

2019

Annual Report
年度報告

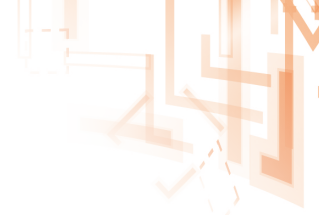


中國基建投資有限公司
China Infrastructure Investment Limited

Stock Code 股份代號 : 600

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS:

Mr. XU Xiao Jun (Chairman and Chief Executive Officer)

Mr. YE De Chao

Mr. JI Xu Dong

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. HE Jin Geng

Mr. YU Hong Gao

Ms. CHEN Yang

COMPANY SECRETARY

Mr. TSO Ping Cheong Brian

AUDIT COMMITTEE

Mr. HE Jin Geng (Chairman)

Mr. YU Hong Gao

Ms. CHEN Yang

REMUNERATION COMMITTEE

Mr. YU Hong Gao (Chairman)

Mr. XU Xiao Jun

Mr. HE Jin Geng

Ms. CHEN Yang

NOMINATION COMMITTEE

Mr. XU Xiao Jun (Chairman)

Mr. HE Jin Geng

Mr. YU Hong Gao

Ms. CHEN Yang

CORPORATE GOVERNANCE COMMITTEE

Mr. XU Xiao Jun (Chairman)

Mr. HE Jin Geng

Mr. YU Hong Gao

Ms. CHEN Yang

董事會

執行董事：

徐小俊先生 (主席兼行政總裁)

業德超先生

季旭東先生

獨立非執行董事：

何金耿先生

郁紅高先生

陳洋女士

公司秘書

曹炳昌先生

審核委員會

何金耿先生 (主席)

郁紅高先生

陳洋女士

薪酬委員會

郁紅高先生 (主席)

徐小俊先生

何金耿先生

陳洋女士

提名委員會

徐小俊先生 (主席)

何金耿先生

郁紅高先生

陳洋女士

企業管治委員會

徐小俊先生 (主席)

何金耿先生

郁紅高先生

陳洋女士

Corporate Information

公司資料

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

REGISTERED OFFICE

Cayman Islands

The R&H Trust Co. Ltd.
Windward 1, Regatta Office Park
Grand Cayman
Cayman Islands

Hong Kong

Suite 607, 6/F., Ocean Centre
5 Canton Road, Tsim Sha Tsui
Kowloon, Hong Kong

SHARE REGISTRARS & TRANSFER OFFICE

Principal Share Registrar

The R&H Trust Co. Ltd.
Windward 1, Regatta Office Park
Grand Cayman
Cayman Islands

Hong Kong Branch Share Registrar

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F., 148 Electric Road
North Point
Hong Kong

BANKERS

Bank of Communications Company Limited
The Shanghai Commercial Bank Limited
Wing Hang Bank, Limited

STOCK CODE

00600

WEBSITE

<http://www.china-infrastructure.com>

核數師

國衛會計師事務所有限公司
執業會計師

註冊辦事處

開曼群島

The R&H Trust Co. Ltd.
Windward 1, Regatta Office Park
Grand Cayman
Cayman Islands

香港

香港九龍
尖沙咀廣東道5號
海洋中心6樓607室

股份過戶登記處

主要股份登記處

The R&H Trust Co. Ltd.
Windward 1, Regatta Office Park
Grand Cayman
Cayman Islands

香港股份過戶登記分處

寶德隆證券登記有限公司
香港
北角
電氣道148號21樓2103B室

往來銀行

交通銀行股份有限公司
上海商業銀行有限公司
永亨銀行有限公司

股票代碼

00600

網址

<http://www.china-infrastructure.com>

CHAIRMAN'S STATEMENT

主席報告

On behalf of the board of directors of China Infrastructure Investment Limited (the "Company"), I am pleased to present the final results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2019.

ANNUAL RESULTS

The revenue of the Group for the year ended 31 December 2019 was approximately HK\$56,935,000 as compared with approximately HK\$56,182,000 in 2018. The loss attributable to owners of the Company for the year ended 31 December 2019 was approximately HK\$28,909,000, compared with the loss attributable to owners of the Company of approximately HK\$20,088,000 over the corresponding period of 2018.

The principal assets of Forward Investment (PRC) Company Limited ("Forward Investment") is the 100% equity interests in 南京泰和盈科置業有限公司 (Nanjing Taihe Yingke Property Company Limited*) ("Nanjing Taihe Yingke"), which main asset is a complex development project (the "Jiangning Project") located in Jiangning Development Zone, Nanjing, Jiangsu Province, the PRC. The Jiangning Project is a composite complex comprising two towers of commercial space and service apartments. The commercial space tower is a six-storey tower with a gross floor area of 39,241.48 square metres and the service apartments tower is an 18-storey tower with a gross floor area of 20,882.52 square metres. The total gross floor area of the Jiangning Project is approximately 74,642.00 square metres which includes a basement of approximately 14,518.00 square metres, and land use rights of approximately 20,050.90 square metres.

As at 31 December 2019, approximately 1,600 square meters of the gross floor area of the commercial building have been sold. Approximately 19,600 square meters of the gross floor area of the commercial building has been rented out. Approximately 20,100 square meters of the gross floor area of the service apartment have been sold.

Pursuant to the subscription agreement, this investment will provide the annual return undertaking of not less than 12% of the consideration which can generate stable revenue streams and cash surplus for the Group. On 15 May 2019, the guarantors of the subscription agreement had fulfilled their obligations regarding the return undertaking and compensated the shortfall of the profit guarantee for the year ended 31 December 2018, being HK\$36,000,000, to the Group.

本人謹代表中國基建投資有限公司（「本公司」）之董事會，欣然提呈本公司及其附屬公司（統稱「本集團」）截至二零一九年十二月三十一日止年度的末期業績。

全年業績

於截至二零一九年十二月三十一日止年度，本集團錄得收益約為56,935,000港元，而二零一八年則約為56,182,000港元。於截至二零一九年十二月三十一日止年度，本公司擁有人應佔虧損約為28,909,000港元，而二零一八年同期則錄得本公司擁有人應佔虧損約為20,088,000港元。

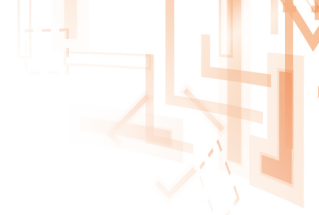
泰和投資（中國）有限公司（「泰和投資」）之主要資產為南京泰和盈科置業有限公司（「南京泰和盈科」）之100%股權，而南京泰和盈科之主要資產為江寧項目，江寧項目是位於中國江蘇省南京江寧開發區之綜合發展項目（「江寧項目」）。江寧項目為由兩幢商業及服務公寓大樓組成之綜合發展項目。建築面積為39,241.48平方米之六層高大樓為商業大樓，而建築面積為20,882.52平方米之18層高大樓則為服務公寓。江寧項目之總建築面積約為74,642.00平方米，包括約14,518.00平方米之地庫，以及約20,050.90平方米之土地使用權。

於二零一九年十二月三十一日，該商業大樓已售出總建築面積約1,600平方米，並已出租總建築面積約19,600平方米。服務公寓已售出總建築面積約20,100平方米。

根據認購合同，該項投資將會為本集團帶來不低於代價12%的年回報承諾，能為本集團提供穩固的收益以及現金盈餘。於二零一九年五月十五日，認購合同之擔保人已履行其對回報承諾之責任，向本集團補償截至二零一八年十二月三十一日止年度之溢利保證差額（即36,000,000港元）。

Chairman's Statement

主席報告



Tianjin Jun Hua Logistics Company Limited (“Tianjin Jun Hua Logistics”) is principally engaged in the business of property rentals and operation of storage units. Tianjin Jun Hua Logistics owns a property with a land use area of 11,331.30 square metres, comprising of one building with one storey of 704.16 square metres and another building with four storeys of 10,807.91 square metres at Tianjin Economic and Technological Development Zone, Tianjin City, the PRC. The property is located in the Tianjin Harbour, which is one of the main transportation hubs of the PRC. The Company is of the view that the acquisition allows the Group to invest in a property located within a promising district. It is believed that the acquisition will provide a steady rental income stream to the Group amid the current low interest rate environment as well as appreciation potential of the value of the property owned by Tianjin Jun Hua Logistics.

Tianjin Hui Li Yuan Power Equipment Co. Ltd. (“Tianjin Hui Li Yuan”) is principally engaged in the business of property rentals and property development. Tianjin Hui Li Yuan is the legal owner of the land use right for a parcel of land with an area of approximately 29,012.72 square metres located at Tianjin Economic and Technological Development Zone, Tianjin City, the PRC. The land is now for industrial use and having two 4-storey buildings (namely Block Nos. 3 and 4) with a total gross floor area of 18,333 square metres under construction. Whilst the construction work for the other 2 buildings (namely Block Nos. 1 and 2) with a total gross floor area of 46,445 square metres was yet to commence. With the fast development of the Tianjin's logistics industry as well as the business and commercial sector, the directors of the Company anticipate the land would have greater development potential along with the economic growth of Tianjin.

PROSPECTS

The management will continue to look for investment opportunities in the PRC so as to expand the development portfolio of the Group in the future. In this regard, investment opportunities which offer satisfactory returns to the Shareholders within the acceptable risk profile of the Group and expected return will be considered. As a result, the Group will strive to identify suitable projects with potential for development and satisfactory returns across various sectors in the PRC market.

XU Xiao Jun
Chairman

13 May 2020

天津俊華物流有限公司（「天津俊華物流」）主要從事物業租賃及倉儲單位營運業務。天津俊華物流擁有一處位於中國天津市天津經濟技術開發區的物業，土地使用面積為11,331.30平方米（包括一幢面積為704.16平方米的一層樓宇及另一幢面積為10,807.91平方米的四層樓宇）。該物業位於中國主要交通樞紐之一——天津港。本公司認為收購事項得以讓本集團投資於位處黃金地段之物業。本公司認為，在目前低利率環境下加上天津俊華物流擁有之物業之升值潛力，收購事項將為本集團提供穩定租金收入來源。

天津滙力源動力設備有限公司（「天津滙力源」）主要從事物業租賃及物業發展業務。天津滙力源為一幅地塊的土地使用權的法定擁有人，該地塊面積為約29,012.72平方米，位於中國天津市天津經濟技術開發區。該土地現時用作工業用途，建有兩幢總建築面積為18,333平方米的四層在建樓宇（即第3幢及第4幢），而其他兩幢總建築面積為46,445平方米的樓宇（即第1幢及第2幢）的建築工程尚未動工。隨著天津物流行業以及業務及商業領域的快速發展，本公司董事預期該幅地塊將隨著天津的經濟發展而具有更大的開發潛力。

未來展望

管理層將於日後繼續尋求在中國之投資機遇，以擴大本集團之投資發展項目的組合。就此，本集團將在可承受風險及預期回報範圍內尋求可為股東帶來理想回報之投資機會。因此，本集團將致力在中國市場不同的領域內尋找具發展潛質及理想回報的合適項目。

徐小俊
主席

二零二零年五月十三日



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW AND OUTLOOK

PRC PROJECTS

Properties development and investment

Forward Investment (PRC) Company Limited

The principal assets of Forward Investment (PRC) Company Limited (“Forward Investment”) is the 100% equity interests in 南京泰和盈科置業有限公司 (Nanjing Taihe Yingke Property Company Limited*) (“Nanjing Taihe Yingke”), which main asset is a complex development project (the “Jiangning Project”) located in Jiangning Development Zone, Nanjing, Jiangsu Province, the PRC. The Jiangning Project is a composite complex comprising two towers of commercial space and service apartments. The commercial space tower is a six-storey tower with a gross floor area of 39,241.48 square metres and the service apartments tower is an 18-storey tower with a gross floor area of 20,882.52 square metres. The total gross floor area of the Jiangning Project is approximately 74,642.00 square metres which includes a basement of approximately 14,518.00 square metres, and land use rights of approximately 20,050.90 square metres.

As at 31 December 2019, approximately 1,600 square meters of the gross floor area of the commercial building have been sold. Approximately 19,600 square meters of the gross floor area of the commercial building has been rented out. Approximately 20,100 square meters of the gross floor area of the service apartment have been sold.

Pursuant to the subscription agreement, this investment will provide the annual return undertaking of not less than 12% of the consideration which can generate stable revenue streams and cash surplus for the Group. On 15 May 2019, the guarantors of the subscription agreement had fulfilled their obligations regarding the return undertaking and compensated the shortfall of the profit guarantee for the year ended 31 December 2018, being HK\$36,000,000, to the Group.

業務回顧及展望

中國項目

物業發展及投資

泰和投資(中國)有限公司

泰和投資(中國)有限公司(「泰和投資」)之主要資產為南京泰和盈科置業有限公司(「南京泰和盈科」)之100%股權，而南京泰和盈科之主要資產為江寧項目，江寧項目是位於中國江蘇省南京江寧開發區之綜合發展項目(「江寧項目」)。江寧項目為由兩幢商業及服務公寓大樓組成之綜合發展項目。建築面積為39,241.48平方米之六層高大樓為商業大樓，而建築面積為20,882.52平方米之18層高大樓則為服務公寓。江寧項目之總建築面積約為74,642.00平方米，包括約14,518.00平方米之地庫，以及約20,050.90平方米之土地使用權。

於二零一九年十二月三十一日，該商業大樓已售出總建築面積約1,600平方米，並已出租總建築面積約19,600平方米。服務公寓已售出總建築面積約20,100平方米。

根據認購合同，該項投資將會為本集團帶來不低於代價12%的年回報承諾，能為本集團提供穩固的收益以及現金盈餘。於二零一九年五月十五日，認購合同之擔保人已履行其對回報承諾之責任，向本集團補償截至二零一八年十二月三十一日止年度之溢利保證差額(即36,000,000港元)。

Management Discussion and Analysis

管理層討論與分析

Properties investment

天津俊華物流有限公司 (Tianjin Jun Hua Logistics Company Limited*)

Tianjin Jun Hua Logistics Company Limited (“Tianjin Jun Hua Logistics”) is principally engaged in the business of property rentals and operation of storage units. Tianjin Jun Hua Logistics owns a property with a land use area of 11,331.30 square metres, comprising of one building with one storey of 704.16 square metres and another building with four storeys of 10,807.91 square metres at Tianjin Economic and Technological Development Zone, Tianjin City, the PRC. The property is located in the Tianjin Harbour, which is one of the main transportation hubs of the PRC. The Company is of the view that the acquisition allows the Group to invest in a property located within a promising district. It is believed that the acquisition will provide a steady rental income stream to the Group amid the current low interest rate environment as well as appreciation potential of the value of the property owned by Tianjin Jun Hua Logistics.

天津滙力源動力設備有限公司 (Tianjin Hui Li Yuan Power Equipment Co. Ltd.*)

Tianjin Hui Li Yuan Power Equipment Co. Ltd. (“Tianjin Hui Li Yuan”) is principally engaged in the business of property rentals and property development. Tianjin Hui Li Yuan is the legal owner of the land use right for a parcel of land with an area of approximately 29,012.72 square metres located at Tianjin Economic and Technological Development Zone, Tianjin City, the PRC. The land is now for industrial use and having two 4-storey buildings (namely Block Nos. 3 and 4) with a total gross floor area of 18,333 square metres under construction. Whilst the construction work for the other 2 buildings (namely Block Nos. 1 and 2) with a total gross floor area of 46,445 square metres was yet to commence. With the fast development of the Tianjin’s logistics industry as well as the business and commercial sector, the directors of the Company anticipate the land would have greater development potential along with the economic growth of Tianjin.

* For identification purpose only

物業投資

天津俊華物流有限公司

天津俊華物流有限公司（「天津俊華物流」）主要從事物業租賃及倉儲單位營運業務。天津俊華物流擁有一處位於中國天津市天津經濟技術開發區的物業，土地使用面積為11,331.30平方米（包括一幢面積為704.16平方米的一層樓宇及另一幢面積為10,807.91平方米的四層樓宇）。該物業位於中國主要交通樞紐之一——天津港。本公司認為收購事項得以讓本集團投資於位處黃金地段之物業。本公司認為，在目前低利率環境下加上天津俊華物流擁有之物業之升值潛力，收購事項將為本集團提供穩定租金收入來源。

天津滙力源動力設備有限公司

天津滙力源動力設備有限公司（「天津滙力源」）主要從事物業租賃及物業發展業務。天津滙力源為一幅地塊的土地使用權的法定擁有人，該地塊面積為約29,012.72平方米，位於中國天津市天津經濟技術開發區。該土地現時用作工業用途，建有兩幢總建築面積為18,333平方米的四層在建樓宇（即第3幢及第4幢），而其他兩幢總建築面積為46,445平方米的樓宇（即第1幢及第2幢）的建築工程尚未動工。隨著天津物流行業以及業務及商業領域的快速發展，本公司董事預期該幅地塊將隨著天津的經濟發展而具有更大的開發潛力。

Management Discussion and Analysis

管理層討論與分析

OUTLOOK

The management will continue to look for investment opportunities in the PRC so as to expand the development portfolio of the Group in the future. In this regard, investment opportunities which offer satisfactory returns to the Shareholders within the acceptable risk profile of the Group and expected return will be considered. As a result, the Group will strive to identify suitable projects with potential for development and satisfactory returns across various sectors in the PRC market.

HUMAN RESOURCES

At 31 December 2019, the Group had a total of approximately 26 staff in Hong Kong and the PRC. The Group remunerates employees based on their performance, experience and prevailing industry practices so as to retain the competent and talented employees.

FINANCIAL REVIEW

RESULTS

The revenue of the Group for the year ended 31 December 2019 was approximately HK\$56,935,000, as compared with approximately HK\$56,182,000 for the year ended 31 December 2018. The loss attributable to owners of the Company for the year ended 31 December 2019 was approximately HK\$28,909,000 as compared with the loss attributable to owners of the Company of approximately HK\$20,088,000 for the year ended 31 December 2018.

CAPITAL STRUCTURE

The capital structure of the Group consisted of debt (which included borrowings), cash and bank balances, and equity attributable to owners of the Company, comprising issued share capital and reserves of the Group.

未來展望

管理層將於日後繼續尋求在中國之投資機遇，以擴大本集團之投資發展項目的組合。就此，本集團將在可承受風險及預期回報範圍內尋求可為股東帶來理想回報之投資機會。因此，本集團將致力在中國市場不同的領域內尋找具發展潛質及理想回報的合適項目。

人力資源

於二零一九年十二月三十一日，本集團於香港及中國合共有約26名員工。本集團按照僱員表現、資歷及現行行業慣例釐定僱員薪酬，以挽留幹練及有才能之僱員。

財務回顧

業績

截至二零一九年十二月三十一日止年度，本集團錄得收益約為56,935,000港元，而截至二零一八年十二月三十一日止年度則約為56,182,000港元。截至二零一九年十二月三十一日止年度，本公司擁有人應佔虧損約為28,909,000港元，而截至二零一八年十二月三十一日止年度本公司擁有人應佔虧損則約為20,088,000港元。

資本架構

本集團之資本架構包括債務（其包括借貸）、現金及銀行結餘以及本公司擁有人應佔權益（包括本集團已發行股本及儲備）。

Management Discussion and Analysis

管理層討論與分析

LIQUIDITY AND FINANCIAL RESOURCES

The Group monitors its liquidity requirements on a short to medium term basis and arranges refinancing of the Group's borrowings when appropriate. At 31 December 2019, the underlying current ratio, defined as current assets over current liabilities, was approximately 1.87 (2018: 2.26). At 31 December 2019, the underlying gearing ratio, defined as the total borrowings over total equity (including non-controlling interests), was approximately 16% (2018: 27%) while the current liabilities to the total assets ratio was approximately 21% (2018: 25%).

At 31 December 2019, the Group's equity attributable to owners of the Company was approximately HK\$732,376,000 a decrease of approximately 6.3% over last year end which was approximately HK\$781,480,000. The net current assets at 31 December 2019 was approximately HK\$192,475,000 (2018: HK\$356,514,000) while cash and bank balances at 31 December 2019 was approximately HK\$2,024,000 (2018: HK\$553,114,000).

CONTINGENT LIABILITIES

Certain properties of a subsidiary were pledged in favour of a PRC trust company to secure the payment obligation of an independent third party in the sum of approximately HK\$89,400,000 (equivalent to RMB80,000,000) granted by the PRC trust company in favour of the independent third party. As at 31 December 2019, the outstanding loan amount of the independent third party was approximately HK\$89,400,000 (equivalent to RMB80,000,000) and the carrying amount of the pledged properties was approximately HK\$119,962,000.

The Group had no other material contingent liabilities.

CHARGE ON ASSETS

At 31 December 2019, property, plant and equipment of approximately HK\$119,962,000 (2018: HK\$122,227,000) was pledged as securities for payment obligation of an independent third party.

流動資金及財務資源

本集團按中短期基準監控流動資金需求，並於適當時為本集團借貸安排再融資。於二零一九年十二月三十一日，相關流動比率（即流動資產除以流動負債）約為1.87（二零一八年：2.26）。於二零一九年十二月三十一日，相關資本負債比率（即總借貸除以總權益（包括非控股股東權益））約為16%（二零一八年：27%），而流動負債對總資產之比率約為21%（二零一八年：25%）。

於二零一九年十二月三十一日，本公司擁有人應佔本集團權益約為732,376,000港元，較去年底約781,480,000港元減少約6.3%。於二零一九年十二月三十一日之流動資產淨值約為192,475,000港元（二零一八年：356,514,000港元），而於二零一九年十二月三十一日之現金及銀行結餘約為2,024,000港元（二零一八年：553,114,000港元）。

或然負債

一間附屬公司之若干物業被抵押予一間中國信託公司，作為一名獨立第三方對該中國信託公司授予該獨立第三方為數約89,400,000港元（相當於人民幣80,000,000元）貸款的償付責任的擔保。於二零一九年十二月三十一日，獨立第三方之未償還貸款金額約為89,400,000港元（相當於人民幣80,000,000元）及抵押物業的賬面值約為119,962,000港元。

本集團並無其他重大或然負債。

資產抵押

於二零一九年十二月三十一日，本集團已抵押物業、廠房及設備約119,962,000港元（二零一八年：122,227,000港元）作為獨立第三方付款責任之擔保。

Management Discussion and Analysis

管理層討論與分析

FOREIGN CURRENCIES

During the year, most of the business transactions, assets and liabilities of the Group were denominated in Hong Kong Dollars, Renminbi and United States Dollars. The Group had no material foreign exchange exposure risks during the year.

FINAL DIVIDEND

The Board has resolved not to propose any final dividend for the year ended 31 December 2019 (2018: nil).

外匯貨幣

於年內，本集團之大部份業務交易、資產及負債均以港元、人民幣及美金為計值單位。本集團於年內並無重大外匯風險。

末期股息

董事會議決不建議派發截至二零一九年十二月三十一日止年度之任何末期股息（二零一八年：無）。

CORPORATE GOVERNANCE REPORT

企業管治報告

The board of directors (the “Board”) and the Management of the Company are committed to the principles of corporate governance and to maximise shareholders’ value. These principles and objectives enhance the transparency, accountability and independence of the Company and its ability to attract investment and protect rights of shareholders. The Company continues to review the effectiveness of corporate structure so as to improve its corporate governance practices.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted its own code on corporate governance practices which incorporates all the code provisions in the Corporate Governance Code (the “CG Code”) set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Directors confirm that, throughout the financial year, the Company complied with the code provisions of the CG Code except for the following deviations:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Mr. Xu Xiao Jun, the Chief Executive Officer of the Company, had also been appointed as the Chairman of the Company since 31 July 2017. 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 calibre individuals with sufficient number thereof being independent non-executive Directors.

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The term of office for non-executive Directors including independent non-executive Directors of the Company is not specific. It is provided in the Company’s articles of association that all the Directors are subject to retirement by rotation at least once every three years at the annual general meetings of the Company and are eligible for re-appointment. The Directors are of the view that such provision in the Company’s articles of association has been able to safeguard corporate governance.

本公司董事會（「董事會」）及管理層秉持企業管治原則及致力令股東價值最大化。該等原則及目標可提高本公司之透明度、問責性及獨立性以及其吸引投資及保障股東權利之能力。本公司將繼續檢討企業架構之成效，以優化其企業管治常規。

企業管治常規

本公司已採納自訂企業管治常規守則，該守則已納入香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載企業管治守則（「企業管治守則」）內之所有守則條文。董事確認，本公司已於整個財政年度內遵守企業管治守則所載之守則條文，惟偏離了以下守則條文：

企業管治守則的守則條文A.2.1規定主席及行政總裁之角色應有所區分及不應由同一人士擔任。主席與行政總裁的職責應明確劃分並以書面形式訂明。本公司行政總裁徐小俊先生自二零一七年七月三十一日起亦獲委任為本公司主席。董事會認為由同一人士擔任主席及行政總裁有助於保證本集團內部領導的貫徹一致，並保證本集團整體策略規劃更有效及高效地進行。董事會認為現時安排的權力及授權平衡將不會受到削弱及能夠得到現任董事會（其由經驗豐富及高素質的人士組成，並具有足夠數目的獨立非執行董事）的充分保證。

企業管治守則守則條文A.4.1規定非執行董事應以特定任期委任，並須膺選連任。本公司非執行董事（包括獨立非執行董事）並無特定任期。本公司組織章程細則規定所有董事均須至少每三年在本公司股東週年大會上輪值退任一次及合資格於會上膺選連任。董事認為本公司組織章程細則內此等條文足以保障企業管治。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct governing directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules throughout the financial year. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions.

BOARD OF DIRECTORS

Each Director has a duty to act in good faith and in the best interests of the Company and is accountable for the manner in which the affairs of the Company are managed, controlled and operated. The Directors are collectively responsible for the success of the Company. The Board, as at 31 December 2019, comprised:

- (a) three executive Directors, namely Mr. Xu Xiao Jun (Chairman and Chief Executive Officer), Mr. Ye De Chao and Mr. Ji Xu Dong; and
- (b) three independent non-executive Directors, namely, Mr. He Jin Geng, Mr. Yu Hong Gao and Ms. Chen Yang and one of whom has appropriate professional qualifications, accounting and related financial expertise required under Rule 3.10(2) of the Listing Rules.

The Company considers that the Board has a range of the necessary skills and experiences for discharging their duties. All Directors have been kept informed of major changes on a timely basis that may affect the Company's business.

INDEPENDENT PROFESSIONAL ADVICE

The Directors may, in appropriate circumstances, take independent professional advice from external consultants including counsels, at the Company's expense. During the year under review, counsels were engaged to provide the Board with advice on legal matters.

董事進行證券交易

本公司已於整個財政年度內就董事進行證券交易採納條款不遜於上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）所載之規定標準之操守守則。本公司已向全體董事作出特定查詢，董事確認彼等一直遵照標準守則所載之規定標準及本公司之董事進行證券交易之操守守則。

董事會

各董事均有責任以本公司之最佳利益為大前提忠誠行事，並且須就本公司之管理、監控及營運事宜承擔責任。董事共同就本公司之成功承擔責任。於二零一九年十二月三十一日，董事會由以下成員組成：

- (a) 三位執行董事，分別為徐小俊先生（主席兼行政總裁）、業德超先生及季旭東先生；及
- (b) 三位獨立非執行董事，分別為何金耿先生、郁紅高先生及陳洋女士，其中一位擁有上市規則第3.10(2)條規定之適當專業資格、會計及相關財務專業知識。

本公司認為，董事會各成員均具備多項必要之技能及經驗以履行彼等之職責。全體董事均及時獲知會各項可能影響本公司業務之重大變動。

獨立專業意見

董事可在合適情況下尋求外聘顧問（包括律師）之獨立專業意見，費用概由本公司承擔。於回顧年度內，已委聘律師就法律事宜向董事會提供意見。

BOARD MEETINGS

The Board meets regularly to formulate the objectives of the Company, make decisions on strategic plans and budgets, monitor the performance of the Senior Management, determine and review the strategy of the Company, oversee the Company's compliance with statutory and regulatory requirement and to ensure that there is a sound system of internal control and risk management with a goal of protecting the interests of all shareholders.

Sufficient notices accompanying with agendas for regular and non-regular board meetings were given to all of the Directors so that full attendance could be attained and timely information was provided so that informed decisions could be made. The Board conducts meeting on a regular and ad hoc basis, as required by business needs.

The Board held totally 4 board meetings during the financial year and the attendance of individual director is recorded as follows:

Attendance Record of Board Meetings (1 January 2019 – 31 December 2019)

董事會會議

董事會定期舉行會議，旨在制定本公司之目標、為策略性計劃及預算作出決定、監察高級管理層之表現、確立及審核本公司之策略、監察本公司遵守法定及監管規定之情況，以及確保本集團具備健全之內部監控及風險管理系統，以保障全體股東權益。

全體董事已就定期及非定期董事會會議獲發足夠之通知及議程，以確保各董事均有出席該等會議及可在及時掌握有關資料的情況下作出知情決定。董事會定期舉行會議及在有業務需要時舉行特別會議。

於本財政年度內，董事會共舉行4次董事會會議，而個別董事之出席記錄如下：

董事會會議之出席記錄（二零一九年一月一日至二零一九年十二月三十一日）

		Attendance 出席次數	Attendance Rate 出席率
Number of board meetings	董事會會議次數	4	
Directors	董事		
<i>Executive Directors</i>	<i>執行董事</i>		
XU Xiao Jun (Chairman and Chief Executive Officer)	徐小俊 (主席兼行政總裁)	4/4	100%
YE De Chao	業德超	4/4	100%
JI Xu Dong	季旭東	4/4	100%
<i>Independent Non-executive Directors</i>	<i>獨立非執行董事</i>		
HE Jin Geng	何金耿	4/4	100%
YU Hong Gao	郁紅高	4/4	100%
CHEN Yang	陳洋	4/4	100%

INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with Rules 3.10(1) and 3.10(2) of the Listing Rules, the Company has appointed at least three independent non-executive directors and one of whom must have appropriate professional qualifications or accounting or related financial management expertise. As at 31 December 2019, the independent non-executive Directors of the Company (the “INEDs”) represented at least one-third of the Board in compliance with Rule 3.10A of the Listing Rules.

The Board is aware of other commitments of the INEDs and is satisfied that these do not conflict with their duties as the Directors of the Company. The Company has received from each of the INEDs an annual confirmation of his independence as required under Rule 3.13 of the Listing Rules. Based on these confirmations, the Company considers that each of the INEDs is independent.

The terms and conditions of appointing the INEDs are available for inspection at the Company's registered office.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director is provided with an induction package covering the Group's business and the statutory regulatory obligations of a director of a listed company so as to ensure that he/she has appropriate understanding of the business and operation of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and the relevant regulatory requirements.

Code provision A.6.5 of the CG Code requires that all Directors of the Company should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the year under review, all Directors of the Company participated in continuous professional development programmes and provided a record of training they received to the Company.

獨立非執行董事

為符合上市規則第3.10(1)及3.10(2)條，本公司已委任至少三名獨立非執行董事，且其中一名須具備適當之專業資格或會計或相關財務管理專長。為符合上市規則第3.10A條，於二零一九年十二月三十一日，本公司之獨立非執行董事（「獨立非執行董事」）佔董事會成員人數至少三分之一。

董事會知悉獨立非執行董事之其他責任，並信納該等責任與彼等擔任本公司董事之職責並無衝突。本公司已接獲各獨立非執行董事就其獨立性根據上市規則第3.13條規定發出之年度確認書。根據該等確認書，本公司認為各獨立非執行董事均為獨立人士。

委任獨立非執行董事之條款及條件於本公司之註冊辦事處可供查閱。

董事之持續專業發展

每位新委任董事均獲提供一份入職資料，涵蓋本集團業務以及作為上市公司董事在法定及監管規定上所須履行責任之資料，以確保其適當理解本集團之業務及營運，及其充分了解其於上市規則及相關監管規定下之職責及責任。

企業管治守則守則條文A.6.5規定，本公司所有董事均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。於回顧年度內，本公司所有董事均已參與持續專業發展課程，並向本公司提供彼等所接受培訓的記錄。

Corporate Governance Report

企業管治報告

The individual training record of each Director for the year ended 31 December 2019 is set out below.

截至二零一九年十二月三十一日止年度，各董事的個別培訓記錄列明如下。

Types of continuous professional development programmes

持續專業發展課程類別

Executive Directors		執行董事	
XU Xiao Jun		徐小俊	A, B
YE De Chao		業德超	A, B
JI Xu Dong		季旭東	B
Independent Non-executive Directors		獨立非執行董事	
HE Jin Geng		何金耿	B
YU Hong Gao		郁紅高	B
CHEN Yang		陳洋	B

A: attending seminars and/or conferences and/or forums

A: 出席講座及/或討論會及/或研討會

B: reading journals, newsletter, seminar materials and updates relating to the latest development of the Listing Rules, other applicable regulatory requirements and directors' duties and responsibilities

B: 閱讀有關上市規則、其他適用監管規定及董事職務及責任之最新發展的報刊、通訊、研討會材料與更新資料

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Since 31 July 2017, Mr. Xu Xiao Jun, the Chief Executive Officer, was also appointed as the Chairman of the Company. 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 calibre individuals with sufficient number thereof being independent non-executive Directors.

主席兼行政總裁

企業管治守則的守則條文A.2.1規定主席及行政總裁之角色應有所區分及不應由同一人士擔任。主席與行政總裁的職責應明確劃分並以書面形式訂明。

自二零一七年七月三十一日起，行政總裁徐小俊先生同時獲委任為本公司主席。董事會認為由同一人士擔任主席及行政總裁有助於保證本集團內部領導的貫徹一致，並保證本集團整體策略規劃更有效及高效地進行。董事會認為現時安排的權力及授權平衡將不會受到削弱及能夠得到現任董事會（其由經驗豐富及高素質的人士組成，並具有足夠數目的獨立非執行董事）的充分保證。

DELEGATION BY THE BOARD

The Board, headed by the Chairman, reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. The Board regularly reviews and ensures that corporate governance principles are in place and at good standard.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

BOARD COMMITTEES

The Board has established internal committees which are of no less compliance requirements than those set out in the CG Code of the Listing Rules, namely, Remuneration Committee, Nomination Committee, Audit Committee and Corporate Governance Committee. To further reinforce independence, these four committees are structured to include a majority of independent non-executive Directors.

REMUNERATION COMMITTEE

As at 31 December 2019, the Remuneration Committee was chaired by Mr. Yu Hong Gao, an independent non-executive Director with other committee members comprising two other independent non-executive Directors, namely Mr. He Jin Geng and Ms. Chen Yang and one executive Director, namely Mr. XU Xiao Jun. The Remuneration Committee comprises a majority of independent non-executive Directors that brings an independent and objective view to the remuneration packages of the executive Directors and Senior Management of the Company to provide a significant degree of protection to the shareholders. No director involved in deciding his/her own remuneration.

During the financial year, the Remuneration Committee reviewed the remuneration packages of the Directors and the Senior Management, including discretionary bonus, which were based on individual performance, skill and knowledge, involvement in the Group's affairs and performance and profitability of the Group.

董事會授權

董事會乃由主席帶領，保留於本公司所有主要事項之決策權，包括：批准及監察所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（特別是可能涉及利益衝突之交易）、財務資料、委任董事以及其他重大財務及營運事宜。董事會定期檢討並確保已設立企業管治原則及維持良好標準。

本集團之日常管理、行政及營運已授予高級管理層負責。授權職能及職責由董事會定期檢討。管理層訂立任何重大交易前須取得董事會之批准。

董事會委員會

董事會已成立內部委員會（其遵守規定不比上市規則之企業管治守則所載之規定寬鬆），分別為薪酬委員會、提名委員會、審核委員會及企業管治委員會。為進一步加強獨立性，該四個委員會之成員大部分為獨立非執行董事。

薪酬委員會

於二零一九年十二月三十一日，薪酬委員會之主席為獨立非執行董事郁紅先生，其他委員會成員包括其他兩名獨立非執行董事（即何金耿先生及陳洋女士）及一名執行董事（即徐小俊先生）。薪酬委員會之大部分成員由獨立非執行董事擔任，薪酬委員會為本公司執行董事及高級管理層之薪酬待遇提供獨立及客觀之意見，以為股東提供較大程度之保障。概無董事參與釐定彼本身之薪酬。

於本財政年度內，薪酬委員會已根據個人表現、技能及知識、對本集團事務之參與程度、本集團之表現及盈利能力，審核董事及高級管理層之薪酬待遇，包括酌情花紅。

Corporate Governance Report

企業管治報告

The Remuneration Committee determines the specific remuneration packages of individual executive Directors and Senior Management, including benefits in kind, pension rights and compensation payments; and makes recommendations to the Board on the remuneration of non-executive Directors. The responsibilities of the Remuneration Committee are described in the terms of reference adopted. Details of the remunerations of the Directors are shown on pages 115 to 116 of this annual report. The Remuneration Committee had met once during the financial year and the attendance of individual member is recorded as below.

Attendance Record of Remuneration Committee Meeting (1 January 2019 – 31 December 2019)

薪酬委員會釐定個別執行董事及高級管理層的特定薪酬待遇（包括非金錢利益、退休金權利及賠償金額）；以及就非執行董事的薪酬向董事會提出建議。薪酬委員會之責任載述於所採納之職權範圍內。董事薪酬詳情載於本年報第115至116頁。薪酬委員會於本財政年度內舉行了一次會議，個別成員之出席記錄載於下文。

薪酬委員會會議之出席記錄（二零一九年一月一日至二零一九年十二月三十一日）

		Attendance 出席次數	Attendance Rate 出席率
Number of remuneration committee meeting	薪酬委員會會議次數	1	
Members	成員		
<i>Independent Non-executive Directors</i>	<i>獨立非執行董事</i>		
YU Hong Gao (Chairman)	郁紅高 (主席)	1/1	100%
HE Jin Geng	何金耿	1/1	100%
CHEN Yang	陳洋	1/1	100%
<i>Executive Director</i>	<i>執行董事</i>		
XU Xiao Jun	徐小俊	1/1	100%

NOMINATION COMMITTEE

As at 31 December 2019, the members of the Nomination Committee included three independent non-executive Directors, namely Mr. He Jin Geng, Mr. Yu Hong Gao and Ms. Chen Yang with Mr. Xu Xiao Jun, an executive Director, as the Committee Chairman.

The Nomination Committee is responsible for making recommendations to the Board for its approval on the appointment of the Directors, evaluation of board composition and the management of board succession with reference to various aspects as well as factors concerning board diversity as set out in the Company's board diversity policy, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

提名委員會

於二零一九年十二月三十一日，提名委員會之成員包括三名獨立非執行董事（即何金耿先生、郁紅高先生及陳洋女士），而執行董事徐小俊先生則為委員會主席。

提名委員會負責就董事會批准董事之委任、評估董事會之組成及董事會成員繼任管理，參照本公司的董事會多元化政策所載有關董事會多元化的各方面及因素，包括但不限於性別、年齡、文化和教育背景、種族、專業經驗、技能、知識和服務年資。最終決定將以選定的候選人將對董事會帶來有關的功績和貢獻為基礎。

The Nomination Committee carries out the process of selecting and recommending candidates for directorship including the consideration of referrals and engagement of external recruitment professionals when necessary. The Chairman of the Nomination Committee, in consultation with the person responsible for human resources and the secretary of the Nomination Committee, should be primarily responsible for drawing up and approving the agenda for each Nomination Committee meeting. Potential candidates are then considered at the Nomination Committee meetings based on their experience, professional qualifications, independence and their expected remuneration packages to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendation to the Board. The Nomination Committee held two meetings during the financial year and the attendance of individual member is recorded as below.

提名委員會進行挑選及推薦董事人選之程序，包括考慮被推薦人選及在有需要時委聘外界招聘專才。提名委員會主席向負責人力資源之人員及提名委員會秘書諮詢意見後，主要負責訂立及批准每次提名委員會會議之議程。其後，各成員於提名委員會會議上向董事會提出建議前將根據潛在候選人之經驗、專業資格、獨立性及彼等所預期之薪酬待遇對有關潛在候選人作出考慮，以配合企業策略及達致董事會多元化（如適用）。提名委員會於本財政年度內舉行了兩次會議，個別成員之出席記錄載於下文。

Attendance Record of Nomination Committee Meetings (1 January 2019 – 31 December 2019)

提名委員會會議之出席記錄（二零一九年一月一日至二零一九年十二月三十一日）

		Attendance 出席次數	Attendance Rate 出席率
Number of nomination committee meetings	提名委員會會議次數	1	
Members	成員		
<i>Independent Non-executive Directors</i>	<i>獨立非執行董事</i>		
HE Jin Geng	何金耿	1/1	100%
YU Hong Gao	郁紅高	1/1	100%
CHEN Yang	陳洋	1/1	100%
<i>Executive Director</i>	<i>執行董事</i>		
XU Xiao Jun (Chairman)	徐小俊 (主席)	1/1	100%

The Nomination Committee completed the following work in 2019:

提名委員會於二零一九年完成了以下工作：

- | | |
|---|--|
| <p>(1) Reviewed the structure, size, composition and diversity of the Board;</p> <p>(2) Made recommendations to the Board on the re-election of directors retiring at the annual general meeting of the Company held on 21 June 2019; and</p> <p>(3) Assessed the independence of all the independent non-executive directors of the Company.</p> | <p>(1) 檢討董事會的結構、規模、組成及多元性；</p> <p>(2) 就重選於二零一九年六月二十一日舉行之本公司股東週年大會上輪值告退之董事向董事會提供建議；及</p> <p>(3) 評估本公司全體獨立非執行董事之獨立性。</p> |
|---|--|

AUDIT COMMITTEE

The Audit Committee reviews the Company's financial reports, internal controls and corporate governance issues, appointment of external auditors and review their independency and makes relevant recommendations to the Board. The written terms of reference which describes the authority and duties of the Audit Committee has been prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" and "A Guide for Effective Audit Committee" published by the Hong Kong Institute of Certified Public Accountants, and amended in accordance with the CG Code.

As at 31 December 2019, all the committee members were independent non-executive Directors and one of whom possesses appropriate professional qualifications, accounting or related financial management expertise. The Chairman of the Audit Committee, Mr. He Jin Geng, is a qualified accountant and has the relevant financial experience. Other members were Mr. Yu Hong Gao and Ms. Chen Yang. None of the Audit Committee members were members of the former or existing auditors of the Company.

The Audit Committee held 2 meetings during the financial year and the attendance of individual member is recorded as below. During the meetings, the Audit Committee reviewed the accounting principles and practices adopted by the Group, the interim and annual reports of the Group and discussed with the external auditors on auditing, internal control and financial reporting matters.

Attendance Record of Audit Committee Meetings (1 January 2019 – 31 December 2019)

		Attendance 出席次數	Attendance Rate 出席率
Number of audit committee meetings	審核委員會會議次數	2	
Members	成員		
<i>Independent Non-executive Directors</i>	獨立非執行董事		
HE Jin Geng (Chairman)	何金耿 (主席)	2/2	100%
YU Hong Gao	郁紅高	2/2	100%
CHEN Yang	陳洋	2/2	100%

審核委員會

審核委員會審閱本公司之財務報告、內部監控及企業管治問題、外聘核數師委任及其獨立性並向董事會提出相關推薦建議。審核委員會之書面職權範圍列明審核委員會之權力與職責，乃參照香港會計師公會頒佈之《成立審核委員會指引》及《審核委員會有效運作指引》而制定及採納，並根據企業管治守則作出修訂。

於二零一九年十二月三十一日，所有委員會成員均為獨立非執行董事，其中一位具備適當專業資格、會計或相關財務管理之專業知識。審核委員會主席何金耿先生為合資格會計師及具備相關財務經驗。其他成員分別為郁紅高先生及陳洋女士。並無審核委員會成員為本公司前任或現任核數師成員。

審核委員會於本財政年度內舉行了兩次會議，個別成員之出席記錄載於下文。會上，審核委員會已審閱本集團所採納之會計原則及常規以及本集團之中期報告及年報，並與外聘核數師商討審核、內部監控及財務報告事宜。

審核委員會會議之出席記錄（二零一九年一月一日至二零一九年十二月三十一日）

CORPORATE GOVERNANCE COMMITTEE

As at 31 December 2019, the Corporate Governance Committee consisted of four members, namely Mr. He Jin Geng, Mr. Yu Hong Gao and Ms. Chen Yang, all being independent non-executive Directors and Mr. Xu Xiao Jun, being an executive Director. Mr. Xu Xiao Jun was the Chairman of the Corporate Governance Committee.

The Corporate Governance Committee is responsible for, including but not limited to, developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board, reviewing and monitoring the training and continuous professional development of the Directors and Senior Management of the Company, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, developing, reviewing and monitoring the code of conduct applicable to the employees and the Directors of the Company, and reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Chairman of the Corporate Governance Committee should be primarily responsible for drawing up and approving the agenda for each Corporate Governance Committee meeting and ensure that all members of the Corporate Governance Committee should have sufficient information in a timely manner to enable effective discussion at the Corporate Governance Committee meeting. The Chairman should also brief all members on issues arising at each Corporate Governance Committee meeting. The Corporate Governance Committee held one meeting during the financial year and the attendance of individual member is recorded as below. During the meeting, the Corporate Governance Committee reviewed the training and continuous professional development of the Directors and Senior Management, the Company's policies and practices on compliance with legal and regulatory requirements and the Company's compliance with the CG Code and disclosure in the Corporate Governance Report of this annual report.

企業管治委員會

於二零一九年十二月三十一日，企業管治委員會由四名成員組成，包括獨立非執行董事何金耿先生、郁紅高先生及陳洋女士，以及執行董事徐小俊先生。徐小俊先生為企業管治委員會主席。

企業管治委員會之職責包括但不限於制訂及檢討本公司的企業管治政策和常規，並向董事會提出推薦建議，檢討及監察本公司董事及高級管理層的培訓及持續專業發展，檢討及監察本公司在遵守法律及監管規定方面的政策及常規，制訂、檢討及監察適用於本公司僱員及董事的操守準則，以及檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露。

企業管治委員會主席的主要責任是訂立及批准每次企業管治委員會會議的議程及確保所有企業管治委員會成員及時收到足夠資料，以便在企業管治委員會會議上進行有效討論。主席亦須向所有成員簡報每次企業管治委員會會議提出的事項。企業管治委員會於本財政年度內舉行了一次會議，個別成員之出席記錄載於下文。會上，企業管治委員會已檢討董事及高級管理層的培訓及持續專業發展、本公司在遵守法律及監管規定方面的政策及常規、以及本公司遵守企業管治守則的情況及在本年報的企業管治報告內的披露。

Corporate Governance Report

企業管治報告

Attendance Record of Corporate Governance Committee Meetings (1 January 2019 – 31 December 2019)

企業管治委員會會議之出席記錄（二零一九年一月一日至二零一九年十二月三十一日）

		Attendance 出席次數	Attendance Rate 出席率
Number of corporate governance committee meetings	企業管治委員會會議次數	1	
Members	成員		
<i>Independent Non-executive Directors</i>	獨立非執行董事		
HE Jin Geng	何金耿	1/1	100%
YU Hong Gao	郁紅高	1/1	100%
CHEN Yang	陳洋	1/1	100%
<i>Executive Director</i>	執行董事		
XU Xiao Jun (Chairman)	徐小俊 (主席)	1/1	100%

AUDITOR'S REMUNERATION

During the year ended 31 December 2019, the audit fees and non-audit fees payable/paid to the external auditors of the Group were HK\$1,000,000 (2018: HK\$1,180,000) and nil (2018: nil) respectively.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy") on payment of dividends. Provided that the Group has distributable profits and without affecting the operations of the Group, the Company may consider to declare and pay dividends to the shareholders of the Company (the "Shareholders"). In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, included but not limited to: (i) the general financial condition of the Group; (ii) the expected working capital requirements and debt level of the Group; (iii) the actual and future operations and liquidity position; (iv) the expectations of the Shareholders and investors and industry practices; (v) any restrictions on payment of dividends that may be imposed by the Group's lenders; (vi) the general market conditions; and (vii) any other factors that the Board deems appropriate.

The payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and the memorandum and articles of association of the Company. The Dividend Policy will continue to be reviewed by the Board from time to time and there can be no assurance that a dividend will be proposed or declared in any particular amount for any specific period.

核數師薪酬

截至二零一九年十二月三十一日止年度，應付／已付本集團外聘核數師之審核費用及非審核費用分別為1,000,000港元（二零一八年：1,180,000港元）及零（二零一八年：零）。

股息政策

本公司就派發股息已採納一項股息政策（「股息政策」）。倘本集團錄得可供分派溢利及不影響本集團之正常營運的情況之下，本公司可考慮向本公司股東（「股東」）宣派及派付股息。於決定是否建議派發股息及釐定股息金額時，董事會須考慮包括但不限於：(i) 本集團的一般財務狀況；(ii) 本集團之營運資金需求及債務狀況；(iii) 本集團實際和未來營運及流動資金狀況；(iv) 股東及投資者的期望及行業的常規；(v) 本集團的貸方可能對派付股息實施的任何限制；(vi) 一般市場情況；及(vii) 董事會認為適當的任何其它因素。

本公司派付股息亦須遵守開曼群島法律及本公司組織章程細則規定下的任何限制。董事會將持續不時檢討股息政策，惟未能保證將於任何指定期間建議或派付任何特定金額之股息。

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors aim to present the consolidated financial statements of the Group in accordance with the statutory requirements and applicable accounting standards. The Directors ensure the publication of consolidated financial statements of the Group in a timely manner that the final and interim results of the Group are announced within the three months and two months limit respectively after the end of the relevant periods prescribed under the Listing Rules.

The consolidated financial statements of the Group for the year ended 31 December 2019 have been reviewed by the Audit Committee and audited by the external auditors HLB Hodgson Impey Cheng Limited.

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group and presenting a balanced, clear and comprehensive assessment of the Group's performance and prospects. They are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the ability of the Group to continue as a going concern. The Statement of the Auditors about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group established and maintained appropriate and effective risk management and internal control systems.

The Audit Committee reviews the risk management and internal controls that are significant to the Group on an on-going basis. The Audit Committee would consider the adequacy of resource, qualifications and experience and training of staff and external advisor of the Group's accounting, internal audit and financial reporting function.

董事就綜合財務報表承擔之責任

董事旨在根據法定要求及適用會計準則呈列本集團之綜合財務報表。董事確保按時刊發本集團之綜合財務報表，致使本集團之末期及中期業績會分別於上市規則所訂明之有關期間結束後三個月及兩個月時限內公佈。

本集團截至二零一九年十二月三十一日止年度之綜合財務報表已由審核委員會審閱及由外聘核數師國衛會計師事務所有限公司審核。

董事確認編製本集團之綜合財務報表及呈列本集團表現及前景之平衡、清晰及完備之評估之責任。彼等並不知悉任何有關事件或狀況之重大不明朗因素，而該等事件或狀況可能對本集團持續經營之能力構成重大疑問。核數師就其於綜合財務報表之申報責任作出之聲明乃載於獨立核數師報告。

風險管理及內部監控

董事會全面負責評估及決定在達成本集團策略目標過程中所願意承擔的風險性質及程度，並確保本集團建立及維持恰當有效的風險管理及內部監控系統。

審計委員會持續檢討對本集團持續經營尤為重要的風險管理及內部監控。審計委員會將考慮本集團會計、內部審計及財務申報職能部門的資源、員工資質、經驗及培訓以及外部顧問的充足性。

Corporate Governance Report

企業管治報告

The management of the Group is responsible for designing, maintaining, implementing and monitoring of the risk management and internal control system to ensure adequate control in place to safeguard the Group's assets and stakeholder's interest.

The Group has established risk management procedures to address and handle all the significant risks associated with the business of the Group. The Board would perform annual review on any significant change of the business environment and establish procedures to respond to the risks resulted from significant change of business environment. The risk management and internal control systems are designed to mitigate the potential losses of the business.

The management would identify the risks associated with the business of the Group by considering both internal and external factors and events which include political, economic, technology, environmental, social and staff. Each of the risks has been assessed and prioritised based on their relevant impact and occurrence opportunity. The relevant risk management strategy would be applied to each type of risks according to the assessment results. Type of risk management strategy has been listed as follow:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risks;
- Risk avoidance: change business process or objective so as to avoid the risk;
- Risk sharing and diversification: diversify the effect of the risk or allocate to different location or product or market; and
- Risk transfer: transfer ownership and liability to a third party

The internal control systems are designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact results from the risks. The risk management and internal control system 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.

本集團管理層負責設計、維持、執行及監督風險管理及內部監控系統，以確保有充足的監控措施保障本集團資產及權益持有人之權益。

本集團已建立風險管理程序以應對及處理與本集團業務有關的一切重大風險。董事會將對業務環境的任何重大變化進行年度審計，並建立程序應對業務環境之重大變化帶來的風險。風險管理及內部監控系統乃為降低業務之潛在損失而設計。

管理層將考慮包括政治、經濟、科技、環境、社會及員工在內的內部及外部因素以及事件，以識別與本集團業務有關的風險。我們將根據各項風險的影響及其發生機率評估有關風險並決定優先應對次序。有關風險管理策略將根據評估結果應用至每種類型風險。風險管理策略可分為以下類型：

- 風險自留及降低風險：接受風險的影響或本集團採取措施降低風險的影響；
- 規避風險：改變業務流程或目標以規避風險；
- 分擔及分散風險：分散有關風險的影響或將其分攤至不同地區、產品或市場；及
- 轉移風險：將所有權及責任轉移至第三方

內部監控系統之設計及實施目的乃為降低本集團承擔的業務相關風險，以及儘可能降低有關風險帶來的不利影響。風險管理及內部監控系統的設計乃為管理而非消除無法達成業務目標的風險，且僅可提供合理而非絕對保證不會出現嚴重誤報或損失。

For the financial year ended 31 December 2019, the Group has engaged an external advisory firm to undertake the internal audit function to ensure the effectiveness and efficiency of the risk management and internal control system of the Group. There is no significant deficiency and weakness on the internal control system being identified by the external advisory firm for the year ended 31 December 2019.

The Board considered that, for the year ended 31 December 2019, the risk management and internal control system and procedures of the Group, covering all material controls including financial, operational and compliance controls and risk management functions were reasonably effective and adequate.

COMPANY SECRETARY

As at 31 December 2019, the company secretary of the Company, Mr. Tso Ping Cheong Brian, fulfills the requirement under Rules 3.28 and 3.29 of the Listing Rules. During the year ended 31 December 2019, Mr. Tso has duly complied with the relevant professional training requirement and he has taken no less than 15 hours of relevant professional training to update his skills and knowledge.

SHAREHOLDERS' RIGHTS

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

In accordance with Article 57 of the articles of association of the Company, an extraordinary general meeting shall be convened on the written requisition of any 2 or more members holding at the date of the deposit of the requisition in aggregate not less than 10 per cent of such of the paid up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company. Such requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office. If the Directors do not within 21 days from the date of the deposit of such requisition proceed duly to convene an extraordinary general meeting, the requisitionists themselves may convene the extraordinary general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene such a meeting shall be reimbursed to them by the Company.

於截至二零一九年十二月三十一日止財政年度，本集團已委聘外部顧問機構開展內部審計工作，以確保本集團風險管理及內部監控系統的有效性及效率。截至二零一九年十二月三十一日止年度，外聘顧問機構並無發現內部監控系統存在重大缺陷或不足。

董事會認為，截至二零一九年十二月三十一日止年度，本集團的風險管理以及內部監控系統及程序涵蓋所有重大監控，包括財務、營運及合規監控及風險管理職能已屬合理有效及充分。

公司秘書

於二零一九年十二月三十一日，本公司的公司秘書曹炳昌先生符合上市規則第3.28條及第3.29條的要求。於截至二零一九年十二月三十一日止年度，曹先生已妥為遵守相關專業培訓要求，並已接受不少於十五個小時相關專業培訓以更新其技能及知識。

股東權利

股東召開股東特別大會之程序

根據本公司之組織章程細則第57條，在提呈要求當日持有總共不少於本公司於提呈當日百分之十的繳足股本（附有在本公司股東大會上的表決權）的任何兩名或以上股東書面要求的情況下，須召開股東特別大會。該要求必須指明大會之目的，並須由遞呈要求人士簽署及遞交至辦事處。倘自遞呈該要求日期起21日內，董事未有正式召開股東特別大會，則遞呈要求人士可自行以盡可能接近董事會召開會議的相同方式召開股東特別大會，而遞呈要求人士因董事會未有召開該大會而招致的所有合理開支須由本公司向遞呈要求人士償付。

Corporate Governance Report

企業管治報告

PROCEDURES FOR PUTTING FORWARD ANY SHAREHOLDERS' ENQUIRIES OR PROPOSALS TO THE BOARD

Shareholders may at any time send their enquiries or proposals to the Board/Company Secretary by email: hkoffice@china-infrastructure.com, by fax: (852) 2698 8188, or by mail to Suite 607, 6th Floor, Ocean Centre, 5 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

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

INVESTOR RELATIONS

The Company continues to pursue a proactive policy of promoting corporate transparency and communications with the shareholders, potential investors and investment community through its mandatory interim and final reports. The Senior Management responsible for investor relations holds meetings with press reporters and potential strategic investors to keep them abreast of the Company's development.

During the year under review, an amended and restated articles of association of the Company ("Articles of Association") was adopted by special resolution passed on 21 June 2019. An up to date version of the Articles of Association is available on the Company's website and the Stock Exchange's website. The shareholders may refer to the Articles of Association for further details of their rights.

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good communications with all shareholders so that they can exercise their rights as shareholders in an informed basis. Besides regular distribution of financial reports, the Company has a corporate website to foster effective communications with the shareholders. It is maintained to disseminate Company's announcements and presentations, shareholders' information and other relevant financial and non-financial information on a timely basis.

股東向董事會作出查詢或建議之程序

股東可隨時透過以下方式將其查詢或建議發送給董事會／公司秘書：發電郵至 hkoffice@china-infrastructure.com，或傳真至 (852) 2698 8188，或郵寄至香港九龍尖沙咀廣東道5號海洋中心6樓607室。

股東亦可在本公司之股東大會上向董事會作出查詢。

投資者關係

本公司一直秉承積極主動的政策，透過發佈強制性的中期報告及末期報告提升其企業透明度及加強與股東、潛在投資者及投資界之溝通。負責投資者關係的高級管理層與傳媒報導者及潛在策略投資者舉行會議，使彼等了解本公司之最新發展。

在回顧年內，經修訂和重列的本公司組織章程細則（「章程細則」）經由於二零一九年六月二十一日通過的特別決議案獲採納。組織章程細則的最新版本可在本公司網站及聯交所網站查閱。股東亦可參考組織章程以取得有關其權利的詳情。

與股東交流

董事會認同與全體股東保持良好交流，以使彼等能以知情方式行使其作為股東之權利之重要性。除定期發佈財務報告外，本公司設有公司網站，以加強與股東的有效溝通。維持該網站之目的為用於及時發佈本公司的公佈及簡報、股東資料及其他相關財務及非財務資料。

Another dialogue with shareholders is the Company's general meetings which provide a useful forum for shareholders to exchange their views with the Board. The Company shall provide shareholders with relevant information on the resolution(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings.

The Company held totally 1 general meeting during the financial year and the attendance of individual director is recorded as follows:

Attendance Record of General Meetings (1 January 2019 – 31 December 2019)

本公司的股東大會為另一個與股東溝通之方式，同時為股東與董事會交換意見提供一個有用的平台。本公司應按照上市規則的規定及時向股東提供在股東大會上建議的決議案的相關資料，所提供的應是合理需要的資料，以便股東能夠就建議的決議案作出知情決定。本公司鼓勵股東參與股東大會或在未能出席大會時委任代表出席及於會上代其投票。

於本財政年度內，本公司共舉行一次股東大會，個別董事之出席記錄如下：

股東大會之出席記錄（二零一九年一月一日至二零一九年十二月三十一日）

**Annual
General
Meeting held on
21 June 2019**
於二零一九年
六月二十一日
舉行的股東
週年大會

Executive Directors

執行董事

XU Xiao Jun (*Chairman and
Chief Executive Officer*)

徐小俊 (主席兼行政總裁)

✓

YE De Chao

業德超

✓

JI Xu Dong

季旭東

✓

Independent Non-executive Directors

獨立非執行董事

HE Jin Geng

何金耿

✓

YU Hong Gao

郁紅高

✓

CHEN Yang

陳洋

✓

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

INTRODUCTION AND SCOPE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Environmental, Social and Governance (“ESG”) report is prepared with accordance to Appendix 27 Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Board has reviewed and approved the report and is pleased to present our performance and progress on environmental, social and governance areas for the year ended 31 December 2019.

The ESG report of the Group has been presented into two subject areas, Environmental and Social and each subject area will have various aspects to disclose the relevant policies and the status of compliance with relevant laws and regulations as addressed by the ESG Reporting Guide.

The Group understands the importance of ESG report and is committed to making continuous improvements in corporate social responsibility into our business in order to better meet the changing needs of an advancing society. The ESG report of the Group will present mainly policies, initiatives and performance. The following will show the ESG issues that are found material for the Group and the relation to the ESG Reporting Guide:

環境、社會及管治報告的簡介及範圍

環境、社會及管治（「環境、社會及管治」）報告乃根據於香港聯合交易所有限公司證券上市規則附錄27「環境、社會及管治報告指引」（「環境、社會及管治報告指引」）編製。董事會已審閱及批准本報告，並欣然呈列我們於截至二零一九年十二月三十一日止年度的環境、社會及管治範疇方面的表現及進展。

本集團之環境、社會及管治報告分為環境及社會兩個主要範疇，每個主要範疇涉及多個層面，以遵照環境、社會及管治報告指引披露有關政策及遵守有關法律法規的情況。

本集團知悉環境、社會及管治報告的重要性，並致力在業務過程中不斷提升企業社會責任，以更好地響應社會日新月異發展中不斷變化的需求。本集團的環境、社會及管治報告將主要呈列其政策、措施及表現。以下載列對本集團而言屬重大的環境、社會及管治議題以及與環境、社會及管治報告指引的關係：

ESG Guide

環境、社會及管治報告指引

A. Environmental

A. 環境

A.1 Emissions

A.1 排放物

A.2 Use of resources

A.2 資源使用

A.3 Environmental and natural resources

A.3 環境及天然資源

Relevant ESG issues to the Group

與本集團相關的環境、社會及管治議題

Carbon dioxide emission and waste management

二氧化碳排放及廢棄物管理

Energy and water consumption

能源使用及用水

Measures in reducing environmental impact

減少環境影響的措施

Environmental, Social and Governance Report

環境、社會及管治報告

ESG Guide

環境、社會及管治報告指引

Relevant ESG issues to the Group

與本集團相關的環境、社會及管治議題

B. Social

B. 社會

B.1 Employment

Labour practices

B.1 僱傭

勞工常規

B.2 Health and safety

Workplace health and safety

B.2 健康與安全

工作場所健康與安全

B.3 Development and training

Employee development and training

B.3 發展及培訓

僱員發展及培訓

B.4 Labour standards

Child labour and forced labor

B.4 勞工準則

童工及強制勞工

B.5 Supply chain management

Supplier management

B.5 供應鏈管理

供應商管理

B.6 Product responsibility

Product safety and quality

B.6 產品責任

產品安全及質量

B.7 Anti-corruption

Anti-corruption and money laundering

B.7 反貪污

反貪污及洗黑錢

B.8 Community investment

Community involvement

B.8 社區投資

參與社區

THE GROUP

The Group is primarily an investment holding company and its investment portfolio includes (i) property investments; and (ii) natural gas business.

ENVIRONMENTAL

The Group has established environmental policies and has communicated measurable environmental objectives to employees. The Group actively encourages staffs to protect the environment through training, education and communication.

The Group always keeps itself up-to-date on developments in local legislation and standards for environmental protection. During the reporting period, the Group did not experience any cases of non-compliance relating to environmental laws and regulations in PRC and Hong Kong.

本集團

本集團為一間主要從事投資控股之公司，其投資組合包括(i)物業投資；及(ii)天然氣業務。

環境

本集團已制定環境政策，並向僱員宣傳可量度的環境目標。本集團透過培訓、教育及宣傳，積極鼓勵員工保護環境。

本集團持續緊貼當地環境保護立法及標準的最新發展。於報告期間，本集團並無任何違反中國及香港有關環境法律及法規的不合規事件。

Environmental, Social and Governance Report

環境、社會及管治報告

Emissions

The Group has conducted regular assessments on the air and greenhouse gas emission, as well as the generation and disposal of non-hazardous waste. Relevant departments are required to collect and analyse relevant data and take specific measures to reduce emissions.

Waste management

The waste management from the Group's business activities mainly consists of office paper during the reporting period. No hazardous waste was produced by the Group during the Reporting period. The Group has launched a number of waste management programme, including:

- Recycling of paper materials, printing cartridges and batteries;
- To encourage staff to mitigate paper consumption by duplex-printing and reusing paper printed on one side.

The Group is governed by, and has complied with, the Environmental Protection of the People's Republic of China Prevention 《中華人民共和國環境保護法》. The Group does not generate significant air emission or hazardous waste.

Greenhouse gas ("GHG") emissions

The major source of carbon dioxide emissions is from the use of energy. The Group has established various energy saving initiatives to the carbon footprint.

Our greenhouse gases emissions are indirect, principally resulting from electricity consumed at the Group's workplace as well as from business travel by employees.

During the year ended 31 December 2019, the main sources of the Group's greenhouse gas emissions were derived from indirect emission from purchased electricity ("Scope 2") and other indirect emissions from electricity used for processing water and business travel ("Scope 3"). The total greenhouse gases emissions for the Scope 2 and Scope 3 during the year ended 31 December 2019 were about 46,872 kg and 4,722 kg, respectively. The emission intensity is about 906 kg per million HKD revenue.

排放物

本集團定期對廢氣及溫室氣體排放，以及無害廢棄物的產生及處置進行評估。有關部門會收集及分析相關數據，並採取相應的減排措施。

廢棄物管理

於報告期間，本集團業務活動產生的廢棄物管理主要為辦公紙張。本集團於報告期間並無產生有害廢棄物。本集團已推出多項廢棄物管理計劃，包括：

- 回收利用紙材、打印墨盒及電池；
- 鼓勵員工採用雙面打印及重用已單面打印的紙張，以減少紙張消耗。

本集團受《中華人民共和國環境保護法》規管，並遵守該法律。本集團並無產生大量廢氣排放或有害廢棄物。

溫室氣體排放

二氧化碳排放的主要來源是使用能源。本集團已制訂多項節能措施以幫助減少碳足跡。

我們的溫室氣體排放主要是本集團辦公場所用電及員工商務差旅產生的間接排放。

於截至二零一九年十二月三十一日止年度，本集團溫室氣體排放的主要來源為所購買電力產生的間接排放（「範疇2」）及水加工及差旅過程中用電產生的其他間接排放（「範疇3」）。於截至二零一九年十二月三十一日止年度，範疇2及範疇3的溫室氣體總排放量分別約為46,872公斤及4,722公斤。排放強度約為每百萬港元收益906公斤。

Use of resources

Energy and water consumption

With the vision of helping to protect the planet and of incorporating environmental sustainability into its business functions and processes, the Group proactively seeks opportunities for increasing operating efficiency in order to minimize the use of resources.

The resources used by the Group are principally attributed to electricity and water consumed at its office. We would perform regular assessments of use of resources.

The Group has adopted green office practices to reduce natural resource consumption and the impact on the environment. For instance, offices are equipped teleconference and internet-meeting practices are encouraged to avoid unnecessary travel.

To achieve higher energy efficiency, the Group implemented the following key initiatives during the Reporting Period:

- To switch off lights and air-conditioning in the meeting room and computers at work stations where not in use;
- To select the best configuration for air-conditioning control programme, based on in-door requirement and out-door condition.

The total amount of use of energy of the Group was insubstantial since all energy resources are consumed for the offices' operation. During the year ended 31 December 2019, the Group's total electricity consumption and total water consumption were approximately 58,025 kWh and 1,431 tonnes, respectively.

Environmental and natural resources

Measures in reducing environmental impact

The Group mainly involves in trading business and does not involve in any business that has substantial impact on the environment or involve in any significant consumption of natural resource.

資源使用

能源使用及用水

為保護地球及將環境可持續發展融入各業務職能及流程中，本集團積極探尋機會提升營運效率，盡力減少資源使用。

本集團的資源使用主要源於其辦公室的用電及用水。我們會定期對資源使用情況進行評估。

本集團已推行多項綠色辦公室措施，以減少天然資源耗用及對環境的影響。例如，在辦公室配備電話會議設備，並鼓勵採用網上會議，避免不必要的差旅。

為提升能源利用率，本集團於報告期間實施下列主要舉措：

- 在閒置時關閉會議室的照明燈和空調及工作區的電腦；
- 選用根據室內要求及室外情況選用調控的程序，實現最優的空調配置。

由於所有能源使用均源於辦公室營運消耗，本集團的能源使用總量不大。於截至二零一九年十二月三十一日止年度，本集團用電及用水總量分別約58,025千瓦時及1,431噸。

環境及天然資源

減少環境影響的措施

本集團主要涉及買賣業務，並無涉及對環境造成重大影響或大量消耗任何天然資源的任何業務。

Environmental, Social and Governance Report

環境、社會及管治報告

SOCIAL

The Group believes that one of the key aspects of its success is the good relationship it maintains with employees. The Group provides competitive employee benefits and comprehensive training programmes in order to encourage employees to achieve their potential and put their abilities to good use.

Employment

The Group provides a number of staff activities to enhance employees' sense of belonging and to help create a friendly working environment.

The Group's practices and policies with respect to:

- compensation and dismissal;
- recruitment and promotion;
- working hours;
- rest periods;
- equal opportunities;
- diversity;
- anti-discrimination; and
- welfare and other benefits,

which have complied with Labor Law of the People's Republic of China 《中華人民共和國勞動法》, Labor Contract Law of People's Republic of China 《中華人民共和國勞動合同法》 and other relevant laws and regulations. During the year, the Group has no non-compliance with the above law and regulations.

The Group also aims to promote the diversity of workforce, including in terms of age, gender and nationality, as well as culture of equal opportunity. The management would frequently review the Group's remuneration policy in relation to relevant market standards.

The Group's employees work under a 40-hour standard per week and it maintains a holiday policy and travel policy, as well as annual vacation leave, compensation leave, maternity leave, personal leave and sick leave.

社會

本集團深信與員工保持良好關係是企業成功的關鍵因素之一。本集團提供具競爭力的薪酬福利及完善的培訓計劃，鼓勵員工發揮潛能及盡展所長。

僱傭

本集團為員工提供豐富的活動，以加強員工歸屬感及營造友好的工作環境。

本集團於下列方面的慣例及政策：

- 賠償及解僱；
- 招聘及晉升；
- 工作時間；
- 休假；
- 機會平等；
- 多元化；
- 反歧視；及
- 福利及其他福祉，

均符合《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及其他相關法律及法規。年內，本集團並無不遵守上文法律規例。

本集團亦致力提升員工多元性（包括年齡、性別及國籍）以及營造機會平等的文化。管理層經常參考有關市場標準，檢討本集團的薪酬政策。

本集團實行僱員每週工作40小時的標準工時制度，制定了休假管理政策及出差管理政策，提供年假、喪假、婚假、產假、事假和病假等休假福利。

Health and Safety

The health and safety of employees have always been the Group's priority. The Group has established a set of policies which focused on keeping a safe and healthy workplace, including the following requirements:

- Relevant training and knowledge have been provided to employees in respect to risks associated with the construction.
- The warning wording has been posted into the obvious area of the construction site to emphasize the health and safety practice.

With respect to occupational safety management, the Group has complied with all the corresponding local and Labour Law of the People's Republic of China 《中華人民共和國勞動法》 of occupational safety and health. Workplace is equipped with fire and safety equipment to prevent outbreak of fire accident and the validity of the fire facilities have been regularly checked.

Occupational health and safety statistics

職業健康與安全統計

Number of lost days due to work injury	工傷損失人數
Number of work-related fatalities due to work	工傷死亡人數
Number of work injuries due to work	工傷人數

2019
二零一九年

2018
二零一八年

Nil 零
Nil 零
Nil 零

Nil 零
Nil 零
Nil 零

Development and Training

The Group has always believed that people development plays the fundamental role in placing a solid ground for business growth. The Group aims to regularly upgrade staffs' professional skills and knowledge, standards and integrated abilities. The Group also motivates employees' job enthusiasm and welcome challenges, thereby creating greater corporate value and future development.

The Group has various training programmes, internal and external, to fully develop its workforce. New employees are also provided with on-boarding training to help faster adapt to the operations of the Group.

健康與安全

員工的健康與安全一直是本集團的重中之重。本集團已制定一系列維持工作場所安全與健康的政策，當中規定：

- 為員工提供有關建築相關風險的相關培訓及資料。
- 於建築工地顯眼位置張貼警示標語，強調健康與安全常規。

於職業安全管理方面，本集團遵守當地法規及《中華人民共和國勞動法》中有關職業安全與健康的規定。工作場所配備消防及安全設備以防發生火災事故，並定期檢查消防設施是否可用。

發展及培訓

本集團一直相信，人才發展是為業務增長奠定堅實基礎的根本。本集團致力定期提升員工的專業技能及知識、標準及綜合能力。本集團亦激發員工的工作熱情及鼓勵員工勇迎挑戰，從而創造更大的企業價值，推動未來發展。

本集團設有各種內部及外部培訓計劃，促進員工全面發展。此外，我們亦為新員工提供入職培訓，幫助彼等更快適應本集團的營運。

Environmental, Social and Governance Report

環境、社會及管治報告

Labour Standards

Child labour and forced labour

It is always the Group's policy to prohibit to employ any staffs who has under the legal working age for protecting minors.

Insurance and work security packages:

勞工準則

童工及強制勞工

本集團一直秉持嚴格禁止僱用未達法定工作年齡人員的政策，以保護未成年人。

保險及工作保障福利：

Hong Kong 香港	PRC 中國
Mandatory Provident Fund (MPF) 強制性公積金 (強積金)	Medical Insurance 醫療保險
Medical Insurance 醫療保險	Unemployment Insurance 失業保險
Performance Bonus 績效花紅	Work-related Injury Insurance 工傷保險
Severance Payment/Long Service Payment 遣散費/長期服務金	Childbirth Insurance 生育保險
Maternity/Paternity Leave with Pay 有薪產假/侍產假	Housing Accumulation Funds 住房公積金
Employment Compensation Insurance 僱傭賠償保險	Health and Safety Endowment Insurance 健康與安全養老保險

The labour standards may vary in different jurisdictions that the group has operated and the Group complies with the relevant labour standards of Labour Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》 for the year ended 31 December 2019. There is a strict recruitment procedure through Human Resource Department and upon discovery of any child labour and use of forced labour, the person will be dismissed immediately and the Board will discuss and review the problem to prevent it from happening again. For the year ended 31 December 2019, there is no labour dispute between the company and its staff.

Supply Chain Management

The Group has business of trading of construction materials. During the year ended 31 December 2019, the Group has carefully selected its suppliers for providing the natural gas related products to ensure the quality of the products. The Group has established policy to maintain long term relationship with the major supplier.

本集團經營所在的各個司法權區的勞工標準可能有所不同，於截至二零一九年十二月三十一日止年度，本集團已遵守《中華人民共和國勞動合同法》的有關勞工標準。人力資源部門實行嚴格的招聘程序，一旦發現有僱用童工及強制勞工的情況，會立即解僱有關人員且董事會事後會對有關問題進行討論及檢討，防止問題再次發生。於截至二零一九年十二月三十一日止年度，本公司與員工之間並無任何勞資糾紛。

供應鏈管理

本集團從事買賣建築材料的業務。於截至二零一九年十二月三十一日止年度，本集團慎重選擇提供天然氣相關產品的供應商以確保產品質量。本集團已制定有關維持與主要供應商長期關係的政策。

Environmental, Social and Governance Report

環境、社會及管治報告

Product Responsibility

The group complies with various PRC regulations relevant to the operation the operation of its business in areas, such as health and safety, advertising, privacy matter relating to its customers and services.

To ensure the health and safety of patrons and employees of the property in the construction and operation, the building of the Group would be tested and repaired to ensure the property's quality.

The Group strictly complies with the Advertising Law of the People's Republic of China and requires related parties to do likewise in the advertising contract.

The Group's employees are obligated to retain in confidence any and all information obtained in connection with their employment, including, but not limited to, trade secrets, client information and other proprietary information.

Anti-Corruption

The Group upholds a high standard of business integrity throughout its operations. A system with good moral integrity and anti-corruption mechanism is the cornerstone for the sustainable and healthy development of the Group.

With compliance with relevant laws and regulations of Criminal law of the People's Republic of China 《中華人民共和國刑法》 and the Anti-Unfair Competition Law of the People's Republic of China 《中華人民共和國反不正當競爭法》, the Group also has policy to ensure compliance with guideline on anti-money laundering and counter terrorist financing. For the year ended 31 December 2019, such events have never happened in the Group.

Community investment

The Group has contributed its part to build more environmentally friendly energy infrastructure. The Group would also seek opportunities to contribute to the social community in the coming future.

產品責任

本集團遵守與其業務營運有關、涉及客戶及服務的健康與安全、廣告及私隱事宜等方面的中國法規。

為確保物業在建設和營運過程中保障顧客和員工的健康與安全，本集團的樓宇會進行測試及維修，以確保物業質量。

本集團嚴格遵守《中華人民共和國廣告法》，並於廣告合約中規定關聯方同樣遵守該法律。

本集團員工有義務對與其僱傭相關的任何及所有資料保密，包括但不限於商業秘密、客戶資料及其他專有資料。

反貪污

本集團在業務營運過程中恪守嚴格的誠信經營標準。建立具良好道德誠信及反貪污機制的制度乃本集團可持續健康發展之基石。

本集團已遵照《中華人民共和國刑法》和《中華人民共和國反不正當競爭法》的相關法律及法規，設有相關政策以確保遵守反洗錢及反恐怖融資指引。截至二零一九年十二月三十一日止年度，本集團並無發生相關違規事件。

社區投資

本集團為參與建設更多綠色能源基礎設施貢獻一分力量。此外，本集團於未來將尋求機會為社區貢獻力量。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. XU Xiao Jun, Chairman and Chief Executive Officer, aged 41, has been appointed as an executive Director of the Company on 2 August 2012. Mr. Xu has taken up the role as the Chief Executive Officer of the Company effective from 9 March 2015. Mr. Xu was appointed as the Chairman of the Company on 31 July 2017. Mr. Xu is the executive deputy general manager and legal representative of 南京泰和盈科置業有限公司 (Nanjing Taihe Yingke Property Company Limited*). Mr. Xu served as the deputy general manager and the director of the office of 南京萬利來房地產開發有限公司 (Nanjing Wanlilai Real Estate Development Company Limited*) during the periods from 2002 to 2009 and from 2000 to 2002 respectively. Save as being a colleague of Mr. Ye De Chao, an executive Director of the Company at 南京泰和盈科置業有限公司 (Nanjing Taihe Yingke Property Company Limited*) and formerly at 南京萬利來房地產開發有限公司 (Nanjing Wanlilai Real Estate Development Company Limited*), Mr. Xu is not connected with any other directors, senior management or substantial or controlling shareholders of the Company. Mr. Xu is a director of certain subsidiaries of the Company.

Mr. YE De Chao, aged 59, joined the Group as an Executive Director and Chief Executive Officer of the Company on 17 January 2012. Mr. Ye was appointed as the Vice Chairman of the Company since 1 August 2012 and was then redesignated as the Acting Chairman of the Company on 18 January 2013. Mr. Ye has been appointed as the Chairman of the Company on 28 February 2013. Mr. Ye has resigned as the Chief Executive Officer of the Company but continued to serve as the Chairman of the Company effective from 9 March 2015. Mr. Ye has resigned as the Chairman of the Company but continued to serve as an executive director of the Company with effect from 31 July 2017. Mr. Ye is also the chairman of 南京泰和盈科置業有限公司 (Nanjing Taihe Yingke Property Company Limited*) which is an associated company of the Company, and the chairman of 南京萬利來房地產開發有限公司 (Nanjing Wanlilai Real Estate Development Company Limited*). Mr. Ye has over 20 years of experiences in business operation and management. Mr. Ye was an electric engineer of 中華人民共和國鐵道部上海鐵路局南京鐵路分局電力技術科 (Electric Technology Department, Nanjing Railway Sub-administration, Shanghai Railway Bureau, The Ministry of Railways of The People's Republic of China*). He obtained an undergraduate diploma from Southeast University in July 1992 and an EMBA from Cheung Kong Graduate School of Business, which is located in Beijing, the People's Republic of China, in September 2011. Mr. Ye is a director of certain subsidiaries of the Company.

執行董事

徐小俊先生，主席兼行政總裁，現年41歲，於二零一二年八月二日獲委任為本公司執行董事。徐先生自二零一五年三月九日起擔任本公司行政總裁一職。徐先生於二零一七年七月三十一日獲委任為本公司主席。徐先生為南京泰和盈科置業有限公司之常務副總經理兼法人代表。徐先生曾於二零零二年至二零零九年期間及二零零零年至二零零二年期間分別擔任南京萬利來房地產開發有限公司副總經理及辦公室主任。除身為本公司執行董事業德超先生在南京泰和盈科置業有限公司及曾經在南京萬利來房地產開發有限公司之同事外，徐先生與本公司任何其他董事、高級管理層或主要或控股股東並無關連。徐先生亦為本公司數間附屬公司之董事。

業德超先生，現年59歲，於二零一二年一月十七日加入本集團擔任本公司執行董事及行政總裁。業先生自二零一二年八月一日起獲委任為本公司副主席，並自二零一三年一月十八日起轉任為本公司代理主席。業先生於二零一三年二月二十八日獲委任為本公司主席。業先生已於二零一五年三月九日辭任本公司行政總裁一職，但仍留任本公司主席。業先生已於二零一七年七月三十一日辭任本公司主席一職，但仍留任本公司執行董事一職。業先生現亦為本公司之聯營公司南京泰和盈科置業有限公司之主席，並為南京萬利來房地產開發有限公司之主席。業先生擁有20餘年的公司經營及管理經驗。業先生曾就職於中華人民共和國鐵道部上海鐵路局南京鐵路分局電力技術科任電力工程師。彼於一九九二年七月獲得東南大學大學本科學歷，並於二零一一年九月畢業於位於中國北京的長江商學院獲EMBA工商管理碩士學位。業先生為本公司數間附屬公司之董事。

Directors and Senior Management 董事及高級管理層

Mr. Ji Xu Dong, aged 55, has been appointed as an executive Director of the Company on 2 August 2012. Mr. Ji has studied the course in International Trade at Nanjing University. Mr. Ji has also attended the International Financial Investment Programme of Shanghai Jiao Tong University. Mr. Ji is the director and general manager of 南京市蔬菜副食品集團有限公司 (Nanjing Vegetable and Non-staple Food Group Company Limited*). He previously served as vice general manager of 南京市蔬菜副食品集團總公司 (Nanjing Vegetable and Non-staple Food Group*). Mr. Ji has obtained the independent director authentication from the Shanghai National Accounting Institute. Mr. Ji is a director of certain subsidiaries of the Company.

Save as disclosed above, no executive Directors of the Company have held any other directorships in listed public companies in the last three years and none of them are connected with any other directors, senior management or substantial or controlling shareholders of the Company.

There is currently no director service contract between the Company and any executive Director. There is no specific term in respect of their respective appointment, but subject to retirement by rotation at least once every three years at the annual general meetings of the Company. The executive Directors are not entitled to director's fee but will be entitled to discretionary bonus to be decided by the Board based on their contributions, the Company's annual business performance and the recommendation given by the Remuneration Committee of the Board. Details of directors' remuneration in 2019 are set out in note 7 to the consolidated financial statements.

季旭東先生，現年55歲，於二零一二年八月二日獲委任為本公司執行董事。季先生曾於南京大學修讀國際貿易課程。季先生亦曾在上海交通大學報讀國際金融投資課程。季先生現為南京市蔬菜副食品集團有限公司之董事兼總經理。此前彼曾擔任南京市蔬菜副食品集團總公司副總經理。季先生已取得上海國家會計學院獨立董事資格認證。季先生為本公司數間附屬公司之董事。

除上文披露者外，概無本公司執行董事在過去三年擔任任何其他上市公眾公司董事職務，及彼等與本公司任何其他董事、高級管理層或主要或控股股東並無任何關連。

目前本公司與任何執行董事並無訂立董事服務合約。彼等之委任並無固定任期，惟至少每三年須於本公司股東週年大會上輪值告退一次。執行董事並無權收取董事袍金，惟其有權收取由董事會依據彼等的貢獻、本公司之年度業務表現及董事會屬下薪酬委員會之推薦建議而釐定之酌情花紅。二零一九年之董事酬金詳情載於綜合財務報表附註7。

Directors and Senior Management 董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. HE Jin Geng, aged 50, has been appointed as an independent non-executive Director of the Company on 1 August 2012. Mr. He holds a Doctorate Degree in Politics and Economics from Nanjing University. Mr. He currently serves as the general manager of 南京南醫醫療投資管理有限公司 (Nanjing South Hospital Medical Investment Management Company Limited*). He previously served as a director and president of 南京醫藥股份有限公司 (Nanjing Pharmaceutical Co., Ltd*) and as secretary of 浙江省三門縣六敖區團委 (Youth League of Liuaao District of Sanmen County of Zhejiang Province*), and also served different posts in 南京新港高科技股份有限公司 (Nanjing Xin Gang High-Tech Co., Ltd*), including deputy director of the office, secretary of the board of directors and deputy general manager. Mr. He is a fellow member of the Association of Chartered Certified Accountants.

Mr. YU Hong Gao, aged 57, has been appointed as an independent non-executive Director of the Company on 1 August 2012. Mr. Yu graduated from Nanjing University of Science and Technology and holds a Doctorate Degree. Mr. Yu previously served as deputy general manager of the Department of Entrusted Assets Management, general manager of Asset Management Department and general manager of Securities Investment Department of 華泰證券股份有限公司 (Huatai Securities Co., Ltd.*), deputy manager of the Investment Department of 江蘇省財政廳高新技術風險投資公司 (Jiangsu High-Tech Capital Venture Co., Ltd. of the Department of Finance of Jiangsu Province*), deputy head of 中信銀行南京分行城西支行 (Chengxi Sub-branch of China Citic Bank Nanjing Branch*), deputy general manager of Securities Investment Head Office and general manager of Assets Management Head Office of 信泰證券股份有限公司 (Xin Tai Securities Co., Ltd.*).

獨立非執行董事

何金耿先生，現年50歲，於二零一二年八月一日獲委任為本公司獨立非執行董事。何先生擁有南京大學政治經濟學博士學歷。何先生現任南京南醫醫療投資管理有限公司總經理，彼曾任南京醫藥股份有限公司董事及總裁、浙江省三門縣六敖區團委書記、南京新港高科技股份有限公司辦公室副主任、董事會秘書及副總經理。何先生為英國特許公認會計師公會之資深會員。

郁紅高先生，現年57歲，於二零一二年八月一日獲委任為本公司獨立非執行董事。郁先生畢業於南京理工大學，擁有博士研究生學歷。郁先生曾任華泰證券股份有限公司受託資產管理部副總經理、資產管理總部總經理及證券投資部總經理。彼曾任江蘇省財政廳高新技術風險投資公司投資部副經理、中信銀行南京分行城西支行副行長、信泰證券股份有限公司證券投資總部副總經理及資產管理總部總經理。

Directors and Senior Management 董事及高級管理層

Ms. CHEN Yang, aged 46, has been appointed as an independent non-executive Director of the Company on 5 September 2014. Ms. Chen graduated from Southeast University and holds a master degree. Ms. Chen currently serves as deputy general manager of Nanjing Yulan Road Branch of Dongguan Securities Co., Ltd.* (東莞證券有限責任公司南京玉蘭路證券營業部). She previously served as sales director of Nanjing Hongwu South Road Branch of Dongxing Securities Co., Ltd.* (東興證券股份有限公司南京洪武南路證券營業部), marketing manager of Nanjing Hanzhong Road Branch of Xiangcai Securities Co., Ltd.* (湘財證券股份有限公司南京漢中路證券營業部) and customer relationship manager of Nanjing Pacific South Road Branch of Guotai Junan Securities Co., Ltd.* (國泰君安證券股份有限公司南京太平南路證券營業部).

Save as disclosed above, no independent non-executive Director of the Company has held any other directorships in listed public companies in the last three years or is otherwise connected with any other directors, senior management or substantial or controlling shareholders of the Company.

There is currently no director service contract between the Company and each of the independent non-executive Directors of the Company. There is no specific term in respect of their respective appointment, but subject to retirement by rotation at least once every three years at the annual general meetings of the Company. Mr. He, Mr. Yu and Ms. Chen received director's fee of HK\$120,000, HK\$120,000 and HK\$120,000, respectively, in 2019.

* The English translation of the Chinese name(s), where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).

陳洋女士，現年46歲，於二零一四年九月五日獲委任為本公司獨立非執行董事。陳女士畢業於東南大學，擁有碩士學位。陳女士現任東莞證券有限責任公司南京玉蘭路證券營業部副總經理。彼曾任東興證券股份有限公司南京洪武南路證券營業部營銷總監、湘財證券股份有限公司南京漢中路證券營業部市場部經理及國泰君安證券股份有限公司南京太平南路證券營業部客戶主管。

除上文披露者外，概無本公司獨立非執行董事在過去三年擔任任何其他上市公眾公司董事職務，彼等與本公司任何其他董事、高級管理層或主要或控股股東亦無任何關連。

本公司與本公司各獨立非執行董事現時並無訂立董事服務合約。彼等各自之委任並無固定任期，惟至少每三年須於本公司股東週年大會上輪值告退一次。於二零一九年，何先生、郁先生及陳女士收取董事袍金分別為120,000港元、120,000港元及120,000港元。

DIRECTORS' REPORT

董事會報告

The Directors submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Company is primarily an investment holding company and its investment portfolio includes (i) property investments; and (ii) natural gas businesses.

BUSINESS REVIEW

A fair review of the business of the Group during the year and the probable future business development of the Group are set out in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” of this annual report. A discussion and analysis of the Group’s performance during the year and the financial key performance indicators is set out in the section headed “Management Discussion and Analysis” of this annual report. The financial risk management objectives and policies of the Group are set out in note 30 to the consolidated financial statements of the Group. In addition, the environmental policies and performance, compliance with relevant laws and regulations and the Group’s relationship with its employees are disclosed in the section headed “Environmental, Social and Governance Report” of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

Business Risks

The Group’s business risk factors include changes in the overall market conditions, downward pressure on China’s economy and change of government policies in China. The Board is responsible for overall business management and review of major business decisions involving disclosure of significant risks from time to time.

Financial Risks

The Group has adopted a series of financial risk management policies to manage its liquidity risk, credit term allocation risk, financing structure risk, interest rate risk and exchange rate risk. The Board also reviews the Group’s management accounts, capital structure and key operational data on a monthly basis.

董事謹此提呈彼等之年度報告，連同截至二零一九年十二月三十一日止年度之經審核綜合財務報表。

主要業務

本公司主要為一間投資控股公司，其投資組合包括(i)物業投資；及(ii)天然氣業務。

業務回顧

年內本集團業務之中肯審閱及本集團可能之未來業務發展載於本年報的「主席報告」及「管理層討論與分析」部分。有關本集團年內表現之討論及分析以及重要財務表現指標載於本年報的「管理層討論與分析」部分。本集團之財務風險管理目標及政策載於本集團綜合財務報表附註30。此外，環境政策及表現、對相關法律法規的遵守情況以及本集團與其僱員的關係於本年報的「環境、社會及管治報告」部分披露。

主要風險及不確定因素

業務風險

本集團的業務風險因素包括整體市場環境的變動、中國經濟的下行壓力以及中國政府政策的變動。董事會負責整體業務管理及檢討重大業務決策，包括不時披露重大風險。

財務風險

本集團已採用一系列財務風險管理政策管理其流動性風險、信貸期分配風險、融資結構風險、利率風險及匯率風險。董事會亦每月審查本集團的管理賬目、資本結構及重要運營數據。

Compliance Risks

The Board takes effective measures to ensure compliance of the Company with the laws, regulations and rules. The Company has engaged professional consultants and advisors to keep the Company updated on the latest changes in the regulatory environment, including legal, financial, environmental and operational development.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate revenue attributable to the Group's largest customer and five largest customers taken together accounted for approximately 85% and 99% respectively of the Group's total revenue for the year.

The aggregate cost of sales attributable to the Group's largest supplier and five largest suppliers taken together accounted for approximately 99% and 100% respectively of the Group's total cost of sales for the year.

Save otherwise disclosed, at no time during the year have the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 170 of this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 59 to 60 of this annual report.

The state of the Group's affairs as at 31 December 2019 are set out in the consolidated statement of financial position on pages 61 to 62 of this annual report.

The board of directors does not recommend the payment of a dividend for the year ended 31 December 2019.

合規風險

董事會採取有效措施確保本公司遵守相關的法律、法規及規則。本公司已委聘專業諮詢師及顧問，以令公司掌握監管環境的最新變動，包括法律、財務、環境及運營方面的發展情況。

主要客戶及供應商

於本年度內，本集團之最大客戶之營業額及五大客戶之營業額總和分別佔本集團之總營業額約85%及99%。

於本年度內，本集團之最大供應商之銷售成本及五大供應商之銷售成本總和分別佔本集團之總銷售成本約99%及100%。

除另有披露外，於本年度內之任何時候，並無董事、彼等之聯繫人士或就董事所知擁有本公司股本5%以上之本公司任何股東擁有該等主要客戶及供應商之任何權益。

財務摘要

本集團於過去五個財政年度之業績、資產及負債之摘要載於本年報第170頁。

業績及股息

本集團截至二零一九年十二月三十一日止年度之業績載於本年報第59至60頁之綜合損益及其他全面收益表。

本集團於二零一九年十二月三十一日之事務狀況載於本年報第61至62頁之綜合財務狀況表。

董事會不建議派發截至二零一九年十二月三十一日止年度之股息。

Directors' Report

董事會報告

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Movements in share capital of the Group and the Company during the year are set out in note 28 to the consolidated financial statements.

RESERVES

Movements in reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and in note 29 to the consolidated financial statements respectively.

PURCHASE, SALE AND REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2019.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 18 to the consolidated financial statements.

物業、廠房及設備

有關本集團物業、廠房及設備於年內之重大變動詳情載於綜合財務報表附註13。

股本

有關本集團及本公司股本於年內之變動載於綜合財務報表附註28。

儲備

有關本集團及本公司儲備於年內之變動分別載於綜合權益變動表及綜合財務報表附註29。

購買、出售及贖回股份

本公司或其任何附屬公司於截至二零一九年十二月三十一日止年度內概無購買、出售或贖回本公司任何上市股份。

優先購買權

在本公司之組織章程細則或開曼群島法例中，並無有關優先購買權之條文，致使本公司須按比例向現有股東發售新股份。

附屬公司

有關本公司附屬公司之詳情載於綜合財務報表附註18。

INTEREST-BEARING BORROWINGS

Particulars of interest-bearing borrowings as at 31 December 2019 are set out in note 24 to the consolidated financial statements.

RETIREMENT SCHEMES

Details of the retirement benefits scheme of the Group are set out in note 27 to the consolidated financial statements.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance and has complied throughout the year with the Corporate Governance Code set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the deviation of code provisions A.2.1 and A.4.1.

Further information on the Company's corporate governance practices is set out in the Corporate Governance Report of this annual report.

DIRECTORS

The directors who held office during the year and at the date of this report are:

Executive Directors:

Mr. Xu Xiao Jun (*Chairman and Chief Executive Officer*)

Mr. Ye De Chao

Mr. Ji Xu Dong

Independent Non-executive Directors:

Mr. He Jin Geng

Mr. Yu Hong Gao

Ms. Chen Yang

計息借貸

有關於二零一九年十二月三十一日之計息借貸之詳情載於綜合財務報表附註24。

退休計劃

有關本集團退休福利計劃之詳情載於綜合財務報表附註27。

企業管治

本公司致力維持高標準之企業管治，並於整個年度一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之企業管治守則，除偏離守則條文A.2.1條及A.4.1條外。

有關本公司企業管治常規之進一步資料載於本年報企業管治報告內。

董事

於年內及於本報告刊發日期之任職董事如下：

執行董事：

徐小俊先生（*主席兼行政總裁*）

業德超先生

季旭東先生

獨立非執行董事：

何金耿先生

郁紅高先生

陳洋女士

Directors' Report 董事會報告

In accordance with the provisions of the Company's articles of association, Mr. Xu Xiao Jun and Mr. Ye De Chao shall retire from the Board at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

The term of office of each non-executive Director is the period up to his/her retirement by rotation in accordance with the Company's articles of association.

DIRECTORS' SERVICE CONTRACTS

None of the Directors had any existing or propose service contract with the Company or any member of the Group which is not expiring or terminable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2019, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), to be entered in the register referred to therein; or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

按照本公司之組織章程細則之條文，徐小俊先生及葉德超先生將於本公司即將舉行之股東週年大會上從董事會退任，且合資格並願意膺選連任。

各非執行董事之任期直至按照本公司之組織章程細則輪值告退之日為止。

董事之服務合約

概無董事與本公司或本集團任何成員公司訂有或擬訂立任何並非於一年內屆滿或本集團不可於一年內免付賠償（除法定之賠償外）予以終止之服務合約。

董事於證券之權益及淡倉

於二零一九年十二月三十一日，董事及本公司最高行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）須列入該條例所述登記冊的權益及淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視為擁有之權益及淡倉）；或(b)根據證券及期貨條例第352條須列入該條例所述登記冊之權益及淡倉；或(c)根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則須知會本公司及聯交所之權益及淡倉如下：

LONG POSITION IN THE ORDINARY SHARES OF HK\$0.05 EACH ("SHARES") OF THE COMPANY

於本公司每股面值0.05港元之普通股(「股份」)之好倉

Name of Director	Number of Shares held			% to the issued share capital of the Company
	Personal Interests	Corporate Interests	Total	
董事姓名	個人權益	公司權益	總數	佔本公司已發行股本百分比(%)
Mr. Ye De Chao	業德超先生	—	1,189,290,512	27.85
			(Note)	
			(附註)	
Mr. Ji Xu Dong	季旭東先生	6,000	—	0.00014

Note: These Shares were held by Legendary Base International Limited, a company which was wholly-owned by Mr. Ye De Chao. Hence, he was deemed to have a beneficial interest in all these Shares.

附註：該等股份由業德超先生全資擁有之Legendary Base International Limited持有。因此，其被視為擁有所有該等股份之實益權益。

Save as disclosed above, as at 31 December 2019, none of the Directors or chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associate corporation (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they were 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 for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange.

除上述披露者外，於二零一九年十二月三十一日，董事或本公司最高行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例）之股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之任何權益或淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視為擁有之任何權益及淡倉），或根據證券及期貨條例第352條，須列入該條例所述登記冊之任何權益或淡倉，或根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則須知會本公司及聯交所之任何權益或淡倉。

SHARE OPTION SCHEME

The Company adopted a share option scheme on 11 July 2008 (the "Share Option Scheme"). The purposes of the Share Option Scheme are to enable the Group and its Invested Entities (any entity in which any member of the Group holds an equity interest) to recruit and retain high calibre Eligible Persons and attract human resources that are valuable to the Group or Invested Entities, to recognise the contributions of the Eligible Persons to the growth of the Group or Invested Entities by rewarding them with opportunities to obtain ownership interest in the Company and to motivate and give incentives to these Eligible Persons to continue to contribute to the long term success and prosperity of the Group or Invested Entities. Pursuant to the Share Option Scheme, the Board may invite any Eligible Person including any director and employee of the Company to take up options to subscribe for shares of the Company. The Share Option Scheme shall be valid and effective for a period of ten years. The Share Option Scheme expired on 11 July 2018. No new share option scheme had been adopted by the Company as at the date of this report.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2019, so far as is known to the Directors or chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 336 of the SFO:

購股權計劃

本公司於二零零八年七月十一日採納一項購股權計劃（「購股權計劃」）。購股權計劃之目的為讓本集團及其受投資實體（本集團任何成員公司持有股本權益之任何實體）招募及挽留能幹之合資格人士及吸納對本集團或受投資實體而言屬寶貴之人力資源，透過獎勵合資格人士獲取本公司擁有權權益之機會以表彰彼等對本集團或受投資實體增長之貢獻，並給予該等合資格人士獎勵以鼓勵彼等繼續為本集團或受投資實體之長期成功及蓬勃發展作出貢獻。根據購股權計劃，董事會可邀請任何合資格人士（包括本公司任何董事及僱員）接納可認購本公司股份之購股權。購股權計劃將於十年期限內有效及具效力。購股權計劃已於二零一八年七月十一日屆滿。本公司於本報告日期並無採納任何新購股權計劃。

主要股東

於二零一九年十二月三十一日，就董事或本公司最高行政人員所知，按本公司根據證券及期貨條例第336條須予存置之登記冊所記錄，下列人士（並不包括董事或本公司最高行政人員）於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露之權益或淡倉：

LONG POSITION IN THE ORDINARY SHARES

於普通股之好倉

Name of shareholder	Capacity	Number of Shares	% to the issued share capital of the Company 佔本公司已發行股本百分比(%)
股東名稱	持有身份	股份數目	百分比(%)
Central Huijin Investment Ltd. (Note 1) 中央匯金投資有限責任公司(附註1)	Interests of controlled corporation 受控法團權益	1,189,290,512	27.85
China Construction Bank Corporation (Note 2) 中國建設銀行股份有限公司(附註2)	Interests of controlled corporation 受控法團權益	1,189,290,512	27.85
Legendary Base International Limited (Note 3) Legendary Base International Limited(附註3)	Beneficial owner 實益擁有人	1,189,290,512	27.85
Expert Ever Limited (Note 4) Expert Ever Limited(附註4)	Beneficial owner 實益擁有人	383,956,000	8.99
Zhang Xiaojun (Note 4) 張曉君(附註4)	Interests of controlled corporation 受控法團權益	383,956,000	8.99

Notes:

- (1) China Construction Bank Corporation was owned as to 57.26% by Central Huijin Investment Ltd..
- (2) According to the disclosure of interest form filed by China Construction Bank Corporation, China Construction Bank Corporation reported interests because Prosper Talent Limited, an indirect wholly-owned subsidiary of China Construction Bank Corporation, was reported to have direct interests in the Shares. So far as the Company was aware of, Prosper Talent Limited was a person having a security interest in the Shares under a share pledge.
- (3) Legendary Base International Limited is wholly-owned by Mr. Ye De Chao, who is a director of both the Company and Legendary Base International Limited.
- (4) Expert Ever Limited was wholly-owned by Zhang Xiaojun.

Save as disclosed above, as at 31 December 2019, no person (other than Directors or chief executive of the Company) had an interest or a short position in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

附註：

- (1) 中國建設銀行股份有限公司由中央匯金投資有限責任公司擁有57.26%股權。
- (2) 根據中國建設銀行股份有限公司提交之權益披露表格，中國建設銀行股份有限公司申報權益乃因申報Prosper Talent Limited(為中國建設銀行股份有限公司之間接全資附屬公司)擁有股份之直接權益。就本公司所知，Prosper Talent Limited為股份抵押項下擁有股份抵押權益之人士。
- (3) Legendary Base International Limited由本公司及Legendary Base International Limited董事葉德超先生全資擁有。
- (4) Expert Ever Limited由張曉君全資擁有。

除上文所披露者外，於二零一九年十二月三十一日，概無人士(並不包括董事或本公司最高行政人員)擁有記錄於本公司根據證券及期貨條例第336條須予存置之登記冊內之股份及相關股份之權益或淡倉。

Directors' Report

董事會報告

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and Senior Management of the Group are set out on pages 35 to 38 of this annual report.

DIRECTORS' INTEREST IN CONTRACTS

Except for the transactions as disclosed in notes 7 and 32 to the consolidated financial statements, no other contracts of significance to which the Company, its holding company or subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

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

CONNECTED TRANSACTION

On 27 September 2012, Keen Gate Developments Limited ("Keen Gate", a wholly-owned subsidiary of the Group), Mr. Ye De Chao (an Executive Director and a substantial shareholder of the Company), Modern Admission Group Limited, Mr. Lee Kai Choi and Forward Investment (PRC) Company Limited ("Forward Investment") had entered into a subscription agreement (the "Subscription Agreement") in relation to the subscription of 40% equity interests in Forward Investment by Keen Gate (the "Subscription") at a consideration of HK\$300 million (the "Consideration"). The Subscription was completed on 10 December 2012. Pursuant to the Subscription Agreement, Mr. Ye De Chao, Modern Admission Group Limited and Mr. Lee Kai Choi (collectively, the "Guarantors") jointly and severally undertake to Keen Gate that the return to Keen Gate, being the dividend receivable from the Group's equity interests in Forward Investment, shall not be less than 12% of the Consideration per annum. In the event the return to Keen Gate falls below such threshold, the Guarantors shall compensate Keen Gate on a dollar-for-dollar basis (the "Return Undertaking") in cash on or before 15 May of each calendar year.

董事及高級管理層履歷

本集團董事及高級管理層之履歷詳情載於本年報第35至38頁。

董事之合約權益

除綜合財務報表附註7及32所披露之交易外，本公司、其控股公司或附屬公司概無訂立任何本公司董事於其中直接或間接有重大權益且於年末或年內任何時間仍有效力之其他重要合約。

管理合約

年內，概無訂立或存在任何與本公司整體業務或其任何重大部分之管理及行政有關之合約。

關連交易

於二零一二年九月二十七日，建基發展有限公司（「建基」，本集團之全資附屬公司）、業德超先生（本公司執行董事及主要股東）、Modern Admission Group Limited、李啟才先生及泰和投資（中國）有限公司（「泰和投資」）訂立認購協議（「認購協議」），內容有關由建基按代價300,000,000港元（「代價」）認購泰和投資之40%股權（「認購事項」）。認購事項於二零一二年十二月十日完成。根據認購協議，業德超先生、Modern Admission Group Limited及李啟才先生（統稱為「擔保人」）共同及個別向建基承諾，建基之回報（即本集團於泰和投資所擁有之股權之應收股息）每年將不會少於代價之12%。倘建基之回報少於該下限，擔保人須按等額基準於每曆年五月十五日或之前向建基作出現金補償（「回報承諾」）。

The Return Undertaking of approximately HK\$36,000,000 for the year ended 31 December 2018 was paid by the Guarantors on 15 May 2019. In the opinion of the independent non-executive Directors (the "INEDs") of the Company, the Guarantors had fulfilled their obligations under the guarantee for the year ended 31 December 2018.

For the year ended 31 December 2019, Forward Investment suffered a loss and therefore would not be able to pay any dividends to its shareholders, including Keen Gate. The Return Undertaking for the year ended 31 December 2019 would be approximately HK\$36,000,000. The Guarantors shall compensate Keen Gate the amount of approximately HK\$36,000,000 on or before 15 May 2020.

As at the date of this annual report, the Guarantors have not yet fulfilled their obligations under the guarantee by paying the compensation of approximately HK\$36,000,000 to Keen Gate. Pursuant to the Subscription Agreement, the Guarantors shall fulfill their obligations on or before 15 May 2020. The Directors of the Company will closely monitor the status of the fulfilment of the Guarantors' obligations regarding the Return Undertaking and will disclose to the public as when the Guarantors have fulfilled their obligations or when the Guarantors fail to fulfill their obligations on or before 15 May 2020 by publication of an announcement.

The INEDs of the Company had been informed that Forward Investment suffered a loss and would not be able to pay any dividends to Keen Gate for the year ended 31 December 2019. The INEDs of the Company will closely monitor the status of the fulfilment of the Guarantors' obligations regarding the Return Undertaking and will provide an opinion (the "INED Opinion") on whether the Guarantors had fulfilled their obligations under the guarantee by compensating Keen Gate the amount of approximately HK\$36,000,000 on or before 15 May 2020 or not. The INED Opinion will be disclosed in the Company's next published annual report.

擔保人已於二零一九年五月十五日支付截至二零一八年十二月三十一日止年度之回報承諾約36,000,000港元。本公司獨立非執行董事（「獨立非執行董事」）認為，擔保人已履行彼等於截至二零一八年十二月三十一日止年度於擔保項下之責任。

截至二零一九年十二月三十一日止年度，泰和投資錄得虧損，因此將未能向其股東（包括建基）派發任何股息。截至二零一九年十二月三十一日止年度之回報承諾將約為36,000,000港元。擔保人須於二零二零年五月十五日或之前向建基補償約36,000,000港元。

於本年報日期，擔保人尚未向建基支付補償約36,000,000港元以履行彼等於擔保項下之責任。根據認購協議，擔保人須於二零二零年五月十五日或之前履行彼等之責任。本公司董事將密切監察擔保人履行有關回報承諾責任的情況，並將於擔保人完成履行彼等之責任之時或擔保人不能於二零二零年五月十五日或之前履行彼等之責任時，刊發公告以向公眾披露。

本公司之獨立非執行董事獲悉，泰和投資截至二零一九年十二月三十一日止年度錄得虧損，將未能向建基派付任何股息。本公司之獨立非執行董事將會密切監察擔保人履行有關回報承諾責任的情況，並於擔保人是否已於二零二零年五月十五日或之前履行彼等之擔保責任向建基補償約36,000,000港元之事項上提供意見（「該獨立非執行董事意見」）。該獨立非執行董事意見將會於本公司下一次刊發的年度報告中披露。

AUDIT COMMITTEE

The audit committee of the Company ("Audit Committee") presently comprises three independent non-executive Directors. The Audit Committee has reviewed with the management and the Company's external auditors the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting process including the review of the consolidated financial statements for the year ended 31 December 2019.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to issue of this report, the Company has maintained the prescribed amount of public float during the year and up to the date of this report as required under the Listing Rules.

AUDITORS

On 2 January 2020, Centurion ZD CPA Limited resigned as the auditors of the Company. Crowe (HK) CPA Limited had been appointed as the auditors of the Company with effect from 20 January 2020 to fill the casual vacancy. On 19 March 2020, Crowe (HK) CPA Limited resigned as the auditors of the Company. The Audit Committee recommended to appoint HLB Hodgson Impey Cheng Limited with effect from 19 March 2020 to fill the casual vacancy so arising.

The consolidated financial statements have been audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting of the Company. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board of Directors

Xu Xiao Jun
Chairman

Hong Kong, 13 May 2020

審核委員會

本公司審核委員會（「審核委員會」）目前由三名獨立非執行董事組成。審核委員會已與管理層及本公司之外聘核數師審閱本集團所採納之會計原則及慣例，並討論審核、內部監控及財務申報程序，包括審閱截至二零一九年十二月三十一日止年度之綜合財務報表。

公眾持股量

按本公司可公開獲得之資料及就董事所知，於本報告刊發前之最後可行日期，本公司於年內及截至本報告日期止一直維持上市規則指定數額之公眾持股量。

核數師

於二零二零年一月二日，中正達會計師事務所有限公司辭任本公司核數師。國富浩華（香港）會計師事務所有限公司已獲委任為本公司核數師，自二零二零年一月二十日生效，以填補臨時空缺。於二零二零年三月十九日，國富浩華（香港）會計師事務所有限公司辭任本公司核數師。審核委員會推薦委任國衛會計師事務所有限公司為本公司核數師，自二零一九年三月十九日生效。

綜合財務報表經由國衛會計師事務所有限公司審核，彼於本公司即將舉行之股東週年大會上任滿。本公司將於即將舉行之股東週年大會上提呈一項決議案重新聘任國衛會計師事務所有限公司為本公司來年之核數師。

代表董事會

主席
徐小俊

香港，二零二零年五月十三日

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHINA INFRASTRUCTURE INVESTMENT LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Infrastructure Investment Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 59 to 169, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致中國基建投資有限公司

列位股東之獨立核數師報告
(於開曼群島註冊成立之有限公司)

意見

核數師（「吾等」）已審核載於第59至169頁的中國基建投資有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）的綜合財務報表，此等綜合財務報表包括於二零一九年十二月三十一日的綜合財務狀況表以及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）真實而公平地反映 貴集團於二零一九年十二月三十一日之綜合財務狀況以及 貴集團截至該日止年度之綜合財務表現及綜合現金流量，並已根據香港公司條例之披露規定妥為編製。

Independent Auditors' Report

獨立核數師報告

BASIS FOR OPINION

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 opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the consolidated financial statements which indicates that the Group incurred a net loss of approximately HK\$30,074,000 and had operating cash outflows of approximately HK\$303,932,000 for the year ended 31 December 2019. These matters, along with other matters as set forth in note 2 to the consolidated financial statements indicate the existence of a material uncertainty which may cast significant doubts about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. 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 Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

意見之基準

吾等已根據香港會計師公會頒佈之香港核數準則（「香港核數準則」）進行審核。吾等於該等準則項下之責任乃於吾等之報告核數師就審核綜合財務報表須承擔的責任一節進一步闡述。吾等根據香港會計師公會頒佈之專業會計師道德守則（「守則」）獨立於貴集團，吾等亦已根據守則履行其他道德責任。吾等認為吾等所獲得的審核憑證屬充足及適當以為吾等之意見提供基準。

與持續經營有關的重大不確定性

吾等提請注意綜合財務報表附註2，其指出本集團於截至二零一九年十二月三十一日止年度錄得淨虧損約30,074,000港元，經營現金流出約303,932,000港元。該等事項連同綜合財務報表附註2中所載其他事項表明存在重大不確定性，可能造成對本集團的持續經營能力產生重大疑慮。吾等對此事項之觀點並無改變。

關鍵審核事項

關鍵審核事項為就吾等之專業判斷而言，對吾等審核本年度之綜合財務報表最為重要的事項。該等事項是在吾等審核整體綜合財務報表及出具意見時進行處理的，且吾等不會對該等事項提供單獨的意見。除與持續經營有關的重大不確定性所述事項外，吾等還確定以下事項為我們報告中要傳達之關鍵審核事項。

KEY AUDIT MATTERS (Continued)

Key audit matter

關鍵審核事項

Valuation of investment properties

Refer to note 12 to the consolidated financial statements.
請參閱綜合財務報表附註 12。

At 31 December 2019, the Group has investment properties with carrying amounts of approximately HK\$59,227,000.

於二零一九年十二月三十一日，貴集團投資物業之賬面值約 59,227,000 港元。

The fair value of the Group's investment properties is determined by adopting the valuation techniques with significant unobservable inputs, assumptions of market conditions and judgements. The Group also engaged an independent qualified professional firm of valuers to establish and determine the appropriate valuation techniques.

貴集團投資物業之公平值乃採用估值方法釐定，當中涉及重大不可觀察輸入數據、市況假設及判斷。貴集團亦與獨立合資格估值師密切合作以建立及確定合適的估值方法。

Due to the key source of estimation uncertainty and the significant assumptions and judgements involved in the valuation, valuation of investment properties is identified as a key audit matter.

由於估值涉及估計不明朗因素之主要來源以及重大假設及判斷，吾等將投資物業估值確定為關鍵審核事項。

關鍵審核事項 (續)

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

投資物業估值

Our audit procedures in relation to management's determination of the valuation of investment properties included:

吾等有關管理層確定投資物業估值之審核程序包括：

- evaluating the competence, capabilities and objectivity of the valuers;
- 評估估值師的資歷、能力及客觀性；
- assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the relevant industry and using our valuation experts;
- 根據我們對相關行業的了解並使用我們的估值專家，評估所使用的方法和主要假設的適當性；
- challenging the reasonableness of key assumptions based on our knowledge of the business and industry; and
- 根據我們對業務和行業的了解，對關鍵假設的合理性提出質疑；及
- checking, on a sampling basis, the accuracy and relevance of the input data used.
- 抽樣檢查所用輸入數據的準確性與相關性。

We found the management's judgements and estimates used in determining the fair value of investment properties was supportable by available evidence.

吾等認為，在確定投資物業的公平值時所採用的管理層判斷與估計得到現有證據支持。

KEY AUDIT MATTERS (Continued)

Key audit matter

關鍵審核事項

Impairment assessment on construction in progress under property, plant and equipment

Refer to note 13 to the consolidated financial statements.
請參閱綜合財務報表附註 13。

At 31 December 2019, the Group has construction in progress under property, plant and equipment with carrying amounts of approximately HK\$120,037,000.
於二零一九年十二月三十一日，貴集團物業、廠房及設備項下在建工程之賬面值約 120,037,000 港元。

The recoverable amount of construction in progress is determined by reference to fair value less costs of disposal. The fair value of the construction in progress is determined by adopting the valuation techniques with significant unobservable inputs, assumptions of market conditions and judgements. The Group also engaged an independent qualified professional firm of valuers to establish and determine the appropriate valuation techniques.

在建工程的可收回金額乃按公平值減出售成本確定。在建工程之公平值乃採用估值方法釐定，當中涉及重大不可觀察輸入數據、市況假設及判斷。貴集團亦僱用獨立合資格專業估值師公司，以建立及確定合適的估值方法。

No impairment loss was recognised in respect of construction in progress during the year ended 31 December 2019.

截至二零一九年十二月三十一日止年度，並無就在建工程確認減值虧損。

Due to the key source of estimation uncertainty and the significant assumptions and judgements involved in the valuation, impairment assessment on construction in progress under property, plant and equipment is identified as a key audit matter.

由於估值涉及估計不明朗因素之主要來源以及重大假設及判斷，吾等將物業、廠房及設備項下在建工程之減值評估確定為關鍵審核事項。

關鍵審核事項 (續)

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

物業、廠房及設備項下在建工程之減值評估

Our audit procedures in relation to management's impairment assessment on construction in progress under property, plant and equipment included:

吾等有關管理層就物業、廠房及設備項下在建工程之減值評估的審核程序包括：

- evaluating the competence, capabilities and objectivity of the valuers;
- 評估估值師的資歷、能力及客觀性；
- assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the relevant industry and using our valuation experts
- 根據我們對相關行業的了解並使用我們的估值專家，評估所使用的方法和主要假設的適當性；
- challenging the reasonableness of key assumptions based on our knowledge of the business and industry; and
- 根據我們對業務和行業的了解，對關鍵假設的合理性提出質疑；及
- checking, on a sampling basis, the accuracy and relevance of the input data used.
- 抽樣檢查所用輸入數據的準確性與相關性。

We found the management's judgements and estimates used in impairment assessment of construction in progress was supportable by available evidence.

吾等認為，在建工程之減值評估所採用的管理層判斷與估計得到現有證據支持。

KEY AUDIT MATTERS (Continued)

Key audit matter

關鍵審核事項

Recoverability of carrying amounts of interests in associates

Refer to note 17 to the consolidated financial statements.
請參閱綜合財務報表附註 17。

At 31 December 2019, the Group has interests in associates with carrying amounts of approximately HK\$300,318,000.

於二零一九年十二月三十一日，貴集團於聯營公司之權益之賬面值約300,318,000港元。

Interests in associates are carried in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associates, less any impairment.

於聯營公司之權益按成本於綜合財務狀況表內列示，並於其後作出調整以確認貴集團分佔聯營公司之損益及其他全面收益。

The Group is required to assess whether there is any indication that the carrying amounts of interests in associates may be impaired at the end of the reporting period. In this regard, no impairment of interests in associates was considered to be necessary by the management as at 31 December 2019.

貴集團須於報告期末評估是否有跡象表明聯營公司之權益賬面值可能會減值。就此而言，截至二零一九年十二月三十一日，管理層認為並無必要對於聯營公司之權益作出減值。

Due to the significance of the Group's interests in associates in the context of the Group's consolidated financial statements, recoverability of carrying amounts of interests in associates is identified as a key audit matter.

由於貴集團於聯營公司之權益在貴集團綜合財務報表中具有重大意義，吾等將於聯營公司之權益的賬面值可收回性確定為關鍵審核事項。

關鍵審核事項 (續)

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

於聯營公司之權益的賬面值可收回性

Our audit procedures in relation to the management's impairment assessment on interests in associates included:

吾等有關管理層評估於聯營公司之權益的賬面值可收回性的審核程序包括：

- assessing the appropriateness of the management's accounting for interests in associates;
- 評估管理層對於聯營公司之權益進行會計處理之適當性；
- understanding the management's process for identifying the existence of impairment indicators in respect of the interests in associates; and
- 了解管理層確定存在與於聯營公司之權益有關的減值指標的過程；及
- assessing the reasonableness of the recoverable amount of the associates and obtaining an understanding from the management of their financial position and future prospects.
- 評估聯營公司可收回金額的合理性，並從管理層了解其財務狀況和未來前景。

We found the management's assessment of the recoverability of carrying amounts of interests in associates was supportable by available evidence.

吾等認為，管理層對於聯營公司之權益的賬面值可收回性估計得到現有證據支持。

Independent Auditors' Report

獨立核數師報告

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2018 were audited by another auditor who expressed a qualified opinion on those statements on 29 March 2019.

OTHER INFORMATION

The directors 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 (the "Other Information").

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

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

RESPONSIBILITIES OF THE DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors 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 the 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 Audit Committee is responsible for overseeing the Group's financial reporting process.

其他事項

本集團截至二零一八年十二月三十一日止年度的綜合財務報表由另一名核數師審核，其於二零一九年三月二十九日對該等報表發表有保留的意見。

其他資料

董事負責編製其他資料。其他資料包括年報所載之資料，惟不包括綜合財務報表及吾等就此之核數師報告（「其他資料」）。

吾等有關綜合財務報表之意見並不涵蓋其他資料，吾等亦並不就此發表任何形式之核證結論。

就吾等對綜合財務報表之審核而言，吾等之責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或吾等在審核過程中獲悉的資料存在重大不符，或存在重大錯誤陳述。倘若吾等基於已完成的工作認為其他資料出現重大錯誤陳述，吾等須報告此事實。吾等就此並無須報告事項。

董事及審核委員會就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製及真實而公允地列報綜合財務報表，並負責董事認為就確保綜合財務報表之編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需之有關內部控制。

於編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事有意將貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

審核委員會須負責監督貴集團的財務報告流程。

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

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

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

核數師就審核綜合財務報表須承擔的責任

吾等的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告。吾等僅向閣下（作為整體）報告，並不作其他用途。吾等不就本報告之內容向任何其他人士負上或承擔責任。合理保證是高水平的保證，但不能保證按照香港核數準則進行的審核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，倘合理預期該等錯誤陳述個別或匯總起來可能影響此等綜合財務報表使用者所作出的經濟決策，則有關的錯誤陳述可被視作重大。

吾等根據香港核數準則進行審核的工作之一，是運用專業判斷，在整個審核過程中抱持職業懷疑態度。吾等亦：

- 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，設計及執行審核程序以應對該等風險，以及取得充足和適當的審核憑證，作為吾等意見的基礎。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因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的效能發表意見。
- 評價董事所採用會計政策的恰當性及所作出會計估計和相關披露資料的合理性。

Independent Auditors' Report

獨立核數師報告

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 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 Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

核數師就審核綜合財務報表須承擔的責任 (續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審核憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。倘吾等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對綜合財務報表中的相關披露資料的關注。倘有關的披露資料不足，則修改我們的意見。吾等的結論乃基於截至核數師報告日期止所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評估綜合財務報表（包括披露資料）的整體列報方式、結構及內容，以及綜合財務報表是否公允反映有關交易和事項。
- 就貴集團中實體或業務活動的財務資料獲取充分及適當的審核證據，以對綜合財務報表發表意見。吾等負責指導、監督及執行集團審核。吾等僅對吾等之審核意見承擔責任。

吾等與審核委員會溝通（其中包括）計劃的審核範圍、時間安排、重大審核發現等事項，包括吾等在審核期間識別出內部控制的任何重大缺陷。

吾等亦向審核委員會提交聲明，說明吾等已符合有關獨立性的相關職業道德要求，並與彼等溝通所有可能合理地被認為會影響吾等獨立性的關係及其他事項，以及相關防範措施（倘適用）。

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

From the matters communicated with 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 this independent auditors' report is Yu Chi Fat.

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Yu Chi Fat

Practising Certificate Number: P05467

Hong Kong, 13 May 2020

核數師就審核綜合財務報表須承擔的責任 (續)

從與審核委員會溝通的事項中，吾等決定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。吾等會在核數師報告中描述這些事項，惟法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期在吾等的報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，吾等將不會在此等情況下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余智發先生。

國衛會計師事務所有限公司

執業會計師

余智發

執業證書編號：P05467

香港，二零二零年五月十三日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

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

		Notes	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		附註		
Revenue	收益	4	56,935	56,182
Cost of sales	銷售成本		(55,030)	(54,318)
Gross profit	毛利		1,905	1,864
Other income	其他收入	5	37,469	38,315
Loss arising on change in fair value of investment properties	投資物業公平值變動產生 之虧損	12	(2,266)	—
Share of results of associates	應佔聯營公司之業績	17	(10,276)	(19,525)
General and administrative expenses	一般及行政開支		(34,058)	(15,841)
(Loss)/profit from operations	經營(虧損)/溢利		(7,226)	4,813
Finance costs	財務成本	6(a)	(23,414)	(25,000)
Loss before taxation	除稅前虧損	6	(30,640)	(20,187)
Income tax credit	所得稅抵免	9	566	—
Loss for the year	年內虧損		(30,074)	(20,187)
Attributable to:	應佔：			
— Owners of the Company	— 本公司擁有人		(28,909)	(20,088)
— Non-controlling interests	— 非控股股東權益		(1,165)	(99)
Loss for the year	年內虧損		(30,074)	(20,187)
Loss per share (HK cents per share)	每股虧損(每股港仙)	11		
Basic	基本		(0.68) cents 仙	(0.47) cents 仙
Diluted	攤薄		(0.68) cents 仙	(0.47) cents 仙

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss for the year		(30,074)	(20,187)
Other comprehensive loss:			
Items that may be reclassified to profit or loss			
Net translation differences on foreign operations		(15,591)	(37,700)
Share of other comprehensive income of associates			
— Exchange reserve	17	(5,862)	(14,294)
Other comprehensive loss for the year, net of tax		(21,453)	(51,994)
Total comprehensive loss for the year		(51,527)	(72,181)
Attributable to:			
— Owners of the Company		(49,104)	(69,029)
— Non-controlling interests		(2,423)	(3,152)
Total comprehensive loss for the year		(51,527)	(72,181)

The accompanying notes form an integral part of these consolidated financial statements.

附帶之附註為此等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		Notes 附註		
NON-CURRENT ASSETS				
	非流動資產			
Investment properties	投資物業	12	59,227	62,623
Property, plant and equipment	物業、廠房及設備	13	120,064	122,349
Right-of-use assets	使用權資產	14	2,578	—
Land use rights	土地使用權	15	—	1,774
Goodwill	商譽	16	—	—
Interests in associates	於聯營公司之權益	17	300,318	316,456
Prepayment	預付款項	20	133,441	—
			615,628	503,202
CURRENT ASSETS				
	流動資產			
Trade receivables	應收貿易賬款	19	18,112	775
Other receivables, deposits and prepayment	其他應收款項、按金及預付款項	20	393,653	86,445
Cash and bank balances	現金及銀行結餘	21	2,024	553,114
			413,789	640,334
CURRENT LIABILITIES				
	流動負債			
Trade payables	應付貿易賬款	22	(29,877)	(13,153)
Accruals and other payables	應計費用及其他應付款項	23	(60,572)	(31,013)
Interest-bearing borrowings	計息借貸	24	(125,000)	(234,000)
Lease liabilities	租賃負債	25	(297)	—
Tax payables	應付稅項		(5,568)	(5,654)
			(221,314)	(283,820)
NET CURRENT ASSETS	流動資產淨值		192,475	356,514
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		808,103	859,716

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

		Notes	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		附註		
NON-CURRENT LIABILITIES	非流動負債			
Lease liabilities	租賃負債	25	(623)	—
Deferred tax liabilities	遞延稅項負債	26	(7,369)	(8,078)
			(7,992)	(8,078)
NET ASSETS	資產淨值		800,111	851,638
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	28(a)	213,496	213,496
Reserves	儲備		518,880	567,984
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額		732,376	781,480
Non-controlling interests	非控股股東權益		67,735	70,158
TOTAL EQUITY	權益總額		800,111	851,638

Approved and authorised for issue by the board of directors on 13 May 2020.

於二零二零年五月十三日經董事會批准並授權刊發。

Xu Xiao Jun

徐小俊
Director
董事

Ye De Chao

業德超
Director
董事

The accompanying notes form an integral part of these consolidated financial statements.

附帶之附註為此等綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital	Share premium	Capital reserve (note 1) 資本儲備 (附註1)	Capital redemption reserve (note 2) 資本贖回儲備 (附註2)	Exchange reserve 匯兌儲備	Accumulated losses 累計虧損	Total	Non-controlling interests 非控股股東權益	Total equity 權益總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	213,496	756,049	72	69	(7,337)	(111,840)	850,509	73,310	923,819
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表之匯兌差額	—	—	—	—	(34,647)	—	(34,647)	(3,053)	(37,700)
Share of other comprehensive income of associates	應佔聯營公司其他全面收益	—	—	—	—	(14,294)	—	(14,294)	—	(14,294)
Loss for the year	年內虧損	—	—	—	—	—	(20,088)	(20,088)	(99)	(20,187)
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	—	—	—	—	(48,941)	(20,088)	(69,029)	(3,152)	(72,181)
At 31 December 2018	於二零一八年十二月三十一日	213,496	756,049	72	69	(56,278)	(131,928)	781,480	70,158	851,638

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital	Share premium	Capital reserve (note 1) 資本儲備 (附註1)	Capital redemption reserve (note 2) 資本贖回儲備 (附註2)	Exchange reserve 匯兌儲備	Accumulated losses 累計虧損	Total	Non-controlling interests 非控股股東權益	Total equity 權益總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	213,496	756,049	72	69	(56,278)	(131,928)	781,480	70,158	851,638
Exchange differences on translation of financial statements of overseas subsidiaries	換算海外附屬公司財務報表之匯兌差額	—	—	—	—	(14,333)	—	(14,333)	(1,258)	(15,591)
Share of other comprehensive income of associates	應佔聯營公司其他全面收益	—	—	—	—	(5,862)	—	(5,862)	—	(5,862)
Loss for the year	年內虧損	—	—	—	—	—	(28,909)	(28,909)	(1,165)	(30,074)
Total comprehensive income/(loss) for the year	年內全面收益/(虧損)總額	—	—	—	—	(20,195)	(28,909)	(49,104)	(2,423)	(51,527)
At 31 December 2019	於二零一九年十二月三十一日	213,496	756,049	72	69	(76,473)	(160,837)	732,376	67,735	800,111

Notes:

- The capital reserve of the Group represents the excessive injection of the registered capital of a subsidiary.
- Capital redemption reserve represents the nominal value of shares repurchased out of distributable profit.

附註：

- 本集團資本儲備指附屬公司註冊資本之超額注資。
- 資本贖回儲備指以可分派溢利購回股份之面值。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Loss before taxation	除稅前虧損	(30,640)	(20,187)
Adjustments for:	就下列作出調整：		
Amortisation and depreciation of non-current assets	非流動資產攤銷及折舊	148	101
Interest income	利息收入	(1,469)	(2,067)
Finance costs	財務成本	23,414	25,000
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	—	(200)
Loss arising on change in fair value of investment properties	投資物業公平值變動產生之虧損	2,266	—
Share of results of associates	應佔聯營公司之業績	10,276	19,525
Operating profit before changes in working capital	經營資金變動前之經營溢利	3,995	22,172
Increase in trade and other receivables, deposits and prepayment	應收貿易賬款及其他應收款項、按金及預付款項增加	(329,622)	(26,896)
Increase/(decrease) in trade and other payables	應付貿易賬款及其他應付款項增加／(減少)	21,695	(8,579)
Net cash used in from operating activities	經營業務所用現金淨額	(303,932)	(13,303)

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
INVESTING ACTIVITIES	投資業務		
Interest received	已收利息	1,469	2,067
Proceed from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	—	200
Prepayment for investment property and property, plant and equipment	投資物業及物業、廠房及設備預付款項	(135,315)	—
Net cash (used in)/generated from investing activities	投資業務(所用)/產生之現金淨額	(133,846)	2,267
FINANCING ACTIVITIES	融資業務		
Advance from/(repayment to) substantial shareholder	主要股東預付款項/向主要股東償還款項	1,670	(1,316)
Repayment of secured loans	償還有抵押貸款	(109,000)	(16,000)
Repayment of lease liabilities	償還租賃負債	(61)	—
Interest paid	已付利息	—	(25,000)
Net cash used in financing activities	融資業務所用之現金淨額	(107,391)	(42,316)
Net decrease in cash and cash equivalents	現金及現金等值物減少淨額	(545,169)	(53,352)
Effect of foreign exchange rate changes	外幣匯率變動之影響	(5,921)	(30,454)
Cash and cash equivalents at beginning of year	於年初之現金及現金等值物	553,114	636,920
Cash and cash equivalents at the end of year	於年終之現金及現金等值物	2,024	553,114

The accompanying notes form an integral part of these consolidated financial statements.

附帶之附註為此等綜合財務報表之一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL INFORMATION

China Infrastructure Investment Limited (the “Company”) was incorporated in the Cayman Islands on 16 June 1992 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office of the Company in the Cayman Islands is The R&H Trust Co. Ltd., Windward 1, Regatta Office Park, West Bay Road, Grand Cayman, Cayman Islands. The address of the registered office and the principal place of business of the Company in Hong Kong is Suite 607, 6/F., Ocean Centre, 5 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company’s immediate holding company is Legendary Base International Limited and the ultimate controlling party is Mr. Ye De Chao, who is a director of the Company.

The Company is an investment holding company. The principal activities of its subsidiaries (together with the Company, the “Group”) are described in note 18.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. The consolidated financial statements are presented in the nearest thousand of HK\$(HK\$’000), unless otherwise stated.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which is a collective term that include all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance (“CO”). These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange (the “Listing Rules”).

1. 一般資料

中國基建投資有限公司（「本公司」）於一九九二年六月十六日根據開曼群島公司法在開曼群島註冊成立為一間獲豁免有限公司。本公司股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之開曼群島註冊辦事處地址為 The R&H Trust Co. Ltd., Windward 1, Regatta Office Park, West Bay Road, Grand Cayman, Cayman Islands。本公司之香港註冊辦事處及主要營業地點位於香港九龍尖沙咀廣東道5號海洋中心6樓607室。本公司的直接控股公司是Legendary Base International Limited，而最終控制方為本公司董事業德超先生。

本公司為一間投資控股公司。其附屬公司（連同本公司，統稱（「本集團」）之主要業務於附註18中列示。

本綜合財務報表以港元（「港元」）呈列，與本公司之功能貨幣相同。除非另有說明，綜合財務報表以最接近的千港元（「千港元」）呈列。

2. 主要會計政策

(A) 遵例聲明

本綜合財務報表已根據香港會計師公會（「香港會計師公會」）頒佈之所有適用香港財務報告準則（「香港財務報告準則」），合共包括所有適用之個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋、香港公認會計原則及香港公司條例（「公司條例」）之適用披露規定而編製。此等綜合財務報表亦符合聯交所證券上市規則（「上市規則」）的適用披露規定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(B) BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for the investment properties 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.

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

2. 主要會計政策 (續)

(B) 編製基準

綜合財務報表乃採用歷史成本法編製，惟下文所載會計政策所說明之於各報告期末按公平值計量之投資物業除外。

歷史成本一般按交換貨品及服務時給予代價的公平值計量。

公平值為於計量日市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否可使用其他估值方法直接可觀察或估計。於估計資產或負債的公允價值時，本集團會考慮市場參與者於計量日對資產或負債定價時所考慮的資產或負債的特點。綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟國際財務報告準則第2號「以股份為基礎的付款」範疇內以股份為基礎的付款交易、根據國際財務報告準則第16號「租賃」（自二零一九年一月一日起）或國際會計準則第17號「租賃」（於應用國際財務報告準則第16號前）計量的租賃交易，以及與公平值相似但並非公平值的計量（如國際會計準則第2號「存貨」中的可變現淨值或國際會計準則第36號「資產減值」中的使用價值）除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(B) BASIS OF PREPARATION (Continued)

For investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

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.

(C) GOING CONCERN

The Group incurred a net loss of approximately HK\$30,074,000 and had operating cash outflows of approximately HK\$303,932,000 for the year ended 31 December 2019. In addition, the Group had interest-bearing borrowing of approximately HK\$125,000,000 and related interest of approximately HK\$23,400,000 which was expired and carried the default interest on 20% per annum.

2. 主要會計政策 (續)

(B) 編製基準 (續)

按公平值轉讓之投資物業，凡於其後期間應用以不可觀察數據計量公平值之估值方法，估值方法應予校正，以致估值方法之結果相等於交易價格。

此外，就財務報告而言，公平值計量分為第一級別至第三級別，此等級別之劃分乃根據其數據的可觀察程度及該數據對公平值計量的整體重要性，概述如下：

- 第一級別數據指該實體於計量日期由活躍市場上相同資產或負債獲得的標價（未經調整）；
- 第二級別數據指除第一級別所包含之標價以外，可直接或間接從觀察資產或負債之資料而得出的數據；及
- 第三級別數據指該數據不可從觀察資產或負債的資料而獲得。

主要會計政策載列如下：

(C) 持續經營

截至二零一九年十二月三十一日止年度，本集團錄得淨虧損約30,074,000港元，經營現金流出約303,932,000港元。此外，本集團的計息借貸約125,000,000港元及相關利息約23,400,000港元已到期，並按年利率20%計提違約利息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(C) GOING CONCERN (Continued)

In view of such circumstances, which indicate the existence of uncertainties that may cast doubt about the Group's ability to continue as a going concern, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve the Group's financial position which include, but are not limited to, the following:

- (i) The Group will apply stringent cost control in administrative expenses and capital expenditures.
- (ii) A substantial shareholder of the Company has agreed to provide financial support for the continuing operation of the Group.
- (iii) The Group is in active negotiation with the lender for the extension of the interest-bearing borrowings.
- (iv) Other operation plan to mitigate the liquidity problem.

2. 主要會計政策 (續)

(C) 持續經營 (續)

鑒於此種情況表明存在不確定性，可能造成對本集團持續經營能力的疑慮，因此本公司董事已審慎考慮本集團的未來流動性和業績以及其可用的融資來源，以評估本集團是否將有足夠財務資源進行持續經營。已採取若干措施以減輕流動性壓力，並改善本集團的財務狀況，包括但不限於以下措施：

- (i) 本集團將對行政開支和資本支出實行嚴格的成本控制。
- (ii) 本公司的主要股東已同意為本集團的持續經營提供財務支持。
- (iii) 本集團正與貸方就延期付息借款進行積極磋商。
- (iv) 減輕流動性問題的其他業務計劃。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(C) GOING CONCERN (Continued)

However, the appropriateness of the going concern basis of accounting is dependent on the assumption that (i) the management of the Group will be able to achieve its plans and measures as described above; (ii) the Group is able to obtain continuous external financial support from substantial shareholder; (iii) the Group will be able to improve its business operations; (iv) the Group is able to successfully negotiate with the lender in relation to the extension of interest-bearing borrowing and related interest; and (v) the Group is able to generate sufficient cash flow and implement exercises to control costs. Should the going concern basis of accounting become inappropriate, adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

(D) SUBSIDIARIES AND NON-CONTROLLING INTERESTS

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

2. 主要會計政策 (續)

(C) 持續經營 (續)

然而，持續經營會計處理基礎的適當性取決於以下假設：(i)本集團的管理層將能夠實現上述計劃和措施；(ii)本集團能夠獲得持續的來自主要股東的外部財務支持；(iii)本集團將能夠改善其業務運作；(iv)本集團能夠成功與貸方就計息借貸及相關利息的延期進行磋商；及(v)本集團能夠產生足夠的現金流量並進行控制費用的措施。如果持續經營會計處理基礎不適當，則可能需要進行調整以將本集團資產的賬面值減記至可收回金額，以備可能產生的任何其他負債，以及分別將非流動資產和非流動負債重新分類為流動資產和流動負債。該等調整的影響並未反映在該等綜合財務報表中。

(D) 附屬公司及非控股股東權益

附屬公司乃本集團控制之實體。當本集團參與或有權透過參與實體而獲得可變回報及有能力透過其對該實體之權力影響該等回報時，則本集團控制該實體。於評估本集團是否有權力時，僅會考慮本集團及其他人士持有的實質權利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(D) SUBSIDIARIES AND NON-CONTROLLING INTERESTS (Continued)

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Group, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and owners of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

2. 主要會計政策 (續)

(D) 附屬公司及非控股股東權益 (續)

於附屬公司之投資自控制開始日期直至控制終止日合併入綜合財務報表。集團內公司間之結餘及交易及因集團內交易而產生之任何未變現溢利，均於編製綜合財務報表時全部撇銷。集團內公司間交易所產生之未變現虧損亦按照未變現溢利之方法同樣予以撇銷，惟僅限於沒有減值跡象之情況下。

非控股股東權益為並非由本集團直接或間接應佔之附屬公司權益，就此而言，本集團並未與該等權益持有人協定任何額外條款，以致本集團整體須承擔符合金融負債定義之該等權益之合約責任。就各業務合併而言，本集團可選擇按公平值或按彼等佔附屬公司的可識別淨資產之比例而計量任何非控股股東權益。

非控股股東權益在綜合財務狀況表內與本公司擁有人應佔權益分開呈列於權益內。於本集團業績內之非控股股東權益作為年內非控股股東權益與本公司擁有人之間在損益總額及全面收益總額之分配，並在綜合損益及其他全面收益表內呈列。

本集團將不導致喪失控股權之附屬公司權益的變動按權益交易方式入賬，即只調整在綜合權益內之控股及非控股股東權益之金額以反映其相關權益之變動，但不調整商譽及確認盈虧。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(D) SUBSIDIARIES AND NON-CONTROLLING INTERESTS (Continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an interest in an associate or a joint venture.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(E) INTERESTS IN ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the group for like transactions and events in similar circumstances. Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates.

2. 主要會計政策 (續)

(D) 附屬公司及非控股股東權益 (續)

當本集團喪失對一附屬公司之控股權，將按出售該附屬公司之所有權益入賬，而所產生的盈虧確認於損益賬。任何在喪失控股權日仍保留該前附屬公司之權益按公平值確認，而此金額被視為初始確認一金融資產的公平值，或（如適用）按成本初始確認一聯營公司或一合營企業權益。

於本公司財務狀況表內，於附屬公司之投資按成本減減值虧損列賬，除非投資分類為持作銷售（或計入分類為持作銷售之出售組別）。

(E) 聯營公司權益

聯營公司指本集團能對其行使重大影響力之實體。重大影響力指可參與受投資公司之財務及營運決策但不能控制或共同控制該等政策之權力。

聯營公司之業績以及資產及負債乃使用權益會計法計入此等綜合財務報表內。用於權益會計用途的聯營公司財務報表乃採用與本集團在類似情況下發生的類似交易和事件一樣的統一會計政策編制。根據權益法，於聯營公司之投資最初按成本於綜合財務狀況表內確認，並於其後作出調整以確認本集團分佔聯營公司之損益及其他全面收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(E) INTERESTS IN ASSOCIATES (Continued)

When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The Group assesses whether there is objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

2. 主要會計政策 (續)

(E) 聯營公司權益 (續)

倘本集團應佔聯營公司之虧損超過其於該聯營公司之權益（包括任何實質上構成本集團於該聯營公司之淨投資一部分之任何長期權益），則本集團會終止確認其應佔之其後虧損。僅當本集團已產生法定或推定責任或代表該聯營公司支付款項時，本集團方會確認額外虧損。

收購成本高出本集團分佔聯營公司於收購日期確認的可識別資產、負債及或然負債公平淨值的任何差額確認為商譽，計入投資的賬面值。

經重新評估後，本集團分佔可識別資產、負債及或然負債公平淨值高出收購成本的任何差額即時於損益確認。

本集團評估是否存在客觀證據顯示於一間聯營公司之權益可能存在減值。如存在任何客觀證據，該項投資之全部賬面值會根據香港會計準則第36號以單項資產之方式進行減值測試，方法是比較其可收回金額（即使用價值與公平值減出售成本之較高者）與賬面值。任何已確認惟尚未分配至任何資產（包括商譽）之減值虧損構成該項投資之賬面值之一部分，有關減值虧損之任何撥回於該項投資之可收回金額其後增加之情況根據香港會計準則第36號確認。

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綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(E) INTERESTS IN ASSOCIATES (Continued)

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

(F) REVENUE RECOGNITION

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 goods 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.

2. 主要會計政策 (續)

(E) 聯營公司權益 (續)

當本集團對聯營公司不再擁有重大影響力，則以出售被投資公司全部股權列賬，所產生之收益或虧損會於損益確認。

倘一間集團實體與本集團之聯營公司進行交易，則本集團之綜合財務報表確認與該聯營公司交易所產生之損益時，僅限於該聯營公司與本集團以外之權益。

(F) 收益確認

本集團於履約責任獲履行時確認收入，即當與特定履約責任相關的商品或服務的「控制權」轉讓予客戶時。

履約責任指個別的商品或服務（或一組商品或服務）或一系列大致相同的個別商品或服務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(F) REVENUE RECOGNITION (Continued)

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

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

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

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

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

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

2. 主要會計政策 (續)

(F) 收益確認 (續)

倘符合以下其中一項標準，則控制權隨時間轉移，而收入則參照完全履行相關履約責任的進展情況而隨時間確認：

- 於本集團履約時，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約產生或提升一項資產，而該項資產於本集團履約時由客戶控制；或
- 本集團的履約並未產生讓本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

否則，收入於客戶獲得個別商品或服務控制權的時間點確認。

合約資產指本集團就交換本集團已向客戶轉移的貨品或服務收取代價的有條件權利。合約資產按照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），而須向客戶轉讓商品或服務的責任。

與同一合約相關之合約資產及合約負債以淨額基準入賬及呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(F) REVENUE RECOGNITION (Continued)

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

2. 主要會計政策 (續)

(F) 收益確認 (續)

委託人與代理人

當另一方參與向客戶提供商品或服務時，本集團確定其承諾的性質是否為履行義務，以自行提供指定的商品或服務（即本集團為委託人）或安排由另一方（即本集團為代理人）提供的該等商品或服務。

如果在將指定商品或服務轉移給客戶之前控制了指定商品或服務，則本集團為委託人。

如果本集團的履約義務是安排由另一方提供指定的商品或服務，則本集團為代理人。在此情況下，本集團在將由另一方提供的指定商品或服務轉移給客戶之前無法控制指定商品或服務。當本集團作為代理人時，其將確認收入金額為其期望獲得的任何費用或佣金以換取安排由另一方提供的指定商品或服務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(F) REVENUE RECOGNITION (Continued)

Further details of the Group's revenue recognition policies are as follows:

Sales of construction materials

The Group sell construction materials directly to customers.

Revenue from sales of construction materials are recognised at a point in time when control of the goods has transferred, being when the goods have been delivered to the specify location.

The normal credit term is up to 30 days upon delivery.

Property management fee income

Under the terms of the contract, property management fee income is recognised as a performance obligation satisfied over time. The property management fee income are recognised throughout the respective contract period.

2. 主要會計政策 (續)

(F) 收益確認 (續)

本集團收入確認政策的更多詳情如下：

銷售建造材料

本集團直接向客戶銷售建造材料。

銷售建造材料收入在貨物控制權轉移的時間點確認，即貨物已經交付到指定地點的時間點。

正常信貸期為交貨後30天。

物業管理費收入

根據合約條款，物業管理費收入確認為隨時間推移而履行的履約義務。物業管理費收入在各自整個合約期內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(G) LEASING

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 3)

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 3)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

2. 主要會計政策 (續)

(G) 租賃

租賃的定義 (根據附註3所述之過渡安排而應用香港財務報告準則第16號後)

倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約屬於或包含租賃。

就於首次應用日期或之後訂立或修改或因業務合併而引致的合約而言，本集團根據香港財務報告準則第16號的定義於開始、修訂日期或收購日期 (視何者合適而定) 評估該合約是否屬於或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

本集團作為承租人 (根據附註3所述之過渡安排而應用香港財務報告準則第16號後)

使用權資產

使用權資產的成本包括：

- 初始計量租賃負債的金額；
- 於開始日期或之前作出的任何租賃付款扣除任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團於拆除及拆遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況時估計產生的成本。

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綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(G) LEASING (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 3)

(Continued)

Right-of-use assets (Continued)

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 *Financial Instruments* and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

2. 主要會計政策 (續)

(G) 租賃 (續)

本集團作為承租人（根據附註3所述之過渡安排而應用香港財務報告準則第16號後）(續)

使用權資產 (續)

除歸類為投資物業且按公平值模型計量者外，使用權資產按成本減去任何累計折舊與減值虧損後的金額進行計量，並就租賃負債的任何重新計量進行調整。

使用權資產按直線法於其估計可使用年期及租期（以較短者為準）內計提折舊。

本集團於綜合財務狀況表內將使用權資產呈列為獨立項目。

可退還租金按金

已支付可退還租金按金根據香港財務報告準則第9號「金融工具」記賬，並初步按公平值計量。初始確認時對公平值的調整被視為額外租賃付款，並計入使用權資產的成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(G) LEASING (Continued)

The Group as a lessee (upon application of HKFRS 16 in accordance with transitions in note 3)

(Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

2. 主要會計政策 (續)

(G) 租賃 (續)

本集團作為承租人（根據附註3所述之過渡安排而應用香港財務報告準則第16號後）(續)

租賃負債

於租賃開始日期，本集團以於該日期尚未支付的租賃付款的現值確認並計量租賃負債。倘租賃隱含的利率不易釐定，則本集團會使用於租賃開始日期的遞增借款利率計算租賃付款現值。

租賃付款包括：

- 固定付款（包括實質固定付款）減任何應收租賃優惠；
- 取決於指數或利率的可變租賃付款，採用開始日期的指數或利率進行初始計量；
- 剩餘價值擔保下預期本集團應支付的款項；
- 能合理確定將由本集團行使的購買權行使價；及
- 為終止租賃而支付的罰款（倘租賃期反映本集團正行使終止租賃權）。

本集團於綜合財務狀況表內將租賃負債呈列為獨立項目。

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綜合財務報表附註

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(G) LEASING (Continued)

The Group as a lessee (prior to 1 January 2019)

All leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

The Group as a lessee under operating lease of land use rights (prior to 1 January 2019)

Land use rights under operating lease, which mainly comprised land use rights to be developed for investment properties and self-use buildings, are stated at cost and subsequently amortised in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the operating lease periods, less accumulated impairment provision.

The Group as lessor

Rental income from operating leases is recognised 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 and recognised on a straight-line basis over the lease term except for investment properties measured under fair value model.

2. 主要會計政策 (續)

(G) 租賃 (續)

本集團作為承租人（於二零一九年一月一日前）

所有租賃分類為經營租賃。

經營租賃付款在租賃期內按直線法確認為開支。

本集團根據土地使用權之經營租賃作為承租人（於二零一九年一月一日前）

經營租賃項下之土地使用權主要包括將開發作投資物業及半自用樓宇之土地使用權，其按成本列賬並其後於經營租賃期內以直線法經扣減累計減值撥備後於綜合損益及其他全面收益表內攤銷。

本集團作為出租人

經營租賃之租金收入乃按相關租期以直線法確認。於協商及安排經營租賃時引致之初步直接成本乃加至租賃資產之賬面值，並按租期以直線法確認。惟按公平值模型計量的投資物業除外。

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綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(H) FOREIGN CURRENCIES

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at 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 at 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 on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

2. 主要會計政策 (續)

(H) 外幣

於編製各個別集團實體之財務報表時，以該實體之功能貨幣以外之貨幣進行之交易乃按於交易日期之匯率確認。於報告期末，以外幣定值之貨幣項目乃按該日之匯率重新換算。以外幣定值按公平值入賬之非貨幣項目乃按釐定公平值日期之匯率重新換算。按外幣過往成本計量之非貨幣項目毋須重新換算。

貨幣項目之匯兌差額在產生當期之損益賬確認，惟不包括應收或應付海外業務之貨幣項目之匯兌差額，而其既無計劃結算或不大可能結算（因此構成海外業務淨投資之一部分），並於其他全面收益內初始確認及於償還貨幣項目時從權益重新分類至損益賬。

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(H) FOREIGN CURRENCIES (Continued)

For the purposes of presenting 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 expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange 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, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate 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.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2. 主要會計政策 (續)

(H) 外幣 (續)

就呈列綜合財務報表而言，本集團境外業務之資產及負債均以各報告期末之適用匯率換算為本集團之呈列貨幣（即港元）。收入及開支項目以期內平均匯率換算，除非期內匯率大幅波動則另作別論，在該等情況下，則會採用交易當日的匯率。所產生之匯兌差額（如有）則於其他全面收益中確認，並在權益的匯兌儲備項下累計。

於出售海外業務（即出售本集團於海外業務之全部權益或涉及失去對一間附屬公司（包括海外業務）之控制權之出售、涉及失去對共同控制實體（包括海外業務）之共同控制權之出售、或涉及失去對一間聯營公司（包括海外業務）之重大影響力之出售）時，就本公司擁有人應佔該業務而於權益內累計之所有匯兌差額重新分類至損益賬。

有關並未導致本集團失去附屬公司控制權之部分出售附屬公司，則按此比例將累計匯兌差額重新歸類為非控股股東權益，而並不於損益賬內確認。就所有其他部分出售（即不會引致本集團失去重大影響力或共同控制權之聯營公司或共同控制實體部分出售）而言，按比例分佔之累計匯兌差額重新分類至損益賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(H) FOREIGN CURRENCIES (Continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the 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.

(I) BORROWING COSTS

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(J) EMPLOYEE BENEFITS

Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Termination benefits

Termination benefits are recognised when, and only when the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

2. 主要會計政策 (續)

(H) 外幣 (續)

收購海外業務產生之已收購可識別資產商譽及公平值調整，被視為該海外業務之資產及負債，並按各報告期末適用之匯率換算。由此產生之匯兌差額於其他綜合收益內確認。

(I) 借貸成本

所有借貸成本於其產生期間在損益中確認。

(J) 僱員福利

短期僱員福利及界定供款退休計劃供款

薪金、年終花紅、有薪年假、界定供款退休計劃供款及非貨幣福利成本，均在僱員提供相關服務之年度累計。倘延遲付款或清償將會帶來重大影響，該等金額須按現值列賬。

終止僱用福利

終止僱用福利只會在本集團有正式之具體終止僱用計劃而並無撤回該計劃之實質可能性，並且明確表示會終止僱用或由於自願遣散而提供福利時予以確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(K) INCOME TAX

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before taxation as reported in the consolidated profit or loss and other comprehensive income 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 bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from 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.

2. 主要會計政策 (續)

(K) 所得稅

所得稅開支是指即期應付稅項及遞延稅項之總額。

即期應付稅項是根據本年度之應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益上呈報之除稅前虧損存在差異是由於應課稅溢利不包括其他年度之應課稅收入或可扣稅支出項目，且不包括永遠毋須課稅及不可扣稅項目。本集團的即期稅項負債按報告期末已頒佈或實質頒佈的稅率計算。

遞延稅項乃根據綜合財務報表中資產及負債之賬面值及用於計算應課稅溢利的相應稅基之間的暫時差額確認。一般情況下，所有因應課稅暫時差額而產生之遞延稅項負債均予確認，遞延稅項資產一般按所有可扣稅暫時差額確認，惟須以將很可能有應課稅溢利可使用該等可扣稅者時差額予以抵扣為限。如暫時差額是由商譽或因某交易初次確認（業務合併除外）其他資產及負債而產生，又不影響應課稅溢利及會計溢利，則不予以確認此等遞延稅項資產及負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(K) INCOME TAX (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, 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 each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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.

2. 主要會計政策 (續)

(K) 所得稅 (續)

除非本集團可控制有關暫時差額之回撥及暫時差額在可見將來都不可能回撥，否則遞延稅項負債均須就於附屬公司及聯營公司之投資以及合營企業之權益有關之應課稅暫時差額予以確認。與該等投資及權益相關的可扣稅暫時差額產生之遞延稅項資產僅於可能有足夠應課稅溢利用以動用暫時差額利益及預期於可預見將來可撥回時予以確認。

遞延稅項資產之賬面值於各報告期末檢討，並扣減至當不再可能有足夠應課稅溢利讓所有或部分遞延稅項資產被收回止。

遞延稅項資產及負債乃按預期於負債獲償還或資產獲變現期間適用之稅率（以報告期末已頒佈或實質上已頒佈之稅率（及稅法）為基準）計算。

遞延稅項負債及資產的計算，反映了本集團於報告期末所預期對收回或償還其資產及負債之賬面值的方式所產生的稅務結果。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(K) INCOME TAX (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.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Current and deferred tax are recognised in profit or loss.

2. 主要會計政策 (續)

(K) 所得稅 (續)

就計量遞延稅項負債或遞延稅項資產而言，利用公平值模型計量的投資物業之賬面值乃假設通過銷售全數收回，除非該假設被推翻則除外。當投資物業可予折舊及於業務模式（其目標是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）內持有時，有關假設會被推翻。

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先確定稅項扣減應歸屬於使用權資產還是租賃負債。

對於稅項扣減應歸屬於租賃負債的租賃交易，本集團分別對使用權資產和租賃負債應用香港會計準則第12號「所得稅」的要求。與使用權資產和租賃負債有關的暫時性差異，由於應用初始確認豁免而並未在初始確認時和整個租賃期內確認。

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 2019 截至二零一九年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(L) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction 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 any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. 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 assets (other than properties under construction) less their residual values over their 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.

2. 主要會計政策 (續)

(L) 物業、廠房及設備

除下文所述的在建物業外，持作用於生產或供應產品或服務或作行政用途之物業、廠房及設備按成本減其後累計折舊及其後累計減值虧損（如有）於綜合財務狀況表中列賬。

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。成本包括直接歸因於將資產轉移至能夠以管理層預期的方式經營所必需的位置和條件的任何成本。該等物業完工後並達至擬定用途時被劃分為物業、廠房及設備之合適類別。與其他物業資產之基準一樣，該等資產於可用作擬定用途時開始折舊。

資產（在建物業除外）之折舊乃按其可使用年期以直線法撇銷成本減殘值確認。於各報告期末，均會檢討估計可使用年期、殘值及折舊方法，而估計之任何改變的影響按未來使用基準入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(L) PROPERTY, PLANT AND EQUIPMENT

(Continued)

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.

(M) INVESTMENT PROPERTIES

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

Investment properties are initially measured at cost, including transaction costs. 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.

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 is included in the profit or loss in the period in which the property is derecognised.

2. 主要會計政策 (續)

(L) 物業、廠房及設備 (續)

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終止確認。出售或廢棄物業、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間之差額計算，並於損益內確認。

(M) 投資物業

投資物業為持有以賺取租金及／或資本增值的物業。

投資物業初步按成本（包括交易成本）計量。初始確認後，投資物業按其公平值計量。投資物業公平值變動產生的收益或虧損計入其產生期間的損益內。

投資物業於出售時或投資物業永久不再適用且預計出售不會產生未來經濟利益時終止確認。終止確認相關物業產生的任何收益或虧損於相關物業終止確認期間計入損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(N) IMPAIRMENT ON PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, 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.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When 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 in prior years. A reversal of impairment loss is recognised immediately in profit or loss.

2. 主要會計政策 (續)

(N) 物業、廠房及設備及使用權資產之減值

於各報告期末，本集團會對其有限可使用年期之物業、廠房及設備及使用權資產賬面值作出審閱，以釐定該等資產是否出現任何減值虧損跡象。倘出現有關跡象，則估計資產之可收回金額，以釐定減值虧損（如有）之程度。物業、廠房及設備及使用權資產的可收回金額進行分別估計。倘未能估計個別資產之可收回金額，則本集團估計該資產所屬之現金產生單位之可收回金額。在合理、一貫之分配基準可被確定之情況下，公司資產亦分配至個別現金產生單位，或分配至合理、一貫之分配基準可被確定之最小現金產生單位組別。

當某資產的可收回金額估計比賬面值小時，資產的賬面值乃調低至其可收回金額。減值虧損即時確認為開支。

當減值虧損隨後沖回，資產的賬面值就會調升至其修訂後的估計可收回金額，但是調升後的賬面值不可超逾資產於以往年度倘無確認減值損失時原應釐定的賬面值。減值虧損沖回即時於損益確認。

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(0) PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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 (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2. 主要會計政策 (續)

(0) 撥備及或然負債

當本集團有現存之法律上或由過往事件所導致之責任，其可能導致資源流出以清償該項責任，同時此等責任之價值已作出可靠之估計時，則將撥備確認入賬。

經考慮圍繞當前債務的風險和不確定性，確認為撥備的金額是於報告期末清償當前債務所需代價的最佳估計。當使用為清償當前債務而估計的現金流量以計量撥備時，其賬面值為該等現金流量的現值（其中貨幣時間價值的影響屬重大）。

當為清償撥備所需的部分或全部經濟利益預期將從第三方收回時，如果幾乎確定可以收回款項並能夠可靠計量應收金額，則將應收款項確認為資產。

或然負債乃因過往事件而可能產生的責任，此等責任需就某一宗或多宗事件會否發生才能確認，而本集團並不能完全控制這些未來事件會否發生。或然負債亦可為因為過往事件而引致當前債務，但由於可能並無經濟資源流出或有關責任款項未能可靠地計算而未有確認入賬。

或然負債不會被確認，惟須在財務報表附註內作出披露。倘資源流出之可能性變動導致可能出現資源流出，此等負債將被確認為撥備。

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綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(P) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the statement of financial position when an entity becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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.

2. 主要會計政策 (續)

(P) 金融工具

當實體成為金融工具合約規定之訂約方，金融資產及金融負債於財務狀況表內確認。所有常規方式購買或出售金融資產均按交易日基準確認和終止確認。常規方式購買或出售是指要求在市場法規或慣例規定的時限內交付資產的金融資產買賣。

金融資產及金融負債初步按公平值計量，惟客戶合約產生的應收貿易賬款（最初按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（以公平值計入損益賬之金融資產及金融負債除外）直接應佔之交易成本，於初始確認時從金融資產或金融負債之公平值加入或扣減（視情況而定）。

實際利率法為計算金融資產或金融負債的攤銷成本以及分配相關期間的利息收入及利息開支之方法。實際利率乃於初始確認時按金融資產或金融負債的預期可使用年期或適用的較短期間內確切貼現估計未來現金收入及款項（包括構成實際利率不可或缺部分的所有已付或已收費用及點數、交易成本及其他溢價或貼現）至賬面淨值的利率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(P) FINANCIAL INSTRUMENTS (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

All other financial assets are subsequently measured at fair value.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (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.

2. 主要會計政策 (續)

(P) 金融工具 (續)

金融資產

金融資產的分類及期後計量

滿足以下條件其後按攤銷成本計量的金融資產：

- 以收取合約現金流量為目的而持有資產之經營模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

所有其他金融資產其後按公平值計量。

攤銷成本及利息收入

其後按攤銷成本計量的金融資產乃使用實際利息法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外（見下文）。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(P) FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit loss (“ECL”) on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, other receivables, deposits and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and measures the lifetime ECL on each debtor individually based on the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cashflows that the Group expects to receive, with the consideration of forward looking information.

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.

2. 主要會計政策 (續)

(P) 金融工具 (續)

金融資產 (續)

金融資產減值

本集團根據香港財務報告準則第9號就發生減值之金融資產（包括應收貿易賬款、其他應收款項、按金及銀行結餘）確認預期信貸虧損的虧損準備。預期信貸虧損的金額於各報告日期更新，以反映自初始確認後信貸風險的變化。

全期預期信貸虧損指於相關工具的預期使用期內所有可能的違約事件產生之預期信貸虧損。相反，12個月預期信貸虧損（「12個月預期信貸虧損」）指預期於報告日期後12個月內可能發生的違約事件導致之全期預期信貸虧損部分。

本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，就全部應收貿易賬款採用全期預期信貸虧損計量，而各應收貿易賬款之全期預期信貸虧損個別基於合約項下應付本集團之合約現金流及本集團經考慮前瞻性資料預期收取之現金流之間差額的現值計量。

對於所有其他工具，本集團計量的虧損準備等於12個月預期信貸虧損，除非自初始確認後信貸風險顯著增加，本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損的評估乃基於自初始確認以來發生違約之可能性或風險的顯著增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(P) FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk

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

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- 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.

2. 主要會計政策 (續)

(P) 金融工具 (續)

金融資產 (續)

金融資產減值 (續)

信貸風險顯著增加

於評估自初始確認後信貸風險是否顯著增加時，本集團將於報告日期金融工具發生之違約風險與初始確認日起金融工具發生之違約風險進行比較。在進行該評估時，本集團會考慮合理且可支持的定量和定性資料，包括無需付出不必要的成本或努力而可得之過往經驗及前瞻性資料。

特別是，在評估信貸風險是否顯著增加時，會考慮以下資料：

- 金融工具的外部（如有）或內部信貸評級的實際或預期顯著惡化；
- 外部市場信貸風險指標的顯著惡化，如信貸利差大幅增加，債務人的信貸違約掉期價格；
- 預計會導致債務人償還債務責任能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；
- 債務人經營業績的實際或預期顯著惡化；
- 導致債務人償還債務責任能力大幅下降的債務人監管、經濟或技術環境的實際或預期的重大不利變化。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(P) FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- 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).

2. 主要會計政策 (續)

(P) 金融工具 (續)

金融資產 (續)

金融資產減值 (續)

信貸風險顯著增加 (續)

不論上述評估的結果如何，本集團假定，當合約付款逾期超過30天，則自初始確認以來信貸風險已顯著增加，除非本集團有合理且可支持的資料證明並非如此。

違約的定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為過往經驗表明符合以下任何一項條件的應收款項一般無法收回：

- 交易對手違反財務契諾；或
- 內部產生或獲取自外部來源的資料表明，債務人不太可能向債權人（包括本集團）全額還款（不考慮本集團持有的任何抵押品）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(P) FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Definition of default (Continued)

Also, the Group considers that default has occurred when the instrument 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.

Credit-impaired financial assets

A financial asset is “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have been occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer of the borrower; or
- A breach of contract, such as a default or past due event; or
- 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; or
- It is becoming probably that the borrower will enter bankruptcy or other financial reorganisation.

2. 主要會計政策 (續)

(P) 金融工具 (續)

金融資產 (續)

金融資產減值 (續)

違約的定義 (續)

此外，本集團認為，倘該工具逾期超過90天，則發生違約事件，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。

信貸減值金融資產

金融資產在一項或以上事件（對該金融資產估計未來現金流量構成不利影響）發生時維持信貸減值。金融資產維持信貸減值的證據包括有關下列事件的可觀察數據：

- 發行人的借款人的重大財政困難；或
- 違反合約（如違約或逾期事件）；或
- 借款人的貸款人因有關借款人財政困難的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠；或
- 借款人將可能陷入破產或其他財務重組。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(P) FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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, e.g. 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 two years 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 when appropriate. Any recoveries made are recognised in profit or loss.

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.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

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 where the correspondence adjustment is recognised through a loss allowance account.

2. 主要會計政策 (續)

(P) 金融工具 (續)

金融資產 (續)

金融資產減值 (續)

撇銷政策

倘有資料顯示對手方面對嚴重財務困難，且實際上並無收回款項的前景（如對手方被清盤或進入破產程序，或（如為應收貿易賬款）金額已逾期超過兩年（以較早發生者為準）），本集團會撇銷金融資產。於適當時，在考慮法律意見後，本集團可能仍會根據收款程序處理被撇銷的金融資產。所收回的任何款項於損益中確認。

預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損（即違約時虧損大小）及違約時風險敞口之函數。違約概率及違約虧損之評估乃基於過往數據按前瞻性資料作調整。

一般而言，預期信貸虧損估計為本集團根據合約應收的所有合約現金流量與本集團預計收取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。

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，惟貿易應收賬款除外，此種情況下透過虧損撥備賬確認相應調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(P) FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

The Group's financial liabilities including trade payables, accruals and other payables, interest-bearing borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

2. 主要會計政策 (續)

(P) 金融工具 (續)

金融資產 (續)

金融資產的終止確認

本集團僅在對來自資產的現金流量的合約權利到期時，或在將金融資產及資產所有權的絕大部分風險和回報轉讓給另一實體時，才終止確認該金融資產。

終止確認以攤銷成本計量的金融資產時，該資產的賬面值與已收和應收代價之和的差額於損益確認。

金融負債及權益

已發行之債務及權益工具乃根據合約安排之內容分類為金融負債或權益。

權益工具

權益工具乃證實扣除實體所有負債後其資產的剩餘權益的任何合約。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入賬。

按攤銷成本計量之金融負債

本集團金融負債包括應付貿易賬款、應計費用及其他應付款項、計息借貸及租賃負債，其後採用實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(P) FINANCIAL INSTRUMENTS (Continued)

Financial liabilities and equity (Continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(Q) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks, and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

2. 主要會計政策 (續)

(P) 金融工具 (續)

金融負債及權益 (續)

金融負債的終止確認

當且僅當本集團的債務被解除、取消或逾期，本集團才終止確認金融負債。終止確認之金融負債的賬面值與已付及應付代價之差額於損益中確認。

(Q) 現金及現金等值物

現金及現金等值物包括銀行現金與手頭現金、銀行之活期存款及可兌換為已知數額現金之短期高流通量投資，而該等投資之價值變動風險較低，一般於購入起計三個月內到期。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(R) RELATED PARTIES

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

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) the entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

2. 主要會計政策 (續)

(R) 關連人士

倘屬以下人士，即為本集團之關連人士：

(a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本集團或本集團母公司的主要管理層成員。

(b) 倘符合下列任何條件，即實體與本集團有關連：

- (i) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）；
- (ii) 一間實體為另一實體的聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）；
- (iii) 兩間實體均為同一第三方的合營企業；
- (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(R) RELATED PARTIES (Continued)

(b) (Continued)

- (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); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel service to the Group or the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence by, that person in their dealings with the entity.

(S) OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the directors of the Company.

2. 主要會計政策 (續)

(R) 關連人士 (續)

(b) (續)

- (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職後福利計劃；
- (vi) 實體受(a)所識別人士控制或受共同控制；
- (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員；或
- (viii) 實體或其所屬集團旗下任何成員公司為本集團或本集團母公司提供主要管理層人員服務。

任何人士的近親是指與該實體交易時預期受該人士影響的家庭成員。

(S) 營運分部

營運分部之報告方式，與主要營運決策者獲提供之內部報告方式一致。主要營運決策者（即負責分配資源以及評估各營運分部之業績表現者）乃本公司各董事。

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3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

In the current year, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

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

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

3. 應用新訂及經修訂之香港財務報告準則

於本年度，本集團已就當前年度首次採用下列由香港會計師公會頒佈之新訂及經修訂香港財務報告準則：

香港財務報告準則第16號	<i>租賃</i>
香港（國際財務報告詮釋委員會）— 詮釋第23號	<i>所得稅處理的不確定性</i>
香港財務報告準則第9號（修訂本）	<i>具有負補償之提早還款特性</i>
香港會計準則第19號（修訂本）	<i>計劃修訂、縮減或結清</i>
香港會計準則第28號（修訂本）	<i>於聯營公司及合營企業的長期權益</i>
香港財務報告準則（修訂本）	<i>香港財務報告準則二零一五年至二零一七年週期之年度改進</i>

除下文所述者外，應用新訂及經修訂之香港財務報告準則對本集團當前與先前年度的業績及財務狀況及／或該等綜合財務報表所披露者並未構成任何重大影響。

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3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

HKFRS 16 LEASES

The Group has applied HKFRS 16 for the first time from 1 January 2019. HKFRS 16 superseded HKAS 17 *Leases*, and the related interpretations. HKFRS 16 requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“short-term leases”) and leases of low value assets (“low-value leases”).

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated. During the year ended 31 December 2019, application of HKFRS 16 by the Group as a lessor has no material impact on the Group's consolidated financial statements.

The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of accumulated profits at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

3. 應用新訂及經修訂之香港財務報告準則 (續)

香港財務報告準則第16號「租賃」

本集團已自二零一九年一月一日起首次應用香港財務報告準則第16號。香港財務報告準則第16號取代了香港會計準則第17號「租賃」及相關詮釋。香港財務報告準則第16號要求承租人就所有租賃確認使用權資產及租賃負債，惟租期為十二個月或以下的租賃（「短期租賃」）及低價值資產租賃（「低價租賃」）除外。

根據香港財務報告準則第16號的過渡條文，本集團毋須就本集團為出租人的租賃作出過渡調整，但自首次應用日期起根據香港財務報告準則第16號就該等租賃入賬，且比較資料並無重述。截至二零一九年十二月三十一日止年度，本集團作為出租人採用香港財務報告準則第16號對本集團的合併財務報表並無重大影響。

本集團選擇使用調整追溯法，故已將初始應用的累積影響確認為對二零一九年一月一日累計溢利年初結餘的調整。比較資料並無重列，並繼續根據香港會計準則第17號呈報。

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3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

HKFRS 16 LEASES (Continued)

Before the adoption of HKFRS 16, commitments under operating leases for future periods were not recognised by the Group as liabilities. Operating lease payments, including the cost of acquiring or held under operating leases, were recognised in profit or loss over the lease term on a straight-line basis.

On adoption of HKFRS 16, the Group recognised the full lease liabilities in relation to leases which had previously been classified as operating leases if they meet certain criteria set out in HKFRS 16. These liabilities were subsequently measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, if that rate can be determined, or the incremental borrowing rate of respective entities. The difference between the present value and the total remaining lease payments represents the cost of financing. Such finance cost will be charged to profit or loss in the period in which it is incurred using effective interest method. The Group also applies the short-term lease recognition exemption to leases of properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group further applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and low-value leases are recognised in profit or loss on a straight-line basis over the lease term.

3. 應用新訂及經修訂之香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

於採納香港財務報告準則第16號前，本集團並無將未來期間的經營租賃承擔確認為負債。經營租賃開支（包括根據經營租賃收購及持有的成本）按租期使用直線法於損益內確認。

於採納香港財務報告準則第16號時，倘先前分類為經營租賃的租賃符合香港財務報告準則第16號所載若干條件，本集團會就此等租賃全數確認相關租賃負債。該等負債其後按租賃付款總額的現值計量，並使用該租賃隱含的利率（如可釐定此利率）或按相關實體的遞增借款利率進行貼現。該現值與租賃付款總額之間的差額作為融資成本。有關融資成本將使用實際利息法於其產生期間之損益中扣除。本集團亦對租期自開始日期起計為十二個月或以下且不含購買期權的物業租賃應用短期租賃確認豁免。本集團進一步對低價值資產的租賃應用低價租賃確認豁免。短期租賃及低價租賃的租賃付款按租期使用直線法於損益內確認。

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

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

HKFRS 16 LEASES (Continued)

At the inception of a contract that contains a lease component, as a lessee, the Group should allocate the consideration in the contract to each lease component on the basis of their relative stand-alone price. The Group, as a lessee, assessed its leases for non-lease components and separated non-lease components from lease components for certain classes of assets if the non-lease components were material.

The associated right-of-use assets were measured at cost, being the amount equal to the initial measurement of lease liabilities, adjusted for items such as lease incentives received, initial direct costs paid and expected restoration costs, less any accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. Depreciation was charged on a straight-line basis over the shorter of the asset's useful life and the lease term. The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

In applying HKFRS 16 for the first time, the Group has used the following practical expedients as permitted by HKFRS 16:

- (i) the election of not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019; and
- (ii) the exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application.

3. 應用新訂及經修訂之香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

作為承租人，本集團應於包含租賃部分之合約訂立開始，按相對單獨價格基準向各租賃部分分配合約中的代價。本集團作為承租人，對其非租賃部分的租約進行評估，倘該非租賃部分屬重大，則將若干類別資產的非租賃部分與租賃部分區分。

相關使用權資產按成本計量，其金額相當於租賃負債的初始計量，並根據收取的租賃優惠、已支付的初始直接成本及預計恢復成本等項目進行調整，減去任何累計折舊及減值虧損，並根據任何租賃負債的重新計量進行調整。折舊乃按直線法於資產可使用年期與租期（以較短者為準）內扣除。本集團在綜合財務狀況表中將使用權資產作為單獨項目列示。

於首次應用香港財務報告準則第16號時，本集團使用該準則允許的下列實際可行的權宜處理方法：

- (i) 就確認剩餘租期自首次應用香港財務報告準則第16號日期起12個月內終止（即租期於二零一九年十二月三十一日或之前終止）的租賃負債及租賃使用權資產而言，選擇不應應用香港財務報告準則第16號規定；及
- (ii) 首次應用日期的使用權資產計量中不計入初始直接費用。

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3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

HKFRS 16 LEASES (Continued)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

3. 應用新訂及經修訂之香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

於二零一九年一月一日的租賃負債與於二零一八年十二月三十一日的經營租賃承擔的對賬過程如下：

		1 January 2019 二零一九年 一月一日 HK\$'000 千港元
Operating lease commitments at 31 December 2018	於二零一八年十二月三十一日之經營租賃承擔	282
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019	減：與短期租賃及餘下租期於截至二零一九年十二月三十一日或之前結束的租賃有關的承擔	(282)
Lease liabilities as at 1 January 2019	於二零一九年一月一日的租賃負債	—

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3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

HKFRS 16 LEASES (Continued)

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

		1 January 2019 二零一九年 一月一日 HK\$'000 千港元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	與應用香港財務報告準則第16號確認之經營租賃有關之使用權資產	—
Reclassified from land use rights (note)	從土地使用權中重新分類(附註)	1,774
		<u>1,774</u>

Note: Upfront payments for leasehold lands in the PRC were classified as land use rights as at 31 December 2018. Upon application of HKFRS 16, land use rights amounting to HK\$1,774,000 were reclassified to right-of-use assets.

於二零一九年一月一日的使用權資產賬面值包括以下：

1 January
2019
二零一九年
一月一日
HK\$'000
千港元

附註：於二零一八年十二月三十一日，中國租賃土地之預付款分類為土地使用權。於應用香港財務報告準則第16號後，土地使用權1,774,000港元已重新分類為使用權資產。

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3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

HKFRS 16 LEASES (Continued)

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

3. 應用新訂及經修訂之香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

對截至二零零九年一月一日的綜合財務狀況表中確認的金額已作如下調整。尚未包括未受變動影響的項目。

	Carrying amounts previously reported as at 31 December 2018	Adjustments	Carrying amounts under HKFRS16 at 1 January 2019
	先前於二零一八年十二月三十一日報告的賬面值 HK\$'000 千港元	調整 HK\$'000 千港元	於二零零九年一月一日根據香港財務報告準則第16號的賬面值 HK\$'000 千港元
Non-current assets			
Right-of-use assets	—	1,774	1,774
Land use rights	1,774	(1,774)	—

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

There was no material impact to the Group on transition to HKFRS 16 on accumulated losses as at 1 January 2019.

為以間接方法報告截至二零一九年十二月三十一日止年度經營活動所產生之現金流量，營運資金的變動已根據截至二零一九年一月一日的期初綜合財務狀況表計算（如上所述）。

過渡至香港財務報告準則第16號並無對本集團於二零一九年一月一日之累計虧損產生重大影響。

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3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs (Continued)

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

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

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

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

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

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

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

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. 應用新訂及經修訂之香港財務報告準則 (續)

本集團並未提前應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第17號	保險合約 ¹
香港財務報告準則第3號 (修訂本)	業務的定義 ²
香港財務報告準則第10號及 香港會計準則第28號 (修訂本)	投資者與其聯營 公司或合資公司 之間的資產 出售或注資 ³
香港會計準則第1號及 香港會計準則第8號 (修訂本)	重大性的定義 ⁴
香港財務報告準則第9號、 香港會計準則第39號及 香港財務報告準則第7號 (修訂本)	利率基準改革 ⁴

¹ 於二零二一年一月一日或之後開始之年度期間生效。

² 對收購日期處於自二零二零年一月一日或之後開始的首個年度期間開始之日或之後的企業合併與資產收購生效。

³ 對自待定期或之後開始的年度期間生效。

⁴ 於二零二零年一月一日或之後開始之年度期間生效。

除上述新訂及經修訂香港財務報告準則外，於二零一八年已頒佈經修訂的財務報告概念框架。其相應修訂，即對《香港財務報告準則》中概念框架引述的修訂，將對自二零二零年一月一日或之後開始的年度期間生效。

本公司董事預期採納所有新訂及經修訂香港財務報告準則將不會對可預見未來的綜合財務報表造成重大影響。

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綜合財務報表附註

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

4. REVENUE

Disaggregation of revenue from contract with customers:

4. 收益

分拆客戶合約收益：

		For the year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from major business services:	主要業務服務之收益：		
<i>Revenue within the scope of HKFRS 16/HKAS 17</i>	<i>香港財務報告準則第16號／香港會計準則第17號範圍之收益</i>		
Rental income from leasing of properties	物業租賃之租金收入	1,100	1,055
<i>Revenue from contracts with customers within the scope of HKFRS 15</i>	<i>香港財務報告準則第15號範圍之客戶合約收益</i>		
Property management fee income	物業管理費收入	748	676
Sales of construction materials	銷售建造材料	55,087	54,451
		56,935	56,182
Disaggregation by timing of revenue recognition:	分拆收益確認的時間：		
At a point of time:	於一個時間點：		
Sales of construction materials	銷售建造材料	55,087	54,451
Over time:	於一個時間段：		
Property management fee income	物業管理費收入	748	676
		55,835	55,127

Details of performance obligations for contracts with customers are set out in Note 2.

客戶合約之履約義務詳情載於附註2。

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

5. OTHER INCOME

		For the year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest income on bank deposit	銀行存款之利息收入	1,469	2,067
Compensation income arising from profit guarantee realisation	溢利擔保實現所產生之賠償收入	36,000	36,000
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	—	200
Other sundry income	其他雜項收入	—	48
		37,469	38,315

6. LOSS BEFORE TAXATION

Loss before taxation is arrived after charging/(crediting):

(A) FINANCE COSTS

Interest on interest-bearing borrowings	計息借貸之利息	23,400	25,000
Interest on lease liabilities	租賃負債之利息	14	—
		23,414	25,000

5. 其他收入

		For the year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest income on bank deposit	銀行存款之利息收入	1,469	2,067
Compensation income arising from profit guarantee realisation	溢利擔保實現所產生之賠償收入	36,000	36,000
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	—	200
Other sundry income	其他雜項收入	—	48
		37,469	38,315

6. 除稅前虧損

除稅前虧損已扣除／（計入）下列各項：

(A) 財務成本

		For the year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest on interest-bearing borrowings	計息借貸之利息	23,400	25,000
Interest on lease liabilities	租賃負債之利息	14	—
		23,414	25,000

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. LOSS BEFORE TAXATION (Continued)

(B) OTHER ITEMS

6. 除稅前虧損 (續)

(B) 其他項目

		For the year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Staff costs (including directors' emoluments)	員工成本 (包括董事酬金)		
— salaries, wages and other benefits	— 薪金、工資及其他福利	2,756	2,498
— retirement benefits scheme contributions	— 退休福利計劃供款	387	194
Total staff costs	員工成本總額	3,143	2,692
Auditors' remuneration	核數師酬金	1,000	1,180
Amortisation of land use rights	土地使用權攤銷	—	79
Depreciation of right-of-use assets	使用權資產折舊	129	—
Depreciation of property, plant and equipment	物業、廠房及設備折舊	19	22
Loss arising on change in fair value of investment properties	投資物業公平值變動產生之虧損	2,266	—
Cost of inventories sold	已售存貨成本	54,690	53,914
Lease payments under short term leases	短期租賃的租賃付款	282	—
Operating lease charges for premises	場地經營租賃費用	—	420
Net exchange loss	匯兌虧損淨額	87	243
Gross rental income from investment properties	來自投資物業之租金收入總額	(1,100)	(1,055)
Less: Direct operating expenses from investment properties that generated rental income during the year	減：年內產生租金收入之投資物業之直接經營開支	340	403
		(760)	(652)

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綜合財務報表附註

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

7. DIRECTORS' EMOLUMENTS AND CHIEF EXECUTIVE REMUNERATION

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulations are follows:

7. 董事及最高行政人員酬金

董事之酬金根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部之規定披露如下：

		Salaries, allowances and benefits in kind	Contributions to retirement benefits scheme	Total
		薪金、補貼及實物利益	退休福利計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
For the year ended 31 December 2019				
截至二零一九年十二月三十一日止年度				
Directors' fees				
董事袍金				
HK\$'000				
千港元				
Executive directors	執行董事			
Xu Xiao Jun (Chairman and Chief Executive Officer)	徐小俊 (主席兼行政總裁)	—	—	—
Ye De Chao	業德超	—	—	—
Ji Xu Dong	季旭東	—	—	—
		—	—	—
Independent non-executive directors	獨立非執行董事			
He Jin Geng	何金耿	120	—	120
Yu Hong Gao	郁紅高	120	—	120
Chen Yang	陳洋	120	—	120
		360	—	360
Total	合計	360	—	360

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綜合財務報表附註

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

7. DIRECTORS' EMOLUMENTS AND CHIEF EXECUTIVE REMUNERATION

(Continued)

7. 董事及最高行政人員酬金 (續)

	Directors' fees	Salaries, allowances and benefits in kind	Contributions to retirement benefits scheme	Total
	董事袍金	薪金、補貼及實物利益	退休福利計劃供款	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	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			
Xu Xiao Jun (Chairman and Chief Executive Officer)	徐小俊 (主席兼行政總裁)	—	—	—
Ye De Chao	業德超	—	—	—
Ji Xu Dong	季旭東	—	—	—
		—	—	—
Independent non-executive directors	獨立非執行董事			
He Jin Geng	何金耿	120	—	120
Yu Hong Gao	郁紅高	120	—	120
Chen Yang	陳洋	120	—	120
		360	—	360
Total	合計	360	—	360

For the years ended 31 December 2019 and 2018, no emoluments were paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group. None of the directors of the Company waived or agreed to waive any remuneration for the years ended 31 December 2019 and 2018.

Except for those disclosed in material related party transactions in note 32 to the consolidated financial statements, no other transactions, arrangements and contracts in relation to the Group's business to which the Company or any subsidiaries of the Company was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

截至二零一九年及二零一八年十二月三十一日止年度，本集團並無向本公司任何董事支付任何酬金以作為彼等加入本集團或於加入時之獎勵。截至二零一九年及二零一八年十二月三十一日止年度，概無本公司董事放棄或同意放棄任何酬金。

除於綜合財務報表附註32的重大關連人士交易所披露交易外，於年末或本年度任何時候概無存續與本公司或本公司之任何附屬公司為關連人士及董事直接或間接擁有重大利益之本集團業務相關的其他交易、安排及合約。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five individuals with the highest paid emoluments included three directors (2018: three directors) whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other two (2018: two) individuals are as follows:

		For the year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries and other emoluments	薪金及其他酬金	1,939	1,423
Contributions to retirement benefits scheme	退休福利計劃供款	36	30
		1,975	1,453

The two (2018: two) individuals are senior management that is not a director of the Company and their emoluments are within the following bands:

		Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
Nil to HK\$1,000,000	零至 1,000,000 港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	—
		2	2

For the year ended 31 December 2019, there was no compensation paid for loss of office (2018: nil).

8. 最高薪人士

五位最高薪人士包括三名（二零一八年：三名）董事，其酬金已於附註7內披露。其餘兩名（二零一八年：兩名）人士之酬金總額如下：

		For the year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries and other emoluments	薪金及其他酬金	1,939	1,423
Contributions to retirement benefits scheme	退休福利計劃供款	36	30
		1,975	1,453

該兩名（二零一八年：兩名）人士均為非本公司董事之高級管理人員，彼等之酬金範圍如下：

		Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
Nil to HK\$1,000,000	零至 1,000,000 港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1	—
		2	2

截至二零一九年十二月三十一日止年度，概無就離職補償支付任何款項（二零一八年：無）。

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綜合財務報表附註

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

9. INCOME TAX CREDIT

9. 所得稅抵免

		For the year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax	即期稅項		
Deferred tax	遞延稅項	—	—
Credit for the year (note 26)	年內抵免 (附註26)	566	—
		566	—

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 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.

The Group's subsidiaries in the PRC are subject to the PRC Enterprise Income Tax at 25% for both years.

No provision for Hong Kong Profits Tax has been made as the Group has no estimated assessable profits arising in, nor deriving from Hong Kong for the years ended 31 December 2019 and 2018.

No provision for PRC Enterprise Income Tax has been made as the Group had no assessable profit arising in or derived from PRC for both years.

於二零一八年三月二十一日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「條例草案」)，引入兩級制利得稅率制度。條例草案於二零一八年三月二十八日經簽署成為法律並於次日刊憲。根據兩級制利得稅率制度，合資格集團實體的首2,000,000港元的溢利將按8.25%徵稅，而超過2,000,000港元的溢利將按16.5%徵稅。不符合兩級制利得稅率制度資格之集團實體之溢利將繼續按統一稅率16.5%徵稅。

董事認為，實施兩級制利得稅率制度所涉及的金額對於綜合財務報表而言微不足道。兩個年度的香港利得稅按估計應課稅利潤的16.5%計算。

本集團之中國附屬公司於兩個年度均須按稅率25%繳納中國企業所得稅。

截至二零一九年及二零一八年十二月三十一日止年度，由於本集團並無於或產生自香港估計應課稅溢利，故並無作出香港利得稅撥備。

由於本集團於兩個年度均無於中國產生或源自中國的應課稅溢利，故並無就中國企業所得稅作出撥備。

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

9. INCOME TAX CREDIT (Continued)

A reconciliation of the income tax credit for the year to loss before taxation is as follow:

9. 所得稅抵免 (續)

本年度所得稅抵免與除稅前虧損之對賬如下：

		For the year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss before taxation	除稅前虧損	(30,640)	(20,187)
Tax calculated at domestic tax rate of 16.5% (2018:16.5%)	按國內稅率 16.5% (二零一八年：16.5%) 計算之稅項	(5,056)	(3,331)
Tax effect of share of results of associates	應佔聯營公司業績 之稅務影響	1,695	3,222
Tax effect of expenses not deductible for tax purpose	不可扣減開支 之稅務影響	6,263	—
Tax effect of income not taxable for tax purpose	毋須課稅收入 之稅務影響	(6,129)	(5,973)
Tax effect of tax losses not recognised	未確認之稅項虧損 的稅務影響	4,473	6,151
Effect of different tax rates of subsidiaries operating in other jurisdiction	於其他司法權區經營的 附屬公司稅率不同之影響	(1,812)	(69)
Income tax credit	所得稅抵免	(566)	—

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

10. SEGMENT INFORMATION

Segment revenue represents revenue generated from external customers. There were no inter-segment sales during the year (2018: nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment performance is evaluated based on reportable segment profit, which is a measure of segment profit. The segment profit represents the result generated from each segment with allocation of (i) general and administrative expenses, selling and distribution costs under the heading of other corporate expenses; (ii) share of results of associates; (iii) interest income; and (iv) compensation income and other sundry income under the heading of other operating income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segments other than corporate assets.

In a manner consistent with the way in which information is reported internally to chief operating decision maker for the purposes of resources allocation and performance assessment, the Group is currently organised into the following operating segments and geographical areas:

- (a) The properties investment segment engages in rental income from investment properties in the PRC;
- (b) Natural gas segment engages in sales of natural pipelined gases and its construction materials in the PRC; and
- (c) Investment holding segment engages in investment in associates on a geographical basis of the PRC.

10. 分部資料

分部收益乃來自外部客戶之收益。年內並無分部間銷售（二零一八年：無）。

可呈報分部之會計政策與本集團之會計政策相同。分部表現乃根據分部溢利而計量之可呈報分部溢利來作出評估。分部溢利指各分部所產生並分配至以下各項之業績：(i) 一般及行政開支、其他營運開支項下銷售及分銷成本；(ii) 應佔聯營公司之業績；(iii) 利息收入；及(iv) 賠償收入及其他營運收入下之其他雜項收入。該計量方式乃向主要營運決策者報告，以就資源分配及分部表現評估方面作出決定。

就監察分部表現及分部間分配資源而言，所有資產均分配至可呈報分部（企業資產除外）。

本集團以與內部呈報予主要營運決策者以作出資源分配及表現評估的資料所用之方式一致的方式，分為下列現有營運分部及經營地區：

- (a) 物業投資分部於中國從事投資物業之租金收入；
- (b) 天然氣分部於中國從事銷售管道天然氣及管道天然氣建造材料；及
- (c) 投資控股分部於中國從事按地區劃分之聯營公司投資。

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

10. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by operating segment for the years ended 31 December 2019 and 2018:

10. 分部資料 (續)

以下為於截至二零一九年及二零一八年十二月三十一日止年度本集團按營運分部劃分之收益及業績之分析：

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度				
		Properties investment	Natural gas	Investment holding	Unallocated	Total
		物業投資	天然氣	投資控股	未分配	總額
		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
Segment revenue	分部收益					
From external customers	來自外部客戶	1,848	55,087	—	—	56,935
Segment profit	分部溢利	1,507	398	—	—	1,905
Interest income	利息收入	1	1,468	—	—	1,469
Other operating income, net	其他營運收入淨額	—	—	36,000	—	36,000
Loss arising on change in fair value of investment properties	投資物業公平值變動產生之虧損	(2,266)	—	—	—	(2,266)
Share of results of associates	應佔聯營公司之業績	—	—	(10,276)	—	(10,276)
Other corporate expenses	其他企業開支	(2,479)	(20,062)	(8,943)	(2,574)	(34,058)
(Loss)/profit from operations	經營(虧損)/溢利	(3,237)	(18,196)	16,781	(2,574)	(7,226)
Finance costs	財務成本	—	—	—	(23,414)	(23,414)
(Loss)/profit before taxation	除稅前(虧損)/溢利	(3,237)	(18,196)	16,781	(25,988)	(30,640)
Income tax credit	所得稅抵免	566	—	—	—	566
(Loss)/profit for the year	年內(虧損)/溢利	(2,671)	(18,196)	16,781	(25,988)	(30,074)
Other segment information	其他分部資料					
Depreciation of right-of-use assets	使用權資產折舊	(75)	—	—	(54)	(129)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(1)	(8)	—	(10)	(19)
Segment assets	分部資產	192,231	498,210	337,805	1,171	1,029,417
Segment liabilities	分部負債	32,734	25,168	46,404	125,000	229,306

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

10. SEGMENT INFORMATION (Continued)

10. 分部資料 (續)

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Properties investment 物業投資 HK\$'000 千港元	Natural gas 天然氣 HK\$'000 千港元	Investment holding 投資控股 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Segment revenue	分部收益					
From external customers	來自外部客戶	1,731	54,451	—	—	56,182
Segment profit	分部溢利	1,327	537	—	—	1,864
Interest income	利息收入	2	2,065	—	—	2,067
Other operating income, net	其他營運收入淨額	48	—	36,000	200	36,248
Share of results of associates	應佔聯營公司之業績	—	—	(19,525)	—	(19,525)
Other corporate expenses	其他企業開支	(1,586)	(3,463)	(8,708)	(2,084)	(15,841)
(Loss)/Profit from operations	經營(虧損)/溢利	(209)	(861)	7,767	(1,884)	4,813
Finance costs	財務成本	—	—	—	(25,000)	(25,000)
(Loss)/Profit before taxation	除稅前(虧損)/溢利	(209)	(861)	7,767	(26,884)	(20,187)
Income tax	所得稅	—	—	—	—	—
(Loss)/Profit for the year	年內(虧損)/溢利	(209)	(861)	7,767	(26,884)	(20,187)
Other segment information	其他分部資料					
Amortisation	攤銷	(79)	—	—	—	(79)
Depreciation	折舊	(1)	(8)	(13)	—	(22)
Segment assets	分部資產	198,912	591,497	352,963	164	1,143,536
Segment liabilities	分部負債	33,721	6,884	17,293	234,000	291,898

Geographical segments

Since over 90% of the Group's revenue and operating profit were generated in the PRC for both years and over 90% of the Group's non-current assets were located in the PRC, no geographical segment information in accordance with HKFRS 8 *Operating Segments* is presented.

地區分部

由於兩個年度本集團超過90%的收入與經營溢利都在中國產生，並且本集團90%以上的非流動資產都位於中國，因此並未提供根據香港財務報告準則第8號「經營分部」的地區分部資料。

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

10. SEGMENT INFORMATION (Continued)

INFORMATION ABOUT MAJOR CUSTOMERS

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

				2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A	Natural gas business	客戶 A	天然氣業務	48,182	46,070
Customer B	Natural gas business	客戶 B	天然氣業務	6,905	8,381

Except disclosed above, no other customers contributed 10% or more to the Group's total revenue for both years.

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

(A) BASIC LOSS PER SHARE

The calculation of basic loss per share amount is based on the net loss for the year of approximately HK\$28,909,000 (2018: HK\$20,088,000) attributable to equity holders of the Company, and weighted average of 4,269,910,510 (2018: 4,269,910,510) ordinary shares in issue during the year.

(B) DILUTED LOSS PER SHARE

The Group had no potential dilutive ordinary shares in issue during the year ended 31 December 2019 and 2018. The basis and diluted loss per share are the same for both years.

10. 分部資料 (續)

主要客戶之資料

相應年度貢獻本集團總銷售額 10% 的來自客戶的收入如下：

				2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer A	Natural gas business	客戶 A	天然氣業務	48,182	46,070
Customer B	Natural gas business	客戶 B	天然氣業務	6,905	8,381

除上述披露者外，兩個年度中並無其他客戶為本集團總收入貢獻 10% 或以上。

11. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據下列數據計算：

(A) 每股基本虧損

每股基本虧損乃根據本公司權益持有人應佔年內虧損淨額約 28,909,000 港元（二零一八年：20,088,000 港元）及於年內已發行普通股加權平均數 4,269,910,510 股（二零一八年：4,269,910,510 股）計算。

(B) 每股攤薄虧損

於截至二零一九年及二零一八年十二月三十一日止年度，本集團概無任何已發行潛在攤薄普通股。兩個年度的每股基礎及攤薄虧損均相同。

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12. INVESTMENT PROPERTIES

12. 投資物業

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	62,623	65,439
Loss arising on change in fair value	公平值變動產生之虧損	(2,266)	—
Exchange alignment	匯兌調整	(1,130)	(2,816)
At 31 December	於十二月三十一日	59,227	62,623
Comprise of:	包括：		
Completed	已竣工	59,227	62,623

As at 31 December 2019 and 2018, all the investment properties are located and leased in the PRC held under medium-term lease.

於二零一九年及二零一八年十二月三十一日，所有投資物業均位於中國及於中國根據中期租賃持有。

(A) VALUATION PROCESSES OF THE GROUP

The Group measures its investment properties at fair value. The fair value of the Group's investment properties has been determined on the basis of valuation carried out by Sino-Infinite Appraisal Limited ("Sino-Infinite"), an independent and professionally qualified valuer.

In estimating the fair value of the investment properties, the management work closely with Sino-Infinite to establish the appropriate valuation techniques and inputs to the model. The management reports the findings to the directors at the end of each reporting period to explain the cause of fluctuations in fair value of the investment properties.

(A) 本集團之估值程序

本集團按公平值計量其投資物業。本集團投資物業的公平值根據由獨立專業合資格估值師中源評估有限公司（「中源」）進行之估值釐定。

在估計投資物業的公平值時，管理層與中源緊密合作，以建立適當的估值技術與模型輸入數據。管理層於各報告期末向董事報告調查結果，以解釋投資物業公平值波動的原因。

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

12. INVESTMENT PROPERTIES (Continued)

(B) VALUATION TECHNIQUES

Valuations were based on direct comparison approach, which is adopted assuming sales of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

(C) INFORMATION ABOUT FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)

Investment properties held by the Group 本集團所持 投資物業	Fair value 公平值		Fair value hierarchy 公平值 層級	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀察 輸入項目	Sensitivity 敏感度
	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元				
Investment properties — industrial building 投資物業 — 工業樓宇	59,227	62,623	Level 3 第三級	Direct comparison approach 直接比較法	Market price from RMB4,100/m ² to RMB5,000/m ² (2018: RMB4,600/m ² to RMB5,100/m ²) 市價介於每平方米人民幣4,100元至每平方米人民幣5,000元 (二零一八年：每平方米人民幣4,600元至每平方米人民幣5,100元)	The higher market price, the higher fair value, and vice versa 市價越高，公平值越高，反之亦然

12. 投資物業 (續)

(B) 估值方法

估值乃採用直接比較法進行，假設該等物業各自按現況交吉出售。經參考有關市場的銷售交易，選擇鄰近地區的可資比較物業並就位置及物業規模等因素的差異作出調整。

估計投資物業之公平值時，投資物業之最高及最佳用途為其當前用途。

(C) 有關使用重要的不可觀察輸入項目的公平值計量 (第三級) 的資料

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

12. INVESTMENT PROPERTIES (Continued)

The future aggregate minimum rental receivables under non-cancellable operating leases are as follows:

No later than 1 year	一年內
Later than 1 year and no later than 5 years	一年後至五年內

During the year ended 31 December 2019, the investment properties are all located in the PRC and have lease periods less than 5 years (2018: 5 years).

12. 投資物業 (續)

根據不可撤銷經營租賃的未來最低應收租金總額如下：

For the year ended
31 December
截至十二月三十一日止年度

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
384	1,319
409	761
793	2,080

截至二零一九年十二月三十一日止年度，投資物業均位於中國，且租期少於5年（二零一八年：5年）。

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13. PROPERTY, PLANT AND EQUIPMENT 13. 物業、廠房及設備

		Construction- in-progress	Pipelines	Building	Plant and machinery	Leasehold improvements	Office equipment	Motor vehicles	Furniture and fixtures	Total
		在建工程	管道	樓宇	廠房及機器	租賃物業裝修	辦公室設備	汽車	傢俬及裝置	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Cost	成本									
At 1 January 2018	於二零一八年一月一日	136,585	107	3,435	4,868	204	698	480	339	146,716
Disposal	出售	—	—	—	—	—	—	(407)	—	(407)
Exchange alignments	匯兌調整	(5,499)	—	—	—	—	(6)	—	—	(5,505)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	131,086	107	3,435	4,868	204	692	73	339	140,804
Exchange alignments	匯兌調整	(2,429)	—	—	—	—	—	—	—	(2,429)
At 31 December 2019	於二零一九年十二月三十一日	128,657	107	3,435	4,868	204	692	73	339	138,375
Accumulated depreciation and impairment	累計折舊及減值									
At 1 January 2018	於二零一八年一月一日	8,783	107	3,435	4,868	178	653	480	339	18,843
Charge for the year	本年度支出	—	—	—	—	13	9	—	—	22
Disposal	出售	—	—	—	—	—	—	(407)	—	(407)
Exchange alignments	匯兌調整	—	—	—	—	—	(3)	—	—	(3)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	8,783	107	3,435	4,868	191	659	73	339	18,455
Charge for the year	本年度支出	—	—	—	—	13	6	—	—	19
Exchange alignments	匯兌調整	(163)	—	—	—	—	—	—	—	(163)
At 31 December 2019	於二零一九年十二月三十一日	8,620	107	3,435	4,868	204	665	73	339	18,311
Carrying amounts	賬面值									
At 31 December 2019	於二零一九年十二月三十一日	120,037	—	—	—	—	27	—	—	120,064
At 31 December 2018	於二零一八年十二月三十一日	122,303	—	—	—	13	33	—	—	122,349

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

13. PROPERTY, PLANT AND EQUIPMENT

(Continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Pipelines	3 $\frac{1}{3}$ %
Building	2 - 33 $\frac{1}{3}$ % or over the lease term, if shorter
Plant and machinery	10 - 20%
Leasehold improvements	Over the lease term
Office equipment	10 - 20%
Motor vehicles	10 - 20%
Furniture and fixtures	10 - 20%

The carrying value of land under construction-in-progress was held under medium-term lease on the PRC.

Certain properties under construction were pledged to secure a loan granted to an independent third party in the sum of approximately HK\$89,400,000 (2018: HK\$91,088,000) (equivalent to RMB80,000,000 (2018: RMB80,000,000)). The carrying amount of the pledged properties were approximately HK\$119,962,000 (2018: HK\$122,227,000) as at 31 December 2019. Further details are set out in note 31.

The Group performed impairment assessment on construction in progress by determining its recoverable amount with reference to fair value less costs of disposal. The fair value of the construction in progress has been determined with reference to valuation carried out by Sino-Infinite, which used direct comparison approach. In this regard, the director determined that the recoverable amount exceeded the carrying amount of construction in progress and there was no impairment recognised.

13. 物業、廠房及設備 (續)

上述物業、廠房及設備項目按以下年率以直線基準折舊：

管道	3 $\frac{1}{3}$ %
樓宇	2 - 33 $\frac{1}{3}$ % 或按租期 (以較短者為準)
廠房及機器	10 - 20%
租賃物業裝修	按租期
辦公室設備	10 - 20%
汽車	10 - 20%
傢俬及裝置	10 - 20%

在建工程土地之賬面值為於中國按中期租約持有。

若干在建物業被抵押，作為授予一名獨立第三方總額約89,400,000港元(二零一八年：91,088,000港元)(相當於人民幣80,000,000元(二零一八年：人民幣80,000,000元))貸款的擔保。於二零一九年十二月三十一日，抵押物業的賬面值約為119,962,000港元(二零一八年：122,227,000港元)。進一步詳情載於附註31。

本集團通過參照在建工程的公平值減出售成本確定其可收回金額進行減值評估。在建工程的公平值乃參照中源所進行之估值確定，該估值採用直接比較法。就此而言，董事認為可收回金額超過在建工程賬面值，且未確認減值。

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14. RIGHT-OF-USE ASSETS

14. 使用權資產

		Land use rights	Leased properties	Total
		土地使用權	租賃物業	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
As at 1 January 2019	於二零一九年一月一日			
Carrying amount	賬面值	1,774	—	1,774
Addition	添置	—	967	967
Depreciation charge	折舊費用	(75)	(54)	(129)
Exchange alignment	匯兌調整	(34)	—	(34)
As at 31 December 2019	於二零一九年十二月三十一日			
Carrying amount	賬面值	1,665	913	2,578
For the year ended 31 December 2019	截至二零一九年十二月三十一日 止年度			
Expenses relating to short-term leases and other lease terms end within 12 months of the date of initial application of HKFRS 16	與租期在香港財務報告準則第16號首次應用日期起12個月內終止之短期租賃及其他租賃有關的費用			282
Total cash outflow for leases	租賃現金流出總額			(343)

Lease liabilities of approximately HK\$920,000 are recognised with related right-of-use assets of approximately HK\$913,000 at 31 December 2019. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The Group leases offices for its operations with lease contracts under fixed term of 3 years.

已確認租賃負債約920,000港元，涉及於二零一九年十二月三十一日的使用權資產約913,000港元。租賃協議並不施加除出租人所持有租賃資產中的擔保權益以外的任何契諾。租賃資產不得用作借貸擔保。

本集團租賃若干辦公室開展經營，租賃合約為3年固定年期。

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14. RIGHT-OF-USE ASSETS (Continued)

In addition, the Group owns several investment properties. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

14. 使用權資產 (續)

此外，本集團擁有若干投資物業。本集團為該等物業權益（包括相關租賃土地）的登記擁有人。為獲取該等物業權益，本集團已一次性支付全部款項。僅當所支付款項能夠可靠分配時，該等自有物業的租賃土地部分才單獨列出。

使用權資產按其估計可使用年限和租賃期限中的較短者按直線法計提折舊。

15. LAND USE RIGHTS

15. 土地使用權

		2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	1,935
Exchange alignment	匯兌調整	(82)
Amortisation	攤銷	(79)
At 31 December	於十二月三十一日	1,774

Land use rights comprise cost of acquiring rights to use certain land, which are principally located in the PRC, for investment properties over fixed periods.

Upon application of HKFRS 16, the land use rights amounting to HK\$1,774,000 were reclassified to right-of-use assets (Note 14).

土地使用權包括獲得權利使用主要位於中國的若干土地成本，以於固定期間進行物業投資。

於應用香港財務報告準則第16號後，金額為1,774,000港元之土地使用權重新分類為使用權資產（附註14）。

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16. GOODWILL

16. 商譽

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cost	成本		
At 1 January and at 31 December	於一月一日及十二月三十一日	79,909	79,909
Accumulated impairment losses	累計減值虧損		
At 1 January and at 31 December	於一月一日及十二月三十一日	79,909	79,909
Carrying amounts	賬面值		
At 31 December	於十二月三十一日	—	—

Before recognition of impairment losses, the carrying amount of goodwill was allocated to cash-generating unit under the properties investment segment.

在確認減值虧損之前，商譽的賬面值已分配給物業投資分部下的現金產生單位。

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17. INTERESTS IN ASSOCIATES

17. 於聯營公司之權益

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	316,456	350,275
Share of post-acquisition (loss)/profit of associates	應佔聯營公司收購後(虧損)/溢利	(10,276)	(19,525)
Share of post-acquisition reserves of associates	應佔聯營公司收購後儲備	(5,862)	(14,294)
At 31 December	於十二月三十一日	300,318	316,456

As at 31 December 2019 and 2018, the Group's interests in associates represent 40% equity interests in Forward Investment (PRC) Company Limited ("Forward Investment") and its subsidiary (together, the "Forward Investment Group").

於二零一九年及二零一八年十二月三十一日，本集團於聯營公司之權益指於泰和投資(中國)有限公司(「泰和投資」)及其附屬公司(「泰和投資集團」)之40%股權。

Details of Forward Investment are as follows:

泰和投資詳情如下：

- (i) On 27 September 2012, Keen Gate Developments Limited, a wholly-owned subsidiary of the Company, entered into a subscription agreement to subscribe the approximately 40% equity interests in Forward Investment (the "Subscription"). The Subscription was completed on 10 December 2012.

- (i) 於二零一二年九月二十七日，本公司一家全資附屬公司建基發展有限公司訂立一份認購協議以認購泰和投資之約40%股權(「認購事項」)。認購事項已於二零一二年十二月十日完成。

Pursuant to the subscription agreement, Mr. Ye De Chao, an executive director of the Company and the original beneficial owner of Forward Investment (collectively referred to as the "Guarantors") jointly and severally guaranteed the dividend income distributed by Forward Investment to the Group. The Guarantors will provide compensation income to the Group if the dividend income from Forward Investment is lower than HK\$36,000,000 (12% of the consideration of the Subscription) per annum. The guarantee will be valid from the completion date (10 December 2012) of the Subscription and up to the Group ceases to be a shareholder of Forward Investment. During the year ended 31 December 2019, the compensation income of HK\$36,000,000 (2018: HK\$36,000,000) was recognised in the consolidated statement of profit or loss.

根據認購協議，本公司執行董事業德超先生及泰和投資之原實益擁有人(統稱為「擔保人」)共同及個別擔保泰和投資向本集團分派之股息收入。倘泰和投資提供之年度股息收入低於36,000,000港元(認購事項代價之12%)，擔保人將向本集團提供補償收入。該擔保將自認購事項完成日期(二零一二年十二月十日)起直至本集團不再為泰和投資股東止期間有效。於截至二零一九年十二月三十一日止年度，補償收入36,000,000港元(二零一八年：36,000,000港元)已於綜合損益表中確認。

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綜合財務報表附註

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

17. INTERESTS IN ASSOCIATES (Continued)

- (ii) Summarised financial information in respect of the Forward Investment Group is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

The associates are accounted for using the equity method in these consolidated financial statements.

Forward Investment Group

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total assets	資產總值	1,104,962	1,120,704
Total liabilities	負債總額	(354,168)	(329,565)
Net assets	資產淨值	750,794	791,139
Group's share of net assets of associates	本集團應佔聯營公司 資產淨值	300,318	316,456

17. 於聯營公司之權益 (續)

- (ii) 有關泰和投資集團的財務資料概要載列如下。以下財務資料概要表示根據香港財務報告準則編制的聯營公司財務報表中顯示的金額。

該等聯營公司均在綜合財務報表中使用權益法進行會計處理。

泰和投資集團

		For the year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	7,130	4,807
Loss for the year	年內虧損	(25,690)	(48,813)
Group's share of results of associates	本集團應佔聯營公司業績	(10,276)	(19,525)
Group's share of reserves	本集團應佔儲備	(5,862)	(14,294)

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綜合財務報表附註

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

17. INTERESTS IN ASSOCIATES (Continued)

(iii) At 31 December 2019 and 2018, details of the Group's associates are as follow:

Name 名稱	Place of incorporation and principal place of operation 註冊成立地點及主要營業地點	Attributable equity interest held by the Group 本集團持有股權之比例		Principal activities 主要業務
		2019 二零一九年	2018 二零一八年	
Forward Investment (PRC) Company Limited 泰和投資(中國)有限公司	Hong Kong 香港	40%	40%	Investment holding 投資控股
Nanjing Taihe Yingke Property Company Limited*	The PRC 中國	40%	40%	Property development and property investment 物業開發及物業投資

The Group performed impairment assessment on interests in associates by determining its recoverable amount with reference to the future cashflow from compensation income guaranteed. In this regard, the director determined that the recoverable amount exceeded the carrying amount of interests in associates and there was no impairment recognised.

本集團通過參照已擔保賠償收入的未來現金流量確定可收回金額對於聯營公司權益進行減值評估。就此而言，董事認為可收回金額超過聯營公司權益賬面值，且未確認減值。

17. 於聯營公司之權益 (續)

(iii) 於二零一九年及二零一八年十二月三十一日，本集團聯營公司的詳情如下：

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

18. INTERESTS IN SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company as at 31 December 2019 and 2018 are set out below.

18. 於附屬公司之權益

於二零一九年及二零一八年十二月三十一日，本公司直接或間接持有的附屬公司的詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation 註冊成立地點	Particulars of issued and paid up capital/ registered capital 已發行及實繳股本/ 註冊股本詳情	Proportion of effective interest held by the Group 本集團持有實際權益之比例		Principal activities 主要業務		
			2019 二零一九年		2018 二零一八年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Prospect Sync Holdings Limited	The British Virgin Islands (the "BVI") 英屬處女群島 (「英屬處女群島」)	US\$1 1美元	100%	—	100%	—	Investment holding 投資控股
Honesty Services Limited 信寶服務有限公司	Hong Kong 香港	HK\$1 1港元	100%	—	100%	—	Holding of motor vehicles 持有汽車
Honesty Treasure Limited 信寶控股有限公司	Hong Kong 香港	HK\$2 2港元	50%	50%	50%	50%	Provision of management services 提供管理服務
Success Take Limited	The BVI 英屬處女群島	US\$1 1美元	100%	—	100%	—	Investment holding 投資控股
City Vision Investments Limited 盛階投資有限公司	Hong Kong 香港	HK\$1 1港元	—	100%	—	100%	Investment holding 投資控股
Ampleline Holdings Limited	The BVI 英屬處女群島	US\$1 1美元	100%	—	100%	—	Investment holding 投資控股
Sun On Chung King (Hong Kong) Limited 新安中京(香港)有限公司	Hong Kong 香港	HK\$1 1港元	—	100%	—	100%	Investment holding 投資控股

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18. INTERESTS IN SUBSIDIARIES (Continued)

18. 於附屬公司之權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation 註冊成立地點	Particulars of issued and paid up capital/ registered capital 已發行及實繳股本/ 註冊股本詳情	Proportion of effective interest held by the Group 本集團持有 實際權益之比例		Principal activities 主要業務		
			2019 二零一九年 Directly 直接	Indirectly 間接	2018 二零一八年 Directly 直接	Indirectly 間接	
Xinan Zhongjing Gas Company Limited* (note (ii)) 新安中京燃氣有限公司 (附註(ii))	The PRC 中國	RMB10,000,000 人民幣 10,000,000 元	—	90%	—	90%	Natural gas construction projects 天然氣建設項目
Xinan Shengjie Gas Company Limited* (note (iv)) 新安盛階燃氣有限公司 (附註(iv))	The PRC 中國	RMB30,000,000 人民幣 30,000,000 元	—	100%	—	100%	Natural gas construction projects 天然氣建設項目
Keen Gate Developments Limited	The BVI 英屬處女群島	US\$1 1 美元	100%	—	100%	—	Investment holding 投資控股
Nanjing Taihe Natural Gas Accessory Engineering Company Limited* (note (ii)) 南京泰和天然氣配套工程有限公司 (附註(ii))	The PRC 中國	RMB40,000,000 人民幣 40,000,000 元	—	100%	—	100%	Trading of construction materials 建造材料貿易
Gangning Investment Company Limited* (note (ii)) 港寧投資有限公司 (附註(ii))	The PRC 中國	RMB185,000,000 人民幣 185,000,000 元	—	100%	—	100%	Investment holding 投資控股
Tianjin Jun Hua Logistics Company Limited ("Tianjin Jun Hua")* (note (ii)) 天津俊華物流有限公司 「天津俊華」(附註(ii))	The PRC 中國	RMB109,984,948 人民幣 109,984,948 元	—	51%	—	51%	Property investment 物業投資
Tianjin Hui Li Yuan Power Equipment Company Limited ("Hui Li Yuan")* (note (ii)) 天津滙力源動力設備有限公司 「滙力源」(附註(ii))	The PRC 中國	RMB4,886,027 人民幣 4,886,027 元	—	60%	—	60%	Property investment 物業投資

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

18. INTERESTS IN SUBSIDIARIES (Continued)

Notes:

- (i) Registered under the laws of the PRC as wholly owned foreign enterprise.
- (ii) Registered under the laws of the PRC as domestic enterprise.
- (iii) Registered under the laws of the PRC as one person limited liability enterprise.
- * For identification purposes only

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

None of the subsidiaries had issued any debt securities at the end of the year.

18. 於附屬公司之權益 (續)

附註：

- (i) 根據中國法律註冊為外商獨資企業。
- (ii) 根據中國法律註冊為內資企業。
- (iii) 根據中國法律註冊為一人有限責任公司。
- * 僅供識別

上表列出董事認為主要影響本集團業績或資產的本公司附屬公司。董事認為，提供其他附屬公司的詳情會導致篇幅過於冗長。

於年末，概無附屬公司發行任何債務證券。

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

18. INTERESTS IN SUBSIDIARIES (Continued)

Details of a non wholly-owned subsidiary that has material non-controlling interest

The table below shows details of a non wholly-owned subsidiary of the Group that has material non-controlling interest:

Name of subsidiary	Place of incorporation and place of business	Proportion of ownership interest and voting power held by the Company 2019 and 2018 二零一九年及二零一八年本公司持有的 擁有權及投票權比例	Profit allocated to non-controlling interest		Accumulated non-controlling interest	
			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Tianjin Jun Hua Logistics 天津俊華物流	The PRC 中國	51%	(463)	(5)	16,446	17,226
Tianjin Hui Li Yuan 天津滙力源	The PRC 中國	60%	(690)	(78)	50,347	52,007
Individually immaterial subsidiaries with non-controlling interest 具有非控股股東權益之個別非重大附屬公司					942	925
					67,735	70,158

18. 於附屬公司之權益 (續)

擁有重大非控股股東權益的非全資附屬公司的詳情

下表列示擁有重大非控股股東權益的本集團非全資附屬公司的詳情：

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18. INTERESTS IN SUBSIDIARIES (Continued)

Details of a non wholly-owned subsidiary that has material non-controlling interest (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.

Tianjin Jun Hua Logistics

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	3,617	3,050
Non-current assets	非流動資產	60,979	64,486
Current liabilities	流動負債	(23,655)	(24,304)
Non-current liabilities	非流動負債	(7,369)	(8,078)
Equity attributable to owners of the Company	本公司擁有人應佔權益	17,121	17,928
Non-controlling interests	非控股股東權益	16,450	17,226
Revenue	收益	1,848	1,731
Expenses	開支	(2,792)	(1,742)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(481)	(6)
Loss attributable to non-controlling interest	本公司非控股股東權益應佔虧損	(463)	(5)
Loss for the year	年內虧損	(944)	(11)

18. 於附屬公司之權益 (續)

擁有重大非控股股東權益的非全資附屬公司的詳情 (續)

有關本集團擁有重大非控股股東權益的附屬公司的財務資料概要載於下文。以下財務資料概要指集團內成員公司撤銷前的金額。

天津俊華物流

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18. INTERESTS IN SUBSIDIARIES (Continued)

Details of a non-wholly owned subsidiary that has material non-controlling interest (Continued)

Tianjin Jun Hua Logistics (Continued)

18. 於附屬公司之權益 (續)

擁有重大非控股股東權益的非全資附屬公司的詳情 (續)

天津俊華物流 (續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total comprehensive loss attributable to owners of the Company	本公司擁有人應佔全面虧損總額	(807)	(812)
Total comprehensive loss attributable to the non-controlling interest	非控股股東權益應佔全面虧損總額	(776)	(780)
Total comprehensive loss for the year	年內全面虧損總額	(1,583)	(1,592)
Net cash inflow from operating activities	經營活動所得現金流入淨額	(1,582)	(1,591)
Net cash (outflow)/inflow from investing activities	投資活動所得現金(流出)/流入淨額	—	—
Net cash outflow from financing activities	融資活動所得現金流出淨額	—	—
Net cash outflow	現金流出淨額	(1,582)	(1,591)

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

18. INTERESTS IN SUBSIDIARIES (Continued)

Details of a non-wholly owned subsidiary that has material non-controlling interest (Continued)

Tianjin Hui Li Yuan

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產	7,671	9,147
Non-current assets	非流動資產	33,335	33,964
Current liabilities	流動負債	(1,709)	(1,339)
Non-current liabilities	非流動負債	—	—
Equity attributable to owners of the Company	本公司擁有人應佔權益	23,578	25,063
Non-controlling interests	非控股股東權益	15,719	16,709
Revenue	收益	—	—
Expenses	開支	(1,725)	(197)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(1,035)	(119)
Loss attributable to non-controlling interests	本公司非控股股東權益應佔虧損	(690)	(78)
Loss for the year	年內虧損	(1,725)	(197)

18. 於附屬公司之權益 (續)

擁有重大非控股股東權益的非全資附屬公司的詳情 (續)

天津滙力源

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

18. INTERESTS IN SUBSIDIARIES (Continued)

Details of a non-wholly owned subsidiary that has material non-controlling interest (Continued)

Tianjin Hui Li Yuan (Continued)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total comprehensive loss attributable to owners of the Company	本公司擁有人應佔全面虧損總額	(1,485)	(1,246)
Total comprehensive loss attributable to the non-controlling interest	非控股股東權益應佔全面虧損總額	(990)	(831)
Total comprehensive loss for the year	年內全面虧損總額	(2,475)	(2,077)
Net cash inflow from operating activities	經營活動所得現金流入淨額	(4)	(2,030)
Net cash (outflow)/inflow from investing activities	投資活動所得現金(流出)/流入淨額	—	—
Net cash outflow from financing activities	融資活動所得現金流出淨額	—	—
Net cash outflow	現金流出淨額	(4)	(2,030)

Except for Tianjin Jun Hua Logistics and Tianjin Hui Li Yuan, the directors consider that the non-controlling interests of the other non wholly-owned subsidiaries during the year ended 31 December 2019 and 2018 were insignificant to the Group and thus are not separately presented in these consolidated financial statements. In addition, no separate financial information of other non wholly-owned subsidiaries is required to be presented.

18. 於附屬公司之權益 (續)

擁有重大非控股股東權益的非全資附屬公司的詳情 (續)

天津滙力源 (續)

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total comprehensive loss attributable to owners of the Company	(1,485)	(1,246)
Total comprehensive loss attributable to the non-controlling interest	(990)	(831)
Total comprehensive loss for the year	(2,475)	(2,077)
Net cash inflow from operating activities	(4)	(2,030)
Net cash (outflow)/inflow from investing activities	—	—
Net cash outflow from financing activities	—	—
Net cash outflow	(4)	(2,030)

董事認為除天津俊華物流及天津滙力源外，其他非全資附屬公司於截至二零一九年及二零一八年十二月三十一日止年度之非控股股東權益對本集團而言微不足道，故並無在該等綜合財務報表中單獨呈列。此外，毋需呈列其他非全資附屬公司的單獨財務資料。

19. TRADE RECEIVABLES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade receivables, gross	應收貿易賬款總額	18,112	775
Less: Impairment loss recognised in respect of trade receivables	減：就應收貿易賬款確認之減值虧損	—	—
Trade receivables, net	應收貿易賬款淨額	18,112	775

19. 應收貿易賬款

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19. TRADE RECEIVABLES (Continued)

The Group generally allowed an average credit period due within 30 days to its trade debtors.

The Group does not hold any collateral over these balances.

Ageing analysis of trade receivables is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Due within 30 days or on demand	30日內到期或按要求	18,112	666
Due within 31 to 60 days	31日至60日內到期	—	—
Due within 61 to 90 days	61日至90日內到期	—	—
Due over 90 days	超過90日到期	—	109
		18,112	775

Details of impairment assessment of trade receivables are set out in note 30 to the consolidated financial statements.

20. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deposits	按金	123	35,161
Prepayments	預付款項	479,464	2,932
Other receivables	其他應收款項	11,507	12,352
Compensation income receivable	應收補償收入	36,000	36,000
		527,094	86,445
Analysed for reporting purpose as:	分析作報告用途：		
Current assets	流動資產	393,653	86,445
Non-current assets	非流動資產	133,441	—
		527,094	86,445

19. 應收貿易賬款 (續)

本集團一般就應收貿易賬款授予平均30天的信貸期。

本集團並無就該等結餘持有任何抵押品。

應收貿易賬款之賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Due within 30 days or on demand	30日內到期或按要求	18,112	666
Due within 31 to 60 days	31日至60日內到期	—	—
Due within 61 to 90 days	61日至90日內到期	—	—
Due over 90 days	超過90日到期	—	109
		18,112	775

應收貿易賬款減值評估的詳情載於綜合財務報表附註30。

20. 其他應收款項、按金及預付款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deposits	按金	123	35,161
Prepayments	預付款項	479,464	2,932
Other receivables	其他應收款項	11,507	12,352
Compensation income receivable	應收補償收入	36,000	36,000
		527,094	86,445
Analysed for reporting purpose as:	分析作報告用途：		
Current assets	流動資產	393,653	86,445
Non-current assets	非流動資產	133,441	—
		527,094	86,445

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

20. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT (Continued)

Notes:

- (i) At 31 December 2018, deposit of approximately HK\$34,158,000 (equivalent to RMB30,000,000) was pledged as security for the loan facilities as set out in note 24. The deposit was released during the year ended 31 December 2019.
- (ii) The amount represented prepaid construction cost of investment properties and property, plant and equipment and trade deposit paid for construction materials.
- (iii) The amount represented compensation income from Guarantors, details of which has been set out in note 17.

Details of impairment assessment of other receivables and deposits are set out in note 30 to the consolidated financial statements.

20. 其他應收款項、按金及預付款項 (續)

附註：

- (i) 於二零一八年十二月三十一日，按金約34,158,000港元（相當人民幣30,000,000元）質押作為貸款融資之抵押品載於附註24。按金於截至二零一九年十二月三十一日止年度釋放。
- (ii) 該金額為投資物業及物業、廠房及設備的預付建造成本以及為建築材料支付的貿易按金。
- (iii) 該金額指來自擔保人的補償收入，有關詳情載於附註17。

其他應收款項減值評估的詳情載於綜合財務報表附註30。

21. CASH AND BANK BALANCES

21. 現金及銀行結餘

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash and cash equivalents	現金及現金等值物	2,024	553,114

Notes:

- (i) At 31 December 2019, cash and cash equivalents placed with banks in the PRC amounted to HK\$817,000 (2018: HK\$553,016,000). Remittance of funds out of mainland China is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.
- (ii) Bank balances earn interests at floating rate and fixed rate, and are placed and deposited with creditworthy banks with no recent history of default.

附註：

- (i) 於二零一九年十二月三十一日，存置於中國的銀行的現金及現金等價物為817,000港元（二零一八年：553,016,000港元）。自中國內地匯出的資金須遵守中國政府頒佈的外匯管制的相關規則及法規。
- (ii) 銀行結餘按浮動及固定利率計息，及存於並無近期違約記錄且具有信譽的銀行。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

22. TRADE PAYABLES

Ageing analysis of trade payables is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Due within 30 days or on demand	30日內到期或按要求	—	—
Due within 31 to 60 days	31日至60日內到期	—	—
Due within 61 to 90 days	61日至90日內到期	—	—
Due over 90 days	超過90日到期	29,877	13,153
		29,877	13,153

The average credit period granted by Suppliers is 30 days.

23. ACCRUALS AND OTHER PAYABLES

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Receipt in advance	預收款項	324	349
Accruals and other payables	應計費用及其他應付款項	47,044	19,130
Amount due to substantial shareholder	應付主要控股股東款項	13,204	11,534
		60,572	31,013

Receipt in advance represented non-refundable rental payment received from tenants during the year.

At 31 December 2019 and 2018, amount due to substantial shareholder was unsecured, non-interest bearing and have no fixed terms of repayments.

22. 應付貿易賬款

應付貿易賬款之賬齡分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Due within 30 days or on demand	30日內到期或按要求	—	—
Due within 31 to 60 days	31日至60日內到期	—	—
Due within 61 to 90 days	61日至90日內到期	—	—
Due over 90 days	超過90日到期	29,877	13,153
		29,877	13,153

供應商授予的平均信貸期為30日。

23. 應計費用及其他應付款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Receipt in advance	預收款項	324	349
Accruals and other payables	應計費用及其他應付款項	47,044	19,130
Amount due to substantial shareholder	應付主要控股股東款項	13,204	11,534
		60,572	31,013

預收款項指年內從租戶收取之不可退還租金。

於二零一九年及二零一八年十二月三十一日，應付主要控股股東款項為無抵押、免息及無固定還款期。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

24. INTEREST-BEARING BORROWINGS

24. 計息借貸

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Borrowings, secured	借貸，有抵押	125,000	234,000
Scheduled repayment terms of secured borrowings contain a repayment on demand clause (shown under current liabilities):			
— Within one year	— 一年內	125,000	234,000
— In more than one year but not more than two years	— 超過一年但不超過兩年	—	—
— In more than two years but not more than five years	— 超過兩年但不超過五年	—	—
Less: On demand or amount due within one year shown under current liabilities	減：按要求償還或流動負債所示一年內到期的金額	(125,000)	(234,000)
Amount shown under non-current liabilities	非流動負債所示的金額	—	—

At 31 December 2019 and 2018, the borrowings were supported by pledged shares of related companies, pledged deposit and personal guarantee by a director of the Company.

於二零一九年及二零一八年十二月三十一日，借貸由已抵押相關公司之股份、按金抵押及本公司之一名董事提供的個人擔保支持。

At 31 December 2019, the secured borrowings are interest bearing at 10% (2018: 10%) per annum.

於二零一九年十二月三十一日，有抵押借貸按年利率10%（二零一八年：10%）計息。

At 31 December 2019, none of the covenants relating to drawn down facilities had been breached (2018: none).

於二零一九年十二月三十一日，概無有關提取融資之契諾已遭違反（二零一八年：無）。

The interest-bearing borrowing was expired during the year ended 31 December 2019 and carried the default interest on 20% per annum. The Group is negotiating extension agreement with the lender.

計息借貸於截至二零一九年十二月三十一日止年度內到期，並按年利率20%計算違約利息。本集團正在與貸方磋商延期協議。

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綜合財務報表附註

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

25. LEASE LIABILITIES

25. 租賃負債

		Minimum lease payments 最低租賃付款 2019 二零一九年 HK\$'000 千港元	Present value of minimum lease payments 最低租賃付款的現值 2019 二零一九年 HK\$'000 千港元
Lease liabilities payable:	應付租賃負債：		
Within one year	一年內	368	297
In the second to fifth year, inclusive	第二至五年（包括首尾兩年）	675	623
		1,043	920
Less: Future finance costs	減：未來財務成本	(123)	—
Present value of leases liabilities	租賃負債的現值	920	920
Less: Amount due for settlement within one year	減：一年內到期結算的金額		(297)
Amount due for settlement after one year	一年後到期結算的金額		623

All lease liabilities are denominated in HK\$.

全部租賃負債以港元計值。

26. DEFERRED TAX LIABILITIES

26. 遞延稅項負債

		Investment properties 投資物業 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	8,441
Exchange alignment	匯兌調整	(363)
At 31 December 2018 and at 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	8,078
Credit to profit or loss (note 9)	計入損益（附註9）	(566)
Exchange alignment	匯兌調整	(143)
At 31 December 2019	於二零一九年十二月三十一日	7,369

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

26. DEFERRED TAX LIABILITIES (Continued)

At 31 December 2019, the Group had unused estimated tax losses of approximately HK\$37,614,000 (2018: HK\$19,722,000) available for offsetting against future taxable profits. The unused estimated tax losses could be carried forward indefinitely except for the tax losses arising in the PRC of approximately HK\$17,892,000 (2018: nil) that will expire in five years for offsetting against future taxable profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

26. 遞延稅項負債 (續)

於二零一九年十二月三十一日，本集團的未動用估計稅項虧損約37,614,000港元（二零一八年：19,722,000港元）可供抵銷未來應課稅溢利。未動用估計稅項虧損可無限期結轉，惟在中國產生的稅項虧損約17,892,000港元（二零一八年：無）除外，其將在五年內到期及可抵銷未來應課稅溢利。由於未能預測未來溢利流，因此並無就稅項虧損確認遞延稅項資產。

27. EMPLOYEE RETIREMENT BENEFITS

- (a) The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.
- (b) Pursuant to the relevant labour rules and regulations in the PRC, the Group participates in defined contribution retirement benefit schemes (the "Schemes") organised by the relevant local government authorities, whereby the Group is required to make contributions to the Schemes at a rate ranging from 5% of the eligible employees' salaries. The local government authorities are responsible for the entire pension obligations payable to retired employees which are calculated based on a certain percentage of the basic payroll.

27. 僱員退休福利

- (a) 本集團根據香港強制性公積金計劃條例為於香港僱傭條例之司法管轄權下受聘用之僱員，經營一項強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立受託人管理之界定供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入之5%向計劃作出供款，每月相關收入上限為30,000港元。計劃供款即時歸屬。
- (b) 根據中國相關勞工規則及法規，本集團參與由相關地方政府機關經營之界定供款退休福利計劃（「該等計劃」），據此，本集團須按合資格僱員薪金之5%起之比率向該等計劃作出供款。地方政府機關負責全部應付已退休僱員之退休金責任，其按基本薪金之若干百分比計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

28. CAPITAL AND RESERVES

(A) SHARE CAPITAL

		Number of shares 股份數目		Nominal value 面值	
		2019 二零一九年 '000 千股	2018 二零一八年 '000 千股	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.05 each	每股面值0.05港元 之普通股	10,000,000	10,000,000	500,000	500,000
Ordinary shares:	普通股：				
Issued and fully paid:	已發行及繳足：				
At 1 January and at 31 December	於一月一日及 十二月三十一日	4,269,910	4,269,910	213,496	213,496

(B) DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during 2019, nor has any dividend been proposed since the end of the reporting period (2018: nil).

28. 股本及儲備

(A) 股本

(B) 股息

於二零一九年度並無向本公司普通股股東派發或擬派發股息，而自報告期末以來亦未派發股息（二零一八年：無）。

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綜合財務報表附註

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

28. CAPITAL AND RESERVES (Continued)

(C) CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of its debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consist of net debt, which includes interest-bearing borrowings and lease liabilities net of cash and bank balances, and equity attributable to owners of the Company, comprising issued share capital and reserves of the Group.

The gearing ratios at 31 December 2019 and 2018 were as follows:

28. 股本及儲備 (續)

(C) 資本管理

本集團之資本管理旨在確保本集團旗下實體將能持續經營，並同時透過優化債務與權益之平衡，從而為權益持有人爭取最高回報。本集團維持過往年度之整體策略不變。

本集團之資本架構包括負債淨額（其包括經扣除現金及銀行結餘後之計息借貸及租賃負債）及本公司擁有人應佔權益（包括本集團之已發行股本及儲備）。

於二零一九年及二零一八年十二月三十一日之負債比率如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest-bearing borrowings	計息借貸	125,000	234,000
Lease liabilities	租賃負債	920	—
Total debts	負債總額	125,920	234,000
Less: cash and cash equivalents	減：現金及現金等值物	(2,024)	(553,114)
Net debt	負債淨額	123,896	(319,114)
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額	732,376	781,480
Net debt to equity ratio	負債淨額相對權益比率	16.9%	N/A 不適用

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

29. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

29. 本公司之財務狀況表及儲備

(A) STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(A) 本公司之財務狀況表

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
NON-CURRENT ASSET	非流動資產		
Interests in subsidiaries	於附屬公司之權益	798,498	914,381
CURRENT ASSETS	流動資產		
Other receivables, deposits and prepayment	其他應收款項、按金及預付款項	498	494
Cash and bank balances	現金及銀行結餘	990	13
		1,488	507
CURRENT LIABILITIES	流動負債		
Trade and other payables	應付貿易賬款及其他應付款項	(45,924)	(16,814)
Interest-bearing borrowing	計息借款	(125,000)	(234,000)
		(170,924)	(250,814)
NET CURRENT LIABILITIES	流動負債淨額	(169,436)	(250,307)
NET ASSETS	資產淨值	629,062	664,074
CAPITAL AND RESERVES	股本及儲備		
Share capital	股本	213,496	213,496
Reserves	儲備	415,566	450,578
TOTAL EQUITY	權益總額	629,062	664,074

Approved and authorised for issue by the board of directors on 13 May 2020:

於二零二零年五月十三日經董事會批准並授權刊發：

Xu Xiao Jun
徐小俊
Director
董事

Ye De Chao
業德超
Director
董事

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

29. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(Continued)

(B) MOVEMENTS OF THE RESERVES OF THE COMPANY

29. 本公司之財務狀況表及儲備 (續)

(B) 本公司儲備之變動

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 合共 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	213,496	756,049	69	(270,026)	699,588
Loss for the year	年內虧損	—	—	—	(35,514)	(35,514)
At 31 December 2018 and at 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	213,496	756,049	69	(305,540)	664,074
Loss for the year	年內虧損	—	—	—	(35,012)	(35,012)
At 31 December 2019	於二零一九年十二月三十一日	213,496	756,049	69	(340,552)	629,062

The Company's reserves available for distribution represent the share premium and accumulated losses. Under the Companies Law of the Cayman Islands, share premium of the Company is available for the Company's distributions to shareholders subject to the provisions of the Company's Memorandum or Articles of Associations and provided that immediately following the distribution the Company is able to pay its debts as they fall due in the ordinary course of business. As at 31 December 2019, the aggregate value of the share premium and accumulated losses of the Company available for distribution is HK\$415,497,000 (2018: HK\$450,509,000).

Note: Capital redemption reserve represents the nominal value of shares repurchased out of distributable profit.

本公司之可供分派儲備指股份溢價及累計虧損。根據開曼群島公司法，本公司之股份溢價可用作向股東作出分派，惟須受本公司之組織章程大綱或細則之條文所規限，而於緊隨分派後，本公司必須有能力償還日常業務中到期之債務。於二零一九年十二月三十一日，可供分派之本公司股份溢價及累計虧損總值為415,497,000港元（二零一八年：450,509,000港元）。

附註：資本贖回儲備指以可分派溢利購回股份之面值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

30. FINANCIAL INSTRUMENTS

The Group's major financial instruments include trade receivables, other receivables and deposits, cash and bank balances, trade payables, accruals and other payables (exclude receipt in advance), interest-bearing borrowings and lease liabilities, and were classified into the categories as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	金融資產		
Amortised cost	攤銷成本	67,766	637,402
Financial liabilities	金融負債		
Amortised cost	攤銷成本	216,045	277,817

Details of these financial instruments are disclosed in respective notes to these consolidated financial statements. The risks associated with these financial instruments are limited and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Group has exposure to credit, liquidity, interest rate and currency risks that arise in the normal course of the Group's business. The Group is also exposed to equity price risk arising from movements in its own equity share price.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

30. 金融工具

本集團的主要金融工具包括應收貿易賬款、其他應收款項及按金、現金及銀行結餘、應付貿易賬款、應計費用及其他應付款項（不包括預收款項）、計息借貸及租賃負債，並分類如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets	金融資產		
Amortised cost	攤銷成本	67,766	637,402
Financial liabilities	金融負債		
Amortised cost	攤銷成本	216,045	277,817

該等金融工具之詳情於本綜合財務報表各自之附註中披露。與該等金融工具相關之風險有限，而降低該等風險之政策載於下文。管理層管理及監察該等風險，以確保適時並有效地實施適當之措施。

本集團之信貸、流動資金、利率及貨幣風險乃於本集團之一般業務過程中產生。本集團亦因其本身權益股份價格之變動，而須面對股價風險。

本集團有關金融工具之風險種類及其管理及衡量相關風險之方式概無任何變動。

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30. FINANCIAL INSTRUMENTS (Continued)

(A) CREDIT RISK

The Group's credit risk is primarily attributable to trade receivable, other receivables and deposits and bank balances. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within a year. Debtors with balances that are more than a year past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from its customers.

In addition, management of the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate provisions for impairment losses are made for irrecoverable amounts on trade receivables. The Group applies simplified approach on trade receivable to provide for ECL. In this regard, management of the Group considers that the credit risk on trade receivables is significantly low and no provision for expected credit loss was recognised for both years.

30. 金融工具 (續)

(A) 信貸風險

本集團之信貸風險主要來自應收貿易賬款、其他應收款項及按金以及銀行結餘。管理層有既定之信貸政策，並會持續監控該等信貸風險。

就應收貿易賬款而言，對於所有要求超過若干信貸金額之客戶，均會進行個別信貸評估。此等評估主要針對客戶過往於到期時之還款記錄及現時之支付能力，並考慮客戶之特定資料及客戶所處經濟環境之相關資料。應收貿易賬款於一年內到期。必須全數償還所有逾期一年以上之應收貿易賬款結餘，方可獲授予任何其他信貸。本集團一般不會向客戶收取抵押品。

此外，本集團管理層於報告期末檢討各項個別債務之可收回金額，以確保就應收貿易賬款之不可收回金額作出充足減值虧損撥備。本集團應用簡化方法就應收貿易賬款之預期信貸虧損作出撥備。就此而言，本集團管理層認為應收貿易賬款之信貸風險已大幅減低，故並未就兩個年度確認預期信貸虧損撥備。

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

30. FINANCIAL INSTRUMENTS (Continued)

(A) CREDIT RISK (Continued)

In respect of other receivables and deposits, management of the Group makes periodic as individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance of other receivables and deposits.

In respect of bank balances, the Group limits its exposure to credit risk by transacting with approved and reputable banks with high credit ratings. Bankruptcy or insolvency of these banks may cause the Group's rights with respect to these assets held to be delayed or limited. The Group monitors the credit ratings of these banks on an ongoing basis, and considers that the Group's exposure to credit risk at 31 December 2019 and 2018 were minimal.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset after deducting any impairment allowance.

30. 金融工具 (續)

(A) 信貸風險 (續)

就其他應收款項及按金而言，本集團管理層根據過往結算記錄、過往經驗及可獲得之合理及可靠前瞻性資料就其他應收款項及按金之可收回性進行定期個別評估。本集團管理層認為本集團之其他應收款項及按金之未償還結餘並無重大固有信貸風險。

就銀行結餘而言，本集團透過與經批准、聲譽卓著且具有高信貸評級之銀行進行交易來限制其信貸風險敞口。該等銀行之破產或無償債能力或會導致本集團於該等所持資產之權利遭到延誤或限制。本集團會持續監察該等銀行之信貸評級，並認為本集團於二零一九年及二零一八年十二月三十一日之信貸風險甚微。

最大的信貸風險（不計及任何所持抵押品）乃指各項金融資產減去任何減值撥備後之賬面值。

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30. FINANCIAL INSTRUMENTS (Continued)

(B) LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of reporting period) and the earliest date the Group can be required to pay.

30. 金融工具 (續)

(B) 流動資金風險

流動資金風險指本集團無法履行到期財務責任所產生之風險。本集團管理流動資金之方法為盡可能確保其擁有充足流動資金，以償付到期負債而不致使本集團遭受不能接受之虧損或聲譽受損。

本集團旗下個別營運實體須負責其各自之現金管理，包括短期現金盈餘投資及增加貸款以抵補預期現金需求，惟於借貸超過若干預先釐定之授權水平時，必須取得母公司董事會之批准。本集團之政策為定期監察其流動資金需求及其遵守貸款契諾之情況，以確保其維持足夠現金儲備及維持足夠由主要財務機構提供之承諾融資額度，以應付短期及長期流動資金需要。

下表載列本集團之非衍生金融負債於報告期末之餘下合約期限詳情，乃根據約定非折現現金流量（包括採用約定利率，或如為浮動利率，則於報告期末之現行利率計算之利息付款）以及本集團可能須還款之最早日期為基準計算。

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30. FINANCIAL INSTRUMENTS (Continued)

(B) LIQUIDITY RISK (Continued)

		Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years
		約定未折現現金 賬面值	流量總額	一年內或 按要求	一年以上但不 超過兩年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 31 December 2019	於二零一九年十二月三十一日				
Interest-bearing borrowings	計息借貸	125,000	137,500	137,500	—
Trade payables	應付貿易賬款	29,877	29,877	29,877	—
Accruals and other payables	應計費用及其他應付款項	47,044	47,044	47,044	—
Amounts due to substantial shareholder	應付主要股東款項	13,204	13,204	13,204	—
Lease liabilities	租賃負債	920	1,043	368	675
		216,045	228,668	227,993	675

		Carrying amount	Total contractual undiscounted cash flows	Within 1 year or on demand	More than 1 year but less than 2 years
		約定未折現現金 賬面值	流量總額	一年內或 按要求	一年以上但不 超過兩年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 31 December 2018	於二零一八年十二月三十一日				
Interest-bearing borrowings	計息借貸	234,000	257,400	257,400	—
Trade payables	應付貿易賬款	13,153	13,153	13,153	—
Accruals and other payables	應計費用及其他應付款項	19,479	19,479	19,479	—
Amounts due to substantial shareholder	應付主要股東款項	11,534	11,534	11,534	—
		278,166	301,566	301,566	—

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30. FINANCIAL INSTRUMENTS (Continued)

(C) INTEREST RATE RISK

The Group is exposed to fair value interest rate risk in relation to fixed-rate interest-bearing borrowings (note 24) and lease liabilities (note 25). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (note 21). The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The Group currently does not have interest rate hedging policy.

No sensitivity analysis for variable-rate bank balances are presented as the directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

(D) CURRENCY RISK

The Group operates in Hong Kong and the PRC with majority of the transactions being settled in HK\$ and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group.

The transactions and monetary assets and liabilities denominated in RMB are minimal, the Group considers there is no significant foreign exchange risk in respect of RMB.

The Group currently does not have a foreign currency hedging policy in respect of assets and liabilities denominated in foreign currency. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arises.

(E) FAIR VALUES OF FINANCIAL INSTRUMENTS CARRIED AT OTHER THAN FAIR VALUE

The carrying amounts of the group's financial instruments carried at cost or amortised costs were not materially different from their fair values at 31 December 2019 and 2018.

30. 金融工具 (續)

(C) 利率風險

本集團面臨與固定利率計息借貸(附註24)和租賃負債(附註25)有關的公平值利率風險。本集團亦面臨與浮動利率銀行結餘有關的現金流量利率風險(附註21)。本集團的現金流量利率風險主要集中在銀行結餘利率的波動。本集團目前並無利率對沖政策。

本公司董事認為浮動利率銀行結餘產生的現金流量利率風險微不足道，故未就浮動利率銀行結餘作出敏感性分析。

(D) 貨幣風險

本集團在香港和中國經營業務，大部分交易以港元和人民幣結算。外匯風險來自未來商業交易、已確認的資產與負債，該等交易以非本集團功能貨幣的貨幣計值。

以人民幣計值的交易與貨幣資產及負債極少，本集團認為人民幣並無重大外匯風險。

本集團目前對外幣資產與負債並無外幣對沖政策。本集團將密切監察其外匯風險，並將於有需要時考慮對沖重大外匯風險。

(E) 非按公平值計量的金融工具之公平值

本集團以成本或攤銷成本計量的金融工具的賬面值與其二零一九年及二零一八年十二月三十一日的公平值並無重大差異。

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31. CONTINGENT LIABILITIES

On 1 August 2017, the Group acquired 60% equity interest of Tianjin Hui Li Yuan of which principal asset is a land use right for a parcel of land. Starting from year 2015, Tianjin Hui Li Yuan entered into a financial guarantee contract with a PRC trust company (the “Lender”) to provide corporate guarantee by a pledge of certain properties to secure a loan granted to a business partner which is an independent third party (the “Borrower”) in the sum of approximately HK\$89,400,000 (2018: HK\$91,088,000) (equivalent to RMB80,000,000 (2018: RMB80,000,000)) (the “Loan”). In order to protect the interest of the Group against the loss which might be suffered by the Group under the guarantee, the Borrower and the non-controlling interest of Tianjin Hui Li Yuan entered into a counter indemnity in favour of the Group pursuant to which they agreed to, among other matters, indemnify the Group for its liabilities and loss which may arise from the guarantee. The non-controlling interest of Tianjin Hui Li Yuan also agreed to indemnify the Group by offering a pledge of its 40% equity interest in Tianjin Hui Li Yuan to the Group upon default in loan payments by the Borrower. At the end of the reporting period, the Loan drawn down by the Borrower amounted HK\$89,400,000 (2018: HK\$91,088,000) (equivalent to RMB80,000,000 (2018: RMB80,000,000)) and market value of the properties pledged was approximately HK\$120,690,000 (2018: HK\$129,800,000) (equivalent to RMB108,000,000 (2018: RMB114,000,000)) which was determined by Sino Infinite. The carrying amount of the pledged properties was approximately HK\$119,962,000 (2018: HK\$122,227,000) as at 31 December 2019. The Loan was due on 11 February 2019 and remains unsettled as at 31 December 2019. To the managements’ best understanding, the Borrower is in active negotiation with the Lender for the extension of the Loan but no agreement was concluded up to the date of this report.

Save as disclosed above and elsewhere in the notes to these consolidated financial statements, the Group had no other material contingent liabilities as at 31 December 2019 (2018: nil).

31. 或然負債

於二零一七年八月一日，本集團收購天津滙力源之60%股權，其主要資產為一幅地塊的土地使用權。自二零一五年起，天津滙力源與中國信託公司（「貸方」）訂立財務擔保合約以提供企業擔保，方式為透過抵押若干物業為向一名業務夥伴（獨立第三方）（「借款人」）授出貸款89,400,000港元（二零一八年：約91,088,000港元）（相當於人民幣80,000,000元（二零一八年：人民幣80,000,000元））作擔保。為保障本集團之利益，免因該擔保而讓本集團遭受損失，借款人及天津滙力源的及非控股股東權益以本集團為受益人訂立一份反向彌償。據此，彼等同意（其中包括）彌償本集團因該擔保而可能產生之負債及損失。天津滙力源之非控股股東權益亦同意於借款人拖欠貸款時向本集團提供其於天津滙力源40%股權的抵押作為補償。於報告期末，借款人動用貸款金額為89,400,000港元（二零一八年：約91,088,000港元）（相當於人民幣80,000,000元（二零一八年：人民幣80,000,000元））及由中源釐定之已抵押物業之市價約120,690,000港元（二零一八年：129,800,000港元）（相當於人民幣108,000,000元（二零一八年：人民幣114,000,000元））。已抵押物業於二零一九年十二月三十一日之賬面值約119,962,000港元（二零一八年：122,227,000港元）。貸款於二零一九年二月十一日到期，至二零一九年十二月三十一日仍未結清。據管理層盡知，借款人正在與貸方就貸款延期進行積極談判，但截至本報告日期尚未達成任何協議。

除上文及此等綜合財務報表附註其他部分所披露者外，本集團於二零一九年十二月三十一日並無其他重大或然負債（二零一八年：無）。

32. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions and balances with its related parties for the year ended 31 December 2019 and 2018:

- (a) On 27 September 2012, Keen Gate Developments Limited (“Keen Gate”, a wholly-owned subsidiary of the Group), Mr. Ye De Chao (the Chairman, an Executive Director and a substantial shareholder of the Company — a connected person), Modern Admission Group Limited, Mr. Lee Kai Choi and Forward Investment had entered into a subscription agreement (the “Subscription Agreement”) in relation to the subscription of 40% equity interests in Forward Investment by Keen Gate at a consideration of HK\$300,000,000 (the “Consideration”). The Subscription was completed on 10 December 2012. The transaction constituted a major and connected transaction of the Company. Pursuant to the Subscription Agreement, the Guarantors jointly and severally undertake to Keen Gate that the return to Keen Gate, being the dividend receivable from the Group’s equity interest in Forward Investment, shall not be less than 12% of the Consideration per annum. In the event the return to Keen Gate falls below such threshold, the Guarantors shall compensate the Subscriber on a dollar-for-dollar basis (the “Return Undertaking”) in cash.

For the year ended 31 December 2019 and 2018, as Forward Investment suffered loss and no dividend will be declared, the Return Undertaking would be exercised. As such, an amount of HK\$36,000,000 was credited in the consolidated statement of profit or loss.

- (b) Remuneration for key management personnel of the Group comprises amounts paid to the Company’s directors as disclosed in note 7 and those highest paid employees as disclosed in note 8 to these consolidated financial statements.
- (c) Amounts due to substantial shareholder amounted to approximately HK\$13,203,000 (2018: HK\$11,534,000).

32. 重大關連人士交易

除本綜合財務報表其他部分所披露者外，本集團於截至二零一九年及二零一八年十二月三十一日止年度內曾與其關連人士進行以下重大交易及有以下結餘：

- (a) 於二零一二年九月二十七日，建基發展有限公司（「建基」，本集團之全資附屬公司）、業德超先生（本公司主席、執行董事及主要股東 — 關連人士）、Modern Admission Group Limited、李啟才先生及泰和投資訂立認購協議（「認購協議」），內容有關由建基按代價300,000,000港元（「代價」）認購泰和投資之40%股權。認購事項於二零一二年十二月十日完成。該交易構成本公司一主要及關連交易。根據認購協議，擔保人共同及個別向建基承諾，建基之回報（即本集團於泰和投資之股權之應收股息）每年將不會少於代價之12%。倘建基之回報少於該下限，擔保人須按等額基準向認購方作出現金補償（「回報承諾」）。

截至二零一九年及二零一八年十二月三十一日止年度，由於泰和投資遭受虧損，將不會宣派股息，故將行使回報承諾。因此，36,000,000港元已計入綜合損益表。

- (b) 本集團之主要管理人員酬金，包括本綜合財務報表附註7所披露支付予本公司董事之金額及附註8所披露支付予該等最高薪酬僱員之金額。
- (c) 應付主要股東款項為約13,203,000港元（二零一八年：11,534,000港元）。

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32. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

The interest-bearing borrowing was secured by pledged shares of related companies, in which Mr. Ye De Chao is the director, and personal guaranteed by Mr. Ye De Chao.

32. 重大關連人士交易 (續)

計息借貸以抵押業德超先生為董事的關聯公司股份作擔保，並由業德超先生提供個人擔保。

33. OPERATING LEASE COMMITMENTS

AS LESSEE

The Group had total outstanding commitments for future minimum lease payable under non-cancellable operating leases in respect of properties, which fall due as follows:

33. 經營租賃承擔

作為承租人

本集團根據物業不可撤銷經營租約於下列期間到期之未償還日後最低應付租金承擔總額如下：

		2018 二零一八年 HK\$'000 千港元
No later than 1 year	一年內	282
Later than 1 year and no later than 5 years	一年後至五年內	—
		<u>282</u>

The Group has no contingent rentals and sub-lease payments received for the years ended 31 December 2018.

截至二零一八年十二月三十一日止年度，本集團並無收到任何或然租金及分租付款。

34. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following commitments which were contracted but not provided for:

34. 資本承擔

於報告期末，本集團以下已訂約但未計提撥備的承擔：

		2019 二零一九年 HK\$'000 千港元
Capital expenditures for investment properties	投資物業的資本開支	44,644
Capital expenditures for construction-in-progress under property, plant and equipment	物業、廠房及設備項下 在建工程的資本開支	88,797
		<u>133,441</u>

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35. ACCOUNTING ESTIMATES AND JUDGEMENTS

(A) KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 2, management has made the following judgements that have a significant effect on the amounts recognised in the consolidated financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

The preparation of consolidated financial statements often requires the use of judgement to select specific accounting methods and policies from several acceptable alternatives. Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The followings are the more significant assumptions and estimates, as well as the accounting policies and methods used in the preparation of the consolidated financial statements.

35. 會計估計及判斷

(A) 估計不明朗因素之主要來源

於應用附註2所述之本集團會計政策時，管理層作出以下對綜合財務報表中所確認金額有重大影響之判斷。於報告期末有關未來之主要假設及估計不明朗因素之其他主要來源亦論述如下，而該等假設及來源極有可能導致須對下個財政年度之資產及負債賬面值作出重大調整。

綜合財務報表之編製通常須運用判斷於若干可接受選擇中挑選特定會計方法及政策。用於編製綜合財務報表之估計及判斷會作持續評估，並以過往經驗及其他因素為基礎，包括根據情況相信屬合理之對未來事件之預料。本集團會對未來作出估計及假設。所採納之會計估計屬估計性質，故罕有與相關實際結果相同。以下為於編製綜合財務報表時採用之較重要之假設及估計以及會計政策及方法。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(B) CRITICAL ACCOUNTING JUDGEMENT IN APPLYING THE GROUP'S ACCOUNTING POLICIES

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Provision for impairment of trade and other receivables

For trade receivables (excluding non-financial assets), the Group applies the simplified approach to provide credit losses as prescribed by HKFRS 9, which requires the use of the lifetime expected loss allowance for all trade receivables (excluding non-financial assets). The loss allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Management reassesses the provision at each reporting period.

35. 會計估計及判斷 (續)

(B) 應用本集團會計政策時作出之重大會計判斷

估計及判斷會作持續評估，並以過往經驗及其他因素為基礎，包括根據情況相信屬合理之對未來事件之預料。

本集團會對未來作出估計及假設。所採納之會計估計屬估計性質，故罕有與相關實際結果相同。估計及假設論述如下，而該等估計及假設極有可能導致須對下個財政年度之資產及負債賬面值作出重大調整：

(ii) 應收貿易賬款及其他應收款項之減值撥備

就應收貿易賬款（不包括非金融資產）而言，本集團應用香港財務報告準則第9號所訂明的簡化方法就信貸虧損作出撥備，該撥備須就所有應收貿易賬款（不包括非金融資產）採用全期預期信貸虧損。金融資產虧損撥備乃基於有關違約風險及預期虧損率之假設作出。本集團根據本集團於各報告期末之過往歷史、現時市況及前瞻性估計，使用判斷作出該等假設及選擇減值計算之輸入數據。管理層於各報告期重新評估撥備。

35. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(B) CRITICAL ACCOUNTING JUDGEMENT IN APPLYING THE GROUP'S ACCOUNTING POLICIES (Continued)

(ii) Impairment of property, plant and equipment and right-of-use assets

The Group's property, plant and equipment represent a significant portion of the Group's total assets. Changes in industry conditions may cause the estimated period of use or the value of these assets to change. Long-lived assets including property, plant and equipment are reviewed for impairment at least annually or whenever events or changes in circumstances have indicated that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount is estimated.

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, 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, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods.

35. 會計估計及判斷 (續)

(B) 應用本集團會計政策時作出之重大會計判斷 (續)

(ii) 物業、廠房及設備減值及使用權資產

本集團之物業、廠房及設備是本集團總資產之重要組成部分。行業情況之變化可能令該等資產之預計可使用年限或價值出現變動。本集團會每年最少一次對長期資產（包括物業、廠房及設備）進行減值檢討，或是在某些事件或情況變化顯示該等資產之賬面值可能無法收回時進行。如果出現減值跡象，便會估計資產之可收回金額。

資產的可收回金額是其公平值減出售成本與使用價值兩者中的較高額。在評估使用價值時，預期未來現金流量會按照能反映當時市場對貨幣時間值和資產特定風險評估的稅前折現率折現至其現值。本集團在作此釐定時，需對收入水平和經營成本作出重大的判斷。本集團會運用一切現有資料來確定可收回金額的合理約數，包括按照合理並有依據之假設和對收入和經營成本所作預測得出的估計數額。如果該等估計數額出現變動，便可能嚴重影響資產的賬面值，還可能引致額外的減值支出或須在未來期間將減值撥回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(B) CRITICAL ACCOUNTING JUDGEMENT IN APPLYING THE GROUP'S ACCOUNTING POLICIES (Continued)

(iii) Current income taxes

The Group's subsidiaries that operate in the PRC are subject to the Enterprise Income Tax in the PRC. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax in the period in which such determination is made.

(iv) Estimate of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different leases or other contracts), with adjustments to reflect those differences;

35. 會計估計及判斷 (續)

(B) 應用本集團會計政策時作出之重大會計判斷 (續)

(iii) 本期所得稅

本集團之附屬公司於中國營運，須繳付中國企業所得稅。釐定所得稅撥備時，須作出重大判斷。於日常業務過程中，多項交易及計算均難以確定最終稅項。本集團按會否繳納額外稅項之估計，確認預期稅務審計事宜之負債。倘該等事宜之最終稅務結果與最初記錄之金額不同，有關差額將影響釐定期間之所得稅。

(iv) 估計投資物業之公平值

公平值之最佳憑證乃類似租約及其他合約於活躍市場之現價。在有關資料缺失的情況下，本集團釐定處於合理公平值估計範圍內之數額。在做出判斷時，本集團考慮多項資料來源，包括：

- (i) 不同性質、狀況或地段（或根據不同租約或其他合約而定）之物業於活躍市場之現行價格，並作出調整以反映有關差異；

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(B) CRITICAL ACCOUNTING JUDGEMENT IN APPLYING THE GROUP'S ACCOUNTING POLICIES (Continued)

(iv) Estimate of fair value of investment properties (Continued)

- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

If information on current or recent prices of investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period.

35. 會計估計及判斷 (續)

(B) 應用本集團會計政策時作出之重大會計判斷 (續)

(iv) 估計投資物業之公平值 (續)

- (ii) 類似物業於較不活躍市場之近期價格，並作出調整以反映有關價格自該等交易成交日期以來之任何經濟狀況變動；及
- (iii) 根據可靠未來現金流量估計得出之折現現金流量預測，而未來現金流量估計乃根據任何現有租約或其他合約之條款及（倘適用）外部憑證（如於同一地段具有相同狀況之類似物業的現時市場租金）採用可反映現時市場對現金流量之金額及時間的不確定性評估之折現率得出。

倘未能獲取投資物業之現時或近期價格資料，投資物業之公平值將採用折現現金流量估值方法釐定。本集團採用之假設主要根據於各報告期末之市況作出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(B) CRITICAL ACCOUNTING JUDGEMENT IN APPLYING THE GROUP'S ACCOUNTING POLICIES (Continued)

(iv) Estimate of fair value of investment properties *(Continued)*

The principal assumptions underlying management's estimate of fair value are those relating to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield, and actual transactions of the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

35. 會計估計及判斷 *(續)*

*(B) 應用本集團會計政策時作出之重大會計判斷 *(續)**

(iv) 估計投資物業之公平值 *(續)*

有關管理層公平值估計之主要假設與以下因素有關：收取之合約租金；預期未來市場租金；閒置期；保養需求；及適當的折現率。該等估值定期與實際市場收益率、本集團實際交易及市場所報資料進行對比。

預期未來市場租金乃根據於同一地段具有相同狀況之類似物業的現時市場租金釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. 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 consolidated statement of cash flows as cash flows from financing activities.

36. 融資活動所產生的負債之對賬

下表詳列本集團融資活動所產生的負債之變動，包括現金及非現金變動。融資活動所產生的負債乃現金流量已或未來現金流量將於綜合現金流量表分類為融資活動所產生之現金流量。

		Interest payable 應付利息 HK\$'000 千港元	Amount due to substantial shareholders 欠付主要股東款項 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Interest-bearing borrowings 計息借貸 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	—	12,850	—	250,000	262,850
Financing cash flows	融資現金流量	(25,000)	(1,316)	—	(16,000)	(42,316)
Interest expenses	利息開支	25,000	—	—	—	25,000
At 31 December 2018 and at 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	—	11,534	—	234,000	245,534
Financing cash flows	融資現金流量	—	1,670	(61)	(109,000)	(107,391)
Addition of new lease	增加新租賃	—	—	967	—	967
Interest expenses	利息開支	23,400	—	14	—	23,414
At 31 December 2019	於二零一九年十二月三十一日	23,400	13,204	920	125,000	162,524

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

37. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2019, the Group entered into new lease agreements of office for 3 years. On the lease commencement, the Group recognised approximately HK\$967,000 of lease liability and right-of-use asset of the same amount.

38. SUBSEQUENT EVENTS

Since early 2020, the pandemic of Coronavirus Disease 2019 (the “COVID-19 Outbreak”) has spread across China, and it has affected business and economic activities to some extent. As at the date of this report, the impacts of the COVID-19 Outbreak on the Group’s customers’ and suppliers’ financial positions and the macro-economic conditions as a whole are still uncertain, the Group is unable to quantify the related financial effects. The Group will pay close attention to the development of the COVID-19 Outbreak, perform further assessment of its impact and take relevant measures.

39. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year’s presentation.

The Group has initially applied HKFRS 16 at 1 January 2019. Under the transition methods, comparative information is not restated.

40. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 13 May 2020.

37. 主要非現金交易

截至二零一九年十二月三十一日止年度，本集團訂立為期3年的新租賃協議。於租賃開始時，本集團確認約967,000港元之租賃負債及同等金額之使用權資產。

38. 期後事項

自二零二零年初以來，新型冠狀病毒肺炎疫情（「新冠肺炎疫情」）在我國傳播，對業務及經濟活動產生了一定影響。截至本報告日期，新冠肺炎疫情對本集團客戶及供應商之財務狀況的影響以及對宏觀經濟的整體影響尚不明朗，本集團無法量化相關財務影響，本集團將持續密切關注新冠肺炎疫情的發展情況，據此進行進一步判斷和估計，並採取相關應對措施。

39. 比較數字

若干比較數字已重新分類，以符合本年度的呈列。

本集團已於二零一九年一月一日初始應用香港財務報告準則第16號。根據過渡方法，比較資料並未重述。

40. 批准綜合財務報表

綜合財務報表於二零二零年五月十三日獲得董事會批准及授權發佈。

FIVE YEARS FINANCIAL SUMMARY

五年財務摘要

RESULTS

業績

For the year ended 31 December

截至十二月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	營業額	56,935	56,182	26,144	15,691	22,133
(Loss)/profit attributable to owners of the Company	本公司擁有人應佔 (虧損)/溢利	(28,909)	(20,088)	(44,700)	(5,507)	5,249
Dividends	股息	—	—	—	—	—
Basic (loss)/earnings per share	每股基本(虧損)/盈利	(0.68) cents 仙	(0.47) cents 仙	(1.05) cents 仙	(0.13) cents 仙	0.12 cents 仙
Diluted (loss)/earnings per share	每股攤薄(虧損)/盈利	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用

ASSETS AND LIABILITIES

資產及負債

At 31 December

於十二月三十一日

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	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
Total assets	資產總值	1,029,417	1,143,536	1,243,833	1,407,610	1,116,476
Total liabilities	負債總額	(229,306)	(291,898)	(320,014)	(601,888)	(228,752)
Net assets	資產淨值	800,111	851,638	923,819	805,722	887,724

GROUP PROPERTIES

集團物業

At 31 December 2019 於二零一九年十二月三十一日

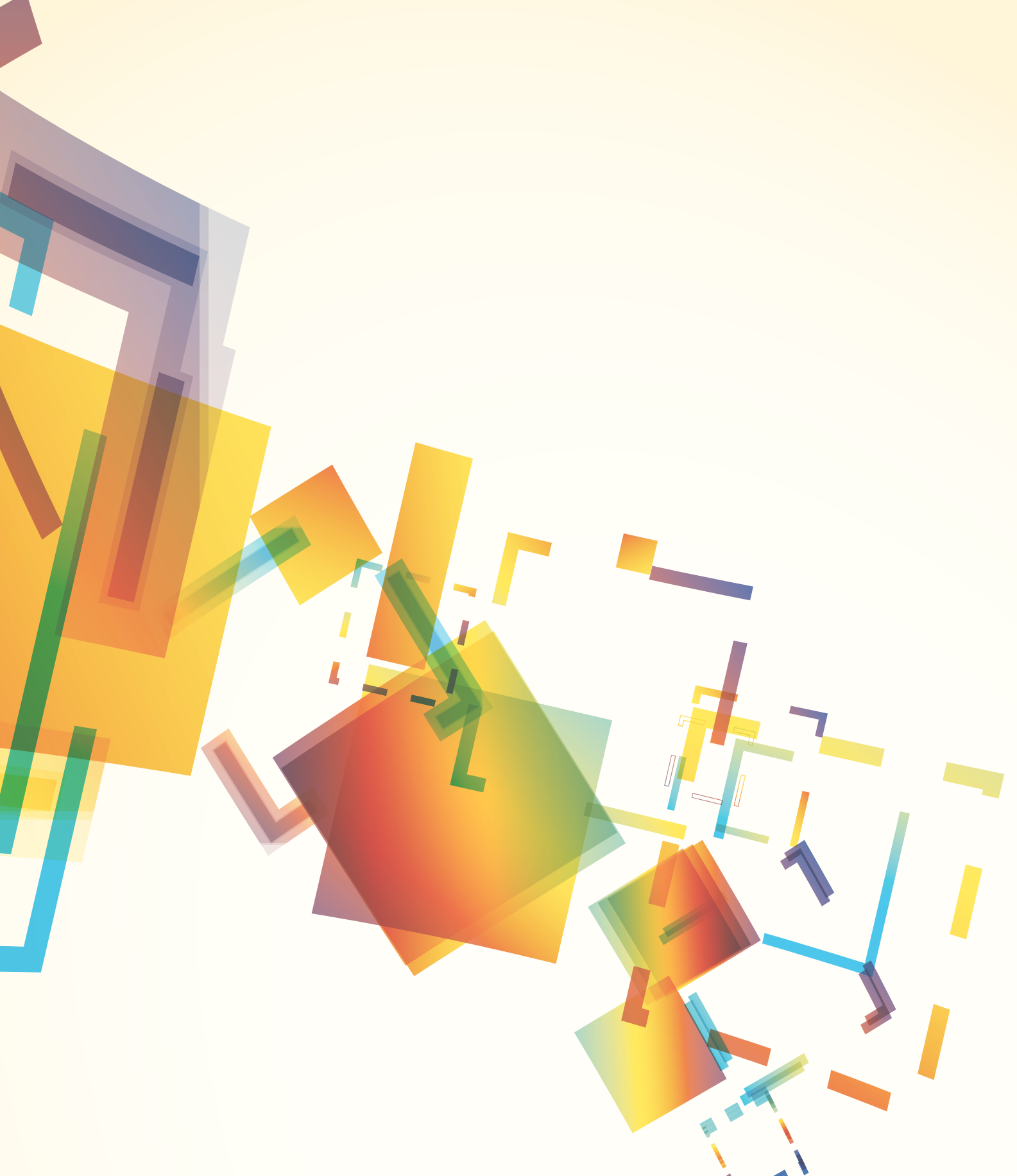
Location 位置	Intended use 擬定用途	Category of lease term 租約年期類別	Total gross floor area 總建築面積 (sq. m.) (平方米)	Group's interest 本集團之權益 (%)
Properties held for investment 持作投資物業				
No. 34 Di Ba Da Jie, Development Area, Tianjin City, the PRC 中國 天津市 開發區 第八大街34號	Industrial premises for rental 作租賃用途之工業物業	Medium 中期	Approximately 約 11,512.07	51
Huijinxintiandi Plaza, No. 11 Shengtai Road, Moling Jiedao, Jiangning District, Nanjing City, Jiangsu Province, the PRC 中國 江蘇省 南京市江寧區 秣陵街道勝太路 11 號 滙金新天地廣場	Commercial premises for rental 作租賃用途之商業物業	Long 長期	Approximately 約 53,759.48	40
Properties under development 發展中物業				
East of Haining Street, and north of Haichuan Street, Tianjin Development Zone, Tianjin City, the PRC 中國 天津市 天津開發區 海寧街東、海川街北	Industrial premises for rental 作租賃用途之工業物業	Medium 中期	Approximately 約 29,012.72	60

Group Properties

集團物業

At 31 December 2019 於二零一九年十二月三十一日

Location 位置	Intended use 擬定用途	Category of lease term 租約年期類別	Total gross floor area 總建築面積 (sq. m.) (平方米)	Group's interest 本集團之權益 (%)
Properties held for sale 持作出售物業				
Rooms 810 and 1706 in Block 8 of Huijinjiulong Commercial Street, No. 699 Chengxin, Main Road, Moling Jiedao, Jiangning District, Nanjing City, Jiangsu Province, the PRC 中國 江蘇省 南京市江寧區 秣陵街道誠信大道699號 滙金九龍商業街第8幢 810及1706室	Residential/Commercial premises 住宅／商業物業	Long 長期	Approximately 約116.67	40
Rooms 101 to 104 in Block 47 and Rooms 101 to 104 in Block 48 of Hongjingya Villa, No. 2888 Hongjing Main Road, Moling Jiedao, Jiangning District, Nanjing City, Jiangsu Province, the PRC 中國 江蘇省 南京市江寧區 秣陵街道弘景大道 2888號弘景雅墅 第47幢101至104室 及第48幢101至104室	Residential/Commercial premises 住宅／商業物業	Long 長期	Approximately 約1,710.89	40



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