the employees are encouraged to use double-sided printing and to bring their own cups to minimise the use of paper and paper cups. The significant decrease in the amount of non-hazardous wastes generated in 2018 was mainly attributable to the efficient implementation of the resource saving strategies during the year.

有害及無害廢棄物

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

在建築項目中，本集團鼓勵承包商對建造及拆遷過程中產生的廢棄物進行回收利用及循環再用。在購物中心，我們在中心內外設置多個回收箱，對可回收利用及不可回收的廢棄物進行分類收集。購物中心的洗手間裝設電動乾手器，鼓勵顧客不使用紙巾擦手，盡量減少廢棄物。在酒店餐廳，我們張貼提醒鼓勵顧客減少食物浪費。我們對餐廚垃圾進行記錄及分類收集，以制定相關的減控措施。在旗下管理的住宅區，我們組織圖書回收活動，鼓勵減少廢棄物。在辦公場所，我們鼓勵員工採用雙面打印及自帶飲水杯，盡量減少使用紙張及紙杯。二零一八年產生的無害廢棄物大幅減少主要是由於本年度有效實施資源節約策略。

- 2 The calculation of the greenhouse gas emission is based on the "Corporate accounting and Reporting Standard" from Greenhouse Gas Protocol.
- 3 Scope 1: Direct emissions from sources that are owned or controlled by the Group.
- 4 Scope 2: Indirect emissions from purchased electricity consumed by the Group.

- 2 溫室氣體排放量是根據溫室氣體盤查議定書的「企業會計與報告標準」計算。
- 3 範圍一：來自本集團擁有或控制的來源的直接排放。
- 4 範圍二：來自本集團消耗外購電力的間接排放。

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

本集團於匯報期內產生的廢棄物如下：

Wastes disposal	Unit	2018 PRC 二零一八年 中國	2018 HK 二零一八年 香港	2018 Total 二零一八年 總計	2017 Total 二零一七年 總計
廢棄物排放	單位				
Non-hazardous wastes produced	tonnes	258.63	0.55	259.18	737.22
所產生無害廢棄物	噸				
Non-hazardous wastes produced intensity	tonnes/HKS'000 of revenue	0.0003	N/A不適用		0.0004
所產生無害廢棄物強度	噸/千港元收入				

USE OF RESOURCES

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

Energy

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

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

We remind our employees to switch off idle electrical appliances to promote energy saving. Employees are also encouraged to use alternative measures such as videoconferencing to avoid unnecessary business travels. With these measures, not only the energy consumption can be saved, but also GHG emission can be reduced. During the reporting period, the increase in the electricity consumption in 2018 was mainly attributable to the increase in revenue generated from the theme-park and shopping mall management business in this year. Moreover, the increase in the natural gas consumption in 2018 was mainly due to the increase in revenue generated from the hotel and theme-park management business during the year.

資源使用

本集團已實施多項提升能源及水資源使用效益的措施，以實現長期可持續發展目標。

能源

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

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

我們提醒員工關閉閒置的電器，倡導節約能源。另外，鼓勵員工盡量使用視頻會議等替代方式，避免不必要的商務旅行。上述措施不僅能節約能耗，亦有助減少溫室氣體排放。於匯報期間，二零一八年耗電量增加主要是由於年內主題公園及購物商場管理業務收入增加。此外，二零一八年天然氣消耗量增加主要是由於年內酒店及主題公園管理業務收入增加。

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環境、社會及管治報告

During the reporting period, the energy consumptions of the Group are as follows: 本集團於匯報期內的能源耗量如下：

Energy consumption	Unit	2018 PRC 二零一八年 中國	2018 HK 二零一八年 香港	2018 Total 二零一八年 總計	2017 Total 二零一七年 總計
能源耗量	單位				
Purchased electricity	kWh in '000s	21,788.50	35.74	21,824.24	14,692.90
外購電力	千個千瓦時				
Petrol	kWh in '000s	303.24	-	303.24	293.65
汽油	千個千瓦時				
Diesel	kWh in '000s	2.34	-	2.34	3.18
柴油	千個千瓦時				
Natural gas	kWh in '000s	23,391.81	-	23,391.81	14,211.75
天然氣	千個千瓦時				
Total energy consumption	kWh in '000s	45,485.89	35.74	45,521.63	29,201.48
能源總耗量	千個千瓦時				
Intensity	kWh in '000s/HK\$'000 of revenue	0.03	0.005		0.02
強度	千個千瓦時/千港元收入				

Water

Water is another important resource. The Group actively seeks ways to conserve water. For example, rainwater is collected for plant irrigation in the managed residential community. There are reminders placed to remind our customers to conserve water and we choose water-saving appliances such as automatic sensor water taps for the water facilities to achieve water saving objective. The increase in water consumption in 2018 was mainly due to the increase in revenue generated from the hotel, theme-park management and shopping mall management business of the Group during the year.

水

水是另一重要資源。本集團積極探尋各種途徑節約用水。例如，在旗下管理的住宅區收集雨水用於植物灌溉；張貼各種標示提醒顧客節約用水；供水設施選用自動感應水喉，實現節約用水的目標。二零一八年耗水量增加主要是由於年內本集團的酒店、主題公園管理及購物商場管理業務收入增加。

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環境、社會及管治報告

The water consumption during the reporting period is as follow:

於匯報期內的耗水量如下：

Water	Unit	2018 PRC 二零一八年 中國	2018 HK 二零一八年 香港	2018 Total 二零一八年 總計	2017 Total 二零一七年 總計
水	單位				
Water consumption	m ³	358,013.94	–	358,013.94	249,026.10
耗水量	立方米				
Intensity	m ³ /HK\$'000 of revenue	0.23	–		0.14
強度	立方米／千港元收入				

THE ENVIRONMENT AND NATURAL RESOURCES

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

SOCIAL ASPECTS

Employment and Labour Practices

Employment

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

環境及天然資源

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

社會層面

僱傭及勞工常規

僱傭

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

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環境、社會及管治報告

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

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

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

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

HEALTH AND SAFETY

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

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

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

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

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

健康與安全

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

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DEVELOPMENT AND TRAINING

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

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

LABOUR STANDARDS

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

OPERATING PRACTICES

Supply Chain Management

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

發展及培訓

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

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

勞工準則

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

營運慣例

供應鏈管理

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

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PRODUCT RESPONSIBILITY

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

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

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

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

ANTI-CORRUPTION

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

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

產品責任

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

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

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

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

反貪污

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

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

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COMMUNITY

Community Investment

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

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

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社區

社區投資

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

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

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Independent Auditors' Report

獨立核數師報告



國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

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

QUALIFIED OPINION

We have audited the consolidated financial statements of Carnival Group International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 88 to 265, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

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致嘉年華國際控股有限公司股東

(於百慕達註冊成立之有限公司)

保留意見

本核數師(以下簡稱「我們」)已審計列載於第88頁至265頁的嘉年華國際控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此財務報表包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,除本報告「保留意見的基礎」一節所述事項的可能影響外,該等綜合財務報告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」)真實而中肯地反映了貴集團於二零一八年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露要求妥為擬備。

Independent Auditors' Report 獨立核數師報告

BASIS FOR QUALIFIED OPINION

Upon the Group's adoption of HKFRS 9 "Financial Instruments" from 1 January 2018, the Group's loans and receivables are subject to HKFRS 9's new expected credit loss model, and the Group was required to revise its impairment methodology under HKFRS 9. As disclosed in Note 22 to the consolidated financial statements, as at 31 December 2018, the Group had outstanding receivables due from a number of debtors (the "Receivables"). Based on management's impairment assessment, an impairment provision of approximately HK\$1,433,524,000 was made against these Receivables for the year ended 31 December 2018. In the absence of an independent professional valuation being made on expected credit loss, we were unable to obtain sufficient appropriate audit evidence to assess or corroborate the appropriateness and reasonableness of the assumptions adopted by management in their impairment assessment of the Receivables. Therefore, we were unable to conclude as to whether the amount of this impairment provision is, or is not, in accordance with the applicable accounting framework. Any adjustments found to be necessary in respect of the above would affect the Group's net assets as at 31 December 2018, its results for the year ended 31 December 2018, its opening reserves as at 1 January 2018 as a result of adoption of HKFRS 9, and the related disclosures in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditors' 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 qualified opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3 in the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK\$3,699,056,000 during the year ended 31 December 2018 and as at 31 December 2018, the Group's had borrowings of approximately HK\$7,621,439,000 which fall due within one year. As stated in Note 3, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

保留意見的基礎

貴集團於二零一八年一月一日起採納香港財務報告準則第9號「金融工具」後，貴集團的貸款及應收款項須遵守香港財務報告準則第9號的新預期信貸虧損模式，因此貴集團須根據香港財務報告準則第9號修訂其減值方法。誠如綜合財務報表附註22所披露，於二零一八年十二月三十一日，貴集團有應收多名債務人的未償還應收款項（「該等應收款項」）。根據管理層的減值評估，於截至二零一八年十二月三十一日止年度已就該等應收款項確認減值撥備約1,433,524,000港元。由於並無就預期信貸虧損進行獨立專業估值，我們無法獲得充足及適當的審計憑證，以評估或證實管理層對該等應收款項進行減值評估所採用假設的恰當性及合理性。因此，我們無法就上述減值撥備金額是否符合適用會計框架作出結論。倘發現需就上述事宜作出任何必要調整，將會影響貴集團於二零一八年十二月三十一日的資產淨值、其截至二零一八年十二月三十一日止年度的業績、其因採納香港財務報告準則第9號而產生的於二零一八年一月一日的期初儲備以及該等綜合財務報表內的相關披露。

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

與持續經營相關的重大不確定性

我們謹請股東注意綜合財務報表附註3，當中指出貴集團於截至二零一八年十二月三十一日止年度產生淨虧損約3,699,056,000港元及貴集團於二零一八年十二月三十一日有約7,621,439,000港元於一年內到期的借款。誠如附註3所述，該等情況顯示存在重大不確定性，可能導致對貴集團持續經營能力產生重大疑慮。我們就此事項發表非無保留意見。

Independent Auditors' Report 獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* and the *Material Uncertainty Related to Going Concern* sections above, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter 關鍵審計事項

Carrying values of properties under development and completed properties for sale

發展中物業及已竣工待售物業之賬面值

As at 31 December 2018, the Group had properties under development and completed properties for sale (the "Properties Portfolio") amounting to approximately HK\$4,953,034,000 and approximately HK\$778,129,000, respectively, situated in various locations in the People's Republic of China (the "PRC") and Hong Kong. The Properties Portfolio is carried at the lower of cost and net realisable value. Significant management judgement is required in determining the estimated net realisable values of the Properties Portfolio with reference to the latest selling prices of the properties and costs to be incurred until completion and sale and the valuation report performed by an independent professional valuer engaged by the Group.

於二零一八年十二月三十一日，貴集團的發展中物業及已竣工待售物業（「物業組合」）價值分別為約4,953,034,000港元及約778,129,000港元，分佈於中華人民共和國（「中國」）及香港多個地方。物業組合按成本及可變現淨值兩者中的較低者入賬。於參考物業的最近出售價及直至物業竣工和出售前將會產生的成本以及貴集團聘用之獨立專業估值師所做出的估值報告，釐定物業組合的估計可變現淨值時，須作出重大管理層判斷。

The accounting policies and disclosures for the impairment of properties under development and completed properties for sale are included in Notes 3, 4 and 20 to the consolidated financial statements respectively.

有關發展中物業及已竣工待售物業減值的會計政策及披露分別載於綜合財務報表附註3、4及20。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。除上文「保留意見的基礎」及「與持續經營相關的重大不確定性」章節所述的事項外，我們已確定下述事項為需要在我們的報告中溝通的關鍵審計事項。

How our audit addressed the key audit matter 我們在審計如何處理關鍵審計事項

Our audit procedures included:

我們的審計程序包括：

- Obtaining an understanding of and evaluating management's procedures on identifying properties for which the net realisable values may be lower than their carrying amounts, including the methodologies and inputs used in the estimation of the net realisable values;
- 了解並評估管理層對識別可變現淨值可能低於其賬面值的物業的程序，包括於估計可變現淨值時所採用的方法及輸入數據；
- Comparing to the latest selling prices of the properties;
- 比對物業的最近出售價；
- Testing the calculation for the impairment assessment performed by management;
- 測試管理層所進行減值評估的計算；
- Comparing to the latest land auction price of comparable land or valuation of land;
- 與可資比較土地的最近土地拍賣價或土地估值進行對比；
- For properties under development, assessing the construction costs to be incurred; and
- 就發展中物業而言，評估將會產生的建築成本；及
- Engaging our valuation specialists on evaluating the methodologies and assumptions adopted in the valuation.
- 聘請我們的估值專業人員評價估值中採用的方法及假設。

Independent Auditors' Report

獨立核數師報告

Key audit matter 關鍵審計事項

Valuation of completed investment properties and investment properties under development in the PRC 位於中國的已竣工投資物業及發展中投資物業之估值

The Group has various completed investment properties and investment properties under development in the PRC. Such properties are measured at fair value and their aggregate carrying amount was approximately HK\$5,613,333,000 as at 31 December 2018.

貴集團在中國內地擁有多項已竣工投資物業及發展中投資物業。該等物業按公平值計量，於二零一八年十二月三十一日的賬面總值約為5,613,333,000港元。

Significant estimation and judgement are required by management to determine the fair value of the completed investment properties and investment properties under development. To support management's determination of the fair value, the Group engaged an independent professional valuer to perform valuations on the completed investment properties and investment properties under development at the end of the reporting period.

管理層於釐定已竣工投資物業及發展中投資物業的公平值時，須作出重大估計及判斷。為協助管理層釐定公平值，貴集團已聘請獨立專業估值師對報告期末已竣工投資物業及發展中投資物業進行估值。

The accounting policies and disclosures for the estimation of fair value of investment properties are included in Notes 3, 4 and 16 to the consolidated financial statements respectively.

有關投資物業公平值估計的會計政策及披露分別載於綜合財務報表附註3、4及16。

How our audit addressed the key audit matter 我們在審計如何處理關鍵審計事項

Our audit procedures included:

我們的審計程序包括：

- Evaluating the objectivity, independence and competency of management's valuer;
- 評估管理層估值師之客觀性、獨立性及勝任能力；
- Obtaining an understanding of the valuation process and significant assumptions and critical judgement areas to assess if the approaches are consistent with relevant accounting requirements and industry norms;
- 了解估值程序、重大假設及關鍵判斷範疇以評估有關方法是否與相關會計規定及行業慣例相符；
- Performing market research and analysis to assess whether the changes in fair value of investment properties resulted from the valuation was reasonable and consistent with market trends to our knowledge;
- 進行市場研究和分析，以評估投資物業因估值而出現的公平值變動是否合理及符合我們所知的市場趨勢；
- Assessing the appropriateness of estimated construction cost to complete for investment properties under construction and investment properties pending revitalisation by comparing the costs incurred to date against the budgets and evaluating whether the expected developer's profit margins are comparable to the market; and
- 通過比較至今所產生的成本與預算，評估發展中投資物業及待活化投資物業的估計完成建築成本是否適當，及評估發展商預期利潤率是否與市場相若；及
- Engaging our valuation specialists to assist us to assess the methodologies and assumptions adopted in the valuation for estimating the fair value of the investment properties and performing benchmarking of the market value of investment properties held by the Group to other comparable properties.
- 聘請我們估值專業人員協助我們評估於估計投資物業公平值時所進行估值中採用的方法及假設，以及將貴集團所持投資物業的市值與其他可比較物業作對比。

Independent Auditors' Report 獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' 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. As described in the *Basis for Qualified Opinion* section above, we were unable to obtain sufficient appropriate audit evidence to assess or corroborate the appropriateness and reasonableness of the assumptions adopted by management in their impairment assessment of the Receivables for the year ended 31 December 2018. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對其他信息發表任何形式的鑒證結論。

在我們審計綜合財務報表時，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。誠如上文「保留意見的基礎」一節內所述，我們無法獲得充足及適當的審計憑證，以評估或證實管理層於截至二零一八年十二月三十一日止年度對該等應收款項進行減值評估所採用假設的恰當性及合理性。因此，我們無法就其他信息是否存在有關此事項的重大錯誤陳述作出結論。

董事就綜合財務報表須承擔的責任

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

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

審核委員會協助董事履行監督 貴集團的財務報告過程的責任。

Independent Auditors' Report 獨立核數師報告

AUDITORS' 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 auditors' report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的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。本報告僅向閣下（作為整體）按照百慕達公司法第90條報告我們的意見，除此之外本報告別無其他目的。我們並不就本報告內容向其他人士承擔責任或接受義務。合理保證是高水平的保證，但不能保證按《香港審計準則》進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或匯總起來可能影響使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

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- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

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

Independent Auditors' Report

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

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Hui Chun Keung, David

Practising Certificate Number: P05447

Hong Kong, 28 March 2019

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

出具本獨立核數師報告的審計項目董事為許振強。

國衛會計師事務所有限公司

執業會計師

許振強

執業證書編號：P05447

香港，二零一九年三月二十八日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 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
Revenue	收入	5	1,458,321	2,193,310
Cost of sales	銷售成本		(1,578,157)	(1,169,575)
Gross (loss)/profit	毛(虧)/利		(119,836)	1,023,735
Other income	其他收入	7	71,832	259,287
Selling and marketing expenses	銷售及營銷開支		(105,980)	(269,567)
Administrative expenses	行政開支		(460,364)	(512,813)
Gain on bargain purchase	議價收購收益		-	45,713
Fair value change on financial liabilities at fair value through profit or loss	按公平值計入損益之 金融負債之公平值變動		-	(6,759)
Fair value change on financial assets at fair value through profit or loss	按公平值計入損益之 金融資產之公平值變動		(680,589)	-
Fair value change on investment properties	投資物業之公平值變動	16	(242,629)	267,946
Gain on disposal of subsidiaries	出售附屬公司之收益	36	-	313,348
Loss on disposal of investment properties	出售投資物業之虧損		(200,140)	-
Impairment loss on goodwill	商譽減值虧損		-	(250,000)
Impairment losses on other intangible assets	其他無形資產之減值虧損	17	(16,376)	-
Impairment losses on property, plant and equipment	物業、廠房及設備之減值虧損	15	(544,472)	(43,166)
Impairment losses on deposits and other receivables	按金及其他應收款項之 減值虧損	22	(1,462,990)	(41,092)
Finance costs	財務成本	8	(42,668)	(40,661)
(Loss)/profit before tax	除稅前(虧損)/溢利		(3,804,212)	745,971
Income tax credit/(expense)	所得稅抵免/(支出)	9	105,156	(220,478)
(Loss)/profit for the year	年度(虧損)/溢利	10	(3,699,056)	525,493
Other comprehensive (expense)/income	其他全面(支出)/收益			
<i>Item that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益之項目:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income	按公平值計入其他全面收益 之權益工具投資之 公平值虧損		(3,000)	-
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可重新分類至損益之項目:</i>			
Fair value loss on debt instruments measured at fair value through other comprehensive income	按公平值計入其他全面收益 之債務工具之公平值虧損		(5,859)	-
Reclassification adjustment for exchange reserve release upon disposal of subsidiaries	於出售附屬公司時轉撥 匯兌儲備之重新分類調整	36	-	(24,755)
Exchange differences arising on translation of foreign operations	換算境外業務所產生之匯兌差異		(429,544)	528,483
Fair value gain on available-for-sale investments	可供出售投資之公平值收益		-	31,715
Other comprehensive (expense)/income for the year, net of income tax	除所得稅後年度其他 全面(支出)/收益		(438,403)	535,443
Total comprehensive (expense)/income for the year	年度全面(支出)/收益總額		(4,137,459)	1,060,936

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

	<i>Notes</i> <i>附註</i>	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(Loss)/profit for the year attributable to:	下列人士應佔年度(虧損)/溢利:		
Owners of the Company	本公司擁有人	(3,504,039)	394,700
Non-controlling interests	非控股權益	(195,017)	130,793
		(3,699,056)	525,493
Total comprehensive (expense)/income attributable to:	下列人士應佔全面(支出)/收益總額:		
Owners of the Company	本公司擁有人	(3,848,708)	797,205
Non-controlling interests	非控股權益	(288,751)	263,731
		(4,137,459)	1,060,936
(Loss)/earnings per share	每股(虧損)/盈利		
– Basic (<i>HK dollar per share</i>)	– 基本 (<i>每股港元</i>)	(0.15)	0.02
– Diluted (<i>HK dollar per share</i>)	– 攤薄 (<i>每股港元</i>)	(0.15)	0.02

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日止年度

			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		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	6,326,423	7,707,935
Investment properties	投資物業	16	5,613,333	6,353,156
Other intangible assets	其他無形資產	17	–	16,518
Financial assets at fair value through other comprehensive income	按公平值計入其他全面 收益之金融資產	18	184,318	–
Available-for-sale investments	可供出售投資	18	–	362,666
Note receivables	應收票據	22	89,039	89,039
			12,213,113	14,529,314
Current assets	流動資產			
Inventories	存貨	20	5,743,440	5,980,577
Trade receivables	應收貿易賬款	21	11,357	20,259
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	22	3,685,646	4,649,269
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	19	1,818,219	1,971,852
Available-for-sale investments	可供出售投資	18	–	707,650
Pledged bank deposits	已抵押銀行存款	23	635,766	1,337,248
Cash and cash equivalents	現金及現金等價物	23	148,538	322,252
			12,042,966	14,989,107
Total assets	資產總值		24,256,079	29,518,421
Current liabilities	流動負債			
Trade payables	應付貿易賬款	24	1,222,205	1,084,126
Contract liabilities	合約負債	26	412,509	–
Deposits from customers	客戶訂金	25	9,064	1,625,776
Accrued liabilities and other payables	應計負債及其他應付款項	25	1,454,907	800,993
Amounts due to related companies	應付關連公司款項	27	8,469	37,418
Obligation under finance lease	融資租賃項下之責任	29	700	667
Borrowings – current portions	借款 – 即期部分	30	7,621,439	6,072,580
Convertible bonds	可換股債券	32	–	2,378,379
Current tax liabilities	即期稅項負債		508,365	377,108
			11,237,658	12,377,047
Net current assets	流動資產淨值		805,308	2,612,060
Total assets less current liabilities	總資產減流動負債		13,018,421	17,141,374

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日止年度

		<i>Notes</i> <i>附註</i>	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Capital and reserves	資本及儲備			
Share capital	股本	28	4,754,956	4,294,432
Share premium and reserves	股份溢價及儲備		1,838,834	5,487,872
Equity attributable to owners of the Company	本公司擁有人應佔權益		6,593,790	9,782,304
Non-controlling interests	非控股權益		1,677,051	1,967,232
Total equity	權益總額		8,270,841	11,749,536
Non-current liabilities	非流動負債			
Borrowings	借款	30	3,563,315	3,850,111
Obligation under finance lease	融資租賃項下之責任	29	1,503	2,200
Deferred tax liabilities	遞延稅項負債	31	1,182,762	1,539,527
			4,747,580	5,391,838
			13,018,421	17,141,374

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 28 March 2019 and were signed on its behalf by:

綜合財務報表已於二零一九年三月二十八日獲董事會批准及授權刊發，並由下列董事代表簽署：

King Pak Fu
景百孚
Director
董事

Bai Xuefei
白雪飛
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 歸屬於本公司擁有人										Non-controlling interests 非控股權益	Total equity 權益總額	
		Share capital 股本	Share premium 股份溢價	Contributed surplus 撥入盈餘	Capital reserves 資本儲備	Convertible bonds equity reserve 可換股債券權益儲備	Share options reserve 購股權儲備	Translation reserve 匯兌儲備	Investments revaluation reserve 投資重估儲備	Revaluation reserve 重估儲備	Accumulated losses 累計虧損			Total 總計
		HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元			HKS'000 千港元
At 1 January 2017	於二零一七年一月一日	3,375,546	5,931,048	9,404	-	35,970	845	(557,660)	-	439,239	(2,183,375)	7,051,017	1,701,039	8,752,056
Profit for the year	年度溢利	-	-	-	-	-	-	-	-	394,700	-	394,700	130,793	525,493
Fair value gain on available-for sale investments	可供出售投資之公平值收益	-	-	-	-	-	-	-	31,715	-	-	31,715	-	31,715
Reclassification adjustment for exchange reserve released upon disposal of subsidiaries (Note 36)	於出售附屬公司時轉撥匯兌儲備之重新分類調整 (附註36)	-	-	-	-	-	-	(24,755)	-	-	-	(24,755)	-	(24,755)
Exchange differences arising on translation of foreign operations	換算境外業務所產生之匯兌差異	-	-	-	-	-	-	395,545	-	-	-	395,545	132,938	528,483
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	-	-	370,790	31,715	-	394,700	797,205	263,731	1,060,936
Share options cancelled during the year	年內註銷之購股權	-	-	-	-	-	(845)	-	-	-	-	(845)	-	(845)
Acquisition of subsidiaries (Note 34)	收購附屬公司 (附註34)	-	-	-	-	-	-	-	-	-	-	-	184,312	184,312
Acquisition of non-controlling interests (Note 34)	收購非控股權益 (附註34)	-	-	-	-	-	-	-	-	-	14,731	14,731	(181,850)	(167,119)
Issue of shares by way of placing	透過配售發行股份	60,000	180,000	-	-	-	-	-	-	-	-	240,000	-	240,000
Transaction costs attributable to issue of shares	發行股份應佔交易成本	-	(2,400)	-	-	-	-	-	-	-	-	(2,400)	-	(2,400)
Recognition of equity component of convertible bonds	確認可換股債券之權益部分	-	-	-	-	4,484	-	-	-	-	-	4,484	-	4,484
Deferred tax liability on recognition of equity component of convertible bonds	確認可換股債券權益部分之遞延稅項負債	-	-	-	-	(740)	-	-	-	-	-	(740)	-	(740)
Cancellation of convertible bonds	註銷可換股債券	-	-	-	-	(3,744)	-	-	-	-	3,744	-	-	-
Issue of shares upon rights issue	透過供股發行股份	858,886	858,886	-	-	-	-	-	-	-	-	1,717,772	-	1,717,772
Transaction costs attributable to rights issue	供股應佔交易成本	-	(38,920)	-	-	-	-	-	-	-	-	(38,920)	-	(38,920)
At 31 December 2017	於二零一七年十二月三十一日	4,294,432	6,928,614	9,404	-	35,970	-	(186,870)	31,715	439,239	(1,770,200)	9,782,304	1,967,232	11,749,536
Adjustments	調整	-	-	-	-	-	-	-	(27,715)	-	(149,561)	(177,276)	(1,430)	(178,706)
At 1 January 2018 (restated)	於二零一八年一月一日 (經重列)	4,294,432	6,928,614	9,404	-	35,970	-	(186,870)	4,000	439,239	(1,919,761)	9,605,028	1,965,802	11,570,830
Loss for the year	年度虧損	-	-	-	-	-	-	-	-	-	(3,504,039)	(3,504,039)	(195,017)	(3,699,056)
Fair value loss on financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產之公平值虧損	-	-	-	-	-	-	-	(8,859)	-	-	(8,859)	-	(8,859)
Exchange differences arising on translation of foreign operations	換算境外業務所產生之匯兌差異	-	-	-	-	-	-	(335,810)	-	-	-	(335,810)	(93,734)	(429,544)
Total comprehensive expense for the year	年度全面開支總額	-	-	-	-	-	-	(335,810)	(8,859)	-	(3,504,039)	(3,848,708)	(288,751)	(4,137,459)
Transfer from investment properties to properties held for sales	從投資物業轉撥至持作出售物業	-	-	-	-	-	-	-	-	(151,421)	151,421	-	-	-
Shares issued upon conversion of convertible bonds	轉換可換股債券而發行之股份	36,250	45,470	-	-	-	-	-	-	-	-	81,720	-	81,720
Issue of shares by way of placing	透過配售發行股份	440,000	341,000	-	-	-	-	-	-	-	-	781,000	-	781,000
Transaction costs attributable to issue of shares	發行股份應佔交易成本	-	(2,000)	-	-	-	-	-	-	-	-	(2,000)	-	(2,000)
Extinguishment of convertible bonds (Note 32)	取消可換股債券 (附註32)	-	-	-	-	(35,970)	-	-	-	-	35,970	-	-	-
Repurchase of ordinary shares	購回普通股	(15,726)	(23,250)	-	15,726	-	-	-	-	-	-	(23,250)	-	(23,250)
At 31 December 2018	於二零一八年十二月三十一日	4,754,956	7,289,834	9,404	15,726	-	-	(522,680)	(4,859)	287,818	(5,236,409)	6,593,790	1,677,051	8,270,841

Consolidated Statement of Changes in Equity

綜合權益變動表

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

Notes:

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

附註：

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

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 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
Operating activities			
(Loss)/profit for the year		(3,699,056)	525,493
Adjustments for:			
Depreciation of property, plant and equipment		42,981	59,372
Amortisation of other intangible assets		-	5,521
Income tax (credit)/expense		(105,156)	220,478
Interest income on bank and other deposits		(43,928)	(28,719)
Dividends from listed investments		(24,520)	(29,423)
Impairment losses on other intangible assets		16,376	-
Fair value loss/(gain) on investment properties		242,629	(267,946)
Fair value loss on financial assets at fair value through profit or loss		680,589	-
Fair value loss on financial liabilities at fair value through profit or loss		-	6,759
Finance costs	8	42,668	40,661
Equity-settled share-based payments		-	(845)
Gain on disposal of subsidiaries		-	(313,348)
Loss on disposal of investment properties		200,140	-
Loss/(gain) on disposal of property, plant and equipment		48	(28,793)
Written-off on property, plant and equipment		228	6,806
Impairment losses on property, plant and equipment		544,472	43,166
Recognition of non-cash items in cost of sales		500,580	404,040
Impairment loss on goodwill		-	250,000
Impairment losses on deposits and other receivables		1,462,990	41,092
Gain on bargain purchase		-	(45,713)
Loss on early redemption of bonds/senior bonds	30	8,758	637
Gain in respect of convertible bonds cancelled		-	(160,524)
Gain on extinguishment of convertible bonds	32	(18,617)	-

Consolidated Statement of Cash Flows

綜合現金流量表

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

	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
Operating cash flows before movements in working capital	營運資金變動前之營運現金流量	(148,818)	728,714
Movements in working capital:	營運資金變動：		
Inventories	存貨	1,015,060	396,077
Trade receivables	應收貿易賬款	8,162	43,140
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	(725,111)	(255,850)
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	444,360	(841,935)
Trade payables	應付貿易賬款	201,062	(473,375)
Deposits from customers	客戶按金	(3,274)	300,682
Accrued liabilities and other payables	應計負債及其他應付款項	700,081	287,498
Contract liabilities	合約負債	(1,161,036)	-
Deferred income	遞延收入	-	(11,646)
Long-term rental deposits	長期租賃按金	-	2,478
Cash generated from operations	經營業務產生之現金	330,486	175,783
Tax paid	已付稅項	(25,958)	(16,346)
Net cash from operating activities	經營業務產生之現金淨額	304,528	159,437
Investing activities	投資活動		
Interest received	已收取利息	43,928	28,719
Dividends received from listed investments	已收上市投資股息	24,520	29,423
Purchase of available-for-sale investments	購買可供出售投資	-	(1,038,601)
Purchase of debt instruments at fair value through other comprehensive income	購買按公平值計入其他全面收益之債務工具	(94,177)	-
Purchase of note receivables	購買應收票據	-	(89,039)
Repayment (to)/from related companies	(向關聯公司償還款項) / 來自關聯公司之償還款項	(28,079)	14,304
Stamp duty refund	印花稅退稅	250,250	-
Withdrawal of pledged bank deposits	提取已抵押銀行存款	657,198	638,885
Additions to property, plant and equipment	添置物業、廠房及設備	(331,649)	(288,447)
Additions to investment properties	添置投資物業	(188,897)	(180,223)
Additions to other intangible assets	添置其他無形資產	-	(1,510)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	收購附屬公司(扣除所收購之現金及現金等價物)	-	(506,783)
Acquired assets through acquisition of subsidiaries (net of cash and cash equivalents acquired)	透過收購附屬公司收購之資產(扣除所收購之現金及現金等價物)	-	(194,525)
Acquisition of non-controlling interests	收購非控股權益	-	(167,119)
Proceeds from disposal of subsidiaries	出售附屬公司之所得款項	-	(7,607)
Proceeds from disposal of investment properties	出售投資物業之所得款項	299,725	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	-	87,885
Net cash from/(used in) investing activities	投資活動產生/(所用)之現金淨額	632,819	(1,674,638)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financing activities	融資活動		
Interest paid	已付利息	(916,261)	(903,290)
New bank and other borrowings raised	新籌措之銀行及其他借款	1,022,341	2,607,651
Repayment to non-controlling interests	向非控股權益償還款項	-	(145,482)
Repayment of bank and other borrowings	償還銀行及其他借款	(1,963,751)	(2,954,167)
Repayment of obligation under finance lease	償還融資租賃項下之責任	(788)	(1,313)
Proceeds from issue of ordinary shares	發行普通股所得款項	781,000	240,000
Proceeds from issue of shares pursuant to rights issue	根據供股發行股份所得款項	-	1,717,772
Proceeds from issue of bonds	發行債券所得款項	123,900	731,500
Proceeds from issue of convertible bonds	發行可換股債券所得款項	-	390,000
Share issue expenses	發行股份支出	(2,000)	(41,320)
Bonds issue expenses	發行債券支出	(38,508)	(84,753)
Convertible bonds issue expenses	發行可換股債券支出	-	(14,345)
Repurchase of ordinary shares	購回普通股	(23,250)	-
Repurchase of bonds	購回債券	(85,712)	-
Repurchase of senior bonds	購回優先債券	-	(136,511)
Net cash (used in)/from financing activities	融資活動(所用)/產生之現金淨額	(1,103,029)	1,405,742
Net decrease in cash and cash equivalents	現金及現金等價物之減少淨額	(165,682)	(109,459)
Cash and cash equivalents at the beginning of the year	年初之現金及現金等價物	322,252	446,737
Effects of foreign exchange rate changes	匯率變動影響	(8,032)	(15,026)
Cash and cash equivalents at the end of the year	年終之現金及現金等價物	148,538	322,252

Notes
附註

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Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL INFORMATION

Carnival Group International Holdings Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company’s registered office is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company’s principal place of business in Hong Kong is situated at Suites 1804-1810, 18th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong.

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

1. 一般資料

嘉年華國際控股有限公司（「本公司」）於百慕達註冊成立為獲豁免的有限責任公司，其股份於香港聯合交易所有限公司（「聯交所」）主板上市。本公司之註冊辦事處設於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。本公司之香港主要營業地點設於香港灣仔告士打道108號光大中心18樓1804-1810室。

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

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

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

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

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂

於本年度強制生效之香港財務報告準則之新訂準則及修訂

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

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收入及相關修訂
香港（國際財務報告詮釋委員會）— 詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號之修訂	以股份支付交易之分類及計量
香港財務報告準則第4號之修訂	應用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具
香港會計準則第28號之修訂	作為香港財務報告準則二零一四年至二零一六年週期年度改進之一部分
香港會計準則第40號之修訂	轉撥投資物業

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

2.1 HKFRS 15 Revenue from Contracts with Customers

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

HKFRS 15 applies to the contracts with customers for the sale of properties

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

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

- Property development – sales of properties; and
- Others business including providing property management services, restaurant operations and sales of admission tickets.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.1 香港財務報告準則第15號客戶合約收入

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

香港財務報告準則第15號應用於銷售物業之客戶合約

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則的累積影響於首次應用日期（即二零一八年一月一日）確認。於首次應用日期的一切差異於期初累計虧損或權益的其他部分（如適用）確認，並無重列比較資料。此外，根據香港財務報告準則第15號之過渡條文，本集團已選擇僅將該準則追溯用於二零一八年一月一日尚未完成之合約並已就首次應用日期前已發生的所有合約修訂採用簡易實務處理方法，所有修訂的綜合影響於首次應用日期反映。因此，由於比較資料乃根據香港會計準則第18號收入、香港會計準則第11號建築合約及相關詮釋編製，若干比較資料可能無法作比較。

本集團自下列來源確認客戶合約產生的收入：

- 物業發展－銷售物業；及
- 其他業務（包括提供物業管理服務、餐廳業務及銷售入場門票）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

2.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

Summary of effects arising from initial application of HKFRS 15

The application of HKFRS 15 has no material impact on the Group's accumulated losses as at 1 January 2018. The following adjustments were made to the amounts recognised in the consolidated statement of financial position as at 1 January 2018. Line items that were not affected by the changes have not been included.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.1 香港財務報告準則第15號客戶合約收入（續）

首次應用香港財務報告準則第15號之影響概述

應用香港財務報告準則第15號對本集團於二零一八年一月一日之累計虧損並無重大影響。下列為對於二零一八年一月一日之綜合財務狀況表中確認之金額所作出的調整。沒有受變動影響的項目並不包括在內。

	Carrying amounts previously reported at 31 December 2017	Reclassification	Carrying amounts under HKFRS 15 at 1 January 2018
	先前呈報於二零一七年十二月三十一日的賬面值 HK\$'000 千港元	重新分類 HK\$'000 千港元 (Note) (附註)	根據香港財務報告準則第15號於二零一八年一月一日的賬面值 HK\$'000 千港元
Current liabilities			
Deposits from customers	1,625,776	(1,612,899)	12,877
Contract liabilities	-	1,612,899	1,612,899
	1,625,776	-	1,625,776

Note: As at 1 January 2018, receipts-in-advance from properties pre-sold of approximately HK\$1,612,899,000 previously included in deposits from customers were reclassified to contract liabilities.

附註：於二零一八年一月一日，先前計入客戶訂金的預售物業預收款項約1,612,899,000港元已重新分類至合約負債。

The application of HKFRS 15 has no material impact on the Group's consolidated statement of profit or loss and other comprehensive income for the current year.

應用香港財務報告準則第15號對本集團於本年度之綜合損益及其他全面收益表並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

2.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

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

The following table summarises the impacts of applying HKFRS 15 on the Group's consolidated statement of financial position as at 31 December 2018 for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

		As reported	Adjustments	Amounts without application of HKFRS 15
		如報告所列 HK\$'000 千港元	調整 HK\$'000 千港元	未應用香港財務報告準則第15號的金額 HK\$'000 千港元
Current liabilities	流動負債			
Deposits from customers	客戶訂金	9,064	412,509	421,573
Contract liabilities	合約負債	412,509	(412,509)	-
		421,573	-	421,573

Impact on the consolidated statement of cash flows

		As reported	Adjustments	Amounts without application of HKFRS 15
		如報告所列 HK\$'000 千港元	調整 HK\$'000 千港元	未應用香港財務報告準則第15號的金額 HK\$'000 千港元
Operating activities	經營活動			
Movements in working capital:	營運資金變動：			
Deposits from customers	客戶訂金	(3,274)	(1,161,036)	(1,164,310)
Contract liabilities	合約負債	(1,161,036)	1,161,036	-

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.1 香港財務報告準則第15號客戶合約收入（續）

首次應用香港財務報告準則第15號之影響概述（續）

下表概述應用香港財務報告準則第15號對本集團於二零一八年十二月三十一日之綜合財務狀況表中每一項受影響項目的影響。沒有受變動影響的項目並不包括在內。

對綜合財務狀況表之影響

		As reported	Adjustments	Amounts without application of HKFRS 15
		如報告所列 HK\$'000 千港元	調整 HK\$'000 千港元	未應用香港財務報告準則第15號的金額 HK\$'000 千港元
Current liabilities	流動負債			
Deposits from customers	客戶訂金	9,064	412,509	421,573
Contract liabilities	合約負債	412,509	(412,509)	-
		421,573	-	421,573

對綜合現金流量表之影響

		As reported	Adjustments	Amounts without application of HKFRS 15
		如報告所列 HK\$'000 千港元	調整 HK\$'000 千港元	未應用香港財務報告準則第15號的金額 HK\$'000 千港元
Operating activities	經營活動			
Movements in working capital:	營運資金變動：			
Deposits from customers	客戶訂金	(3,274)	(1,161,036)	(1,164,310)
Contract liabilities	合約負債	(1,161,036)	1,161,036	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

2.2 HKFRS 9 *Financial Instruments*

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

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

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

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.2 香港財務報告準則第9號金融工具

於本年度，本集團已應用香港財務報告準則第9號金融工具及其他香港財務報告準則之相關相應修訂。香港財務報告準則第9號引入有關1) 金融資產及金融負債之分類及計量，2) 金融資產之預期信貸虧損（「預期信貸虧損」）及3) 一般對沖會計處理之新規定。

本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即對於二零一八年一月一日（首次應用日期）尚未取消確認的工具追溯應用分類及計量規定（包括預期信貸虧損模式下的減值），而並無對於二零一八年一月一日已取消確認的工具應用該等規定。於二零一七年十二月三十一日之賬面值與於二零一八年一月一日之賬面值之間的差額乃於期初累計虧損及權益的其他部分確認，並無重列比較資料。

因此，由於比較資料乃根據香港會計準則第39號金融工具：確認與計量編製，若干比較資料可能無法作比較。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

2.2 HKFRS 9 Financial Instruments (Continued)

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets and financial liabilities and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

	Notes 附註	Available- for-sale investments	Financial assets designated at FVTPL	Financial assets required by HKAS 39/ HKFRS 9 根據香港 會計準則 第39號/ 香港財務 報告準則 第9號規定	Financial assets at FVTOCI	Financial assets classified as loans and receivables)	Financial liabilities at amortised cost	Financial liabilities at FVTPL	Investments revaluation reserve	Accumulated losses	Non- controlling interests	
												指定為 按公平值 計入損益之 金融資產
		HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元
Closing balance at 31 December 2017 – HKAS 39	於二零一七年十二月三十一日 之期末結餘 – 香港會計準則第39號	1,070,316	369,425	1,602,427	-	3,668,074	14,144,754	81,720	31,715	(1,770,200)	1,967,232	
Effects arising from initial application of HKFRS 9:	首次應用香港財務報告 準則第9號產生之影響:											
Reclassification	重新分類											
From available-for-sale investments	從可供出售投資	(a) (1,070,316)	-	971,316	99,000	-	-	-	(27,715)	27,715	-	
From financial assets designated at FVTPL	從指定為按公平值 計入損益之金融資產	(b) -	(369,425)	369,425	-	-	-	-	-	-	-	
Remeasurement	重新計量											
Impairment under ECL model	預期信貸虧損 模式下的減值	(c) -	-	-	-	(178,706)	-	-	-	(177,276)	(1,430)	
Opening balance at 1 January 2018	於二零一八年一月一日 之期初結餘	-	-	2,943,168	99,000	3,489,368	14,144,754	81,720	4,000	(1,919,761)	1,965,802	

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.2 香港財務報告準則第9號金融工具（續）

首次應用香港財務報告準則第9號之影響概述

下表列示於首次應用日期（即二零一八年一月一日）遵循香港財務報告準則第9號項下預期信貸虧損模式及香港會計準則第39號的金融資產及金融負債以及其他項目的分類及計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

2.2 HKFRS 9 Financial Instruments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

Notes:

(a) Available-for-sale (“AFS”) investments

From AFS investments to fair value through other comprehensive income (“FVTOCI”)

The Group elected to present in other comprehensive income (“OCI”) for the fair value changes of all its equity investments previously classified as AFS. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, approximately HK\$99,000,000 were reclassified from AFS investments to financial assets at FVTOCI. The fair value gains of approximately HK\$4,000,000 relating to those investments previously carried at fair value continued to accumulate in investments revaluation reserve.

From AFS investments to fair value through profit or loss (“FVTPL”)

At the date of initial application of HKFRS 9, the Group’s investments of approximately HK\$971,316,000 were reclassified from AFS investments to financial assets at FVTPL. The fair value gains of approximately HK\$27,715,000 relating to those investments previously carried at fair value were transferred from investments revaluation reserve to accumulated losses.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.2 香港財務報告準則第9號金融工具（續）

首次應用香港財務報告準則第9號之影響概述（續）

附註：

(a) 可供出售（「可供出售」）投資

從可供出售投資至按公平值計入其他全面收益（「按公平值計入其他全面收益」）

本集團選擇在其他全面收益（「其他全面收益」）中呈報其先前分類為可供出售之所有權益投資之公平值變動。該等投資並非持作買賣，且預期於可見未來不會出售。於首次應用香港財務報告準則第9號日期，約99,000,000港元已從可供出售投資重新分類至按公平值計入其他全面收益之金融資產。與先前按公平值列賬之投資有關的公平值收益約4,000,000港元繼續於投資重估儲備內累計。

從可供出售投資至按公平值計入損益（「按公平值計入損益」）

於首次應用香港財務報告準則第9號日期，本集團為數約971,316,000港元之投資從可供出售投資重新分類為按公平值計入損益之金融資產。與先前按公平值列賬之投資有關的公平值收益約27,715,000港元自投資重估儲備轉撥至累計虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

2.2 HKFRS 9 Financial Instruments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

Notes: (Continued)

(b) Financial assets at FVTPL and/or designated at FVTPL

The Group has reassessed its investments of the investment funds classified as held for trading under HKAS 39 as if the Group had purchased these investments at the date of initial application. Based on the facts and circumstances as at the date of initial application, approximately HK\$369,425,000 of the Group's investments were held for trading and continued to be measured at FVTPL.

There was no impact on the amounts recognised in relation to these assets from the application of HKFRS 9.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.2 香港財務報告準則第9號金融工具（續）

首次應用香港財務報告準則第9號之影響概述（續）

附註：（續）

(b) 按公平值計入損益及／或指定為按公平值計入損益之金融資產

根據香港會計準則第39號，本集團已重新評估其分類為持作買賣之投資基金投資，猶如本集團於首次應用日期購入該等投資。根據於首次應用日期之事實及情況，本集團為數約369,425,000港元之投資為持作買賣並繼續按公平值計入損益計量。

應用香港財務報告準則第9號對該等資產已確認之金額並無影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

2.2 HKFRS 9 Financial Instruments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

Notes: (Continued)

(c) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. To measure the ECL, trade receivables have been assessed individually for debtors with significant balances or collectively using a provision matrix with appropriate groupings based on shared credit risk characteristics of customers.

The directors considered that the measurement of ECL of trade receivables has no material impact to the Group's accumulated losses at 1 January 2018.

Except for those which had been determined as credit impaired under HKAS 39, ECL for debt instruments at FVTOCI and other financial assets at amortised cost, including note receivables, deposits and other receivables, pledged bank deposits and bank balances, are assessed on 12-month ECL (“12m ECL”) basis as there had been no significant increase in credit risks since initial recognition, except for other receivables which are assessed and measured on lifetime ECL basis as those credit risks had increased significantly since initial recognition.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.2 香港財務報告準則第9號金融工具（續）

首次應用香港財務報告準則第9號之影響概述（續）

附註：（續）

(c) 預期信貸虧損模式下的減值

本集團應用香港財務報告準則第9號簡化方法，使用存續期預期信貸虧損計量所有應收貿易賬款的預期信貸虧損。於計量預期信貸虧損時，對債務人具有重大結餘的應收貿易賬款單獨進行評估，而其他應收貿易賬款根據基於客戶相同信貸風險特徵進行分組的合適組別以撥備矩陣進行集體評估。

董事認為應收貿易賬款的預期信貸虧損計量對本集團於二零一八年一月一日的累計虧損並無重大影響。

除根據香港會計準則第39號被釐定為已出現信貸減值者外，按公平值計入其他全面收益之債務工具及其他按攤銷成本計量之金融資產（包括應收票據、按金及其他應收款項、已抵押銀行存款及銀行結餘）之預期信貸虧損於自初始確認以來信貸風險並無顯著上升情況下，按12個月預期信貸虧損（「12個月預期信貸虧損」）基準評估，惟因自初始確認以來信貸風險出現顯著上升的其他應收款項按存續期預期信貸虧損基準評估及計量除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

2.2 HKFRS 9 Financial Instruments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

Notes: (Continued)

(c) Impairment under ECL model (Continued)

As at 1 January 2018, additional credit loss allowance of approximately HK\$177,276,000 and approximately HK\$1,430,000 has been recognised against accumulated losses and non-controlling interest respectively. The additional loss allowance is charged against the respective asset.

All loss allowances, including deposits and other receivables as at 31 December 2017 reconciled to the opening loss allowances as at 1 January 2018 are as follows:

		Deposits and other receivables 按金及其他 應收款項 HK\$'000 千港元
At 31 December 2017 – HKAS 39	於二零一七年十二月三十一日	
	– 香港會計準則第39號	1,988,315
Reclassification	重新分類	
Amounts remeasured through opening accumulated losses	透過期初累計虧損重新計量之金額	(178,706)
At 1 January 2018	於二零一八年一月一日	1,809,609

Except the above, no impairment loss allowance provision was recognised for trade receivables, other financial assets at amortised cost, pledged bank deposits and bank balances as at 31 December 2017.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

2.2 香港財務報告準則第9號金融工具（續）

首次應用香港財務報告準則第9號之影響概述（續）

附註：（續）

(c) 預期信貸虧損模式下的減值（續）

於二零一八年一月一日，分別於累計虧損及非控股權益確認額外信貸虧損撥備約177,276,000港元及約1,430,000港元。額外虧損撥備乃於相關資產扣除。

於二零一七年十二月三十一日的所有虧損撥備（包括按金及其他應收款項）與於二零一八年一月一日的期初虧損撥備對賬如下：

除以上所述外，於二零一七年十二月三十一日並無就應收貿易賬款、其他按攤銷成本計量之金融資產、已抵押銀行存款及銀行結餘確認減值虧損撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

Impacts on opening consolidated statement of financial position arising from the application of HKFRS 15 and HKFRS 9

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

應用香港財務報告準則第15號及香港財務報告準則第9號對期初綜合財務狀況表之影響

		At 31 December 2017 於二零一七年 十二月 三十一日 HK\$'000 千港元	Impact of HKFRS 15 香港財務報告 準則第15號 之影響 HK\$'000 千港元	Impact of HKFRS 9 香港財務報告 準則第9號 之影響 HK\$'000 千港元	At 1 January 2018 於二零一八年 一月一日 HK\$'000 千港元
Non-current assets	非流動資產				
Available-for-sale investments	可供出售投資	362,666	-	(362,666)	-
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產	-	-	99,000	99,000
Current assets	流動資產				
Deposits and other receivables	按金及其他應收款項	1,988,315	-	(178,706)	1,809,609
Available-for-sale investments	可供出售投資	707,650	-	(707,650)	-
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	1,971,852	-	971,316	2,943,168
Current liabilities	流動負債				
Deposits from customers	客戶訂金	1,625,776	(1,612,899)	-	12,877
Contract liabilities	合約負債	-	1,612,899	-	1,612,899
Capital and reserves	資本及儲備				
Accumulated losses	累計虧損	(1,770,200)	-	(149,561)	(1,919,761)
Investments revaluation reserve	投資重估儲備	31,715	-	(27,715)	4,000
Non-controlling interest	非控股權益	1,967,232	-	(1,430)	1,965,802

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

Amendments to HKAS 40 Transfers of Investment Property

The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by evidence that a change in use has occurred. The amendments further clarify that situations other than the ones listed in HKAS 40 may evidence a change in use, and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).

At the date of initial application, the Group assessed the classification of certain properties based on conditions existed at that date, there is no impact to the classification at 1 January 2018.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to HKAS 1 & HKAS 8	Definition of Material ³
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2015–2017 Cycle ¹

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

香港會計準則第40號之修訂轉撥投資物業

該修訂澄清，轉撥至投資物業或由投資物業轉撥時需要評估物業是否符合或已不再符合投資物業的定義，並需有用途已發生變更的證據支持。該修訂進一步澄清，除香港會計準則第40號所列的情況外，其他情況亦可證明用途已發生改變，且在建物業亦有可能發生用途變更（即用途變更不限於已竣工物業）。

於首次應用日期，本集團根據該日存在的狀況評估若干物業的分類，對於二零一八年一月一日之分類並無影響。

已頒佈但尚未生效之香港財務報告準則之新訂準則及修訂

本集團並無提早應用下列已頒佈但尚未生效之香港財務報告準則之新訂準則及修訂：

香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ⁴
香港（國際財務報告詮釋委員會）— 詮釋第23號	所得稅處理之不確定性 ¹
香港財務報告準則第3號之修訂	業務之定義 ²
香港財務報告準則第9號之修訂	反向補償提前還款特徵 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或投入 ⁵
香港會計準則第1號及香港會計準則第8號之修訂	重大之定義 ³
香港會計準則第19號之修訂	計劃修訂、縮減或清償 ¹
香港會計準則第28號之修訂	於聯營公司及合營企業之長期權益 ¹
香港財務報告準則之修訂	香港財務報告準則二零一五年至二零一七年週期年度改進 ¹

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

- ¹ Effective for annual periods beginning on or after 1 January 2019.
- ² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
- ³ Effective for annual periods beginning on or after 1 January 2020.
- ⁴ Effective for annual periods beginning on or after 1 January 2021.
- ⁵ Effective for annual periods beginning on or after a date to be determined.

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

HKFRS 16 *Leases*

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

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

已頒佈但尚未生效之香港財務報告準則之新訂準則及修訂（續）

- ¹ 對二零一九年一月一日或其後開始的年度期間生效。
- ² 對收購日期為二零二零年一月一日或之後開始的首個年度期間初或之後的業務合併及資產收購生效。
- ³ 對二零二零年一月一日或其後開始的年度期間生效。
- ⁴ 對二零二一年一月一日或其後開始的年度期間生效。
- ⁵ 對待定期日或其後開始的年度期間生效。

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

香港財務報告準則第16號租賃

香港財務報告準則第16號為出租人及承租人的租賃安排識別及會計處理引入一個全面的模式。香港財務報告準則第16號生效後將取代香港會計準則第17號租賃及相關詮釋。

香港財務報告準則第16號根據已識別資產是否由客戶控制來區分租賃及服務合約。承租人的會計處理不再區分經營及融資租賃，而由承租人須就所有租賃確認使用權資產及相應負債的模式替代，惟短期租賃及低值資產的租賃除外。

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綜合財務報表附註

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

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

HKFRS 16 *Leases* (Continued)

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

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）

香港財務報告準則第16號租賃（續）

使用權資產初始按成本進行計量，其後按成本（惟若干例外情況除外）減去累計折舊和減值虧損計量，並且就租賃負債的任何重新計量進行調整。租賃負債初始按該日未支付的租賃付款的現值計量。其後，租賃負債就（其中包括）利息及租賃付款以及租賃修訂的影響進行調整。就現金流量分類而言，本集團現時將有關自用租賃土地及分類為投資物業之租賃土地的前期預付租賃付款呈列為投資現金流量，而其他經營租賃付款則呈列為經營現金流量。應用香港財務報告準則第16號後，有關租賃負債的租賃付款將分為本金及利息部分，並由本集團分別列作融資及融資／經營現金流量。

根據香港會計準則第17號，本集團已就融資租賃安排確認資產及相關融資租賃負債以及就本集團作為承租人之租賃土地確認預付租賃付款。應用香港財務報告準則第16號可能導致此等資產的分類改變，此取決於本集團是否單獨呈列使用權資產，或在呈列相應相關資產（若有關資產由集團擁有）的同一項目內呈列使用權資產。

與承租人會計處理方法相反，香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計要求，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號亦要求作出較詳盡的披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)**HKFRS 16 Leases (Continued)**

As at 31 December 2018, the Group has non-cancellable operating lease commitments of approximately HK\$13,896,000 as disclosed in Note 37. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. The Group expects to adopt the standard using a modified retrospective approach where the cumulative effect of initially applying it is recognised as an adjustment to the opening balance of accumulated losses and comparatives are not restated. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors complete a detailed review.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

2. 應用香港財務報告準則（「香港財務報告準則」）之新訂準則及修訂（續）**香港財務報告準則第16號租賃（續）**

誠如附註37所披露，於二零一八年十二月三十一日，本集團有不可撤銷經營租賃承擔約13,896,000港元。初步評估顯示，該等安排符合香港財務報告準則第16號下的租賃定義，因此，在應用香港財務報告準則第16號後，本集團將就所有該等租賃確認使用權資產及相應負債，除非其符合低價值或短期租賃。此外，應用新的規定或會導致上述計量、呈列及披露變動。本集團預期將採用經修訂的追溯法採納該準則，將首次應用該準則的累計影響確認為累計虧損期初結餘的調整，而不重列比較資料。然而，在董事完成詳細審閱前，對有關財務影響作出合理估計並不切實可行。

3. 主要會計政策

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

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

歷史成本一般按交換貨物及服務所付代價之公平值計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Going concern

The Group incurred a net loss of approximately HK\$3,699,056,000 during the year ended 31 December 2018 and as at 31 December 2018, the Group had borrowings of approximately HK\$7,621,439,000 which fall due within one year. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Nevertheless, the directors of the Company have adopted the going concern basis in the preparation of the consolidated financial statements of the Group based on the following:

1. Cash flows from disposals of the Group's assets. For instance, the Group has entered into a conditional sale and purchase agreement to sell its entire issued share capital of Joyous Investment Holdings Limited at a consideration of HK\$1,860,000,000, as disclosed in the Company's announcement dated 30 December 2018.
2. Negotiations with providers of finance to extend or restructure the Group's borrowings. For instance, the maturity date of the bonds (with carrying amount of approximately HK\$2,231,464,000 which were classified as current liabilities at 31 December 2018) will be extended to 16 January 2021, as disclosed in the Company's announcement dated 16 January 2019. In addition, the maturity date of the senior bonds (with carrying amount of approximately HK\$1,299,087,000 which were classified as current liabilities at 31 December 2018) will be extended to 22 March 2021, as disclosed in the Company's announcements dated 21 November 2018, 6 December 2018, 21 December 2018, 14 January 2019 and 13 February 2019 respectively. Furthermore, as disclosed in the Company's circular dated 4 February 2019, the Group planned to raise funds by issuing convertible bonds in an aggregate principal amount of up to US\$350,000,000. The Company intends to apply the net proceeds for repaying or refinancing the existing indebtedness of the Group and for development of the existing property development and investment segment of the Group and for general working capital.

3. 主要會計政策 (續)

持續經營

本集團於截至二零一八年十二月三十一日止年度產生淨虧損約3,699,056,000港元及本集團於二零一八年十二月三十一日有約7,621,439,000港元於一年內到期的借款。該等情況顯示存在重大不確定性，可能導致對本集團持續經營能力產生重大疑慮。然而，基於以下因素，本公司董事於編製本集團綜合財務報表時已採用持續經營基準：

1. 出售本集團資產產生之現金流量。例如，誠如本公司日期為二零一八年十二月三十日之公告所披露，本集團已訂立有條件買賣協議以代價1,860,000,000港元出售其所持豐盛投資控股有限公司之全部已發行股本。
2. 與融資提供方磋商以延長或重組本集團之借款。例如，誠如本公司日期為二零一九年一月十六日之公告所披露，該等債券（賬面值約為2,231,464,000港元，於二零一八年十二月三十一日分類為流動負債）之到期日將延長至二零二一年一月十六日。此外，誠如本公司日期分別為二零一八年十一月二十一日、二零一八年十二月六日、二零一八年十二月二十一日、二零一九年一月十四日及二零一九年二月十三日之公告所披露，該等優先債券（賬面值約為1,299,087,000港元，於二零一八年十二月三十一日分類為流動負債）之到期日將延長至二零二一年三月二十二日。此外，誠如本公司日期為二零一九年二月四日的通函所披露，本集團計劃透過發行本金總額最多達350,000,000美元的可換股債券籌集資金。本公司擬將所得款項淨額用作償還或為本集團現有債務再融資及發展本集團現有物業發展及投資分部及用作一般營運資金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Going concern (Continued)

3. Formulation and implementation of cost saving measures to improve the Group's financial performance and cash flows.

Provided that these measures can successfully improve the liquidity of the Group, the directors of the Company are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements, to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. 主要會計政策 (續)

持續經營 (續)

3. 制定及實施成本減控措施，以改善本集團的財務表現及現金流量。

倘上述措施能成功改善本集團之流動資金狀況，本公司董事信納本集團將能夠於可見未來履行其到期應付之財務承擔。因此，綜合財務報表乃根據持續經營基準編製。

儘管有以上所述，本集團能否達致其上述計劃及措施存在重大不確定性。倘本集團無法持續經營，則將須於綜合財務報表作出調整，以將資產價值撇減至其可收回金額、為可能產生之進一步負債作出撥備以及將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整的影響並未於此等綜合財務報表內反映。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

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

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

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

The principal accounting policies are set out below.

3. 主要會計政策 (續)

公平值是市場參與者在計量日發生的有序交易中，出售資產所能收到或者轉讓負債所需支付的價格，而不論有關價格是否可直接觀察或可採用其他估值方法估計。在估計資產或負債的公平值時，市場參與者於計量日會考慮以對資產或負債定價的特徵，本集團都會考慮。綜合財務報表的公平值之計量及／或披露均以該基準確定，惟香港財務報告準則第2號中的股份付款交易、香港會計準則第17號中的租賃交易和與公平值相似但並非公平值的計量（例如香港會計準則第2號中的可變現淨值或香港會計準則第36號中的使用價值）除外。

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

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

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

主要會計政策載列如下。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

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

3. 主要會計政策 (續)

綜合基準

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

- 可對被投資方行使權力；
- 因參與被投資方之業務而獲得或有權獲得可變回報；及
- 有能力行使其權力以影響該等回報。

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

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

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

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

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

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

Investment in subsidiaries

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

Business combinations

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

3. 主要會計政策 (續)

綜合基準 (續)

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

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

必要時會調整附屬公司財務報表以使其會計政策與本集團會計政策一致。

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

於附屬公司之投資

於附屬公司之投資按成本減任何已識別減值虧損計入本公司之財務狀況表。

業務合併

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 “Income Taxes” and HKAS 19 “Employee Benefits” respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 “Share-based Payment” at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard.

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

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

3. 主要會計政策 (續)

業務合併 (續)

於收購日期，已收購可識別資產及已承擔負債按其公平值確認，但以下各項除外：

- 遞延稅項資產或負債及僱員福利安排的相關負債或資產應分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認和計量；
- 與被收購方之以股份付款之安排或本集團訂立以替換被收購方以股份付款之安排之以股份付款之安排相關的負債或權益工具根據香港財務報告準則第2號「以股份付款」於收購日期計量（參見下文會計政策）；及
- 按照香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售的資產（或出售組別）根據該準則計量。

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

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

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

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

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

3. 主要會計政策 (續)

業務合併 (續)

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

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to properties under development for sales, property, plant and equipment which are at cost, less any recognised impairment loss and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

3. 主要會計政策 (續)

收購並不構成一項業務之附屬公司

當本集團收購並不構成一項業務的一組資產，本集團透過將購買價格先分配至發展中銷售物業、物業、廠房及設備（按成本減任何已確認減值虧損）及金融資產／金融負債（按各自之公平值），再將餘下之購買價格結餘分配至其他可識別資產及負債（按彼等於購買日期的相對公平值為基準），進行識別及確認所收購及所承擔的個別可識別資產及負債。有關交易並不產生商譽或議價購買收益。

商譽

收購業務產生之商譽乃按於收購業務日期訂定之成本減累計減值虧損（如有）列賬。

就減值測試而言，商譽乃分配至本集團預期可從合併的協同效應中受益的各個現金產生單位（或現金產生單位組別），該等現金產生單位為內部管理目的監控商譽之最小單位，且並不大於經營分部。

已獲配商譽之現金產生單位（或現金產生單位組別）須每年或當有跡象顯示單位可能出現減值時更頻密地進行減值測試。就於報告期間收購產生之商譽而言，已獲配商譽之現金產生單位（或現金產生單位組別）須於報告期末前進行減值測試。倘現金產生單位（或現金產生單位組別）之可收回金額低於其賬面值，減值虧損首先獲分配以減少分配至該單位之任何商譽賬面值，然後根據單位內各資產之賬面值按比例分配至單位（或現金產生單位組別）之其他資產。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described above.

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

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

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

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

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

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

3. 主要會計政策 (續)

商譽 (續)

如出售相關現金產生單位，商譽之應佔金額會計入出售收益或虧損的釐定。

本集團就收購聯營公司產生之商譽的政策已載列於上文。

客戶合約收入 (根據附註2的過渡應用香港財務報告準則第15號之後)

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

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

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

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

否則，收入於客戶獲得可區分的貨品或服務的控制權之時間點確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

3. 主要會計政策 (續)

客戶合約收入 (根據附註2的過渡應用香港財務報告準則第15號之後) (續)

合約資產指本集團就交換本集團已向客戶轉讓的貨品或服務而收取代價的尚未成為無條件的權利。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價到期付款前僅需時間推移。

合約負債指本集團因已向客戶收取代價 (或已到期收取代價)，而須向客戶轉讓貨品或服務的責任。

一項合約之相關合約資產及合約負債按淨額入賬及列報。

隨時間推移確認收入：計量完全達成履約責任之進度

產出法

完全達成履約責任之進度乃根據產出法計量，即透過直接計量迄今已轉讓予客戶的貨品或服務價值，相對合約下承諾的剩餘貨品或服務價值確認收入，該方法最能反映本集團於轉讓貨品或服務控制權方面的履約情況。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation (Continued)

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable.

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

3. 主要會計政策 (續)

客戶合約收入 (根據附註2的過渡應用香港財務報告準則第15號之後) (續)

隨時間推移確認收入：計量完全達成履約責任之進度 (續)

存在重大融資部分

於釐定交易價時，倘協定之付款時間（明示或暗示）為客戶或本集團提供有關向客戶轉讓貨品或服務之重大融資利益，本集團會就貨幣時間價值之影響調整承諾代價金額。於此等情況下，合約即包含重大融資部分。不論融資承諾是否明確列於合約或隱含在合約訂約方協定之付款條款中，均可能存在重大融資部分。

對於付款與轉讓相關貨品或服務相隔期間不足一年之合約，本集團應用簡易實務處理方法，不就任何重大融資部分調整交易價。

收入確認 (於二零一八年一月一日之前)

收入乃按已收代價或應收代價之公平值計算。

收入於收入金額能可靠地計量；未來經濟利益很可能會流入本集團及滿足下述本集團各項活動之特定條件時，方予確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (prior to 1 January 2018) (Continued)

Sale of properties is recognised as revenue when all of the following criteria are met:

- the significant risk and rewards of ownership of the properties are transferred to buyers;
- neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties are retained;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Deposits received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

Property management service income is recognised over the period in which the services are rendered.

Other property related service income is recognised when the services are rendered.

Revenue from restaurant operations is recognised when catering services have been provided to customers.

3. 主要會計政策 (續)

收入確認 (於二零一八年一月一日之前) (續)

銷售物業於滿足以下全部標準時確認為收入：

- 物業所有權之重大風險及回報已轉予買家；
- 不再對物業保留一般與擁有權有關之程度之持續參與管理，亦不對物業保留實際控制權；
- 收入金額能可靠地計量；
- 交易相關之經濟利益很可能會流入本集團；及
- 交易相關已產生或將產生成本能可靠地計量。

在符合上述收入確認條件前自買家收取之訂金計入綜合財務狀況報表之流動負債下。

物業管理之服務收入於提供服務時於有關期間內確認。

其他物業相關之服務收入於提供服務時確認。

餐廳業務之收入於向顧客提供餐飲服務時確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (prior to 1 January 2018) (Continued)

Revenue from the sale of foods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the foods sold.

Revenue from admission tickets sold is recognised when tickets are accepted and surrendered by the customers. Revenue from tickets sold for use at a future date is deferred until the tickets are used by the customers, surrendered or have expired.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measure reliably).

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

3. 主要會計政策 (續)

收入確認 (於二零一八年一月一日之前) (續)

銷售食品之收入於擁有權之大部分風險及回報已轉予買家，且本集團不對已出售食品保留一般與擁有權有關之程度之管理亦不享有實際控制權時確認。

銷售入場門票之收入於顧客接納並交回門票時確認。銷售未來日子使用的門票之收入遞延至門票已被客戶使用、交回或過期時。

金融資產之利息收入乃於經濟利益將很可能流入本集團及收入金額能夠可靠地計量時確認。利息收入乃按未償還本金額以適用實際利率按時間基準計算，而該利率乃按金融資產之預期可使用年期將估計未來現金收入準確折現至該資產於初始確認時之賬面淨值之利率。

投資之股息收入於股東收取付款的權益確定時確認 (前提為經濟利益將很可能流入本集團及收入金額能可靠地計量)。

本集團確認經營租賃收入之會計政策載於下文租賃之會計政策內。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of services or for administrative purposes (other than construction-in-progress as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than construction in progress less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Transfer from owner-occupied property to investment property carried at fair value

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant prepaid lease payments) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

3. 主要會計政策 (續)

物業、廠房及設備

物業、廠房及設備包括持有用於生產或供應服務或用作行政用途之樓宇(下述在建物業除外),乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

用於生產、供應或行政用途之在建物業以成本減任何已確認減值虧損列賬。成本包括專業費用及(就合資格資產而言)根據本集團會計政策資本化之借款成本。該等物業於竣工及可作擬定用途時分類為物業、廠房及設備之適當類別。該等資產於資產可作擬定用途時開始按與其他物業資產相同之基準計提折舊。

折舊乃按直線法在物業、廠房及設備項目(在建物業除外)估計可使用年期內撇銷其成本減剩餘價值。估計可使用年期、剩餘價值及折舊方法於各報告期末作出檢討,任何估計變動之影響按未來適用基準入賬。

按公平值列賬之自用物業轉撥至投資物業

倘有證據顯示物業、廠房及設備項目因其使用狀況有更改(即不再由業主自用)而變為投資物業,該項目(包括相關預付租賃付款)於轉撥日期之賬面值與公平值之任何差額於其他全面收益內確認,並於物業重估儲備中累計。其後當該資產出售或停用時,有關重估儲備將直接轉撥至保留溢利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Building under development for future own-occupied purpose

Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes). Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties measured using the fair value model

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

3. 主要會計政策 (續)

物業、廠房及設備 (續)

以融資租賃方式持有之資產，按與自有資產相同之基準於其預計可使用年期內折舊。然而，倘無法合理確定擁有權將於租賃期結束時取得，則資產會按租賃期及可使用年期之較短者折舊。

物業、廠房及設備項目於出售或當預期持續使用該資產不再帶來未來經濟利益時取消確認。出售或棄置物業、廠房及設備項目產生之任何收益或虧損按出售所得款項與資產賬面值之差額釐定，並於損益確認。

作未來自用之發展中樓宇

在建樓宇按成本值減任何已識別減值虧損列賬。樓宇於可供使用時（即於樓宇達致按管理層擬定方式運作所需地點及狀況時）開始折舊。

投資物業

投資物業指持作賺取租金及／或資本增值用途之物業（包括符合上述用途的在建物業）。投資物業包括持作未釐定日後用途之土地，乃視為持作資本增值用途。

採用公平值模式計量之投資物業

投資物業初始按成本計算，包括任何直接應佔開支。初始確認以後，投資物業以其公平值計值。投資物業之公平值變動所產生之收益或虧損計入其產生期間內之損益。

在建投資物業所產生之建設成本乃資本化為在建投資物業賬面值之一部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties (Continued)

Investment properties measured using the fair value model (Continued)

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

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Costs include leasehold land cost, development cost, borrowing costs and other direct costs attributable to such properties, until the relevant properties reach a marketable state.

Net realisable value is determined by reference to management estimates of the selling price based on prevailing market conditions, less all estimated costs to completion and costs to be incurred in marketing and selling.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses/revalued amounts, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

3. 主要會計政策 (續)

投資物業 (續)

採用公平值模式計量之投資物業 (續)

投資物業於出售或當投資物業被永久棄置及預期未來出售該投資物業不會帶來經濟利益時取消確認。取消確認物業所產生之任何收益及虧損 (按出售所得款項淨額與資產之賬面值之差額計算) 於取消確認期間內計入損益。

持作出售物業

持作出售物業乃按成本及可變現淨值之較低者列賬。成本包括租賃土地成本、發展成本、借款成本及該等物業應佔之其他直接成本，直至有關物業可供出售為止。

可變現淨值乃參考管理層根據當時市況所估計之售價減所有估計完工成本及將產生之市場推廣及銷售成本後釐定。

無形資產

單獨收購之無形資產

單獨收購而具有有限可使用年期之無形資產，按成本減累計攤銷及任何累計減值虧損／重估金額 (即重估當日之公平值減其後累計攤銷及任何累計減值虧損) 列賬。具有有限可使用年期之無形資產攤銷於估計可使用年內以直線法確認。估計可使用年期及攤銷方法於各報告期末檢討，任何估計變動之影響按未來適用基準入賬。單獨收購而具無限可使用年期之無形資產，按成本減任何其後累計減值虧損列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (Continued)

Impairment on tangible assets other than goodwill (see accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of tangible and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策 (續)

無形資產 (續)

除商譽 (參見上文有關商譽之會計政策) 外之有形資產之減值

於報告期末，本集團檢討具有有限可使用年期之有形及無形資產之賬面值，以決定是否有任何跡象顯示該等資產已出現減值虧損。倘存在有關跡象，則會估計有關資產之可收回金額以釐定減值虧損 (如有) 之程度。具無限可使用年期之無形資產及未可供使用之無形資產，須至少每年及出現可能減值跡象時進行減值測試。

有形及無形資產之可收回金額進行個別估計。倘不能估計個別資產之可收回金額，則本集團會估計資產所屬現金產生單位之可收回金額。如能識別合理及一致的分配基準，則公司資產亦被分配至個別現金產生單位，否則則分配至能識別合理及一致的分配基準的最小現金產生單位組別。

可收回金額乃公平值減出售成本與使用價值之較高者。在評估使用價值時，估計未來現金流量使用稅前折現率折現至其現值，該折現率反映市場當前對貨幣時間價值之估計及資產 (或現金產生單位) 特定風險 (並無就此調整未來現金流量之估計) 的評估。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (Continued)

Impairment on tangible assets other than goodwill (see accounting policy in respect of goodwill above) (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

Inventories

Inventories, other than properties held for sale, are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. 主要會計政策 (續)

無形資產 (續)

除商譽 (參見上文有關商譽之會計政策) 外之有形資產之減值 (續)

倘估計資產 (或現金產生單位) 之可收回金額低於其賬面值, 則該資產 (或現金產生單位) 之賬面值須減至其可收回金額。減值虧損即時於損益確認, 除非有關資產根據其他準則按重估金額列賬, 在此情況下, 有關減值虧損作為根據該準則的重估減少處理。

倘其後減值虧損撥回, 則該資產 (或現金產生單位) 之賬面值將增至重新估計之可收回金額, 但增加後之賬面值不得超過假設資產 (或現金產生單位) 於過往年度並無確認減值虧損所釐定之賬面值。減值虧損之撥回即時於損益確認, 除非有關資產根據其他準則按重估金額列賬, 在此情況下, 有關減值虧損作為根據該準則的重估減少處理。

存貨

存貨 (持作出售物業除外) 按成本值與可變現淨值兩者中之較低者列值。存貨成本以加權平均法確定。可變現淨值為存貨之估計售價減完成銷售之所有估計成本及作出有關銷售所需成本。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. Other than investment properties measured under fair value model, such costs are recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

3. 主要會計政策 (續)

租賃

當租賃條款將擁有權所附帶之絕大部分風險及回報轉移予承租人時，租賃分類為融資租賃。所有其他租賃分類為經營租賃。

本集團作為出租人

根據融資租賃應收承租人款項按本集團於租賃項下之投資淨額確認為應收款項金額。融資租賃收入分配至各會計期間，以反映本集團就有關租賃之未收回投資淨額之固定定期回報率。

經營租賃之租金收入於有關租約期內以直線法在損益確認。就磋商及安排經營租賃產生之初步直接成本乃計入租賃資產之賬面值。除按公平值模型計量之投資物業外，有關成本於租賃期內以直線法確認為開支。

本集團為承租人

以融資租賃持有之資產乃按租賃開始時之公平值或（倘為較低者）按最低租賃付款之現值確認為本集團資產。對出租人之相應負債乃於綜合財務狀況表列作融資租賃承擔。

租賃付款按比例於財務費用與租賃責任減少之間作出分配，從而使該等負債餘額之息率固定。財務費用即時於損益中確認，除非該費用為合資格資產直接應佔費用，在該情況下，該費用根據本集團之借貸成本的一般政策予以資本化（參見下文的會計政策）。或然租金於其產生期間確認為開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

The Group as lessee (Continued)

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. 主要會計政策 (續)

租賃 (續)

本集團為承租人 (續)

經營租賃付款於有關租期以直線法確認為開支，惟倘另有系統性基準更能代表租賃資產之經濟利益被消耗的時間模式則另當別論。經營租賃所產生之或然租金於產生期間確認為開支。

倘訂立經營租賃時收取租賃優惠，則有關優惠確認為負債。優惠總利益以直線法確認為租金開支減少，惟倘另有系統性基準更能代表租賃資產之經濟利益被消耗的時間模式則另當別論。

外幣

在編製各個別集團實體之財務報表時，以功能貨幣以外之貨幣（外幣）為單位之交易按於交易日期之適用匯率確認。於報告期末，以外幣列值之貨幣項目以當日之適用匯率重新換算。公平值以外幣定值之非貨幣項目應按於釐定公平值當日之適用匯率重新換算。以外幣歷史成本計量之非貨幣項目毋須重新換算。

結算貨幣項目及重新換算貨幣項目所產生匯兌差異於其產生期間在損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 主要會計政策 (續)

外幣 (續)

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃採用於各報告期末之適用匯率換算為本集團之列賬貨幣（即港元）。收入及支出項目乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，在此情況下，則採用於交易當日之匯率。所產生之匯兌差異（如有）乃於其他全面收益確認，並於權益中匯兌儲備下累計。

於出售海外經營業務（即出售本集團於該海外經營業務之全部權益，或導致失去控制權之出售包含海外經營業務之附屬公司）時，就本公司擁有人應佔之業務於權益累計之所有匯兌差異重新分類至損益。

因收購海外經營業務而產生之可識別資產及負債之商譽及公平值調整乃視作該海外經營業務之資產及負債，並按各報告期末之適用匯率換算。所產生之匯兌差異於其他全面收益確認。

借貸成本

收購、建造或生產合資格資產（即需一段較長時間始能達至其擬定用途或供出售之資產）直接應佔之借貸成本計入該等資產之成本，直至資產大體上已可用作擬定用途或供出售為止。當指定借款尚未支付合資格資產開支而用作臨時投資時，所賺取之投資收入會從合資格資本化之借貸成本中扣除。

所有其他借貸成本乃於產生期間於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit costs

Payments to defined contribution retirement benefit plans including state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3. 主要會計政策 (續)

退休福利成本

定額供款退休福利計劃 (包括國家管理之退休福利計劃及強制性公積金計劃) 之付款乃於僱員提供服務而可享有供款時確認為開支。

短期及其他長期僱員福利

短期僱員福利乃於僱員提供服務時按預期將予支付福利之未折現金額確認。除非另有香港財務報告準則規定或允許將福利計入資產成本內，否則所有短期僱員福利均確認為開支。

與工資及薪金、年假及病假有關之僱員應計福利乃於其提供服務期間並預期將支付以作為換取該服務之未折現金額確認為負債。

就短期僱員福利確認之負債乃按預期將予支付作為換取相關服務之未折現金額計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before tax” as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 主要會計政策 (續)

稅項

所得稅支出指現時應付稅項及遞延稅項總和。

現時應付稅項按本年度應課稅溢利計算。應課稅溢利與綜合損益表中所報「除稅前溢利」不同，乃由於其他年度應課稅或可抵扣稅收入或開支之項目及其他毋須課稅或不能抵扣稅之項目。本集團之即期稅項負債乃按報告期末已制訂或大致上已制訂之稅率計算。

遞延稅項就綜合財務報表資產及負債賬面值與計算應課稅溢利所用相應稅基間之暫時差額而確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產則通常就所有可抵扣稅之暫時差額於可能出現應課稅溢利以抵銷可抵扣稅之暫時差額時確認。若於一項交易中，因商譽或因業務合併以外原因初始確認其他資產及負債而產生之暫時差額既不會影響應課稅溢利亦不會影響會計溢利，則不會確認有關資產及負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred taxes are recognised in profit or loss.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項負債乃就與附屬公司有關之投資而引致之應課稅暫時差額而確認，惟若本集團可控制暫時差額撥回及暫時差額不大可能於可見將來撥回之情況則除外。因與有關投資及權益有關之可抵扣稅暫時差額而產生之遞延稅項資產，僅於可能產生足夠應課稅溢利從而動用暫時差額之利益並且預期可於可見將來撥回時確認。

遞延稅項資產之賬面值於報告期末作檢討，並在不可能有足夠應課稅溢利收回全部或部分資產價值時作調減。

遞延稅項負債及資產乃根據於報告期末前已制訂或大致上已制訂之稅率（及稅法），按預期於負債清償或資產變現期間適用之稅率計算。

遞延稅項負債及資產之計量反映按照本集團於報告期末所預期方式收回或結算其資產及負債之賬面值將出現之稅務後果。即期及遞延稅項於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. 主要會計政策 (續)

稅項 (續)

計量遞延稅項負債或遞延稅項資產時，以公平價值模型計量的投資物業之賬面值乃假定透過銷售全數收回，惟假設被推翻則除外。倘投資物業可折舊且以主要目的為隨時間而非透過銷售消耗投資物業所包含的絕大部分經濟利益的商業模式持有，則有關假設被推翻。

金融工具

金融資產及金融負債乃當某集團實體成為工具條文之訂約方時確認。所有按常規方式購買或出售金融資產按交易日基準確認及取消確認。按常規方式購買或出售指須於市場規例或慣例一般所訂期間內交付資產的金融資產購買或出售。

金融資產及金融負債初始按公平值計量，惟客戶合約產生之應收貿易賬款自二零一八年一月一日起初始根據香港財務報告準則第15號計量除外。收購或發行金融資產及金融負債（按公平值計入損益之金融資產或金融負債除外）直接應佔之交易成本於初始確認時加入金融資產或金融負債之公平值或在金融資產或金融負債之公平值內扣除（如適用）。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本即時於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

3. 主要會計政策 (續)

金融工具 (續)

實際利率法是一種在相關期間內用於計算金融資產或金融負債之攤銷成本及分配利息收入及利息開支之方法。實際利率是於金融資產或金融負債之預期壽命或者較短期間內（倘適用）準確將估計未來現金收款及付款（包括所有構成實際利率一部分之已付或已收費用及點數、交易成本及其他溢價或折讓）折現至初始確認賬面淨值之利率。

於本集團日常業務中產生之利息／股息收入列報為收入。

金融資產

金融資產之分類及其後計量（根據附註2的過渡應用香港財務報告準則第9號後）

符合下列條件之金融資產其後按攤銷成本計量：

- 持有金融資產之業務模式目的是持有金融資產以收取合約現金流量；及
- 金融資產之合約條款在指定日期產生現金流量，而該現金流量僅為未償還本金金額之本金及利息付款。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

*Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)
(Continued)*

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

符合以下條件之金融資產其後按公平值計入其他全面收益 (「按公平值計入其他全面收益」) 計量:

- 持有金融資產之業務模式目的是收取合約現金流量及進行出售; 及
- 合約條款在指定日期產生現金流量, 而該現金流量僅為未償還本金金額之本金及利息付款。

所有其他金融資產其後按公平值計入損益計量, 惟在首次應用/初始確認金融資產之日, 倘權益投資並非持作買賣亦非收購方在香港財務報告準則第3號「業務合併」適用的業務合併中確認之或然代價, 則本集團可不可撤銷地選擇於其他全面收益呈列權益投資公平值之其後變動。

符合以下條件之金融資產分類為持作買賣:

- 其主要為於不久的將來出售而購入; 或
- 於初始確認時為整體管理之已識別金融工具組合之一部分, 且有證據表明具有近期實際短期獲利模式; 或
- 其為並非指定為且並非有效對沖工具之衍生工具。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

*Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)
(Continued)*

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significant reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

此外，如果能夠消除或顯著減少會計錯配，則本集團可不可撤銷地將須按攤銷成本或按公平值計入其他全面收益計量之金融資產指定為按公平值計入損益。

(i) 攤銷成本及利息收入

就其後按攤銷成本計量之金融資產及債務工具／其後按公平值計入其他全面收益之應收款項而言，利息收入乃使用實際利率法確認。利息收入乃透過對金融資產之總賬面值應用實際利率計算，惟其後出現信貸減值之金融資產除外（參見下文）。就其後出現信貸減值之金融資產而言，自下一報告期間起，利息收入乃透過對金融資產之攤銷成本應用實際利率而確認。倘已出現信貸減值之金融工具之信貸風險好轉，使有關金融資產不再出現信貸減值，於釐定有關資產不再出現信貸減值後之報告期間初起，利息收入乃透過對金融資產之總賬面值應用實際利率而確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)
(Continued)

(ii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in OCI and accumulated under the heading of FVTOCI. Impairment allowances are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt instruments. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as FVTOCI

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income (“OCI”) and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

(ii) 分類為按公平值計入其他全面收益之債務工具

分類為按公平值計入其他全面收益之債務工具因使用實際利率法計算的利息收入而產生之賬面值其後變動以及匯兌收益及虧損在損益中確認。該等債務工具的所有其他賬面值變動於其他全面收益中確認，並於「按公平值計入其他全面收益」項下累計。減值撥備於損益中確認，並對其他全面收益作出相應調整而不減少該等債務工具之賬面值。在損益中確認之金額與倘該等債務工具以攤銷成本計量情況下應在損益中確認之金額相同。於取消確認該等債務工具時，先前於其他全面收益確認之累計收益或虧損重新分類至損益。

(iii) 指定為按公平值計入其他全面收益之權益工具

按公平值計入其他全面收益之權益工具投資初始按公平值加交易成本計量。其後，按公平值計量，公平值變動產生之收益及虧損於其他全面收益（「其他全面收益」）確認並於投資重估儲備累計；及無須作減值評估。於出售權益投資時累計損益不會重新分類至損益，而將轉撥至累計虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)
(Continued)

(iii) Equity instruments designated as FVTOCI (Continued)

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive to dividends is established in accordance with HKFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

(iii) 指定為按公平值計入其他全面收益之權益工具 (續)

根據香港財務報告準則第9號，當本集團收取股息之權利確立時，於損益中確認該等權益工具投資之股息，除非股息明確代表投資成本的部分收回則除外。

(iv) 按公平值計入損益之金融資產

不符合按攤銷成本或按公平值計入其他全面收益或指定為按公平值計入其他全面收益的計量標準的金融資產按公平值計入損益計量。

按公平值計入損益之金融資產按各報告期末的公平值計量，任何公平值收益或虧損於損益中確認。於損益確認之收益或虧損淨額，不包括從金融資產賺取之任何股息或利息，並計入「其他收益及虧損」項目內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including note receivables, trade receivables, deposits and other receivables, pledged bank deposits and cash and cash equivalents). The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the end of the reporting period. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值 (根據附註2的過渡應用香港財務報告準則第9號後)

本集團就根據香港財務報告準則第9號須予減值的金融資產 (包括應收票據、應收貿易賬款、按金及其他應收款項、已抵押銀行存款以及現金及現金等價物) 的預期信貸虧損確認虧損撥備。預期信貸虧損的金額於各報告期末更新，以反映信貸風險自初始確認以來的變動。

存續期預期信貸虧損指於相關工具於預計存續期內所有可能違約事件產生的預期信貸虧損。相反，12個月預期信貸虧損 (「12個月預期信貸虧損」) 指預計於報告期末後12個月內可能發生的違約事件產生的預期信貸虧損，為存續期預期信貸虧損的一部分。評估乃根據本集團過往信貸虧損經驗，並就債務人特定因素、一般經濟狀況以及對於報告日期之當時狀況及未來狀況預測的評估作調整。

本集團一直就應收貿易賬款確認存續期預期信貸虧損。該等資產的預期信貸虧損乃就其重大結餘的應收賬款進行個別評估及/或採用具合適組別的撥備矩陣進行集體評估。

就所有其他工具而言，本集團按相等於12個月預期信貸虧損的金額計量虧損撥備，除非當信貸風險自初始確認以來顯著上升，則本集團確認存續期預期信貸虧損。是否應以存續期預期信貸虧損確認乃根據自初始確認以來發生違約的可能性或風險是否已顯著上升而評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2) (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

(i) 信貸風險顯著上升

於評估信貸風險是否自初始確認以來已顯著上升時，本集團比較金融工具於報告期末出現違約的風險與該金融工具於初始確認日期出現違約的風險。作此評估時，本集團會考慮合理可靠的定量及定性資料，包括過往經驗及毋須付出過多成本或精力即可獲得的前瞻性資料。

具體而言，評估信貸風險是否顯著上升時會考慮下列資料：

- 金融工具外部 (如有) 或內部信貸評級的實際或預期重大惡化；
- 信貸風險的外界市場指標的重大惡化，例如信貸息差大幅增加；
- 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人經營業績的實際或預期重大惡化；及
- 導致債務人履行其債務責任的能力大幅下降的債務人所在監管、經濟或技術環境的實際或預期重大不利變動。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2) (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of the reporting period. A debt instrument is determined to have low credit risk if i) it has a low risk of default; ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has internal or external crediting rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

(i) 信貸風險顯著上升 (續)

無論上述評估結果如何，本集團假定合約付款逾期超過30日時，信貸風險自初始確認以來已顯著上升，除非本集團有合理可靠資料證明並無顯著上升則當別論。

儘管有以上所述，倘於報告期末債務工具的信貸風險被釐定為較低，則本集團會假定債務工具的信貸風險自初始確認以來並無顯著上升。倘i)債務工具違約風險低；ii)借款人短期內履行合約現金流量責任的能力強勁及iii)經濟及營商環境於較長期間內的不利變動可能但未必會降低借款人履行合約現金流量責任的能力，則釐定債務工具的違約風險較低。當按照公認的定義債務工具的內部或外部信貸評級為「投資級別」，則本集團將該債務工具視為信貸風險較低。

本集團定期監察用以識別信貸風險是否已顯著上升之標準的成效，並於適當時候作出修訂，以確保有關標準能夠於款項逾期之前識別出信貸風險顯著上升。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2) (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

(ii) 違約之定義

就內部信貸風險管理而言，倘內部編製立或從外部來源獲得之資料顯示債務人不大可能向其債權人 (包括本集團) 全額還款 (不考慮本集團持有之任何抵押品)，則本集團認為發生違約事件。

不論上述分析的結果，本集團認為，倘金融資產逾期超過90日，即發生違約事件，除非本集團具有說明更寬鬆的違約標準更為合適的合理可靠資料，則作別論。

(iii) 出現信貸減值之金融資產

當發生一項或多項事件而對金融資產之估計未來現金流量產生不利影響時，該金融資產即為出現信貸減值。金融資產出現信貸減值之證據包括以下事件之可觀察資料：

- 發行人或借款人陷入重大財務困難；
- 違反合約，例如違約或逾期事件；
- 借款人之貸款人出於與借款人財務困難有關的經濟或合約原因，而向借款人授予貸款人原本不會考慮之寬限；
- 借款人甚有可能破產或進行其他財務重組；或
- 財務困難以致該金融資產之活躍市場消失。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2) (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For trade receivables in respect of leasing, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the trade receivables in respect of leasing in accordance with HKAS 17.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

(iv) 撇銷政策

當有資料顯示對手方陷入嚴重財務困難且並無實際收回款項之可能時(例如對手方被清盤或進入破產程序),或就應收貿易賬款而言,當有關款項逾期超過一年時(以較早發生者為準),本集團會撇銷金融資產。根據本集團收回款項的程序,已撇銷之金融資產仍可能受到執法活動的影響,在適當情況下考慮法律意見。撇銷構成取消確認事件。任何其後收回之款項於損益內確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率(即違約損失程度)及違約風險的函數。違約概率及違約損失率乃基於根據前瞻性資料調整的歷史數據評估。預期信貸虧損之估計反映無偏頗及概率加權金額,有關金額乃根據發生相應違約風險之金額作為加權數值而釐定。

一般而言,預期信貸虧損為本集團根據合約應收的合約現金流量與本集團預計將收到的所有現金流量之間的差額,並按初始確認時釐定的實際利率貼現。就有關租賃之應收貿易賬款而言,釐定預期信貸虧損所用的現金流量與根據香港會計準則第17號租賃的計量有關租賃之應收貿易賬款所用的現金流量一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application of HKFRS 9 with transitions in accordance with note 2) (Continued)

(v) Measurement and recognition of ECL (Continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in debts instruments that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, other receivables and deposits where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the investment revaluation reserve without reducing the carrying amount of these debt instruments.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值 (根據附註2的過渡應用香港財務報告準則第9號後) (續)

(v) 預期信貸虧損的計量及確認 (續)

倘預期信貸虧損按集體基準計量以處理個別工具層面的證據尚未可得的情況，則金融工具按以下基準分組：

- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級 (倘有)。

管理層定期檢討分組方法，以確保各組別的組成項目仍然具有相似的信貸風險特徵。

利息收入按金融資產的總賬面值計算，惟倘金融資產出現信貸減值，則利息收入按金融資產的攤銷成本計算。

除按公平值計入其他全面收益之債務工具外，本集團通過調整所有金融工具的賬面值於損益確認彼等之減值收益或虧損，惟應付貿易賬款、其他應收款項及按金除外，其透過虧損撥備賬確認相應調整。就按公平值計入其他全面收益計量之債務工具投資而言，虧損撥備於其他全面收益中確認，並於投資重估儲備中累計，而不減低該等債務工具之賬面值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (“FVTPL”), available-for-sale (“AFS”) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

(i) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading, (ii) it is designated as at FVTPL, or (iii) contingent consideration that may be received by an acquirer as part of a business combination to which HKFRS 3 applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (於二零一八年一月一日應用香港財務報告準則第9號之前)

金融資產分為以下特定類別：按公平值計入損益（「按公平值計入損益」）之金融資產、可供出售（「可供出售」）金融資產及貸款及應收款項。分類視乎金融資產之性質及目的而定，並於初次確認時釐定。所有以常規方式買賣之金融資產按交易日基準確認及取消確認。常規方式買賣指須於根據市場規定或慣例釐定之時限內將資產交付之金融資產買賣。

(i) 按公平值計入損益之金融資產

倘金融資產為(i)持作買賣、(ii)指定為按公平值計入損益、或(iii)作為適用香港財務報告準則第3號之業務合併一部分收購方可能收取之或然代價時，則金融資產分類為按公平值計入損益。

在下列情況下，金融資產分類為持作買賣：

- 購入金融資產主要是為於短期內出售；或
- 於初始確認時，其構成本集團合併管理之已識別金融工具之組合之一部分及具有最近實際短期獲利模式；或
- 其為未被指定及可有效作為對沖工具之衍生工具。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

(i) Financial assets at FVTPL (Continued)

A financial asset other than a financial asset held for trading or contingent consideration that may be received by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets and is included in the "other income" line item. Fair value is determined in the manner described in Notes 19 and 42(c).

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (於二零一八年一月一日應用香港財務報告準則第9號之前)
(續)

(i) 按公平值計入損益之金融資產 (續)

在下列情況下，金融資產 (持作買賣之金融資產或作為業務合併一部分收購方可能收取之或然代價除外) 可於初始確認時指定為按公平值計入損益：

- 該指定消除或大幅減少可能會出現的計量或確認方面之不一致性；或
- 該金融資產構成一組金融資產或金融負債或金融資產及金融負債組合之一部分，而根據本集團制定的風險管理或投資策略，該項資產乃以公平值為基礎進行管理及評估績效，且有關分組之資料乃按此基準向內部提供；或
- 其構成包含一項或多項嵌入衍生工具的合約之一部分，而香港會計準則第39號允許將整個組合合約 (資產或負債) 指定為按公平值計入損益。

按公平值計入損益之金融資產按公平值計量，而重新計量產生之任何收益或虧損將在損益內確認。於損益確認之收益或虧損淨額包括金融資產所賺取的任何股息或利息，並計入「其他收入」項目內。公平值按附註19及42(c)所述方法確定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

(ii) AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

Equity and debt securities held by the Group that are classified as AFS financial assets and are traded in an active market are measured at fair value at the end of each reporting period except for unquoted equity investments whose fair value cannot be reliably measures. Changes in the carrying amount of AFS debt instruments relating to interest income calculated using the effective interest method, and changes in foreign exchange rates, if applicable are recognised in profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured at cost less any identified impairment losses at the end of each reporting period.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (於二零一八年一月一日應用香港財務報告準則第9號之前)
(續)

(ii) 可供出售金融資產

可供出售金融資產為指定為可供出售或並無歸類為(a)貸款及應收款項、(b)持至到期投資或(c)按公平值計入損益之金融資產之非衍生工具。

本集團所持有之分類為可供出售金融資產及於活躍市場上交易之權益及債務證券於各報告期末按公平值計量，惟公平值無法可靠地計量的無報價權益投資除外。與採用實際利率法計算之利息收入及外匯匯率變動有關之可供出售債務工具之賬面值之變動(如適用)於損益中確認。可供出售權益工具之股息於本集團收取該股息之權利確立時於損益中確認。可供出售金融資產賬面值之其他變動於其他全面收益中確認，並在投資重估儲備累計。當投資被出售或被釐定出現減值時，先前於投資重估儲備中累計之累計收益或虧損重新分類至損益。

並無活躍市場的市價報價並難以可靠地計算其公平值的可供出售權益投資，按成本扣除於各報告期末的任何已識別減值虧損列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, deposits and other receivables, pledged bank deposits and bank balances and deposits) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short term receivables where the recognition of interest would be immaterial.

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For its equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (於二零一八年一月一日應用香港財務報告準則第9號之前)

(iii) 貸款及應收款項

貸款及應收款項乃非於活躍市場報價並具有固定或可釐定付款之非衍生金融資產。於初始確認後，貸款及應收款項 (包括應收貿易賬款、按金及其他應收款項、已抵押銀行存款以及銀行結餘及存款) 按採用實際利率法計算之攤銷成本減任何減值計量。

利息收入採用實際利率法確認，惟利息確認並不重大的短期應收款項除外。

金融資產之減值 (於二零一八年一月一日應用香港財務報告準則第9號之前)

除按公平值計入損益的金融資產外，其他金融資產於各報告期末進行減值跡象評估。當有客觀證據顯示初始確認金融資產後發生之一項或多項事件導致金融資產之估計未來現金流量受到影響，則金融資產被視為已減值。

就權益投資而言，證券公平值大幅或長期低於其成本被視作減值的客觀證據。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值 (於二零一八年一月一日應用香港財務報告準則第9號之前) (續)

就所有其他金融資產而言，減值之客觀證據包括：

- 發行人或對手方出現重大財務困難；或
- 違反合約，如逾期交付或拖欠利息或本金；或
- 借款人很可能破產或進行財務重組；或
- 因財務困難導致金融資產之活躍市場消失。

應收款項組合出現減值的客觀證據可包括本集團過往收款經驗、組合內逾期超過平均信貸期間的還款數目增加，以及國家或地方經濟狀況出現與應收款項違約相關的可觀察變動。

就按攤銷成本列賬的金融資產而言，所確認減值虧損金額按該資產之賬面值與按其原先實際利率折現之估計未來現金流量現值間之差額計算。

就按成本列賬的金融資產而言，減值虧損金額乃按該資產賬面值與按類似金融資產當前市場回報率折現之估計未來現金流量現值間之差額計量。該等減值虧損不會於其後期間撥回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值 (於二零一八年一月一日應用香港財務報告準則第9號之前) (續)

所有金融資產之減值虧損會直接於金融資產之賬面值中作出扣減，惟應收貿易賬款除外，應收貿易賬款之賬面值會透過撥備賬目作出扣減。撥備賬目之賬面值變動會於損益中確認。當應收貿易賬款被視為不可收回時，其於撥備賬戶內撇銷。於其後收回之前撇銷之款項將計入損益。

倘可供出售金融資產被視為已減值，則過往於其他全面收益確認的累計收益或虧損於期內重新分類至損益。

就按攤銷成本計量之金融資產而言，倘於往後期間減值虧損金額減少，而該減幅客觀地涉及於確認減值虧損後發生的事件，則先前確認的減值虧損透過損益撥回，惟該金融資產於撥回減值日期的賬面值不得超過在並無確認減值的情況下應有的攤銷成本。

就可供出售權益投資而言，過往於損益確認的減值虧損不會透過損益撥回。於減值虧損後出現的任何公平值增加於其他全面收益確認，並於投資重估儲備項下累計。就可供出售債務投資而言，倘投資的公平值增加客觀地涉及於確認減值虧損後發生的事件，則減值虧損其後透過損益撥回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

取消確認

本集團僅於自資產獲取現金流量之合約權利到期時，或本集團將金融資產及資產所有權之絕大部分風險及回報轉予另一方時取消確認金融資產。倘本集團未轉移亦無保留資產所有權之絕大部分風險及回報，而是繼續控制已轉讓資產，則本集團確認其於該資產的保留權益並就其可能須支付之金額確認相關負債。倘本集團保留已轉讓金融資產所有權之絕大部分風險及回報，則本集團繼續確認該金融資產，並會就已收取之所得款項確認有抵押借款。

取消確認金融資產時，資產賬面值與已收及應收代價以及累計收益或虧損（已於其他全面收益確認及於權益累計）總和間之差額，於損益確認。

本集團只有在責任獲免除、取消或到期時，方會取消確認金融負債。已取消確認之金融負債之賬面值與已付及應付代價間差額會於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具

分類為債務或權益

集團實體發行之債務及權益工具乃根據合約安排內容及金融負債與權益工具之定義分類為金融負債或權益。

權益工具

權益工具乃證明於本集團扣減其所有負債之資產中擁有剩餘權益之任何合約。本集團發行之權益工具按已收所得款項(扣除直接發行成本)確認。

本公司購回本身之權益工具於權益直接確認及扣除。購買、出售、發行或註銷本公司本身之權益工具概不會於損益確認收益或虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL or (iii) contingent consideration that may be paid by an acquirer as part of a business combination to which HKFRS 3 applies.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, HKFRS 9 and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具 (續)

按公平值計入損益之金融負債

倘金融負債為(i)持作買賣，或(ii)指定為按公平值計入損益，或(iii)作為適用香港財務報告準則第3號之業務合併一部分收購方可能支付之或然代價時，則金融負債分類為按公平值計入損益。

在下列情況下，金融負債分類為持作買賣：

- 購入金融負債主要是為於短期內出售；或
- 於初始確認時，其構成本集團合併管理之已識別金融工具之組合之一部分及具有近期實際短期獲利模式；或
- 其為未被指定及可有效作為對沖工具之衍生工具。

在下列情況下，金融負債(持作買賣或作為業務合併一部分收購方可能支付之或然代價除外)可於初始確認時指定為按公平值計入損益：

- 該指定消除或大幅減少可能會出現的計量或確認方面的不一致性；或
- 該金融負債構成一組金融資產或金融負債或金融資產及金融負債組合之一部分，而根據本集團制定的風險管理或投資策略，該項資產乃以公平值為基礎進行管理及評估績效，且有關分組之資料乃按此基準向內部提供；或
- 其構成包含一項或多項嵌入衍生工具的合約之一部分，而香港財務報告準則第9號及香港會計準則第39號允許將整個組合合約(資產或負債)指定為按公平值計入損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL (Continued)

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities and is included in the 'fair value changes on financial liabilities' line item. Fair value is determined in the manner described in Notes 32 and 42(c).

Financial liabilities at amortised cost

Financial liabilities including bank and other borrowings, trade payables, deposits from customers, accrued liabilities and other payables, amounts due to non-controlling interests and amounts due to related companies are subsequently measured at amortised cost, using the effective interest method.

Senior bonds

Senior bonds issued by the Company that contain both liability and early redemption option (which is not closely related to the host contract) are classified separately into respective items on initial recognition. At the date of issue, both the liability and early redemption option components are recognised at fair value.

In subsequent periods, the liability component of the senior bonds is carried at amortised cost using the effective interest method. The early redemption option is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the senior bonds are allocated to the liability and early redemption option components in proportion to their relative fair values. Transaction costs relating to the early redemption option are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the senior bonds using the effective interest method.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具 (續)

按公平值計入損益之金融負債 (續)

按公平值計入損益之金融負債按公平值計量，而重新計量產生之任何收益或虧損將在損益內確認。於損益確認之收益或虧損淨額不包括就金融負債支付之任何利息，並計入「金融負債之公平值變動」項目內。公平值按附註32及42(c)所述方法釐定。

按攤銷成本列賬之金融負債

金融負債（包括銀行及其他借款、應付貿易賬款、客戶訂金、應計負債及其他應付款項、應付非控股權益款項及應付關連公司款項）其後採用實際利率法按攤銷成本計量。

優先債券

本公司發行之優先債券包括負債及提前贖回權（與主合約並非密切關聯）於初始確認時分別分類至有關項目。於發行日期，負債及提前贖回權部分按公平值確認。

於後續期間，優先債券之負債部分乃採用實際利率法按攤銷成本列賬。提前贖回權乃按公平值計量且其公平值變動於損益確認。

與發行優先債券有關之交易成本已按其各自公平值之比例分配予負債及提前贖回權部分。與提前贖回權有關的交易成本即時於損益中扣除。與負債部分有關的交易成本計入負債部分的賬面值，並使用實際利率法在優先債券之期限內攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Convertible bonds

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the notes into equity, is included in equity (convertible bonds equity reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds equity reserve until the embedded option is exercised (in which case the balance stated in convertible bonds equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible bonds equity reserve will be released to the retained profits/(accumulated losses). No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具 (續)

可換股債券

本集團所發行包含負債及換股權部分的可換股債券，於初始確認時根據合約安排內容以及金融負債及權益工具的定義分別分類為相關項目。將以固定金額現金或另一項金融資產交換本公司本身固定數目的權益工具方式結清的可換股權乃分類為權益工具。

於初始確認時，負債部分的公平值乃按類似不可轉換債務的現行市場利率釐定。發行可換股債券的所得款項總額與撥往負債部分的公平值的差額（代表持有人可將票據轉換為權益的可換股權）應列入權益（可換股債券權益儲備）內。

於後續期間，可換股債券的負債部分乃以實際利率法按攤銷成本列賬。權益部分（代表可將負債部分轉換為本公司普通股的換股權）將保留於可換股債券權益儲備內，直至該嵌入式換股權獲行使為止（於此情況下，可換股債券權益儲備的結餘將轉撥至股份溢價）。倘換股權於到期日尚未獲行使，可換股債券權益儲備的結餘將轉撥至保留溢利／（累計虧損）。換股權獲轉換或到期時不會於損益中確認任何收益或虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Convertible bonds (Continued)

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

Convertible bonds contain liability component and conversion option derivative

The component parts of the convertible bonds issued by the Company are classified separately as financial liabilities at amortised cost and financial derivatives in accordance with the substance of the contractual arrangements and the definitions of a financial liability and a derivative instrument. A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative.

At the date of issue, both the liability component and conversion option derivative are recognised at fair value. In subsequent periods, the liability component of the convertible loan notes is carried at amortised cost using the effective interest method. The conversion option derivative is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative components are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及權益工具 (續)

可換股債券 (續)

與發行可換股債券相關之交易成本乃按所得款項總額之分配比例分配至負債及權益部分。與權益部分相關之交易成本乃直接於權益扣除。與負債部分相關之交易成本乃計入負債部分之賬面值，並按可換股債券之期限採用實際利率法攤銷。

可換股債券包含負債部分及換股權衍生工具

本公司所發行可換股債券的組成部分根據合約安排內容及金融負債及衍生工具的定義分開分類為按攤銷成本列賬的金融負債及金融衍生工具。除將以固定金額現金或另一項金融資產交換本公司本身固定數目的權益工具方式外結清的換股權為換股權衍生工具。

於發行日期，負債部分及換股權衍生工具均按公平值確認。於後續期間，可換股貸款票據的負債部分採用實際利率法按攤銷成本列賬。換股權衍生工具按公平值計量，而公平值變動於損益確認。

與發行可換股債券相關之交易成本乃按其相關公平值比例分配至負債及衍生工具部分。與衍生工具部分相關之交易成本乃即時於損益扣除。與負債部分相關之交易成本乃計入負債部分之賬面值，並按可換股貸款票據之期限採用實際利率法攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debt or fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of obligation under the contract, as determined in accordance with HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets”; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the revenue recognition policy.

3. 主要會計政策 (續)

金融工具 (續)

衍生金融工具

衍生工具初始按衍生工具合約簽訂日之公平值確認及其後按各報告期末之公平值重新計量。所產生之收益或虧損即時於損益內確認，除非該衍生工具是指定為及有效作為對沖工具，在此情況下，於損益內確認之時間取決於對沖關係之性質。

嵌入式衍生工具

倘非衍生主合約之嵌入式衍生工具符合衍生工具之定義，其風險與特性與主合約之風險及特性並無密切關係，且主合約並非按公平值計入損益之方式計量，則作為單獨的衍生工具處理。

金融擔保合約

金融擔保合約為一項要求發行人作出特定付款，以付還持有人因特定債務人未能根據一項債務工具之原訂或經修訂條款於債務到期時還款所蒙受之損失之合約。

本集團發出而並無指定為按公平值計列入損益之金融擔保合約初始按公平值減發出金融擔保合約直接應佔之交易成本確認。於初始確認後，本集團按以下較高者計量金融擔保合約：(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之承擔金額；及(ii)初始確認金額扣除（在適用情況）根據收入確認政策確認之累計攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Impairment losses on tangible assets other than goodwill

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 主要會計政策 (續)

撥備

倘本集團因過往事件而現時須承擔責任（法律或推定責任），而本集團可能須抵償該責任且有關責任之金額能夠作出可靠估計，則確認撥備。

經考慮責任所附帶之風險及不確定因素後，確認為撥備之金額乃為報告期末為抵償該當前責任所需代價之最佳估計。倘撥備使用抵償該當前責任之估計現金流量計量，其賬面值為該等現金流量之現值（倘貨幣時間價值的影響屬重大）。

有形資產（除商譽外）減值虧損

倘其後減值虧損撥回，則該資產之賬面值將增至經修訂之估計可收回金額，但增加後之賬面值不得超過假設資產（或現金產生單位）於過往年度並無確認減值虧損所釐定之賬面值。減值虧損之撥回即時於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 39.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

3. 主要會計政策 (續)

本公司之股份支付交易

向僱員及提供類似服務之其他人士作出以權益結算股份支付之款項乃按授出日期權益工具之公平值計算。有關釐定以權益結算股份支付之交易的公平值的詳情載於附註39。

於授出日期並無計及所有非市場歸屬條件而釐定的以權益結算股份支付之款項公平值，根據本集團估計最終將會歸屬之權益工具於歸屬期內以直線法支銷，並相應增加權益。

於各報告期末，本集團會根據對所有相關非市場歸屬條件的評估，修訂其預期歸屬之權益工具數目之估計。修訂原先估計之影響（如有）乃於損益中確認，以使累計開支反映經修訂之估計，並於購股權儲備作出相應調整。

就於授出日期即時歸屬之購股權而言，所授出購股權之公平值即時於損益支銷。

購股權獲行使時，過往於購股權儲備確認之金額將轉撥至股份溢價。倘購股權於歸屬日期後遭沒收或於屆滿日期仍未行使，過往於購股權儲備確認之金額將轉撥至累計虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

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

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

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;

3. 主要會計政策 (續)

關連人士

下列人士將被視為本集團之關連人士：

- (a) 該人士為符合下列情況的人士或其近親：
 - (i) 擁有本集團之控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 該人士為符合下列任何一項條件的實體：
 - (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 一實體為另一實體的聯營公司或合營公司（或另一實體的母公司、附屬公司或同系附屬公司）；
 - (iii) 該實體與本集團屬同一第三方之合營企業；

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies:
(Continued)
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. 主要會計政策 (續)

關連人士 (續)

- (b) 該人士為符合下列任何一項條件的實體：(續)
- (iv) 一實體為一名第三方之合營企業，而另一實體為該第三實體的聯營公司；
 - (v) 該實體為本集團或與本集團有關連實體之僱員離職後福利計劃；
 - (vi) 該實體受(a)所識別之人士控制或共同控制；
 - (vii) (a)(i)所識別之人士對該實體有重大影響力或為該實體（或該實體母公司）的主要管理層成員；及
 - (viii) 該實體或其所屬集團之任何成員向本集團或本集團母公司提供主要管理人員服務。

一名人士之近親指在與該人士交易時預期可影響該人士或受該人士影響的家屬。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the consolidated financial statements.

Estimated useful lives of property, plant and equipment

Management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charges where useful lives are less than previously estimated, or it will write-off or write-down obsolete assets that have been abandoned or sold.

4. 關鍵會計判斷及估計不確定性因素之主要來源

應用附註3所述本集團之會計政策時，本公司董事須就難以自其他來源確定之資產及負債之賬面值作判斷、估計及假設。該等估計及有關假設乃根據過往經驗及其他視為相關之因素而作出。實際結果與該等估計或有差異。

各項估計及相關假設會持續檢討。倘會計估計之修訂僅影響修訂該估計之期間，有關修訂則會在該期間確認；倘修訂對當前及未來期間均有影響，則在作出修訂期間及未來期間確認。

應用會計政策時的關鍵判斷

以下是除關於估計的判斷外（見下文），本公司董事於應用本集團會計政策時作出的對綜合財務報表所確認金額有最重大影響之關鍵判斷。

物業、廠房及設備之估計可使用年期

管理層負責釐定物業、廠房及設備之估計可使用年期以及相關折舊開支。該估計乃根據性質及功能相近之物業、廠房及設備實際使用年期之過往經驗而作出。倘可使用年期較之前之估計為短，則管理層會提高折舊開支，或將已報廢或出售之過時資產撇銷或撇減。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies (Continued)

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted.

Other intangible assets and amortisation

The Group determines the estimated useful lives and related amortisation for the Group's other intangible assets. The useful lives of other intangible assets are assessed to be either finite or indefinite, based on the expected usage and technical obsolescence from the changes in the market demands or services output from the assets. Other intangible assets with finite useful lives are amortised over the expected useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for the intangible assets with finite useful lives are reviewed by the management at least at the end of each reporting period.

4. 關鍵會計判斷及估計不確定性因素之主要來源 (續)

應用會計政策時的關鍵判斷 (續)

投資物業遞延稅項

就計量採用公平值模式計量的投資物業所產生的遞延稅項而言，董事已審閱本集團的投資物業組合，認為本集團的若干投資物業乃以旨在隨時間（而非透過出售）消耗該投資物業所包含的絕大部分經濟利益的業務模式持有。因此，本公司董事於計量本集團有關投資物業的遞延稅項時，已決定推翻有關使用公平值模式計量的投資物業賬面值透過出售全部收回的推定。

其他無形資產及攤銷

本集團就本集團其他無形資產釐定估計可使用年期及相關攤銷。其他無形資產之可使用年期按市場需求變動或資產服務輸出之預期用途及技術陳舊程度基準評估為有限或無限。具有限可使用年期之其他無形資產於預期可使用經濟年限攤銷，並於無形資產有跡象顯示會出現減值時作出減值評估。具有限可使用年期之無形資產之攤銷期限及攤銷方法由管理層至少於各報告期末作出檢討。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of investment properties under construction

As described in Note 16, investment properties under construction are stated at fair value based on the valuation performed by independent professional valuers.

Investment properties under construction are valued by estimating the fair value of such properties as if they were completed in accordance with the relevant development plan and then deducting from that amount the estimated costs to complete the construction and a reasonable profit margin.

Land appreciation tax (“LAT”)

The Group is subject to land appreciation tax in the PRC. However, the implementation and settlement of the tax varies amongst different tax jurisdictions in various cities of the PRC and certain projects of the Group have not finalised their LAT calculations and payments with any local tax authorities in the PRC. Accordingly, significant estimate is required in determining the amount of land appreciation and its related income tax provisions. The Group recognised the LAT based on management’s best estimates. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

4. 關鍵會計判斷及估計不確定性因素之主要來源 (續)

估計不明朗因素之主要來源

以下為於報告期末有關未來的主要假設及估計不明朗因素的其他主要來源，其具有引起對下一財政年度內資產及負債之賬面值發生重大調整之重大風險。

在建投資物業之估值

如附註16所述，在建投資物業乃按獨立專業估價師進行之估值以公平值列賬。

在建投資物業乃按透過估計該等物業之公平值進行估值，當中假設該等物業已根據有關發展計劃完成，並扣除完成建設之估計成本及合理利潤率。

土地增值稅

本集團須繳納中國土地增值稅。然而，中國各個城市的不同徵稅區的稅項徵收及支付有所差異，而本集團的若干項目尚未與任何中國地方稅務部門最終確定土地增值稅之計算及支付。因此，於釐定土地增值金額及其相關所得稅撥備時須作出重大估計。本集團基於管理層之最佳估計確認土地增值稅。最終的稅項結果或會不同於初步列賬之金額，而該等差異將影響與地方稅務部門確定該等稅項之期間內之所得稅支出及有關所得稅撥備。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables except that trade receivables with significant balances and credit impaired are assessed for ECL individually. The provision rates are based on internal credit ratings as groupings of various debtors by their aging, which are considered of similar loss pattern. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. As at 31 December 2018, the gross carrying amount of trade receivables was approximately HK\$11,357,000 and no impairment allowance for credit losses was provided.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Notes 21 and 42.

Construction costs estimation for revenue recognition

Certain projects of the Group are divided into several phases according to the development and delivery plans. The Group recognises sales upon delivery of properties. Cost of sales including construction costs specific to the phases and common costs allocable to the phases are calculated based on management's best estimation of the total development costs for the whole project and the allocation to each phase at the time when the properties are delivered.

4. 關鍵會計判斷及估計不確定性因素之主要來源 (續)

估計不明朗因素之主要來源 (續)

應收貿易賬款之預期信貸虧損撥備

本集團採用撥備矩陣計算應收貿易賬款之預期信貸虧損，惟有重大結餘且已發生信貸減值之應收貿易賬款會個別評估預期信貸虧損。撥備率乃基於按照多項應收賬款組別（按賬齡劃分）得出的內部信貸評級，該等評級被視為類似虧損模式。撥備矩陣乃基於本集團的歷史違約率，當中計及無需付出過多成本或精力即可取得的合理及支持性前瞻性資料。於各報告日期，本公司會重新評估過往觀察所得違約率，並會考慮前瞻性資料之變動。於二零一八年十二月三十一日，應收貿易賬款之賬面總值為約11,357,000港元，且無計提信貸虧損之減值撥備。

預期信貸虧損之撥備易受估計變動之影響。有關預期信貸虧損及本集團應收貿易賬款之資料於附註21及42披露。

確認收入的估計建築成本

本集團若干項目根據開發及交付計劃分為多個階段。本集團於交付物業時確認銷售。銷售成本（包括各期之建築成本）及可劃撥至各期之共同成本乃根據管理層對整個項目之總開發成本及物業交付時分攤至各期之費用所作之最佳估計而計算。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Income taxes

There are transactions and calculations relating to the Group's ordinary business activities for which the ultimate tax determination is uncertain and judgement is required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Write-down of properties for sale under development

Management performs a regular review on the carrying amounts of properties for sale under development. Based on management's review, write-down of properties for sale under development will be made when the estimated net realisable value has declined below the carrying amount.

These estimates require judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, rate of new properties sales, marketing costs (including price discounts required to stimulate sales) and the estimated costs to completion of properties, the legal and regulatory framework and general market conditions.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of investment properties, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified professional valuers to perform the valuation of the Group's investment properties.

4. 關鍵會計判斷及估計不確定性因素之主要來源 (續)

估計不明朗因素之主要來源 (續)

所得稅

若干與本集團日常業務有關之交易及計算未能確定最終稅項，釐定所得稅撥備時須作出判斷。倘該等事宜之最終稅項結果與初步列賬之金額不同，則有關差異將會影響作出釐定年度之所得稅及遞延稅項撥備。

發展中待售物業之撇減

管理層定期檢討發展中待售物業的賬面值。基於管理層之檢討，於估計可變現淨值跌至低於賬面值時對發展中待售物業進行撇減。

該等估計需要參考毗鄰地段近期之銷售交易、新物業銷售比率、市場推廣成本(包括必要的促銷折扣)及完成物業之估計成本、法律及法律框架以及一般市況對預計售價作出判斷。

公平值計量及估值過程

本集團部分資產及負債就財務報告之目的按公平值計量。

於估計投資物業的公平值時，本集團利用可取得之市場可觀察數據。當無法取得第一級參數時，本集團會委聘獨立合資格專業估值師對本集團投資物業進行估值。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Fair value measurements and valuation processes (Continued)

At the end of each reporting period, the management of the Group works closely with the independent qualified professional valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The Group will first consider and adopt Level 2 inputs where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the board of directors of the Company. Information about the valuation technique and inputs used in determining the fair value of the Group's investment properties are disclosed in Note 16.

5. REVENUE

An analysis of the Group's revenue for the years ended 31 December 2018 and 2017 are as follows:

4. 關鍵會計判斷及估計不確定性因素之主要來源 (續)

估計不明朗因素之主要來源 (續)

公平值計量及估值過程 (續)

於各報告期末，本集團管理層與獨立合資格專業估值師緊密合作，共同確定及決定合適之估值技術及第二級及第三級公平值計量之參數。本集團會首先考慮及採用第二級參數，此等數據為來自活躍市場可觀察報價之參數。當無法取得第二級參數時，本集團將會採用包括在第三級數據的估值技術。當資產之公平值有重大轉變時，變動之原因會匯報本公司董事會。有關釐定本集團投資物業公平值時採用之估值技術及參數資料，於附註16中披露。

5. 收入

本集團截至二零一八年及二零一七年十二月三十一日止年度之收入分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Sale of properties	銷售物業	1,492,146	1,627,162
Rental income from investment properties	來自投資物業之租金收入	111,065	72,749
Restaurant operations of catering business	餐飲業務之餐廳業務	6,263	134,349
Realised and unrealised (losses)/gains on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之已變現及未變現(虧損)/收益	(250,328)	279,863
Dividend income from listed investments	來自上市投資之股息收入	24,520	29,423
Revenue from admission tickets	來自入場門票之收入	13,803	9,153
Others	其他	60,852	40,611
		1,458,321	2,193,310

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5. REVENUE (Continued)

(i) Disaggregation of revenue from contracts with customers

Represented by:

5. 收入 (續)

(i) 客戶合約收入之分類

分析為：

		2018 二零一八年 HK\$'000 千港元
Recognised at a point in time:	於時間點確認：	
– Development and sales of properties	– 發展及銷售物業	1,492,146
Recognised over time:	隨時間推移確認：	
– Property management services	– 物業管理服務	5,852
– Restaurant operations	– 餐廳業務	6,263
– Sales of admission tickets	– 銷售入場門票	13,803
		25,918
Revenue from other sources:	來自其他來源之收入：	
– Rental income from investment properties	– 來自投資物業之租金收入	111,065
– Realised and unrealised (losses)/gains on financial assets at fair value through profit or loss	– 按公平值計入損益之金融資產之已變現及未變現(虧損)/收益	(250,328)
– Dividend income from listed investments	– 來自上市投資之股息收入	24,520
– Others	– 其他	55,000
		(59,743)
		1,458,321

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5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers

a) *Property development – sales of properties*

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customer's specifications with no alternative use.

Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers. Revenue from sales of properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

The Group receives certain amount of the contract value as deposits from customers when they sign the sale and purchase agreement.

5. 收入 (續)

(ii) 客戶合約之履約責任

a) *物業發展 – 銷售物業*

就與客戶訂立之物業銷售合約而言，合約內所訂明之相關物業是基於客戶之特定規格要求，而無其他用途。

經考慮相關合約條款、法律環境及相關判例，本集團斷定，本集團在將相關物業轉交予客戶之前並無可強制執行的收款權利。因此，銷售物業之收入乃於已竣工物業轉交予客戶（即客戶取得已竣工物業之控制權）且本集團有權即時收款並很可能可收取相關代價之時點確認。

本集團在客戶簽署買賣協議時向其收取合約價值之若干金額作為按金。

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5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers (Continued)

b) Provision of property management services

Property management services mainly include property management services under lump sum basis. For property management services, the Group bills a fixed rate for services provided on a monthly/regular basis and recognises as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed.

For the provision of property management services, the Group bills its customers in advance or in arrear according to the terms of the contract with customers.

c) Restaurant operations of catering business

Revenue from restaurant operations of catering business is recognised when control of the goods has transferred, being at the point the customer purchases the goods at restaurants.

d) Revenue from admission tickets

Revenue from admission tickets is recognised when the tickets are accepted and surrendered by the customer.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All of the Group's remaining performance obligations for contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. 收入 (續)

(ii) 客戶合約之履約責任 (續)

b) 提供物業管理服務

物業管理服務主要包括根據包幹制提供的物業管理服務。就物業管理服務而言，本集團按月／定期就所提供服務收取固定費用，並按本集團有權開具發票並直接對應已完成履約價值之金額確認收入。

就提供物業管理服務而言，本集團根據與客戶所訂立合約之條款預先或於期末向客戶收取費用。

c) 餐飲業務之餐廳業務

來自餐飲業務之餐廳業務之收入於貨品的控制權轉移時（即顧客於餐廳購買貨品時）確認。

d) 入場門票之收入

來自入場門票之收入於顧客接納並交回門票時確認。

(iii) 分配至客戶合約餘下履約責任之交易價格

本集團所有客戶合約餘下履約責任均為期一年或以內。按香港財務報告準則第15號所允許，並無披露分配至該等未完成合約之交易價格。

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綜合財務報表附註

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

6. SEGMENT INFORMATION

The management has determined the operating segments based on the reports reviewed by the directors of the Company, being the chief operating decision maker (the “CODM”) that are used to assess performance and allocate resources. The management assesses the performance of the following operating segments as below:

- | | |
|--|--|
| (i) Property development and investment
物業發展及投資 | – Developing residential and commercial properties in the PRC and Hong Kong for sales and leasing;
– 於中國及香港發展作出售及租賃的住宅及商業物業; |
| (ii) Trading and investment business
貿易及投資業務 | – Investing on securities and financial instruments; and
– 投資證券及金融工具; 及 |
| (iii) Others
其他 | – Providing retail-related consultancy, management services, operating kids edutainment centre, touring carnival and operating restaurants in Hong Kong.
– 提供零售相關顧問、管理服務、營運兒童教育娛樂中心、移動嘉年華會及於香港營運餐廳。 |

Following the changes of reporting structure, the number of operating segments in the Group was reduced from five to four during the year ended 31 December 2017 due to suspension of the touring carnival operations. During the year ended 31 December 2018, the management decided to have a further change on the reporting structure, and the number of operating segments of the Group was reduced from four to three due to disposal of the catering business in the PRC. Segment information presented as comparative information in these condensed consolidated financial statements have been restated to reflect the current reporting structure of the Group.

6. 分部資料

管理層已根據本公司董事（即主要營運決策者）就評估表現及分配資源所審閱之報告釐定經營分部。管理層評估下列經營分部的績效：

於截至二零一七年十二月三十一日止年度，由於移動嘉年華會業務暫停營運，呈報架構改變，本集團的經營分部數目由五個減為四個。於截至二零一八年十二月三十一日止年度，由於出售於中國的餐飲業務，管理層決定再次改變呈報架構，本集團的經營分部由四個減為三個。於此等簡明綜合財務報表呈列作比較資料的分部資料已經重列，以反映本集團本年度的呈報架構。

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綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 December 2018

		Property development and investment segment 物業發展及 投資分部 HK\$'000 千港元	Trading and investment business segment 貿易及 投資業務 分部 HK\$'000 千港元	Other segments 其他分部 HK\$'000 千港元	Inter-segment elimination 分部間對銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
REVENUE	收入					
External sales	外部銷售	1,603,211	(225,808)	80,918	-	1,458,321
Inter-segment sales	分部間之銷售	1,623	-	4,998	(6,621)	-
		1,604,834	(225,808)	85,916	(6,621)	1,458,321
RESULTS	業績					
Segment results	分部業績	(1,123,019)	(1,663,348)	(29,955)	-	(2,816,322)
Finance costs	財務成本					(42,668)
Unallocated income	未分配收入					60,535
Unallocated expenses	未分配支出					(1,005,757)
Loss before tax	除稅前虧損					(3,804,212)

6. 分部資料 (續)

分部收入及業績

下列為按須予報告及經營分部劃分之本集團收入及業績分析。

截至二零一八年十二月三十一日止年度

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綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

The followings is an analysis of the Group's revenue and results by reportable and operating segment: (Continued)

For the year ended 31 December 2017

	Property development and investment segment 物業發展及投資分部 HK\$'000 千港元	Trading and investment business segment 貿易及投資業務分部 HK\$'000 千港元	Other segments 其他分部 HK\$'000 千港元 (Restated) (經重列)	Inter-segment elimination 分部間對銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
REVENUE	收入				
External sales	外部銷售	1,699,911	309,286	184,113	2,193,310
Inter-segment sales	分部間之銷售	–	–	5,991	–
		1,699,911	309,286	190,104	2,193,310
RESULTS	業績				
Segment results	分部業績	757,510	290,989	(482,905)	565,594
Finance costs	財務成本				(40,661)
Unallocated income	未分配收入				522,874
Unallocated expenses	未分配支出				(301,836)
Profit before tax	除稅前溢利				745,971

Segment revenue reported above represents revenue generated from external customers. Inter-segment sales charged at prevailing market rates during the years ended 31 December 2018 and 2017.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents the profit earned by/(loss from) each segment without allocation of central administration costs including directors' emoluments and finance costs. This is the measure reported to the CODM for the purposes of performance assessment and resources allocation.

6. 分部資料 (續)

分部收入及業績 (續)

下列為按須予報告及經營分部劃分之本集團收入及業績分析：(續)

截至二零一七年十二月三十一日止年度

以上報告之分部收入為來自外部客戶之收入。於截至二零一八年及二零一七年十二月三十一日止年度，分部間之銷售按現行市場費率收費。

經營分部之會計政策與本集團之會計政策相同。分部業績指並未分配中央管理成本（包括董事酬金及財務成本）之各分部賺取之溢利／（產生之虧損）。此乃向主要營運決策者呈報以評估表現及分配資源之計量方法。

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綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

Segment assets

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Property development and investment segment	物業發展及投資分部	21,286,075	23,699,214
Trading and investment business segment	貿易及投資業務分部	1,953,401	3,116,585
Other segments	其他分部	73,267	136,129
Total segment assets	分部資產總額	23,312,743	26,951,928
Unallocated corporate assets	未分配企業資產	943,336	2,566,493
Consolidated assets	綜合資產	24,256,079	29,518,421

Note: All assets are allocated to operating segments other than certain bank balances and deposits and other unallocated assets.

6. 分部資料 (續)

分部資產及負債

下列為按須予報告及經營分部劃分之本集團資產及負債分析：

分部資產

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Property development and investment segment	物業發展及投資分部	21,286,075	23,699,214
Trading and investment business segment	貿易及投資業務分部	1,953,401	3,116,585
Other segments	其他分部	73,267	136,129
Total segment assets	分部資產總額	23,312,743	26,951,928
Unallocated corporate assets	未分配企業資產	943,336	2,566,493
Consolidated assets	綜合資產	24,256,079	29,518,421

附註：除若干銀行結餘及存款及其他未分配資產外，全部資產均分配至經營分部。

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綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

The following is an analysis of the Group's assets and liabilities by reportable and operating segment: (Continued)

Segment liabilities

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Property development and investment segment	物業發展及投資分部	8,877,547	11,056,844
Trading and investment business segment	貿易及投資業務分部	540,570	559,799
Other segments	其他分部	51,135	154,365
Total segment liabilities	分部負債總額	9,469,252	11,771,008
Unallocated corporate liabilities	未分配企業負債	6,515,986	5,997,877
Consolidated liabilities	綜合負債	15,985,238	17,768,885

Note: All liabilities are allocated to operating segments other than certain borrowings, deferred tax liabilities, obligation under finance lease, convertible bonds and other unallocated liabilities.

6. 分部資料 (續)

分部資產及負債 (續)

下列為按須予報告及經營分部劃分之本集團資產及負債分析：(續)

分部負債

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元 (Restated) (經重列)
Property development and investment segment	物業發展及投資分部	8,877,547	11,056,844
Trading and investment business segment	貿易及投資業務分部	540,570	559,799
Other segments	其他分部	51,135	154,365
Total segment liabilities	分部負債總額	9,469,252	11,771,008
Unallocated corporate liabilities	未分配企業負債	6,515,986	5,997,877
Consolidated liabilities	綜合負債	15,985,238	17,768,885

附註： 除若干借款、遞延稅項負債、融資租賃項下之責任、可換股債券及其他未分配負債外，全部負債均分配至經營分部。

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綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 31 December 2018

6. 分部資料 (續)

其他分部資料

截至二零一八年十二月三十一日止年度

	Property development and investment segment 物業發展及 投資分部 HK\$'000 千港元	Trading and investment business segment 貿易及投資 業務分部 HK\$'000 千港元	Other segments 其他分部 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts included in the measure of segment profit or loss or segment assets:	納入分部溢利或虧損或分部資產之計量之金額:				
Capital expenditure (Note)	981,411	-	6,722	224	988,357
Net foreign exchange differences	-	(145)	849	11,216	11,920
Depreciation of property, plant and equipment	5,640	-	8,609	28,736	42,985
Impairment losses on property, plant and equipment	544,472	-	-	-	544,472
Written-off on property, plant and equipment	-	-	228	-	228
Write-down of properties held for sale	61,789	-	-	-	61,789
Impairment losses on other intangible assets	-	-	16,376	-	16,376
Impairment losses on deposits and other receivables	27,254	415,490	3,702	1,016,544	1,462,990
Loss on disposal of property, plant and equipment	48	-	-	-	48
Loss on disposal of investment properties	200,140	-	-	-	200,140
Fair value loss on investment properties	242,629	-	-	-	242,629
Fair value loss on financial assets at fair value through profit or loss	-	680,589	-	-	680,589
Gain on extinguishment of convertible bonds	-	-	-	(18,617)	(18,617)
Loss on early redemption of bonds	-	-	-	8,758	8,758
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:	定期提供予主要營運決策者但並不納入分部溢利或虧損或分部資產之計量之金額:				
Interest income on bank and other deposits	(954)	(441)	(33)	(42,500)	(43,928)
Income tax (expenses)/credit	(105,215)	-	-	59	(105,156)

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綜合財務報表附註

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

6. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 December 2017

	Property development and investment segment 物業發展及 投資分部 HK\$'000 千港元	Trading and investment business segment 貿易及投資 業務分部 HK\$'000 千港元	Other segments 其他分部 HK\$'000 千港元 (Restated) (經重列)	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts included in the measure of segment profit or loss or segment assets:	納入分部溢利或虧損或分部資產之計量之金額:				
Capital expenditure (Note)	1,222,935	-	9,564	13,873	1,246,372
Depreciation of property, plant and equipment	2,479	-	30,311	26,729	59,519
Impairment losses on property, plant and equipment	-	-	43,166	-	43,166
Written-off on property, plant and equipment	-	-	6,806	-	6,806
Amortisation of other intangible assets	-	-	5,521	-	5,521
Impairment losses on other receivables	22,954	-	18,138	-	41,092
Net foreign exchange differences	-	(4,586)	12,780	48,915	57,109
Gain on disposal of property, plant and equipment	-	-	(28,850)	57	(28,793)
Fair value gain on investment properties	(267,946)	-	-	-	(267,946)
Fair value loss on financial liabilities at fair value through profit or loss	-	6,759	-	-	6,759
Gain on bargain purchase	(45,713)	-	-	-	(45,713)
Impairment loss on goodwill	-	-	250,000	-	250,000
Gain on disposal of subsidiaries	-	-	(313,348)	-	(313,348)
Loss on early redemption of senior bonds	-	637	-	-	637
Loss/(gain) in respect of convertible bonds cancelled during the year	10,311	-	(170,835)	-	(160,524)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:	定期提供予主要營運決策者但並不納入分部溢利或虧損或分部資產之計量之金額:				
Interest income on bank and other deposits	(1,425)	-	(32)	(27,262)	(28,719)
Income tax expense	220,343	-	-	135	220,478

Note: Capital expenditure comprises additions to property, plant and equipment and investment properties.

6. 分部資料 (續)

其他分部資料 (續)

截至二零一七年十二月三十一日止年度

附註：資本開支包括添置物業、廠房及設備及投資物業。

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綜合財務報表附註

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6. SEGMENT INFORMATION (Continued)

Geographic information

No geographic information has been presented as the Group's operating activities are mostly carried out in the PRC.

Information about major customers

During the years ended 31 December 2018 and 2017, there was no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

7. OTHER INCOME

6. 分部資料 (續)

地區資料

由於本集團之經營活動大部分於中國進行，故並無呈列地區資料。

主要客戶之資料

於截至二零一八年及二零一七年十二月三十一日止年度，概無來自與單一外部客戶進行交易之收入佔本集團收入總額之10%或以上。

7. 其他收入

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest income on bank and other deposits	銀行及其他存款利息收入	43,928	28,719
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	28,793
Gain in respect of convertible bonds extinguished/cancelled during the year	年內取消/註銷可換股債券之收益	18,617	170,835
Reversal of deferred income	撥回遞延收入	-	11,535
Others	其他	9,287	19,405
		71,832	259,287

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

8. FINANCE COSTS

8. 財務成本

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest on bank and other borrowings:	銀行及其他借款利息：		
– wholly repayable within five years	– 須於五年內悉數償還	613,911	545,375
Interest on obligation under finance lease	融資租賃項下責任之利息	124	164
Effective interest expense on	實際利息開支		
– senior bonds	– 優先債券	145,488	140,145
– bonds	– 債券	207,331	45,987
– convertible bonds	– 可換股債券	109,298	220,823
Total finance costs	財務成本總額	1,076,152	952,494
Less: amounts capitalised (<i>Note</i>)	減：資本化金額 (<i>附註</i>)	(1,033,484)	(911,833)
		42,668	40,661

The weighted average capitalisation rate on funds borrowed generally is 8.5% (2017: 6.63%) per annum.

借入資金之加權平均資本化年率一般為8.5% (二零一七年：6.63%)。

Note: Certain finance costs had been capitalised to property development projects in the PRC and Hong Kong included in construction-in-progress of property, plant and equipment, investment properties and properties under development for sale.

附註： 若干財務成本已於中國及香港物業發展項目資本化(計入在建物業、廠房及設備、投資物業及發展中待售物業)。

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

9. INCOME TAX (CREDIT)/EXPENSE

9. 所得稅(抵免)/支出

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current tax:	即期稅項:		
PRC Land Appreciation Tax ("LAT")	中國土地增值稅(「土地增值稅」)	12,003	17,248
Enterprise Income Tax ("EIT")	企業所得稅(「企業所得稅」)	170,759	245,094
Deferred tax (Note 31)	遞延稅項(附註31)	(287,918)	(41,864)
Income tax (credit)/expense	所得稅(抵免)/支出	(105,156)	220,478

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Group considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

於二零一八年三月二十一日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「條例草案」)，其引入兩級制利得稅率制度。條例草案已於二零一八年三月二十八日簽署成為法律並於翌日刊憲。根據兩級制利得稅率制度，合資格企業的首2,000,000港元溢利將按8.25%的稅率徵稅，而超過2,000,000港元的溢利將按16.5%的稅率徵稅。不符合兩級制利得稅率制度的集團公司的溢利繼續按16.5%的統一稅率徵稅。

本集團董事認為，於實施兩級制利得稅制度後涉及之金額就綜合財務報表而言並不重大。香港利得稅按該兩年度估計應課稅溢利的16.5%計算。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，自二零零八年一月一日起，中國附屬公司之稅率為25%。

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綜合財務報表附註

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

9. INCOME TAX (CREDIT)/EXPENSE (Continued)

The income tax (credit)/expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

9. 所得稅(抵免)/支出(續)

年度所得稅(抵免)/支出與綜合損益及其他全面收益表所列除稅前溢利對賬如下:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(Loss)/profit before tax	除稅前(虧損)/溢利	(3,804,212)	745,971
Tax at PRC Enterprise Income Tax rate of 25% (Note)	按中國企業所得稅稅率25%計算之稅項(附註)	(951,053)	186,493
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(23,337)	(209,117)
Tax effect of expenses not deductible for tax purpose	不可抵扣稅開支之稅務影響	608,086	198,831
Tax effect of temporary difference not recognised LAT	未確認暫時差額之稅務影響 土地增值稅	5,068 12,003	1,931 17,248
Tax effect of LAT	土地增值稅之稅務影響	(3,001)	(4,864)
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(67,440)	(75,571)
Tax losses not recognised	未確認稅項虧損	122,823	124,982
Effect of different tax rates of group entities operating in jurisdiction other than the PRC	於中國以外司法權區經營之集團實體不同稅率之影響	191,695	(19,455)
Income tax (credit)/expense for the year	年度所得稅(抵免)/支出	(105,156)	220,478

Note: Majority of the assessable profits of the Group were derived from subsidiaries situated in the PRC and the applicable enterprise income tax rate of those subsidiaries is 25%.

附註: 本集團大部分應課稅溢利來自位於中國的附屬公司, 該等附屬公司適用的企業所得稅稅率為25%。

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綜合財務報表附註

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

10. (LOSS)/PROFIT FOR THE YEAR

10. 年度(虧損)/溢利

(Loss)/profit for the year has been arrived at after charging/(crediting):

年度(虧損)/溢利已扣除/(計入)以下各項:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net foreign exchange differences	匯兌差異淨額	11,920	57,109
Auditors' remuneration	核數師薪酬		
– audit services	– 核數服務	2,700	3,000
– non-audit services	– 非核數服務	300	710
		3,000	3,710
Gross rental income from investment properties (Note (i))	來自投資物業之租金收入總額(附註(i))	(111,064)	(72,749)
Less:	減:		
direct operating expenses incurred for investment properties that generated rental income during the year	年內產生租金收入之投資物業所產生直接經營支出	12,083	14,381
direct operating expenses incurred for investment properties that did not generate rental income during the year	年內並無產生租金收入之投資物業所產生直接經營支出	3,071	1,832
		(95,910)	(56,536)
Cost of inventories recognised as an expense	確認為開支之存貨成本	1,516,368	1,169,575
Write-down of properties held for sale	持作出售物業撇減	61,789	–
Rental expenses in respect of rented premises under operating leases	經營租賃項下有關租賃物業之租賃開支	11,309	72,550

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

10. (LOSS)/PROFIT FOR THE YEAR (Continued)

10. 年度(虧損)/溢利(續)

(Loss)/profit for the year has been arrived at after charging/(crediting):
(Continued)

年度(虧損)/溢利已扣除/(計入)以下各項:(續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Employee benefits expense (including directors' emoluments)	員工福利開支(包括董事酬金)		
– salaries and other benefits	– 薪金及其他福利	173,007	227,395
– contributions to retirement benefits schemes	– 退休福利計劃供款	8,000	4,755
– equity settled share-based payment (Note (ii))	– 以權益結算股份支付之款項 (附註(ii))	–	(845)
		181,007	231,305
Less: amounts capitalised (Note (iii))	減: 資本化金額(附註(iii))	(15,970)	(16,474)
Total employee benefits expenses	僱員福利開支總額	165,037	214,831
Amortisation of other intangible assets	其他無形資產攤銷	–	5,521
Depreciation of property, plant and equipment	物業、廠房及設備折舊	42,985	59,519
Less: amounts capitalised (Note (iii))	減: 資本化金額(附註(iii))	(4)	(147)
		42,981	59,372
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備之 虧損/(收益)	48	(28,793)
Written-off on property, plant and equipment	物業、廠房及設備撇銷	228	6,806
Impairment losses on property, plant and equipment	物業、廠房及設備之減值虧損	544,472	43,166
Fair value loss/(gain) on investment properties	投資物業之公平值虧損/(收益)	242,629	(267,946)
Loss on disposal of investment properties	出售投資物業之虧損	200,140	–

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

10. (LOSS)/PROFIT FOR THE YEAR (Continued)

10. 年度(虧損)/溢利(續)

(Loss)/profit for the year has been arrived at after charging/(crediting):
(Continued)

年度(虧損)/溢利已扣除/(計入)以下各項:(續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Impairment losses on other intangible assets	其他無形資產之減值虧損	16,376	-
Impairment losses on deposits and other receivables	按金及其他應收款項之減值虧損	1,462,990	41,092
Loss on early redemption of bonds/senior bonds	提前贖回債券/優先債券之虧損	8,758	637
Loss on cancellation of convertible bonds	註銷可換股債券之虧損	-	10,311
Fair value loss on financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債之公平值虧損	-	6,759
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產之公平值虧損	680,589	-

Notes:

附註:

- (i) Contingent rent of approximately HK\$99,060,000 (2017: approximately HK\$58,164,000) is included for the year ended 31 December 2018. The contingent rent is determined based on percentages of sales when incurred.
- (ii) On 10 May 2016, 50,000,000 share options were granted to a former executive director of the Company under the Company's share option scheme adopted on 31 May 2013. Each option gives the holder the right to subscribe for one ordinary share of the Company at the exercise price of HK\$1.022. These share options will vest on 10 May 2018, and then be exercisable until 9 May 2021. The above share options had been lapsed upon the resignation of the executive director during the year ended 31 December 2017.
- (iii) Certain employee benefits expenses, contributions to retirement benefits schemes and depreciation of property, plant and equipment had been capitalised to property development projects in the PRC.

- (i) 或然租金約99,060,000港元(二零一七年:約58,164,000港元)計入截至二零一八年十二月三十一日止年度。或然租金乃根據已產生銷售之百分比釐定。
- (ii) 於二零一六年五月十日,本公司根據於二零一三年五月三十一日採納之購股權計劃授予本公司一名前任執行董事50,000,000份購股權。每份購股權賦予持有人權利可按1.022港元之行使價認購一股本公司普通股。該等購股權將於二零一八年五月十日歸屬,其後可予行使直至二零二一年五月九日為止。上述購股權已於截至二零一七年十二月三十一日止年度於該執行董事辭任後失效。
- (iii) 若干僱員福利開支、退休福利計劃供款及物業、廠房及設備折舊已於中國物業發展項目資本化。

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綜合財務報表附註

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

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to the directors and the chief executive of the Company were as follows:

11. 董事及主要行政人員之酬金

已支付或應支付予本公司董事及主要行政人員之酬金如下：

	Fees	Salaries, allowances and benefits in kind	Contributions to retirement benefits schemes	Equity settled share-based payment	Total
	袍金 HK\$'000 千港元	薪金、津貼 及實物利益 HK\$'000 千港元	退休福利 計劃供款 HK\$'000 千港元	以權益結算 股份支付 之款項 HK\$'000 千港元	總計 HK\$'000 千港元
For the year ended 31 December 2018	截至二零一八年十二月三十一日止年度				
Executive directors	執行董事				
Mr. King Pak Fu (Note (b))	–	23,427	18	–	23,445
Mr. Gong Xiao Cheng (Note (f))	–	483	6	–	489
Mr. Wang Yikun (Note (c))	–	3,716	–	–	3,716
Mr. Wang Chunning (Note (d))	–	2,533	–	–	2,533
Mr. Wu Yanqi (Note (g))	–	1,854	–	–	1,854
Mr. Li Jing (Note (j))	–	1,750	–	–	1,750
Mr. Bai Xuefei (Note (h))	–	1,142	9	–	1,151
Ms. Qian Hui (Note (i))	–	1,333	9	–	1,342
Independent non-executive directors	獨立非執行董事				
Ms. Hu Gin Ing	240	–	–	–	240
Mr. Chan Wai Cheung Admiral	240	–	–	–	240
Mr. Lie Chi Wing	240	–	–	–	240
	720	36,238	42	–	37,000
For the year ended 31 December 2017	截至二零一七年十二月三十一日止年度				
Executive directors	執行董事				
Mr. King Pak Fu (Note (b))	–	19,500	18	–	19,518
Mr. Gong Xiao Cheng (Note (f))	–	1,625	18	–	1,643
Mr. Meng Cai (Note (a))	–	551	–	–	551
Mr. Wang Yikun (Note (c))	–	3,579	–	–	3,579
Mr. Wang Chunning (Note (d))	–	2,394	–	–	2,394
Mr. Tsai Tson (Note (e))	–	1,017	–	–	1,017
Independent non-executive directors	獨立非執行董事				
Ms. Hu Gin Ing	240	–	–	–	240
Mr. Chan Wai Cheung Admiral	240	–	–	–	240
Mr. Lie Chi Wing	240	–	–	–	240
	720	28,666	36	–	29,422

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綜合財務報表附註

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

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

On 26 October 2017, Mr. King Pak Fu resigned as chief executive officer and Mr. Wang Chunning took over the position on the same date. Subsequently, Mr. Wang Chunning resigned as chief executive officer and the position was taken over by Mr. Wu Yanqi on 15 March 2018. On 17 July 2018, Mr. King Pak Fu was appointed as the chief executive officer of the Company in place of Mr. Wu Yanqi who resigned from the position and was appointed as the vice president of the Company. The emoluments disclosure above included those for services rendered by them as Chief Executive during the year ended 31 December 2018 and 2017.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

During the years ended 31 December 2018 and 2017, neither the chief executive officer nor any of the directors waived any emoluments.

During both years, no emoluments were paid by the Group to any of the directors or chief executive as an inducement to join or upon joining the Group or as compensation for loss of office.

Notes:

- (a) Mr. Meng Cai was appointed as an executive director on 10 May 2016 and resigned on 9 February 2017.
- (b) Mr. King Pak Fu was appointed as chief executive officer on 26 May 2016 and resigned as chief executive officer but remained as chairman of the board and executive director on 26 October 2017. On 17 July 2018, Mr. King Pak Fu was appointed as the chief executive officer of the Company.
- (c) Mr. Wang Yikun was appointed as an executive director on 3 February 2017. On 1 March 2019, Mr. Wang Yikun resigned as an executive director.

11. 董事及主要行政人員之酬金 (續)

於二零一七年十月二十六日，景百孚先生辭任行政總裁職位，汪春寧先生於同日繼任行政總裁職位。其後，於二零一八年三月十五日，汪春寧先生辭任行政總裁職位，吳延啟先生於同日繼任行政總裁職位。於二零一八年七月十七日，吳延啟先生辭任行政總裁職位並獲委任為本公司副總裁，景百孚先生接替吳延啟先生獲委任為本公司行政總裁。上文所披露之酬金包括彼等於截至二零一八年及二零一七年十二月三十一日止年度作為行政總裁提供服務之酬金。

上述執行董事之酬金為彼等就管理本公司及本集團事務而提供服務之酬金。

上述獨立非執行董事之酬金為彼等作為本公司董事提供服務之酬金。

於截至二零一八年及二零一七年十二月三十一日止年度，行政總裁及董事概無放棄任何酬金。

於兩個年度，本集團概無向任何董事或主要行政人員支付任何酬金，作為招攬加入本集團或於加入本集團時之獎勵或離職補償。

附註：

- (a) 孟才先生於二零一六年五月十日獲委任為執行董事，並於二零一七年二月九日辭任。
- (b) 景百孚先生於二零一六年五月二十六日獲委任為行政總裁，並於二零一七年十月二十六日辭任行政總裁但繼續擔任董事會主席及執行董事。於二零一八年七月十七日，景百孚先生獲委任為本公司行政總裁。
- (c) 王毅坤先生於二零一七年二月三日獲委任為執行董事。於二零一九年三月一日，王毅坤先生辭任執行董事。

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

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Notes: (Continued)

- (d) Mr. Wang Chunning was appointed as an executive director and chief executive officer on 26 October 2017. On 15 March 2018, Mr. Wang Chunning resigned as chief executive officer and was appointed as the vice chairman of the board. With effect from 1 March 2019, Mr. Wang Chunning resigned as the vice chairman of the board and an executive director.
- (e) Mr. Tsai Tson was appointed as an executive director on 8 February 2017 and resigned from the position on 4 October 2017.
- (f) Mr. Gong Xiao Cheng resigned as executive director on 26 April 2018.
- (g) Mr. Wu Yanqi was appointed as an executive director and the chief executive officer of the Company on 15 March 2018. On 17 July 2018, Mr. Wu Yanqi resigned as chief executive officer of the Company and was appointed as the vice president of the Company. With effect from 28 September 2018, Mr. Wu Yanqi has resigned as executive director.
- (h) Mr. Bai Xuefei was appointed as an executive director and the executive president of the Company on 17 July 2018.
- (i) Ms. Qian Hui was appointed as an executive director on 17 July 2018.
- (j) Mr. Li Jing was appointed as an executive director on 15 March 2018 and resigned from the position on 17 July 2018.

11. 董事及主要行政人員之酬金 (續)

附註：(續)

- (d) 汪春寧先生於二零一七年十月二十六日獲委任為執行董事兼行政總裁。於二零一八年三月十五日，汪春寧先生辭任行政總裁並獲委任為董事會副主席。自二零一九年三月一日起，汪春寧先生辭任董事會副主席及執行董事。
- (e) 蔡充先生於二零一七年二月八日獲委任為執行董事，並於二零一七年十月四日辭任。
- (f) 宮曉程先生於二零一八年四月二十六日辭任執行董事。
- (g) 吳延啟先生於二零一八年三月十五日獲委任為本公司執行董事及行政總裁。於二零一八年七月十七日，吳延啟先生辭任本公司行政總裁並獲委任為本公司副總裁。自二零一八年九月二十八日起，吳延啟先生辭任執行董事。
- (h) 白雪飛先生於二零一八年七月十七日獲委任為本公司執行董事及執行總裁。
- (i) 錢慧女士於二零一八年七月十七日獲委任為執行董事。
- (j) 李京先生於二零一八年三月十五日獲委任為執行董事，並於二零一八年七月十七日辭任。

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

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included four (2017: three) directors and the chief executive officer of the Company, details of whose remuneration are set out in Note 11 above. Details of the remuneration for the year of the remaining one (2017: two) highest paid employee who are neither a director nor chief executive officer of the Company 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 and other benefits	薪金及其他福利	2,206	5,783
Contributions to retirement benefits schemes	退休福利計劃供款	-	36
		2,206	5,819

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

		2018 二零一八年 No. of employees 僱員數目	2017 二零一七年 No. of employees 僱員數目
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	-	-
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	-	-
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	-	-
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	-	1

13. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year, nor has any dividend been proposed since the end of the reporting period (2017: Nil).

12. 五位最高薪酬僱員

年內，本集團五位最高薪酬僱員包括四位（二零一七年：三位）本公司董事及行政總裁，彼等之薪酬詳情載於上文附註11。餘下一位（二零一七年：兩位）並非本公司董事或行政總裁之最高薪酬僱員的年內薪酬詳情如下：

薪酬介乎以下範圍的並非本公司董事的最高薪酬僱員人數如下：

13. 股息

年內並無向本公司普通股股東支付或建議派付任何股息，自報告期末以來亦無建議派付任何股息（二零一七年：無）。

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

14. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

14. 每股(虧損)/盈利

本公司擁有人應佔每股基本及攤薄(虧損)/盈利乃根據以下數據計算：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
(Loss)/earnings	(虧損)/盈利		
(Loss)/earnings for the purpose of basic earnings per share:	用以計算每股基本盈利之(虧損)/盈利：		
(Loss)/profit for the year attributable to owners of the Company	本公司擁有人應佔年度(虧損)/溢利	(3,504,039)	394,700
Effect of dilutive potential ordinary shares:	潛在攤薄普通股影響：		
Fair value change on financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債之公平值變動	-	6,759
(Loss)/earnings for the purpose of diluted earnings per share	用以計算每股攤薄盈利之(虧損)/盈利	(3,504,039)	401,459
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	用以計算每股基本(虧損)/盈利之普通股加權平均數	23,624,102,941	19,069,954,544
Effect of dilutive potential ordinary shares:	潛在攤薄普通股影響：		
Issuance of shares for conversion of convertible bonds	轉換可換股債券而發行之股份	-	3,172,863,904
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	用以計算每股攤薄(虧損)/盈利之普通股加權平均數	23,624,102,941	22,242,818,448

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

所使用之分母與上文所詳列就計算每股基本及攤薄盈利所使用者相同。

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

每股攤薄盈利乃通過調整發行在外普通股之加權平均股數，假設所有潛在攤薄普通股獲轉換之方式計算。

In arriving at earnings for the purpose of diluted earnings per share, no adjustment is made for effective interest expenses recognised on convertible bonds as all such interest expense were capitalised during the year ended 31 December 2017.

截至二零一七年十二月三十一日止年度，於達致用於計算每股攤薄盈利之盈利時，並無對就可換股債券確認之實際利息開支作出調整，原因為所有有關利息開支已撥充資本。

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綜合財務報表附註

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

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Buildings	Leasehold improvements	Furniture, fixtures and equipment	Machinery	Vehicles	Construction-in-progress	Total
		樓宇	租賃物業裝修	傢俬、裝置及設備	機器	交通工具	在建工程	總計
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
COST	成本							
At 1 January 2017	於二零一七年一月一日	-	150,967	88,857	109,213	428,478	5,814,520	6,592,035
Additions	添置	-	6,331	12,517	1,475	3,909	988,030	1,012,262
Acquired on acquisition of subsidiaries	收購附屬公司時所購入	-	-	9	-	-	-	9
Acquisition of assets through acquisition of subsidiaries	透過收購附屬公司收購資產	115,765	-	7	-	116	-	115,888
Disposals	出售	-	(3)	(99)	(108,936)	(1,677)	-	(110,715)
Elimination on disposal of subsidiaries	出售附屬公司時對銷	-	(144,609)	(68,924)	-	(875)	(406)	(214,814)
Written-off	撇銷	-	(8,209)	(225)	-	-	-	(8,434)
Exchange adjustments	匯兌調整	-	7,729	5,197	77	593	432,973	446,569
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	115,765	12,206	37,339	1,829	430,544	7,235,117	7,832,800
Additions	添置	-	38	7,121	136	2,077	673,362	682,734
Disposals	出售	-	-	-	-	(965)	-	(965)
Reclassified as held for sale	重新分類為持作出售	-	-	-	-	-	(1,138,699)	(1,138,699)
Written-off	撇銷	-	-	(366)	-	-	-	(366)
Exchange adjustments	匯兌調整	(6,005)	(32)	(1,688)	(100)	(451)	(354,574)	(362,850)
At 31 December 2018	於二零一八年十二月三十一日	109,760	12,212	42,406	1,865	431,205	6,415,206	7,012,654
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1 January 2017	於二零一七年一月一日	-	100,178	33,374	40,863	21,854	56,478	252,747
Provided for the year	年內撥備	-	11,745	12,185	9,856	25,733	-	59,519
Impairment loss recognised in profit or loss	於損益確認減值虧損	-	12,215	30,408	-	244	299	43,166
Eliminated on disposals	出售時對銷	-	-	-	(50,637)	(986)	-	(51,623)
Written-off	撇銷	-	(1,544)	(84)	-	-	-	(1,628)
Elimination on disposal of subsidiaries	出售附屬公司時對銷	-	(125,419)	(65,348)	-	(613)	(406)	(191,786)
Exchange adjustments	匯兌調整	-	5,589	4,528	5	483	3,865	14,470
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	-	2,764	15,063	87	46,715	60,236	124,865
Provided for the year	年內撥備	5,374	3,149	7,579	126	26,757	-	42,985
Impairment loss recognised in profit or loss	於損益確認減值虧損	-	-	-	-	-	544,472	544,472
Eliminated on disposals	出售時對銷	-	-	-	-	(917)	-	(917)
Written-off	撇銷	-	-	(138)	-	-	-	(138)
Exchange adjustments	匯兌調整	(205)	(26)	(891)	(9)	(348)	(23,557)	(25,036)
At 31 December 2018	於二零一八年十二月三十一日	5,169	5,887	21,613	204	72,207	581,151	686,231
CARRYING AMOUNTS	賬面值							
At 31 December 2018	於二零一八年十二月三十一日	104,591	6,325	20,793	1,661	358,998	5,834,055	6,326,423
At 31 December 2017	於二零一七年十二月三十一日	115,765	9,442	22,276	1,742	383,829	7,174,881	7,707,935

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15. PROPERTY, PLANT AND EQUIPMENT
(Continued)

The above items of property, plant and equipment, except for construction-in-progress, are depreciated on a straight-line basis at the following rates per annum:

Buildings	Over the shorter of the term of the lease or 5%
Leasehold improvements	Over the shorter of the term of the lease or 10%
Furniture, fixtures and equipment	6.66%-33.33%
Machinery	10%
Vehicles	5%-33.33%

At 31 December 2018, motor vehicles amounting to approximately HK\$2,933,000 (2017: approximately HK\$3,512,000) is held under finance lease.

The Group's construction-in-progress, including theme parks and hotels under constructions, are situated in the PRC.

As at 31 December 2018, the Group has pledged construction-in-progress with a carrying amount of approximately HK\$5,834,055,000 (2017: approximately HK\$7,174,881,000) to secure the Group's borrowings (Note 30).

An impairment loss of approximately HK\$544,472,000 for construction in progress in respect of certain projects under construction in the PRC has been recognised in the consolidated statement of profit or loss for the year ended 31 December 2018 due to delay in construction and the unfavourable market environment.

For the year ended 31 December 2017, an impairment loss of approximately HK\$43,166,000 for property, plant and equipment in respect of catering business has been recognised in the consolidated statement of profit or loss due to the closure of restaurants in the PRC.

15. 物業、廠房及設備 (續)

以上物業、廠房及設備項目(在建工程除外)按以下年率以直線法計算折舊:

樓宇	租約期或5%之較短者
租賃物業裝修	租約期或10%之較短者
傢俬、裝置及設備	6.66%至33.33%
機器	10%
交通工具	5%至33.33%

於二零一八年十二月三十一日,約為2,933,000港元(二零一七年:約為3,512,000港元)之汽車乃根據融資租賃持有。

本集團之在建工程(包括在建主題公園及酒店)均位於中國。

於二零一八年十二月三十一日,本集團已抵押賬面值約為5,834,055,000港元(二零一七年:約為7,174,881,000港元)之在建工程,作為取得本集團之借款(附註30)之擔保。

截至二零一八年十二月三十一日止年度,由於建築工程延期及不利的市場環境,已於綜合損益表內就中國若干在建項目之在建工程確認減值虧損約544,472,000港元。

截至二零一七年十二月三十一日止年度,由於關閉中國的餐廳,已於綜合損益表內就餐飲業務之物業、廠房及設備確認減值虧損約43,166,000港元。

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綜合財務報表附註

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

16. INVESTMENT PROPERTIES

16. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2017	於二零一七年一月一日	5,431,830
Additions	添置	234,110
Net increase in fair value recognised in profit or loss	於損益中確認之公平值增加淨額	267,946
Exchange adjustments	匯兌調整	419,270
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	6,353,156
Additions	添置	305,623
Net decrease in fair value recognised in profit or loss	於損益中確認之公平值減少淨額	(242,629)
Disposal	出售	(499,865)
Exchange adjustments	匯兌調整	(302,952)
At 31 December 2018	於二零一八年十二月三十一日	5,613,333
		2018 二零一八年 HK\$'000 千港元
		2017 二零一七年 HK\$'000 千港元
Fair value (loss)/gain on investment properties revaluation included in profit or loss	計入損益之投資物業重估 公平值(虧損)/收益	(242,629) 267,946

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

16. INVESTMENT PROPERTIES (Continued)

The fair value of the Group's investment properties at 31 December 2018 and 2017 have been arrived at on the basis of a valuation carried out on that date by APAC Asset Valuation and Consulting Limited ("APAC"), a firm of independent qualified professional valuer not connected with the Group. APAC had appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuations which conformed to International Valuation Standards.

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

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

All of the Group's properties interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2018 and 2017 are as follows:

16. 投資物業 (續)

本集團於二零一八年及二零一七年十二月三十一日之投資物業之公平值，乃按與本集團概無任何關連之獨立合資格專業估值師公司亞太資產評估及顧問有限公司（「亞太」）於該日進行之估值為基準而釐定。亞太具備合適資格，且擁有近日就有關位置之同類型物業進行估值之經驗。是次估值符合國際估值準則。

投資物業之估值乃採用直接比較法參照區內之可比較交易以及收入法，並假設投資物業將根據發展計劃完成及已就計劃獲得相關批文而達致。就在建物業而言，亞太已計及完成開發將耗費之成本。

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

本集團根據經營租賃持有以賺取租金或為資產增值而持有之全部物業權益，均利用公平值模式計量，並已分類為及列作投資物業入賬。

於二零一八年及二零一七年十二月三十一日，本集團投資物業之詳情及公平值等級資料如下：

		Fair value as at	
		Level 3	31 December 2018
			於二零一八年
			十二月三十一日
		第三級	之公平值
		HK\$'000	HK\$'000
		千港元	千港元
Investment properties located in the PRC	位於中國之投資物業	5,613,333	5,613,333

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

16. INVESTMENT PROPERTIES (Continued)

16. 投資物業 (續)

		Level 3	Fair value as at 31 December 2017 於二零一七年 十二月三十一日 之公平值
		第三級	之公平值
		HK\$'000	HK\$'000
		千港元	千港元
Investment properties located in the PRC	位於中國之投資物業	6,353,156	6,353,156

There were no transfers into or out of Level 3 during the year.

年內，概無轉至或轉出第三級。

As at 31 December 2018, the Group's investment properties with a carrying amount of approximately HK\$5,613,333,000 (2017: approximately HK\$6,353,156,000) have been pledged to secure the Group's borrowings (Note 30).

於二零一八年十二月三十一日，本集團已抵押賬面值約為5,613,333,000港元（二零一七年：約為6,353,156,000港元）之投資物業，作為取得本集團之借款（附註30）之擔保。

The carrying amounts of investment properties shown above comprise:

上文所示之投資物業賬面值包括：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Outside Hong Kong	香港境外	5,613,333	6,353,156

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16. INVESTMENT PROPERTIES (Continued)

At 31 December 2018

Investment properties held by the Group in the consolidated statement of financial position
綜合財務狀況表內本集團所持投資物業Fair value hierarchy
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估值方法及主要參數Significant unobservable inputs
重大不可觀察參數Relationship of unobservable inputs to fair value
不可觀察參數與公平值的關係Sensitivity
敏感度Commercial premises in Chengdu with carrying amount of approximately HK\$100,970,000 (2017: approximately HK\$564,013,000)
賬面值約100,970,000港元(二零一七年:約564,013,000港元)的成都商業物業Level 3
第三級Direct comparison method assuming sale in its existing state and by making reference to comparable sales evidences as available in the relevant market.
採用直接比較法，假設按其現況進行銷售，並參考相關市場內可獲得之同類性質物業之可比較銷售案例。The key inputs are:
主要參數為:

(i) Price per square metre

Price per square metre, using market direct comparables and taking into account time, location and other individual factors such as quality, size, levels, etc., which is ranging from RMB19,250/sq.m. to RMB35,000/sq.m. (2017: RMB19,250/sq.m. to RMB35,000/sq.m.)

(i) 每平方米價格

每平方米價格(採用市場直接可比較案例，並經考慮時間、地段及質量、面積、樓層等其他個別因素)介乎每平方米人民幣19,250元至每平方米人民幣35,000元(二零一七年:每平方米人民幣19,250元至每平方米人民幣35,000元)

The higher the price per square metre, the higher the fair value.

每平方米價格越高，公平值越高。

If the price per square metre to the valuation model is 1% higher/lower, while all the other variables were held constant, the fair value of the property would increase/decrease by approximately RMB0.89 million (2017: RMB4.7 million).

倘估值模型之每平方米價格上升/下降1%，而所有其他變量保持不變，則物業之公平值將增加/減少約人民幣890,000元(二零一七年:人民幣4,700,000元)。

16. 投資物業(續)

於二零一八年十二月三十一日

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綜合財務報表附註

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

16. INVESTMENT PROPERTIES (Continued)

At 31 December 2018 (Continued)

Investment properties held by the Group in the consolidated statement of financial position
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重大不可觀察參數Relationship of unobservable inputs to fair value
不可觀察參數與公平值的關係Sensitivity
敏感度Commercial premises under construction in Chengdu with carrying amount of approximately HK\$1,210,614,000 (2017: approximately HK\$1,252,038,000)
賬面值為約1,210,614,000港元(二零一七年:約1,252,038,000港元)
成都在建商業物業Direct comparison method
直接比較法The key inputs are:
主要參數為:

i. Gross development value; and

Gross development value on completion basis, taking into account of time, location and individual factors such as quality, levels and size between the comparable and the property of approximately RMB1,388.2 million (2017: approximately RMB1,375.6 million).

The higher the gross development value, the higher the fair value.

If the gross development value to the valuation model is 1% higher/lower, while all the other variables were held constant, the fair value of the property would increase/decrease by approximately RMB11.9 million (2017: approximately RMB11.9 million).

i. 總發展價值; 及

總發展價值(以完成之基準計算, 並經考慮與可資比較物業在時間、地段及質量、樓層及面積等個別因素方面之比較)約為人民幣1,388,200,000元(二零一七年:約為人民幣1,375,600,000元)。

總發展價值越高, 公平值越高。

倘估值模式之總發展價值上升/下降1%, 而所有其他變量保持不變, 物業公平值將增加/減少約人民幣11,900,000元(二零一七年:約人民幣11,900,000元)。

ii. Developer's profit

Developer's profit, taking into account of the progress of the property of 3%

The higher the developer's profit, the lower the fair value.

If the developer's profit to the valuation model is 1% higher/lower, while all the other variables were held constant, the fair value of the property would decrease by approximately RMB11.2 million (2017: approximately RMB11.3 million) and increase by RMB11.5 million (2017: RMB11.5 million).

ii. 開發商利潤

發展商利潤(經考慮物業進度)為3%

發展商利潤越高, 公平值越低。

倘估值模式之發展商利潤上升/下降1%, 而所有其他變量保持不變, 物業公平值將減少約人民幣11,200,000元(二零一七年:約人民幣11,300,000元)及增加人民幣11,500,000元(二零一七年:人民幣11,500,000元)。

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16. INVESTMENT PROPERTIES (Continued)

At 31 December 2018 (Continued)

Investment properties held by the Group in the consolidated statement of financial position
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重大不可觀察參數Relationship of unobservable inputs to fair value
不可觀察參數與公平值的關係Sensitivity
敏感度Shopping mall in Qingdao with carrying amount of approximately HK\$4,301,749,000 (2017: approximately HK\$4,537,105,000)
賬面值約4,301,749,000港元(二零一七年:約4,537,105,000港元)的青島商場Level 3
第三級
Direct comparison method
直接比較法The key inputs are:
主要參數為:

Price per square metre

每平方米價格

Price per square metre using market direct comparables and taking into account of location, time and other individual factors such as quality, size, levels, etc., which is ranging from RMB37,800/sq.m. to RMB63,000/sq.m. (2017: RMB37,800/sq.m. to RMB63,000/sq.m.)
每平方米價格(採用市場直接可比較案例,並經考慮地段、時間及質量、面積、樓層等其他個別因素)介乎每平方米人民幣37,800元至每平方米人民幣63,000元(二零一七年:每平方米人民幣37,800元至每平方米人民幣63,000元)

The higher the price per square metre, the higher the fair value.

每平方米價格越高,公平值越高。

If the price per square metre to the valuation model is 1% higher/lower, while all the other variables were held constant, the fair value of the property would increase/decrease by RMB37.8 million (2017: RMB37.8 million).

倘估值模型之每平方米價格上升/下降1%,而所有其他變量保持不變,則物業之公平值將增加/減少人民幣37,800,000元(二零一七年:人民幣37,800,000元)。

16. 投資物業(續)

於二零一八年十二月三十一日(續)

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綜合財務報表附註

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

17. OTHER INTANGIBLE ASSETS

17. 其他無形資產

		Trademark 商標 Note (i) 附註(i) HK\$'000 千港元	Licences 特許權 Note (ii) 附註(ii) HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本			
At 1 January 2017	於二零一七年一月一日	206,931	24,124	231,055
Additions	添置	–	1,510	1,510
Elimination on disposal of subsidiaries (Note 36)	出售附屬公司時對銷 (附註36)	(206,931)	–	(206,931)
Exchange adjustments	匯兌調整	–	575	575
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	–	26,209	26,209
Exchange adjustments	匯兌調整	–	(787)	(787)
At 31 December 2018	於二零一八年十二月三十一日	–	25,422	25,422
ACCUMULATED AMORTISATION	累計攤銷			
At 1 January 2017	於二零一七年一月一日	–	4,028	4,028
Provided for the year	年內撥備	–	5,521	5,521
Exchange adjustments	匯兌調整	–	142	142
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	–	9,691	9,691
Impairment loss recognised in the year (Note (ii))	年內確認減值虧損 (附註(ii))	–	16,376	16,376
Exchange adjustments	匯兌調整	–	(645)	(645)
At 31 December 2018	於二零一八年十二月三十一日	–	25,422	25,422
CARRYING AMOUNTS	賬面值			
At 31 December 2018	於二零一八年十二月三十一日	–	–	–
At 31 December 2017	於二零一七年十二月三十一日	–	16,518	16,518

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綜合財務報表附註

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

17. OTHER INTANGIBLE ASSETS (Continued)

Notes:

- (i) Various studies including product life cycle studies, market, competitive and environmental trends, and brand extension opportunities have been performed by management of the Group, which supports that the trademark has no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows for the Group. As a result, the trademark is considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trademark will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

The above intangible asset represent trademark with indefinite useful economic life. The trademark has been de-recognised upon the disposal of subsidiaries which was completed on 28 December 2017 (Note 36).

- (ii) The other intangible assets (other than trademarks) have finite useful life, such intangible assets are amortised on a straight-line basis over the following periods:

Licenses	2-8 years
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An impairment loss of approximately HK\$16,376,000 (2017: Nil) for the licences has been recognised in the consolidated statement of profit or loss for the year ended 31 December 2018 due to the temporary suspension of operation of the kid edutainment centre in the PRC upon management's decision.

17. 其他無形資產 (續)

附註：

- (i) 本集團管理層已進行多項研究，包括產品週期研究、市場、競爭及環境趨勢以及品牌擴展機會，證明商標於已標籤產品預期可為本集團產生現金流淨額期間並無可預見之限制。因此，本集團管理層認為商標具無限期可使用年期，因為其預期可無限期產生現金流入淨額。除非商標之使用年期釐定為有限，否則將不會攤銷。商標將於每年及出現可能減值跡象時進行減值測試。

上述無形資產為具無限期可使用經濟年限的商標。該商標已於二零一七年十二月二十八日完成出售附屬公司（附註36）後取消確認。

- (ii) 其他無形資產（商標除外）具有有限可使用年期，而該等無形資產按直線法於下列期間攤銷：

特許權	2-8年
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由於根據管理層的決定位於中國的兒童教育娛樂中心暫時停業，已於截至二零一八年十二月三十一日止年度綜合損益表內就有關特許權確認減值虧損約16,376,000港元（二零一七年：無）。

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綜合財務報表附註

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

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE INVESTMENTS
18. 按公平值計入其他全面收益之金融資產／可供出售投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產		
Listed investments:	上市投資：		
– Investment in listed bonds in Singapore, with fixed interest of 9% and maturity date on 31 July 2021 (Note (iv))	– 投資固定利率9%及到期日為二零二一年七月三十一日之於新加坡之上市債券 (附註(iv))	88,318	–
Unlisted investments:	非上市投資：		
– Equity securities (Note (iii))	– 權益證券 (附註(iii))	96,000	–
		184,318	–
Analysed for reporting purposes as:	就報告目的分析為：		
Non-current assets	非流動資產	184,318	–
Available-for-sale investments	可供出售投資		
– Unlisted private fund in Cayman Islands (Note (i))	– 於開曼群島之非上市私募基金 (附註(i))	–	263,666
– Unlisted private fund in the PRC (Note (ii))	– 於中國之非上市私募基金 (附註(ii))	–	707,650
– Equity securities (Note (iii))	– 權益證券 (附註(iii))	–	99,000
		–	1,070,316
Analysed for reporting purposes as:	就報告目的分析為：		
Current assets	流動資產	–	707,650
Non-current assets	非流動資產	–	362,666
		–	1,070,316

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE INVESTMENTS (Continued)

Notes:

- (i) The unlisted investment fund represented a mutual fund managed by a private fund manager registered and approved by the Cayman Islands Monetary Authority. As the fund is at a preliminary stage and mainly holding of cash and deposits, and therefore the management considered that the fair value of the investments approximated their cost at the end of the reporting period. No impairment was identified during the year ended 2017.
- (ii) During the year ended 2017, the Group had subscribed for a number of unlisted investment funds (“China Investment Funds”) managed by a private fund manager registered and approved by the Asset Management Association of China (the “Fund Manager Company”).

These China Investment Funds were measured at fair value and the fair value were established by making reference to the redemption price quoted by respective fund administrators which was based on the net asset value of the fund determined on a fair value basis. These China Investment Funds were redeemable by the Group at any time, within one year after the subscription upon giving a written notice in advance of the redemption and shall be redeemed at the end of the one-year period.

The scope of China Investment Funds includes various financial instruments, such as listed bonds, reverse re-purchase bonds, bank deposits, sizeable negotiable certificates of deposit, currency market funds and other bank financial products, which have a low risk profile and high liquidity.

During late 2018, the Fund Manager Company has yet to provide any official reply in respect of the Group sought to enquire about the current status of these China Investment Funds, and the future ability of the Fund Manager Company to provide full redemption of all the outstanding principal investment amounts of these China Investment Funds at maturity or upon exercise of the redemption rights. The Group also noticed that the business office of the Fund Manager Company has not been in operation.

The Group has already taken legal action for the redemption of these China Investment Funds and will consider other remedial actions to minimise the negative impact arising from the possible non-recovery of all or any portion of such investments. After the Board’s judgement regarding this significant issue, the Group considered the carrying amount of these China Investment Funds to be of no value and made a provision for loss on investments of approximately HK\$587,650,000 (2017: Nil).

- (iii) On 31 October 2017, the Group entered into agreement with an individual third party and acquired the unlisted equity investments issued by private entity incorporated in Marshall Islands with limited liability with equity interests of 19.97%. The captioned entity is an investment holding company and its subsidiaries are principally engaged in provision of finance and money lending in Hong Kong and is measured at fair value.
- (iv) Detail of impairment assessment are set out in Note 42.

18. 按公平值計入其他全面收益之金融資產／可供出售投資（續）

附註：

- (i) 該非上市投資基金是在開曼群島金融管理局註冊及獲批准的私募基金管理公司管理的互惠基金。由於該基金處於初期階段，主要持有現金及存款，因此管理層釐定於報告期末該等投資的公平值與其成本相若。於截至二零一七年止年度並無出現減值。
- (ii) 於截至二零一七年止年度，本集團曾認購由一間在中國證券投資基金業協會註冊及獲批准的私募基金管理公司（「基金管理公司」）管理的多隻非上市投資基金（「中國投資基金」）。

該等中國投資基金按公平值計量，而公平值乃參考有關基金管理人的贖回報價釐定，有關報價乃基於按公平值基準釐定的基金資產淨值。該等中國投資基金可由本集團於認購後一年內隨時通過事先發出書面贖回通知予以贖回，並應於一年期間結束時贖回。

中國投資基金的投資範圍包括上市債券、債券逆回購、銀行存款、大額可轉讓存單、貨幣市場基金及其他銀行理財產品等多種低風險高流動性的金融工具。

於二零一八年底，在本公司就該等中國投資基金的現時狀況、基金管理公司將來在存續期屆滿或行使贖回權利時就該等中國投資基金的所有未贖回本金投資額提供全額贖回的能力作出查詢後，基金管理公司未有就此作出正式回覆。另外本集團亦注意到，基金管理公司的辦事處並沒有正常運作。

本公司已就贖回該等中國投資基金採取法律行動，並將考慮其他補救行動，務求將可能因無法收回該等投資的全部或任何部分而產生的負面影響減至最低。經董事會判斷此事項屬重大事項後，本集團認為該等中國投資基金的賬面值已不具價值，並已計提投資虧損撥備約587,650,000港元（二零一七年：無）。

- (iii) 於二零一七年十月三十一日，本集團與一名個人第三方訂立協議，收購於馬紹爾群島註冊成立的私人有限責任公司發行的19.97%股權非上市權益投資。該公司是一間投資控股公司及其附屬公司主要於香港從事提供融資及放債，並乃按公平值計量。
- (iv) 減值評估的詳情載於附註42。

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綜合財務報表附註

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

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

19. 按公平值計入損益之金融資產

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	金融資產		
Equity securities listed in Hong Kong (Note (i))	於香港上市之權益證券 (附註(i))	1,300,290	1,602,427
Unlisted investment fund in Cayman Islands (Note (ii))	於開曼群島之非上市投資基金 (附註(ii))	517,929	369,425
		1,818,219	1,971,852

Notes:

- (i) The fair value of equity securities are determined based on the quoted market prices at the end of the reporting period.
- (ii) The fair value of unlisted investment fund is established by making reference to the redemption price quoted by respective fund administrators, which was determined based on net asset value of the fund measured on a fair value basis.

As at 31 December 2018, the Group had pledged equity securities listed in Hong Kong with carrying amount of approximately HK\$737,126,000 (2017: approximately HK\$1,477,994,000) to secure the Group's borrowings (Note 30).

附註：

- (i) 權益證券的公平值根據於報告期末之市場報價釐定。
- (ii) 非上市投資基金之公平值乃經參考各基金管理人的贖回報價釐定，有關報價乃基於按公平值基準計量的基金資產淨值釐定。

於二零一八年十二月三十一日，本集團已抵押賬面值約為737,126,000港元（二零一七年：約1,477,994,000港元）的於香港上市之權益證券，作為取得本集團借款之擔保（附註30）。

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綜合財務報表附註

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

20. INVENTORIES

20. 存貨

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Properties under development for sale	發展中待售物業	4,953,034	4,362,779
Completed properties for sale	已竣工待售物業	778,129	1,605,446
		5,731,163	5,968,225
Food and beverages, and other operating items for catering and related service operations	餐飲以及餐飲及相關服務業務的 其他經營項目	5,947	6,141
Finished goods	製成品	6,330	6,211
		5,743,440	5,980,577

The Group's properties for sale with a carrying amount of approximately HK\$5,731,163,000 as at 31 December 2018 (2017: approximately HK\$5,968,225,000) have been pledged to secure the Group's borrowings (Note 30).

The properties for sale are situated in the PRC and Hong Kong. The properties under development for sales of approximately HK\$1,728,485,000 (2017: approximately HK\$4,362,779,000) are expected to be completed and available for sale within 12 months from the end of reporting period.

On 30 December 2018, the Company entered into a conditional sale and purchase agreement with an independent third party to sell the entire issued share of an indirectly wholly-owned subsidiary of the Company, Joyous Investment Holdings Limited and its subsidiary which directly holds the properties under development for sales in Hong Kong. The disposal is expected to be completed after the reporting period. For details, please refer to the Company's announcements dated 30 December 2018, 9 January 2019, 21 January 2019, 1 February 2019, 15 March 2019 and 19 March 2019.

於二零一八年十二月三十一日，本集團已抵押賬面值約為5,731,163,000港元（二零一七年：約為5,968,225,000港元）之待售物業，作為取得本集團借款（附註30）之擔保。

待售物業全部位於中國及香港。約1,728,485,000港元（二零一七年：約4,362,779,000港元）之發展中待售物業預期於報告期末後12個月內竣工及可供銷售。

於二零一八年十二月三十日，本公司與一名獨立第三方訂立有條件買賣協議出售本公司間接全資附屬公司豐盛投資控股有限公司及其附屬公司之全部已發行股份，該公司直接持有位於香港之發展中待售物業。該出售事項預計將於報告期後完成。有關詳情，請參閱本公司日期為二零一八年十二月三十日、二零一九年一月九日、二零一九年一月二十一日、二零一九年二月一日、二零一九年三月十五日及二零一九年三月十九日之公告。

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

21. TRADE RECEIVABLES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	應收貿易賬款		
– goods and services	– 貨品及服務	80	9,393
– leasing	– 租賃	11,277	10,866
		11,357	20,259

As at 31 December 2018 and 1 January 2018, trade receivables from contracts with customers amounted to approximately HK\$80,000 and HK\$9,393,000 respectively.

Trade receivables arising from sale of properties are due for settlement in accordance with the terms of the related sale and purchase agreement. Revenue from admission tickets are mainly in form of settlement in cash and credit card. Rental receivables from tenants are payable on presentation of invoices.

The following is an aged analysis of trade receivables (net of allowance for credit losses), presented based on agreement terms and invoice date, at the end of the reporting period:

於二零一八年十二月三十一日及二零一八年一月一日，來自客戶合約之應收貿易賬款分別約為80,000港元及9,393,000港元。

因銷售物業所產生之應收貿易賬款根據有關買賣協議條款到期結算。入場門票之收入主要以現金及信用卡結算。應收租戶租金於開具發票後支付。

於報告期末，按協議條款及發票日期呈列之應收貿易賬款（扣除信貸虧損撥備）之賬齡分析如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 – 30 days	0至30日	11,357	11,231
31 – 60 days	31至60日	–	–
61 – 90 days	61至90日	–	–
91 – 180 days	91至180日	–	–
Over 180 days	180日以上	–	9,028
		11,357	20,259

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綜合財務報表附註

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

21. TRADE RECEIVABLES (Continued)

As at 31 December 2018, included in the Group's trade receivables were debtors with aggregate carrying amount of approximately HK\$11,277,000 which were past due as at the reporting date. The Group does not hold any collateral over certain these balances.

As at 31 December 2017, included in the Group's trade receivables were debtors with aggregate carrying amount of approximately HK\$19,894,000 which are past due for which the Group has not provided for impairment loss as there had not been a significant change in credit quality and the amounts were still considered recoverable. The Group does not hold any collateral over these balances except for those from sale of properties. Trade receivables are non-interest bearing.

Ageing of trade receivables which are past due but not impaired

		2017 二零一七年 HK\$'000 千港元
0 – 30 days	0至30日	10,866
Over 180 days	180日以上	9,028
		19,894

Receivables that were neither past due nor impaired were mainly related to a number of corporate customers for whom there were no recent history of default. Accordingly, no provision for impairment of trade receivables is necessary as at 31 December 2017.

Detail of impairment assessment of trade receivables for the year ended 31 December 2018 are set out in Note 42.

21. 應收貿易賬款 (續)

於二零一八年十二月三十一日，本集團之應收貿易賬款中包括賬面總值約為11,277,000港元之於報告日期已逾期的應收款項。本集團並無就該等結餘持有任何抵押品。

於二零一七年十二月三十一日，本集團之應收貿易賬款中包括賬面總值約為19,894,000港元之已逾期應收款項，而由於信貸質素並無重大變動且有關金額仍被視作可收回，故本集團並無提撥減值虧損。除銷售物業之結餘外，本集團並無就該等結餘持有任何抵押品。應收貿易賬款並不計息。

逾期未付但未出現減值之應收貿易賬款之賬齡

既無逾期亦未減值之應收款項主要涉及多個最近並無拖欠記錄之企業客戶。因此，於二零一七年十二月三十一日，無須就該等應收貿易賬款減值作出撥備。

截至二零一八年十二月三十一日止年度應收貿易賬款的減值評估詳情載於附註42。

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綜合財務報表附註

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

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

22. 預付款項、按金及其他應收款項

		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	非流動資產		
Note receivables (Note (i))	應收票據 (附註(i))	89,039	89,039
		89,039	89,039
Current assets	流動資產		
Prepayments:	預付款項:		
– construction contracts	– 建築合約	1,858,161	2,000,796
– pre-sale related taxes	– 預售相關稅項	92,067	101,110
– others	– 其他	201,591	244,865
Deposits (Note (ii) & (iii))	按金 (附註(ii)及(iii))	13,474	1,260,998
Consideration receivables (Note (iii))	應收代價 (附註(iii))	101,811	346,400
Other receivables (Note (iii))	其他應收款項 (附註(iii))	1,418,542	695,100
		3,685,646	4,649,269
		3,774,685	4,738,308

Notes:

- (i) As announced by the Company on 20 December 2017, the Company has introduced a strategic partner to jointly develop a property located in Canada. Note receivables have been issued to the Company in relation to the strategic arrangement.

Save as disclosed in the announcement made by the Company on 20 December 2017, the note receivables in the principal amount of US\$11,400,000, which bears interest at the rate of 5% per annum and has a maturity date falling 7 years from the date of issue or such other date as may be agreed between the Company and the issuer.

Details of impairment assessment of note receivables for the year ended 31 December 2018 as set out in Note 42.

附註:

- (i) 誠如本公司於二零一七年十二月二十日所公佈、本公司已引入戰略合作夥伴以共同開發位於加拿大的物業。有關應收票據乃就戰略安排而發行予本公司。

除本公司於二零一七年十二月二十日刊發的公告所披露者外、本金額為11,400,000美元的應收票據按年利率5%計息，到期日為發出日期起計滿7年或本公司與發行人可能協定的其他日期。

截至二零一八年十二月三十一日止年度應收票據的減值評估詳情載於附註42。

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

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

- (ii) The balance mainly represents deposits paid in advance to third parties for future supply of construction materials prior to entering into contracts with the suppliers.
- (iii) The Group has provided an impairment for certain deposits and other receivables of approximately HK\$1,433,524,000 for the year ended 31 December 2018 (2017: approximately HK\$41,092,000).

The majority of the impairment, of which approximately HK\$902,374,000 were related to the incident disclosed in Note 18 (ii), as the Group had also incurred these loans receivables and deposits with the related parties of the Fund Manager Company, the Group also noticed that the business office of these related parties has not been in operation. The Board had determined the likelihood of recovery of these monies is remote and therefore impairment had been provided.

The balances of the debtors' amounted to approximately HK\$521,150,000 (2017: approximately HK\$41,092,000) were related to several independent third parties who had been loss of contacts during the year and up to the reporting date. The Board had also determined the likelihood of recovery of these monies is remote and therefore impairment had been provided.

The remaining balance of the debtor amounted to approximately HK\$10,000,000 belongs to SMI Holdings Group Limited ("SMI"). As the trading in SMI's shares on the Stock Exchange has been suspended with effect from 3 September 2018. SMI has made announcements that since its trading suspension, SMI and certain of its subsidiaries have defaulted in certain borrowings. Pursuant to SMI's announcement dated 12 March 2019, SMI was in progress of its debt restructuring. However, the letters of intent and the memorandum of understanding in relation to the above-mentioned debt restructuring activities are not legally binding, and may or may not materialise. Based on the reasons above, the Board had also determined the likelihood of recovery of these monies is remote and therefore impairment had been provided.

Details of impairment assessment of deposits and other receivables for the year ended 31 December 2018 are set out in Note 42.

- (iv) Save as disclosed above, none of the above assets is either past due or impaired. The financial assets included in the above balances related to receivables for which there was no recent history of default.

22. 預付款項、按金及其他應收款項 (續)

附註：(續)

- (ii) 該結餘主要為於與供應商訂立合約前就日後的建築材料供應向第三方墊付的按金。
- (iii) 截至二零一八年十二月三十一日止年度，本集團已就若干按金及其他應收款項計提減值約1,433,524,000港元（二零一七年：約41,092,000港元）。

減值中的主要部分約902,374,000港元乃與附註18 (ii)披露的事件有關，原因為本集團亦有與基金管理公司關連公司有關之應收貸款及按金，本集團亦注意到該等關聯公司的辦事處並沒有正常運作。董事會已釐定該等款項之可收回性極低，因此已計提減值。

應收賬款結餘約521,150,000港元（二零一七年：約41,092,000港元）乃與於年內及直至報告日期失去聯絡之若干獨立第三方有關。董事會亦已釐定該等款項之可收回性極低，因此已計提減值。

餘下應收賬款結餘約10,000,000港元乃與星美控股集團有限公司（「星美」）有關。星美的股份已自二零一八年九月三日起於聯交所停牌。星美已公佈，自其停牌以來，星美及其若干附屬公司已拖欠若干借款。根據星美日期為二零一九年三月十二日之公告，星美正在進行債務重組。然而，與上述債務重組活動有關的意向書及諒解備忘錄並不具有法律約束力，且未必會落實。基於上述原因，董事會已釐定該等款項的可收回性極低，因此已計提減值。

截至二零一八年十二月三十一日止年度按金及其他應收款項的減值評估詳情載於附註42。

- (iv) 除上文所披露者外，上述資產既無逾期亦未減值。計入上述結餘之金融資產與最近並無涉及拖欠記錄的應收款項有關。

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23. PLEDGED BANK DEPOSITS/ CASH AND CASH EQUIVALENTS

23. 已抵押銀行存款／現金及現金等價物

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Pledged bank deposits	已抵押銀行存款	635,766	1,337,248
Cash and cash equivalents	現金及現金等價物	148,538	322,252
Cash and bank balances	現金及銀行結餘	784,304	1,659,500

Cash and bank balances of the Group comprise bank balances and cash held and short-term bank deposits that are interest-bearing at market interest rate and have original maturity of one year (2017: one year to three years). The Group's bank deposits carry interest rates ranging from Nil to 2.25% (2017: Nil to 4.2%) per annum.

At 31 December 2018, approximately 2.6% (2017: approximately 6%) of the Group's bank balances and deposits are denominated in Hong Kong dollars and approximately 97% (2017: approximately 94%) in Renminbi ("RMB"). RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

As at 31 December 2018, the Group's bank balances and deposits of approximately HK\$40,161,000 (2017: approximately HK\$11,737,000) are solely for certain designated property development projects in the PRC.

As at 31 December 2018, the Group had pledged bank deposits with a carrying amount of approximately HK\$635,766,000 (2017: approximately HK\$1,337,248,000) to secure the Group's certain borrowings in the PRC (Note 30).

本集團之現金及銀行結餘包括所持之銀行結餘及現金以及按市場利率計息且原始期限為一年(二零一七年:一年至三年)之短期銀行存款。本集團銀行存款之年利率介乎零至2.25%(二零一七年:零至4.2%)。

於二零一八年十二月三十一日,本集團的銀行結餘及存款中港元佔約2.6%(二零一七年:約6%)及人民幣(「人民幣」)佔約97%(二零一七年:約94%)。人民幣為非自由兌換貨幣,且將資金匯出中國須受中國政府實施之外匯限制所規限。

於二零一八年十二月三十一日,本集團之銀行結餘及存款約40,161,000港元(二零一七年:約11,737,000港元)專用於位於中國之若干指定物業發展項目。

於二零一八年十二月三十一日,本集團已抵押賬面值約635,766,000港元(二零一七年:約1,337,248,000港元)之銀行存款,作為取得本集團於中國境內的若干借款(附註30)之擔保。

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

24. TRADE PAYABLES

Trade payables comprise amounts outstanding for construction costs, suppliers and on-going costs.

The following is an aged analysis of trade payables at the end of the reporting period.

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 – 30 days	0至30日	185,259	277,301
31 – 60 days	31至60日	–	3
61 – 90 days	61至90日	–	3,419
Over 90 days	90日以上	1,036,946	803,403
		1,222,205	1,084,126

25. DEPOSITS FROM CUSTOMERS/ACCRUED LIABILITIES AND OTHER PAYABLES

Deposits from customers:

Deposits received from sales of properties
Advances from customers of catering business
Others

客戶訂金：

銷售物業已收取訂金
餐飲業務預收客戶款項
其他

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		–	1,612,899
		47	4,190
		9,017	8,687
		9,064	1,625,776

24. 應付貿易賬款

應付貿易賬款包括有關建築成本、供應商及持續成本之尚未償還款項。

於報告期末，應付貿易賬款之賬齡分析如下。

25. 客戶訂金／應計負債及其他應付款項

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25. DEPOSITS FROM CUSTOMERS/ACCRUED LIABILITIES AND OTHER PAYABLES (Continued)

25. 客戶訂金／應計負債及其他應付款項 (續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Accrued liabilities and other payables:	應計負債及其他應付款項：		
Other payables	其他應付款項	1,246,174	770,304
Accruals	應計費用	34,978	19,124
Interest payable	應付利息	173,755	11,565
		1,454,907	800,993

26. CONTRACT LIABILITIES

During the year ended 31 December 2018, the Group has recognised revenue of approximately HK\$1,336,524,000 that was included in the contract liabilities balance at the beginning of the year.

The Group receives certain amount of the contract value as deposits from customers when they entered the sale and purchase agreement for sale of properties. The deposits and advance payment schemes result in contract liabilities being recognised throughout the property construction period until the customer obtains control of the completed property.

27. AMOUNTS DUE TO RELATED COMPANIES

The amounts due are unsecured, interest free and repayable on demand.

26. 合約負債

於截至二零一八年十二月三十一日止年度，本集團已確認約1,336,524,000港元包含於年初合約負債結餘之收入。

本集團在客戶訂立銷售物業之買賣協議時向其收取合約價值之若干金額作為按金。按金及預先付款安排導致於整個物業施工期間確認合約負債，直至客戶取得已竣工物業的控制權為止。

27. 應付關連公司款項

有關款項為無抵押、免息及須按要求償還。

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28. SHARE CAPITAL

28. 股本

		Notes 附註	Ordinary shares of HK\$0.2 each 每股面值 0.2港元之 普通股 '000 千股	Amount 金額 HK\$'000 千港元
Authorised:	法定：			
At 1 January 2017	於二零一七年一月一日		25,000,000	5,000,000
Increase on 10 July 2017	於二零一七年七月十日增加		25,000,000	5,000,000
At 31 December 2017 and 2018	於二零一七年及二零一八年 十二月三十一日		50,000,000	10,000,000
Issued and fully paid:	已發行及繳足：			
At 1 January 2017	於二零一七年一月一日		16,877,728,468	3,375,546
Issue of shares by way of placing	透過配售發行股份	(i)	300,000,000	60,000
Issue of shares upon rights issue	透過供股發行股份	(ii)	4,294,432,117	858,886
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		21,472,160,585	4,294,432
Shares issued upon conversion of convertible bonds	轉換可換股債券而發行之股份	(iii)	181,250,000	36,250
Issue of shares by way of placing	透過配售發行股份	(iv)	2,200,000,000	440,000
Repurchase of ordinary shares and cancelled	購回普通股及已註銷	(v)	(78,630,000)	(15,726)
At 31 December 2018	於二零一八年十二月三十一日		23,774,780,585	4,754,956

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28. SHARE CAPITAL (Continued)

Notes:

(i) Issue of shares by way of placing

On 17 May 2017, the Company allotted and issued 300,000,000 ordinary shares of HK\$0.2 each in the capital of the Company by way of placing at a placing price of HK\$0.80 per share. The Company raised approximately HK\$237,600,000 (net of expenses).

(ii) Issue of shares upon rights issue

On 27 September 2017, the Company allotted and issued 4,294,432,117 ordinary shares of HK\$0.2 each in the capital of the Company by way of rights issue at a subscription price of HK\$0.40 per share. The Company raised approximately HK\$1,678,852,000 (net of expenses).

(iii) Shares issued upon conversion of convertible bonds

On 25 January 2018, the Company issued 181,250,000 ordinary shares of HK\$0.20 each in the capital of the Company upon the conversion of the convertible bond with principal amount of HK\$72,500,000 at a price of HK\$0.40 per share.

(iv) Issue of shares by way of placing

On 2 February 2018, the Company allotted and issued 2,200,000,000 ordinary shares of HK\$0.20 each in the capital of the Company by way of placing at a placing price of HK\$0.355 per share. The Company raised approximately HK\$779,000,000 (net of expenses).

(v) During the year ended 31 December 2018, the Company repurchased certain of its own shares on the Stock Exchange.

28. 股本 (續)

附註：

(i) 透過配售發行股份

於二零一七年五月十七日，本公司透過配售，按配售價每股股份0.80港元配發及發行300,000,000股本公司股本中每股面值0.2港元之普通股。本公司籌得約237,600,000港元（扣除費用）。

(ii) 透過供股發行股份

於二零一七年九月二十七日，本公司透過供股，按認購價每股股份0.40港元配發及發行4,294,432,117股本公司股本中每股面值0.2港元之普通股。本公司籌得約1,678,852,000港元（扣除費用）。

(iii) 轉換可換股債券而發行之股份

於二零一八年一月二十五日，本公司於按每股0.40港元之價格轉換本金額為72,500,000港元之可換股債券後，發行181,250,000股本公司股本中每股面值0.20港元之普通股。

(iv) 透過配售發行股份

於二零一八年二月二日，本公司透過配售，按每股0.355港元之配售價配發及發行2,200,000,000股本公司股本中每股面值0.20港元之普通股。本公司籌得約779,000,000港元（扣除費用）。

(v) 於截至二零一八年十二月三十一日止年度，本公司於聯交所購回本公司若干股份。

Month of repurchase	購回月份	Number of ordinary shares 普通股數目	Price per share 每股價格		Aggregate consideration paid 支付總代價
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
September 2018	二零一八年九月	78,630,000	0.305	0.280	23,250

The above ordinary shares were cancelled upon repurchase.

上述普通股已於購回後註銷。

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29. OBLIGATION UNDER FINANCE LEASE

29. 融資租賃項下之責任

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Analysis for reporting purpose as:	就報告目的分析為：		
Current liabilities	流動負債	700	667
Non-current liabilities	非流動負債	1,503	2,200
		2,203	2,867

The Group's leased certain of its motor vehicle under finance lease. The lease term is 5 years (2017: 5 years). Interest rates underlying the obligation under finance lease are fixed at respective contract dates 4.70% (2017: 4.70%) per annum.

本集團根據融資租賃租用其若干汽車。租賃期為五年（二零一七年：五年）。融資租賃項下之責任的年利率於各合約日固定於4.70%（二零一七年：4.70%）。

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29. OBLIGATION UNDER FINANCE LEASE (Continued)

29. 融資租賃項下之責任 (續)

		Minimum lease payments		Present value of minimum lease payments	
		最低租賃款項		最低租賃款項現值	
		2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Obligation under finance lease payable:	於下列期間應付之融資租賃項下之責任：				
Within one year	一年內	788	788	700	667
More than one year but not more than two years	一年以上但不超過兩年	788	788	734	699
More than two years but not more than five years	兩年以上但不超過五年	787	1,575	769	1,501
		2,363	3,151	2,203	2,867
Less: future finance charges	減：未來融資費用	(160)	(284)	N/A不適用	N/A不適用
Present value of lease obligation	租賃責任之現值	2,203	2,867	2,203	2,867
Less: Amount due for settlement with 12 months (shown under current liabilities)	減：12個月內到期結算款項（列於流動負債項下）			(700)	(667)
Amount due for settlement after 12 months	12個月後到期結算款項			1,503	2,200

The Group's obligation under finance lease is secured by the lessor's title to the leased assets.

Finance lease obligation is denominated in Hong Kong dollars.

本集團於融資租賃項下之責任由出租人對租賃資產擁有權作擔保。

融資租賃責任以港元計算。

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30. BORROWINGS

30. 借款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank borrowings, secured (Note (i))	銀行借款，有抵押 (附註(i))	2,071,984	2,988,275
Other borrowings, secured (Note (i))	其他借款，有抵押 (附註(i))	4,492,377	4,692,142
Senior bonds (Note (ii))	優先債券 (附註(ii))	1,615,148	1,587,256
Bonds (Note (ii))	債券 (附註(ii))	3,005,245	655,018
		11,184,754	9,922,691
Carrying amounts repayable:	須予償還之賬面值：		
On demand or within one year	按要求或一年內	7,621,439	6,072,580
More than one year but not exceeding two years	一年以上但不超過兩年	1,735,062	1,931,930
More than two years but not exceeding five years	兩年以上但不超過五年	1,612,334	1,533,431
More than five years	五年以上	215,919	384,750
		11,184,754	9,922,691

Notes:

- (i) As at 31 December 2018, bank and other borrowings of approximately HK\$4,332,484,000 (2017: approximately HK\$5,444,346,000) are denominated in Renminbi ("RMB") and carried interest at fixed interest rates of 3.38% to 13% (2017: 1.68% to 13%) per annum. Bank and other borrowings of approximately HK\$245,164,000 (2017: approximately HK\$268,603,000) are denominated in United States Dollars ("USD") and carried interest at floating rate of London Interbank Offered Rate plus 5.54% per annum (2017: 3%). Bank and other borrowings of approximately HK\$1,986,713,000 (2017: approximately HK\$1,967,468,000) are denominated in HK\$ including approximately HK\$100,000,000 which carried interest at floating rate of Hong Kong Inter-bank offered Rate plus 2% per annum, approximately HK\$686,388,000 which carried interest at floating rate of Hong Kong Inter-bank Offered Rate plus 1.5% per annum, approximately HK\$570,000,000 which carried interest at fixed interest rate of 6.5% per annum, approximately HK\$14,000,000 which carried interest at fixed interest rate of 9% per annum, and approximately HK\$616,325,000 which carried interest at fixed interest rates of 5% to 15.25% per annum respectively (2017: approximately HK\$100,000,000 which carried interest at floating rate of Hong Kong Inter-bank offered Rate plus 2% per annum, approximately HK\$904,661,000 which carried interest at floating rate of Hong Kong Inter-bank Offered Rate plus 1.5% per annum, approximately HK\$390,000,000 which carried interest at fixed interest rate of 6.5% per annum, approximately HK\$14,000,000 which carried interest at fixed interest rate of 8.75% per annum, and approximately HK\$558,807,000 which carried interest at fixed interest rates of 5% to 15.25% per annum respectively).

附註：

- (i) 於二零一八年十二月三十一日，銀行借款及其他借款約4,332,484,000港元(二零一七年：約5,444,346,000港元)以人民幣(「人民幣」)計值，並分別以固定年利率3.38%至13%(二零一七年：1.68%至13%)計息。銀行及其他借款約245,164,000港元(二零一七年：約268,603,000港元)以美元(「美元」)計值，並以倫敦銀行同業拆息加5.54%(二零一七年：3%)的浮動年利率計息。銀行及其他借款約1,986,713,000港元(二零一七年：約1,967,468,000港元)以港元計值，其中包括約100,000,000港元以香港銀行同業拆息加2%的浮動年利率計息，約686,388,000港元以香港銀行同業拆息加1.5%的浮動年利率計息，約570,000,000港元按固定年利率6.5%計息，約14,000,000港元按固定年利率9%計息，及約616,325,000港元按固定年利率5%至15.25%計息(二零一七年：約100,000,000港元以香港銀行同業拆息加2%的浮動年利率計息，約904,661,000港元以香港銀行同業拆息加1.5%的浮動年利率計息，約390,000,000港元按固定年利率6.5%計息，約14,000,000港元按固定年利率8.75%計息，及約558,807,000港元按固定年利率5%至15.25%計息)。

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

30. BORROWINGS (Continued)

Notes: (Continued)

(i) (Continued)

The Group's bank and other borrowings were secured by the assets of the Group with the following carrying amounts:

(a)

Property, plant and equipment (Note 15)	物業、廠房及設備 (附註15)	5,834,055	7,174,881
Investment properties (Note 16)	投資物業 (附註16)	5,613,333	6,353,156
Properties for sale (Note 20)	待售物業 (附註20)	5,731,163	5,968,225
Equity securities listed in Hong Kong (Note 19)	於香港上市之權益證券 (附註19)	737,126	1,477,994
Pledged bank deposits (Note 23)	已抵押銀行存款 (附註23)	635,766	1,337,248
		18,551,443	22,311,504

(b) A personal guarantee was given by the chairman and chief executive officer of the Company for the Group's certain borrowings.

(c) Certain shares of non-controlling interests of the Group have been pledged to secure the borrowings.

(ii) Bonds payable

As at 31 December 2018, bonds and senior bonds payable of aggregate amount of approximately HK\$3,530,552,000 (2017: approximately HK\$1,290,152,000) are denominated in USD and bear interest at the rate of 8% (2017: 8%) per annum. The bonds will mature on 22 March 2019. Bonds payable amounted to approximately HK\$2,218,103,000 is recognised upon the extinguishment of convertible bonds during the year ended 31 December 2018.

30. 借款 (續)

附註：(續)

(i) (續)

本集團銀行借款及其他借款以本集團下列賬面值之資產作抵押：

(a)

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Property, plant and equipment (Note 15)	5,834,055	7,174,881
Investment properties (Note 16)	5,613,333	6,353,156
Properties for sale (Note 20)	5,731,163	5,968,225
Equity securities listed in Hong Kong (Note 19)	737,126	1,477,994
Pledged bank deposits (Note 23)	635,766	1,337,248
	18,551,443	22,311,504

(b) 本公司主席兼行政總裁已就本集團若干借款提供個人擔保。

(c) 本集團非控股權益之若干股份已質押作為借款的擔保。

(ii) 應付債券

於二零一八年十二月三十一日，總金額約3,530,552,000港元（二零一七年：約1,290,152,000港元）的應付債券及優先債券以美元計值並按年利率8%（二零一七年：8%）計息。該等債券將於二零一九年三月二十二日到期。於截至二零一八年十二月三十一日止年度，於取消可換股債券後確認應付債券約2,218,103,000港元。

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

30. BORROWINGS (Continued)

Notes: (Continued)

(ii) Bonds payable (Continued)

Bonds and senior bonds payable of aggregate amount of approximately HK\$1,089,841,000 (2017: approximately HK\$952,122,000) are denominated in HKD and bear interest at the rate of 5% to 6% (2017: 5% – 6%) per annum. The bonds will mature on the date immediately following 1 year to 8 years (2017: 2 years to 8 years) after the date of issue of the bonds. The net proceeds of the bonds, after deducting the issuance costs, amounted to approximately HK\$104,816,000 during the year ended 31 December 2018 (2017: approximately HK\$646,747,000).

During the year ended 31 December 2018, the Company had repaid the principal amount of approximately HK\$44,530,000 (2017: approximately HK\$400,000,000) on maturity date.

During the year ended 31 December 2018, the Company early redeemed a principal amount of approximately HK\$76,954,000 (2017: approximately HK\$135,874,000) and recognised a loss of early redemption of approximately HK\$8,758,000 (2017: approximately HK\$637,000) in consolidated profit or loss.

Senior bonds and bonds payable of approximately HK\$2,388,929,000 (2017: approximately 2,242,274,000) were unsecured, in particular, principal amount of approximately HK\$1,299,087,000 (2017: approximately HK\$1,290,153,000) were guaranteed and principal amount of approximately HK\$1,089,842,000 (2017: approximately HK\$952,121,000) were unguaranteed.

Bonds payable of approximately HK\$2,231,464,000 were secured by shares of the Group's certain subsidiaries and guaranteed by the chairman and the chief executive officer as at 31 December 2018 (2017: Nil).

30. 借款 (續)

附註：(續)

(ii) 應付債券 (續)

總金額約1,089,841,000港元(二零一七年：約952,122,000港元)的應付債券及優先債券以港元計值並按年利率5%至6%(二零一七年：5%–6%)計息。該等債券將於緊隨債券發行日期後滿1年至8年(二零一七年：2年至8年)之日到期。於截至二零一八年十二月三十一日止年度，該等債券所得款項淨額(扣除發行成本後)約為104,816,000港元(二零一七年：約646,747,000港元)。

於截至二零一八年十二月三十一日止年度，本公司已於到期日償還本金額約44,530,000港元(二零一七年：約400,000,000港元)。

於截至二零一八年十二月三十一日止年度，本公司已提前贖回本金額約76,954,000港元(二零一七年：約135,874,000港元)並於綜合損益確認提前贖回虧損約8,758,000港元(二零一七年：約637,000港元)。

應付優先債券及債券約2,388,929,000港元(二零一七年：約2,242,274,000港元)為無抵押，其中本金額約1,299,087,000港元(二零一七年：約1,290,153,000港元)為有擔保及本金額約1,089,842,000港元(二零一七年：約952,121,000港元)為無擔保。

於二零一八年十二月三十一日，應付債券約2,231,464,000港元由本集團若干附屬公司的股份作抵押及由主席兼行政總裁提供擔保(二零一七年：無)。

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

30. BORROWINGS (Continued)

Notes: (Continued)

(ii) Bonds payable (Continued)

The movements of the Group's bonds payable for the years ended 31 December 2018 and 2017 are as follows:

		Total 總計 HK\$'000 千港元
Carrying amounts as at 1 January 2017	於二零一七年一月一日之賬面值	2,101,814
Net proceeds on date of issuance	於發行日的所得款項淨額	646,747
Exchange adjustments	匯兌調整	10,918
Interest paid	已付利息	(167,463)
Effective interest charged to profit or loss (Note 8)	於損益扣除之實際利息 (附註8)	186,132
Repurchase	購回	(136,511)
Loss on early redemption	提前贖回虧損	637
Repayment of principal	償還本金	(400,000)
Carrying amounts 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之賬面值	2,242,274
Net proceeds on date of issuance	於發行日的所得款項淨額	104,816
Exchange adjustments	匯兌調整	(3,051)
Interest paid	已付利息	(153,660)
Effective interest charged to profit or loss (Note 8)	於損益扣除之實際利息 (附註8)	352,819
Repurchase	購回	(85,712)
Loss on early redemption	提前贖回虧損	8,758
Repayment of principal	償還本金	(44,530)
Recognition upon extinguishment of convertible bonds	取消可換股債券後確認	2,218,103
Direct costs	直接成本	(19,424)
Carrying amounts as at 31 December 2018	於二零一八年十二月三十一日之賬面值	4,620,393

The effective interest rate of the above bonds payable ranged from 8.14% to 17.84% per annum (2017: 8.14% to 12.71%).

上述應付債券的實際年利率介乎8.14%至17.84% (二零一七年: 8.14%至12.71%)。

30. 借款 (續)

附註: (續)

(ii) 應付債券 (續)

本集團應付債券於截至二零一八年及二零一七年十二月三十一日止年度之變動如下:

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

31. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Deferred tax liabilities 遞延稅項負債	1,182,762	1,539,527

The following are the major deferred tax balances recognised and the movements thereon during the current and prior years:

31. 遞延稅項

就於綜合財務狀況表呈列用途，若干遞延稅項資產及負債已抵銷。以下為就財務報告目的之遞延稅項結餘分析：

以下為已確認之主要遞延稅項結餘及於本年度及過往年度之變動：

Deferred tax (assets)/liabilities:	Convertible bonds	Revaluation of properties	Deductible temporary differences arising from LAT provisions	Total
遞延稅項(資產)/負債：	可換股債券 HK\$'000 千港元	重估物業 HK\$'000 千港元	土地增值稅撥備產生之可扣減稅暫時差額 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2017	1,756	1,481,562	(28,996)	1,454,322
(Credited)/charged to profit or loss	218	(37,218)	(4,864)	(41,864)
Acquisition of subsidiaries (Note 34)	-	17,940	-	17,940
Recognition of equity component of convertible bonds	740	-	-	740
Release upon cancellation of convertible bonds	(823)	-	-	(823)
Exchange adjustments	-	111,585	(2,373)	109,212
At 31 December 2017 and 1 January 2018	1,891	1,573,869	(36,233)	1,539,527
(Credited)/charged to profit or loss	59	(284,976)	(3,001)	(287,918)
Extinguishment of convertible bonds	(1,950)	-	-	(1,950)
Exchange adjustments	-	(68,891)	1,994	(66,897)
At 31 December 2018	-	1,220,002	(37,240)	1,182,762

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31. DEFERRED TAXATION (Continued)

Deferred tax assets:

At the end of the reporting period, the Group has unused tax losses of approximately HK\$1,317,652,000 (2017: approximately HK\$958,970,000) available for offset against future profits. Approximately HK\$1,092,588,000 (2017: approximately HK\$689,211,000) of these tax losses may be carried forward indefinitely in Hong Kong and approximately HK\$225,064,000 (2017: approximately HK\$269,759,000) will expire within 5 years under other jurisdiction. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

At the end of the reporting period, the Group has deductible temporary difference of approximately HK\$5,068,000 (2017: approximately HK\$11,703,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

31. 遞延稅項 (續)

遞延稅項資產：

於報告期末，本集團有未動用之稅項虧損約1,317,652,000港元（二零一七年：約958,970,000港元）可供抵銷未來溢利。該等稅項虧損中約1,092,588,000港元（二零一七年：約689,211,000港元）於香港可無限期結轉及約225,064,000港元（二零一七年：約269,759,000港元）於其他司法權區於五年內屆期。由於無法預測未來溢利，故未有就稅項虧損確認遞延稅項資產。

於報告期末，本集團有可扣減稅暫時差額約5,068,000港元（二零一七年：約11,703,000港元）。由於不太可能有應課稅溢利可利用可扣減稅暫時差額進行抵銷，故未有就該等可扣減稅暫時差額確認遞延稅項資產。

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32. CONVERTIBLE BONDS

Convertible bonds at amortised costs:

The movement of liability component at amortised costs of the convertible bonds are as follows:

		2017 Convertible Bonds 二零一七年 可換股債券 (Note (a)) (附註(a)) HK\$'000 千港元	2015 Convertible Bonds II 二零一五年 可換股債券II (Note (b)) (附註(b)) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Carrying amount as at 1 January 2017	於二零一七年一月一日之賬面值	-	2,256,526	2,256,526
Liability components on initial recognition	初始確認時之負債部分	371,171	-	371,171
Interest charged (Note 8)	利息支出 (附註8)	21,228	199,595	220,823
Interest paid	已付利息	(12,710)	(177,578)	(190,288)
Cancellation of convertible bonds	註銷可換股債券	(379,689)	-	(379,689)
Exchange adjustments	匯兌調整	-	18,116	18,116
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之賬面值	-	2,296,659	2,296,659
Interest charged (Note 8)	利息支出 (附註8)	-	109,298	109,298
Interest paid	已付利息	-	(178,501)	(178,501)
Extinguishment of convertible bonds	取消可換股債券	-	(2,236,720)	(2,236,720)
Exchange adjustments	匯兌調整	-	9,264	9,264
Carrying amount as at 31 December 2018	於二零一八年十二月三十一日之賬面值	-	-	-

32. 可換股債券

按攤銷成本列賬的可換股債券：

按攤銷成本列賬的可換股債券之負債部分變動如下：

		2017 Convertible Bonds 二零一七年 可換股債券 (Note (a)) (附註(a)) HK\$'000 千港元	2015 Convertible Bonds II 二零一五年 可換股債券II (Note (b)) (附註(b)) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Carrying amount as at 1 January 2017	於二零一七年一月一日之賬面值	-	2,256,526	2,256,526
Liability components on initial recognition	初始確認時之負債部分	371,171	-	371,171
Interest charged (Note 8)	利息支出 (附註8)	21,228	199,595	220,823
Interest paid	已付利息	(12,710)	(177,578)	(190,288)
Cancellation of convertible bonds	註銷可換股債券	(379,689)	-	(379,689)
Exchange adjustments	匯兌調整	-	18,116	18,116
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之賬面值	-	2,296,659	2,296,659
Interest charged (Note 8)	利息支出 (附註8)	-	109,298	109,298
Interest paid	已付利息	-	(178,501)	(178,501)
Extinguishment of convertible bonds	取消可換股債券	-	(2,236,720)	(2,236,720)
Exchange adjustments	匯兌調整	-	9,264	9,264
Carrying amount as at 31 December 2018	於二零一八年十二月三十一日之賬面值	-	-	-

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32. CONVERTIBLE BONDS (Continued)

Convertible bonds at amortised costs: (Continued)

Notes:

- (a) On 6 April 2017, the Company, as issuer, entered into a placing agreement with China Huarong Macau (HK) Investment Holdings Limited (“China Huarong”), as subscriber, pursuant to which the subscriber subscribed unlisted convertible bonds with a principal amount of HK\$390,000,000 (“2017 Convertible Bonds”) issued by the Company on 18 April 2017. The 2017 Convertible Bonds are secured, guaranteed, bear an 6.5% interest per annum and have a term of 3 years.

The 2017 Convertible Bonds are convertible at the option of the holder into ordinary shares of the Company on or before maturity at a conversion price of HK\$0.946 per share (subject to anti-dilutive adjustment).

The conversion price was further adjusted to HK\$0.867 per share upon rights issue on 28 August 2017.

The Company has the right to early redeem the 2017 Convertible Bonds at the redemption amount before maturity. If the conversion right is not exercised by the holder, the 2017 Convertible Bonds not converted will be redeemed on maturity at 100% of their principal amount.

China Huarong agreed on 22 December 2017 to unconditionally and irrevocably waive their conversion rights by cancellation of the 2017 Convertible Bonds. After such cancellation, all the conversion rights attaching to the 2017 Convertible Bonds were irrevocably and unconditionally waived and cancelled. In return for the cancellation, the Company entered into a loan agreement with China Huarong with a principal amount of HK\$390,000,000, which are secured, guaranteed, bears an interest of 6.5% per annum and mature on 18 April 2020. The Group has recognised a loss of approximately HK\$10,311,000 on cancellation of the convertible bonds to consolidated profit or loss for the year ended 31 December 2017.

- (b) On 3 July 2015, the Company, as issuer, entered into a placing agreement with China Minsheng Banking Corp., Ltd. Hong Kong Branch (“China Minsheng”), as lead manager, pursuant to which the Company has conditionally agreed to issue, and China Minsheng has conditionally agreed to use its best efforts to procure other investors to subscribe for the convertible bonds (“2015 Convertible Bonds II”) in the principal amount of up to USD200,000,000 (or up to USD300,000,000 if the option is exercised) at the initial conversion price of HK\$1.39 per share. The 2015 Convertible Bonds II are secured, bear an 8% interest per annum and have a term of 3 years.

32. 可換股債券 (續)

按攤銷成本列賬的可換股債券： (續)

附註：

- (a) 於二零一七年四月六日，本公司（作為發行人）與中國華融澳門（香港）投資控股有限公司（「中國華融」）（作為認購方）訂立配售協議，據此，認購方已認購本公司於二零一七年四月十八日發行的本金額為390,000,000港元的非上市可換股債券（「二零一七年可換股債券」）。二零一七年可換股債券為有抵押、有擔保、年利率為6.5%及年期為三年。

二零一七年可換股債券持有人可選擇於到期日或之前以兌換價每股0.946港元（可作反攤薄調整）將該債券兌換為本公司普通股。

於二零一七年八月二十八日進行供股後，兌換價進一步調整至每股0.867港元。

本公司有權於到期前以贖回款額提前贖回二零一七年可換股債券。倘持有人尚未行使兌換權，未兌換之二零一七年可換股債券將於到期時按其本金額100%贖回。

中國華融於二零一七年十二月二十二日同意透過註銷二零一七年可換股債券無條件及不可撤回地豁免其換股權。於註銷後，二零一七年可換股債券附帶的所有換股權已不可撤回及無條件地豁免並註銷。作為註銷的回報，本公司與中國華融訂立本金額為390,000,000港元、有抵押、有擔保、按年利率6.5%計息及於二零二零年四月十八日到期的貸款協議。截至二零一七年十二月三十一日止年度，本集團已就註銷可換股債券於綜合損益確認虧損約10,311,000港元。

- (b) 於二零一五年七月三日，本公司（作為發行人）與中國民生銀行股份有限公司香港分行（「中國民生」）（作為牽頭經辦人）訂立配售協議，據此，本公司有條件同意發行，及中國民生有條件同意竭盡所能促使其他投資者認購本金額最多200,000,000美元（或如若行使選擇權，可增加至最多300,000,000美元）的可換股債券（「二零一五年可換股債券II」），初步兌換價為每股1.39港元。二零一五年可換股債券II為有抵押、年利率為8%及年期為三年。

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綜合財務報表附註

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

32. CONVERTIBLE BONDS (Continued)

Convertible bonds at amortised costs: (Continued)

Notes: (Continued)

(b) (Continued)

The number of shares to be issued upon exercise of the conversion right attaching to 2015 Convertible Bonds II will be determined by translating the principal amount of 2015 Convertible Bonds II (with the agreed exchange rate of USD1 = HK\$7.755) into Hong Kong dollars and dividing at the conversion price.

On 14 August 2015, the Company and China Minsheng entered into a supplemental letter to amend and supplement the terms of the placing agreement pursuant to which it was agreed that, among others, the initial conversion price under the terms and conditions of the 2015 Convertible Bonds II would be amended from HK\$1.39 per share to HK\$1.26 per share subject to and in accordance with the terms and conditions thereof.

As at 31 December 2015, the Company completed the issuance of the 2015 Convertible Bonds II with an aggregate amount of USD285,000,000 dividing into four series on 16 July 2015 (referring as "Series 1"), 21 August 2015 (referring as "Series 2"), 2 September 2015 (referring as "Series 3") and 9 September 2015 (referring as "Series 4") respectively, to several individual investors and financial institutes in Hong Kong and the PRC.

The conversion price was further adjusted to HK\$1.155 per share upon rights issue on 28 August 2017.

32. 可換股債券 (續)

按攤銷成本列賬的可換股債券：
(續)

附註：(續)

(b) (續)

二零一五年可換股債券II所附帶換股權獲行使後發行的股份數目將由兌換二零一五年可換股債券II的本金額為港元(議定的兌換率為1美元兌7.755港元)並除以兌換價而釐定。

於二零一五年八月十四日，本公司與中國民生訂立補充信函修訂及補充配售協議之條款，據此，其同意(其中包括)根據二零一五年可換股債券II之條款及條件之初步兌換價將根據其條款及條件由每股1.39港元修訂為每股1.26港元。

於二零一五年十二月三十一日，本公司完成發行總額為285,000,000美元之二零一五年可換股債券II，分四次向香港及中國多個個人投資者及金融機構發行，有關日期分別為二零一五年七月十六日(「系列1」)、二零一五年八月二十一日(「系列2」)、二零一五年九月二日(「系列3」)及二零一五年九月九日(「系列4」)。

於二零一七年八月二十八日進行供股後，兌換價進一步調整至每股1.155港元。

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

32. CONVERTIBLE BONDS (Continued)

Convertible bonds at amortised costs: (Continued)

Notes: (Continued)

(b) (Continued)

The conversion period expired during 2018 pursuant to the terms and conditions of the 2015 Convertible Bonds II. Following the expiry of the conversion period of the 2015 Convertible Bonds II, all the conversion rights attaching to the 2015 Convertible Bonds II have lapsed and may not be exercised and the 2015 Convertible Bonds II have ceased to be convertible.

On 16 July 2018, the Company and China Minsheng entered into a second supplemental letter to amend and supplement the terms of the placing agreement pursuant to which it was agreed that, among others, the initial maturity date under the terms and conditions of the 2015 Convertible Bonds II would be amended from 16 July 2018 to 16 January 2019 subject to and in accordance with the terms and conditions thereof. With substantially different terms, the 2015 Convertible Bonds II has been accounted for as extinguishment of the original financial instrument and the recognition of new financial instrument. The Group has recognised a gain of approximately HK\$18,617,000 on extinguishment of the convertible bonds to consolidated profit or loss for the year ended 31 December 2018.

As at 31 December 2018, there is no outstanding amount of the 2015 Convertible Bonds II.

2017 Convertible Bonds and 2015 Convertible Bonds II contained two components, liability (together with embedded derivative for early redemption option by the Company which is closely related to the host debt) and equity elements. The equity elements are presented in equity under the heading of “convertible bonds equity reserve”. The effective interest rate of the liability component for 2017 Convertible Bonds is 8.37% per annum, 2015 Convertible Bonds II including Series 1 to 4 are ranged from 8.85% to 9.32% per annum at the date of initial recognition respectively.

32. 可換股債券 (續)

按攤銷成本列賬的可換股債券：
(續)

附註：(續)

(b) (續)

根據二零一五年可換股債券II之條款及條件，換股期已於二零一八年屆滿。於二零一五年可換股債券II之換股期屆滿後，二零一五年可換股債券II所附帶之所有換股權已失效且不可行使及二零一五年可換股債券II已不可轉換。

於二零一八年七月十六日，本公司與中國民生訂立第二份補充函件，以修訂及補充配售協議之條款，據此協定（其中包括）二零一五年可換股條款債券II之條款及條件項下之初始到期日由二零一八年七月十六日修訂為二零一九年一月十六日，惟須受限於該債券之條款及條件。由於條款存在重大不同，二零一五年可換股債券II已入賬處理為取消原金融工具及確認新金融工具。截至二零一八年十二月三十一日止年度，本集團已就取消可換股債券於綜合損益中確認收益約18,617,000港元。

於二零一八年十二月三十一日，並無有關二零一五年可換股債券II之尚未償還款項。

二零一七年可換股債券及二零一五年可換股債券II包括兩部分，負債（連同與主債務密切相關之本公司可選擇提前贖回之嵌入式衍生工具）及權益部分。權益部分於「可換股債券權益儲備」項下之權益內呈列。於初始確認日期，二零一七年可換股債券負債部分之實際年利率為8.37%，及二零一五年可換股債券II（包括系列1至4）負債部分之實際年利率介乎8.85%至9.32%。

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

32. CONVERTIBLE BONDS (Continued)

Convertible bonds at amortised costs: (Continued)

The movement of equity component of the convertible bonds is as follows:

		2017 Convertible Bonds 二零一七年 可換股債券 HK\$'000 千港元	2015 Convertible Bonds II 二零一五年 可換股債券II HK\$'000 千港元	Total 總計 HK\$'000 千港元
Carrying amount as at 1 January 2017	於二零一七年一月一日之 賬面值	-	35,970	35,970
Equity component on initial recognition	初始確認時之權益部分	4,484	-	4,484
Deferred tax liability on recognition of equity component of convertible bonds	確認可換股債券權益部分之 遞延稅項負債	(740)	-	(740)
Cancellation of convertible bonds	註銷可換股債券	(3,744)	-	(3,744)
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 之賬面值	-	35,970	35,970
Extinguishment of convertible bonds	取消可換股債券	-	(35,970)	(35,970)
Carrying amount as at 31 December 2018	於二零一八年 十二月三十一日之賬面值	-	-	-

32. 可換股債券 (續)

按攤銷成本列賬的可換股債券：
(續)

可換股債券權益部分的變動如下：

	2017 Convertible Bonds 二零一七年 可換股債券 HK\$'000 千港元	2015 Convertible Bonds II 二零一五年 可換股債券II HK\$'000 千港元	Total 總計 HK\$'000 千港元
Carrying amount as at 1 January 2017	-	35,970	35,970
Equity component on initial recognition	4,484	-	4,484
Deferred tax liability on recognition of equity component of convertible bonds	(740)	-	(740)
Cancellation of convertible bonds	(3,744)	-	(3,744)
Carrying amount as at 31 December 2017 and 1 January 2018	-	35,970	35,970
Extinguishment of convertible bonds	-	(35,970)	(35,970)
Carrying amount as at 31 December 2018	-	-	-

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

32. CONVERTIBLE BONDS (Continued)

Convertible bonds designated at fair value through profit or loss:

32. 可換股債券(續)

指定按公平值計入損益之可換股債券:

		2015 Convertible Bonds I 二零一五年 可換股債券I HK\$'000 千港元	
FAIR VALUE	公平值		
At 1 January 2017	於二零一七年一月一日		245,796
Cancellation of convertible bonds during the year	年內註銷可換股債券		(170,835)
Fair value change for the year	年度公平值變動		6,759
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		81,720
Conversion of convertible bonds	轉換可換股債券		(81,720)
At 31 December 2018	於二零一八年十二月三十一日		-
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fair value change on 2015 Convertible Bonds I revaluation included in profit or loss	計入損益之二零一五年可換股債券I 重估公平值變動	-	6,759

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32. CONVERTIBLE BONDS (Continued)

Convertible bonds designated at fair value through profit or loss: (Continued)

Note:

On 17 June 2015, the Company issued the exchangeable and convertible bonds (“2015 Convertible Bonds I”) in principal amount of HK\$240,740,000 in favour of BFT Acquisition Guernsey L.P. (“BFT”) as consideration in relation to the acquisition of 99.99% equity interests in Nice Race Management Limited and its subsidiaries (the “Nice Race Group”). The 2015 Convertible bonds I are unsecured, non-interest bearing and have a term of 3 years.

BFT are entitled to (i) convert all or part of the 2015 Convertible Bonds I into ordinary shares of the Company from the thirtieth month of the date of issuance to maturity or upon the consummation of a fundamental corporate transaction during the term of the 2015 Convertible Bonds I at a conversion price of HK\$1.55 per share or (ii) exchange all or part of the 2015 Convertible Bonds I into a maximum of 14,250,095,000 ordinary shares of the Nice Race Group from the thirtieth month of the date of issuance to maturity or upon the consummation of a fundamental corporate transaction during the term of the 2015 Convertible Bonds I. If the conversion rights entitled are not exercised by the holder, the 2015 Convertible Bonds I not converted will be redeemed by the Company at its principal amount on the maturity date.

On 3 July 2015, the initial conversion price of HK\$1.55 per share of the 2015 Convertible Bonds I has been adjusted to HK\$1.39 per share upon the entering into the placing agreement of convertible bonds due 2018 as described in the 2015 Convertible Bonds II. On 14 August 2015, the conversion price was further adjusted to HK\$1.26 per share upon the entering into a supplemental letter to the placing agreement of convertible bonds as described in the 2015 Convertible Bonds II.

The conversion price was further adjusted to HK\$0.95 per share upon the issuance of shares on 21 June 2016 pursuant to the placing agreement dated 13 June 2016. The conversion price was further adjusted to HK\$0.88 per share upon the issuance of shares on 7 July 2016 pursuant to the subscription agreement dated 29 June 2016. The conversion price was further adjusted to HK\$0.873 per share upon the issuance of shares on 22 December 2016 pursuant to the placing agreement dated 14 December 2016. The conversion price was further adjusted to HK\$0.80 per share upon the issuance of shares on 17 May 2017 pursuant to the placing agreement dated 4 May 2017. The conversion price was further adjusted to HK\$0.40 per share upon rights issue on 28 August 2017.

32. 可換股債券 (續)

指定按公平值計入損益之可換股債券：(續)

附註：

於二零一五年六月十七日，本公司以BFT Acquisition Guernsey L.P. (「BFT」)為受益人發行本金額為240,740,000港元之可交換可換股債券(「二零一五年可換股債券I」)，作為收購Nice Race Management Limited及其附屬公司(「Nice Race集團」)99.99%股權之相關代價。二零一五年可換股債券I為無抵押、免息及年期為三年。

BFT有權(i)由發行日起第30個月至到期日或二零一五年可換股債券I期內於基礎企業交易完成後以兌換價每股1.55港元將全部或部分二零一五年可換股債券I兌換為本公司普通股或(ii)由發行日起第30個月至到期日或二零一五年可換股債券I期內於基礎企業交易完成後將全部或部分二零一五年可換股債券I交換為最多14,250,095,000股Nice Race集團普通股。倘二零一五年可換股債券I持有人並無行使所享兌換權，未兌換之該債券將由本公司於到期日按本金額贖回。

於二零一五年七月三日，於訂立二零一八年到期之可換股債券配售協議後，二零一五年可換股債券I之初始兌換價每股1.55港元已調整為每股1.39港元(誠如二零一五年可換股債券II所述)。於二零一五年八月十四日，於訂立可換股債券配售協議補充函後，有關兌換價進一步調整為每股1.26港元(誠如二零一五年可換股債券II所述)。

於二零一六年六月二十一日根據日期為二零一六年六月十三日之配售協議發行股份後，兌換價進一步調整至每股0.95港元。於二零一六年七月七日根據日期為二零一六年六月二十九日之認購協議發行股份後，兌換價進一步調整至每股0.88港元。於二零一六年十二月二十二日根據日期為二零一六年十二月十四日之配售協議發行股份後，兌換價進一步調整至每股0.873港元。於二零一七年五月十七日根據日期為二零一七年五月四日之配售協議發行股份後，兌換價進一步調整至每股0.80港元。於二零一七年八月二十八日進行供股後，兌換價進一步調整至每股0.40港元。

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32. CONVERTIBLE BONDS (Continued)

Convertible bonds designated at fair value through profit or loss: (Continued)

Note: (Continued)

2015 Convertible Bonds I contain host debt liability, together with embedded derivative for converting into ordinary shares of the Nice Race Group which is not closely related to the host debt. The Group has irrevocably designated the whole 2015 Convertible Bonds I as financial liabilities measured at fair value through profit or loss.

As announced by the Company on 21 December 2017, the Company and BFT have agreed to reduce the BFT consideration to HK\$72,500,000 and therefore the principal amount of the 2015 Convertible Bonds I was reduced from HK\$240,740,000 to HK\$72,500,000.

On 25 January 2018, BFT converted the outstanding principal amount of HK\$72,500,000 and the Company issued 181,250,000 ordinary shares of the Company at the price of HK\$0.40 per share.

33. PROVISIONS

32. 可換股債券 (續)

指定按公平值計入損益之可換股債券：(續)

附註：(續)

二零一五年可換股債券I包含主債務負債(連同與主債務並無密切關連之兌換為Nice Race集團普通股之嵌入式衍生工具)。本集團已不可撤回地將二零一五年可換股債券I整體指定為按公平值計入損益計量之金融負債。

如本公司於二零一七年十二月二十一日所公佈，本公司與BFT已協定將BFT代價降低至72,500,000港元，因此二零一五年可換股債券I的本金額由240,740,000港元降低至72,500,000港元。

於二零一八年一月二十五日，BFT已轉換未償還本金額72,500,000港元而本公司已發行181,250,000股本公司普通股，價格為每股0.40港元。

33. 撥備

Litigation
訴訟
HK\$'000
千港元

At 1 January 2017	於二零一七年一月一日	54,242
Provision for the year	年內撥備	9,264
Exchange adjustments	匯兌調整	4,667
Disposal of subsidiaries	出售附屬公司	(68,173)
At 31 December 2017 and 2018	於二零一七年及二零一八年十二月三十一日	-

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

33. PROVISIONS (Continued)

The Group's subsidiaries are subject to a variety of lawsuits and claims in the ordinary course of its business.

The amount had been released upon the disposal of subsidiaries during the year ended 31 December 2017.

34. ACQUISITION OF SUBSIDIARIES**For the year ended 31 December 2017:****Acquisition of Duoliwei Group**

On 20 January 2017, the Group had completed the acquisition of 75% equity interests in 深圳市多利偉投資發展有限公司 and its subsidiaries (collectively referred to as the "Duoliwei Group"). The Duoliwei Group is principally engaged in property development in Laoshan, Qingdao. The consideration is satisfied by a cash consideration of RMB450,000,000 (equivalent to approximately to HK\$507,222,000).

33. 撥備 (續)

本集團附屬公司於其日常業務中面對多項訴訟及索償。

於截至二零一七年十二月三十一日止年度，該金額已於出售附屬公司後解除。

34. 收購附屬公司**截至二零一七年十二月三十一日止年度：****收購多利偉集團**

於二零一七年一月二十日，本集團已完成收購深圳市多利偉投資發展有限公司及其附屬公司（統稱「多利偉集團」）之75%股權。多利偉集團主要於青島嶗山從事物業發展。代價以現金代價人民幣450,000,000元（相當於約507,222,000港元）支付。

Consideration
transferred
已轉讓代價
HK\$'000
千港元

Cash paid	已付現金	507,222
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Acquisition-related costs amounting to approximately HK\$60,000 have been excluded from the consideration transferred and have been recognised as an expense for the period since the date of acquisition to 31 December 2017, within the "administrative expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

收購相關成本約60,000港元並無計入已轉讓代價，並已於收購日期至二零一七年十二月三十一日期間於綜合損益及其他全面收益表「行政開支」項目中確認為開支。

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34. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017: (Continued)

Acquisition of Duoliwei Group (Continued)

Assets and liabilities recognised at the date of acquisition are as follows:

		Fair Value 公平值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	9
Properties under development	發展中物業	732,654
Prepayment, deposits and other receivables	預付款項、按金及其他應收款項	272,961
Cash and bank balances	現金及銀行結餘	439
Accrued liabilities and other payables	應計負債及其他應付款項	(250,876)
Deferred tax liabilities	遞延稅項負債	(17,940)
Net assets	資產淨值	737,247

Gain on bargain purchase on acquisition of the Duoliwei Group:

Net assets acquired	已收購資產淨值	737,247
Less: non-controlling interests	減：非控股權益	(184,312)
Less: consideration transferred	減：已轉讓代價	(507,222)
		45,713

34. 收購附屬公司 (續)

截至二零一七年十二月三十一日止年度：(續)

收購多利偉集團 (續)

於收購日期已確認之資產及負債如下：

收購多利偉集團之議價收購收益：

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

34. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017: (Continued)

Acquisition of Duoliwei Group (Continued)

The directors believe the acquisition of the Duoliwei Group would further enhance the Group's income and strengthen the Group's market position.

The gain on bargain purchase arise since the time lag between the negotiation of the agreed price and terms and the completion contributed by the capital appreciation of the value of land and the addition to the cost of construction-in-progress to the Duoliwei Group.

Net cash outflow on acquisition of the Duoliwei Group:
Cash consideration paid
Less: cash and bank balances acquired

收購多利偉集團之現金流出淨額：
已付現金代價
減：已收購現金及銀行結餘

HK\$'000
千港元

(507,222)

439

(506,783)

The Duoliwei Group had not contributed to the Group's revenue and a loss for the period was recorded between the date of acquisition and 31 December 2017 of approximately HK\$3,545,000.

Had the acquisition been completed on 1 January 2017, total Group's revenue for the year ended 31 December 2017 would have been approximately HK\$2,193,310,000 and profit for the year would have been approximately HK\$525,447,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is it intended to be a projection of future results.

On 5 September 2017, the Group has agreed to acquire 25% of the entire issued equity interest of the Duoliwei Group from the non-controlling shareholder of the Duoliwei Group at a cash consideration of RMB150,000,000 (equivalent to approximately HK\$167,119,000). Subsequent to this acquisition, the Duoliwei Group has become a wholly-owned subsidiary of the Group. This acquisition was completed on the same date.

34. 收購附屬公司 (續)

截至二零一七年十二月三十一日止年度：(續)

收購多利偉集團 (續)

董事認為，收購多利偉集團將進一步提升本集團的收入及增強本集團的市場地位。

議價收購收益乃源於磋商協定價格及條款與完成之間的時間差，及因土地價值資本增值及多利偉集團在建工程成本的增加而產生。

由收購日期起至二零一七年十二月三十一日，多利偉集團並無為本集團貢獻收入及錄得期內虧損約3,545,000港元。

倘收購事項已於二零一七年一月一日完成，則本集團截至二零一七年十二月三十一日止年度之收入總額將約為2,193,310,000港元及年度溢利將約為525,447,000港元。備考資料僅供說明用途，未必反映本集團於假設收購事項已於二零一七年一月一日完成之情況下實際錄得之收入及經營業績，亦不擬作為未來業績之預測。

於二零一七年九月五日，本集團同意以現金代價人民幣150,000,000元（相當於約167,119,000港元）向多利偉集團非控股股東收購多利偉集團全部已發行股權的25%。於該收購事項後，多利偉集團已成為本集團的全資附屬公司。該收購事項已於同日完成。

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

35. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

For the year ended 31 December 2017:

Acquisition of Excel Access Group Limited and its subsidiaries (the “Excel Access Group”)

On 13 December 2017, the Group completed the acquisition of 99.01% equity interests in the Excel Access Group from a connected person. In the opinion of the directors, the acquisition did not constitute an acquisition of business in substance. The acquisition was considered as acquisition of assets through acquisition of subsidiaries. The Excel Access Group is principally engaged in property development in Beijing. The consideration is satisfied by a cash consideration of approximately HK\$300,000,000.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	116
Properties under development for sale	發展中銷售物業	614,335
Prepayments and other receivables	預付款項及其他應收款項	238,905
Cash and bank balances	現金及銀行結餘	357
Trade and other payables	應付貿易賬款及其他應付款項	(49,457)
Bank borrowings	銀行借款	(504,256)

Net assets	資產淨值	300,000
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Satisfied by cash	以現金支付	300,000
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		HK\$'000 千港元
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Net cash outflow on acquisition of the Excel Access Group:

Cash consideration paid	已付現金代價	(195,000)
Less: cash and cash equivalent balances acquired	減：已收購現金及現金等價物結餘	357
		(194,643)

35. 透過收購附屬公司收購資產

截至二零一七年十二月三十一日止年度：

收購Excel Access Group Limited及其附屬公司（「Excel Access集團」）

於二零一七年十二月十三日，本集團完成向一名關連人士收購Excel Access集團的99.01%股權。董事認為，該收購實質上並不構成收購業務。該收購被視作為透過收購附屬公司收購資產。Excel Access集團主要於北京從事物業發展業務。代價以現金代價約300,000,000港元支付。

於收購日期確認的已收購資產及負債如下：

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36. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2017:

On 22 December 2017, the Group entered into a shares subscription agreement with an independent third party to dispose of the Group's entire equity interest in Nice Race Management Limited and its subsidiaries (the "Nice Race Group") for a cash consideration of approximately HK\$280,000,000 which is payable by 30 April 2018. Nice Race Group is principally engaged in the operation of high-end restaurant chain under the brand of "Golden Jaguar (金錢豹)" in the PRC. The disposal of subsidiaries was completed on 28 December 2017.

Analysis of assets and liabilities over which control was lost:

		HK\$'000 千港元
Goodwill	商譽	620,169
Other intangible assets	其他無形資產	206,931
Property, plant and equipment	物業、廠房及設備	23,028
Long-term rental deposits	長期租賃按金	15,022
Inventories	存貨	1,609
Trade and other receivables	應收貿易賬款及其他應收款項	96,227
Cash and bank balances	現金及銀行結餘	7,607
Trade and other payables	應付貿易賬款及其他應付款項	(879,321)
Current tax liabilities	即期稅項負債	(24,096)
Deferred income	遞延收入	(1,202)
Long-term payables	長期應付款項	(74,567)
		(8,593)
Release of translation reserve	轉撥匯兌儲備	(24,755)
Gain on disposal of subsidiaries	出售附屬公司之收益	313,348
		280,000
Satisfied by:	透過以下方式支付:	
Cash consideration received and receivable	已收及應收現金代價	280,000
Net cash outflow on disposal of subsidiaries:	出售附屬公司之現金流出淨額:	
Cash consideration received	已收現金代價	-
Less: cash and cash equivalent balances disposed	減: 已出售現金及現金等價物結餘	(7,607)
		(7,607)

36. 出售附屬公司

截至二零一七年十二月三十一日止年度:

於二零一七年十二月二十二日，本集團與一名獨立第三方訂立股份認購協議，出售本集團於 Nice Race Management Limited 及其附屬公司（「Nice Race 集團」）的全部股權，現金代價約為 280,000,000 港元，須於二零一八年四月三十日前支付。Nice Race 集團主要從事經營中國「金錢豹」品牌高端連鎖餐廳。該出售附屬公司事項已於二零一七年十二月二十八日完成。

已喪失控制權之資產及負債分析:

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37. OPERATING LEASES

The Group as lessor

At the end of the reporting period, the Group had following commitments for the future minimum lease income under non-cancellable operating leases:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	14,311	12,177
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	51,517	52,717
Over five years	超過五年	46,464	61,416
		112,292	126,310

The Group leases its investment properties under operating lease. The leases run for an initial period of 3 to 15 years (2017: 3 to 15 years) in combination of fixed rentals and contingent rentals. Certain of these leases include contingent rentals which are determined based on percentages of sales when incurred.

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	9,475	16,720
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	4,013	34,077
Over five years	超過五年	408	37,931
		13,896	88,728

Operating lease payments represent rentals payable by the Group for certain offices premises and retail shops. Leases are negotiated for periods arranging from 1 to 9 years (2017: 1 to 20 years) with fixed rentals.

37. 經營租賃

本集團為出租人

於報告期末，本集團根據不可撤銷經營租賃之未來最低租賃收入承擔如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	14,311	12,177
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	51,517	52,717
Over five years	超過五年	46,464	61,416
		112,292	126,310

本集團根據經營租賃出租其投資物業。租賃包括固定租金及或然租金，初步為期3至15年（二零一七年：3至15年）。部分租賃中包括根據已產生銷售之百分比釐定之或然租金。

本集團為承租人

於報告期末，本集團根據不可撤銷經營租賃須承擔之未來最低租賃款項到期情況如下：

		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	一年內	9,475	16,720
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	4,013	34,077
Over five years	超過五年	408	37,931
		13,896	88,728

經營租賃款項指本集團租賃若干辦公室物業及零售商店的應付租金。租賃議定為固定租金，年期為1至9年（二零一七年：1至20年）。

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38. CAPITAL COMMITMENTS

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Capital expenditure	資本開支		
– contracted but not provided for (Note (i))	– 已訂約但未撥備 (附註(i))	1,626,852	2,466,802
– capital injection (Note (ii))	– 注資 (附註(ii))	632,826	382,279
		2,259,678	2,849,081

The above commitments include mainly:

- (i) the construction related costs on development of the Group's property, plant and equipment, investment properties, and properties for sale in the PRC.
- (ii) commitment to contribute to the registered capital of the subsidiaries in the PRC.

39. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 31 May 2013, the Company adopted the share option scheme ("Share Option Scheme"). The major terms of the Share Option Scheme are summarised as follows:

- (a) The purpose was to provide incentives to eligible participants as incentives or rewards for their contributions to the Group.
- (b) The participants included any employee, whether full time or part time, director of the Company, consultant, adviser or agent of any member of the Group, subsidiary or any invested entity.

38. 資本承擔

上述承擔主要包括：

- (i) 發展本集團物業、廠房及設備、投資物業及中國銷售物業的建築相關成本。
- (ii) 為中國附屬公司的註冊資本出資的承擔。

39. 購股權計劃

根據於二零一三年五月三十一日舉行之本公司股東週年大會上通過之一項普通決議案，本公司已採納購股權計劃（「購股權計劃」）。購股權計劃之主要條款概述如下：

- (a) 目的為向合資格參與者提供獎勵作為其向本集團作出貢獻的獎勵或回報。
- (b) 參與者包括本公司任何僱員（不論為全職或兼職）、董事、本集團任何成員公司、附屬公司或任何投資實體之顧問、諮詢人或代理人。

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39. SHARE OPTION SCHEME (Continued)

- (c) The maximum number of shares in respect of which options might be granted under the Share Option Scheme must not exceed 10% of the issued share capital of the Company as at the date of approval of the Share Option Scheme and such limit might be refreshed by shareholders in general meeting. However, the total maximum number of shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme must not exceed 30% of the shares in issue from time to time.
- (d) The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares issued and issuable (including exercised and outstanding options and the options cancelled) under any option granted to the same participant under the Share Option Scheme or any other share option scheme within any 12 month period, must not exceed 1% of the shares in issue from time to time.
- (e) There was no requirement for a grantee to hold the option for a certain period before exercising the option save as determined by the board of directors and provided in the offer of grant of option.
- (f) The exercise period should be any period fixed by the board of directors upon grant of the option but in any event the option period should not go beyond 10 years from the date of offer for grant.
- (g) The acceptance of an option, if accepted, must be made within 21 days from the date of grant with a non-refundable payment of HK\$1 from the grantee to the Company.
- (h) The exercise price of an option must be the highest of:
- (i) the closing price of the shares on the date of grant which day must be a trading day;
 - (ii) the average closing price of the shares for the 5 trading days immediately preceding the date of grant; and
 - (iii) the nominal value of the share.
- (i) The life of the Share Option Scheme is effective for 10 years from the date of adoption until 30 May 2023.

39. 購股權計劃 (續)

- (c) 根據購股權計劃可授出之購股權涉及之最高股份數目不得超出本公司於批准購股權計劃當日之已發行股本之10%，而該限額可於股東大會上由股東更新。然而，根據購股權計劃及任何其他股權計劃已授出而尚未行使及有待行使之所有購股權於行使時可發行之股份最高總數，不得超過不時已發行股份之30%。
- (d) 於任何十二個月內，將根據購股權計劃或任何其他購股權計劃授予同一參與者之任何購股權項下之已發行及可予發行之股份數目（包括已行使及尚未行使及已註銷之購股權）彙集計算時，每名參與者可獲授之購股權所涉及之最高股份數目不得超過不時已發行股份之1%。
- (e) 除董事會決定及於授出購股權時規定外，購股權計劃並無規定承授人於行使購股權前須持有購股權一段期間。
- (f) 行使期限須為董事會於授出購股權時釐定之任何期間，惟於任何情況下，購股權期限不得超過由授出要約日期起計十年。
- (g) 承授人倘接納購股權，必須於授出日期起計二十一日內向本公司繳交1港元，此款項不可退還。
- (h) 購股權之行使價須為下列最高者：
- (i) 於授出日期（必須為交易日）股份之收市價；
 - (ii) 於緊接授出日期前五個交易日股份之平均收市價；及
 - (iii) 股份面值。
- (i) 購股權計劃年期由採納日期起計十年內有效，直至二零二三年五月三十日。

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39. SHARE OPTION SCHEME (Continued)

The following table discloses movements of the share options granted under the Share Option Scheme during the year ended 31 December 2017:

As at 31 December 2017:

Grantee	Date of grant	Adjusted exercise price	Exercise periods	Outstanding as at 1 January 2016 於二零一六年一月一日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed/cancelled during the year 年內失效/註銷	Outstanding as at 31 December 2017 於二零一七年十二月三十一日 尚未行使
Share Option Scheme:								
購股權計劃:								
Executive Director								
執行董事								
Mr. Meng Cai	10 May 2016	1.022	10 May 2018 to 9 May 2021	50,000,000	-	-	(50,000,000) [^]	-
孟才先生	二零一六年五月十日	1.022	二零一八年五月十日至 二零二一年五月九日					
Total				50,000,000	-	-	(50,000,000)	-
總計								

[^] The above share options granted under the Share Options Scheme lapsed upon the resignation of the employees and directors of the Group or cancelled by the employees and the Company during the year ended 31 December 2017.

39. 購股權計劃 (續)

下表披露根據購股權計劃授出的購股權於截至二零一七年十二月三十一日止年度的變動:

於二零一七年十二月三十一日:

[^] 於截至二零一七年十二月三十一日止年度，上述根據購股權計劃已授出的購股權已於本集團的僱員及董事辭任後失效或由僱員及本公司註銷。

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39. SHARE OPTION SCHEME (Continued)

The exercise price in respect of any share options, shall subject to any adjustments in the event of any alteration in the capital structure of the Company whilst any share option remains exercisable or this scheme remains in effect. The exercise of any share option shall be subject to the shareholders in the general meeting approving any necessary increase in the authorised share capital of the Company.

The fair value of option granted on 10 May 2016 was determined by using Binomial options pricing model at the date of grant; no subsequent revaluation at the year ended is required. The significant inputs into the model were closing share price of HK\$1.01 at the grant date, exercise price of HK\$1.022, expected volatility of 46%, expected dividend yield of nil, option live of 5 years, and annual risk free rate of 0.94%.

The exercise of options are subject to exercise in whole or in part at any time during the exercise periods upon the fulfillment of certain prescribed performance targets set to the Group.

During the year ended 31 December 2017, employee share-based payment of net credit amount of approximately HK\$845,000 has been included in the consolidated statement of profit or loss and other comprehensive income with a corresponding debit to the share options reserve.

40. RETIREMENT BENEFIT PLANS

Defined contribution plan

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the plans are held separately from those of the Group in funds under the control of trustees.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in the consolidated statement of profit or loss and other comprehensive income of approximately HK\$7,570,000 (2017: approximately HK\$4,569,000) represents contributions paid or payable to these plans by the Group at rates specified in the rules of the plans.

39. 購股權計劃 (續)

倘本公司的資本架構在任何購股權仍可行使或該計劃仍然有效期間出現任何變動，則購股權的行使價須作出相應調整。購股權須待股東於股東大會上批准本公司法定股本作出所需的增加後方可行使。

於二零一六年五月十日授出的購股權的公平值於授出日期透過使用二項式期權定價模型釐定；且其後毋須於年末進行重估。模型的重大輸入參數為於授出日期的股份收市價1.01港元、行使價為1.022港元，預期波動率為46%，預期股息收益率為零，購股權有效年期為五年、年度無風險利率為0.94%。

行使購股權須於本集團達成若干規定表現目標後於行使期間任何時間全數或部分行使。

於截至二零一七年十二月三十一日止年度，僱員之股份付款貨項淨額約845,000港元已計入綜合損益及其他全面收益表、相應借項計入購股權儲備。

40. 退休福利計劃

定額供款計劃

本集團為所有香港合資格僱員提供一項強制性公積金計劃。該計劃之資產與本集團之資產分開持有，並由信託人控制之基金管理。

本集團中國附屬公司之僱員為中國政府所設立之國家管理退休福利計劃之成員。該等附屬公司須按僱員工資的特定百分比作出退休福利計劃供款。本集團對該等退休福利計劃之唯一責任為作出規定供款。

於綜合損益及其他全面收益表確認之總開支約為7,570,000港元（二零一七年：約為4,569,000港元）代表本集團按計劃規則訂明之比率就該等計劃已付或應付之供款。

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綜合財務報表附註

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41. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which included, borrowings, obligation under finance lease and convertible bonds, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses.

Net debt to equity ratio

The Group's management reviews the capital structure on an on-going basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at the end of the reporting period was as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Debt (Note (i))	債務 (附註(i))	11,186,957	12,303,937
Cash and bank balance (Note 23)	現金及銀行結餘 (附註23)	(784,304)	(1,659,500)
Net debt	債務淨額	10,402,653	10,644,437
Equity (Note (ii))	權益 (附註(ii))	8,270,841	11,749,536
Net debt to equity ratio	債務淨額權益比率	126%	91%

Notes:

- (i) Debt is defined as obligation under finance lease, borrowings and convertible bonds, as detailed in Notes 29, 30 and 32 respectively.
- (ii) Equity includes all capital and reserves of the Group.

41. 資本管理

本集團管理其資本，以確保本集團旗下實體將能繼續持續經營，並透過債務及權益結餘之最佳平衡，為權益持有人帶來最大回報。本集團之整體策略與過往年度維持不變。

本集團之資本架構包括債務淨額，當中包括借款、融資租賃項下之責任及可換股債券，扣除現金及現金等價物及本公司擁有人應佔權益（包括已發行股本、儲備及累計虧損）。

債務淨額權益比率

本集團之管理層持續審閱資本架構。作為審閱之一環，管理層會考慮資本成本及與各類別資本有關之風險。

於報告期末之資本負債比率如下：

附註：

- (i) 債務指分別於附註29、30及32詳述之融資租賃項下之責任、借款及可換股債券。
- (ii) 權益包括本集團所有資本及儲備。

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42. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	金融資產		
Fair value through profit or loss (FVTPL)	按公平值計入損益	1,818,219	1,971,852
Financial assets at amortised cost	按攤銷成本計量之金融資產	2,418,527	-
Financial assets at FVTOCI	按公平值計入其他全面收益之 金融資產	184,318	-
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)	-	3,668,074
Available-for-sale investments	可供出售投資	-	1,070,316
Financial liabilities	金融負債		
Amortised cost	攤銷成本	13,881,602	14,144,754
Fair value through profit or loss	按公平值計入損益	-	81,720

(b) Financial risk management objectives and policies

The Group's major financial instruments include note receivables, bank balances and pledged bank deposits, trade receivables, deposits and other receivables, equity and debt investments, trade payables, accrued liabilities and other payables, amounts due to related companies, borrowings and obligation under finance lease. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no significant change to the Group's risks exposure relating to financial instruments or the manner in which it manages and measures the risks.

42. 金融工具

(a) 金融工具類別

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	金融資產		
Fair value through profit or loss (FVTPL)	按公平值計入損益	1,818,219	1,971,852
Financial assets at amortised cost	按攤銷成本計量之金融資產	2,418,527	-
Financial assets at FVTOCI	按公平值計入其他全面收益之 金融資產	184,318	-
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)	-	3,668,074
Available-for-sale investments	可供出售投資	-	1,070,316
Financial liabilities	金融負債		
Amortised cost	攤銷成本	13,881,602	14,144,754
Fair value through profit or loss	按公平值計入損益	-	81,720

(b) 財務風險管理目標及政策

本集團之主要金融工具包括應收票據、銀行結餘及已抵押銀行存款、應收貿易賬款、存款及其他應收款項、權益及債務投資、應付貿易賬款、應計負債及其他應付款項、應付關連公司款項、借款及融資租賃項下之責任。該等金融工具之詳情於相關附註中披露。與該等金融工具相關之風險，以及減輕該等風險之政策於下文載述。管理層對該等風險進行管理及監察，確保及時及有效推行適當措施。

本集團就金融工具承擔之風險或其管理及計量風險之方式並無重大變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

The Group's activities expose it to market risks of changes in currency risk, price risk and interest rate risk.

There has been no significant change to Group's exposure to market risks or the manner in which it manages and measures the risk over the year.

Currency risk

Substantially all of the Group's sales and operating costs are denominated in the functional currency of the group entity making the sales or incurring the costs. Accordingly, the directors of the Company consider that the currency risk is not significant.

The Group currently does not have a formal currency hedging policy in relation to currency risk. The directors monitor the Group's exposure on an on-going basis and will consider hedging the currency risk should the need arise.

Equity price risk

The Group is exposed to equity price risk arising from trading of listed securities included in financial assets at fair value through profit or loss. The sensitivity analysis has been determined based on the exposure to equity price risk.

At the end of the reporting period, if the quoted stock prices had been 10% higher or lower while all other variables were held constant, the Group's net loss/profit would increase or decrease by approximately HK\$181,822,000 (2017: approximately HK\$197,185,000) as a result of changes in fair value of investments.

Interest rate risk

The Group's fair value interest rate risk relates primarily to fixed-rate borrowings, obligation under finance lease and bonds payables.

The Group currently does not have a formal interest rate hedging policy in relation to cash flow interest rate risk. The directors of the Company monitor the Group's exposure on an on-going basis and will consider hedging the interest rate risk should the need arise.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險

本集團之活動令其面對貨幣風險、價格風險及利率風險變動之市場風險。

於年內，本集團面臨之市場風險及管理及計量風險之方式並無重大轉變。

貨幣風險

本集團絕大部分銷售及經營成本以進行銷售或產生成本之集團實體之功能貨幣列值。因此，本公司董事認為貨幣風險並不重大。

本集團目前並無有關貨幣風險之正式貨幣對沖政策。董事持續監察本集團面對之風險，並將於有需要時考慮對沖貨幣風險。

股票價格風險

本集團須承受計入按公平值計入損益之金融資產之上市證券買賣帶來的股票價格風險。其敏感度分析已根據股票價格風險釐定。

於報告期末，倘股票報價上升或下調10%，而所有其他變量保持不變，則本集團之虧損／溢利淨額將因投資公平值變動而增加或減少約181,822,000港元（二零一七年：約197,185,000港元）。

利率風險

本集團之公平值利率風險主要與定息借款、融資租賃項下之責任及應付債券有關。

本集團目前並無有關現金流量利率風險之正式利率對沖政策。本公司董事持續監察本集團面對之風險，並將於有需要時考慮對沖利率風險。

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42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

*Interest rate risk (Continued)**Sensitivity analysis**Variable-rate borrowings*

The sensitivity analysis below has been determined based on the exposure to interest rates for the variable-rate borrowings at the end of the reporting period. A 50 basis points (2017: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represented management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2017: 50 basis points) higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2018 would have decreased/increased by approximately HK\$11,610,000 (2017: approximately HK\$12,742,000), assuming the interest on such borrowings would not be capitalised.

Credit risk and impairment provision

At 31 December 2018 and 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. There is no significant changes in the quality of that collateral as a result of deterioration or changes in the collateral policies of the entity during both reporting periods.

Trade receivables

In order to minimise the credit risk, the management of the Group has delegated a team responsible for monitoring procedures to ensure that follow up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2017: incurred loss model) on trade balances individually or based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

*利率風險 (續)**敏感度分析**浮息借款*

以下敏感度分析乃根據於報告期末浮息借款之利率風險而釐定。50個基點(二零一七年: 50個基點)之上落幅度乃向主要管理人員內部匯報利率風險時採用的幅度並代表管理層對利率合理可能變動之評估。

倘利率上升/下降50個基點(二零一七年: 50個基點), 而所有其他可變因素保持不變, 假設有關於借款之利息不進行資本化, 則本集團截至二零一八年十二月三十一日止年度之溢利將減少/增加約11,610,000港元(二零一七年: 約12,742,000港元)。

信貸風險及減值撥備

於二零一八年及二零一七年十二月三十一日, 因對手方未能履行責任而令本集團蒙受財務損失之最高信貸風險乃因綜合財務狀況表所載列之相關已確認金融資產之賬面值而產生。本集團並無持有任何抵押品或其他增信措施為其金融資產的相關信貸風險提供保障。於兩個報告期內, 並無因實體抵押政策轉差或變化導致有關抵押品質素出現重大變化。

應收貿易賬款

為將信貸風險減至最低, 本集團管理層已委派一支團隊負責監督程序, 確保採取跟進措施收回逾期債項。此外, 本集團於應用香港財務報告準則第9號後根據預期信貸虧損模式(二零一七年: 已產生虧損模式)就應收貿易賬款個別或根據撥備矩陣進行減值評估。就此, 本公司董事認為本集團之信貸風險已大為減低。

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42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment provision (Continued)

Debt instruments at FVTOCI, note receivables, deposits and other receivables, pledged bank deposits and bank balances

The Group performs impairment assessment under ECL model upon application of HKFRS 9 (2017: incurred loss model) on debt instruments at FVTOCI, note receivables, deposits and other receivables, pledged bank deposits and bank balances based on 12m ECL.

The credit risk of note receivables, deposits and other receivables are managed through an internal process. The credit quality of each counterparty is investigated before an advance is made. The Group also actively monitors the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2017: incurred loss model) on the outstanding balances individually. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The credit risk on pledged bank deposits and bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's debt instruments at FVTOCI mainly comprise listed bonds. The Group performed impairment assessment under ECL model upon application of HKFRS 9 (2017: incurred loss model) on the outstanding balance. During the year ended 31 December 2018, no expected credit loss on debt instruments at FVTOCI was recognised in the consolidated profit or loss.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值撥備 (續)

按公平值計入其他全面收益之債務工具、應收票據、按金及其他應收款項、已抵押銀行存款及銀行結餘

本集團於應用香港財務報告準則第9號後根據預期信貸虧損模式(二零一七年:已產生虧損模式)就按公平值計入其他全面收益之債務工具、應收票據、按金及其他應收款項、已抵押銀行存款及銀行結餘按12個月預期信貸虧損基準進行減值評估。

應收票據、按金及其他應收款項的信貸風險透過內部程序管理。於作出墊款前會對各對手方之信貸質素進行調查。本集團亦積極監察各債務人結欠的尚未償還款項並適時確認任何信貸風險以減低信貸相關虧損的風險。此外,本集團於應用香港財務報告準則第9號後根據預期信貸虧損模式(二零一七年:已產生虧損模式)就尚未償還結餘個別進行減值評估。就此,董事認為本集團的信貸風險已大幅減低。

已抵押銀行存款及銀行結餘的信貸風險有限,因為對手方乃獲國際信貸評級機構授予高信貸評級的銀行。

本集團按公平值計入其他全面收益之債務工具主要為上市債券。本集團於應用香港財務報告準則第9號後根據預期信貸虧損模式(二零一七年:已產生虧損模式)就尚未償還結餘進行減值評估。於截至二零一八年十二月三十一日止年度,並無於綜合損益內就按公平值計入其他全面收益之債務工具確認任何預期信貸虧損。

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綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment provision (Continued)

The Group is exposed to concentration of credit risk on:

- deposits paid for acquisition of a property project and subsidiaries paid to counterparties which are all engaged in the PRC property development business, and are either state-owned entities or companies with good reputation; and
- liquid funds which are deposited with several banks with high credit ratings.

The Group's concentration of credit risk by geographical locations is in the PRC as all trade receivables from properties investment are arisen in PRC for both years.

Other than above, the Group does not have any other significant concentration of credit risk.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值撥備 (續)

本集團面臨有關以下項目的集中信貸風險：

- 就收購一項物業項目及多間附屬公司向均在中國經營物業發展業務且為具有良好聲譽的國有實體或公司之對手方支付的按金；及
- 存放於數間具有高信貸評級的銀行的流動資金。

由於兩個年度所有來自物業投資之應收貿易賬款均於中國產生，故本集團按地理位置劃分信貸風險集中於中國。

除上述者外，本集團並無任何其他重大集中信貸風險。

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綜合財務報表附註

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42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment provision (Continued)

The table below is the internal credit policy of the Group:

Internal credit rating 內部信貸評級	Description 描述	Trade receivables 應收貿易賬款	Other financial assets/ other items 其他金融資產/其他項目
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 對手方的違約風險較低及並無逾期款項	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值	12-month ECL 12個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle after due date 債務人經常於到期日後還款但通常於到期日後會結付款項	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值	12-month ECL 12個月預期信貸虧損
Doubtful 存疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 內部編製的資料或外部資源顯示自初始確認以來信貸風險已顯著上升	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產已發生信貸減值	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 –未發生信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人出現嚴重財務困難且本集團並無實際可能收回款項	Amount is written off 撇銷有關金額	Amount is written off 撇銷有關金額

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值撥備 (續)

下表載列本集團的內部信貸政策：

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

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment provision (Continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

2018	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL 12個月或存續期 預期信貸虧損	Gross carrying amounts 總賬面值 HK'000 千港元
二零一八年	附註	外部信貸評級	內部信貸評級		
Debt instruments at FVTOCI 按公平值計入其他全面收益之 債務工具					
Investments in listed bonds 上市債券投資	18	N/A 不適用	(Note 4) (附註4)	12-month ECL 12個月預期信貸虧損	88,318
Financial assets at amortised costs 按攤銷成本計量之金融資產					
Pledged bank deposits 已抵押銀行存款	23	AA+	N/A 不適用	12-month ECL 12個月預期信貸虧損	635,766
Bank balances 銀行結餘	23	AA+	N/A 不適用	12-month ECL 12個月預期信貸虧損	148,538
Note receivables 應收票據	22	N/A 不適用	(Note 1&3) (附註1及3)	12-month ECL 12個月預期信貸虧損	89,039
Deposits and other receivables 按金及其他應收款項	22	N/A 不適用	(Note 1&3) (附註1及3)	12-month ECL 12個月預期信貸虧損 Lifetime ECL (not credit- impaired) 存續期預期信貸虧損 (未發生信貸減值) Credit-impaired 已發生信貸減值	550,807 612,333 370,687
					1,533,827
Trade receivables 應收貿易賬款	21	N/A 不適用	(Note 2) (附註2)	Lifetime ECL (provision matrix) 存續期預期信貸虧損 (撥備矩陣)	11,357

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值撥備 (續)

下表詳列本集團須進行預期信貸虧損評估的金融資產的信貸風險敞口：

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42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment provision (Continued)

Notes:

- For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

Note receivables	應收票據	89,039
Deposits and other receivables	按金及其他應收款項	1,533,827

- For trade receivables, the Group has applied the simplified approach in accordance with HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the expected credit losses on those balances by using a provision matrix, grouped by internal credit rating.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its property investment operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. Trade receivables of approximately HK\$11,357,000 are assessed based on provision matrix within lifetime ECL (not credit impaired).

During the year ended 31 December 2018, no material impairment allowance on trade receivables is provided based on the provision matrix.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值撥備 (續)

附註：

- 就內部信貸風險管理而言，本集團使用逾期資料評估自初始確認以來信貸風險是否顯著上升。

Not past due/
No fixed repayment
terms
未逾期/
並無固定還款期
HK\$'000
千港元

- 就應收貿易賬款而言，本集團已應用香港財務報告準則第9號的簡化方法，按存續期預期信貸虧損計量虧損撥備。除有重大未償還結餘或已發生信貸減值的應收款項外，本集團使用撥備矩陣（按內部信貸評級分組）釐定該等結餘的預期信貸虧損。

作為本集團信貸風險管理的一環，本集團使用應收款項的賬齡評估其有關物業投資業務客戶的減值情況，此乃由於該等客戶包括大量有共同風險特徵的客戶，而該風險特徵代表客戶根據合約條款悉數付款的能力。應收貿易賬款約11,357,000港元乃根據撥備矩陣的存續期預期信貸虧損（未發生信貸減值）進行評估。

於截至二零一八年十二月三十一日止年度，應收貿易賬款根據撥備矩陣並無計提重大減值撥備。

估計虧損率乃基於應收款項於預計年期的過往觀察所得違約率估計，並就無需付出過多成本或精力即可取得的前瞻性資料作出調整。

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42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment provision (Continued)

Notes: (Continued)

3. The following table shows the reconciliation of loss allowance that has been recognised for deposits and other receivables.

		12m ECL	Lifetime ECL (not credit- impaired)	Lifetime ECL (credit- impaired)	Total
		12個月預期 信貸虧損 HK\$'000 千港元	存續期預期 信貸虧損 (未發生 信貸減值) HK\$'000 千港元	存續期預期 信貸虧損 (已發生 信貸減值) HK\$'000 千港元	總計 HK\$'000 千港元
At 31 December 2017 under HKAS 39	於二零一七年 十二月三十一日根據 香港會計準則第39號	–	–	22,954	22,954
Adjustment upon application of HKFRS 9	應用香港財務報告準則 第9號的調整	115,291	52,117	11,298	178,706
At 1 January 2018 – As restated	於二零一八年一月一日 一經重列	115,291	52,117	34,252	201,660
Impairment losses, net of reversal	減值虧損，扣除撥回	(43,743)	47,462	1,459,271	1,462,990
At 31 December 2018	於二零一八年 十二月三十一日	71,548	99,579	1,493,523	1,664,650

During the year ended 31 December, no material allowance on note receivables is provided based on 12m ECL.

4. During the year ended 31 December 2018, no material allowance on investments in listed bonds is provided based on 12m ECL.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值撥備 (續)

附註：(續)

3. 下表載列已就按金及其他應收款項確認的虧損撥備的對賬。

於截至十二月三十一日止年度，根據12個月預期信貸虧損並無就應收票據計提重大撥備。

4. 於截至二零一八年十二月三十一日止年度，根據12個月預期信貸虧損並無就上市債券投資計提重大撥備。

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

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and ensures compliance with loan covenants.

Liquidity tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for non-derivative financial liabilities are based on agreed repayment dates.

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險

為管理流動資金風險，本集團監控及維持管理層認為充足之現金及現金等價物水平，以為本集團營運提供資金及減低現金流量變動之影響。管理層監控借款之動用情況，並確保已遵守貸款契諾。

流動資金表

下表詳述根據協定還款期，本集團之非衍生金融負債之餘下合約到期情況。下表反映按本集團須償付之最早日期為基準之金融負債之未折現現金流量。非衍生金融負債的到期日乃以協定還款日期為基準。

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42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity tables (Continued)

42. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金表 (續)

		Weighted average interest rate 加權 平均利率 %	On demand or less than 1 year 按要求或 少於一年 HK\$'000 千港元	1 to 5 years 一年至五年 HK\$'000 千港元	More than 5 years 超過五年 HK\$'000 千港元	Total undiscounted cash flows 未折現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
31 December 2018	二零一八年十二月三十一日						
Non-derivative financial liabilities	非衍生金融負債						
Trade payables	應付貿易賬款	-	1,222,205	-	-	1,222,205	1,222,205
Accrued liabilities and other payables	應計負債及其他應付款項	-	1,463,971	-	-	1,463,971	1,463,971
Borrowings:	借款:						
- Bank and other borrowings	- 銀行及其他借款	3.38 - 13	3,080,945	4,179,017	-	7,259,962	6,564,361
- Bonds	- 債券	8.14 - 17.84	3,971,231	744,207	234,643	4,950,081	4,620,393
Obligation under finance lease	融資租賃項下之責任	4.70	788	1,575	-	2,363	2,203
Amounts due to related companies	應付關連公司款項	-	8,469	-	-	8,469	8,469
31 December 2017	二零一七年十二月三十一日						
Non-derivative financial liabilities	非衍生金融負債						
Trade payables	應付貿易賬款	-	1,084,126	-	-	1,084,126	1,084,126
Accrued liabilities and other payables	應計負債及其他應付款項	-	800,993	-	-	800,993	800,993
Borrowings:	借款:						
- Bank and other borrowings	- 銀行及其他借款	1.68 - 13	4,855,660	3,376,943	146,913	8,379,516	7,680,417
- Bonds	- 債券	8.14 - 12.71	1,508,352	1,331,117	272,857	3,112,326	2,242,274
Obligation under finance lease	融資租賃項下之責任	4.70	788	2,363	-	3,151	2,867
Amounts due to related companies	應付關連公司款項	-	37,418	-	-	37,418	37,418
Convertible bonds	可換股債券	8.85 - 9.32	2,487,396	-	-	2,487,396	2,378,379

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

42. FINANCIAL INSTRUMENTS (Continued)

(c) Fair values measurements of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices; and
- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value measurements recognised in the consolidated statement of financial position

42. 金融工具 (續)

(c) 金融工具公平值計量

金融資產及金融負債之公平值乃按以下釐定：

- 具有標準條款及條件及於活躍流動市場買賣的金融資產及金融負債，乃參考所報市場買盤價及賣盤價釐定公平值；及
- 其他金融資產及金融負債之公平值乃根據使用折現現金流量分析之普遍採納定價模式釐定。

於綜合財務狀況表內確認之公平值計量

		Fair value as at 公平值		Fair value hierarchy 公平值等級	Valuation technique and key input 估值方法及主要參數
		31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元	31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元		
Financial assets at FVTPL	按公平值計入損益之金融資產				
Equity securities listed in Hong Kong	於香港上市之權益證券	1,300,290	1,602,427	Level 1 第一級	Quoted price in an active market 活躍市場之報價
Unlisted investment fund	非上市投資基金	347,202	369,425	Level 2 第二級	Dealing price of the fund derived from the net asset value of the fund 從基金的資產淨值得出之 基金交易價格
Unlisted private fund in Cayman Islands (2017: classified as AFS)	於開曼群島之非上市 私募基金 (二零一七年： 分類為可供出售)	170,727	263,666	Level 2 第二級	Dealing price of the fund derived from the net asset value of the fund 從基金的資產淨值得出之 基金交易價格
Unlisted fund in the PRC (2017: classified as AFS)	於中國之非上市基金 (二零一七年： 分類為可供出售)	-	707,650	Level 2 第二級	Dealing price of the fund derived from the net asset value of the fund 從基金的資產淨值得出之 基金交易價格
Financial assets at FVTOCI	按公平值計入其他全面收益之 金融資產				
Listed debt securities	上市債務證券	88,318	-	Level 1 第一級	Quoted price in an active market 活躍市場之報價
Equity securities (2017: classified as AFS)	權益證券 (二零一七年： 分類為可供出售)	96,000	99,000	Level 3 第三級	Fair value of the equity derived from the net asset value of the investee attributable to the equity interests held by the Group 從本集團所持股權應佔的被投 資方資產淨值得出之權益公 平值

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42. FINANCIAL INSTRUMENTS (Continued)

(c) Fair values measurements of financial instruments (Continued)

The directors of the Group consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values, except as disclosed below.

At 31 December 2018:	於二零一八年十二月三十一日：	Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Financial liabilities:	金融負債：		
Convertible bonds	可換股債券	-	-
<hr/>			
		Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
At 31 December 2017:	於二零一七年十二月三十一日：		
Financial liabilities:	金融負債：		
Convertible bonds	可換股債券	2,296,659	2,509,155

During the years ended 31 December 2018 and 2017, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

42. 金融工具 (續)

(c) 金融工具公平值計量 (續)

除下文所披露者外，本集團董事認為，按攤銷成本於綜合財務報表入賬之金融資產及金融負債之賬面值與其公平值相若。

於截至二零一八年及二零一七年十二月三十一日止年度，第一級與第二級之間並無轉撥，亦無轉入或轉出第三級。本集團之政策為於轉撥發生之報告期末確認公平值等級各級之間的轉撥。

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43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

43. 融資活動產生之負債對賬

下表詳列本集團融資活動產生之負債變動，包括現金及非現金變動。融資活動產生之負債乃現金流量已經或未來現金流量將會於本集團綜合現金流量表分類為融資活動現金流量之負債。

		Amounts due to non- controlling interests 應付 非控股 權益款項	Borrowings 借款 Note 30 附註30	Convertible bonds 可換股債券 Note 32 附註32	Obligation under finance lease 融資租賃 項下之責任 Note 29 附註29	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	-	9,922,691	2,378,379	2,867	12,303,937
Financing cash flows	融資現金流量	-	(1,679,490)	(178,501)	(788)	(1,858,779)
Exchange adjustments	匯兌調整	-	(252,038)	9,264	-	(242,774)
Interest expenses	利息開支	-	966,730	109,298	124	1,076,152
Loss on early redemption of bonds	提前贖回債券之虧損	-	8,758	-	-	8,758
Gain in respect of convertible bonds extinguished during the year	年內取消可換股債券之收益	-	2,218,103	(2,236,720)	-	(18,617)
Conversion of convertible bonds	轉換可換股債券	-	-	(81,720)	-	(81,720)
At 31 December 2018	於二零一八年十二月三十一日	-	11,184,754	-	2,203	11,186,957

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43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (Continued)

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities. (Continued)

43. 融資活動產生之負債對賬 (續)

下表詳列本集團融資活動產生之負債變動，包括現金及非現金變動。融資活動產生之負債乃現金流量已經或未來現金流量將會於本集團綜合現金流量表分類為融資活動現金流量之負債。(續)

		Amounts due to non- controlling interests 應付 非控股 權益款項	Borrowings	Convertible bonds	Obligation under finance lease 融資租賃 項下之責任	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
			Note 30 附註30	Note 32 附註32	Note 29 附註29	
At 1 January 2017	於二零一七年一月一日	140,453	8,471,012	2,502,322	680	11,114,467
Financing cash flows	融資現金流量	(145,482)	(549,118)	185,367	(1,477)	(510,710)
Acquisition of subsidiaries	收購附屬公司	-	504,256	-	-	504,256
New obligation under finance lease	新融資租賃項下之責任	-	-	-	3,500	3,500
Exchange adjustments	匯兌調整	5,029	374,397	18,116	-	397,542
Interest expenses	利息開支	-	731,507	220,823	164	952,494
Loss on early redemption of senior bonds	提前贖回優先債券之 虧損	-	637	-	-	637
Equity components on initial recognition	初始確認時之權益部分	-	-	(4,484)	-	(4,484)
Gain in respect of convertible bonds cancelled during the year	年內註銷可換股債券之收益	-	390,000	(550,524)	-	(160,524)
Fair value change for the year	年度公平值變動	-	-	6,759	-	6,759
At 31 December 2017	於二零一七年 十二月三十一日	-	9,922,691	2,378,379	2,867	12,303,937

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44. SIGNIFICANT RELATED PARTY TRANSACTIONS

Compensation of the remuneration of key management during the year was as follows:

Short-term employee benefits	短期僱員福利
Post-employment benefits	離職後福利

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
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		36,958	29,386
		42	36
		37,000	29,422

45. CONTINGENT LIABILITIES

Saved as disclosed in Note 33 regarding the provisions of probable outflow of a variety of lawsuits and claim, the Group had no other material contingent liabilities identified.

46. COMPARATIVE FIGURE

Certain comparative figures are reclassified to conform with the current year's presentation.

47. EVENT AFTER THE REPORTING PERIOD

Save as disclosed in Note 20, the Group has the following event after the reporting period:

Subsequent to the reporting period, the maturity date of secured bonds in aggregate principal amount of up to US\$285,000,000 have been extended from 16 January 2019 to 16 January 2021. For details, please refer to the Company's announcements dated 16 January 2019.

The maturity date of senior bonds in aggregate principal amount of up to US\$180,000,000 have been extended from 22 March 2019 to 22 March 2021. For details, please refer to the Company's announcements dated 14 January 2019, 13 February 2019 and 27 February 2019.

Subsequent to the reporting period, the Company repurchased 79,560,000 of its own shares for the consideration of approximately HK\$9,729,000.

44. 重大關連人士交易

年內主要管理層之薪酬如下：

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
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45. 或然負債

除附註33所披露有關多項訴訟及索償可能流出的撥備外，本集團並無其他已識別之重大或然負債。

46. 比較數字

若干比較數字已重新分類，以符合本年度之列報方式。

47. 報告期後事項

除附註20所披露者外，本集團有以下報告期後事項：

於報告期後，本金總額為285,000,000美元之有抵押債券之到期日已由二零一九年一月十六日延長至二零二一年一月十六日。有關詳情，請參閱本公司日期為二零一九年一月十六日之公告。

本金總額為180,000,000美元之優先債券之到期日已由二零一九年三月二十二日延長至二零二一年三月二十二日。有關詳情，請參閱本公司日期為二零一九年一月十四日、二零一九年二月十三日及二零一九年二月二十七日之公告。

於報告期後，本公司以代價約9,729,000港元購回其79,560,000股股份。

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綜合財務報表附註

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

47. EVENT AFTER THE REPORTING PERIOD
(Continued)

At the special general meeting of the Company held on 27 February 2019, approval was given by the shareholders of the Company to proceed with the capital reorganisation of the Company involving, among others, (i) reduction of the par value of each of the issued share of the Company from HK\$0.20 each to HK\$0.01 each; and (ii) subdivision of every unissued share of the Company to 20 shares of HK\$0.01 each ("Capital Reorganisation"). Immediately following the effective of the Capital Reorganisation on 28 February 2019, the authorised share capital of the Company adjusted from HK\$10,000,000,000 divided into 50,000,000,000 shares of HK\$0.20 par value each into HK\$10,000,000,000 divided into 1,000,000,000,000 shares of HK\$0.01 par value each.

48. PARTICULARS OF PRINCIPAL
SUBSIDIARIES OF THE COMPANY AS AT 31
DECEMBER 2018

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/設立/ 營運地點	Registered capital/paid up capital 註冊資本/ 繳足資本	Proportion of ownership interests held by the Company 本公司持有擁有權 權益之比例	Principal activities 主要業務
Carnival Group (Hong Kong) Holdings Limited 嘉年華(香港)控股有限公司	Hong Kong 香港	Ordinary HK\$1 普通股1港元	100% (Indirect) 100% (間接)	Provision of management services in Hong Kong 在香港提供管理服務
Joy More Investment Limited 嘉添投資有限公司	Hong Kong 香港	Ordinary HK\$1 普通股1港元	100% (Indirect) 100% (間接)	Property development in Hong Kong 在香港經營發展物業業務
Swift Fortune Investments Limited 捷發投資有限公司	BVI 英屬處女群島	Ordinary USD2 普通股2美元	100% (Direct) 100% (直接)	Securities Investment 證券投資
海上嘉年華(青島)置業有限公司	PRC (Note (i)) 中國(附註(i))	Registered capital RMB900,000,000 註冊資本人民幣900,000,000元	64% (Indirect) 64% (間接)	Property development in the PRC 在中國經營發展物業業務
青島海灣豪庭物業管理有限公司	PRC (Note (ii)) 中國(附註(ii))	Registered capital RMB1,000,000 註冊資本人民幣1,000,000元	64% (Indirect) 64% (間接)	Property management in the PRC 在中國經營物業管理業務

47. 報告期後事項(續)

於二零一九年二月二十七日舉行之本公司股東特別大會上，本公司股東已批准進行本公司股本重組，涉及(其中包括)(i)將本公司每股已發行股份之面值由每股0.20港元削減至每股0.01港元；及(ii)將本公司每股未發行之股份分拆為20股每股面值0.01港元之股份(「股本重組」)。緊隨股本重組於二零一九年二月二十八日生效後，本公司之法定股本由10,000,000,000港元(分為50,000,000,000股每股面值0.20港元之股份)調整為10,000,000,000港元(分為1,000,000,000,000股每股面值0.01港元之股份)。

48. 於二零一八年十二月三十一日本
公司主要附屬公司之詳情

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY AS AT 31 DECEMBER 2018 (Continued)

48. 於二零一八年十二月三十一日本公司主要附屬公司之詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/設立/ 營運地點	Registered capital/paid up capital 註冊資本/繳足資本	Proportion of ownership interests held by the Company 本公司持有擁有權益之比例	Principal activities 主要業務
青島海上嘉年華商業管理有限公司	PRC (Note (ii))	Registered capital RMB10,000,000	64% (Indirect)	Commercial management in the PRC 在中國經營商業管理業務
	中國 (附註(ii))	註冊資本人民幣 10,000,000元	64% (間接)	
深圳市多利偉投資發展有限公司	PRC (Note (ii))	Registered capital RMB40,000,000	100% (Indirect)	Property development in the PRC 在中國經營發展物業業務
	中國 (附註(ii))	註冊資本人民幣 40,000,000元	100% (間接)	
成都市嘉錦置業有限公司	PRC (Note (iii))	Registered capital RMB70,600,000	99.01% (Indirect)	Property development in the PRC 在中國經營發展物業業務
	中國 (附註(iii))	註冊資本人民幣 70,600,000元	99.01% (間接)	
青島嘉耀華置業有限公司	PRC (Note (ii))	Registered capital RMB10,000,000	100% (Indirect)	Property development in the PRC 在中國經營發展物業業務
	中國 (附註(ii))	註冊資本人民幣 10,000,000元	100% (間接)	
北京空港富視國際房地產投資有限公司	PRC (Note (ii))	Registered capital RMB250,000,000	99.4% (Indirect)	Property development in the PRC 在中國經營發展物業業務
	中國 (附註(ii))	註冊資本人民幣 250,000,000元	99.4% (間接)	

Notes:

- (i) The company is a sino-foreign equity joint venture established in the PRC.
- (ii) The company is a limited liability company established in the PRC.
- (iii) The company is a wholly foreign-owned enterprise established in the PRC.

附註：

- (i) 該公司是在中國成立之中外合資企業。
- (ii) 該公司是在中國成立之有限責任公司。
- (iii) 該公司是在中國成立之外商獨資企業。

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綜合財務報表附註

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

49. DETAILS OF NON-WHOLLY OWNED SUBSIDIARY THAT HAS MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non-wholly-owned subsidiary of the Group that has material non-controlling interests:

49. 擁有重大非控股權益之非全資附屬公司資料

下表載列本集團擁有重大非控股權益之非全資附屬公司資料：

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要經營地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益持有擁有權益及投票權之比例		(Loss)/profit attributable to non-controlling interests 非控股權益應佔(虧損)/溢利		Accumulated non-controlling interests 累積非控股權益	
		2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年
				HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
海上嘉年華(青島)置業有限公司	PRC 中國	36%	36%	(224,151)	143,051	1,690,137	2,010,720

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

49. DETAILS OF NON-WHOLLY OWNED SUBSIDIARY THAT HAS MATERIAL NON-CONTROLLING INTERESTS (Continued)

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

49. 擁有重大非控股權益之非全資附屬公司資料(續)

本集團擁有重大非控股權益之附屬公司財務資料概要載列如下。下列財務資料概要呈列集團之間對銷前之金額。

海上嘉年華(青島)置業有限公司

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current assets	流動資產	3,298,096	3,066,376
Non-current assets	非流動資產	9,478,897	10,964,230
Current liabilities	流動負債	(5,591,628)	(5,876,972)
Non-current liabilities	非流動負債	(2,490,539)	(2,568,302)
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,004,689	3,574,612
Non-controlling interests	非控股權益	1,690,137	2,010,720
Revenue	收入	709,344	1,207,267
(Loss)/profit for the year	年度(虧損)/溢利	(622,643)	397,365
Total comprehensive (expense)/income for the year	年度全面(開支)/收入總額	(890,506)	775,381
(Loss)/profit for the year attributable to the non-controlling interests	非控股權益應佔年度(虧損)/溢利	(224,151)	143,051
Total comprehensive (expense)/income attributable to the non-controlling interests	非控股權益應佔全面(開支)/收入總額	(320,583)	279,137
Net cash inflow/(outflow) from operating activities	經營活動產生之淨現金流入/(流出)	437,495	(1,283,699)
Net cash outflow from investing activities	投資活動產生之淨現金流出	(176,551)	(268,650)
Net cash (outflow)/inflow from financing activities	融資活動產生之淨現金(流出)/流入	(220,922)	1,485,749
Net cash inflow/(outflow)	淨現金流入/(流出)	40,022	(66,600)

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綜合財務報表附註

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

50. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

50. 本公司財務狀況表及儲備

		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	非流動資產		
Investments in subsidiaries	於附屬公司之投資	3,043,952	3,043,952
Note receivables	應收票據	89,039	89,039
		3,132,991	3,132,991
Current assets	流動資產		
Prepayments and other receivables	預付款項及其他應收款項	57,393	286,639
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	-	59,868
Amounts due from subsidiaries	應收附屬公司款項	10,894,971	9,123,518
Cash and cash equivalents	現金及現金等價物	12,167	33,881
		10,964,531	9,503,906
Total assets	資產總值	14,097,522	12,636,897
Current liabilities	流動負債		
Accrued liabilities and other payables	應計負債及其他應付款項	12,457	5,044
Amounts due to subsidiaries	應付附屬公司款項	1,314,938	376,736
Borrowings	借款	4,612,850	1,404,153
Convertible bonds	可換股債券	-	2,378,379
		5,940,245	4,164,312
Net current assets	流動資產淨值	5,024,286	5,339,594
Total assets less current liabilities	總資產減流動負債	8,157,277	8,472,585
Capital and reserves	資本及儲備		
Share capital	股本	4,754,956	4,294,432
Share premium and reserves	股份溢價及儲備	2,632,597	2,834,139
Total equity	權益總額	7,387,553	7,128,571
Non-current liabilities	非流動負債		
Borrowings	借款	769,724	1,342,123
Deferred tax liabilities	遞延稅項負債	-	1,891
		769,724	1,344,014
		8,157,277	8,472,585

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 28 March 2019 and were signed on its behalf by:

本公司之財務狀況表已於二零一九年三月二十八日獲董事會批准及授權刊發，並由下列董事代表簽署：

King Pak Fu
景百孚
Director
董事

Bai Xuefei
白雪飛
Director
董事

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綜合財務報表附註

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

50. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

50. 本公司財務狀況表及儲備 (續)

Movement in the Company's reserves

本公司之儲備變動

		Share premium	Contributed surplus	Capital reserve	Convertible bonds equity reserve	Share options reserve	Accumulated losses	Total
		股份溢價	繳入盈餘	資本儲備	可換股債券 權益儲備	購股權儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年一月一日	5,931,048	9,404	-	35,970	845	(3,683,913)	2,293,354
Loss for the year	年度虧損	-	-	-	-	-	(459,680)	(459,680)
Recognition of equity component of convertible bonds	確認可換股債券之權益部分	-	-	-	4,484	-	-	4,484
Deferred tax liability on recognition of equity component of convertible bonds	確認可換股債券權益 部分之遞延稅項負債	-	-	-	(740)	-	-	(740)
Cancellation of convertible bonds	註銷可換股債券	-	-	-	(3,744)	-	3,744	-
Share options cancelled during the year	年內註銷之購股權	-	-	-	-	(845)	-	(845)
Issue of shares by way of placing	透過配售發行股份	180,000	-	-	-	-	-	180,000
Transaction costs attributable to issue of shares	發行股份應佔交易成本	(2,400)	-	-	-	-	-	(2,400)
Issue of shares upon right issue	透過供股發行股份	858,886	-	-	-	-	-	858,886
Transaction costs attributable to rights issue	供股應佔交易成本	(38,920)	-	-	-	-	-	(38,920)
At 31 December 2017	於二零一七年十二月三十一日	6,928,614	9,404	-	35,970	-	(4,139,849)	2,834,139
Adjustments	調整	-	-	-	-	-	(32,656)	(32,656)
At 1 January 2018 (restated)	於二零一八年一月一日 (經重列)	6,928,614	9,404	-	35,970	-	(4,172,505)	2,801,483
Loss for the year	年度虧損	-	-	-	-	-	(545,832)	(545,832)
Issue of shares by way of placing	透過配售發行股份	341,000	-	-	-	-	-	341,000
Transaction costs attributable to issue of shares	發行股份應佔交易成本	(2,000)	-	-	-	-	-	(2,000)
Shares issued upon conversion of convertible bonds	轉換可換股債券而發行之股份	45,470	-	-	-	-	-	45,470
Extinguishment of convertible bonds	取消可換股債券	-	-	-	(35,970)	-	35,970	-
Repurchase of ordinary shares	購回普通股	(23,250)	-	15,726	-	-	-	(7,524)
At 31 December 2018	於二零一八年十二月三十一日	7,289,834	9,404	15,726	-	-	(4,682,367)	2,632,597

Particulars of the Major Properties Held

所持主要物業詳情

Details of the Group's major properties held as at 31 December 2018 under development for sale, investment or own use are as follows:

本集團於二零一八年十二月三十一日持作出售、投資或自用的發展中主要物業詳情如下：

Name of property and location	Intended use	Stage of completion	Expected year of completion	Approximate site area 概約地盤面積 sq m 平方米	Approximate gross floor area 概約樓面面積 sq m 平方米	Group's interest 本集團所佔權益
物業名稱及地點	擬定用途	完成階段	預計完工年度			
(a) Rio Carnival, Huangdao District, Qingdao City, Shandong Province, the PRC 青島海上嘉年華 中國 山東省 青島市 黃島區	- Residential - Commercial	- Partially completed - Completed	2019 in phases	348,900	765,800	64%
(b) Carnival International Community, Chengdu Hi-tech Zone, Chengdu City, Sichuan Province, the PRC 嘉年華國際社區 中國 四川省 成都市 成都高新區	- Residential - Commercial	- Partially completed - Partially completed	2019 in phases	72,500	481,000	100%
(c) Shouson Project Nos. 16A-16D, Shouson Hill Road, Hong Kong 壽臣項目 香港 壽臣山道 16A-16D號	- Residential	- Land under development - 開發中土地	2020 二零二零年	4,600	2,100	100%

Particulars of the Major Properties Held

所持主要物業詳情

Name of property and location	Intended use	Stage of completion	Expected year of completion	Approximate site area	Approximate gross floor area	Group's interest
物業名稱及地點	擬定用途	完成階段	預計完工年度	概約地盤面積	概約樓面面積	本集團所佔權益
				sq m 平方米	sq m 平方米	
(d) Laoshan Project, No. 490 Xiangang East Road, Laoshan District, Qingdao, Shandong Province, the PRC 嶗山項目 中國 山東省 青島市嶗山區 香港東路490號	- Residential - 住宅	- Partially completed - 部分完成	2019 in phases 二零一九年 分階段完成	44,440	110,749	100%
(e) Beijing Project, 25th Street Zone, Shunyi New Town, Shunyi District, Beijing, the PRC 北京項目 中國 北京市 順義區 順義新城 第25街區	- Residential - 住宅	- Land under development - 開發中土地	2019 in phases 二零一九年 分階段完成	14,144	45,287	99.4%

Financial Summary

財務概要

A summary of the consolidated results and assets and liabilities of the Group for the last five financial years as extracted from the audited financial statements and restated as appropriated is set out below:

以下為本集團於最近五個財政年度之綜合業績以及資產及負債之概要。有關資料乃摘錄自經審核財務報表並已重列：

RESULTS		業績				
Year ended 31 December	截至十二月三十一日止年度	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Continuing operations	持續經營業務					
Revenue	收入	1,458,321	2,193,310	1,934,024	1,146,888	1,412,857
(Loss)/profit before tax	除稅前(虧損)/溢利	(3,804,212)	745,971	50,386	95,728	138,986
Income tax credit/(expense)	所得稅抵免/(支出)	105,156	(220,478)	(763)	8,162	(21,163)
(Loss)/profit for the year	年度(虧損)/溢利	(3,699,056)	525,493	49,623	103,890	117,823
(Loss)/profit for the year attributable to:	下列人士應佔年度(虧損)/溢利:					
Owners of the Company	本公司擁有人	(3,504,039)	394,700	123,740	120,453	43,018
Non-controlling interests	非控股權益	(195,017)	130,793	(74,117)	(16,563)	74,805
		(3,699,056)	525,493	49,623	103,890	117,823
ASSETS AND LIABILITIES		資產及負債				
Year ended 31 December	截至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	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Assets	資產	24,256,079	29,518,421	25,147,400	23,020,389	17,536,906
Liabilities	負債	(15,985,238)	(17,768,885)	(16,395,344)	(15,934,093)	(10,923,203)
Net assets	資產淨值	8,270,841	11,749,536	8,752,056	7,086,296	6,613,703
Equity attributable to:	下列人士應佔權益:					
Owners of the Company	本公司擁有人	6,593,790	9,782,304	7,051,017	5,192,128	4,591,399
Non-controlling interests	非控股權益	1,677,051	1,967,232	1,701,039	1,894,168	2,022,304
		8,270,841	11,749,536	8,752,056	7,086,296	6,613,703



CARNIVAL GROUP
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