



China Beidahuang Industry Group Holdings Limited
中國北大荒產業集團控股有限公司

(Incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立的有限公司)
(Stock Code 股份代號: 00039)

年報
ANNUAL REPORT

2020

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. LI Jiehong (*Chairman*)

Mr. KE Xionghan

Mr. ZENG Jixiang

Mr. YU Zicong

Non-executive Director

Ms. HO Wing Yan

Independent Non-executive Directors

Mr. CHONG Cha Hwa

Mr. YANG Yunguang

AUDIT COMMITTEE

Mr. CHONG Cha Hwa (*Chairman*)

Mr. YANG Yunguang

REMUNERATION COMMITTEE

Mr. CHONG Cha Hwa (*Chairman*)

Mr. LI Jiehong

NOMINATION COMMITTEE

Mr. LI Jiehong (*Chairman*)

Mr. CHONG Cha Hwa

COMPANY SECRETARY

Mr. CHAN Kwong Leung, Eric

AUDITOR

HLB Hodgson Impey Cheng Limited

董事會

執行董事

李傑鴻先生 (*主席*)

柯雄瀚先生

曾吉祥先生

余子聰先生

非執行董事

何詠欣女士

獨立非執行董事

張家華先生

楊雲光先生

審核委員會

張家華先生 (*主席*)

楊雲光先生

薪酬委員會

張家華先生 (*主席*)

李傑鴻先生

提名委員會

李傑鴻先生 (*主席*)

張家華先生

公司秘書

陳鄭良先生

核數師

國衛會計師事務所有限公司

REGISTERED OFFICE

P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 225, 2/F, Mega Cube
8 Wang Kwong Road, Kowloon Bay
Kowloon, Hong Kong
Telephone: (852) 2880 5033
Facsimile: (852) 2880 5398
Website: <http://www.irasia.com/listco/hk/chinabeidahuang>

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road, North Point
Hong Kong

LISTING INFORMATION/STOCK CODE

The Stock Exchange of Hong Kong Limited : 00039

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
China Construction Bank Corporation
Industrial and Commercial Bank of China Limited
Agricultural Bank of China Limited
China Guangfa Bank Co., Ltd.
Shanghai Pudong Development Bank Co., Ltd.

註冊辦事處

P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

總辦事處及香港主要營業地點

香港九龍
九龍灣宏光道8號
創豪坊2樓225室
電話 : (852) 2880 5033
傳真 : (852) 2880 5398
網址 : <http://www.irasia.com/listco/hk/chinabeidahuang>

主要股份過戶登記處

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110, Cayman Islands

香港股份過戶登記分處

聯合證券登記有限公司
香港
北角英皇道338號
華懋交易廣場2期
33樓3301-04室

上市資料／股份代號

香港聯合交易所有限公司 : 00039

主要往來銀行

香港上海滙豐銀行有限公司
中國建設銀行股份有限公司
中國工商銀行股份有限公司
中國農業銀行股份有限公司
廣發銀行股份有限公司
上海浦東發展銀行股份有限公司

FINANCIAL HIGHLIGHTS

財務摘要

		Notes 附註	2020 HK\$'000 千港元	2019 HK\$'000 千港元
For the year ended 31 December	截至十二月三十一日 止年度			
Revenue	收入		859,095	779,305
Profit/(loss) for the year	年度溢利／(虧損)		5,457	(340,909)
Profit/(loss) attributable to owners	擁有人應佔溢利／(虧損)		14,778	(291,072)
Earnings/(loss) per share	每股盈利／(虧損)			
Basic (in HK cents)	基本 (港仙)		0.24	(4.94)
Diluted (in HK cents)	攤薄 (港仙)		0.24	(4.94)
Average shareholders' equity	平均股東權益		1,257,268	1,344,173
Average capital employed	平均動用資本		1,953,705	1,742,673
At 31 December	於十二月三十一日			
Total indebtedness	總債務	1	1,317,165	1,300,011
Shareholders' equity	股東權益		1,285,199	1,229,337
Capital employed	動用資本	2	1,981,497	1,925,912
Ratio	比率			
Return on average capital employed	平均動用資本回報率	3	0.28%	(19.56%)
Return on average equity	平均權益回報率	4	0.76%	(16.70%)
Total debt to total capital	總負債與總資本比率	5	50.90%	51.39%

Notes:

附註：

- | | |
|---|---------------------------------------|
| 1) Total indebtedness = total interest bearing borrowings | 1) 總債務 = 計息借貸總額 |
| 2) Capital employed = shareholders' funds + non-controlling interests + non-current liabilities | 2) 動用資本 = 股東資金 + 非控股權益 + 非流動負債 |
| 3) Return on average capital employed = (loss)/profit for the year/average capital employed | 3) 平均動用資本回報率 = 年度(虧損)／溢利／平均動用資本 |
| 4) Return on average equity = net (loss)/profit attributable to owners/average shareholders' equity | 4) 平均權益回報率 = 擁有人應佔(虧損)／溢利淨額／平均股東權益 |
| 5) Total debt to total capital = debt/(shareholders' funds + non-controlling interests + debt) | 5) 總負債與總資本比率 = 負債／(股東資金 + 非控股權益 + 負債) |

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OVERVIEW

For the year ended 31 December 2020 ("Year"), the Group's revenue amounted to approximately HK\$859.10 million (2019: HK\$779.31 million), representing an increase of 10.24% over last year. Gross profit of the Group was approximately HK\$143.67 million (2019: HK\$112.93 million). The profit (net of tax) was approximately HK\$5.46 million (2019: Loss (net of tax) was HK\$340.91 million). The turnaround from net loss to net profit was mainly attributable to the effects of an increase in revenue and the reversal of expected credit loss during the Year. Earnings per share for the Year was HK0.24 cents (2019: Loss per share was HK4.94 cents).

The Group will continue to control the costs and focus on existing resources to further strengthen and grow the Group's business both organically and through acquisitions when appropriate opportunities arise. The Group considered the business mix has been diversified during the past few years. The Group will focus on the existing businesses and will expand by self-development and investing in similar business. Investments would be carefully selected among all the choices we explored and would be operated with experienced business partners.

SEGMENTAL INFORMATION

Wine and Liquor Business

The Group's wine and liquor business was principally engaged in the sale and distribution of wine and liquor in the PRC.

During the Year, the wine and liquor business recorded a revenue of approximately HK\$0.65 million (2019: HK\$4.88 million), down 86.78% when compared with the last year and accounted for 0.08% (2019: 0.63%) of the total revenue. The sales decreased because the Group focused less on this business segment. The Group will keep to explore new customers but expects the sales will contribute a small portion to the Group's revenue in the future.

概覽

截至二零二零年十二月三十一日止年度（「年內」），本集團取得收入約859,100,000港元（二零一九年：779,310,000港元），較去年增加10.24%。本集團之毛利約為143,670,000港元（二零一九年：112,930,000港元）。溢利（除稅後）約為5,460,000港元（二零一九年：虧損（除稅後）340,910,000港元）。淨虧損扭轉為淨溢利乃主要由於年內收入增加及預期信貸虧損撥回之影響。年內每股盈利為0.24港仙（二零一九年：每股虧損4.94港仙）。

本集團將繼續控制成本及集中現有資源，以透過內部擴展及於適當時機進行收購進一步加強及發展本集團之業務。本集團認為業務組合於過去數年已呈現多元化。本集團將側重現有業務，並將透過自身發展及投資類似業務進行擴張。我們將從所物色之所有選擇中審慎甄選有關投資，並與經驗豐富之業務夥伴合作營運。

分類資料

酒類業務

本集團之酒類業務主要為於中國銷售及分銷酒類。

年內，酒類業務錄得收入約650,000港元（二零一九年：4,880,000港元），較去年減少86.78%，並佔總收入0.08%（二零一九年：0.63%）。銷售額減少是由於本集團縮減該業務分類所致。本集團將繼續開發新客戶，惟預期有關銷售額日後佔本集團收入之一小部分。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Trading of Food Products Business

Trading of food products business recorded a revenue of approximately HK\$432.22 million (2019: HK\$388.18 million), accounted for 50.31% (2019: 49.81%) of the total revenue. Gross profit of this business segment for the Year was approximately HK\$5.70 million (2019: HK\$6.06 million).

Construction and Development Business

Following the successful bid for the land use rights of a land parcel in Lianyungang, Jiangsu in PRC on 5 December 2017, the Group already obtained the Land Planning Permit and the Construction Planning Permit for the “Seafood Food City” during the year 2018. The commercial housing pre-sale permit of phase one of the Seafood Food City was also obtained and sales of the properties in that project started in the second half of 2019. However, the outbreak of novel coronavirus affected the sales plan and construction plan. It is expected that the whole construction of the Seafood Food City on the Land Parcel will be delayed to second half of 2021.

Rental Business

The rental business was engaged in the leasing of logistic facilities in Hong Kong and office facilities in the PRC. This business recorded a revenue of approximately HK\$256.88 million (2019: HK\$238.55 million), accounted for 29.90% (2019: 30.61%) of the total revenue. Gross profit of this business segment for the Year was approximately HK\$94.87 million (2019: HK\$67.15 million). After few years of development, this segment becomes one of the core businesses of the Group. The Group has rental business in Beijing, Shanghai and Hong Kong and will keep on exploring and investing in potential renting facilities.

買賣食品業務

買賣食品業務錄得收入約432,220,000港元（二零一九年：388,180,000港元），佔總收入50.31%（二零一九年：49.81%）。該業務分類之年內毛利約為5,700,000港元（二零一九年：6,060,000港元）。

建設及開發業務

繼於二零一七年十二月五日成功競投一幅位於中國江蘇連雲港之地塊之土地使用權後，本集團已於二零一八年取得「海鮮美食城」之建設用地規劃許可證及建設工程規劃許可證。海鮮美食城第一期亦已獲授商品房預售許可證，且該項目的物業於二零一九年下半年開始銷售。然而，新冠肺炎疫情爆發，影響了銷售計劃及施工計劃。預計於該地塊上興建海鮮美食城之整項工程將延期至二零二一年下半年完成。

租賃業務

租賃業務從事於香港租賃物流設施及於中國租賃辦公設施。該業務錄得收入約256,880,000港元（二零一九年：238,550,000港元），佔總收入29.90%（二零一九年：30.61%）。該業務分類之年內毛利約為94,870,000港元（二零一九年：67,150,000港元）。經過數年發展，此分類業已成為本集團核心業務之一。本集團於北京、上海及香港擁有租賃業務，並將繼續探索並投資於具潛力之租賃設施。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Financial Leasing Business

The financial leasing business recorded a revenue of HK\$13.84 million (2019: HK\$9.56 million), accounted for 1.61% (2019: 1.23%) of the total revenue. Gross profit of this business segment for the Year was approximately HK\$12.16 million (2019: HK\$15.57 million).

Mineral Products Business

The mineral products business includes the flotation selection of non-ferrous metals mines and sales of mineral products. This business segment recorded a revenue of approximately HK\$155.51 million (2019: HK\$138.14 million) and accounted for 18.10% (2019: 17.72%) of the total revenue. The Group expects the market of this business will remain fine and the revenue contributed by this segment will represent a larger portion of the Group's revenue. Gross profit of this business segment for the Year was approximately HK\$30.94 million (2019: HK\$30.16 million).

BUSINESS PROSPECTS

The Group will continue to expand its existing businesses by developing its core business segments. The Group will also look for and invest other potential businesses and related profitable businesses.

Memorandum of Understanding

On 20 March 2020, the Company entered into a non-legally binding memorandum of understanding (the "Memorandum") with Ningxia Yinhe Huixin Technology Investment Co., Ltd.* (寧夏銀河滙信科技投資有限公司) ("Ningxia YH") and Zhou Zhijie* (周志杰) ("Mr. Zhou", together with Ningxia YH, collectively, the "Existing Shareholders", together with the Company, collectively, the "Parties") pursuant to which the Company intends to acquire ("Possible Acquisition") 20% equity interest in Ningxia Chenggong Red Chateau Daymore Management Service Co., Ltd.* (寧夏成功紅黛墨酒莊管理服務有限公司) (the "Target Company"). Details of the Memorandum were disclosed in the announcement of the Company dated 20 March 2020.

* For identification purposes only

融資租賃業務

融資租賃業務錄得收入13,840,000港元(二零一九年: 9,560,000港元), 佔總收入1.61% (二零一九年: 1.23%)。該業務分類之年內毛利約為12,160,000港元(二零一九年: 15,570,000港元)。

礦產業務

礦產業務包括有色金屬礦之浮選及礦產銷售。該業務分類錄得收入約155,510,000港元(二零一九年: 138,140,000港元), 佔總收入18.10% (二零一九年: 17.72%)。本集團看好該項業務之市場, 且該分類之收入貢獻佔本集團收入之比例將會更大。該業務分類之年內毛利約為30,940,000港元(二零一九年: 30,160,000港元)。

業務前景

本集團將繼續透過發展核心業務分類擴大其現有業務。本集團亦將尋求及投資其他潛在業務及相關有利可圖的業務。

諒解備忘錄

於二零二零年三月二十日, 本公司與寧夏銀河滙信科技投資有限公司(「寧夏銀河滙信」)及周志杰(「周先生」, 與寧夏銀河滙信統稱為「現有股東」, 連同本公司統稱為「訂約方」)訂立不具法律約束力之諒解備忘錄(「備忘錄」), 據此, 本公司擬收購寧夏成功紅黛墨酒莊管理服務有限公司(「目標公司」)之20%股權(「可能收購事項」)。備忘錄詳情於本公司日期為二零二零年三月二十日之公佈內披露。

* 僅供識別

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

According to the Memorandum, the Company shall cooperate with the Existing Shareholders on the operation of the Target Company, where the Company shall provide support to the existing wine business, including sales channel warehousing, and integrate the Parties' resources with a view to maximise the relevant benefits (the "Possible Cooperation"). The Existing Shareholders shall provide profit guarantee in respect of the Target Company, which shall be not less than RMB30 million per year.

According to the Memorandum, the Parties will proceed with further negotiation for the entering into the formal agreement in respect of the Possible Acquisition within six months from the date of the Memorandum, or such other date as may be agreed by the Parties. The Parties will negotiate to enter into a definitive cooperation agreement upon the commencement of the Possible Cooperation. The Memorandum expired on 19 September 2020 and after that date and up to the date of this annual report, the Parties have not reached any formal agreement in respect of the Possible Acquisition.

Business Co-operations

- (i) On 23 January 2020, the Company, through its wholly-owned subsidiary, namely Shenzhen Nongjiayuan Vegetable Basket E-Commerce Co., Ltd.* (深圳市農家園菜籃子電子商務有限公司) ("Shenzhen Nongjiayuan E-Commerce") entered into a cooperation agreement (the "Cooperation Agreement") with Jiangsu Wortact Group Co., Ltd.* (江蘇沃田集團股份有限公司), a company listed on the National Equities Exchange And Quotations Co., Ltd. (NEEQ:832139) ("Jiangsu Wortact", together with the Company, the "Parties") in respect of a business cooperation (the "Sales Cooperation") involving, among other things, the sales of blueberries and other related products under the dual-brand name of both of the Parties.

* For identification purposes only

根據備忘錄，本公司將與現有股東合作營運目標公司，而本公司須向現有酒品業務提供支持，包括銷售渠道倉儲，並整合訂約方之資源，旨在盡量增加相關裨益（「可能合作」）。現有股東須就目標公司提供溢利保證，其將不少於每年人民幣30,000,000元。

根據備忘錄，由備忘錄日期起計六個月內或訂約方可能協定之有關其他日期，訂約方將就可能收購事項進行進一步磋商以訂立正式協議。訂約方將於可能合作開始時進行磋商以訂立最終合作協議。備忘錄於二零二零年九月十九日到期，及於該日後及直至本年報日期，訂約方並無就可能收購事項達成任何正式協議。

業務合作

- (i) 於二零二零年一月二十三日，本公司透過其全資附屬公司，名為深圳市農家園菜籃子電子商務有限公司（「深圳市農家園電子商務」）與江蘇沃田集團股份有限公司（於全國中小企業股份轉讓系統有限責任公司掛牌之公司（全國股轉系統：832139））（「江蘇沃田」，連同本公司統稱「訂約雙方」）就業務合作（「銷售合作」）訂立合作協議（「合作協議」），內容有關（其中包括）訂約雙方均以雙品牌名稱銷售藍莓及其他相關產品。

* 僅供識別

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

According to the Cooperation Agreement, Jiangsu Wortact shall be responsible for, among other things, the production and delivery of a number of products in accordance with the specifications from Shenzhen Nongjiayuan E-Commerce, and Shenzhen Nongjiayuan E-Commerce shall be responsible for the sales planning and implementation of sales strategy in respect of the sales of blueberries and other related products.

The Sales Cooperation is focused at developing brand integration in order to jointly enhance the Parties' reputation and sales ecology. Moreover, the Sales Cooperation sets common goals for the Parties to achieve at an industry level, promotion of brand image and sales, details of which were disclosed in the announcement of the Company dated 23 January 2020.

The sales activities under the Sales Cooperation commenced on 1 February 2020. However, due to the outbreak of coronavirus, the sales had been negatively impacted during the Year. The Group expects that the performance of this Sales Cooperation will show encouraging improvement when the coronavirus outbreak has become stabilized.

- (ii) On 7 September 2020,, the Company entered into a strategic cooperation framework agreement (the "Framework Agreement") with 成都米耕香農業有限公司 (Chengdu Mi Geng Xiang Agricultural Industry Co., Ltd.*) ("Chengdu Mi Geng Xiang", together with the Company, the "Parties") in respect of, among other things, the proposed cooperation with Chengdu Mi Geng Xiang in the trading of food products (the "Proposed Cooperation").

According to the Framework Agreement, the Parties may negotiate to enter into supplemental agreements in respect of the Proposed Cooperation (including the establishment of joint venture) under the Framework Agreement, details of which were disclosed in the announcement of the Company dated 7 September 2020. However, the Parties have not yet reached any definitive agreement up to the date of this annual report.

* For identification purposes only

根據合作協議，江蘇沃田須負責（其中包括）按照深圳市農家園電子商務之規範進行生產及交付若干產品，而深圳市農家園電子商務須負責有關銷售藍莓及其他相關產品之銷售規劃並實施銷售策略。

銷售合作專注於發展品牌整合，務求將訂約雙方之聲譽共同提升，銷售生態亦得以加強。此外，銷售合作為訂約雙方制定在行業層面上實現促進品牌形象及銷售之共同目標。有關詳情於本公司日期為二零二零年一月二十三日之公佈內披露。

銷售合作項下之銷售活動於二零二零年二月一日開始。然而，由於疫情爆發，銷售於本年度受到負面影響。本集團預計當疫情逐步穩定，該銷售合作之表現呈現令人鼓舞的提升。

- (ii) 於二零二零年九月七日，本公司與成都米耕香農業有限公司（「成都米耕香」，連同本公司統稱「訂約方」）訂立戰略合作框架協議（「框架協議」），內容有關（其中包括）與成都米耕香於食品貿易方面之建議合作（「建議合作」）。

根據框架協議，訂約方可根據框架協議就建議合作（包括成立合資企業）進行磋商以訂立補充協議。有關詳情於本公司日期為二零二零年九月七日之公佈內披露。然而，直至本年報日期，訂約雙方尚未達成任何最終協議。

* 僅供識別

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- (iii) On 24 February 2021, the Company entered into a strategic cooperation agreement (the “Cooperation Agreement”) with Yueyang Guansheng Industry Development Co., Ltd.* (岳陽觀盛投資發展有限公司) (“Yueyang Guansheng”, together with the Company, the “Parties”) in respect of the proposed global procurement of feed ingredients (the “Strategic Cooperation”).

According to the Cooperation Agreement, the Parties agree to cooperate closely in respect of the global procurement of (i) non-genetically modified soybeans and (ii) both genetically modified and non-genetically modified yellow corn. The term of the Cooperation Agreement commenced on 1 March 2021 and will end on 31 December 2022. The implementation of the Strategic Cooperation between the Parties is subject to the execution of formal sales and purchase contract(s). Details of the Cooperation Agreement were disclosed in the announcement of the Company dated 24 February 2021.

FINANCIAL REVIEW

Revenue

The Group achieved a revenue of approximately HK\$859.10 million (2019: HK\$779.31 million), representing an increase of 10.24% over last year. Gross profit of the Group was approximately HK\$143.67 million (2019: HK\$112.93 million). The profit (net of tax) was HK\$5.46 million (2019: Loss (net of tax) was HK\$340.91 million).

Selling and Distribution Expenses

Selling and distribution expenses were approximately HK\$19.86 million (2019: HK\$18.41 million), representing an increase of 7.88% from last year and 2.31% (2019: 2.36%) of the Group's revenue. The increase was due to the general growth in the sales volume of the Group's food and mineral products.

Administrative Expenses

Administrative expenses were approximately HK\$85.05 million (2019: HK\$100.25 million), representing a decrease of 15.16% from last year. The decrease was mainly due to the Group's continuous control the costs through simplifying and combining the structure of the subsidiaries of similar business.

* For identification purposes only

- (iii) 於二零二一年二月二十四日，本公司與岳陽觀盛投資發展有限公司（「岳陽觀盛」，連同本公司統稱「訂約方」）訂立戰略合作協議（「合作協議」），內容有關建議全球採購飼料原料（「戰略合作」）。

根據合作協議，訂約方同意就全球採購以下各項進行緊密合作：(i)非基因改造大豆，及(ii)基因改造及非基因改造黃玉米。合作協議之年期將由二零二一年三月一日開始至二零二二年十二月三十一日止。訂約方進行戰略合作須簽立正式的買賣合約。有關合作協議之詳情於本公司日期為二零二一年二月二十四日之公佈內披露。

財務回顧

收入

本集團取得收入約859,100,000港元（二零一九年：779,310,000港元），較去年增加10.24%。本集團之毛利約為143,670,000港元（二零一九年：112,930,000港元）。溢利（除稅後）為5,460,000港元（二零一九年：虧損（除稅後）340,910,000港元）。

銷售及分銷開支

銷售及分銷開支約19,860,000港元（二零一九年：18,410,000港元），較去年增加7.88%，佔本集團收入之2.31%（二零一九年：2.36%）。有關增加乃由於本集團食品及礦產銷量整體增加所致。

行政開支

行政開支約為85,050,000港元（二零一九年：100,250,000港元），較去年減少15.16%。有關減少乃本集團透過簡化及合併類似業務附屬公司的架構，繼續控制成本。

* 僅供識別

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Finance Costs

Finance costs were approximately HK\$103.05 million (2019: HK\$111.09 million), representing a decrease of 7.24% from last year and 11.99% of the Group's revenue.

Prepayments, Deposits and Other Receivables

Included in prepayments, deposits and other receivables, there were trade deposits of HK\$239.36 million (2019: HK\$196.26 million) paid for food products and mineral products. The amounts of approximately HK\$24.22 million (2019: HK\$50.55 million) were the progress payments for the investment targets. HK\$37.08 million (2019: HK\$34.37 million) was paid as rental deposit for the rental business.

Capital Structure, Liquidity and Financial Resources

As at 31 December 2020, the total number of issued shares of the Company was 6,225,125,683 shares. There was no change in the number of issued shares of the Company during the year ended 31 December 2020. Pursuant to the ordinary resolution passed at the extraordinary general meeting of the Company held on 22 January 2021, the authorised share capital of the Company was increased from HK\$800,000,000 divided into 8,000,000,000 shares of HK\$0.10 each to HK\$1,600,000,000 divided into 16,000,000,000 shares of HK\$0.10 each by the creation of an additional 8,000,000,000 shares.

As at 31 December 2020, the Group had net assets to owners of the parent of approximately HK\$1,285.20 million (2019: HK\$1,229.34 million). Net current assets of the Group as at 31 December 2020 amounted to approximately HK\$370.48 million (2019: HK\$320.20 million). The current ratio (calculated as current assets to current liabilities) for the Year was 1.37 (2019: 1.29).

The Group's unpledged cash and cash equivalents as at 31 December 2020 amounted to approximately HK\$26.12 million (2019: HK\$80 million), which were denominated in Hong Kong dollars and Renminbi, and the Group's pledged deposits as at 31 December 2020 amounted to approximately HK\$18.86 million (2019: HK\$47.78 million).

融資成本

融資成本約為103,050,000港元(二零一九年: 111,090,000港元),較去年減少7.24%,佔本集團收入的11.99%。

預付款項、按金及其他應收款項

預付款項、按金及其他應收款項包括就食品及礦產支付之239,360,000港元(二零一九年: 196,260,000港元)貿易按金。約24,220,000港元(二零一九年: 50,550,000港元)為就投資目標作出之分階段付款。37,080,000港元(二零一九年: 34,370,000港元)為租賃業務之已付租金按金。

資本架構、流動資金及財務資源

於二零二零年十二月三十一日,本公司已發行股份總數為6,225,125,683股。截至二零二零年十二月三十一日止年度,本公司的已發行股份數目並無變動。根據本公司於二零二一年一月二十二日舉行之股東特別大會通過之普通決議案,本公司法定股本藉增設額外8,000,000,000股股份由800,000,000港元(分拆為8,000,000,000股每股面值為0.10港元之股份)增至1,600,000,000港元(分拆為16,000,000,000股每股面值為0.10港元之股份)。

本集團於二零二零年十二月三十一日之母公司擁有人應佔資產淨值約為1,285,200,000港元(二零一九年: 1,229,340,000港元)。本集團於二零二零年十二月三十一日之流動資產淨值約為370,480,000港元(二零一九年: 320,200,000港元)。年內之流動比率(按流動資產除以流動負債計算)為1.37(二零一九年: 1.29)。

於二零二零年十二月三十一日,本集團之無抵押現金及現金等值物約為26,120,000港元(二零一九年: 80,000,000港元),乃以港元及人民幣計值,而本集團於二零二零年十二月三十一日之已抵押存款約為18,860,000港元(二零一九年: 47,780,000港元)。

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As at 31 December 2020, the Group's total bank and other borrowings amounted to approximately HK\$393.02 million (2019: HK\$541.96 million). All of the Group's bank and other borrowings were denominated in Renminbi and Hong Kong dollars. Included in bank and other borrowings was default payment for other borrowing of approximately HK\$191.30 million including the additional interest and penalty. The Company keeps negotiating with creditors of other borrowings for extension of repayment period.

The bank loans, other borrowings and amounts due to related parties are charged at fixed interest rates. The gearing ratio of the Group as at 31 December 2020 (calculated as net debt divided by equity attributable to owners of the parent plus net debt) was 33.58% (31 December 2019: 38.41%). The ratio was at reasonably adequate level as at 31 December 2020. Having considered the Group's various measures, arrangements and current unpledged cash and cash equivalents, bank and other borrowings, banking facilities, possible fund raising and the business operation income, the management believes that the Group's financial resources are sufficient for its day-to-day operations and repayment of debts. The Group did not use financial instruments for financial hedging purposes during the Year.

The Group's business transactions, assets and liabilities are principally denominated in Renminbi and Hong Kong dollars. Fluctuations in Renminbi may impact the Group's results and net assets value as the Group's consolidated financial statements are presented in Hong Kong dollars. The Group's treasury policy is to manage its foreign currency exposure only when its potential financial impact is material to the Group. The Group will continue to monitor its foreign exchange position and, if necessary, utilize hedging tools, if available, to manage its foreign currency exposure.

Charge on Assets and Contingent Liabilities

As at 31 December 2020, the deposit of HK\$18.86 million was pledged to banks to secure the Group's bills payable (2019: HK\$47.78 million).

於二零二零年十二月三十一日，本集團之銀行及其他借貸總額約為393,020,000港元（二零一九年：541,960,000港元）。本集團所有銀行及其他借貸以人民幣及港元計值。銀行及其他借貸包括其他借貸之違約款項約191,300,000港元，包括額外的利息及罰金。本公司一直與其他借貸之債權人協商延長還款期。

銀行貸款、其他借貸及應付關聯方款項以固定利率計息。本集團於二零二零年十二月三十一日之資產負債比率（按債務淨額除以母公司擁有人應佔權益加債務淨額計算）為33.58%（二零一九年十二月三十一日：38.41%）。於二零二零年十二月三十一日，該比率處於合理充足水平。經考慮本集團之各項措施、安排及流動無抵押現金及現金等值物、銀行及其他借貸、銀行融資、可能籌集資金及業務經營收入後，管理層相信本集團具備足夠財務資源應付日常營運所需及償還債務。年內，本集團並無使用金融工具作金融對沖用途。

本集團之業務交易、資產及負債主要以人民幣及港元計值。由於本集團之綜合財務報表以港元呈列，故人民幣波動可能影響本集團之業績及資產淨值。本集團之財政政策是僅於潛在財務影響對本集團而言屬重大之情況下，方管理其外幣風險。本集團將繼續監察其外匯狀況及（如有需要）採用對沖工具（如有），以管理其外幣風險。

資產抵押及或然負債

於二零二零年十二月三十一日，18,860,000港元之存款已抵押予銀行，以取得本集團之應付票據（二零一九年：47,780,000港元）。

The shares of two subsidiaries of the Company with net assets of HK\$23.76 million as at 31 December 2020 were pledged for a secured bond since August 2017. As the secured bond was matured, the bondholder has the right to take over the control of the two subsidiaries. The Company is in negotiation with the bondholder for extension of repayment of the bond and as at the date of this annual report, the two subsidiaries are still under the control of the Company.

Investment properties with fair value of approximately HK\$308.43 million was pledged to the bank for the Group's borrowings.

PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

- (i) On 20 July 2020, the Company entered into the placing agreement with the placing agent for the purpose of procuring, as agent of the Company, on a best effort basis, not less than six placees to subscribe in cash for the convertible bonds in a maximum aggregate principal amount of up to HK\$123 million. However, as certain condition precedent to the placing agreement was not fulfilled, the placing agreement lapsed on 17 August 2020. Details of the placing agreement were disclosed in the announcements of the Company dated 20 July 2020, 10 August 2020 and 17 August 2020.
- (ii) On 9 October 2020, the Company entered into the placing agreement with the placing agent for the purpose of procuring, as agent of the Company, on a best effort basis, not less than six placees to subscribe in cash for the convertible bonds in a maximum aggregate principal amount of up to HK\$123 million ("Placing").

本公司兩間附屬公司（於二零二零年十二月三十一日之資產淨值為23,760,000港元）之股份自二零一七年八月已就抵押債券予以抵押。由於已抵押債券到期，債券持有人有權接管兩間附屬公司之控制權。本公司正與債券持有人協商延期償還債券及於本年報日期，兩間附屬公司仍受本公司控制。

公允值約為308,430,000港元之投資物業已就本集團借貸抵押予銀行。

根據一般授權配售可換股債券

- (i) 於二零二零年七月二十日，本公司與配售代理訂立配售協議，以令其作為本公司的代理按盡力的基準促使不少於六名承配人以現金認購本金總額最多為123,000,000港元之可換股債券。然而，由於配售協議之若干先決條件尚未達成，配售協議於二零二零年八月十七日失效。有關配售協議詳情於本公司日期為二零二零年七月二十日、二零二零年八月十日及二零二零年八月十七日之公佈內披露。
- (ii) 於二零二零年十月九日，本公司與配售代理訂立配售協議，以令其作為本公司的代理按盡力的基準促使不少於六名承配人以現金認購本金總額最多為123,000,000港元之可換股債券（「配售事項」）。

MANAGEMENT DISCUSSION AND ANALYSIS

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The completion of the Placing took place on 1 November 2020 and the convertible bonds of aggregate principals of HK\$111,100,000 were successfully issued by the Company to not less than six placees, being professional, institutional and other investors who are independent of and not connected with the Company or its connected persons procured by the placing agent in accordance with the terms and conditions of the placing agreement. Based on the initial conversion price of HK\$0.10 per conversion share, a maximum number of 1,111,000,000 shares may fall to be allotted and issued upon the exercise of the conversion rights attaching to the convertible bonds in full.

The gross and net proceeds from the Placing amounted to approximately HK\$111.10 million and HK\$109.10 million respectively. The net price for the Placing is approximately HK\$0.09820 per conversion share. The initial conversion price of HK\$0.10 per share represented a premium of approximately 42.9% over the closing price of HK\$0.07 per share as quoted on the Stock Exchange on the date of the placing agreement. The Company fully utilized the net proceeds from the Placing for redemption of the 2019 Convertible Bonds as intended.

Details of the above Placing were set out in the announcements of the Company dated 9 October 2020, 14 October 2020 and 2 November 2020.

There was no exercise of the above convertible bonds during the Year.

配售事項於二零二零年十一月一日完成，且本公司向配售代理根據配售協議之條款及條件促使的不少於六名承配人（即獨立於本公司或其關連人士及與彼等概無關連之專業、機構及其他投資者）成功發行本金總額為111,100,000港元的可換股債券。基於每股轉換股份0.10港元的初步轉換價，於可換股債券所附轉換權獲悉數行使後，可予配發及發行最多1,111,000,000股股份。

配售事項的所得款項總額及淨額分別為約111,100,000港元及109,100,000港元。配售事項淨價為每股轉換股份約0.09820港元。初步轉換價為每股股份0.10港元，較股份於配售協議日期於聯交所所報收市價每股0.07港元溢價約42.9%。本公司按擬定用途悉數動用配售事項所得款項淨額以贖回二零一九年可換股債券。

有關上述配售事項之詳情載於本公司日期為二零二零年十月九日、二零二零年十月十四日及二零二零年十一月二日之公佈。

年內，並無行使上述可換股債券。

DISPOSAL OF SUBSIDIARY

On 27 November 2020, the Group entered into a sale and purchase agreement to dispose of its equity interest in 中山市水鄉旅遊開發有限公司 (Zhongshan Shuixiang Luyou Kaifa Company Limited*) to an independent third party for cash consideration of RMB16,800,000 (equivalent to approximately HK\$20,000,000). The disposal was completed on 22 December 2020. Upon completion of the disposal, the Group ceased to have any equity interest in 中山市水鄉旅遊開發有限公司. The Group recognised a loss of disposal of approximately HK\$356,000 as a result of the disposal.

ANALYSIS OF MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the sales to the top 5 customers amounted to HK\$343,450,000, representing an increase of 42.08% from HK\$241,722,000 for the year ended 31 December 2019.

Our top 5 customers in the Year represented approximately 41.34% of our total revenue as compared to approximately 31.02% in 2019. Our largest customer accounted for approximately 24.47% of our total revenue in the Year as compared to approximately 20.04% in 2019. The increase was mainly due to the increase in trading of food products. The other 4 customers represented 16.87% are the suppliers of staple food and mineral products. Our top 5 customers are companies engaged in the trading of food and mineral products in the PRC. Our management visited these customers frequently and understand the demand of these customers. Therefore, the Group developed a stable relationship with these major customers. The Group has 1 to 5 years business relationship with these customers and our management has confident to keep the long-term relationship. They are required to prepay for the goods and services at the agreed commercial terms. Therefore, there was no related doubtful debts.

During the Year, the purchases from the top 5 major suppliers amounted to HK\$418,297,000, representing an increase of about 1.83% from HK\$410,766,000 for the year ended 31 December 2019.

* For identification purposes only

出售附屬公司

於二零二零年十一月二十七日，本集團訂立買賣協議，向一名獨立第三方出售其於中山市水鄉旅遊開發有限公司之股權，現金代價為人民幣16,800,000元（相當於約20,000,000港元）。該出售事項已於二零二零年十二月二十二日完成。完成該出售事項後，本集團不再擁有中山市水鄉旅遊開發有限公司之任何股權。本集團因該出售事項而確認出售虧損約356,000港元。

主要客戶及供應商分析

年內，對五大客戶之銷售額為343,450,000港元，較截至二零一九年十二月三十一日止年度之241,722,000港元增加42.08%。

年內，五大客戶佔總收入約41.34%，而二零一九年則佔約31.02%。年內，最大客戶佔總收入約24.47%，而二零一九年則佔約20.04%。有關增加主要是由於食品產品之交易量增加所致。其餘四名客戶佔16.87%，為主食品及礦產供應商。五大客戶為於中國從事食品及礦產貿易之公司。管理層頻繁訪問該等客戶並了解該等客戶之需要。因此，本集團已與該等主要客戶建立穩定關係。本集團與該等客戶之業務關係達一至五年，且管理層深信可保持長期關係。彼等須按協定之商業條款就貨品及服務預付款項，因此，並無有關呆賬。

年內，向五大主要供應商之採購額為418,297,000港元，較截至二零一九年十二月三十一日止年度之410,766,000港元增加約1.83%。

* 僅供識別

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Our top 5 suppliers in the Year represented approximately 58.47% of our total purchases as compared to approximately 61.64% in 2019. Our largest supplier accounted for approximately 31.01% of our total purchases in the Year as compared to approximately 28.01% in 2019. The Group had always been searching for suppliers with competitive terms. All the top 5 suppliers are suppliers of food products in the PRC and the Group is required to prepay for the goods.

KEY RISKS AND UNCERTAINTIES

Reliance on a Small Number of Key Suppliers

The Group's five largest suppliers, which accounted for 58.47% of the Group's total purchases, are all related to the purchases of staple food. There is no assurance that these major suppliers shall continue to provide the products to us at price acceptable to our Group. In the event that our Group were unable to retain these suppliers, or procure replacement suppliers, our business, results of operations, profitability and liquidity might be adversely affected. However, the Group has established strong business relationship with these major suppliers. The Group has also been diversifying its business into other industry including logistic warehouse business and mining business. Therefore, it is expected that the risk of concentration on key suppliers can be reduced in the future.

Investment Risk

Investment risk can be defined as the likelihood of extension of its return period relative to the expected return period or occurrence of losses on any particular investment attributable to changes of external factors. The Group is well aware of the importance of exploring various business opportunities and territories on a continual basis, and has also implemented such strategy as the top agenda of the Year. Key concern of projects investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process. Proper investment assessment and due diligence procedures have been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of our Group would be submitted to the Board.

年內五大供應商佔總採購額約58.47%，而二零一九年則佔約61.64%。年內最大供應商佔總採購額約31.01%，而二零一九年則佔約28.01%。本集團不斷物色提供具有競爭力的條款之供應商。所有五大供應商均為中國食品產品供應商，且本集團須就貨品預付款項。

主要風險及不明朗因素

依賴小部分主要供應商

本集團之五大供應商（佔本集團總採購額58.47%）均與主食品採購相關。概不保證該等主要供應商將持續按本集團可接受之價格向本集團提供產品。倘本集團無法保留該等供應商或覓得替代供應商，則本集團之業務、經營業績、盈利能力及流動資金或會受到不利影響。然而，本集團已與該等主要供應商建立穩固業務關係，且本集團一直致力分散其業務以擴展至其他行業，包括物流倉儲業務及採礦業務，因此，預計日後集中於主要供應商之風險將會有所減少。

投資風險

投資風險可界定為因各項外在因素變化導致任何一項投資之回報期相對其預期回報期有所延長或投資項目出現虧損之可能性。本集團深明持續開拓業務機會及區域之重要性，並在年內重點工作任務中落實此策略。項目投資框架主要考慮之因素將平衡各類投資之風險及回報，因此，風險評估乃投資決策過程中重要的一環。本集團已設立適當之投資評估及盡職調查程序，並會於批准投資前進行詳細分析。本集團會定期更新投資項目之進度，並向董事會匯報。

Foreign Exchange Risk

The Group mainly operates in the PRC with most of the transactions originally denominated and settled in Renminbi, of which foreign exchange risk is considered insignificant. The Group is exposed to foreign exchange risk primarily with respect to certain of its bank deposits which are denominated in Hong Kong dollars and United States dollars. Renminbi experienced certain fluctuation against Hong Kong dollars and United States dollars during the year 2020 which is the major reason for the exchange loss recognised by the Group.

During the year ended 31 December 2020, the Group did not carry out any hedging activity against foreign currency risk. Any substantial exchange rate fluctuation of foreign currencies against Renminbi may have a financial impact on the Group.

LITIGATIONS

- (i) On 18 August 2015, the Company received a writ of summons issued from the High Court of Hong Kong (the "Writ") relating to a claim by Mr. Qu Shuncai ("Mr. Qu"), a former director of the Company. Pursuant to the Writ, Mr. Qu claims against the Company for the sum of HK\$6,069,000 being damages for the Company's wrongful refusal of the issue of 2,500,000 shares of the Company to him upon his exercise of the share options. The proceedings are now at the interlocutory stage, and pending for further directions from the Court.

外匯風險

本集團主要於中國營運，大部分交易最初以人民幣計值及結算，而其外匯風險被視為甚微。本集團面臨之外匯風險主要涉及若干以港元及美元計值之銀行存款。於二零二零年，人民幣兌港元及美元經歷一定的波動，此乃本集團確認外匯虧損之主要原因。

於截至二零二零年十二月三十一日止年度，本集團並無開展任何對沖外幣風險之活動。外幣兌人民幣之匯率如有任何重大波動，或會對本集團造成財務影響。

訴訟

- (i) 於二零一五年八月十八日，本公司收到香港高等法院簽發之傳訊令狀（「令狀」），內容有關本公司前董事屈順才先生（「屈先生」）提出之索償。根據令狀，屈先生就本公司于屈先生行使購股權後不當拒絕向其發行2,500,000股本公司股份而向本公司索償金額6,069,000港元（即損害賠償）。訴訟程序現已進入中間階段，且待法院發出進一步指示。

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- (ii) On 15 August 2019, the Company received a winding up petition ("Petition") filed by Mr. Qiu Zhen ("Petitioner") for an order that the Company may be wound up by the High Court of the Hong Kong pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong). The Petition was filed against the Company for being unable to repay a debt of amount HK\$21,140,987. Details of the Petition were disclosed in the announcements of the Company dated 15 August 2019 and 22 August 2019. Subsequently, our legal representatives filed a Notice of Originating Summons to the Court (under HCMP 1284 of 2019) returnable before a High Court Judge on 19 September 2019 for an order to direct the Petitioner to withdraw the Petition or otherwise to be restrained from taking further step to prosecute the Petition on the ground that the Petition is an abuse of process of the court. On 23 March 2020, leave was granted to the Company to withdraw the Originating Motion. As to the winding up proceedings itself, the parties reached full and final settlement and the Court had, by its Order dated on 8 March 2021, dismissed the Petition, details of which were disclosed on the announcement of the Company dated 8 March 2021.
- (ii) 於二零一九年八月十五日，本公司接獲由邱振先生（「呈請人」）根據香港法例第32章公司（清盤及雜項條文）條例向香港高等法院提呈對本公司進行清盤命令之呈請（「該呈請」）。已提呈之該呈請乃針對本公司無法償還金額為21,140,987港元之債務。該呈請之詳情於本公司日期為二零一九年八月十五日及二零一九年八月二十二日之公佈內披露。其後，我們的法定代理人於二零一九年九月十九日向法院提呈會在高等法院法官席前處理的原訴傳票通知（編號為二零一九年HCMP 1284），發出命令指示呈請人撤回該呈請或以該呈請濫用法庭程序為理據限制採取進一步行動進行該呈請。於二零二零年三月二十三日，本公司獲授撤回原訴動議的許可。就本身的清盤程序而言，雙方達成充分及最終和解，且法院根據日期為二零二一年三月八日之命令撤銷該呈請。有關詳情於本公司日期為二零二一年三月八日之公佈內披露。
- (iii) On 21 August 2019, the Company received a writ of summons issued on behalf of United Target Finance Company Limited ("United Target") under HCA 1520 of 2019. According to the Statement of Claim, United Target being the plaintiff, claims against the Company for the sum of HK\$10,055,772.96. Our legal representatives filed an Acknowledgment of Service on 27 August 2019 and stated our intention to contest the proceedings. Subsequently, the parties reached full and final settlement and the action was wholly discontinued on 28 October 2020.
- (iii) 於二零一九年八月二十一日，本公司接獲代表United Target Finance Company Limited（「United Target」）根據二零一九年HCA 1520簽發之傳訊令狀。根據訴狀，United Target為原告，向本公司索償金額10,055,772.96港元。我們的法定代理人於二零一九年八月二十七日呈交送達認收書，並表示我們將就法律訴訟提出抗辯。隨後，雙方達成完全及最終和解，且該訴訟於二零二零年十月二十八日完全中止。
- (iv) On 28 August 2019, our legal representatives filed a Notice of Originating Summons to the Court (under HCMP 1348 of 2019) to apply to the Court to dispute a Statutory Demand dated 24 July 2019 issued on behalf of Madam FANG XIANGZAI (方香崽) for the sum of HK\$20,094,520.55. The case has been adjourned sine die.
- (iv) 於二零一九年八月二十八日，我們的法定代理人向法院提交原訴傳票通知（編號為二零一九年HCMP 1348），以向法院申請就代表方香崽女士發出之日期為二零一九年七月二十四日之金額為20,094,520.55港元法定要求償債書進行抗辯。該案件已獲無限期延遲。

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- (v) On 24 October 2019, the Company received a writ of summons (under HCA 1948 of 2019) issued on behalf of Gemini Funds Limited for an order to direct the Company to deliver up the share certificate of 5,000,000 (Bonus) Shares issued in January 2016 and damages to be assessed. The said Gemini Funds Limited has also taken out an application for summary judgment against the Company returnable before a Master of the High Court on 9 April 2020. Our legal representative filed an Acknowledgment of Service on 6 November 2019, and the Company has filed a notice to the Court to oppose the application by the said Plaintiff to enter judgment against the Company. The hearing was heard before a Judge on 21 January 2021 and pursuant to the Judgement, the Company delivered up the said share certificate to the Plaintiff on 24 March 2021. At the same time, the Company filed a Notice to Appeal on 18 February 2021.
- (vi) Pursuant to the Petition under item (ii) above, the Company successfully obtained a Validation Order of the Court dated 17 January 2020, under which any transfer of the issued and fully paid up shares in the Company since 13 August 2019 shall not be avoided by s.182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) in the event of a winding-up order being made against the Company. The sealed copy order has been obtained, details of which were disclosed in the announcement of the Company dated 15 May 2020. Further, the Company also obtained another Validation Order of the Court dated 6 January 2021, under which payments of HK\$569,558.00 made out of the Company's bank accounts for the purpose of paying the legal expenses of the Company shall not be avoided.
- (v) 於二零一九年十月二十四日，本公司接獲代表Gemini Funds Limited根據二零一九年HCA 1948簽發之傳訊令狀，發出命令指示本公司於二零一六年一月交出已發行的5,000,000股（紅股）的股票及待評估的損害賠償。所述Gemini Funds Limited亦針對本公司向法院申請會於二零二零年四月九日在高等法院法官席前受理的簡易判決。我們的法定代理人於二零一九年十一月六日呈交送達認收書，且本公司已向法院提交通知，以反對上述原告提出之執行針對本公司判決之申請。聆訊於二零二一年一月二十一日在法官席前進行及根據判決，本公司於二零二一年三月二十四日向原告交出所述股票。與此同時，本公司於二零二一年二月十八日提交上訴通知書。
- (vi) 根據上文第(ii)項下之呈請，本公司成功獲得日期為二零二零年一月十七日的法院認可令，據此，若針對本公司發出清盤命令，則自二零一九年八月十三日起轉讓本公司已發行及繳足股款的股份不得根據公司（清盤及雜項條文）條例（第32章）第182條廢止。本公司已獲得判令蓋印副本。有關詳情於本公司日期為二零二零年五月十五日之公佈內披露。此外，本公司亦獲得日期為二零二一年一月六日的法院認可令，據此，將不可避免自本公司銀行賬戶中撥款569,558.00港元用以支付本公司的法律費用。

MANAGEMENT DISCUSSION AND ANALYSIS

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- (vii) On 15 June 2020, the Company received a writ of summons issued on behalf of JIANG SHENGLI (姜勝利) ("JIANG") under HCA 947 of 2020. According to the Statement of Claim, JIANG being the plaintiff, claims against the Company for the sum of HK\$15,700,000 and the bond interest. Our legal representatives filed an Acknowledgment of Service on 22 June 2020 and stated our intention to contest the proceedings. Subsequently, the parties reached full and final settlement and signed a Settlement Agreement on 25 March 2021. The action is expected to be discontinued by mid of April 2021.
- (viii) On 7 July 2020, the Company received a writ of summons issued on behalf of FANG XIANGZAI (方香崽) ("FANG") under HCA 1128 of 2020. According to the Statement of Claim, FANG being the plaintiff, claims against the Company for the sum of HK\$30,575,000 and the agreement interest. Our legal representatives filed an Acknowledgment of Service on 22 July 2020 and stated our intention to contest the proceedings. The parties are under negotiation for settlement.
- (ix) The Company is aware that two civil litigations in relation to its cooperation contracts filed with the People's Court of Qianhai Cooperation Zone, Guangdong Province against the Company have been closed, and the Company and the plaintiff entered into a settlement agreement on 28 June 2020 and a bank account of one of its subsidiaries which was frozen has been unfrozen.
- (vii) 於二零二零年六月十五日，本公司接獲代表姜勝利（「姜」）簽發之傳訊令狀（編號為二零二零年HCA 947），根據訴狀，姜為原告，向本公司索償金額15,700,000港元及債券利息。我們的法定代理人於二零二零年六月二十二日呈交送達認收書，並表示我們將就法律訴訟提出抗辯。隨後，雙方達成完全及最終和解並於二零二一年三月二十五日簽署和解協議。該訴訟預計於二零二一年四月中旬前中止。
- (viii) 於二零二零年七月七日，本公司接獲代表方香崽（「方」）簽發之傳訊令狀（編號為二零二零年HCA 1128），根據訴狀，方為原告，向本公司索償金額30,575,000港元及協定利息。我們的法定代理人於二零二零年七月二十二日呈交送達認收書，並表示我們將就法律訴訟提出抗辯。雙方仍在協商和解。
- (ix) 本公司知悉廣東省前海合作區人民法院有兩宗對本公司提起之由於合作合同糾紛導致的民事起訴，該等訴訟已完結且本公司與原告於二零二零年六月二十八日已達成和解協議。本公司其中一間附屬公司一個被凍結的銀行戶口已解凍。

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2020, the Group had approximately 140 (2019: 157) employees in Hong Kong and the PRC with total staff costs amounting to approximately HK\$9.7 million (2019: HK\$14.2 million). Remuneration of employees is offered at competitive standards, generally structured with reference to market terms and individual qualifications. The Company has adopted the share option scheme aiming to provide incentives to participants for their contributions to the Group, and to enable the Group to recruit and retain quality employees to serve the Group on a long-term basis.

僱員及薪酬政策

於二零二零年十二月三十一日，本集團於香港及中國約有140名（二零一九年：157名）僱員，總員工成本約為9,700,000港元（二零一九年：14,200,000港元）。僱員薪酬維持於具競爭力之水平，一般根據市場水平及個別員工資歷釐定。本公司已採納購股權計劃，旨在鼓勵及獎賞參與者對本集團作出貢獻，並讓本集團可招聘及挽留優秀僱員長期為本集團服務。

CORPORATE GOVERNANCE PRACTICES

The Company has always recognised the importance of shareholders' transparency and accountability. It is the belief of the board of directors (the "Board") of the Company that shareholders can maximise their benefits from good corporate governance.

The Company has complied with all code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year ended 31 December 2020 and up to the date of this annual report, except where otherwise stated in this report.

THE BOARD

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic decisions and performances. Daily operations and execution are delegated to the management. The Board is also responsible for performing the corporate governance duties as set out below:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to directors and employees; and
- (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

企業管治常規

本公司一貫重視對股東之透明度及責任心。本公司董事會（「董事會」）深信，良好之企業管治能為股東帶來最大回報。

除本報告另有說明者外，本公司已於截至二零二零年十二月三十一日止年度及直至本年報日期遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治守則（「企業管治守則」）之所有守則條文。

董事會

董事會負責領導及管控本公司，並監督本集團之業務、戰略決策及表現。日常營運及行政工作指派予管理層。董事會亦負責履行下列企業管治職責：

- (a) 制定及檢討本公司之企業管治政策及常規；
- (b) 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- (d) 制定、檢討及監察董事及僱員適用之操守守則及合規手冊（如有）；及
- (e) 檢討本公司遵守企業管治守則之情況及載於企業管治報告之披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

The executive directors are responsible for running the Group and executing the strategies adopted by the Board. The non-executive directors (including independent non-executive directors) provide the Group with a wide range of expertise and experience. Their participation in Board meetings bring independent judgment on issues relating to the Group's strategy, performance, conflicts of interests and management process, to ensure that the interests of all shareholders are taken into account. The independent non-executive directors ensure that the Board accounts for the interests of all shareholders and that all issues are considered in an objective manner.

The Board believes that the balance between executive and non-executive directors is reasonable and adequate to provide checks and balances that safeguard the interests of shareholders and the Group. The Company considers that the Board has the necessary skills and experience appropriate for discharging their duties as directors in the best interests of the Company and that the current Board size, save for the required number of independent non-executive directors under Rule 3.10(1) of the Listing Rules, is adequate for its present operations.

At 31 December 2020, the Board comprised four executive directors, namely Mr. Li Jiehong (Chairman), Mr. Ke Xionghan, Mr. Zeng Jixiang and Mr. Yu Zicong; one non-executive director, namely Ms. Ho Wing Yan; and three independent non-executive directors, namely Mr. Chong Cha Hwa, Mr. Yang Yunguang and Mr. Liu Tao. Biographical details of the current directors are set out on pages 44 to 46 of this annual report.

During the year ended 31 December 2020, the Board at all time met the requirements of the Listing Rules relating to (i) at least one of the independent non-executive directors possessing appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10(2) and (ii) the independent non-executive directors representing at least one-third of the board of directors under Rule 3.10A.

執行董事負責本集團之運作及執行董事會採納之策略。非執行董事（包括獨立非執行董事）為本集團提供廣泛之專業知識及豐富經驗。彼等透過參與董事會會議，在本集團之策略、表現、利益衝突及管理流程等事宜上帶來獨立判斷，以確保所有股東之利益均獲得考慮。獨立非執行董事確保董事會考慮到所有股東之利益，並確保客觀考慮所有事宜。

董事會相信執行董事及非執行董事之間取得合理平衡，足以為保障股東及本集團之利益提供監察及制衡。本公司認為，董事會具備所需之適切技能及經驗，能夠以符合本公司最佳利益之方式履行彼等之董事職責，且現行董事會規模（惟上市規則第3.10(1)條所規定之獨立非執行董事人數除外）就現時營運而言誠屬恰當。

於二零二零年十二月三十一日，董事會包括四名執行董事：李傑鴻先生（主席）、柯雄瀚先生、曾吉祥先生及余子聰先生；一名非執行董事：何詠欣女士；以及三名獨立非執行董事：張家華先生、楊雲光先生及劉滔先生。現任董事之履歷詳情載於本年報第44至46頁。

截至二零二零年十二月三十一日止年度，董事會始終滿足上市規則有關(i)第3.10(2)條項下至少一名獨立非執行董事必須具備適當之專業資格，或具備適當之會計或相關之財務管理專長；及(ii)第3.10A條項下獨立非執行董事須佔董事會成員人數至少三分之一之規定。

During the period from 22 June 2020 to 3 September 2020, the Company failed to meet the following requirements as a result of the resignation of Mr. Ho Man Fai as an independent non-executive director on 22 June 2020:

- (a) at least three independent non-executive directors on the board of directors under Rule 3.10(1) of the Listing Rules;
- (b) the audit committee comprising a minimum of three members under Rule 3.21 of the Listing Rules;
- (c) the remuneration committee comprising a majority of independent non-executive directors under Rule 3.25 of the Listing Rules; and
- (d) the nomination committee comprising a majority of independent non-executive directors under code provision A.5.1 of the CG Code.

On 4 September 2020, the Company appointed Mr. Zeng Jixiang and Mr. Yu Zicong as executive directors and Mr. Liu Tao as independent non-executive director. Following these appointments, the Company fully complied with the requirements under Rules 3.10(1), 3.21 and 3.25 of the Listing Rules and code provision A.5.1 of the CG Code.

During the period from 22 January 2021 up to the date of this annual report, the Company failed to meet the following requirements as a result of the retirement of Mr. Liu Tao as an independent non-executive director on 22 January 2021:

- (a) at least three independent non-executive directors on the board of directors under Rule 3.10(1) of the Listing Rules;
- (b) the independent non-executive directors representing at least one-third of the board of directors under Rule 3.10A of the Listing Rules;

於二零二零年六月二十二日至二零二零年九月三日期間，本公司因何文輝先生於二零二零年六月二十二日辭任獨立非執行董事，而未能遵守下列規定：

- (a) 根據上市規則第3.10(1)條，董事會擁有至少三名獨立非執行董事；
- (b) 根據上市規則第3.21條，審核委員會由至少三名成員組成；
- (c) 根據上市規則第3.25條，薪酬委員會大部分成員須由獨立非執行董事組成；及
- (d) 根據企業管治守則之守則條文第A.5.1條，提名委員會大部分成員須由獨立非執行董事組成。

於二零二零年九月四日，本公司委任曾吉祥先生及余子聰先生為執行董事及委任劉滔先生為獨立非執行董事。繼該等委任後，本公司全面遵守上市規則第3.10(1)、3.21及3.25條及企業管治守則之守則條文第A.5.1條項下之規定。

自二零二一年一月二十二日起及直至本年報日期期間，本公司因劉滔先生於二零二一年一月二十二日退任獨立非執行董事，而未能遵守下列規定：

- (a) 根據上市規則第3.10(1)條，董事會擁有至少三名獨立非執行董事；
- (b) 根據上市規則第3.10A條，獨立非執行董事必須佔董事會成員人數至少三分之一；

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- (c) the audit committee comprising a minimum of three members under Rule 3.21 of the Listing Rules;
- (d) the remuneration committee comprising a majority of independent non-executive directors under Rule 3.25 of the Listing Rules; and
- (e) the nomination committee comprising a majority of independent non-executive directors under code provision A.5.1 of the CG Code.

The Company has been making its best efforts to identify suitable person(s) for the above-mentioned outstanding positions to ensure that the vacancies be filled in as soon as possible and in any event within three months from 22 January 2021 for the purpose of compliance with the Listing Rules mentioned above, including the code provision of the CG Code.

The Company has received annual confirmation of independence from each of the independent non-executive directors and considers them to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules.

The Board members have no financial, business, family or other material/relevant relationships with each other.

The Company has put in place appropriate insurance cover in respect of directors' liability.

- (c) 根據上市規則第3.21條，審核委員會由至少三名成員組成；
- (d) 根據上市規則第3.25條，薪酬委員會大部分成員須由獨立非執行董事組成；及
- (e) 根據企業管治守則之守則條文第A.5.1條，提名委員會大部分成員須由獨立非執行董事組成。

本公司一直盡其最大努力為上述空缺職位物色合適人士，確保盡快且無論如何須於二零二一年一月二十二日起計三個月內填補該等空缺，以符合上述上市規則之規定（包括企業管治守則之守則條文）。

本公司已收到各獨立非執行董事就獨立性出具之年度確認，並根據上市規則第3.13條所載獨立性指引認為彼等為獨立人士。

董事會成員之間並無財務、業務、家庭或其他重大／相關關係。

本公司已就董事責任購買適當保險。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 of the CG Code requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The Company did not officially have a position of chief executive officer since 24 June 2016. Mr. Li Jiehong, the Chairman of the Board, provides leadership to the Board to ensure that the Board works effectively and all the important issues are discussed and dealt with in a timely manner. The Board will continue to review the effectiveness of the Group's structure as business continues to grow and develop in order to assess whether any changes, including the appointment of a chief executive officer, are necessary.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The procedures of appointment, re-election and removal of directors are laid in the articles of association of the Company. The procedures for shareholders to propose a person for election as a director are available on the website of the Company.

In accordance with article 116 of the Company's articles of association, one-third of the directors, including the non-executive directors, shall retire from office by rotation at each annual general meeting. The non-executive directors and independent non-executive directors are appointed for a period of three years.

Article 99 of the Company's articles of association provides that directors appointed either to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting after their appointment, and shall be subject to re-election by the shareholders.

BOARD COMMITTEES

The Board has set up three committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee different aspects of the Company's affairs. The terms of reference of these committees are available on the websites of the Stock Exchange and the Company.

主席及行政總裁

企業管治守則之守則條文第A.2.1條規定，主席與行政總裁之角色應有區分，並不應由一人同時兼任。

本公司自二零一六年六月二十四日起並無正式設立行政總裁之職位，而董事會主席李傑鴻先生領導董事會，確保董事會有效運作及所有重要議題均獲適時討論及處理。董事會將隨著業務繼續增長及發展而持續檢討本集團架構之成效，以評估是否需要作出任何變動（包括委任行政總裁）。

董事之委任、重選及罷免

委任、重選及罷免董事之程序載於本公司之組織章程細則。股東推舉他人參選董事之程序可於本公司網站查閱。

根據本公司之組織章程細則第116條，每屆股東週年大會上三分之一董事（包括非執行董事）須輪席退任。非執行董事及獨立非執行董事的任期為三年。

本公司之組織章程細則第99條規定，所有為填補臨時空缺或增加董事會席位而獲委任之董事，任期將直至其獲委任後之下一個股東大會為止，並須經由股東重選。

董事委員會

董事會已設立三個委員會：審核委員會、薪酬委員會及提名委員會，以監督本公司不同方面之事務。該等委員會之職權範圍可於聯交所及本公司網站查閱。

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Audit Committee

The Company has established an Audit Committee since 2001. The Audit Committee is responsible for reviewing the Group's financial statements, overseeing the Group's financial reporting, risk management and internal control systems, and making recommendations to the Board. Meetings of the Audit Committee shall be held at least twice a year.

At 31 December 2020, the Audit Committee comprised three independent non-executive directors, namely Mr. Chong Cha Hwa, Mr. Yang Yunguang and Mr. Liu Tao. Mr. Chong Cha Hwa is the chairman of the committee.

For the year ended 31 December 2020, there were three meetings held by the Audit Committee to (i) review with external auditors the external audit findings, the accounting principles and practices adopted by the Group, and the Listing Rules and statutory compliance; (ii) discuss auditing and financial reporting matters, including review of the unaudited annual results and the audited financial statements for the year ended 31 December 2019, and the unaudited financial statements for the six months ended 30 June 2020 with recommendations to the Board for approval; (iii) review the independence of the auditors; (iv) review and make recommendations to the Board on the auditors' re-appointment and remuneration; and (v) review the Group's risk management and internal control systems.

Remuneration Committee

The Remuneration Committee was established on 15 September 2005. The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for the remuneration of all directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy. No individual director or any of his/her associates is involved in decisions relating to his/her own remuneration. The Remuneration Committee has adopted the model under code provision B.1.2(c)(ii) of the CG Code to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. Meetings of the Remuneration Committee shall be held at least once a year.

審核委員會

本公司自二零零一年起已設立審核委員會。審核委員會負責審閱本集團之財務報表、監督本集團之財務報告、風險管理及內部監控體系以及向董事會提供推薦建議。審核委員會須每年至少舉行兩次會議。

於二零二零年十二月三十一日，審核委員會成員包括三名獨立非執行董事，即張家華先生、楊雲光先生及劉滔先生。張家華先生為該委員會主席。

截至二零二零年十二月三十一日止年度，審核委員會曾舉行三次會議，以(i)與外聘核數師審閱外部審核結果、本集團所採納之會計原則及慣例以及遵守上市規則及法定合規之情況；(ii)討論審核及財務報告事宜（包括審閱截至二零一九年十二月三十一日止年度之未經審核年度業績及經審核財務報表及截至二零二零年六月三十日止六個月之未經審核財務報表）並提呈董事會審批；(iii)檢討核數師之獨立性；(iv)檢討及向董事會推薦核數師之續聘及酬金；及(v)檢討本集團之風險管理及內部監控體系。

薪酬委員會

薪酬委員會於二零零五年九月十五日成立。薪酬委員會負責就本公司全體董事及高級管理人員之薪酬政策及架構，以及就設立正規而具透明度之程序制定薪酬政策，向董事會提出推薦建議。並無個別董事或其任何聯繫人參與有關其本身薪酬之決定。薪酬委員會已經採納企業管治守則之守則條文第B.1.2(c)(ii)條所述方式就個別執行董事及高級管理人員之薪酬待遇向董事會提出推薦建議。薪酬委員會須每年至少舉行一次會議。

At 31 December 2020, the Remuneration Committee comprised one executive director, namely Mr. Li Jiehong; and two independent non-executive directors, namely Mr. Chong Cha Hwa and Mr. Liu Tao. Mr. Chong Cha Hwa is the chairman of the committee.

For the year ended 31 December 2020, there were two meetings held by the Remuneration Committee to (i) review and make recommendations to the Board on the remuneration of the directors and senior management; and (ii) review and make recommendations to the Board on the remuneration of the new directors.

Details of the remuneration paid to directors and members of senior management by band for the year ended 31 December 2020 are disclosed in notes 9 and 10 to the consolidated financial statements.

Nomination Committee

The Nomination Committee was established on 15 September 2005. The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, assessing the independence of independent non-executive directors, making recommendations to the Board on nominations, appointment of directors and Board succession with reference to the board diversity policy and the nomination policy of the Company.

Board Diversity Policy

The Company recognises the benefits of having a diverse Board to enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

於二零二零年十二月三十一日，薪酬委員會成員包括一名執行董事（即李傑鴻先生）以及兩名獨立非執行董事（即張家華先生及劉滔先生）。張家華先生為該委員會主席。

截至二零二零年十二月三十一日止年度，薪酬委員會曾舉行兩次會議，以(i)檢討及向董事會推薦董事及高級管理人員之薪酬；及(ii)審閱及向董事會推薦新任董事之薪酬。

截至二零二零年十二月三十一日止年度已付董事及高級管理層成員之薪酬按範圍劃分之詳情於綜合財務報表附註9及10披露。

提名委員會

提名委員會於二零零五年九月十五日成立。提名委員會負責參考本公司董事會成員多元化政策及提名政策，檢討董事會之架構、規模及成員組合，評估獨立非執行董事之獨立性，就董事之提名、委任以及董事會之繼任向董事會提供推薦建議。

董事會成員多元化政策

本公司肯定董事會成員多元化對於提升其表現質素之裨益。為達致可持續及均衡發展，本公司視提升董事會成員多元化水平為協助其達成戰略目標及可持續發展之關鍵元素。

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Selection Criteria: Selection of candidates will be based on the Company's Nomination Policy as well as the following factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect. The Board's composition will be disclosed in the Corporate Governance Report annually.

Review: The Nomination Committee will review the Board Diversity Policy from time to time. It will discuss any revisions to the Board Diversity Policy and make recommendation to the Board for approval.

Nomination Policy

The Nomination Policy sets out the key selection criteria and nomination procedures of the Nomination Committee in making recommendations to the Board on the appointment of directors and succession planning for directors.

Nomination Criteria: In assessing the suitability of the candidate to the Board regarding the appointment or re-appointment of any existing director(s), the Nomination Committee will consider the following factors: the candidate's character, integrity and competent to act as director, skills, knowledge, and experience in the commercial and professional fields which are relevant to the principal business of the Group, availability to devote time and attention to the Board, and with due regard to the Board Diversity Policy.

*甄選條件：*本公司將按照其提名政策以及若干因素（包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年資）甄選候選人。最終決定將建基於候選人之長處及將為董事會作出之貢獻，並會仔細考慮董事會成員多元化之裨益以及董事會之需要，而不會側重於某一多元化角度。每年之企業管治報告均會披露董事會之成員組合。

*檢討：*提名委員會將不時檢討董事會成員多元化政策，討論董事會成員多元化政策之任何修訂以及向董事會提出推薦建議以供批准。

提名政策

提名政策載列提名委員會就董事委任及繼任計劃向董事會提出推薦建議時之主要甄選條件及提名程序。

*提名條件：*於就委任或重新委任任何現任董事評估候選人是否適合董事會時，提名委員會將考慮以下因素：候選人之品格、誠信及擔任董事之能力、技能、知識、與本集團主要業務有關之商業及專業經驗以及能否為董事會投入時間及精力，並會仔細考慮董事會成員多元化政策。

Nomination Procedures and Requirements: The Nomination Committee shall convene a meeting to invite nominations of candidates from directors (if any) or it may also nominate candidates for its consideration. The Nomination Committee shall use adequate due diligence in making recommendation regarding the appointment or re-appointment of any existing director(s) for the Board's consideration and approval. The procedures for shareholders' nomination of any proposed candidate for election as a director should follow the "Procedures for Shareholders to Propose a Person for Election as a Director". The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting.

Review: The Nomination Committee will review the Nomination Policy from time to time. It will discuss any revisions to the Nomination Policy and make recommendation to the Board for approval.

The Nomination Committee considered that the Board has sufficient diverse expertise, particularly in corporate management, financial control, business development and human resources management, for the Company's business. Meetings of the Nomination Committee shall be held at least once a year.

At 31 December 2020, the Nomination Committee comprised the Chairman of the Board, Mr. Li Jiehong, and two independent non-executive directors, namely Mr. Chong Cha Hwa and Mr. Liu Tao. Mr. Li Jiehong is the chairman of the committee.

*提名程序及要求：*提名委員會應召開會議邀請董事提名候選人(如有)，亦可自行提名候選人以作考慮。提名委員會應審慎盡責地就委任或重新委任任何現任董事向董事會提出推薦建議以供考慮及批准。股東提名候選人膺選董事之程序應依循「股東提名候選董事的程序」。董事會就有關推薦候選人於股東大會上膺選董事之一切事宜享有最終決定權。

*檢討：*提名委員會將不時檢討提名政策，討論提名政策之任何修訂以及向董事會提供建議以供批准。

提名委員會認為，董事會在企業管理、財務控制、業務發展及人力資源管理等方面之多元化專長足以應付本公司業務。提名委員會須每年至少舉行一次會議。

於二零二零年十二月三十一日，提名委員會成員包括董事會主席李傑鴻先生，以及兩名獨立非執行董事(即張家華先生及劉滔先生)。李傑鴻先生為該委員會主席。

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For the year ended 31 December 2020, there were two meetings held by the Nomination Committee to (i) review the structure, size, composition and diversity of the Board; (ii) assess the independence of independent non-executive directors with reference to the requirements under the Listing Rules; (iii) nominate the retiring directors for re-election at the annual general meeting held on 30 June 2020; and (iv) nominate the proposed candidates for appointment to the Board.

The directors' attendance at the above committees' meetings held in 2020 is set out in the section below.

MEETINGS AND DIRECTORS' ATTENDANCE

The Board meets at least four times each year and more frequently as the needs of the business demand. For the year ended 31 December 2020, there were thirteen Board meetings held by the directors, four of which were regular Board meetings to (i) review and discuss the Group's development strategies, investment projects and the operational and financial performance of the Group, and (ii) approve the annual report for 2019 and the interim report for 2020. The other nine Board meetings were held to consider certain ad hoc and other corporate matters. Under code provision A.1.3 of the CG Code, notice of at least 14 days should be given of a regular board meeting to give all directors an opportunity to attend. During the Year, certain regular Board meetings were convened with less than 14 days' notice to enable the directors to react timely and make expeditious decisions in respect of transactions which were of significance to the Group's business. As a result, the aforesaid regular Board meetings were held with a shorter notice period than required with no objection by the directors. The Board will do its best endeavours to meet the requirement of code provision A.1.3 of the CG Code in future. In addition to Board meetings, the Chairman of the Board met with the independent non-executive directors without the presence of other directors.

截至二零二零年十二月三十一日止年度，提名委員會曾舉行兩次會議，以(i)檢討董事會之架構、規模、組成及多元性；(ii)參照上市規則之規定評估獨立非執行董事之獨立性；(iii)提名退任董事於二零二零年六月三十日舉行之股東週年大會上重選；及(iv)就董事會成員之任命提名建議候選人。

董事出席二零二零年所舉行之上述委員會會議之情況載於下文。

會議及董事出席情況

董事會每年至少舉行四次會議，並會因應業務需要增加會議次數。截至二零二零年十二月三十一日止年度，董事曾舉行十三次董事會會議，其中四次為董事會定期會議，以(i)檢討並討論本集團之發展策略、投資項目及本集團營運與財務業績；及(ii)批准二零一九年年報及二零二零年中期報告。其他九次董事會會議乃為考慮若干臨時及其他公司事宜而舉行。根據企業管治守則之守則條文第A.1.3條，召開董事會定期會議應發出至少14日之通知，以讓所有董事均有機會騰空出席。年內，若干次董事會定期會議以發出少於14日之通知而召開，以讓董事就對本集團業務而言屬重大之交易作出及時回應並迅速作出決策。因此，上述董事會定期會議乃在並無董事反對之情況下以較規定通知期為短之通知期舉行。董事會將竭盡全力於日後符合企業管治守則之守則條文第A.1.3條之規定。除董事會會議外，董事會主席已於並無其他董事與會下與獨立非執行董事會面。

The Company Secretary assists the Chairman in preparing the agenda for meetings and ensures that all applicable rules and regulations are followed. The Company Secretary also keeps minutes of each meeting with appropriate details, which are available to all directors. Draft minutes are circulated to all directors for comment and approval after the Board and committee meetings.

All directors have access to relevant and timely information, and they can ask for further information or retain independent professional advisers if necessary. They also have unrestricted access to the advice and service of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed.

Should a potential conflict of interest involving a substantial shareholder or director arise, the matter is discussed in an actual meeting, as opposed to being dealt with by written resolution. Independent non-executive directors with no conflict of interest are present at meetings dealing with conflict issues. Board committees, including the Audit, Remuneration and Nomination Committees, follow all the applicable practices and procedures used in Board meetings for committee meetings.

公司秘書協助主席編製會議議程，並確保遵守所有適用規則及規例。公司秘書亦就每次會議存置提供適當詳情之會議紀錄，可供全體董事查閱。於董事會及委員會會議結束後，會議紀錄初稿將供全體董事傳閱，以供表達意見及批准。

所有董事均掌握有關及適時資料，並可在有需要之情況下索取進一步資料或尋求獨立專業顧問之意見。所有董事亦可不受限制地取得公司秘書之意見及服務，以確保遵循董事會程序以及所有適用規則及規例。

若主要股東或董事涉及潛在利益衝突，有關事宜將於實際會議上討論，並非透過書面決議案處理。並無涉及利益衝突之獨立非執行董事將會出席會議，以處理衝突事宜。董事委員會（包括審核委員會、薪酬委員會及提名委員會）在委員會會議上均會依循董事會會議沿用之所有適用會議常規及程序。

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Details of directors' attendance at the Board meetings, Board committees meetings and annual general meeting held during the year ended 31 December 2020 are set out as follows:

董事出席於截至二零二零年十二月三十一日止年度舉行之董事會會議、董事委員會會議及股東週年大會之情況載列如下：

Name of directors	董事姓名	Attendance/Eligible to attend 出席次數／合資格出席次數				
		Board Meetings 董事會會議	Audit Committee Meetings 審核委員會會議	Remuneration Committee Meetings 薪酬委員會會議	Nomination Committee Meetings 提名委員會會議	Annual General Meeting 股東週年大會
<i>Executive Directors</i>	<i>執行董事</i>					
Mr. Li Jiehong (Chairman)	李傑鴻先生 (主席)	12/13	–	2/2	2/2	0/1
Mr. Ke Xionghan	柯雄瀚先生	13/13	–	–	–	0/1
Mr. Zeng Jixiang ^(a)	曾吉祥先生 ^(a)	0/2	–	–	–	0/0
Mr. Yu Zicong ^(b)	余子聰先生 ^(b)	0/2	–	–	–	0/0
Mr. Huang Wuguang ^(c)	黃吳光先生 ^(c)	0/0	–	–	–	0/0
<i>Non-executive Director</i>	<i>非執行董事</i>					
Ms. Ho Wing Yan	何詠欣女士	13/13	–	–	–	0/1
<i>Independent Non-executive Directors</i>	<i>獨立非執行董事</i>					
Mr. Chong Cha Hwa	張家華先生	13/13	3/3	2/2	2/2	0/1
Mr. Yang Yunguang	楊雲光先生	12/13	3/3	–	–	0/1
Mr. Liu Tao ^(d)	劉滔先生 ^(d)	2/2	0/0	0/0	0/0	0/0
Mr. Ho Man Fai ^(e)	何文輝先生 ^(e)	5/6	2/2	1/1	1/1	0/0

–: The director is not a committee member

–: 該董事並非委員會成員

Notes:

附註：

- (a) Mr. Zeng Jixiang was appointed as an executive director of the Company with effect from 4 September 2020.
- (b) Mr. Yu Zicong was appointed as an executive director of the Company with effect from 4 September 2020.
- (c) Mr. Huang Wuguang resigned as an executive director of the Company with effect from 2 January 2020.

- (a) 曾吉祥先生獲委任為本公司執行董事，自二零二零年九月四日起生效。
- (b) 余子聰先生獲委任為本公司執行董事，自二零二零年九月四日起生效。
- (c) 黃吳光先生辭任本公司執行董事，自二零二零年一月二日起生效。

(d) Mr. Liu Tao was appointed as an independent non-executive director of the Company and a member of each of the audit committee, remuneration committee and nomination committee of the Company with effect from 4 September 2020. Mr. Liu Tao retired as an independent non-executive director of the Company and ceased to be a member of each of the audit committee, remuneration committee and nomination committee of the Company at the conclusion of the extraordinary general meeting held on 22 January 2021.

(e) Mr. Ho Man Fai resigned as an independent non-executive director of the Company and a member of each of the audit committee, remuneration committee and nomination committee of the Company with effect from 22 June 2020.

Under code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. Mr. Li Jiehong, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 30 June 2020 in person due to government measures on travel restrictions caused by COVID-19 outbreak.

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

All newly appointed director have been provided with an induction on their appointment to the Board so as to ensure that each of them has appropriate understanding of the business and operations of the Company and that they are fully aware of their responsibilities and obligations under the Listing Rules and the relevant regulatory requirements.

(d) 劉滔先生獲委任為本公司獨立非執行董事、本公司審核委員會、薪酬委員會及提名委員會各自之成員，自二零二零年九月四日起生效。劉滔先生於二零二一年一月二十二日舉行之股東特別大會結束時退任本公司獨立非執行董事，及不再為本公司審核委員會、薪酬委員會及提名委員會各自之成員。

(e) 何文輝先生辭任本公司獨立非執行董事、本公司審核委員會、薪酬委員會及提名委員會各自之成員，自二零二零年六月二十二日起生效。

根據企業管治守則之守則條文第E.1.2條，董事會主席應出席股東週年大會。董事會主席李傑鴻先生因政府就COVID-19疫情爆發採取之限制出行措施，而未能親身出席本公司於二零二零年六月三十日舉行之股東週年大會。

董事之入職及持續專業發展

所有新任董事在接受董事會委任時均會獲得一份入職資料，以確保彼等各自對本公司業務及運作有適當理解，以及完全明瞭其於上市規則及相關監管規定下之責任及義務。

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Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has provided relevant materials published by professional bodies or regulators to the directors to keep them abreast of the latest development of legal, regulatory and corporate governance. The Company has also devised a training record in order to assist the directors to record the training they have undertaken and they are requested to provide a training record to the Company.

According to the records maintained by the Company, the training that the directors received for the year ended 31 December 2020 is summarized as follows:

本公司鼓勵董事參加持續專業發展，以發展及更新知識及技能。本公司已向董事提供專業機構或監管機構刊發之相關材料，以讓彼等了解有關法律、監管及企業管治的最新發展情況。本公司亦已設定培訓紀錄以協助董事記錄彼等所參與之培訓課程，並要求董事向本公司提供培訓紀錄。

根據本公司保存之紀錄，董事於截至二零二零年十二月三十一日止年度接受之培訓概述如下：

Name of directors	董事姓名	Attending seminars/ conferences/courses/ readings relevant to the business, corporate governance or directors' duties 參與有關業務、 企業管治或董事職責之 座談會／研討會／ 課程／閱覽有關材料
<i>Executive Directors</i>	執行董事	
Mr. Li Jiehong	李傑鴻先生	✓
Mr. Ke Xionghan	柯雄瀚先生	✓
Mr. Zeng Jixiang	曾吉祥先生	✓
Mr. Yu Zicong	余子聰先生	✓
Mr. Huang Wuguang ^(a)	黃吳光先生 ^(a)	
<i>Non-executive Director</i>	非執行董事	
Ms. Ho Wing Yan	何詠欣女士	✓
<i>Independent Non-executive Directors</i>	獨立非執行董事	
Mr. Chong Cha Hwa	張家華先生	✓
Mr. Yang Yunguang	楊雲光先生	✓
Mr. Liu Tao	劉滔先生	✓
Mr. Ho Man Fai ^(b)	何文輝先生 ^(b)	

Notes:

- (a) Mr. Huang Wuguang resigned as an executive director of the Company with effect from 2 January 2020.
- (b) Mr. Ho Man Fai resigned as an independent non-executive director of the Company with effect from 22 June 2020.

Under code provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills, and should provide a record of the training they received to the issuer. The Company did not receive the training record for the year ended 31 December 2020 from Mr. Huang Wuguang and Mr. Ho Man Fai, both of them were former directors of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code on ethics and securities transactions (the "Code"), which incorporates a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules. Specified employees who are likely to be in possession of unpublished inside information of the Company are also subject to the compliance with the Code. Having made specific enquiry of all existing directors, the Company confirms that the directors have complied with the required standard set out in the Code and the Model Code throughout the year ended 31 December 2020.

附註：

- (a) 黃吳光先生辭任本公司執行董事，自二零二零年一月二日起生效。
- (b) 何文輝先生辭任本公司獨立非執行董事，自二零二零年六月二十二日起生效。

根據企業管治守則之守則條文第A.6.5條，全體董事應參與持續專業發展，以發展及更新彼等之知識及技能，並應向發行人提供彼等接受培訓之紀錄。截至二零二零年十二月三十一日止年度，本集團並無收到黃吳光先生及何文輝先生的培訓紀錄，彼等均為本公司前董事。

董事之證券交易

本公司已採納一項道德及證券交易守則（「守則」），當中載列有關董事進行證券交易之行為守則，其條款並不遜於上市規則項下上市發行人董事進行證券交易的標準守則（「標準守則」）規定之標準。可能管有本公司未公開內幕資料之指定僱員亦須遵守守則。經向所有現任董事作出特定查詢後，本公司確認董事於截至二零二零年十二月三十一日止年度內一直遵守守則及標準守則規定之標準。

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DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR ACCOUNTS

The Board is responsible for presenting a clear, balanced assessment of the Group's performance and prospects. The directors also acknowledge their responsibility to prepare the financial statements that give a true and fair view of the state of affairs of the Group. The Group had default payments included: (i) default secured bond of approximately HK\$109,000,000 to secured bondholder with interest of approximately HK\$21,800,000 (the "Default Secured Bond"); (ii) default unsecured bonds HK\$82,300,000 to the unsecured bondholders with interest of approximately HK\$6,050,000 (The "Default Unsecured Bond"). In addition, the Group had outstanding bank and other borrowings and convertible bonds of approximately HK\$169,533,000 and HK\$108,222,000 respectively which were due for repayment or renewal in the next twelve months after 31 December 2020. These events or conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Save for disclosed above, for the purpose of the Company's financial year ended 31 December 2020, the Board was not aware of any other events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern.

In the light of the following various measures or arrangements to improve the working capital and liquidity and cash flow position of the Group together with the expected results of the other measures, including:

- (a) Management has been endeavoring to improve the Group's operating results and cash flows through various cost control measures and will focus on the existing business;
- (b) The Group is negotiating with secured bondholder to extend the Default Secured Bond and with unsecured bondholders to extend the Default Unsecured Bond. In the opinion of the directors, the Default Secured Bond and Default Unsecured Bond will not be recalled until agreeing the new terms by the Group and the secured bondholders and unsecured bondholders. Up to the date of this annual report, approximately HK\$35,700,000 of the Default Unsecured Bond has been successfully extended;
- (c) The Group may consider to dispose non-financial assets or properties for sale if required;

董事及核數師就賬目須承擔之責任

董事會負責就本集團之表現及前景提呈一個清晰及持平之評估。董事會亦確認彼等有責任編製能夠真實及公平地反映本集團事務狀況的財務報表。本集團的違約款項包括：(i)已抵押債券持有人之違約已抵押債券約109,000,000港元及利息約為21,800,000港元（「違約已抵押債券」）；(ii)無抵押債券持有人之違約無抵押債券82,300,000港元及利息約為6,050,000港元（「違約無抵押債券」）。此外，本集團尚未償還之銀行及其他借貸以及可換股債券分別為約169,533,000港元及108,222,000港元，其於二零二零年十二月三十一日後未來十二個月到期償還或續期。該等事件或狀況以及綜合財務報表附註2載列的其他事項，指出存在重大不明朗因素，其或對本集團繼續持續經營之能力構成重大疑問。除上文所披露者外，就本公司截至二零二零年十二月三十一日止年度之財政年度而言，董事會並不知悉或會對本集團繼續持續經營之能力構成重大疑問之任何其他事件或狀況。

鑒於為提升本集團營運資金、流動資金及現金流量狀況而採取之以下各項措施或安排，連同其他措施之預期結果，包括：

- (a) 管理層已致力於透過各項成本控制措施提升本集團的經營業績及現金流量，且將專注於現有業務；
- (b) 本集團正與已抵押債券持有人及無抵押債券持有人協商分別將違約已抵押債券及違約無抵押債券延期。董事認為，本集團與已抵押債券持有人及無抵押債券持有人協定新期限之前，將不會召回違約已抵押債券及違約無抵押債券。直至本年報日期，約35,700,000港元違約無抵押債券已獲順利延期；
- (c) 本集團可能會考慮出售非金融資產或待售物業，如需要；

- (d) A substantial shareholder of the Company has agreed to continuously provide financial support for the continuing operations of the Company so as to enable it to meet its liabilities when they fall due and carry on its business without a significant curtailment of operations in the twelve months from the date of approval of consolidated financial statement; and
- (e) Up to the date of this annual report, the Group had credit facilities of a total amount of HK\$150,000,000 granted by finance companies which are independent third parties,

the directors are of the view that the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to remain a commercially viable concern. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The responsibilities of the auditors with respect to these financial statements are set out in the Independent Auditors' Report on pages 60 to 73 of this annual report.

AUDITORS' REMUNERATION

During the Year, the fees paid/payable to the external auditors of the Company, HLB Hodgson Impey Cheng Limited, in respect of their audit services provided to the Group was HK\$1,250,000.

RISK MANAGEMENT AND INTERNAL CONTROL

Goals and Objectives

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness on an ongoing basis. Such risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has delegated its responsibilities of risk management and internal control to the Audit Committee. The Audit Committee oversees management in the design, implementation and monitoring of the risk management and internal control systems, and the management has to ensure the effectiveness of these systems.

- (d) 本公司一名主要股東已同意持續為本集團之持續營運提供財務支援，從而令其可償還其到期負債及開展其業務，而無需自批准綜合財務報表之日起計十二個月內大幅縮減業務；及

- (e) 直至本年報日期，本集團擁有金融公司（屬獨立第三方）授出之總額為150,000,000港元之信貸融資；

董事認為，本集團將擁有充足營運資金滿足其當前之要求，且合理預期本集團可繼續以符合商業利益之基準經營。因此，董事信納按持續經營基準編製綜合財務報表乃屬適當。

核數師就該等財務報表須承擔之責任載於本年報第60至73頁之獨立核數師報告內。

核數師酬金

年內，就本公司外聘核數師國衛會計師事務所有限公司向本集團提供之審核服務而已付／應付彼等之費用為1,250,000港元。

風險管理及內部監控

目標及目的

董事會確認其負責風險管理及內部監控體系並持續檢討其成效。該等風險管理及內部監控體系旨在管理而非消除不能達成業務目標之風險，並僅可合理而非絕對保證可防範重大錯誤陳述或虧損。董事會已將其風險管理及內部監控責任轉授予審核委員會。審核委員會監督管理層對風險管理及內部監控體系之設計、實施及監察，而管理層須確保該等體系之成效。

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Main Features of the Risk Management and Internal Control Systems

The Group's risk governance structure and the main responsibilities of each level of the structure are summarized below:

The Board is responsible to determine the business strategies and objectives of the Group, and evaluates and determines the nature and extent of risks it is willing to take in achieving the Group's strategic objectives; ensures that the Group establishes and maintains appropriate and effective risk management and internal control systems; and oversees management in the design, implementation and monitoring of the risk management and internal control systems.

Audit Committee is responsible for assisting the Board to perform its responsibilities of risk management and internal control systems; overseeing the Group's risk management and internal control systems on an ongoing basis; reviewing the effectiveness of the Group's risk management and internal control systems at least annually, and such review should cover all material controls including financial, operational and compliance control; ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget for the Group's accounting, internal audit and financial reporting functions; and considering major findings on risk management and internal control matters, and reports and makes recommendations to the Board.

The senior management designs, implements and maintains appropriate and effective risk management and internal control systems; identifies, evaluates and manages the risk that may potentially impact the major processes of the operations; monitors risk and take measures to mitigate risk in the day-to-day operations; gives prompt responses to and follow up the findings on risk management and internal control matters raised by the internal auditor or external risk management and internal control adviser; and provides confirmation to the Board and Audit Committee on the effectiveness of the risk management and internal control systems.

風險管理及內部監控體系之主要特點

本集團之風險管治架構以及架構內各層級之主要責任概述如下：

董事會負責釐定本集團之業務策略及目標，並評估及確定其願意為實現集團策略目標而承受之風險性質及程度；確保本集團設立及維持適當有效之風險管理及內部監控體系；以及監督管理層對風險管理及內部監控體系之設計、實施及監察。

審核委員會負責協助董事會履行風險管理及內部監控體系之責任；持續監督本集團之風險管理及內部監控體系；每年至少一次檢討本集團風險管理及內部監控體系之成效，而有關檢討應涵蓋全部重大監控，包括財務、營運及合規監控；確保本集團會計、內部審核及財務報告職能具備充足之資源、員工資格及經驗、培訓計劃以及預算；以及考慮風險管理及內部監控事宜之主要調查結果，並向董事會報告及提出推薦建議。

高級管理層設計、實施及維護適當有效之風險管理及內部監控體系；識別、評估及管理可能影響業務主要流程之風險；於日常營運中監控風險及採取措施以減輕風險；及時回應並跟進內部核數師或外聘風險管理及內部監控顧問提出之風險管理及內部監控事宜調查結果；以及向董事會及審核委員會確認風險管理及內部監控體系之成效。

Internal auditor is responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems; and reports to the Audit Committee on the findings of the review and makes recommendations to the Board and management to improve the material systems deficiencies or control weaknesses identified.

The Board has conducted a review of the effectiveness of the risk management and internal control systems for the year ended 31 December 2020 and considers them effective and adequate.

Risk Management Process

In addition to the Board's responsibilities, the Company has developed a risk management process to identify, evaluate and manage significant risks and to resolve material internal control defects. Senior management is responsible for the annual risk reporting process. Internal auditor will meet with various members of the senior management to review and assess risks and discuss solutions to address material internal control defects, including any changes relevant to a given year. Risks are compiled, ratings are assigned and mitigation plans are documented. The risk assessment is reviewed by certain members of senior management and presented to the Audit Committee and the Board for their review.

Risks are evaluated by the Board and senior management based on (i) the severity of the impact of the risk on the Company's financial results; (ii) the probability that the risk will occur; and (iii) the velocity or speed at which a risk could occur.

Based on the risk evaluation, the Company will manage the risks as follows:

- Risk elimination – senior management may identify and implement certain changes or controls that in effect eliminate the risk entirely.
- Risk mitigation – senior management may implement a risk mitigation plan designed to reduce the likelihood, velocity or the severity of the risk to an acceptable level.

內部核數師負責檢討本集團風險管理及內部監控體系是否充足有效；以及向審核委員會報告檢討調查結果，並向董事會及管理層提出推薦建議，以改善重大體系缺陷或已識別監控弱點。

董事會已檢討風險管理及內部監控體系於截至二零二零年十二月三十一日止年度之成效，並認為其屬有效及充足。

風險管理流程

除董事會之責任外，本公司已制定風險管理流程，以識別、評估及管理重大風險，並解決重大內部監控缺陷。高級管理層負責年度風險呈報流程。內部核數師將與高級管理層若干成員會面，檢討及評估風險，並討論處理重大內部監控缺陷之解決方案，包括有關年度適用之任何變動。風險會被匯總、評級並記錄緩解計劃。風險評估乃由高級管理層若干成員審閱，並提呈審核委員會及董事會審閱。

董事會及高級管理層根據(i)本公司財務業績受風險影響的嚴重程度；(ii)風險發生之概率；及(iii)風險可能發生之速率或速度評估風險。

本公司將根據風險評估結果按以下方式管理風險：

- 排除風險－高級管理層可識別並實施若干變動或控制，藉此完全排除風險。
- 減低風險－高級管理層可實施風險緩解計劃，將風險可能性、速率或嚴重性降至可接受水平。

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- Risk retention – senior management may decide that the risk rating is low enough that the risk is acceptable for the Company and that no action is required. The risk would continue to be monitored as part of the risk management program to ensure the level of risk does not increase to an unacceptable level.

Internal Audit Function

The Group's internal audit function is performed by the internal auditor who reports directly to the Audit Committee. Internal auditor plays an important part in the assessment of the effectiveness of the risk management and internal control systems of the Group and reports directly to the Audit Committee on a regular basis.

The internal auditor conducts internal reviews on material controls and compliance with policies and procedures of the Group at both operational and corporate levels. Plans and tools for corrective actions and control improvement are identified and communicated with operations management to address an issue, non-compliance or deficiencies identified. The internal auditor monitors the implementation of his recommendations by operations management and reports the outcomes to the Audit Committee.

The Group is fully aware of its obligation of handling and dissemination of inside information under the Listing Rules and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Group has a set of procedures and controls in place to preserve the confidentiality of inside information relating to the Group. All Board members and senior management, who are likely to possess the Group's inside information because of their offices or employments in the Group, are required to follow the guidelines of the code of conduct and the staff handbook to keep unpublished inside information strictly confidential.

COMPANY SECRETARY

The Company Secretary of the Company is Mr. Chan Kwong Leung, Eric, who is engaged and appointed by the Company from an external secretarial services provider and his primary corporate contact person at the Company is Mr. Li Kwok Pong, the Financial Controller of the Company. For the year ended 31 December 2020, Mr. Chan Kwong Leung, Eric has complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

- 維持風險—高級管理層可決定風險評級之低屬於本公司可接受之水平，而無需採取任何行動。有關風險將繼續於風險管理計劃中受到監察，以確保風險水平不會上升至不可接受水平。

內部審核職能

本集團之內部審核職能由內部核數師執行，而內部核數師直接向審核委員會匯報。內部核數師於評估本集團風險管理及內部監控體系之成效方面發揮重要作用，並定期直接向審核委員會匯報。

內部核數師對本集團於營運及企業層面之重大監控及政策與程序合規情況進行內部檢討。內部核數師與營運管理人員識別及溝通糾正行動及監控改善計劃及措施，以處理所識別之問題、不合規情況或缺陷。內部核數師監察營運管理人員執行其推薦建議之情況，並向審核委員會匯報相關結果。

本集團充分知悉其根據上市規則及香港法例第571章證券及期貨條例處理及發佈內幕消息的責任。本集團設有一套程序及監控措施以確保本集團內幕消息的機密性。因彼等於本集團的職位或僱傭關係而可能知悉本集團內幕消息的全體董事會成員及高級管理層均須遵守操守守則及員工手冊之指引，嚴格保密未公佈的內幕消息。

公司秘書

本公司之公司秘書乃陳鄭良先生，彼由本公司從外部秘書服務供應商委聘及委任，及其於本公司的主要公司聯絡人為本公司的財務總監李國邦先生。截至二零二零年十二月三十一日止年度，陳鄭良先生已遵守上市規則第3.29條項下有關專業培訓之規定。

DIVIDEND POLICY

Under code provision E.1.5 of the CG Code, the issuer should have a policy on payment of dividends and should disclose it in the annual report. As the Company is still in its development phase and the performance will continue to be impacted by the relevant industry and economic outlook in the foreseeable future, the Board is of the opinion that it is not appropriate to adopt a dividend policy at this stage. The Board will review the Company's status periodically and consider to adopt a dividend policy if and when appropriate.

SHAREHOLDERS' RIGHTS

Procedures for convening an extraordinary general meeting and putting forward proposals

Pursuant to article 72 of the Company's articles of association, any two or more shareholders or any one shareholder which is a recognised clearing house (or its nominee) holding, as at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company can deposit a written request at the head office and principal place of business of the Company in Hong Kong at Room 225, 2/F, Mega Cube, 8 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong, or the registered office of the Company at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands for the attention of the Board or Company Secretary to convene an extraordinary general meeting ("EGM").

股息政策

企業管治守則之守則條文第E.1.5條規定，發行人應訂有派付股息之政策並於年報內披露。由於本公司仍處於發展階段，業績將繼續受相關行業及經濟之可見未來前景影響，故董事會認為現階段不宜採納股息政策。董事會將定期檢討本公司之情況，並於適當時候考慮採納股息政策。

股東之權利

召開股東特別大會及提出建議之程序

根據本公司組織章程細則第72條，任何兩名或以上股東或任何一名為認可結算所（或其代名人）之股東於提呈有關要求當日持有本公司附帶權利可於本公司股東大會表決之繳足股本不少於十分之一，可呈交書面要求至本公司之總辦事處及香港主要營業地點（地址為香港九龍九龍灣宏光道8號創豪坊2樓225室）或本公司之註冊辦事處（地址為P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands），要求召開股東特別大會（「股東特別大會」），註明收件人為董事會或公司秘書。

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The Company will verify the request with the Company's branch share registrar and transfer office in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to convene an EGM by serving sufficient notice to all the registered shareholders in accordance with the requirements set out in the Listing Rules and the Company's articles of association. In the event that the request has been verified as not in order, the shareholders concerned will be advised of this outcome and accordingly, an EGM will not be convened as requested.

If within 21 days from the date of deposit of the requisition, the Board does not proceed duly to convene an EGM, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the EGM in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Procedures for sending enquiries to the Board

Shareholders may at any time send their enquiries to the Board in writing for the attention of the Board or Company Secretary via the followings:

Address : Room 225, 2/F, Mega Cube,
8 Wang Kwong Road, Kowloon Bay,
Kowloon, Hong Kong
Fax : (852) 2880 5398

CONSTITUTIONAL DOCUMENTS

There was no significant change in the Company's constitutional documents for the year ended 31 December 2020.

本公司將向本公司之香港股份過戶登記分處核實有關要求，在確定有關要求為合理及適當後，即會要求董事會召開股東特別大會，並根據上市規則及本公司組織章程細則所載規定向所有註冊股東發出充分通知。倘若有關要求被核實不當，有關股東將獲知會有關結果，而本公司不會應有關要求召開股東特別大會。

如董事會在要求呈交日期起計21日內，未有妥為安排召開股東特別大會，則該名或該等呈交要求人士或彼等當中佔全體呈交要求人士總表決權過半數之任何人士，可自行按董事會召開會議相同（盡可能接近）之方式召開股東特別大會，惟如此召開之會議不得在要求呈交日期起計三個月屆滿後舉行，且呈交要求人士因董事會未有召開會議而招致之任何合理費用，須由本公司償還呈交要求人士。

向董事會提出查詢之程序

股東可隨時通過下列方式以書面向董事會提出查詢，註明收件人為董事會或公司秘書：

地址 : 香港九龍
九龍灣宏光道8號
創豪坊2樓225室
傳真 : (852) 2880 5398

憲章文件

本公司之憲章文件於截至二零二零年十二月三十一日止年度並無重大改動。

COMMUNICATION WITH SHAREHOLDERS

The Company follows a policy of disclosing relevant information to shareholders in a timely manner. The Company also recognises that people other than shareholders, such as potential investors and the investment community generally may have an interest in information about the Company.

Annual and interim reports offer comprehensive operational and financial performance information to shareholders and the annual general meeting provides a forum for shareholders to exchange views directly with the Board. All the shareholders of the Company are given a minimum of 20 clear business days' notice of the date and venue of the annual general meeting of the Company. The Company complies with the requirements concerning voting by poll under the Listing Rules. Details of the poll voting procedures and the rights of shareholders to demand a poll are explained by the chairman of general meeting at the meeting. All resolutions proposed at general meeting are voted separately.

All the annual and interim reports, circulars, announcements and notices of general meetings, as well as the terms of reference of Board committees can be downloaded from the websites of the Stock Exchange and the Company.

The shareholder communication policy is reviewed regularly by the Company's management to reflect current regulatory, community and investor requirements. In particular, the policy will be updated in response to the changes in internal structure, legislative, regulatory and market developments.

與股東之溝通

本公司遵循及時向股東披露相關資料之政策。本公司亦認同股東以外之人士（例如有意投資者及投資團體）可能會對本公司資料有興趣。

年報及中期報告向股東提供全面之營運及財務業績資料，而股東週年大會為股東提供與董事會直接交流意見之平台。本公司會向其全體股東發出最少20個完整營業日之通知，提供本公司股東週年大會之舉行日期及地點。本公司遵守上市規則有關以投票方式表決之規定。投票表決程序以及股東要求投票表決之權利的詳情由股東大會主席於會上解釋。所有於股東大會上提呈之決議案均會獨立表決。

所有年報及中期報告、通函、公佈及股東大會通告以及董事委員會職權範圍均可於聯交所及本公司網站下載。

本公司管理層定期檢討股東溝通政策，以反映現時監管、社會及投資者之要求。具體而言，本公司因應內部架構、立法、監管及市場發展之轉變更新政策。

DIRECTORS' BIOGRAPHIES

董事履歷

The directors of the Company as at the date of this annual report are as follows:

Mr. Li Jiehong, aged 47, was appointed as the Chairman of the Board and an executive director of the Company in December 2018. He is the joint chairman of the board of directors of Phoenix (Dongguan) Animals Nutrition Limited* (菲尼氏(東莞)動物營養有限公司) and was the founding shareholder of that company when it was established in 2014. Mr. Li graduated from the Department of Administrative Management of China Central Radio and Television University. He is a Certified International Senior Business Manager and has accumulated extensive experience in various financial sectors for over 20 years, including banking, securities and investment.

Mr. KE Xionghan, aged 56, was appointed as an executive director of the Company in June 2016. He is also a director of certain subsidiaries of the Company. Mr. Ke graduated from the Department of Law of Huazhong University of Science and Technology. He is the president of Shenzhen Tiantianwang Taige Technology Co. Ltd.* (深圳天天旺泰格科技有限公司), a company mainly engaged in the import and export business of electronic products and mineral products. Mr. Ke was the general manager of Indonesia Huaming Yang International Trading Company* (印尼華明陽國際貿易公司) and worked in the Bank of China, Zhanjiang Branch for over 20 years, during which period, he served as the section chief of Retail Business Department, Company Business Department and Credit Management Department as well as the president of the sub-branch.

Mr. ZENG Jixiang, aged 21, was appointed as an executive director of the Company in September 2020. He studied from Center of International Studies Hunan University* (湖南大學出國留學培訓基地) majoring in business administration. Mr. Zeng is the son of Mr. Zeng Fanxiong, who was a former executive director of the Company from 1 September 2017 to 29 January 2019.

於本年報日期，本公司之董事如下：

李傑鴻先生，47歲，於二零一八年十二月獲委任為本公司董事會主席及執行董事。彼為菲尼氏(東莞)動物營養有限公司董事局聯席主席，並為該公司於二零一四年成立時之創立股東。李先生畢業於中央廣播電視大學行政管理系，彼是國際註冊高級經營管理師，從事銀行、證券及投資等金融行業20餘年，累積豐富經驗。

柯雄瀚先生，56歲，於二零一六年六月獲委任為本公司執行董事。彼亦為本公司若干附屬公司之董事。柯先生畢業於華中科技大學法學專業本科。彼為深圳天天旺泰格科技有限公司董事長，該公司主營電子產品及礦產品之進出口業務。柯先生曾任印尼華明陽國際貿易公司總經理及曾於中國銀行湛江分行工作逾20年，期間曾出任零售業務部科長、公司業務部科長、信貸管理部科長及支行行長等職務。

曾吉祥先生，21歲，於二零二零年九月獲委任為本公司執行董事。彼就讀湖南大學出國留學培訓基地，主修工商管理。曾先生為本公司前執行董事曾凡雄先生之兒子，其任期為二零一七年九月一日至二零一九年一月二十九日。

* For identification purposes only

* 僅供識別

Mr. YU Zicong, aged 20, was appointed as an executive director of the Company in September 2020. He graduated from Yueyang Vocational Technical College* (岳陽職業技術學院) majoring in computer science. Mr. Yu is currently working in Yueyang Huanian Construction Materials Company Limited* (岳陽華年建材有限公司).

Ms. HO Wing Yan, aged 39, was appointed as a non-executive director of the Company in April 2015. She holds a Bachelor Degree of Business Administration in Applied Economics from Hong Kong Baptist University and a Master Degree of Corporate Governance from The Open University of Hong Kong. Ms. Ho is an Associate Member of both The Hong Kong Institute of Chartered Secretaries ("HKICS") and The Chartered Governance Institute. She is also a holder of the Practitioner's Endorsement issued by HKICS. Ms. Ho is a director of BMI Listed Corporate Services Limited and is responsible for managing the business operations of the company secretarial and administrative services for the reputable listed groups in various industries. She has extensive experience in a diversified range of professional corporate services for Hong Kong and offshore companies from various business sectors. Ms. Ho particularly specializes in corporate governance advisory, corporate restructuring, corporate financing and directors' professional development with emphasis on listed companies and she continues to advise on these matters on a consultancy basis. Ms. Ho actively participates in the formulation and execution of strategy at the companies. She has been providing practical professional services to companies listed on the Main Board and the GEM of the Stock Exchange for over 10 years.

余子聰先生，20歲，於二零二零年九月獲委任為本公司執行董事。彼畢業於岳陽職業技術學院計算機專業。余先生現於岳陽華年建材有限公司任職。

何詠欣女士，39歲，於二零一五年四月獲委任為本公司非執行董事。彼持有香港浸會大學工商管理（應用經濟學）學士學位及香港公開大學企業管治碩士學位。何女士為香港特許秘書公會及特許公司治理公會會員。彼亦持有香港特許秘書公會頒發之執業者認可證明。何女士為邦盟滙駿上市秘書顧問有限公司之董事，負責管理為多個行業之知名上市集團提供公司秘書及行政服務之業務營運。彼於多個行業之香港及離岸公司之多元化專業企業服務方面具有豐富經驗。何女士特別專門從事企業管治顧問、企業重組、企業融資及董事專業發展，並著重於上市公司，且彼繼續按顧問基準就該等事宜提供意見。何女士積極參與制定及執行公司策略。彼一直為於聯交所主板及GEM上市之公司提供實用專業服務超過10年。

* For identification purposes only

* 僅供識別

DIRECTORS' BIOGRAPHIES

董事履歷

Mr. CHONG Cha Hwa, aged 54, was appointed as an independent non-executive director of the Company in December 2018. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. Mr. Chong holds a bachelor degree of management with honours from the University of Science, Malaysia. He has more than 20 years of experience in the accounting and finance area servicing private and publicly listed companies in Hong Kong and the Southern Asia region. Mr. Chong is currently an independent non-executive director of Sino Energy International Holdings Group Limited, the shares of which are listed on the main board of the Stock Exchange. From October 2020 to April 2021, he was an executive director of Aurum Pacific (China) Group Limited, the shares of which are listed on GEM of the Stock Exchange.

Mr. YANG Yunguang, aged 57, was appointed as an independent non-executive director of the Company in July 2018. He holds a Master's Degree in National Economics from Northwest University. Mr. Yang has served as senior management positions of insurance companies in the PRC since 1989. He has 30 years of experience in the financial industry and corporate management.

張家華先生，54歲，於二零一八年十二月獲委任為本公司獨立非執行董事。彼為英國特許公認會計師公會資深會員及馬來西亞會計師公會會員。張先生持有馬來西亞理科學大學管理學士榮譽學位。彼於香港及東南亞地區之私人及上市公司任職時在會計及金融領域積逾20年經驗。張先生現時擔任中能國際控股集團有限公司（該公司股份於聯交所主板上市）之獨立非執行董事。自二零二零年十月至二零二一年四月，彼擔任奧栢中國集團有限公司（該公司股份於聯交所GEM上市）之執行董事。

楊雲光先生，57歲，於二零一八年七月獲委任為本公司獨立非執行董事。彼持有西北大學國民經濟學碩士研究生學歷。楊先生於一九八九年至今曾出任國內多間保險公司高管職位，彼於金融行業及企業管理擁有30年經驗。

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 45 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the Year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2020 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 74 to 227.

The directors do not recommend the payment of any dividend in respect of the Year.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate, is set out on page 228. This summary does not form part of the audited financial statements.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2020 is provided in the section headed "Management Discussion and Analysis" on pages 5 to 20 of this annual report.

An analysis of the Group's performance during the Year using financial key performance indicators is provided in the Financial Highlights on page 4 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the Year are set out in note 35 to the consolidated financial statements.

董事謹此提呈報告，連同本公司及本集團截至二零二零年十二月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。附屬公司之主要業務詳情載於綜合財務報表附註45。本集團之主要業務性質於年內並無重大變動。

業績及股息

本集團截至二零二零年十二月三十一日止年度之溢利以及本公司及本集團於該日之事務狀況載於財務報表第74至227頁。

董事不建議派付任何年內股息。

財務資料概要

本集團過去五個財政年度之已刊發業績以及資產、負債及非控股權益概要載於第228頁。有關資料摘錄自經審核財務報表，並予以適當重列／重新分類。該概要並非經審核財務報表之組成部分。

業務回顧

本集團截至二零二零年十二月三十一日止年度之業務回顧載於本年報第5至20頁之「管理層討論及分析」一節。

使用財務關鍵績效指標對本集團年內表現作出之分析載於本年報第4頁之財務摘要。

物業、廠房及設備

本集團年內之物業、廠房及設備變動詳情載於綜合財務報表附註14。

股本

本公司年內之股本變動詳情載於綜合財務報表附註35。

REPORT OF THE DIRECTORS

董事會報告

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2020.

RESERVES

Details of movements in the reserves of the Company and the Group during the Year are set out in note 46 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 December 2020, the Company's reserves available for distribution amounted to approximately HK\$392.49 million, representing the share premium account of the Company of approximately HK\$1,669.30 million less the accumulated losses as at 31 December 2020 of approximately HK\$1,276.81 million. Under the Companies Law, Cap. 22 (as amended) of the Cayman Islands, the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2020, sales attributable to the largest customer of the Group amounted to approximately 24.47% of the total sales and the five largest customers of the Group accounted for 41.34% of the Group's total sales.

優先購買權

本公司之組織章程細則及開曼群島法例並無訂有任何有關優先購買權之規定，要求本公司須按比例向現有股東提呈發售新股。

購買、贖回或出售本公司上市證券

截至二零二零年十二月三十一日止年度內，本公司或其附屬公司概無購買、出售或贖回本公司任何上市證券。

儲備

本公司及本集團年內之儲備變動詳情分別載於綜合財務報表附註46及綜合權益變動表。

可供分派儲備

於二零二零年十二月三十一日，本公司可供分派之儲備約為392.49百萬港元，相當於本公司之股份溢價賬約1,669.30百萬港元扣除二零二零年十二月三十一日之累計虧損約1,276.81百萬港元。根據開曼群島第22章公司法（經修訂），本公司之股份溢價賬可供分派予本公司股東，惟於緊隨建議分派股息之日後，本公司須有資金償付在其日常業務過程中到期付之債務。股份溢價賬亦可以繳足股款紅股之方式派發。

主要客戶及供應商

截至二零二零年十二月三十一日止年度，本集團最大客戶應佔銷售額佔總銷售額約24.47%，而本集團五大客戶應佔銷售額則佔本集團總銷售額41.34%。

For the year ended 31 December 2020, purchases attributable to the largest supplier of the Group amounted to approximately 31.01% of the total purchases and the five largest suppliers of the Group accounted for 58.47% of the Group's total purchases.

黑龍江北大荒農墾集團總公司 (Heilongjiang Beidahuang Agribusiness Group Corporation*) and 黑龍江農墾北大荒商貿集團有限責任公司 (Heilongjiang Nongken Beidahuang Business Trade Liability Group Co., Ltd*) were deemed substantial shareholders of the Company through their corporate interests in Beidahuang (HK) International Trade Co., Limited for the Year and up to the date of this annual report, and held about 49.11% equity interest in 通遼北大荒糧貿有限公司 (Tongliao Beidahuang Cereals Trading Co., Ltd.*), which was one of the Group's five largest suppliers during the Year. Saved as disclosed above, none of the directors of the Company or any of their close associates or any shareholders (which to the knowledge of the directors own more than 5% of the total number of issued shares of the Company) had any interest in the Group's five largest customers and suppliers.

DIRECTORS

The directors of the Company during the Year and up to the date of this report were:

Executive Directors

Mr. LI Jiehong (Chairman)	
Mr. KE Xionghan	
Mr. ZENG Jixiang	(appointed on 4 September 2020)
Mr. YU Zicong	(appointed on 4 September 2020)
Mr. HUANG Wuguang	(resigned on 2 January 2020)

Non-executive Director

Ms. HO Wing Yan

Independent Non-executive Directors

Mr. CHONG Cha Hwa	
Mr. YANG Yunguang	
Mr. LIU Tao	(appointed on 4 September 2020 and retired on 22 January 2021)
Mr. HO Man Fai	(resigned on 22 June 2020)

* For identification purpose only

截至二零二零年十二月三十一日止年度，本集團最大供應商應佔採購額佔總採購額約31.01%，而本集團五大供應商應佔採購額則佔本集團總採購額58.47%。

年內及直至本年報日期，黑龍江北大荒農墾集團總公司及黑龍江農墾北大荒商貿集團有限責任公司透過彼等於北大荒(香港)國際貿易有限公司之公司權益被視作本公司之主要股東，且持有本集團年內五大供應商之一的通遼北大荒糧貿有限公司約49.11%的股權。除上文所披露者外，本公司之董事或彼等之任何緊密聯繫人或(據董事所知擁有本公司已發行股份總數5%以上之)任何股東概無於本集團五大客戶及供應商中擁有任何權益。

董事

年內及直至本報告日期，本公司董事如下：

執行董事

李傑鴻先生 (主席)	
柯雄瀚先生	
曾吉祥先生	(於二零二零年九月四日獲委任)
余子聰先生	(於二零二零年九月四日獲委任)
黃吳光先生	(於二零二零年一月二日辭任)

非執行董事

何詠欣女士

獨立非執行董事

張家華先生	
楊雲光先生	
劉滔先生	(於二零二零年九月四日獲委任及於二零二一年一月二十二日退任)
何文輝先生	(於二零二零年六月二十二日辭任)

* 僅供識別

REPORT OF THE DIRECTORS

董事會報告

In accordance with article 116 of the Company's articles of association, Mr. Li Jiehong, Mr. Chong Cha Hwa and Mr. Yang Yunguang will retire by rotation and being eligible, have offered themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' BIOGRAPHIES

Biographical details of the directors of the Company are set out on pages 44 to 46 of this annual report.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries was a party subsisted at any time during the Year or at the end of the Year.

據本公司之組織章程細則第116條，李傑鴻先生、張家華先生及楊雲光先生將輪席告退，惟彼等符合資格並願意於即將舉行之股東週年大會上膺選連任。

董事履歷

本公司董事之履歷詳情載於本年報第44至46頁。

董事之服務合約

於即將舉行之股東週年大會上膺選連任之董事概無與本公司訂有本公司不可於一年內毋須出補償(法定補償除外)而終止之服務合約。

董事薪酬

董事袍金須經股東於股東大會上批准後，方可實。其他酬金由本公司董事會於參考董事之職責、責任及表現以及本集團之業績後釐定。

董事於重大交易、安排或合約之權益

董事概無於本公司或其任何附屬公司所訂立本集團業務有重大影響而於年內任何時間或年末仍然有效之重大交易、安排或合約中直接或間接擁有重大權益。

MANAGEMENT CONTRACTS

No contracts concerning management or administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

管理合約

年內，概無訂立或存在有關本公司全部或任何重大部分業務之管理或行政合約。

DIRECTORS' INTERESTS IN SHARES

At 31 December 2020, the interests and short positions of the directors in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, were as follows:

董事於股份中之權益

於二零二零年十二月三十一日，各董事於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中所擁有記錄於根據證券及期貨條例第352條規定本公司須予保存之登記名冊，或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）須另行知會本公司及聯交所之權益及淡倉如下：

Long position in ordinary shares of the Company:

於本公司普通股之好倉：

Name of directors	董事姓名	Number of shares held, capacity and nature of interest 持有股份數目、身份及權益性質			Total 總計	Approximate percentage of the Company's issued shares 佔本公司已發行股份之概約百分比
		Directly beneficially owned 直接實益擁有	Through spouse 透過配偶	Through controlled corporation 透過受控制法團		
Mr. Li Jiehong	李傑鴻先生	224,000	44,592,000 ^(a)	13,752,000 ^(b)	58,568,000	0.94%
Mr. Ke Xionghan	柯雄瀚先生	4,240,000	—	—	4,240,000	0.07%
		4,464,000	44,592,000	13,752,000	62,808,000	1.01%

Notes:

附註：

- (a) These 44,592,000 shares were held by Ms. Deng Xiaohu, the spouse of Mr. Li Jiehong.
- (b) These 13,752,000 shares were held by Sino Insight Holdings Limited ("Sino Insight"). As Sino Insight was wholly owned by Mr. Li Jiehong, Mr. Li Jiehong was deemed to be interested in the 13,752,000 shares held by Sino Insight by virtue of the SFO.

- (a) 該等44,592,000股股份由李傑鴻先生之配偶鄧笑荷女士持有。
- (b) 該等13,752,000股股份由華察控股有限公司（「華察」）持有。由於華察由李傑鴻先生全資擁有，因此，根據證券及期貨條例，李傑鴻先生被視為於華察所持有之13,752,000股股份中擁有權益。

REPORT OF THE DIRECTORS 董事會報告

Save as disclosed above, as at 31 December 2020, none of the directors had registered an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

At 31 December 2020, the following interests in shares of 5% or more of the issued shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long position:

除上文所披露者外，於二零二零年十二月十一日，各董事概無於本公司或其任何相聯法團之股份、相關股份及債權證中，擁有根據證券及期貨條例第352須予記錄，或根據標準守則須另行知會本公司及聯交所之權益或淡倉。

主要股東及其他人士於股份中之權益

於二零二零年十二月三十一日，以下於佔本公司已發行股份5%或以上股份之權益已記錄於本公司根據證券及期貨條例第336條須予存置的登記名冊內：

好倉：

Name	Capacity and nature of interest	Number of shares held	Approximate percentage of the Company's issued shares 佔本公司已發行股份之概約百分比
姓名／名稱	身份及權益性質	持有股份數目	百分比
Jiang Jianjun 江建軍	Beneficial owner 實益擁有人	456,173,182	7.33%
	Interest of controlled corporation 受控制法團權益	458,331,044 ^(a)	7.36%
Li Zhuoxun 黎卓勛	Interest of spouse 配偶權益	914,504,226 ^(b)	14.69%
Beidahuang (HK) International Trade Co., Limited 北大荒(香港)國際貿易有限公司	Beneficial owner 實益擁有人	660,000,000	10.60%
Heilongjiang Nongken Beidahuang Business Trade Liability Group Co., Ltd* 黑龍江農墾北大荒商貿集團有限責任公司	Interest of controlled corporation 受控制法團權益	660,000,000 ^(c)	10.60%
Heilongjiang Beidahuang Agribusiness Group Corporation* 黑龍江北大荒農墾集團總公司	Interest of controlled corporation 受控制法團權益	660,000,000 ^(c)	10.60%

* For identification purposes only

* 僅供識別

Notes:

- (a) These 458,331,044 shares were held by King Wei Group (China) Investment Development Limited ("King Wei") as to 237,051,044 shares and China Silver Investments Development Limited ("China Silver") as to 221,280,000 shares. As King Wei and China Silver were wholly owned by Mr. Jiang Jianjun ("Mr. Jiang"), Mr. Jiang was deemed to be interested in the 237,051,044 shares held by King Wei and the 221,280,000 shares held by China Silver respectively by virtue of the SFO.
- (b) Ms. Li Zhuoxun is the spouse of Mr. Jiang and is therefore deemed to be interested in all the shares held by Mr. Jiang and his controlled corporations namely King Wei and China Silver by virtue of the SFO.
- (c) These 660,000,000 shares were held by Beidahuang (HK) International Trade Co., Limited ("Beidahuang HK"), which was wholly owned by Heilongjiang Nongken Beidahuang Business Trade Liability Group Co., Ltd* ("Beidahuang Business Group") which in turn was wholly owned by Heilongjiang Beidahuang Agribusiness Group Corporation* ("Beidahuang Group"). Accordingly, each of Beidahuang Business Group and Beidahuang Group was deemed to be interested in the 660,000,000 shares held by Beidahuang HK by virtue of the SFO.

Save as disclosed above, as at 31 December 2020, no person, other than the directors of the Company whose interests are set out in the section headed "Directors' Interests in Shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

附註：

- (a) 該等458,331,044股股份由經緯集團（中國）投資發展有限公司（「經緯」）持有237,051,044股及華銀集團投資發展有限公司*（「華銀」）持有221,280,000股。由於經緯及華銀由江建軍先生（「江先生」）全資擁有，故根據證券及期貨條例，江先生被視為分別於經緯持有的237,051,044股股份及華銀持有的221,280,000股股份中擁有權益。
- (b) 黎卓勳女士為江先生之配偶，因此，根據證券及期貨條例，彼被視作於江先生及其受控制法團（即經緯及華銀）所持有之所有股份中擁有權益。
- (c) 該等660,000,000股股份由北大荒（香港）國際貿易有限公司（「北大荒香港」）持有，北大荒香港由黑龍江農墾北大荒商貿集團有限責任公司（「北大荒商貿集團」）全資擁有，而北大荒商貿集團由黑龍江北大荒農墾集團總公司（「北大荒集團」）全資擁有。因此，根據證券及期貨條例，北大荒商貿集團及北大荒集團各自被視為於北大荒香港所持有之660,000,000股股份中擁有權益。

除上文所披露者外，於二零二零年十二月三十一日，概無任何人士（本公司董事除外，彼等之權益載於上文「董事於股份中之權益」一節）於本公司股份或相關股份中擁有根據證券及期貨條例第336條須予登記之權益或淡倉。

* For identification purposes only

* 僅供識別

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “2017 Scheme”) pursuant to a resolution passed on 9 June 2017 (the “Adoption Date”). The purpose of the 2017 Scheme is to provide incentives and rewards to eligible participants for their contribution to, and continuing efforts to promote the interests of, the Group. The 2017 Scheme, unless otherwise cancelled or amended, will remain in force for 10 years from the Adoption Date. The total number of shares available for issue under the 2017 Scheme is 509,705,563 shares representing approximately 8.19% of the issued shares of the Company as at the date of this annual report. No share option has been granted under the 2017 Scheme since its adoption. Further details of the 2017 Scheme are disclosed in note 36 to the consolidated financial statements.

Save as disclosed above, at no time during the year ended 31 December 2020 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

購股權計劃

根據一項於二零一七年六月九日「採納日期」通過之決議案，本公司採納一項購股權計劃（「二零一七年計劃」）。二零一七年計劃旨在為向本集團作出貢獻及持續推動本集團利益之合資格參與人士提供獎勵及回報。除非另行取消或作出修訂，否則二零一七年計劃將於自採納日期起計10年內一直生效。二零一七年計劃項下可供發行之股份總數為509,705,563股股份，約佔本公司於本年報日期之已發行股份之8.19%。自二零一七年計劃獲採納起，本公司概無授出購股權。有關二零一七年計劃之進一步詳情於綜合財務報表附註36內披露。

除上文所披露者外，於截至二零二零年十二月三十一日止年度任何時間，董事或彼等各自之配偶或未滿十八歲子女概無獲授透過收購本公司股份或債權證獲取利益之權利，彼等亦無行使任何有關權利；本公司及其任何附屬公司亦概無訂立任何安排，致使董事可收購任何其他法人團體之有關權利。

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

Connected Transactions

During the year ended 31 December 2020, the Group's bank loan of HK\$67,116,000 was guaranteed by the investment property of the Group, Mr. Jiang Jianjun (the ex-director and substantial shareholder of the Company) and his wife.

The personal guarantees made by Mr. Jiang Jianjun and his wife as guarantors in favour of the Group in the abovementioned bank loan constituted connected transaction of the Company in the form of financial assistance under the Listing Rules. According to Rule 14A.90 of the Listing Rules, such financial assistance received by the Group is fully exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules as the directors consider that it is conducted on normal commercial terms or better and it is not secured by the assets of the Group.

Continuing Connected Transactions

On 10 June 2019, the Company entered into a new framework agreement ("New Framework Agreement") with 通遼北大荒糧貿有限公司 (Tongliao Beidahuang Cereals Trading Co., Ltd.*, the "Supplier") and its subsidiaries (the "Supplier Group") in relation to the supply of green and organic food products including but not limited to corn, cooking oil, and cereals and oils. The Supplier is a subsidiary of 北大荒營銷股份有限公司 (Beidahuang Marketing Co. Ltd.*) which is a substantial shareholder of 深圳北大荒綠色食品配送有限公司 (Shenzhen Beidahuang Green Food Distribution Limited*) (a non-wholly owned subsidiary of the Company). Thus, the Supplier Group is a connected person of the Company and the transactions contemplated under the New Framework Agreement constitute continuing connected transactions for the Company under the Listing Rules.

* For identification purposes only

關連及持續關連交易

關連交易

截至二零二零年十二月三十一日止年度，本集團銀行貸款67,116,000港元由本集團投資物業、江建軍先生（本公司前董事及主要股東）及其妻子作出擔保。

根據上市規則，江建軍先生及其妻子（作為擔保人）以本集團為受益人就上述銀行貸款以財務援助形式作出之個人擔保構成本公司之關連交易。根據上市規則第14A.90條，本集團收到之該項財務援助全面豁免遵守上市規則第14A章項下之報告、公告及獨立股東批准規定，原因為董事認為其乃按一般或更佳商業條款進行，且並非以本集團之資產作出抵押。

持續關連交易

二零一九年六月十日，本公司與通遼北大荒糧貿有限公司（「供應商」）及其附屬公司（「供應商集團」）訂立新框架協議（「新框架協議」），內容有關供應綠色有機食品，包括但不限於玉米、食用油及穀類食品及油料。供應商為北大荒營銷股份有限公司之附屬公司，而北大荒營銷股份有限公司為深圳北大荒綠色食品配送有限公司（本公司之非全資附屬公司）之主要股東。因此，供應商集團為本公司之關連人士，根據上市規則，新框架協議項下擬進行交易構成本公司之持續關連交易。

* 僅供識別

REPORT OF THE DIRECTORS

董事會報告

The New Framework Agreement was duly passed by way of poll at the extraordinary general meeting held on 8 October 2019. The aggregated annual caps for transactions contemplated under the New Framework Agreement for each of the three years ending 31 December 2019, 2020 and 2021 are RMB150 million, RMB150 million and RMB150 million respectively as disclosed in the announcement of the Company dated 10 June 2019 and the circular of the Company dated 19 September 2019. During the year ended 31 December 2020, there was a total purchase of staple food amounting to RMB81,563,000.

The independent non-executive directors of the Company have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

- a. in the ordinary and usual course of business of the Group;
- b. on normal commercial terms; and
- c. according to the agreement governing them on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

新框架協議以投票表決之方式於二零一九年十月八日舉行之股東特別大會上獲正式通過。截至二零一九年、二零二零年及二零二一年十二月三十一日止三個年度各年，新框架協議項下擬進行交易的總年度上限分別為人民幣150,000,000元、人民幣150,000,000元及人民幣150,000,000元，誠如本公司日期為二零一九六月十日之公佈及本公司日期為二零一九年九月十九日之通函內所披露。截至二零二零年十二月三十一日止年度，主食品的總採購額為人民幣81,563,000元。

本公司獨立非執行董事已審閱上述持續關連交易，並確認該等交易：

- a. 於本集團日常及一般業務過程中進行；
- b. 按一般商業條款進行；及
- c. 根據各份規管該等交易之相關協議，按照公平合理及符合本公司股東整體利益之條款進行。

For the purpose of Rule 14A.56 of the Listing Rules, the Company's auditors, HLB Hodgson Impey Cheng Limited, have been engaged to report on the continuing connected transactions for the year ended 31 December 2020 in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions of the Group in accordance with Rule 14A.56 of the Listing Rules and a copy of the auditors' letter has been provided to the Stock Exchange. The auditors have confirmed the above continuing connected transactions as follows:

1. nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors;
2. for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group;
3. nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
4. with respect to the aggregate amount of the continuing connected transactions, nothing has come to their attention that causes them to believe that the continuing connected transactions disclosed above have exceeded the annual cap as set by the Company.

就上市規則第14A.56條而言，本公司核數師國衛會計師事務所有限公司已獲委聘根據香港會計師公會頒佈的香港核證委聘準則第3000號（經修訂）「審核或審閱過往財務資料以外的核證委聘」，以及參考應用指引第740號「核數師根據香港上市規則就持續關連交易發出的信函」以匯報截至二零二零年十二月三十一日止年度之持續關連交易。核數師已根據上市規則第14A.56條出具無保留意見信函，信函載有對本集團持續關連交易的發現及總結，且本公司已將有關核數師信函副本呈送聯交所。核數師已確認上述持續關連交易以下各項：

1. 並未注意到任何事宜使其認為已披露持續關連交易未經本公司董事會審批；
2. 對於涉及本集團提供貨品或服務的交易，並未注意到任何事宜使其認為已披露持續關連交易於所有重大方面未有按照本集團定價政策進行；
3. 並未注意到任何事宜使其認為已披露持續關連交易於所有重大方面未有按照規管該等交易的有關協議進行；及
4. 就持續關連交易的總金額而言，並未注意到任何事宜使其認為上述所披露之持續關連交易已超出本公司設定的年度上限。

REPORT OF THE DIRECTORS

董事會報告

The related party transactions as disclosed in note 41 to the consolidated financial statements also fell under the definition of “connected transactions” or “continuing connected transactions” in Chapter 14A of the Listing Rules. The Group has complied with the disclosure requirements, where applicable, in accordance with Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total number of issued shares was held by the public as at the date of this report.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

At 31 December 2020, none of the directors was interested in any business, apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

EQUITY-LINKED AGREEMENTS

Save for disclosed in the paragraph titled “Share Option Scheme” on page 54 of this report and the paragraph titled “Placing of Convertible Bonds under General Mandate” in Management Discussion and Analysis on pages 13 and 14 of this annual report, the Company has not entered into any equity-linked agreement during the year ended 31 December 2020.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Details of the discussion on the environmental policies and performance of the Company are set out in the Environmental, Social and Governance Report 2020.

RELATIONSHIPS WITH EMPLOYEES

Employees are one of the most important assets and stakeholders of the Group, their contribution and support are values at all times. The Group regularly reviews compensation and benefits policies accordingly to industry benchmark as well as the individual performance of employees. Share options are granted to retain loyal employees with the aim to form a professional staff and management team that can bring the Group to different levels of success.

綜合財務報表附註41所披露之關聯方交易亦符合上市規則第14A章「關連交易」或「持續關連交易」定義。本集團已遵守上市規則第14A章之披露規定（倘適用）。

足夠公眾持股量

據本公司透過公開途徑取得之資料及就董事所知，於本報告日期，公眾人士至少持有本公司已發行股份總數25%。

董事於競爭業務中之權益

於二零二零年十二月三十一日，概無董事於直接或間接與本集團業務競爭或可能競爭之任何業務（本集團業務除外）中擁有任何權益。

股本掛鉤協議

除本報告第54頁「購股權計劃」一段及本年報第13及14頁管理層討論及分析之「根據一般授權配售可換股債券」一段所披露者外，本公司於截至二零二零年十二月三十一日止年度並無訂立任何股本掛鉤協議。

環保政策及表現

有關本公司環保政策及表現討論之詳情載於二零二零年環境、社會及管治報告內。

與僱員關係

僱員為本集團最重要資產及利益相關者之一，彼等之貢獻及支持一直至關重要。本集團根據行業標準及僱員之個人表現定期檢討報酬及福利政策。本集團授出購股權以挽留忠誠僱員，旨在建立可令本集團取得各種成就之專業僱員管理團隊。

The Group encourages its staff to participate in external seminars and lectures to keep abreast of changes and updates on areas of legal, compliance, financial accounting and reporting, and market industry practices. Through these types of training, we believe that the Group can increase its efficiency and productivity while in general, the risk and uncertainties of the Group can be reduced.

The Company encourages continuous professional development training for the directors and senior management to develop and refresh their knowledge and skills which includes seminars and workshops, updates on regulatory requirements and development and corporate governance practices.

The Group also strives to provide a healthy and safe working environment to the employees.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Year, the Company was not aware of any non-compliance with any relevant laws and regulations that have a significant impact on the business and operation of the Company and its subsidiaries.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision that provides for indemnity against liability incurred by directors and other officers of the Group is currently in force and was in force throughout the year ended 31 December 2020.

AUDITORS

The financial statements for the year ended 31 December 2020 have been audited by HLB Hodgson Impey Cheng Limited. HLB Hodgson Impey Cheng Limited will retire and, being eligible, offer themselves for re-appointment. A resolution to re-appoint HLB Hodgson Impey Cheng Limited as the auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Li Jiehong
Chairman

Hong Kong, 30 March 2021

本集團鼓勵僱員參加外界研討會及講座以掌握法律、合規、財務會計及報告與市場行業慣例方面之變動及最新情況。通過該等類型培訓，本集團相信能提高效率與生產力，同時全面降低本集團風險與不明朗因素。

本公司鼓勵董事及高級管理層參與持續專業發展培訓以豐富及更新彼等之知識與技能，包括研討會、專題討論會、監管規定及發展與企業管治常規最新資料。

本集團亦盡力為僱員提供健康及安全的工作環境。

遵守法律及法規

年內，本公司並不知悉任何未遵守對本公司及其附屬公司業務及營運有重大影響之任何相關法律及法規之情況。

獲准許彌償條文

訂明本集團董事及其他高級職員所產生責任之彌補保證的獲准許的彌償條文現時生效及於截至二零二零年十二月三十一日止年度內一直有效。

核數師

截至二零二零年十二月三十一日止年度之財務報表已由國衛會計師事務所有限公司審核。國衛會計師事務所有限公司即將告退，惟符合資格並願意接受續聘。即將舉行之股東週年大會上將提呈一項決議案，以續聘國衛會計師事務所有限公司為本公司核數師。

代表董事會

主席
李傑鴻

香港，二零二一年三月三十日

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower 香港
The Landmark 中環
11 Pedder Street 畢打街11號
Central 置地廣場
Hong Kong 告羅士打大廈31樓

To the shareholders of China Beidahuang Industry Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Beidahuang Industry Group Holdings Limited (the "Company") and its subsidiaries ("the Group") set out on pages 74 to 227, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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 disclosure requirements of the Hong Kong Companies Ordinance.

致中國北大荒產業集團控股有限公司全體股東 (於開曼群島註冊成立之有限公司)

意見

本核數師已審核列載於第74至227頁中國北大荒產業集團控股有限公司（「貴公司」）及其附屬公司（「貴集團」）之綜合財務報表，此等綜合財務報表包括於二零二零年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合損益及其他全面收入報表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）真實而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，並已按照香港公司條例的披露規定妥為擬備。

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the consolidated financial statements, which indicates that as of 31 December 2020, the Group had default payments included; i) default secured bond of approximately HK\$109,000,000 to secured bondholder with interest of approximately HK\$21,800,000 (the “Default Secured Bond”); ii) default unsecured bonds HK\$82,300,000 to the unsecured bondholders with interest of approximately HK\$6,050,000 (the “Default Unsecured Bond”). In addition, the Group had outstanding bank and other borrowings and convertible bonds of approximately HK\$169,533,000 and HK\$108,222,000 respectively which were due for repayment or renewal in the next twelve months after 31 December 2020. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

意見的基礎

我們的審核工作乃按照香港會計師公會頒佈之香港審計準則（「香港審計準則」）進行。我們在該等準則下的責任已在本報告核數師就審核綜合財務報表承擔的責任部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則（「守則」），我們獨立於貴集團，並已根據守則履行我們的其他道德責任。我們相信，我們所獲得的審核憑證能充足及適當地為我們的意見提供基礎。

與持續經營相關的重大不明朗因素

謹請垂註綜合財務報表附註2，其指出於二零二零年十二月三十一日，貴集團的違約款項包括i)已抵押債券持有人之違約已抵押債券約109,000,000港元及利息約為21,800,000港元（「違約已抵押債券」）；ii)無抵押債券持有人之違約無抵押債券82,300,000港元及利息約為6,050,000港元（「違約無抵押債券」）。此外，貴集團尚未償還之銀行及其他借貸以及可換股債券分別為約169,533,000港元及108,222,000港元，其於二零二零年十二月三十一日後未來十二個月到期償還或續期。誠如附註2所述，該等事件或狀況以及附註2載列的其他事項，指出存在重大不明朗因素，其或對貴集團繼續持續經營之能力構成重大疑問。我們的意見不會就該事宜予以修改。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

關鍵審核事項

關鍵審核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核最為重要的事項。該等事項是在我們審核整體綜合財務報表及出具意見時進行處理的。我們不會對該等事項提供單獨意見。除「與持續經營相關的重大不明朗因素」一節所述事項外，我們已確定將於報告中溝通之事項。

Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 我們的審核如何處理該事項
<i>Impairment assessment of trade receivables</i> 應收貿易賬款之減值評估	
Refer to notes 2.3 and 25 to the consolidated financial statements 請參閱綜合財務報表附註2.3及25	
<p>The Group had trade receivables with gross carrying amount of approximately HK\$126,271,000 and allowance for expected credit losses of approximately HK\$18,310,000.</p> <p>貴集團之應收貿易賬款賬面總額約為126,271,000港元，而計提之預期信貸虧損撥備約為18,310,000港元。</p>	<p>Our procedures in relation to management's impairment assessment of the trade receivables as at 31 December 2020 included:</p> <p>我們對管理層於二零二零年十二月三十一日應收貿易賬款減值評估採取之程序包括：</p> <ul style="list-style-type: none"> • Understanding and assessing the design and implementation of management's key controls relating to credit control, debt collection and estimate of expected credit losses; • 了解及評估管理層設計及執行與信貸監控、債務收回及預期信貸虧損估計有關之主要監控； • Understanding and evaluating that the Group has implemented to manage and monitor its credit risk on a sample basis; • 抽樣了解並評價 貴集團管理及監察其信貸風險； • Checking, on a sample basis, the ageing profile of the trade receivables as at 31 December 2020 to the underlying financial records and post year-end settlements to bank receipts; • 抽樣檢查於二零二零年十二月三十一日應收貿易賬款之賬齡紀錄與相關財務紀錄以及年結後收款情況與銀行收款情況；

Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 我們的審核如何處理該事項
<p>Management performed periodic assessment on the recoverability of the trade receivables and the sufficiency of allowance for expected credit losses based on information including credit profile of different customers, ageing of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and on-going trading relationships with the relevant customers. Management also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the expected credit losses for the allowance for expected credit losses assessment.</p> <p>管理層定期基於不同客戶之信貸狀況、應收貿易賬款之賬齡、過往收款紀錄、其後收款狀況、未償還結餘預期變現時間及金額以及與相關客戶之持續貿易關係等資料評估應收貿易賬款之可收回性及計提之預期信貸虧損撥備之足夠性。為預期信貸虧損評估撥備估計預期信貸虧損時，管理層亦考慮或會影響客戶償還未償還結餘的能力之前瞻性資料。</p> <p>We focused on this area due to the allowance for expected credit losses assessment of trade receivables under the expected credit losses model involved the use of significant management judgements and estimates.</p> <p>我們聚焦此範疇在於根據預期信貸虧損模型計提應收貿易賬款之預期信貸虧損評估撥備涉及重大管理層判斷及估計之運用。</p>	<ul style="list-style-type: none"> • Inquiring of management for the status of each of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, such as performing public search of credit profile of selected customers, understanding on-going business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers; and • 向管理層查詢每筆於年結時已逾期之重大應收貿易賬款狀況，並以支持證據核證管理層之解釋，例如公開搜尋獲選客戶之信貸紀錄，基於貿易紀錄了解與客戶之持續業務關係，檢查客戶之以往及後續償款紀錄以及與客戶之其他通訊；及 • Assessing the appropriateness of the expected credit loss provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses. • 評估預期信貸虧損撥備方法之合適程度，抽樣審查主要輸入數據以評估其準確性及完整性，以及質疑釐定預期信貸虧損時使用之假設（包括歷史及前瞻性資料）。 <p>We found that the management judgment and estimates used to assess the recoverability of the trade receivables and determine the impairment provision to be supportable by available evidence.</p> <p>我們發現管理層用於評估應收貿易賬款可收回程度及釐定減值撥備時運用之管理層判斷及估計均有可得證據支持。</p>

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Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 我們的審核如何處理該事項
<i>Impairment assessment of loan receivables and deposit and other receivables</i> 應收貸款、按金及其他應收款項之減值評估	
Refer to notes 2.3, 18 and 26 to the consolidated financial statement 請參閱綜合財務報表附註2.3、18及26	
<p>As at 31 December 2020, the Group's gross loan receivables amounted to HK\$377,248,000 and allowance for expected credit losses of HK\$23,123,000.</p> <p>於二零二零年十二月三十一日，貴集團之應收貸款總額為377,248,000港元，而預期信貸虧損撥備為23,123,000港元。</p> <p>The Group had deposit and other receivables with gross carrying amount of approximately HK\$386,340,000 and allowance of expected credit losses of approximately HK\$92,386,000.</p> <p>貴集團的按金及其他應收款項總賬面值約為386,340,000港元及預期信貸虧損撥備約為92,386,000港元。</p> <p>The balance of allowance for expected credit losses of loan receivables and deposit and other receivables represents the management's best estimates at the end of the reporting date of expected credit losses under Hong Kong Financial Reporting Standard 9: Financial Instruments expected credit losses models.</p> <p>應收貸款、按金及其他應收款項之預期信貸虧損撥備結餘指管理層於報告日期末根據香港財務報告準則第9號：金融工具之預期信貸虧損模型對預期信貸虧損作出之最佳估計。</p>	<p>Our procedures in relations to management's impairment assessment of the loans receivables and deposit and other receivables as at 31 December 2020 included:</p> <p>我們對管理層於二零二零年十二月三十一日之應收貸款、按金及其他應收款項之減值評估採取之程序包括：</p> <ul style="list-style-type: none"> • Understanding and assessing the design and implementation of management's key controls relating to credit control, debt collection and estimate of expected credit losses; • 了解及評估管理層設計及執行與信貸監控、債務收回及預期信貸虧損估計有關之主要監控； • Understanding the procedures performed by management, including its procedures on periodic review on overdue receivables and assessment of expected credit loss allowance on the loan receivables and deposits and other receivables. • 了解管理層已進行之程序，包括定期審閱逾期應收款項及評估應收貸款、按金及其他應收款項之預期信貸虧損撥備之程序； • Understanding and evaluating the modelling methodologies for expected credit losses measurement, assessing the reasonableness of the model selection and key measurement parameters determination; • 了解及評價計量預期信貸虧損之模型方法，評估模型選項及關鍵計量參數決定之合理性；

Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 我們的審核如何處理該事項
<p>Management assesses whether the credit risk of loan receivables have increased significantly since their initial recognition, and apply a three-stage impairment model to calculate their expected credit losses. The measurement models of expected credit losses involves significant management judgments and assumptions, primarily including the following: 管理層評估應收貸款之信貸風險是否自初步確認以來大幅增加，並應用三階段減值模式計算其預期信貸虧損。預期信貸虧損的計量模型涉及重大管理層判斷及假設，主要包括以下各項：</p> <ul style="list-style-type: none"> – Selection of appropriate model and determination of relevant key measurement parameters, including probability of default, loss given default and exposure at default; 挑選適當模型及釐定相關主要計量參數，包括違約可能性、違約損失率及違約風險敞口； – Criteria for determining whether or not there was a significant increase in credit risk or a default; and 釐定信貸風險有否大幅增加或有否違約的標準；及 – Economic indicator for forward-looking measurement, and the application of economic scenarios and weightings. 前瞻性計量的經濟指標、經濟情況及加權的應用。 	

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Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 我們的審核如何處理該事項
<p>We focus on this area due to the magnitude of the loan receivables, deposits and other receivables and the significant estimates and judgement involved in determining their expected credit losses allowance.</p> <p>我們聚焦於此範疇在於應收貸款、按金及其他應收款項之數額大小及釐定彼等之預期信貸虧損撥備涉及之重大估計及判斷。</p>	<ul style="list-style-type: none"> • for the historical information, discussed with management to understand the management's identification of significant increase in credit risk, defaults and credit-impaired loans and receivables corroborated management's explanation with supporting evidence; • 與管理層討論歷史資料，以了解管理層對信貸風險顯著上升、違約及已出現信貸減值貸款及應收款項之識別，並以支持證據核證管理層之解釋； • for forward-looking measurement, we assessed the reasonableness of economic indicator selection, economic scenarios and weightings application, assessed the reasonableness of the estimation by comparing with industry data; and • 就前瞻性計量評估經濟指標選項、經濟情況及加權應用之合理性，透過比較行業數據評估估計之合理性；及 • Checking major data inputs used in the expected credit losses models on sample basis to the Group's record. • 抽樣檢查預期信貸虧損模型採用之主要輸入數據與 貴集團之紀錄。 <p>Based on the above, we found that the estimates and judgement made by management in respect of the expected credit losses allowance and the collectability of the loan receivables and deposits and other receivables were supportable by the available evidence.</p> <p>以上述各項為基礎，我們發現管理層有關應收貸款、按金及其他應收款項之預期信貸虧損撥備及可收回程度之估計及判斷均有可得證據支持。</p>

Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 我們的審核如何處理該事項
<i>Impairment assessment of goodwill and other intangible assets</i> 商譽及其他無形資產之減值評估	
Refer to notes 2.3, 20 and 21 to the consolidated financial statements 請參閱綜合財務報表附註2.3、20及21	
<p>The Group has goodwill and other intangible assets of approximately HK\$36,751,000 and HK\$9,315,000, respectively. Management performed impairment assessment of goodwill and other intangible assets based on value in use model that required significant management judgement with respect to the discount rate and underlying cash flows, in particular future revenue growth and capital expenditure. Independent external valuation were obtained in order to support management's estimates.</p> <p>貴集團之商譽及其他無形資產分別為約36,751,000港元及9,315,000港元。管理層對商譽及其他無形資產作出減值評估乃基於使用價值模型得出，當中需要管理層就折現率及相關現金流量，尤其是未來收益增長率及資本開支作出重大判斷。已委聘獨立外部估值師進行估值，以支持管理層的估計。</p> <p>This conclusion was based on value in use model that required significant management judgement with respect to the discount rate and the underlying cash flows, in particular future revenue growth and capital expenditure. Independent external valuation were obtained in order to support management's estimates. 該結論乃基於使用價值模型得出，當中需要管理層就折現率及相關現金流量，尤其是未來收益增長率及資本開支作出重大判斷。已委聘獨立外部估值師進行估值，以支持管理層的估計。</p>	<p>Our procedures in relation to management's impairment assessment of goodwill and intangible assets included:</p> <p>我們有關管理層對商譽及無形資產進行之減值評估之程序包括：</p> <ul style="list-style-type: none"> Evaluating of the independent valuer's competence, capabilities and objectivity; 評估獨立估值師之資歷、能力及客觀性； Assessing the methodologies used and the appropriateness of the key assumption based on our knowledge of the relevant industry and using our valuation experts; 根據我們對相關行業之知識及運用我們的估值專家，評估所使用方法及關鍵假設是否恰當； Challenging the reasonableness of key assumptions based on our knowledge of the business and industry; and 根據我們對相關業務及行業的了解，質疑關鍵假設的合理性；及 Checking, on a sampling basis, the accuracy and relevance of the input data used. 抽樣檢查所採用之輸入數據之準確性及相關性。 <p>We consider the management conclusion to be consistent with the available information. 我們認為管理層的結論與現有資料一致。</p>

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Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 我們的審核如何處理該事項
<i>Valuation of investment properties</i> 投資物業估值	
Refer to notes 2.3 and 15 to the consolidated financial statements 參閱綜合財務報表附註2.3及15	
<p>Management has estimated the fair value of the Group's investment properties to be approximately HK\$426,959,000 as at 31 December 2020, with net gain in fair value for the year ended 31 December 2020 recorded in the consolidated statement of profit or loss and other comprehensive income of approximately HK\$4,804,000.</p> <p>於二零二零年十二月三十一日，管理層估計 貴集團投資物業之公允值約為426,959,000港元，截至二零二零年十二月三十一日止年度計入綜合損益及其他全面收入報表之公允值淨收益約為4,804,000港元。</p> <p>Independent external valuations were obtained in order to support management's estimates. The valuations are dependent on certain key assumptions that require significant management judgement, including market unit value of comparable properties, market rental and assuming the properties are capable of being sold in the existing status.</p> <p>已委聘獨立外部估值師進行估值，以支持管理層的估計。估值取決於重要管理層判斷之若干主要假設，包括可比較物業之市場單位價值、市租及假設物業可按現狀出售。</p>	<p>Our procedures in relation to management's determination of the valuation of the investment properties included:</p> <p>我們就管理層釐定投資物業估值進行之程序包括：</p> <ul style="list-style-type: none"> • Evaluation of the independent valuer's competence, capabilities and objectivity; • 評估獨立估值師之資歷、能力及客觀性； • Assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the relevant industry and using our valuation experts; and • 根據我們對相關行業之知識及運用我們的估值專家，評估所使用方法及關鍵假設是否恰當；及 • Checking, on sample basis, the accuracy and relevance of the input data used. • 抽樣檢查所採用之輸入數據之準確性及相關性。 <p>We found the key assumptions in valuation were supported by the available evidence.</p> <p>我們發現估值之關鍵假設有可得證據支持。</p>

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon (the "Other Information").

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

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

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

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

其他資料

董事需對其他資料負責。其他資料包括刊載於年報內的資料，但不包括綜合財務報表及我們的核數師報告（「其他資料」）。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對該等其他資料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資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製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編製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。

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility toward 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 HKSAs 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.

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

審核委員會負責監督 貴集團的財務報告過程負責。

核數師就審核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存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向 閣下（作為整體）報告，除此之外報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按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，如果合理預期其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 HKSA's, we exercise professional judgment 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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。
- 了解與審核相關的內部控制，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。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

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

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，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，為消除威脅所採取之行動或相關的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，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。

INDEPENDENT AUDITORS' REPORT 獨立核數師報告

The engagement director on audit resulting in this independent auditors' report is Hon Koon Fai, Alex.

出具本獨立核數師報告之審計項目董事為韓冠輝。

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

國衛會計師事務所有限公司
執業會計師

Hon Koon Fai, Alex
Practising Certificate number: P05029

韓冠輝
執業證書編號：P05029

Hong Kong, 30 March 2021

香港，二零二一年三月三十日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入報表

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 HK\$'000 千港元	2019 HK\$'000 千港元
Revenue	收入	5	859,095	779,305
Cost of sales	銷售成本		(715,424)	(666,373)
Gross profit	毛利		143,671	112,932
Other income, gains or losses	其他收入、收益或虧損	6	10,935	40,327
Selling and distribution expenses	銷售及分銷開支		(19,861)	(18,407)
Administrative expenses	行政開支		(85,046)	(100,249)
Profit from operation	經營溢利		49,699	34,603
Net allowance of expected credit loss	預期信貸虧損撥備淨額		61,000	(177,991)
Other operating expense	其他經營開支		(1,574)	(89,575)
Finance costs	融資成本	8	(103,048)	(111,086)
Share of profit/(loss) of associates	分佔聯營公司溢利 ／(虧損)		1,960	(334)
(Loss)/gain on disposal of subsidiaries	出售附屬公司之 (虧損)／收益	37	(356)	2,490
Profit/(loss) before taxation	除稅前溢利／(虧損)	7	7,681	(341,893)
Taxation	稅項	11	(2,224)	984
PROFIT/(LOSS) FOR THE YEAR	年度溢利／(虧損)		5,457	(340,909)
Other comprehensive income/(expense)	其他全面收入／(開支)			
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至 損益之項目：			
Release of exchange differences upon disposal of subsidiaries	出售附屬公司時撥回 匯兌差額		(68)	825
Exchange differences arising on translation of foreign operations and associates	換算海外業務及聯營公司 產生之匯兌差額		41,480	(51,488)
Total comprehensive income/(expense) for the year	年度全面收入／ (開支) 總額		46,869	(391,572)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入報表

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 HK\$'000 千港元	2019 HK\$'000 千港元
Profit/(loss) attributable to:	下列應佔溢利／（虧損）：		
Owners of the Company	本公司擁有人	14,778	(291,072)
Non-controlling interests	非控股權益	(9,321)	(49,837)
		5,457	(340,909)
Total comprehensive income/(expense) attributable to:	下列應佔全面收入／（開支）總額：		
Owners of the Company	本公司擁有人	55,134	(339,652)
Non-controlling interests	非控股權益	(8,265)	(51,920)
		46,869	(391,572)
EARNINGS/(LOSS) PER SHARE	每股盈利／（虧損）		
– Basic and diluted (in HK cents)	— 基本及攤薄（港仙）	0.24	(4.94)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2020

二零二零年十二月三十一日

		Notes 附註	2020 HK\$'000 千港元	2019 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	63,394	75,010
Investment properties	投資物業	15	426,959	395,602
Right-of-use assets	使用權資產	16	783,552	748,469
Rental deposits paid	已付租金按金	19	3,849	10,263
Goodwill	商譽	20	36,751	34,646
Other intangible assets	其他無形資產	21	9,315	62,990
Interests in associates	於聯營公司之權益	22	287,194	278,734
			1,611,014	1,605,714
CURRENT ASSETS	流動資產			
Inventories	存貨	23	66,560	48,393
Properties for sale	待售物業	24	287,046	202,813
Trade receivables	應收貿易賬款	25	107,961	96,681
Loan receivables	應收貸款	18	354,125	360,038
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	26	522,852	537,387
Financial assets at fair value through profit or loss	透過損益按公允值列賬之金融資產	17	—	33,857
Pledged deposits	已抵押存款	27	18,857	47,777
Cash and cash equivalents	現金及現金等值物	27	26,115	79,995
			1,383,516	1,406,941
CURRENT LIABILITIES	流動負債			
Trade and bills payables	應付貿易賬款及應付票據	28	105,668	173,506
Other payables and accruals	其他應付款項及應計費用	29	84,214	172,324
Contract liabilities	合約負債	30	181,485	85,200
Bank and other borrowings	銀行及其他借貸	31	393,024	541,962
Amounts due to related parties	應付關聯方款項	41	3,678	6,639
Tax payable	應付稅項		8,936	1,823
Lease liabilities	租賃負債	34	127,806	105,289
Convertible bonds	可換股債券	33	108,222	—
			1,013,033	1,086,743
NET CURRENT ASSETS	流動資產淨值		370,483	320,198
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		1,981,497	1,925,912

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2020

二零二零年十二月三十一日

		Notes 附註	2020 HK\$'000 千港元	2019 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債	32	22,711	43,896
Lease liabilities	租賃負債	34	688,113	652,760
Total non-current liabilities	非流動負債總額		710,824	696,656
Net assets	資產淨值		1,270,673	1,229,256
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	35	622,513	622,513
Reserves	儲備		662,686	606,824
			1,285,199	1,229,337
Non-controlling interests	非控股權益		(14,526)	(81)
Total equity	權益總額		1,270,673	1,229,256

The consolidated financial statements on pages 74 to 227 were approved and authorised for issue by the board of directors on 30 March 2021 and are signed on its behalf by:

第74至227頁之綜合財務報表由董事會於二零二一年三月三十日批准及授權刊發，並由下列董事代表簽署：

Li Jiehong
Director

李傑鴻
董事

Ke Xionghan
Director

柯雄瀚
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2020

截至二零二零年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔							Non-controlling interests	Total equity
	Notes 附註	Issued capital 已發行股本 HK\$'000 千港元	Share premium account 股份溢價賬 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Convertible bond reserve 可換股債券儲備 HK\$'000 千港元	Exchange fluctuation reserve 匯率波動儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	權益總額 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	561,726	1,620,105*	38,398*	9,894*	(166,241)*	(604,873)*	1,459,009	52,980	1,511,989
Loss for the year	年度虧損	-	-	-	-	-	(291,072)	(291,072)	(49,837)	(340,909)
Other comprehensive expense for the year	年度其他全面開支	-	-	-	-	-	-	-	-	-
Release of exchange reserve upon disposal of subsidiaries	出售附屬公司時撥回匯兌儲備	-	-	-	-	825	-	825	-	825
Exchange differences on translation of foreign operations and associate	換算海外業務及聯營公司產生之匯兌差額	-	-	-	-	(49,405)	-	(49,405)	(2,083)	(51,488)
Total comprehensive loss for the year	年度全面虧損總額	-	-	-	-	(48,580)	(291,072)	(339,652)	(51,920)	(391,572)
Issue of shares upon subscription of new shares	於認購新股份時發行股份	62,487	53,114	-	-	-	-	115,601	-	115,601
Share issuing expenses	股份發行開支	-	(1,000)	-	-	-	-	(1,000)	-	(1,000)
Repurchase of ordinary shares	贖回普通股	(1,700)	(2,921)	-	-	-	-	(4,621)	-	(4,621)
Transfer to accumulated losses upon mature convertible bonds	於可換股債券到期時轉撥至累計虧損	-	-	-	(9,894)	-	9,894	-	-	-
Released upon disposal of a subsidiary	出售附屬公司時撥回	-	-	-	-	-	-	-	(1,141)	(1,141)
Lapse of share options	購股權失效	-	-	(38,398)	-	-	38,398	-	-	-
At 31 December 2019	於二零一九年十二月三十一日	622,513	1,669,298*	-	-	(214,821)*	(847,653)*	1,229,337	(81)	1,229,256
Profit for the year	年度溢利	-	-	-	-	-	14,778	14,778	(9,321)	5,457
Other comprehensive income for the year	年度其他全面收入	-	-	-	-	-	-	-	-	-
Release of exchange reserve upon disposal of subsidiaries	出售附屬公司時撥回匯兌儲備	-	-	-	-	(68)	-	(68)	-	(68)
Exchange differences on translation of foreign operations and associate	換算海外業務及聯營公司產生之匯兌差額	-	-	-	-	40,424	-	40,424	1,056	41,480
Total comprehensive income for the year	年度全面收入總額	-	-	-	-	40,356	14,478	55,134	(8,265)	46,869
Dividends paid to non-controlling interests	支付予非控股權益之股息	-	-	-	-	-	-	-	(4,927)	(4,927)
Issue of convertible bonds	發行可換股債券	-	-	-	728	-	-	728	-	728
Released upon disposal of a subsidiary	出售附屬公司時撥回	-	-	-	-	-	-	-	(1,253)	(1,253)
At 31 December 2020	於二零二零年十二月三十一日	622,513	1,669,298*	-	728*	(174,465)*	(832,875)*	1,285,199	(14,526)	1,270,673

* These reserve accounts comprise the consolidated reserves of HK\$662,686,000 (2019: HK\$606,824,000) in the consolidated statement of financial position.

* 該等儲備賬包含於綜合財務狀況表之綜合儲備662,686,000港元(二零一九年: 606,824,000港元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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 HK\$'000 千港元	2019 HK\$'000 千港元
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Pofit/(loss) before taxation	除稅前溢利／(虧損)	7,681	(341,893)
Adjustments for:	經以下調整：		
Finance costs	融資成本	103,048	111,086
Share of (profit)/loss of associates	分佔聯營公司 (溢利)／虧損	(1,960)	334
Interest income	利息收入	(1,210)	(4,116)
Net allowance for expected credit losses (reversal)/recognised for trade receivables	就應收貿易賬款 (撥回)／確認之 預期信貸虧損 撥備淨額	(3,628)	19,680
Net allowance for expected credit losses (reversal)/recognised for other receivables	就其他應收款項 (撥回)／確認之 預期信貸虧損 撥備淨額	(56,576)	138,701
Net allowance for expected credit losses (reversal)/recognised for loan receivables	就應收貸款(撥回)／ 確認之預期信貸虧損 撥備淨額	(796)	19,610
Impairment loss on property, plant and equipment	物業、廠房及設備 減值虧損	14	35,341
Impairment loss on goodwill	商譽減值虧損	20	11,864
Impairment loss on intangible assets	無形資產減值虧損	21	42,370
Loss/(gain) on disposal of subsidiaries	出售附屬公司之 虧損／(收益)	37	(2,490)
Loss on disposal of an investment property	出售投資物業之虧損	—	120
Gain on disposal of right-of-use assets	出售使用權資產之收益	(207)	—
Depreciation of property, plant and equipment	物業、廠房及設備折舊	14	18,509
Depreciation of right-of-use assets	使用權資產折舊	143,113	132,904
Amortisation of other intangible assets	其他無形資產攤銷	21	10,758
Unrealised fair value gain on investment properties	投資物業之未變現 公允值收益	15	(6,152)
Unrealised fair value gain on financial assets at fair value through profit or loss	透過損益按公允值 列賬的金融資產之 未變現公允值收益	—	(7,055)
Realised fair value loss on disposal of financial assets at fair value through profit or loss	出售透過損益按公允值 列賬的金融資產之變 現公允值虧損	122	—
		210,571	179,571
Increase in properties for sale	待售物業增加	(68,179)	—
(Increase)/decrease in inventories	存貨(增加)／減少	(14,437)	7,807
Decrease in trade receivables	應收貿易賬款減少	12,300	7,667
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及 其他應收款項 減少／(增加)	44,268	(118,034)
Decrease/(increase) in loan receivables	應收貸款減少／(增加)	27,134	(21,895)
Decrease in trade payables	應付貿易賬款減少	(49,067)	(5,427)
(Decrease)/increase in other payables and accruals	其他應付款項及 應計費用(減少)／增加	(93,408)	46,240
Increase in contract liabilities	合約負債增加	78,508	34,952
Cash generated from operations	經營所得現金	147,690	130,881
Tax paid	已付稅項	(22)	(1,469)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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 HK\$'000 千港元	2019 HK\$'000 千港元
Net cash generated from operating activities	經營活動所得現金淨額	147,668	129,412
CASH FLOWS GENERATED FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Bank interest received	已收銀行利息	1,210	1,208
Purchases of property, plant and equipment	購買物業、廠房及設備	(529)	(14,916)
Purchase of an investment property	購買投資物業	(2,052)	–
Proceeds from disposal of an investment property	出售投資物業所得款項	–	1,161
Net cash inflow from disposal of subsidiaries	出售附屬公司之現金流入淨額	1,137	67,713
Proceed from disposal of financial assets at fair value through profit or loss	出售透過損益按公允值列賬的金融資產之所得款項	33,926	–
Decrease in amounts due to related parties	應付關聯方款項減少	(2,052)	(5,835)
Net cash flows generated from investing activities	投資活動所得現金流量淨額	31,640	49,331
CASH FLOWS USED IN FINANCING ACTIVITIES	融資活動所用現金流量		
Proceeds from issue of shares, net of share issuing expenses	發行股份所得款項，扣除股份發行開支	–	114,601
Repurchase of shares	購回股份	–	(4,621)
New bank and other borrowings	新增銀行及其他借貸	100,340	144,390
Dividends paid to non-controlling interests	支付予非控股權益之股息	(4,927)	–
Repayment of bank and other borrowings	償還銀行及其他借貸	(129,165)	(121,258)
Repayment of convertible bonds	償還可換股債券	–	(5,000)
Repayment of lease liabilities	償還租賃負債	(173,011)	(163,985)
Decrease in bills payable	應付票據減少	(25,238)	(62,114)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	103,426	104,617
Deposits pledged to bank	抵押予銀行之存款	(73,257)	(70,035)
Interest paid	已付利息	(47,165)	(53,291)
Net cash flows used in financing activities	融資活動所用現金流量淨額	(248,997)	(116,696)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2020

截至二零二零年十二月三十一日止年度

	Notes	2020 HK\$'000 千港元	2019 HK\$'000 千港元
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year	現金及現金等值物 (減少) / 增加淨額	(69,689)	62,047
Effect of foreign exchange rate changes, net	年初的現金及現金等值物	79,995	32,245
	外幣匯率變動的影響淨額	15,809	(14,297)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終的現金及現金等值物	26,115	79,995
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值物結餘分析		
Represented by:	指：		
Cash and cash equivalents as stated in the consolidated statement of financial position	於綜合財務狀況表呈列之現金及現金等值物	27 26,115	79,995

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 December 2020

二零二零年十二月三十一日

1. CORPORATE INFORMATION

China Beidahuang Industry Group Holdings Limited is a public limited liability company incorporated in the Cayman Islands. Its shares are listed on The Stock Exchange of Hong Kong Limited. Mr. Jiang Jianjun, Beidahuang (HK) International Trade Co., Limited, and Ms. Li Zhuoxun are the substantial shareholders of the Company. The registered address of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business is Room 225, 2/F., Mega Cube, 8 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 45 to the financial statements.

2.1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). 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 the Stock Exchange (the "Listing Rules") and the Hong Kong Companies Ordinance.

1. 公司資料

中國北大荒產業集團控股有限公司為一間在開曼群島註冊成立之公眾有限公司。其股份於香港聯合交易所有限公司上市。江建軍先生、北大荒（香港）國際貿易有限公司及黎卓勛女士為本公司的主要股東。本公司註冊地址為P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands。其主要營業地點地址為香港九龍九龍灣宏光道8號創豪坊2樓225室。

本公司為一間投資控股公司，其附屬公司的主要業務載於財務報表附註45。

2.1. 編製基準

此等綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」）（包括所有香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）編製而成。就編製綜合財務報表而言，倘資料合理預期可影響主要使用者所作出之決定，則有關資料被視作重大。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例之適用披露規定所規定的適用披露事項。

2.1. BASIS OF PREPARATION (continued)**Going concern basis**

As at 31 December 2020, the Group had default payments included; i) default secured bond of approximately HK\$109,000,000 to secured bondholder with interest of approximately HK\$21,800,000 (the "Default Secured Bond"); ii) default unsecured bonds HK\$82,300,000 to the unsecured bondholders with interest of approximately HK\$6,050,000 (the "Default Unsecured Bond"). In addition, the Group had outstanding bank and other borrowings and convertible bonds of approximately HK\$169,533,000 and HK\$108,222,000 respectively which were due for repayment or renewal in the next twelve months after 31 December 2020.

However, the Group's cash and cash equivalents of approximately HK\$26,115,000 and the financial resources available to the Group as at 31 December 2020 may not be sufficient to repay the Default Secured Bond and the Default Unsecured Bond. In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. The Directors adopted the going concern basis for the preparation of the consolidated financial statements and implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group:

- 1) *Existing business*
Management has been endeavoring to improve the Group's operating results and cash flows through various cost control measures and will focus on the existing business.
- 2) *Negotiating with creditors' new terms of other borrowings*
The Group is negotiating with secured bondholder to extend the Default Secured Bond and with unsecured bondholders to extend the Default Unsecured Bond. In the opinion of the Directors, the Default Secured Bond and the Default Unsecured Bond will not be recalled until agreeing the new terms by the Group and the secured bondholders and unsecured bondholders. Up to the date of this report, approximately HK\$35,700,000 of the Default Unsecured Bond has been successfully extended.

2.1 編製基準 (續)**持續經營基準**

於二零二零年十二月三十一日，本集團的違約款項包括i)已抵押債券持有人之違約已抵押債券約109,000,000港元及利息約為21,800,000港元(「違約已抵押債券」)；ii)無抵押債券持有人之違約無抵押債券82,300,000港元及利息約為6,050,000港元(「違約無抵押債券」)。此外，本集團尚未償還之銀行及其他借貸以及可換股債券分別為約169,533,000港元及108,222,000港元，其於二零二零年十二月三十一日後未來十二個月到期償還或續期。

然而，本集團之現金及現金等值物約為26,115,000港元，而本集團於二零二零年十二月三十一日之可用財務資源可能不足以償還違約已抵押債券及違約無抵押債券。於編製綜合財務報表時，董事已審慎考慮本集團之未來流動資金。董事已於編製綜合財務報表時採納持續經營基準，並實施以下措施以改善本集團之營運資金、流動資金及現金流量狀況：

- 1) *現有業務*
管理層已致力於透過各項成本控制措施提升本集團的經營業績及現金流量，且將專注於現有業務。
- 2) *與債權人協商其他借貸之新期限*
本集團正與已抵押債券持有人及無抵押債券持有人協商分別將違約已抵押債券及違約無抵押債券延期。董事認為，本集團與已抵押債券持有人及無抵押債券持有人協定新期限之前，將不會召回違約已抵押債券及違約無抵押債券。直至本報告日期，約35,700,000港元違約無抵押債券已獲順利延期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 December 2020

二零二零年十二月三十一日

2.1. BASIS OF PREPARATION (continued)

Going concern basis (continued)

3) *Disposal of non-financial assets or properties for sale*

The Group may consider to dispose non-financial assets or properties for sale if required.

4) *Financial support*

A substantial shareholder of the Company has agreed to continuously provide financial support for the continuing operations of the Company so as to enable it to meet its liabilities when they fall due and carry on its business without a significant curtailment of operations in the twelve months from the date of approval of consolidated financial statement.

5) *Necessary facilities*

Up to the date of this report, the Group had credit facilities of a total amount of HK\$150,000,000 granted by finance companies which are independent third parties.

In the opinion of the Directors, in light of the various measures or arrangements implemented after the end of reporting period together with the expected results of the other measures, the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to remain a commercially viable concern. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2.1 編製基準 (續)

持續經營基準 (續)

3) *出售非金融資產或待售物業*

本集團可能會考慮出售非金融資產或待售物業，如需要。

4) *財務支援*

本公司一名主要股東已同意持續為本公司之持續營運提供財務支援，從而令其可償還其到期負債及開展其業務，而無需自批准綜合財務報表之日起計十二個月內大幅縮減業務。

5) *必要融資*

直至本報告日期，本集團擁有金融公司(屬獨立第三方)授出之總額為150,000,000港元之信貸融資。

董事認為，鑒於於報告期結束後實施多項措施或安排，連同其他措施的預期結果，本集團將擁有充足營運資金滿足其當前之要求，且合理預期本集團可繼續以符合商業利益之基準經營。因此，董事信納按持續經營基準編製綜合財務報表乃屬適當。

倘本集團未能繼續按持續基準營運，則需要作出調整以將資產價值撇減至其可收回金額，就可能出現之任何未來負債計提撥備，以及將非流動資產及負債分別重列為流動資產及負債。該等調整之影響並未於綜合財務報表中反映。

2.1 BASIS OF PREPARATION (continued)**Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2020. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

2.1 編製基準 (續)**綜合基準**

綜合財務報表包括本公司及其附屬公司（統稱「本集團」）截至二零二零年十二月三十一日止年度的財務報表。附屬公司財務報表的申報期間與本公司相同，並按一致會計政策編製。附屬公司的業績自收購日期（即本集團取得控制權之日）起綜合列賬，並繼續綜合列賬，直至控制權終止之日止。所有集團內公司間之結餘、交易、集團內公司間交易產生之未變現盈虧及股息均於綜合賬目內悉數對銷。

一間附屬公司的全面收入總額將歸屬於非控股權益，即使會導致虧絀結餘。

一間附屬公司的所有權權益產生變動，而並無失去控制權，則作權益交易入賬處理。

倘本集團失去對一間附屬公司的控制權，則其終止確認(i)該附屬公司的資產（包括商譽）及負債；(ii)任何非控股權益的賬面金額；及(iii)權益內記錄的累計換算差額；及確認(i)已收代價的公允值；(ii)所保留任何投資的公允值及(iii)損益內任何因此產生的盈餘或虧絀。之前於其他全面收入內確認的本集團應佔部分將重新分類為損益或保留溢利（如適用）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 December 2020

二零二零年十二月三十一日

2.2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and Amendments to HKFRSs that are mandatory effective for the current year

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 performances for the current and prior years and on the disclosures set out in these consolidated financial statements.

2.2 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本

於本年度強制生效之新訂香港財務報告準則及香港財務報告準則之修訂本

香港會計準則第1號及香港會計準則第8號（修訂本）	重大之定義
香港財務報告準則第3號（修訂本）	業務之定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號（修訂本）	利率基準改革

本年度應用香港財務報告準則內提述概念框架之修訂本及香港財務報告準則之修訂本對本集團本期及過往年度的財務狀況及表現及該等綜合財務報表所載披露並無重大影響。

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

New and amendments to HKFRSs in issue but not yet effective

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendments to HKFRS 16	COVID-19-Related Rent Concessions ⁴
Amendments to HKFRS 3	Reference to 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 – Costs to fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvement 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.

2.2 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂本

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）	COVID-19相關租金寬減 ⁴
香港財務報告準則第3號（修訂本）	對概念框架的提述 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）	投資者與其聯營公司或合營公司之間的資產出售或注入 ³
香港會計準則第1號（修訂本）	將債務分類為流動或非流動及香港詮釋第5號之相關修訂（二零二零年） ¹
香港會計準則第16號（修訂本）	物業、廠房及設備 – 未作擬定用途前的所得款項 ²
香港會計準則第37號（修訂本）	虧損性合約 – 履行合約的成本 ²
香港財務報告準則（修訂本）	二零一八年至二零二零年香港財務報告準則年度改進 ²

- ¹ 於二零二三年一月一日或之後開始的年度期間生效。
- ² 於二零二二年一月一日或之後開始的年度期間生效。
- ³ 於待釐定日期或之後開始的年度期間生效
- ⁴ 於二零二零年六月一日或之後開始的年度期間生效。
- ⁵ 於二零二一年一月一日或之後開始的年度期間生效。

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綜合財務報表附註

31 December 2020

二零二零年十二月三十一日

2.2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

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

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

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries and non-controlling interests

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

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

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

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with HKFRS 5 are stated at cost less any impairment losses.

2.2 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂本（續）

本公司董事預計應用所有其他新訂香港財務報告準則及香港財務報告準則修訂本於可預見未來並不會對綜合財務報表造成重大影響。

2.3 主要會計政策概要

附屬公司及非控股權益

附屬公司指本公司控制的實體。當本公司因其參與該實體的可變回報而面臨風險或擁有權利，並有能力透過其對該實體的權力影響該等回報時，即表示本公司控制該實體。在評估本公司是否有權力時，只考慮（本公司及其他方持有的）實質性權利。

於附屬公司的投資由控制開始之日起綜合入綜合財務報表，直至控制終止之日止。集團內部公司間結餘、交易及現金流以及因集團內部公司間交易產生的任何未變現溢利於編製綜合財務報表時悉數對銷。因集團內部公司間交易產生的任何未變現虧損按與未變現收益相同的方式對銷，但僅以並無減值證據之情況為限。

非控股權益指非直接或間接歸屬於本公司之附屬公司權益，且本集團就此並無就符合金融負債定義的權益協定任何額外合約責任。就各業務合併而言，本集團可選擇按公允值或按非控股權益佔附屬公司可識別淨資產之比例而計量任何非控股權益。

附屬公司的業績列入本公司的損益表內，以已收及應收股息為限。本公司於附屬公司的投資倘根據香港財務報告準則第5號並非分類為持作出售，則按成本減去任何減值虧損列賬。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests, that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, 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 re-assessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

2.3 主要會計政策概要 (續)

聯營公司

聯營公司為本集團對其有重要影響之實體，且既非附屬公司亦非於合營公司之權益。具重要影響乃指參與被投資公司之財務及經營政策決策之權力而不是控制或共同控制該等政策。

聯營公司之業績及資產與負債以權益會計法計入綜合財務報表內，惟當投資或其部分分類為持作出售時，則根據香港財務報告準則第5號入賬。根據權益法，聯營公司投資初次按成本於綜合財務狀況表內確認及隨後調整確認本集團分佔聯營公司之損益及其他全面收入。當本集團所佔聯營公司虧損超過本集團於該聯營公司權益（其中包括任何實質上構成本集團之聯營公司投資淨額之任何長期權益）時，本集團終止確認其所佔之進一步虧損。倘本集團須承擔法律或推定義務，或須代表該聯營公司支付款項，則會確認額外虧損。

於投資對象成為一家聯營公司當日，對聯營公司的投資採用權益法入賬。於收購一間聯營公司的投資時，投資成本超出本集團應佔可識別資產及負債的公允值淨額的任何差額，確認為商譽，計入投資的賬面金額。本集團應佔可識別資產及負債的公允值淨額超出投資成本的任何差額，於重新評估後即時於收購投資期間的損益確認。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Associates (continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of assets" 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 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.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, 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 in accordance with HKAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate 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) when the equity method is discontinued.

2.3 主要會計政策概要 (續)

聯營公司 (續)

應用香港會計準則第39號之規定以釐定本集團之聯營公司投資是否需要確認任何減值虧損。如有需要，根據香港會計準則第36號「資產減值」測試投資（包括商譽）賬面金額之減值，視為單一資產以比較其可收回金額（使用價值與公允值減出售成本之較高者）及其賬面金額。任何已確認之減值虧損會成為投資之部份賬面金額。根據香港會計準則第36號所確認之任何減值虧損之撥回乃按該投資隨後可收回金額之增加為限。

自投資不再為聯營公司之日起，本集團終止使用權益法。當本集團保留於前聯營公司的權益，且保留權益為金融資產時，則本集團於當日按公允值計量保留權益，而公允值則被視為根據香港會計準則第39號首次確認時的公允值。聯營公司於終止使用權益法當日的賬面金額與任何保留權益的公允值及出售聯營公司部份權益任何所得款項之間的差額，乃計入釐定出售聯營公司的損益。此外，倘該聯營公司直接出售相關資產或負債，則本集團按應會被要求的相同基準入賬有關該聯營公司的以往於其他全面收入確認的所有金額。因此，倘聯營公司以往於其他全面收入確認的損益重新分類為出售相關資產或負債的損益，則本集團將於終止使用權益法時將權益盈虧重新分類至損益（列作重新分類調整）。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Associates (continued)

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

Business combinations and goodwill

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

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

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

2.3 主要會計政策概要 (續)

聯營公司 (續)

當本集團於一間聯營公司之擁有權權益被削減，但本集團仍應用權益法時，則先前於其他全面收入中就該擁有權權益削減確認之收益或虧損按比例重新分類至損益（倘該收益或虧損就出售有關資產或負債被重新分類至損益）。

當集團實體與本集團聯營公司進行交易時，與聯營公司交易所產生之損益，僅會於本集團之綜合財務報表內確認與本集團沒有關連之聯營公司權益部分。

業務合併及商譽

業務合併乃以購買法入賬。轉讓的代價乃以收購日期之公允值計算，該公允值為本集團轉讓的資產於收購日期的公允值、本集團自被收購方的前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。就各業務合併中，本集團選擇是否以公允值或非控股權益應佔被收購方可識別資產淨值的比例計量非控股權益。收購相關成本在產生時列支。

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適當的分類及指定，其中包括將被收購方主合約中的嵌入式衍生工具進行分離。

倘業務合併分階段進行，先前持有的股權按收購日期的公允值重新計量，而任何收益或虧損於損益中確認。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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

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

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

2.3 主要會計政策概要 (續)

業務合併及商譽 (續)

商譽起初按成本計量，即已轉讓總代價、已確認非控股權益及本集團先前持有的被收購方股權的公允值總額，超逾與所收購可識別資產淨值及所承擔負債的差額。倘總代價及其他項目低於所收購資產淨值的公允值，於評估後其差額將於損益內確認為議價購買收益。

於初步確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，倘有事件發生或情況改變顯示賬面值有可能減值，則會更頻密地進行檢討。本集團於十二月三十一日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自購入之日被分配至預期可從合併產生之協同效益中獲益的本集團各個現金產出單位或現金產出單位組別，而無論本集團其他資產或負債是否已分配予該等單位或單位組別。

減值乃通過評估與商譽有關之現金產出單位（現金產出單位組別）的可收回金額釐定。當現金產出單位（現金產出單位組別）的可收回金額低於賬面金額時，減值虧損便予以確認。已就商譽確認的減值虧損不得於未來期間撥回。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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

Impairment of non-financial assets

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

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

2.3 主要會計政策概要 (續)

業務合併及商譽 (續)

倘商譽已分配予現金產出單位 (或現金產出單位組別) 的部份而該單位的部份業務已出售，則在釐定所出售業務的收益或虧損時，與所出售業務相關的商譽會計入該業務的賬面金額。在該情況下出售的商譽，乃根據所出售業務的相對價值及該現金產出單位的保留份額進行計量。

非金融資產減值

倘若出現任何減值跡象，或當有需要為資產進行每年減值測試，則會估計該資產的可回收金額。除非資產產生的現金流量不能獨立於其他資產或多項資產所產生的現金流量 (在此情況下，可回收金額按資產所屬的現金產出單位釐定)，否則資產的可回收金額按資產或現金產出單位的使用價值與其公允值減出售成本淨額較高者計算，並按個別資產釐定。

減值虧損僅會在資產的賬面金額高於其可收回金額時予以確認。評估使用價值時乃以除稅前的折扣率計算預計未來的現金流量的現值，而該折扣率反映當時市場對金錢時間值的評估及該項資產的特有風險。減值虧損於出現期間在損益內於符合減值資產功能的支出類別中列支。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

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

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives 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). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible 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.

2.3 主要會計政策概要 (續)

非金融資產減值 (續)

本集團於各個報告期末均會作出評估，以確定是否有跡象顯示於過往年度確認的減值虧損不再存在或可能已經減少。如有任何上述跡象，則會估計可收回的金額。先前就某項資產（商譽除外）已確認的減值虧損僅會在用作釐定資產可收回金額的估計出現變動時予以撥回，惟撥回的數額不得超出倘於過往年度並無就有關資產確認減值虧損而可能已釐定的賬面金額（扣除任何折舊／攤銷）。

於各報告期末，本集團審閱其物業、廠房及設備、使用權資產、具有有限可使用年期之無形資產及合約成本之賬面金額，以確定是否有跡象顯示該等資產已出現減值虧損。倘存在任何該等跡象，則會估計相關資產之可收回金額以釐定減值虧損（如有）幅度。具有無限可使用年期之無形資產及尚未投入使用的無形資產至少每年及於有跡象表明可能出現減值時進行減值測試。

物業、廠房及設備、使用權資產及無形資產之可收回金額可個別予以估計。倘不大可能個別估計可收回金額，本集團會估計有關資產所屬現金產出單位之可收回金額。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

2.3 主要會計政策概要 (續)

非金融資產減值 (續)

此外，本集團評估是否有跡象顯示公司資產可能出現減值。倘存在任何該等跡象，當可確定合理及一致之分配基準時，公司資產亦可分配至個別現金產出單位，否則公司資產將分配至能確定合理及一致之分配基準之最小組別現金產出單位。

關聯方

任何一方如屬以下情況，即視為本集團的關聯方：

- (a) 該方為個人或其親密的家庭成員並
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團行使重大影響力；或
 - (iii) 為本集團或其母公司的主要管理人員中其中一名成員；
- 或
- (b) 該方為下列任何條件適用的實體：
 - (i) 該實體與本集團為相同集團的成員；
 - (ii) 一個實體為另一實體（或另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營企業；

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) (continued)

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

2.3 主要會計政策概要 (續)

關聯方 (續)

(b) (續)

- (iii) 該實體與本集團為相同第三方的合營企業；
- (iv) 一個實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
- (v) 該實體為本集團或與本集團有關的實體為僱員福利設立的退休福利計劃；
- (vi) 該實體受(a)所指個人控制或共同控制；
- (vii) (a)(i)所指個人對該實體行使重大影響力或為該實體（或該實體母公司）主要管理人員中其中一名成員；及
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團母公司提供主要管理人員服務。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

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

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

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

Leasehold improvements, furniture and fixtures	Over the shorter of the lease terms or 33%
Motor vehicles	10%-25%
Infrastructure and building	10%

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

2.3 主要會計政策概要 (續)

物業、廠房及設備和折舊

物業、廠房及設備 (在建工程除外) 乃按成本值減累計折舊及任何減值虧損後列賬。物業、廠房及設備項目成本包括其購買價及任何令該項資產達至運作狀況及將之運至擬定用途地點之直接應計成本。

物業、廠房及設備項目投入運作後產生之開支，例如維修及保養費用，一般於該等開支產生之期間於損益內扣除。在符合確認條件的情況下，大型檢驗的開支於資產的賬面金額資本化為重置資產。倘物業、廠房及設備的主要部份須分段重置，則本集團將該等部份確認為獨立資產，並根據特定的可使用年期相應計提折舊。

每項物業、廠房及設備項目之折舊以直線法按其成本值於估計可用年期撇銷至其剩餘價值。就此目的而採用之主要年率如下：

租賃物業裝修、傢俬及裝置	租賃年期或33% (兩者之較短者)
汽車	10%-25%
基礎設施及樓宇	10%

倘一項物業、廠房及設備各部分之可使用年期並不相同，該項目各部分之成本將按合理基礎分配，而每部分將作個別折舊。剩餘價值、可使用年期及折舊方法至少會於各財政年結日進行審核及調整 (如適用)。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

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

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

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Trademarks

Trademarks with definite useful lives are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 to 30 years.

Trademarks with indefinite useful lives are not amortised and is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset.

2.3 主要會計政策概要(續)

物業、廠房及設備和折舊(續)

一項物業、廠房及設備(包括任何初步已確認重大部份)於出售或估計其使用或出售不再產生經濟利益時,將終止確認。於資產終止確認年度因其出售或報廢並在損益確認之任何盈虧乃有關資產之出售所得款項淨額與賬面金額之差額。

在建工程指處於建造中之物業、廠房及設備和其他固定資產,乃按成本減累計減值準備列賬,且不予折舊。成本包括建造之直接成本,以及建造期間發生的可予資本化的相關借貸成本。當在建工程已完成並可供使用時,在建工程將轉入適當類別之物業、廠房及設備項下。

無形資產(商譽除外)

個別收購的無形資產於初步確認時按成本計量。業務合併中所收購無形資產的成本乃該資產於收購日期的公允值。無形資產之可使用年期乃評估為有限或無限。具有有限年期之無形資產其後按可使用經濟年期攤銷,並於該無形資產出現減值跡象時作評估減值。具有有限可使用年期之無形資產之攤銷年期及攤銷方法須至少於各財政年結日作檢討。

商標

具有有限可使用年限之商標乃按成本減任何減值虧損列賬,並以直線法於其估計之10至30年可使用年期內攤銷。

具有無限可使用年限之商標並不予攤銷而每年進行檢討以釐定事件及情況是否繼續支持該資產之無限可使用年限評估。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

Contracts

Contracts are stated at cost less any impairment losses and are amortised on the straight-line basis over 5 years.

Leases

Definition of a lease

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

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

The Group as a lessee

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, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

The Group also 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.

2.3 主要會計政策概要 (續)

無形資產 (商譽除外) (續)

合約

合約乃按成本減任何減值虧損列賬並按五年以直線法攤銷。

租賃

租賃的定義

倘合約賦予於一段時間內控制已識別資產的用途的權利以換取代價，則該合約為租賃或包含租賃。

就於初始應用當日或之後訂立或修訂或因業務合併產生之合約而言，本集團於開始、修訂日期或收購日期（如合適）根據香港財務報告準則第16號項下之定義評估合約是否屬租賃或包含租賃。除非該合約中之條款及條件隨後出現變動，否則不會對該合約進行重新評估。

本集團作為承租人

分配代價至合約組成部分

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之合約而言，本集團根據租賃組成部分之相對獨立價格及非租賃組成部分之合計獨立價格基準將合約代價分配至各項租賃組成部分，包括有關獲取物業擁有權權益（包括租賃土地及非租賃樓宇組成部分）之合約，除非無法可靠作出有關分配。

本集團亦採用可行權宜方法，不將非租賃組成部分從租賃組成部分區分開來，而是將租賃組成部分及任何相關非租賃組成部分作為一項單獨的租賃組成部分進行入賬。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as a lessee (continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets 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, unless those costs are incurred to produce inventories.

2.3 主要會計政策概要 (續)

租賃 ((續))

本集團作為承租人 (續)

短期租賃及低價值資產租賃

本集團將短期租賃確認豁免應用於物業的租賃 (即自租賃開始日期起計租期為12個月或以下，並且不包含購買權的租賃)。其亦將確認豁免應用於低價值資產租賃。短期租賃及低價值資產租賃之租賃付款於租期內使用直線法或另一系統基準確認為開支。

使用權資產

使用權資產成本包括：

- 初始計量租賃負債之金額；
- 於開始日期或之前作出的租賃付款減任何已收取的租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團拆除及移除相關資產、修復相關資產所在場地或將相關資產恢復至租賃條款及條件所規定狀態將予產生的估計成本 (除非該等成本乃為生產存貨而產生)。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets (continued)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets 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 as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments ("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.

2.3 主要會計政策概要 (續)

租賃 (續)

本集團作為承租人 (續)

使用權資產 (續)

使用權資產按成本減任何累計折舊及減值虧損計量，及就重新計量租賃負債進行調整。

本集團合理確定於租期結束時獲取相關租賃資產擁有權之使用權資產於開始日期至可使用年期結束折舊。否則，使用權資產於估計可使用年期及租期（以較短者為準）按直線基準折舊。

本集團將使用權資產於綜合財務狀況表中列作單獨項目。

可退還租金按金

已付的可退還租金按金乃根據香港財務報告準則第9號金融工具（「香港財務報告準則第9號」）入賬及按公允值初始計量。於初步確認時對公允值作出之調整被視作額外租賃付款，計入使用權資產成本。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (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.

Lease payments included in the measurement of the lease liability comprise:

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

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

2.3 主要會計政策概要 (續)

租賃 (續)

本集團作為承租人 (續)

租賃負債

於租賃開始日期，本集團按該日未付之租賃付款之現值確認及計量租賃負債。於計算租賃付款的現值時，若租賃隱含利率無法確定，本集團應用租賃開始日期的增量借貸利率計算。

計入租賃負債計量之租賃付款包括：

- 定額付款 (含實質定額款項) 減任何應收租賃優惠款項；
- 取決於指數或利率的可變租賃款項，使用開始日期之指數或利率進行初始計量；
- 承租人預期根據剩餘價值擔保應付的金額；
- 倘承租人合理確定行使選擇權時，購買選擇權之行使價；及
- 當租期反映本集團行使終止租賃選擇權時，有關終止租賃的罰款。

於開始日期後，租賃負債按應計利息及租賃付款予以調整。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (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/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The lease liability is presented as a separate line in 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.

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.

2.3 主要會計政策概要 (續)

租賃 (續)

本集團作為承租人 (續)

租賃負債 (續)

於以下情況，本集團重新計量租賃負債（並對相關使用權資產作出相應調整）：

- 租期有所變動或行使購買選擇權的評估發生變化，於該情況下，相關租賃負債於重新評估日期透過使用經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因審閱市場租金後市場租金變動／有擔保剩餘價值下預期付款變動而出現變動，在此情況下，相關租賃負債使用初始貼現率貼現經修訂租賃付款而重新計量。

租賃負債於綜合財務狀況表中列作單獨項目。

租賃修訂

倘存在下列情形，則本集團將租賃修訂作為一項單獨租賃入賬：

- 該項修訂通過增加使用一項或多項相關資產的權利擴大租賃範圍；及
- 調增租賃的代價，增加的金額相當於範圍擴大對應的單獨價格，加上為反映特定合約情況對單獨價格所作的任何適當調整。

就並非作為一項單獨租賃入賬的租賃修訂而言，本集團會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。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Group as a lessor

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 of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the commencement date at amounts equal to the Group's net investment in the leases, measured using the interest rate implicit in the respective lease. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, 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.

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 lease and non-lease components, the Group applies HKFRS 15 to allocate the consideration under the contract to each component. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

2.3 主要會計政策概要 (續)

租賃 (續)

本集團作為出租人

本集團作為出租人的租賃分類為融資租賃或經營租賃。當租賃的條款將擁有權的絕大部分風險及回報轉讓予承租人時，該項合約被分類為融資租賃。所有其他租賃分類為經營租賃。

根據融資租賃應收承租人的款項於開始日期確認為應收款項，其金額等於本集團之租賃淨投資，並使用各個租賃中隱含的利率計量。初始直接成本（製造商或交易商出租人產生者除外）計入租賃淨投資的初始計量中。利息收入被分配至會計期間，以反映本集團有關租賃的未償還淨投資的固定定期回報率。

經營租賃的租金收入在相關租期內按照直線法於損益中確認。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金額，有關成本於租期內按直線法確認為開支，惟根據公允價值模式計量之投資物業除外。

本集團一般業務過程中所產生的利息及租金收入呈列為收益。

分配代價至合約組成部分

倘合約包括租賃及非租賃組成部分，本集團應用香港財務報告準則第15號，將合約代價分配至各組成部分。非租賃組成部分基於相對獨立的銷售價格從租賃組成部分區分開來。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (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

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.

Financial instruments

Financial assets and financial liabilities are recognised when the group entity becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value except for trade receivable 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 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 fair value through profit or loss ("FVTPL") are recognised immediately in profit or loss.

2.3 主要會計政策概要 (續)

租賃 (續)

本集團作為出租人 (續)

可退還租金按金

已收的可退還租金按金乃根據香港財務報告準則第9號入賬及初始按公允值計量。於初步確認時對公允值作出之調整被視作承租人之額外租賃付款。

租賃修訂

經考慮與原租賃有關之任何預付或應計租賃付款作為新租賃之租賃付款之一部分，本集團自修訂生效日期起將經營租賃修訂入賬列作新租賃。

金融工具

當集團實體成為工具合約條文之訂約方時，確認金融資產及金融負債。

已確認金融資產及金融負債初步按公允值計量，惟客戶合約產生之應收貿易賬款按照香港財務報告準則第15號初次計量。收購或發行金融資產及金融負債直接應佔之交易成本於初步確認時計入或扣自金融資產或金融負債（視適用情況而定）之公允值。收購透過損益按公允值列賬（「透過損益按公允值列賬」）之金融資產或金融負債直接應佔之交易成本隨即於損益內確認。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets

Classification and measurement of financial assets at amortised cost

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.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI 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.

2.3 主要會計政策概要 (續)

金融工具 (續)

金融資產

按攤銷成本計量的金融資產的分類及計量

符合以下條件的金融資產於其後按攤銷成本計量：

- 該金融資產以收取合約現金流量為目的之商業模式下持有；及
- 合約條款令於特定日期產生之現金流量僅為支付本金及未償還本金之利息。

符合以下條件的金融資產於其後透過其他全面收入按公允值列賬計量：

- 該金融資產以出售及收取合約現金流量為目的之商業模式下持有；及
- 合約條款令於特定日期產生之現金流量僅為支付本金及未償還本金之利息。

所有其他金融資產其後透過損益按公允值列賬計量，惟倘一項股本投資既非持作買賣，亦非香港財務報告準則第3號業務合併所適用之業務合併收購方確認的或然代價，於初始應用／初步確認金融資產當日，本集團可作出不可撤回地選擇將該股本投資的其後公允值變動計入其他全面收入。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and measurement of financial assets at amortised cost (continued)

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

2.3 主要會計政策概要 (續)

金融工具 (續)

金融資產 (續)

按攤銷成本計量的金融資產的分類及計量 (續)

金融資產於下列情況分類為持作交易：

- 收購的主要目的為於短期作出售用途；或
- 於初步確認時構成本集團合併管理的已識別金融工具組合的一部分，並具有近期實際短期獲利模式；或
- 並非作為指定及有效對沖工具的衍生工具。

此外，本集團可不可撤回地將一項指定須按攤銷成本或透過其他全面收入按公允值列賬計量的金融資產按透過損益按公允值列賬計量，前提為有關指定可消除或大幅減少會計錯配。

攤銷成本及利息收入

就其後按攤銷成本計量之金融資產而言，利息收入乃使用實際利率法確認。利息收入乃透過對金融資產之賬面總值應用實際利率計算，惟其後出現信貸減值之金融資產（見下文）除外。就其後出現信貸減值之金融資產而言，利息收入乃透過對金融資產於下個報告期之攤銷成本應用實際利率而確認。倘已出現信貸減值之金融工具之信貸風險減低，致使有關金融資產不再出現信貸減值，利息收入乃透過對金融資產於有關資產獲確定不再出現信貸減值後之報告期開始起之賬面總值應用實際利率而確認。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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 revenue and other income" line item.

Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, loan receivables, other receivables, pledged bank deposit and cash and cash equivalents). The amount of ECL is updated at each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting period. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting period as well as the forecast of future conditions.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

2.3 主要會計政策概要(續)

金融工具(續)

透過損益按公允值列賬的金融資產

不符合按攤銷成本或透過其他全面收入按公允值列賬或指定為透過其他全面收入按公允值列賬計量的金融資產，均透過損益按公允值列賬計量。

透過損益按公允值列賬的金融資產按各報告期末的公允值計量，任何公允值收益或虧損於損益中確認。於損益中確認的淨收益或虧損不包括該金融資產所賺取的任何股息或權益，並計入「其他收益及其他收入」一項。

金融資產減值

本集團就須根據香港財務報告準則第9號作出減值的金融資產(包括應收貿易賬款、應收貸款、其他應收款項、已抵押銀行存款以及現金及現金等值物)的預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告期間更新，以反應自初步確認以來信貸風險的變動。

全期預期信貸虧損指於相關工具之預計年期內所有可能發生之違約事件所將產生之預期信貸虧損。反之，12個月預期信貸虧損(「12個月預期信貸虧損」)指預期於報告期後12個月內可能發生之違約事件所將產生之部分全期預期信貸虧損。評估乃按本集團過往信貸虧損經驗進行，並就與債務人、整體經濟情況以及對於報告期間之當前情況及預測之未來情況兩者所作之評估有關之特定因素作出調整。

就所有其他工具而言，本集團計量之虧損撥備相等於12個月預期信貸虧損，除非自初步確認起信貸風險顯著增加，則本集團將確認全期預期信貸虧損。對於應否確認全期預期信貸虧損，有關評估乃基於自初步確認起發生違約之可能性或風險大幅增加。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Significant increase in credit risk

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

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

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

2.3 主要會計政策概要 (續)

金融工具 (續)

信貸風險顯著增加

在評估自初步確認以來信貸風險有否顯著增加時，本集團將金融工具於報告期間發生違約之風險與金融工具於初步確認日期發生違約之風險進行比較。在進行該評估時，本集團同時考慮合理及有理據支持之定量及定性資料，包括無需付出過度成本或精力就可取得之過往經驗及前瞻性資料。

尤其是，在評估信貸風險是否有顯著增加時，會考慮以下資料：

- 金融工具之外部 (如有) 或內部信貸評級實際上或預期將顯著惡化；
- 外部市場指標顯示信貸風險顯著惡化，如信貸息差之顯著增加，債務人之信貸違約掉期價格；
- 業務、財務或經濟狀況現時或預測會出現不利變動，而有關變動預期會導致債務人履行其債務責任之能力顯著下降；
- 債務人之經營業績實際上或預期會顯著惡化；
- 債務人所處之監管、經濟或技術環境實際上或預期會出現重大不利變動，而有關變動導致債務人履行其債務責任之能力顯著下降。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Significant increase in credit risk (continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

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.

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.

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.

2.3 主要會計政策概要 (續)

金融工具 (續)

信貸風險顯著增加 (續)

不論上述評估結果如何，倘合約付款逾期超過30日，則本集團會假定信貸風險自初步確認以來顯著增加，除非本集團另有合理且可證實資料可資證明，則作別論。

本集團定期監察用以識別信貸風險曾否顯著增加的標準的成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前識別信貸風險顯著增加。

違約之定義

就內部信貸風險管理而言，本集團認為當內部生成或從外部來源所得資料顯示，債務人不大可能向其債權人（包括本集團）支付全數款項時，則出現違約事件。

無論上述如何，倘金融資產逾期超過90日，本集團將視作已發生違約，除非本集團擁有合理及有理據支持之資料證明較寬鬆之違約標準更為適用，則當別論。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Credit-impaired financial assets

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

- (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;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

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. 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.

2.3 主要會計政策概要 (續)

金融工具 (續)

信貸減值之金融資產

當一項或多項對金融資產估計未來現金流量造成負面影響的違約事件發生時，即代表金融資產已出現信貸減值。金融資產出現信貸減值的證據包括涉及以下事件的可觀察數據：

- (a) 發行人或借款人出現嚴重財政困難；
- (b) 違反合約，如拖欠或逾期的情況；
- (c) 向借款人作出貸款之貸款人出於與借款人財政困難有關的經濟或合約考慮，給予借款人在其他情況下不會作出的讓步；
- (d) 借款人有可能破產或進行其他財務重組；或
- (e) 因財政困難而導致該金融資產失去活躍市場。

撇銷政策

當有資料顯示交易對手陷入嚴重財政困難，且並無實際收回款項之可能時（例如交易對手被清盤或進入破產程序），本集團會撇銷金融資產。經考慮在適當情況下之法律意見，已撇銷之金融資產可能仍可於本集團之收回程序下被強制執行。撇銷構成終止確認事件。凡其後收回之款項均於損益內確認。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade receivable, loan receivables and other receivables) are each assessed as a separate group. Loans to related parties are assessed for ECL on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

2.3 主要會計政策概要 (續)

金融工具 (續)

預期信貸虧損之計量及確認

預期信貸虧損之計量可計算出違約概率、違約損失率 (即違約時之虧損程度) 及違約風險敞口。違約概率及違約損失率之評估乃基於經前瞻性資料調整之過往數據。預期信貸虧損的估計反映無偏頗及概率加權數額，其乃根據加權的相應違約風險而釐定。

一般而言，預期信貸虧損按根據合約應付本集團的所有合約現金流與本集團將收取的所有現金流量之間的差額估計，並按初步確認時釐定的實際利率貼現。

倘按集體基準計量預期信貸虧損，或以處理於個別工具層面出現之證據尚未獲得之情況，金融工具乃按以下基準分組：

- 金融工具 (即本集團應收貿易賬款、應收貸款及其他應收款項) 的性質各自評估為單獨組別。關聯方貸款乃按個別基準評估預期信貸虧損；
- 逾期情況；
- 債務人之性質、規模及從事行業；及
- 可用之外部信貸評級。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Measurement and recognition of ECL (continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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.

Financial liabilities and equity instruments

Classification as financial liabilities or equity

Financial liabilities 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 Company are recognised at the proceeds received, net of direct issue costs.

2.3 主要會計政策概要 (續)

金融工具 (續)

預期信貸虧損之計量及確認 (續)

管理層定期檢討分組方法，以確保各組別之組成項目繼續具有相似之信貸風險特徵。

利息收入乃根據金融資產之總賬面值計算，除非金融資產出現信貸減值，在此情況下，利息收入則根據金融資產之攤銷成本計算。

本集團通過調整所有金融工具之賬面值於損益內確認其減值收益或虧損，惟應收貿易賬款乃透過虧損撥備賬確認相應調整除外。

金融負債及股本工具

分類為金融負債或股本

集團實體發行的金融負債及股本工具均根據合約安排的實質以及金融負債及股本工具的定義獲分類為金融負債或股本。

股本工具

股本工具乃任何可證明經扣除實體所有負債後其資產剩餘權益之合約。本公司發行之股本工具經扣除直接發行成本後按已收所得款項確認。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a 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 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 expense is recognised on an effective interest basis.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities (including trade and bills payables, other payables and accruals, convertible bonds, amounts due to related parties, lease liabilities and bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

2.3 主要會計政策概要 (續)

金融工具 (續)

金融負債及股本工具 (續)

實際利率法

實際利率法為計算金融負債之攤銷成本及於有關期間分配利息收入及利息開支之方法。實際利率法為於金融資產或金融負債之預期年期或(如合適)較短期間，於初步確認時實際折讓估計未來現金付款(包括構成實際利率之組成部分之所有已付或已收費用及款項、交易成本及其他溢價或折讓)至賬面淨額之比率。

利息開支按實際利率基準確認。

金融負債

所有金融負債其後均使用實際利率法按攤銷成本計量。

按攤銷成本列賬之金融負債

金融負債(包括應付貿易賬款及應付票據、其他應付款項及應計費用、可換股債券、應付關聯方款項、租賃負債及銀行及其他借貸)其後使用實際利率法按攤銷成本計量。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Derecognition

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

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 the profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour, and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.3 主要會計政策概要 (續)

金融工具 (續)

金融負債及股本工具 (續)

終止確認

本集團僅在資產所產生現金流量的合約權利屆滿或於其轉讓金融資產以及資產擁有權絕大部份風險及回報予另一實體時終止確認該金融資產。倘本集團並無轉讓或保留擁有權的絕大部份風險及回報，並繼續控制已轉讓資產，則本集團就其可能必須支付之款項於其資產及相關負債確認保留權益。倘本集團保留已轉讓金融資產擁有權的絕大部份風險及回報，則本集團將繼續確認該金融資產，亦確認已收所得款項的有擔保借貸。

於終止確認按攤銷成本計量之金融資產時，資產賬面金額與已收及應收代價總和之間的差額於損益內確認。

當且僅當本集團之責任解除、註銷或已屆滿時，本集團方會終止確認金融負債。終止確認的金融負債賬面金額與已付及應付代價之間的差額於損益內確認。

存貨

存貨乃按成本值及可變現淨值兩者中較低者列賬。成本乃按加權平均基準釐定。就在製品及產成品而言，成本包括直接物料、直接勞工及適當比例分攤的間接費用。可變現淨值乃按估計售價，減去估計完成及出售將產生的任何成本而計算。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Properties for sale

Completed properties and properties under development for sale are stated at the lower of cost and net realisable value. Cost includes the cost of land, development expenditure, borrowing costs capitalized in accordance with the Group's accounting policy, and other attributable expenses. Net realisable value represents the estimated selling price for properties for sale less all estimated costs of completion and costs necessary to make the sale. Properties under development for sales are transferred to completed properties held for sales upon completion. Properties under development for sales are transferred to property, plant and equipment when there is a change in use, evidenced by commencement of owner-occupation which the carrying amount is carried forward and transferred to property, plant and equipment as the cost.

Cash and cash equivalents

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

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

2.3 主要會計政策概要 (續)

待售物業

待售已竣工物業及發展中物業按成本與可變現淨值中的較低者列賬。成本包括土地成本、發展開支、根據本集團會計政策撥充資本的借貸成本及其他應佔開支。可變現淨值指待售物業之估計售價減全部估計完工成本及所需之銷售費用。待售發展中物業於完工時轉撥至待售已竣工物業。當用途發生改變並由業主自用開始佐證時，待售發展中物業轉撥至物業、廠房及設備，且已轉讓物業的賬面金額已作為成本結轉並轉撥至物業、廠房及設備。

現金及現金等值物

就綜合現金流量表而言，現金及現金等值物乃指手頭現金、活期存款及高度流通性之短期投資（可隨時套現為已知數額之現金，而其價值變更風險低，且購入時之到期日較短，一般而言為三個月內），該等金額扣除按要求付還之銀行透支並構成本集團現金管理之一組成部份。

就綜合財務狀況表而言，現金及現金等值物乃指不受限制動用之手頭及銀行現金，包括定期存款。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

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

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

Income tax

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

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

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

2.3 主要會計政策概要 (續)

撥備

因過往事件產生現有法定或推定責任，且有可能需要動用日後資源流出以履行責任時，撥備方予以確認，惟可就責任金額作出可靠的估計。

倘折現影響重大，就撥備確認之金額為預期須用作履行責任之日後開支於報告期末之現值。因時間流逝而導致已折現現值增加則計入損益中之融資成本。

所得稅

所得稅包括即期及遞延稅項。與於損益以外確認之項目相關之所得稅於損益以外確認，於其他全面收入或直接於權益確認。

即期或過往期間之即期稅項資產及負債乃根據於報告期末已頒佈或實際施行之稅率（及稅法），計及本集團營運所在國家當前之詮釋及慣例，按預期可自稅務機關收回或向稅務機關繳付之金額計算。

就於報告期末資產及負債之稅基與彼等就財務申報而言之賬面金額之所有暫時性差額，乃以負債法提撥遞延稅項撥備。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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

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

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

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

2.3 主要會計政策概要 (續)

所得稅 (續)

遞延稅項負債乃就所有應課稅暫時性差額確認入賬，惟：

- 遞延稅項負債乃因商譽或進行非業務合併之交易之時初步確認交易之資產或負債而產生，且不影响會計溢利或應課稅溢利或虧損除外；及
- 就與於附屬公司投資有關之應課稅暫時性差額而言，當暫時性差額之撥回時間可予控制及暫時性差額可能不會在可見將來撥回除外。

所有可扣減暫時性差額及未動用稅項抵免與稅務虧損結轉，均被確認為遞延稅項資產。只限於在應有應課稅溢利可供對銷可扣減暫時性差額、結轉的未動用稅項抵免及未動用稅務虧損可予動用的情況下，方確認遞延稅項資產，惟：

- 由初步確認一項交易（非業務合併）中的資產或負債所產生並於交易時對會計溢利或應課稅溢利或虧損不構成影響的有關可扣減暫時性差額的遞延稅項資產除外；及
- 有關於附屬公司投資的可扣減暫時性差額，只限於暫時性差額可能於可見將來撥回及應有應課稅溢利可供抵扣暫時性差額時，方會確認遞延稅項資產除外。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

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

2.3 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產之賬面金額將於各報告期末檢討，並削減至不再可能有足夠應課稅溢利以動用全部或部分遞延稅項資產之水平。未確認之遞延稅項資產乃於各報告期末重估，並於可能有足夠應課稅溢利以收回全部或部分遞延稅項資產為限，予以確認。

遞延稅項資產及負債乃根據報告期末已頒佈或實際施行之稅率（及稅法），按預期適用於資產變現或負債清償期間之適用稅率計算。

倘現有可依法執行權利，容許即期稅項資產抵銷即期稅項負債，而該遞延稅項涉及同一稅務實體及同一稅務機關，則遞延稅項資產及遞延稅項負債可予以抵銷。

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。

就稅項扣減歸因於租賃負債之租賃交易而言，本集團將香港會計準則第12號「所得稅」規定分別應用於使用權資產及租賃負債。由於應用初步確認豁免，有關使用權資產及租賃負債之暫時性差額並未於初步確認時於租期內確認。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of profit or loss and other comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue is recognised when or as the control of the good or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time.

Control of the good or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- 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.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

2.3 主要會計政策概要 (續)

政府補助

政府補助於可合理確定將可收取並且符合所有附帶條件時，按公允值確認入賬。該項補助如與開支項目有關，則按該項補助擬補貼成本予以支出之期間內有系統地確認為收入。該項補助如與資產有關，則其公允值乃計入遞延收入賬項，再於有關資產之預期可使用年期限內按等額每年分期計入綜合損益及其他全面收入報表。

收益確認

客戶合約收入

收入於貨品或服務之控制權轉讓予客戶之時或期間確認。視乎合約條款及合約之適用法律，貨品或服務之控制權可能隨時間或於時間點轉讓。

如本集團之履約屬以下情況，則貨品或服務之控制權隨時間轉讓：

- 提供之所有利益由客戶同時接收及耗用；
- 建設或提升一項於本集團履約時由客戶控制之資產；或
- 並非建設一項對本集團有其他用途之資產，而本集團對至今已完成履約之付款享有可強制執行之權利。

如貨品或服務之控制權隨時間轉讓，收入乃參照達成履約責任之完成進度隨合約期確認。否則，收入於客戶取得貨品或服務之控制權時之時間點確認。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

Revenue from the sale of wine and liquor, trading of food products and mineral products are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Rental income from properties leasing under operating leases is recognised on a straight-line basis over the lease terms.

A contract liability is recognised when the consideration is received from customers before the goods are delivered. A receivable is recognised when the goods are delivered and accepted as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Share-based payments

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

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

2.3 主要會計政策概要 (續)

收益確認 (續)

客戶合約收入 (續)

銷售酒類、買賣食品及礦產之收入於資產控制權轉讓予客戶之時間點確認，通常為交付產品之時。

經營租賃項下物業租賃之租金收入於租期內按直線基準確認。

於交付貨品前從客戶收取代價時確認合約負債。應收款項於貨品交付及獲接納時確認，此亦為代價成為無條件之時間點，原因為款項只須時間流逝便到期應付。

以股份支付款項

本公司實施購股權計劃，為對本集團業務成功作出貢獻之合資格參與者，提供激勵與獎勵。本集團僱員（包括董事）以股份支付款項之方式收取報酬，僱員提供服務作為收取權益工具之代價（「以權益結算交易」）。

以權益結算交易之成本，連同權益相應增加部分，在績效及／或服務條件獲達成之期間內確認。在歸屬日期前之各報告期末就以股權結算交易確認之累計支出反映歸屬期屆滿之程度及本集團對於最終將歸屬之股本工具數量之最佳估計。在某一期間內在損益內扣除或進賬，乃反映累積開支於期初與期終確認時之變動。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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

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

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

Other employee benefits

Pension schemes

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

2.3 主要會計政策概要 (續)

以股份支付款項 (續)

對於已授出但尚未歸屬之購股權，不會確認任何開支，但視乎市場條件或非歸屬條件而決定歸屬與否之以權益結算交易除外，對於該類購股權而言，只要所有其他績效及／或服務條件已經達成，不論市場條件或非歸屬條件是否達成，均會被視為已歸屬。

在權益結算獎勵之條款有所變更之情況下，倘獎勵之原有條款已獲達致，所確認之開支最少須達到猶如條款並無任何變更之水平。此外，倘若按變更日期之計量，任何變更導致以股份支付款項之總公允值有所增加，或對僱員帶來其他利益，則應該該等變更確認開支。

倘若權益結算獎勵被註銷，應被視為已於註銷日期歸屬，任何尚未確認之授予獎勵之開支，均應立刻確認。是項包括非歸屬條件於本集團或僱員控制範圍內未能達成之任何獎勵。然而，若授予新獎勵代替已註銷之獎勵，並於授出日期指定為替代獎勵，則已註銷之獎勵及新獎勵，均應被視為原獎勵之變更，一如前段所述。

於計算每股盈利時，尚未行使購股權之攤薄影響反映為額外股份攤薄。

其他僱員福利

退休金計劃

本集團根據強制性公積金計劃條例為符合資格參與界定供款強制性公積金退休福利計劃（「強積金計劃」）的僱員設立強積金計劃。供款乃根據僱員基本薪金的一定百分比作出，並於按強積金計劃規定須予支付時自損益內扣除。強積金計劃資產與本集團資產分開，於獨立管理的基金內持有。本集團的僱主供款一旦注入強積金計劃，即悉數歸屬僱員。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other employee benefits (continued)

Pension schemes (continued)

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a percentage of its payroll costs to the central pension scheme. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

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

Foreign currencies

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

2.3 主要會計政策概要 (續)

其他僱員福利 (續)

退休金計劃 (續)

本集團於中國內地經營之附屬公司之僱員須參加由當地市政府所運作的中央退休計劃。該等附屬公司須按其薪金成本的一定百分比向該中央退休計劃供款。有關供款於根據該中央退休計劃之規則須支付時計入損益。

借貸成本

因收購或建設合資格資產(需於一段長時間方能達致其擬定用途或出售者)而直接產生之借貸成本乃作為該等資產之部份成本而予以資本化。倘資產已大致上可作其擬定用途或出售,則該等借貸成本將會停止資本化。將有待用於合資格資產之特定借貸作短期投資所賺取之投資收入乃從資本化之借貸成本中扣除。全部其他借貸成本於彼等產生之期間列作開支。借貸成本包括利息及實體於籌集資金時產生之其他成本。

外幣

該等財務報表以港元(即本公司之功能及呈報貨幣)呈報。本集團內之實體各自決定其功能貨幣,各實體之財務報表項目均以所訂功能貨幣計量。本集團內之實體錄得之外幣交易初步按交易日之有關功能貨幣之現行匯率換算入賬。以外幣為計價單位之貨幣資產及負債,按有關功能貨幣於報告期末之匯率換算。貨幣項目的結算或匯兌所產生差額均於損益確認。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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

The functional currency of subsidiaries in Mainland China is Renminbi ("RMB"). As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of subsidiaries in Mainland China are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.3 主要會計政策概要 (續)

外幣 (續)

按歷史成本列賬、以外幣計量之非貨幣項目，採用初步交易日期之匯率換算。按公允值計量、以外幣列賬之非貨幣項目，採用釐定公允值日期之匯率換算。換算以公允值計量之非貨幣項目所產生的收益或虧損與確認該項目公允值變動的盈虧的處理方法一致（換言之，於其他全他全面收入或損益確認公允值盈虧的項目的匯兌差額，亦分別於其他全面收入或損益中確認）。

於中國內地之附屬公司之功能貨幣為人民幣（「人民幣」）。於報告期末，該等實體之資產與負債，按報告期末之現行匯率換算為本公司之呈報貨幣，其溢利或虧損則按當年度之加權平均匯率換算為港元。因此而產生之匯兌差額於其他全面收入中確認，並累計為匯率波動儲備。出售海外業務時，與該項特定海外業務有關之其他全面收入之部份在損益中確認。

收購海外業務產生之任何商譽及對收購產生之資產及負債賬面金額作出之任何公允值調整作海外業務之資產及負債處理，並按收市匯率換算。

就綜合現金流量表而言，中國內地附屬公司之現金流量按現金流量日期之匯率換算為港元。海外附屬公司於年內經常產生之現金流量則按本年度之加權平均匯率換算為港元。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design.

When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the stage of completion of the contract at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

Construction contracts in progress at the end of the reporting period are recorded at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the statement of financial position as the “Amounts due from contract customers” (as an asset) or the “Amounts due to contract customers” (as a liability), as applicable.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

2.3 主要會計政策概要 (續)

建設合約

建設合約為與客戶就一項資產或資產組合所特別磋商且就此客戶能夠指定設計之主要結構成份之合約。

當建設合約結果能夠可靠估計時，合約成本乃參照於報告期末完成合約階段確認為開支。當總合約成本可能超過總合約收入時，預期虧損乃即時確認為開支。當建設合約結果無法可靠估計時，合約成本乃於其產生期間確認為開支。

於報告期末之進行中建設合約乃入賬為產生之成本淨額加已確認溢利減已確認虧損及進度付款，並於財務狀況表內呈列為「應收合約客戶款項」（作為資產）或「應付合約客戶款項」（作為負債）（如適用）。

投資物業

投資物業為持作賺取租金及／或資本增值的物業（就此而言包括在建物業）。

投資物業初步以成本（包括任何直接應佔開支）計量。於初步確認後，投資物業按公允值計量。本集團根據經營租賃持有以賺取租金或作資本增值之所有物業權益已作分類及入賬列作投資物業，並以公允值模式計量。投資物業公允值變動所產生的盈虧於產生期間計入損益。

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2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties (continued)

Construction costs incurred for investment properties under construction are capitalized as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

2.3 主要會計政策概要 (續)

投資物業 (續)

在建投資物業產生的建築成本資本化為在建投資物業的部分賬面金額。

投資物業在出售時或永久不再被使用且預期其出售不會產生未來經濟利益時取消確認。取消確認物業產生的任何盈虧(按出售所得款項淨額與資產賬面金額的差額計算)於取消確認該物業期間計入損益。

3. 重大會計估計

本集團財務報表之編製，需要管理層作出會影響所呈報收益、開支、資產及負債之金額及相關披露，以及或然負債披露之判斷、估計及假設。由於有關該等假設及估計之不明朗因素，可能導致須就日後受影響之資產或負債之賬面金額作出重大調整。

估計不明朗因素

很大可能導致下一個財政年度資產及負債賬面金額須作出重大調整之未來主要假設及於報告期末之估計不明朗因素之其他主要來源於下文載述。

3. SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Estimation uncertainty (continued)

Estimation of expected credit losses of trade, loan and other receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement at amortised cost in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 42. Due to greater financial uncertainty triggered by the COVID-19 pandemic, the Group has increased the expected loss rates in the current year as there is higher risk that a prolonged pandemic could lead to increased credit default rates.

Useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different to previously estimated, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Useful lives of other intangible assets

The Group determines the estimated useful lives and related amortisation charges for its intangible assets other than goodwill. This estimate is based on the expected pattern of consumption of the future economic benefits embodied in the asset or the contractual or other legal rights associated with the assets. The Group will revise the amortisation period and the amortisation method for an intangible asset where the useful life is different to that previously estimated.

3. 重大會計估計 (續)

估計不明朗因素 (續)

應收貿易賬款、應收貸款及其他應收款項之預期信貸虧損估計

金融資產虧損撥備乃以違約風險及預期虧損率之假設為基準。本集團作出此等假設及挑選減值計算之輸入數據時，乃基於本集團於各報告期末之過往記錄、現時市況及前瞻性估計，使用對攤銷成本之判斷。所用之關鍵假設及輸入數據詳情於附註42披露。由於COVID-19疫情爆發，導致財務狀況愈加不明朗，本集團於本年度已上調預期虧損率，此乃由於疫情持續導致信貸違約率上升之風險較大。

物業、廠房及設備之可使用年期

本集團釐定物業、廠房及設備的估計可使用年期及相關折舊支出。該估計基於性質及功能相若的物業、廠房及設備的實際可使用期記錄計算。管理層會於可使用年期有別於原先估計時修訂折舊支出，或會撇銷或撇減技術陳舊或已廢棄或出售的非戰略性資產。

其他無形資產之可使用年期

本集團就其無形資產（商譽除外）釐定估計可使用年期及有關攤銷開支。此估計根據資產所附未來經濟利益之預計消耗模式或（如適用）與資產相關之合約或其他法律權利作出。本集團將於可使用年期有別於以往估計情況下，修改無形資產之攤銷期間及攤銷方法。

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3. SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Estimation uncertainty (continued)

Provision for inventories

Provision for inventories is made based on the assessment of net realisable value. Estimates of net realisable value are based on the latest invoice prices and current market conditions. Where the actual outcome or expectation in future is different from the original estimates, such differences will have an impact on the carrying amounts of inventories and the amount of provision/reversal of provision in the periods in which such estimates have been changed.

Estimated net realisable value on properties for sale

In determining whether allowances should be made for the Group's properties for sale, the Group takes into consideration the current market environment and the estimated net realisable value (i.e. the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale). An allowance is made if the estimated or actual net realisable value of the properties for sale is less than expected as a result of change in market condition and/or significant variation in the budgeted development cost, material provision for impairment losses may result. As at 31 December 2020, the carrying amount of the properties under development is HK\$287,046,000 (2019: HK\$202,813,000).

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using appropriate valuation techniques and making assumptions that are based on market condition's existing at each reporting date. Refer to note 42 for the fair value measurement of financial instruments.

3. 重大會計估計 (續)

估計不明朗因素 (續)

存貨撥備

存貨撥備是根據存貨的可變現淨值評估計提。對可變現淨值的估計是根據最新發票價格及現時市況。若日後的實際結果與原來的估計有別，這些差額將於有關估計變動的期間影響存貨的賬面金額及撥備／撥備撥回金額。

待售物業之估計可變現淨值

於確定是否應向本集團之待售物業作出撥備時，本集團考慮目前的市場環境及估計可變現淨值（即於一般業務過程中的估計售價減去估計竣工成本及作出銷售所需的估計成本）。倘待售物業的估計或實際可變現淨值由於市場狀況變化及／或重大偏離預算開發成本而低於預期，需作出重大減值虧損撥備。於二零二零年十二月三十一日，發展中物業之賬面值為287,046,000港元（二零一九年：202,813,000港元）。

金融工具公允值

並無於活躍市場買賣的金融工具之公允值使用適當的估值技術並基於各報告日期的現有市況作出假設而釐定。有關金融工具的公允值計量，請參閱附註42。

3. SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Estimation uncertainty (continued)

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the directors of the Company have determined that all of the Group's investment properties as at 31 December 2020 amounting to HK\$426,959,000 (2019: HK\$395,602,000) situated 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, rather than through sale. The presumption that the carrying amounts of certain 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 these investment properties is recognised according to the relevant tax rules.

Impairment of right-of-use assets and property, plant and equipment

Right-of-use assets and property, plant and equipment are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

3. 重大會計估計 (續)

估計不明朗因素 (續)

投資物業之遞延稅項

就計量以公允值模型計量的投資物業產生之遞延稅項負債而言，本公司董事確定，於二零二零年十二月三十一日，本集團所有位於中國之426,959,000港元 (二零一九年：395,602,000港元) 之投資物業以通過時間之推移而非通過銷售消耗該投資物業所含絕大部分經濟利益為目標之商業模式持有。本集團位於中國之若干投資物業賬面金額乃透過出售予以悉數收回之推定已被推翻及該等投資物業之公允值變動之遞延稅項乃根據相關稅務規則確認。

使用權資產及物業、廠房及設備減值

使用權資產及物業、廠房及設備按成本減累計折舊及減值 (如有) 列賬。於釐定資產是否減值時，本集團會行使判斷及作出估計，尤其是評估以下各項：(1) 是否發生任何事件或有任何跡象可能影響資產價值；(2) 資產賬面值是否獲可收回金額支持 (如為使用價值，則為基於持續使用資產所估計之未來現金流量之現值淨額)；及(3) 估計可收回金額時所應用的主要假設，包括現金流量預測及適當貼現率。假設及估計 (包括貼現率或現金流量預測之增長率) 發生任何變動，可能會對減值測試中所使用的現值淨額產生重大影響。

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3. SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of right-of-use assets and property, plant and equipment (continued)

As at 31 December 2020, the carrying amounts of right-of-use assets and property, plant and equipment amounted to HK\$783,552,000 and HK\$63,394,000 (2019: HK\$748,469,000 and HK\$75,010,000), respectively. No impairment losses on right-of-use assets and property, plant and equipment (2019: HK\$Nil and HK\$35,341,000), during the year ended 31 December 2020. Details of the right-of-use assets and property, plant and equipment are disclosed in Notes 16 and 14 respectively.

Impairment of other intangible assets and goodwill

The Group determines whether other intangible assets and goodwill are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of other intangible assets and goodwill at 31 December 2020 was HK\$9,315,000 and HK\$36,751,000, respectively (2019: HK\$62,990,000 and HK\$34,646,000). Further details are disclosed in Notes 21 and 20 respectively.

3. 重大會計估計 (續)

估計不明朗因素 (續)

使用權資產及物業、廠房及設備減值 (續)

於二零二零年十二月三十一日，使用權資產及物業、廠房及設備的賬面金額分別為783,552,000港元及63,394,000港元 (二零一九年：748,469,000港元及75,010,000港元)。截至二零二零年十二月三十一日止年度，使用權資產及物業、廠房及設備並無減值虧損 (二零一九年：零港元及35,341,000港元)。有關使用權資產及物業、廠房及設備之詳情披露於附註16及14。

其他無形資產及商譽的減值

本集團至少每年釐定其他無形資產及商譽是否減值，此需估計獲分配商譽之現金產出單位之使用價值。於估計使用價值時，本集團需估計現金產出單位之預期未來現金流量，並選取合適之貼現率，以計算有關現金流量之現值。於二零二零年十二月三十一日，其他無形資產及商譽的賬面金額分別為9,315,000港元及36,751,000港元 (二零一九年：62,990,000港元及34,646,000港元)。進一步詳情披露於附註21及20。

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has six reportable operating segments as follows:

- (a) the wine and liquor segment is engaged in the sale and distribution of wine and liquor;
- (b) the trading of food products segment is engaged in wholesaling and retailing of staple food, cooking oil, alcohol and beverage, frozen and fresh food, commodity hog;
- (c) the construction and development segment is engaged in construction and land development;
- (d) the rental segment is engaged in the leasing of logistic facilities in Hong Kong and office facilities in the People's Republic of China ("PRC");
- (e) the financial leasing segment is engaged in the provision of financial leasing services; and
- (f) the mineral products segment is engaged in the flotation selection of non-ferrous metals mines and sales of mineral products.

The management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment results. Segment results are measured consistently with the Group's profit before tax except that interest income, finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude pledged deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude bank and other borrowings, amounts due to related parties and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

4. 經營分類資料

就管理而言，本集團乃根據產品及服務性質將業務單位分類，而可報告經營分類乃下列六項：

- (a) 酒類分類，從事銷售及分銷酒類；
- (b) 買賣食品分類，從事批發及零售主食品、食用油、酒類及飲料、冷藏及新鮮食品、商品豬；
- (c) 建設及開發分類，從事建設及土地開發；
- (d) 租賃分類，從事於香港租賃物流設施及於中華人民共和國（「中國」）租賃辦公設施；
- (e) 融資租賃分類，從事提供融資租賃服務；及
- (f) 礦產分類，從事有色金屬礦之浮選及礦產銷售。

管理層獨立監察本集團各經營分類之業績，以作出有關資源分配及表現評估之決策。分類表現乃根據可報告分類業績評估。分類業績乃貫徹以本集團之除稅前溢利方式計量，惟利息收入、融資成本以及總部及企業開支不包含於該計量。

分類資產不包括已抵押存款、現金及現金等值物及其他未分配總部及企業資產，乃由於該等資產以組別為基準管理。

分類負債不包括銀行及其他借貸、應付關聯方款項及其他未分配總部及企業負債，乃由於該等負債以組別為基準管理。

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4. OPERATING SEGMENT INFORMATION (continued)

4. 經營分類資料 (續)

		Wine and liquor	Trading of food products	Construction and development	Rental	Financial leasing	Mineral products	Unallocated	Total
		酒類 HK\$'000 千港元	買賣食品 HK\$'000 千港元	建設及開發 HK\$'000 千港元	租賃 HK\$'000 千港元	融資租賃 HK\$'000 千港元	礦產 HK\$'000 千港元	未分配 HK\$'000 千港元	總計 HK\$'000 千港元
Year ended 31 December 2020	截至二零二零年十二月三十一日止年度								
Segment revenue:	分類收入：								
Sales to external customers	銷售予外界客戶	645	432,223	-	256,876	13,841	155,510	-	859,095
Revenue from contracts with customers	客戶合約收入								
Timing of revenue recognition	收入確認時間								
At a point in time	時間點	645	432,223	-	-	-	155,510	-	588,378
Revenue from other sources	其他來源收入	-	-	-	256,876	13,841	-	-	270,717
Other gains or (losses)	其他收益或(虧損)	-	1,651	-	4,302	2,057	545	-	8,555
Other operating income/(expenses)	其他經營收入/(開支)	-	(994)	12	(25)	69,219	(8,566)	-	59,646
		645	432,880	12	261,153	85,117	147,489	-	927,296
Segment results	分類業績	(487)	3,851	12	12,613	74,154	27,049	-	117,192
<i>Reconciliation:</i>	<i>對賬：</i>								
Interest income	利息收入								1,210
Unallocated other operating income or loss	未分配其他經營收入或虧損								3,130
Corporate and other unallocated expenses	企業及其他未分配開支								(10,447)
Finance costs	融資成本								(103,048)
Loss on disposal of subsidiaries	出售附屬公司之虧損								(356)
Profit before taxation	除稅前溢利								7,681
Taxation	稅項								(2,224)
Profit for the Year	年度溢利								5,457
Segment assets	分類資產	99,498	401,154	342,106	1,207,050	356,019	308,325	-	2,714,152
<i>Reconciliation:</i>	<i>對賬：</i>								
Elimination of intersegment receivables	對銷分類間應收款項								(961,426)
Corporate and other unallocated assets	企業及其他未分配資產								1,241,804
Total assets	資產總值								2,994,530
Segment liabilities	分類負債	36,432	323,351	116,387	921,935	113,036	80,280	-	1,591,421
<i>Reconciliation:</i>	<i>對賬：</i>								
Elimination of intersegment payables	對銷分類間應付款項								(961,426)
Corporate and other unallocated liabilities	企業及其他未分配負債								1,093,862
Total liabilities	負債總額								1,723,857
Other segment information	其他分類資料								
Share of profit of associates	分佔聯營公司溢利	-	-	-	-	-	-	1,960	1,960
Loss on disposal of subsidiaries	出售附屬公司之虧損	-	-	-	-	-	-	(356)	(356)
Net allowance for expected credit losses (recognised)/reversal on trade receivables	就應收貿易賬款(確認)/撥回之預期信貸虧損撥備淨額	-	-	-	172	-	3,456	-	3,628
Net allowance for expected credit losses (recognised)/reversal on other receivables	就其他應收款項(確認)/撥回之預期信貸虧損撥備淨額	-	(994)	12	(197)	67,450	(12,022)	2,327	56,576
Net allowance for expected credit losses (recognised)/reversal on loan receivables	就應收貸款(確認)/撥回之預期信貸虧損撥備淨額	-	-	-	-	1,769	-	(973)	796
Impairment loss on intangible assets	無形資產減值虧損	-	-	-	-	-	-	(1,574)	(1,574)
Depreciation and amortisation	折舊及攤銷	(1,768)	(531)	(64)	(160,761)	(364)	(2,866)	(617)	(166,971)
Interests in associates	於聯營公司之權益	-	-	-	-	-	-	287,194	287,194
Capital expenditure*	資本開支*	-	-	-	4	2,085	492	-	2,581
Fair value loss on disposal of financial assets at fair value through profit or loss	出售透過損益按公允值列賬之金融資產之公允值虧損	-	-	-	-	-	-	(122)	(122)
Fair value gain on investment properties	投資物業之公允值收益	-	-	-	4,804	-	-	-	4,804

* Capital expenditure consists of additions of property, plant and equipment and investment properties.

* 資本開支包括添置物業、廠房及設備、使用權資產及投資物業。

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4. OPERATING SEGMENT INFORMATION (continued)

4. 經營分類資料 (續)

		Wine and liquor	Trading of food products	Construction and development	Rental	Financial leasing	Mineral products	Unallocated	Total
		酒類 HK\$'000 千港元	買賣食品 HK\$'000 千港元	建設及 開發 HK\$'000 千港元	租賃 HK\$'000 千港元	融資租賃 HK\$'000 千港元	礦產 HK\$'000 千港元	未分配 HK\$'000 千港元	總計 HK\$'000 千港元
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度								
Segment revenue:	分類收入：								
Sales to external customers	銷售予外界客戶	4,878	388,180	-	238,550	9,559	138,138	-	779,305
Revenue from contracts with customers	客戶合約收入								
Timing of revenue recognition	收入確認時間								
At a point in time	時間點	4,878	388,180	-	-	-	138,138	-	531,196
Revenue from other sources	其他來源收入	-	-	-	238,550	9,559	-	-	248,109
Other gains or (losses)	其他收益或(虧損)	298	1,734	-	24,614	89	809	-	27,544
Other operating expenses	其他經營開支	(983)	(15,136)	(15)	(13,172)	(87,108)	(6,687)	-	(123,101)
		4,193	374,778	(15)	249,992	(77,460)	132,260	-	683,748
Segment results	分類業績	(3,580)	(12,804)	(15)	(39,478)	(85,894)	8,378	-	(133,393)
Reconciliation:	對賬：								
Interest income	利息收入								4,116
Unallocated other operating income or loss	未分配其他經營收入或虧損								8,667
Corporate and other unallocated expenses	企業及其他未分配開支								(112,687)
Finance costs	融資成本								(111,086)
Gain on disposal of subsidiaries	出售附屬公司之收益								2,490
Loss before taxation	除稅前虧損								(341,893)
Taxation	稅項								984
Loss for the Year	年度虧損								(340,909)
Segment assets	分類資產	137,519	341,553	236,305	1,185,513	408,618	225,893	-	2,535,401
Reconciliation:	對賬：								
Elimination of intersegment receivables	對銷分類間應收款項								(793,717)
Corporate and other unallocated assets	企業及其他未分配資產								1,270,971
Total assets	資產總值								3,012,655
Segment liabilities	分類負債	48,884	307,528	56,704	944,702	172,622	80,448	-	1,610,888
Reconciliation:	對賬：								
Elimination of intersegment payables	對銷分類間應付款項								(793,717)
Corporate and other unallocated liabilities	企業及其他未分配負債								966,228
Total liabilities	負債總額								1,783,399
Other segment information	其他分類資料								
Share of loss of associates	分佔聯營公司虧損	-	-	-	-	-	-	(334)	(334)
Gain on disposal of subsidiaries	出售附屬公司之收益	-	-	-	-	-	-	2,490	2,490
Allowance for expected credit losses recognised on trade receivables	就應收貿易賬款確認之預期信貸虧損撥備	-	(14,358)	-	(1,276)	-	(4,046)	-	(19,680)
Allowance for expected credit losses recognised on other receivables	就其他應收款項確認之預期信貸虧損撥備	(983)	(778)	(15)	(32)	(67,498)	(2,641)	(66,754)	(138,701)
Allowance for expected credit losses recognised on loan receivables	就應收貸款確認之預期信貸虧損撥備	-	-	-	-	(19,610)	-	-	(19,610)
Impairment loss on goodwill	商譽減值虧損	-	-	-	(11,864)	-	-	-	(11,864)
Impairment loss on intangible assets	無形資產減值虧損	-	-	-	-	-	-	(42,370)	(42,370)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	-	-	-	-	-	-	(35,341)	(35,341)
Depreciation and amortisation	折舊及攤銷	(1,765)	(1,726)	(64)	(155,187)	(393)	(2,826)	(210)	(162,171)
Interests in associates	於聯營公司之權益	-	-	-	-	-	-	278,734	278,734
Capital expenditure*	資本開支*	-	-	11,697	2,434	108	677	-	14,916
Fair value gain on financial assets at fair value through profit or loss	透過損益按公允值列賬之金融資產之公允值收益	-	-	-	-	-	-	7,055	7,055
Loss on disposal of an investment property	出售投資物業之虧損	-	-	-	(120)	-	-	-	(120)
Fair value gain on investment properties	投資物業之公允值收益	-	-	-	6,152	-	-	-	6,152

* Capital expenditure consists of additions to property, plant and equipment, investment properties and assets arising from acquisition of subsidiaries.

* 資本開支包括添置物業、廠房及設備、投資物業及收購附屬公司產生之資產。

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4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

Over 90% of the Group's customers are located in Mainland China and revenue of the Group is mainly derived from operations in Mainland China. The management considers that it is impracticable to allocate the assets, revenue and segment results to geographical locations.

Information about a major customer

During the Year, there has one external customer related to trading of food products segment that contributed revenue of approximately HK\$203,277,000 that accounted for more than 10% of the Group's total revenue (2019: HK\$143,438,000).

5. REVENUE

The Group's revenue represents by wine and liquor, trading of food products, rental, financial leasing and mineral products. Except for rental and finance leasing, all contracts are for period of one year or less, as permitted by practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Disaggregation of revenue from contracts with customers

An analysis of revenue by types of goods and services as follows:

4. 經營分類資料 (續)

地區資料

本集團90%以上之客戶位於中國內地，本集團收入主要來自中國內地之經營業務。管理層認為按地區劃分資產、收入及分類業績乃不可行。

主要客戶之資料

年內，一名與買賣食品分類有關的外界客戶貢獻收入約203,277,000港元，佔本集團總收入10%以上(二零一九年：143,438,000港元)。

5. 收入

本集團之收入為酒類、買賣食品、租賃、融資租賃及礦產。除租賃及融資租賃以外，根據香港財務報告準則第15號允許之可行權宜方法，所有合約之年期為一年或以內，分配至該等未履約合約之交易價未予以披露。

客戶合約收入拆分

按貨品及服務類別分析之收入如下：

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Revenue from contracts with customers	客戶合約收入		
Wine and liquor	酒類	645	4,878
Trading of food products	買賣食品	432,223	388,180
Mineral products	礦產	155,510	138,138
Total revenue recognised at point in time	於時間點確認之總收入	588,378	531,196

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5. REVENUE (continued)

Disaggregation of revenue from contracts with customers (continued)

5. 收入 (續)

客戶合約收入拆分 (續)

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Revenue from other sources	其他來源收入		
Rental	租賃	256,876	238,550
Financial leasing	融資租賃	13,841	9,559
		859,095	779,305
 Time of revenue recognition	 收入確認時間		
At a point in time	於時間點	588,378	531,196
Over time	隨時間	—	—
		588,378	531,196
 Geographic market:	 地域市場：		
The PRC	中國	798,287	718,059
Hong Kong	香港	60,808	61,246
		859,095	779,305

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6. OTHER INCOME, GAINS OR LOSSES

An analysis of other income, gains or losses is as follows:

6. 其他收入、收益或虧損

其他收入、收益或虧損之分析如下：

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Other income, gains or (losses)	其他收入、收益或 (虧損)		
Compensation income	補償收入	—	18,582
Interest income	利息收入	1,210	4,116
Government grant (Note)	政府補助 (附註)	1,007	176
Fair value gain on investment properties	投資物業之公允值收益	4,804	6,152
Fair value gain on financial assets at fair value through profit or loss	透過損益按公允值列賬之金融資產之公允值收益	—	7,055
Gain on disposal of right-of-use assets	出售使用權資產之收益	207	—
Loss on disposal of an investment property	出售投資物業之虧損	—	(120)
Loss on disposal of financial assets at fair value through profit or loss	出售透過損益按公允值列賬之金融資產之虧損	(122)	—
Others	其他	3,829	4,366
		10,935	40,327

Note:

Government grants were mainly granted to the Group as subsidies to support the operation of the PRC subsidiaries. There are no special conditions or contingencies that are needed to be fulfilled and they were non-recurring in nature.

附註：

授予本集團的政府補助主要為支持中國附屬公司營運的補助。並無任何特別條件或或然事項需要履行，且屬於非經常性質。

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7. PROFIT/(LOSS) BEFORE TAXATION

The Group's profit/(loss) before taxation is arrived at after charging/(crediting):

7. 除稅前溢利／（虧損）

本集團之除稅前溢利／（虧損）經扣除／（計入）下列各項後計算得出：

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Cost of inventories recognised as an expenses	確認為開支之存貨成本	456,715	490,187
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13,222	18,509
Depreciation of right-of-use assets	使用權資產折舊	143,113	132,904
Amortisation of other intangible assets	其他無形資產攤銷	10,636	10,758
Expenses related to short term lease and low value assets	與短期租賃及低價值資產有關的開支	5,027	16,711
Gross rental income	租賃收入總額	(256,876)	(238,550)
Less: Direct operating expenses that generated rental income during the year	減：年內產生租賃收入之直接經營開支	166,593	171,396
		(90,283)	(67,154)
Auditors' remuneration	核數師酬金	1,250	1,250
Employee benefit expense (including directors' emoluments):	僱員福利開支（包括董事酬金）：		
Wages and salaries	工資及薪金	9,268	14,211
Pension scheme contributions	退休金計劃供款	467	1,023
Other expenses/(income):	其他開支／（收入）：		
Fair value gain on financial assets at fair value through profit or loss	透過損益按公允值列賬之金融資產之公允值收益	—	(7,055)
Loss on disposal of financial assets at fair value through profit or loss	出售透過損益按公允值列賬之金融資產之虧損	122	—
Net allowance for expected credit losses (reversal)/recognised on trade receivables	就應收貿易賬款（撥回）／確認之預期信貸虧損撥備淨額	(3,628)	19,680
Net allowance for expected credit losses (reversal)/recognised on loan receivables	就應收貸款（撥回）／確認之預期信貸虧損撥備淨額	(796)	19,610
Net allowance for expected credit losses (reversal)/recognised on other receivables	就其他應收款項（撥回）／確認之預期信貸虧損撥備淨額	(56,576)	138,701
Impairment loss on goodwill*	商譽減值虧損*	—	11,864
Impairment loss on intangible assets*	無形資產減值虧損*	1,574	42,370
Impairment loss on property, plant, and equipment*	物業、廠房及設備減值虧損*	—	35,341

* Items included in other operating expenses

* 項目計入其他經營開支

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8. FINANCE COSTS

8. 融資成本

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Interest on bank and other borrowings	銀行及其他借貸之利息		
– wholly repayable within five years	— 須於五年內悉數償還	47,165	44,633
Interest expense on lease liabilities	租賃負債之利息開支	53,272	54,930
Effective interest expenses on convertible bonds	可換股債券之實際利息開支	2,611	11,523
		103,048	111,086

9. DIRECTORS' REMUNERATION

Details of the director's remuneration of the Company for the year, disclosed pursuant to Listing Rules and Section 383 of the Hong Kong Companies Ordinance are as follows:

9. 董事薪酬

年內本公司董事的薪酬詳情，根據上市規則及香港公司條例第383條披露如下：

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Fees	袍金	570	816
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	442	2,661
Pension scheme contributions	退休金計劃供款	35	48
		477	2,709
		1,047	3,525

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9. 董事薪酬(續)

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9. DIRECTORS' REMUNERATION (continued)

9. 董事薪酬 (續)

			Fees	Salaries, allowances and benefits in kind	Equity-settled share option expense (Note)	Pension scheme contributions	Total remuneration
			袍金 HK\$'000 千港元	薪金、津貼及實物利益 HK\$'000 千港元	股權結算 購股權開支 (附註) HK\$'000 千港元	退休金 計劃供款 HK\$'000 千港元	薪酬總額 HK\$'000 千港元
Notes 附註							
2019	二零一九年						
Executive directors	執行董事						
Mr. Li Jiehong (Chairman)	李傑鴻先生 (主席)		150	-	-	-	150
Mr. Gu Chunyang (Vice Chairman)	谷春陽先生 (副主席)	(vi)	68	-	-	-	68
Mr. JIANG Jianjun	江建軍先生	(i)	-	2,245	-	12	2,257
Mr. KE Xionghan	柯雄瀚先生		-	416	-	36	452
Mr. Huang Wuguang	黃吳光先生	(iv)	240	-	-	-	240
Mr. Zeng Fanxiong	曾凡雄先生	(ii)	8	-	-	-	8
			466	2,661	-	48	3,175
Non-executive directors	非執行董事						
Ms. Ho Wing Yan	何詠欣女士		100	-	-	-	100
Mr. Wang Jianguo	王建国先生	(ii)	-	-	-	-	-
			100	-	-	-	100
Independent non-executive directors	獨立非執行董事						
Mr. Chong Cha Hwa	張家華先生		150	-	-	-	150
Mr. Yang Yunguang	楊雲光先生		50	-	-	-	50
Mr. Zhang Xianming	張顯明先生	(vii)	-	-	-	-	-
Mr. Ho Man Fai	何文輝先生	(iii)	50	-	-	-	50
			250	-	-	-	250
			816	2,661	-	48	3,525

No emoluments were paid by the Group to the directors of the Company, its chief executive officer and senior management of the highest paid individuals as a discretionary bonus or an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2020 and 2019.

None of the directors of the Company and chief executive officer of the Company agreed to receive or waived any emoluments in the years ended 31 December 2020 and 2019.

No share option was held by directors as at 31 December 2020 and 2019.

截至二零二零年及二零一九年十二月三十一日止年度，本集團並無向屬最高薪人士之本公司董事、其行政總裁及高級管理層支付酬金，作為吸引加入本集團或於加入本集團時的酌情花紅或獎金或離職補償。

截至二零二零年及二零一九年十二月三十一日止年度，本公司董事及其行政總裁並無同意接受或豁免任何酬金。

於二零二零年及二零一九年十二月三十一日，董事並無持有購股權。

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9. DIRECTORS' REMUNERATION (continued)

- (i) Resigned on 16 August 2019.
- (ii) Resigned on 29 January 2019.
- (iii) Resigned on 22 June 2020.
- (iv) Resigned on 2 January 2020.
- (v) Appointed on 4 September 2020 and retired on 22 January 2021.
- (vi) Resigned on 14 June 2019.
- (vii) Resigned on 3 January 2019.
- (viii) Appointed on 4 September 2020.

9. 董事薪酬(續)

- (i) 於二零一九年八月十六日辭任。
- (ii) 於二零一九年一月二十九日辭任。
- (iii) 於二零二零年六月二十二日辭任。
- (iv) 於二零二零年一月二日辭任。
- (v) 於二零二零年九月四日獲委任及於二零二一年一月二十二日退任。
- (vi) 於二零一九年六月十四日辭任。
- (vii) 於二零一九年一月三日辭任。
- (viii) 於二零二零年九月四日獲委任。

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10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year include one (2019: two) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining four (2019: three), highest paid employees who are not a director of the Company, are as follows:

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,487	1,300
Pension scheme contributions	退休金計劃供款	45	31
		1,532	1,331

The number of non-director and highest paid employees whose remuneration fell within the following bands is as follows:

		2020	2019
Nil to HK\$1,000,000	零至1,000,000港元	4	3
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	—	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	—	—
Over HK\$2,000,000	2,000,000港元以上	—	—
		4	3

In prior years, share options were granted to certain non-director, highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 36 to the financial statements. The fair value of such options, which has been recognised in the consolidated statement of profit or loss and other comprehensive income over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director, highest paid employees' remuneration disclosures.

10. 五名最高薪僱員

年內，五名最高薪僱員包括一名（二零一九年：兩名）董事，其薪酬詳情已載列於上文附註9。於本年度內，其餘四名（二零一九年：三名）最高薪僱員（並非本公司董事）之薪酬詳情如下：

薪酬介乎下列範圍之最高薪非董事僱員數目如下：

以往年度，若干最高薪非董事僱員就彼等向本集團作出之服務而獲授購股權，進一步詳情載於財務報表附註36。就於歸屬期內在綜合損益及其他全面收入報表確認的購股權，其公允值於授出日期釐定，計入本年度財務報表的金額載入上述最高薪非董事僱員酬金披露事項內。

11. TAXATION

Under the prevailing tax law in the PRC, the Enterprise Income Tax rate of the Company and the subsidiaries is 25% (2019: 25%).

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\$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2,000,000 will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

11. 稅項

根據中國現行稅法，本公司及附屬公司之企業所得稅率為25%（二零一九年：25%）。

於二零一八年三月二十一日，香港立法會通過《二零一七年稅務（修訂）（第7號）條例草案》（「草案」），草案引進利得稅兩級制。草案於二零一八年三月二十八日簽署立法，並於翌日刊憲。根據利得稅兩級制，合資格公司首2,000,000港元應課稅溢利將按8.25%徵稅，2,000,000港元以上應課稅溢利則按16.5%徵稅。利得稅兩級制下不合資格公司之應課稅溢利將繼續按劃一稅率16.5%徵稅。

		2020	2019
		HK\$'000	HK\$'000
		千港元	千港元
Current tax:	即期稅項：		
– Hong Kong	—香港	763	–
– PRC Enterprise Income Tax	—中國企業所得稅	6,049	397
		6,812	397
Deferred tax (note 32)	遞延稅項 (附註32)	(4,588)	(1,381)
Total tax expense/(credit) for the year	年度稅項開支／(抵免) 總額	2,224	(984)

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11. TAXATION (continued)

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before taxation at the statutory rate for Hong Kong in which the Company and its subsidiaries are domiciled to the tax expense/(credit) at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Profit/(loss) before taxation	除稅前溢利／（虧損）	7,681	(341,893)
Tax at the statutory tax rate	按法定稅率計算的稅項	1,268	(56,412)
Effect of different tax rates of subsidiaries	附屬公司不同稅率的影響	3,772	(15,471)
Income not taxable for tax	毋須課稅收入	(11,591)	(2,858)
Tax effect of unrecognised temporary difference	未確認暫時性差額之稅務影響	(5,594)	4,829
Utilization of tax losses previously not recognised	動用先前未確認之稅項虧損	6,747	24,676
Expenses not deductible for tax	不可扣稅的開支	8,112	44,168
(Profit)/loss attributable to associates	聯營公司應佔（溢利）／虧損	(490)	84
Tax expense/(credit) at the Group's effective rate	按本集團實際稅率計算的稅項開支／（抵免）	2,224	(984)

The share of tax credit attributable to an associate amounting to HK\$490,000 (2019: tax expenses of HK\$84,000) is included in "Share of profit/(loss) of associates" in the consolidated statement of profit or loss and other comprehensive income.

11. 稅項（續）

採用香港（本公司及其附屬公司的註冊地）法定稅率適用於除稅前溢利／（虧損）的稅項開支／（抵免）與按實際稅率計算的稅項開支／（抵免）對賬，以及適用稅率（即法定稅率）與實際稅率對賬如下：

分佔聯營公司應佔稅項抵免為490,000港元（二零一九年：稅項開支84,000港元）已計入綜合損益及其他全面收入報表之「分佔聯營公司溢利／（虧損）」項下。

12. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 31 December 2020 (2019: Nil).

12. 股息

董事不建議就截至二零二零年十二月三十一日止年度派付任何股息（二零一九年：無）。

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13. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based in the following data:

13. 每股盈利／（虧損）

本公司擁有人應佔之每股基本及攤薄盈利／（虧損）乃根據下列數據計算：

Earnings/(loss)

盈利／（虧損）

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Earnings/(loss) for the purpose of basic earnings/(loss) per share	用於計算每股基本盈利／（虧損）之盈利／（虧損）	14,778	(291,072)
Effects of dilutive potential ordinary shares:	潛在攤薄普通股影響：		
Effective interest expenses on convertible bonds, net of tax	可換股債券之實際利息開支，扣除稅項	2,534	—
Earnings/(loss) for the purpose of diluted earnings/(loss) per share	用於計算每股攤薄盈利／（虧損）之盈利／（虧損）	17,312	(291,072)

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13. EARNINGS/(LOSS) PER SHARE (continued) Number of Shares

13. 每股盈利／（虧損）（續） 股份數目

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Weighted average number of ordinary shares for basic earnings/(loss) per share	用於計算每股基本盈利／（虧損）之普通股加權平均數	6,225,126	5,890,531
Effects of dilutive potential ordinary shares:	潛在攤薄普通股影響：		
Convertible bonds	可換股債券	1,111,000	—
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	用於計算每股攤薄盈利／（虧損）之普通股加權平均數	7,336,126	5,890,531

The diluted earnings per share for the year ended 31 December 2020 was calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, and the profits for the year ended 31 December 2020 was adjusted to reflect the effective interest expense on convertible bonds less deferred tax effect, if any. The basic and diluted loss per share are the same for the year ended 31 December 2019 as the effect of the Group's share options were anti-dilutive.

截至二零二零年十二月三十一日止年度之每股攤薄盈利乃透過調整發行在外普通股之加權平均數，以假設已轉換所有潛在攤薄普通股計算，及截至二零二零年十二月三十一日止年度之溢利已調整至反映可換股債券之實際利息開支減遞延稅項影響（如有）。每股基本及攤薄虧損與截至二零一九年十二月三十一日止年度相同，此乃由於本集團購股權具有反攤薄效應。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Leasehold improvement, furniture and fixtures 租賃 物業裝修、 傢俱及裝置 HK\$'000 千港元	Motor Vehicle 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Infrastructure and building 基礎設施 及樓宇 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本					
As at 1 January 2019	於二零一九年一月一日	113,505	4,104	216,366	36,999	370,974
Additions	添置	3,199	-	11,700	17	14,916
Reclassified as properties for sale	重新分類為待售物業	-	-	(202,813)	-	(202,813)
Exchange realignment	匯兌調整	(324)	(27)	(3,973)	(580)	(4,904)
As at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	116,380	4,077	21,280	36,436	178,173
Additions	添置	529	-	-	-	529
Exchange realignment	匯兌調整	1,200	88	1,733	917	3,938
As at 31 December 2020	於二零二零年十二月三十一日	118,109	4,165	23,013	37,353	182,640
Accumulated depreciation and impairment	累計折舊及減值					
As at 1 January 2019	於二零一九年一月一日	39,706	2,376	-	7,719	49,801
Impairment loss for the year (Note)	年內減值虧損 (附註)	-	-	21,418	13,923	35,341
Depreciation for the year	年內折舊	14,096	473	-	3,940	18,509
Exchange realignment	匯兌調整	(143)	(7)	(138)	(200)	(488)
As at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	53,659	2,842	21,280	25,382	103,163
Depreciation for the year	年內折舊	11,199	230	-	1,793	13,222
Exchange realignment	匯兌調整	750	33	1,733	345	2,861
As at 31 December 2020	於二零二零年十二月三十一日	65,608	3,105	23,013	27,520	119,246
Carrying amount	賬面金額					
As at 31 December 2020	於二零二零年十二月三十一日	52,501	1,060	-	9,833	63,394
As at 31 December 2019	於二零一九年十二月三十一日	62,721	1,235	-	11,054	75,010

Note: The Group ceased to develop of infrastructure project in the PRC in relation to property, plant and equipment. The Group carried out a review of the recoverable amount of the property, plant and equipment. HK\$35,341,000 has been recognized as impairment loss in the year 2019. These assets are used in the Group's other segments. The recoverable amount of the relevant assets has been determined on the basis of their value in use.

附註：本集團不再於中國開發涉及物業、廠房及設備之基礎設施項目。本集團審閱物業、廠房及設備之可收回金額。二零一九年已確認減值虧損35,341,000港元。該等資產用於本集團之其他分類。相關資產之可收回金額乃按使用價值基準釐定。

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15. INVESTMENT PROPERTIES

15. 投資物業

		HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	398,065
Valuation gain on arising from changes in fair value	公允值變動產生的估值收益	6,152
Disposal	出售	(1,281)
Exchange realignment	匯兌調整	(7,334)
At 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日	395,602
Valuation gain on arising from changes in fair value	公允值變動產生的估值收益	4,804
Addition	添置	2,052
Exchange realignment	匯兌調整	24,501
At 31 December 2020	於二零二零年十二月三十一日	426,959
Unrealised net gain in fair value of investment properties, included in profit or loss	投資物業之公允值未變現收益淨額(計入損益)	4,804

(a) Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties as at 31 December 2020 has been arrived at the basis of a valuation carried out by independent qualified professional valuers not connected to the Group and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The fair value was determined based on income capitalisation approach, which involves estimating the rental incomes of the property and capitalizing them all on appropriate rate to produce a capital value respectively.

(a) 本集團投資物業之公允值計量

本集團投資物業於二零二零年十二月三十一日之公允值乃基於與本集團並無關連之獨立合資格專業估值師進行之估值達致，該公司已具備適當資格及對相關位置之類似物業進行估值之近期經驗。

公允值乃分別根據收入資本化法（涉及估計該物業之租金收入及按適當利率將全數款項資本化以得出資本價值）釐定。

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15. INVESTMENT PROPERTIES (continued)

(a) Fair value measurement of the Group's investment properties (continued)

There has been no change to the valuation technique during the year.

In estimating the fair value of the properties, highest and best use of the properties is their current use.

Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follow:

15. 投資物業 (續)

(a) 本集團投資物業之公允值計量 (續)

年內，估值技術並無變動。

於估計物業的公允值時，物業的最大及最佳用途為目前用途。

於報告期末，本集團投資物業之詳情以及有關公允值層級之資料如下：

		2020		
		Level 1	Level 2	Level 3
		第一級	第二級	第三級
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Investment properties	投資物業	—	—	426,959

		2019		
		Level 1	Level 2	Level 3
		第一級	第二級	第三級
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Investment properties	投資物業	—	—	395,602

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15. INVESTMENT PROPERTIES (continued)

(a) Fair value measurement of the Group's investment properties (continued)

	Fair value 公允值		Valuation techniques 估值技術	Significant unobservable inputs 重大不可觀察輸入數據	Range 範圍
	2020 HK\$'000 千港元	2019 HK\$'000 千港元			
Investment properties located in the PRC	426,959	395,602	Income capitalisation approach	Capitalisation rate, taking into account the capitalisation of rental income potential nature of the property, and prevailing market condition of 5% to 6% (2019: 5 to 6%)	A slight increase in the capitalisation rate used would result in a significant decrease in fair value and vice versa.
位於中國的投資物業			收入資本化法	經計及資本化潛在租金收入、物業性質及當前市況，資本化比率為5%至6% (二零一九年：5%至6%)	所用資本化比率略微上升將導致公允值顯著下降，反之亦然。

There were no transfer into or from level 3 during the year.

(b) The analysis of the carrying amount of investment properties is as follow:

All the investment properties is situated in the PRC under medium lease term to long-term lease arrangement.

(c) Pledge of investment properties

Investment properties with a carrying amount in aggregate of HK\$308,246,000 (2019: HK\$288,844,000) are pledged to several banks for Group's borrowings, details of which set out in note 31.

(d) Investment properties leased out under leases

All of the Group's property interests held under leases to earn rentals are measured using the fair value model and classified accounted for investment properties.

The Group leases out its investment properties to various tenants. The leases typically run for an initial period of 1 year to 10 years, at the end of which period all terms are renegotiated. None of the leases includes contingent rentals.

15. 投資物業 (續)

(a) 本集團投資物業之公允值計量 (續)

年內，並無轉入或轉出第三級。

(b) 投資物業之賬面金額分析如下：

中期至長期租賃安排項下之所有投資物業均位於中國。

(c) 抵押投資物業

賬面金額合共308,246,000港元 (二零一九年：288,844,000港元) 之投資物業已就本集團之借貸抵押予數間銀行，其詳情載於附註31。

(d) 根據租賃出租之投資物業

本集團根據租賃持有以賺取租金之所有物業權益乃採用公允值模式計量，並計入投資物業。

本集團向多名租戶出租其投資物業。租約一般初步為期一年至十年，期滿時重新磋商所有條款。租約概不附帶或然租金。

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16. RIGHT-OF-USE ASSETS

16. 使用權資產

		Leased Properties 租賃物業 HK\$'000 千港元
Carrying amounts At 31 December 2020	賬面金額 於二零二零年十二月三十一日	783,552
At 31 December 2019	於二零一九年十二月三十一日	748,469
For the year ended 31 December 2020 Depreciation charge	截至二零二零年十二月三十一日止年度 折舊支出	143,113
For the year ended 31 December 2019 Depreciation charge	截至二零一九年十二月三十一日止年度 折舊支出	132,904

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16. RIGHT-OF-USE ASSETS (continued)

Details of total cash outflow of leases is set out in the consolidated cash flow statements.

During the current year, the Group leases properties for own use. Lease contracts are entered into for fixed term of 3 to 20 years (2019: 4 to 20 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.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at FVTPL as at 31 December 2019 and 2020 comprise:

16. 使用權資產 (續)

租賃之現金流出總額詳情載於綜合現金流量表。

於本年度，本集團租賃物業作自用用途。租賃合約訂有3至20年（二零一九年：4至20年）的固定租期。租賃條款按個別基準進行磋商，包含多項不同的條款及條件。於釐定租期及評估不可撤銷期間的長短時，本集團應用合約的釋義，並釐定可予行使的合約的期間。

17. 透過損益按公允值列賬的金融資產

於二零一九年及二零二零年十二月三十一日，透過損益按公允值列賬的金融資產包括：

	2020 HK\$'000 千港元	2019 HK\$'000 千港元
Listed equity investments, at fair value: 上市股本投資，按公允值：		
– in PRC 一於中國	–	33,857

Fair value of listed equity investments are determined with reference to quoted market bid prices.

上市股本投資之公允值乃參考市場報價釐定。

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18. LOAN RECEIVABLES

An aged analysis of the loan receivables as at the end of the reporting period is as follows:

18. 應收貸款

於報告期末，應收貸款之賬齡分析如下：

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
0 – 30 days	0至30日	2,599	14,465
31 to 60 days	31至60日	31,777	26,864
61 to 90 days	61至90日	36,492	21,385
91 to 180 days	91至180日	85,579	106,641
181 to 365 days	181至365日	98,615	113,398
Over 365 days	365日以上	122,186	101,251
		377,248	384,004
Less: Allowance for expected credit losses	減：預期信貸虧損撥備	(23,123)	(23,966)
		354,125	360,038

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18. LOAN RECEIVABLES (continued)

Movement in the allowance for expected credit losses of loan receivables

Movement in allowance for ECL that has been recognised for loan receivables in accordance with general approach set out in HKFRS 9 for the years ended 31 December 2020 and 2019.

18. 應收貸款 (續)

應收貸款預期信貸虧損撥備變動

截至二零二零年及二零一九年十二月三十一日止年度根據香港財務報告準則第9號所載的一般方法就應收貸款確認之預期信貸虧損撥備變動。

		Total 總計 HK\$'000 千港元
Balance as at 1 January 2019	於二零一九年一月一日之結餘	4,520
Expected credit losses ("ECL")	預期信貸虧損 (「預期信貸虧損」)	19,610
Exchange realignment	匯兌調整	(164)
Balance as at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日之結餘	23,966
Reversal of ECL	預期信貸虧損撥回	(796)
Exchange realignment	匯兌調整	(47)
Balance as at 31 December 2020	於二零二零年十二月三十一日之結餘	23,123

Details of assessment of expected credit losses are set out on note 43.

預期信貸虧損評估詳情載於附註43。

19. RENTAL DEPOSITS PAID

19. 已付租金按金

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Rental deposits paid	已付租金按金	3,849	10,263

Rental deposits paid related to rental deposits paid to landlord for tenancy agreement more than 1 year in PRC premises.

已付租金按金與就於中國物業超過一年之租賃協議向業主支付之租金按金有關。

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20. GOODWILL

20. 商譽

		Total 總計 HK\$'000 千港元
Cost	成本	
As at 1 January 2019	於二零一九年一月一日	118,823
Exchange realignment	匯兌調整	(855)
As at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	117,968
Exchange realignment	匯兌調整	7,165
As at 31 December 2020	於二零二零年十二月三十一日	125,133
Accumulated impairment	累計減值	
As at 1 January 2019	於二零一九年一月一日	71,557
Impairment for the year	年內減值	11,864
Exchange realignment	匯兌調整	(99)
As at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及 二零二零年一月一日	83,322
Exchange realignment	匯兌調整	5,060
As at 31 December 2020	於二零二零年十二月三十一日	88,382
Carrying amount	賬面金額	
As at 31 December 2020	於二零二零年十二月三十一日	36,751
As at 31 December 2019	於二零一九年十二月三十一日	34,646

Goodwill acquired through business combinations has been allocated to cash-generating unit of rental business in PRC, mining business and the sales of green food products for impairment testing.

透過業務合併收購之商譽已分配至中國租賃業務、選礦業務及銷售綠色食品之現金產出單位以進行減值測試。

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20. GOODWILL (continued)

Impairment testing of goodwill

Goodwill has been allocated for impairment testing purposes to the following groups of cash generating units:

- Rental business in PRC
- Mining business
- Sale of green food products

After recognition of impairment losses, the carrying amount of goodwill was allocated to groups of cash-generating units as follows:

Rental business in PRC	中國租賃業務
Mining business	選礦業務
Sale of green food products	銷售綠色食品

The recoverable amount has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period prepared by independent valuers and approved by senior management.

Rental business in PRC

The discount rate applied to the cash flow projections was 6.5% (2019: 6.5%) and cash flows beyond the five-year period were extrapolated using a growth rate of 3% (2019: 3%).

During the year ended 31 December 2019, an impairment loss of approximately HK\$11,864,000 was recognised in respect of the goodwill within the rental business segment. In the opinion of the Directors, the main factor contributing to the impairment loss was due to failure to meet expectations on the performance of the rental business in PRC.

20. 商譽 (續)

商譽之減值測試

就減值測試而言，商譽已分配至下列現金產出單位組別：

- 中國租賃業務
- 選礦業務
- 銷售綠色食品

於確認減值虧損後，商譽賬面金額已分配至下列現金產出單位組別：

2020 HK\$'000 千港元	2019 HK\$'000 千港元
32,880	30,997
722	681
3,149	2,968
36,751	34,646

可收回金額乃根據由獨立估值師編製及經高級管理層批准之涵蓋五年期之財務預算採用現金流量預測按使用價值計算而釐定。

中國之租賃業務

應用於現金流量預測之貼現率為6.5% (二零一九年：6.5%)，而超過五年期之現金流量乃採用增長率3% (二零一九年：3%) 推測。

截至二零一九年十二月三十一日止年度，已於租賃業務分類內就商譽確認減值虧損約11,864,000港元。董事認為，導致減值虧損之主要因素為中國租賃業務表現未能達致預期。

20. **GOODWILL (continued)**

Impairment testing of goodwill (continued)

Sales of green food products

The discount rate applied to the cash flow projections was 15% (2019: 15%) and cash flows beyond the five-year period were extrapolated using a growth rate of 3% (2019: 3%).

Mining business

The discount rate applied to the cash flow projections was 10% (2019: 10%) and cash flows beyond the five-year period were extrapolated using a growth rate of 3% (2019: 3%).

The key assumptions for value in use calculation related to the estimation of cash inflows which included budgeted sales and gross margin. Such estimation is prepared by independent valuers based on past performance and management's expectations.

No impairment loss (2019: HK\$11,864,000) was recognised and allocated to goodwill in the consolidated statement of profit or loss and other comprehensive income for the year.

20. **商譽 (續)**

商譽之減值測試 (續)

銷售綠色食品

應用於現金流量預測之貼現率為15% (二零一九年：15%)，而超過五年期之現金流量乃採用增長率3% (二零一九年：3%) 推測。

選礦業務

應用於現金流量預測之貼現率為10% (二零一九年：10%)，而超過五年期之現金流量乃採用增長率3% (二零一九年：3%) 推測。

有關使用價值計算之主要假設乃關於現金流入估計，其包括預算銷售及毛利率。有關估計乃由獨立估值師基於過往表現及管理層期望而作出。

於本年度之綜合損益及其他全面收入報表並無確認及分配至商譽之減值虧損 (二零一九年：11,864,000港元)。

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21. OTHER INTANGIBLE ASSETS

21. 其他無形資產

		Trademarks 商標 HK\$'000 千港元	Contract 合約 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本			
As at 1 January 2019	於二零一九年一月一日	91,976	55,850	147,826
Exchange realignment	匯兌調整	(5,098)	(3,163)	(8,261)
As at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日	86,878	52,687	139,565
Disposal of a subsidiary (note 37)	出售一間附屬公司 (附註37)	(82,473)	–	(82,473)
Exchange realignment	匯兌調整	(1,441)	3,201	1,760
As at 31 December 2020	於二零二零年十二月三十一日	2,964	55,888	58,852
Accumulated amortisation and impairment	累計攤銷及減值			
As at 1 January 2019	於二零一九年一月一日	1,078	23,253	24,331
Impairment for the year	年內減值	42,370	–	42,370
Amortisation for the year	年內攤銷	132	10,626	10,758
Exchange realignment	匯兌調整	(374)	(510)	(884)
As at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日	43,206	33,369	76,575
Disposal of a subsidiary (note 37)	出售一間附屬公司 (附註37)	(41,212)	–	(41,212)
Amortisation for the year	年內攤銷	39	10,597	10,636
Impairment for the year	年內減值	1,574	–	1,574
Exchange realignment	匯兌調整	(643)	2,607	1,964
As at 31 December 2020	於二零二零年十二月三十一日	2,964	46,573	49,537
Carrying amount	賬面金額			
As at 31 December 2020	於二零二零年十二月三十一日	–	9,315	9,315
As at 31 December 2019	於二零一九年十二月三十一日	43,672	19,318	62,990

21. OTHER INTANGIBLE ASSETS (continued)

Amortisation charge of approximately HK\$10,636,000 (2019: HK\$10,758,000) for the year is included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

Other intangible assets of trademark of wine and liquor, trademark of tourism business and contract as above amortised over its estimated useful lives, which are 30 years, indefinite and 5 years respectively.

As at 31 December 2019, the trademarks of tourism business has remaining legal life of two to five years but is renewable every 10 years at minimal cost. The directors of the Company are of the opinion that the Group would renew the trademarks continuously and has the ability to do so. As a result, the trademarks of tourism business are considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely.

During the year ended 31 December 2020, the trademark of tourism business has disposed. Please refer to Note 37 for details.

Impairment testing of other intangible assets*Trademark of tourism business*

Trademark of tourism business acquired has an indefinite useful life. The recoverable amount has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 14% in the year 2019.

21. 其他無形資產 (續)

年內攤銷開支約10,636,000港元(二零一九年：10,758,000港元)計入綜合損益及其他全面收入報表的行政開支。

其他無形資產酒類商標、旅遊業務商標及合約的於其估計可使用年期(分別為30年、無限期及5年)內攤銷。

於二零一九年十二月三十一日，旅遊業務商標之餘下法定年期介乎二至五年，但可按最低成本每十年續期一次。本公司董事認為本集團將持續續期該等商標，且有能力如此行事。因此，本集團管理層認為旅遊業務之商標具有無限可使用年期，因為其預期可無限期貢獻現金流入淨額。

截至二零二零年十二月三十一日止年度，旅遊業務商標已出售。有關詳情，請參閱附註37。

其他無形資產之減值測試*旅遊業務商標*

收購之旅遊業務商標具有無限可使用年期。可收回金額乃根據經高級管理層批准之涵蓋五年期之財務預算採用現金流量預測按使用價值計算而釐定。二零一九年，應用於現金流量預測之貼現率為14%。

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21. OTHER INTANGIBLE ASSETS (continued)

Impairment testing of other intangible assets (continued)

Trademark of tourism business (continued)

During the year ended 31 December 2019, an impairment loss of approximately HK\$42,370,000 was recognised in respect of the other intangible assets on the trademark of tourism business. In the opinion of the directors of the Company, the main factor contributing to the impairment loss was due to the adverse change in the market of the tourism business in PRC.

The key assumptions for value in use calculation related to the estimation of cash inflows which included budgeted revenue and gross margin. Such estimation is prepared by an independent valuer based on past performance and management's expectations.

Trademark of wine and liquor business

During the year ended 31 December 2020, an impairment loss of approximately HK\$1,574,000 was recognised in respect of the other intangible assets on the trademark of wine and liquor business. In the opinion of the directors of the Company, the main factor contributing to the impairment loss was due to the poor performance of the segment. The recoverable amount has been determined based on value-in-use calculation with discount rate applied to the cash flow projections was 14%.

The key assumptions for value in use calculation based on financial budgets covering a five-year period approved by senior management related to the estimation of cash inflows which included budgeted revenue and gross margin. Such estimation is based on past performance in the business and management's expectations.

21. 其他無形資產 (續)

其他無形資產之減值測試 (續)

旅遊業務商標 (續)

截至二零一九年十二月三十一日，已就有關旅遊業務商標之其他無形資產確認減值虧損約42,370,000港元。本公司董事認為，導致減值虧損的主要因素為中國旅遊業務市場出現不利變動。

有關使用價值計算之其他主要假設乃關於現金流入估計，其包括預算收入及毛利率。有關估計乃由獨立估值師基於過往表現及管理層期望而作出。

酒類業務商標

截至二零二零年十二月三十一日止年度，就有關酒類業務商標之其他無形資產確認約1,574,000港元之減值虧損。本公司董事認為，導致減值虧損之主要因素乃由於該分類表現較差。可收回金額乃根據採用應用於現金流量預測之貼現率14%計算之使用價值釐定。

有關基於經高級管理層批准之涵蓋五年期之財務預算之使用價值計算之其他主要假設乃關於現金流入估計，其包括預算收入及毛利率。有關估計乃基於業務過往表現及管理層期望而作出。

21. OTHER INTANGIBLE ASSETS (continued)**Impairment testing of other intangible assets (continued)***Contract*

Contract acquired has a five year useful life. The recoverable amount has been determined based on a value in use calculation using cash flow projections based on financial budgets covering five years prepared by an independent valuer and approved by senior management. The discount rate applied to cash flow projections was 6.5% (2019: 6.5%).

The key assumptions for value in use calculation related to the estimation of cash inflows which included budgeted sales and gross margin. Such estimation is prepared by an independent valuers based on past performance and management's expectations.

During the years ended 31 December 2019 and 2020, there was no impairment loss was recognised and allocated to other intangible assets on contract to the consolidated statement of profit or loss and other comprehensive income for the year.

21. 其他無形資產 (續)**其他無形資產之減值測試 (續)***合約*

所獲得合約之可使用年期為五年。可收回金額乃根據由獨立估值師編製及經高級管理層批准之涵蓋五年之財務預算採用現金流量預測按使用價值計算而釐定。應用於現金流量預測之貼現率為6.5% (二零一九年：6.5%)。

有關使用價值計算之其他主要假設乃關於現金流入估計，其包括預算銷售及毛利率。有關估計乃由獨立估值師基於過往表現及管理層期望而作出。

截至二零一九年及二零二零年十二月三十一日止年度，並無於本年度綜合損益及其他全面收入報表確認及分配至其他合約無形資產之減值虧損。

22. INTERESTS IN ASSOCIATES**22. 於聯營公司之權益**

		2020	2019
		HK\$'000	HK\$'000
		千港元	千港元
Share of net assets	分佔資產淨值	287,194	278,734

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22. INTERESTS IN ASSOCIATES (continued)

The Group's interests in its principal associates, which are unlisted, are as follows:

22. 於聯營公司之權益 (續)

本集團於其主要聯營公司 (非上市) 之權益如下：

Name 名稱	Registered share capital 註冊股本	Place of registration 註冊地點	Percentage of ownership interest attributable to the Group 本集團應佔擁有權權益百分比		Principal activities 主要業務
			2020	2019	
Shenzhen Qianhai Dahuangyuan E-commerce Group Company Limited (i) (Formerly known as Shenzhen Dahuangyuan E-commerce Group Company Limited) 深圳市前海大荒緣電子商務集團有限公司(i) (前稱深圳市大荒緣電子商務有限公司)	RMB200,000,000 人民幣200,000,000元	PRC/Mainland China 中國／中國內地	30	30	Sales of food and fertilizer 銷售食品及肥料
Shenzhen Dahuangyuan International Trading Company Limited (i) (Formerly known as Shenzhen Dahuangyuan Green Food Distribution Company Limited) 深圳市大荒緣國際貿易有限公司(i) (前稱深圳大荒緣綠色食品配送有限公司)	RMB50,800,000 人民幣50,800,000元	PRC/Mainland China 中國／中國內地	30	30	Sales of food, fertilizer, wine and steel 銷售食品、肥料、酒類及鋼材

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22. INTERESTS IN ASSOCIATES (continued)

22. 於聯營公司之權益 (續)

Name 名稱	Registered share capital 註冊股本	Place of registration 註冊地點	Percentage of ownership interest attributable to the Group 本集團應佔擁有權益百分比		Principal activities 主要業務
			2020	2019	
Shenzhen Qianhai Dahuangyuan Non-Financing Guarantee Company Limited (i) 深圳市前海大荒緣非融資性擔保有限公司(i)	RMB50,000,000 人民幣50,000,000元	PRC/Mainland China 中國／中國內地	30	30	Guarantee 擔保
Shenzhen Pengrongan Logistics Industrial Park Company Limited (i) 深圳市鵬融安物流產業園有限公司(i)	RMB210,000,000 人民幣210,000,000元	PRC/Mainland China 中國／中國內地	49	49	Investment holding 投資控股
Shenzhen Shengsiming Trading Limited (i) 深圳市聖思銘商貿有限公司(i)	RMB50,000,000 人民幣50,000,000元	PRC/Mainland China 中國／中國內地	40	40	General trading 一般貿易

Notes:

- (i) The English name of the above PRC companies is for identification purpose only.

附註：

- (i) 上述中國公司的英文名稱僅供識別之用。

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22. INTERESTS IN ASSOCIATES (continued)

Summarised financial information

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's consolidated financial statement prepared in accordance with HKFRSs.

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22. 於聯營公司之權益 (續)

財務資料概要

就本集團各重大聯營公司之財務資料概要載列如下。下文所述財務資料概要乃指根據香港財務報告準則編製之聯營公司之綜合財務報表所列示之金額。

截至二零二零年十二月三十一日止年度

		Shenzhen Qianhai Dahuangyuan E-commerce Group Company Limited (Formerly known as Shenzhen Dahuangyuan E-commerce Group Company Limited) 深圳市前海大荒緣 電子商務集團 有限公司 (前稱深圳市大荒 緣電子商務有限公司) 2020 HK\$'000 千港元	Shenzhen Pengrongan Logistics Industrial Park Company Limited 深圳市鵬融安 物流產業園有限公司 2020 HK\$'000 千港元	Shenzhen Shengsiming Trading Limited 深圳市 聖思銘商貿 有限公司 2020 HK\$'000 千港元
Non-current assets	非流動資產	139	126,999	59,290
Current assets	流動資產	433,192	122,017	101,577
Current liabilities	流動負債	(96,732)	–	(377)
Net assets	資產淨值	336,599	249,016	160,490
Reconciliation to the Group's interest in the associates:	與本集團於聯營公司之 權益對賬：			
Proportion of the Group's ownership	佔本集團擁有權比例	30%	49%	40%
Carrying amount of the investment	投資賬面金額	100,980	122,018	64,196
Revenue	收益	29,840	–	–
Gain/(loss) for the year	年度收益／(虧損)	7,113	–	(435)
Group's share profit of associates	本集團分佔聯營公司溢利	2,134	–	(174)

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22. INTERESTS IN ASSOCIATES (continued)

For the year ended 31 December 2019

22. 於聯營公司之權益 (續)

截至二零一九年十二月三十一日止年度

		Shenzhen Qianhai Dahuangyuan E-commerce Group Company Limited (Formerly known as Shenzhen Dahuangyuan E-commerce Group Company Limited) 深圳市前海大荒緣 電子商務集團 有限公司 (前稱深圳市大荒 緣電子商務有限公司)	Shenzhen Pengrongan Logistics Industrial Park Company Limited 深圳市鵬融安 物流產業園有限公司	Shenzhen Shengsiming Trading Limited 深圳市 聖思銘商貿 有限公司
		2019 HK\$'000 千港元	2019 HK\$'000 千港元	2019 HK\$'000 千港元
Non-current assets	非流動資產	294	119,727	55,895
Current assets	流動資產	385,951	115,030	127,704
Current liabilities	流動負債	(85,193)	–	(132)
Net assets	資產淨值	301,052	234,757	183,467
Reconciliation to the Group's interest in the associates:	與本集團於聯營公司之權益 對賬：			
Proportion of the Group's ownership	佔本集團擁有權比例	30%	49%	40%
Carrying amount of the investment	投資賬面金額	90,316	115,031	73,387
Revenue	收益	23,257	–	–
(Loss)/gain for the year	年度(虧損)/收益	4,333	(2)	–
Group's share loss of associates	本集團分佔聯營公司虧損	1,300	(1)	–

The following table illustrates the financial information of the Group's associates that are not individually material:

下表顯示本集團之並非個別重大之聯營公司之財務資料：

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Share of the associate's loss for the year	分佔本年度聯營公司虧損	–	(1,633)

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23. INVENTORIES

23. 存貨

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Raw material	原材料	20,580	20,013
Finished goods	產成品	45,980	28,380
		66,560	48,393

24. PROPERTIES FOR SALE

24. 待售物業

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Properties under development for sale	待售發展中物業	287,046	202,813

The properties under development for sale in the PRC are under long-term leases.

中國的待售發展中物業訂有長期租賃。

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25. TRADE RECEIVABLES

Trade receivables are mainly arisen from sale of goods, and rental income derived from rental business.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Within 1 month	一個月內	15,293	16,329
1 to 2 months	一至兩個月	22,040	22,265
2 to 3 months	兩至三個月	33,698	38,298
Over 3 months	超過三個月	55,240	41,922
		126,271	118,814
Less: Allowance for expected credit losses	減：預期信貸虧損撥備	(18,310)	(22,133)
		107,961	96,681

Included in the trade receivables consist of rental receivables. The aging analysis of the Group's rental receivables are as follows:

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Up to 30 days	30日或以內	3,604	4,928

25. 應收貿易賬款

應收貿易賬款主要來自銷售貨品及租賃業務產生之租金收入。

於報告期末，應收貿易賬款按發票日期之賬齡分析如下：

應收貿易賬款包括應收租金。本集團應收租金之賬齡分析如下：

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25. TRADE RECEIVABLES (continued)

Movement in the allowance for expected credit losses of trade receivables

Movement in lifetime ECL that has been recognised for trade receivables in accordance with simplified approach set out in HKFRS 9 for the years ended 31 December 2019 and 2020.

25. 應收貿易賬款 (續)

應收貿易賬款預期信貸虧損撥備變動

截至二零一九年及二零二零年十二月三十一日止年度根據香港財務報告準則第9號所載的簡化方法就應收貿易賬款確認之全期預期信貸虧損變動。

		Total 總計 HK\$'000 千港元
Balance as at 1 January 2019	於二零一九年一月一日之結餘	2,598
Expected credit losses ("ECL")	預期信貸虧損 (「預期信貸虧損」)	19,680
Exchange realignment	匯兌調整	(145)
Balance as at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日之結餘	22,133
Reversal of ECL	預期信貸虧損撥回	(3,628)
Exchange realignment	匯兌調整	(195)
Balance as at 31 December 2020	於二零二零年十二月三十一日之結餘	18,310

Details of assessment of expected credit losses are set out in note 43.

預期信貸虧損評估詳情載於附註43。

26. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

26. 預付款項、按金及其他應收款項

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Prepayments	預付款項	228,898	175,091
Deposits and other receivables	按金及其他應收款項	386,340	506,211
		615,238	681,302
Less: Allowance for expected credit losses	減：預期信貸虧損撥備	(92,386)	(143,915)
		522,852	537,387

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26. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Movement in the allowance for expected credit losses of deposits and other receivables

Movement in allowance for ECL that has been recognised for deposits and other receivables in accordance with general approach set out in HKFRS 9 for the years ended 31 December 2019 and 2020.

26. 預付款項、按金及其他應收款項 (續)

按金及其他應收款項預期信貸虧損撥備變動

截至二零一九年及二零二零年十二月三十一日止年度根據香港財務報告準則第9號所載的一般方法就按金及其他應收款項確認之預期信貸虧損撥備變動。

		Total 總計 HK\$'000 千港元
Balance as at 1 January 2019	於二零一九年一月一日之結餘	6,658
Expected credit losses ("ECL")	預期信貸虧損 (「預期信貸虧損」)	138,701
Exchange realignment	匯兌調整	(1,444)
Balance as at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日及二零二零年一月一日之結餘	143,915
Reversal of ECL	預期信貸虧損撥回	(56,576)
Exchange realignment	匯兌調整	5,047
Balance as at 31 December 2020	於二零二零年十二月三十一日之結餘	92,386

Details of assessment of expected credit losses are set out in note 43.

預期信貸虧損評估詳情載於附註43。

Included in the above allowance for expect credit losses is a provision for individually impaired for other receivables of approximately HK\$134,148,000 during the year ended 31 December 2019. The other receivables were past due. Though the management of the Group has been proactively seeking to recover these other receivables and collection letters were sent by the Group during the year ended 31 December 2019. Consequently, specific impairment provision was recognised. In respect of this specific impairment provision, the Group has reversed other receivables of approximately HK\$67,451,000 during the year ended 31 December 2020.

截至二零一九年十二月三十一日止年度，上述預期信貸虧損撥備包括其他應收款項之個別減值撥備約134,148,000港元。其他應收款項已逾期。本集團管理層一直積極尋求收回該等其他應收款項，且本集團已於截至二零一九年十二月三十一日止年度發出催繳函。因此，已確認特定減值撥備。就該特定減值撥備而言，本集團於截至二零二零年十二月三十一日止年度撥回其他應收款項約67,451,000港元。

As at 31 December 2020, approximately HK\$239,364,000 (2019: HK\$196,255,000) was paid as trade deposit and prepayments for trading of food and minerals products.

於二零二零年十二月三十一日，約239,364,000港元 (二零一九年：196,255,000港元) 已支付作為買賣食品及礦產之貿易按金及預付款項。

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26. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Movement in the allowance for expected credit losses of deposits and other receivables (continued)

Rental deposits and construction deposits for the warehouse amounting to HK\$37,076,000 (2019: HK\$34,373,000) and HK\$788,000 (2019: Nil) were paid for the warehouse logistic business for the year ended 31 December 2020 respectively.

Approximately HK\$24,221,000 (2019: HK\$50,550,000) were the progress payments for the investment targets.

The consideration receivable of disposal of Zhongshan Shuixiang Lvyou Kaifa Company Limited of approximately HK\$18,814,000 grouped under other receivables.

Approximately HK\$66,405,000 (2019: nil) were prepaid construction and development for the properties for sale.

At the end of the reporting period, there were reversal of allowance for expected credit losses amounted to HK\$56,576,000 recognised for the year ended 31 December 2020 (2019: allowance of HK\$138,701,000).

26. 預付款項、按金及其他應收款項 (續)

按金及其他應收款項預期信貸虧損撥備變動 (續)

倉儲物流業務之倉庫租金按金及建造按金分別37,076,000港元(二零一九年：34,373,000港元)及788,000港元(二零一九年：無)已於截至二零二零年十二月三十一日止年度支付。

約24,221,000港元(二零一九年：50,550,000港元)為就投資目標作出之分階段付款。

出售中山市水鄉旅遊開發有限公司之應收代價約18,814,000港元，分組於其他應收款項項下。

待售物業之預付建築及開發款項為約66,405,000港元(二零一九年：無)。

於報告期末，截至二零二零年十二月三十一日止年度已確認預期信貸虧損撥備撥回56,576,000港元(二零一九年：撥備138,701,000港元)。

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27. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

27. 現金及現金等值物及已抵押存款

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Cash and bank balances (note)	現金及銀行結餘 (附註)	26,115	79,995
Time deposits	定期存款	18,857	47,777
		44,972	127,772
Less: Pledged deposits	減：已抵押存款	(18,857)	(47,777)
Cash and cash equivalents	現金及現金等值物	26,115	79,995
Cash and cash equivalents in the consolidated statement of cash flows	綜合現金流量表中的現金及現金等值物	26,115	79,995

At the end of the reporting period, the cash and bank balances and time deposits of the Group denominated in Renminbi amounted to HK\$16,831,000 (2019: HK\$66,033,000) and HK\$18,857,000 (2019: HK\$47,777,000), respectively. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between 1 day and 6 months depending on the immediate cash equivalents of the Group and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

Note: As at 31 December 2020, there were bank balances of approximately HK\$4,000 (2019: HK\$11,721,000) freezed due to litigation.

於報告期末，本集團按人民幣計值的現金及銀行結餘以及定期存款分別為16,831,000港元（二零一九年：66,033,000港元）及18,857,000港元（二零一九年：47,777,000港元）。然而，根據中國內地的外匯管制條例及結匯、售匯及付匯管理規定，人民幣不可自由兌換為其他貨幣，本集團獲准透過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行現金按每日銀行存款利率之浮動利率賺取利息。短期定期存款按1天至6個月期間作出（視乎本集團即時現金等值物而定），並按各自短期定期存款利率賺取利息。銀行結餘及已抵押存款乃存放於近期並無違約紀錄之有信譽銀行。

附註：於二零二零年十二月三十一日，約4,000港元（二零一九年：11,721,000港元）之銀行結餘因訴訟而被凍結。

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28. TRADE AND BILLS PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Within 1 month	一個月內	7,608	35,292
1 to 2 months	一至兩個月	10,483	33,749
2 to 3 months	兩至三個月	4,945	1,748
Over 3 months	超過三個月	1,464	1,100
		24,500	71,889
Bills payable	應付票據	81,168	101,617
		105,668	173,506

The trade payables are non-interest-bearing and are normally settled on 30-day terms (2019: 30-day terms).

As at 31 December 2020, bills payable of approximately HK\$81,168,000 (2019: HK\$101,617,000) were secured by the pledged deposits of the Group.

All the trade payables and bills payable are denominated in Renminbi.

28. 應付貿易賬款及應付票據

於報告期末應付貿易賬款按發票日期之賬齡分析如下：

應付貿易賬款為不計息，一般按30日限期（二零一九年：30日限期）結算。

於二零二零年十二月三十一日，應付票據約81,168,000港元（二零一九年：101,617,000港元）以本集團已抵押存款作擔保。

所有應付貿易賬款及應付票據均以人民幣計值。

29. OTHER PAYABLES AND ACCRUALS

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Other payables	其他應付款項	44,164	112,299
Accruals	應計費用	40,050	60,025
		84,214	172,324

Other payables are non-interest-bearing and have an average term of three months.

29. 其他應付款項及應計費用

其他應付款項為免息且平均期限為三個月。

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29. OTHER PAYABLES AND ACCRUALS (continued)

Included in other payables are HK\$32,302,000 (2019: HK\$58,825,000) rental deposits received from the tenants of logistic warehouse and office in PRC, HK\$156,000 (2019: HK\$129,000) related to leasehold improvement payable.

Included in the accruals:

- i) the default interest of secured bond of approximately HK\$21,800,000 (2019: HK\$30,810,000) (note 31j);
- ii) the default interest of unsecured bond of approximately HK\$5,250,000 (2019: HK\$8,116,000) (note 31l); and
- iii) the default interest of unsecured bond of approximately HK\$800,000 (2019: HK\$6,897,000) (note 31k).

30. CONTRACT LIABILITIES

29. 其他應付款項及應計費用 (續)

計入其他應付款項的金額中，32,302,000 港元 (二零一九年：58,825,000 港元) 為自中國物流倉儲及辦公室租戶收取的租賃按金；156,000 港元 (二零一九年：129,000 港元) 與租賃物業裝修應付款項有關。

應計費用包括：

- i) 已抵押債券之違約利息約 21,800,000 港元 (二零一九年：30,810,000 港元) (附註31j)；
- ii) 無抵押債券之違約利息約 5,250,000 港元 (二零一九年：8,116,000 港元) (附註31l)；及
- iii) 無抵押債券之違約利息約 800,000 港元 (二零一九年：6,897,000 港元) (附註31k)。

30. 合約負債

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Receipts in advance from customers in relation to trading of products	就買賣產品預收客戶款項	94,699	85,200
Receipts in advance from customers in relation to construction and development	就建設及開發預收客戶款項	86,786	—
		181,485	85,200

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30. CONTRACT LIABILITIES (continued)

Movement in contract liabilities for the years ended
31 December 2019 and 2020:

30. 合約負債 (續)

截至二零一九年及二零二零年十二月
三十一日止年度之合約負債變動：

		Advance receipts from customers 預收客戶款項 HK\$'000 千港元
Balance at 1 January 2019	於二零一九年一月一日之結餘	51,417
Decrease in contract liabilities as a result of recognising revenue or other income during the year that was included in the contract liabilities at the beginning of the year	因確認於年初計入合約負債之年內收入或 其他收入導致之合約負債減少	(51,417)
Increase in contract liabilities excluding amounts recognised as revenue during the year	合約負債增加，不包括年內確認為收入 之金額	85,200
Balance at 31 December 2019	於二零一九年十二月三十一日之結餘	85,200
Balance at 1 January 2020	於二零二零年一月一日之結餘	85,200
Decrease in contract liabilities as a result of recognising revenue or other income during the year that was included in the contract liabilities at the beginning of the year	因確認於年初計入合約負債之年內收入或 其他收入導致之合約負債減少	(85,200)
Increase in contract liabilities excluding amounts recognised as revenue during the year	合約負債增加，不包括年內確認為收入 之金額	181,485
Balance at 31 December 2020	於二零二零年十二月三十一日之結餘	181,485

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31. BANK AND OTHER BORROWINGS

31. 銀行及其他借貸

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Secured bank loans (notes a and b)	已抵押銀行貸款 (附註a及b)	67,116	78,761
Unsecured other loans (notes c to i)	無抵押其他貸款 (附註c至i)	74,608	76,910
Secured bonds (note j)	已抵押債券 (附註j)	109,000	109,000
Unsecured bonds (notes k to l)	無抵押債券 (附註k至l)	142,300	277,291
		393,024	541,962
Carrying amounts repayable within one year based on scheduled payment dates set out in the agreement	根據協議所載計劃還款日期 須於一年內償還的賬面金額	360,833	541,962
Carrying amounts not repayable within one year from the end of reporting period but contain a repayment on demand clause (shown under current liabilities)	毋須於自報告期末起一年內償 還但包含按要求償還條款的 賬面金額 (列示為流動負債)	32,191	—
		393,024	541,962
Less: amounts due within one year shown under current liabilities	減：列示為流動負債的 一年內到期的金額	(393,024)	(541,962)
Amounts shown under non-current liabilities	列示為非流動負債的金額	—	—

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31. BANK AND OTHER BORROWINGS (continued)

Notes:

- (a) As at 31 December 2020, the secured bank loan of approximately HK\$67,116,000 (2019: HK\$78,253,000) was secured by investment properties with fair value of approximately HK\$308,246,000 (2019: HK\$288,844,000) and personal guarantee by shareholder of the Company and his wife and related parties.
- (b) As at 31 December 2019, the secured bank loan of approximately HK\$508,000 was secured by personal guarantee of the Company's management.
- (c) As at 31 December 2020, unsecured other loan of approximately HK\$36,167,000 (2019: HK\$34,096,000) was borrowed from Beidahuang Marketing Co. Ltd., the non-controlling shareholder of a Group company. The purpose for loans were purchasing staple food and liquor wine.
- (d) As at 31 December 2020, unsecured other loan of approximately HK\$2,950,000 (2019: HK\$8,000,000) was borrowed from an independent third party.
- (e) As at 31 December 2020, unsecured other loan of approximately HK\$20,752,000 (2019: HK\$19,563,000) was borrowed from Dongguan Zhenyue Property Investment Company Limited, the non-controlling shareholder of a Group Company.
- (f) As at 31 December 2020, unsecured other loan of approximately HK\$593,000 (2019: HK\$559,000) was borrowed from Dongguan Yuehe Zhiyuan Investment Development Company Limited, the non-controlling shareholder of a Group Company.
- (g) As at 31 December 2019, unsecured other loan of approximately HK\$5,692,000 was borrowed from an independent third parties.

31. 銀行及其他借貸 (續)

附註：

- (a) 於二零二零年十二月三十一日，已抵押銀行貸款約67,116,000港元(二零一九年：78,253,000港元)乃由公允值約308,246,000港元(二零一九年：288,844,000港元)的投資物業作抵押及由本公司股東及其妻子以及關聯方作出個人擔保。
- (b) 於二零一九年十二月三十一日，已抵押銀行貸款約508,000港元乃由本公司管理層作出的個人擔保作抵押。
- (c) 於二零二零年十二月三十一日，無抵押其他貸款約36,167,000港元(二零一九年：34,096,000港元)乃借自集團公司的非控股股東北大荒營銷股份有限公司。該貸款乃用作採購主食及酒類產品用途。
- (d) 於二零二零年十二月三十一日，無抵押其他貸款約2,950,000港元(二零一九年：8,000,000港元)乃借自獨立第三方。
- (e) 於二零二零年十二月三十一日，無抵押其他貸款約20,752,000港元(二零一九年：19,563,000港元)乃借自集團公司的非控股股東Dongguan Zhenyue Property Investment Company Limited。
- (f) 於二零二零年十二月三十一日，無抵押其他貸款約593,000港元(二零一九年：559,000港元)乃借自集團公司的非控股股東Dongguan Yuehe Zhiyuan Investment Development Company Limited。
- (g) 於二零一九年十二月三十一日，無抵押其他貸款約5,692,000港元乃借自獨立第三方。

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31. BANK AND OTHER BORROWINGS (continued)

Notes: (continued)

- (h) As at 31 December 2020, unsecured other loan of approximately HK\$6,250,000 (2019: HK\$9,000,000) was borrowed from an independent third parties.
- (i) As at 31 December 2020, unsecured other loan of approximately HK\$7,896,000 was borrowed from the shareholder of the Group.
- (j) As at 31 December 2020, secured bond of approximately HK\$109,000,000 (2019: HK\$109,000,000) were borrowed from an independent third party and secured by the equity interests of two subsidiaries. The secured bond was expired during the year ended 2019 and as at 31 December 2020 the default interest was approximately HK\$21,800,000 (2019: HK\$30,810,000) with default interest rate of 10% per annum (note 29) (the "Default Secured Bond"). The Group is negotiating with secured bondholder to extend the Default Secured Bond.
- (k) As at 31 December 2020, unsecured bonds of approximately HK\$64,000,000 (2019: HK\$195,000,000) was the principal amount of matured convertible bonds. Approximately HK\$4,000,000 of the unsecured bonds were expired. The default interest was approximately HK\$800,000 (2019: HK\$6,897,000) with default interest rate of 10% per annum (note 29). Details please refer to note 33.
- (l) As at 31 December 2020, unsecured bonds of approximately HK\$78,300,000 (2019: HK\$82,291,000) were borrowed from independent third parties. Approximately HK\$78,300,000 (2019: HK\$78,300,000) of the unsecured bonds were expired. The default interest was approximately HK\$5,250,000 (2019: HK\$8,116,000) with default interest rate of 2% to 6% per annum (note 29). The Group received a winding up petition issued by one of the unsecured bondholders. Please refer to note 46(ii) for further details.

31. 銀行及其他借貸 (續)

附註：(續)

- (h) 於二零二零年十二月三十一日，無抵押其他貸款約6,250,000港元(二零一九年：9,000,000港元)乃借自獨立第三方。
- (i) 於二零二零年十二月三十一日，無抵押其他貸款約7,896,000港元乃借自本集團股東。
- (j) 於二零二零年十二月三十一日，已抵押債券約109,000,000港元(二零一九年：109,000,000港元)乃借自獨立第三方，由兩間附屬公司之股權作抵押。已抵押債券於截至二零一九年止年度屆滿，及於二零二零年十二月三十一日，按違約年利率10%計息的違約利息約為21,800,000港元(二零一九年：30,810,000港元)(附註29)。「違約已抵押債券」。本集團正與已抵押債券持有人磋商延長違約已抵押債券之期限。
- (k) 於二零二零年十二月三十一日，無抵押債券約64,000,000港元(二零一九年：195,000,000港元)乃為到期可換股債券之本金額。約4,000,000港元之無抵押債券已屆滿。按違約年利率10%計息的違約利息約為800,000港元(二零一九年：6,897,000港元)(附註29)。有關詳情，請參閱附註33。
- (l) 於二零二零年十二月三十一日，無抵押債券約78,300,000港元(二零一九年：82,291,000港元)乃借自獨立第三方。約78,300,000港元(二零一九年：78,300,000港元)之無抵押債券已屆滿。按2%至6%之違約年利率計息的違約利息約為5,250,000港元(二零一九年：8,116,000港元)(附註29)。本集團收到一名無抵押債券持有人發出之清盤呈請。進一步詳情，請參閱附註46(ii)。

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31. BANK AND OTHER BORROWINGS (continued)

The above bank and other borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
RMB	人民幣	132,524	138,671
HK\$	港元	260,500	403,291
		393,024	541,962

The ranges of interest rates on the Group's bank and other borrowings are as follows:

		2020 %	2019 %
Secured bank loans (notes a and b)	已抵押銀行貸款 (附註a及b)	5.22 – 5.66	5.00 – 5.66
Unsecured other loans (notes c to i)	無抵押其他貸款 (附註c至i)	4.35 – 18.00	4.35 – 18.00
Secured bonds (note j)	已抵押債券 (附註j)	10.00	10.00
Unsecured bonds (notes k to l)	無抵押債券 (附註k至l)	2.00 – 6.00	2.00 – 6.00

31. 銀行及其他借貸 (續)

上述銀行及其他借貸均以相關集團實體功能貨幣以外的貨幣計值，載列如下：

本集團銀行及其他借貸的利率範圍如下：

32. DEFERRED TAX

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 deferred tax balances for financial reporting purpose:

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Deferred tax asset	遞延稅項資產	(11,160)	(7,370)
Deferred tax liabilities	遞延稅項負債	33,871	51,266
		22,711	43,896

32. 遞延稅項

就於綜合財務狀況表中之呈列而言，若干遞延稅項資產與負債已相互抵銷。就財務呈報目的進行之遞延稅項結餘的分析如下：

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32. DEFERRED TAX (continued)

The following are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior years.

32. 遞延稅項 (續)

於本年度及過往年度確認之主要遞延稅項資產及負債及其變動如下。

		Revaluation of investment property	Fair value adjustments arising from acquisition of subsidiaries 收購 附屬公司 產生的 公允價值調整	Accumulated losses recognised	Convertible bond	Allowance for expected credit losses	Total
		重估 投資物業 HK\$'000 千港元	公允價值調整 HK\$'000 千港元	已確認 累計虧損 HK\$'000 千港元	可換股債券 HK\$'000 千港元	預期信貸 虧損撥備 HK\$'000 千港元	總計 HK\$'000 千港元
Deferred tax liabilities at 1 January 2019	於二零一九年一月一日之 遞延稅項負債	28,643	26,016	(5,921)	496	(1,789)	47,445
Deferred tax charged/(credited) to the consolidated statement of profit or loss and other comprehensive income during the year (note 11)	年內扣除/(計入) 綜合損益及其他全面 收入報表之遞延稅項 (附註11)	1,530	(2,657)	-	(496)	242	(1,381)
Exchange realignment	匯兌調整	(3,009)	743	107	-	(9)	(2,168)
Deferred tax liabilities at 31 December 2019 and 1 January 2020	於二零一九年十二月三十一日 及二零二零年一月一日之 遞延稅項負債	27,164	24,102	(5,814)	-	(1,556)	43,896
Deferred tax charged/(credited) to the consolidated statement of profit or loss and other comprehensive income during the year (note 11)	年內扣除/(計入) 綜合損益及其他全面 收入報表之遞延稅項 (附註11)	1,201	(2,649)	-	(77)	(3,063)	(4,588)
Disposal of a subsidiary (note 37)	出售一間附屬公司 (附註37)	-	(17,485)	-	-	-	(17,485)
Recognition of tax from convertible bonds (note 33)	確認可換股債券稅項 (附註33)	-	-	-	539	-	539
Exchange realignment	匯兌調整	1,877	(801)	(473)	-	(254)	349
Deferred tax liabilities at 31 December 2020	於二零二零年十二月 三十一日之 遞延稅項負債	30,242	3,167	(6,287)	462	(4,873)	22,711

No tax losses arising in Mainland China (2019: HK\$nil) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

於中國內地並無產生稅項虧損 (二零一九年：零港元) 可於一至五年內用作抵免未來應課稅溢利。概無就該等虧損確認遞延稅項資產，原因是有關虧損乃來自已虧損一段時間之附屬公司，其未來並無應課稅溢利可用作抵銷稅項虧損。

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33. CONVERTIBLE BONDS

The Group issued convertible bonds with a coupon rate of 10% per annum at a total principal value of HK\$200,000,000 on 8 June 2017 to an independent third party (the “bondholder”). The convertible bonds can be converted into 500,000,000 shares at the bondholder’s option at rate of HK\$0.4 per share.

The convertible bonds comprise of liability component, conversion component and early redemption option. The equity component is presented in equity heading “convertible bond reserve”. The effective interest rate of the liability component on initial recognition is 13.42% per annum. Conversion may occur at any time between 8 June 2017 to 7 June 2019. If the bonds have not been converted, they will be redeemed on 7 June 2019. The Company may at any time redeem the outstanding principal amount of the bonds at face value together with the accrued and unpaid coupon on the principal amount to be redeemed. Coupon of 10% per annum will be paid semi-annually to the bondholder. The convertible bonds have been matured on 7 June 2019. The outstanding convertible bonds transfer to other borrowing (note 31).

The Group issued convertible bonds with a coupon rate of 12% per annum at a total principal value of HK\$111,100,000 on 1 November 2020 to not less than six placees, being professional, institutional and other investors who are independent of and not connected with the Company. The convertible bonds will mature on 31 December 2021 at its principal amount or can be converted into 1,111,000,000 shares at the conversion rate of HK\$0.1 per share. The net proceeds of placing in amount of HK\$109,100,000 were used to settled the outstanding above other borrowing.

The convertible bonds comprise of liability component, conversion component. The equity component is presented in equity heading “convertible bond reserve”. The effective interest rate of the liability component on initial recognition is 13.58% per annum.

33. 可換股債券

本集團於二零一七年六月八日向一名獨立第三方（「債券持有人」）發行本金總額為200,000,000港元、票面息率為每年10%的可換股債券。可換股債券可由債券持有人選擇按每股0.4港元之價格轉換為500,000,000股股份。

可換股債券包括負債部分、轉換部分及提早贖回選擇權。權益部分在「可換股債券儲備」內呈列為權益。初步確認時負債部分的實際利率為每年13.42%。轉換可於二零一七年六月八日至二零一九年六月七日期間隨時進行。如債券未獲轉換，將於二零一九年六月七日贖回。本公司可隨時按面值加上將贖回本金金額的應計及未付票息贖回債券未償還本金額。債券將每半年向債券持有人支付每年10%之票息。可換股債券已於二零一九年六月七日期到期。已發行可換股債券轉移至其他借貸（附註31）。

本集團於二零二零年十一月一日向不少於六名承授人（即獨立於本公司及與本公司並無關連之專業、機構及其他投資者）發行本金總額為111,100,000港元、票面息率為每年12%的可換股債券。可換股債券將按其本金額於二零二一年十二月三十一日期到期，或按每股0.1港元之轉換價轉換為1,111,000,000股股份。配售所得款項淨額109,100,000港元用於結付上述尚未償還之其他借貸。

可換股債券包括負債部分及轉換部分。權益部分在「可換股債券儲備」內呈列為權益。初步確認時負債部分的實際年利率為13.58%。

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33. CONVERTIBLE BONDS (continued)

The movement of the equity component and liability component of the convertible bonds for the year is set out below:

33. 可換股債券 (續)

年內可換股債券的權益及負債部分的變動載列如下：

		Liability component 負債部分 HK\$'000 千港元	Equity component 權益部分 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於二零一九年 一月一日	195,378	9,894	205,272
Effective interest charged	實際利息支出	11,523	-	11,523
Interest payable	應付利息	(8,658)	-	(8,658)
Mature of convertible bonds	可換股債券到期	(198,243)	(9,894)	(208,137)
At 31 December 2019 and 1 January 2020	於二零一九年 十二月三十一日及 二零二零年一月一日	-	-	-
Issue of convertible bonds	發行可換股債券	107,833	1,267	109,100
Recognition of deferred taxation	確認遞延稅項	-	(539)	(539)
Effective interest charged	實際利息支出	2,611	-	2,611
Interest payable	應付利息	(2,222)	-	(2,222)
At 31 December 2020	於二零二零年 十二月三十一日	108,222	728	108,950

As at 31 December 2020, the outstanding principal of the convertible bonds was HK\$111,100,000 (2019: nil).

於二零二零年十二月三十一日，未償還之可換股債券本金額為111,100,000港元 (二零一九年：無)。

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34. LEASE LIABILITIES

The Group's lease liabilities arise from the lease of properties of 3 to 20 years (2019: 4 to 20 years). Interest rate underlying for the lease was from 6.48% to 7.00% (2019: 6.48% to 7.00%) per annum.

At 31 December 2019 and 31 December 2020, the Group had lease liabilities repayable as follows:

34. 租賃負債

本集團之租賃負債產生於3至20年（二零一九年：4至20年）的物業租賃。租賃相關之年利率介乎6.48%至7.00%（二零一九年：6.48%至7.00%）之間。

於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，本集團應償還之租賃負債如下：

		Present value of the minimum lease payments 最低租賃 付款現值		Total minimum lease payments 最低租賃 付款總額	
		2020 HK\$'000 千港元	2019 HK\$'000 千港元	2020 HK\$'000 千港元	2019 HK\$'000 千港元
Within 1 year	一年內	127,806	105,289	178,202	156,469
After 1 year but within 2 years	一年後但兩年內	122,253	88,803	165,127	142,649
After 2 years but within 5 years	兩年後但五年內	261,918	220,723	347,965	321,816
Over 5 years	五年以上	303,942	343,234	354,383	415,296
		815,919	758,049	1,045,677	1,036,230
Less: total future interest expenses	減：未來利息開支總額			(229,758)	(278,181)
Present value of lease liabilities	租賃負債現值			815,919	758,049

Lease obligations denominated in RMB was approximately HK\$649,715,000 as at 31 December 2020 (2019: HK\$691,507,000).

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

於二零二零年十二月三十一日，按人民幣計值之租賃責任約為649,715,000港元（二零一九年：691,507,000 港元）。

本集團並無就其租賃負債而面臨重大流動資金風險。租賃負債於本集團庫務職能內受到監察。

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35. SHARE CAPITAL Shares

35. 股本 股份

		2020 Number 數目 '000 千股	2019 Number 數目 '000 千股	2020 HK\$'000 千港元	2019 HK\$'000 千港元
Authorised: Ordinary share of HK\$0.10	法定： 每股面值0.10港元的 普通股	8,000,000	8,000,000	800,000	800,000
Issued and fully paid: Ordinary share of HK\$0.10 each	已發行及繳足股款： 每股面值0.10港元的 普通股				
At 1 January	於一月一日	6,225,126	5,617,258	622,513	561,726
Issue of share upon subscription new shares (note a)	於認購新股份時發行股份 (附註a)	-	624,868	-	62,487
Cancellation of repurchased shares (note b)	註銷購回股份 (附註b)	-	(17,000)	-	(1,700)
		6,225,126	6,225,126	622,513	622,513

Notes:

附註：

- (a) On 12 April 2019, 624,867,599 ordinary shares of HK\$0.23 each were issued at HK\$0.185 per subscription share as a result of the subscription agreements dated 21 March 2019. The net proceeds of the subscription, after deducting the expenses payable by the Company, is approximately HK\$114,601,000 which was used by the Company for the Group's business development, investments, acquisition, repayment of loans and general working capital purpose. Details of which were disclosed in the Company's announcement dated 12 April 2019.
- (b) On 31 May 2019, the Company cancelled 17,000,000 shares in respect of shares repurchase on 28 May 2018, 18 September 2018, 10 October 2018 and 19 October 2018.

- (a) 於二零一九年四月十二日，本公司因日期為二零一九年三月二十一日之認購協議而按每股認購股份0.185港元發行624,867,599股每股面值0.23港元之普通股。經扣除本公司應付之開支後，認購事項之所得款項淨額約為114,601,000港元，由本公司用作本集團之業務發展、投資、收購、償還貸款及一般營運資金用途。有關詳情於本公司日期為二零一九年四月十二日之公佈內披露。
- (b) 於二零一九年五月三十一日，本公司就於二零一八年五月二十八日、二零一八年九月十八日、二零一八年十月十日及二零一八年十月十九日進行之股份購回註銷17,000,000股股份。

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36. SHARE OPTION SCHEMES

The Company operates two share option schemes for the purpose of providing incentives and rewards to eligible participants for their contribution to, and continuing efforts to promote the interests of, the Group. A share option scheme was adopted by the Company on 23 May 2007 ("2007 Scheme") and terminated on 22 May 2017, and a new share option scheme ("2017 Scheme") was adopted by the Company pursuant to a resolution passed on 9 June 2017 ("Adoption Date"). The 2017 Scheme, unless otherwise cancelled or amended, will remain in force for 10 years from the Adoption Date.

The maximum number of shares in respect of which options may be granted under the 2017 Scheme and under any other schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue at the date of the passing of the resolution for the adoption of the 2017 Scheme. The total number of shares issued upon exercise of the options granted to each eligible person in any 12-month period up to and including the date of grant shall not exceed 1% of the shares in issue as at the date of grant. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares in issue of the Company or having an aggregate value in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

36. 購股權計劃

本公司設有兩項購股權計劃，旨在就合資格參與者為本集團所作貢獻及持續努力促進本集團利益提供鼓勵及獎賞。一項購股權計劃於二零零七年五月二十三日獲本公司採納（「二零零七年計劃」）並於二零一七年五月二十二日終止，及根據於二零一七年六月九日（「採納日期」）通過之決議案，一項新購股權計劃（「二零一七年計劃」）獲本公司採納。除非已作註銷或作出修訂，二零一七年計劃將自採納日期起計10年內一直生效。

根據二零一七年計劃及根據本公司任何其他計劃可能授出之購股權所涉及之最高股份數目，合共不得超過於通過批准採納二零一七年計劃決議案當日已發行股份總數之10%。於直至授出日期（包括該日）前任何12個月期間授予各合資格人士之購股權獲行使時發行之股份總數，不得超過於授出日期已發行股份之1%。超過該限額之任何進一步授出購股權，須於股東大會上取得股東批准。

向本公司董事、行政總裁或主要股東或彼等的任何聯繫人授出購股權須經獨立非執行董事事先批准。此外，向本公司主要股東或獨立非執行董事或彼等的任何聯繫人授出的任何購股權於任何12個月期間超過本公司已發行股份0.1%或總值超過5,000,000港元，須經股東於股東大會上事先批准。

36. SHARE OPTION SCHEMES (continued)

A grant of options may not be made after inside information has come to the knowledge of the Company until it has been published. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of the date of the Board meeting for the approval of the Company's results for any year, half-year, quarterly or any other interim period and the deadline for the Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted.

The subscription price of a share in respect of any particular option granted under the 2017 Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of the official closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, the average of the official closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant and the nominal value of a share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

36. 購股權計劃 (續)

在本公司知悉內幕消息後可能不會授出購股權，直至其已發佈為止。尤其是，於緊接批准本公司任何年度、半年度、季度或任何其他中期業績的董事會會議日期及本公司刊發其任何年度、半年度、季度或任何其他中期業績公佈的最後期限（以較早者為準）前一個月起期間，不可授出購股權。購股權可行使之期間由董事會全權酌情釐定，惟任何購股權概不得於其授出十年後獲行使。

根據二零一七年計劃所授出任何特定購股權所涉及股份的認購價須由董事會全權酌情釐定，惟該價格須至少為下列各項當中的較高者：股份於授出日期於聯交所每日報價表所報的正式收市價、緊接授出日期前五個營業日股份於聯交所每日報價表所報的正式平均收市價及股份面值。

購股權並無賦予持有人收取股息或於股東大會上投票的權利。

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36. SHARE OPTION SCHEMES (continued)

The following share options were outstanding under the 2007 Scheme during the year:

36. 購股權計劃 (續)

年內，下列二零零七年計劃項下購股權尚未行使：

		2020		2019	
		Weighted Average exercise price per share 加權平均 每股行使價 HK\$ 港元	Number of options 購股權 數目 '000 千股	Weighted average exercise price per share 加權平均 每股行使價 HK\$ 港元	Number of options 購股權 數目 '000 千股
At 1 January	於一月一日	–	–	0.436	198,000
Lapsed during the year	年內失效	–	–	0.436	(198,000)
At 31 December	於十二月三十一日	–	–	–	–

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

於報告期末，未行使購股權的行使價及行使期如下：

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36. SHARE OPTION SCHEMES (continued) 2019

36. 購股權計劃 (續) 二零一九年

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目					At 31 December 2019 於二零一九年 十二月三十一日	Date of grant of share options ^(a) 購股權授出 日期 ^(a)	Exercise period of share options 購股權行使期	Exercise price of share options ^(b) 購股權行使價 ^(b) HK\$ per share 每股港元
	At 1 January 2019 於二零一九年 一月一日	Granted during the Year 年內授出	Exercised during the Year 年內行使	Cancelled during the Year 年內註銷	Lapsed during the Year 年內失效				
Directors 董事									
Mr. Ke Xionghan 柯雄瀚先生	3,000,000	–	–	–	(3,000,000)	–	14-10-16	01-07-17 – 13-10-19	0.436
	3,000,000	–	–	–	(3,000,000)	–	14-10-16	14-10-17 – 13-10-19	0.436
	4,000,000	–	–	–	(4,000,000)	–	14-10-16	14-10-18 – 13-10-19	0.436
	10,000,000	–	–	–	(10,000,000)	–			
Ms. Ho Wing Yan 何詠欣女士	300,000	–	–	–	(300,000)	–	14-10-16	01-07-17 – 13-10-19	0.436
	300,000	–	–	–	(300,000)	–	14-10-16	14-10-17 – 13-10-19	0.436
	400,000	–	–	–	(400,000)	–	14-10-16	14-10-18 – 13-10-19	0.436
	1,000,000	–	–	–	(1,000,000)	–			
Mr. Ho Man Fai 何文輝先生	300,000	–	–	–	(300,000)	–	14-10-16	01-07-17 – 13-10-19	0.436
	300,000	–	–	–	(300,000)	–	14-10-16	14-10-17 – 13-10-19	0.436
	400,000	–	–	–	(400,000)	–	14-10-16	14-10-18 – 13-10-19	0.436
	1,000,000	–	–	–	(1,000,000)	–			
	12,000,000	–	–	–	(12,000,000)	–			
Ex-directors ^(c) 前董事^(c)									
Mr. Jiang Jianjun 江建軍先生	300,000	–	–	–	(300,000)	–	14-10-16	01-07-17 – 13-10-19	0.436
	300,000	–	–	–	(300,000)	–	14-10-16	14-10-17 – 13-10-19	0.436
	400,000	–	–	–	(400,000)	–	14-10-16	14-10-18 – 13-10-19	0.436
	1,000,000	–	–	–	(1,000,000)	–			
Dr. Loke Yu 陸海林博士	300,000	–	–	–	(300,000)	–	14-10-16	01-07-17 – 13-10-19	0.436
	300,000	–	–	–	(300,000)	–	14-10-16	14-10-17 – 13-10-19	0.436
	400,000	–	–	–	(400,000)	–	14-10-16	14-10-18 – 13-10-19	0.436
	1,000,000	–	–	–	(1,000,000)	–			
	2,000,000	–	–	–	(2,000,000)	–			

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36. SHARE OPTION SCHEMES (continued)

2019

36. 購股權計劃 (續)

二零一九年

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目						Date of grant of share options ^(a) 購股權授出 日期 ^(a)	Exercise period of share options 購股權行使期	Exercise price of share options ^(b) 購股權行使價 ^(b) HK\$ per share 每股港元
	At 1 January 2019 於二零一九年 一月一日	Granted during the Year 年內授出	Exercised during the Year 年內行使	Cancelled during the Year 年內註銷	Lapsed during the Year 年內失效	At 31 December 2019 於二零一九年 十二月三十一日			
Other Employees 其他僱員									
In aggregate	17,250,000	–	–	–	(17,250,000)	–	14-10-16	01-07-17 – 13-10-19	0.436
總計	17,250,000	–	–	–	(17,250,000)	–	14-10-16	14-10-17 – 13-10-19	0.436
	23,000,000	–	–	–	(23,000,000)	–	14-10-16	14-10-18 – 13-10-19	0.436
	57,500,000	–	–	–	(5,750,000)	–			
Consultants 顧問									
In aggregate	37,950,000	–	–	–	(37,950,000)	–	14-10-16	01-07-17 – 13-10-19	0.436
總計	37,950,000	–	–	–	(37,950,000)	–	14-10-16	14-10-17 – 13-10-19	0.436
	50,600,000	–	–	–	(50,600,000)	–	14-10-16	14-10-18 – 13-10-19	0.436
	126,500,000	–	–	–	(26,500,000)	–			
	198,000,000	–	–	–	(198,000,000)	–			

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

* 在供股或紅股發行或本公司股本其他類似變動的情況下，購股權的行使價須作出調整。

36. SHARE OPTION SCHEMES (continued)

During the year ended 31 December 2019, all share options have been lapsed and no new addition of share options.

The fair value of equity-settled share options during the year was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

		2016
		Grant date
		授出日期
		14-10-2016
Dividend yield (%)	股息收益(%)	—
Expected volatility (%)	預期波幅(%)	58
Historical volatility (%)	歷史波幅(%)	58
Risk-free interest rate (%)	無風險利率(%)	0.58
Expected life of options (years)	購股權預期年期(年)	3
Weighted average share price (HK\$ per share)	加權平均股價(每股港元)	0.436

The expected life of the options is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

36. 購股權計劃(續)

截至二零一九年十二月三十一日止年度，所有購股權已失效且並無新增購股權。

年內，股權結算購股權公允值於授出日期採用二項式模式作出估計，經考慮購股權授出的條款及條件。下表載列所用模式的數據資料：

購股權的預期年期根據過往三年的歷史數據計算，其未必是行使模式的指標。預期波幅反映歷史波幅可指示未來趨勢的假設，其亦未必是實際結果。

授出購股權概無其他特質被納入公允值的計算。

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36. SHARE OPTION SCHEMES (continued)

There were no share options granted, lapsed or exercised during the year ended 31 December 2020.

37. DISPOSAL OF SUBSIDIARIES

- (a) On 27 November 2020, the Group entered into a sale and purchase agreement to disposal of its equity interest in Zhongshan Shuixiang Lvyu Kaifa Company Limited to an independent third party ("the Purchaser") for cash consideration of RMB16,800,000 (equivalent to approximately HK\$20,000,000). The disposal was completed on 22 December 2020.

Summary of the effects of the disposal is as follows:

Consideration:	代價：	HK\$'000 千港元
Total consideration	總代價	20,000

36. 購股權計劃 (續)

截至二零二零年十二月三十一日止年度，概無購股權授出、失效或行使。

37. 出售附屬公司

- (a) 於二零二零年十一月二十七日，本集團訂立買賣協議，向一名獨立第三方（「買方」）出售其於中山水鄉旅遊開發有限公司之股權，現金代價為人民幣16,800,000元（相當於約20,000,000港元）。該出售已於二零二零年十二月二十二日完成。

出售之影響概要如下：

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37. DISPOSAL OF SUBSIDIARIES (continued)

(a) (continued)

Analysis of assets and liabilities over which control was lost

37. 出售附屬公司 (續)

(a) (續)

失去控制權之資產及負債分析

		HK\$'000 千港元
Non-current assets	非流動資產	
Intangible assets	無形資產	41,261
Right-of-use assets	使用權資產	2,374
Current assets	流動資產	
Other receivables	其他應收款項	1,360
Cash and cash equivalents	現金及現金等值物	49
Current liabilities	流動負債	
Other payables and accruals	其他應付款項及應計費用	(2,270)
Amount due to related party	應付關聯方款項	(1,138)
Lease liabilities	租賃負債	(940)
Non-current liabilities	非流動負債	
Lease liabilities	租賃負債	(1,534)
Deferred tax liabilities	遞延稅項負債	(17,485)
Net assets disposed	所出售資產淨值	21,677
Release of exchange difference upon disposal	於出售時撥回匯兌差額	(68)
Release of non-controlling interest ("NCI") upon disposal	於出售時撥回非控股權益 (「非控股權益」)	(1,253)
		<u>20,356</u>

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37. DISPOSAL OF SUBSIDIARIES (continued)

(a) (continued)

Loss on disposal of a subsidiary

		HK\$'000 千港元
Consideration receivables	應收代價	18,814
Consideration received	已收代價	1,186
Net assets disposed	所出售資產淨值	(21,677)
Release of exchange difference upon disposal	於出售時撥回匯兌差額	68
Release of NCI upon disposal	於出售時撥回非控股權益	1,253
		(356)

Net cash inflow from disposal a subsidiary

出售一間附屬公司之現金流入 淨額

		HK\$'000 千港元
Consideration received in cash cash equivalents	以現金及現金等值物收取之代價	1,186
Less: Cash and cash equivalents disposed of	減：所出售現金及現金等值物	(49)
		1,137

37. DISPOSAL OF SUBSIDIARIES (continued)

- (b) On 20 May 2019, the Group entered into a sale and purchase agreement to disposal of its equity interest in Zhongshan Jiangluo Industrial Co., Limited to an independent third party (the "Purchaser") for cash consideration of RMB59,500,000 (equivalent to approximately HK\$67,717,000). The disposal was completed on 23 May 2019.

Summary of the effects of the disposal is as follows:

37. 出售附屬公司 (續)

- (b) 於二零一九年五月二十日，本集團訂立買賣協議，向一名獨立第三方（「買方」）出售其於 Zhongshan Jiangluo Industrial Co., Limited 之股權，現金代價為人民幣59,500,000元（相當於約67,717,000港元）。該出售已於二零一九年五月二十三日完成。

出售之影響概要如下：

		Acquiree's carrying amount and fair value 被收購方之 賬面值及公允值 HK\$'000 千港元
Consideration:	代價：	
Total consideration	總代價	67,717

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37. DISPOSAL OF SUBSIDIARIES (continued)

(b) (continued)

Analysis of assets and liabilities over which control was lost

37. 出售附屬公司 (續)

(b) (續)

失去控制權之資產及負債分析

		HK\$'000 千港元
Current assets	流動資產	
Other receivables	其他應收款項	79,231
Cash and cash equivalents	現金及現金等值物	4
Current liabilities	流動負債	
Other payables	其他應付款項	(13,692)
Net assets disposed	所出售資產淨值	65,543
Release of exchange difference upon disposal	於出售時撥回匯兌差額	825
Release of non-controlling interests ("NCI") upon disposal	於出售時撥回非控股權益 (「非控股權益」)	(1,141)
		65,227

Gain on disposal of a subsidiary

出售一間附屬公司之收益

		2019 HK\$'000 千港元
Consideration received	已收代價	67,717
Net assets disposed	所出售資產淨值	(65,543)
Release of exchange difference upon disposal	於出售時撥回匯兌差額	(825)
Release of NCI upon disposal	於出售時撥回非控股權益	1,141
Gain on disposal	出售之收益	2,490

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37. DISPOSAL OF SUBSIDIARIES (continued)

(b) (continued)

Net cash inflow from disposal of a subsidiary

Consideration received in cash and cash equivalents	以現金及現金等值物收取之代價	67,717
Less: cash and cash equivalents disposed of	減：所出售現金及現金等值物	(4)
		67,713

2019
HK\$'000
千港元

37. 出售附屬公司 (續)

(b) (續)

出售一間附屬公司之現金流入淨額

38. PLEDGE OF ASSETS

Details of the Group's bank loans, which are secured by the assets of the Group, are included in notes 28 and 31, respectively to the financial statements.

38. 資產抵押

本集團以其資產作抵押之銀行貸款詳情分別載於財務報表附註28及31。

39. OPERATING LEASE ARRANGEMENTS

The Group leases certain properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to five years.

39. 經營租賃安排

本集團根據經營租賃安排租賃若干物業。物業租賃協定為一至五年租期。

As Lessors

At 31 December 2019 and 2020, the Group has contracted with tenants for the following future minimum lease payments:

作為出租人

於二零一九年及二零二零年十二月三十一日，本集團與租戶就以下未來最低租賃付款訂約：

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Within one year	一年內	241,179	231,518
In the second to fifth years	第二至第五年	223,263	279,760
Beyond five years	超過五年	6,270	8,603
		470,712	519,881

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term from two to three years and rentals are fixed over the lease terms and do not include contingent rentals.

經營租賃付款指本集團就其若干辦公室物業應付之租金。租賃的平均租期協商為兩至三年，及租金於租期內固定，不包括或然租金。

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40. CAPITAL COMMITMENTS

40. 資本承擔

	2020 HK\$'000 千港元	2019 HK\$'000 千港元
Capital expenditure in respect of the construction cost of properties for sale contracted for but not provided in the consolidated financial statement	有關已訂約但未於綜合財務報表中撥備之待售物業建築成本之資本開支 16,600,000	 —

41. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

41. 重大關聯方交易及結餘

(a) Transactions with related parties and connected transactions

(a) 與關聯方進行之交易及關連交易

- (i) As at 31 December 2020, the bank loan of HK\$67,116,000 (note 31(a)) were guaranteed by Shenzhen Jianlai Industrial Co., Ltd. (“深圳市建萊實業有限公司”), a related party of the Group, Mr. Jiang Jianjun and his wife, the shareholders of the Company and the investment property of the Company.

- (i) 於二零二零年十二月三十一日，銀行貸款67,116,000港元（附註31(a)）乃由本集團關聯方深圳市建萊實業有限公司、本公司股東江建軍先生及其妻子及本公司投資物業作出擔保。

As at 31 December 2019, the bank loan of HK\$78,253,000 was guaranteed by the investment property of the Company, Mr. Jiang Jianjun and his wife.

於二零一九年十二月三十一日，銀行貸款78,253,000港元乃由本公司投資物業、江建軍先生及其妻子作出擔保。

At 31 December 2020, the unsecured other loan of HK\$7,896,000 (note 31(ii)) was borrowed from the shareholder of the Company.

於二零二零年十二月三十一日，無抵押其他貸款7,896,000港元（附註31(ii)）乃借自本公司股東。

At 31 December 2019, the secured bank loan of HK\$508,000 (note 31(b)) was secured by personal guarantee of the Company's management.

於二零一九年十二月三十一日，已抵押銀行貸款508,000港元（附註31(b)）由本公司管理層之個人擔保作抵押。

41. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Transactions with related parties and connected transactions (continued)

- (ii) On 10 June 2019, the Company renewed the Framework Agreement with the supplier to the supply of the products. Beidahuang Marketing Co. is a connected person of the Company at the subsidiary level. The Supplier is the subsidiary of Beidahuang Marketing Co., which is also a connected person of the Company at the subsidiary level. Therefore, the transactions contemplated under the Framework Agreement constitute continuing connected transactions for the Company. The aggregated annual caps for transactions contemplated under the Framework Agreement for each of the three years ending 31 December 2019, 2020 and 2021 are RMB150 million, RMB150 million and RMB150 million respectively. During the year ended 31 December 2020, there was a total purchase of staple food amounting RMB81,563,000 (2019: RMB74,974,000).

41. 重大關聯方交易及結餘 (續)

(a) 與關聯方進行之交易及關連交易 (續)

- (ii) 於二零一九年六月十日，本公司與供應商續訂框架協議，以供應產品。北大荒營銷股份有限公司為本公司附屬公司層面的關連人士。供應商為北大荒營銷股份有限公司的附屬公司，而北大荒營銷股份有限公司亦為本公司附屬公司層面的關連人士。因此，框架協議項下擬進行的交易構成本公司的持續關連交易。截至二零一九年、二零二零年及二零二一年十二月三十一日止三個年度各年，框架協議項下擬進行交易的總年度上限分別為人民幣150,000,000元、人民幣150,000,000元及人民幣150,000,000元。截至二零二零年十二月三十一日止年度，主食品的總採購額為人民幣81,563,000元（二零一九年：人民幣74,974,000元）。

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41. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Outstanding balances with related parties:

	Notes 附註	2020 HK\$'000 千港元	2019 HK\$'000 千港元
Due to related parties	應付關聯方款項		
Mr. Jiang Jianjun	(i) 江建軍先生	2,987	6,639
Mr. Li Jiehong	(ii) 李傑鴻先生	691	—
		3,678	6,639

Notes:

(i) A shareholder of the Company.

(ii) A director of the Company.

The balances with other related parties are unsecured, interest free and have no fixed terms of repayment.

(c) Compensation of key management personnel

41. 重大關聯方交易及結餘 (續)

(b) 與關聯方之尚未償還結餘：

附註：

(i) 本公司股東。

(ii) 本公司董事。

與其他關聯方之結餘為無抵押、免息及無固定還款期。

(c) 主要管理人員之薪酬

	2020 HK\$'000 千港元	2019 HK\$'000 千港元
Short term employee benefits	1,012	3,477
Post-employment benefits	35	48
Total compensation paid to key management personnel	1,047	3,525

Further details of directors' emoluments are included in note 9 to the consolidated financial statements.

有關董事酬金之進一步詳情載於綜合財務報表附註9。

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42. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

42. 按類別劃分的金融工具

於報告期末，各類金融工具賬面金額如下：

金融資產

		Notes 附註	2020 Financial assets at fair value through profit or loss 透過損益 按公允值列賬 的金融資產 HK\$'000 千港元	2019 Financial assets at fair value through profit or loss 透過損益 按公允值列賬 的金融資產 HK\$'000 千港元
Financial assets at fair value through profit or loss	透過損益按公允值 列賬的金融資產	17	—	33,857
		Notes 附註	2020 Financial assets at amortised cost 按攤銷 成本列賬之 金融資產 HK\$'000 千港元	2019 Financial assets at amortised cost 按攤銷 成本列賬之 金融資產 HK\$'000 千港元
Trade receivables	應收貿易賬款	25	107,961	96,681
Financial assets included in prepayments, deposits and other receivables	計入預付款項、 按金及其他應收 款項之金融資產	26	293,954	362,296
Loan receivables	應收貸款	18	354,125	360,038
Pledged deposits	已抵押存款	27	18,857	47,777
Cash and cash equivalents	現金及現金等值物	27	26,115	79,995
			801,012	946,787

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42. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities

			2020 Financial liabilities at amortised cost 按攤銷成本 列賬之 金融負債 HK\$'000 千港元	2019 Financial liabilities at amortised cost 按攤銷成本 列賬之 金融負債 HK\$'000 千港元
		Notes 附註		
Trade and bills payables	應付貿易賬款及應付票據	28	105,668	173,506
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計費用之金融負債	29	84,214	172,324
Bank and other borrowings	銀行及其他借貸	31	393,024	541,962
Due to related party	應付關聯方款項	40	3,678	6,639
Convertible bonds	可換股債券	33	108,222	—
Lease liabilities	租賃負債	34	815,919	758,049
			1,510,725	1,652,480

The carrying amounts of the above balances approximate to their fair values.

上述結餘之賬面金額與其公允值相若。

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank and other borrowings, convertible bonds, amounts due to related party, lease liabilities and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

43. 金融風險管理之目標及政策

本集團之主要金融工具包括銀行及其他借貸、可換股債券、應付關聯方款項、租賃負債以及現金及現金等值物。該等金融工具之主要目的為籌集本集團經營所需資金。本集團有諸如應收貿易賬款及應付貿易賬款等多項其他金融資產及負債，該等金融資產及負債乃於其業務中直接產生。

本集團金融工具之主要風險為利率風險、外幣風險、信貸風險及流動資金風險。董事會檢討及協定管理有關風險之政策，有關風險概述如下。

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Interest rate risk**

The Group is exposed to fair value interest rate risk in relation to lease liabilities, fixed-rate secured bank loans, unsecured other loans, secured bonds and unsecured bonds.

The Group also exposed to cash flow interest rate risk in relation to its bank balances. The Group considered interest rate risk on bank balances is insignificant and thus no sensitivity analysis is presented.

Foreign currency risk

The Group's businesses are located in Mainland China and all transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB, except for certain bank balances denominated in Hong Kong dollars ("HKD") and United States dollars ("USD"). The Group has not hedged its foreign exchange rate risk.

The Group currently does not expect any significant movements in the exchange rate of USD to HKD and it is mainly exposed to the effects of fluctuation in RMB. The Group currently does not have a foreign currency hedging policy, however, the management monitors the foreign exchange exposure and will consider hedging significant foreign currently exposure should the need arise.

43. 金融風險管理之目標及政策 (續)**利率風險**

本集團就租賃負債、固定利率之已抵押銀行貸款、無抵押其他貸款、已抵押債券及無抵押債券面臨公允值利率風險。

本集團亦就其銀行結餘面臨現金流量利率風險。本集團認為銀行結餘之利率風險並不重大，故並無呈列敏感度風險。

外幣風險

本集團之業務位於中國內地，而所有交易均以人民幣進行。本集團大部分資產及負債以人民幣列值，惟若干銀行結餘以港元（「港元」）及美元（「美元」）列值除外。本集團並無對沖其外幣匯率風險。

本集團現時預計美元兌港元之匯率將不會出現任何重大變動及其主要受人民幣波動之影響。本集團現時並無制定外幣對沖政策，然而，管理層監察外匯風險並將於需要時考慮對沖重大外匯風險。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group's credit risk is primarily attributable to trade receivables, deposits and other receivables, loan receivables, pledged deposits and cash and cash equivalents.

Trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportive forwarding-looking information.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in PRC, which accounted for approximately 97% (2019: 99%) of the total financial assets as at 31 December 2020.

43. 金融風險管理之目標及政策 (續)

信貸風險

本集團之信貸風險主要源自應收貿易賬款、按金及其他應收款項、應收貸款、已抵押存款以及現金及現金等值物。

應收貿易賬款

本集團應用簡化方法就香港財務報告準則第9號訂明之預期信貸虧損計提撥備，該準則允許就所有應收貿易賬款使用全期預期信貸虧損撥備。為計量預期信貸虧損，應收貿易賬款已基於共同信貸風險特徵分組。本集團已進行歷史分析，並識別影響信貸風險及預期信貸虧損之關鍵經濟變數，當中考慮可得合理及具理據支持之前瞻性資料。

為盡量減低信貸風險，本集團管理層已委派一支團隊負責釐定信貸限額、信貸審批及其他監察程序，以確保採取跟進行動收回逾期債務。此外，本集團於報告期末審閱每筆個別債務之可收回金額，以確保就不可收回金額作出充分減值虧損。就此，本公司董事認為本集團之信貸風險已顯著降低。

本集團按地理位置之信貸風險主要集中於中國，佔於二零二零年十二月三十一日金融資產總值約97%（二零一九年：99%）。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Trade receivables (continued)

Approximately 79% and 81.3% of total trade receivables outstanding at 31 December 2019 and 2020 were due from top 5 trade receivables which exposed the Group to concentration of credit risk.

As at 31 December 2019 於二零一九年十二月三十一日		Current 即期	Within 30 days 30日內	31 to 120 days 31至120日	121 to 365 days 121至365日	Over 365 days 超過365日	Total 總計
Expected credit loss ("ECL") rate	預期信貸虧損率	1.73%	1.70%	1.85%	22.00%	84.85%	18.63%
Gross carrying amount (HK\$'000)	賬面總額 (千港元)	16,329	22,265	38,298	23,557	18,365	118,814
Lifetime ECL (HK\$'000)	全期預期信貸虧損 (千港元)	(282)	(378)	(707)	(5,184)	(15,582)	(22,133)
		16,047	21,887	37,591	18,373	2,783	96,681
As at 31 December 2020 於二零二零年十二月三十一日		Current 即期	Within 30 days 30日內	31 to 120 days 31至120日	121 to 365 days 121至365日	Over 365 days 超過365日	Total 總計
Expected credit loss ("ECL") rate	預期信貸虧損率	7.34%	7.34%	8.28%	23.14%	N/A	14.50%
Gross carrying amount (HK\$'000)	賬面總額 (千港元)	15,293	22,040	33,698	55,240	–	126,271
Lifetime ECL (HK\$'000)	全期預期信貸虧損 (千港元)	(1,122)	(1,618)	(2,790)	(12,780)	–	(18,310)
		14,171	20,422	30,908	42,460	–	107,961

Loan and other receivables

In determining the ECL of the Group's loan receivables and other receivables the management assessed the expected losses individually by estimation based on general economic conditions of the relevant industry in which the debtors operate, value of any pledged assets, financial position of the debtors and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group's concentration of credit risk by geographical locations is mainly in PRC, which accounted for approximately 99% (2019: 99%) of the total financial assets as at 31 December 2020.

43. 金融風險管理之目標及政策 (續)

信貸風險 (續)

應收貿易賬款 (續)

於二零一九年及二零二零年十二月三十一日未償還之應收貿易賬款總額約79%及81.3%乃源於五大應收貿易賬款，故本集團之信貸風險集中。

應收貸款及其他應收款項

於釐定本集團應收貸款及其他應收款項之預期信貸虧損時，管理層根據債務人所經營相關行業之整體經濟狀況、任何已抵押資產之價值、債務人之財務狀況以及對於報告日現況及未來狀況預測之評估進行估計，作個別預期虧損評估。

本集團按地理位置之信貸風險主要集中於中國，佔於二零二零年十二月三十一日金融資產總值約99% (二零一九年：99%)。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Loan and other receivables (continued)

43. 金融風險管理之目標及政策 (續)

信貸風險 (續)

應收貸款及其他應收款項 (續)

		As as 31 December 2019 於二零一九年十二月三十一日			
		Stage 1 第一階段 HK\$'000 千港元	Stage 2 第二階段 HK\$'000 千港元	Stage 3 第三階段 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Loan receivables, gross	應收貸款總額	384,004	–	–	384,004
Less: Lifetime ECL on loan receivables	減：應收貸款之全期 預期信貸虧損	(23,966)	–	–	(23,966)
Loan receivables, net	應收貸款淨額	360,038	–	–	360,038

		As as 31 December 2020 於二零二零年十二月三十一日			
		Stage 1 第一階段 HK\$'000 千港元	Stage 2 第二階段 HK\$'000 千港元	Stage 3 第三階段 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Loan receivables, gross	應收貸款總額	377,248	–	–	377,248
Less: Lifetime ECL on loan receivables	減：應收貸款之全期 預期信貸虧損	(23,123)	–	–	(23,123)
Loan receivables, net	應收貸款淨額	354,125	–	–	354,125

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Loan and other receivables (continued)

Movements for ECL of loan receivables are as follows:

43. 金融風險管理之目標及政策 (續)

信貸風險 (續)

應收貸款及其他應收款項 (續)

應收貸款預期信貸虧損變動如下：

		Stage 1 第一階段 HK\$'000 千港元	Stage 2 第二階段 HK\$'000 千港元	Stage 3 第三階段 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	4,520	–	–	4,520
Allowance for ECL on loan receivables	應收貸款之預期信貸虧損撥備	19,610	–	–	19,610
Exchange realignment	匯兌調整	(164)	–	–	(164)
At 31 December 2019 and 1 January 2020	於二零一九年 十二月三十一日及 二零二零年一月一日	23,966	–	–	23,966
Allowance for ECL on loan receivables	應收貸款之預期信貸虧損撥備	(796)	–	–	(796)
Exchange realignment	匯兌調整	(47)	–	–	(47)
As at 31 December 2020	於二零二零年 十二月三十一日	23,123	–	–	23,123

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Loan and other receivables (continued)

43. 金融風險管理之目標及政策 (續)

信貸風險 (續)

應收貸款及其他應收款項 (續)

		As as 31 December 2019 於二零一九年十二月三十一日			
		Stage 1 第一階段 HK\$'000 千港元	Stage 2 第二階段 HK\$'000 千港元	Stage 3 第三階段 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Other receivables, gross	其他應收款項總額	372,063	–	134,148	506,211
Less: Lifetime ECL on other receivables	減：其他應收款項之全期預期信貸虧損	(9,767)	–	(134,148)	(143,915)
Other receivables, net	其他應收款項淨額	362,296	–	–	362,296

		As as 31 December 2020 於二零二零年十二月三十一日			
		Stage 1 第一階段 HK\$'000 千港元	Stage 2 第二階段 HK\$'000 千港元	Stage 3 第三階段 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Other receivables, gross	其他應收款項總額	315,192	–	71,148	386,340
Less: Lifetime ECL on other receivables	減：其他應收款項之全期預期信貸虧損	(21,238)	–	(71,148)	(92,386)
Other receivables, net	其他應收款項淨額	293,954	–	–	293,954

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Loan and other receivables (continued)

Movements for ECL of other receivables are as follows:

43. 金融風險管理之目標及政策 (續)

信貸風險 (續)

應收貸款及其他應收款項 (續)

其他應收款項預期信貸虧損變動如下：

		Stage 1 第一階段 HK\$'000 千港元	Stage 2 第二階段 HK\$'000 千港元	Stage 3 第三階段 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	6,658	–	–	6,658
Allowance for ECL on other receivables	其他應收款項之預期 信貸虧損撥備	3,425	–	135,276	138,701
Exchange realignment	匯兌調整	(316)	–	(1,128)	(1,444)
At 31 December 2019 and 1 January 2020	於二零一九年 十二月三十一日及 二零二零年一月一日	9,767	–	134,148	143,915
Reversal of ECL on other receivables	其他應收款項之預期 信貸虧損撥回	10,875	–	(67,451)	(56,576)
Exchange realignment	匯兌調整	596	–	4,451	5,047
As at 31 December 2020	於二零二零年 十二月三十一日	21,238	–	71,148	92,386

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Loan and other receivables (continued)

Loan and other receivables are categorised into the following stages by the Group:

Stage 1

Loan and other receivables have not experienced a significant increase in credit risk since origination and impairment recognised on the basis of 12 months ECL (12-month ECLs).

Stage 2

Loan and other receivables to customers have experienced a significant increase in credit risk since origination and impairment is recognised on the basis of lifetime ECL (Lifetime ECLs non credit-impaired).

Stage 3

Loan and other receivables that are in default and considered credit impaired (Lifetime ECLs credit impaired).

In assessing whether the credit risk of loan and other receivables has increased significantly since initial recognition, the Group compares the risk of default occurring on the loan and other receivables assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is past due for more than 90 days. 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.

43. 金融風險管理之目標及政策 (續)

信貸風險 (續)

應收貸款及其他應收款項 (續)

本集團將應收貸款及其他應收款項分類為以下各個階段：

第一階段

應收貸款及其他應收款項之信貸風險自產生以來並無顯著增幅並按12個月預期信貸虧損 (12個月預期信貸虧損) 的基準確認減值。

第二階段

應收客戶貸款及其他款項之信貸風險自產生以來出現顯著增幅並按全期預期信貸虧損 (並無信貸減值之全期預期信貸虧損) 的基準確認減值。

第三階段

已拖欠應收貸款及其他應收款項視為出現信貸減值 (信貸減值之全期預期信貸虧損)。

於評估應收貸款及其他應收款項之信貸風險自初步確認以來有否大幅增加時，本集團會比較於報告日期及於初步確認日期評估之應收貸款及其他應收款項所出現之違約風險。於作出重新評估時，本集團認為，倘(i)借款人不大可能於本集團無追索權採取變現抵押品 (如持有) 等行動之情況下向本集團悉數支付其信貸責任；或(ii)金融資產已逾期超過90日，則構成違約事件。本集團會考慮合理可靠之定量及定性資料，包括過往經驗及在毋須付出不必要成本或努力後可獲得之前瞻性資料。

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Loan and other receivables (continued)

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

- an actual or expected significant deterioration in loan and other receivables' external or internal credit rating (if available);
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group; and
- the financial asset is past due.

Cash at bank

In respect of cash deposited at banks, the credit risk is considered to be low as the counterparties are reputable banks.

The existing counterparties do not have defaults in the past. Therefore, ECL rate of cash at bank is assessed to be close to zero and no provision was made as of 31 December 2020 and 2019.

43. 金融風險管理之目標及政策 (續)

信貸風險 (續)

應收貸款及其他應收款項 (續)

具體而言，於評估信貸風險自初步確認以來有否大幅增加時，本集團會考慮以下資料：

- 應收貸款及其他應收款項外部或內部信貸評級 (如有) 之實際或預期顯著惡化；
- 科技、市場、經濟或法律環境之現有或預期變動對債務人履行其對本集團責任之能力有重大不利影響；及
- 金融資產逾期。

銀行現金

就存放於銀行之現金而言，信貸風險被認為較低，此乃由於對手方乃信譽良好的銀行。

現有對手方並無違約記錄。因此，銀行現金之預期信貸虧損率被評定為接近零且於二零二零年及二零一九年十二月三十一日並無計提撥備。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and other receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other interest-bearing loans.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

43. 金融風險管理之目標及政策 (續)

流動資金風險

本集團利用經常性流動規劃工具監控資金短缺風險。該工具衡量金融工具及金融資產(如應收貿易賬款及其他應收款項)的到期日期及預測營運產生的現金流。

本集團之目標為運用銀行貸款及其他計息貸款平衡資金的持續性及靈活性。

於報告期末，本集團基於已訂約但未貼現付款之金融負債到期情況如下：

		2020						
		Weighted average effective interest rate	On demand	Within one year	1 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
		加權平均實際利率	按要求	一年內	一至五年	超過五年	未貼現現金流量總額	賬面值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		%	千港元	千港元	千港元	千港元	千港元	千港元
Trade and bills payables	應付貿易賬款及應付票據	—	—	105,668	—	—	105,668	105,668
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用之金融負債	—	—	84,214	—	—	84,214	84,214
Contract liabilities	合約負債	—	—	181,485	—	—	181,485	181,485
Bank and other borrowings	銀行及其他借貸	7.77	32,191	388,869	—	—	421,060	393,024
Due to related parties	應付關聯方款項	—	—	3,678	—	—	3,678	3,678
Convertible bonds	可換股債券	12.00	—	121,209	—	—	121,209	108,222
Lease liabilities	租賃負債	6.88	—	178,202	513,092	354,383	1,045,677	815,919
			32,191	1,063,325	513,092	354,383	1,962,991	1,692,210

		2019						
		Weighted average effective interest rate 加權平均 實際利率	On demand 按要求	Within one year 一年內	1 to 5 years 一至五年	Over 5 years 超過五年	Total undiscounted cash flows 未貼現 現金流量總額	Carrying amount 賬面值
		% %	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade and bills payables	應付貿易賬款及應付票據	—	—	173,506	—	—	173,506	173,506
Financial liabilities included in	計入其他應付款項及							
other payables and accruals	應計費用之金融負債	—	—	172,324	—	—	172,324	172,324
Contract liabilities	合約負債	—	—	85,200	—	—	85,200	85,200
Bank and other borrowings	銀行及其他借貸	8.26	—	586,728	—	—	586,728	541,962
Due to related parties	應付關聯方款項	—	—	6,639	—	—	6,639	6,639
Convertible bonds	可換股債券	—	—	—	—	—	—	—
Lease liabilities	租賃負債	6.89	—	156,469	464,465	415,296	1,036,230	758,049
			—	1,180,866	464,465	415,296	2,060,627	1,737,680

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Bank borrowings with a repayment on demand clause are included in the “on demand” time band in the above maturity analysis. As at 31 December 2020, the aggregate carrying amounts of these bank and other borrowings amounted to HK\$32,191,000 (2019: HK\$Nil). Taking into account the Group’s financial position, the management does not believe that it is probable that the lenders will exercise their discretionary rights to demand immediate repayment. The management believes that such bank and other borrowings will be repaid in one to two years after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

Maturity Analysis – Bank and other borrowings with a repayment on demand clause based on scheduled repayments

	Within one year	1 to 5 years	Over 5 years	Total undiscounted cash outflows	Carrying amount
	一年內 HK\$'000 千港元	一至五年 HK\$'000 千港元	超過五年 HK\$'000 千港元	未貼現現金 流出總額 HK\$'000 千港元	賬面值 HK\$'000 千港元
31 December 2020	8,510	28,216	–	36,726	32,191

Capital management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders’ value.

43. 金融風險管理之目標及政策 (續)

流動資金風險 (續)

附有按要求償還條款之銀行借貸計入上文到期分析之「按要求」一欄。於二零二零年十二月三十一日，該等銀行及其他借貸之賬面總額為32,191,000港元（二零一九年：零港元）。計及本集團之財務狀況，管理層認為貸款人不可能行使其酌情權要求即時還款。管理層相信該等銀行及其他借貸將根據貸款協議所載計劃還款日期於報告期結束後一至兩年內償還，有關詳情載於下表：

到期分析—基於還款計劃之附有按要求還款條款之銀行及其他借貸

資本管理

本集團資本管理的首要目標，為確保本集團具備持續經營的能力，且維持穩健的資本比率，以支持其業務運作，爭取最大的股東價值。

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 31 December 2020.

The Group monitors capital using a gearing ratio, which is net debt divided by the capital plus net debt. The Group's policy is to maintain an optimal capital structure which reduces cost of capital. Net debt includes trade and bills payables, other payables and accruals, bank and other borrowings, amounts due to related parties, and convertible bonds less cash and cash equivalents and pledged deposits. Capital includes equity attributable to owners of the parent. The gearing ratios as at the end of the reporting periods were as follows:

43. 金融風險管理之目標及政策 (續)

資本管理 (續)

本集團根據經濟情況的變動及有關資產之風險特質，管理其資本結構並作出調整。為維持或調整資本結構，本集團可能會調整股東股息、向股東退還資本或發行新股。本集團並不受任何外來施加之資本規定所限。截至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止年度內，本集團並無更改其管理資本之目標、政策或程序。

本集團以資產負債比率（債務淨額除以資本加債務淨額）監控資本情況。本集團的政策為維持最佳的資本架構，削減資本成本。債務淨額包括應付貿易賬款及應付票據、其他應付款項及應計費用、銀行及其他借貸、應付關聯方款項及可換股債券，並減去現金及現金等值物及已抵押存款。資本包括母公司擁有人應佔權益。於報告期末，資產負債比率如下：

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Bank and other borrowings	銀行及其他借貸	393,024	541,962
Trade and bills payables	應付貿易賬款及應付票據	105,668	173,506
Other payables and accruals	其他應付款項及應計費用	84,214	172,324
Due to related party	應付關聯方款項	3,678	6,639
Convertible bonds	可換股債券	108,222	—
Lease liabilities	租賃負債	815,919	758,049
Less: Cash and cash equivalents	減：現金及現金等值物	(26,115)	(79,995)
Pledged deposits	已抵押存款	(18,857)	(47,777)
Net debt	債務淨額	1,465,753	1,524,708
Capital	資本	1,285,199	1,229,337
Capital and net debt	資本及債務淨額	2,750,952	2,754,045
Gearing ratio	資產負債比率	53%	55%

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair value measurement

Inputs to valuation techniques used to measure the Group's financial assets at fair value through profit or loss had been categorised as level 1 and level 3 within the fair value hierarchy which is defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The financial assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

43. 金融風險管理之目標及政策(續)

公允值計量

計量本集團透過損益按公允值列賬的金融資產所使用的估值技術之輸入數據在公允值層級中分為第一級及第三級，公允值層級定義如下：

- 相同資產或負債於活躍市場的報價(未經調整)(第一級)。
- 除第一級所包括的報價以外並可就資產或負債直接(即價格)或間接(即源自價格)觀察的輸入數據(第二級)。
- 並非基於可觀察市場數據的資產或負債之輸入數據(即不可觀察輸入數據)(第三級)。

於綜合財務狀況表中按公允值計量的金融資產及負債分為以下公允值層級：

		2020		2019	
		Carrying amount 賬面金額	Fair value 公允值	Carrying amount 賬面金額	Fair value 公允值
Financial liabilities	金融負債				
Convertible bonds	可換股債券	108,222	110,234	–	–
		2019			
		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Financial assets	金融資產				
Financial assets at fair value through profit or loss	透過損益按公允值列賬的金融資產	33,857	–	–	33,857

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair value measurement (continued)

Some of the Group's financial assets 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).

Financial assets	2020	2019	Fair value hierarchy	Valuation technique(s)	Significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
金融資產	HK\$'000 千港元	HK\$'000 千港元	公允值層級	估值技術	重大不可觀察輸入數據	範圍	不可觀察輸入數據與公允值之關係
Financial assets at FVTPL							
透過損益按公允值列賬的金融資產							
Listed securities	–	33,857	Level 1	Quoted bid price in an active market	N/A	N/A	N/A
上市證券			第一級	活躍市場所報買入價	不適用	不適用	不適用

During the year ended 31 December 2019 and 2020, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

43. 金融風險管理之目標及政策 (續)

公允值計量 (續)

本集團若干金融資產於各報告期末按公允值計量。下表列示有關如何釐定該等金融資產公允值之資料 (尤其是所用估值技術及輸入數據)。

截至二零一九年及二零二零年十二月三十一日止年度，第一級與第二級之間並無轉移，亦並無轉入或轉出第三級。本集團的政策是將公允值層級之間的轉移於所發生的報告期末確認。

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44. 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 flow were, or future cashflows will be classified in the Group's consolidated statement of cash flows from financing activities.

44. 融資活動產生的負債對賬

下表詳述本集團融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債為現金流量或未來現金流量在本集團綜合財務報表中分類為融資活動所產生的現金流量的負債。

		Lease liabilities	Bank and other borrowings	Convertible bonds	Total
		租賃負債	銀行及其他借貸	可換股債券	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
As at 1 January 2019	於二零一九年一月一日	880,125	333,424	195,378	1,408,927
Accrued interest	應計利息	54,930	44,633	11,523	111,086
Interest paid	已付利息	–	(44,633)	(8,658)	(53,291)
Mature of convertible bond	可換股債券到期	–	193,243	(193,243)	–
Financing cash outflows	融資現金流出	(163,985)	(121,258)	(5,000)	(290,243)
Financing cash inflows	融資現金流入	–	144,390	–	144,390
Currency translation adjustment	貨幣換算調整	(13,021)	(7,837)	–	(20,858)
As at 31 December 2019	於二零一九年十二月三十一日	758,049	541,962	–	1,300,011
As at 1 January 2020	於二零二零年一月一日	758,049	541,962	–	1,300,011
Accrued interest	應計利息	53,272	47,165	2,611	103,048
Interest paid	已付利息	–	(47,165)	(2,222)	(49,387)
Addition of lease liabilities	添置租賃負債	146,638	–	–	146,638
Disposal of a subsidiary	出售一間附屬公司	(2,474)	–	–	(2,474)
Disposal of lease liabilities	出售租賃負債	(3,918)	–	–	(3,918)
Issue of convertible bond	發行可換股債券	–	(109,100)	107,833	(1,267)
Financing cash outflows	融資現金流出	(173,011)	(127,482)	–	(300,493)
Financing cash inflows	融資現金流入	–	64,173	–	64,173
Currency translation adjustment	貨幣換算調整	37,363	23,471	–	60,834
As at 31 December 2020	於二零二零年十二月三十一日	815,919	393,024	108,222	1,317,165

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45. INTERESTS IN SUBSIDIARIES

Particulars of the major subsidiaries are as follows:

45. 於附屬公司的權益

主要附屬公司詳情如下：

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營運地點	Value of issued ordinary/registered share capital 已發行普通/ 註冊股本價值	Percentage of equity attributable to the Company		Principal activities 主要業務
			本公司應佔權益百分比 Direct 直接	Indirect 間接	
Most Success Corporation Limited 偉成興業有限公司	Hong Kong 香港	HK\$10,000 10,000港元	–	40	Lending of logistic facilities 租賃物流設施
Shenzhen Meiming Wenshi Trading Limited (i) 深圳市美名問世商貿有限公司(i)	PRC/Mainland China 中國/中國內地	RMB55,000,000 人民幣55,000,000元	–	100	Distribution of wine and liquor 分銷酒類
Shenzhen Beidahuang Green Food Distribution Limited (i), (iii) 深圳北大荒綠色食品配送 有限公司(i)、(iii)	PRC/Mainland China 中國/中國內地	RMB10,000,000 人民幣10,000,000元	–	50	Sales of green food products 銷售綠色食品
Ever Gain Hong Kong Development Limited 永盛香港發展有限公司	Hong Kong 香港	HK\$100 100港元	60	–	Lending of logistic facilities 租賃物流設施
Shenzhen Qianhai Dahuangyuan Financing Lease Company Limited (i), (iv) 深圳市前海大荒緣融資租賃 有限公司(i)、(iv)	PRC/Mainland China 中國/中國內地	USD10,000,000 10,000,000美元	–	100	Financial leasing 融資租賃
Beijing Chuangzhang Desheng Investment Management Co., Ltd (ii) 北京創展谷德勝投資管理有限公司 (ii)	PRC/Mainland China 中國/中國內地	RMB1,000,000 人民幣1,000,000元	–	55	Renting of office premises and facilities in PRC 於中國租賃辦公物業及 設施
Beijing Chuangzhang Wangxin Investment Management Co., Ltd (ii) 北京創展谷望新投資管理有限公司 (ii)	PRC/Mainland China 中國/中國內地	RMB1,000,000 人民幣1,000,000元	–	55	Renting of office premises and facilities in PRC 於中國租賃辦公物業及 設施
Beijing Mumian Shangyuan Investment Management Co., Ltd (ii) 北京木棉上元投資管理有限公司 (ii)	PRC/Mainland China 中國/中國內地	RMB1,000,000 人民幣1,000,000元	–	55	Renting of office premises and facilities in PRC 於中國租賃辦公物業及 設施

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45. INTERESTS IN SUBSIDIARIES (continued)

45. 於附屬公司的權益 (續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營運地點	Value of issued ordinary/registered share capital 已發行普通/ 註冊股本價值	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Shenzhen Nongjiayuan Agricultural Products Delivery Company Limited (ii) 深圳市農家園農產品配送有限公司 (ii)	PRC/Mainland China 中國／中國內地	RMB10,000,000 人民幣10,000,000元	–	51	Sales of primary agricultural products 初級農產品銷售
Shenzhen Ming Jian Gold Industry Limited (i) 深圳明建金業有限公司 (i)	PRC/Mainland China 中國／中國內地	RMB80,000,000 人民幣80,000,000元	–	100	Rental business 租賃業務
Shenzhen Huajinhuayin Industry Company Limited (i) 深圳市華金華銀實業有限公司 (i)	PRC/Mainland China 中國／中國內地	RMB39,000,000 人民幣39,000,000元	–	100	Investment holding 投資控股
Linxiang Qiangsheng Mining Industry Company Limited (i) 臨湘市強盛礦業有限公司 (i)	PRC/Mainland China 中國／中國內地	RMB60,950,000 人民幣60,950,000元	–	100	Trading of mineral products 礦產品貿易
Shanghai Mushi Miancheng Property Management Company Limited (ii) 上海木世棉成物業管理公司 (ii)	PRC/Mainland China 中國／中國內地	RMB1,000,000 人民幣1,000,000元	–	55	Rental of office premises and facilities in PRC 於中國租賃辦公物業及設施
Shenzhen Dajin Zhenhe Industry Limited 深圳市達進臻和實業有限公司	PRC/Mainland China 中國／中國內地	RMB10,000,000 人民幣10,000,000元	–	51	Rental business 租賃業務

Notes:

附註：

- (i) Registered as a wholly-owned foreign enterprise under the PRC law.
- (ii) Registered as a Sino-foreign equity joint venture under the PRC law.
- (iii) The Company holds majority of members in the board of directors which is the governing body of these companies and therefore has the power to direct the relevant activities of these companies, and is exposed, or the rights, to variable returns from the investment with the investee, and has the power to affect the amount of those returns.
- (iv) The English name of the above PRC companies is for identification purpose only.

- (i) 根據中國法律註冊為外商獨資企業。
- (ii) 根據中國法律註冊為中外合資企業。
- (iii) 本公司持有其董事會(該等公司的管理機構)多數席位,因此,有權力指導該等公司的相關活動,並承受或有權享有來自被投資公司投資的可變回報,且有能力影響該等回報金額。
- (iv) 上述中國公司的英文名稱僅供識別之用。

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

上表列示董事認為主要影響年度業績或構成本集團資產淨值主要部分之本公司主要附屬公司。董事認為提供其他附屬公司之詳情會使內容過於冗長。

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45. INTERESTS IN SUBSIDIARIES (continued)

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

45. 於附屬公司的權益 (續)

本集團擁有重大非控股權益之附屬公司之詳情載列如下：

		2020	2019
Percentage of equity interest held by non-controlling interests:	非控股權益所持股權百分比：		
Shenzhen Beidahuang Green Food Distribution Limited	深圳北大荒綠色食品配送有限公司	50%	50%
Most Success Corporation Limited	偉成興業有限公司	60%	60%
Beijing Chuangzhangu Desheng Investment Management Co., Ltd	北京創展谷德勝投資管理有限公司	45%	45%
Beijing Chuangzhangu Wangxin Investment Management Co., Ltd	北京創展谷望新投資管理有限公司	45%	45%
Beijing Mumian Shangyuan Investment Management Co., Ltd	北京木棉上元投資管理有限公司	45%	45%

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45. INTERESTS IN SUBSIDIARIES (continued)

45. 於附屬公司的權益 (續)

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
Loss/(gain) for the year allocated to non-controlling interests:	分配予非控股權益之年度虧損／(收益)：		
Shenzhen Beidahuang Green Food Distribution Limited	深圳北大荒綠色食品配送有限公司	345	816
Most Success Corporation Limited	偉成興業有限公司	(3,443)	7,152
Beijing Chuangzhangu Desheng Investment Management Co., Ltd	北京創展谷德勝投資管理有限公司	4,306	1,310
Beijing Chuangzhangu Wangxin Investment Management Co., Ltd	北京創展谷望新投資管理有限公司	(273)	2,081
Beijing Mumian Shangyuan Investment Management Co., Ltd	北京木棉上元投資管理有限公司	5,039	7,049
Accumulated balances of non-controlling interests at the reporting dates:	於報告日期非控股權益之累計結餘：		
Shenzhen Beidahuang Green Food Distribution Limited	深圳北大荒綠色食品配送有限公司	(233)	(577)
Most Success Corporation Limited	偉成興業有限公司	19,655	16,844
Beijing Chuangzhangu Desheng Investment Management Co., Ltd	北京創展谷德勝投資管理有限公司	(3,767)	600
Beijing Chuangzhangu Wangxin Investment Management Co., Ltd	北京創展谷望新投資管理有限公司	971	900
Beijing Mumian Shangyuan Investment Management Co., Ltd	北京木棉上元投資管理有限公司	(7,174)	(1,775)

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45. INTERESTS IN SUBSIDIARIES (continued)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

45. 於附屬公司的權益(續)

下表列示上述附屬公司之財務資料概要。所披露金額乃於任何公司間撇銷之前：

2020	二零二零年	Shenzhen Beidahuang Green Food Distribution Limited 深圳北大荒綠色食品配送有限公司 HK\$'000 千港元	Most Success Corporation Limited 偉成興業有限公司 HK\$'000 千港元	Beijing Chuangzhangu Desheng Investment Management Co., Ltd 北京創展谷德勝投資管理有限公司 HK\$'000 千港元	Beijing Chuangzhangu Wangxin Investment Management Co., Ltd 北京創展谷望新投資管理有限公司 HK\$'000 千港元	Beijing Mumian Shangyuan Investment Management Co., Ltd 北京木棉上元投資管理有限公司 HK\$'000 千港元
Revenue	收入	250,683	41,708	23,370	23,391	77,086
Total expense	開支總額	(250,990)	(45,053)	(32,878)	(22,785)	(88,319)
(Loss)/profit for the year	年度(虧損)/溢利	(307)	(3,345)	(9,508)	606	(11,223)
Total comprehensive (loss)/income for the year	年度全面(虧損)/收入總額	(304)	(3,345)	(9,832)	(155)	(11,973)
Current assets	流動資產	54,579	48,143	14,013	8,008	57,555
Non-current assets	非流動資產	7,832	106,317	19,741	59,526	299,577
Current liabilities	流動負債	44,333	93,818	40,337	36,039	98,047
Net cash flows (used in)/generated from operating activities	經營活動(所用)/所得現金流量淨額	(8,282)	21,812	27,248	(43,318)	61,951
Net cash flows generated from investing activities	投資活動所得現金流量淨額	-	-	4	57,805	8
Net cash flows used in financing activities	融資活動所用現金流量淨額	(2,266)	(29,548)	(27,638)	(13,358)	(64,000)
Net (decrease)/increase in cash and cash equivalents	現金及現金等值物(減少)/增加淨額	(10,548)	(7,736)	(386)	1,129	(2,041)

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45. INTERESTS IN SUBSIDIARIES (continued)

45. 於附屬公司的權益(續)

		Shenzhen Beidahuang Green Food Distribution Limited 深圳北大荒 綠色食品配送 有限公司 HK\$'000 千港元	Most Success Corporation Limited 偉成興業 有限公司 HK\$'000 千港元	Beijing Chuangzhangu Desheng Investment Management Co., Ltd 北京創展谷德勝 投資管理 有限公司 HK\$'000 千港元	Beijing Chuangzhangu Wangxin Investment Management Co., Ltd 北京創展谷望新 投資管理 有限公司 HK\$'000 千港元	Beijing Mumian Shangyuan Investment Management Co., Ltd 北京木棉上元 投資管理 有限公司 HK\$'000 千港元
2019	二零一九年					
Revenue	收入	302,760	42,496	29,586	23,536	79,559
Total expense	開支總額	(304,391)	(30,216)	(32,499)	(28,160)	(95,219)
(Loss)/profit for the year	年度(虧損)/溢利	(1,631)	12,280	(2,913)	(4,624)	(15,660)
Total comprehensive (loss)/income for the year	年度全面(虧損)/ 收入總額	(1,734)	12,280	(3,163)	(4,680)	(15,602)
Current assets	流動資產	7,924	34,086	49,585	10,748	326,308
Non-current assets	非流動資產	62,345	11,948	6,038	4,118	63,622
Current liabilities	流動負債	52,619	17,591	39,320	22,837	96,313
Net cash flows (used in)/generated from operating activities	經營活動(所用)/所得 現金流量淨額	(2,126)	1,061	(34,941)	(8,558)	(217,612)
Net cash flows generated from/ (used in) investing activities	投資活動所得/(所用) 現金流量淨額	–	2	4	2	8
Net cash flows generated from/ (used in) financing activities	融資活動所得/(所用) 現金流量淨額	5,298	11,911	33,998	8,298	219,218
Net (decrease)/increase in cash and cash equivalents	現金及現金等值物(減少)/增加 淨額	3,172	12,974	(939)	(258)	1,614

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46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

46. 本公司財務狀況表及儲備

本公司於報告期末的財務狀況表資料包括：

		2020 HK\$'000 千港元	2019 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Interests in subsidiaries	於附屬公司的權益	1,461,822	1,495,940
Total non-current assets	非流動資產總值	1,461,822	1,495,940
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	7,691	9,597
Cash and cash equivalents	現金及現金等值物	21	37
Total current assets	流動資產總值	7,712	9,634
CURRENT LIABILITIES	流動負債		
Other borrowings	其他借貸	260,500	407,256
Other payables and accruals	其他應付款項及應計費用	65,349	40,523
Amounts due to related parties	應付關聯方款項	19,270	—
Convertible bonds	可換股債券	108,222	—
Total current liabilities	流動負債總額	453,341	447,779
NET CURRENT LIABILITIES	淨流動負債	(445,629)	(438,145)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	1,016,193	1,057,795
Non-current liabilities	非流動負債		
Deferred tax liabilities	遞延稅項負債	462	—
Net assets	資產淨值	1,015,731	1,057,795
EQUITY	權益		
Issued capital	已發行股本	622,513	622,513
Reserves	儲備	393,218	435,282
Total equity	權益總額	1,015,731	1,057,795

Li Jiehong
Director

李傑鴻
董事

Ke Xionghan
Director

柯雄瀚
董事

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46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movement of the reserves of the company is as follows:

46. 本公司財務狀況表及儲備 (續)

本公司儲備變動如下：

		Share premium account	Share option reserve	Convertible bonds reserve	Accumulated losses	Total
	Notes 附註	股份溢價賬 HK\$'000 千港元	購股權儲備 HK\$'000 千港元	可換股 債券儲備 HK\$'000 千港元	累計虧損 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	1,620,105	38,398	9,894	(883,893)	784,504
Total comprehensive loss for the year	年度全面虧損總額	-	-	-	(388,521)	(388,521)
Issue of shares upon subscription of new shares	於認購新股份時發行股份	53,114	-	-	-	53,114
Share issuing expenses	股份發行開支	(1,000)	-	-	-	(1,000)
Repurchase of ordinary shares	購回普通股	(2,921)	-	-	-	(2,921)
Mature of convertible bonds	可換股債券到期	-	-	(9,894)	-	(9,894)
Lapse of share options	購股權失效	-	(38,398)	-	38,398	-
At 31 December 2019	於二零一九年 十二月三十一日	1,669,298	-	-	(1,234,016)	435,282
Total comprehensive loss for the year	年度全面虧損總額	-	-	-	(42,792)	(42,792)
Issue of convertible bonds	發行可換股債券	-	-	728	-	728
At 31 December 2020	於二零二零年 十二月三十一日	1,669,298	-	728	(1,276,808)	393,218

Under the Companies Law (Revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.3 to the consolidated financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to accumulated losses should the related options expire or be forfeited.

根據開曼群島公司法（經修訂），本公司股份溢價賬的資金可供分派予本公司股東，惟於緊隨建議分派股息日後，本公司須有能力償還其於日常業務過程中到期的債務。

購股權儲備包括已授出但尚未行使購股權之公允值，詳情載於綜合財務報表附註2.3有關以股份支付款項之會計政策內。有關款項將於相關購股權獲行使時轉撥至股份溢價賬，或倘相關購股權屆滿或被沒收時則轉撥至累計虧損。

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47. LITIGATION

- (i) On 18 August 2015, the Company received a writ of summons issued from the High Court of Hong Kong (the “Writ”) relating to a claim by Mr. Qu Shuncai (“Mr. Qu”), a former director of the Company. Pursuant to the Writ, Mr. Qu claims against the Company for the sum of HK\$6,069,000 being damages for the Company’s wrongful refusal of the issue of 2,500,000 shares of the Company to him upon his exercise of the share options. The proceedings are now at the interlocutory stage, and pending for further directions from the Court.
- (ii) On 15 August 2019, the Company received a winding up petition (“Petition”) filed by Mr. Qiu Zhen (“Petitioner”) for an order that the Company may be wound up by the High Court of the Hong Kong pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong). The Petition was filed against the Company for being unable to repay a debt of amount HK\$21,140,987. Details of the Petition were disclosed in the announcements of the Company dated 15 August 2019 and 22 August 2019. Subsequently, our legal representatives filed a Notice of Originating Summons to the Court (under HCMP 1284 of 2019) returnable before a High Court Judge on 19 September 2019 for an order to direct the Petitioner to withdraw the Petition or otherwise to be restrained from taking further step to prosecute the Petition on the ground that the Petition is an abuse of process of the court. On 23 March 2020, leave was granted to the Company to withdraw the Originating Motion. As to the winding up proceedings itself, the parties reached full and final settlement and the Court had, by its Order dated on 8 March 2021, dismissed the Petition, details of which were disclosed on the announcement of the Company dated 8 March 2021.

47. 訴訟

- (i) 於二零一五年八月十八日，本公司收到香港高等法院簽發之傳訊令狀（「令狀」），內容有關本公司前董事屈順才先生（「屈先生」）提出之索償。根據令狀，屈先生就本公司于屈先生行使購股權後不當拒絕向其發行2,500,000股本公司股份而向本公司索償金額6,069,000港元（即損害賠償）。訴訟程序現已進入中間階段，且待法院發出進一步指示。
- (ii) 於二零一九年八月十五日，本公司接獲由邱振先生（「呈請人」）根據香港法例第32章公司（清盤及雜項條文）條例向香港高等法院提呈對本公司進行清盤命令之呈請（「該呈請」）。已提呈之該呈請乃針對本公司無法償還金額為21,140,987港元之債務。該呈請之詳情於本公司日期為二零一九年八月十五日及二零一九年八月二十二日之公佈內披露。其後，我們的法定代理人於二零一九年九月十九日向法院提呈會在高等法院法官席前處理的原訴傳票通知（編號為二零一九年HCMP 1284），發出命令指示呈請人撤回該呈請或以該呈請濫用法庭程序為理據限制採取進一步行動進行該呈請。於二零二零年三月二十三日，本公司獲授撤回原訴動議的許可。就本身的清盤程序而言，雙方達成充分及最終和解，且法院根據日期為二零二一年三月八日之命令撤銷該呈請。有關詳情於本公司日期為二零二一年三月八日之公佈內披露。

47. LITIGATION (continued)

- (iii) On 21 August 2019, the Company received a writ of summons issued on behalf of United Target Finance Company Limited ("United Target") under HCA 1520 of 2019. According to the Statement of Claim, United Target being the plaintiff, claims against the Company for the sum of HK\$10,055,772.96. Our legal representatives filed an Acknowledgment of Service on 27 August 2019 and stated our intention to contest the proceedings. Subsequently, the parties reached full and final settlement and the action was wholly discontinued on 28 October 2020.
- (iv) On 28 August 2019, our legal representatives filed a Notice of Originating Summons to the Court (under HCMP 1348 of 2019) to apply to the Court to dispute a Statutory Demand dated 24 July 2019 issued on behalf of Madam FANG XIANGZAI (方香崽) for the sum of HK\$20,094,520.55. The case has been adjourned sine die.
- (v) On 24 October 2019, the Company received a writ of summons (under HCA 1948 of 2019) issued on behalf of Gemini Funds Limited for an order to direct the Company to deliver up the share certificate of 5,000,000 (Bonus) Shares issued in January 2016 and damages to be assessed. The said Gemini Funds Limited has also taken out an application for summary judgment against the Company returnable before a Master of the High Court on 9 April 2020. Our legal representative filed an Acknowledgment of Service on 6 November 2019, and the Company has filed a notice to the Court to oppose the application by the said Plaintiff to enter judgment against the Company. The hearing was heard before a Judge on 21 January 2021 and pursuant to the Judgement, the Company delivered up the said share certificate to the Plaintiff on 24 March 2021. At the same time, the Company filed a Notice to Appeal on 18 February 2021.

47. 訴訟 (續)

- (iii) 於二零一九年八月二十一日，本公司接獲代表United Target Finance Company Limited (「United Target」) 根據二零一九年HCA 1520簽發之傳訊令狀。根據訴狀，United Target為原告，向本公司索償金額10,055,772.96港元。我們的法定代理人於二零一九年八月二十七日呈交送達認收書，並表示我們將就法律訴訟提出抗辯。隨後，雙方達成完全及最終和解，且該訴訟於二零二零年十月二十八日完全中止。
- (iv) 於二零一九年八月二十八日，我們的法定代理人向法院提交原訴傳票通知(編號為二零一九年HCMP 1348)，以向法院申請就代表方香崽女士發出之日期為二零一九年七月二十四日之金額為20,094,520.55港元法定要求償債書進行抗辯。該案件已獲無限期延遲。
- (v) 於二零一九年十月二十四日，本公司接獲代表Gemini Funds Limited根據二零一九年HCA 1948簽發之傳訊令狀，發出命令指示本公司於二零一六年一月交出已發行的5,000,000股(紅股)的股票及待評估的損害賠償。所述Gemini Funds Limited亦針對本公司向法院申請會於二零二零年四月九日在高等法院法官席前受理的簡易判決。我們的法定代理人於二零一九年十一月六日呈交送達認收書，且本公司已向法院提交通知，以反對上述原告提出之執行針對本公司判決之申請。聆訊於二零二一年一月二十一日在法官席前進行及根據判決，本公司於二零二一年三月二十四日向原告交出所述股票。與此同時，本公司於二零二一年二月十八日提交上訴通知書。

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47. LITIGATION (continued)

- (vi) Pursuant to the Petition under item (ii) above, the Company successfully obtained a Validation Order of the Court dated 17 January 2020, under which any transfer of the issued and fully paid up shares in the Company since 13 August 2019 shall not be avoided by s.182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) in the event of a winding-up order being made against the Company. The sealed copy order has been obtained, details of which were disclosed in the announcement of the Company dated 15 May 2020. Further, the Company also obtained another Validation Order of the Court dated 6 January 2021, under which payments of HK\$569,558.00 made out of the Company's bank accounts for the purpose of paying the legal expenses of the Company shall not be avoided.
- (vii) On 15 June 2020, the Company received a writ of summons issued on behalf of JIANG SHENGLI (姜胜利) ("JIANG") under HCA 947 of 2020. According to the Statement of Claim, JIANG being the plaintiff, claims against the Company for the sum of HK\$15,700,000 and the bond interest. Our legal representatives filed an Acknowledgment of Service on 22 June 2020 and stated our intention to contest the proceedings. Subsequently, the parties reached full and final settlement and signed a Settlement Agreement on 25 March 2021. The action is expected to be discontinued by mid of April 2021.
- (viii) On 7 July 2020, the Company received a writ of summons issued on behalf of FANG XIANGZAI (方香崽) ("FANG") under HCA 1128 of 2020. According to the Statement of Claim, FANG being the plaintiff, claims against the Company for the sum of HK\$30,575,000 and the agreement interest. Our legal representatives filed an Acknowledgment of Service on 22 July 2020 and stated our intention to contest the proceedings. The parties are under negotiation for settlement.

47. 訴訟 (續)

- (vi) 根據上文第(ii)項下之呈請，本公司成功獲得日期為二零二零年一月十七日的法院認可令，據此，若針對本公司發出清盤命令，則自二零一九年八月十三日起轉讓本公司已發行及繳足股款的股份不得根據公司（清盤及雜項條文）條例（第32章）第182條廢止。本公司已獲得判令蓋印副本。有關詳情於本公司日期為二零二零年五月十五日之公佈內披露。此外，本公司亦獲得日期為二零二一年一月六日的法院認可令，據此，將不可避免自本公司銀行賬戶中撥款569,558.00港元用以支付本公司的法律費用。
- (vii) 於二零二零年六月十五日，本公司接獲代表姜勝利（「姜」）簽發之傳訊令狀（編號為二零二零年HCA 947），根據訴狀，姜為原告，向本公司索償金額15,700,000港元及債券利息。我們的法定代理人於二零二零年六月二十二日呈交送達認收書，並表示我們將就法律訴訟提出抗辯。隨後，雙方達成完全及最終和解並於二零二一年三月二十五日簽署和解協議。該訴訟預計於二零二一年四月中旬前中止。
- (viii) 於二零二零年七月七日，本公司接獲代表方香崽（「方」）簽發之傳訊令狀（編號為二零二零年HCA 1128），根據訴狀，方為原告，向本公司索償金額30,575,000港元及協定利息。我們的法定代理人於二零二零年七月二十二日呈交送達認收書，並表示我們將就法律訴訟提出抗辯。雙方仍在協商和解。

47. LITIGATION (continued)

(ix) The Company is aware that two civil litigations in relation to its cooperation contracts filed with the People's Court of Qianhai Cooperation Zone, Guangdong Province against the Company have been closed, and the Company and the plaintiff entered into a settlement agreement on 28 June 2020.

48. NON-CASH TRANSACTIONS

During the year ended 31 December 2020, the placing (the "Placing") of convertible bond has been fulfilled and the completion of the Placing took place on 1 November 2020 and the convertible bonds of aggregate principals of HK\$111,100,000 have been successfully placed. The net proceeds of the Placing in amount of about HK\$109,100,000 were used in redemption of the unsecured bonds.

During the year ended 31 December 2020, the Group disposed 100% equity interest in Zhongshan Shuixiang Lvyou Kaifa Company Limited of consideration for approximately HK\$20,000,000, in which HK\$18,814,000 were included into the other receivable.

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$148,758,000 in respect of lease arrangements for leased properties.

49. COMPARATION FIGURES

Certain comparative figures have been reclassified to conform with the current year presentation. These reclassification have no impact on the Group's loss for the year 31 December 2019 and the total equity as at 31 December 2019.

50. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 30 March 2021.

47. 訴訟 (續)

(ix) 本公司知悉廣東省前海合作區人民法院有兩宗對本公司提起之由於合作合同糾紛導致的民事起訴，該等訴訟已完結且本公司與原告於二零二零年六月二十八日已達成和解協議。

48. 非現金交易

截至二零二零年十二月三十一日止年度，可換股債券配售（「配售事項」）已完成及配售事項於二零二零年十一月一日完成，本金總額111,100,000港元之可換股債券已獲成功配售。配售事項所得款項淨額約109,100,000港元用於贖回無抵押債券。

截至二零二零年十二月三十一日止年度，本集團於中山水鄉旅遊開發有限公司100%之股權，代價約為20,000,000港元，其中18,814,000港元計入其他應收款項。

年內，本集團就租賃物業之租賃安排對使用權資產及租賃負債作出非現金添置148,758,000港元。

49. 比較數字

若干比較數字已重新分類以符合本年度呈列。該等重新分類對本集團於截至二零一九年十二月三十一日止年度之虧損及於二零一九年十二月三十一日之權益總額並無影響。

50. 批准綜合財務報表

綜合財務報表已於二零二一年三月三十日由董事會批准並授權刊發。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below.

下表概述本集團過去五個財政年度之業績及資產、負債及非控股權益，乃摘錄自已刊發之經審核財務報表，並已作適當重列／重新分類。

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2020 HK\$'000 千港元	2019 HK\$'000 千港元	2018 HK\$'000 千港元	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Revenue	收入	859,095	779,305	1,267,140	1,114,635	654,843
Profit/(loss) before taxation	除稅前溢利／(虧損)	7,681	(341,893)	12,628	123,182	3,224
Income tax (expenses)/credit	所得稅(開支)／抵免	(2,224)	984	(851)	(12,904)	5,353
Profit/(loss) for the year	年度溢利／(虧損)	5,457	(340,909)	11,777	110,278	8,577
Attributable to:	下列應佔：					
Owners of the parent	母公司擁有人	14,778	(291,072)	4,650	115,024	7,217
Non-controlling interests	非控股權益	(9,321)	(49,837)	7,127	(4,746)	1,360
		5,457	(340,909)	11,777	110,278	8,577

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

資產、負債及非控股權益

		As at 31 December 於十二月三十一日				
		2020 HK\$'000 千港元	2019 HK\$'000 千港元	2018 HK\$'000 千港元	2017 HK\$'000 千港元	2016 HK\$'000 千港元
TOTAL ASSETS	資產總值	2,994,530	3,012,655	2,547,969	2,652,807	1,376,435
TOTAL LIABILITIES	負債總額	(1,723,857)	(1,783,399)	(1,035,980)	(1,132,871)	(396,878)
NON-CONTROLLING INTERESTS	非控股權益	14,526	81	(52,980)	(57,729)	(54,132)
		1,285,199	1,229,337	1,459,009	1,462,207	925,425



China Beidahuang Industry Group Holdings Limited
中國北大荒產業集團控股有限公司