



廖創興企業有限公司

Liu Chong Hing Investment Limited

EXPLORE BEYOND BOUNDARIES

超越地域 尋找更佳機遇



Annual Report 2020 年報

FORERISICHTED

A CLEAR FULL VIEW HELPS IDENTIFY OPPORTUNITIES

高瞻遠矚 — 透徹全面的視野 為我們展現商機處處

QUALITY DELIVERABLES BUILD GREAT REPUTATION
優質品牌 — 優質樓盤項目 為品牌建立良好聲譽

SUPREME

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FINANCIAL REPORT

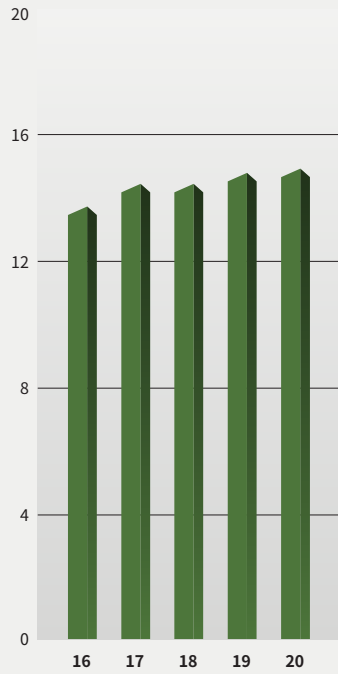
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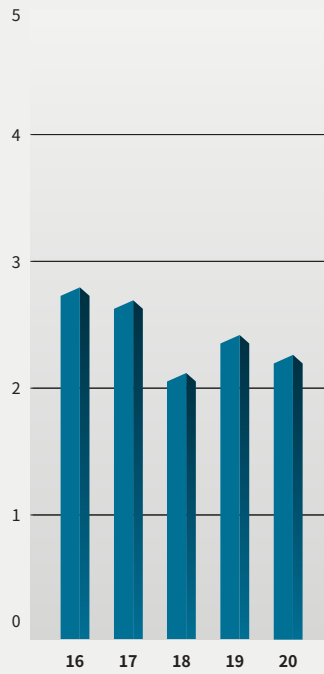
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| | 2016 二零一六年 HK\$'000 港幣千元 | 2017 二零一七年 HK\$'000 港幣千元 | 2018 二零一八年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 | 2020 二零二零年 HK\$'000 港幣千元 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Total assets 總資產 | 13,721,239 | 14,535,135 | 14,513,521 | 14,885,044 | 14,939,550 |
| Total liabilities 總負債 | 2,798,303 | 2,696,260 | 2,116,453 | 2,414,824 | 2,274,167 |
| Total net assets 資產淨值總額 | 10,922,936 | 11,838,875 | 12,397,068 | 12,470,220 | 12,665,383 |
| Net assets value per share 每股資產淨值 | 港幣HK\$28.85元 | 港幣HK\$31.27元 | 港幣HK\$32.75元 | 港幣HK\$32.94元 | 港幣HK\$33.45元 |
| Profit for the year attributable to owners of the Company 分配於本公司股東之本年度溢利 | 457,907 | 744,888 | 1,014,267 | 429,984 | 162,560 |
| Basic earnings per share 每股基本盈利 | 港幣HK\$1.21元 | 港幣HK\$1.97元 | 港幣HK\$2.68元 | 港幣HK\$1.14元 | 港幣HK\$0.43元 |
| Dividend per share 每股股息 | 港幣HK\$0.47元 | 港幣HK\$0.60元 | 港幣HK\$0.70元 | 港幣HK\$0.60元 | 港幣HK\$0.25元 |
| Dividend payout ratio 派息比率 | 39% | 30% | 26% | 53% | 58% |

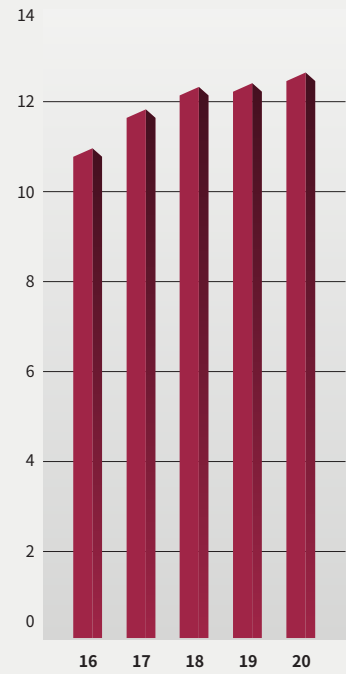
Total Assets 總資產
HK\$ in Billion 港幣十億元



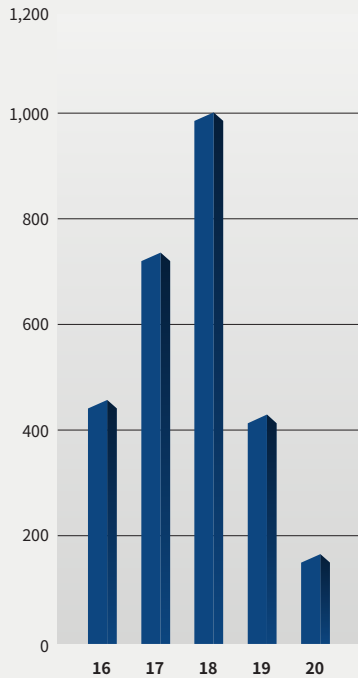
Total Liabilities 總負債
HK\$ in Billion 港幣十億元



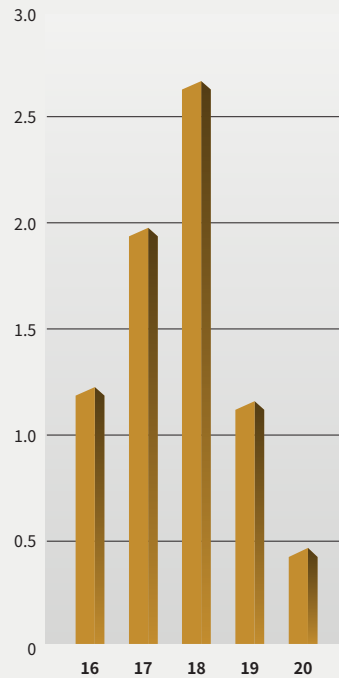
Total Net Assets 資產淨值總額
HK\$ in Billion 港幣十億元



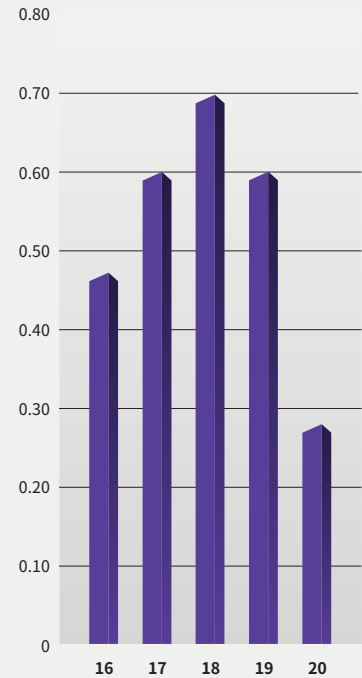
Profit for the Year Attributable to Owners of the Company 分配於本公司股東之本年度溢利
HK\$ in Million 港幣百萬元



Basic Earnings per Share 每股基本盈利
HK\$ 港幣



Dividend per Share 每股股息
HK\$ 港幣



EXPANDED

BOUNDARIES CANNOT LIMIT OUR DEVELOPMENT

往外拓展 — 突破地域限制 為企業開創更大版圖



Dear Shareholders

I am pleased to present to you a review of the Group's business performance together with some of my observations from the overall economic environment of 2020 and expectations of the year ahead.

2020 REVIEW

"A Year Like No Other" is the title of the 2020 IMF Annual Report. 2020 is indeed one of the worst, if not the worst, global economic contractions (a minus 3%) in history. The degree of suffering varied from country to country depending on the resources, financial, medical and societal, of the individual country. In general, central banks have brought stability and liquidity to global markets and governments worldwide have introduced some of the largest fiscal stimulus packages in modern history. Geographically, it may be fair to say that Mainland China, Hong Kong, Macau and Taiwan suffered the least, to be followed by other East Asian Countries, Australia and New Zealand.

The American society has suffered badly from the COVID-19 pandemic. The US economy took a nosedive in March. It was then stabilized after a US\$2 trillion stimulus package was put into action, two-time reduction of interest rate to 0.25% by the Federal Reserve and the resumption of Quantitative Easing. But even then by the end of 2020, both employment level and GDP were worse than 2019, down 3% and 3.5%, respectively. However, with so much liquidity pouring into the financial market, Dow Jones, S&P and Nasdaq ended 2020 with a respective gain of 7%, 16% and 42%, all in record high after a volatile year.

In 2020, both EU and the UK suffered heavily with their economies contracting around 7% and 9% respectively. They have exhibited a similar economic behavior as that of the US, a most severe recession in the second quarter followed by a sharp rebound in the third followed by a dip in the fourth. Vital and timely monetary measures by the European Central Bank and the Bank of England stabilized the much shaken business confidence. These actions together with a corresponding strong fiscal support from the national and regional governments had provided reliefs to both business and household.

親愛的股東：

本人欣然向閣下呈報本集團二零二零年之業績回顧，以及本人對整體經濟環境之觀察所得，對來年發展之期望。

二零二零回顧

「前所未有之年」是國際貨幣基金組織二零二零年年報的標題。二零二零年確實是全球經濟收縮有記錄以來最差年份之一（若不是最差的話），收縮達3%。經濟破壞程度因國家而異，具體取決於每個國家的資源、財政、醫療和社會狀況。總體而言，中央銀行努力為全球市場體系帶來穩定性和流動性，世界各地政府相繼推出了現代史上規模最大的財政刺激方案。從地域角度看，公平而言，中國大陸、香港、澳門和台灣相對受影響最少，其次是其他東亞國家、澳大利亞和新西蘭。

在2019新冠病毒大流行中，美國社會遭受了沉重打擊。美國經濟在三月份急劇下降，在實施了2萬億美元的刺激經濟措施、美聯儲兩次降息至0.25%及重啟量化寬鬆政策之後，美國經濟趨於穩定。儘管如此，截至二零二零年底，就業水平和國內生產總值仍較二零一九年差，分別下降了3%和3.5%。然而，由於大量流動資金湧入金融市場，道瓊斯、標準普爾和納斯達克在二零二零年結束時分別錄得7%、16%和42%的漲幅，在經歷了動盪的一年之後均創下歷史新高。

二零二零年歐盟和英國經濟同樣遭受重創，分別萎縮了約7%和9%。經濟表現與美國類似，第二季度經濟衰退最為嚴重，第三季度急劇反彈，第四季度出現回落。歐洲央行和英倫銀行及時採取重要的貨幣措施，穩定了搖搖欲墜的商業信心。這些措施連同中央及地方政府的各項強有力的財政支持，為企業和家庭提供了救濟。



I am pleased to present to you a review of the Group's business performance together with some observations from the overall economic environment of 2020 and expectations of the year ahead.

本人欣然向閣下呈報本集團二零二零年之業績回顧，以及本人對整體經濟環境之觀察所得，對來年發展之期望。



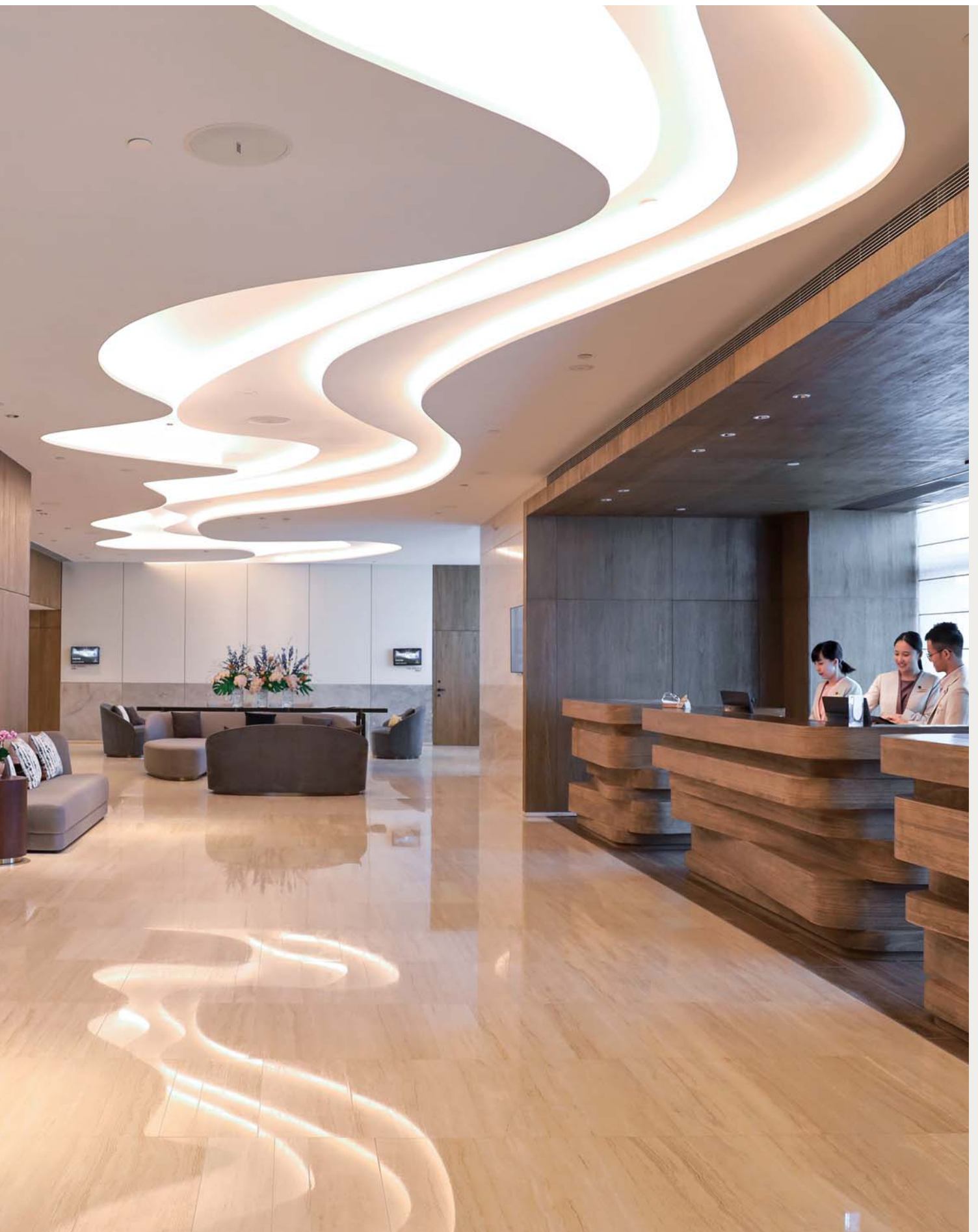
ONE-EIGHT-ONE Hotel & Serviced Residences ONE-EIGHT-ONE 酒店及服務式住宅

Economically, Japan also resemble the rest of G7. Export has always been important to Japan and the revival of the Chinese economy from the second quarter onwards have lessen the impact of the economic downturn. Japan's economy contracted around 5% in 2020.

Mainland China has surprised the world as the only major economy that has managed a positive growth, albeit only, a 2.3% in 2020. According to the economic pundits, China, is yet again, similar to 2008/2009, emerging as the engine of global growth. After an unprecedented first quarter contraction, the mainland economic growth was equally unprecedented, with 3.2% in Q2, 4.9% in Q3 and a 6.5% in the Q4. When the rest of the world stayed stagnant or facing another dip, economists believe that she is expanding at a faster pace than before COVID-19. Such a remarkable result vindicated the strict virus containment measures of the government which simultaneously adopted flexible monetary policies from the lowering of the interest rate to liquidity easing. Furthermore, the authority has rolled out a series of fiscal measures, unemployment insurance, tax relief and public investment in addition to the pandemic controls spendings.

日本經濟表現也類似於其他七國集團國家。出口在日本經濟的佔比很重要，從第二季度開始中國經濟的復甦減緩了日本經濟下滑。二零二零年日本經濟收縮了約5%。

中國大陸是唯一在二零二零年實現國內生產總值正增長的主要經濟體，令世界震驚，儘管僅增長2.3%。根據經濟學家的說法，類似2008/2009年度，中國將再次成為全球增長的引擎。在經歷了史無前例的第一季度收縮之後，中國大陸經濟增長同樣空前，第二季度增長3.2%，第三季度增長4.9%，第四季度增長6.5%。當世界其他地區經濟停滯不前或面臨另一波低潮時，經濟學家相信中國大陸的經濟擴張將比2019新冠病毒爆發前快速。如此顯著表現證明了政府施政的有效性，既採取嚴格的病毒遏制措施，同時採取從降低利率到放鬆流動性的靈活貨幣政策。此外，除控制疫情方面的支出外，當局還推出了一系列財政措施、失業保險、稅收減免和公共投資。





Chong Hing Bank Centre 創興銀行中心

The success of controlling the spread of COVID-19 meant that China was the only major manufacturing nation that has operated without constraint. As a result, China has recorded its highest ever monthly trade surplus in December 2020 after three consecutive months of double digit exports growth.

Last year, the Chinese residential market benefited from a loose monetary policy, gaining between 2-4% depending on locations. Yangtze River and Pearl Harbor Delta had the best performances. In line with expectations, the commercial property rental showed a small decrease compared to 2019.

The Hong Kong economy has performed far worse than the motherland notwithstanding our low COVID-19 infection rate. Our GDP has contracted by more than 6% and unemployment rate has hit 6.6% in the fourth quarter of 2020, the worse of sixteen years.

成功控制2019新冠病毒疫情，令中國成為唯一一個不受疫情影響的主要生產國。因此，在連續三個月實現雙位數的出口增長之後，中國在二零二零年十二月創下有史以來最高的月度貿易順差。

受益於寬鬆的貨幣政策，二零二零年中國的房地產住宅市場因應不同區域而上漲了2%-4%不等。長三角和珠三角地區表現最佳。商業物業租金比二零一九年略有下降，與預期相符。

儘管香港的2019新冠病毒感染率低，但經濟表現卻遜於祖國。二零二零年第四季度，香港國內生產總值收縮超過6%，失業率達到6.6%，為十六年來最差情況。





Chong Hing Square 創興廣場

Such appalling figures were mainly the result of severe downturns in retail consumption, food and beverage in particular, and an over 90% drop in tourist numbers. The Government has launched and injected thrice into the Epidemic Prevention and Anti-epidemic Fund in February (HK\$30 billion), April (HK\$375 billion) and December (HK\$6.4 billion) respectively. Both our financial sector and residential property sector stood firm. As one would expect with poor retail figures, retail rental dropped by over 30% and the office rental down around 15%.

BUSINESS RESULTS

For the year ended 31 December 2020, the Group recorded a profit of HK173.5 million, it represents a decrease of 61% when comparing with the year 2019.

The Board of Directors has proposed to recommend at the forthcoming Annual General Meeting to be held on 20 May 2021, the payment of a final cash dividend of HK\$0.25 per share. Together with the interim cash dividend of HK\$0.15 per share paid on 11 September 2020, the total cash dividend amounted to HK\$0.40 per share for the year 2020.

此令人沮喪的數據主要是由於零售消費市道嚴重低迷（特別是餐飲服務）以及遊客人數下降了90%以上所致。政府啟動並向防疫抗疫基金分三次注入資金，分別為二月（300億港元）、四月（3,750億港元）和十二月（64億港元）。金融市場和房地產住宅市場均表現堅挺。一如預期，零售數據不佳，零售租金下降超過30%，寫字樓租金下降約15%。

經營業績

截至二零二零年十二月三十一日止年度，本集團錄得溢利約港幣1.735億元，較二零一九年下跌61%。

董事會擬於二零二一年五月二十日舉行之應屆股東周年大會，建議派發末期現金股息每股港幣0.25元。連同於二零二零年九月十一日已派發之中期現金股息每股港幣0.15元，二零二零年度之現金股息合共為每股港幣0.40元。



Chong Hing Square 創興廣場

A detailed business review and analysis are to be found in the “Management Discussion and Analysis” section of this Annual Report. In summary:

- For the year ended 31 December 2020, due to COVID-19 pandemic, the total rent received by the Group amounted to HK\$320.4 million, reduced by HK\$34.6 million, a drop of 9.7% compared to 2019. For our major properties, the aggregate occupancy rate is 74%.
- As to property development in Foshan, The Grand Riviera, a total of 99%, 100% and 100% of residential units of Phase 1, 2 and 3 respectively had been sold. 94% of the total Phase 4 units have been sold by the end of 2020. As of 31 December 2020, the total sale proceeds of the whole development project amounted to HK\$5.9 billion. A further HK\$1.2 billion will be generated as and when all the remaining residential units, car parks and shops are sold off in the future.
- The Group is developing a residential property project “Elegance Garden” in Sanshui District of Foshan. It has a total buildable area of 142,908.8 sq.m. The overall planning and design scheme has been approved by the Foshan Municipal Government. The building construction work has started in October 2020 and is scheduled to be completed in October 2023.
- ONE-EIGHT-ONE Hotel and Serviced Residences, operated directly by the Group, commenced business in December 2019. Like all start up business, it experienced hardship in the initial phase, exacerbated by the pandemic. Through a series of measures, the hotel operation has stabilized. For the year ended 31 December 2020, it has generated a total revenue HK\$37 million.

在本年報「管理層之討論及分析」一節內，將有詳盡的業務回顧及分析。在此概述如下：

- 受2019新冠病毒疫情影響，截至二零二零年十二月三十一日止年度，本集團的整體租金收益約港幣3.204億元，較二零一九年減少3,460萬元，跌幅9.7%，主要投資物業之整體出租率74%。
- 佛山房地產發展項目翠湖綠洲花園，第一期、第二期及第三期分別合共售出住宅單位99%、100%及100%。第四期單位於二零二零年底共售出94%。截至二零二零年十二月三十一日，該發展項目的整體銷售收益達港幣59億元。倘若所有剩餘的住宅單位、停車位和商舖將來全部售出，本集團預計可產生收益約港幣12億元。
- 本集團於佛山三水區正進行之房地產發展項目軒隆雅園，總建築面積142,908.8平方米，整體規劃設計方案已通過佛山市政府審批。建築工程已於二零二零年十月展開，預計二零二三年十月竣工。
- 本集團直接經營之ONE-EIGHT-ONE酒店及服務式住宅於二零一九年十二月開業，正如所有初創事業一樣，該酒店初期經營艱難，新冠疫情更令情況惡化，通過一系列救市措施，酒店經營趨於穩定。截至二零二零年十二月三十一日止年度，酒店總收益達港幣3,700萬元。

- For the year ended 31 December 2020, the Group has a total of four overseas investments: three warehouses in Japan and one factory building in Australia, all of which are long term investments co-invested with Value Partners group (stock code 806.HK). Annual rental income obtained therefrom amounts to HK\$76 million, a 9% increase from 2019.

OUTLOOK OF 2021

Looking ahead economists are expecting a recovery in 2021. IMF projected a global growth of 5.5% in 2021. Such optimism hinges upon broad vaccine availability first in developed economies and by the summer of 2021, across most of the countries. The market expects a large fiscal policy measures to be enacted in major economies such as US, Japan and EU, which will stimulate the growth therein and indirectly, to the rest of the world. The market further expect major central banks to continue the loose monetary policy of last year. The Federal Reserve indeed confirmed such a view this January.

The IMF forecasts the US to grow around 5% in 2021. With the election of a new president, the world may benefit from the more predictable and more conciliatory US internal and external policies. The defrosting of the US-SINO relationship, to be followed by the easing of US-SINO trade relationship may again be a reality. Analysts expect, Mainland China, will once again be the engine of the growth of East Asia. China is indeed facing many challenges such as an aging population, a sizable wealth gap geographically as well as between social classes. On the other hand, these negative factors are more than counter balanced by timely and focused central government measures, a booming e-commerce and high technology sectors. The general consensus is that the Chinese central bank will maintain a stable monetary policy subject to periodic fine tuning. The property market of the Pearl River Delta may benefit more from the Great Bay Area development than the rest of the country. Yangtze River Delta is forecast to have a year of stable growth. Mainland China is projected to have a growth rate exceeding 8%, ahead of all the other developed countries.

- 截至二零二零年十二月三十一日止年度，本集團共有四項海外投資：三個日本倉庫及一個澳洲廠房，該等項目為與惠理集團（股份代號806.HK）共同投資的長期投資。該合資項目產生的年租金收益約港幣7,600萬元，較二零一九年上升9%。

二零二一年展望

展望未來，專家預計經濟將會在二零二一年復甦。國際貨幣基金組織預測，全球經濟將在二零二一年實現5.5%的增長。此樂觀預測取決於發達經濟體率先施打疫苗，並在二零二一年夏季之前於大多數國家／地區廣泛使用疫苗。市場預期，美國、日本及歐盟等主要經濟體將推行大規模財政措施，將間接刺激世界其他地區的經濟增長。市場進一步預期，事實上美聯儲亦在二零二零年一月證實，各主要央行將沿續去年的寬鬆貨幣政策。

國際貨幣基金組織預測，美國經濟二零二一年增長約5%。隨著美國新總統的當選，美國內外政策似會變得更具確定及包容，世界經濟將可能從中受益。美中關係解凍有機，美中貿易關係將可能隨之放鬆。分析預計，中國大陸將再次成為東亞經濟增長的引擎。誠然，中國面臨許多挑戰，例如人口老化、地域及社會階層之間的巨大貧富差距。另一方面，這些負面因素在中央政府採取及時有針對性的措施、蓬勃發展的電子商務和高科技的作用下得以抵銷。普遍認為，中國央行將會進行定期微調，以維持穩定的貨幣政策。相較全國其他地區，珠三角區域的房地產市場將更受益於大灣區的發展。預期未來一年，長三角經濟將穩定增長，中國大陸的經濟增長率將超過8%，領先於所有其他發達國家。

The Hong Kong Government is expecting her economy to grow positively in 2021 but with challenges and uncertainties ahead in the first six months. The general market sentiment is that with a stable political and social environment achieved under the National Security Law, the economy will recover steadily. Hong Kong is doubly benefited by the development of the Great Bay Area as well as the listing of Chinese companies returning from the US stock Exchange. Residential and commercial property markets are forecasting a healthy growth.

In conclusion, barring any unforeseen events such as adverse mutations of COVID-19, or conflicts in the international arena, we take a cautiously optimistic view in 2021.

BUSINESS PREVIEW

The Group is in a fortunate financial position during the pandemic. Years of prudent and professional management of our business have left us in a net cash position. As a result of that, the Group affords to take a flexible and long term view towards our business and our business partners. Now with worldwide business environment calming down, we will continue to explore both local and international investment opportunities.

In 2021, we anticipate our Sanshui project to proceed smoothly after our long experience in the Foshan region. Both this project and the remaining units of the Grand Riviera will benefit by the Big Bay Area development. The Chong Yip Centre Shopping Mall renovation has been progressing well and is now entering the completion stage. With such a fine location, depending on the level of economic recovery in the Hong Kong consumer market, we expect a satisfactory outcome of this project. For the rest of our rental properties, we again are taking a sanguine view on both the rental and the occupancy rates.

香港政府期望經濟在二零二一年實現正增長，但首六個月將面臨挑戰和不確定性。市場普遍認為，隨著《國家安全法》的實施，政治和社會環境日趨穩定，經濟將穩步復甦。大灣區的發展以及中概股公司從美國證券交易所回流香港上市將使香港受益匪淺。住宅和商業房地產市場預計將健康增長。

簡而言之，除非發生不可預見的事件，例如2019新冠病毒的不利變種或國際舞台上的衝突，我們對二零二一年抱持審慎樂觀態度。

業務前瞻

於疫情大流行期間，本集團財務狀況保持良好，現金流維持淨值全賴多年來秉持審慎及專業理財態度。因此，無論對業務或合作夥伴，本集團均採取靈活及長遠策略。隨著全球商業環境趨於緩和，我們將繼續尋求本地和國際投資機會。

憑藉本集團在佛山地區的長期發展經驗，我們預計二零二一年三水項目將可順利推行。該項目及翠湖綠洲花園餘下單位的出售將因大灣區的發展而獲益。創業中心購物商場的裝修工程進展順利，目前正進入完工階段。憑藉優越的地理位置，隨著香港消費市場的復甦，我們預計該項目將取得令人滿意的回報。對於集團其餘出租物業的租金和入住率，我們亦持樂觀態度。

The ONE-EIGHT-ONE Hotel and Serviced Residences should have well passed its worst phase of business. From the summer staycation packages to becoming a high end “quarantine” hotel last year, it has received an impressive amount of comments in social media. These messages are highly encouraging giving favorable opinions on its spacious bedrooms, good services and food quality as well as its panoramic harbour view. With a dedicated operation team, we believe that the result of 2021 will reflect its true potential.

Mr. Liu Kwun Shing, Christopher has resigned from his executive directorship at the end of April last year to pursue his personal interests. I would like to thank Christopher for his valuable contribution to our group during his tenure and to wish him the best of luck in his future endeavor.

Last but not least, I would like to express my heartfelt thanks to stakeholders and shareholders for their continued trust and support, to all my fellow directors for their wise stewardship, and to our senior management and our staff for their commitment and dedication.

On behalf of the Board

Liu Lit Chi

Chairman

Hong Kong, 11 March 2021

ONE-EIGHT-ONE酒店及服務式住宅相信已渡過了最困難的經營時期。從去年夏季推出的住宿套餐到成為高端「檢疫」酒店，該酒店在社交媒體上贏取了大量令人印象深刻的評論，包括寬敞臥室，優質服務和高質食品以及全海港景觀等，這些好評令人鼓舞。我們相信二零二一年的業績將會因應團隊的專業營運而發揮出真正的效益。

由於個人理由，廖坤城先生於去年四月底辭去執行董事職務。本人謹此感謝廖坤城先生在任期間對本集團所做出的寶貴貢獻，並祝他在今後的工作中一切順利。

最後，本人謹此對持份者及股東之繼續信賴與支持、各董事之精明籌劃，以及管理人員與員工之盡心盡力服務，致以衷心謝意。

承董事會命

廖烈智

主席

香港，二零二一年三月十一日

ADVANCING

CUSTOMERS MOTIVATE US TO MOVE FORWARD
不斷進步 — 客戶永遠至上 是我們不斷往前的動力



CHONG HING FINANCE CENTER, SHANGHAI 上海創興金融中心

The Board of Directors of Liu Chong Hing Investment Limited (the “Board”) has pleasure in presenting to the shareholders its annual report together with the audited financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Company and its subsidiaries (the “Group”) are property investment, property development and investment holding. The principal activities of the principal subsidiaries and joint ventures are shown in notes 41 and 18 to the consolidated financial statements respectively.

Further discussion and analysis of the Group’s activities as required by Schedule 5 to the Hong Kong Companies Ordinance (“Companies Ordinance”), including a fair review of the business and a description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year 2020, and an indication of likely future development in the Group’s business, can be found in the “Five-Year Financial Summary”, “Chairman’s Statement”, “Summary of Financial Highlights”, “Management Discussion and Analysis” and “Corporate Governance Report” sections of the Annual Report. The above sections form part of this report.

廖創興企業有限公司董事會（「董事會」）現謹將截至二零二零年十二月三十一日止年度之年度報告書及經審核之財務報表，欣然提呈列位股東省覽。

主要業務及業務回顧

本公司及其附屬公司（「本集團」）之主要業務為物業投資、物業發展及投資控股。各主要附屬公司及合營企業之主要業務已分別詳列於綜合財務報表附註第41及18項內。

如欲細閱按香港公司條例（「公司條例」）附表5所規定而載列之本集團業務討論及分析，包括業務的公允回顧、本集團面對的主要風險及不明朗因素的描述、二零二零年財政年度終結後發生並影響本集團的重要事件詳情，以及對本集團業務未來或會採取的發展方向的指示，可參閱年報內「五年財務摘要」、「主席報告書」、「財務摘要」、「管理層之討論及分析」以及「企業管治報告書」。以上章節構成本報告一部份。



Chong Hing Finance Center, Shanghai 上海創興金融中心



Chong Hing Finance Center, Shanghai 上海創興金融中心

RESULTS AND STATE OF AFFAIRS

The results of the Group for the year ended 31 December 2020 and the state of the Company's and the Group's affairs at that date are set out on pages 140 to 264 of this annual report.

DIVIDENDS

An interim cash dividend of HK\$0.15 per share was paid to shareholders on 11 September 2020. The Board recommends a final cash dividend of HK\$0.25 per share, making a total cash dividend of HK\$0.40 per share for the year.

RESERVES

Movements in reserves of the Group during the year are set out in consolidated statement of changes in equity and the movements in reserves of the Company during the year are set out in note 39 to the consolidated financial statements.

The Company's reserves available for distribution to shareholders as at 31 December 2020 comprised the accumulated profits of HK\$7,439,660,000 (2019: HK\$7,497,105,000).

INVESTMENT PROPERTIES

Movements in investment properties during the year are set out in note 14 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT/RIGHT-OF-USE ASSETS

Movements in property, plant and equipment/Right-of-use assets during the year are set out in notes 15 and 16 to the consolidated financial statements.

PROPERTIES UNDER DEVELOPMENT FOR SALE/ PROPERTIES HELD FOR SALE

Movements in properties under development for sale/properties held for sale during the year are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 30 to the consolidated financial statements.

業績及業務狀況

本集團截至二零二零年十二月三十一日止年度的業績及本公司與本集團於該日的業務狀況刊於本年報第140至264頁。

股息

中期現金股息每股港幣0.15元已於二零二零年九月十一日派發。董事會建議派發末期現金股息每股港幣0.25元，全年合計共派發現金股息每股港幣0.40元。

儲備

本年度內本集團儲備之變動詳列於綜合權益變動表，本年度本公司儲備之變動詳列於綜合財務報表附註第39項內。

於二零二零年十二月三十一日，本公司可派予股東之儲備包括累積溢利港幣7,439,660,000元（二零一九年：港幣7,497,105,000元）。

投資物業

本年度投資物業變動詳列於綜合財務報表附註第14項內。

物業、廠房及設備／使用權資產

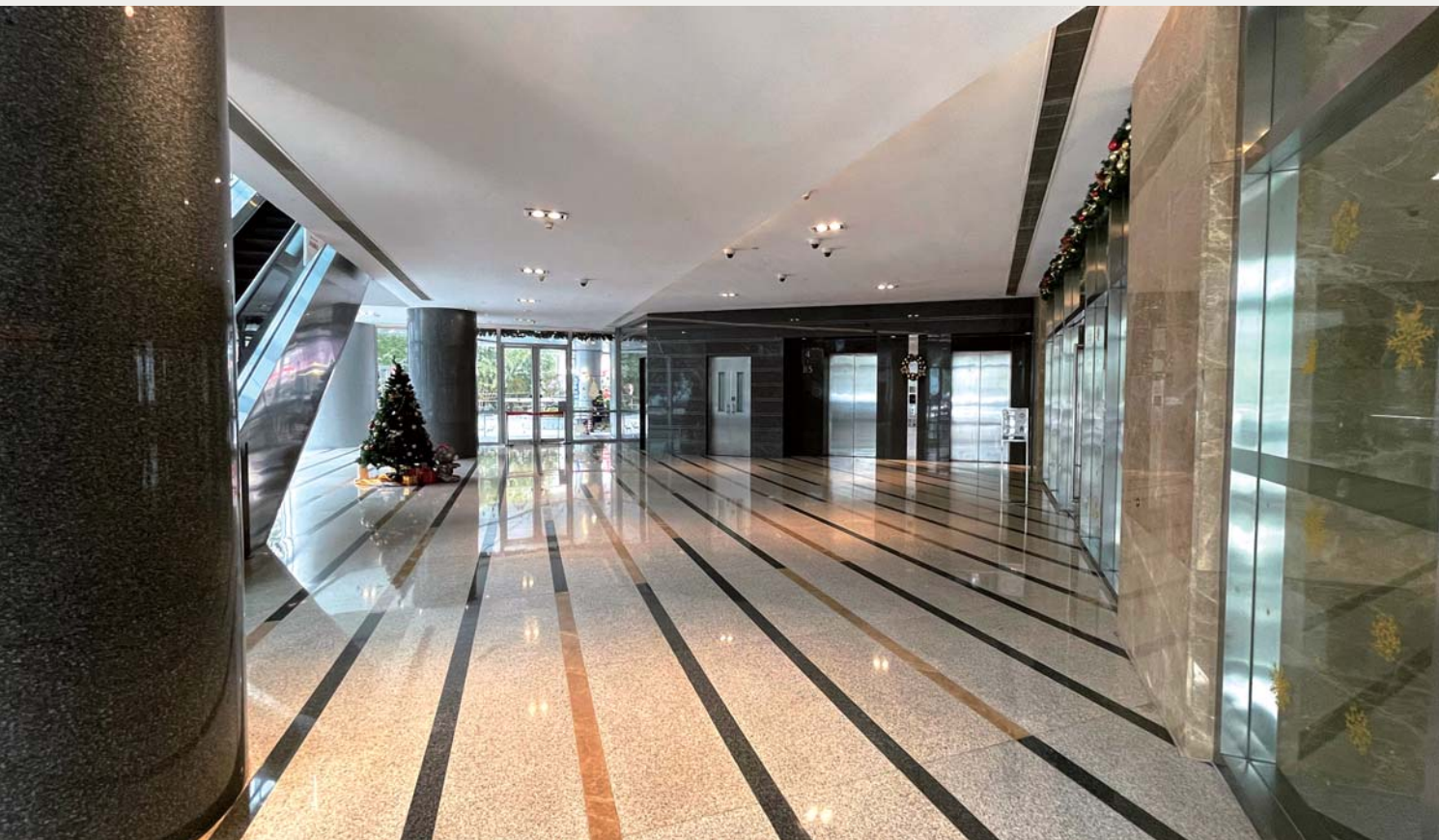
本年度物業、廠房及設備／使用權資產變動詳列於綜合財務報表附註第15項及16項內。

待出售發展中物業／待出售物業

本年度待出售發展中物業／待出售物業變動詳列於綜合財務報表附註第17項內。

股本

本公司股本詳情列於綜合財務報表附註第30項內。



Chong Hing Finance Center, Shanghai 上海創興金融中心

SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 9 May 2012, which has replaced the previous share option scheme, for the primary purpose of providing incentives to directors and eligible employees, and will expire on 8 May 2022. Under the Scheme, the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to outside eligible third parties at the discretion of the Board.

The total number of shares in respect of which options may be granted under the Scheme shall not exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual shall not exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Options may be exercised at any time from the date of grant of the share option to the 5th anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the nominal value of the Company's share on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant, or (iii) the closing price of the shares on the date of grant.

No options have been granted under the above mentioned scheme since the Scheme was adopted.

SUBSIDIARIES

Particulars relating to the subsidiaries are set out in note 41 to the consolidated financial statements.

GROUP BORROWINGS

Details of bank loans and other borrowings repayable are set out in note 27 to the consolidated financial statements. The Group has no capitalized interest during the year. (2019: HK\$nil)

股份期權計劃

本公司股份期權計劃(「該計劃」)已於二零一二年五月九日通過及實行，並取代舊有的股份期權計劃，主要原因是為激勵各董事及合資格僱員，該計劃將於二零二二年五月八日屆滿。根據該計劃，本公司可提供期權給予合資格僱員，包括向本公司及其附屬公司之董事授予股，以認購本公司股票。此外，本公司可於任何時間，經董事會同意向任何合資格第三者提供股份期權。

根據該計劃，在沒有獲得本公司股東事先批准下，股份期權可授出股份總數不得超出本公司不時已發行股本之10%。而在沒有獲得本公司股東事先批准下，有關授予任何個別人士之期權，所授出股份總數不得超出本公司不時已發行股本之1%。

該股份期權可於授出日至授出日期起計第五周年之任何時間內予以行使。行使價由本公司董事釐訂，惟不低於(i)本公司股份於授出日之本公司股份面值、(ii)於授出日前五個交易日之平均收市價或(iii)授出當日之收市價之較高者。

該計劃獲採納以來，本公司並無據此授出期權。

附屬公司

有關附屬公司資料詳列於綜合財務報表附註第41項內。

集團借款

銀行貸款及其他借款已詳列於綜合財務報表附註第27項內。本集團於本年度內並無資本化之利息(二零一九年：無)。



▲▼ Japan Logistics Centers 日本物流中心 Kakegawa City, Shizuoka Prefecture 静岡縣掛川市



Higashimatsuyama City, Saitama Prefecture 埼玉縣東松山市



Hadano City, Kanagawa Prefecture 神奈川縣秦野市



Australia Manufacturing Plant 澳洲廠房 St Clair, Adelaide 阿德萊德聖克萊爾

BOARD OF DIRECTORS

The directors of the Company during the year and up to the date of this report are shown on page 105 of this annual report.

The term of office of each director, who has been longest in office, shall retire by rotation and offer themselves for re-election in accordance with the Company's Articles of Association.

In accordance with Article 105 and 106 of the Articles of Association, Mr. Liu Kam Fai, Winston, Mr. Lee Wai Hung, Dr. Cheng Mo Chi, Moses and Mr. Tong Tsun Sum, Eric shall retire at the conclusion of the Annual General Meeting ("AGM") of the Company. The Company intends to comply with code provision A.4.2 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, which provides, among other things, that every director, including those appointed for a specific term, should be subject to retirement at least once every three years. Mr. Liu Kam Fai, Winston, Mr. Lee Wai Hung, Dr. Cheng Mo Chi, Moses and Mr. Tong Tsun Sum, Eric being eligible, will offer themselves for re-election at the forthcoming AGM.

The biographical details of directors and senior management are set out on pages 110 to 119.

The Company has received from each Independent Non-executive Director an annual confirmation of his independence pursuant to rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and the Company considered all Independent Non-executive Directors are independent.

COMPLIANCE OF THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

All directors have confirmed that they have complied with the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules throughout the review period.

董事會

本年度內及截至本報告書日期止，本公司董事芳名詳列於本年報第105頁內。

根據本公司章程細則，任何任期最長之董事必須於任期屆滿時輪值告退，並建議推薦重選連任。

根據章程細則第一零五及第一零六條規定，廖金輝先生、李偉雄先生、鄭慕智博士及唐晉森先生，將於本公司股東周年大會完結時退任。本公司擬遵守《上市規則》附錄14之企業管治守則條文A.4.2之規定，除其他情況，每名董事(包括董事有特定期限任命)應至少每三年輪值退任一次。廖金輝先生、李偉雄先生、鄭慕智博士及唐晉森先生將於應屆股東周年大會完結時退任並合資格推薦重選連任。

董事及高級管理人員簡介詳列於第110至119頁內。

本公司已接獲各位獨立非執行董事根據香港聯合交易所有限公司證券上市規則(「上市規則」)第3.13條規定每年度發出之獨立性確認函，而本公司對彼等之獨立性表示認同。

遵守上市公司董事進行證券交易的標準守則

於回顧期間，所有董事確認彼等已遵守上市規則附錄10所載之上市公司董事進行證券交易的標準守則之規定。

DIRECTORS' INTERESTS IN SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2020, the interests of the directors and the Chief Executive Officer in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which have been notified to the Company and The Stock Exchange of Hong Kong Limited (“Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO, or have been recorded in the register maintained by the Company pursuant to section 352 of the SFO, or have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND IT'S ASSOCIATED CORPORATIONS THE COMPANY Liu Chong Hing Investment Limited

董事在本公司及其相聯法團擁有之股本權益

於二零二零年十二月三十一日，董事及行政總裁於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中的權益已根據證券及期貨條例第XV部第7及第8分部已知會本公司及香港聯合交易所有限公司(「聯交所」)，或已根據證券及期貨條例第352條記錄在本公司所存置的登記冊，或已根據上市發行人董事進行證券交易之標準守則知會本公司及聯交所，該等權益如下：

在本公司及其相聯法團的股份及相關股份中的權益

本公司 廖創興企業有限公司

| Name of director 董事姓名 | Long/short position 好倉/淡倉 | Personal interests (held as beneficial owner) 個人權益(實益持有) | NUMBER OF ORDINARY SHARES HELD 持有普通股股份數目 | | | |
|--------------------------------------|---------------------------------|--|---|---|------------------------|---|
| | | | Family interests (interests of spouse or child under 18) 家族權益 (配偶或18歲 以下子女之權益) | Corporate interests (interests of controlled corporation) 公司權益 (受控制公司之權益) | Total interests 總權益 | Total interests as approximate % of the relevant issued share capital 權益總數佔已發行 股本概約百分率 |
| Mr. Liu Lit Chi 廖烈智先生 | Long 好倉 | 24,000 | — | 203,737,000 (notes 1 and 2) (附註1及2) | 203,761,000 | 53.82% |
| Mr. Liu Kam Fai, Winston 廖金輝先生 | Long 好倉 | 2,756,867 | — | — | 2,756,867 | 0.73% |

notes:

- 132,326,710 shares in the Company are beneficially held by Liu's Holdings Limited, of which Mr. Liu Lit Chi is amongst its shareholders. The above numbers of shares are duplicated under the corporate interests for each of these directors.
- Alba Holdings Limited, of which Mr. Liu Lit Chi and his associates are shareholders, beneficially holds 71,410,290 shares in the Company, and thus is included in the corporate interests of Mr. Liu Lit Chi.

附註：

- 廖烈智先生為廖氏集團有限公司之股東，該公司合共實益擁有本公司股份132,326,710股。是項股數，在各董事名下之公司權益項目內重複。
- 廖烈智先生及其聯繫人士為愛寶集團有限公司之股東，該公司實益擁有本公司股份71,410,290股，並歸納在廖烈智先生名下之公司權益項目內。

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31 December 2020, so far as is known to the Company, the following persons (other than the directors or the Chief Executive Officer of the Company) had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

| Name of substantial shareholder 主要股東名稱 | Long/short position 好倉/淡倉 | Capacity 身份 | No. of ordinary share held 所持普通股股份數目 | % of the issued share capital 佔已發行股本百分比 |
|---|------------------------------|---------------------------|--|---|
| Liu's Holdings Limited 廖氏集團有限公司 | Long 好倉 | Beneficial owner 實益持有人 | 132,326,710 (note 1) (附註1) | 34.95% |
| Alba Holdings Limited 愛寶集團有限公司 | Long 好倉 | Beneficial owner 實益持有人 | 71,410,290 (note 2) (附註2) | 18.86% |

notes:

- Liu's Holdings Limited, a private company incorporated in Hong Kong, is owned by, amongst others, Mr. Liu Lit Chi. Such corporate interests are also disclosed in the sub-section under "Directors' interests in Share Capital of the Company and its Associated Corporations".
- Alba Holdings Limited, a private company incorporated in Hong Kong, is owned by Mr. Liu Lit Chi and his associates. Such corporate interests are also disclosed in the sub-section under "Directors' interests in Share Capital of the Company and its Associated Corporations".

Save as disclosed above, the Company had not been notified by any person (other than the directors or Chief Executives Officer of the Company) who had interests or short positions in the shares and underlying shares of the Company of 5% or more as at 31 December 2020 which were required to be disclosed to the Company under Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

主要股東及其他人士的權益

於二零二零年十二月三十一日，就本公司所知，下列股東（本公司董事或行政總裁除外）於本公司之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分部之規定須向本公司披露之權益或淡倉，或直接或間接擁有可在任何情況下於本集團任何其他成員公司股東大會上投票之任何類別股本面值5%或以上之權益：

附註：

- 廖氏集團有限公司乃於香港註冊成立之私人公司，擁有人包括廖烈智先生。該等公司權益亦已於上列名為「董事在本公司及其相聯法團擁有之股本權益」分節披露。
- 愛寶集團有限公司乃於香港註冊成立之私人公司，分別由廖烈智先生及其聯繫人士共同擁有。該等公司權益亦已於上列名為「董事在本公司及其相聯法團擁有之股本權益」分節披露。

除上述所披露外，並沒有任何人士（本公司董事或行政總裁除外）就其根據證券及期貨條例第XV部對於二零二零年十二月三十一日持有本公司5%或以上之股份及相關股份之權益或淡倉向本公司作出披露，或根據證券及期貨條例第336條須予備存之登記冊內所記錄進行披露。

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 40 to the consolidated financial statements, "Related Party Disclosures", no contracts of significance in relation to the Group's business, to which the Company or any of its subsidiaries was a party and in which a director of the Company had, whether directly or indirectly, have material interest, subsisted at the end of the year or at any time during the year.

At no time during the year was the Company or any of its subsidiaries was partied to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares, or debentures of, the Company or any other body corporate.

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not terminable within one year without payment of compensation (other than statutory compensation).

CONNECTED PARTY TRANSACTIONS

In March 2018, the Company entered into a lease agreement with Dr. Liu Lit Chung, a former Non-executive Director. The Company leased the property for a monthly rent of HK\$75,000 with effect from 1 March 2018 for a term of two years. The lease agreement had been terminated upon Dr. Liu Lit Chung's passed away in July 2019. For the year ended 31 December 2019, the aggregate rent paid by the Company amounted to HK\$525,000.

In March 2011, the Company entered into a service agreement with K.A. Kho & Associates for architectural and consultancy services provided to the Company. Mr. Kho Eng Tjoan, Christopher, a Non-executive Director, is the sole director and the sole shareholder of K.A. Kho & Associates. In addition, a supplemental agreement with aggregate service fee of HK\$12,900,000 was signed in February 2016. For the year ended 31 December 2020, no service fee was paid by the Company (2019: HK\$672,000) and the aggregate service fee paid and payable by the Company amounted to HK\$12,845,000 as at 31 December 2020.

董事合約權益

除綜合財務報表附註第40項內「關聯人士披露事項」所述之外，於年底或本年度內任何時間，本公司各董事並無直接或間接在本公司或其任何附屬公司所訂立之重大合約中享有與本集團業務相關的重大利益。

本年度內本公司或其任何附屬公司從未參與任何安排致使各董事因取得本公司或任何其他公司之股份或債券而獲益。

於即將召開之股東周年大會上膺選連任之本公司董事，並無與本公司訂有不可由僱主於一年內毋須支付賠償金(但法定之賠償金除外)而終止之服務合約。

關連人士交易

於二零一八年三月，本公司與前非執行董事廖烈忠醫生簽訂租賃合約。租金為每月港幣75,000元，自二零一八年三月一日起生效，為期兩年。廖烈忠醫生於二零一九年七月逝世，租賃合約亦已告終止。截至二零一九年十二月三十一日止年度，本公司共支付租金港幣525,000元。

於二零一一年三月，許金安則師樓與本公司簽訂一份服務協議，為本公司提供建築及顧問服務。本公司之非執行董事許榮泉先生乃許金安則師樓之唯一董事及唯一股東。另一補充協議於二零一六年二月簽訂，服務費用修訂為港幣12,900,000元。截至二零二零年十二月三十一日止年度，本公司並無支付顧問費(二零一九年：港幣672,000元)。於二零二零年十二月三十一日，本公司已付及應付的服務費總額為港幣12,845,000元。

In the opinion of the directors who do not have any interest, whether directly or indirectly, in the above transactions, the transactions were conducted in the ordinary course of business of the Group on normal commercial terms.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's purchases attributable to the Group's five largest suppliers and the Group's turnover attributable to the Group's five largest customers were both less than 30%. None of the directors, their associates or any shareholder (which to the knowledge of the Board owns more than 5% of the Company's issued share capital) has any interest in the Group's five largest suppliers or customers.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2020, the Company and its subsidiaries have not purchased, sold or redeemed any of the shares in the Company.

SHAREHOLDINGS INFORMATION

TOP 10 LARGEST SHAREHOLDERS

According to the register of members of the Company as at 31 December 2020, the top 10 largest shareholders are as follows:

| Name of shareholder | 股東名 | Number of shares held 持有股份數目 | % 百分比 |
|----------------------------------|----------------------------|---------------------------------|----------|
| 1. HKSCC Nominees Limited | 香港中央結算(代理人)有限公司 | 157,924,482 | 41.72 |
| 2. Chong Hing (Nominees) Limited | 創興(代理)有限公司 | 139,554,088 | 36.86 |
| 3. Alba Holdings Limited | 愛寶集團有限公司 | 35,000,222 | 9.25 |
| 4. MUFG Nominees (HK) Limited | MUFG Nominees (HK) Limited | 10,000,000 | 2.64 |
| 5. Wragg Limited | Wragg Limited | 5,000,000 | 1.32 |
| 6. Cheng Kee Man | Cheng Kee Man | 3,160,000 | 0.83 |
| 7. Cheng Kee Hong | Cheng Kee Hong | 3,100,000 | 0.82 |
| 8. Leung Kwok Choi | Leung Kwok Choi | 2,548,000 | 0.67 |
| 9. Leung Lai Fong | Leung Lai Fong | 1,300,000 | 0.34 |
| 10. On Luk Tong Limited | On Luk Tong Limited | 1,090,000 | 0.29 |
| Total | 合計 | 358,676,792 | 94.74 |

若干對上述交易並無直接或間接利益之董事認為上述交易均屬本集團經常業務，並按照一般商業條款進行。

主要客戶及供應商

本年度內，本集團之前五大供應商共佔本集團採購不足百分之三十，而本集團之前五大客戶共佔本集團營業額不足百分之三十。本公司各董事及其聯繫人士或任何股東(董事會知悉擁有本公司已發行股本超過百分之五)概無佔有該五大供應商或客戶任何權益。

購買、出售或贖回股份

截至二零二零年十二月三十一日止年度內，本公司及其附屬公司並無購買、出售或贖回任何本公司之股份。

持股資料

持股量最高的10位股東

根據本公司股東登記冊的資料，於二零二零年十二月三十一日持股量最高的10位股東如下：

LOCATION OF SHAREHOLDERS

According to the register of members of the Company as at 31 December 2020, the location of shareholders are as follows:

| Location of shareholders | 股東分佈 | Number of shares held 持有股份數目 | % 百分比 |
|---------------------------|--------|---------------------------------|----------|
| Hong Kong | 香港 | 378,521,140 | 99.9835 |
| China and South East Asia | 中國及東南亞 | 36,060 | 0.0095 |
| Europe | 歐洲 | 800 | 0.0002 |
| US and Canada | 美國及加拿大 | 16,860 | 0.0045 |
| Australia | 澳洲 | 8,580 | 0.0023 |
| Total | 合計 | 378,583,440 | 100.0000 |

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2020.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Companies Ordinance requires the directors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of their respective profit or loss for the year then ended. In preparing the financial statements, the directors are required to select suitable accounting policies and apply them on a consistent basis, making judgements and estimates that are prudent, fair and reasonable; state the reasons for any significant departure from accounting standards; prepare the financial statements on the going concern basis, unless it is not appropriate to presume that the Company and the Group will continue in business for the foreseeable future.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and of the Group and taking reasonable steps for the prevention and detection of fraud and other irregularities.

股東分佈

根據本公司股東登記冊的資料，於二零二零年十二月三十一日股東分佈如下：

充足之公眾持股量

本公司於二零二零年十二月三十一日止年度，全年均維持充足之公眾持股量。

董事就財務報表之責任

公司條例規定董事負責就各財政年度編製財務報表，真實及公平地反映本公司及本集團於該財政年度結算日之財政狀況，以及截至結算日止年度本公司及本集團各自之溢利或虧損情況。編製財務報表時，董事須選取並貫徹採用合適之會計政策，作出審慎、公平而合理之判斷及估計；就任何嚴重偏離會計準則之情況申明理由；按持續經營基準編製財務報表，除非情況不適宜假定本公司及本集團於可見將來仍會繼續經營業務，另作別論。

董事須負責存置妥當會計記錄，以保障本公司及本集團資產，以及採取合理步驟防止及查察有否任何欺詐及其他不常規之情況。

EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee was established on 30 October 2014. The current members of the committee comprised of Mr. Liu Lit Chi, Mr. Liu Kam Fai, Winston and Mr. Lee Wai Hung. Based on the duly approved terms of reference by the Board, the committee is authorized to discuss, formulate policies and make decisions on all matters relating to the daily management and operations of the Company and its subsidiaries. It also helps to discuss significant daily operational issues, review business performance and take prompt corrective actions as appropriate. The Board believes that the function of committee could help to relieve the Board of detailed review of information and to increase the operational efficiency among different departments.

Detailed terms of reference could be seen at the Company's website.

AUDIT COMMITTEE

Audit Committee report is shown on pages 38 to 39. The principal duties of the Audit Committee are reviewing the internal controls and the financial reporting requirements of the Group. The Audit Committee meeting will normally hold twice in each financial year immediately before the Board meeting for approving the interim and final results. The committee is satisfied with the Company's internal control procedures and the financial reporting disclosures.

NOMINATION COMMITTEE

Nomination Committee report is shown on pages 40 to 41. The report showed the main duty and the work performed by the committee during the year of 2020.

REMUNERATION COMMITTEE

Remuneration Committee report is shown on page 42. The report showed the main duty and work performed by the committee during the year of 2020.

執行管理委員會

執行管理委員會已於二零一四年十月三十日成立。委員會現任委員包括廖烈智先生、廖金輝先生及李偉雄先生。根據董事會正式批准的職權範圍，委員會獲授權就本公司及其附屬公司的日常管理及營運相關事宜商討、制定政策，並作出決策。委員會亦協助討論重大日常營運事宜、檢討業務表現，並在適當的情況下迅速採取修正措施。董事會相信，委員會之職能可減輕董事會作詳盡審閱資料之負擔並提升各部門之間的營運效率。

職權範圍之詳情請參見本公司網站。

審核委員會

審核委員會報告列於第38至39頁。審核委員會之主要職責為審查本集團之內部監控程序及符合財務報告之要求，審核委員會一般每年開會兩次，主要在每年董事會通過中期及末期業績前召開會議，委員會滿意本公司之內部監控程序及財務報告所披露之資料。

提名委員會

提名委員會報告列於第40至41頁。該報告列示委員會的主要職責及於二零二零年所進行的的工作。

薪酬委員會

薪酬委員會報告列於第42頁。該報告列示委員會的主要職責及於二零二零年所進行的的工作。

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has substantially complied throughout the year ended 31 December 2020 with those paragraphs of the Corporate Governance Code as set out in Appendix I4 of the Listing Rules, with which it is required to report compliance.

Guidelines and procedures for corporate governance of the Company are set out on pages 61 to 85.

PERMITTED INDEMNITY PROVISION

The Company has arranged directors and officers' liability insurance for directors' and officers' liabilities in respect of legal actions against its directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the directors as required by section 470 of the Companies Ordinance when this report prepared by the directors is approved in accordance with section 391(1)(a) of the Companies Ordinance.

DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the Board of Directors of the subsidiaries of the Company during the year and up to the date of this report are as follows:

Mr. Pan Sze Yuen, Cecil

Ms. Yan Yuet Lam, Charmaine

Mr. Liu Ying Shing, Claudius

Mr. Liu Kwun Bo, Darryl

Mr. Mok Siu Kwong, Stanley

Mr. Liu Kwun Hung, Tiger

遵從企業管治守則

截至二零二零年十二月三十一日止年度內，本公司已大致遵守上市規則附錄I4所載之企業管治守則要求申報之所有條文。

本公司之企業管治指引及程序詳列於第61至85頁內。

獲准彌償規定

本公司已就董事及高級管理層因企業活動而產生的法律訴訟，為董事及高級職員安排投保董事及高級職員責任保險。當董事根據公司條例第391(1)(a)條而編制的本報告獲批准時，根據公司條例第470條的規定，該為保障董事利益的獲准彌償條款即告生效。

附屬公司董事

於本年度及截至本報告日期，出任本公司附屬公司董事會成員之董事的姓名如下：

潘思遠先生

甄玥霖女士

廖榮城先生

廖軍堡先生

莫兆光先生

廖軍雄先生

AUDITOR

The consolidated financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu who have expressed their willingness to continue in office. Accordingly, a resolution will be submitted to the forthcoming annual general meeting to reappoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Liu Lit Chi

Chairman

Hong Kong, 11 March 2021

核數師

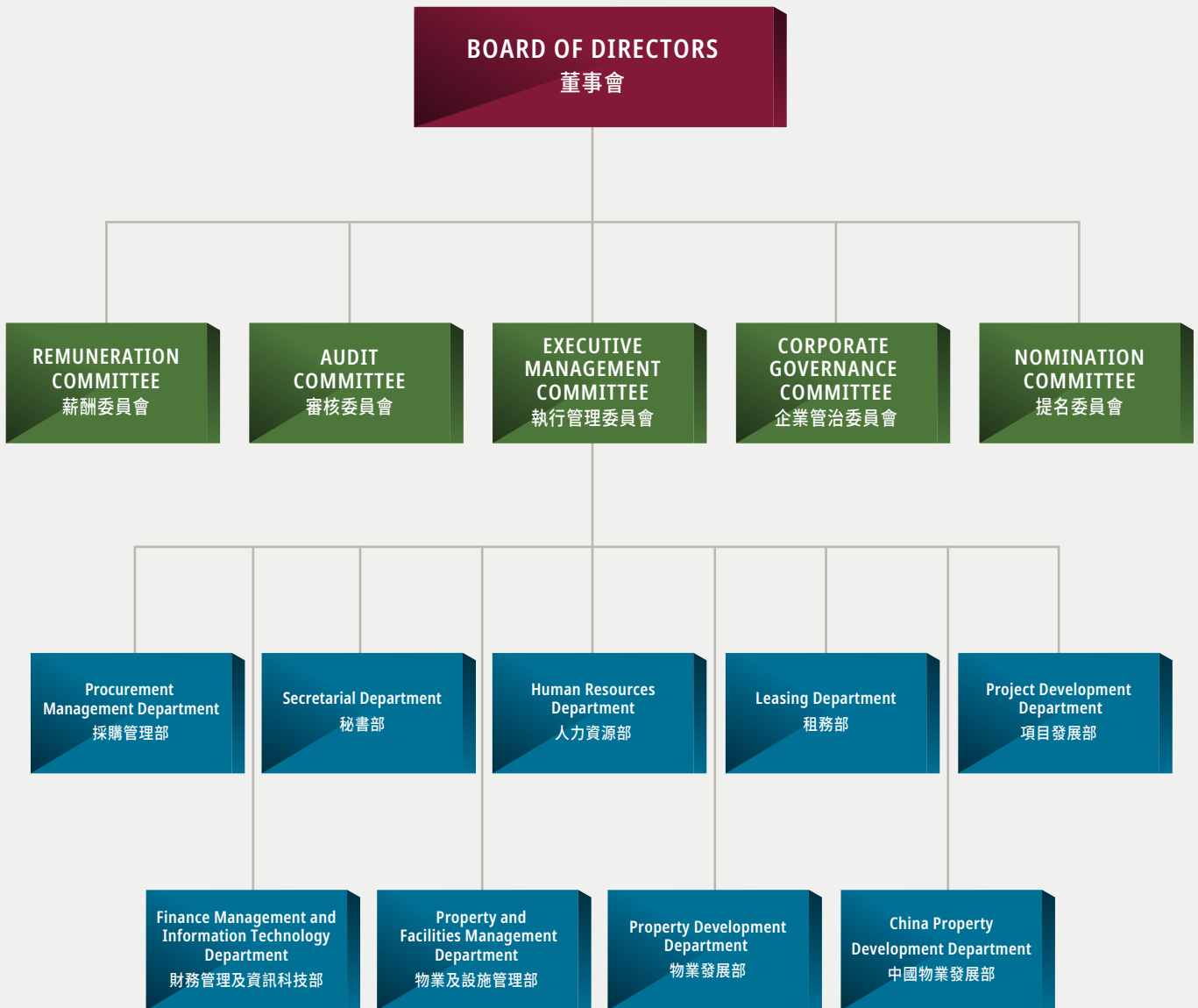
本年度之綜合財務報表經德勤•關黃陳方會計師行審核，該會計師行已表示其願意繼續擔任有關職務。故此即將舉行之股東周年大會上將會提呈一項決議案以重聘德勤•關黃陳方會計師行為本公司之核數師。

承董事會命

廖烈智

主席

香港，二零二一年三月十一日



The Audit Committee (“AC”) is made up of four members, all of them are Independent Non-executive Directors of the Company.

The AC oversees the financial reporting system and internal control procedures. In this process, management is principally responsible for the preparation of the Group’s financial statements including the selection of suitable accounting policies. External auditors are responsible for auditing and attesting to the Group’s financial statements and will report to the management of the Company from time to time on any weakness in controls which come to their attention. The AC oversees the respective work of management and external auditors to ensure the management has discharged its duty to have an effective internal control procedures.

The AC had performed the works as follows:

1. To review the financial statements of the Company for the year ended 31 December 2020;
2. To review the interim results of the Company for the six months ended 30 June 2020;
3. To review and monitor the external auditors’ independence;
4. To review the system of internal control of the Company;
5. To review the audit plan and the engagement from external auditors;
6. To make recommendation on the re-appointment of external auditors; and
7. To review the sufficiency of manpower resources of account and finance team of the Group in order to carry out the duties.

It was reported that no major internal control weakness was found and all the recommendations previously suggested by auditors were agreed and implemented by the management in 2020.

審核委員會由四名委員組成，全部為本公司獨立非執行董事。

審核委員會監督本集團財務申報及其內部監控程序。根據有關程序，管理層主要負責集團財務報表之編製，包括揀選合適之會計政策。外聘核數師負責審核及驗證集團之財務報表及不時向本公司管理層匯報需要改善的內部監控制度。審核委員會監督管理層及外聘核數師之工作，確保管理層已履行其職責建立有效的內部監控系統。

審計委員會已履行以下工作：

1. 檢討本公司截至二零二零年十二月三十一日止年度之財務報表；
2. 檢討本公司截至二零二零年六月三十日止六個月之中期業績；
3. 檢討及監察外聘核數師之獨立性；
4. 檢討本公司之內部監控制度；
5. 檢討審計計劃及聘用外聘核數師；
6. 就再度委任外聘核數師而提出建議；及
7. 檢討本集團會計及財務團隊之人手資源足夠性，以便充分履行職責。

本公司之內部監控並無存在任何重大不足之處，並且過往由核數師提出之所有建議亦獲得管理層採納並已在二零二零年內執行。

Based on these reviews and discussions, together with the report of the external auditor, the AC recommended to the Board's approval of the consolidated financial statements for the year ended 31 December 2020 with the Auditor's Report thereon.

The Committee recommended to the Board that the shareholders be asked to re-appoint Messrs. Deloitte Touche Tohmatsu as the Company's external auditor for 2021.

Members of the Audit Committee

Mr. Cheng Yuk Wo (*Chairman*)

Mr. Au Kam Yuen, Arthur

Dr. Cheng Mo Chi, Moses

Mr. Tong Tsun Sum, Eric

Hong Kong, 9 March 2021

基於上述檢討及討論以及外聘核數師之報告書，審核委員會建議董事會批准截至二零二零年十二月三十一日止年度綜合財務報表連同有關之核數師報告書。

審核委員會向董事會建議，尋求股東批准續聘德勤•關黃陳方會計師行為本集團二零二一年度之外聘核數師。

審核委員會委員

鄭毓和先生 (主席)

區錦源先生

鄭慕智博士

唐晉森先生

香港，二零二一年三月九日

The Nomination Committee (“NC”) consists of six members. The main duties of the Committee are (i) to review the structure, size and composition of the Board and to make recommendations on any proposed changes to the Board in order to complement the Company’s corporate strategy; (ii) to identify suitably qualified individuals to become directors of the Company and to select or make recommendations to the Board on the selection of individuals nominated for directorships; (iii) to assess the independence of Independent Non-executive Directors of the Company; and (iv) to make recommendations to the Board on the appointment or reappointment of the directors and succession plan for directors, in particular the Chairman and Chief Executive Officer of the Company.

The NC discharges its responsibilities by reference to the Terms of Reference which set out their roles, responsibilities and duties. The Terms of Reference were duly authorised by the Board.

In year 2020, the NC had reviewed and discussed the following issues at its meeting:

1. To review the composition, size and structure of the Board of the Company.
2. To review the attendance records of directors of the Company.
3. To review the brief details of each director (including years of service).
4. To review the scope of responsibilities of directors of the Company.
5. To review the directors’ appointment control schedule — Rotation of Directors.
6. To review and confirm the independence of all the Independent Non-executive Directors.
7. To review and amend as required from time to time the Board’s diversity policies.

提名委員會由六名委員組成。委員會主要職責是(i)檢討董事會的架構、人數及組成，並就任何為配合本公司之策略而擬對董事會作出之變動提出建議；(ii)物色具備合適資格可擔任董事之人士，並挑選提名個別人士出任董事或就此向董事會提供意見；(iii)評核本公司獨立非執行董事之獨立性；及(iv)就董事委任或重新委任及董事(特別是本公司主席及行政總裁)繼任計劃向董事會提出建議。

提名委員會履行之職責會參照職權範圍書內列明之角色、責任和義務。此職權範圍書亦已獲董事會授權。

於二零二零年內，提名委員會曾於會議上審議及討論下列事項：

1. 檢討本公司董事會的組織、人數及架構。
2. 檢討本公司董事出席會議之紀錄。
3. 檢討本公司董事的簡介(包括就任年期)。
4. 檢討本公司董事的責任範圍。
5. 檢討本公司董事委任時間表 — 輪任董事。
6. 檢討及確認所有獨立非執行董事之獨立性。
7. 按不時需要，檢討及修訂董事會多元化政策。

The NC is accountable to the Board and minutes of the meeting are circulated to the Board for information. The NC meets when required but at least once per year.

Members of the Nomination Committee

Mr. Liu Lit Chi (*Chairman*)

Mr. Au Kam Yuen, Arthur

Mr. Cheng Yuk Wo

Mr. Kho Eng Tjoan, Christopher

Dr. Ma Hung Ming, John

Mr. Tong Tsun Sum, Eric

Hong Kong, 9 March 2021

提名委員會向董事會負責說明及傳閱會議記錄等資料。提名委員會如有需要時可召開會議，但每年最少要舉行一次。

提名委員會委員

廖烈智先生 (*主席*)

區錦源先生

鄭毓和先生

許榮泉先生

馬鴻銘博士

唐晉森先生

香港，二零二一年三月九日

The Remuneration Committee (“RC”) consists of four members, a majority of whom are Independent Non-executive Directors of the Company.

The main duties of the Committee are to formulate the Company’s remuneration policy as well as to determine and/or make recommendations to the Board with regard to the structure of remuneration packages for all directors and senior management. When necessary and appropriate, the Chairman and Managing Director are consulted on such issues.

The RC discharges its responsibilities by referring to the Terms of Reference which set out their roles, responsibilities and duties. The Terms of Reference was duly authorised by the Board.

The RC, having consulted with the Chairman of the Board, had reviewed and discussed the following issues at its meeting:

1. To review the Company’s policy, structure and the remunerations packages for all directors and senior management;
2. To determine and/or make recommendation to the Board regarding the Directors’ fees and other allowances for the year 2021; and.
3. To review and approve the annual performance bonus and its policy.

The RC is accountable to the Board and minutes of the meeting are circulated to the Board for information.

The RC meets when required but at least once per year.

Members of the Remuneration Committee

Dr. Cheng Mo Chi, Moses (*Chairman*)

Mr. Cheng Yuk Wo

Mr. Kho Eng Tjoan, Christopher

Dr. Ma Hung Ming, John

Hong Kong, 11 March 2021

薪酬委員會由四名委員組成，大部份為本公司獨立非執行董事。

委員會主要職責是制定本公司之薪酬政策，並向董事會推薦有關董事及高級管理人員之薪酬組合的決定及／或建議。如需要，可向主席及董事總經理協商決定。

薪酬委員會履行之職責會參照職權範圍書內列明之角色、責任和義務。此職權範圍書亦已獲董事會授權。

薪酬委員會經諮詢董事會主席之意見後，並於會議上審議及討論下列事項：

1. 審閱本公司有關董事及高級管理人員之薪酬政策、架構及薪酬組合；
2. 決定及／或建議董事會有關二零二一年之董事酬金及其他津貼；及
3. 審閱及批准全年業績之花紅及政策。

薪酬委員會有義務向董事會說明及傳閱與會議記錄有關的一切資料。

薪酬委員會如有需要時可召開會議，但每年最少要舉行一次。

薪酬委員會委員

鄭慕智博士 (*主席*)

鄭毓和先生

許榮泉先生

馬鴻銘博士

香港，二零二一年三月十一日

| | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 | Change 變動 % 百分率 |
|---|-----------------------------------|-----------------------------------|--------------------------|
| Revenue 收益 | 771,622 | 1,276,508 | (40) |
| Profit for the year attributable to owners of the Company 分配於本公司股東之本年度溢利 | 162,560 | 429,984 | (62) |
| Basic earnings per share 每股基本盈利 | 港幣HK\$0.43元 | 港幣HK\$1.14元 | (62) |
| Net assets value per share 每股資產淨值 | 港幣HK\$33.45元 | 港幣HK\$32.94元 | 2 |
| Dividend per share 每股股息 | | | |
| Interim 中期 | 港幣HK\$0.15元 | 港幣HK\$0.22元 | (32) |
| Final 末期 | 港幣HK\$0.25元 | 港幣HK\$0.38元 | (34) |
| Total 合共 | 港幣HK\$0.40元 | 港幣HK\$0.60元 | (33) |
| Dividend payout ratio 派息比率 | 93% | 53% | (40) |

PROMISING



WE ENDEAVOUR TO CREATE A BETTER FUTURE
展望未來 — 我們竭盡所能 創造一個更美好將來

For the year ended 31 December 2020, the audited consolidated profits of the Company and its subsidiaries amounted to approximately of HK\$173.5 million, comparing to that of 2019 amounted to approximately of HK\$446.5 million, representing a decrease of HK\$273.0 million (dropped 61%).

Revenue mainly referred to the revenues generated from property investment, property development, property management, treasury investment, trading & manufacturing and hotel operation.

Other income referred to various miscellaneous income other than the main revenue.

Other gains and losses mainly comprised of gain(loss) on changes in fair value of investment properties, gain on transfer of property inventories to investment property and net exchange gains (losses).

PROPERTY INVESTMENT

OVERALL RENTAL REVENUE

For the year ended 31 December 2020, the Group recorded gross rental revenue of approximately HK\$320.4 million, decreased by approximately HK\$34.6 million from approximately of HK\$355.0 million in the year of 2019, representing a decrease of 9.7%.

OVERALL OCCUPANCIES

The Group's overall occupancy of major investment properties maintained at 74% as at 31 December 2020.

截至二零二零年十二月三十一日止年度，本集團錄得經審核綜合溢利約港幣173,500,000元，較二零一九年所得溢利約港幣446,500,000元，減少港幣273,000,000元，下跌61%。

收益主要指來自物業投資、物業發展、物業管理、財務投資、貿易及製造以及酒店經營所產生的收益。

其他收入是指主要收益以外的各個雜項收入。

其他收益及虧損主要包括投資物業公平價值變動收益(虧損)、物業存貨轉撥至投資物業收益及匯兌淨收益(虧損)。

物業投資

整體租金收益

截至二零二零年十二月三十一日止年度，本集團錄得之毛租金收益約港幣320,400,000元，較二零一九年港幣355,000,000元減少約港幣34,600,000元，下跌9.7%。

整體出租率

於二零二零年十二月三十一日，本集團主要投資物業之整體出租率持續維持於74%。



HK PROPERTIES**Chong Hing Square**

Chong Hing Square, located at 601 Nathan Road Mongkok, is a 20-storey ginza-type retail/commercial development offers over 182,000 square feet of retail and commercial space. For the year ended 31 December 2020, Chong Hing Square generated a gross rental revenue of approximately HK\$96.3 million, decreased by HK\$17.4 million from approximately of HK\$113.7 million in 2019. The occupancy was 87% as at 31 December 2020.

Looking ahead, we expect the retail high street rents will be flat and the overall economy will likely be recovering due to the roll out of the vaccines and the increase of tourist arrival towards the end of 2021. The management forecasts the rental revenue of this building would be improved in 2021.

Chong Hing Bank Centre

Chong Hing Bank Centre, located at 24 Des Voeux Road Central, is a 26-storey Grade A office building. For the year ended 31 December 2020, Chong Hing Bank Centre generated rental revenue of approximately HK\$97.1 million, increased by HK\$5 million from approximately of HK\$92.1 million in 2019. The Company, having retained several floors for the group's use, had entered into another 5-year fixed lease with Chong Hing Bank Limited at a monthly rental of HK\$7.98 million from HK\$5.66 million, representing an increase of 41%. The management regarded the tenancy would bring stable and good rental return to the Group.

Chong Yip Centre

Chong Yip Centre is located at 402–404 Des Voeux Road West. In 2019, the management had decided to revamp the mall for gaining higher rental return. The modern and chic concepts bringing trendy retails and F&B outlets would be the main theme of this new shopping mall. After renovation, the management expected this would be one of the young and popular malls in the western district.

香港物業**創興廣場**

創興廣場位處旺角彌敦道601號，為樓高二十層之銀座式零售／商業大廈，提供逾182,000平方呎零售及娛樂用地。截至二零二零年十二月三十一日止年度，創興廣場產生總租金收益約港幣96,300,000元，較二零一九年港幣113,700,000元減少約港幣17,400,000元。於二零二零年十二月三十一日，該大廈出租率為87%。

展望未來，我們預期因應疫苗的推出和至二零二一年底遊客人數的增加，街鋪零售租金將持平，整體經濟將有望復甦，因此管理層預測該商廈的租金收入將在二零二一年得到改善。

創興銀行中心

創興銀行中心位於中環德輔道中24號，為樓高二十六層之甲級寫字樓。截至二零二零年十二月三十一日止年度，創興銀行中心錄得租金收益共約港幣97,100,000元，較二零一九年約港幣92,100,000元，增加港幣5,000,000元。除保留數個樓層供本集團使用外，本公司與創興銀行有限公司再訂立一個五年期的固定租約，每月租金由港幣5,660,000元增加至港幣7,980,000元，增幅41%。管理層相信租約可為本集團帶來穩定及良好的租金回報。

創業商場

創業商場位於德輔道西402–404號。於二零一九年，管理層決定翻新該商場，以期獲取更高租金回報。現代新穎的設計理念可吸引更多時尚零售商舖及餐飲店落戶，並將成為該全新購物中心的主題。待翻新後，管理層預計它將成為西區時尚潮流的購物中心。



The Grand Riviera, Foshan sales events 佛山翠湖绿洲花园銷售活動

The construction work was on schedule and it was practically completed and inspected in early 2021, it was expected that the shopping mall will be ready for tenants to renovate in Q2 2021.

Total renovation cost was amounted to approximately of HK\$140 million and all expenditures are funded by internal resources. No rental revenue was generated from this property during the year.

Fairview Court

Fairview Court is located at 94 Repulse Bay Road. The Group owns 5 units, each of areas over 4,100 square feet, luxury apartment on a low-rise building. For the year ended 31 December 2020, Fairview Court recorded rental revenue of approximately HK\$6.3 million, it recorded net rental revenue of HK\$3.1 million after rental elimination. This property recorded 100% occupancy as at 31 December 2020.

PRC PROPERTIES

Chong Hing Finance Center, Shanghai

The Group's mainland flagship property located at 288 Nanjing Road West in Huang Pu District of Shanghai is a 36-storey Grade A commercial building which commands a strategic location and enviable view over The People's Square just across the street. With a total floor area of over 516,000 square feet of office and commercial spaces and 198 carparks, this property was approximately 60% let in terms of office space and 83% let in terms of retail space as at year end. For the year ended 31 December 2020, this office building, after taking exchange translation, generated a rental revenue of approximately HK\$115.4 million, representing a decrease of 9.6%.

The management will continue to improve the office's occupancy despite the oversupply of office building in Puxi district and the continuing adverse effect to the Chinese economy caused by the unprecedented COVID-19 pandemic.

建築工程如期進行，於二零二一年初大致完成並通過竣工檢查，預計該購物中心將在二零二一年第二季可供租戶進場裝修。

整體翻新成本約港幣140,000,000元，所有支出均由內部資源撥付。年內該物業並無產生租金收入。

富慧閣

富慧閣位於淺水灣道94號，為一低密度樓宇，本集團持有五個住宅單位，各單位面積逾4,100平方呎。截至二零二零年十二月三十一日止年度，富慧閣獲得租金收益約港幣6,300,000元，在租金對銷後錄得淨租金收益約港幣3,100,000元。於二零二零年十二月三十一日，此物業已全部租出。

中國物業

上海創興金融中心

此國內旗艦物業座落於上海黃浦區南京西路288號，是一座36層高的甲級商業大廈，地點極具策略優勢，可飽覽對面人民廣場之優美景觀。該物業提供寫字樓及商業總樓面面積逾516,000平方呎及198個車位，於年結日，此物業之寫字樓出租率約為60%，零售單位出租率則為83%。截至二零二零年十二月三十一日止年度，此物業產生租金收益約港幣115,400,000元，減少約9.6%。

儘管浦西地區寫字樓供過於求，以及前所未有的2019新冠病毒疫情大流行對中國經濟造成的持續不利影響，管理層將繼續致力提高該寫字樓之出租率。



The Grand Riviera, Foshan sales events 佛山翠湖綠洲花園銷售活動

PROPERTY DEVELOPMENT

PRC

The Grand Riviera, Foshan

This comprehensive development situated at 1 Guilong Road, Luocun in the Nanhai District of Foshan, is conveniently located within half an hour's drive from the Foshan financial district and within 5 minutes' drive from the new Foshan West Station.

Development Status

This Foshan residential project is a comprehensive development and is developed by phases. The whole project, including Phase 1 to Phase 4, was completed and handover for occupation in September 2018.

Financial and Sale Results

For the year ended 31 December 2020, the Group recorded sale revenue of approximately HK\$226.0 million of which 72 residential units and 328 carpark units were sold and recognized under consolidated statement of profit or loss.

As at 31 December 2020, a total of 5,171 residential units out of total 5,264 units (representing 98%) and a total of 1,651 carpark units out of total 4,670 units (representing 35%) were successfully sold out fetching accumulated sale proceeds of approximately HK\$5.9 billion. The management forecasted that further sale proceeds of approximately HK\$1.2 billion would be received if all unsold properties including residential units, carparks and retail shops were sold under current market conditions.

Elegance Garden, Sanshui

In 2019, the Group, through its indirectly wholly-owned subsidiary, Top New Investment Limited, acquired a piece of land at Sanshui District of Foshan by open land auction for a cash consideration of RMB775.5 million. The site area of the land is approximately 33,670 square meters with plot ratio of 3.2 times, making the accommodation value of RMB7,198 per square meter. The management regarded the consideration for the purchased land is fair and reasonable having taken into account the minimum bid conditions set by Foshan Public Resources Center, current market value, as well as the location and development potential of the vicinity area.

物業發展

中國

佛山翠湖綠洲花園

該綜合發展項目位處佛山市南海區羅村貴隆路1號，交通便捷，距離佛山金融區不足半小時車程，而距離新佛山西站不足5分鐘車程。

發展現狀

佛山住宅項目是一個綜合發展、分期開發的項目。整個項目包括第一至第四期已全部發展完成，並於二零一八年九月已交付使用。

財務和銷售業績

截至二零二零年十二月三十一日止年度，本集團錄得銷售收益約港幣226,000,000元，其中72套住宅單位及328個停車位於已出售並在綜合損益表中確認。

於二零二零年十二月三十一日，總數5,264個住宅單位中的5,171個單位（佔98%）及總數4,670個停車位中的1,651個停車位（佔35%）已成功售出，獲得總累計銷售收益約港幣59億元。若所有未售物業（包括住宅單位、停車位和零售商舖）按目前市況出售，則管理層預計可進一步獲得總銷售收益約港幣12億元。

三水軒隆雅園

於二零一九年，本集團透過一間間接全資附屬公司新軒投資有限公司透過公開土地拍賣方式以現金代價人民幣775,500,000元購入佛山市三水區一幅地塊。該地塊的面積約為33,670平方米，容積率為3.2倍，樓面價為每平方米人民幣7,198元。綜合考慮佛山公共資源中心設定之最低競標條件、當時市場價值以及地塊鄰近區域之位置及發展潛力後，董事會認為該地塊之購入價屬公平合理。



Elegance Garden, Sanshui, Foshan project in progress 佛山三水軒隆雅園工程進行中

Location and vicinity

The development is located at the heart of Bei Jiang Xin Qu. It is surrounded by the well-developed facilities, such as Beijiang Primary School, Xindongli Center, Beijiang Feng Huang Park, Sanshui Renmin Hospital and Sanshui Bus Stop. It takes 15 minutes' drive to the Guangzhou and Foshan High Speed Railway Station and 20 minutes' drive to Sanshui High Speed Railway South Station only. The development is just 2.1 miles away from the Sanshui Metro Route 4, it is closely connected to the Guangzhou and Foshan cities.

Project design

This residential development named Elegance Garden, consists of 9 blocks 31-storey residential apartments with three typical sizes of 88, 98 and 108 square meters respectively. Given the plot ratio of 3.2 and green area ratio of 30%, it provides a total of 1,084 residential units with developable areas of over 105,000 square meters. If including the retail and commercial area of approximately 1,315 square meters on the ground floor and 918 carpark spaces mainly built at basement level, the total developable area is over 143,000 square meters.

Construction

The piling and foundation work had been commenced in Q4 2020 and the construction progress was on schedule. Barring any unforeseen circumstances, the whole project would be scheduled to complete and hand over for occupation in Q4 2023. As at the date of board meeting, major contracts including basement and superstructure, lift, M&E, landscape and architect designs were awarded to different contractors and institutes.

位置及周邊

該發展項目位於北江新區，周邊配套設施成熟，坐擁北江小學、新動力廣場、北江鳳凰公園、三水人民醫院和三水汽車站等。前往廣三高速只需15分鐘車程、前往三水高鐵站 — 三水南站只需20分鐘車程，距離三水地鐵4號線僅2.1公里，與廣州和佛山市緊密相連。

項目設計

該住宅開發項目名為軒隆雅園，將建設為9幢31層高的住宅公寓，面積分別為88、98及108平方米的三種典型戶型。根據3.2倍的容積率和30%綠化率，該項目提供了1,084個住宅單位，可開發面積超過105,000平方米。若包括地面約1,315平方米的零售和商業區域以及主要分佈在地庫一層的918個停車位，可開發的總面積超過143,000平方米。

建築

基坑支護和樁基礎工程自二零二零年第四季度開展，施工進度如期進行。除非有任何不可預見的情況，否則整個項目將按計劃於二零二三年第四季度完成並交付使用。在董事會會議召開之日，包括地下室和上蓋、電梯、機電工程、園林和建築設計在內的主要合同均已分判予不同的承包商和設計院。

HOTEL OPERATIONS

PRC

Budget Hotel

Since 2008, the Group started to operate budget hotel business in Shanghai, Beijing and Guangzhou. All of these budget hotels are managed by and under the brand name of Hanting. Due to the restructuring of the business strategy, the Group had sold the budgeted hotels at Shanghai and Beijing in 2016, only the hotel in Guangzhou remains in operation.

For the year ended 31 December 2020, the budget hotel revenue decreased by 41% from approximately of HK\$13.5 million in 2019 to approximately HK\$8.0 million in 2020. Due to the effect of COVID-19 pandemic, the occupancy of Guangzhou's hotel was lowered to 12% in February 2020 and then recovered to 87% in December 2020.

HONG KONG

ONE-EIGHT-ONE Hotel & Serviced Residences

The previous office building (formerly known as Western Harbour Center), located at 181-183 Connaught Road West, was converted into a 183-room hotel and serviced residences. The hotel was in full operation after obtaining the hotel license on 2 December 2019. Apart from providing 183 guest rooms (room size ranging from 330 sq.ft. to 1,080 sq.ft.), other facilities include two restaurants, named *The Common Room* and *The Tea Room*, gym room, multi-functions room, sky lounge bar (planning stage) and a wide range of services and amenities. The two restaurants started operation in the fourth quarter of 2019.

For a newly opened hotel, 2020 was a very difficult year. Just one month after the opening, the hotel was suffered from the outbreak of COVID-19 pandemic. The hotel industry has been impacted by a significant decrease in visitor arrivals. For the year ended 31 December 2020, the hotel and F&B business recorded a gross revenue of HK\$37.7 million but incurred a net operating loss of HK\$80.3 million after including depreciation of HK\$59.9 million. A management committee was set up in April 2020 to closely monitor the Hotel operation and F&B business.

酒店項目

中國

經濟型酒店

本集團自二零零八年起，開始於上海、北京及廣州經營經濟型酒店業務。該等經濟型酒店全部均由漢庭管理並以漢庭之品牌名稱經營。鑒於本集團調整投資策略，已於二零一六年出售上海和北京的經濟型酒店，目前只維持營運廣州酒店。

截至二零二零年十二月三十一日止，該經濟型酒店收益由二零一九年約港幣13,500,000元下降約41%至二零二零年約港幣8,000,000元。由於2019新冠病毒疫情的影響，廣州酒店的入住率在二零二零年二月下降至12%，隨後在二零二零年十二月才恢復至87%。

香港

ONE-EIGHT-ONE 酒店及服務式住宅

位處干諾道西181-183號的原寫字樓(前稱為滙港中心)，現已改建成為一間擁有183間客房的酒店及服務式住宅。在二零一九年十二月二日獲得酒店牌照後，酒店已全面營運。除了提供183間客房(房間面積從330平方呎到1,080平方呎)外，其他設施還包括兩間餐廳(名為「薈聚」和「壹八壹冰室」、健身室、多功能室、空中酒廊(計劃階段)以及各種各樣的服務和設施。兩間餐廳已於二零一九年第四季度開業。

對一間新開張酒店而言，二零二零年是非常艱難的一年。開業僅一個月，酒店即遭受到2019新冠病毒疫情的大爆發，遊客人數大幅減少，酒店業嚴重受創。截至二零二零年十二月三十一日止，酒店及餐飲業務的總收益為港幣37,700,000元，在計入折舊港幣59,900,000元後，經營淨虧損達港幣80,300,000元。為了密切監察酒店營運和餐飲業務，於二零二零年四月成立了管理委員會。

Since then, various cost-cutting measures and revenue improvement works had been done to increase the financial results, which include implementation of no-pay leave, reduction of casual labour and cessation of recruitment. In order to raise hotel occupancy rates, the hotel has offered dining promotion and staycation packages to attract local customers. To widen other source of revenue, an on-line catering platform eShop has been developed for selling X'mas party set and Chinese poon-choi etc. Given the quality services and dining experience echoed by the hotel guests, One-Eight-One Hotel became one of the popular hotel brands and its operating revenue has been improving significantly in 2021. Hotel operating revenue had turned into positive EBITDA since September 2020 with occupancy of over 62%.

Since 22 December 2020, the hotel has become one of the designated quarantine hotels to accommodate the quarantine guests arriving in Hong Kong.

OVERSEAS INVESTMENT

In February 2021, the group participated in an office investment in Brisbane, Australia by subscribing 15% of a Property Trust which acquired a 21-storey fully rebuilt grade A office building located at 310 Ann Street, Brisbane. The Trust was managed by the property and investment manager of AsheMorgan.

The office building, with 198,000 sq. ft. lettable area, was fully let to two major tenants, the Queensland Government and the Allianz group with an annual rental growth of 3.5–3.75% during the 7.5 years unexpired lease.

The purchase price of the property is AUD210 million. Given the stable rental return and the debt leverage investment structure, the management considered the investment would provide an attractive investment return to the group.

為創造業績，管理層推行了各種削減成本和提升收入的措施，其中包括推行無薪假期，減少臨時工和停止招聘。為提高酒店的入住率，酒店推出了餐飲促銷和住宿套餐，以吸引本地顧客。為了拓擴其他收入來源，同時開發了網上餐飲平台「eShop」，用於銷售聖誕派對套餐和中式盆菜等。根據酒店客人對優質服務和餐飲體驗的回饋，ONE-EIGHT-ONE酒店已成為最受歡迎的酒店品牌之一，營業收入在二零二一年初有顯著改善。自二零二零年九月以來，酒店的除利息、稅項、折舊及攤銷前盈利(EBITDA)已轉為正數，入住率超過62%。

自二零二零年十二月二十二日起，該酒店成為香港政府指定的隔離酒店之一，專門接待抵達香港需要隔離的客人。

海外投資

二零二一年二月，本集團透過認購一個房地產信託基金的15%股權，參與了在澳洲布里斯班的寫字樓投資，該信託基金收購了位於布里斯班Ann Street 310號的一幢21層翻新的甲級寫字樓。該信託基金由AsheMorgan出任房地產和投資經理。

該寫字樓可出租面積為198,000平方呎，已全部出租給昆士蘭州政府和安聯集團這兩個主要租戶，在7.5年的未到期租賃期內，其年租金增長率為3.5–3.75%。

該物業的購入價格為澳幣210,000,000元。鑑於穩定的租金回報和債務槓桿投資結構，管理層認為該投資將為集團提供可觀的投資回報。

SHARE OF RESULTS OF JOINT VENTURES

Since the year of 2017, the Group teamed up with the same joint venture partner, to acquire three warehouses in Japan and one manufacturing plant in Australia. For the year ended 31 December 2020, all these warehouses and manufacturing plant continued to maintain a stable rental revenue with 100% occupancy.

The management regarded the investment would bring the Group's a stable rental return together with a long term appreciation of properties. The share of results of joint ventures of approximately HK\$44.2 million, under equity accounting, represented the 50% share of net asset value of the investment which mainly included the annual rental revenue and valuation gain on investment properties.

The manufacturing plant located at Adelaide was acquired at AUD11.5 million in 2018, after holding the investment of 2.5 years, the plant was disposed to a third party at a cash consideration of AUD18.8 million, representing an increase of 63%. The sales contract was signed in December 2020 and the transaction was completed in early 2021.

CAPITAL STRUCTURE

The Group's shareholders' funds increased from approximately HK\$12,394.0 million as at 31 December 2019 to approximately HK\$12,577.7 million as at 31 December 2020, representing a net increase of approximately HK\$183.7 million. The increase in shareholders' funds was attributed to (a) profit attributable to the owners of the Group of approximately HK\$162.6 million; and (b) net increase of investment revaluation and exchange reserves totaling approximately HK\$221.7 million; and (c) 2019 final dividend and 2020 interim dividend paid approximately HK\$200.6 million.

所佔合營企業業績

自二零一七年起，本集團與同一合資夥伴在日本收購三個倉庫及在澳洲收購了一個廠房。截至二零二零年十二月三十一日止年度，所有倉庫及廠房均繼續保持穩定的租金收入，出租率為100%。

管理層認為該投資將為本集團帶來穩定的租金收入和物業的長期升值回報。根據會計權益法，所佔合營企業業績約為港幣44,200,000元，佔該項投資資產淨值的50%，主要包括租金收入及投資物業重估收益。

本集團於二零一八年以澳幣11,500,000元購入位於阿德萊德的廠房，在持有該廠房2.5年後，以現金代價澳幣18,800,000元出售給第三方，增幅63%。該銷售合同於二零二零年十二月簽訂，交易於二零二一年初完成。

資本架構

本集團的股東資金由二零一九年十二月三十一日的港幣12,394,000,000元增加至二零二零年十二月三十一日的港幣12,577,700,000元，淨增幅為港幣183,700,000元。股東資金增加是由於(a)分配於本集團股東應佔溢利約港幣162,600,000元；(b)投資重估儲備及匯兌儲備總計淨增加約港幣221,700,000元；及(c)已付二零一九年末期股息及二零二零年中期股息約港幣200,600,000元。

FINANCE AND TREASURY OPERATIONS

NET CASH BALANCE

As at 31 December 2020, the Group's net cash balance (being cash and deposits less borrowings) amounted to approximately HK\$513.9 million, decreased by approximately HK\$29.5 million from approximately HK\$543.4 million in 2019, representing a decrease of 5.4%. The decrease of net cash balance was used for the construction payment to One-Eight-One Hotel project, Sanshui residential project and renovation cost of Chong Yip Centre.

In the years ahead, the Group's major capital expenditures will be incurred for the Sanshui residential project and the renovation cost of Chong Yip Centre. The management will ensure all these capital expenditures within the budget and do not undermine the company's working capital.

At 31 December 2020, the Group had a gross gearing ratio, (gross borrowing divided by equity attribute to owners of the Company) of 11.7% (31 December 2019: 12.2%), and a net gearing ratio (net debt divided by equity attribute to owners of the Company) of 0% (31 December 2019: 0%).

The management expected that the Group's cash balances could be increased steadily further by the sale of the remaining residential and carparks units of "The Grand Riviera", Foshan residential project, and the stable rental revenue generated from different rental properties.

BANKING FACILITIES

Most of the banking facilities as at 31 December 2020 were committed banking facilities. In managing the debt portfolio, the Group has endeavored to maintain diversified sources of funding. Currently, the major source of financing is still coming from the banking sector, in which the Group has bilateral banking facilities with various banks, most of which have established long relationship with the Group. The management will consider to widen the funding source from capital market if both the market conditions and terms are favorable to the Company.

The management will closely monitor the company's funding position, internal funding and cheaper external funding will be used for coming development project.

財務及庫務營運

淨現金結餘

於二零二零年十二月三十一日，本集團的淨現金結餘（即現金及存款扣減借款）約港幣513,900,000元，由二零一九年約港幣543,400,000元減少約港幣29,500,000元，跌幅5.4%。淨現金餘額的減少主要用於支付One-Eight-One酒店項目、三水住宅項目及翻新創業商場的工程款。

於未來幾年，本集團主要的資本支出為三水住宅項目及創業商場的翻新工程支出。管理層將控制該資本支出在預算以內，並不影響公司的營運資金。

於二零二零年十二月三十一日，本集團的總負債比率（總借款額除以本公司股東權益）為11.7%（二零一九年十二月三十一日：12.2%），淨負債比率（淨借款額除以本公司股東權益）為0%（二零一九年十二月三十一日：0%）。

管理層預期佛山翠湖綠洲花園剩餘住宅單位及停車位銷售收益及來自不同租賃物業的穩定租金收入，可進一步增加本集團的現金餘額。

銀行貸款

於二零二零年十二月三十一日，大部份的銀行貸款均為承諾貸款。在管理債務組合時，本集團一直致力維持資金來源多元化。現時，主要的融資來源仍然是來自銀行貸款，已有數家銀行為本集團提供雙邊銀行融資額，而且大部份已與本集團建立長久關係。若市況及貸款條款皆對本公司有利，管理層將會考慮擴闊來自資本市場的融資來源。

管理層會密切監察本公司的資金狀況，在未來的發展計劃中會動用內部資金及成本較低的外部資金來源。

LIQUIDITY RISK AND CASH BALANCES

It is the Group's financial policy to maintain positive cash balance and high liquidity. To maintain sufficient liquidity will not only help the Group to fulfill all short term payment obligations but also to improve the Group's working capital.

Liquidity mainly comes from recurring rental income of various investment properties, cash sale proceeds from various completed and uncompleted development projects and committed banking facilities. Liquidity risk of the Group is low and it has been further reduced by early refinancing and improvement of cash flow.

LOAN MATURITY ANALYSIS

Liquidity risk could also be reduced by extending the loan tenors. The Group's debt maturity portfolio is spread out over a medium-long term, with 68% of debts becoming due within 2-5 years, and 32% of debts becoming due within 1 year respectively. It was the fact that the Group's liquidity and cash flow position in PRC was improved substantially following the successful sale of "The Ground Riviera", Foshan.

RISK MANAGEMENT

In managing interest rate and foreign exchange exposures, the Group may use certain derivative instruments such as interest rate swaps, cross currency swaps, forward rate agreements and foreign exchange contracts. It is the Group's policy to allow using derivatives as hedging purposes only. With respect to the counterparty risk of the derivatives, the Group transacts only with financial institutions with strong investment-grade ratings.

INTEREST RATE EXPOSURE

The volatility and uncertainty of the movement of interest rate may result in a potential negative impact to the Group's financial position. Given that, the management will actively involve and review the movement of interest rate so as to minimize the financial impact.

流動資金風險及現金結餘

本集團的財務政策是保持現金結餘及充裕流動資金。保持充裕流動資金不僅有助本集團履行所有短期還款責任，亦可改善本集團的營運資金狀況。

本集團的流動資金主要來自各項投資物業的經常性租金收入、來自各項落成及即將落成發展項目的現金銷售收益以及承諾銀行信貸。本集團的流動資金風險因提早再融資和現金流的改善已進一步降低。

到期貸款分析

通過延長貸款期限可以降低流動性風險。本集團的中長到期債務組合分別為68%債務於二至五年內到期，及32%債務則於一年內到期。事實上，本集團在中國的流動資金及現金流量狀況在成功出售佛山翠湖綠州花園後大幅改善。

風險管理

在監管利率及外匯風險時，本集團可使用若干衍生工具，例如利率掉期、貨幣掉期、遠期利率協議及外匯合約。本集團只容許使用該等衍生工具作為對沖風險用途。至於衍生工具的交易風險方面，本集團僅會與具備良好投資評級的財務機構進行交易。

利率風險

利率波動及走勢不明朗可能會對本集團的財政狀況產生潛在負面影響。管理層將會密切留意及檢討利率走勢，以盡量減輕利率走勢對財政構成的影響。

FOREIGN EXCHANGE EXPOSURE

It is the Group's policy to minimize mismatch in currency and not to speculate in currency movement. As at 31 December 2020, other foreign exchange exposures related to some major investments in Shanghai, Foshan and Joint Ventures projects which altogether amounted to the equivalent of about HK\$5,903.5 million or 39.5% of the Group's total assets.

DERIVATIVES FINANCIAL INSTRUMENTS

The Group has entered derivative transactions with bank in order to hedge the investment in Japan. The foreign exchange risk exposure has been reduced by entering Cross Currency Swap transaction for the purpose of matching the Japanese assets with Yen borrowings. Besides, in order to minimize the exchange rate risk effects of cash inflow, the Japanese yen dividend receivable have been hedged by a Single Rate Forward. The management keep closely monitoring these foreign exchange exposures by implementing different appropriate measures on a timely and effective manner.

EMPLOYEE AND EMOLUMENT POLICY

As at 31 December 2020, the Group employed a workforce of 472 (31 December 2019: 511). Staff cost for the year include salaries, bonuses and allowances, were approximately HK\$133.2 million. (31 December 2019: HK\$144.0 million).

The Group's remuneration policy, having been advised and determined by the Remuneration Committee, will ensure that the pay levels of its employee are reasonable and competitive in the market and their total rewards including basic salary and bonus system are linked with their performance. The members and work done of Remuneration Committee are shown on page 42.

外匯風險

本集團的政策乃盡量減低貨幣錯配的風險，亦不會進行外匯投機買賣。其他外匯風險乃與上海、佛山及合營企業的重大投資項目有關。於二零二零年十二月三十一日，該等投資約港幣5,903,500,000元，佔本集團資產的39.5%。

金融衍生工具

本集團已與銀行進行衍生工具交易，用作對沖在日本的投資項目。為了使日圓資產與日圓借款相匹配，此交叉貨幣掉期交易可以減低外匯的風險。此外，為減低現金流入的匯率風險，應收之日圓股息已利用單一匯率遠期合約對沖。管理層通過及時及有效地執行適當措施密切監察這些外匯風險。

僱員及薪酬政策

於二零二零年十二月三十一日，本集團聘有472名員工(二零一九年十二月三十一日：511名)。本年間之僱員成本(包括薪金、花紅及津貼)總額約為港幣133,200,000元(二零一九年十二月三十一日：港幣144,000,000元)。

經薪酬委員會考慮及建議，本集團薪酬政策相比市場僱員薪酬水平是合理及有競爭性的。僱員總薪酬包括基本工資及花紅制度，均與工作表現掛鉤。薪酬委員會之委員名單及其工作詳列於第42頁。

During the financial year ended 31 December 2020, the Company has substantially complied with the Provisions of the Corporate Governance Code (the “Corporate Governance Code” or the “Code”) as set out in Appendix 14 of Listing Rules.

GUIDELINES AND PROCEDURES FOR CORPORATE GOVERNANCE OF THE COMPANY

(A) CORPORATE GOVERNANCE CHART

The Board is committed to maintaining a high standard of corporate governance for the purpose of enhancing long-term value for shareholders. The corporate governance chart adopted by the Company could be referred to Liu Chong Hing Investment Limited Simplified Organisation Chart on page 37.

(B) DIRECTORS

(I) THE BOARD: RESPONSIBILITY FOR LEADERSHIP AND CONTROL OF THE COMPANY

- The Board is accountable to the shareholders for leadership and supervision of the senior management for the purpose of creating long-term shareholder value and producing a sustainable growth and successful business.
- The principal tasks of the Board are to set objectives, formulate strategies and to monitor the operating and financial performance.
- The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company’s strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems.
- The Board also oversees management in the design, implementation and monitoring of the risk management and internal control systems, and management should provide a confirmation to the Board on the effectiveness of these systems.
- Duties of the Board include approving interim and annual reports, announcements and press releases of interim and final results, setting the dividend policy, and approving the issue, allotment, disposal or grant of options in respect of unissued new shares of the Company.

截至二零二零年十二月三十一日止財政年度，本公司基本已遵守上市規則附錄14所載企業管治守則（「企業管治守則」或「守則」）的規定。

本公司企業管治指引及程序

(A) 公司管治架構圖

董事會致力維持高水平之企業管治，為股東締造長遠價值。本公司採納之管治架構圖可參照載於第37頁的廖創興企業有限公司簡化組織圖。

(B) 董事

(I) 董事會：負責領導及監控本公司

- 董事會領導及監管高級管理層，並對股東負責，透過實現可持續增長及成功之業務，為股東締造長遠價值。
- 董事會之主要任務為設定目標、制訂策略以及監控本公司之營運及財務表現。
- 董事會負責評估及釐定本公司達成策略目標時所願意接納的風險性質及程度，並確保本公司設立及維持合適兼有效的風險管理及內部監控系統。
- 董事會亦監督管理層對風險管理及內部監控系統的設計、實施及監察，而管理層應向董事會確認有關系統的有效性。
- 董事會之職責包括批准中期報告及年度報告、公告以及中期及末期業績公告、制定股息政策，以及批准有關本公司未發行新股的發行、配發、出售或授出期權。

**(II) CHAIRMAN AND MANAGING DIRECTOR:
CLEAR DIVISION OF RESPONSIBILITIES**

- The Company has clear and distinct division of responsibilities between the Chairman and Managing Director.
- Mr. Liu Lit Chi, the Chairman of the Board, provides leadership and is responsible for the effective functioning of the Board. The Managing Director is responsible for the Company's business, daily management and operations generally.
- Managing Director assumes overall responsibility for the Group's operation and performance by delegating duties to different Executive Directors and senior management to achieve targeted objectives. The Board gives clear directions to management of their powers and circumstances in which the management should submit a report.
- Throughout the year, the role of Chairman and the Managing Director of the Company has not been segregated as required by the code provision A.2.1 of the Code. The Board considers this arrangement is in the best interest of the Company that by nature of the Group's business which requires considerable market expertise and Mr. Liu Lit Chi, with his profound experiences in the property and banking industry, shall continue in his dual capacity as the Chairman and Managing Director.

**(III) BOARD COMPOSITION: BALANCE AND
INDEPENDENCE**

- The Board currently comprises three Executive Directors, one Non-executive Director and five Independent Non-executive Directors. For the year ended 31 December 2020, the Board met the requirements of the Listing Rules relating to the appointment of at least one-third of the Board should be Independent Non-executive Directors.
- The appointment of Independent Non-executive Directors strictly adheres to the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules. The Company has received written confirmation of independence from each of the Independent Non-executive Directors.

(II) 主席及董事總經理：職責分工明確

- 本公司主席和董事總經理之間分工明確，責任清晰。
- 董事會主席廖烈智先生領導及負責董事會的有效運作，董事總經理負責本公司的業務、日常管理和一般營運。
- 董事總經理負責集團之整體營運及表現，透過轉授職責予不同執行董事及高級管理人員達致指定目標。董事會就管理層之權責及管理層須提交報告之情況給予清晰指引。
- 年內，本公司並未遵循守則條文A.2.1將主席及董事總經理的職責予以區分。董事會認為，是項安排符合本公司最佳利益，因本集團業務性質要求具備豐富市場經驗，而廖烈智先生於地產及銀行行業均累積豐富經驗，故廖烈智先生應繼續身兼主席及董事總經理之雙重職務。

(III) 董事會之組成：協調與獨立

- 董事會現時由三名執行董事、一名非執行董事及五名獨立非執行董事組成。截至二零二零年十二月三十一日止年度，董事會已遵守上市規則有關委任獨立非執行董事人數須佔董事會至少三分之一之要求。
- 獨立非執行董事之委任嚴格遵守上市規則第3.13條所載有關評估獨立性之指引。本公司已接獲各獨立非執行董事就彼等獨立性之書面確認。

- The Board considers that the five Independent Non-executive Directors are free from any businesses or other relationships which might interfere with the exercise of their independent judgment and each Independent Non-executive Director brings his own relevant expertise to the Board.
- The presence of all Independent Non-executive Directors could ensure that the Board functions effectively and independently.
- The Independent Non-executive Directors are also the committee members of the Audit Committee, Remuneration Committee and Nomination Committee. In short, these committees have Independent Non-executive Directors.
- In addition, the Company has set up the Corporate Governance Committee on 7 March 2012 comprising two Executive Directors and two Independent Non-executive Directors to perform the corporate governance duties.
- The biographies of the directors appear on pages 110 to 117. These demonstrate diversity of experience and calibre of the Board in making management decisions.
- 董事會認為五名獨立非執行董事不存在可能妨礙其獨立判斷任何業務或其他關係，各獨立非執行董事運用彼等本身之相關專業知識服務董事會。
- 委任獨立非執行董事可確保董事會能夠有效及獨立運作。
- 獨立非執行董事兼任審核委員會、薪酬委員會及提名委員會之委員，換言之，該等委員會均有獨立非執行董事。
- 此外，本公司於二零一二年三月七日成立企業管治委員會，由兩名執行董事及兩名獨立非執行董事組成，負責履行企業管治職責。
- 董事之簡歷載於第110至第117頁，顯示彼等各有不同經驗，使董事會可以作出明智之管理決定。

(IV) APPOINTMENTS, RE-ELECTION AND REMOVAL

- The Nomination Committee is mainly responsible for making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors.
- Those directors who have been longest in office as at each annual general meeting shall retire from office and be subjected to re-election.
- For newly appointed directors, they are required to submit themselves to shareholders for re-election to the Board at the first annual general meeting following their appointment.
- All directors have entered into a letter of appointment with the Company and were appointed for a specific term, subject to re-election and retirement by rotation at least once every three years in accordance with the Company's Articles of Association.
- 提名委員會主要負責就董事委任或重新委任以及就董事繼任計劃向董事會提出建議。
- 任期最長之董事將於每屆股東周年大會上退任，並可重選連任。
- 新委任董事須於獲委任後首次股東周年大會上獲股東重選方可連任董事。
- 所有董事已與本公司訂立委任函件，並有特定任期，惟須根據本公司章程細則至少每三年輪值退任一次。

- Code provision A.4.2 stipulates that every director shall be subject to retirement by rotation at least once every three years. Under the Article 105, 106 and 113 of the Company's Articles of Association, all directors including the Managing Director are subject to retirement by rotation.
- Details of the term of appointment of all Non-executive Directors and Independent Non-executive Directors are as follows:
 - (i) to perform such functions and exercise such powers as are appropriate to the position as an Independent Non-executive Directors or Non-executive Directors of the Company;
 - (ii) to comply with all laws, rules and regulations applicable to be a director of the Company, including but not limit to the Listing Rules; and
 - (iii) to notify the Board immediately upon the occurrence of, or the directors becoming aware of, any matter which may affect their independence.
- The terms of reference of Audit Committee, Remuneration Committee, Nomination Committee, Corporate Governance Committee and Executive Management Committee are available to review on the Company's website.

(V) RESPONSIBILITIES OF DIRECTORS: GENERAL DUTIES AND SHARE DEALINGS

- The directors fully appreciate their roles and duties as directors with supportive commitment of creating a healthy corporate governance culture.
- On appointment, new directors will be given an introduction to the Group's major business activities, induction into their responsibilities and duties, and other regulatory requirements.
- Throughout the year, all directors complied with the required standard set out in the Model Code in Appendix 10 of the Listing Rules regarding Securities Transactions by Directors of Listed Issuers.

守則條文A.4.2規定每名董事須至少每三年輪值退任一次。根據本公司章程細則第105, 106及113條，包括董事總經理在內的所有董事均須輪值退任。

所有非執行董事及獨立非執行董事之委任條款詳情如下：

- (i) 履行及行使適合於本公司獨立非執行董事或非執行董事職務之有關職責及有關權力；
- (ii) 遵守適用於本公司董事之所有法律、規則及規例，包括但不限於上市規則；及
- (iii) 於發生或董事知悉任何可影響其獨立性之事宜時立即通知董事會。

有關審核委員會、薪酬委員會、提名委員會、企業管治委員會及執行管理委員會之職權範圍，可瀏覽本公司網頁。

(V) 董事之責任：一般職責及股份交易

- 所有董事均充分瞭解彼等之角色及職責，銳意創造一套健全之企業管治文化。
- 新任董事於入職時，將獲簡介本集團之主要業務、彼等之責任及職責以及其他監管要求。
- 年內，所有董事一直遵守上市規則附錄10有關上市公司董事進行證券交易的標準守則所規定之要求。

(VI) CONTINUOUS PROFESSIONAL DEVELOPMENT

- Code provision A.6.5 proposes that all directors should participate in continuous professional development to develop and refresh their knowledge and skills.
- All directors are well aware of the requirement of attending continuous professional training for the year ending 31 December 2021.

(VII) COMPANY SECRETARY

Mr. Lee Wai Hung, the Company Secretary also an Executive Director of the Company, is a full time employee of the Group and has day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Chairman and is responsible for advising the Board through the Chairman of the Board or Executive Management Committee on governance matters and also facilitates induction and professional development of the directors. All directors have access to the advices and services of the Company Secretary to ensure that the Board procedures, all applicable law, rules and regulations are followed. During the year, the Company Secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. The biography of Mr. Lee is set out in the section "Biographical Details of Directors and Senior Management" in the annual report.

(VI) 持續專業發展

- 守則條文A.6.5建議所有董事應參與持續專業發展，以拓展及更新其知識和技能。
- 所有董事均清楚知悉截至二零二一年十二月三十一日止年度持續接受專業培訓之要求。

(VII) 公司秘書

公司秘書李偉雄先生兼任本公司執行董事，為本集團之全職僱員，知悉本公司之日常事務。公司秘書向主席匯報，並負責透過董事會主席或執行管理委員會就管治事宜向董事會提供意見，並協助董事就任及專業發展。全體董事均可獲公司秘書提供意見及服務，以確保遵守董事會程序以及所有適用法律、規則及規例。年內，公司秘書已妥為遵守上市規則第3.29條下之相關專業培訓規定。李先生之履歷載於本年報的「董事及高級管理人員簡介」一節內。

(C) BOARD PROCESS**(I) MEETINGS: MATTERS RESERVED FOR FULL BOARD DECISION AND GENERAL PROCEEDINGS**

- In order to achieve a high standard of corporate governance and in compliance with the requirement as mentioned under Appendix I4 — Corporate Governance Code, the Board has performed to hold full Board meeting at least quarterly during the year 2020.

The Executive Management Committee was established on 30 October 2014. The current members of the committee comprised of Mr. Liu Lit Chi, Mr. Liu Kam Fai, Winston and Mr. Lee Wai Hung. Based on the duly approved terms of reference by the Board, the committee is authorised:

- (1) to discuss, formulate policies and make decisions on all matters relating to the daily management and operations of the Company and its subsidiaries;
- (2) to discuss significant daily operational issues;
- (3) to review key business performance and take prompt corrective actions as appropriate;
- (4) to discuss and formulate financial policy, including review and present of final and interim results of the Company to the Board, as well as make recommendation of interim and/or final dividends or other distributions to the Board;
- (5) to discuss business opportunities arising from changing conditions so as to formulate policies to sustain the growth of the Company; and
- (6) The Executive Management Committee is currently receiving monthly management report which shows the Group's financial and operating results with detailed analysis of different business activities.

- The main function of the committee could help to relieve the Board of detailed review of information and to increase the operational efficiency among different departments. For the avoidance of doubt, all matters that require public announcement pursuant to the Listing Rules or rules of any other relevant regulatory body must be approved by the Board.

(C) 董事會議事程序**(I) 會議：須由全體董事議決之事宜及一般程序**

- 為達致高水平之企業管治及遵守附錄14企業管治守則所述之規定，於二零二零年度董事會已履行最少每季舉行一次全體董事會會議之責任。

執行管理委員會於二零一四年十月三十日成立。委員會現任委員包括廖烈智先生、廖金輝先生及李偉雄先生。根據董事會正式批准的職權範圍，委員會獲授權：

- (1) 就本公司及其附屬公司的日常管理及營運相關事宜商討、制定政策，並作出決策；
- (2) 討論重大日常營運事宜；
- (3) 檢討業務表現，並在適當的情況下迅速採取修正措施；
- (4) 討論並制定財政政策，包括審閱及向董事會呈列本公司的末期及中期業績，以及向董事會建議派發中期及／或末期股息或作出其他分派；
- (5) 討論形勢變化所帶來的商機，並制定政策以確保本公司持續發展；及
- (6) 執行管理委員會現時每月均收到管理報告，詳細分析本集團不同商務活動的財務和經營業績。

- 委員會之主要職能可有助於減輕董事會詳盡審閱資料之負擔，並提升部門間的營運效率。為免生疑問，所有根據上市規則或其他相關監管機構的規定須予以公佈之事宜，必須尋求董事會批准。

- Matters reserved for full Board decision include material bank facilities arrangements, material acquisitions and disposals of assets, material transactions with connected parties, significant investments including large capital projects, delegation of authority, treasury and risk management policies and any matters involving a conflict of interest for a substantial shareholder or director.
- All directors have access to the Company Secretary who is responsible for ensuring that the Board procedures are complied with and advises the Board on corporate governance and compliance matters.
- The Company Secretary is responsible for taking minutes of the Board and the Board committee meetings, which are normally circulated to directors for comment within a reasonable time after each meeting and the final signed version is sent to all directors for their records and open for directors' inspection.
- All directors are allowed to take independent professional advice at Company's expense.
- The Company has purchased the Directors and Officers Liability insurance.
- Details of 2020 Board meetings attendance record are set out below:
- 須由全體董事議決之事宜包括重大銀行信貸安排、重大資產買賣事項、與關連方之重大交易、包括涉及巨額資金之重大投資項目、授權事項、財務及風險管理政策以及主要股東或董事涉及利益衝突之任何事項。
- 所有董事可聯絡公司秘書，彼負責確保董事會符合議事程序，並就企業管治及監管事宜向董事會提出建議。
- 公司秘書負責整理董事會及董事委員會之會議記錄，該等會議記錄一般在每次會議後之合理時間內送交董事傳閱，而最終簽署作實之定稿則送交全體董事存照，並可供董事隨時查閱。
- 所有董事均獲准利用公費尋求獨立專業意見。
- 公司已為董事及要員購買責任保險。
- 二零二零年度董事會會議出席記錄載列如下：

| | | Number of meeting attended 出席會議次數 | Attendance rate 出席率 |
|--|-------------------------|--------------------------------------|------------------------|
| Executive Directors | 執行董事 | | |
| Liu Lit Chi (Chairman, Managing Director and Chief Executive Officer) | 廖烈智 (主席、董事總經理兼行政總裁) | 4/4 | 100% |
| Liu Kam Fai, Winston (Deputy Managing Director) | 廖金輝 (副董事總經理) | 4/4 | 100% |
| Liu Kwun Shing, Christopher (resigned on 28 April 2020) | 廖坤城 (於二零二零年四月二十八日離職) | 1/1 | 100% |
| Lee Wai Hung | 李偉雄 | 4/4 | 100% |
| Non-executive Director | 非執行董事 | | |
| Kho Eng Tjoan, Christopher | 許榮泉 | 4/4 | 100% |
| Independent Non-executive Directors | 獨立非執行董事 | | |
| Cheng Mo Chi, Moses | 鄭慕智 | 2/4 | 50% |
| Au Kam Yuen, Arthur | 區錦源 | 4/4 | 100% |
| Ma Hung Ming, John | 馬鴻銘 | 4/4 | 100% |
| Cheng Yuk Wo | 鄭毓和 | 4/4 | 100% |
| Tong Tsun Sum, Eric | 唐晉森 | 4/4 | 100% |

(II) SUPPLY OF INFORMATION: QUALITY AND TIMELINESS

- The Company attaches great importance to continually improve on the quality and timeliness of the dissemination of information to the directors.
- The Chairman is responsible for ensuring adequate supply of information to the directors.
- The agenda and accompanying board papers will be sent in full to all directors in a timely manner (we aim to give relevant documents at least five clear days replacing current practice of at least three clear days in advance of meeting). Where appropriate, communications are sent electronically.
- All directors are currently provided with quarterly management reports which shows the Group's financial and operating results with detailed analysis of those major rental properties, property under development and other investments.
- A full Board meeting, held by each quarter, was regularly taken for the purpose of reviewing and updating the Company's business and operating results with reference to the quarterly management report.
- Managing Director is currently holding internal management meetings twice a week with all Executive Directors and different department heads to update directors on their lines of business and to review performance for delegated assignment.
- Executive Management Committee meetings were held twice a week to discuss the daily operation and to review the Company matters by reference to monthly management reports.

(II) 資料提供：質素和及時性

- 繼續改善向董事發放資料之質素和及時性是本公司之首要任務。
- 主席有責任確保向董事提供充足資料。
- 議程及隨附的董事會文件將及時全部發送給所有董事(目標是至少提前五天提交相關文件，取代會議前至少三天的現行做法)。在適當情況下，通過電子方式發送通訊。
- 所有董事現時獲提供季度管理報告，內容提供本集團之財務及營運業績詳盡分析，其中包括主要租賃物業、發展中物業及其他投資。
- 每季定期舉行一次全體董事會會議，根據季度管理報告審閱及更新本公司業務及營運業績。
- 董事總經理現時每週兩次與所有執行董事及不同部門主管舉行內部管理會議，向董事提供彼等業務之最新狀況及審核其獲指派工作之表現。
- 執行管理委員會每週舉行兩次會議，討論日常營運事宜，並參考每月管理報告檢討本公司事務。

(III) RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

After the year ended of 2015, the Executive Management Committee had engaged Messrs. Deloitte Touche Tohmatsu (“Deloitte”) to provide consultancy services in relation to enterprise risk management and internal controls. The Board understands that it is the Board’s responsibility to evaluate the risks of the Company and to implement the Company’s strategic objective through an established, appropriate and effective risk management and internal control systems.

Senior management had discussed with Deloitte regarding to the Company’s existing system and internal controls and an appropriate policy and detailed work plan had been formulated after having identified the main area of risks.

- During the year of 2020, the management had completed enterprise risk management and the internal control assessment and various follow up actions had been done based on the findings and recommendations by Deloitte. The management highly regards the internal controls and considered that such review based on the identified audit areas, will be performed annually so as to manage the risk and control the effectiveness of the system.

(D) REMUNERATION OF DIRECTORS

Procedures for Remuneration Committee to set directors and senior management’s remuneration policy:

- The Company has set up Remuneration Committee on 3 March 2005. Its terms of reference are to review and determine the remuneration packages for all directors and senior management.
- The Remuneration Committee currently comprises four members, including three of the Independent Non-executive Directors, namely Dr. Cheng Mo Chi, Moses (Chairman), Dr. Ma Hung Ming, John and Mr. Cheng Yuk Wo and a Non-executive Director, Mr. Kho Eng Tjoan, Christopher.
- The committee meets at least once per annum.

(III) 風險管理及內部監控系統

於二零一五年底後，執行管理委員會已聘請德勤·關黃陳方會計師行（「德勤」）對有關企業風險管理和內部監控提供諮詢服務。董事會了解評估公司的風險是董事會的責任，並通過建立適當和有效的風險管理和內部監控系統來實現公司的策略目標。

經與德勤討論了公司現有的制度和內部監控，並確定主要風險後，高級管理層已制定出適當的政策和詳細的工作計劃。

- 於二零二零年期間，管理層已完成企業風險管理和內部監控評估，並根據德勤的調查結果和各項建議採取了各種後續行動。管理層高度重視內部監控，並認為基於已確定的審計範疇進行此類審查將每年進行一次，以便有效管理風險和監控系統。

(D) 董事酬金

薪酬委員會釐定董事及高級管理人員薪酬政策之程序：

- 本公司已於二零零五年三月三日成立薪酬委員會，其職權範圍乃負責檢討及釐定所有董事及高級管理人員之薪酬待遇。
- 薪酬委員會目前由四名委員組成，包括三個獨立非執行董事，鄭慕智博士（主席）、馬鴻銘博士、鄭毓和先生及非執行董事許榮泉先生。
- 委員會每年至少舉行一次會議。

- The main duties of the committee include the followings:
 - (i) to make recommendations to the Board on or determine the Company's policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
 - (ii) to determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management, including benefits in kind, pension rights and compensation payment and any compensation payable for loss or termination of their office or appointment;
 - (iii) to make recommendations to the Board on or determine the remuneration of Non-executive Directors;
 - (iv) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
 - Details of 2020 Remuneration Committee meeting attendance record are set out below:
- 委員會之主要職責包括下列各項：
 - (i) 就本公司所有董事及高級管理人員之薪酬政策及架構以及就設立正式而具透明度之程序制訂此等薪酬政策，向董事會提出建議；
 - (ii) 授權釐定個別執行董事和高級管理人員的薪酬待遇，包括實物福利、退休金權利和賠償金，以及因喪失或終止職務／任命而應支付的任何賠償金；
 - (iii) 就釐定非執行董事之薪酬向董事會作出建議；
 - (iv) 根據董事會擬定之企業目標，檢討及批准管理層薪酬建議。
 - 二零二零年度薪酬委員會會議出席記錄載列如下：

| Members of Remuneration Committee | 薪酬委員會委員 | Number of meeting attended 出席會議次數 | Attendance rate 出席率 |
|---|-------------------|--------------------------------------|------------------------|
| Cheng Mo Chi, Moses (<i>Chairman</i>) | 鄭慕智 (<i>主席</i>) | 1/1 | 100% |
| Kho Eng Tjoan, Christopher | 許榮泉 | 1/1 | 100% |
| Ma Hung Ming, John | 馬鴻銘 | 1/1 | 100% |
| Cheng Yuk Wo | 鄭毓和 | 1/1 | 100% |
| Cavior Liu (<i>Secretary</i>) | 廖鈞慧 (<i>秘書</i>) | 1/1 | 100% |

- The committee is authorised by the Board to oversee and determine the remuneration of Executive Directors and senior management.
 - No director is involved in deciding his own remuneration. On matters other than those concerning him, the Chairman or Managing Director may be invited to committee meetings to give advices.
- 委員會獲董事會授權監察及釐定執行董事及高級管理人員之薪酬。
 - 並無董事參與決定自己的薪酬。除牽涉到與他本身有關的事項外，主席或董事總經理可應邀出席委員會會議以提供意見。

- Committee members are allowed under certain procedures to take independent professional advice at Company's expense for making and determining the remuneration package proposal.
- The committee will present a report to the Board after each meeting, which addresses its work and findings.
- The committee will make recommendation to the Board regarding the remuneration, comprising directors' fees for all Directors, for shareholders approval at the annual general meeting.
- Details on the mandate and summary of the work by the Remuneration Committee during the year are set out in the Remuneration Committee Report on page 42.
- The terms of reference of Remuneration Committee are available on the Company's website and the Stock Exchange's website.
- 根據若干程序，委員會委員獲准就制定及確定薪酬待遇方案採納獨立專業意見，開支由本公司承擔。
- 委員會於每次會議後須向董事會呈交有關其工作情況及審閱結果之報告。
- 委員會將就薪酬方案，包括所有董事之董事袍金向董事會作出建議，以供股東於股東周年大會批准。
- 年內薪酬委員會之授權及工作摘要載於第42頁之薪酬委員會報告書內。
- 有關薪酬委員會之職權範圍，可瀏覽本公司及聯交所網頁。

(E) ACCOUNTABILITY AND AUDIT

(I) FINANCIAL REPORTING: BALANCED, CLEAR AND COMPREHENSIVE ASSESSMENT OF THE COMPANY'S PERFORMANCE, POSITION OF PROSPECTS

- The Board believes that it presents a comprehensive, balanced and understandable assessment of the Group's position and prospects in all shareholder communications.
- The Board fully understands its responsibilities regarding the preparation of financial statements.

(II) AUDIT COMMITTEE AND AUDITORS: TERMS OF REFERENCE AND RELATIONSHIP WITH MANAGEMENT AND EXTERNAL AUDITORS

- The Audit Committee currently comprises four members, all of them are Independent Non-executive Directors, namely Mr. Cheng Yuk Wo (Chairman), Dr. Cheng Mo Chi, Moses, Mr. Au Kam Yuen, Arthur and Mr. Tong Tsun Sum, Eric.
- All members have experience in reviewing and analysing audited financial statements of public companies or major organisations.

(E) 問責及審核

(I) 財務報告：對本公司之表現及前景展望作出平衡、清晰及全面之評估

- 董事會相信，其在所有股東通訊內對本集團之狀況及前景所作出之評估乃全面、平衡及容易理解。
- 董事會充分瞭解其在編製財務報表時之責任。

(II) 審核委員會及核數師：職權範圍及與管理層及外聘核數師之關係

- 審核委員會目前由四名委員組成，所有委員均為獨立非執行董事，分別為鄭毓和先生（主席）、鄭慕智博士、區錦源先生和唐晉森先生。
- 所有委員在審閱及分析上市公司或大型機構有關經審核財務報表方面具有豐富經驗。

- The committee meets not less than twice per annum. The Chairman, the Managing Director and the Executive Director who is in charge of finance matters may be invited to the meetings. The committee also meets not less than twice per annum with the Company's auditor.
- The main duties of the committee include the followings:
 - (i) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
 - (ii) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
 - (iii) to develop and implement policy on engaging an external auditor to supply non-audit services;
 - (iv) to monitor integrity of the Company's financial statements and annual report and accounts, interim report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them;
 - (v) to review the Company's financial controls, and unless expressly addressed by a separate board risk committee, or by the board itself, to review the Company's risk management and internal control systems;
 - (vi) to discuss the risk management and internal control systems with management to ensure that management has performed its duties to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experiences, training programmes and budget of the Company's accounting and financial reporting function;
 - (vii) to consider major investigation findings on risk management and internal control matters as delegated by the board or on its own initiative and management's response to these findings;
- 委員會每年舉行至少兩次會議。可邀請主席、董事總經理及負責財務事宜之執行董事出席會議。委員會亦與本公司核數師每年至少舉行兩次會議。
- 委員會之主要職責包括下列各項：
 - (i) 主要負責就外聘核數師之委任、重新委任及罷免向董事會提供建議、批准外聘核數師之薪酬及聘用條款，及處理任何有關該核數師辭任或辭退該核數師之問題；
 - (ii) 按適用之準則檢討及監察外聘核數師是否獨立客觀及核數程序是否有效；
 - (iii) 就外聘核數師提供非核數服務制定政策，並予以執行；
 - (iv) 監察本公司之財務報表以及年度報告及賬目、中期報告及(若擬刊發)季度報告之完整性，並審閱其中包含的重大財務報告判斷；
 - (v) 檢討本公司的財務監控，以及檢討本公司的風險管理及內部監控系統(除非有另設的董事會轄下風險委員會又或董事會本身會明確處理)；
 - (vi) 與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的系統。討論內容應包括本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足；
 - (vii) 主動或應董事會的委派，就有關風險管理及內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究；

- (viii) to review the Group's financial and accounting policies and practices;
 - (ix) to review the external auditor's management letter, any material queries raised by the auditor to management about the accounting records, financial accounts or systems of control and management's response; and
 - (x) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter.
- Details of 2020 Audit Committee meetings attendance record are set out below:
- (viii) 檢討本集團之財務及會計政策及常規；
 - (ix) 檢查外聘核數師致管理層之函件、核數師就會計紀錄、財務賬目或監控制度向管理層提出的任何重大疑問及管理層作出之回應；及
 - (x) 確保董事會及時回應於外聘核數師給予管理層之審核情況說明函件中提出的事宜。
- 二零二零年度審核委員會會議出席記錄載列如下：

| Members of Audit Committee | 審核委員會委員 | Number of meeting attended 出席會議次數 | Attendance rate 出席率 |
|-----------------------------------|-------------------|--------------------------------------|------------------------|
| Cheng Yuk Wo (<i>Chairman</i>) | 鄭毓和 (<i>主席</i>) | 2/2 | 100% |
| Cheng Mo Chi, Moses | 鄭慕智 | 2/2 | 100% |
| Au Kam Yuen, Arthur | 區錦源 | 2/2 | 100% |
| Tong Tsun Sum, Eric | 唐晉森 | 2/2 | 100% |
| Lee Wai Hung (<i>Secretary</i>) | 李偉雄 (<i>秘書</i>) | 2/2 | 100% |

- Under its terms of reference, the committee is required, amongst other things, to oversee the relationship with external auditors, to review the Company's interim and annual financial statements, and to evaluate the Group's system of internal controls.
 - There is an agreed procedure for Audit Committee members to take independent professional advice at Company's expense.
 - The committee presents a report or makes advice to the Board after each meeting for addressing their work done and findings.
 - Details on the mandate and work performed by the Audit Committee during the year are set out in the Audit Committee Report on pages 38 to 39.
 - The terms of reference of Audit Committee are available on the Company's website and the Stock Exchange's website.
- 根據其職權範圍，委員會必須（其中包括）監察與外聘核數師之關係、審閱本公司之中期及年度財務報表，以及評估本集團內部監控制度。
 - 審核委員會委員可根據既定程序，尋求獨立專業意見，費用由本公司支付。
 - 委員會於每次會議後向董事會提交有關其工作情況及審閱結果之報告或提供意見。
 - 年內審核委員會之授權及工作詳情載於第38至39頁之審核委員會報告書內。
 - 有關審核委員會之職權範圍，可瀏覽本公司及聯交所網頁。

(III) AUDITOR'S REMUNERATION

For the year ended 31 December 2020, the auditor had received from the Company and its subsidiaries approximately HK\$3.82 million for audit and audit related services (2019: HK\$3.33 million) as well as HK\$0.67 million for non-audit services (2019: HK\$0.5 million).

(IV) INTERNAL CONTROL: SOUND AND EFFECTIVE SYSTEM TO SAFEGUARD SHAREHOLDER INTERESTS AND COMPANY ASSETS

- Risk management is a crucial part of the Group's strategic management to monitor the Company's overall financial position and to protect its assets.
- The Group is committed to implementing effective risk management policies and internal control procedures to identify and manage the risks that the Group may be exposed to.
- These policies and procedures are reviewed regularly by Executive Management Committee together with the assistance of external auditors during the course of audit and separate assignment to ensure their effectiveness and compliance with Code on Corporate Governance Practices.
- The Managing Director and Executive Directors will discuss with external auditor in the Audit Committee meeting at least twice a year on key issues in relation to internal controls, audit findings and risk management.
- As concluded in 2020 Audit Committee meeting, no irregularities and major weakness in control were found by the auditor.

(F) NOMINATION COMMITTEE

- The Company has set up the Nomination Committee on 7 March 2012, which is mainly responsible for making recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors.
- The Nomination Committee is chaired by the Chairman of the Board. The committee shall comprise members not less than three and a majority of the committee is Independent Non-executive Directors.

(III) 核數師酬金

截至二零二零年十二月三十一日止年度，本公司及其附屬公司之核數師就審核及審核相關服務收取約港幣3,820,000元(二零一九年：港幣3,330,000元)，就非審核服務收取港幣670,000元(二零一九年：港幣500,000元)。

(IV) 內部監控：以健全有效之系統保障股東利益及本公司之資產

- 風險管理是本集團為監控本公司整體財政狀況及保障其資產之策略性管理之關鍵部分。
- 本集團致力落實有效風險管理政策及內部監控程序，以確認及管理本集團可能面對之風險。
- 於審核期間和獨立工作，執行管理委員會在外聘核數師之協助下，定期檢討有關政策及程序，以確保其成效，並遵守企業管治常規守則。
- 董事總經理及執行董事將於審核委員會會議上(每年最少舉行兩次)，就內部監控、審核結果及風險管理等主要事項與外聘核數師進行討論。
- 誠如於二零二零年審核委員會會議所作總結，核數師概無發現任何違規或監管不足之情況。

(F) 提名委員會

- 本公司於二零一二年三月七日成立提名委員會，主要負責就董事委任或重新委任以及就董事繼任計劃向董事會提出建議。
- 提名委員會主席由董事會主席擔任。委員會須由不少於三名委員組成，而大部分委員均為獨立非執行董事。

- The Nomination Committee is currently chaired by Mr. Liu Lit Chi, the Chairman of the Board.
 - Other members are Mr. Au Kam Yuen, Arthur, Dr. Ma Hung Ming, John, Mr. Cheng Yuk Wo and Mr. Tong Tsun Sum, Eric (Independent Non-executive Directors) and Mr. Kho Eng Tjoan, Christopher (a Non-executive Director).
 - The committee meets at least once per annum.
 - The main duties of the committee include the followings:
 - to review the structure, size and composition (including the skills, knowledge and experience required) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
 - to identify individuals suitably qualified to become directors of the Company and select or make recommendations to the Board on the selection of individuals nominated for directorships;
 - to assess the independence of Independent Non-executive Directors of the Company; and
 - to make recommendations to the Board on the appointment or re-appointment of the directors and succession plan for directors, in particular the Chairman and Chief Executive Officer of the Company.
 - Details of 2020 Nomination Committee meeting attendance record are set out belows:
- 提名委員會主席現由董事會主席廖烈智先生擔任。
 - 委員會現時其他委員包括獨立非執行董事區錦源先生、馬鴻銘博士、鄭毓和先生及唐晉森先生，以及非執行董事許榮泉先生。
 - 委員會每年至少舉行一次會議。
 - 委員會之主要職責包括下列各項：
 - 至少每年檢討董事會之架構、人數及組成(包括技能、知識及經驗方面)並就任何為配合本公司之策略而擬對董事會作出之變動提出建議；
 - 物色具備合適資格可擔任本公司董事之人士，並挑選提名個別人士出任董事或就此向董事會提供意見；
 - 評核本公司獨立非執行董事之獨立性；及
 - 就董事的委任或重新委任及董事(特別是本公司主席及行政總裁)的繼任計劃向董事會提出建議。
 - 二零二零年度提名委員會會議出席記錄載列如下：

| | | Number of meeting attended 出席會議次數 | Attendance rate 出席率 |
|--|-------------------|--------------------------------------|------------------------|
| Members of Nomination Committee | 提名委員會委員 | | |
| Liu Lit Chi (<i>Chairman</i>) | 廖烈智 (<i>主席</i>) | 1/1 | 100% |
| Kho Eng Tjoan, Christopher | 許榮泉 | 1/1 | 100% |
| Cheng Yuk Wo | 鄭毓和 | 1/1 | 100% |
| Au Kam Yuen, Arthur | 區錦源 | 1/1 | 100% |
| Ma Hung Ming, John | 馬鴻銘 | 1/1 | 100% |
| Tong Tsun Sum, Eric | 唐晉森 | 1/1 | 100% |
| Lee Wai Hung (<i>Secretary</i>) | 李偉雄 (<i>秘書</i>) | 1/1 | 100% |

- Committee members are allowed to take independent professional advice at Company's expense.
- 委員會委員可尋求獨立專業意見，費用由本公司支付。

- Details of the mandate and summary of the work by the Nomination Committee during the year are set out in the Nomination Committee Report on pages 40 to 41.
- The terms of reference of the Nomination Committee are available on the Company's website and the Stock Exchange's website.
- 年內提名委員會之授權及工作詳情載於第40至41頁之提名委員會報告書內。
- 有關提名委員會之職權範圍，可瀏覽本公司及聯交所網頁。

(G) CORPORATE GOVERNANCE COMMITTEE

- The Company has set up the Corporate Governance Committee on 7 March 2012, which is mainly responsible for performing the corporate governance duties of the Board.
 - The Corporate Governance Committee is chaired by Mr. Liu Kam Fai, Winston.
 - Its other current members are Mr. Lee Wai Hung, Executive Director of the Company and two Independent Non-executive Directors namely, Mr. Au Kam Yuen, Arthur and Dr. Ma Hung Ming, John.
 - The committee meets at least once per annum.
 - The Corporate Governance Committee determines the policy for the corporate governance of the Company. The duties performed by the Corporate Governance Committee include the followings:
 - to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
 - to review and monitor the training and continuous professional development of the directors of the Company and the senior management;
 - to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
 - to develop, review and monitor the code of conduct applicable to the directors and the employees of the Company;
 - to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report as required under the Listing Rules; and
- (G) 企業管治委員會
- 本公司於二零一二年三月七日成立企業管治委員會，主要負責履行董事會之企業管治職務。
 - 企業管治委員會主席由廖金輝先生擔任。
 - 委員會現時其他委員包括李偉雄先生，為本公司的執行董事，以及兩位獨立非執行董事區錦源先生及馬鴻銘博士。
 - 委員會每年至少舉行一次會議。
 - 企業管治委員會釐定本公司企業管治政策。企業管治委員會履行之職責包括下列各項：
 - 制訂及檢討本公司之企業管治政策及常規，並向董事會提出建議；
 - 檢討及監察本公司董事及高級管理人員之培訓及持續專業發展；
 - 檢討及監察本公司之政策及常規是否遵守法律及監管規定；
 - 制訂、檢討及監察適用於本公司董事及僱員之行為守則；
 - 檢討本公司是否遵守企業管治守則及有否根據上市規則之規定於企業管治報告作出披露；及

(vi) to hold regular meetings with all department heads from time to time requesting them to review their corporate governance within the department and require them to submit proposal or remedy action to redress the matters.

(vi) 不時與所有部門主管定期舉行會議，要求彼等檢討其部門內之企業管治，並提呈建議或補救行動糾正有關事宜。

- Details of 2020 Corporate Governance Committee meeting attendance record are set out below:

- 二零二零年度企業管治委員會會議出席記錄載列如下：

| | | Number of meeting attended 出席會議次數 | Attendance rate 出席率 |
|---|-------------------------|--------------------------------------|------------------------|
| Members of Corporate Governance Committee | 企業管治委員會委員 | | |
| Liu Kam Fai, Winston (<i>Chairman</i>) | 廖金輝 (主席) | 1/1 | 100% |
| Liu Kwun Shing, Christopher (<i>Resigned on 28 April 2020</i>) | 廖坤城 (於二零二零年四月二十八日離職) | - | - |
| Au Kam Yuen, Arthur | 區錦源 | 1/1 | 100% |
| Ma Hung Ming, John | 馬鴻銘 | 1/1 | 100% |
| Lee Wai Hung | 李偉雄 | 1/1 | 100% |

- Committee members are allowed to take independent professional advice at Company's expense.
- The terms of reference of the Corporate Governance Committee are available on the Company's website.

- 委員會委員獲准聽取獨立專業意見，費用由本公司承擔。

- 有關企業管治委員會之職權範圍，可瀏覽本公司網頁。

(H) DELEGATION BY BOARD

(H) 董事會授權

(I) RELATIONSHIP WITH MANAGEMENT

(I) 與管理層之關係

- The Board and management (include different departmental heads) fully appreciate their respective roles with supportive commitments of creating a healthy corporate governance culture.
- The Board is responsible for overseeing the processes that management (include different departmental heads) has in place to identify business opportunities and risks.
- The Board has delegated management functions to Executive Management Committee and different department heads for the Company's operations and daily business affairs.

- 董事會及管理層(包括各部門主管)充分瞭解彼此在支持創造一套健全企業管治文化上擔當之角色。
- 董事會負責監察管理層(包括各部門主管)確定商機及風險之現有程序。
- 董事會已授權執行管理委員會及各部門主管處理公司日常營運及業務事宜。

(II) BOARD COMMITTEES: SPECIFIC TERMS OF REFERENCE AND REPORT TO FULL BOARD

- The Board currently has five Board committees, namely the Audit Committee, Remuneration Committee, Nomination Committee, Corporate Governance Committee and Executive Management Committee, each of the Committees have specific written terms of reference.
- The Audit Committee is chaired by Mr. Cheng Yuk Wo and all members are Independent Non-executive Directors.
- The Remuneration Committee is chaired by Dr. Cheng Mo Chi, Moses and has a majority of Independent Non-executive Directors.
- The Nomination Committee is chaired by Mr. Liu Lit Chi, the Chairman of the Board and has a majority of Independent Non-executive Directors.
- The Corporate Governance Committee is chaired by Mr. Liu Kam Fai, Winston and comprises one Executive Director and two Independent Non-executive Directors of the Company.
- The Executive Management Committee comprises three Executive Directors of the Company.
- Each Board committees present their respective reports to the Board after each meeting, for addressing their work done and findings.

(I) SHAREHOLDER COMMUNICATION POLICY**(I) PREAMBLE**

This policy sets out the Company's standards and practices in relation to communicating with its shareholders and prospective investors.

- The Company is committed to maintaining a policy of open and timely disclosure of relevant information on its activities to shareholders, subject to applicable legal requirements.

(II) 董事委員會：特定職權範圍，向董事會全體成員負責

- 董事會現時設有五個董事委員會，分別為審核委員會、薪酬委員會、提名委員會、企業管治委員會及執行管理委員會，各委員會均訂有特定職權範圍書。
- 審核委員會主席為鄭毓和先生及所有委員全屬獨立非執行董事。
- 薪酬委員會主席為鄭慕智博士及其獨立非執行董事佔大多數。
- 提名委員會主席一職由董事會主席廖烈智先生出任，其中獨立非執行董事佔大多數。
- 企業管治委員會主席由廖金輝先生出任，及由本公司一名執行董事及兩名獨立非執行董事組成。
- 執行管理委員會由本公司三名執行董事組成。
- 各董事委員會於每次會議後向董事會提交有關其工作情況及審閱結果之報告。

(I) 股東溝通政策**(I) 前言**

本政策載列有關本公司與其股東及有意投資者溝通之準則及常規。

- 本公司致力維持適時向股東公開及披露其業務之相關資料，惟須受適用法律規定所規限。

- The Company believes that providing regular communications to its shareholders and the market is important to ensure they have the available information reasonably required to make informed assessments of the Company's strategy, operations and financial performance.
 - Communication channels
Communication is made through:
 - the Company's annual and interim reports, which have been enhanced to present a comprehensive, balanced and understandable assessment of the Group position and prospects.
 - notices of and explanatory memoranda for annual and other general meetings, which have been enhanced to provide shareholders with additional information in an understandable manner.
 - press releases on major developments of the Company and its subsidiaries.
 - disclosures to the Stock Exchange and relevant regulatory bodies.
 - Company's website at <http://www.lchi.com.hk> from which shareholders can access information of the Group. The website provides, inter alia, corporate announcements, business development and operations, press releases, financial reports, and corporate information of the Group.
- (II) SHAREHOLDERS' MEETING**
- The Board regards the annual general meeting as the principal opportunity to meet with shareholders and welcome any constructive opinions.
- 本公司相信與其股東及市場定期溝通，對確保彼等獲得合理所需資訊以就本公司之策略、營運及財務表現作出知情評估至為重要。
 - 溝通渠道
上述溝通乃通過下列各項進行：
 - 加強本公司年度及中期報告之內容，以對本集團之狀況及前景作出全面、平衡及易於理解之評估。
 - 加強周年及其他股東大會之通告及說明備忘錄之內容，以易於理解之方式向股東提供進一步資料。
 - 有關本公司及其附屬公司重大發展之新聞公佈。
 - 向聯交所及有關監管機構作出之披露。
 - 股東可藉瀏覽本公司之網頁(網址：<http://www.lchi.com.hk>)以獲悉本集團之資料。此網頁提供(其中包括)本集團之企業公告、業務發展及營運、新聞稿、財務報告及企業資料。
- (II) 股東大會**
- 董事會歡迎股東在股東周年大會上提供有建設性之建議，並視股東周年大會為與個別股東接觸之主要機會。

- Details of director's attendance record of the annual general meeting of the Company held for year ended 31 December 2020 are set out below:
- 截至二零二零年十二月三十一日止年度之本公司股東大會董事出席記錄載列如下：

| | | Number of meeting attended 出席會議次數 | Attendance rate 出席率 |
|--|-----------------|--------------------------------------|------------------------|
| Executive Directors | 執行董事 | | |
| Liu Lit Chi (Chairman) | 廖烈智 (主席) | 1/1 | 100% |
| Liu Kam Fai, Winston (Deputy Managing Director) | 廖金輝 (副董事總經理) | 1/1 | 100% |
| Lee Wai Hung | 李偉雄 | 1/1 | 100% |
| Non-executive Director | 非執行董事 | | |
| Kho Eng Tjoan, Christopher | 許榮泉 | 1/1 | 100% |
| Independent Non-executive Directors | 獨立非執行董事 | | |
| Cheng Mo Chi, Moses | 鄭慕智 | 0/1 | 0% |
| Au Kam Yuen, Arthur | 區錦源 | 1/1 | 100% |
| Ma Hung Ming, John | 馬鴻銘 | 1/1 | 100% |
| Cheng Yuk Wo | 鄭毓和 | 1/1 | 100% |
| Tong Tsun Sum, Eric | 唐晉森 | 1/1 | 100% |

- The Company arranges for the annual report and financial statements and related papers to be posted for shareholders so as to allow at least 21 days for consideration prior to the annual general meeting. And all other general meetings to be sent at least 14 days.
- 為使股東有充裕時間考慮，本公司安排於股東周年大會前至少21日向股東寄發年報、財務報表及相關文件，而就所有其他股東大會而言，則須在大會舉行前至少14日發送通知。
- The Board encourages and supports shareholder participation in general meetings. Shareholders are encouraged to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend such meetings.
- 董事會鼓勵及支持股東參與股東大會。董事會鼓勵無法出席有關大會之股東委派代表代其出席大會並於會上投票。
- Mechanisms for enabling shareholder participation will be reviewed on a regular basis by the Board to encourage the highest level of participation.
- 董事會定期檢討准許股東參與股東大會之機制，務求將參與程度提升至最高。
- Chairman of the Board, appropriate members of the Board committees and the external auditor of the Company will attend the annual general meetings to answer questions from the shareholders.
- 董事會主席、董事委員會之適當委員及本公司之外聘核數師將參與股東周年大會以回答股東之提問。

(III) SHAREHOLDERS' ENQUIRIES

- Inquiries from shareholders, investors, media or the public are responded by the Executive Directors, Director of Finance, Company Secretary or the appropriate members of senior management.
- The Company will respond in a timely manner to shareholders' queries and concerns.

(IV) THE ADMINISTRATION OF ANNUAL GENERAL MEETING

- All ordinary shares of the Company have equal voting rights. Annual general meeting proceedings are continually reviewed in the light of Code on Corporate Governance Practices.
- Separate resolutions are proposed at the meeting on each substantially separate issue, including the election of individual directors.
- Preparation of a comprehensive annual general meeting circular containing:
 - re-election of directors;
 - general mandate to buy-back shares;
 - general mandate to issue shares;
 - amendments to the Articles of Association, if any;
 - voting at annual general meeting; and
 - comprehensive information on each resolution to be proposed.

The Company's Articles contain the rights of shareholders to demand and the procedures for a poll voting on resolution at shareholders' meetings. Details of such rights to demand a poll and the poll procedures are included in all circulars in relation to shareholders' meetings and will be explained during the proceedings of shareholders' meetings. In case poll voting is conducted, the poll results will be posted on the websites of the Stock Exchange and the Company on the business day following the shareholders' meeting.

To promote effective communication, the Company maintains a website at <http://www.lchi.com.hk> where the Company's announcements, business development and operations, financial information, corporate governance practices and other information are posted.

Information on top 10 largest shareholders and location of shareholders are set out in Directors' Report on page 32.

(III) 股東之查詢

- 股東、投資者、媒體或公眾之查詢，均由執行董事、財務總監、公司秘書或適當之高級管理人員作出回應。
- 本公司將即時回應股東之查詢及關注。

(IV) 股東周年大會之行政事宜

- 本公司所有普通股擁有同等投票權。根據企業管治常規守則，不斷檢討股東周年大會之議事程序。
- 會上須就各重大獨立事項(包括選舉個別董事)提呈獨立決議案。
- 編製一份綜合以下內容之股東周年大會通函：
 - 重選董事；
 - 回購股份之一般授權；
 - 發行股份之一般授權；
 - 修訂章程細則，如有；
 - 於股東周年大會上投票；及
 - 每個擬提呈決議案之詳細資料。

本公司章程細則亦訂明股東於股東大會上就決議案要求以投票方式表決之權利及程序。有關要求以投票方式進行表決及表決程序之詳情載於所有就召開股東大會而刊發之致股東通函內，並於股東大會進行時加以說明。倘以投票方式進行表決，投票表決之結果將會於股東大會後下一個交易日在聯交所及本公司網站刊登。

為加強溝通，本公司設立網站(網址：<http://www.lchi.com.hk>)刊發本公司公告、業務發展及營運、財務資料、企業管治常規以及其他資料。

首10名持股量最高股東之資料及股東分佈載於第32頁之董事會報告書內。

(V) PROCEDURES FOR SHAREHOLDERS TO CONVENE A GENERAL MEETING (“GM”)

- Shareholders holding not less than 5% of the total voting rights of all shareholders having a right to vote may request to call a GM of the Company.
- The written request: (a) must state the general nature of the GM; (b) may include the text of a resolution that may properly be moved and is intended to be moved at the GM; (c) must be signed by the shareholders making such request, and (d) may consist of several documents in like form each signed by one or more of those shareholders. A request by joint holders of shares must be signed by all such holders.
- The request should be deposited at the registered office of the Company for the attention of the Company Secretary.
- The request will be verified by the Company’s share registrar and upon its confirmation that the request is valid, the Company Secretary will convene a GM on behalf of the Board by serving sufficient notice in accordance with the statutory requirements or applicable rules or regulations to all the registered shareholders.
- If the request is verified to be not in order, shareholders concerned will be informed and no GM will be convened.
- If the directors do not within 21 days from the date of the deposit of the request proceed to convene a GM, the shareholders concerned or any of them representing more than one-half of the total voting rights of all of them may themselves convene a GM, but any GM so convened shall not be held after the expiration of three months from the date of the deposit of the request.
- In the case of a GM at which a resolution is to be proposed as a special resolution, the directors shall be deemed not to have duly convened the GM if they do not give such notice as is required by section 578 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

(V) 股東召開股東大會（「股東大會」）之程序

- 持有全數不少於5%表決權之股東可提出書面要求召開股東大會。
- 該書面要求須：(a)列明股東大會性質；(b)可包含在該股東大會上恰當地動議並擬在該股東大會上動議的決議案全文；(c)須由提出該要求之股東簽署，及(d)可能包括一名或多名該等股東簽署之多份形式類似之文件。股份聯名持有人提出之要求須由所有該等持有人簽署。
- 該要求須寄交本公司註冊辦事處公司秘書。
- 該要求須由本公司股份過戶登記處核實，一旦確認該要求屬有效，公司秘書將代表董事會根據法定要求或適用規則或規例向所有登記股東送達充分通知而召開股東大會。
- 倘該要求被證實無效，有關股東將獲知會，而股東大會將不會召開。
- 如董事未能於收到要求日期起計21日內召開股東大會，有關股東或任何擁有過半總投票權之股東均可召開股東大會，惟召開之股東大會不得於提出要求日期起計三個月屆滿後舉行。
- 就提呈一項決議案為特別決議案之股東大會而言，如董事未能根據公司條例（香港法律第622章）第578條作出有關通知，則彼等將被視為並無正式召開股東大會。

(VI) PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT GENERAL MEETINGS

- Pursuant to section 615 of the Companies Ordinance (Cap 622, Laws of Hong Kong), the Company must give notice of a resolution if it has received requests from the following number of shareholders:
 - (i) Shareholders holding at least 2.5% of the total voting rights of all shareholders having the right to vote on the resolution at the annual general meeting to which the request relates; or
 - (ii) not less than 50 shareholders who have the right to vote on the resolution at the annual general meeting to which the request relates.
- The written request: (a) must be signed by all the shareholders concerned; (b) must be sent to the Company in hard copy form at the registered office of the Company; (c) must identify the resolution of which notice is to be given; (d) must be authenticated by the person or persons making it; and (e) must be received by the Company not later than 6 weeks before the annual general meeting to which the requests relate; or if later, the time at which notice is given of that meeting.
- The request will be verified with the Company's share registrar and upon its confirmation that the request is valid, the Company will give notice of the resolution or circulate the statement provided that:
 - (a) if the request relates to an annual general meeting,
 - (i) the proposed statement must be received in time to enable the Company to send a copy of the statement when the notice of annual general meeting is despatched;
 - (ii) and, the shareholders concerned have to deposit a sum reasonably sufficient to meet the Company's expenses in regard thereto not later than 7 days before the annual general meeting.

(VI) 股東於股東大會提呈建議之程序

- 根據公司條例(香港法律第622章)第615條,本公司如接獲以下數目之股東要求,必須就決議案作出通知:
 - (i) 持有最少2.5%全體股東總表決權,有權在該要求所提及的股東周年大會上就該決議案表決的股東;或
 - (ii) 不少於50名有權在該要求所提及的股東周年大會上就該決議案表決的股東。
- 書面要求:(a)須由所有有關股東簽署;(b)須採用印本形式寄送至本公司註冊辦事處;(c)須確認要發出通告的決議案;(d)須經所有提出該要求的人認證;及(e)必須在不遲於該要求所提及的股東周年大會前或(如較遲)該大會通告發出前六個星期送達本公司。
- 該要求須由本公司股份過戶登記處核實,一旦該要求確認為有效,本公司將發出決議案通告或傳閱聲明:
 - (a) 若該項要求與股東周年大會有關,則
 - (i) 建議聲明須及時收到,以使本公司有足夠時間將聲明副本隨同股東周年大會通告一併寄發;
 - (ii) 有關股東須在不遲於股東周年大會7日前寄存合理足夠的款項以支付本公司就此產生的開支。

- (b) if the request relates to a GM (other than an annual general meeting), the shareholders concerned have to deposit a sum reasonably sufficient to meet the Company's expenses in regard thereto not later than 7 days before the GM.
 - If the request is verified to be not in order or the shareholders concerned have failed in the above manner to deposit sufficient money to meet the Company's expenses for the said purposes, the shareholders concerned will be advised of the result and no action will be taken by the Company in that regard.
 - Pursuant to section 616 of the Companies Ordinance, the Company that is required under section 615 of the Companies Ordinance to give notice of a resolution must send a copy of it at the Company's own expenses to each shareholder of the Company entitled to receive notice of the annual general meeting in the same manner as the notice of the meeting; and at the same time as, or as soon as reasonably practicable after, it gives notice of the meeting.
- (b) 若該項要求與(股東周年大會以外的)股東大會有關,則有關股東須在不遲於股東大會7日前寄存合理足夠的款項以支付本公司就此產生的開支。
 - 倘該要求被證實無效,或有關股東未能照以上方式寄存足夠款項支付本公司就所述目的之開支,本公司將通知有關股東,且不會就此作出任何行動。
 - 根據公司條例第616條,若有規定要求本公司根據公司條例第615條發出決議案通告,本公司必須向每位有權收取股東周年大會通告的本公司股東寄發決議案副本,費用由本公司支付,寄發方式與大會通告一致;時間與寄出大會通告時間一致,或合理時間範圍內盡快寄出通告。

The above procedures are subject to applicable legislation and regulations, in particular, the Companies Ordinance (Cap 622, Laws of Hong Kong). For further details on the shareholder qualifications, and the procedures and timeline, shareholders are kindly requested to refer to Sections 566 to 567, 571, 578, 580 to 582, 610 and 615 of the Companies Ordinance (Cap 622, Laws of Hong Kong).

以上程序須遵守適用的法律和法規,具體而言即公司條例(香港法律第622章)。有關股東資格的進一步詳情,以及程序和時間表,敬請股東查閱公司條例(香港法律第622章)第566至567、571、578、580至582、610及615條。

(VII) PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

Subject to applicable laws, rules and regulations, including Companies Ordinance (Laws of Hong Kong), the Listing Rules and the articles of association of the Company as amended from time to time, if any shareholder(s) of the Company intends to propose a person other than a director of the Company for election as a director of the Company at any GM, the following procedures shall apply:

- a notice signed by a shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged with the Board at the registered office of the Company;
- the minimum length of the period during which such notice(s) are given shall be at least 7 days and that the period for lodgement of such notice(s) shall commence no earlier than the day after the despatch of the notice of the GM appointed for such election and end no later than 7 days prior to the date of such GM; and
- in order for the Company to inform shareholders of the Company of that proposal, such notice(s) for the nomination of a director must state the full name of the person nominated for election as a director and include the person's biographical details as required by the Listing Rules.

(J) CONSTITUTIONAL DOCUMENTS

There were changes to the Company's Articles of Association in the annual general meeting held on 29 April 2015 and 15 May 2018, the shareholders of the Company had approved the amendments to the Articles of Association of the Company. The changes were carried out in compliance with the latest Hong Kong Companies Ordinance (Cap. 622) which came into effect on 3 March 2014. The revised Articles of Association is available in the Company's website.

(VII) 股東提名董事候選人之程序

根據適用法例、規則及規例，包括公司條例(香港法律)，上市規則及本公司不時修訂之組織章程細則，如本公司任何股東於任何股東大會擬提名本公司董事以外之人士應選本公司董事職務，以下程序將適用：

- 由正式合資格出席大會並有權投票之股東(並非擬參選人士)簽署通告，表明建議提名該人士參選的意向，並附上所提名人士簽署表示願意參選的通告，該等通告須呈交予本公司註冊辦事處之董事會；
- 該等通告之最短通告期限為至少7日，且該等通告之刊發期間由有關該推選之股東大會通告寄發翌日起至不遲於該股東大會舉行日期前7日止；及
- 根據上市規則之規定，為了讓本公司通知股東有關提名，提名董事之通告須列明提名應選董事之人士之全名，並載列該名人士之履歷詳情。

(J) 章程文件

本公司之章程細則於二零一五年四月二十九日及二零一八年五月十五日舉行之股東周年大會上曾作出變動，本公司股東批准修訂本公司章程細則。所作的更改乃符合於二零一四年三月三日最新生效之香港公司條例(香港法例第622章)。有關已修訂之章程細則可瀏覽本公司網站。

ABOUT LIU CHONG HING INVESTMENT LIMITED

Liu Chong Hing Investment Limited (the “Company”) and its subsidiaries (collectively the “Group”) acknowledge the significance of effective Environmental, Social and Governance (“ESG”) initiatives at an operational level. The Group is committed to the principles of good corporate governance and strives to integrate corporate social responsibility (“CSR”) into its corporate ethos. In 2020, the Group succeeded in developing its business while promoting initiatives that benefit the environment, our staff and the community, continuing to contribute to the building of a harmonious society.

The principal activities of the Group are property investment, property development and investment holding. For the year ended 31 December 2020, our primary properties were located in Hong Kong and the People’s Republic of China (“PRC”). They comprised offices and commercial, residential and industrial buildings.

REPORTING SCOPE AND STANDARDS

This report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (“ESG Guide”) as set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange. In the preparation of this ESG report, we adhered to the four core principles of the ESG Guide, namely the “Materiality”, “Quantitative”, “Balance” and “Consistency” principles. In addition, we have adhered to the ESG Guide in terms of the presentation and measurement of data for this ESG report.

The reporting period of this ESG report is from 1 January 2020 to 31 December 2020 (“Reporting Period”). Apart from the principal activities of the Group, the activities reported below also include property management and hotel operation.

關於廖創興企業有限公司

廖創興企業有限公司(「本公司」)及其附屬公司(以下統稱「本集團」)深知有效的環境、社會及管治(「環境、社會及管治」)措施對營運具有重要作用。本集團奉行良好的企業管治原則，並致力將企業社會責任融入企業經營理念中。二零二零年，本集團業務發展成功，同時推動有利於環境、員工及社區的措施，繼續為建構和諧社會作出貢獻。

本集團之主要業務為物業投資、物業發展及投資控股。截至二零二零年十二月三十一日止年度，我們的主要物業位於香港及中華人民共和國(「中國」)，包括寫字樓、商業大廈、住宅樓宇及工業大廈。

報告範圍及標準

本報告根據聯交所證券上市規則附錄27所載的《環境、社會及管治報告指引》編製。在編製這份環境、社會及管治報告時，我們遵循環境、社會及管治報告指引的四項核心原則，即重要性、量化、平衡及一致性原則。此外，我們在這份環境、社會及管治報告的數據呈列及計量方面遵守環境、社會及管治報告指引。

這份環境、社會及管治報告的報告期間為二零二零年一月一日至二零二零年十二月三十一日(「報告期間」)。除本集團的主要業務外，以下所報告的活動亦還包括物業管理及酒店運作。

PROTECTING THE ENVIRONMENT

In light of the impact of global warming and environmental pollution, the Group continues to seek opportunities to protect the environment. We have integrated environmental considerations into our business operations, including but not limited to improving our environmental track record by minimising pollution, utilising energy efficiently and reducing waste in our daily operations, as well as by aligning with “sustainable buildings” best practices.

ENERGY-SAVING CHARTER

In support of government initiatives on addressing climate change, the Group signed the Electrical and Mechanical Services Department’s “Energy Saving Charter 2020” for Chong Hing Bank Centre and Fairview Court. This Charter promotes energy efficiency and energy-saving, one of the most crucial means for Hong Kong to continuously reduce its carbon emissions. The Electrical and Mechanical Services Department has set four targets under the Charter: (i) maintaining indoor room temperatures between 24°C and 26°C during summer, (ii) switching off appliances and systems when not in use, (iii) procuring energy-efficient appliances and systems (e.g. appliances with Grade I energy labels/Voluntary Energy Efficiency Labelling Schemes), and (iv) encouraging staff to adopt energy saving practices.

LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN (“LEED”)

The Group is committed to maintaining environmental sustainability by focusing on running and maintaining green buildings. Our Chong Hing Finance Centre in Shanghai, having been awarded a LEED gold certification in June 2020, is proof of our commitment to designing and maintaining our buildings in a resource-efficient manner and providing a healthy environment to the users of these buildings. Environmentally friendly features of the Chong Hing Finance Centre include reducing heat-islands in the surrounding areas and reducing light pollution.

保護環境

鑑於全球暖化及環境污染的影響，本集團持續尋求機會保護環境。我們將環境因素納入業務運作中，包括但不限於盡量減少污染、有效利用能源、減少日常營運的浪費及遵循「可持續建築」的最佳實務，藉以改善環保方面的表現。

節能約章

為響應政府應對氣候變化的計劃，本集團為創興銀行中心及富慧閣簽署機電工程署的「節能約章二零二零」。該約章推動能源效益及節約能源，是香港持續減少碳排放的最重要行動之一。機電工程署已在約章中訂下四個目標，即(i)在夏季將室內溫度維持在攝氏24至26度之間，(ii)關掉不使用的電器及系統，(iii)採購具能源效益的電器及系統(如貼有一級能源標籤／自願性能源效益標籤計劃的電器)，及(iv)鼓勵員工實踐節約能源措施。

領先能源與環境設計(「LEED」)

本集團專注於綠色建築的運作及維護，以維持環境的可持續性為己任。我們位於上海的創興金融中心於二零二零年六月獲發LEED金認證，這證明了我們致力以資源效益方式設計及維護樓宇，並為樓宇使用者提供健康的環境。創興金融中心的環保特點包括減少周邊地區的熱島效應及光污染。

EMISSIONS

Greenhouse Gas (“GHG”) emissions have been reported to have a major effect on climate change and global warming. In support of environmental protection initiatives around the world, and to minimise GHG emissions and non-hazardous waste, we adopted initiatives in a number of areas, including deploying energy-efficient systems and implementing waste recycling and pollution prevention.

During the Reporting Period, we participated in the Environmental Protection Department’s Indoor Air Quality Scheme and were awarded the “Indoor Air Quality Certificate — Good Class” for Chong Hing Square and Chong Hing Bank Centre.

Under the regulations for electric-vehicle charging facilities in the PRC, the Group has installed several electric-vehicle chargers, covering no less than 15% of the total parking spaces available at the Chong Hing Finance Centre in Shanghai. This helps to reduce energy wastage and air pollution, as well as to promote the use of electric vehicles.

Such charging facilities have also been installed at One-Eight-One Hotel & Serviced Residences in Hong Kong, both for hotel guest use as well as for the hotel’s own fleet of Tesla limousines.

To ensure operation practices within our properties are in line with the best environmentally friendly practices, as well as applicable environmental protection laws and regulations, the operations of Chong Hing Bank Centre, Chong Hing Square and Fairview Court followed the framework and adopted the forms of ISO 14001:2015.

排放

據報道，溫室氣體排放對氣候變化及全球暖化有重大影響。為響應世界各地的環保措施，並盡量減少溫室氣體排放及無害廢物，我們已在多個領域推行各種計劃，包括部署節能系統、實施廢物回收及污染防治。

在報告期間，我們參與環境保護署的室內空氣質素計劃，而創興廣場及創興銀行中心獲頒發「室內空氣質素檢定證書《良好級》」。

根據中國電動汽車充電設施相關規定，本集團已於上海創興金融中心安裝多部電動汽車充電機，覆蓋不少於15%的可用停車位，這有助減少能源浪費及空氣污染，並推動電動汽車的使用。

我們亦在香港的One-Eight-One酒店及服務式住宅安裝此類充電設施，供酒店住客及酒店的Tesla禮賓車隊使用。

為確保我們物業內的營運措施符合最佳環保實務以及適用的環境保護法律及規例，創興銀行中心、創興廣場及富慧閣的運作均遵循該框架，並採納ISO 14001：2015的規格形式。

GHG emissions during the Reporting Period:

報告期間的溫室氣體排放：

| Sources 來源 | Types of GHG 溫室氣體類型 | Unit 單位 | 2020 二零二零年 | 2019 二零一九年 |
|--|---|-------------|---------------|---------------|
| Emissions data from gaseous fuel consumption and use of vehicles 氣體燃料消耗及汽車使用的排放數據 | | | | |
| | Nitrogen Oxide (NO _x) 氮氧化物(NO _x) | tonnes 噸 | 0.02084 | 0.00316 |
| | Sulphur Oxide (SO _x) 硫氧化物(SO _x) | tonnes 噸 | 0.00104 | 0.00002 |
| Direct emissions or removals from sources (Scope 1) 直接溫室氣體排放及減除(範圍1) | | | | |
| GHG emissions from mobile combustion sources 流動源的燃燒所致的溫室氣體排放 | | | | |
| | Carbon Dioxide (CO ₂) 二氧化碳(CO ₂) | tonnes 噸 | 125.19 | 115.95 |
| | Methane (CH ₄) 甲烷(CH ₄) | tonnes 噸 | 0.28 | 0.26 |
| | Nitrous oxide (N ₂ O) 氧化亞氮(N ₂ O) | tonnes 噸 | 18.17 | 16.83 |
| Indirect GHG Emissions (Scope 2) 間接溫室氣體排放(範圍2) | | | | |
| Electricity purchased from power companies 向電力公司購買電力 | | | | |
| | Carbon Dioxide (CO ₂) 二氧化碳(CO ₂) | tonnes 噸 | 3,578.51 | 470.76 |
| Gas purchased from Towngas 從香港中華煤氣公司購買的煤氣 | | | | |
| | Carbon Dioxide (CO ₂) 二氧化碳(CO ₂) | tonnes 噸 | 64.46 | 9.83 |
| Other Indirect GHG Emissions (Scope 3) 其他間接溫室氣體排放(範圍3) | | | | |
| Electricity used for processing fresh water and sewage by government departments 政府部門處理食水及污水時所消耗的電力 | | | | |
| | Carbon Dioxide (CO ₂) 二氧化碳(CO ₂) | tonnes 噸 | 16.11 | 1.55 |
| Business air travel by employees 僱員乘坐飛機出外公幹 | | | | |
| | Carbon Dioxide (CO ₂) 二氧化碳(CO ₂) | tonnes 噸 | 1.24 | 14.81 |

WASTE MANAGEMENT

Our business operations did not generate any significant hazardous waste during the Reporting Period. Nonetheless, we recognise the importance of waste reduction. Waste-management measures have been introduced to minimise both the amount of waste generated and its impact on the environment. For example, to reduce paper consumption in Chong Hing Square's toilets, the Group has installed automatic hand dryers instead of providing paper towels.

Compared to last year, the amount of recycled plastic and paper had increased substantially. We have also stepped up the recycling effort to extend the recycling scope to include used cooking oil generated from our hotel business.

Recycled materials during the Reporting Period:

| Materials recycled 再生材料 | Unit 單位 | 2020 二零二零年 | 2019 二零一九年 |
|----------------------------|-------------|---------------|---------------|
| Plastic 塑料 | tonnes 噸 | 0.1029 | 0.0021 |
| Paper 紙張 | tonnes 噸 | 0.0255 | 0.0008 |
| Aluminium cans 鋁罐 | tonnes 噸 | 0.0158 | 0.0877 |
| Used cooking oil 使用過的食油 | tonnes 噸 | 250.08 | - |

廢物管理

在報告期間，我們的業務經營未產生任何重大有害廢物。儘管如此，我們意識到減少廢物的重要性，因此已採取廢物管理措施，盡量減少產生的廢物量以及降低對環境的影響。例如，為減少創興廣場廁所的紙張消耗，本集團已安裝自動乾手器，取代紙巾供應。

與去年相比，再生塑料及紙張的數量大大增加。我們亦加強回收行動，將回收範圍擴大至酒店業務使用過的食油。

報告期間的再生材料：

USE OF RESOURCES

We continue to endeavour to reduce waste, conserve water and save energy in our properties through sustainability innovations.

ENERGY-SAVING

Global warming and climate change are the main environmental problems facing the world. The Group has established a series of measures to promote awareness of energy-saving, particularly at One-Eight-One Hotel & Serviced Residences.

The Group's measures to improve the energy efficiency of its operations during the Reporting Period are highlighted below:

- | | |
|-------------------------------|---|
| Head Office 總部 | <ul style="list-style-type: none"> • Setting and maintaining the average room temperature to be between 24°C–26°C 將平均室內溫度設定及維持在攝氏24至26度之間 • Switching off office equipment (e.g. printers, computers and monitors) that is not in use 關掉不使用的辦公設備(如打印機、電腦及顯示屏) • Switching off some lifts after office hours 在辦公時間後停用部分升降電梯 • Using electrical appliances with a Grade one energy label according to the Mandatory Energy Efficiency Labelling Scheme introduced by the Hong Kong government 根據香港政府的強制性能源效益標籤計劃，使用具有一級能源標籤的電器 • Using Forest Stewardship Council certified papers for printing 使用森林管理委員會認證的紙張進行列印 |
| Investment Properties 投資物業 | <ul style="list-style-type: none"> • Using light-emitting diode ("LED") lighting for buildings' exterior billboards 在樓宇的室外廣告牌使用發光二極管(「LED」)照明 • Switching off lighting in areas that are not occupied 關閉非佔用區域的照明 • Having dedicated staff to conduct regular inspections and monitor energy consumption 由專人定期檢查及監察能源消耗 • Upgrading Building Management Systems 提升樓宇管理系統 • Upgrading the Chiller in the Chong Hing Bank Centre 提升創興銀行中心的製冷系統 |
| Hotel Operation 酒店運作 | <ul style="list-style-type: none"> • Using double Low-E coating on external windows, to minimise the transmission of ultraviolet and infrared light 在外窗上使用雙層低輻射鍍膜，盡量減少紫外線及紅外線的透射 • Switching off some lifts at midnight 在午夜時停用部分升降電梯 • Reducing how often beds are changed and rooms prepared where possible but without affecting customers' experience in using our hotel services 在不影響顧客享用酒店服務的前提下，盡可能減少更換床單及整理房間的頻率 |

資源運用

我們繼續通過可持續性創新，在各項物業進行減廢、節水及節能。

節能

全球暖化及氣候變化是世界各地面臨的主要環境問題。本集團已制定一系列措施以提高節能意識，尤其是One-Eight-One酒店及服務式住宅。

在報告期間，本集團為提高其營運的能源效益所作出的主要措施如下：

Electricity consumed and intensity during the Reporting Period:

報告期間的用電量及密度：

| | Unit 單位 | 2020 二零二零年 | 2019 二零一九年 |
|--------------------------------|------------------------|---------------|---------------|
| Electricity Consumption 用電量 | kWh 千瓦時 | 4,547,059.24 | 628,678.79 |
| | kWh/employee 千瓦時／僱員 | 14,435.11 | 1,860.00 |

The relatively large increase in electricity consumption is due to the Group's expansion into the hotel industry. The provision of serviced residences increased electricity consumption for every unit/room leased, while the number of staff members serving the residents did not increase proportionally. Hence, we can see an increase in electricity consumption intensity per employee.

用電量相對明顯上升是由於本集團進軍至酒店業。提供服務式住宅增加每間出租單位／房間的用電量，而服務住戶的員工人數並未按比例增加。因此，每名員工的用電密度有所增加。

The Group will continue to monitor and improve performance on consumption levels of resources and further initiatives will be implemented if necessary.

本集團將繼續監察及改善資源消耗水平的成效，並在有必要時採取進一步措施。

PAPER USAGE

In our daily operations, employees are reminded to reduce paper consumption as a matter of good practice. During the Reporting Period, the Group implemented waste reduction and recycling initiatives.

紙張使用

在日常運作中，我們提醒僱員按照良好實務減少用紙。在報告期間，本集團推行減少廢物及改善回收的措施。

In order to reduce paper usage for our carpark management system at Chong Hing Finance Center in Shanghai, an automatic licence plate recognition system (ALPR) was used during the Reporting Period. The system included standard resolution IP cameras designed specifically for licence plate recognition. To prevent misidentification, we installed a special lighting system near the barrier. As a result, no more physical car park tickets are required from this automated system. We also accept electronic payment — for example, WeChat Pay — making all parking processing and transactions paperless at this property.

為減少上海創興金融中心停車場管理系統的用紙，我們於報告期間安裝車牌自動辨識系統(ALPR)，包括專為辨識車牌而設計的標準解像度IP攝錄機。為防止誤認，我們亦在欄杆附近安裝特殊的照明系統，因此，該自動系統無需使用實體停車發票。此外，我們接受電子支付(如微信支付)，讓該物業的所有停車處理及交易達到無紙化。

USE OF BIODEGRADABLE TABLEWARE

We also introduced eco-friendly products into our operation to minimise pollution. For food and beverage operations at One-Eight-One Hotel & Serviced Residences, we provide recyclable paper straws and some biodegradable tableware, such as corn-based disposables for takeaway orders. Furthermore, we use bamboo tissue instead of tissue paper made out of wood pulp. Bamboo grows up to 30% faster than trees so it helps reduce environmental harm. We are committed to building a strong foundation for living a sustainable life.

WATER MANAGEMENT

Chong Hing Bank Centre complies with the suggested standards of the Water Supplies Department's Quality Water Supply Scheme for Buildings. To promote water conservation, signs and notices are posted near sinks, and sensors are installed at taps to control water consumption.

WATER CONSUMED AND INTENSITY DURING THE REPORTING PERIOD:

| | Unit 單位 | 2020 二零二零年 | 2019 二零一九年 |
|--------------------------|------------------------------------|---------------|---------------|
| Water Consumption 耗水量 | m ³ 立方米 | 27,416.73 | 2,909.45 |
| | m ³ /employee 立方米／僱員 | 87.04 | 8.61 |

The relatively large increase in water consumption is due to the Group's expansion into the hotel industry. The provision of serviced residences and restaurant and catering services increased water consumption for every unit/room leased and restaurant in operation, while the number of staff members serving the residents or customers did not increase proportionally. Hence, we can see an increase in water consumption intensity per employee.

The Group will continue to monitor and improve performance on water consumption level and further initiatives will be implemented if necessary.

使用可生物降解餐具

我們亦將環保產品引入運作中，以盡可能減少污染。在One-Eight-One酒店及服務式住宅的餐飲營運中，我們提供可回收的紙製飲管及若干可生物降解餐具，例如對外賣訂單使用以玉米為原料的即棄式用品。此外，我們使用竹紙代替木漿紙，因為竹的生長速度較樹木快30%，有助減少對環境的損害。我們致力為可持續生活模式奠定穩固的基礎。

水源管理

創興銀行中心遵循水務署的大廈優質供水認可計劃的建議標準。為了促進節約用水，我們在洗手盆附近張貼標誌及提示，並在水龍頭處安裝感應器，以控制用水量。

報告期間的用水量及密度：

用水量相對明顯上升是由於本集團進軍至酒店業。提供服務式住宅以及餐廳和餐飲服務增加每間出租單位／房間及營運餐廳的用水量，而服務住戶或顧客的員工人數並未按比例增加。因此，每名僱員的用水密度有所增加。

本集團將繼續監察及改善耗水量的成效，並在有必要時採取進一步措施。

EARTH HOUR

On 28 March 2020, Liu Chong Hing Property Management & Agency Limited pledged to support Earth Hour by turning off all non-essential lights for an hour at 8.30 p.m. They also pledged to help safeguard the future of the Earth by treasuring the world's natural resources, choosing sustainable products, reducing waste and promoting and using renewable energy wherever possible.

For the year ended 31 December 2020, the Group has not received any notice of non-compliance in relation to any pollution ordinances or regulations.

RECRUITMENT AND EMPLOYMENT

The Group recognises that employees are valuable assets and that we owe a lot of our success to our employees. Given this, we have an all-encompassing approach to recruitment, employment, promotion and retention, coupled with reasonable remuneration and benefits for our employees. In relation to employment and labour practices, we strictly comply with the laws and regulations in Hong Kong and the PRC. We advocate a community spirit that thrives on mutual respect and equal opportunities and we comply strictly with relevant laws and regulations.

The Group ensures that a fair and equal recruitment process is in place. Candidates are considered regardless of their gender, age, race, family status, religion or disability. The Group provides equal opportunities to all employees for promotion and career development.

For candidates' security in the recruitment process, we confirm that all candidate information will only be used for recruitment purposes and can only be accessed by authorised staff. Information on unsuccessful candidates will normally be deleted 24 months after their application.

A comprehensive framework incorporating detailed human resource management policies is included in our Operation Manual and Staff Handbook. The Operation Manual and Staff Handbook provides information and guidelines to our staff in Hong Kong and the PRC on working conditions, benefits and remuneration, training and development, as well as health and safety. Employees are also encouraged to discuss their job progression and career development goals with the senior management who oversee their daily activities. Furthermore, a performance appraisal is conducted annually.

地球一小時

二零二零年三月二十八日，廖創興物業管理及代理有限公司承諾支援地球一小時，在晚上八時三十分將所有非必要的照明關閉一個小時。他們亦承諾盡可能珍惜自然資源、選擇可持續產品、減少廢物以及推廣和使用可再生能源，藉此捍衛地球的未來。

截至二零二零年十二月三十一日止年度，本集團並未收到任何涉及任何污染條例或規例的違規通知。

招聘及僱傭

本集團深知僱員是寶貴資產，亦是我們賴以成功的重要基礎。因此，我們制定以合理薪酬及福利為基礎招聘、僱傭、晉升及挽留僱員的綜合方案。在僱傭及勞工實務方面，我們嚴格遵守香港及中國內地的法律及規例。我們提倡建立以互相尊重及平等機會為本的群體精神，嚴格遵守相關法律及規例。

本集團致力確保招聘程序的公平及平等。求職者不論其性別、年齡、種族、家庭狀況、宗教信仰或殘疾情況，均予以考慮。本集團為所有僱員提供晉升及職業發展的平等機會。

為了在招聘過程中保障求職者，我們確認所有求職者資料將僅用於招聘用途，並且只限獲授權人員查閱。未獲聘用求職者的資料正常會在申請職位起24個月後刪除。

我們已制定綜合架構，涵蓋詳細的人力資源管理政策，並載刊於操作手冊及員工手冊。操作手冊及員工手冊向我們在香港及中國內地的員工提供工作條件、福利薪酬、培訓發展及健康與安全等方面的資訊及指引。我們亦鼓勵僱員與監督其日常活動的高級管理人員討論工作進展及事業發展目標，另外亦會進行年度表現評估。

EMPLOYEE WELFARE

The Group strictly follows labour laws and regulations and provides a comprehensive package to employees, which covers sick leave, casual leave (i.e. leave of absence at short notice for personal matters or family emergencies), marriage, compassionate, annual and injury leave, and statutory holidays. This system aims to take care of all employees, expand the variety of corporate culture activities and raise the sense of belonging among employees.

Employees who are required to report for duty under tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal are eligible to apply for over-time payment and allowances, such as meal and transportation allowances. Furthermore, the Group is pleased to grant due consideration to the circumstances of individual employees and respond flexibly if they have practical difficulties in resuming work on time due to adverse weather conditions or road and traffic conditions. A clear work arrangement is forwarded to each employee via instant messaging, and relevant guidelines are stated in a staff handbook.

The coverage of the Group's medical benefits includes not only its employees but also the employees' spouse or children. In addition, the Company provides training allowances for all work-related courses.

HEALTH AND SAFETY

The Group places heavy emphasis on ensuring the health and safety of all employees. For example, all property management staff are required to wear safety boots, which provide significant protection. We ensure well-stocked first aid kits are placed on all floors in our offices. To ensure awareness of occupational health and safety issues, the Group arranges safety training for all employees. The Group has also continued to optimise its work practices and daily management, through measures such as anti-slip flooring around the swimming pool and tree-care monitoring in Fairview Court, to foster staff's health and safety. The aim is to create a safe, healthy and comfortable working environment.

僱員福利

本集團嚴格遵循勞工法律及規例，向僱員提供全面的休假方案，包括病假、事假（即因個人事務或家庭緊急情況而臨時請假）、婚假、恩恤假、年假、工傷假及法定假期。此福利制度旨在照顧全體僱員、增加公司文化活動的多元性，以及提升僱員的歸屬感。

凡須在八號或以上熱帶氣旋警告訊號或黑色暴雨警告訊號生效之日上班的僱員，均有資格申請加班費及津貼，例如膳食津貼及交通津貼。此外，如因惡劣天氣或道路及交通情況而無法準時上班，本集團樂意妥善考慮個別僱員的情況後靈活處理，並透過即時通訊工具通知每名僱員明確的工作安排，相關指引載於員工手冊內。

本集團的醫療福利不僅包括僱員，還包括僱員的配偶或子女。此外，本公司為所有工作相關課程提供培訓津貼。

健康與安全

本集團非常重視確保所有僱員的健康及安全，例如，所有物業管理人員都必須穿安全靴，這有很大的保護作用。我們確保在各辦公室的所有樓層放置儲備充足的急救箱。為確保僱員了解職業健康與安全事宜，本集團為所有僱員安排安全培訓。本集團亦不斷優化其工作實務及日常管理，例如在游泳池周邊做好防滑措施以及富慧閣的樹木護理監測，務求保障員工健康與安全，以建立安全、健康及舒適的工作環境。

The Group emphasises safety when using equipment in workplaces, communicating safety tips through training, briefings and notices. Equipment operating guidelines and procedural training sessions are provided regularly to continuously promote and enhance employees' safety awareness and practices. We always aim for a target of zero accidents and fatalities.

In addition, our property management business has obtained ISO 45001 in recognition of our compliance with occupational health and safety standards.

The COVID-19 pandemic broke out in 2020. As we were highly concerned about the health risk the pandemic may pose to not only our staff but also stakeholders in the Group's operations, such as customers and vendors, the Group swiftly responded by circulating clear reporting flow charts for our entire staff to follow when facing different health risk scenarios.

The Group implemented the following measures accordingly to fight against the pandemic in our offices and investment properties:

- Requiring staff to adhere to the Group's office hygiene requirements in response to COVID-19, including wearing face masks and washing their hands more frequently
- Temperature taking is required before entering our head office and investment properties
- Providing face masks and other disinfectant products at our head office and site offices for staff use
- Assigning staff members to different shifts when returning to work in the office to lower the risk of spreading COVID-19

At the Group's hotel, where our frontline staff members and customers are exposed to a relatively higher infection risk:

- Installation of infrared body temperature detection system, intelligent disinfection station and biozone air purifier in different areas of the hotel
- Germagic disinfection coating being applied to indoor public areas of the hotel
- Provision of hand sanitiser and face masks to hotel guests and staff members

本集團通過培訓、簡報及通知傳遞安全提示，強調在工作場所使用設備時注意安全。我們定期提供設備操作指南及程序培訓課程，以不斷促進及提高僱員的安全意識及實務。我們由始至終致力達致零意外及零致命事故。

此外，我們遵守職業健康與安全標準亦獲得肯定，旗下物業管理業務已通過ISO 45001 認證。

二零二零年爆發2019新冠病毒疫情。由於非常關注疫情可能對員工乃至本集團業務持份者（例如客戶及供應商）造成健康風險，因此本集團迅速應對，分發清晰的報告流程圖，以供全體員工面對不同的健康風險情況時有所依據。

本集團於辦公室及投資物業相應採取以下防疫措施：

- 為應對2019新冠病毒，我們要求員工遵守本集團的辦公室衛生要求，包括佩戴口罩及更頻密洗手
- 在進入總部及投資物業前需要量度體溫
- 在總部及各處的辦公室提供口罩及其他消毒用品，以供員工使用
- 將返回辦公室上班的員工編排為不同更份，以降低傳播2019新冠病毒的風險

本集團酒店的前線員工及客戶承受較大的感染風險：

- 在酒店不同位置安裝紅外體溫檢測系統、智能消毒站及biozone空氣淨化機
- 在酒店室內公共範圍噴上Germagic消毒塗層
- 為酒店客戶及員工提供洗手液及口罩

Educational materials on personal protection and hygiene were also timely circulated to staff. For example, educational materials on “Healthy lifestyle under social distancing” were circulated to help staff look after their health and well-being. Training on selecting and using disinfectant products and personal protective equipment was also organised.

The above measures not only looked after our staff’s health but also the health of the Group’s stakeholders. The Group will continue to optimise its work practices for the sake of staff health and safety with the aim of creating a safe, healthy and comfortable working environment.

For the year ended 31 December 2020, the Group has not received any notice of non-compliance in relation to health and safety laws and regulations. We comply strictly with applicable laws and regulations such as the Occupational Safety and Health Ordinance (Cap. 509), Employees’ Compensation Ordinance (Cap. 282) and Factories and Industrial Undertakings Ordinance (Cap. 59), Laws of Hong Kong.

DEVELOPMENT AND TRAINING

Human capital has always been the key to the Group’s success. To enhance staff’s personal and career development, during the Reporting Period, a series of training programmes were organised to ensure staff received adequate training in responding to their needs in different positions and roles.

有關個人防護及衛生的教育資料亦已適時分發予員工，例如，有關「保持社交距離的健康生活方式」的教育資料已經分發，有助員工照顧個人的健康及福祉，我們亦舉辦有關選擇及使用消毒用品及個人防護裝備的培訓。

上述措施不僅保障員工健康，同時亦顧及本集團持份者的健康。本集團將不斷改善保障員工健康與安全的工作實務，以建立安全、健康及舒適的工作環境。

截至二零二零年十二月三十一日止年度，本集團並未收到任何涉及健康及安全法律及規例的違規通知。我們嚴格遵守適用的法律及規例，例如香港法例第509章《職業安全及健康條例》、第282章《僱員補償條例》以及第59章《工廠及工業經營條例》。

發展及培訓

人力資本一直是本集團成功的關鍵。為促進員工的個人及事業發展，在報告期間，我們推出一系列培訓項目，確保員工接受適當培訓，以應對不同職位及角色的需要。



New employees, especially those who meet and provide services to our guests on the front line, were required to attend an orientation training course on their first day of work to familiarise themselves with the Group's objectives, culture and employee rules and regulations. In addition, internal cross-training programmes were also provided for staff. The training scope for the Reporting Period included environmental management, customer service and technical skills.

In September 2020, our property management department organised a training session — Practical Training on Customer Services — for our staff to enhance customer service awareness and skills.

In addition, our property management department invited the Hong Kong Fire Services Department to give a fire safety talk and to arrange an evacuation drill for staff from the property management department and representatives from other administrative departments.

LABOUR STANDARDS

To prevent any risk of using child or forced labour, appropriate candidate screening and age checking control is implemented in our recruitment process to ensure we do not hire child labour in Hong Kong and the PRC. Working hours are clearly stated in our employment contracts with staff and we ensure they are in compliance with the applicable labour standards and regulations in Hong Kong and the PRC.

During the Reporting Period, the Group had not hired any child nor forced labour, nor had received any notice of non-compliance in relation to any labour laws and regulations.

SUPPLY CHAIN MANAGEMENT

The Group aims to deliver top-quality services to the customer, while expecting first-rate quality from selected suppliers. We require our suppliers and contractors to comply with local laws and regulations, labour practices and health and safety standards. To the best of our knowledge, we would not engage any company that has any past record of questionable ESG practices. Suppliers' quality will be regularly evaluated by inspecting their quality certificates and, where possible, by conducting supplier audits.

新僱員(尤其是經常在前線與顧客接觸以及服務顧客的人員)於入職首日必須參加入職培訓課程,以熟悉本集團的目標、文化及僱員規則及規例。此外,我們亦向僱員提供內部交互培訓課程。報告期間的培訓範圍包括環境管理、客戶服務及技術技能。

二零二零年九月,物業管理部門為員工舉辦有關「客戶服務實務培訓」的培訓課堂,以提高客戶服務意識及技巧。

此外,物業管理部門邀請了香港消防處提供消防安全講座,以及為物業管理部門的員工及其他行政部門的代表安排疏散演習。

勞工準則

為免出現童工或強迫勞工的風險,我們在招聘過程中採取適當的求職者篩選及年齡查核監察,以確保我們於香港及中國內地並無僱用童工。我們與僱員簽訂的僱傭合約中訂明工作時間,而且我們確保合約符合香港及中國內地適用的勞工準則及規例。

於報告期間,本集團並無僱用任何童工或強制勞工,亦未收到任何涉及任何勞工法律及規例的違規通知。

供應鏈管理

本集團旨在為客戶提供最優質的服務,同時期望所選供應商提供一流品質。我們要求供應商及承辦商遵守當地法律及規例、勞工實務以及健康與安全準則。據我們所盡悉,我們不會聘用任何在環境、社會及管治實務方面往績存疑的公司。供應商的質素將以檢查其品質證書並在可行情況下審核供應商而進行定期評估。

The Group takes into account the impact of our suppliers' products on the environment and, where possible, favours those who follow environmentally-sound practices, such as offering products with greater durability and greater energy efficiency. Before procuring any materials or products, our procurement staff examines the necessity of the product or service to avoid any unnecessary consumption. During the selection process, we take into account factors such as product quality and safety. At the same time, emissions and pollutants produced, such as noise and waste materials at all stages, are also one of our criteria for supplier selection. For the sake of sustainability, we consider alternatives when purchasing replacement products, favouring those with greater durability and greater energy efficiency. Priority is given to local suppliers in the hope of promoting local economic development and reducing our carbon footprint by limiting the distance it has to travel.

PRODUCT RESPONSIBILITY

A document management system with multiple access permissions was installed to improve and enhance data protection and security to prevent information leakage. By having different security levels, access to information is restricted to only authorised users.

The Group emphasises the security of customers' personal data and supports a general policy of openness about how we collect, use and disclose such information. To ensure data privacy, all employees are required to fully comply with the Personal Data (Privacy) Ordinance at all times when handling customers' personal data. In addition, we strongly recommend that customers take time to carefully read our Privacy Policy and Personal Information Collection Statement when submitting their personal data and information.

As a hotel operator, the Group recognises the importance of protecting our guests' data. According to our Privacy Policy, we ensure that only authorised employees are given permission to access guests' personal information. All relevant documents containing sensitive commercial data only are used within hotel property.

本集團會考慮供應商產品對環境的影響，並在可行情況下，優先選擇奉行有利環境實務(如提供更耐用及更節能的產品)的供應商。在採購任何物料或產品之前，採購人員會審核產品或服務是否必要，以避免任何不必要的消耗。在甄選程序中，我們會考慮產品質素及安全等因素。同時，在所有階段產生的排放物及污染物(如噪音及廢料)亦是挑選供應商的標準之一。為了可持續發展，我們在購買補充產品時會考慮替代品，優先考慮更耐用及更節能的產品。我們將優先考慮當地供應商，以期通過縮短運輸距離，促進當地經濟發展及減少碳排放。

產品責任

我們安裝具有多重存取權限的文件管理系統，以改善及增強數據保護及安全性，防止資料洩漏。在設置不同的安全級別後，僅獲授權用戶方可查閱資料。

本集團重視保障客戶個人資料安全，並就如何收集、使用及披露該等資料制定全面的公開政策。為確保資料私隱，所有僱員在處理客戶的個人資料時必須時刻全面遵守《個人資料(私隱)條例》。此外，客戶提交個人資料及資訊前，務必仔細閱讀我們的私隱政策及個人資料收集聲明。

作為酒店營運商，本集團意識到保護客人資料的重要性。根據私隱政策，我們確保只有獲授權僱員方可查閱客戶的個人資料。所有包含敏感商業資料的相關文件僅限於酒店物業範圍內使用。

To promote social integration and equal opportunity, the Group is dedicated to providing barrier-free access and facilities for people in need. At One-Eight-One Hotel & Serviced Residences, we provide accessible rooms which are designed for guests with disabilities or special needs.

For the year ended 31 December 2020, the Group has not received any notice of non-compliance in relation to data privacy laws and regulations in Hong Kong.

ANTI-CORRUPTION

The Group has a zero-tolerance policy on bribery, corruption and money-laundering activities and has set out clear guidelines for directors and employees to adhere to. For instance, to prevent corruption, a tendering procedure has been adopted for all projects; all tender documents are kept confidential and are restricted to the relevant parties. All directors and employees are required to strictly follow the relevant laws and regulations.

For the year ended 31 December 2020, the Group has not received any notice of non-compliance of the Group or an employee with regard to corruption-related laws and regulations.

GIVING BACK TO THE COMMUNITY

We are committed to supporting the community by incorporating social participation and contribution into our strategic development. We believe that this will nurture a sound corporate culture and good practices in the Group.

Although we were thrilled to organise charitable activities during the Reporting Period, we were also well aware of the health risks that our staff and the relevant community may have been exposed to from any physical contact in these activities. Therefore, to lower the risk, we temporarily stopped organising charitable activities during the Reporting Period. We look forward to resuming such activities in the future once the pandemic is over.

為促進社會融合與機會平等，本集團致力為有需要人士提供無障礙通道及設施。我們於One-Eight-One酒店及服務式住宅提供無障礙房間，專為行動不便或有特殊需要的住客而設。

截至二零二零年十二月三十一日止年度，本集團並未收到任何涉及香港資料私隱法律及規例的違規通知。

反貪污

本集團對行賄、貪污及洗黑錢活動實施零容忍政策，並制定董事及僱員須遵守的明確指引。例如，為防止貪污，所有項目均採用招標程序；所有招標文件均予以保密，僅限有關方面查閱。所有董事及僱員均須嚴格遵守相關法律及規例。

截至二零二零年十二月三十一日止年度，本集團並未收到針對本集團或僱員任何涉及貪污相關法律及規例的違規通知。

回饋社區

我們將社會參與及貢獻融入策略發展，致力支援社區。我們相信這將為本集團培育健康的企業文化及工作實務。

儘管我們在報告期間亟欲舉辦慈善活動，但同時亦意識到員工及相關社區可能會因參與這些活動而承受健康風險。因此，為降低風險，我們在報告期間暫停舉辦慈善活動。我們期待在疫情結束後盡快恢復舉辦這類活動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTENT INDEX

This report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” under Appendix 27 to the Rule Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The following table provides an overview on the general disclosures and key performance indicators (“KPIs”) of various aspects under each subject area, which are either cross-referenced to the relevant chapters of the Review or supplementing the Review with additional information.

環境，社會和管治內容索引

本報告根據香港聯合交易所有限公司證券上市規則附錄二十七的「環境，社會及管治報告指引」編制。下表概述指引各主要範疇不同層面的一般披露及關鍵績效指標，並載列概覽相關互相參照之章節或提供額外說明。

| Description 描述 | | Reference 參考 | Remark 備註 |
|-----------------------------|---|----------------------------|---|
| ENVIRONMENTAL | | | |
| 環境 | | | |
| <i>Aspect A1: EMISSIONS</i> | | | |
| <i>層面 A1：排放</i> | | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Protecting the Environment | |
| 一般披露 | 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 保護環境 | |
| KPI A1.1 | The types of emissions and respective emissions data. | Emissions | |
| 關鍵績效指標 A1.1 | 排放物種類及相關排放數據。 | 排放 | |
| KPI A1.2 | Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Emissions | |
| 關鍵績效指標 A1.2 | 溫室氣體總排放量 (以噸計算) 及 (如適用) 密度 (如以每產量單位、每項設施計算)。 | 排放 | |
| KPI A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | N/A | We do not generate hazardous waste in our operations. |
| 關鍵績效指標 A1.3 | 所產生有害廢棄物總量 (以噸計算) 及 (如適用) 密度 (如以每產量單位、每項設施計算)。 | 不適用 | 我們的業務並無涉及有害廢棄物的產生。 |
| KPI A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Waste Management | |
| 關鍵績效指標 A1.4 | 所產生無害廢棄物總量 (以噸計算) 及 (如適用) 密度 (如以每產量單位、每項設施計算)。 | 廢物管理 | |
| KPI A1.5 | Description of measures to mitigate emissions and results achieved. | Waste Management | |
| 關鍵績效指標 A1.5 | 描述減低排放量的措施及所得成果。 | 廢物管理 | |
| KPI A1.6 | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. | Waste Management | |
| 關鍵績效指標 A1.6 | 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。 | 廢物管理 | |

| Description 描述 | Reference 參考 | Remark 備註 | |
|---|--|--|---|
| ENVIRONMENTAL (Continued) 環境 (續) | | | |
| Aspect A2: USE OF RESOURCES 層面 A2：資源的使用 | | | |
| General Disclosure 一般披露 | Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源 (包括能源、水及其他原材料) 的政策。 | Use of Resources 資源運用 | |
| KPI A2.1 關鍵績效指標 A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及/或間接能源 (如電、氣或油) 總耗量 (以千個千瓦時計算) 及密度 (如以每產量單位、每項設施計算)。 | Use of Resources — Energy Saving 資源運用 — 節能 | |
| KPI A2.2 關鍵績效指標 A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度 (如以每產量單位、每項設施計算)。 | Use of Resources — Water Management 資源運用 — 水源管理 | |
| KPI A2.3 關鍵績效指標 A2.3 | Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。 | Use of Resources — Energy Saving 資源運用 — 節能 | |
| KPI A2.4 關鍵績效指標 A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。 | Use of Resources — Water Management 資源運用 — 水源管理 | We encounter no issue in sourcing water that is fit for our purpose. 我們在獲取適用水源方面並無任何問題。 |
| KPI A2.5 關鍵績效指標 A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量 (以噸計算) 及 (如適用) 每生產單位佔量。 | N/A | We do not generate significant packaging material waste in our operations. 我們的業務並無涉及包裝物料的使用。 |
| Aspect A3: THE ENVIRONMENT AND NATURAL RESOURCES 層面 A3：環境及天然資源 | | | |
| General Disclosure 一般披露 | Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。 | Protecting the Environment 保護環境 | |
| KPI A3.1 關鍵績效指標 A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。 | Protecting the Environment 保護環境 | |
| EMPLOYMENT AND LABOUR PRACTICES 僱傭及勞工常規 | | | |
| Aspect B1: EMPLOYMENT 層面 B1：僱傭 | | | |
| General Disclosure 一般披露 | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | Recruitment and Employment 招聘及僱傭 | |

| Description 描述 | Reference 參考 | Remark 備註 |
|--|--|--|
| EMPLOYMENT AND LABOUR PRACTICES (Continued) | | |
| 僱傭及勞工常規(續) | | |
| KPI B1.1 | Total workforce by gender, employment type, age group and geographical region. | N/A |
| 關鍵績效指標 B1.1 | 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。 | 不適用 |
| KPI B1.2 | Employee turnover rate by gender, age group and geographical region. | N/A |
| 關鍵績效指標 B1.2 | 按性別、年齡組別及地區劃分的僱員流失比率。 | 不適用 |
| Aspect B2: HEALTH AND SAFETY | | |
| 層面 B2：健康與安全 | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employee from occupational hazards. | Health and Safety |
| 一般披露 | 有關提供安全工作環境及保障僱員避免職業性危害的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 健康與安全 |
| KPI B2.1 | Number and rate of work-related fatalities. | N/A |
| 關鍵績效指標 B2.1 | 因工作關係而死亡的人數及比率。 | 不適用 |
| KPI B2.2 | Lost days due to work injury. | N/A |
| 關鍵績效指標 B2.2 | 因工傷損失工作日數。 | 不適用 |
| KPI B2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored. | Health and Safety |
| 關鍵績效指標 B2.3 | 描述所採納的職業健康與安全措施，以及相關執行及監察方法。 | 健康與安全 |
| Aspect B3: DEVELOPMENT AND TRAINING | | |
| 層面 B3：發展及培訓 | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description for training activities. | Development and Training |
| 一般披露 | 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。 | 發展及培訓 |
| KPI B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | N/A |
| 關鍵績效指標 B3.1 | 按性別及僱員類別（如高級管理層、中級管理層等）劃分的受訓僱員百分比。 | 不適用 |
| KPI B3.2 | The average training hours completed per employee by gender and employee category. | N/A |
| 關鍵績效指標 B3.2 | 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。 | 不適用 |
| Aspect B4: LABOUR STANDARDS | | |
| 層面 B4：勞工準則 | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | Labour Standards |
| 一般披露 | 有關防止童工或強制勞工的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | 勞工準則 |
| KPI B4.1 | Description of measures to review employment practices to avoid child and forced labour. | N/A |
| 關鍵績效指標 B4.1 | 描述檢討招聘慣例的措施以避免童工及強制勞工。 | 不適用 |
| KPI B4.2 | Description of steps taken to eliminate such practices when discovered. | N/A |
| 關鍵績效指標 B4.2 | 描述在發現違規情況時消除有關情況所採取的步驟。 | 不適用 |
| | | The child and forced labour issues are not material to our operations. 我們的業務並無涉及聘用童工和強制勞工的重大風險。 |
| | | The child and forced labour issues are not material to our operations. 我們的業務並無涉及聘用童工和強制勞工的重大風險。 |

| Description 描述 | | Reference 參考 | Remark 備註 |
|---|--|----------------------------------|---|
| OPERATING PRACTICES | | | |
| 營運慣例 | | | |
| <i>Aspect B5: SUPPLY CHAIN MANAGEMENT</i> | | | |
| <i>層面 B5：供應鏈管理</i> | | | |
| General Disclosure 一般披露 | Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。 | Supply Chain Management 供應鏈管理 | |
| KPI B5.1 關鍵績效指標 B5.1 | Number of suppliers by geographical region. 按地區劃分的供應商數目。 | N/A 不適用 | |
| KPI B5.2 關鍵績效指標 B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。 | Supply Chain Management 供應鏈管理 | |
| <i>Aspect B6: PRODUCT RESPONSIBILITY</i> | | | |
| <i>層面 B6：產品責任</i> | | | |
| General Disclosure 一般披露 | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | Product Responsibility 產品責任 | |
| KPI B6.1 關鍵績效指標 B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。 | N/A 不適用 | There were no recalls concerning the provision. 報告審查期間沒有收到產品須回收。 |
| KPI B6.2 關鍵績效指標 B6.2 | Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。 | N/A 不適用 | There were no validated complaints received during the reporting review period. 報告審查期間沒有收到確認的投訴。 |
| KPI B6.3 關鍵績效指標 B6.3 | Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。 | N/A 不適用 | Intellectual property rights are not material to our operations. 我們的業務對於保障知識產權並無重大影響。 |
| KPI B6.4 關鍵績效指標 B6.4 | Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。 | N/A 不適用 | Recall procedures are not relevant to our operations. 召回程序與我們的業務並沒有相關影響。 |
| KPI B6.5 關鍵績效指標 B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。 | Product Responsibility 產品責任 | |

| Description 描述 | Reference 參考 | Remark 備註 |
|--|--|--------------------------------------|
| OPERATING PRACTICES (Continued) | | |
| 營運慣例 (續) | | |
| <i>Aspect B7: ANTI-CORRUPTION</i> | | |
| <i>層面 B7：反貪污</i> | | |
| General Disclosure 一般披露 | Information on (a) the policies: and (b) compliance with relevant laws and regulations that they have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的：(a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。 | Anti-Corruption 反貪污 |
| KPI B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcome of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。 | Anti-Corruption 反貪污 |
| KPI B7.2 | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。 | Anti-Corruption 反貪污 |
| COMMUNITY | | |
| 社區 | | |
| <i>Aspect B8: COMMUNITY INVESTMENT</i> | | |
| <i>層面 B8：社區投資</i> | | |
| General Disclosure 一般披露 | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。 | Giving Back to the Community 回饋社區 |
| KPI B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇 (如教育、環境事宜、勞工需求、健康、文化、體育)。 | Giving Back to the Community 回饋社區 |
| KPI B8.2 | Resources contributed (e.g. money or time) to the focus area. 在專注範疇所動用資源 (如金錢或時間)。 | Giving Back to the Community 回饋社區 |

As at 11 March 2021 於二零二一年三月十一日

BOARD OF DIRECTORS
EXECUTIVE DIRECTORS

Mr. Liu Lit Chi

(Chairman, Managing Director and Chief Executive Officer)

Mr. Liu Kam Fai, Winston

(Deputy Managing Director)

Mr. Lee Wai Hung

NON-EXECUTIVE DIRECTOR

Mr. Kho Eng Tjoan, Christopher, *BES, M. Arch, HKIA, RIBA, ARAIA, MRAIC,*

Assoc. AIA, Registered Architect, A.P. (Architect), MHKIoD

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Cheng Mo Chi, Moses, *GBM, GBS, OBE, LLB (HK), J.P.*

Mr. Au Kam Yuen, Arthur

Dr. Ma Hung Ming, John, *PhD, BBS, J.P.*

Mr. Cheng Yuk Wo, *Msc(Econ), BA(Hons), CPA (Canada),*

CA, FCA, FCPA, CPA (Practising)

Mr. Tong Tsun Sum, Eric, *CA(Aust), CPA (Practising), CFE*

COMPANY SECRETARY

Mr. Lee Wai Hung

董事會

執行董事

廖烈智先生

(主席、董事總經理兼行政總裁)

廖金輝先生

(副董事總經理)

李偉雄先生

非執行董事

許榮泉先生 *BES, M. Arch, HKIA, RIBA, ARAIA, MRAIC,*

Assoc. AIA, Registered Architect, A.P. (Architect), MHKIoD

獨立非執行董事

鄭慕智博士 *GBM, GBS, OBE, LLB (HK), J.P.*

區錦源先生

馬鴻銘博士 *PhD, BBS, J.P.*

鄭毓和先生 *Msc(Econ), BA(Hons), CPA (Canada),*

CA, FCA, FCPA, CPA (Practising)

唐晉森先生 *CA(Aust), CPA (Practising), CFE*

公司秘書

李偉雄先生

As at 11 March 2021 於二零二一年三月十一日

AUDIT COMMITTEE

Mr. Cheng Yuk Wo (*Chairman*)

Dr. Cheng Mo Chi, Moses

Mr. Au Kam Yuen, Arthur

Mr. Tong Tsun Sum, Eric

Mr. Lee Wai Hung (*Secretary*)

NOMINATION COMMITTEE

Mr. Liu Lit Chi (*Chairman*)

Mr. Kho Eng Tjoan, Christopher

Mr. Cheng Yuk Wo

Mr. Au Kam Yuen, Arthur

Dr. Ma Hung Ming, John

Mr. Tong Tsun Sum, Eric

Mr. Lee Wai Hung (*Secretary*)

REMUNERATION COMMITTEE

Dr. Cheng Mo Chi, Moses (*Chairman*)

Mr. Kho Eng Tjoan, Christopher

Dr. Ma Hung Ming, John

Mr. Cheng Yuk Wo

Ms. Salla Tin (*Secretary*)

CORPORATE GOVERNANCE COMMITTEE

Mr. Liu Kam Fai, Winston (*Chairman*)

Mr. Au Kam Yuen, Arthur

Dr. Ma Hung Ming, John

Mr. Lee Wai Hung

EXECUTIVE MANAGEMENT COMMITTEE

Mr. Liu Lit Chi (*Chairman*)

Mr. Liu Kam Fai, Winston

Mr. Lee Wai Hung

審核委員會

鄭毓和先生 (*主席*)

鄭慕智博士

區錦源先生

唐晉森先生

李偉雄先生 (*秘書*)

提名委員會

廖烈智先生 (*主席*)

許榮泉先生

鄭毓和先生

區錦源先生

馬鴻銘博士

唐晉森先生

李偉雄先生 (*秘書*)

薪酬委員會

鄭慕智博士 (*主席*)

許榮泉先生

馬鴻銘博士

鄭毓和先生

田少娟女士 (*秘書*)

企業管治委員會

廖金輝先生 (*主席*)

區錦源先生

馬鴻銘博士

李偉雄先生

執行管理委員會

廖烈智先生 (*主席*)

廖金輝先生

李偉雄先生

As at 11 March 2021 於二零二一年三月十一日

SENIOR MANAGEMENT DEPARTMENT HEADS

| | |
|-----------------------------|--|
| Ms. Eva Liu | Head of Property Development |
| Mr. Luk Chi Chung | Head of Finance Management and Information Technology |
| Ms. Yan Yuet Lam, Charmaine | Head of China Budget Hotel |
| Mr. Pan Sze Yuen, Cecil | Head of Project Development |
| Mr. Jan Kwok Wai, Kim | Head of China Property Development |
| Ms. Hung Shuk Yee | Head of Procurement Management |
| Ms. Salla Tin | Head of Human Resources |

MANAGERS

| | |
|--------------------------|---|
| Mr. Tam King Hung, Peter | Senior Project Manager |
| Ms. Tsia Fung Yee, Tina | Accounting Manager |
| Ms. Wong Yuk Man | Accounting Manager |
| Ms. Cheng Suet Kiu | Manager of Finance Management and Information Technology |
| Mr. Wong Ming Kwong | Maintenance Manager |
| Mr. Leung Kin Pong | Project Manager |

高級管理人員 部門主管

| | |
|-------|------------------|
| 廖綺華女士 | 物業發展部主管 |
| 陸智聰先生 | 財務管理及資訊科技 部主管 |
| 甄玥霖女士 | 中國經濟型酒店部主管 |
| 潘思遠先生 | 項目發展部主管 |
| 詹國偉先生 | 中國物業發展部主管 |
| 洪淑儀女士 | 採購管理部主管 |
| 田少娟女士 | 人力資源部主管 |

經理

| | |
|-------|------------------|
| 譚景雄先生 | 高級策劃經理 |
| 謝芳怡女士 | 會計部經理 |
| 王育敏女士 | 會計部經理 |
| 鄭雪嬌女士 | 財務管理及資訊科技 部經理 |
| 黃銘光先生 | 維修經理 |
| 梁健邦先生 | 策劃經理 |

As at 11 March 2021 於二零二一年三月十一日

SOLICITORS

Deacons

Gallant

P.C. Woo & Co.

AUDITOR

Deloitte Touche Tohmatsu

Registered Public Interest Entity Auditors

BANKERS

Australia and New Zealand Banking Group Limited, Hong Kong Branch

Chong Hing Bank Limited

Credit Suisse AG Hong Kong Branch

Dah Sing Bank, Limited

DBS Bank (Hong Kong) Limited

Hang Seng Bank Limited

MUFG Bank, Limited

Nanyang Commercial Bank, Limited

OCBC Wing Hang Bank Limited

Standard Chartered Bank (Hong Kong) Limited

The Hongkong and Shanghai Banking Corporation Limited

United Overseas Bank Limited

律師

的近律師行

何耀棟律師事務所

胡百全律師事務所

核數師

德勤·關黃陳方會計師行

註冊公眾利益實體核數師

銀行

澳新銀行香港分行

創興銀行有限公司

瑞士信貸銀行股份有限公司香港分行

大新銀行有限公司

星展銀行(香港)有限公司

恒生銀行有限公司

株式會社三菱UFJ銀行香港分行

南洋商業銀行有限公司

華僑永亨銀行有限公司

渣打銀行(香港)有限公司

香港上海滙豐銀行有限公司

大華銀行有限公司

As at 11 March 2021 於二零二一年三月十一日

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創興金融中心3105室
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電郵：shanghai@lchi.com.cn

佛山南海區辦事處

中國廣東省
佛山市南海區
獅山鎮羅村社會管理處城西區地段
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EXECUTIVE DIRECTORS**MR. LIU LIT CHI**

aged 81, is the Chairman of the Board of the Company since 9 August 2017. Mr. Liu has been serving as the Managing Director and Chief Executive Officer of the Company since 26 February 2014. Mr. Liu has been an Executive Director of the Company since its incorporation in 1970. Mr. Liu also serves as the Chairman of Executive Management Committee and Nomination Committee as well as a director of a number of subsidiaries of the Company. Mr. Liu, who was educated in Hong Kong and the United Kingdom, is also a director of a number of other companies in Hong Kong and elsewhere. Save as disclosed above, Mr. Liu did not hold any directorship in any other public listed companies in the previous three years. Mr. Liu is the uncle of Mr. Liu Kam Fai, Winston.

MR. LIU KAM FAI, WINSTON

BA., MSc.

aged 54, was appointed an Executive Director of the Company since 1997. He was re-designated as the Deputy Managing Director of the Company in August 2008. Mr. Liu holds a Master degree in Economics from the University of London, specialising in Finance and Macro Economic Policy. Mr. Liu oversees the Company's strategic development, project implementation and business operations. Mr. Liu also served as the Chairman of the Corporate Governance Committee (was appointed on 30 October 2020), a member of the Executive Management Committee as well as director of a number of subsidiaries of the Company. Save as disclosed above, Mr. Liu did not hold any directorship in any other public listed companies in the last three years. Mr. Liu is a nephew of Mr. Liu Lit Chi.

執行董事**廖烈智先生**

八十一歲，自二零一七年八月九日起出任本公司董事會主席。同時，廖先生自二零一四年二月二十六日起出任為本公司董事總經理兼行政總裁，自一九七零年本公司成立起已成為本公司執行董事。廖先生亦出任本公司執行管理委員會及提名委員會主席以及若干附屬公司之董事。廖先生在香港及英國接受教育，現為多間香港及其他地區公司之董事。除上述披露者外，於過去三年內，廖先生並沒有在任何其他上市公眾公司擔任任何董事職務。廖先生是廖金輝先生之叔父。

廖金輝先生

BA., MSc.

五十四歲，自一九九七年起獲委任為本公司執行董事，於二零零八年八月起再獲委任為本公司副董事總經理。廖先生持有倫敦大學經濟學碩士學位，主修財務及宏觀經濟政策。廖先生現負責本公司發展策略、項目執行、以及日常經營運作。廖先生現時亦出任本公司企業管治委員會之主席（於二零二零年十月三十日獲委任），執行管理委員會委員以及若干附屬公司之董事。除上述披露者外，於過去三年內，廖先生並沒有在任何其他上市公眾公司擔任任何董事職務。他是廖烈智先生之侄兒。

EXECUTIVE DIRECTORS (CONTINUED)

MR. LEE WAI HUNG

LLB, FCCA, FCPA (Practising), ATIHK, MBA, PgD in CRE

aged 58, is an Executive Director and Company Secretary of the Company. Mr. Lee is also serving as a member of Corporate Governance Committee and Executive Management Committee as well as a director of a number of subsidiaries of the Company. Mr. Lee holds a Bachelor of Law degree, a Master of Business Administration degree and Postgraduate Diploma in Construction and Real Estate. He is also a fellow of Hong Kong Institute of Certified Public Accountants (Practising) and a fellow member of the Association of Chartered Certified Accountants. Before joining the Company, Mr. Lee had worked in an international accounting firm for over six years. Mr. Lee has over thirty years of experience in corporate finance and accounting. Mr. Lee joined the Company in 1992 and was appointed as director in 1994. Mr. Lee is primarily responsible for the Company's finance and secretarial matters. Save as disclosed above, Mr. Lee did not hold any directorship in any other public listed companies in the last three years.

執行董事(續)

李偉雄先生

LLB, FCCA, FCPA (Practising), ATIHK, MBA, PgD in CRE

五十八歲，為本公司執行董事兼公司秘書。李先生亦為企業管治委員會及執行管理委員會委員以及出任本公司若干附屬公司之董事。李先生擁有法律學位、工商管理碩士學位及建築及房地產學深造文憑。亦為香港會計師公會及英國特許公認會計師公會資深會員。李先生在加入本公司前曾在國際性會計公司工作超過六年。李先生擁有超過三十年財務及會計經驗，於一九九二年加入本公司並於一九九四年獲委任為董事。李先生主要職責是處理本公司財務及秘書事務。除上述披露者外，於過去三年內，李先生並沒有在任何其他上市公眾公司擔任任何董事職務。

NON-EXECUTIVE DIRECTOR**MR. KHO ENG TJOAN, CHRISTOPHER**

BES, M. Arch, HKIA, RIBA, ARAIA, MRAIC, Assoc. AIA, Registered Architect, A.P. (Architect), MHKIoD

aged 58, served as Non-executive Director of the Company since May 2011 and he is now serving as a member of Remuneration Committee and Nomination Committee of the Company. Mr. Kho holds a Bachelor of Environmental Studies degree on Urban and Regional Planning and a Master of Architecture degree. He is an Authorized Person under the Buildings Ordinance, a Registered Architect under the Architects Registration Ordinance, a member of the Hong Kong Institute of Architects, a corporate member of Royal Institute of British Architects, an associate member of Royal Australian Institute of Architects, a member of Royal Architectural Institute of Canada and an associate member of American Institute of Architects. Mr. Kho was an Executive Committee of the University of Waterloo Alumni Association and a Committee Member of the University of Manitoba Alumni Association from 1989 to 1990. During the year from 1997 to 2003, he was a Director and Council Member of the Wah Yan (Hong Kong) Past Students Association Limited. Mr. Kho is also a Committee Member of the Professional Committee of the Hong Kong Federation of Fujian Associations since 2009. Furthermore, Mr. Kho is appointed as an Executive Committee Member of Hong Kong Fukien Chamber of Commerce and Director of Hong Kong Fukien Chamber of Commerce Education Fund Limited in 2017. Save as disclosed above, Mr. Kho did not hold any directorship in any other public listed companies in the last three years.

非執行董事**許榮泉先生**

BES, M. Arch, HKIA, RIBA, ARAIA, MRAIC, Assoc. AIA, Registered Architect, A.P. (Architect), MHKIoD

五十八歲，自二零一一年五月起出任為本公司非執行董事及他現在亦為本公司薪酬委員會及提名委員會委員。許先生擁有城市規劃系學士學位及建築系碩士學位。他是建築物條例下之認可人士（建築師）及建築師註冊條例下之註冊建築師，香港建築師學會會員，英國皇家建築師學會會員，澳洲皇家建築師學會會員，加拿大皇家建築師學會會員和美國建築師學會會員。許先生曾於一九八九年至一九九零年期間出任加拿大滑鐵盧大學校友會執行委員及加拿大緬民吐巴大學校友會委員，並於一九九七年至二零零三年期間曾出任香港華仁舊生會董事及委員。許先生自二零零九年起更擔任香港福建社團聯會專業人士委員會委員。此外，許先生於二零一七年獲委任為香港福建商會常務理事及香港福建商會教育基金有限公司董事。除上述披露者外，於過去三年內，許先生並沒有在任何其他上市公眾公司擔任任何董事職務。

INDEPENDENT NON-EXECUTIVE DIRECTORS

DR. CHENG MO CHI, MOSES

GBM, GBS, OBE, LLB (HK), J.P.

aged 71, was appointed as an Independent Non-executive Director of the Company in August 1999 and he is now serving as a Chairman of the Remuneration Committee and a member of the Audit Committee of the Company. Dr. Cheng is a practising solicitor and the Consultant of Messrs. P.C. Woo & Co. He is also serving as Chairman of The Insurance Authority. Dr. Cheng was a member of the Legislative Council of Hong Kong. He is the Founder Chairman of the Hong Kong Institute of Directors of which he is now the Honorary President and Chairman Emeritus. He was also the President of International Alliance of Practising Lawyers. In addition to his directorship in the Company, Dr. Cheng currently holds directorships in China Mobile Limited, China Resources Beer (Holdings) Company Limited (Formerly known as China Resources Enterprise, Limited), The Hong Kong and China Gas Company Limited, K. Wah International Holdings Limited, Guangdong Investment Limited, Tian An China Investments Company Limited and Towngas China Company Limited, all being public listed companies in Hong Kong. Dr. Cheng's other directorship in public listed companies in the last three years includes Kader Holdings Company Limited. Save as disclosed above, Dr. Cheng did not hold any directorship, whether in Hong Kong or overseas, in any other public listed companies in the last three years.

獨立非執行董事

鄭慕智博士

GBM, GBS, OBE, LLB (HK), J.P.

七十一歲，於一九九九年八月獲委任為本公司獨立非執行董事，他亦為本公司薪酬委員會主席及審核委員會委員。鄭博士為執業律師及胡百全律師事務所顧問律師，並擔任保險業監管局主席。鄭博士曾任香港立法局議員。他為香港董事學會的創會主席，現為該會的榮譽會長及榮譽主席，並曾擔任國際執業律師聯盟會長。除為本公司之董事外，鄭博士現擔任中國移動有限公司、華潤啤酒（控股）有限公司（前稱華潤創業有限公司）、香港中華煤氣有限公司、嘉華國際集團有限公司、粵海投資有限公司、天安中國投資有限公司及港華燃氣有限公司的董事職務，該等公司均為香港上市公司公眾公司。他過去三年以來曾擔任董事的其他上市公司包括開達集團有限公司。除上述披露者外，鄭博士於過去三年並沒有在其他香港或海外的上市公司擔任任何董事職位。

**INDEPENDENT NON-EXECUTIVE DIRECTORS
(CONTINUED)****MR. AU KAM YUEN, ARTHUR**

aged 81, was appointed an Independent Non-executive Director of the Company on 3 December 2012 and he also serves as a member of the Audit Committee, Nomination Committee and Corporate Governance Committee of the Company. Mr. Au studied Law in Sydney and London respectively. He was admitted as a solicitor in England in 1975 and in Hong Kong in 1976. He is a sole proprietor of Arthur Au & Co., a firm of solicitors established since 1979. Mr. Au is a Notary Public and was a member of the Notary Public Disciplinary Tribunal Panel. He is also a School Management Committee Member of the Clementi Secondary School. He now serves as legal adviser to the Association of Hong Kong Nursing Staff (previously named as the Association of Government Nursing Staff) and The New Territories North District Manufacturers Association of Hong Kong Limited. Mr. Au is an active Rotarian, he was a District Governor of Rotary International District 3450 (Hong Kong/Macao/Mongolia) in 1990–1991. Save as disclosed above, Mr. Au did not hold any directorship in any other public listed company in the last three years.

獨立非執行董事(續)**區錦源先生**

八十一歲，於二零一二年十二月三日獲委任為本公司獨立非執行董事，他亦為本公司審核委員會、提名委員會及企業管治委員會委員。區先生先後分別在澳洲雪梨及英國倫敦等海外攻研法律。他於一九七五年及一九七六年分別獲得英國及香港執業律師資格，並自一九七九年起成立區錦源律師行及為該行之獨資經營者。區先生是國際公證人及曾任國際公證人紀律審裁委員會成員，亦為金文泰中學學校管理委員會成員。區先生現任香港護士協會(前稱政府護理員協會)及香港新界北區廠商會有限公司法律顧問。區先生熱心扶輪工作，並為一九九零年至一九九一年度，國際扶輪3450地區(香港，澳門及蒙古國)之區域總監。除上述所披露者外，區先生於過去三年並沒有在任何其他上市公眾公司擔任任何董事職務。

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONTINUED)

DR. MA HUNG MING, JOHN

PhD, BBS, J.P.

aged 54, was appointed an Independent Non-executive Director of the Company on 3 December 2012 and he is serving as a member of the Remuneration Committee, Nomination Committee and Corporate Governance Committee of the Company. Dr. Ma currently is the Vice Chairman of Carrianna Group Holdings Company Limited, this is a public company listed on The Stock Exchange of Hong Kong Limited. He has extensive experience in the catering industry, as well as property management and development. He was awarded the Bronze Bauhinia Star (BBS) from The Government of the Hong Kong Special Administrative Region in 2003 and a Honorary Doctorate of Philosophy by Morrison University in 2004. As for the community service, Dr. Ma was the Chairman of Tung Wah Group of Hospitals for the year 2002. He is a member of Tung Wah Group of Hospitals Advisory Board, the Standing Committee of Shenzhen Committee of Chinese People's Political Consultative Conference and the Chief President of Hong Kong Chamber of Commerce, Qianhai. He also serves as the Vice Chairman of Federation of Hong Kong Guangdong Community Organisations, Vice President of Hong Kong Chiu Chow Chamber of Commerce and the Executive Director of China Overseas Friendship Association. On 1 July 2015, Dr. Ma was appointed to Justices of the Peace by The Government of the Hong Kong Special Administrative Region. Save as disclosed above, Dr. Ma did not hold any directorship in any other public listed companies in the last three years.

獨立非執行董事 (續)

馬鴻銘博士

PhD, BBS, J.P.

五十四歲，於二零一二年十二月三日獲委任為本公司獨立非執行董事，他亦為本公司薪酬委員會、提名委員會及企業管治委員會委員。馬博士現時出任佳寧娜集團控股有限公司的副主席，此公司為香港聯合交易所之上市公司。他在飲食業、物業管理及地產發展方面具有豐富的經驗。於二零零三年馬博士獲香港特別行政區政府頒授銅紫荊星章及於二零零四年獲美國摩利臣大學頒授榮譽哲學博士。在公益服務方面，馬博士曾於二零零二年出任東華三院主席，現任香港東華三院顧問局成員、深圳市政協常委及前海香港商會首席會長，並擔任香港廣東社團總會常務副主席、香港潮州商會副會長及中華海外聯誼會常務理事，並於二零一五年七月一日，馬博士獲香港特別行政區政府委任為太平紳士。除上述所披露者外，馬博士於過往三年並沒有在任何其他上市公眾公司擔任任何董事職務。

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONTINUED)

MR. CHENG YUK WO

Msc (Econ), BA (Hons), CPA (Canada), CA, FCA, FCPA, CPA (Practising)

aged 60, was appointed as Independent Non-executive Director of the Company on 7 March 2014 and he is now serving as a Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company. Mr. Cheng obtained a Master of Science (Economics) degree in Accounting and Finance from London School of Economics, England and a Bachelor of Arts (Honours) degree in Accounting from University of Kent, England. He is a Fellow of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants, the Chartered Professional Accountants of Canada and the Institute of Chartered Accountants of Ontario, Canada. Mr. Cheng has over 20 years' of expertise in accounting, finance and corporate advisory services. Mr. Cheng is currently an Independent Non-Executive Director of Chia Tai Enterprises International Limited, Chong Hing Bank Limited, CSI Properties Limited, HKC (Holdings) Limited, Goldbond Group Holdings Limited, CPMC Holdings Limited, Top Spring International Holdings Limited, DTXS Silk Road Investment Holdings Company Limited, Miricor Enterprises Holdings Limited, Somerley Capital Holdings Limited, Kidsland International Holdings Limited and C.P. Pokphand Co. Limited, all of the abovementioned companies are listed on the Stock Exchange. Mr. Cheng was also an Independent Non-executive Director of C.P. Lotus Corporation, a company formerly listed on the Stock Exchange which was privatised on 29 October 2019, from 2004 to 29 October 2019 and DTXS Silk Road Investment Holdings Company Limited, from 3 November 2015 to 29 May 2020. Save as disclosed above, Mr. Cheng has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

獨立非執行董事(續)

鄭毓和先生

Msc (Econ), BA (Hons), CPA (Canada), CA, FCA, FCPA, CPA (Practising)

六十歲，於二零一四年三月七日獲委任為本公司獨立非執行董事，他亦為本公司審核委員會主席、薪酬委員會及提名委員會委員。鄭先生持有英國倫敦大學經濟學院科學(經濟)碩士(主修會計及金融)及英國肯特大學會計系之榮譽文學士學位。彼乃英格蘭及威爾斯特許會計師公會、香港會計師公會、加拿大特許專業會計師協會及加拿大安大略省特許會計師公會之資深會員。鄭先生擁有逾二十年於會計、金融及企業顧問服務之專業知識。鄭先生現為正大企業國際有限公司、創興銀行有限公司、資本策略地產有限公司、香港建設(控股)有限公司、金榜集團控股有限公司、中糧包裝控股有限公司、萊蒙國際集團有限公司、卓珈控股集團有限公司、新百利融資控股有限公司、凱知樂國際控股有限公司及卜蜂國際有限公司之獨立非執行董事，所有以上所述之公司均為香港聯交所上市之公眾公司。鄭先生亦曾於二零零四年至二零一九年十月二十九日擔任卜蜂蓮花有限公司(於二零一九年十月二十九日私有化)獨立非執行董事，及曾於二零一五年十一月三日至二零二零年五月二十九日擔任大唐西市絲路投資控股有限公司的獨立非執行董事。除上述披露外，於過去三年內，鄭先生並沒有在香港或海外任何證券市場之上市公眾公司擔任任何董事職務。

INDEPENDENT NON-EXECUTIVE DIRECTORS (CONTINUED)

MR. TONG TSUN SUM, ERIC

CA (Aust), CPA (Practising), CFE

aged 50, was appointed as an Independent Non-executive Director and a member of the audit and the nomination committee of the Company in March 2018. He obtained a Bachelor of Economics from University of Sydney, Australia, a Master of Commerce in Professional Accounting from Macquarie University, Australia. He is a member of CPA Australia, Hong Kong Institute of Certified Public Accountants and Institute of Chartered Accountants Australia and New Zealand. He is also a member of The Institute of Chartered Secretaries and Administrators, the Governance Institute of Australia and the Association of Certified Fraud Examiners. Save as disclosed above, Mr. Tong did not hold any directorship in any other public listed company in the last three years.

SENIOR MANAGEMENT

MR. LUK CHI CHUNG

FCCA, CPA (Practising), MAEB

aged 53, Head of Finance Management and Information Technology. Mr. Luk is a professional accountant, holding Master of Arts Degree in Electronic Business and has over thirty years of experience in finance and accounting. Mr. Luk joined the Company in 1995 and is in charge of Finance Management and Information Technology Department.

MS. EVA LIU

MA (Cantab), DipArch (Kingston), MA (City), ARB (UK), RIBA

aged 57, Head of Property Development. Ms. Liu is a Chartered Architect (UK), holding Master of Arts Degrees, in Architecture from the University of Cambridge, and Property Valuation And Law from the City University of London. She was in architectural practice in England before joining the Company in 1999. She is the sister of Mr. Liu Kam Fai, Winston.

獨立非執行董事 (續)

唐晉森先生

CA (Aust), CPA (Practising), CFE

五十歲，於二零一八年三月獲委任為本公司獨立非執行董事以及審核委員會及提名委員會的委員。彼獲得澳洲悉尼大學經濟學學士學位，澳洲麥覺理大學專業會計商科碩士學位。他是澳大利亞會計師公會、香港會計師公會、澳洲及新西蘭特准會計師公會會員。他亦為英國特許秘書協會的成員、澳大利亞治理學院和美國欺詐審查師協會的成員。除上述所提及外，於過去三年內，唐先生並沒有在任何其他上市公眾公司擔任任何董事職務。

高級管理人員

陸智聰先生

FCCA, CPA (Practising), MAEB

五十三歲，財務管理及資訊科技部主管。陸先生為專業會計師，擁有電子商業碩士學位及三十年以上財務及會計經驗。陸先生於一九九五年加入本公司，現為財務管理及資訊科技部主管。

廖綺華女士

MA (Cantab), DipArch (Kingston), MA (City), ARB (UK), RIBA

五十七歲，物業發展部主管。廖女士為英國皇家建築師學會會士，擁有英國劍橋大學建築系及英國(倫敦)城市大學物業系碩士。她本為英國執業建築師，於一九九九年加入本公司，廖女士是廖金輝先生之姊姊。

SENIOR MANAGEMENT (CONTINUED)**MS. YAN YUET LAM, CHARMAINE**

aged 46, Head of China Budget Hotel. Ms. Yan joined the Company in 2007. Ms. Yan was educated in Vancouver, Canada. Before joining the Company, Ms. Yan had worked with various mainland companies at senior management post for leading and handling numerous successful real estate projects including the Shanghai Forest Manor, one of the top residential villa projects in Shanghai. In addition, Ms. Yan has extensive experience in business club operations both in Beijing and Shanghai. Ms. Yan is currently in charge of the Company's budget hotel business.

MR. PAN SZE YUEN, CECIL

MA (Cantab), DipArch (Cantab), RIBA

aged 57, Head of Project Department. Mr. Pan is a Chartered Architect (UK), holding Master of Arts Degree in Architecture from the University of Cambridge, and has over twenty years of experience as a practicing architect in both UK and Hong Kong. Mr. Pan joined the Company in 2006.

MR. JAN KWOK WAI, KIM

BEng (Civil), CEng, MICE

aged 52, Head of China Property Development. Mr. Jan joined the Company in 2008. Mr. Jan is a professional engineer with over twenty years of construction and project management experience representing Clients, Consultants and Contractors on both private sector and government funded projects in China, Hong Kong and Macau.

高級管理人員(續)**甄玥霖女士**

四十六歲，中國經濟型酒店部主管。甄女士於二零零七年加入本公司。甄女士於加拿大溫哥華接受教育。加入本公司前，甄女士曾任職國內管理層職位，負責地產項目包括上海著名豪宅項目「上海西郊莊園」。此外，甄女士擁有管理及經營北京及上海兩地的商務會所的經驗。甄女士現負責本公司經濟型酒店經營項目。

潘思遠先生

MA (Cantab), DipArch (Cantab), RIBA

五十七歲，項目發展部主管。潘先生為英國皇家建築師學會會士，擁有英國劍橋大學建築系碩士，及二十年以上作為英國及香港執業建築師經驗。潘先生於二零零六年加入本公司。

詹國偉先生

BEng (Civil), CEng, MICE

五十二歲，中國物業發展部主管。詹先生於二零零八年加入本公司。詹先生為專業土木工程師並擁有超過二十年以上建築及項目管理之工作經驗，涉及的項目分佈在中國、香港及澳門，曾分別代表發展商、顧問公司及承建商參與私營及政府建設項目。

SENIOR MANAGEMENT (CONTINUED)

MS. HUNG SHUK YEE

aged 56, Head of Procurement Management. Ms. Hung holds a Master Degree in Business Administration of the University of Hull. She has over twenty years of experience in general administration, procurement and facilities management in the banking sector. Ms. Hung joined the company in 2016.

MS. SALLA TIN

aged 54, Head of Human Resources. Ms. Tin holds a Master Degree in Human Resources Management of Macquarie University, Australia and has over twenty years of experience in human resources management in the banking sector. Ms. Tin joined the Company in 2018.

高級管理人員(續)

洪淑儀女士

五十六歲，採購管理部主管。洪女士擁有University of Hull工商管理學碩士學位，她於銀行業界的行政、採購及設施管理等範疇有超過二十年經驗。洪女士於二零一六年加入本公司。

田少娟女士

五十四歲，人力資源部主管。田女士擁有澳洲Macquarie University人力資源管理碩士學位，於銀行業界具有超過二十年人力資源管理經驗。田女士於二零一八年加入本公司。

NOTICE IS HEREBY GIVEN that the annual general meeting of Liu Chong Hing Investment Limited (the “Company”) for the year 2021 (“2021 AGM”) will be held at 27th Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong on Thursday, 20 May 2021 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements together with reports of the directors and of the auditor of the Company for the year ended 31 December 2020.
2. To approve the payment of the final cash dividend of HK\$0.25 per share for the year ended 31 December 2020 (“2020 Final Dividend”).
3. To re-elect (a) Mr. Liu Kam Fai, Winston, (b) Mr. Lee Wai Hung, (c) Dr. Cheng Mo Chi, Moses and (d) Mr. Tong Tsun Sum, Eric as directors of the Company.
4. To fix the directors’ remuneration for the year ending 31 December 2021.
5. To re-appoint Messrs. Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the Board of Directors to fix their remuneration.

As special business to consider and, if thought fit, pass with or without modifications the following ordinary resolutions:

ORDINARY RESOLUTIONS

6. **“THAT:**
 - (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) of this resolution) of all the powers of the Company to buy-back shares of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange (as applicable) as amended from time to time, be and is hereby generally and unconditionally approved;

茲通告廖創興企業有限公司(「本公司」)謹訂於二零二一年五月二十日(星期四)上午十一時正假座香港德輔道中二十四號創興銀行中心二十七樓舉行二零二一年度股東周年大會(「二零二一年股東周年大會」)，討論下列議案：

1. 省覽並採納本公司截至二零二零年十二月三十一日止年度經審核之綜合財務報表及董事會與核數師報告。
2. 批准派發截至二零二零年十二月三十一日止年度之末期現金股息每股港幣0.25元(「二零二零年末期股息」)。
3. 重選本公司董事(a)廖金輝先生；(b)李偉雄先生；(c)鄭慕智博士及(d)唐晉森先生；
4. 釐定截至二零二一年十二月三十一日止年度之董事酬金。
5. 再度聘任德勤·關黃陳方會計師行為本公司核數師及授權董事會釐定其酬金。

並作為特別事項，酌情考慮通過(不論有否修訂)下列普通決議案：

普通決議案

6. **「動議：**
 - (a) 在下文(b)段之規限下，一般性及無條件批准本公司之董事於有關期間(定義見本決議案的(c)段)行使本公司之全部權力，根據所有適用法例及香港聯合交易所有限公司(「聯交所」)或任何其他證券交易所(如適用)不時修訂的證券上市規則，回購本公司在聯交所上市之股份，或回購本公司在任何獲香港證券及期貨事務監察委員會及聯交所就此認可之其他證券交易所上市之股份。

- (b) the aggregate number of shares of the Company which the Company is authorised to buy back pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate number of issued shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) to be held; or
 - (iii) the date on which the authority set out in this resolution is revoked, renewed or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

7. “THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) of this resolution) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power(s) during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved;

- (b) 本公司依據上文(a)段之批准獲授權回購之本公司股份總數目不得超過於本決議案獲通過之日本公司已發行股份總數目之10%，而上述批准須受相應限制；及
- (c) 就本決議案而言，「有關期間」指本決議案獲通過之日起至下列最早日期止之期間：
- (i) 本公司下屆股東周年大會結束時；
 - (ii) 按照香港法例第622章公司條例或本公司之公司組織章程細則規定，本公司下屆股東周年大會須予舉行期限屆滿之日；或
 - (iii) 本公司股東於股東大會上通過普通決議案撤銷、更新或修訂本決議案所載列之授權之日。」

7. 「動議：

- (a) 在下文(c)段之規限下，一般性及無條件批准本公司之董事於有關期間(定義見本決議案的(d)段)行使本公司之一切權力以配發、發行及處置本公司之額外股份，以及作出或授出於有關期間內或有關期間結束後將會或可能須行使該等權力之建議、協議及期權(包括債券、認股權證、公司債券、票據及任何賦有權利可認購或可兌換為本公司股份之證券)；

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of shares allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this resolution); (ii) the exercise of any rights of subscription or conversion under any warrants, bonds, debentures, notes and any securities of the Company which carry rights to subscribe for or are convertible into shares of the Company; (iii) an issue of shares of the Company upon the exercise of the subscription rights attaching to any options granted under any share option scheme adopted by the Company; (iv) an issue of shares as scrip dividends or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company from time to time; or (v) specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20% of the aggregate number of issued shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company; or
- (b) 上文(a)段之批准將授權本公司之董事於有關期間作出或授予將會或可能須於有關期間完結後行使該等權力之建議、協議及期權(包括債券、認股權證、公司債券、票據及任何賦有權利可認購或可兌換為本公司股份之證券)；
- (c) 本公司之董事依據上文(a)段之批准配發、發行及處置或有條件或無條件同意配發、發行及處置(不論依據期權或其他)之股份總數目，除依據(i)配售新股(定義見本決議案的(d)段)；(ii)行使根據本公司任何現有認股權證、債券、公司債券、票據及任何附有可認購或可兌換為本公司股份之權利之證券；(iii)本公司採納之任何股份期權計劃所授出之期權所附認購權獲行使時而發行之本公司股份；或(iv)按照本公司不時生效之公司組織章程細則，發行股份以股代息或配發股份以代替本公司股份獲派之全數或部分股息之類似安排；或(v)本公司股東於股東大會授出特定授權外，不得超過於本決議案獲通過當日之本公司已發行股份總數目之20%，而上述批准須受相應限制；及
- (d) 就本決議案而言，
「有關期間」指本決議案獲通過之日起至下列最早日期止之期間：
- (i) 本公司下屆股東周年大會結束時；或

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) to be held; or
- (iii) the date on which the authority set out in this resolution is revoked, renewed or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares or any class of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

8. “**THAT** conditional upon Ordinary Resolutions Nos. 6 and 7 set out in the notice convening this meeting being passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with additional shares pursuant to Ordinary Resolution No. 7 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate number of shares of the Company bought back by the Company under the authority granted pursuant to Ordinary Resolution No. 6 set out in the notice convening this meeting, provided that such extended amount of shares so bought back shall not exceed 10% of the aggregate number of issued shares of the Company as at the date of passing of this resolution.”

- (ii) 按照香港法例第622章公司條例或本公司之公司組織章程細則規定，本公司下屆股東周年大會須予舉行期限屆滿之日；或
- (iii) 本公司股東於股東大會上通過普通決議案撤銷、更新或修訂本決議案所載列之授權之日；及

「配售新股」指本公司之董事於指定期間向於指定記錄日期名列本公司股東名冊之本公司股份或任何類別股份之持有人，按彼等於該日之持股比例提呈發售股份（惟本公司之董事可就零碎股份或經考慮適用於本公司之任何司法管轄區法例之任何限制或責任或任何認可監管機構或任何證券交易所之規定後，作出彼等認為必需或適當之取消權利行動或另作安排。）

8. 「**動議**待本大會通告所載第6及7項普通決議案獲通過後，擴大大公司董事獲授予本大會通告所載根據第7項普通決議案可行使本公司權力以配發、發行並處置股份之一般授權，在其上另加相當於本公司根據本大會通告所載第6項普通決議案授予之授權可回購本公司之股份數目，惟該加上之回購股份數目不得超過本公司於本決議案通過日期已發行股份總數之10%。」

9. To transact any other business.

By Order of the Board

Liu Chong Hing Investment Limited

Liu Lit Chi

Chairman

Hong Kong, 9 April 2021

Notes:

- A member of the Company entitled to attend and vote at the 2021 AGM is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
- To be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- Record dates of entitlements of the members:
 - For the purpose of determining shareholders who are entitled to attend and vote at the 2021 AGM to be held on Thursday, 20 May 2021, whose name should be recorded in the Company's shareholders book on Thursday, 20 May 2021. The Register of Members of the Company will be closed from Friday, 14 May 2020 to Thursday, 20 May 2021, both days inclusive. In order to qualify for attending and voting at the 2021 AGM, all share certificates with completed transfer forms either overleaf or separately must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 13 May 2021.
 - For the purpose of determining shareholders who qualify for the 2020 Final Dividend, whose name should be recorded in the Company's shareholders book on Friday, 28 May 2021. The Register of Members of the Company will be closed from Wednesday, 26 May 2021 to Friday, 28 May 2021, both days inclusive. In order to qualify for the final dividend, all share certificates with completed transfer forms either overleaf or separately must be lodged for registration with the Company's Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 25 May 2021.
- The registration for attending the above meeting will start at 10:30 a.m. on Thursday, 20 May 2021.
- The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.
- If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 8:00 a.m. on the date of the meeting, the meeting will be postponed or adjourned. The Company will post an announcement on the Company website (www.lchi.com.hk) and HKEXnews website (www.hkexnews.hk) to notify shareholders of the date, time and place of the rescheduled meeting.

The meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather condition bearing in mind their own situations.
- A circular containing further information on the proposals regarding the (i) re-election of the directors of the Company, (ii) general mandates for the buy back and issue of shares of the Company and (iii) Precautionary Measures for the Annual General Meeting will be sent to shareholders today along with the Company's 2020 Annual Report.

As at the date hereof, the Board of Directors of the Company comprises Executive Directors: Mr. Liu Lit Chi (Chairman, Managing Director and Chief Executive Officer), Mr. Liu Kam Fai, Winston (Deputy Managing Director) and Mr. Lee Wai Hung; Non-executive Director: Mr. Kho Eng Tjoan, Christopher; and Independent Non-executive Directors: Dr. Cheng Mo Chi, Moses, Mr. Au Kam Yuen, Arthur, Dr. Ma Hung Ming, John, Mr. Cheng Yuk Wo and Mr. Tong Tsun Sum, Eric.

9. 處理其他事項。

承董事會命

廖創興企業有限公司

廖烈智

主席

香港，二零二一年四月九日

附註：

- 凡有權出席二零二一年股東周年大會並於會上投票之本公司股東可委派另一人士作為其代表代其出席及投票。持有兩股或以上股份之股東可委任多於一名代表同時出席大會。受委派之代表毋須為本公司股東。
- 代表委任書連同代表委任書據之簽署的授權書或其他授權文件(如有)或經公證人核證之該等授權書或授權文件之副本須不遲於大會或其續會舉行前四十八小時送達本公司之股份過戶登記處：香港中央證券登記有限公司，地址為香港灣仔皇后大道東一八三號合和中心十七M樓，方為有效。
- 確定股東權利之記錄日期：
 - 為確定合資格出席在二零二一年五月二十日(星期四)舉行之二零二一年股東周年大會並於會上投票之股東，其名字須列於二零二一年五月二十日(星期四)之股東名冊內，本公司將由二零二一年五月十四日(星期五)至二零二一年五月二十日(星期四)(包括首尾兩天)暫停辦理股份過戶登記手續。股東為確保有權出席二零二一年股東周年大會並於會上投票，請將所有股票連同已填妥背面或另頁之過戶表格，最遲須於二零二一年五月十三日(星期四)下午四時三十分前送達本公司股份過戶登記處：香港中央證券登記有限公司，地址為香港灣仔皇后大道東一八三號合和中心十七樓一七一一至一七一六號舖，辦理過戶登記手續。
 - 為確定合資格享有二零二零年末期股息之股東，其名字須列於二零二一年五月二十八日(星期五)之本公司股東名冊內，本公司將於二零二一年五月二十六日(星期三)至二零二一年五月二十八日(星期五)(包括首尾兩天)暫停辦理股份過戶登記手續。股東為確保符合資格獲派末期股息，請將所有股票連同已填妥背面或另頁之過戶表格，最遲須於二零二一年五月二十五日(星期二)下午四時三十分前送達本公司股份過戶登記處：香港中央證券登記有限公司，地址為香港灣仔皇后大道東一八三號合和中心十七樓一七一一至一七一六號舖，辦理過戶登記手續。
- 上述大會將於二零二一年五月二十日(星期四)上午十時三十分開始進行登記。
- 本通告的中文版為譯本僅供參考，如有任何抵觸，概以英文版為準。
- 若會議當日上午八時或之後任何時間懸掛八號或以上颱風信號或黑色暴雨警告信號生效，會議將延期舉行或休會後再舉行續會。本公司將於本公司網站(www.lchi.com.hk)及香港交易所披露易網站(www.hkexnews.hk)上載公告，通知股東重新安排的會議日期、時間及地點。

在黃色或紅色暴雨警告信號生效期間，會議將會如期舉行。於惡劣天氣情況下，股東應因應自身情況自行決定是否出席會議。
- 載有關於(i)重選本公司董事、(ii)有關回購及發行本公司的股份之一般性授權之各項建議及(iii)股東周年大會的預防措施進一步詳情的通函，將於今天連同本公司二零二零年年報一併發送予股東。

於本通告日期，本公司之董事會成員包括執行董事：廖烈智先生(主席、董事總經理兼行政總裁)、廖金輝先生(副董事總經理)及李偉雄先生；非執行董事：許榮泉先生；及獨立非執行董事：鄭慕智博士、區錦源先生、馬鴻銘博士、鄭毓和先生及唐晉森先生。

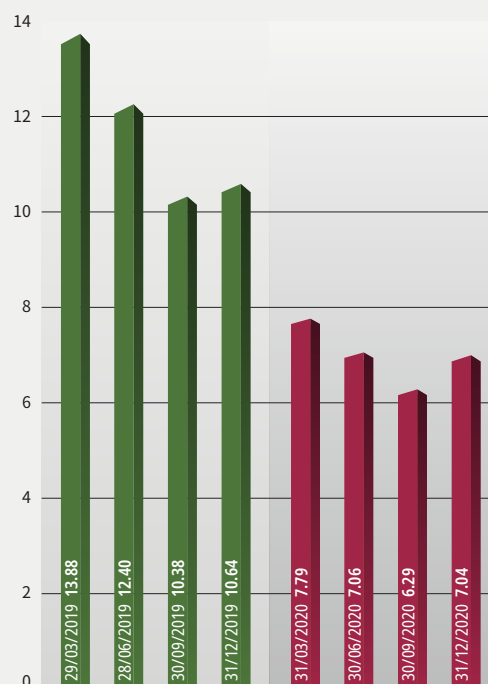
MARKET PRICE MOVEMENT AND MARKET CAPITALIZATION CHART

市價走勢及市值圖表

| Last Trading Date of Each Month 每月最後交易日 | Closing Price per Share 每股收市價 (HK\$ 港幣) | Market Capitalization 市值 (HK\$ in million 港幣百萬元) |
|--|---|---|
| 31/1/2019 | 12.08 | 4,573 |
| 28/2/2019 | 12.66 | 4,793 |
| 29/3/2019 | 13.88 | 5,255 |
| 30/4/2019 | 13.68 | 5,179 |
| 31/5/2019 | 11.98 | 4,535 |
| 28/6/2019 | 12.40 | 4,694 |
| 31/7/2019 | 11.90 | 4,505 |
| 30/8/2019 | 10.82 | 4,096 |
| 30/9/2019 | 10.38 | 3,930 |
| 31/10/2019 | 10.76 | 4,074 |
| 29/11/2019 | 10.70 | 4,051 |
| 31/12/2019 | 10.64 | 4,028 |
| 31/1/2020 | 10.02 | 3,793 |
| 28/2/2020 | 9.26 | 3,506 |
| 31/3/2020 | 7.79 | 2,949 |
| 29/4/2020 | 7.83 | 2,964 |
| 29/5/2020 | 6.72 | 2,544 |
| 30/6/2020 | 7.06 | 2,673 |
| 31/7/2020 | 6.57 | 2,487 |
| 31/8/2020 | 6.61 | 2,502 |
| 30/9/2020 | 6.29 | 2,381 |
| 30/10/2020 | 6.22 | 2,355 |
| 30/11/2020 | 6.79 | 2,571 |
| 31/12/2020 | 7.04 | 2,665 |

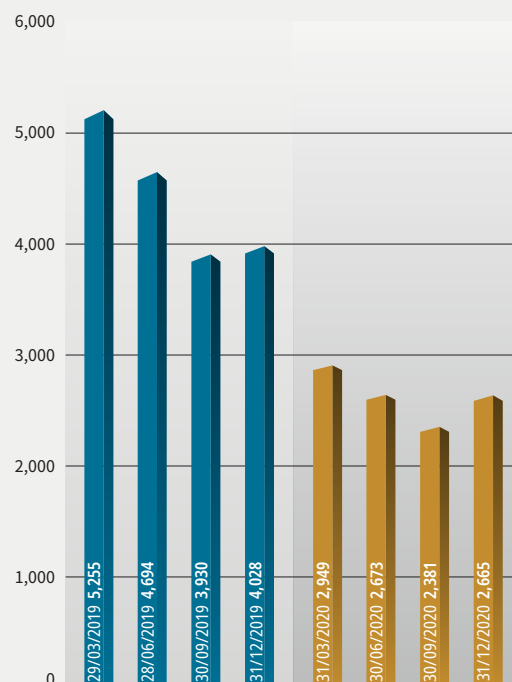
Closing Price per Share 每股收市價

March 2019 to December 2020
二零一九年三月至二零二零年十二月
HK\$ 港幣



Market Capitalization 市值

March 2019 to December 2020
二零一九年三月至二零二零年十二月
HK\$ in Million 港幣百萬元



LIU CHONG HING GROUP SIMPLIFIED CORPORATE STRUCTURE CHART

廖創興集團簡化架構圖

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度



For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

| Description 概述 | Interest in the property attributable to the Group 本集團應佔之 物業權益 | Approximate site area (sq. ft.) 概約地盤面積 (平方呎) | Total gross floor area (sq. ft.) 總建築樓面面積 (平方呎) | Existing use 現時用途 |
|--|---|--|--|----------------------|
| <i>Investment properties</i> 投資物業 | | | | |
| <i>Hong Kong:</i> 香港： | | | | |
| 1. Chong Hing Bank Centre 24 Des Voeux Road Central 創興銀行中心 德輔道中24號 | 100% | 7,100 | 110,000 | O |
| 2. Chong Yip Centre 402-404 Des Voeux Road West 創業商場 德輔道西402-404號 | 100% | 32,400 | 54,000 | C/P* |
| 3. Fairview Court 94 Repulse Bay Road 富慧閣 淺水灣道94號 | 100% | 30,000 | 26,000 | R/P |
| 4. The Westwood 8 Belcher's Street 西寶城 卑路乍街8號 | 10% | - | 221,900 | C/P |
| | | | 411,900 | |
| <i>Kowloon and New Territories:</i> 九龍及新界： | | | | |
| 5. Chong Hing Square 601 Nathan Road, Mongkok 創興廣場 旺角彌敦道601號 | 100% | 12,300 | 182,000 | C |
| 6. Bonsun Industrial Building 364-366 Sha Tsui Road, Tsuen Wan 萬象工業大廈 荃灣沙咀道364-366號 | 100% | 18,000 | 8,200 | I/P |
| 7. Chatham Place 388 Chatham Road North, Hung Hom 昇御商場 紅磡漆咸道北388號 | 10% | - | 61,000 | C/P |
| | | | 251,200 | |

* Under Renovation 裝修工程進行中

SCHEDULE OF MAJOR PROPERTIES HELD BY THE GROUP 本集團主要物業表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

| Description 概述 | Interest in the property attributable to the Group 本集團應佔之 物業權益 | Approximate site area (sq. ft.) 概約地盤面積 (平方呎) | Total gross floor area (sq. ft.) 總建築樓面面積 (平方呎) | Existing use 現時用途 |
|---|---|--|--|----------------------|
| <i>Investment properties</i> 投資物業 | | | | |
| <i>People's Republic of China:</i> 中華人民共和國： | | | | |
| 8. Chong Hing Finance Center No. 288 Nanjing Road West Huang Pu District Shanghai 創興金融中心 上海 黃浦區 南京西路288號 | 100% | 55,000 | 103,000 413,000 180,000 | C O P |
| 9. The Grand Riviera West of Luocun Luocun Social Management Office Shishan Town Nanhai District Foshan 翠湖綠洲花園 佛山市 南海區 獅山鎮羅村社會管理處 城西區地段 | 90% | – | 182,000 73,000 | C S |
| | | | 951,000 | |
| <i>Hotel land and building</i> 酒店土地及樓宇 | | | | |
| <i>Hong Kong:</i> 香港： | | | | |
| 10. ONE-EIGHT-ONE Hotel & Serviced Residences 181-183 Connaught Road West ONE-EIGHT-ONE酒店及服務式住宅 干諾道西181-183號 | 100% | 10,800 | 184,000 | H |

| Description 概述 | Interest in the property attributable to the Group 本集團應佔之 物業權益 | Approximate site area (sq. ft.) 概約地盤面積 (平方呎) | Total gross floor area (sq. ft.) 總建築樓面面積 (平方呎) | Existing use 現時用途 |
|---|---|--|--|----------------------|
| <i>Investment properties (Joint Ventures)</i> 投資物業 (合營企業) | | | | |
| <i>Japan:</i> 日本 : | | | | |
| 11. Higashi Matsuyama Logistics Centre 296-1, 294-1, 301-2, 301-1, 300-1, 299-1, 302-1, 295-1, Oaza Shingo, Higashi Matsuyama-shi, Saitama Prefecture 東松山物流中心 埼玉縣東松山市Oaza Shingo, 296-1, 294-1, 301-2, 301-1, 300-1, 299-1, 302-1, 295-1 | 50% | 102,800 | 193,600 | W |
| 12. Kakegawa Logistics Centre 102, Shobugaike, Kakewawa-shi, Shizuoka Prefecture 掛川物流中心 靜岡縣掛川市 Shobugaike 102號 | 50% | 509,000 | 457,000 | W |
| 13. Hadano Logistics Centre 548-1, Aza Haihata, Soya, Hadano-Shi, Kanagawa Prefecture 秦野物流中心 神奈川縣秦野市Soya, Aza Haihata, 548-1 | 50% | 53,700 | 104,000 | W |
| | | | 754,600 | |
| <i>Australia</i> 澳洲 | | | | |
| 14. 589-599 Torrens Road, St Clair, South Australia | 50% | 319,800 | 161,600 | I |

SCHEDULE OF MAJOR PROPERTIES HELD BY THE GROUP 本集團主要物業表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

| Description 概述 | Interest in the property attributable to the Group 本集團應佔之物業權益 | Approximate site area (sq. ft.) 概約地盤面積 (平方呎) | Total gross floor area (sq. ft.) 總建築樓面面積 (平方呎) | Existing use 現時用途 | Status 工程進度 |
|--|--|---|---|----------------------|-----------------------------------|
| <i>Properties under development</i> 發展中物業 | | | | | |
| <i>Hong Kong:</i> 香港： | | | | | |
| 15. Various Lots in D.D. 29 Ting Kok Road, Tai Po 大埔汀角路 29號地段 | 100% | 262,000 | n/a 不適用 | n/a 不適用 | Planning 計劃中 |
| <i>People's Republic of China:</i> 中華人民共和國： | | | | | |
| 16. Elegance Garden Plot No.2, Nan Ce, Jianshe Dadao Xinan Jiedao, Sanshui Qu Foshan 軒隆雅園 佛山市三水區 西南街道建設大道南側地塊二 | 90% | 362,300 | 1,170,000 14,000 321,000 | R C P | Construction in progress 施工進行中 |
| | | | 1,505,000 | | |

C=Commercial 商業 H=Hotel 酒店 I=Industrial 工業 P=Car Park 車位 R=Residential 住宅 O=Office 寫字樓
S=Clubhouse and recreational facilities 會所及康樂設施 W=Warehouse 貨倉

FINANCIAL CALENDAR As at 11 March 2021

財務日誌於二零二一年三月十一日

RESULTS ANNOUNCEMENT**業績公佈**

| | | |
|--|---|--|
| Interim Results for six-month ended 30 June 2020 截至二零二零年六月三十日止 六個月之中期業績 | : | Announced on 6 August 2020 已於二零二零年八月六日公佈 |
| Annual Results for year ended 31 December 2020 截至二零二零年十二月三十一日止 年度之全年業績 | : | Announced on 11 March 2021 已於二零二一年三月十一日公佈 |

SHAREHOLDERS' MEETING**股東大會**

| | | |
|--|---|---|
| Annual General Meeting 股東周年大會 | : | To be held on 20 May 2021 將於二零二一年五月二十日舉行 |
| Latest time to lodge transfer forms 遞交過戶文件最後期限 | : | 4:30 pm on 13 May 2021 二零二一年五月十三日下午四時三十分 |
| Closure of Register of Members (for purpose of ascertaining entitlements to attend and vote at the 2021 Annual General Meeting) 暫停辦理股份過戶登記手續 (確定有權出席二零二一年 股東周年大會及投票) | : | From 14 May 2021 to 20 May 2021 (both days inclusive) 二零二一年五月十四日至二零二一年五月二十日 (首尾兩天包括在內) |

CASH DIVIDENDS**現金股息**

| | | |
|--|---|---|
| Interim cash dividend 中期現金股息 | : | HK\$0.15 per share 每股港幣0.15元 |
| Paid on 支付日期 | : | 11 September 2020 二零二零年九月十一日 |
| Proposed final cash dividend 擬派末期現金股息 | : | HK\$0.25 per Share 每股港幣0.25元 |
| Payable on 支付日期 | : | 4 June 2021 二零二一年六月四日 |
| Ex-dividend date of final dividend 末期股息除息日 | : | 24 May 2021 二零二一年五月二十四日 |
| Latest time to lodge transfer forms 遞交過戶文件最後期限 | : | 4:30 pm on 25 May 2021 二零二一年五月二十五日下午四時三十分 |
| Closure of Register of Members (for purpose of ascertaining entitlements to receive the final dividend) 暫停辦理股份過戶登記手續 (確定有權收取末期股息) | : | From 26 May 2021 to 28 May 2021 (both days inclusive) 二零二一年五月二十六日至二零二一年五月二十八日 (首尾兩天包括在內) |

| | | |
|--------------------------------------|---|--|
| Share Registrars and transfer office | : | Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East Wanchai, Hong Kong |
| 股份登記及轉名處 | | 香港中央證券登記有限公司 香港灣仔皇后大道東一八三號 合和中心十七樓一七一二至一七一六號舖 |
| Share listing | : | The Company's shares are listed on The Stock Exchange of Hong Kong Limited |
| 股票掛牌 | | 本公司股票於香港聯合交易所有限公司 掛牌買賣 |
| Stock Code | : | 00194 |
| 股份代號 | | 00194 |
| Board lot | : | 2,000 shares |
| 買賣單位 | | 2,000 股 |
| No. of issued ordinary share | : | 378,583,440 shares |
| 已發行普通股股份數目 | | 378,583,440 股 |
| Company's e-mail address | : | info@lchi.com.hk |
| 公司電郵地址 | | info@lchi.com.hk |
| Investors and Shareholders contact | : | Attention: Mr. Lee Wai Hung/Ms. Hilda Chan 23rd Floor, Chong Hing Bank Centre 24 Des Voeux Road Central, Hong Kong Tel: (852) 2983 7779 Fax: (852) 2983 7723 Website: http://www.lchi.com.hk |
| 投資者及股東聯絡 | | 致：李偉雄先生／陳曉瑩小姐 香港德輔道中二十四號創興銀行中心二十三樓 電話：(852) 2983 7779 傳真：(852) 2983 7723 網頁： http://www.lchi.com.hk |

| | | |
|------------|---|------------------|
| I34 | Independent Auditor's Report | 獨立核數師報告書 |
| I40 | Consolidated Statement of Profit or Loss | 綜合損益表 |
| I41 | Consolidated Statement of Profit or Loss and Other Comprehensive Income | 綜合損益及 其他全面收益表 |
| I42 | Consolidated Statement of Financial Position | 綜合財務狀況表 |
| I44 | Consolidated Statement of Changes in Equity | 綜合權益變動表 |
| I48 | Consolidated Statement of Cash Flows | 綜合現金流量表 |
| I50 | Notes to the Consolidated Financial Statements | 綜合財務報表附註 |



TO THE MEMBERS OF LIU CHONG HING INVESTMENT LIMITED

(incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Liu Chong Hing Investment Limited (the “Company”) and its subsidiaries (collectively referred to as “the Group”) set out on pages 140 to 264, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

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 Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致廖創興企業有限公司股東

(於香港註冊成立之有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第140至264頁的廖創興企業有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此財務報表包括於二零二零年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零二零年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》妥為擬備。

意見的基礎

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

KEY AUDIT MATTERS

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

VALUATION OF INVESTMENT PROPERTIES

We identified the valuation of investment properties as a key audit matter as they represented 60% of the Group's total assets, combined with the judgements associated with determining the fair value. As disclosed in note 14 to the consolidated financial statements, the investment properties are located in Hong Kong and the People's Republic of China (the "PRC"). The carrying amounts of investment properties amounted to HK\$9,000,490,000 as at 31 December 2020 and a loss on changes in fair value of HK\$136,196,000 was recorded in the profit for the year then ended.

As set out in note 4 to the consolidated financial statements, the Group's investment properties are stated at fair value based on the valuations performed by an independent qualified professional valuer ("Valuer"). Details of the valuation techniques and key inputs used in the valuations are disclosed in note 14 to the consolidated financial statements. The valuations have been arrived at using direct comparison method, income capitalisation method and residual method, which are dependent on certain key inputs and assumptions in respect of prevailing market conditions such as unit sale rate, reversion yield, monthly market rent, gross development value and estimated project development cost.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

投資物業估值

我們識別投資物業估值為關鍵審計事項，乃由於其佔 貴集團總資產60%，連同與釐定公平價值有關的判斷。誠如綜合財務報表附註14所披露，投資物業位於香港及中華人民共和國（以下簡稱「中國」）。投資物業於二零二零年十二月三十一日的賬面值為港幣9,000,490,000元，而截至該日止年度的收益計入港幣136,196,000元的公平價值變動虧損。

誠如綜合財務報表附註4所載，本集團的投資物業乃按獨立合資格專業估值師（以下簡稱「估值師」）所評估的公平價值列賬。所使用的估值技術和主要輸入變數詳情載於綜合財務報表附註14。估值乃採用直接比較法、收益資本化法及剩餘法計算，其取決於現行市場條件的若干主要輸入變數及假設，例如單位銷售價格，租期後的回報率、每月市值租金、總發展價值及預計項目發展成本。

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Our procedures in relation to the valuation of investment properties included:

- Evaluating the competence, capabilities and objectivity of the Valuer;
- Obtaining an understanding of the valuation process and significant assumptions to assess if the adopted approach is appropriate for the respective properties;
- Evaluating the appropriateness of the valuation methods used based on our knowledge of the property markets in Hong Kong and the PRC; and
- Assessing the reasonableness of the key inputs, including unit sale rate, reversion yield, monthly market rent, gross development value and estimated project development cost by comparing these estimates to entity-specific information and market data based on our knowledge of the property markets.

OTHER INFORMATION

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

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

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

我們的審計如何對關鍵審計事項進行處理

有關我們對投資物業估值的程序包括以下各項：

- 估值師的工作能力、才能及客觀性；
- 理解估值過程及重大假設，以評估該等方法是否適合於相關的物業；
- 根據我們對香港及中國物業市場的知識，評估所用估算方法的合適程度；及
- 根據我們對物業市場的知識，透過將該等估算與實體特定的信息及市場數據作比較評估所應用關鍵輸入的合理性，包括單位銷售價格、租期後的回報率、每月市場租金、總發展價值及預計項目發展成本。

其他信息

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

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎有重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息有重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事及治理層就綜合財務報表須承擔的責任

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

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

治理層負責監督 貴集團的財務報告過程。

核數師就審計綜合財務報表須承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照香港《公司條例》第405條的規定僅向全體成員出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。本行並不就本行報告之內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

As part of an audit in accordance with HKSAs, 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.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Tan Wei Ming.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 11 March 2021

- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，採取措施消除威脅或採取防範措施。

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

出具本獨立核數師報告的審計項目合夥人是陳偉銘。

德勤•關黃陳方會計師行
執業會計師

香港，二零二一年三月十一日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS 綜合損益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

| | | NOTES 附註 | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---------------------------------------|-----------|-------------|-----------------------------------|-----------------------------------|
| Revenue | 收益 | 5 | | |
| Contracts with customers | 客戶合約 | | 364,569 | 848,844 |
| Rental income | 租金收入 | | 320,423 | 354,999 |
| Interest and dividend income | 利息及股息收入 | | 86,630 | 72,665 |
| | | | 771,622 | 1,276,508 |
| Direct costs | 直接成本 | | (324,680) | (562,561) |
| Other income | 其他收入 | | 446,942 | 713,947 |
| Administrative and operating expenses | 行政及營運開支 | | 28,577 | 12,747 |
| Other gains and losses | 其他收益及虧損 | 7 | (217,352) | (231,158) |
| Finance costs | 財務成本 | 8 | (12,598) | 108,662 |
| Share of results of joint ventures | 所佔合營企業業績 | | (43,171) | (45,265) |
| | | | 44,218 | 32,191 |
| Profit before tax | 除稅前溢利 | | 246,616 | 591,124 |
| Income tax expense | 所得稅支出 | 9 | (73,106) | (144,655) |
| Profit for the year | 本年度溢利 | 10 | 173,510 | 446,469 |
| Profit for the year attributable to: | 本年度溢利分配於： | | | |
| Owners of the Company | 本公司股東 | | 162,560 | 429,984 |
| Non-controlling interests | 非控股股東權益 | | 10,950 | 16,485 |
| | | | 173,510 | 446,469 |
| Basic earnings per share | 每股基本盈利 | 13 | HK\$港幣0.43 | HK\$港幣1.14 |

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 2020 截至二零二零年十二月三十一日止年度

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|--|--------------------------|-----------------------------------|-----------------------------------|
| Profit for the year | 本年度溢利 | 173,510 | 446,469 |
| Other comprehensive (expense) income | 其他全面(支出)收益 | | |
| <i>Item that will not be reclassified to profit or loss:</i> | <i>不會重新分類至損益賬之項目：</i> | | |
| Fair value losses on investments in equity instruments at fair value through other comprehensive income ("FVTOCI") | 按公平價值計入其他全面收益之權益工具公平價值虧損 | (97,481) | (12,996) |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | <i>其後可能重新分類至損益賬之項目：</i> | | |
| Exchange differences arising on translation of foreign operations | 換算海外業務所產生之匯兌差額 | 330,380 | (95,301) |
| Share of other comprehensive income (expense) of joint ventures | 所佔合營企業其他全面收益(支出) | 2,804 | (12) |
| Other comprehensive income (expense) for the year (net of tax) | 本年度其他全面收益(支出)(除稅後) | 235,703 | (108,309) |
| Total comprehensive income for the year | 本年度全面收益總額 | 409,213 | 338,160 |
| Total comprehensive income attributable to: | 全面收益總額分配於： | | |
| Owners of the Company | 本公司股東 | 384,282 | 326,270 |
| Non-controlling interests | 非控股股東權益 | 24,931 | 11,890 |
| | | 409,213 | 338,160 |

As at 31 December 2020 於二零二零年十二月三十一日

| | | NOTES 附註 | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---|-----------------|-------------|-----------------------------------|-----------------------------------|
| Non-current assets | 非流動資產 | | | |
| Investment properties | 投資物業 | 14 | 9,000,490 | 8,771,446 |
| Property, plant and equipment | 物業、廠房及設備 | 15 | 1,395,632 | 1,457,320 |
| Right-of-use assets | 使用權資產 | 16 | 5,879 | 10,757 |
| Interests in joint ventures | 合營企業權益 | 18 | 334,918 | 307,843 |
| Investments in securities | 證券投資 | 19 | 468,547 | 543,952 |
| Fixed bank deposits with more than three months to maturity when raised | 存入三個月後到期之定期銀行存款 | 23 | 48,598 | — |
| Deferred tax assets | 遞延稅項資產 | 29 | 20,608 | 27,472 |
| | | | 11,274,672 | 11,118,790 |
| Current assets | 流動資產 | | | |
| Properties under development for sale | 待出售發展中物業 | 17 | 1,014,408 | 895,424 |
| Properties held for sale | 待出售物業 | 17 | 584,077 | 686,117 |
| Inventories | 存貨 | 20 | 25,753 | 25,455 |
| Trade and other receivables | 貿易及其他應收賬款 | 21 | 80,924 | 84,174 |
| Contract costs | 合約成本 | 22 | — | 3,815 |
| Investments in securities | 證券投資 | 19 | 20,598 | 18,097 |
| Taxation recoverable | 可收回稅款 | | — | 27 |
| Fixed bank deposits with more than three months to maturity when raised | 存入三個月後到期之定期銀行存款 | 23 | 62,350 | 13,284 |
| Bank balances and cash | 銀行存款及現金 | 23 | 1,876,768 | 2,039,861 |
| | | | 3,664,878 | 3,766,254 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 貿易及其他應付賬款 | 24 | 399,334 | 448,258 |
| Lease liabilities | 租賃負債 | 25 | 2,710 | 4,837 |
| Contract liabilities | 合約負債 | 26 | 771 | 46,965 |
| Derivative financial instruments | 金融衍生工具 | 28 | 1,808 | 7,065 |
| Taxation payable | 應付稅款 | | 33,370 | 40,790 |
| Borrowings — due within one year | 借款 — 於一年內到期 | 27 | 480,469 | 491,350 |
| | | | 918,462 | 1,039,265 |
| Net current assets | 流動資產淨額 | | 2,746,416 | 2,726,989 |
| Total assets less current liabilities | 總資產減流動負債 | | 14,021,088 | 13,845,779 |
| Non-current liabilities | 非流動負債 | | | |
| Other payables | 其他應付賬款 | 24 | 98,116 | 93,373 |
| Lease liabilities | 租賃負債 | 25 | 3,487 | 6,151 |
| Borrowings — due after one year | 借款 — 於一年後到期 | 27 | 993,376 | 1,018,384 |
| Derivative financial instruments | 金融衍生工具 | 28 | — | 776 |
| Deferred tax liabilities | 遞延稅項負債 | 29 | 260,726 | 256,875 |
| | | | 1,355,705 | 1,375,559 |
| | | | 12,665,383 | 12,470,220 |

| | | NOTES 附註 | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---------------------------|-------------|-------------|-----------------------------------|-----------------------------------|
| Equity | 股權 | | | |
| Share capital | 股本 | 30 | 381,535 | 381,535 |
| Reserves | 儲備 | | 12,196,132 | 12,012,500 |
| Equity attributable to: | 股權分配於： | | | |
| Owners of the Company | 本公司股東 | | 12,577,667 | 12,394,035 |
| Non-controlling interests | 非控股股東權益 | | 87,716 | 76,185 |
| Total equity | 股權總額 | | 12,665,383 | 12,470,220 |

The consolidated financial statements on pages 140 to 264 were approved and authorised for issue by the Board of Directors on 11 March 2021 and are signed on its behalf by:

載於第140至264頁之綜合財務報表已於二零二一年三月十一日獲董事會批准及授權發行，並由下列人士代表簽署：

MR. LIU LIT CHI

廖烈智先生

CHAIRMAN, MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER
主席、董事總經理兼行政總裁

MR. CHENG YUK WO

鄭毓和先生

CHAIRMAN OF AUDIT COMMITTEE
審核委員會主席

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

| | |
|---|--------------------------|
| At 1 January 2019 | 於二零一九年一月一日 |
| Profit for the year | 本年度溢利 |
| Fair value losses on investments in equity instruments at FVTOCI | 按公平價值計入其他全面收益之權益工具公平價值虧損 |
| Exchange differences arising on translation of foreign operations | 換算海外業務所產生之匯兌差額 |
| Share of other comprehensive expense of joint ventures | 所佔合營企業其他全面支出 |
| Other comprehensive expense for the year | 本年度其他全面支出 |
| Total comprehensive (expense) income for the year | 本年度全面(支出)收益總額 |
| Transferred from accumulated profits to statutory surplus reserve | 由累積溢利轉至法定盈餘儲備 |
| Dividends recognised as distribution (note 12) | 已確認為分派之股息(附註12) |
| At 31 December 2019 | 於二零一九年十二月三十一日 |

| Attributable to owners of the Company 本公司股東應佔 | | | | | | | | | |
|--|--|---|--|--|--|---|---------------------------------|--|---------------------------------|
| Share capital 股本 HK\$'000 港幣千元 | Special reserve 特殊儲備 HK\$'000 港幣千元 (note a) (附註a) | Property revaluation reserve 物業重估儲備 HK\$'000 港幣千元 (note b) (附註b) | Investment revaluation reserve 投資重估儲備 HK\$'000 港幣千元 | Exchange reserve 匯兌儲備 HK\$'000 港幣千元 | Statutory surplus reserve 法定盈餘儲備 HK\$'000 港幣千元 (note c) (附註c) | Accumulated profits 累積溢利 HK\$'000 港幣千元 | Total 總計 HK\$'000 港幣千元 | Non-controlling interests 非控股股東權益 HK\$'000 港幣千元 | Total 總計 HK\$'000 港幣千元 |
| 381,535 | 13,915 | 2,956,817 | (15,506) | 160,203 | 29,062 | 8,806,747 | 12,332,773 | 64,295 | 12,397,068 |
| - | - | - | - | - | - | 429,984 | 429,984 | 16,485 | 446,469 |
| - | - | - | (12,996) | - | - | - | (12,996) | - | (12,996) |
| - | - | - | - | (90,706) | - | - | (90,706) | (4,595) | (95,301) |
| - | - | - | - | (12) | - | - | (12) | - | (12) |
| - | - | - | (12,996) | (90,718) | - | - | (103,714) | (4,595) | (108,309) |
| - | - | - | (12,996) | (90,718) | - | 429,984 | 326,270 | 11,890 | 338,160 |
| - | - | - | - | - | 31,956 | (31,956) | - | - | - |
| - | - | - | - | - | - | (265,008) | (265,008) | - | (265,008) |
| 381,535 | 13,915 | 2,956,817 | (28,502) | 69,485 | 61,018 | 8,939,767 | 12,394,035 | 76,185 | 12,470,220 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

| | |
|---|--------------------------|
| At 1 January 2020 | 於二零二零年一月一日 |
| Profit for the year | 本年度溢利 |
| Fair value losses on investments in equity instruments at FVTOCI | 按公平價值計入其他全面收益之權益工具公平價值虧損 |
| Exchange differences arising on translation of foreign operations | 換算海外業務所產生之匯兌差額 |
| Share of other comprehensive income of joint ventures | 所佔合營企業其他全面收益 |
| Other comprehensive (expense) income for the year | 本年度其他全面(支出)收益 |
| Total comprehensive (expense) income for the year | 本年度全面(支出)收益總額 |
| Transferred from accumulated profits to statutory surplus reserve | 由累積溢利轉至法定盈餘儲備 |
| Dividends recognised as distribution (note 12) | 已確認為分派之股息(附註12) |
| Dividends to non-controlling interests | 支付予非控股股東權益之股息 |
| At 31 December 2020 | 於二零二零年十二月三十一日 |

| Attributable to owners of the Company 本公司股東應佔 | | | | | | | | | |
|--|-----------------------------------|-------------------------------------|--------------------------------|--------------------------|-------------------------------------|--------------------------|------------------------|-----------------------------|------------------------|
| Share capital | Special reserve | Property revaluation reserve | Investment revaluation reserve | Exchange reserve | Statutory surplus reserve | Accumulated profits | Total | Non-controlling interests | Total |
| 股本 HK\$'000 港幣千元 | 特殊儲備 HK\$'000 港幣千元 (附註a) | 物業重估儲備 HK\$'000 港幣千元 (附註b) | 投資重估儲備 HK\$'000 港幣千元 | 匯兌儲備 HK\$'000 港幣千元 | 法定盈餘儲備 HK\$'000 港幣千元 (附註c) | 累積溢利 HK\$'000 港幣千元 | 總計 HK\$'000 港幣千元 | 非控股股東權益 HK\$'000 港幣千元 | 總計 HK\$'000 港幣千元 |
| 381,535 | 13,915 | 2,956,817 | (28,502) | 69,485 | 61,018 | 8,939,767 | 12,394,035 | 76,185 | 12,470,220 |
| - | - | - | - | - | - | 162,560 | 162,560 | 10,950 | 173,510 |
| - | - | - | (97,481) | - | - | - | (97,481) | - | (97,481) |
| - | - | - | - | 316,399 | - | - | 316,399 | 13,981 | 330,380 |
| - | - | - | - | 2,804 | - | - | 2,804 | - | 2,804 |
| - | - | - | (97,481) | 319,203 | - | - | 221,722 | 13,981 | 235,703 |
| - | - | - | (97,481) | 319,203 | - | 162,560 | 384,282 | 24,931 | 409,213 |
| - | - | - | - | - | 24,656 | (24,656) | - | - | - |
| - | - | - | - | - | - | (200,650) | (200,650) | - | (200,650) |
| - | - | - | - | - | - | - | - | (13,400) | (13,400) |
| 381,535 | 13,915 | 2,956,817 | (125,983) | 388,688 | 85,674 | 8,877,021 | 12,577,667 | 87,716 | 12,665,383 |

notes:

- (a) Special reserve represents the difference between the consideration paid and the carrying values of the underlying assets and liabilities attributable to the additional interest in a subsidiary acquired during the years ended 31 December 2004 and 31 December 2012.
- (b) Property revaluation reserve represents the reserve arising from valuation of properties under property, plant and equipment upon transfer to investment properties in previous years.
- (c) The statutory surplus reserve ("SSR") is an appropriation from accumulated profits by subsidiaries of the Company in the People's Republic of China ("PRC"). In accordance with the Company Law of the PRC, the PRC subsidiaries of the Company are required to allocate 10% of their profit after tax to the SSR until such reserve reaches 50% of the registered capital of that subsidiary. The SSR may be converted to increase capital subject to certain restrictions set out in the Company Law of the PRC.

附註：

- (a) 特殊儲備指本集團於截至二零零四年十二月三十一日止年度及截至二零一二年十二月三十一日止年度向一間附屬公司所支付代價與應佔該附屬公司額外權益之相關資產及負債賬面值之差額。
- (b) 物業重估儲備指轉換為投資物業後，估值物業、廠房及設備項下物業所產生的儲備。
- (c) 法定盈餘儲備指從本公司的中國附屬公司的累積溢利的撥款。根據中國公司法，本公司的中國附屬公司須從各自的10%稅後利潤撥款至法定盈餘儲備，直至該儲備達到該子公司註冊資本的50%為止。根據中國公司法某些限制下，法定盈餘儲備可轉為新增資本。

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|--|------------------------|-----------------------------------|-----------------------------------|
| Operating Activities | 經營活動 | | |
| Profit before tax | 除稅前溢利 | 246,616 | 591,124 |
| Adjustments for: | 調整： | | |
| Loss (gain) on changes in fair value of investment properties | 投資物業公平價值變動虧損(收益) | 136,196 | (119,843) |
| Gain on transfer of property inventories to investment properties | 物業存貨轉移至投資物業收益 | (81,350) | - |
| Gain on changes in fair value of financial assets at fair value through profit or loss ("FVTPL") | 按公平價值計入損益之金融資產公平價值變動收益 | (2,507) | (3,356) |
| Loss on changes in fair value of derivative financial instruments | 金融衍生工具公平價值變動虧損 | 5,972 | 465 |
| Dividend income from investments | 投資股息收入 | (34,760) | (18,760) |
| Interest income | 利息收入 | (51,870) | (53,905) |
| Share of results of joint ventures | 所佔合營企業業績 | (44,218) | (32,191) |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 70,845 | 14,577 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 5,013 | 4,845 |
| Finance costs | 財務成本 | 43,171 | 45,265 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備虧損 | 1,840 | 314 |
| Operating cash flows before movements in working capital | 未計營運資金變動之經營現金流量 | 294,948 | 428,535 |
| Decrease in restricted bank deposits | 受限制銀行存款之減少 | - | 89,308 |
| Decrease in trade and other receivables | 貿易及其他應收賬款之減少 | 8,270 | 2,739 |
| Decrease in contract costs | 合約成本之減少 | 4,061 | 16,046 |
| Decrease in properties held for sale | 待出售物業之減少 | 150,644 | 130,465 |
| Increase in properties under development for sale | 待出售發展中物業之增加 | (61,318) | (895,424) |
| Decrease in inventories | 存貨之減少 | 1,187 | 3,890 |
| (Decrease) increase in trade and other payables | 貿易及其他應付賬款之(減少)增加 | (69,881) | 256,403 |
| Decrease in contract liabilities | 合約負債之減少 | (49,219) | (480,367) |
| Decrease in derivative financial instruments | 衍生金融工具減少 | (12,005) | - |
| Cash generated from (used in) operations | 經營業務所得(所用)現金 | 266,687 | (448,405) |
| Income tax paid | 已付所得稅 | (68,240) | (203,462) |
| Dividend received on investments | 已收投資股息 | 34,760 | 18,760 |
| Interest received | 已收利息 | 51,870 | 53,905 |
| Net cash from (used in) operating activities | 經營活動所得(所用)之現金淨額 | 285,077 | (579,202) |

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---|------------------------------|-----------------------------------|-----------------------------------|
| Investing Activities | 投資活動 | | |
| Addition of equity instruments at FVTOCI | 按公平價值計入其他全面收益之 權益工具之增加 | (23,706) | (24,042) |
| Proceed from disposal of equity instruments at FVTOCI | 出售按公平價值計入其他全面收益之 權益工具所得款項 | - | 51,120 |
| Addition of financial assets at FVTPL | 按公平價值計入損益之金融資產之增加 | (15,608) | - |
| Proceed from disposal of financial assets at FVTPL | 出售按公平價值計入損益之金融資產 | 15,614 | 7,822 |
| Purchase of property, plant and equipment | 購買物業、廠房及設備 | (9,722) | (14,609) |
| Repayments from joint ventures | 合營企業還款 | 19,947 | 17,323 |
| Addition of investment properties | 投資物業之增加 | (73,670) | (11,857) |
| Addition of properties under development | 發展中物業之增加 | - | (89,016) |
| Placement of fixed bank deposits with more than three months to maturity when raised | 存入三個月後到期之 定期銀行存款 | (110,092) | (3,326) |
| Release of fixed bank deposits with more than three months to maturity when raised | 放出三個月後到期之 定期銀行存款 | 13,284 | 8,190 |
| Net cash used in investing activities | 投資活動所用之現金淨額 | (183,953) | (58,395) |
| Financing Activities | 融資活動 | | |
| New borrowings raised | 新取得借款 | 401,376 | 1,935,460 |
| Repayments of borrowings | 償還借款 | (443,782) | (1,284,386) |
| Repayments of lease liabilities | 償還租賃負債 | (5,223) | (5,018) |
| Dividends paid | 已付股息 | (214,050) | (265,008) |
| Interest paid on borrowings | 已付借款利息 | (41,150) | (44,855) |
| Net cash (used in) from financing activities | 融資活動(所用)所得之現金淨額 | (302,829) | 336,193 |
| Net decrease in cash and cash equivalents | 現金及現金等值項目減少淨額 | (201,705) | (301,404) |
| Cash and cash equivalents at 1 January | 一月一日之現金及現金等值項目 | 2,039,861 | 2,368,804 |
| Effect of foreign exchange rate changes | 外幣兌換率轉變之影響 | 38,612 | (27,539) |
| Cash and cash equivalents at 31 December | 十二月三十一日之現金及現金等值項目 | 1,876,768 | 2,039,861 |
| Represented by: | 即： | | |
| Bank balances and cash | 銀行存款及現金 | 1,876,768 | 2,039,861 |

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

I. GENERAL INFORMATION

Liu Chong Hing Investment Limited (the “Company”) is a public limited liability company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The address of the registered office and principal place of business of the Company is disclosed in the Corporate Information section to the annual report.

The principal activities of the Company are property investment and investment holding. The principal activities of the principal subsidiaries and joint ventures are shown in notes 41 and 18, respectively.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

I. 一般事項

廖創興企業有限公司(「本公司」)為一間在香港註冊成立之公眾有限責任公司，其股份於香港聯合交易所有限公司掛牌。本公司之註冊辦事處地址及主要營業地點已在本年報的公司資料披露。

本公司之主要業務為物業投資及投資控股。主要附屬公司及合營企業之主要業務分別載列於附註41及18。

綜合財務報表以本公司之功能貨幣港幣(「港幣」)呈列。

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

AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

| | |
|--|--------------------------------|
| Amendments to HKAS 1 and HKAS 8 | Definition of Material |
| Amendments to HKFRS 3 | Definition of a Business |
| Amendments to HKFRS 9, HKAS 39 and HKFRS 7 | Interest Rate Benchmark Reform |

The application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用經修訂香港財務報告準則

經修訂香港財務報告準則於本年度強制有效

本集團於本年度已就編製本集團綜合財務報表首次採用香港財務報告準則標準中有關概念框架之提述的修訂及以下由香港會計師公會頒佈並於二零二零年一月一日或之後開始之年度期間強制生效之新訂立香港財務申報準則及修訂：

| | |
|---|--------|
| 香港會計準則第1號修訂本及香港會計準則第8號修訂本 | 重大的定義 |
| 香港財務報告準則第3號修訂本 | 業務的定義 |
| 香港財務報告準則第9號修訂本、香港會計準則第39號修訂本及香港財務報告準則第7號修訂本 | 利率基準改革 |

本年度應用香港財務報告準則標準中有關概念框架之提述的修訂及經修訂香港財務報告準則並無對本集團於本年度及過往年度之財務表現及狀況及／或該等綜合財務報表所載之披露事項構成任何重大影響。

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

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

NEW AND HKFRSs IN ISSUE BUT NOT YET EFFECTIVE

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

| | |
|---|--|
| HKFRS 17 | Insurance Contracts and the related Amendments ¹ |
| Amendment to HKFRS 16 | Covid-19-Related Rent Concessions ⁴ |
| Amendments to HKFRS 3 | Reference to the Conceptual Framework ² |
| Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 | Interest Rate Benchmark Reform — Phase 2 ⁵ |
| 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 | Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹ |
| Amendments to HKAS 16 | Property, Plant and Equipment — Proceeds before Intended Use ² |
| Amendments to HKAS 37 | Onerous Contracts — Cost of Fulfilling a Contract ² |
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2018 – 2020 ² |

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after 1 January 2022.

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

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

⁵ Effective for annual periods beginning on or after 1 January 2021.

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.

2. 應用經修訂香港財務報告準則 (續)

新訂及已頒佈但尚未生效之香港財務報告準則

監管局並未提前採用以下已頒佈但尚未生效之香港財務報告準則新訂及修訂本：

| | |
|--|--|
| 香港財務報告準則第17號 | 保險合約及相關修訂 ¹ |
| 香港財務報告準則第16號修訂本 | 新冠病毒相關租金寬減 ⁴ |
| 香港財務報告準則第3號修訂本 | 概念框架之提述 ² |
| 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號修訂本 | 利率基準改革 — 第二階段 ⁵ |
| 香港財務報告準則第10號及香港會計準則第28號修訂本 | 投資者與其聯營或合營公司之間的資產出售或投入 ³ |
| 香港會計準則第1號修訂本 | 將負債分類為流動或非流動負債及對香港詮釋第5號(2020年)之相關修訂 ¹ |
| 香港會計準則第16號修訂本 | 物業、廠房及設備 — 作擬定用途前之所得款項 ² |
| 香港會計準則第37號修訂本 | 虧損合約 — 履約合約之成本 ² |
| 香港財務報告準則修訂本 | 香港財務報告準則二零一八年至二零二零年週期之年度改進 ² |

¹ 於二零二三年一月一日或之後開始之年度期間生效。

² 於二零二二年一月一日或之後開始之年度期間生效。

³ 尚待釐定之日期或之後開始之年度期間生效。

⁴ 於二零二零年六月一日或之後開始之年度期間生效。

⁵ 於二零二一年一月一日或之後開始之年度期間生效。

本公司董事預期，應用香港財務報告準則的新訂及修訂本將不會於可預見未來對綜合財務報表造成任何重大影響。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on Stock Exchange and by the Hong Kong Companies Ordinance.

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

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

3. 編製綜合財務報表基準及主要會計政策

3.1 編製綜合財務報表基準

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。就編制綜合財務報表而言，如果合理地預期該信息會影響主要用戶的決策，則該信息被視為重大信息。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則與香港公司條例規定之適用披露資料。

除下文所載會計政策所述以公平價值計算之若干物業及金融工具外，綜合財務報表乃根據歷史成本基準編製。

歷史成本一般按交換貨品及服務代價之公平價值計算。

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

For financial instruments and 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.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.1 編製綜合財務報表基準 (續)

公平價值指於計量日期時在合法交易中的市場參與者之間出售資產時所收取或轉讓負債時所支付的價格，不管價格為直接觀測可得或利用另一估價技巧估計所得。在估計資產或負債的公平價值時，本集團會考慮於計量日期時市場參與者定價時會考慮的資產或負債之特點。在此等綜合財務報表中，就計量及／或披露理由而得出的公平值均按此基準釐定，惟在香港財務報告準則第2號以股代款範圍內的以股代款交易、在香港財務報告準則第16號範圍內的租賃交易、以及與公平價值有類似之處但並非公平價值的計量，例如香港會計準則第2號存貨的可變現淨值或香港會計準則第36號資產減值的使用價值，則不在此限。

非金融資產的公平價值計量計及市場參與者透過最大限度使用該資產達致最佳用途、或透過將資產售予將最大限度使用該資產達致最佳用途的另一名市場參與者而產生經濟利益的能力。

對於以公平價值進行交易的金融工具和投資物業以及估值技術，使用不可觀察的輸入數據來計量後續期間的公平價值，對估值技術進行校準，以便在初始確認時，估值技術的結果等於交易價格。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

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

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

3. 編製綜合財務報表基準及主要會計政策 (續)

3.1 編製綜合財務報表基準 (續)

此外，就財務報告而言，公平價值計量根據公平價值計量的輸入變數可觀測得到的程度以及有關輸入變數對公平價值計量整體的重要性，分類為第一級、第二級或第三級，現描述如下：

- 第一級輸入變數為同等資產或負債在活躍市場上所報（不經調整）而實體在計量當日可以取得的價格；
- 第二級輸入變數為可以直接或間接觀測得到，但不包括於第一級的報價內的資產或負債變數；及
- 第三級為資產及負債中屬不可觀測得到的變數。

3.2 主要會計政策

綜合基準

綜合財務報表包括本公司及由本公司及其附屬公司控制之實體之財務報表。控制權就本公司乃指：

- 可對投資對象行使權力；
- 自參與投資對象之業務獲得或有權獲得可變回報；及
- 有能力藉對投資對象行使其權力而影響其回報。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

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

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

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

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

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

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

3. 編製綜合財務報表基準及主要會計政策(續)

3.2 主要會計政策(續)

綜合基準(續)

倘有事實及情況顯示上述三項控制因素中之一項或多項出現變化，本集團將重新評估其是否對投資對象擁有控制權。

對附屬公司的合併，乃由本集團對附屬公司擁有控制權開始，並於本集團失去對附屬公司的控制權時終止。尤其是對於年內所收購或出售的一間附屬公司，其收入及開支將由本公司獲得控制權日期起直至本集團終止控制權當日止計入綜合損益表。

溢利或虧損以及其他全面收益之各部分歸屬於本公司股東及非控股股東權益。附屬公司之全面收益總額歸屬於本公司股東及非控股股東權益，即使此舉會導致非控股股東權益產生赤字結餘。

如有需要，會對附屬公司之財務報表作出調整，以使其會計政策與本集團會計政策一致。

有關本集團股東之間的所有集團內資產及負債、權益、收入、開支及現金流量均於綜合賬目時全面對銷。

附屬公司的非控股權益與本集團的權益分開呈列，代表該等權益代表其持有人於清盤時有權按比例分配相關附屬公司的淨資產的現有所有權權益。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interests in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is 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 joint venture. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), 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 joint venture.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

合營企業權益

合營企業指一項聯合安排，對安排擁有共同控制權之訂約方據此對聯合安排之資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有的控制，共同控制僅在當相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

合營企業之業績及資產與負債以權益法計入綜合財務報表。根據權益法，於合營企業之投資初步按成本於綜合財務狀況表確認，並於其後就確認本集團應佔該合營企業之損益及其他全面收益而作出調整。合營企業之淨資產變化(除損益和其他全面收益外)不用入賬，除非該變化導致本集團持有的擁有權權益有所變動。當本集團應佔合營企業之虧損超出本集團於該合營企業之權益時(包括實質上成為本集團於該合營企業的淨投資一部分之任何長期權益)，本集團停止確認其所佔之進一步虧損。僅於本集團已產生法律或推定責任，或已代表該合營企業支付款項之情況下，方會進一步確認虧損。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interests in joint ventures (Continued)

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee 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 and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) 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.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

合營企業權益 (續)

於合營企業之投資由獲投資公司成為合營企業當日起利用權益法入賬。收購於合營企業之投資時，投資成本若超出本集團應佔獲投資公司的可識認資產及負債公平價值淨額，一切餘額確認為商譽，並包括在投資的賬面值內。本集團應佔獲投資公司的可識認資產及負債公平價值淨額經重估後若超出投資成本，會在收購投資當期內即時於損益賬中確認。

本集團評估是否有客觀證據證明合營企業的權益可能減值。當存在任何客觀證據時，根據香港會計準則第36號，將其可收回金額（即使用價值與公平價值減出售成本兩者中之較高者）與其賬面值進行比較，對投資的全部賬面值（包括商譽）以單項資產進行減值測試。所確認的任何減值損失構成投資賬面值的一部分。該減值虧損的任何撥回乃根據香港會計準則第36號確認，惟以於該項投資之可收回金額其後增加之情況為限。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interests in joint ventures (Continued)

When the Group ceases to have joint control over a joint venture, 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 the Group retains an interest in the former joint venture and the retained interest is a financial asset within the scope of HKFRS 9 *Financial Instruments*, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant joint venture.

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

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

合營企業權益 (續)

當本集團不再對合營企業有共同控制權時，按出售有關投資對象的全部權益列賬，由此產生的收益或虧損在損益內確認。當本集團於前合營企業中留有權益而保留權益在香港財務報告準則第9號金融工具的範圍內又屬金融資產，本集團按該日公平價值計量保留權益，及公平價值視為其於初始確認時的公平價值。合營企業於終止使用權益法當日的賬面值與任何保留權益的公平價值加任何出售合營企業部分權益時所得款項之間的差額，計入出售合營企業收益或虧損的釐定過程。此外，本集團計入所有先前就該合營企業於其他全面收益中確認的金額所用基準，與在該合營企業直接售出生有關資產或負債時規定須用的基準相同。故此，若該聯合營企業先前於其他全面收益中確認的收益或虧損會在有關資產或負債出售時重新歸類至損益賬中，則本集團會在出售／部分出售相關合營企業時（作為重新分類調整）將該收益或虧損由權益重新分類至損益賬。

當一個集團實體與本集團合營企業進行交易時，所產生之溢利或虧損只在有關合營企業之權益與本集團無關的情況下，方會於本集團之綜合財務報表確認。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

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

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

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

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

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

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

客戶合約收益

本集團於履行(或作為)履約責任時,即當履行特定履約責任所依據的商品或服務「控制權」轉移至客戶時,確認收入。

履約責任指個別(或一攬子)不同的商品或服務,或一系列截然不同的同類商品或服務。

控制權隨時間逐步轉移,倘符合以下其中一項標準,則收益亦隨時間參考相關履約責任的完工進度予以確認:

- 隨本集團履約,客戶同時取得並耗用本集團履約所提供的利益;
- 隨本集團履約,創建及增強客戶於本集團履約時所控制的資產;或
- 本集團的履約並無創建對本集團有替代用途的資產,且本集團對迄今已完成的履約付款具有可執行之權利。

否則,收益於客戶獲得個別貨品或服務的控制權時確認。

合約資產指本集團就本集團已向客戶轉讓的貨品或服務而於交換中收取代價的權利(尚未成為無條件)。減值乃根據香港財務報告準則第9號作出評估。相反,應收賬款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。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

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.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations (sale of properties and interior decoration services), the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

客戶合約收益 (續)

合約負債指本集團就已向客戶收取代價 (或代價金額已到期) 而承擔向該客戶轉移貨品或服務的責任。

同一合約的合約資產及合約負債按淨額入賬及呈列。

具多項履約責任的合約 (包括分配交易價)

就包括超過一項履約責任之合約 (出售物業及室內裝修服務) 而言, 本集團按照相對獨立售價基準將交易價分配至各履約責任。

有關各履約責任的個別貨品或服務的獨立售價於合約開始時釐定。該價格指本集團將單獨向客戶出售承諾貨品或服務的價格。倘獨立售價不可直接觀察, 本集團將使用適當技術進行估計, 以使最終分配至任何履約責任的交易價可反映本集團預期有權獲取向客戶轉讓承諾貨品或服務所收取的代價金額。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

3. 編製綜合財務報表基準及主要會計政策(續)

3.2 主要會計政策(續)

客戶合約收益(續)

按時間確認收益：計量完全履行履約責任的進度

投出法

完全履行履約責任的進度乃根據投出法計量，即按截至根據合約承諾的餘下貨品或服務當日轉讓予客戶的貨品或服務的價值直接計量的基準確認收益，有關方法最能反映本集團於轉讓貨品或服務控制權方面的履約情況。

投入法

完全履行履約責任的進度乃根據投入法計量，即透過按本集團為履行履約責任而付出的努力或投入(相對於預期為履行履約責任的總投入)確認收益，有關方法最能反映本集團於轉讓貨品或服務控制權方面的履約情況。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from contracts with customers (Continued)

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (sales commissions) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

Contract costs

Costs to fulfil a contract

The Group incurs costs to fulfil a contract in its interior decoration contracts. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it recognises an asset for these costs only if they meet all of the following criteria:

- (a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- (b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

客戶合約收益 (續)

取得合約的增加成本

取得合約的增加成本乃本集團為獲得與客戶簽訂的合約而產生的成本，如果未取得合約，則該等成本不會產生。

倘本集團預期可收回該等成本 (例如銷售佣金)，則會將該等成本確認為資產。如此確認的資產其後會有系統地與向客戶轉讓與資產相關的貨品或服務同步於損益攤銷。

倘該等成本可在一年內悉數於損益攤銷，則本集團會應用可行權宜方法支付所有取得合約的增加成本。

合約成本

履行合約之成本

本集團於室內裝修合約中產生履行合約之成本。本集團首先根據其他相關準則評估該等成本是否合資格確認為資產，倘不合資格，僅在符合以下全部標準後將該等成本確認為資產：

- (a) 有關成本與本集團可明確識別之合約或預期訂立之合約有直接關係；
- (b) 有關成本令本集團將用於履行 (或持續履行) 日後履約責任之資源得以產生或有所增加；及
- (c) 有關成本預期可收回。

如此確認之資產其後按系統化基準攤銷至損益，該基準與向客戶轉讓該等資產相關之貨品或服務一致。資產須進行減值檢討。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing

Definition of a lease

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 on or after the date of initial application or arising from business combinations, 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. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

3. 編製綜合財務報表基準及主要會計政策(續)

3.2 主要會計政策(續)

租賃

租賃的定義

倘合約賦予權利於一段時間內控制可識別資產的用途以換取代價，則該合約為租賃或包含租賃。

就首次應用當日或之後訂立或修訂的合約而言，本集團會於開始或修訂日期根據國際財務報告準則第16號項下的定義評估合約是否為租賃或包含租賃。有關合約將不會被重新評估，除非合約中的條款與條件隨後被改動。本集團亦應用可行權宜方法不將非租賃組成部分與租賃組成部分分開，而將租賃組成部分及任何相關非租賃組成部分作為單一租賃組成部分入賬。

本集團作為承租人

將代價分配至合約組成部分

就包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分的合約而言，本集團根據租賃組成部分的相對獨立價格及非租賃組成部分的合計獨立價格基準將合約代價分配至各項租賃組成部分。

作為可行權宜方法，倘本集團合理預期對財務報表造成的影響與組合中的各項租賃並無重大差異時，則具類似特徵的租賃按租賃組合基準入賬。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

The Group as a lessee (Continued)

Short-term leases

The Group applies the short-term lease recognition exemption to leases of land and building that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

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.

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.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

短期租賃

對於租期自開始日期起計為12個月或以內且並無包含購買選擇權的租賃，本集團應用短期租賃確認豁免。短期租賃的租賃付款按直線基準於租期內確認為開支。

使用權資產

使用權資產的成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減任何已收租賃優惠；
- 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而產生的成本估計。

除被分類為投資物業並按公平價值模式計量外，使用權資產按成本計量，減去任何累計折舊及減值虧損，並就租賃負債的任何重新計量作出調整。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, 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 that do not meet the definition of investment property or inventory as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property and inventory are presented within “investment properties” and “properties under development for sale/properties held for sale”, respectively.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 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.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

使用權資產 (續)

就本集團於租期結束時合理確定獲取相關租賃資產所有權的使用權資產而言，有關使用權資產自開始日期起至使用年期結束期間計提折舊。在其他情況下，使用權資產按直線基準於其估計使用年期及租期 (以較短者為準) 內計提折舊。

本集團於綜合財務狀況表內將不符合投資物業或存貨定義的使用權資產呈列為單獨項目。符合投資物業和存貨定義的使用權資產分別呈列於「投資物業」和「待出售發展中物業或待出售物業」中。

可退回租賃按金

已付可退回租賃按金乃根據香港財務報告準則第9號入賬，初步按公平值計量。初始確認時對公平值作出的調整被視為額外租賃付款且計入使用權資產成本。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

The Group as a lessee (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.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃負債

於租賃開始日期，本集團按該日未付的租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘租賃隱含的利率難以釐定，則本集團使用租賃開始日期的增量借款利率計算。

租賃付款包括：

- 固定付款 (包括實質性的固定付款) 減任何已收租賃優惠；
- 視乎指數或利率而定的可變租賃付款在開始日使用該指數或利率進行初始計量；
- 根據剩餘價值擔保預期將支付的金額；
- 本集團合理確定將予行使購買選擇權的行使價；及
- 倘租期反映本集團會行使選擇權終止租賃，則計入終止租賃的罰款。

於開始日期後，租賃負債就應計利息及租賃付款作出調整。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃負債 (續)

本集團於以下情況重新計量租賃負債 (並就有關使用權資產作相應調整)：

- 租期有變或有關行使購買權的評估有變，於此情況下，相關租賃負債透過使用於重新評估日期的經修訂貼現率貼現經修訂租賃款項而重新計量。
- 租賃款項因進行市場租金調查後市場租金變動而出現變動，在此情況下，相關租賃負債透過使用初始貼現率貼現經修訂租賃款項而重新計量。

本集團於綜合財務狀況表中將租賃負債作為單獨的項目呈列。

租賃修訂

倘出現以下情況，本集團將租賃修訂作為獨立租賃入賬：

- 修訂透過加入使用一項或以上相關資產的權利擴大租賃範圍；及
- 租賃代價增加，增加的金額相當於範圍擴大對應的單獨價格及為反映特定合約的情況而對該單獨價格進行的任何適當調整。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

The Group as a lessee (Continued)

Lease modifications (Continued)

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃修訂 (續)

就未作為單獨租賃入賬的租賃修訂而言，本集團按透過使用修訂生效日期的經修訂貼現率貼現經修訂租賃付款，按經修訂租賃的租期重新計量租賃負債。

本集團透過對相關使用權資產進行相應調整，對租賃負債進行重新計量。當經修訂合約包含租賃成分以及一項或多項額外租賃或非租賃成分時，本集團根據租賃成分的相對獨立價格及非租賃成分的總獨立價格，將經修訂合約中的代價分配至每個租賃成分。

本集團作為出租人

租賃的分類及計量

本集團作為出租人的租賃獲分類為融資租賃或經營租賃。當租賃條款實質上將與相關資產所有權的絕大部分風險及報酬轉讓予承租人時，該合約獲分類為融資租賃。所有其他租賃獲分類為經營租賃。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

The Group as a lessor (Continued)

Classification and measurement of leases (Continued)

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.

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

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 *Revenue from Contracts with Customers* to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

租賃 (續)

本集團作為出租人 (續)

租賃的分類及計量 (續)

經營租賃的租金收入於相關租賃期內按直線法確認為損益。磋商及安排經營租賃時產生的初始直接成本計入租賃資產的賬面值，而有關成本於租賃期內按直線法確認為開支，惟以公平值模式計量的投資物業則除外。視乎指數或費率而定的經營租賃可變租賃付款額會被估算，並計入於租賃期內將以直線法確認的租賃付款總額中。並非視乎指數或費率而定的可變租賃付款於產生時確認為收入。

於本集團日常業務過程產生的利息及租金收入獲呈列為收益。

將代價分配至合約組成部分

當合約同時包含租賃及非租賃部分，本集團應用香港財務報告準則第15號客戶合約收入，將合約訂明的代價分配至租賃組成部分及非租賃組成部分。非租賃組成部分乃以相對獨立售價基準與租賃組成部分區分開來。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

The Group as a lessor (Continued)

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

租賃 (續)

本集團作為出租人 (續)

可退回租賃按金

已付可退回租賃按金乃根據香港財務報告準則第9號金融工具入賬，初步按公平值計量。隨後，對公平值作出的調整被視為額外租賃付款。

租賃修訂

當不包括在原來租賃合同作價的條款和情況有所變更時，租賃合同可作為租賃修訂，包括通過豁免或減租所提供的租金優惠。

本集團將修訂經營租賃視為自修訂生效日期起計的新租賃，並考慮與原租賃相關的任何預付或應計租賃付款，作為新租賃的部分租賃付款。

外幣

於編製各獨立集團實體之財務報表時，以該實體之功能貨幣以外之貨幣(外幣)進行之交易乃按交易當日之適用匯率換算為其功能貨幣確認。於報告期間末，以外幣列值之貨幣項目按結算日之適用匯率重新換算。按公平價值入賬及以外幣列值之非貨幣項目按釐定公平價值當日之當時匯率重新換算。以外幣按歷史成本計算之非貨幣項目均不予重新換算。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, 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 disposal or partial disposal of the Group's interests in joint ventures.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

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, or a partial disposal of an interest in a joint arrangement that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3. 編製綜合財務報表基準及主要會計政策(續)

3.2 主要會計政策(續)

外幣(續)

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額於該等差額產生期間於損益賬內確認，除應收或應付海外業務而結算並無計劃亦不可能發生(因此構成於海外業務投資淨額之一部分)之貨幣項目之匯兌差額，該等匯兌差額初步於其他全面收益內確認，並於出售或部分出售本集團的合營企業權益時由權益重新分類至損益賬。

就呈列綜合財務報表而言，本集團之業務資產及負債乃按報告期間結算日當時之匯率換算為本集團呈列貨幣(即港幣)。收入及開支項目按該年度之平均匯率換算，除非該期間的匯率波動很大，在這種情況下，則使用交易日的匯率。產生之匯兌差額(如有)乃於其他全面收益確認，並於匯兌儲備一節權益中累積計算(歸屬於非控股股東權益，如適用)。

出售境外經營時(即出售本集團在境外經營的全部權益、或出售喪失對包含境外經營的附屬公司的控制權，或出售包含境外經營的合營企業之部分權益(而境外經營的留存權益成為金融資產))，與該境外經營相關的歸屬於本公司所有者權益的累計匯兌差額全部重分類至損益表。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

借款成本

購買、興建或製造合資格資產(須經一段長時間方可作擬定用途或銷售之資產)之直接應佔借款成本，於該等資產實質上達至擬定用途或銷售前，借款成本將加入該等資產之成本中。

任何仍未償還的特定借款在相關資產準備用於其預期用途或出售後會被包括在一般借款池，以計算一般借款的資本化率。特定借款在應用於合資格資產前用作短期投資所賺取之投資收入須在合資格資本化之借款成本中扣除。

所有其他借款成本須於其產生期間確認於損益賬中。

政府補助

除非本集團能合理保證將符合政府補助所附帶之條件及將可收取有關補助，否則有關補助不予確認。

政府補助按系統基準於本集團將該等補助擬補償之相關成本確認為開支之期間於損益中確認。

與收入相關的政府補助，應作為補償已產生開支或虧損而應收或旨在為本集團提供即時財務支援(而無未來相關成本)，於應收期間在損益內確認。有關補助款項已列於「其他收入」下。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

僱員福利

退休福利成本

向界定退休福利供款計劃支付之供款於僱員提供服務後並符合領取有關供款資格時列為開支。

離職福利

離職福利之負債會於本集團不能撤回要約及當其確認相關重組費用時，予以確認。

短期及其他長期僱員福利

短期僱員福利於僱員提供服務時按預期獲支付的福利未貼現款項確認。所有短期僱員福利均確認為開支，惟另一項香港財務報告準則規定或允許將該項福利於資產成本入賬者則除外。

負債乃按扣減任何已付款項後僱員應佔福利(例如工資及薪金、年假以及病假)確認。

就其他長期僱員福利確認的負債，以截至報告日本集團就僱員提供的服務預期產生的估計未來現金流出的現值計量。除非另一香港財務報告準則要求或允許將其計入資產的成本，否則因服務成本、利息和重新計量而導致的負債賬面值的任何變動均在損益中確認。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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 the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

稅項

所得稅支出指現時應付稅項及遞延稅項之總和。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益表所報之除稅前溢利不同，此乃由於前者不包括在其他年度應課稅或可扣稅收入或開支，以及從未課稅或可扣稅之項目。本集團之即期稅項負債採用於報告期間結算日之前已頒佈或實質頒佈之稅率計算。

遞延稅項根據綜合財務報表資產及負債賬面值與用以計算應課稅溢利相應稅基之臨時差額確認。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產通常就所有可抵扣臨時差額確認，其可抵扣臨時差額很可能產生於應課稅溢利。倘於一項交易中，因企業合併以外原因首次確認其他資產及負債而引致之臨時差額不影響應課稅溢利或會計溢利，則不會確認該等資產及負債。另外，若臨時差額產生於商譽的初始確認，則不會確認遞延稅項負債。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries 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 rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

稅項 (續)

遞延稅項負債乃按因於附屬公司之投資及合營企業權益而引致之應課稅臨時差額而確認，惟若本集團可控制臨時差額之撥回及臨時差額很有可能不會於可見將來撥回之情況除外。與有關投資及權益相關之可扣稅臨時差額產生之遞延稅項資產，僅在可能有足夠應課稅溢利以動用臨時差額利益及預期於可見將來撥回時確認。

遞延稅項資產之賬面值於報告期間結算日作檢討，並在不再可能有足夠應課稅溢利恢復全部或部分資產價值時作調減。

遞延稅項資產及負債乃以預期於償付負債或變現資產之期間應用之稅率，根據於報告期間結算日已頒佈或實質上已頒佈之稅率(及稅法)計算。

遞延稅項負債及資產之計算結果反映本集團於報告期末預期就收回或償還資產及負債賬面值可能引致之稅務後果。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

稅項 (續)

就計算投資物業的遞延稅項負債或遞延稅項資產而言，利用公平價值模式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其業務模式（其業務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，本集團首先釐定稅項扣減是否歸因於使用權資產或租賃負債。

當有法定可執行權利時，將當期稅項資產抵銷當期稅項負債時，以及當它們與同一稅務機關向同一應稅實體徵收的有關所得稅，遞延稅項資產和負債均予以抵銷。

即期及遞延稅項於損益表中確認，惟與於其他全面收益或直接於權益確認之項目相關者除外，於該情況下，即期及遞延稅項亦分別於其他全面收益或直接於權益中確認。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “right-of-use assets” in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 編製綜合財務報表基準及主要會計政策(續)

3.2 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備包括持有用於生產或供應貨物或服務，或用於行政用途。物業、廠房及設備乃按成本值減其後累積折舊及其後累積減值虧損(如有)在綜合財務狀況表列賬。

當本集團就於物業的所有權權益(包括租賃土地及樓宇元素)付款時，全部代價於租賃土地及樓宇元素之間按初始確認時相對公平值的比例分配。於相關付款可作出可靠分配的情況下，入賬列為經營租賃的租賃土地權益於綜合財務狀況表中呈列為「使用權資產」，惟按公平值模式分類及入賬為投資物業者除外。當代價無法於相關租賃土地的非租賃樓宇元素及未分割權益之間可靠分配時，整項物業獲分類為物業、廠房及設備。

折舊撥備旨在於資產之估計可使用年期內以直線法撇銷該資產成本減殘值。估計可使用年期、殘值及折舊方法於各報告期間結算日檢討，因估計有所轉變而產生之影響則按前瞻基準列賬。

於物業、廠房及設備項目出售後或當預計不會因持續使用資產而產生未來經濟效益時，該項物業、廠房及設備須終止確認。因出售或停用物業、廠房及設備項目而產生之任何收益或虧損按出售所得款項淨額與該項資產之賬面值之差額釐定，並於損益賬確認。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

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

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

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 disposal. A leased property which is recognised as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

投資物業

投資物業乃持作賺取租金及／或用作資本增值用途之物業。

投資物業亦包括已確認為使用權資產並由本集團根據經營租賃轉租的租賃物業。

投資物業初步按成本計量，包括任何直接相關支出。於初次確認後，投資物業按其公平價值計量，並進行調整以排除任何預付或應計的經營租約收入。

因投資物業公平價值變動而產生之收益或虧損於變動產生期間計入損益賬。

投資物業出售後，或當永久停止使用該投資物業，或預期出售該投資物業不會產生未來經濟利益時，須終止確認。若本集團作為中間出租人將分租分類為融資租賃，而確認使用權資產的租賃物業終止確認。終止確認物業所產生任何收益或虧損（按出售所得款項淨額與該物業之賬面值間之差額計算）於物業終止確認之年度計入損益賬。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on property, plant and equipment, right-of-use assets and contract costs

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, and contract costs to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

物業、廠房及設備、使用權資產及合約成本的減值虧損

於報告期末，本集團審閱其物業、廠房及設備、使用權資產及合約成本的賬面值以決定是否有任何跡象顯示該等資產已出現減值虧損。倘出現任何有關跡象，則會估計資產的可收回金額，以釐定減值虧損(如有)的程度。

物業、廠房及設備及使用權資產個別估計可收回金額。倘無法個別估計資產的可收回金額，本集團則會估計該資產所屬現金產生單位之可收回金額。

在測試現金產生單位減值虧損，當合理一致的分配基準已建立時，公司資產可分配至相關現金產生單位，否則有關資產則會被分配至可識別合理一致分配基準的現金產生單位最小組別。為公司資產所屬的現金產生單位或一組現金產生單位以確定可收回金額，並與相關現金產生單元或一組現金產生單元的賬面價值進行比較。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on property, plant and equipment, right-of-use assets and contract costs (Continued)

Before the Group recognises an impairment loss for assets capitalised as contract costs under HKFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

物業、廠房及設備、使用權資產及合約成本的減值 (續)

於本集團根據香港財務報告準則第15號將資本化資產的減值虧損確認為合約成本前，本集團按適用準則評估及確認任何與相關合約有關的其他資產減值虧損。屆時，倘賬面值超過本集團預期收取以換取相關貨品或服務的代價餘額減與直接關於提供該等貨品或服務的成本（已確認為開支），則就作為合約成本的資本化資產而言的減值虧損（如有）得以確認。作為合約成本的資本化資產屆時就評估相關現金產生單位減值，而計入其所屬的現金產生單位之賬面值。

可收回金額乃公平價值減銷售成本與使用價值之較高者。在評估使用價值時，估計未來現金流量使用稅前貼現率貼現至其現值，該貼現率反映貨幣時間價值之當前市場估計及估計未來現金流量尚未經調整之資產（或現金產生單位）特定風險。

倘若資產（或現金產生單位）之可收回金額估計乃少於其賬面值，則該資產（或現金產生單位）之賬面值削減至其可收回金額。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on property, plant and equipment, right-of-use assets and contract costs (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Properties under development for sale/properties for sale

Properties under development for sale which are intended to be sold upon completion of development and properties for sale are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets, properties under development for sale/properties for sale are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value represents the estimated selling price for the properties less estimated cost to completion and costs necessary to make the sales.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

物業、廠房及設備、使用權資產及合約成本的減值 (續)

當減值虧損其後撥回，該資產 (或現金產生單位或一組現金產生單位) 之賬面值增至其可收回金額之經修訂估計值，然而，增加後之賬面值不得超過假若該資產 (或現金產生單位或一組現金產生單位) 於過往年度並無確認減值虧損原應釐定之賬面值。減值虧損之撥回金額即時於損益賬確認。

存貨

存貨乃按成本與可變現淨值兩者中之較低者入賬。存貨成本乃按加權平均成本法計算。可變現淨值指存貨估計售價減完成估計成本及銷售所需成本。

待出售發展中物業／待出售物業

擬於開發完成後出售的待出售發展中物業分類為流動資產。除租賃土地部分按使用權資產的會計政策計量外，待出售發展中物業／待出售物業按成本及可變現淨值兩者之較低者入賬。成本按特定識別基準釐定，包括分配所產生的有關開發成本及 (倘適用) 資本化借貸成本。可變現淨值指物業估計售價減完成銷售的估計成本及作出銷售的必要成本。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Properties under development for sale/properties for sale (Continued)

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

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

Financial instruments

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

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

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

待出售發展中物業／待出售物業 (續)

待出售發展中物業於開發完成時轉為待出售物業。

當持有物業以賺取租金或／和進行資本增值而不是於日常業務中出售的用途發生變化時，本集團與另一方簽訂租賃合同後便將其從存貨轉移至投資物業。物業於轉讓時的公平價值與其先前賬面值之間的任何差額均於損益中確認。

金融工具

金融資產及金融負債於集團實體成為有關工具合約條文的訂約方時，方予確認。所有以正規途徑購入或銷售之金融資產乃按交易日期基準確認及取消確認。正規途徑買賣或銷售乃按市場法規或慣例所確定之時間框架內交付資產之金融資產購入或銷售。

金融資產及金融負債初步以公平價值計量，惟產生自與客戶的合約之貿易應收款項按香港財務報告準則第15號計量除外。因收購或發行金融資產及金融負債（不包括按公平價值計入損益的金融資產或金融負債）而直接產生之交易成本，於初次確認時加入金融資產或金融負債（如適用）之公平價值或自其扣除。收購按公平價值計入損益的金融資產或金融負債時，直接相關的交易成本應隨即於損益中確認。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

- the financial asset is held within a business model whose objective is achieved by both selling and collecting 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.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

實際利息法乃計算金融資產及金融負債之攤銷成本及於相關期間攤分利息收入和利息支出之方法。實際利率指按金融資產或金融負債之預期可使用年期或(如適用)較短期間確切貼現估計未來現金收入及支出(包括組成實際利率、交易成本及其他溢價或折讓整體部分之全部已付或已收費用)之利率。

來自本集團日常業務的利息／股息收入作為收益呈現。

金融資產

金融資產之分類及其後計量

符合下列條件之金融資產其後按攤銷成本計量：

- 目的為持有金融資產以收取合約現金流量的業務模式內持有的金融資產；及
- 合約條款為於指定日期產生現金流量僅為支付尚未償還本金及本金額利息。

符合下列條件之金融資產其後以按公平價值計入其他全面收益計量：

- 目的為持有金融資產以收取合約現金流量的業務模式內持有的金融資產及出售；及
- 合約條款為於指定日期產生現金流量僅為支付尚未償還本金及本金額利息。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (續)

所有其他金融資產其後按公平價值計入損益計量，惟在初始確認金融資產當日，倘該股本投資並非持作買賣，亦非由於收購方在香港財務報告準則第3號業務合併所適用之業務合併中確認之或然代價，本集團可不可撤銷地選擇於其他全面收益呈列股本投資之其後公平價值變動。

倘屬下列情況，金融資產乃分類為持作買賣：

- 收購該金融資產之目的主要是在不久將來出售；或
- 於初始確認時，該金融資產為本集團共同管理之已識別金融工具組合之一部分，並且具有最近實際短期獲利模式；或
- 該金融資產為非指定之衍生工具及可有效作為對沖工具。

此外，本集團可不可撤回地指定一項須按攤銷成本或按公平價值計入其他全面收益計量的金融資產以按公平價值計入損益計量，如此可消除或大幅減少會計錯配。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (續)

(i) 攤銷成本及利息收入

利息收入乃使用其後按攤銷成本計量的金融資產及其後按公平價值計入其他全面收益計量的應收賬款的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。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (續)

(ii) 指定為按公平價值計入其他全面收益的股本工具

指定為按公平價值計入其他全面收益的股本工具的投資其後按公平價值計量，其公平價值變動產生的收益及虧損於其他全面收益確認及於投資重估儲備累積；無須作減值評估。累計損益將會不重新分類至出售股本投資之損益，並將轉撥至留存溢利。

當本集團確認收取股息的權利時，該等股本工具投資的股息於損益中確認，除非股息明確表示收回部分投資成本。

(iii) 按公平價值計入損益的金融資產

未符合按攤銷成本或按公平價值計入其他全面收益準則或指定為按公平價值計入其他全面收益的金融資產，乃按公平價值計入損益計量。

按公平價值計入損益的金融資產乃於各報告期末按公平價值計量，公平價值之任何收益或虧損於損益賬中確認。於損益確認之收益或虧損淨額不包括於金融資產賺取之任何股息或利息，並列入「其他收益及虧損」項下。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and other receivables, fixed bank deposits with more than three months to maturity when raised, and bank balances) which are subject to impairment assessment under HKFRS 9. 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. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

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(包括貿易及其他應收賬款、存入三個月後到期之定期銀行存款,以及銀行結餘)確認預期信貸虧損的虧損撥備。預期信貸虧損的金額於各報告日期更新,以反映自初始確認起信貸風險的變化。

全期預期信貸虧損指將相關工具的預期使用期內所有可能違約事件產生之預期信貸虧損。相反,12個月預期信貸虧損將預期於報告日期後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。評估乃根據本集團的歷史信貸虧損經驗進行,並根據債務人特有的因素、一般經濟狀況以及對報告日期當前狀況的評估以及對未來狀況的預測作出調整。

本集團始終就貿易應收賬款確認全期預期信貸虧損。預期信貸虧損將對擁有重大結餘的債務人單獨進行評估及/或使用適宜組別的撥備矩陣進行集體評估。

對於所有其他工具,本集團計量的虧損撥備等於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。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the 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.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(i) 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及定性資料，包括無需付出不必要的成本或努力而可得之歷史經驗及前瞻性資料。

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；
- 債務人監管、經濟或技術環境有實際或預期的重大不利變動，導致債務人履行其債務責任的能力大幅下降。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(i) 信貸風險顯著增加 (續)

不論上述評估之結果如何，本集團認為，當合約付款逾期超過三十天，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。

本集團定期監控用以識別信貸風險有否顯著增加的標準之效益，且修訂標準(如適用)來確保標準能在金額逾期前識別信貸風險顯著增加。

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源獲取的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

不論上文為何，本集團認為，已於金融資產逾期超過90日後發生違約，惟本集團有合理且可支持的資料來顯示更加滯後的違約標準更為恰當。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) 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 that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
 - (b) a breach of contract, such as a default or past due event;
 - (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
 - (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 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 where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(iii) 信貸減值金融資產

金融資產在一項或以上違約事件(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：

- (a) 發行人或借款人的重大財務困難；
 - (b) 違反合約(如違約或逾期事件)；
 - (c) 借款人的貸款人因有關借款人財務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
 - (d) 借款人將可能陷入破產或其他財務重組。
- (iv) 撇銷政策

倘資料顯示對手方處於嚴重財務困難及無實際收回可能時(例如對手方被清盤或已進入破產程序時，或就貿易應收賬款而言，有關金額已逾期超過兩年(以較早發生者為準))，本集團則撇銷金融資產。經考慮法律意見後(如適用)，遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成終止確認事項。任何其後收回於損益賬中確認。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

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

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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 corresponding adjustment is recognised through a loss allowance account.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

(v) 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歷史數據按前瞻性資料作調整。預期信貸虧損之估計反映無偏頗及概率加權之數額，其乃根據加權之相應違約風險而確定。

一般而言，預期信貸虧損為根據合約應付本集團之所有合約現金流量與本集團預期收取之現金流量之間的差額(按初始確認時釐定之有效利率貼現)。

除非金融資產發生信貸減值，否則利息收入是根據金融資產的總賬面值計算，這種情況下，利息收入是根據金融資產的攤銷成本計算。

本集團透過調整所有金融工具的賬面值於損益確認其減值收益或虧損，惟貿易應收賬款透過虧損撥備賬確認相應調整除外。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset 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.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated profits.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

終止確認金融資產

當本集團收取資產現金流量之合約權利屆滿或轉讓金融資產及該資產所有權之絕大部分風險及回報予另一實體時，方會終止確認金融資產。倘本集團並不轉讓或保留所有權之絕大部分風險及回報，並繼續控制被轉讓資產，則本集團會以其持續參與程度為限繼續確認其於資產之保留權益並確認相關負債。倘本集團保留已轉讓金融資產擁有權之絕大部分風險及回報，則本集團將繼續確認金融資產，同時亦就已收取之所得款項確認有抵押借貸。

終止確認以攤銷成本入賬的金融資產時，資產賬面值與已收及應收代價之差額乃於損益賬確認。

本集團初始確認時選擇按公平價值計入其他全面收益計量之權益工具投資，當終止確認該權益工具投資時，先前於投資重估儲備中的累計收益或虧損不會重新分類至損益，惟轉移至累積溢利。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of 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

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融負債及股本工具

債務及股本之分類

由集團實體發行之債務及股本工具按所訂立之合約安排內容以及金融負債及股本工具之定義分類為金融負債或股本工具。

股本工具

股本工具為證明本集團資產剩餘權益(經扣除其所有負債)之任何合約。本公司發行之股本工具乃以已收所得款項扣除直接發行成本確認。

金融負債

所有金融負債均其後採用實際利率法按攤銷成本或按公平價值計入損益計量。

按公平價值計入損益之金融負債

當金融負債為(i)香港財務報告準則第3號適用的業務合併中的收購方的或然代價；(ii)持作買賣用途；或(iii)指定為按公平價值計入損益時，則金融負債分類為按公平價值計入損益。

若符合下列情況，金融負債將歸類為持作買賣用途：

- 收購金融負債之目的主要為於不久將來回購它；或
- 該金融負債在初始確認時為由本集團共同管理之已識別金融工具投資組合之一部分，並且最近有可短期獲利之實際趨勢；或
- 該金融負債並非擔保合同或被指定為有效對沖工具之衍生工具。

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL (Continued)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

3. 編製綜合財務報表基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

按公平價值計入損益之金融負債 (續)

被持有作買賣用途以外的金融負債，或業務合併中收購方之或然代價會在初始確認時被指定為按公平價值計入損益，倘：

- 該指定對銷或顯著降低使用其他方式將出現之衡量或確認不一致；或
- 受管理之金融負債構成一組金融資產或金融負債之部分或兩者，其表現根據本集團記錄之風險管理或投資策略按公平價值基準評估，而有關分組之資料按該基準於內部提供；或
- 其組成包含一個或多個嵌入式衍生工具之合約部分，而香港財務報告準則第9號允許整個合併合約指定為按公平價值計入損益。

對於按公平價值計入損益之金融負債之計量，公平價值變動是由於信貸風險產生變化所致，其金額變動須呈列在其他全面收益中，除非該項因負債信貸風險轉變而確認於其他全面收益所產生的影響對損益構成或擴大會計錯配。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, and bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

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.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

3. 編製綜合財務報表基準及主要會計政策(續)

3.2 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

按攤銷成本計量的金融負債

金融負債(包括貿易及其他應付賬款、銀行及其他借款)則其後採用實際利率法按攤銷成本計量。

終止確認金融負債

本集團於及僅於本集團之責任解除、取消或到期時終止確認金融負債。已終止確認金融負債賬面值與已付和應付代價間之差額於損益賬確認。

金融衍生工具

衍生工具於衍生工具合約訂立當日以公平價值初步確認，並隨後於報告期末重新計量至其公平價值。產生的收益或虧損立即在損益中確認，除非該衍生工具被指定為有效的對沖工具，在這種情況下，確認損益的時間取決於對沖關係的性質。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4. 重要會計判斷及估計不明朗因素之主要來源

於應用本集團之會計政策(如附註3所述)時,本公司董事須對未能即時自其他來源取得之資產及負債賬面值作出判斷、估計及假設。估計及有關假設乃以過往經驗及被視為相關之其他因素為基礎。實際結果可能會與該等估計有所不同。

估計及相關假設乃按持續基準檢討。會計估計之修訂乃於估計被修訂之期間確認(倘修訂僅影響該期間),或於修訂期間及未來期間(倘修訂影響本期間及未來期間)確認。

應用會計政策的重要判斷

除關於估計的判斷外(見下文),以下是本公司董事於應用對綜合財務報表確認金額有最重大影響之本集團會計政策之關鍵性判斷。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios in Hong Kong and the PRC and concluded that (a) the Group's investment properties in Hong Kong are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, (b) the Group's investment properties in the PRC are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties in Hong Kong, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties located in Hong Kong as the Group is not subject to any income taxes on disposal of these investment properties. The presumption that the carrying amounts of the Group's investment properties situated in the PRC are recovered entirely through sale has been rebutted and the deferred tax on the changes in fair value of those investment properties is recognised according to the relevant tax rules.

4. 重要會計判斷及估計不明朗因素之主要來源(續)

應用會計政策的重要判斷(續)

投資物業遞延稅項

就計量利用公平價值模式計量的投資物業產生之遞延稅項負債或遞延稅項資產而言，本公司董事審閱本集團在香港及中國之投資物業組合後認為，(a)本集團在香港之投資物業並非以旨在隨時間消耗該等投資物業實現絕大部份經濟利益之業務模式持有；(b)本集團在中國之投資物業以旨在隨時間消耗該等投資物業實現絕大部份經濟利益之業務模式持有。因此，計量本集團在香港之投資物業的遞延稅項時，本公司董事已確定，利用公平價值模式計量的投資物業之賬面值乃通過銷售全數收回之有關假設並無遭到駁回。故此，由於本集團無需就出售該等投資物業繳納任何所得稅，本集團並無就位於香港之投資物業的公平價值變動確認任何遞延稅項。該假設本集團位於中國的投資物業的賬面值全部通過出售而被駁回，且該等投資物業公平價值變動的遞延稅項乃根據相關稅務規則確認。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value of investment properties

Investment properties are carried in the consolidated statement of financial position at 31 December 2020 at their fair value, details of which are disclosed in note 14. The fair value of the investment properties was determined by reference to valuations conducted on these properties by an independent qualified professional valuer using property valuation techniques which involve certain assumptions of prevailing market conditions. Favourable or unfavourable changes to these assumptions may result in changes in the fair value of the Group's investment properties and corresponding adjustments to the changes in fair value reported in the consolidated statement of profit or loss and the carrying amount of these properties included in the consolidated statement of financial position. The carrying amount of the Group's investment properties at 31 December 2020 is approximately HK\$9,000,490,000 (2019: HK\$8,771,446,000).

Income taxes

As at 31 December 2020, a deferred tax asset in relation to unused tax losses of approximately HK\$179,001,000 (2019: HK\$191,234,000) has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of approximately HK\$700,592,000 (2019: HK\$633,726,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

4. 重要會計判斷及估計不明朗因素之主要來源 (續)

估計不明朗因素之主要來源

於報告期間結算日，因將來之假設及其他估計帶來之主要不穩定因素，可能對資產及負債之賬面值於下一財政年度內帶來重大調整之風險，討論如下：

投資物業之公平價值

投資物業乃於二零二零年十二月三十一日在綜合財務狀況表按彼等之公平價值列賬，詳情於附註14披露。投資物業之公平價值乃參考獨立合資格專業估值師以物業估值技術對該等物業所進行之估值釐定。物業估值技術涉及對現時市場情況的若干假設。該等假設之有利或不利變動或會改變本集團投資物業公平價值，因而相應調整於綜合損益表呈報之公平價值變動，以及計入綜合財務狀況表內該等物業之賬面值。於二零二零年十二月三十一日，本集團投資物業之賬面值約為港幣9,000,490,000元(二零一九年：港幣8,771,446,000元)。

所得稅

於二零二零年十二月三十一日，未動用稅項虧損約港幣179,001,000元(二零一九年：港幣191,234,000元)於本集團綜合財務狀況表內確認為遞延稅項資產。由於無法預測未來溢利來源，故並未就稅項虧損約港幣700,592,000元(二零一九年：港幣633,726,000元)確認遞延稅項資產。遞延稅項資產的可變現程度主要取決於日後是否有充足的未來溢利或應課稅暫時差異。倘實際產生的未來溢利少於預期，將引致重大遞延稅項資產撥回，該撥回將於發生期間於損益賬確認。

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5. REVENUE**(i) DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS**

An analysis of the Group's revenue and the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information is as follows:

5. 收益**(i) 與客戶簽訂合同的收入分解**

本集團收入的分析及與客戶合約的收益與分部資料所披露金額的對賬如下：

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|--|-----------------|-----------------------------------|-----------------------------------|
| Property development | 物業發展 | | |
| — Sale of properties | — 物業銷售 | 223,156 | 468,154 |
| — Interior decoration services | — 室內裝修服務 | 2,812 | 273,781 |
| Property management | 物業管理 | 21,643 | 21,599 |
| Trading and manufacturing | 貿易及製造 | 71,251 | 69,398 |
| Hotel operation | 酒店經營 | 45,707 | 15,912 |
| Revenue from contracts with customers | 與客戶合約的收益 | 364,569 | 848,844 |
| Property investment (note) | 物業投資 (附註) | 320,423 | 354,999 |
| Treasury investment | 財務投資 | | |
| — Interest income | — 利息收入 | 51,870 | 53,905 |
| — Dividend income | — 股息收入 | 34,760 | 18,760 |
| Total revenue | 總收益 | 771,622 | 1,276,508 |

note: Operating lease payments mainly includes base rental. Leases are negotiated for term ranging from one to eight years with monthly fixed rental.

附註：經營租約付款主要包括基本租金。租約之協商的租期為一至八年和每月固定租金。

5. REVENUE (CONTINUED)

(i) DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

For the year ended 31 December 2020

| | | Property investment 物業投資 HK\$'000 港幣千元 | Property development 物業發展 HK\$'000 港幣千元 | Property management 物業管理 HK\$'000 港幣千元 | Treasury investment 財務投資 HK\$'000 港幣千元 | Trading and manufacturing 貿易及製造 HK\$'000 港幣千元 | Hotel operation 酒店經營 HK\$'000 港幣千元 | Total 總計 HK\$'000 港幣千元 |
|--|----------|---|--|---|---|--|---|---------------------------------|
| Sale of properties | 物業銷售 | - | 223,156 | - | - | - | - | 223,156 |
| Interior decoration services | 室內裝修服務 | - | 2,812 | - | - | - | - | 2,812 |
| Property management | 物業管理 | - | - | 33,517 | - | - | - | 33,517 |
| Trading and manufacturing | 貿易及製造 | - | - | - | - | 71,251 | - | 71,251 |
| Hotel operation | 酒店經營 | - | - | - | - | - | 46,350 | 46,350 |
| Eliminations on inter-segment transactions | 集團內交易對銷 | - | - | (11,874) | - | - | (643) | (12,517) |
| Revenue from contracts with customers | 與客戶合約的收益 | - | 225,968 | 21,643 | - | 71,251 | 45,707 | 364,569 |
| Property investment | 物業投資 | 326,380 | - | - | - | - | - | 326,380 |
| Interest income | 利息收入 | - | - | - | 51,870 | - | - | 51,870 |
| Dividend income | 股息收入 | - | - | - | 34,760 | - | - | 34,760 |
| Eliminations on inter-segment transactions | 集團內交易對銷 | (5,957) | - | - | - | - | - | (5,957) |
| Segment revenue | 分類收益 | 320,423 | 225,968 | 21,643 | 86,630 | 71,251 | 45,707 | 771,622 |

| | | Property development 物業發展 HK\$'000 港幣千元 | Property management 物業管理 HK\$'000 港幣千元 | Trading and manufacturing 貿易及製造 HK\$'000 港幣千元 | Hotel operation 酒店經營 HK\$'000 港幣千元 | Total 總計 HK\$'000 港幣千元 |
|-------------------------------|--------|--|---|--|---|---------------------------------|
| Geographical markets | 地區市場 | | | | | |
| Hong Kong | 香港 | - | 21,643 | - | 37,709 | 59,352 |
| PRC | 中國 | 225,968 | - | 71,251 | 7,998 | 305,217 |
| Total | 總計 | 225,968 | 21,643 | 71,251 | 45,707 | 364,569 |
| Timing of revenue recognition | 確認收益時間 | | | | | |
| A point in time | 某一時間點 | 223,156 | - | 71,251 | 13,360 | 307,767 |
| Over time | 隨著時間 | 2,812 | 21,643 | - | 32,347 | 56,802 |
| Total | 總計 | 225,968 | 21,643 | 71,251 | 45,707 | 364,569 |

5. 收益(續)

(i) 與客戶簽訂合同的收入分解(續)

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5. REVENUE (CONTINUED)
(i) DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

For the year ended 31 December 2019

| | | Property investment 物業投資 HK\$'000 港幣千元 | Property development 物業發展 HK\$'000 港幣千元 | Property management 物業管理 HK\$'000 港幣千元 | Treasury investment 財務投資 HK\$'000 港幣千元 | Trading and manufacturing 貿易及製造 HK\$'000 港幣千元 | Hotel operation 酒店經營 HK\$'000 港幣千元 | Total 總計 HK\$'000 港幣千元 |
|--|----------|---|--|---|---|--|---|---------------------------------|
| Sale of properties | 物業銷售 | - | 468,154 | - | - | - | - | 468,154 |
| Interior decoration services | 室內裝修服務 | - | 273,781 | - | - | - | - | 273,781 |
| Property management | 物業管理 | - | - | 34,528 | - | - | - | 34,528 |
| Trading and manufacturing | 貿易及製造 | - | - | - | - | 69,398 | - | 69,398 |
| Hotel operation | 酒店經營 | - | - | - | - | - | 15,996 | 15,996 |
| Eliminations on inter-segment transactions | 集團內交易對銷 | - | - | (12,929) | - | - | (84) | (13,013) |
| Revenue from contracts with customers | 與客戶合約的收益 | - | 741,935 | 21,599 | - | 69,398 | 15,912 | 848,844 |
| Property investment | 物業投資 | 359,250 | - | - | - | - | - | 359,250 |
| Interest income | 利息收入 | - | - | - | 53,905 | - | - | 53,905 |
| Dividend income | 股息收入 | - | - | - | 18,760 | - | - | 18,760 |
| Eliminations on inter-segment transactions | 集團內交易對銷 | (4,251) | - | - | - | - | - | (4,251) |
| Segment revenue | 分類收益 | 354,999 | 741,935 | 21,599 | 72,665 | 69,398 | 15,912 | 1,276,508 |

| | | Property development 物業發展 HK\$'000 港幣千元 | Property management 物業管理 HK\$'000 港幣千元 | Trading and manufacturing 貿易及製造 HK\$'000 港幣千元 | Hotel operation 酒店經營 HK\$'000 港幣千元 | Total 總計 HK\$'000 港幣千元 |
|--------------------------------------|---------------|--|---|--|---|---------------------------------|
| Geographical markets | 地區市場 | | | | | |
| Hong Kong | 香港 | - | 21,599 | - | 2,431 | 24,030 |
| PRC | 中國 | 741,935 | - | 69,398 | 13,481 | 824,814 |
| Total | 總計 | 741,935 | 21,599 | 69,398 | 15,912 | 848,844 |
| Timing of revenue recognition | 確認收益時間 | | | | | |
| A point in time | 某一時間點 | 468,154 | - | 69,398 | 2,342 | 539,894 |
| Over time | 隨著時間 | 273,781 | 21,599 | - | 13,570 | 308,950 |
| Total | 總計 | 741,935 | 21,599 | 69,398 | 15,912 | 848,844 |

5. 收益 (續)
(i) 與客戶簽訂合同的收入分解 (續)

截至二零一九年十二月三十一日止年度

5. REVENUE (CONTINUED)

(ii) PERFORMANCE OBLIGATIONS FOR CONTRACTS WITH CUSTOMERS

Property development

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customer's specifications with no alternative use. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers. Revenue from sales of properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

The Group receives deposits from customers pursuant to the payment terms of the sale and purchase agreement. Such advance payment results in contract liabilities being recognised throughout the property construction period.

The Group provides interior decoration services to these customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these construction services based on the stage of completion of the contract using input method.

The Group's interior decoration contracts include payment schedules which require stage payments over the construction period. The Group requires customers to provide upfront deposits, when the Group receives a deposit before construction commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

A contract asset is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed.

5. 收益(續)

(ii) 客戶合約的履約責任

物業發展

就出售物業與客戶訂立的合約而言，合約中指明的相關物業乃基於客戶要求，並無其他替代用途。經考慮相關合約條款、法律環境及相關法律先例，本集團認為，在轉讓相關物業予客戶前，本集團並無收取付款的可強制執行權利。因此，出售物業的收益於已竣工物業轉讓予客戶的時間點確認，即客戶獲得已竣工物業的控制權而本集團擁有收取付款之現時權利及可能收取代價的時間點。

本集團根據買賣協議的付款條款向客戶收取按金。該預先付款導致於物業建築期確認的合約負債。

本集團向該等客戶提供室內裝修服務。由於資產獲創建及提升，有關服務於本集團創建或提升由客戶控制的資產時，確認為於若干時段內履行的履約責任。該等建築服務的收益根據合約完成階段使用投入法確認。

本集團的室內裝修合約包括須於建築期間按階段付款的付款時間表。本集團要求客戶提供預付訂金，倘本集團於建築開始前收到按金，則此將於合約開始時產生合約負債，直至就特定合約確認的收益超過按金額。

合約資產於進行建築服務期間確認並指本集團進行服務代價的權利。

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5. REVENUE (CONTINUED)

(ii) PERFORMANCE OBLIGATIONS FOR CONTRACTS WITH CUSTOMERS (CONTINUED)

Property development (Continued)

All the interior decoration services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to the unsatisfied contracts is not disclosed.

Property management

Revenue from property management represents charge-out collections, which consist of payments in respect of the operation of the properties which are payable by the tenants, are recognised over time using output method when the services and facilities are provided. The Group applied the practical expedient in HKFRS by recognising revenue in the amount to which the Group has right to invoice, since the Group is entitled to bill a fixed amount in advance for each month according to the terms of the relevant lease. As permitted under HKFRS 15, the aggregate amount of the transaction price allocated to the unsatisfied contracts is not disclosed.

Trading and manufacturing

For sales of magnetic products, revenue is recognised when control of the goods has transferred to customers, being when the goods have been shipped to the customer's specific location (delivery). Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 90 days upon delivery.

Hotel operation

Hotel room revenue from customers is recognised over time using output method when the service and facilities are provided. All the hotel operation service are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to the unsatisfied contracts is not disclosed.

Revenue from food and beverages is recognised when the food and beverage are delivered to the customers.

5. 收益 (續)

(ii) 客戶合約的履約責任 (續)

物業發展 (續)

所有室內裝修服務為期一年或以下。根據香港財務報告準則第15號所批准，分配予未履行合約的交易價未予披露。

物業管理

物業管理服務收益為代收費用包括租戶應付有關營運該等物業的付款，乃於提供服務及設施時使用投出法在一段時間內確認。由於本集團可依據相關租賃條款每月提前收取固定金額，本集團以確認本集團有權開具發票的金額確認收益，應用香港財務報告準則的可行權宜方法。根據香港財務報告準則第15號所批准，分配予未履行合約的交易價總額未予披露。

貿易及製造

就銷售磁性產品而言，當貨品之控制權已轉移予客戶，即當貨品已運送至客戶指定的地點(交付)時確認收益。於交付後，客戶可全權酌情決定分銷方式及貨品售價，並承擔出售貨品之主要責任及貨品報廢及損失之風險。於交付後，信貸期一般為30至90日。

酒店經營

酒店客房收益於提供服務及設施時使用投出法在一段時間內確認。所有酒店運營服務的期間為一年或更短。根據香港財務報告準則第15號所批准，分配予未履行合約的交易價未予披露。

食品和飲料的收入在將食品和飲料交付給客戶時確認。

6. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resources allocation or assessment of segment performance focuses on types of goods and services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segment of the Group.

Specifically, the Group’s operating and reportable segments under HKFRS 8 *Operating Segments* are as follows:

1. Property investment — investment and letting of properties
2. Property development — development and sale of properties
3. Property management — provision of property management services
4. Treasury investment — dealings and investments in securities and other financial instruments
5. Trading and manufacturing — manufacture and sale of magnetic products
6. Hotel operation — management and operation of hotel and food & beverage business

6. 分類資料

本公司向執行董事，即主要經營決策人，就資源分配或評核分類表現而呈報之分類資料，乃按營運單位所提供的銷售和服務性作為分析基準。主要經營決策人於釐定本集團之可呈報分類時，概無將已識別的任何營運分類作合併處理。

按香港財務報告準則第8號營運分類本集團之業務及呈報分類如下：

1. 物業投資 — 物業投資及租賃
2. 物業發展 — 物業發展及銷售
3. 物業管理 — 提供物業管理服務
4. 財務投資 — 證券及其他金融工具的交易及投資
5. 貿易及製造 — 磁性產品製造及銷售
6. 酒店經營 — 酒店管理及經營和餐飲業務

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

6. SEGMENT INFORMATION (CONTINUED)

SEGMENT REVENUE AND RESULTS

The following is an analysis of the Group's revenue and results by operating and reportable segments.

6. 分類資料(續)

分類收益及業績

以下為按呈報及業務分類之本集團收益及業績分析。

| For the year ended 31 December 2020 | 截至二零二零年十二月三十一日止年度 |
|---|------------------------|
| Segment revenue | 分類收益 |
| Comprising: | 包括： |
| — revenue from customers | — 客戶收益 |
| — inter-segment transactions (note) | — 集團內交易(附註) |
| Operating expenses | 營運開支 |
| Loss on changes in fair value of investment properties | 投資物業公平價值變動虧損 |
| Gain on transfer of property inventories to investment properties | 物業存貨轉移至投資物業收益 |
| Gain on changes in fair value of financial assets at FVTPL | 按公平價值計入損益之金融資產公平價值變動收益 |
| Loss on changes in fair value of derivative financial instruments | 金融衍生工具之公平價值變動虧損 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損 |
| Net exchange (losses) gains | 匯兌淨(虧損)收益 |
| Segment profit (loss) | 分類溢利(虧損) |
| Finance costs | 財務成本 |
| Share of results of joint ventures | 所佔合營企業業績 |
| Profit before tax | 除稅前溢利 |

note: Inter-segment transactions are charged at prevailing market prices.

附註：集團內交易按現行市值收取。

| Property investment 物業投資 HK\$'000 港幣千元 | Property development 物業發展 HK\$'000 港幣千元 | Property management 物業管理 HK\$'000 港幣千元 | Treasury investment 財務投資 HK\$'000 港幣千元 | Trading and manufacturing 貿易及製造 HK\$'000 港幣千元 | Hotel operation 酒店經營 HK\$'000 港幣千元 | Segment total 分類總計 HK\$'000 港幣千元 | Eliminations 對銷 HK\$'000 港幣千元 | Consolidated 綜合 HK\$'000 港幣千元 |
|---|--|---|---|--|---|---|--|--|
| 326,380 | 225,968 | 33,517 | 86,630 | 71,251 | 46,350 | 790,096 | (18,474) | 771,622 |
| 320,423 | 225,968 | 21,643 | 86,630 | 71,251 | 45,707 | | | |
| 5,957 | - | 11,874 | - | - | 643 | | | |
| (42,897) | (234,267) | (21,918) | (41,382) | (67,496) | (123,969) | (531,929) | 18,474 | (513,455) |
| (136,196) | - | - | - | - | - | (136,196) | - | (136,196) |
| - | 81,350 | - | - | - | - | 81,350 | - | 81,350 |
| - | - | - | 2,507 | - | - | 2,507 | - | 2,507 |
| - | - | - | (5,972) | - | - | (5,972) | - | (5,972) |
| (12) | - | - | - | - | (1,828) | (1,840) | - | (1,840) |
| (2,790) | 1,414 | (313) | 49,242 | - | - | 47,553 | - | 47,553 |
| 144,485 | 74,465 | 11,286 | 91,025 | 3,755 | (79,447) | 245,569 | - | 245,569 |
| | | | | | | | | (43,171) |
| | | | | | | | | 44,218 |
| | | | | | | | | 246,616 |

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6. SEGMENT INFORMATION (CONTINUED)

SEGMENT REVENUE AND RESULTS (CONTINUED)

The following is an analysis of the Group's revenue and results by operating and reportable segments.

6. 分類資料(續)

分類收益及業績(續)

以下為按呈報及業務分類之本集團收益及業績分析。

| For the year ended 31 December 2019 | 截至二零一九年十二月三十一日止年度 |
|---|------------------------|
| Segment revenue | 分類收益 |
| Comprising: | 包括： |
| — revenue from customers | — 客戶收益 |
| — inter-segment transactions (note) | — 集團內交易(附註) |
| Operating expenses | 營運開支 |
| Gain on changes in fair value of investment properties | 投資物業公平價值變動收益 |
| Gain on changes in fair value of financial assets at FVTPL | 按公平價值計入損益之金融資產公平價值變動收益 |
| Loss on changes in fair value of derivative financial instruments | 金融衍生工具之公平價值變動虧損 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損 |
| Net exchange (losses) gains | 匯兌淨(虧損)收益 |
| Segment profit (loss) | 分類溢利(虧損) |
| Finance costs | 財務成本 |
| Share of results of joint ventures | 所佔合營企業業績 |
| Profit before tax | 除稅前溢利 |

| Property investment 物業投資 HK\$'000 港幣千元 | Property development 物業發展 HK\$'000 港幣千元 | Property management 物業管理 HK\$'000 港幣千元 | Treasury investment 財務投資 HK\$'000 港幣千元 | Trading and manufacturing 貿易及製造 HK\$'000 港幣千元 | Hotel operation 酒店經營 HK\$'000 港幣千元 | Segment total 分類總計 HK\$'000 港幣千元 | Eliminations 對銷 HK\$'000 港幣千元 | Consolidated 綜合 HK\$'000 港幣千元 |
|---|--|---|---|--|---|---|--|--|
| 359,250 | 741,935 | 34,528 | 72,665 | 69,398 | 15,996 | 1,293,772 | (17,264) | 1,276,508 |
| 354,999 4,251 | 741,935 - | 21,599 12,929 | 72,665 - | 69,398 - | 15,912 84 | | | |
| (136,197) | (478,934) | (20,572) | (38,653) | (63,769) | (60,111) | (798,236) | 17,264 | (780,972) |
| 119,843 | - | - | - | - | - | 119,843 | - | 119,843 |
| - | - | - | 3,356 | - | - | 3,356 | - | 3,356 |
| - | - | - | (465) | - | - | (465) | - | (465) |
| (174) | - | - | - | (138) | (2) | (314) | - | (314) |
| (561) | (7,846) | 104 | (5,455) | - | - | (13,758) | - | (13,758) |
| 342,161 | 255,155 | 14,060 | 31,448 | 5,491 | (44,117) | 604,198 | - | 604,198 |
| | | | | | | | | (45,265) |
| | | | | | | | | 32,191 |
| | | | | | | | | 591,124 |

note: Inter-segment transactions are charged at prevailing market prices.

附註：集團內交易按現行市值收取。

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit (loss) represents the profit earned by/loss incurred from each segment without allocation of share of results of joint ventures and finance costs. In addition, the Group's administrative costs are allocated to respective operating segments on the basis of revenue earned by individual operating segment. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

業務分類之會計政策與附註3所述之本集團會計政策相同。分類溢利(虧損)指在未計入所佔合營企業業績及財務成本之情況下各分類所賺取之溢利/蒙受之虧損。此外，財務投資分類替其他業務分類代付所涉及之行政成本已按個別業務分類賺取之收益獲分配至各營運分類。本集團已以此分類方法向主要經營決策人呈報，並用作資源分配及評核分類表現。

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6. SEGMENT INFORMATION (CONTINUED)**SEGMENT ASSETS AND LIABILITIES**

The following is an analysis of the Group's assets and liabilities by reportable segments:

Segment assets

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|-----------------------------|--------|-----------------------------------|-----------------------------------|
| Property investment | 物業投資 | 9,256,391 | 9,006,316 |
| Property development | 物業發展 | 2,379,134 | 2,794,724 |
| Property management | 物業管理 | 2,171 | 3,709 |
| Treasury investment | 財務投資 | 1,486,354 | 1,236,491 |
| Trading and manufacturing | 貿易及製造 | 104,029 | 92,749 |
| Hotel operation | 酒店經營 | 1,355,945 | 1,415,713 |
| Total segment assets | 分類資產總額 | 14,584,024 | 14,549,702 |
| Taxation recoverable | 可收回稅款 | - | 27 |
| Interests in joint ventures | 合營企業權益 | 334,918 | 307,843 |
| Deferred tax assets | 遞延稅項資產 | 20,608 | 27,472 |
| Consolidated assets | 綜合資產 | 14,939,550 | 14,885,044 |

Segment liabilities

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---------------------------|--------|-----------------------------------|-----------------------------------|
| Property investment | 物業投資 | 365,955 | 328,726 |
| Property development | 物業發展 | 58,734 | 176,015 |
| Property management | 物業管理 | 2,857 | 2,986 |
| Treasury investment | 財務投資 | 2,929 | 8,974 |
| Trading and manufacturing | 貿易及製造 | 11,007 | 10,902 |
| Hotel operation | 酒店經營 | 64,744 | 79,822 |
| Total segment liabilities | 分類負債總額 | 506,226 | 607,425 |
| Taxation payable | 應付稅款 | 33,370 | 40,790 |
| Borrowings | 借款 | 1,473,845 | 1,509,734 |
| Deferred tax liabilities | 遞延稅項負債 | 260,726 | 256,875 |
| Consolidated liabilities | 綜合負債 | 2,274,167 | 2,414,824 |

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to operating segments other than taxation recoverable, interests in joint ventures and deferred tax assets. All liabilities are allocated to operating segments other than taxation payable, borrowings and deferred tax liabilities.

6. 分類資料(續)**分類資產及負債**

以下為按呈報分類之本集團資產及負債分析：

分類資產

| | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|-----------------------------|-----------------------------------|-----------------------------------|
| Property investment | 9,256,391 | 9,006,316 |
| Property development | 2,379,134 | 2,794,724 |
| Property management | 2,171 | 3,709 |
| Treasury investment | 1,486,354 | 1,236,491 |
| Trading and manufacturing | 104,029 | 92,749 |
| Hotel operation | 1,355,945 | 1,415,713 |
| Total segment assets | 14,584,024 | 14,549,702 |
| Taxation recoverable | - | 27 |
| Interests in joint ventures | 334,918 | 307,843 |
| Deferred tax assets | 20,608 | 27,472 |
| Consolidated assets | 14,939,550 | 14,885,044 |

分類負債

| | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---------------------------|-----------------------------------|-----------------------------------|
| Property investment | 365,955 | 328,726 |
| Property development | 58,734 | 176,015 |
| Property management | 2,857 | 2,986 |
| Treasury investment | 2,929 | 8,974 |
| Trading and manufacturing | 11,007 | 10,902 |
| Hotel operation | 64,744 | 79,822 |
| Total segment liabilities | 506,226 | 607,425 |
| Taxation payable | 33,370 | 40,790 |
| Borrowings | 1,473,845 | 1,509,734 |
| Deferred tax liabilities | 260,726 | 256,875 |
| Consolidated liabilities | 2,274,167 | 2,414,824 |

為監察分類表現及於分類間分配資源，除於可收回稅款、合營企業的權益及遞延稅項資產外，所有資產均分配至業務分類，而除應付稅款、借款及遞延稅項負債外，所有負債均分配至業務分類。

6. SEGMENT INFORMATION (CONTINUED)

OTHER SEGMENT INFORMATION

6. 分類資料(續)

其他分類資料

| | | Property investment 物業投資 HK\$'000 港幣千元 | Property development 物業發展 HK\$'000 港幣千元 | Property management 物業管理 HK\$'000 港幣千元 | Treasury investment 財務投資 HK\$'000 港幣千元 | Trading and manufacturing 貿易及製造 HK\$'000 港幣千元 | Hotel operation 酒店經營 HK\$'000 港幣千元 | Consolidated 綜合 HK\$'000 港幣千元 |
|--|-------------------|---|--|---|---|--|---|--|
| Amounts included in the measure of segment results and segment assets: | 包括計量分類業績及分類資產之金額： | | | | | | | |
| 2020 | 二零二零年 | | | | | | | |
| Additions to non-current assets (note) | 非流動資產增加(附註) | 78,210 | 792 | 12 | - | 3,450 | 928 | 83,392 |
| Depreciation | 折舊 | 9,531 | 1,007 | 141 | - | 3,288 | 61,891 | 75,858 |
| 2019 | 二零一九年 | | | | | | | |
| Additions to non-current assets (note) | 非流動資產增加(附註) | 20,764 | 93,129 | - | - | 5,823 | 746 | 120,462 |
| Depreciation | 折舊 | 9,975 | 272 | - | - | 2,559 | 6,616 | 19,422 |

note: Non-current assets exclude interests in joint ventures, financial instruments and deferred tax assets.

附註：非流動資產不包括合營企業權益、金融工具及遞延稅項資產。

Geographical information

The Group's operations are located in Hong Kong and other parts of the PRC.

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

地區資料

本集團業務位於香港及中國其他地區。

有關本集團持續經營外來客戶之收益資料乃按經營業務所處地區呈報。有關本集團非流動資產的資料則按資產所在地區呈報。

| | | Revenue 收益 | | Non-current assets (note) 非流動資產(附註) | |
|-----------|----|-----------------------------------|-----------------------------------|--|-----------------------------------|
| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
| Hong Kong | 香港 | 327,238 | 290,673 | 7,408,749 | 7,503,529 |
| PRC | 中國 | 444,384 | 985,835 | 2,993,252 | 2,735,994 |
| | | 771,622 | 1,276,508 | 10,402,001 | 10,239,523 |

note: Non-current assets exclude interests in joint ventures, financial instruments and deferred tax assets.

附註：非流動資產不包括合營企業權益、金融工具及遞延稅項資產。

Information about major customers

There is no revenue from customers for the years ended 31 December 2020 and 31 December 2019 contributing over 10% of the total operating revenue of the Group.

主要客戶資料

截至二零二零年十二月三十一日及二零一九年十二月三十一日止年度，並無來自客戶之收益佔本集團總營運收益超過10%。

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7. OTHER GAINS AND LOSSES**7. 其他收益及虧損**

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---|------------------------|-----------------------------------|-----------------------------------|
| (Loss) gain on changes in fair value of investment properties | 投資物業公平價值變動（虧損）收益 | (136,196) | 119,843 |
| Gain on transfer of property inventories to investment properties | 物業存貨轉移至投資物業收益 | 81,350 | - |
| Gain on changes in fair value of financial assets at FVTPL | 按公平價值計入損益之金融資產公平價值變動收益 | 2,507 | 3,356 |
| Loss on changes in fair value of derivative financial instruments | 金融衍生工具之公平價值變動虧損 | (5,972) | (465) |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備虧損 | (1,840) | (314) |
| Net exchange gains (losses) | 匯兌淨收益（虧損） | 47,553 | (13,758) |
| | | (12,598) | 108,662 |

8. FINANCE COSTS**8. 財務成本**

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|-------------------------------|--------|-----------------------------------|-----------------------------------|
| Interest on borrowings: | 借款利息： | | |
| Bank loans | 銀行貸款 | 40,127 | 43,709 |
| Other borrowings | 其他借款 | 1,427 | 984 |
| | | 41,554 | 44,693 |
| Interest on lease liabilities | 租賃負債利息 | 296 | 410 |
| Other interest expense | 其他利息支出 | 1,321 | 162 |
| | | 43,171 | 45,265 |

9. INCOME TAX EXPENSE**9. 所得稅支出**

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|--------------------------------------|---------------|-----------------------------------|-----------------------------------|
| The charge comprises: | 支出包括： | | |
| Current tax: | 本年度稅項： | | |
| Hong Kong Profits Tax | 香港利得稅 | 11,297 | 12,945 |
| PRC Enterprise Income Tax | 中國企業所得稅 | 1,399 | 98,182 |
| | | 12,696 | 111,127 |
| Dividend withholding tax | 股息預扣稅 | 9,657 | 15,778 |
| (Over)underprovision in prior years: | 過往年度（超額）不足撥備： | | |
| Hong Kong Profits Tax | 香港利得稅 | (81) | (130) |
| PRC Enterprise Income Tax | 中國企業所得稅 | (56) | 389 |
| | | (137) | 259 |
| PRC Land Appreciation Tax ("LAT") | 中國土地增值稅 | 40,223 | 15,502 |
| Deferred taxation (note 29) | 遞延稅項（附註29） | 10,667 | 1,989 |
| | | 73,106 | 144,655 |

9. INCOME TAX EXPENSE (CONTINUED)

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss as follows:

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|--|---------------------------------|-----------------------------------|-----------------------------------|
| Profit before tax | 除稅前溢利 | 246,616 | 591,124 |
| Hong Kong Profits Tax at the rate of 16.5% (2019: 16.5%) | 按稅率16.5% (二零一九年：16.5%) 計算之香港利得稅 | 40,692 | 97,535 |
| Tax effect of share of results of joint ventures | 所佔合營企業業績之稅務影響 | (7,296) | (5,312) |
| Tax effect of expenses not deductible for tax purpose | 不可扣稅費用之稅務影響 | 42,857 | 15,380 |
| Tax effect of income not taxable for tax purpose | 毋須課稅收入之稅務影響 | (53,424) | (33,328) |
| (Over)underprovision in prior years | 過往年度(超額)不足撥備 | (137) | 259 |
| Tax effect of tax losses not recognised | 未確認稅務虧損之稅務影響 | 9,591 | 17,300 |
| Tax effect of utilisation of tax losses previously not recognised | 先前未確認動用之稅務虧損之稅務影響 | (387) | (856) |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | 於其他司法權區經營之附屬公司不同稅率之影響 | 7,616 | 30,570 |
| PRC LAT | 中國土地增值稅 | 40,223 | 15,502 |
| Tax effect of PRC LAT | 中國土地增值稅之稅務影響 | (10,056) | (3,875) |
| Dividend withholding tax | 股息預扣稅 | 9,657 | 15,778 |
| Others | 其他 | (6,230) | (4,298) |
| Tax charge for the year | 本年度稅項支出 | 73,106 | 144,655 |

notes:

- (a) On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.
- The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.
- (b) Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2019: 25%).
- (c) The Group has estimated the tax provision for PRC LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

9. 所得稅支出(續)

本年度之稅項與綜合損益表所示除稅前溢利之對賬如下：

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|--|---------------------------------|-----------------------------------|-----------------------------------|
| Profit before tax | 除稅前溢利 | 246,616 | 591,124 |
| Hong Kong Profits Tax at the rate of 16.5% (2019: 16.5%) | 按稅率16.5% (二零一九年：16.5%) 計算之香港利得稅 | 40,692 | 97,535 |
| Tax effect of share of results of joint ventures | 所佔合營企業業績之稅務影響 | (7,296) | (5,312) |
| Tax effect of expenses not deductible for tax purpose | 不可扣稅費用之稅務影響 | 42,857 | 15,380 |
| Tax effect of income not taxable for tax purpose | 毋須課稅收入之稅務影響 | (53,424) | (33,328) |
| (Over)underprovision in prior years | 過往年度(超額)不足撥備 | (137) | 259 |
| Tax effect of tax losses not recognised | 未確認稅務虧損之稅務影響 | 9,591 | 17,300 |
| Tax effect of utilisation of tax losses previously not recognised | 先前未確認動用之稅務虧損之稅務影響 | (387) | (856) |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | 於其他司法權區經營之附屬公司不同稅率之影響 | 7,616 | 30,570 |
| PRC LAT | 中國土地增值稅 | 40,223 | 15,502 |
| Tax effect of PRC LAT | 中國土地增值稅之稅務影響 | (10,056) | (3,875) |
| Dividend withholding tax | 股息預扣稅 | 9,657 | 15,778 |
| Others | 其他 | (6,230) | (4,298) |
| Tax charge for the year | 本年度稅項支出 | 73,106 | 144,655 |

附註：

- (a) 於二零一八年三月二十一日，香港立法會通過了「二零一七年稅務(修訂)(第7號)條例草案」(「條例草案」)，該條例草案引入了雙層利得稅稅率制度。該法案於二零一八年三月二十八日簽署成為法律，並於次日在憲報刊登。根據雙層利得稅制度，合資格集團實體的首二百萬港元利潤將按8.25%徵稅，而超過二百萬港元的利潤則須按16.5%徵稅。不符合雙層利得稅稅率制度的集團實體的利潤將繼續按16.5%的固定稅率徵稅。
- 本公司董事認為，實施雙層利得稅制度所涉及的金額與綜合財務報表並無重大關係。香港利得稅按兩個年度估計應課稅溢利的16.5%計算。
- (b) 按中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施細則，中國附屬公司稅率為25%(二零一九年：25%)。
- (c) 根據中國稅法及規則的相關規定，本集團已預提中國土地增值稅。具體土地增值稅額取決於稅局根據物業投資項目的竣工程度而定，稅局有可能不認同本集團對土地增值稅撥備的計算基準。

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

10. PROFIT FOR THE YEAR**10. 本年度溢利**

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---|--|-----------------------------------|-----------------------------------|
| Profit for the year has been arrived at after charging: 本年度溢利已扣除下列各項： | | | |
| Staff costs | 員工成本 | 128,487 | 139,662 |
| Staff retirement schemes contributions, net of HK\$589,000 (2019: HK\$22,000) forfeited contributions | 員工退休福利供款，扣除沒收供款 港幣589,000元(二零一九年：港幣22,000元) | 4,734 | 4,364 |
| Total staff costs (including directors' emoluments) | 員工成本總計(包括董事酬金) | 133,221 | 144,026 |
| Auditor's remuneration | 核數師酬金 | 2,810 | 2,891 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 70,845 | 14,577 |
| Depreciation of right-of-use assets | 使用權資產折舊 | 5,013 | 4,845 |
| Government grants (included in "other income") | 政府補助(包括在「其他收入」) | 15,700 | - |
| Selling expenses (included in "administrative and operating expenses") | 銷售開支(包括在「行政及營運開支」) | 1,039 | 3,989 |
| and after crediting: | 並計入： | | |
| Gross rental income from investment properties | 投資物業總租金收入 | 320,423 | 354,999 |
| Less: direct expenses of investment properties that generated rental income during the year | 減：年內產生租金收入之投資物業直接費用 | (21,821) | (25,968) |
| | | 298,602 | 329,031 |

During the current year, the Group recognised government grants of approximately HK\$15,700,000 in respect of COVID-19-related subsidies, of which approximately HK\$11,880,000 relates to Employment Support Scheme provided by the Hong Kong government.

於本年度，本集團就與2019新冠病毒相關的政府補助約港幣15,700,000元，其中約港幣11,880,000元與香港政府提供的就業支援計劃有關。

II. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the 10 (2019: 11) directors were as follows:

II. 董事、行政總裁及僱員酬金

已付或應付予10名(二零一九年: 11名)董事之酬金如下:

| | | Other emoluments 其他酬金 | | | | |
|---|---------------------|--------------------------------|--|---|---|---|
| | | Fees 袍金 HK\$'000 港幣千元 | Salaries and other benefits 薪酬及其他福利 HK\$'000 港幣千元 | Performance related incentive payment (note e) 業績相關的獎勵金 (附註e) HK\$'000 港幣千元 | Retirement scheme contributions 退休福利計劃供款 HK\$'000 港幣千元 | Total emoluments 總酬金 HK\$'000 港幣千元 |
| 2020 | 二零二零年 | | | | | |
| Executive Directors (note a) | 執行董事(附註a) | | | | | |
| Liu Lit Chi | 廖烈智 | 300 | 9,516 | – | 559 | 10,375 |
| Liu Kam Fai, Winston | 廖金輝 | 200 | 5,933 | – | 391 | 6,524 |
| Liu Kwun Shing, Christopher | 廖坤城 | 65 | 2,687 | – | 129 | 2,881 |
| Lee Wai Hung | 李偉雄 | 200 | 3,756 | – | 375 | 4,331 |
| Non-executive Director (note b) | 非執行董事(附註b) | | | | | |
| Kho Eng Tjoan, Christopher | 許榮泉 | 300 | – | – | – | 300 |
| Independent Non-executive Directors (note c) | 獨立非執行董事(附註c) | | | | | |
| Cheng Mo Chi, Moses | 鄭慕智 | 300 | – | – | – | 300 |
| Au Kam Yuen, Arthur | 區錦源 | 300 | – | – | – | 300 |
| Ma Hung Ming, John | 馬鴻銘 | 300 | – | – | – | 300 |
| Cheng Yuk Wo | 鄭毓和 | 300 | – | – | – | 300 |
| Tong Tsun Sum, Eric | 唐晉森 | 300 | – | – | – | 300 |
| Total | 總計 | 2,565 | 21,892 | – | 1,454 | 25,911 |

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

II. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)
II. 董事、行政總裁及僱員酬金(續)

| | | Other emoluments 其他酬金 | | | | Total emoluments |
|---|---------------------|--------------------------|-----------------------------------|---|---------------------------------------|-------------------------|
| | | Fees | Salaries and other benefits | Performance related incentive payment (note e) 業績相關的 獎勵金 (附註e) | Retirement scheme contributions | |
| | | 袍金 HK\$'000 港幣千元 | 薪酬及 其他福利 HK\$'000 港幣千元 | HK\$'000 港幣千元 | 退休福利 計劃供款 HK\$'000 港幣千元 | 總酬金 HK\$'000 港幣千元 |
| 2019 | 二零一九年 | | | | | |
| Executive Directors (note a) | 執行董事(附註a) | | | | | |
| Liu Lit Chi | 廖烈智 | 300 | 9,291 | – | 559 | 10,150 |
| Liu Kam Fai, Winston | 廖金輝 | 200 | 5,881 | – | 387 | 6,468 |
| Liu Kwun Shing, Christopher | 廖坤城 | 200 | 4,818 | – | 378 | 5,396 |
| Lee Wai Hung | 李偉雄 | 200 | 3,709 | – | 371 | 4,280 |
| Non-executive Directors (note b) | 非執行董事(附註b) | | | | | |
| Liu Lit Chung | 廖烈忠 | 117 | 559 | – | – | 676 |
| Kho Eng Tjoan, Christopher | 許榮泉 | 300 | – | – | – | 300 |
| Independent Non-executive Directors (note c) | 獨立非執行董事(附註c) | | | | | |
| Cheng Mo Chi, Moses | 鄭慕智 | 300 | – | – | – | 300 |
| Au Kam Yuen, Arthur | 區錦源 | 300 | – | – | – | 300 |
| Ma Hung Ming, John | 馬鴻銘 | 300 | – | – | – | 300 |
| Cheng Yuk Wo | 鄭毓和 | 300 | – | – | – | 300 |
| Tong Tsun Sum, Eric | 唐晉森 | 300 | – | – | – | 300 |
| Total | 總計 | 2,817 | 24,258 | – | 1,695 | 28,770 |

notes:

附註:

- | | |
|---|---|
| (a) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. | (a) 上列執行董事之酬金與其管理本公司及本集團事務之服務有關。 |
| (b) The non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries. | (b) 上列非執行董事之酬金與其作為本公司或附屬公司董事之服務有關。 |
| (c) The independent non-executive directors' emoluments shown above were for their services as directors of the Company. | (c) 上列獨立非執行董事之酬金與其作為本公司董事之服務有關。 |
| (d) During the year, no emoluments were paid by the Group to any of the directors or the five highest paid individuals (including directors) as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2020 and 31 December 2019. | (d) 年內，本集團概無向任何董事或五名最高薪人士(包括董事)支付任何酬金，作為加入本集團或加入本集團時之獎勵或離職補償。截至二零二零年十二月三十一日及二零一九年十二月三十一日止兩個年度，並無董事放棄任何或接受放棄酬金的安排。 |
| (e) The performance related incentive payment is determined by reference to the individual performance of the directors and approved by the remuneration committee of the Group for the years ended 31 December 2020 and 31 December 2019. | (e) 截至二零二零年十二月三十一日及二零一九年十二月三十一日止兩個年度與表現有關之獎勵按董事的個別表現釐定，並由本集團薪酬委員會批准。 |
| (f) The Group has been providing accommodation to the directors at no charge. The estimated money value of the benefit in kind is HK\$5,595,000 (2019: HK\$6,001,000). | (f) 本集團一直無償向董事提供住宿。實物利益的估計金額為港幣5,595,000元(二零一九年:港幣6,001,000元)。 |

II. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

The five highest paid employees of the Group during the year included four directors (2019: four directors), details of whose remuneration are set out as above. Details of the remuneration for the year ended 31 December 2020 of the remaining one (2019: one) highest paid employee who is neither a director nor chief executive of the Company are as follows:

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---------------------------------|----------|-----------------------------------|-----------------------------------|
| Salaries and other benefits | 工資和其他福利 | 1,840 | 1,821 |
| Performance related bonuses | 與表現相關的獎金 | - | - |
| Retirement scheme contributions | 退休福利供款 | 184 | 182 |
| | | 2,024 | 2,003 |

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

| | | No. of employee 員工人數 | |
|--------------------------------|---------------------------|-------------------------|---------------|
| | | 2020 二零二零年 | 2019 二零一九年 |
| HK\$2,000,001 to HK\$2,500,000 | 港幣2,000,001元至港幣2,500,000元 | 1 | 1 |

II. 董事、行政總裁及僱員酬金 (續)

年內本集團五名最高薪僱員包括四名董事(二零一九年：四名董事)，其薪酬詳情載列如上。截至二零二零年十二月三十一日止年度的餘下一名(二零一九年：一名)最高薪僱員(並非本公司董事或行政總裁)的薪酬詳情如下：

非本公司董事的最高薪酬的員工人數如下，其薪酬在以下範圍內：

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

12. DIVIDENDS**12. 股息**

| | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---|-----------------------------------|-----------------------------------|
| Dividends recognised as distribution during the year: 年內確認分派之股息： | | |
| Interim dividend paid for 2020 — HK\$0.15 per share (2019: interim dividend paid for 2019 — HK\$0.22 per share) 二零二零年已派中期股息每股港幣0.15元 (二零一九年：已派二零一九年中期股息每股港幣0.22元) | 56,788 | 83,288 |
| Final dividend paid for 2019 — HK\$0.38 per share (2019: final dividend paid for 2018 — HK\$0.48 per share) 二零一九年已派末期股息每股港幣0.38元 (二零一九年：已派二零一八年末期股息每股港幣0.48元) | 143,862 | 181,720 |
| | 200,650 | 265,008 |

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2020 of HK\$0.25 (2019: final dividend in respect of the year ended 31 December 2019 of HK\$0.38) per share, in an aggregate amount of approximately HK\$94,646,000 (2019: HK\$143,862,000) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

緊隨報告期結束後，截至二零二零年十二月三十一日止年度之末期股息每股港幣0.25元(二零一九年：截至二零一九年十二月三十一日止年度之末期股息每股港幣0.38元)，共約港幣94,646,000元(二零一九年：港幣143,862,000元)，經由董事會建議，並須於應屆股東周年大會上獲得股東批准。

13. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK\$162,560,000 (2019: HK\$429,984,000) and on 378,583,440 (2019: 378,583,440) ordinary shares in issue during the year.

13. 每股基本盈利

本公司股東應佔每股基本盈利乃依據本年度本公司股東應佔之溢利約港幣162,560,000元(二零一九年：港幣429,984,000元)及本年度已發行普通股378,583,440股(二零一九年：378,583,440股)計算。

No diluted earnings per share has been presented as there were no potential ordinary shares in issue during the years ended 31 December 2020 and 31 December 2019.

截至二零二零年十二月三十一日及二零一九年十二月三十一日止年度內均無任何潛在普通股，因此攤薄每股盈利不作呈報。

14. INVESTMENT PROPERTIES

The Group leases out various residential, commercial and industrial units and retail stores under operating leases with rentals payable monthly. The leases typically run for an initial period of one to five years, with unilateral rights to extend the lease beyond initial period held by lessees only.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

14. 投資物業

本集團根據經營租賃租賃各種住宅，商業和工業單位以及零售商店，每月支付租金。租賃通常為期一年到五年，並且有單方面權利將租賃延長至僅由承租人持有的初始期以外。

由於所有租賃均以集團實體各自的功能貨幣計價，故本集團不會因租賃的安排而承受外幣風險。租賃合同不包含剩餘價值擔保和／或承租人在租賃期滿時選擇購買財產的選擇。

| | | HK\$'000 港幣千元 |
|--|---------------|------------------|
| FAIR VALUE | 公平價值 | |
| At 1 January 2019 | 於二零一九年一月一日 | 8,701,400 |
| Currency realignment | 匯率調整 | (61,654) |
| Additions | 增加 | 11,857 |
| Gain on changes in fair value | 公平價值變動收益 | 119,843 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 8,771,446 |
| Currency realignment | 匯率調整 | 177,502 |
| Transfer from properties held for sale | 由待出售物業轉移 | 114,068 |
| Additions | 增加 | 73,670 |
| Loss on changes in fair value | 公平價值變動虧損 | (136,196) |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 9,000,490 |

In estimating the fair value of investment properties, it is the Group's policy to engage an independent qualified professional valuer to perform the valuations. The management works closely with the valuer to establish the appropriate valuation techniques and inputs to the model.

在估計物業公平價值時，本集團的政策乃聘用獨立合資格專業估值師進行估值。管理層與估值師密切合作，建立適當的估值技術和估值模型輸入數據。

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14. INVESTMENT PROPERTIES (CONTINUED)

As at 31 December 2020 and 31 December 2019, independent valuations were undertaken by Vigers Appraisal & Consulting Ltd. (“Vigers”), an independent qualified professional valuer not connected to the Group which has appropriate professional qualifications and recent experience in the valuations of similar properties in the relevant locations.

The valuations have been arrived at using direct comparison method by reference to market evidence of transaction prices for similar properties in the same locations and conditions or, where appropriate, by capitalising the market rentals of all lettable units of the properties by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuer for the similar properties in the locality and adjusted based on the valuer’s knowledge of the factors specific to the respective properties.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

14. 投資物業(續)

於二零二零年十二月三十一日及二零一九年十二月三十一日，獨立估值是由威格斯資產評估顧問有限公司(「威格斯」)進行。威格斯為與本集團並無關連之獨立合資格專業估值師，對在相關地點類似物業進行估值擁有適當的專業資格及近期經驗。

估值以直接比較法乃參考相同地區及狀態的類似物業的市場價格或參考可出租單位達到的租值以及鄰近類似物業的租用情況以資本化物業所有可租出單位的市場租值(按適用者)得出。當中所用的資本化比率乃經參考估值師就該地區的類似物業觀察所得的收益率，再經根據估值師所知就相對應物業有關的特定因素調整後採用。

在估計物業公平價值時，物業的最高及最佳用途為其目前用途。

下表列出有關投資物業的公平價值如何釐定的資料(重點在於當中所用的估值技巧及輸入變數)，以及按公平價值計量中的輸入變數可以觀測得出的程度，將公平價值計量分類至公平價值架構中的級別(第一至第三級別)。

14. INVESTMENT PROPERTIES (CONTINUED)

14. 投資物業(續)

| Investment properties held by the Group in the consolidated statement of financial position 本集團持有的投資物業列於綜合財務狀況表 | Valuation technique(s) and key input(s) 估值技巧及主要變數 | Significant unobservable input(s) 重大不可觀測得出的變數 | Relationship of unobservable inputs to fair value 不可觀測得出的變數與公平價值的關係 |
|---|--|---|--|
| Investment properties in Hong Kong with an aggregate carrying amount of HK\$646,820,000 (2019: HK\$533,450,000) 在香港的投資物業總賬面值港幣646,820,000元(二零一九年：港幣533,450,000元) | Direct comparison method 直接比較法 The key input is 主要變數為 | | |
| | (1) Unit sale rate (I) 單位銷售價格 | Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, ranging from HK\$123 to HK\$31,300 (2019: HK\$130 to HK\$34,000) per square feet on gross floor area basis for properties and ranging from HK\$930,000 to HK\$1,500,000 (2019: HK\$930,000 to HK\$1,450,000) per unit for car park spaces. 考慮到時間、地點及對照物業與物業本身之間的個別因素，如門面闊度及戶型，單位銷售價格定為商業部份每平方呎由港幣123元至港幣31,300元(二零一九年：港幣130元至港幣34,000元)(按總樓面面積計)，停車場部分則每單位由港幣930,000元至港幣1,500,000元(二零一九年：港幣930,000元至港幣1,450,000元)。 | An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa. 所用的單位銷售價格一旦上升，會令投資物業的公平價值計量按同樣的百分比增加，反之亦然。 |

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14. INVESTMENT PROPERTIES (CONTINUED)
14. 投資物業 (續)

| Investment properties held by the Group in the consolidated statement of financial position 本集團持有的投資物業列於綜合財務狀況表 | Valuation technique(s) and key input(s) 估值技巧及主要變數 | Significant unobservable input(s) 重大不可觀測得出的變數 | Relationship of unobservable inputs to fair value 不可觀測得出的變數與公平價值的關係 |
|---|--|---|--|
| Investment properties in Hong Kong with an aggregate carrying amount of HK\$4,513,600,000 (2019: HK\$4,762,800,000) 在香港的投資物業總賬面值港幣4,513,600,000元(二零一九年：港幣4,762,800,000元) | Income capitalisation method 收益資本化 The key inputs are 主要變數為 | | |
| | (1) Reversion yield (1) 租期後的回報率 | Reversion yield, taking into account of the capitalisation of rental income potential, nature of the property and prevailing market condition, ranging from 3.3% to 4.8% (2019: 3.3% to 4.8%). 考慮到租金潛在收入資本化、物業性質及現時市況，租期後的回報率定為3.3%至4.8%(二零一九年：3.3%至4.8%)。 | A slight increase in the reversion yield used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa. 所用的租期後的回報率若有輕微上升，會令投資物業的公平價值計量有重大下跌，反之亦然。 |
| | (2) Monthly market rent (2) 每月市場租金 | Monthly market rents, taking into account of time, location and individual factors such as frontage and size, between the comparable and the property, ranging from HK\$39 to HK\$170 (2019: HK\$42 to HK\$180) per square feet per month on lettable area basis. 考慮到時間、地點及對照物業與物業本身之間的個別因素，如方向及戶型，每月市場租金訂為按可出租面積計每平方呎由港幣39元至港幣170元(二零一九年：港幣42元至港幣180元)。 | A slight increase in the monthly market rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa. 所用的每月市場租金若有輕微上升，會令投資物業的公平價值計量有重大上升，反之亦然。 |

14. INVESTMENT PROPERTIES (CONTINUED)

14. 投資物業(續)

| Investment properties held by the Group in the consolidated statement of financial position 本集團持有的投資物業列於綜合財務狀況表 | Valuation technique(s) and key input(s) 估值技巧及主要變數 | Significant unobservable input(s) 重大不可觀測得出的變數 | Relationship of unobservable inputs to fair value 不可觀測得出的變數與公平價值的關係 |
|---|---|--|--|
| Investment properties in Hong Kong with an aggregate carrying amount of HK\$827,000,000 (2019: HK\$719,000,000) 在香港的投資物業總賬面值港幣827,000,000元 (二零一九年：港幣719,000,000元) | Residual method 剩餘法 | | |
| | The key input is 主要變數為 | | |
| | (1) Gross development value (1) 總發展價值 | Gross development value on completion basis, mainly taking into account the time, location, design, frontage, layout and size between the comparable and the properties, which ranged from HK\$21,175 to HK\$38,500 (2019: HK\$22,000 to HK\$40,000) per square foot 考慮到時間、地點及對照物業與物業本身之間的個別因素，如門面闊度及戶型，按完工基準計的總發展價值定為每平方呎由港幣21,175元至港幣38,500元(二零一九年：由港幣22,000元至港幣40,000元)。 | An increase in the gross development value would result in an increase in the fair value measurement of the investment properties by the similar percentage increase, and vice versa. 所用的總發展價值一旦上升，會令投資物業的公平價值計量按相約的百分比增加，反之亦然。 |
| (2) Estimated project development cost (2) 預計項目發展成本 | Estimated total construction cost to complete amounted to HK\$55,400,000 (2019: HK\$139,935,000) 估計完成的總建築成本為港幣55,400,000元(二零一九年：港幣139,935,000元)。 | An increase in the estimated project development cost would result in a slight decrease in the fair value measurement of the investment properties and vice versa. 所用的預計項目發展成本一旦上升，會令投資物業的公平價值計量有輕微下跌，反之亦然。 | |
| Investment properties in the PRC with an aggregate carrying amount of HK\$360,860,000 (2019: HK\$232,195,000) 在中國的投資物業總賬面值港幣360,860,000元(二零一九年：港幣232,195,000元) | Direct comparison method 直接比較法 | | |
| | The key input is 主要變數為 | | |
| | (1) Unit sale rate (1) 單位銷售價格 | Unit sale rate, taking into account the time, location, and individual factors, such as frontage and size, between the comparable and the property, ranging from RMB4,650 to RMB23,600 (2019: RMB4,650 to RMB24,000) per square meter on gross floor area basis for properties. 考慮到時間、地點及對照物業與物業本身之間的個別因素，如門面闊度及戶型，按總樓面面積計，單位銷售價格定為每平方米由人民幣4,650元至人民幣23,600元(二零一九年：人民幣4,650元至人民幣24,000元)。 | An increase in the unit sale rate used would result in an increase in the fair value measurement of the investment properties by the same percentage increase, and vice versa. 所用的單位銷售價格一旦上升，會令投資物業的公平價值計量按同樣的百分比增加，反之亦然。 |

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14. INVESTMENT PROPERTIES (CONTINUED)
14. 投資物業 (續)

| Investment properties held by the Group in the consolidated statement of financial position 本集團持有的投資物業列於綜合財務狀況表 | Valuation technique(s) and key input(s) 估值技巧及主要變數 | Significant unobservable input(s) 重大不可觀測得出的變數 | Relationship of unobservable inputs to fair value 不可觀測得出的變數與公平價值的關係 |
|---|--|--|--|
| Investment properties in the PRC with an aggregate carrying amount of HK\$2,652,210,000 (2019: HK\$2,524,001,000) 在中國的投資物業總賬面值港幣2,652,210,000元(二零一九年：港幣2,524,001,000元) | Income capitalisation method 收益資本化 The key inputs are 主要變數為 | | |
| | (1) Reversion yield (1) 租期後的回報率 | Reversion yield, taking into account of the capitalisation of rental income potential, nature of the property and prevailing market condition, ranging from 6.0% to 6.5% (2019: 6.0% to 6.5%). 考慮到租金潛在收入資本化、物業性質及現時市況，租期後的回報率定為6.0%至6.5%(二零一九年：6.0%至6.5%)。 | A slight increase in the reversion yield used would result in a significant decrease in the fair value measurement of the investment properties, and vice versa. 所用的租期後的回報率若有輕微上升，會令投資物業的公平價值計量有重大下跌，反之亦然。 |
| | (2) Monthly market rent (2) 每月市場租金 | Monthly market rents, taking into account of time, location and individual factors such as frontage and size, between the comparable and the property, ranging from RMB95 to RMB1,278 (2019: RMB95 to RMB1,278) per square meter per month on lettable area basis. 考慮到時間、地點及對照物業與物業本身之間的個別因素，如方向及戶型，每月市場租金訂為按可出租面積計每平方米由人民幣95元至人民幣1,278元(二零一九年：人民幣95元至人民幣1,278元)。 | A slight increase in the monthly market rent used would result in a significant increase in the fair value measurement of the investment properties, and vice versa. 所用的每月市場租金若有輕微上升，會令投資物業的公平價值計量有重大上升，反之亦然。 |

The fair values of all investment properties at 31 December 2020 and 31 December 2019 were measured using valuation techniques with significant unobservable inputs and hence were classified as Level 3 of the fair value hierarchy.

二零二零年十二月三十一日及二零一九年十二月三十一日所有投資物業的公平價值乃利用有不可觀測得出的重大輸入變數之估值技巧，故分類為公平價值架構第三級別。

There were no transfers into or out of Level 3 during the year.

年內沒有轉入或轉出第三級別。

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

| | | Hotel land and buildings 酒店土地 及樓宇 HK\$'000 港幣千元 | Other leasehold land and buildings 其他租賃土地 及樓宇 HK\$'000 港幣千元 | Plant and machinery 廠房及機器 HK\$'000 港幣千元 | Furniture, fixtures, motor vehicles and computer equipment 傢俬、裝置、 車輛及電腦設備 HK\$'000 港幣千元 | Total 總值 HK\$'000 港幣千元 |
|---|-------------------|---|--|---|---|---------------------------------|
| COST | 成本 | | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | - | 106,314 | 41,195 | 114,046 | 261,555 |
| Currency realignment | 匯率調整 | - | (26) | (812) | (584) | (1,422) |
| Additions | 增加 | - | - | 5,823 | 8,786 | 14,609 |
| Transfer from property under development | 由發展中物業轉入 | 1,117,575 | - | - | 216,363 | 1,333,938 |
| Disposals | 出售 | - | - | (481) | (9,752) | (10,233) |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | 1,117,575 | 106,288 | 45,725 | 328,859 | 1,598,447 |
| Currency realignment | 匯率調整 | - | 74 | 2,683 | 1,631 | 4,388 |
| Additions | 增加 | - | - | 3,450 | 6,272 | 9,722 |
| Disposals | 出售 | - | (1,226) | (1,051) | (10,174) | (12,451) |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | 1,117,575 | 105,136 | 50,807 | 326,588 | 1,600,106 |
| DEPRECIATION AND AMORTISATION | 折舊及攤銷 | | | | | |
| At 1 January 2019 | 於二零一九年一月一日 | - | 17,536 | 24,423 | 95,517 | 137,476 |
| Currency realignment | 匯率調整 | - | (1) | (493) | (513) | (1,007) |
| Charge for the year | 本年度支出 | 2,739 | 2,485 | 2,559 | 6,794 | 14,577 |
| Eliminated on disposals | 於出售時對銷 | - | - | (342) | (9,577) | (9,919) |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | 2,739 | 20,020 | 26,147 | 92,221 | 141,127 |
| Currency realignment | 匯率調整 | - | 17 | 1,561 | 1,535 | 3,113 |
| Charge for the year | 本年度支出 | 32,870 | 2,625 | 3,288 | 32,062 | 70,845 |
| Eliminated on disposals | 於出售時對銷 | - | (490) | (946) | (9,175) | (10,611) |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | 35,609 | 22,172 | 30,050 | 116,643 | 204,474 |
| CARRYING VALUE | 賬面值 | | | | | |
| At 31 December 2020 | 於二零二零年 十二月三十一日 | 1,081,966 | 82,964 | 20,757 | 209,945 | 1,395,632 |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | 1,114,836 | 86,268 | 19,578 | 236,638 | 1,457,320 |

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15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

notes:

- (a) The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

| | |
|--|---|
| Hotel land and buildings | Over the shorter of the term of lease or 2% to 3% |
| Other leasehold land and buildings | Over the shorter of the term of the lease or 2% to 3% |
| Plant and machinery | 10% |
| Furniture, fixtures, motor vehicles and computer equipment | 10–20% |

- (b) The management of the Group concluded there was indication for impairment and conducted impairment assessment on recoverable amounts of certain property, plant and equipment relating to hotel operation with carrying amounts of approximately HK\$1,273,480,000 (2019: HK\$1,330,669,000). The management of the Group estimated the value in use of the cash-generating unit (“CGU”) to which the assets belong. Such value in use calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the following 5 years with a pre-tax discount rate is 8.5% (2019: 8.8%) as at 31 December 2020. The cash flows beyond the five-year period are extrapolated using 4% (2019: 4%) growth rate. The growth rate is based on the industry growth forecasts and does not exceed the long-term average growth rate for the relevant industry. Another key assumption for the value in use calculated is the budgeted gross margin, which is determined based on management expectations for the market development.

Recoverable amount is the higher of fair value less costs of disposal and value in use. Based on the result of the assessment, management of the Group determined that the recoverable amount of the CGU based on the fair value less cost of disposal was higher than its carrying amount. No impairment is recognised during the year ended 31 December 2020.

15. 物業、廠房及設備 (續)

附註:

- (a) 上述物業、廠房及設備項目乃按直線基準以下列年率折舊:

| | |
|---------------|----------------|
| 酒店土地及樓宇 | 按較短之租約年期或2%至3% |
| 其他租賃土地及樓宇 | 按較短之租約年期或2%至3% |
| 廠房及機器 | 10% |
| 傢俬、裝置、車輛及電腦設備 | 10–20% |

- (b) 截至二零二零年十二月三十一日止年度，本集團管理層總結出存在減值跡象，並對賬面值為港幣1,273,480,000元(二零一九年：港幣1,330,669,000元)的有關酒店營運之物業、廠房及設備進行了減值評估。本集團管理層估計資產所屬的現金產生單位的使用價值。該使用價值的計算使用現金流量預測，該現金流量預測是基於本集團管理層審批的未來五年的財務預算，稅前折現率為8.5%(二零一九年：8.8%)。而五年以上的現金流量即使用4%(二零一九年：4%)的增長率推斷。增長率根據行業增長預測，而且不超過行業的長期平均增長率。計算使用價值的另一個關鍵假設是預算毛利率，該毛利率是根據管理層對市場發展的預期確定的。

可收回金額乃公平價值減銷售成本與使用價值之較高者。根據評估結果，本集團管理層確定，按公平價值減去出售酒店物業的成本計算，酒店土地和建築物可收回的金額是高於其賬面價值。截至二零二零年十二月三十一日止年度未確認減值。

16. RIGHT-OF-USE ASSETS

16. 使用權資產

| | | Leased properties 租賃物業 HK\$'000 港幣千元 |
|-------------------------------------|-------------------|--|
| As at 31 December 2020 | 於二零二零年十二月三十一日 | |
| Carrying amount | 賬面值 | 5,879 |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | |
| Carrying amount | 賬面值 | 10,757 |
| For the year ended 31 December 2020 | 截至二零二零年十二月三十一日止年度 | |
| Depreciation charge | 折舊 | 5,013 |
| For the year ended 31 December 2019 | 截至二零一九年十二月三十一日止年度 | |
| Depreciation charge | 折舊 | 4,845 |

| | | Year ended 31/12/2020 截至二零二零年 十二月三十一日止年度 HK\$'000 港幣千元 | Year ended 31/12/2019 截至二零一九年 十二月三十一日止年度 HK\$'000 港幣千元 |
|---------------------------------------|------------|---|---|
| Expense relating to short-term leases | 與短期租賃有關的費用 | 4,085 | 3,806 |
| Total cash outflow for leases | 租賃現金流出總額 | 9,308 | 8,824 |
| Additions to right-of-use assets | 使用權資產增加 | - | 4,980 |

For both years, the Group leases various offices, director and staff quarters for its operations. Lease contracts are entered into for fixed term of one to fifteen years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for various offices and staff quarters. As at 31 December 2020 and 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

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.

兩年期間，本集團為經營業務租賃各種辦公室、董事和員工宿舍。租賃合同的固定年期為一年到十五年。租賃條款是根據個別情況協商確定的，其中包含各種不同的條款和條件。本集團在確定租賃期限和評估不可撤銷的期限時，採用合同的定義並確定合同可強制執行的期限。

本集團定期為各辦事處及員工宿舍訂立短期租賃合同。於二零二零年十二月三十一日及二零一九年十二月三十一日，短期租賃的組合與上述短期租賃支出所對應的短期租賃的組合相似。

除了出租人持有的租賃資產中的擔保權益外，租賃協議不施加任何其他約定。租賃的資產不得用作借貸的抵押品。

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17. PROPERTIES UNDER DEVELOPMENT FOR SALE/PROPERTIES HELD FOR SALE

As at 31 December 2020, the carrying value of properties under development for sale of approximately HK\$1,014,408,000 (2019: HK\$895,424,000) was expected to be realised after twelve months from the end of the reporting period.

As at 31 December 2020, the carrying values of properties held for sale of approximately HK\$572,363,000 (2019: HK\$674,403,000) and HK\$11,714,000 (2019: HK\$11,714,000) are located in the PRC and Hong Kong, respectively.

The carrying amount of leasehold lands is measured at cost less any accumulated depreciation and any impairment losses. The residual values are determined as the estimated disposal value of the leasehold land component. No depreciation charge is made on the leasehold lands taking into account the estimated residual values as at 31 December 2020.

The cost of properties held for sale recognised as an expense during the year amounted to approximately HK\$151,911,000 (2019: HK\$191,859,000).

18. INTERESTS IN JOINT VENTURES

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---|------------------------|-----------------------------------|-----------------------------------|
| Cost of investments in joint ventures — unlisted | 投資於合營企業之成本 — 非上市 | — | — |
| Deemed contribution to joint ventures (note c) | 被視為對合營企業的貢獻(附註c) | 192,326 | 212,273 |
| Share of post-acquisition results and other comprehensive income, net of dividends received | 所佔收購後業績及其他全面收益，扣除已收取股息 | 142,592 | 95,570 |
| | | 334,918 | 307,843 |

17. 待出售發展中物業／待出售物業

於二零二零年十二月三十一日，待出售發展中物業賬面值約為港幣1,014,408,000元(二零一九年：港幣895,424,000元)預期在報告期末十二個月後變現。

於二零二零年十二月三十一日，待出售物業賬面值約為港幣572,363,000元(二零一九年：港幣674,403,000元)及約為港幣11,714,000元(二零一九年：港幣11,714,000元)分別位於中國及香港。

租賃土地的賬面價值以成本減去任何累計折舊和任何減值損失計量。剩餘價值確定為租賃土地部分的估計出售價值。考慮到二零二零年十二月三十一日的估計剩餘價值，故不對租賃土地計提折舊費用。

年內，已確認為開支之待出售物業成本約為港幣151,911,000元(二零一九年：港幣191,859,000元)。

18. 合營企業權益

18. INTERESTS IN JOINT VENTURES (CONTINUED)

Particulars of the Group's principal joint ventures at 31 December 2020 and 31 December 2019 are as follows:

18. 合營企業權益 (續)

下列為本集團於二零二零年十二月三十一日及二零一九年十二月三十一日擁有主要合營企業：

| Name of company 合營企業名稱 | Notes 附註 | Place of incorporation/ operations 註冊成立/營業地 | Class of shares held 所持有股份類別 | Proportion of ownership interest 擁有權益比例 | | Proportion of voting power held 持有投票權之比例 | | Principal activities 業務性質 |
|---|-------------|--|------------------------------------|--|---------------|---|---------------|------------------------------|
| | | | | 2020 二零二零年 | 2019 二零一九年 | 2020 二零二零年 | 2019 二零一九年 | |
| Value Investing Group Company Limited ("Value Investing") 價值投資集團有限公司 | (a) | Hong Kong/Japan 香港/日本 | Ordinary 普通股 | 50% | 50% | 50% | 50% | Property investment 物業投資 |
| Clear Miles Hong Kong Limited ("Clear Miles") | (b) | Hong Kong/Australia 香港/澳洲 | Ordinary 普通股 | 50% | 50% | 50% | 50% | Property investment 物業投資 |

Notes:

(a) In November 2017, the Group entered into the sale and purchase agreement with Value Partners Group Limited ("Value Partners") to acquire 50% of the issued share capital in Value Investing which in turn through a wholly-owned subsidiary holds 100% of the trust beneficial interests in the properties located in Japan, held under operating leases to earn rentals.

Pursuant to the sale and purchase agreement which Value Partners agreed to sell and the Group agreed to purchase 1 share in the issued share capital of Value Investing, representing 50% of the entire issued share capital of Value Investing at the consideration of HK\$1. Upon completion, the Group has provided an interest-free shareholder's loan in the amount of JPY2,749,848,740 (approximately HK\$191 million) to Value Investing to repay the corresponding amount of shareholder's loan owing by Value Investing to Value Partners, the effect of which is to ensure that the shareholders' loans of the Group and Value Partners will be pro rata to their shareholding.

Upon completion, the Group exercises joint control over Value Investing and the financial results and financial positions of Value Investing is incorporated in the Group's consolidated financial statements using the equity method of accounting.

(b) In September 2018, the Group entered into the sale and purchase agreement with Value Partners to acquire 50% of the issued share capital in Clear Miles which in turn through a wholly-owned subsidiary holds 100% of the beneficial interests in the properties located in Australia, held under operating leases to earn rentals.

Pursuant to the sale and purchase agreement which Value Partners agreed to sell and the Group agreed to purchase 1 share in the issued share capital of Clear Miles, representing 50% of the entire issued share capital of Clear Miles at the consideration of HK\$1. Upon completion, the Group has provided an interest-free shareholder's loan in the amount of AUD3,600,000 (approximately HK\$21 million) to Clear Miles, the effect of which is to ensure that the shareholders' loans of the Group and Value Partners will be pro rata to their shareholding.

Upon completion, the Group exercises joint control over Clear Miles and the financial results and financial positions of Clear Miles is incorporated in the Group's consolidated financial statements using the equity method of accounting.

(c) Deemed contribution to joint ventures represents loans advanced to joint ventures which are unsecured, interest-free and have no fixed repayment terms. In the opinion of the directors of the Company, the loans are in substance formed part of investments in joint ventures.

附註:

(a) 於二零一七年十一月，本集團與惠理集團有限公司（「惠理」）訂立買賣協議，購入價值投資集團有限公司50%的已發行股本，並通過其全資附屬公司，持有100%實益的日本物業，根據經營租約以賺取租金。

根據該買賣協議，惠理及本集團均同意按港幣一元的代價出售及購買股份，相當於價值投資集團有限公司全部已發行股本的50%。交易完成後，本集團向價值投資集團有限公司提供了2,749,848,740日圓（約港幣191,000,000元）的免息股東貸款，用作償還價值投資集團有限公司結欠惠理的股東貸款的對應金額，其作用為確保本集團及惠理所佔的股東貸款將根據彼等的持股按比例計算。

交易完成後，本集團對價值投資集團有限公司實施共同控制的權力，而價值投資集團有限公司的財務業績和財務狀況，將以權益法計入本集團的綜合財務報表中。

(b) 於二零一八年九月，本集團與惠理訂立買賣協議，購入Clear Miles 50%的已發行股本，並通過其全資附屬公司，持有100%實益的澳洲物業，根據經營租約以賺取租金。

根據該買賣協議，惠理及本集團均同意按港幣一元的代價出售及購買股份，相當於Clear Miles全部已發行股本的50%。交易完成後，本集團向Clear Miles提供了3,600,000澳元（約港幣21,000,000元）的免息股東貸款，其作用為確保本集團及惠理所佔的股東貸款將根據彼等的持股按比例計算。

交易完成後，本集團對Clear Miles實施共同控制的權力，而Clear Miles的財務業績和財務狀況，將以權益法計入本集團的綜合財務報表中。

(c) 一項無抵押、免息且無固定還款的墊支予合營企業被視為對合營企業的注資。本公司董事認為該貸款實質為合營企業投資的一部分。

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18. INTERESTS IN JOINT VENTURES (CONTINUED)

The consolidated financial information of Value Investing, which is prepared in accordance with International Financial Reporting Standards, is set out below:

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|--|-----------|-----------------------------------|-----------------------------------|
| Current assets | 流動資產 | 812 | 1,120 |
| Non-current assets | 非流動資產 | 647,197 | 598,892 |
| Current liabilities | 流動負債 | 383,841 | 402,808 |
| Cash and cash equivalents | 現金及現金等值項目 | 812 | 1,120 |
| Current financial liabilities | 流動財務負債 | 383,841 | 402,808 |
| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
| Profit for the year | 本年度溢利 | 67,034 | 59,132 |
| Other comprehensive expense for the year | 本年度其他全面支出 | (70) | (4) |
| Total comprehensive income for the year | 本年度全面收益總額 | 66,964 | 59,128 |

Reconciliation of the above summarised consolidated financial information of Value Investing to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements:

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---|--------------------------|-----------------------------------|-----------------------------------|
| Net assets | 資產淨額 | 264,168 | 197,204 |
| Proportion of the Group's ownership interest in Value Investing | 本集團所佔價值投資集團有限公司之所有權權益之部分 | 50% | 50% |
| Deemed investments | 被視為投資成本 | 132,084 | 98,602 |
| Pre-acquisition profits | 買入前溢利分配於本集團 | (5,080) | (5,080) |
| Carrying amount of the Group's interest in Value Investing | 本集團於價值投資集團有限公司之權益賬面值 | 303,457 | 288,478 |

18. 合營企業權益 (續)

下列為價值投資集團有限公司根據國際財務報告準則編制之綜合財務資料：

由以上價值投資集團有限公司之概述綜合財務資料調節至綜合財務狀況表中確認之合營企業權益：

18. INTERESTS IN JOINT VENTURES (CONTINUED)

The summarised financial information below represents the information of the Group's joint venture that is not individually material:

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|--|--------------------|-----------------------------------|-----------------------------------|
| The Group's share of profit for the year | 本年度本集團所佔溢利 | 10,701 | 2,625 |
| The Group's share of other comprehensive income (expense) for the year | 本年度本集團所佔其他全面收入(支出) | 2,839 | (10) |
| The Group's share of total comprehensive income for the year | 本年度本集團所佔全面收入 | 13,540 | 2,615 |
| Aggregate carrying amount of the Group's interests in these joint ventures | 本集團於該合營企業之權益賬面值總額 | 31,461 | 19,365 |

18. 合營企業權益(續)

以下概述之財務資料指本集團於個別非重大之合營企業之權益總額：

19. INVESTMENTS IN SECURITIES

19. 證券投資

| | | notes 附註 | Financial assets at FVTPL 按公平價值計入 損益之金融資產 HK\$'000 港幣千元 | Equity instruments at FVTOCI 按公平價值計入 其他全面收益之 權益工具 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|------------------------------------|--------------|-------------|--|---|---------------------------------|
| 2020 | 二零二零年 | | | | |
| Listed equity securities | 上市股本證券 | (a) | 20,598 | 161,548 | 182,146 |
| Unlisted equity securities | 非上市股本證券 | (b) | – | 259,482 | 259,482 |
| Perpetual capital securities | 無限期資本證券 | (c) | – | 47,517 | 47,517 |
| | | | 20,598 | 468,547 | 489,145 |
| Analysed as: | 分類為： | | | | |
| Listed in Hong Kong | 於香港上市 | | 20,598 | 209,065 | 229,663 |
| Unlisted | 非上市 | | – | 259,482 | 259,482 |
| | | | 20,598 | 468,547 | 489,145 |
| Analysed for reporting purpose as: | 以作報告之用分類為： | | | | |
| Non-current assets | 非流動資產 | | | | 468,547 |
| Current assets | 流動資產 | | | | 20,598 |
| | | | | | 489,145 |

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19. INVESTMENTS IN SECURITIES (CONTINUED) 19. 證券投資 (續)

| | notes 附註 | Financial assets at FVTPL 按公平價值計入 損益之金融資產 HK\$'000 港幣千元 | Equity instruments at FVTOCI 按公平價值計入 其他全面收益之 權益工具 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|------------------------------------|-------------|---|--|---------------------------------|
| 2019 二零一九年 | | | | |
| Listed equity securities | (a) | 18,097 | 228,229 | 246,326 |
| Unlisted equity securities | (b) | – | 291,681 | 291,681 |
| Perpetual capital securities | (c) | – | 24,042 | 24,042 |
| | | 18,097 | 543,952 | 562,049 |
| Analysed as: | 分類為： | | | |
| Listed in Hong Kong | 於香港上市 | 18,097 | 252,271 | 270,368 |
| Unlisted | 非上市 | – | 291,681 | 291,681 |
| | | 18,097 | 543,952 | 562,049 |
| Analysed for reporting purpose as: | 以作報告之用分類為： | | | |
| Non-current assets | 非流動資產 | | | 543,952 |
| Current assets | 流動資產 | | | 18,097 |
| | | | | 562,049 |

notes:

- (a) As at 31 December 2020, listed equity securities classified as financial instruments at FVTOCI held by the Group amounting to approximately HK\$161,548,000 (2019: HK\$228,229,000) are carried at fair value at the end of the reporting period.
- (b) As at 31 December 2020, unlisted equity securities classified as financial instruments at FVTOCI held by the Group amounting to approximately HK\$259,482,000 (2019: HK\$291,681,000) are carried at fair value at the end of the reporting period.
- (c) As at 31 December 2020, the Group held perpetual capital securities amounting to approximately HK\$47,517,000 (2019: HK\$24,042,000) which are carried at fair value at the end of the reporting period. Such investments are issued in August 2020 and July 2019 (2019: July 2019) with a fixed distribution rate of 5.5% and 5.7% (2019: 5.7%) per annum payable semi-annually for the first five years and reset to the prevailing 5-year U.S. Treasury plus the initial margin every five years thereafter.

附註:

- (a) 於二零二零年十二月三十一日，本集團所持有以報告期末的公平價值計量，分類為按公平價值計入其他全面收益之權益工具的上市股本證券約為港幣161,548,000元(二零一九年：港幣228,229,000元)。
- (b) 於二零二零年十二月三十一日，本集團所持有以報告期末的公平價值計量，分類為按公平價值計入其他全面收益之權益工具的非上市股本證券約為港幣259,482,000元(二零一九年：港幣291,681,000元)。
- (c) 於二零二零年十二月三十一日，本集團所持有以報告期末的公平價值計量，分類為項無限定期資本證券約為港幣47,517,000元(二零一九年：港幣24,042,000元)。該證券於二零二零年八月及二零一九年七月(二零一九年：二零一九年七月)發行，派息率固定為每年5.5%及5.7%(二零一九年：5.7%)，首五年每半年派發一次。其後利息每五年以美國國債息率加期初邊際息率重置。

20. INVENTORIES

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|-----------------------------------|----------|-----------------------------------|-----------------------------------|
| The Group's inventories comprise: | 本集團存貨包括： | | |
| Raw materials | 原材料 | 1,940 | 1,897 |
| Work in progress | 半製成品 | 7,575 | 5,668 |
| Finished goods | 製成品 | 14,132 | 14,908 |
| Other inventories | 其他存貨 | 2,106 | 2,982 |
| | | 25,753 | 25,455 |

The cost of inventories recognised as an expense during the year amounted to approximately HK\$55,137,000 (2019: HK\$52,672,000).

21. TRADE AND OTHER RECEIVABLES

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|-----------------------------------|-------------|-----------------------------------|-----------------------------------|
| Trade receivables | 貿易應收賬款 | 30,663 | 23,102 |
| Deposits paid | 已付保證金 | 8,481 | 8,406 |
| Other receivables and prepayments | 其他應收賬款及預付賬款 | 41,780 | 52,666 |
| | | 80,924 | 84,174 |

notes:

- (a) Considerations in respect of sold properties are payable by the purchasers pursuant to the terms of the sale and purchase agreements. Monthly rent in respect of leased properties are payable monthly in advance by the tenants. Other trade customers settle their accounts with an average credit period of 30 to 90 days. The aged analysis of trade receivables of approximately HK\$30,663,000 (2019: HK\$23,102,000) presented based on the invoice date at the end of the reporting period is as follows:

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|----------------------------|--------|-----------------------------------|-----------------------------------|
| Within 30 days | 30日內 | 10,096 | 8,147 |
| Between 31 days to 90 days | 31至90日 | 11,949 | 11,104 |
| Over 90 days | 超過90日 | 8,618 | 3,851 |
| | | 30,663 | 23,102 |

- (b) As at 31 December 2020, debtors with an aggregate carrying amount of approximately HK\$539,000 (2019: HK\$776,000) were past due and aged over 90 days at the end of reporting period but the Group has not provided for impairment loss. Debtors that were past due but not impaired related to a number of customers that have a good track record of credit with the Group. Based on past credit history, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group does not hold any collateral over these balances.
- (c) All of the Group's trade receivables are denominated in the functional currency of the individual entities within the Group.
- (d) Details of impairment assessment of trade and other receivables are set out in note 37b.

20. 存貨

於本年度確認為支出之存貨成本約為港幣55,137,000元(二零一九年:港幣52,672,000元)。

21. 貿易及其他應收賬款

附註:

- (a) 買家按買賣合約應付有關銷售物業之代價。租客每月預付有關出租物業之每月租金。其他貿易客戶則於平均30-90日之信貸期還款。於本報告期末,依發票日期計入貿易應收賬款約港幣30,663,000元(二零一九年:港幣23,102,000元)之賬齡分析如下:

- (b) 二零二零年十二月三十一日,計入本集團應收賬款之賬面總值為約港幣539,000元(二零一九年:港幣776,000元),其賬齡於報告期末已逾期超過90日,本集團並無就該等結餘之減值虧損計提撥備。由於本集團客戶過往的信用記錄良好,故沒有為逾期的應收賬款作減值撥備。根據過往的信貸記錄,管理層認為此等賬款的信貸質素沒有重大改變,且餘額仍被視為可完全收回,因此無需就該等結餘提減值撥備。本集團並無就該等結餘持有任何抵押物。

- (c) 本集團所有貿易應收賬款以本集團內個別實體之功能貨幣列值。
- (d) 有關貿易及其他應收賬款的減值評估,詳情載於附註37b。

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22. CONTRACT COSTS

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|--------------------------------------|-------------|-----------------------------------|-----------------------------------|
| Costs to fulfil contracts | 履行合約的成本 | | |
| Interior decoration contracts (note) | 室內裝修合約 (備註) | - | 3,815 |

note: Contract costs capitalised relate to the costs incurred that will be used in satisfying the performance obligation of interior decoration contracts entered with the customers. Contract costs are recognised as part of direct costs in the consolidated statement of profit or loss in the period in which revenue from the related interior decoration contracts is recognised.

22. 合約成本

備註：資本化的合約成本與用於履行與客戶訂立的室內裝修合約的履約責任所產生的成本有關。合約成本於相關內部裝修合約收益確認期間於綜合損益表確認為直接成本的一部分。

23. FIXED BANK DEPOSITS WITH MORE THAN THREE MONTHS TO MATURITY WHEN RAISED/BANK BALANCES AND CASH

Bank balances carry interest at market rates which range from 0.01% to 0.25% (2019: 0.01% to 0.35%) per annum. The fixed deposits carry fixed interest rates ranging from 0.11% to 2.5% (2019: 0.35% to 3.9%) per annum.

The Group's bank balances and fixed bank deposits that are denominated in currencies other than the functional currency of the relevant group entity are set out below:

| | | Denominated in RMB 以人民幣列值 HK\$'000 港幣千元 | Denominated in US\$ 以美元列值 HK\$'000 港幣千元 |
|------------------------|---------------|--|--|
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 691,884 | 197,813 |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 330,108 | 175,364 |

Details of impairment assessment of bank balances are set out in note 37b.

23. 存入三個月後到期之定期銀行存款／銀行存款及現金

銀行存款附有以市場利率計算的利息，介乎每年0.01%至0.25%（二零一九年：0.01%至0.35%）。定期存款附有固定利息，介乎每年0.11%至2.5%（二零一九年：0.35%至3.9%）。

本集團以非相關集團實體的功能貨幣計值的銀行存款及定期銀行存款，現列如下：

銀行結餘的減值評估，詳情載於附註37b。

24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付賬款

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|--|-----------------|-----------------------------------|-----------------------------------|
| Trade payables | 貿易應付賬款 | 6,283 | 10,560 |
| Construction costs and retention payables | 應付建築成本及預留保證金 | 168,933 | 208,080 |
| Deposits received and receipt in advance in respect of rental of investment properties | 投資物業之已收押金及預收租金 | 124,238 | 148,006 |
| Deposits received (note) | 已收押金(附註) | 170,523 | 143,127 |
| Advance lease payments | 預付租金 | 4,330 | 5,716 |
| Other payables | 其他應付賬款 | 23,143 | 26,142 |
| | | 497,450 | 541,631 |
| Less: Amount due for settlement within 12 months shown under current liabilities | 減：於十二個月內到期的流動負債 | (399,334) | (448,258) |
| Amount due for settlement after 12 months shown under non-current liabilities | 於十二個月後到期之非流動負債 | 98,116 | 93,373 |

note: The amounts represent refundable deposits received from subcontractors for the purpose of securing their performance in respect of construction contracts in favour of the Group.

附註：金額代表從分包商處收取的可退還押金，以確保其表現有利於本集團的建築合同的履行。

The following is an aged analysis of trade payables based on the invoice date.

貿易應付賬款的賬齡以發票日期分析如下：

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|----------------|------|-----------------------------------|-----------------------------------|
| Within 30 days | 30日內 | 6,283 | 10,560 |

The average credit period on purchases of goods is 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

購買貨物之平均信貸期為30日。本集團已制定財務風險管理政策，以確保所有應付賬款於信貸期內支付。

25. LEASE LIABILITIES

25. 租賃負債

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|--|-----------------|-----------------------------------|-----------------------------------|
| Lease liabilities payable: | 應付租賃負債： | | |
| Within one year | 一年內 | 2,710 | 4,837 |
| Within a period of more than one year but not more than two years | 一年後但不超過兩年 | 1,678 | 2,875 |
| Within a period of more than two years but not more than five years | 兩年後但不超過五年 | 1,809 | 3,276 |
| | | 6,197 | 10,988 |
| Less: Amount due for settlement within 12 months shown under current liabilities | 減：於十二個月內到期的流動負債 | (2,710) | (4,837) |
| Amount due for settlement after 12 months shown under non-current liabilities | 於十二個月後到期之非流動負債 | 3,487 | 6,151 |

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26. CONTRACT LIABILITIES
26. 合約負債

| | Note 附註 | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---------------------|------------|-----------------------------------|-----------------------------------|
| Sales of properties | (a) | 771 | 46,965 |

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities.

下表顯示本年度確認的收益中有多少與結轉合約負債有關。

| | Construction contracts (note b) 建築合約 (附註b) | | Sales of properties 物業銷售 | | |
|---|---|-----------------------------------|-----------------------------------|-----------------------------------|---------|
| | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 | |
| Revenue recognised that was included in the contract liabilities balance at the beginning of the year | 於年初確認包含在合同負債餘額中的收益 | – | 205,932 | 46,965 | 333,196 |

As at 1 January 2019, contract liabilities amounted to HK\$539,128,000.

於二零一九年一月一日，合約負債金額為港幣539,128,000元。

notes:

附註:

(a) Sales of properties

The Group receives deposits from customers pursuant to the terms of the sale and purchase agreement. The deposits result in contract liabilities being recognised until the customer obtains control of the completed property.

(a) 物業銷售

本集團根據買賣協議的條款收取客戶的按金。按金導致合約負債被確認，直至客戶取得已完工物業的控制權。

(b) Construction contracts

When the Group receives a deposit before the construction activity commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit received.

(b) 建築合約

當本集團在施工活動開始前收到押金，這押金將在合約開始時產生合約負債，直至相關合約確認的收益超過已收的押金金額。

(c) Contract liabilities as at the end of each reporting period are expected to be recognised as revenue in subsequent year.

(c) 每個報告期末的合約負債預計將在下一年確認為收益。

27. BORROWINGS

27. 借款

| | NOTES 附註 | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---|------------------------------------|-----------------------------------|-----------------------------------|
| Secured bank borrowings | 有抵押銀行借款 | 1,029,059 | 1,040,400 |
| Unsecured bank borrowings | 無抵押銀行借款 | 432,000 | 451,000 |
| Amounts due to non-controlling shareholders | 應付非控股股東款項 | 12,786 | 18,334 |
| | | 1,473,845 | 1,509,734 |
| The carrying amounts of the above borrowings are repayable: | 上述借款須償還賬面值： | | |
| Within one year | 一年內 | 48,469 | 40,350 |
| Within a period of more than one year but not exceeding two years | 一年後但不超過兩年 | - | 112,084 |
| Within a period of more than two years but not exceeding five years | 兩年後但不超過五年 | 993,376 | 906,300 |
| | | 1,041,845 | 1,058,734 |
| The carrying amounts of bank loans that contain a repayable on demand clause (shown under current liabilities) but repayable: | 銀行貸款的賬面價值包含應要求償還條款(顯示在流動負債下)，但應償還： | | |
| Within one year | 一年內 | 432,000 | 451,000 |
| | | 1,473,845 | 1,509,734 |
| Less: Amounts due within one year shown under current liabilities | 減：在流動負債下一年內到期的金額 | (480,469) | (491,350) |
| | | 993,376 | 1,018,384 |

notes:

- (a) These borrowings are unsecured and repayable on demand. An amount of approximately HK\$2,808,000 (2019: HK\$8,598,000) bears variable interest at an effective interest rate of 1.44% (2019: 3.89%) per annum, while the remaining amounts are non-interest bearing.
- (b) The amounts due are based on scheduled repayment dates set out in the loan agreements.
- (c) As at 31 December 2020, HK\$ denominated bank loans of approximately HK\$1,423,000,000 (2019: HK\$1,357,300,000) and Renminbi ("RMB") denominated bank loans of approximately HK\$35,682,000 (2019: HK\$134,100,000) are variable-rate borrowings which carry interest at Hong Kong Interbank Offered Rate ("HIBOR") plus a margin of 0.90% to 1.25% (2019: 0.90% to 1.25%) per annum and 100% (2019: 100%) of the People's Bank of China ("PBOC") prescribed interest rate per annum, respectively. As at 31 December 2020, RMB denominated bank loans of approximately HK\$2,377,000 (2019: Nil) are fixed-rate borrowings which carry interest at 4.75% per annum. The effective interest rates ranged from 1.25% to 4.75% (2019: 3.33% to 4.75%) per annum. Details of assets pledged are set out in note 32.

附註:

- (a) 該等借款為無抵押及須應要求償還約港幣2,808,000元(二零一九年：港幣8,598,000元)之款項每年按浮動利率計息，實際利率為每年1.44%(二零一九年：3.89%)，餘額則為免息。
- (b) 有關欠款按貸款協議所載預定還款日期列賬。
- (c) 於二零二零年十二月三十一日，以港幣列值之銀行貸款港幣1,423,000,000元(二零一九年：港幣1,357,300,000元)及以人民幣列值之銀行貸款港幣35,682,000元(二零一九年：港幣134,100,000元)分別為以香港銀行同業拆息計息另加0.9%至1.25%(二零一九年：0.9%至1.25%)利差提供的浮息借款、及以100%(二零一九年：100%)之中國人民銀行規定利率的浮息借款。於二零二零年十二月三十一日，人民幣計值的銀行貸款約為港幣2,377,000元(二零一九年：無)為固定利率借款，年利率為4.75%。實際利率介乎每年1.25%至4.75%(二零一九年：3.33%至4.75%)。已抵押資產詳情載於附註32。

28. DERIVATIVE FINANCIAL INSTRUMENTS

28. 金融衍生工具

| | | Liabilities 負債 | |
|---|-------------|-----------------------------------|-----------------------------------|
| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
| Derivatives not under hedge accounting: | 非對沖會計之衍生工具： | | |
| Cross currency swap contract | 貨幣利率交叉互換合約 | 1,808 | 7,480 |
| Currency forward contracts | 遠期外匯合約 | - | 361 |
| | | 1,808 | 7,841 |
| Analysed for reporting purpose as: | 為報告而分類為： | | |
| Current | 流動 | 1,808 | 7,065 |
| Non-current | 非流動 | - | 776 |
| | | 1,808 | 7,841 |

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28. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

CROSS CURRENCY SWAP CONTRACT

The Group entered into a cross currency swap contract to manage its exposure to currency exchange fluctuation on its operations in Japan with principal amount of JPY305,000,000 at fixed currency exchange rate of Japanese Yen (“JPY”) to HK\$ at 0.07 and due in 2021. Under this swap, the Group would receive interest monthly at a floating rate of HIBOR plus 1.44% per annum based on the principal amount of approximately HK\$21,320,000 and pay interest monthly at fixed rate at 1.19% per annum based on the principal amount of JPY305,000,000.

The Group entered into a cross currency swap contract to manage its exposure to currency exchange fluctuation on its operations in Japan with principal amount of JPY2,749,848,740 at fixed currency exchange rate of JPY to HK\$ at 0.07 and due in 2020. Under this swap, the Group would receive interest monthly at a floating rate of HIBOR plus 1.44% per annum based on the principal amount of approximately HK\$192,539,000 and pay interest monthly at fixed rate at 1.19% per annum based on the principal amount of JPY2,749,848,740.

CURRENCY FORWARD CONTRACTS

The Group entered into several currency forward contracts to manage its exposure to currency exchange fluctuation on its operations in Japan.

| Buy 買 | Sell 賣 | Maturity 到期 | Contract rate 合約匯率 |
|---------------------------------|----------------------------------|--|-----------------------|
| HK\$31,704,000 港幣 31,704,000 | JPY450,335,000 日元 450,335,000 | March 2019 to March 2020 二零一九年三月至二零二零三月 | 0.0704 HK\$ |

Details of the fair value measurements of cross currency swap contract and currency forward contracts are set out in note 37c.

28. 金融衍生工具(續)

交叉貨幣利率掉期合約

本集團簽署交叉貨幣利率掉期合約，來管理其在日本業務的外匯兌換風險，金額為305,000,000日圓，兌換港元固定匯率為0.07，並於2021年到期。根據這種掉期合約，本集團將按月收取根據本金約港幣21,320,000元以香港銀行同業拆息加1.44%年利率計算的利息，及每年支付根據本金305,000,000日圓以固定利率1.19%年利率計算的利息。

本集團與銀行進行交叉貨幣利率掉期合約，來管理其在日本業務的外匯兌換風險，金額為2,749,848,740日圓，兌換港元固定匯率為0.07，並於2020年到期。根據這種掉期合約，本集團將按月收取根據本金約港幣192,539,000元以香港銀行同業拆息加1.44%年利率計算的利息，及每年支付根據本金2,749,848,740日圓以固定利率1.19%年利率計算的利息。

遠期外匯合約

本集團訂立數個遠期外匯合約來管理其在本業務的外匯兌換風險。

詳情有關交叉貨幣利率掉期合約及遠期外匯合約之公平價值計量計載於附註37c。

29. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|--------------------------|--------|-----------------------------------|-----------------------------------|
| Deferred tax assets | 遞延稅項資產 | 20,608 | 27,472 |
| Deferred tax liabilities | 遞延稅項負債 | (260,726) | (256,875) |
| | | (240,118) | (229,403) |

The following are the major deferred tax liabilities (assets) recognised by the Group and movements thereon during the current and prior years.

| | | Difference of accounting and tax depreciation 會計與稅項 折舊之差異 HK\$'000 港幣千元 | Revaluation of investment properties in the PRC 重估在中國 之投資物業 HK\$'000 港幣千元 | Dividend withholding tax 股息預扣稅 HK\$'000 港幣千元 | Tax losses 稅項虧損 HK\$'000 港幣千元 | Total 總計 HK\$'000 港幣千元 |
|-----------------------------------|---------------|--|--|---|--|---------------------------------|
| At 1 January 2019 | 於二零一九年一月一日 | 35,244 | 217,830 | 16,124 | (37,247) | 231,951 |
| Charge (credit) to profit or loss | 於損益賬中扣除(計入) | 3,273 | - | (5,603) | 4,319 | 1,989 |
| Currency realignment | 匯率調整 | - | (4,221) | (316) | - | (4,537) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 38,517 | 213,609 | 10,205 | (32,928) | 229,403 |
| Charge (credit) to profit or loss | 於損益賬中扣除(計入) | 5,984 | 11,664 | (10,563) | 3,582 | 10,667 |
| Currency realignment | 匯率調整 | - | (310) | 358 | - | 48 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 44,501 | 224,963 | - | (29,346) | 240,118 |

At the end of the reporting period, the Group had unused tax losses of approximately HK\$879,593,000 (2019: HK\$824,960,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$179,001,000 (2019: HK\$191,234,000) of such losses. No deferred tax asset has been recognised in respect of the remaining tax loss of approximately HK\$700,592,000 (2019: HK\$633,726,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses at 31 December 2020 are tax losses of approximately HK\$3,832,000 (2019: HK\$4,637,000) that will expire within 5 years from the year of originating. Other tax losses may be carried forward indefinitely.

29. 遞延稅項

就呈列綜合財務狀況表而言，若干遞延稅項資產及負債已抵銷。以下為就財務申報目的之遞延稅項結餘分析：

以下為本集團於本年度及以往年度已確認之主要遞延稅項負債(資產)以及其變動。

於報告期末，本集團尚有約港幣879,593,000元(二零一九年：港幣824,960,000元)之未動用稅項虧損可用作抵銷未來溢利。當中約港幣179,001,000元(二零一九年：港幣191,234,000元)已確認為遞延稅項資產。由於無法預測未來溢利來源，其餘約港幣700,592,000元(二零一九年：港幣633,726,000元)之稅項虧損並未確認為遞延稅項資產。於二零二零年十二月三十一日，未確認稅項虧損中包括產生年度後五年內到期的稅項虧損約港幣3,832,000元(二零一九年：港幣4,637,000元)。其他稅項虧損均能無限期結轉至下一年度。

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29. DEFERRED TAXATION (CONTINUED)

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of the temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately HK\$11,983,000 (2019: HK\$8,165,000) as the Group is able to control the timing of the reversal of these temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

30. SHARE CAPITAL

| | | Number of shares 股份數目 | HK\$'000 港幣千元 |
|---|--|-----------------------------|------------------|
| Issued and fully paid: | 已發行及繳足股本： | | |
| At 1 January 2019, 31 December 2019 and 31 December 2020 | 於二零一九年一月一日，二零一九年 十二月三十一日及二零二零年 十二月三十一日 | | |
| Ordinary shares of no par | 無面值之普通股 | 378,583,440 | 381,535 |

31. SHARE OPTION SCHEMES

The Company's share option scheme (the "2002 Scheme") was adopted pursuant to a resolution passed on 25 April 2002, for the primary purpose of providing incentives to directors and eligible employees, and expired on 24 April 2012. Under the 2002 Scheme, the Company could grant options to eligible employees, including executive directors of the Company and its subsidiaries, to subscribe for shares in the Company at HK\$10 per option. Additionally, the Company could, from time to time, grant share options to outside eligible third parties at the discretion of the Board of Directors.

Without prior approval from the Company's shareholders, the total number of shares in respect of which options could be granted under the 2002 Scheme was not permitted to exceed 10% of the shares of the Company in issue at any point in time. The number of shares in respect of which options could be granted to any individual was not permitted to exceed 1% of the shares of the Company in issue at any point in time.

29. 遞延稅項(續)

根據中國企業所得稅法，自二零零八年一月一日起，中國附屬公司賺取溢利而宣派之股息須繳納預扣稅。由於本集團能夠控制撥回暫時差異之時間，而有關暫時差異可能不會於可見將來撥回，故尚未於綜合財務報表就中國附屬公司累積溢利之暫時差異港幣11,983,000元(二零一九年：港幣8,165,000元)作出遞延稅項撥備。

30. 股本

| | | Number of shares 股份數目 | HK\$'000 港幣千元 |
|---|--|-----------------------------|------------------|
| Issued and fully paid: | 已發行及繳足股本： | | |
| At 1 January 2019, 31 December 2019 and 31 December 2020 | 於二零一九年一月一日，二零一九年 十二月三十一日及二零二零年 十二月三十一日 | | |
| Ordinary shares of no par | 無面值之普通股 | 378,583,440 | 381,535 |

31. 股份期權計劃

本公司根據於二零零二年四月二十五日通過之決議案採納股份期權計劃(「二零零二年計劃」)，主要目的是為激勵各董事及合資格僱員，該計劃已於二零一二年四月二十四日屆滿。根據二零零二年計劃，本公司可向合資格僱員(包括本公司及其附屬公司之執行董事)授出期權，以每份期權港幣10元認購本公司股份。此外，本公司可於任何時間，由董事會酌情向任何合資格外界第三方授出股份期權。

在未獲得本公司股東事先批准下，根據二零零二年計劃可授出期權之股份總數不得超出本公司於任何時間已發行股份之10%，而向任何個別人士授出期權之股份數目不得超出本公司於任何時間已發行股份之1%。

31. SHARE OPTION SCHEMES (CONTINUED)

Options could be exercised at any time from the date of grant of the share option to the 5th anniversary of the date of grant. The exercise price was to be determined by the directors of the Company, and would not be less than the higher of the nominal value of the Company's share on the date of grant, the average closing price of the shares for the five business days immediately preceding the date of grant, or the closing price of the shares on the date of grant.

No options were granted under the 2002 Scheme since it was adopted. The 2002 Scheme expired on 24 April 2012.

A new share option scheme was approved and adopted by the Company pursuant to an ordinary resolution passed on 9 May 2012 (the "2012 Scheme"). The terms of the 2012 Scheme and the 2002 Scheme are broadly similar. The 2012 Scheme is effective for a period of 10 years.

No share option has been granted under the 2012 Scheme since its adoption.

32. PLEDGE OF ASSETS

At the end of the reporting period, the assets shown as below were pledged to banks to secure general banking facilities made available to the Group.

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|------------------------------|---------|-----------------------------------|-----------------------------------|
| Leasehold land and buildings | 租賃土地及樓宇 | 68,982 | 58,842 |
| Investment properties | 投資物業 | 4,882,210 | 4,844,001 |

33. CAPITAL COMMITMENTS

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---|-----------------------|-----------------------------------|-----------------------------------|
| Capital expenditure contracted for but not provided in the consolidated financial statements in respect of: | 已簽約但未於綜合財務報表上撥備之資本開支： | | |
| — Property, plant and equipment/ investment properties | — 物業、廠房及設備/ 投資物業 | 61,409 | 147,673 |
| — Others | — 其他 | 20,479 | 19,023 |

31. 股份期權計劃 (續)

股份期權可於授出日期起計五年內任何時間行使。行使價由本公司董事釐定，惟不低於本公司股份於授出日期之面值、於緊接授出日期前五個交易日之股份平均收市價或授出當日之股份收市價之較高者。

二零零二年計劃獲採納以來並無據此授出期權。二零零二年計劃於二零一二年四月二十四日屆滿。

根據於二零一二年五月九日通過之普通決議案，一項新股份期權計劃（「二零一二年計劃」）獲本公司批准及採納。二零一二年計劃之條款與二零零二年計劃之條款大致相同。二零一二年計劃有效期為10年。

二零一二年計劃獲採納以來並無據此授出期權。

32. 資產抵押

於報告期末，下列資產已抵押予銀行，以便本集團獲授予一般銀行融資。

33. 資本承擔

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

34. OPERATING LEASE COMMITMENTS

THE GROUP AS LESSOR

All of the properties held have committed tenants for the next one to eight years.

The Group as lessor had contracted with tenants for the following future minimum lease payments:

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---------------------------------------|-----------------|-----------------------------------|-----------------------------------|
| Within one year | 一年內 | 280,204 | 304,153 |
| In the second to fifth year inclusive | 於第二至五年內(包括首尾兩年) | 389,184 | 515,865 |
| Over five years | 五年後 | 10,454 | 22,027 |
| | | 679,842 | 842,045 |

35. RETIREMENT BENEFITS SCHEMES

For its eligible employees in Hong Kong, the Group operates a defined contribution schemes registered under the MPF Scheme.

Contributions payable by the Group to the MPF Scheme are determined based on the rules underlying the respective schemes and are charged to consolidated statement of profit or loss. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. Under the MPF Scheme, the employees contribute 5% of the relevant payroll to the MPF Scheme while the Group contributes 5% of the relevant payroll to the MPF Scheme.

In addition, certain employees of the Group's subsidiaries established in the PRC are members of state-managed retirement benefits schemes. The subsidiaries are required to contribute a certain percentage of their payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to these retirement benefits schemes is to make the specified contributions.

34. 經營租約承擔

集團作為出租人

所有物業與客戶簽為期一至八年的租約。

本集團作為出租人已按以下未來最低租金支出與租客訂約：

| | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---------------------------------------|-----------------------------------|-----------------------------------|
| Within one year | 280,204 | 304,153 |
| In the second to fifth year inclusive | 389,184 | 515,865 |
| Over five years | 10,454 | 22,027 |
| | 679,842 | 842,045 |

35. 退休福利計劃

本集團為香港之合資格僱員實行一項界定供款計劃，並在強積金計劃下註冊。

本集團根據強積金計劃之相關規則規定釐定應付之供款，將自綜合損益表扣除。強積金計劃資產由受託人以基金形式控制，與本集團之資產分開處理。根據強積金計劃，員工須按其有關入息供款5%於強積金計劃內，而本集團亦根據相關員工入息的5%向強積金計劃供款。

此外，本集團於中國成立之附屬公司之若干僱員為國家管理退休福利計劃之成員。該等附屬公司須按其酬金若干百分比向退休福利計劃作出供款，以撥付有關福利。本集團對該等退休福利計劃之唯一責任乃作出指定供款。

36. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net cash, which includes the borrowings disclosed in note 27, net of bank deposits and cash, and equity attributable to owners of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

37. FINANCIAL INSTRUMENTS

37A. CATEGORIES OF FINANCIAL INSTRUMENTS

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|------------------------------------|--------------------|-----------------------------------|-----------------------------------|
| Financial assets | 金融資產 | | |
| Financial assets at FVTPL | 按公平價值計入損益 | 20,598 | 18,097 |
| Equity instruments at FVTOCI | 按公平價值計入其他全面收益之權益工具 | 468,547 | 543,952 |
| Financial assets at amortised cost | 以攤銷成本入賬的金融資產 | 2,063,841 | 2,133,479 |
| Financial liabilities | 金融負債 | | |
| Amortised cost | 攤銷成本 | 1,966,965 | 2,045,649 |
| Derivative financial instruments | 金融衍生工具 | 1,808 | 7,841 |

36. 資本風險管理

本集團對其資本進行管理，以確保本集團旗下各實體可繼續按持續經營基準經營，同時致力在債務與股本之間維持平衡，為股東帶來最大回報。本集團之整體策略與去年並無變化。

本集團之資本結構由債項（包括附註27所披露之借款，扣除銀行存款及現金）及現金等值項目及本公司股東應佔權益（包括已發行股本及各項儲備）組成。

本公司董事定期檢討資本結構。作為檢討之一部分，董事考慮資本成本及由此產生之相關風險。根據董事之建議，本集團將透過支付股息、發行新股以及發行新債項或贖回現有債項等方式平衡其整體資本結構。

37. 金融工具

37A. 金融工具分類

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37. FINANCIAL INSTRUMENTS (CONTINUED)**37B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

Details of the Group's major financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and price risk), liquidity risk, and credit risk and impairment assessment. 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.

Market risk*(i) Currency risk*

The Group undertakes certain transactions denominated in foreign currencies and, hence exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's monetary assets and monetary liabilities, including intra-group balances at the end of the reporting period that are denominated in currencies other than the functional currency of the relevant entities are as follows:

| | | Assets 資產 | | Liabilities 負債 | |
|--|-----------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
| Group | 集團 | | | | |
| HK\$ against RMB | 港幣兌人民幣 | 9,130 | 186 | - | - |
| United States dollars ("US\$") against HK\$ | 美元兌港幣 | 271,925 | 231,697 | - | - |
| RMB against HK\$ | 人民幣兌港幣 | 691,884 | 330,108 | - | - |
| Intra-group balances | 集團公司往來結餘 | | | | |
| HK\$ against RMB | 港幣兌人民幣 | 110,159 | 103,494 | 1,245,069 | 1,174,258 |

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

37. 金融工具(續)**37B. 財務風險管理目標及政策**

該等金融工具之詳情於各有關附註內披露。與該等金融工具相關之風險包括市場風險(貨幣風險、利率風險及價格風險)、流動資金風險、信貸風險及減值評估。有關如何降低該等風險之政策載列如下。管理層對該等風險進行管理及監控，以確保能夠及時有效實施合適的措施。

市場風險*(i) 貨幣風險*

本集團有相當的交易是以外幣進行，所以會受匯率波動影響。

於報告期末，本集團以相關實體功能貨幣以外列值之貨幣資產及貨幣負債，包括集團公司往來結餘賬面值如下：

本集團目前並無外匯對沖政策。然而，管理層會監察所受的外匯風險，亦會在有需要時考慮對沖主要外匯風險來源。

37. FINANCIAL INSTRUMENTS (CONTINUED)**37B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****Market risk (Continued)***(i) Currency risk (Continued)*

Sensitivity analysis

The following table details the Group's sensitivity to a 1% (2019: 1%) increase and decrease in HK\$ against US\$ and 10% (2019: 10%) increase and decrease in HK\$ against RMB. The respective percentages are the sensitivity rates used when reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items and also intra-group balances denominated in foreign currencies and adjusts their translation at the year end for the respective percentages change in the exchange rates.

A positive number below indicates an increase in post-tax profit or equity where HK\$ weaken 1% (2019: 1%) against US\$ and HK\$ weaken 10% (2019: 10%) against RMB. For a 1% (2019: 1%) strengthening of the HK\$ against US\$ and HK\$ strengthening 10% (2019: 10%) against RMB, there would be an equal and opposite impact on the profit or equity, and the balances below would be negative.

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|-----------------------------------|---------------|-----------------------------------|-----------------------------------|
| Profit or loss | 損益 | | |
| HK\$ against RMB | 港幣兌人民幣 | 94,003 | 89,393 |
| US\$ against HK\$ | 美元兌港幣 | 1,652 | 1,464 |
| RMB against HK\$ | 人民幣兌港幣 | 57,772 | 27,565 |
| Other comprehensive income | 其他全面收益 | | |
| US\$ against HK\$ | 美元兌港幣 | 741 | 563 |

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

37. 金融工具(續)**37B. 財務風險管理目標及政策(續)****市場風險(續)***(i) 貨幣風險(續)*

敏感度分析

下表詳載本集團對港幣兌美元匯率上升及下降1%(二零一九年:1%)以及港幣兌人民幣匯率上升及下降10%(二零一九年:10%)的敏感度。各項百分比都是在內部向主要管理人員匯報時所用的敏感度比率,代表了管理層對匯率在合理可能的範圍內變動的評估。敏感度分析包括以外幣計值的未清繳貨幣項目及以外幣列值的集團公司往來結餘,並就匯率各自的百分比改變在年末調整。

下表中正數表示港幣兌美元貶值1%(二零一九年:1%)及兌人民幣貶值10%(二零一九年:10%)時溢利或權益增加。當港幣兌美元升值1%(二零一九年:1%)及兌人民幣升值10%(二零一九年:10%)時,對溢利或權益會有同額但相反方向的影響,而下列結餘會呈負數。

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|-----------------------------------|---------------|-----------------------------------|-----------------------------------|
| Profit or loss | 損益 | | |
| HK\$ against RMB | 港幣兌人民幣 | 94,003 | 89,393 |
| US\$ against HK\$ | 美元兌港幣 | 1,652 | 1,464 |
| RMB against HK\$ | 人民幣兌港幣 | 57,772 | 27,565 |
| Other comprehensive income | 其他全面收益 | | |
| US\$ against HK\$ | 美元兌港幣 | 741 | 563 |

根據管理層的意見,敏感度分析對固有的外匯風險並不具代表性,因為年終承受的風險並不反映年內承受的風險。

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37. FINANCIAL INSTRUMENTS (CONTINUED)

37B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (Continued)

(ii) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group is exposed to fair value interest rate risk in relation to fixed-rate fixed bank deposits, borrowings and lease liabilities (see notes 23, 27 and 25 for details). The Group is also exposed to cash flow interest rate risk in relation to its variable-rate bank balances and borrowings (see notes 23 and 27 for details). The Group's cash flow interest rate risk is mainly attributable to fluctuation of HIBOR and prevailing interest rates offered by the PBOC. It is the Group's policy to keep its borrowings at floating rates of interest so as to minimise the fair value interest rate risk. The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for the Group's derivative and non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2019: 50 basis points) fluctuation is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

| | 2020 二零二零年 Change in basis points 基點變動 | | 2019 二零一九年 Change in basis points 基點變動 | |
|--|---|-------------------------|---|-------------------------|
| | +50 HK\$'000 港幣千元 | -50 HK\$'000 港幣千元 | +50 HK\$'000 港幣千元 | -50 HK\$'000 港幣千元 |
| Profit or loss (net of tax) 溢利或虧損(除稅後) | 1,734 | (1,734) | 2,254 | (2,254) |

Numbers in bracket mean decrease.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

37. 金融工具(續)

37B. 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

現金流量利率風險為金融工具之未來現金流量因應市場利率變動而波動之風險。本集團目前並無利率對沖政策。然而，管理層會監察所受的利率風險，亦會在有需要時考慮對沖主要利率風險來源。

本集團就定息定期銀行存款、借款及租賃負債承受公平值利率風險(詳情見附註23、27及25)。本集團亦就其浮息銀行存款及借款承受現金流量利率風險。(詳情見附註23及27)。本集團的現金流量利率風險主要歸因於香港銀行同業拆息、倫敦銀行同業拆息及由中國人民銀行提供的現行息率的波動。本集團的政策為保持借款利率浮動，以盡量減少公平價值利率風險。本集團因金融負債而承受的利率風險，詳情載於本附註的流動資金風險管理一節。

敏感度分析

下文的敏感度分析乃根據本集團因衍生及非衍生工具在報告期末承受的利率風險釐定。編製分析時假設於報告期末未到期的金融工具在整年內仍未到期。內部對主要管理人員匯報利率風險時用上50點子基點的浮動(二零一九年：50點子)，代表管理層對利率在合理可能的範圍內變動的評估。

括號中數字為減少。

根據管理層的意見，敏感度分析對固有的利率風險並不具代表性，因為年終承受的風險並不反映年內承受的風險。

37. FINANCIAL INSTRUMENTS (CONTINUED)**37B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****Market risk (Continued)***(iii) Price risk*

The Group is exposed to equity price risk through its investments in listed equity securities measured at FVTPL and FVTOCI, and perpetual capital securities measured at FVTOCI. For equity securities measured at FVTPL quoted in the Stock Exchange, the management manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group also invested in certain listed equity securities and unquoted equity securities for long term strategic purposes which had been designated as FVTOCI. The management will closely monitor the price movement of the securities and regularly review the performance and asset allocation of the portfolio.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If the prices of the respective listed equity instruments and perpetual capital securities had been 10% (2019: 10%) higher/lower:

- the Group's post-tax profit for the year ended 31 December 2020 would increase by approximately HK\$1,720,000 (2019: HK\$1,511,000) or decrease by approximately HK\$1,720,000 (2019: HK\$1,511,000), respectively, as a result of the changes in fair value of listed equity securities classified as financial assets at FVTPL; and
- the Group's investment revaluation reserve would increase by approximately HK\$20,907,000 (2019: HK\$25,227,000) or decrease by approximately HK\$20,907,000 (2019: HK\$25,227,000), respectively, as a result of changes in fair value of listed equity securities and perpetual capital securities measured at FVTOCI.

37. 金融工具(續)**37B. 財務風險管理目標及政策(續)****市場風險(續)***(iii) 價格風險*

本集團透過其以公平價值計入損益及按公平價值計入其他全面收益計量之上市股本證券和按公平價值計入其他全面收益計量之無限期資本證券之投資承擔股價風險。就於交易所報價及以公平價值計入損益計量的股本證券而言，管理層通過維持具有不同風險的投資組合來管理此風險。此外，本集團亦投資於若干長期戰略目的的非上市股本證券，其指定為按公平價值計入其他全面收益。管理層將密切監察該等證券之價格變動，並定期檢討有關組合之表現及資產分配。

敏感度分析

下文的敏感度分析乃根據報告日期承受的股價風險釐定。

若各項上市股本工具的價格高出／下降10% (二零一九年：10%)，則：

- 本集團截至二零二零年十二月三十一日止年度的稅後溢利分別會增加約港幣1,720,000元(二零一九年：港幣1,511,000元)或減少約港幣1,720,000元(二零一九年：港幣1,511,000元)，原因是分類為以公平價值計入損益的金融資產的上市股本證券之公平價值變動；及
- 本集團的投資估值儲備分別會增加約港幣20,907,000元(二零一九年：港幣25,227,000元)或減少約港幣20,907,000元(二零一九年：港幣25,227,000元)，原因是上市股本證券和按公平價值計入其他全面收益的無限期資本證券之公平價值變動。

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37. FINANCIAL INSTRUMENTS (CONTINUED)

37B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2020, the Group had available unutilised bank loan facilities of approximately HK\$278,000,000 (2019: HK\$510,264,000). Details of the amounts utilised at the end of the reporting period are set out in note 27.

37. 金融工具(續)

37B. 財務風險管理目標及政策(續)

流動資金風險

在管理流動資金風險時，本集團監控及保持管理層認為足夠的現金及現金等值項目水平，為其業務營運提供資金並減輕現金流量波動的影響。管理層監控銀行借款之使用狀況及確保遵守貸款契諾。

本集團依賴銀行借款作為流動資金之主要來源。於二零二零年十二月三十一日，本集團有可動用而尚未提取之銀行貸款額為約港幣278,000,000元(二零一九年：港幣510,264,000元)。於報告期間結算日已動用金額之詳情載於附註27。

37. FINANCIAL INSTRUMENTS (CONTINUED)**37B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****Liquidity risk (Continued)**

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities. The tables below have been drawn up based on the contractual maturities of the undiscounted financial liabilities and lease liabilities including interest that will accrue, with reference to their respective contractual interest rate, and for those variable-rate instruments, by using the appropriate prevailing market rates at the end of the reporting period as stated in their contracts.

37. 金融工具(續)**37B. 財務風險管理目標及政策(續)****流動資金風險(續)**

本集團的非衍生金融負債及財務擔保合約剩餘到期日詳列於下表。下表是根據未貼現金融負債包括累積利息的合約到期日而制訂，而各合約列明的合同利率及浮動利率工具，乃參照本報告期末當時的市場利率而定。

| | | Weighted average interest rate 加權平均利率 % | Within 1 year or repayable on demand 應要求或一年內償還 HK\$'000 港幣千元 | More than 1 year but less than 5 years 一年後至五年內償還 HK\$'000 港幣千元 | Total undiscounted financial liabilities 未貼現的金融負債總額 HK\$'000 港幣千元 | Carrying amounts 賬面值 HK\$'000 港幣千元 |
|---|---------------------|---|---|---|--|---|
| 2020 | 二零二零年 | | | | | |
| Non-derivative financial liabilities and lease liabilities | 非衍生金融負債及租賃負債 | | | | | |
| Trade and other payables | 貿易及其他應付賬項 | — | 398,707 | 94,413 | 493,120 | 493,120 |
| Lease liabilities | 租賃負債 | 3.33 | 2,866 | 3,610 | 6,476 | 6,197 |
| Bank borrowings (note) | 銀行借款(附註) | 1.54 | 526,955 | 979,991 | 1,506,946 | 1,461,059 |
| Amounts due to non-controlling shareholders | 應付非控股股東 | | | | | |
| — Interest bearing | — 計息 | 1.44 | 2,808 | — | 2,808 | 2,808 |
| — Non-interest bearing | — 免息 | — | 9,978 | — | 9,978 | 9,978 |
| Total | 總額 | | 941,314 | 1,078,014 | 2,019,328 | 1,973,162 |
| 2019 | 二零一九年 | | | | | |
| Non-derivative financial liabilities and lease liabilities | 非衍生金融負債及租賃負債 | | | | | |
| Trade and other payables | 貿易及其他應付賬項 | — | 446,872 | 89,043 | 535,915 | 535,915 |
| Lease liabilities | 租賃負債 | 3.33 | 5,121 | 6,415 | 11,536 | 10,988 |
| Bank borrowings (note) | 銀行借款(附註) | 3.46 | 508,570 | 1,135,100 | 1,643,670 | 1,491,400 |
| Amounts due to non-controlling shareholders | 應付非控股股東 | | | | | |
| — Interest bearing | — 計息 | 3.89 | 8,598 | — | 8,598 | 8,598 |
| — Non-interest bearing | — 免息 | — | 9,736 | — | 9,736 | 9,736 |
| Total | 總額 | | 978,897 | 1,230,558 | 2,209,455 | 2,056,637 |

note: The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

附註：上述計入非衍生金融負債浮息工具之金額，將於浮動利率之變動與於報告期間結算日釐定之估計利率變動有差異時作出變動。

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37. FINANCIAL INSTRUMENTS (CONTINUED)

37B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

Bank loans with a repayment on demand clause are included in the “within 1 year or repayable” time band in the above maturity analysis. As at 31 December 2020, the aggregate carrying amounts of these bank loans amounted to HK\$432,000,000 (2019: HK\$451,000,000). Taking into account the Group’s financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans will be repaid within one year after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group’s counterparties default on their contractual obligations resulting in financial losses to the Group. The Group’s credit risk exposures are primarily attributable to trade and other receivables and bank deposits. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer’s credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances individually or based on provision matrix. In this regard, the directors of the Company consider that the Group’s credit risk is significantly reduced.

37. 金融工具(續)

37B. 財務風險管理目標及政策(續)

流動資金風險(續)

上述到期分析中，帶有按需還款條款的銀行貸款包含在「應要求或一年內償還」時段。於二零二零年十二月三十一日，該等銀行貸款的賬面總額為港幣432,000,000元(二零一九年：港幣451,000,000元)。考慮到集團的財務狀況，董事們認為銀行不太可能行使其酌處權要求立即償還。本公司董事相信，該等銀行貸款將於報告期末後一年內根據貸款協議所載之預定還款日期償還。

信貸風險及減值評估

信用風險是指本集團的交易對手違約其合同義務而給本集團造成財務損失的風險。本集團的信用風險敞口主要歸因於貿易和其他應收款以及銀行存款。本集團並無持有任何抵押品或其他信貸升級措施，以彌補其金融資產相關的信貸風險。

貿易應收賬款

為減少貸款的信貸風險，本集團管理層已委派團隊負責釐定信貸限額及信貸審核。於接納任何新客戶前，本集團使用內部信貸評分系統，以評估潛在客戶的信貸質素及釐定客戶信貸限額。客戶的限額及評分每兩年評估一次。執行其他監察程序確保採取償還逾期債務的跟進行動。此外，本集團根據預期信貸虧損模式進行減值評估，對貿易結餘單獨或根據撥備矩陣進行評估。就此，本公司董事認為本集團的信貸風險已大幅減輕。

37. FINANCIAL INSTRUMENTS (CONTINUED)**37B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****Credit risk and impairment assessment (Continued)***Trade receivables (Continued)*

The Group has concentration of credit risk as 36% (2019: 30%) and 73% (2019: 73%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively within the trading and manufacturing business segment.

Other receivables

The management of the Group regularly review and assess the credit quality of the counterparties. The Group uses 12m ECL to assess the loss allowance of other receivables since these receivables are neither past due nor with fixed repayment terms, and there has not been a significant increase in credit risk since initial recognition. In this regard, the directors of the Company consider that the Group's credit risk is not significant.

Bank balances (including fixed bank deposits)

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk.

37. 金融工具(續)**37B. 財務風險管理目標及政策(續)****信貸風險及減值評估(續)***貿易應收賬款(續)*

本集團集中信貸風險，此乃由於在貿易及製造業務分部中，應收本集團最大客戶及五大客戶的貿易應收賬款總額分別為36% (二零一九年：30%) 及73% (二零一九年：73%)。

其他應收賬款

本集團管理層定期檢討及評估對手方的信貸質素。由於該等應收賬款既無逾期亦無固定還款條款，且信貸風險自初始確認起並無大幅增加，本集團使用12個月預期信貸虧損以評估其他應收賬款的虧損撥備。就此，本公司董事認為本集團的信貸風險並不重大。

銀行存款(包括銀行定期存款)

由於對手方為獲國際信貸評級機構頒授高信貸評級的銀行／財務機構，銀行存款的信貸風險有限。本集團參考與外部信用評級機構發佈的相應信用評級等級的違約概率和損失給定的損失有關的信息，使用12個月預期信貸虧損對銀行結餘作出評估。

除信貸風險集中於存入高信貸評級的若干銀行的流動資金外，本集團並無集中任何其他重大信貸風險。

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37. FINANCIAL INSTRUMENTS (CONTINUED)
37B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)
Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

| Internal credit rating 內部信貸評級 | Description 描述 | Trade receivables 貿易應收賬款 | Other financial assets/other items 其他金融資產/其他項目 |
|----------------------------------|---|---|---|
| Low risk 低風險 | The counterparty has a low risk of default and does not have any past-due amounts 對手方的違約風險低，且並無任何逾期款項 | Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值 | 12-month ECL 12個月預期信貸虧損 |
| Watch list 監察名單 | Debtor usually settle after due date 債務人時常於逾期後結清 | Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值 | 12-month ECL 12個月預期信貸虧損 |
| Doubtful 存疑 | There have been significant increases in credit risk since initial recognition through information developed internally or external resources 信貸風險自透過內部或外部資源建立的資料初始確認起大幅增加 | Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值 | Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值 |
| Loss 虧損 | There is evidence indicating the asset is credit-impaired 顯示資產維持信貸減值的證據 | Lifetime ECL — credit-impaired 全期預期信貸虧損 — 信貸減值 | Lifetime ECL — credit-impaired 全期預期信貸虧損 — 信貸減值 |
| Write-off 撇銷 | There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 顯示債務人處於嚴峻財務困難的證據，且本集團並無實際收回的可能 | Amount is written off 金額被撇銷 | Amount is written off 金額被撇銷 |

37. 金融工具(續)
37B. 財務風險管理目標及政策(續)
信貸風險及減值評估(續)

本集團的內部信貸風險評級包括以下分類：

| Trade receivables 貿易應收賬款 | Other financial assets/other items 其他金融資產/其他項目 |
|---|---|
| Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值 | 12-month ECL 12個月預期信貸虧損 |
| Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值 | 12-month ECL 12個月預期信貸虧損 |
| Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值 | Lifetime ECL — not credit-impaired 全期預期信貸虧損 — 並無信貸減值 |
| Lifetime ECL — credit-impaired 全期預期信貸虧損 — 信貸減值 | Lifetime ECL — credit-impaired 全期預期信貸虧損 — 信貸減值 |
| Amount is written off 金額被撇銷 | Amount is written off 金額被撇銷 |

37. FINANCIAL INSTRUMENTS (CONTINUED)

37B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

| | Notes 附註 | External credit rating 外部信貸評級 | Internal rating 內部評級 | 12-m or lifetime ECL 12個月或全期預期信貸虧損 | 2020 二零二零年 Gross carrying amount 總賬面值 | | 2019 二零一九年 Gross carrying amount 總賬面值 | |
|---|-------------|-------------------------------------|-------------------------|--|--|------------------|--|------------------|
| | | | | | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| Financial assets at amortised cost 以攤銷成本入賬的金融資產 | | | | | | | | |
| Trade receivables 貿易應收賬款 | 21 | N/A 不適用 | (note 2) (附註2) | Lifetime ECL (provision matrix) 全期預期信貸虧損(撥備矩陣) | 8,409 | | 6,185 | |
| | | N/A 不適用 | Low risk 低風險 | Lifetime ECL 全期預期信貸虧損 | 22,254 | 30,663 | 16,917 | 23,102 |
| Other receivables 其他應收賬款 | 21 | N/A 不適用 | (note 1) (附註1) | 12-m ECL 12個月預期信貸虧損 | 45,462 | 45,462 | 57,232 | 57,232 |
| Bank balances 銀行結餘 | 23 | Aa1 to Aa3 Aa1至Aa3 | N/A 不適用 | 12-m ECL 12個月預期信貸虧損 | 110,492 | | 38,209 | |
| | | A1 to A3 A1至A3 | N/A 不適用 | 12-m ECL 12個月預期信貸虧損 | 570,015 | | 774,346 | |
| | | Baa1 to Baa3 Baa1至Baa3 | N/A 不適用 | 12-m ECL 12個月預期信貸虧損 | 1,306,712 | 1,987,219 | 1,240,142 | 2,052,697 |

notes:

1. For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

附註：

1. 就內部信貸風險管理而言，本集團使用逾期資料評估信貸風險是否自初始確認起一直大幅上升。

| | Not past due/No fixed repayment terms 無逾期/無固定還款條款 | |
|-----------------------------|--|-----------------------------------|
| | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
| Other receivables 其他應收賬款 | 45,462 | 57,232 |

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37. FINANCIAL INSTRUMENTS (CONTINUED)
37B. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)
Credit risk and impairment assessment (Continued)

notes: (Continued)

2. For trade receivables, the Group has applied the simplified approach in accordance with HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the expected credit losses on those balances by using a provision matrix, grouped by internal credit rating.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix within lifetime ECL (not credit-impaired). Debtors with significant outstanding balances with gross carrying amount of HK\$22,254,000 as at 31 December 2020 (2019: HK\$16,917,000) was assessed individually.

Gross carrying amount

| | 內部信貸評級 | Trade receivables 貿易應收賬款 | |
|------------------------|--------|-----------------------------------|-----------------------------------|
| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
| Internal credit rating | 內部信貸評級 | | |
| Low risk | 低風險 | 6,356 | 3,723 |
| Doubtful | 存疑 | 2,053 | 2,462 |
| | | 8,409 | 6,185 |

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

37. 金融工具(續)
37B. 財務風險管理目標及政策(續)
信貸風險及減值評估(續)

附註：(續)

2. 就貿易應收賬款而言，根據香港財務報告準則第9號，本集團應用簡化方法計量全期預期信貸虧損的虧損撥備。除重大未結清結餘或信貸減值的債務人外，本集團使用撥備矩陣釐定以內部信貸評級分類的該等結餘的預期信貸虧損。

作為本集團的信貸風險管理之一部分，本集團為其客戶應用內部信貸評級。下表提供有關貿易應收賬款信貸風險的資料，該等貿易應收賬款乃根據全期預期信貸虧損(並無信貸減值)內的撥備矩陣作出評估。於二零二零年十二月三十一日具備重大未結清結餘及總賬面值為港幣22,254,000元(二零一九年：港幣16,917,000元)的債務人獲單獨評估。

總賬面值

| | Trade receivables 貿易應收賬款 | |
|------------------------|-----------------------------------|-----------------------------------|
| | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
| Internal credit rating | 內部信貸評級 | |
| Low risk | 低風險 | 3,723 |
| Doubtful | 存疑 | 2,462 |
| | | 6,185 |

估計虧損率乃基於債務人於預期年期的過往觀察所得的違約率估計，並按毋需花費過多成本或努力可取得的前瞻性資料調整。分類乃由管理層定期審核，以確保有關指定債務人的相關資料得以更新。

37C. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

37C. 金融工具公平價值計量

本集團部分金融資產及金融負債以各報告期末的公平價值計量。下表提供有關金融資產之公平值釐定方式的資料(具體而言，即估值方法及採用的輸入變數)。

| | | 2020 二零二零年 | | | Total 總額 HK\$'000 港幣千元 |
|---------------------------------------|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------------|
| | | Level 1 第一級別 HK\$'000 港幣千元 | Level 2 第二級別 HK\$'000 港幣千元 | Level 3 第三級別 HK\$'000 港幣千元 | |
| Financial assets at FVTPL | 按公平價值計入損益之金融資產 | | | | |
| Listed equity securities | 上市股本證券 | 20,598 | - | - | 20,598 |
| Equity instruments at FVTOCI | 按公平價值計入其他全面收益之權益工具 | | | | |
| Listed equity securities | 上市股本證券 | 161,548 | - | - | 161,548 |
| Unlisted equity securities | 非上市股本證券 | - | - | 259,482 | 259,482 |
| Perpetual capital securities | 無限期資本證券 | - | 47,517 | - | 47,517 |
| Total | 總額 | 182,146 | 47,517 | 259,482 | 489,145 |
| Financial liabilities at FVTPL | 按公平價值計入損益之金融負債 | | | | |
| Derivative financial instruments | 金融衍生工具 | - | 1,808 | - | 1,808 |

37. FINANCIAL INSTRUMENTS (CONTINUED)**37C. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)****37. 金融工具(續)****37C. 金融工具公平價值計量(續)**

| | | 2019 二零一九年 | | | Total 總額 |
|---------------------------------------|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------|
| | | Level 1 第一級別 HK\$'000 港幣千元 | Level 2 第二級別 HK\$'000 港幣千元 | Level 3 第三級別 HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| Financial assets at FVTPL | 按公平價值計入損益之金融資產 | | | | |
| Listed equity securities | 上市股本證券 | 18,097 | - | - | 18,097 |
| Equity instruments at FVTOCI | 按公平價值計入其他全面收益之權益工具 | | | | |
| Listed equity securities | 上市股本證券 | 228,229 | - | - | 228,229 |
| Unlisted equity securities | 非上市股本證券 | - | - | 291,681 | 291,681 |
| Perpetual capital securities | 無限期資本證券 | - | 24,042 | - | 24,042 |
| Total | 總額 | 246,326 | 24,042 | 291,681 | 562,049 |
| Financial liabilities at FVTPL | 按公平價值計入損益之金融負債 | | | | |
| Derivative financial instruments | 金融衍生工具 | - | 7,841 | - | 7,841 |

There were no transfers between Levels 1, 2 and 3 during the year.

The fair values of listed equity securities are determined with reference to quoted market bid prices from relevant stock exchanges.

The fair values of perpetual capital securities are determined based on indicative prices provided by the dealers and brokers. In addition, the Group makes comparison of the indicative prices with the prices obtained from pricing services providers to substantiate the indicative prices of these securities. The key inputs used in the valuation models are the interest rate data, which are observable at the end of the reporting period. The objective of valuation models is to arrive at a fair value estimation that reflects the price of the financial instrument at the reporting date, which would have been determined by market participants acting at arm's length.

The fair values of unlisted equity securities are determined with reference to market values of underlying assets, which mainly comprise investment properties located in Hong Kong held by the investees and take into account the discount for lack of marketability. The valuation of the properties was principally arrived at using the comparison method, in which property is valued on the assumption that the property can be sold with the benefit of vacant possession. Comparison based on prices realised on actual sales of comparable properties is made for similar properties in the similar location.

年內，第一、第二及第三級別之間概無發生任何轉移。

上市股本證券乃參考在相關交易所中引述所得的公開市場買入價釐定公平價值。

歸類為可供出售投資的永久資本債券的公平價值根據經銷商及經紀人所提供的指示性價格釐定。此外，本集團將指示性價格與從定價服務供應商手上獲得的價格加以比較，以令永久資本債券的指示性價格更貼近現實。估價模式的主要輸入變數為利率數據，該數據在報告期末時可以觀測得出。估價模式的目標是達致可反映金融工具在報告日期時市場參與者以公平磋商所得價格的公平價值估算。

確定非上市股本證券的公平價值是參考相關資產的市場價值，主要包括所投資公司持有的香港投資物業的市場價值，及考慮其缺乏市場性而作出折扣。物業估值主要運用比較法，假設該物業交吉出售獲利而作出的物業估值。比較是根據與可比性物業相類似的物業在類似的位置實現的實際銷售價格而定。

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37. FINANCIAL INSTRUMENTS (CONTINUED)

37C. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of cross currency swap contract and currency forward contracts are measured by the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates and foreign exchange rates between JPY and HK\$, which were observable at the end of the reporting period.

The directors of the Company consider that the carrying amounts of the Group's other financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate their fair values.

Reconciliation of Level 3 fair value measurements of financial assets

| | | Equity instruments at FVTOCI 按公平價值計入 其他全面收益 之權益工具 HK\$'000 港幣千元 |
|---|-----------------|---|
| Balance at 1 January 2019 | 於二零一九年一月一日結餘 | 306,289 |
| Total net losses recognised in other comprehensive income | 於其他全面收益內確認之淨虧損 | (14,608) |
| Balance at 31 December 2019 | 於二零一九年十二月三十一日結餘 | 291,681 |
| Total net losses recognised in other comprehensive income | 於其他全面收益內確認之淨虧損 | (32,199) |
| Balance at 31 December 2020 | 於二零二零年十二月三十一日結餘 | 259,482 |

Included in other comprehensive income is a loss of approximately HK\$32,199,000 (2019: HK\$14,608,000) related to unlisted equity instruments at FVTOCI held at the end of the reporting period.

A small percentage, 1.7% (2019: 2.0%), of total assets of the Group, is based on estimates and recorded as financial assets with Level 3 fair value measurements. Whilst such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not have a big impact on the Group's financial positions.

37. 金融工具(續)

37C. 金融工具公平價值計量(續)

交叉貨幣掉期合約及遠期外匯合約的公平價值，是根據報價利率和日元兌港幣匯率得到的適用的收益曲線預計及貼現未來現金流來計算的，其報價匯率乃根據報告期末觀察得到的。

本公司之董事認為本集團於綜合財務報表內以攤銷成本入賬的其他金融資產及金融負債之賬面值與其公平價值相若。

金融資產第三級別公平價值計量的調節

| | | Equity instruments at FVTOCI 按公平價值計入 其他全面收益 之權益工具 HK\$'000 港幣千元 |
|---|-----------------|---|
| Balance at 1 January 2019 | 於二零一九年一月一日結餘 | 306,289 |
| Total net losses recognised in other comprehensive income | 於其他全面收益內確認之淨虧損 | (14,608) |
| Balance at 31 December 2019 | 於二零一九年十二月三十一日結餘 | 291,681 |
| Total net losses recognised in other comprehensive income | 於其他全面收益內確認之淨虧損 | (32,199) |
| Balance at 31 December 2020 | 於二零二零年十二月三十一日結餘 | 259,482 |

其他全面收益內包括約港幣32,199,000元的虧損(二零一九年：虧損約港幣14,608,000元)，與於報告期間結算日持有的按公平價值計入其他全面收益之非上市權益工具有關。

佔本集團總資產的很小比例，1.7%(二零一九年：2.0%)，乃根據本集團第三級別投資估算及入賬。此估價對估計假設相當敏感，惟當一個或多個假設轉變至合理及可能的代替假設時，相信不會對本集團的財務狀況造成重大影響。

37. FINANCIAL INSTRUMENTS (CONTINUED)**37C. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)****Fair value measurements and valuation processes**

The management performs regular reviews to determine the appropriate valuation techniques and inputs for fair value measurement.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level I inputs are not available, the Group engages independent qualified professional valuers or other service providers to perform the valuations. The management works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The respective management team reports the findings to the Board of Directors of the Company regularly to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various financial assets and liabilities is disclosed above.

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

| | | Borrowings 借款 HK\$'000 港幣千元 | Lease liabilities 租賃負債 HK\$'000 港幣千元 | Dividend payable 應付股息 HK\$'000 港幣千元 | Interest payable 應付利息 HK\$'000 港幣千元 | Total 總額 HK\$'000 港幣千元 |
|--------------------------------------|---------------|--------------------------------------|--|---|---|---------------------------------|
| At 1 January 2019 | 於二零一九年一月一日 | 867,818 | 10,937 | - | 496 | 879,251 |
| Financing cash flows | 融資現金流 | 651,074 | (5,018) | (265,008) | (44,855) | 336,193 |
| Finance costs | 財務成本 | - | 410 | - | 44,693 | 45,103 |
| New leases entered/terminated | 新租賃簽訂/終止 | - | 4,665 | - | - | 4,665 |
| Dividends recognised as distribution | 已確認為分派之股息 | - | - | 265,008 | - | 265,008 |
| Currency realignment | 匯率調整 | (9,158) | (6) | - | (4) | (9,168) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 1,509,734 | 10,988 | - | 330 | 1,521,052 |
| Financing cash flows | 融資現金流 | (42,406) | (5,223) | (214,050) | (41,150) | (302,829) |
| Finance costs | 財務成本 | - | 296 | - | 41,554 | 41,850 |
| Leases terminated | 租賃終止 | - | (263) | - | - | (263) |
| Dividends recognised as distribution | 已確認為分派之股息 | - | - | 214,050 | - | 214,050 |
| Currency realignment | 匯率調整 | 6,517 | 399 | - | 11 | 6,927 |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 1,473,845 | 6,197 | - | 745 | 1,480,787 |

37. 金融工具(續)**37C. 金融工具公平價值計量(續)****公平價值計量和評估過程**

管理層定期檢討，以確定適當的公平價值計量的估值技術和輸入變數。

本集團估計資產或負債的公平價值是採用可用之市場觀察數據。當第一級別輸入變數不可用，本集團聘用獨立合資格專業估值師或其他服務供應商進行估值。管理層與估值師密切合作，建立適當的估值技術和輸入樣板。相關管理團隊定期向本公司的董事會報告資產和負債的公平價值波動的調查結果並解釋原因。

用於確定各項資產和負債的公平價值的估值技術和輸入變數的信息於上文披露。

38. 融資活動產生的負債調節

下表詳述了本集團融資活動產生的負債變化，包括現金和非現金變化。融資活動產生的負債是那些現金流量，或未來的現金流量，將被分類為本集團的綜合現金流量表的融資活動現金流量。

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39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY**39. 本公司財務狀況表及儲備**

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|---|--------------|-----------------------------------|-----------------------------------|
| Non-current assets | 非流動資產 | | |
| Investment properties | 投資物業 | 2,230,000 | 2,320,000 |
| Property, plant and equipment | 物業、廠房及設備 | 532,672 | 545,120 |
| Right-of-use assets | 使用權資產 | 1,058 | 4,717 |
| Investments in subsidiaries | 附屬公司之投資 | 550,575 | 527,942 |
| Investments in securities | 證券投資 | 76,577 | 58,800 |
| Amounts due from subsidiaries | 應收附屬公司賬款 | 4,955,334 | 5,208,259 |
| Deferred tax assets | 遞延稅項資產 | 20,608 | 27,472 |
| | | 8,366,824 | 8,692,310 |
| Current assets | 流動資產 | | |
| Properties held for sale | 待出售物業 | 2,808 | 2,808 |
| Trade and other receivables | 貿易及其他應收賬款 | 3,355 | 4,375 |
| Investments in securities | 證券投資 | 20,598 | 18,097 |
| Bank balances and cash | 銀行存款及現金 | 995,054 | 667,961 |
| | | 1,021,815 | 693,241 |
| Current liabilities | 流動負債 | | |
| Trade and other payables | 貿易及其他應付賬款 | 8,437 | 12,070 |
| Lease liabilities | 租賃負債 | 1,091 | 3,439 |
| Derivative financial instruments | 金融衍生工具 | 1,808 | 7,065 |
| Borrowings — due within one year | 借款 — 於一年內到期 | 432,000 | 451,000 |
| | | 443,336 | 473,574 |
| Net current assets | 流動資產淨額 | 578,479 | 219,667 |
| Total assets less current liabilities | 總資產減流動負債 | 8,945,303 | 8,911,977 |
| Non-current liabilities | 非流動負債 | | |
| Other payables | 其他應付賬款 | 52,668 | 52,732 |
| Lease liabilities | 租賃負債 | - | 1,353 |
| Borrowings — due after one year | 借款 — 於一年後到期 | 991,000 | 906,300 |
| Derivative financial instruments | 金融衍生工具 | - | 776 |
| Non-interest bearing advances from subsidiaries | 附屬公司之免息墊款 | 119,887 | 107,323 |
| | | 1,163,555 | 1,068,484 |
| | | 7,781,748 | 7,843,493 |
| Capital and reserves | 資本及儲備 | | |
| Share capital | 股本 | 381,535 | 381,535 |
| Reserves | 儲備 | 7,400,213 | 7,461,958 |
| | | 7,781,748 | 7,843,493 |

The financial statements were approved and authorised for issue by the Board of Directors on 11 March 2021 and are signed on its behalf by:

財務報表已於二零二一年三月十一日獲董事會批准及授權發行，並由下列人士代表簽署：

MR. LIU LIT CHI

廖烈智先生

CHAIRMAN, MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER
主席、董事總經理兼行政總裁

MR. CHENG YUK WO

鄭毓和先生

CHAIRMAN OF AUDIT COMMITTEE
審核委員會主席

39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

MOVEMENT IN THE COMPANY'S RESERVES

| | | Property revaluation reserve 物業重估儲備 HK\$'000 港幣千元 | Investment revaluation reserve 投資重估儲備 HK\$'000 港幣千元 | Accumulated profits 累積溢利 HK\$'000 港幣千元 | Total 總計 HK\$'000 港幣千元 |
|--|---------------------------|--|--|---|---------------------------------|
| At 1 January 2019 | 於二零一九年一月一日 | 448 | (31,568) | 7,655,833 | 7,624,713 |
| Profit for the year | 本年度溢利 | - | - | 106,280 | 106,280 |
| Fair value losses on investments in equity instruments at FVTOCI | 按公平價值計入其他全面收益之權益工具之公平價值虧損 | - | (4,027) | - | (4,027) |
| Total comprehensive (expense) income for the year | 本年度全面(支出)收益總額 | - | (4,027) | 106,280 | 102,253 |
| Dividends recognised as distribution | 已確認為分派之股息 | - | - | (265,008) | (265,008) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 448 | (35,595) | 7,497,105 | 7,461,958 |
| Profit for the year | 本年度溢利 | - | - | 143,205 | 143,205 |
| Fair value losses on investments in equity instruments at FVTOCI | 按公平價值計入其他全面收益之權益工具之公平價值虧損 | - | (4,300) | - | (4,300) |
| Total comprehensive (expense) income for the year | 本年度全面(支出)收益總額 | - | (4,300) | 143,205 | 138,905 |
| Dividends recognised as distribution | 已確認為分派之股息 | - | - | (200,650) | (200,650) |
| At 31 December 2020 | 於二零二零年十二月三十一日 | 448 | (39,895) | 7,439,660 | 7,400,213 |

40. RELATED PARTY DISCLOSURES

(A) RELATED PARTY TRANSACTIONS

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|--|--------------------------|-----------------------------------|-----------------------------------|
| Leases/expenses paid and payable to directors of the Company or its affiliates | 已支付及應付予本公司或其附屬公司董事的費用/租金 | | |
| Repayment of lease liabilities/rental expenses | 償還租賃負債/租金支出 | - | 525 |
| Architecture and other consultancy service fee | 建築和其他諮詢服務費 | - | 672 |

The Group had no other material significant transactions with related parties.

39. 本公司財務狀況表及儲備(續)

本公司儲備之變動

40. 關聯人士披露事項

(A) 關聯人士交易

本集團並無與關聯人士訂立重大交易。

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

40. RELATED PARTY DISCLOSURES (CONTINUED)

(B) COMPENSATION OF KEY MANAGEMENT PERSONNEL

The emoluments of key management personnel of the Group during the year were as follows:

| | | 2020 二零二零年 HK\$'000 港幣千元 | 2019 二零一九年 HK\$'000 港幣千元 |
|--------------------------|--------|-----------------------------------|-----------------------------------|
| Short-term benefits | 短期福利 | 45,623 | 46,340 |
| Post-employment benefits | 僱員退休福利 | 3,370 | 3,488 |
| | | 48,993 | 49,828 |

The emoluments of directors and key executives are determined by the remuneration committee having regard to the performance of individuals and market trends.

41. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2020 and 31 December 2019 are as follows:

| Name of subsidiary 附屬公司名稱 | notes 附註 | Place of incorporation or establishment/ operations 註冊成立或 成立地/經營地 | Issued ordinary share capital/ registered capital 已發行普通股本/ 註冊資本 | Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有已發行股本面值/ 註冊資本之比例 | | | | Principal activities 主要業務 |
|--|-------------|---|--|--|--------------------|--------------------|--------------------|--|
| | | | | Directly 直接 | | Indirectly 間接 | | |
| | | | | 2020 二零二零年 % | 2019 二零一九年 % | 2020 二零二零年 % | 2019 二零一九年 % | |
| Abaleen Enterprises Limited | | Hong Kong 香港 | HK\$100,000 港幣100,000元 | 100 | 100 | - | - | Property investment 物業投資 |
| Alain Limited 雅賢有限公司 | | Hong Kong 香港 | HK\$9,500 港幣9,500元 | 100 | 100 | - | - | Investment holding 投資控股 |
| Bonsun Enterprises Limited 萬象企業有限公司 | | Hong Kong 香港 | HK\$2,000,000 港幣2,000,000元 | 100 | 100 | - | - | Property investment 物業投資 |
| Bright Ocean Limited | | Hong Kong 香港 | HK\$10,000 港幣10,000元 | - | - | 100 | 100 | Food and beverage 餐飲 |
| Chong Yip Finance Limited 創業財務有限公司 | | Hong Kong 香港 | HK\$1,000,000 港幣1,000,000元 | 100 | 100 | - | - | Money lending 貸款業務 |
| Chong Yip (Nominees) Limited 創業(代理)有限公司 | | Hong Kong 香港 | HK\$1 港幣1元 | 100 | 100 | - | - | Provision of nominees services 提供代理人服務 |
| Devon Realty Limited 德奮地產有限公司 | | Hong Kong 香港 | HK\$200 港幣200元 | 100 | 100 | - | - | Property investment 物業投資 |

40. 關聯人士披露事項(續)

(B) 主要管理人員酬金

年內，本集團主要管理人員之薪酬如下：

董事及主要行政人員之薪酬乃由薪酬委員會按個人表現及市場趨勢釐定。

41. 主要附屬公司

於二零二零年十二月三十一日及二零一九年十二月三十一日，本公司之主要附屬公司資料如下：

41. PRINCIPAL SUBSIDIARIES (CONTINUED)

41. 主要附屬公司 (續)

| Name of subsidiary 附屬公司名稱 | notes 附註 | Place of incorporation or establishment/ 註冊成立或 成立地/經營地 | Issued ordinary share capital/ registered capital 已發行普通股本/ 註冊資本 | Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有已發行股本面值/ 註冊資本之比例 | | | | Principal activities 主要業務 |
|--|-------------|--|--|--|--------------------|--------------------|--------------------|------------------------------|
| | | | | Directly 直接 | | Indirectly 間接 | | |
| | | | | 2020 二零二零年 % | 2019 二零一九年 % | 2020 二零二零年 % | 2019 二零一九年 % | |
| Donington Company Limited | | Hong Kong 香港 | HK\$200 港幣 200 元 | 100 | 100 | - | - | Property investment 物業投資 |
| Fancy Wealth Limited | | Hong Kong 香港 | HK\$10,000 港幣 10,000 元 | - | - | 100 | 100 | Retail sales 零售銷售 |
| Golden Harbour International Limited 勝港國際有限公司 | | Hong Kong 香港 | HK\$1 港幣 1 元 | - | - | 100 | 100 | Property investment 物業投資 |
| Harvest Gate Investments Limited 豐正投資有限公司 | | Hong Kong 香港 | HK\$1 港幣 1 元 | 100 | 100 | - | - | Property investment 物業投資 |
| Heng Kin Investment Limited 恆建投資有限公司 | | Hong Kong 香港 | HK\$2 港幣 2 元 | 100 | 100 | - | - | Property investment 物業投資 |
| Honour Speed Development Limited 鴻遠發展有限公司 | | Hong Kong 香港 | HK\$2 港幣 2 元 | 100 | 100 | - | - | Investment holding 投資控股 |
| Hugh Glory Limited 貴隆有限公司 | | Hong Kong 香港 | HK\$100 港幣 100 元 | - | - | 90 | 90 | Investment holding 投資控股 |
| Hugh Wealth International Limited 盈鴻國際有限公司 | | Hong Kong 香港 | HK\$100 港幣 100 元 | 100 | 100 | - | - | Investment holding 投資控股 |
| Jacot Limited 正剛有限公司 | | Hong Kong 香港 | HK\$2 港幣 2 元 | 100 | 100 | - | - | Investment holding 投資控股 |
| Joyce King Limited 采帝有限公司 | | Hong Kong 香港 | HK\$1 港幣 1 元 | 100 | 100 | - | - | Investment holding 投資控股 |
| Ko Yew Company Limited 高優有限公司 | | Hong Kong 香港 | HK\$200 港幣 200 元 | 100 | 100 | - | - | Property investment 物業投資 |
| Liu Chong Hing Estate Company, Limited 廖創興置業有限公司 | | Hong Kong 香港 | HK\$10,000,000 港幣 10,000,000 元 | 100 | 100 | - | - | Investment holding 投資控股 |
| Liu Chong Hing Godown Company, Limited 廖創興大貨倉有限公司 | | Hong Kong 香港 | HK\$72,000,000 港幣 72,000,000 元 | 100 | 100 | - | - | Property investment 物業投資 |
| Liu Chong Hing Property Management and Agency Limited 廖創興物業管理及代理有限公司 | | Hong Kong 香港 | HK\$1,000,000 港幣 1,000,000 元 | 100 | 100 | - | - | Property management 物業管理 |
| Luxpolar Limited | | Hong Kong 香港 | HK\$2 港幣 2 元 | - | - | 100 | 100 | Property investment 物業投資 |

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41. PRINCIPAL SUBSIDIARIES (CONTINUED)
41. 主要附屬公司(續)

| Name of subsidiary 附屬公司名稱 | notes 附註 | Place of incorporation or establishment/ 註冊成立或 成立地/經營地 | Issued ordinary share capital/ registered capital 已發行普通股本/ 註冊資本 | Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有已發行股本面值/ 註冊資本之比例 | | | | Principal activities 主要業務 |
|---|-------------|--|--|--|--------------------|--------------------|--------------------|---|
| | | | | Directly 直接 | | Indirectly 間接 | | |
| | | | | 2020 二零二零年 % | 2019 二零一九年 % | 2020 二零二零年 % | 2019 二零一九年 % | |
| One-Eight-One Hospitality Management Limited | | Hong Kong 香港 | HK\$1 港幣 1 元 | - | - | 100 | 100 | Hotel operation and management 酒店營運及管理 |
| One Eight One Lobby Cafe Limited | | Hong Kong 香港 | HK\$10,000 港幣 10,000 元 | 100 | 100 | - | - | Food and beverage 餐飲 |
| Queen Profit International Investment Limited 群利國際投資有限公司 | | Hong Kong 香港 | HK\$61,540 港幣 61,540 元 | 83.75 | 83.75 | - | - | Investment holding 投資控股 |
| Richview Property Management Company Limited 富景物業管理有限公司 | | Hong Kong 香港 | HK\$10,000 港幣 10,000 元 | - | - | 100 | 100 | Property management 物業管理 |
| Royal Best Investments Limited 皇佳投資有限公司 | | Hong Kong 香港 | HK\$1 港幣 1 元 | 100 | 100 | - | - | Investment holding 投資控股 |
| Sino Pink Development Limited 輝松發展有限公司 | | Hong Kong 香港 | HK\$2 港幣 2 元 | 100 | 100 | - | - | Property investment 物業投資 |
| Speed World Investment Limited 碧輝投資有限公司 | | Hong Kong 香港 | HK\$100 港幣 100 元 | - | - | 60 | 60 | Investment holding 投資控股 |
| Strong Zone International Limited 高棋國際有限公司 | | Hong Kong 香港 | HK\$1 港幣 1 元 | 100 | 100 | - | - | Investment holding 投資控股 |
| Supreme Stone Investments Limited 旺顯投資有限公司 | | Hong Kong 香港 | HK\$1 港幣 1 元 | - | - | 100 | 100 | Investment holding 投資控股 |
| Top New Investment Limited 新軒投資有限公司 | | Hong Kong 香港 | HK\$100 港幣 100 元 | - | - | 90 | 90 | Investment holding 投資控股 |
| Top Team Limited | | Hong Kong 香港 | HK\$200 港幣 200 元 | 100 | 100 | - | - | Investment holding 投資控股 |
| Trade Castle Limited 貿滿有限公司 | | Hong Kong 香港 | HK\$1 港幣 1 元 | - | - | 100 | 100 | Investment holding 投資控股 |
| Trend Able Investments Limited 進麗投資有限公司 | | Hong Kong 香港 | HK\$1 港幣 1 元 | - | - | 100 | 100 | Investment holding 投資控股 |
| Truegrow Investments Limited 捷欣投資有限公司 | | Hong Kong 香港 | HK\$1 港幣 1 元 | - | - | 100 | 100 | Investment holding 投資控股 |
| Wealth Good Investment Limited 裕利投資有限公司 | | Hong Kong 香港 | HK\$2 港幣 2 元 | 100 | 100 | - | - | Investment holding 投資控股 |
| Yue Tung Ching Kee Company Limited 裕東正記有限公司 | | Hong Kong 香港 | HK\$2,000,000 港幣 2,000,000 元 | 100 | 100 | - | - | Property investment 物業投資 |

41. PRINCIPAL SUBSIDIARIES (CONTINUED)

41. 主要附屬公司(續)

| Name of subsidiary 附屬公司名稱 | notes 附註 | Place of incorporation or establishment/ operations 註冊成立或 成立地/經營地 | Issued ordinary share capital/ registered capital 已發行普通股本/ 註冊資本 | Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有已發行股本面值/ 註冊資本之比例 | | | | Principal activities 主要業務 |
|---|-------------|--|--|--|--------------------|--------------------|--------------------|--|
| | | | | Directly 直接 | | Indirectly 間接 | | |
| | | | | 2020 二零二零年 % | 2019 二零一九年 % | 2020 二零二零年 % | 2019 二零一九年 % | |
| Foshan Nanhai Hugh Glory Property Development Company Limited 佛山南海貴隆房地產發展有限公司 | (i) | PRC 中國 | HK\$500,000,000 港幣 500,000,000 元 | - | - | 90 | 90 | Property development 物業發展 |
| Foshan Top New Property Development Company Limited 佛山市軒隆房地產開發有限公司 | (i) | PRC 中國 | HK\$612,500,000 港幣 612,500,000 元 | - | - | 90 | 90 | Property development 物業發展 |
| Guangzhou Trade Castle Property Consultancy Limited 廣州市貿滿房地產諮詢有限公司 | (i) | PRC 中國 | HK\$8,500,000 港幣 8,500,000 元 | - | - | 100 | 100 | Property investment 物業投資 |
| Guangzhou Wealth Smart Property Management Company Limited 廣州市盈裕物業管理有限公司 | (i) | PRC 中國 | HK\$1,000,000 港幣 1,000,000 元 | - | - | 100 | 100 | Property management 物業管理 |
| Maanshan Gaoke Magnetic Material Company Limited 馬鞍山高科磁性材料有限公司 | (ii) | PRC 中國 | RMB65,370,000 人民幣 65,370,000 元 | - | - | 51.54 | 51.54 | Manufacturing of magnetic materials 製造磁性材料 |
| Shanghai Huang Pu Liu Chong Hing Property Development Company Limited 上海黃浦廖創興房地產開發有限公司 | (i) | PRC 中國 | US\$34,600,000 34,600,000 美元 | - | - | 100 | 100 | Property investment 物業投資 |
| Blossom Success Investments Limited 凱旋投資有限公司 | | British Virgin Islands/ Hong Kong 英屬處女群島/香港 | US\$1 1 美元 | 100 | 100 | - | - | Investment holding 投資控股 |
| China Link Technologies Limited | | British Virgin Islands/ Hong Kong 英屬處女群島/香港 | US\$100 100 美元 | 100 | 100 | - | - | Investment holding 投資控股 |
| Determined Resources Limited | | British Virgin Islands/ Hong Kong 英屬處女群島/香港 | US\$1,000 1,000 美元 | 100 | 100 | - | - | Share investment 股份投資 |

The above table lists the subsidiaries of the Group 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.

董事認為，對本集團業績或資產有重大影響之本集團附屬公司名單已詳列於上表。董事認為，若提供其他附屬公司資料，則篇幅過於冗長。

概無附屬公司曾在本年底發行任何債務證券。

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41. PRINCIPAL SUBSIDIARIES (CONTINUED)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The majority of these subsidiaries operate in Hong Kong. The principal activities of these subsidiaries are summarised as follows:

41. 主要附屬公司(續)

於本報告期末，本公司尚有其他對本集團而言不屬重大的附屬公司。該等附屬公司中大部份皆於香港營運。此等附屬公司的主要業務現概列如下：

| Principal activities 主要業務 | Principal place of business 主要營業地點 | Number of subsidiaries 附屬公司數目 | |
|---|---------------------------------------|----------------------------------|---------------|
| | | 2020 二零二零年 | 2019 二零一九年 |
| Hotel operation and management 酒店經營及管理 | PRC 中國 | 1 | 1 |
| Investment holding 投資控股 | Hong Kong 香港 | 11 | 14 |
| Property investment 物業投資 | Hong Kong 香港 | 2 | 2 |
| Inactive 暫無業務 | Hong Kong/PRC 香港/中國 | 13 | 18 |

notes:

- (i) The companies are sole foreign equity ventures established in the PRC.
- (ii) The company is sino-foreign equity joint venture established in the PRC.
- (iii) At the end of the reporting period, the Group does not have non-wholly owned subsidiaries that have material non-controlling interests.

附註：

- (i) 該等公司是於中國成立之外商獨資企業。
- (ii) 該等公司是於中國成立之中外合資經營公司。
- (iii) 於本報告期末，本集團並無擁有重大非控股股東權益的非全資附屬公司。



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