



IMPERIAL PACIFIC

INTERNATIONAL HOLDINGS

博華太平洋國際控股有限公司

Incorporated in Bermuda with limited liability

於百慕達註冊成立之有限公司

Stock Code 股份代號: 1076



2019

ANNUAL REPORT

年度報告

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Ms. Cui Li Jie (*Chairperson*)

Ms. Xia Yuki Yu

Mr. Teng Sio I

Non-executive Director

Mr. Ma Wentao (appointed on 3 September 2019)

Independent Non-executive Directors

Mr. Robert James Woolsey

Mr. Ng Hoi Yue

Mr. Tso Hon Sai Bosco

Mr. Lee Kwok Leung

EXECUTIVE COMMITTEE

Ms. Xia Yuki Yu (*Chairperson*)

Mr. Teng Sio I

AUDIT COMMITTEE

Mr. Ng Hoi Yue (*Chairman*)

Mr. Tso Hon Sai Bosco

Mr. Lee Kwok Leung

NOMINATION COMMITTEE

Mr. Ng Hoi Yue (*Chairman*)

Mr. Tso Hon Sai Bosco

Mr. Lee Kwok Leung

REMUNERATION COMMITTEE

Mr. Ng Hoi Yue (*Chairman*)

Mr. Tso Hon Sai Bosco

Mr. Lee Kwok Leung

COMPANY SECRETARY

Ms. Lee Yuen Ting

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

董事會

執行董事

崔麗杰女士(*主席*)

Xia Yuki Yu 女士

丁少儀先生

非執行董事

馬文濤先生(於二零一九年九月三日獲委任)

獨立非執行董事

Robert James Woolsey 先生

伍海于先生

曹漢璽先生

李國樑先生

執行委員會

Xia Yuki Yu 女士(*主席*)

丁少儀先生

審核委員會

伍海于先生(*主席*)

曹漢璽先生

李國樑先生

提名委員會

伍海于先生(*主席*)

曹漢璽先生

李國樑先生

薪酬委員會

伍海于先生(*主席*)

曹漢璽先生

李國樑先生

公司秘書

李琬婷女士

主要股份過戶登記處

Conyers Corporate Services (Bermuda) Limited

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Hong Kong Registrars Limited
Shops 1712–1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Suites 7001, 7002 and 7014–7016, 70/F
Two International Finance Centre
No. 8 Finance Street
Central
Hong Kong

INDEPENDENT AUDITOR

Ernst & Young

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Bank of Saipan
The Macau Chinese Bank Limited
The Bank of China Macau Branch

WEBSITE

<http://www.equitynet.com.hk/1076>
<http://www.imperialpacific.com>

STOCK CODE

01076

香港股份過戶登記分處

香港證券登記有限公司
香港
灣仔
皇后大道東 183 號
合和中心 17 樓
1712–1716 號舖

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

主要營業地點

香港
中環
金融街 8 號
國際金融中心二期
70 樓 7001、7002 及 7014–7016 室

獨立核數師

安永會計師事務所

主要往來銀行

星展銀行(香港)有限公司
Bank of Saipan
澳門華人銀行有限公司
中國銀行澳門分行

網站

<http://www.equitynet.com.hk/1076>
<http://www.imperialpacific.com>

股份代號

01076

Letter from the Board

董事會函件

On behalf of the board of directors (the “**Board**”) (the “**Directors**”) of Imperial Pacific International Holdings Limited (the “**Company**”), I report on the financial results and operations of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2019.

FINANCIAL REVIEW

For the year ended 31 December 2019, the Group’s revenue was approximately HK\$539,266,000 (2018: approximately HK\$3,254,587,000). The Group’s loss attributable to owners of the Company was approximately HK\$3,904,270,000 (2018: loss of approximately HK\$2,965,023,000). Basic loss per share and diluted loss per share were both HK\$2.73 cents (2018: basic and diluted loss per share were both HK\$2.07 cents).

FINAL DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 December 2019 (2018: Nil).

APPRECIATION

The Group is well prepared to meet the challenges ahead with our prudent strategy as well as loyalty and professionalism of our staff. I would like to thank the professional advisors, my fellow Directors and our shareholders for their support during the year.

For and on behalf of the Board

Imperial Pacific International Holdings Limited

Cui Li Jie

Chairperson and Executive Director

Hong Kong, 31 March 2020

本人謹代表博華太平洋國際控股有限公司(「本公司」)董事(「董事」)會(「董事會」)呈報本公司及其附屬公司(「本集團」)截至二零一九年十二月三十一日止年度之財務業績及營運。

財務回顧

截至二零一九年十二月三十一日止年度，本集團收益約為539,266,000港元(二零一八年：約為3,254,587,000港元)。本公司持有人應佔本集團虧損約為3,904,270,000港元(二零一八年：虧損約為2,965,023,000港元)。每股基本虧損及每股攤薄虧損均為2.73港仙(二零一八年：每股基本及攤薄虧損均為2.07港仙)。

末期股息

董事會不建議派付截至二零一九年十二月三十一日止年度之任何股息(二零一八年：無)。

致謝

本集團隨時準備以審慎策略及僱員的忠誠及專業水平迎接挑戰。本人謹此對專業顧問、董事同仁及股東於年內的支持表示感謝。

代表董事會

博華太平洋國際控股有限公司

主席兼執行董事

崔麗杰

香港，二零二零年三月三十一日

BUSINESS REVIEW

The Company is an investment holding company, and the Group is principally engaged in the gaming and resort business including the development and operation of integrated resorts on the Island of Saipan.

Integrated Resort Business

In August 2014, Imperial Pacific International (CNMI), LLC, an indirect wholly-owned subsidiary of the Company, and the Commonwealth of the Northern Mariana Islands (“CNMI”) entered into a casino license agreement (as amended) in respect of the exclusive casino resort developer license for the Island of Saipan pursuant to which the Casino Resort Developer License was granted subject to the terms and conditions as stipulated therein.

Imperial Palace • Saipan

On 6 July 2017, the casino portion of Imperial Palace • Saipan commenced operation (with maximum capacity of up to 193 tables and 365 slot machines upon completion of Imperial Palace • Saipan).

During the year ended 31 December 2019, unaudited VIP table games rolling of United States Dollars (“US\$”) 1,789 million (equivalent to approximately HK\$14,022 million) (2018: HK\$126,262 million) and revenue of approximately HK\$254 million (2018: HK\$2,912 million) was generated from the operations of Imperial Palace • Saipan, both the VIP table games rolling and gross revenue showing a decline compared to last year due to adverse market conditions and tightening market credits.

Major global construction companies, consulting firms, design and engineering firms as well as local sub-contractors have been engaged. As at 31 December 2019, approximately US\$879 million (equivalent to approximately HK\$6,890 million) (31 December 2018: US\$792 million (equivalent to approximately HK\$6,218 million)) has been invested in design, consulting, engineering, construction material and labour. The lack of the labour situation has been ameliorated tremendously during the year, we have secured adequate labour supply from the Mongolia, Turkey, Italy and Taiwan to ensure the need of the construction.

業務回顧

本公司為投資控股公司，而本集團則主要從事博彩及度假村業務，包括發展及營運塞班島綜合度假村。

綜合度假村業務

於二零一四年八月，本公司之間接全資附屬公司 Imperial Pacific International (CNMI), LLC 與北馬里亞納群島聯邦（「北馬里亞納」）就獨家塞班島娛樂場度假村開發商牌照訂立娛樂場牌照協議（經修訂），據此，已授出娛樂場度假村開發商牌照，惟須受當中所載條款及條件約束。

博華皇宮 • 塞班

於二零一七年七月六日，博華皇宮 • 塞班轄下娛樂場開始投入運作（博華皇宮 • 塞班落成後之最高容量可達 193 張賭枱及 365 部角子機）。

截至二零一九年十二月三十一日止年度，博華皇宮 • 塞班業務營運所產生之未經審核貴賓賭枱轉碼數為 17 億 8,900 萬美元（「美元」）（相當於約 140 億 2,200 萬港元）（二零一八年：1,262 億 6,200 萬港元），而收益則約為 2 億 5,400 萬港元（二零一八年：29 億 1,200 萬港元），貴賓賭枱轉碼數及總收益均較去年有所下跌，歸因於市況不利及收緊信用借款簽單信貸。

本集團已委聘全球主要建築公司、顧問公司、設計及工程公司以及當地分包商。於二零一九年十二月三十一日，本集團已投放約 8 億 7,900 萬美元（相當於約 68 億 9,000 萬港元）（二零一八年十二月三十一日：7 億 9,200 萬美元，相當於約 62 億 1,800 萬港元）於設計、顧問、工程、建材及勞動方面。年內勞工短缺情況已大大改善，我們從蒙古、土耳其、意大利及台灣取得充足人手供應，確保足以應付建築需求。

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW (Continued)

Imperial Casha Hotel

On 10 July 2019, the Group acquired 50% equity interest in American Sinopan LLC (“**American Sinopan**”), which (among others) owns the land for the Imperial Casha Hotel. Details of the acquisition were disclosed in the announcement of the Company dated 10 July 2019.

BUSINESS OUTLOOK

Integrated Resort Development

Imperial Palace • Saipan, perched on the water front of downtown Garapan, will boast 10 restaurants of Michelin grade standard, in addition to the 193 gaming tables and 365 slot machines, and 329 hotel rooms and 15 villas upon completion of construction. As of 31 December 2019, the villa resort has been partially ready for operation and we have been test-running 6 of the villas. We expect the successional opening of villas and hotel rooms of Imperial Palace • Saipan during 2020 will enhance our capacity to better accommodate our high-end patrons to a great extent.

An additional approximately US\$87 million has been invested in design and construction of this super luxurious casino resort during the year which has brought the total investment to approximately US\$879 million by the end of 2019. The lack of the labour situation has been ameliorated tremendously during the year, we have secured adequate labour supply from the Mongolia, Turkey, Italy and Taiwan to ensure the need of the construction.

At the same time, Imperial Casha Hotel is also targeted to be one of the largest hotel in Saipan. The project is expected to provide over 1,000 rooms once completed.

Visitation and hotel industry were on the fast track to recovery from the aftermath of Super Typhoon Yutu in October 2018. According to the Mariana’s Visitors Authority, for the calendar year of 2019, total visitor arrival to CNMI has quickly recovered to 487,008, only a minor decline of 5.9% compared to 2018. Korean market became the top-performing source market with market share of 63.3% compared to last year’s 36.0%, showing a dramatic growth of 75.8%. Due to the trade tension between China and the United States, visitor arrivals from China has declined slightly by 1.9% to 31,320, only accounting for 24.7% of the total market. Continued growth is expected as the easing of the China-US trade tension and China’s robust outbound visitation market.

業務回顧(續)

博華•凱獅酒店

於二零一九年七月十日，本集團收購美國申班有限公司(「美國申班」)的50%股權，美國申班擁有(其中包括)博華•凱獅酒店的土地。有關收購事項之詳情於本公司日期為二零一九年七月十日之公告披露。

業務展望

綜合度假村發展

博華皇宮•塞班位於加拉班市中心之海濱。待落成後，除193張賭枱、365部角子機、329間酒店客房及15幢別墅外，博華塞班度假村酒店將設有10間米芝蓮星級餐廳。截至二零一九年十二月三十一日，度假別墅已局部就緒可投入營運，而6幢別墅正進行試運。預計博華皇宮•塞班之別墅及酒店客房於二零二零年相繼開業將可提升我們的接待能力，令入住的高端住客更加稱心滿意。

年內，額外約8,700萬美元已投放於設計及建設此豪華娛樂場度假村，令於二零一九年底之總投資增至約8億7,900萬美元。年內勞工短缺情況已大大改善，我們從蒙古、土耳其、意大利及台灣取得充足人手供應，確保足以應付建築需求。

與此同時，博華•凱獅酒店亦矢志成為塞班島最大型酒店之一。該項目預期將於落成後提供逾1,000間客房。

超強颱風玉兔於二零一八年十月吹襲後，遊覽及酒店行業迅速復元。據馬里亞納訪客局(Mariana’s Visitors Authority)指出，於二零一九曆年，到訪馬里亞納的旅客總人數迅速回升至487,008人次，較二零一八年僅微跌5.9%。韓國市場成為表現最好的客源市場，佔63.3%市場份額，較去年的36.0%大幅增長75.8%。由於中、美貿易關係緊張，來自中國的入境旅客微跌1.9%至31,320人次，僅佔整體市場之24.7%。隨著中美貿易關係緩和及中國的出境旅遊市場蓬勃，中國客源市場可望持續增長。

BUSINESS OUTLOOK (Continued)

Integrated Resort Development (Continued)

Hotel occupancy and room rates remained high, according to the Hotel Association of the Northern Mariana Islands, for the calendar year of 2019, average hotel rates kept high at US\$148.20 per night with average hotel occupancy rates of 80.43%, representing a slight decrease of US\$2.66 (or 1.77%) and 1.71% respectively compared to 2018.

Nevertheless, since the outbreak of coronavirus disease 2019 (“COVID-19”) in around January 2020, a number of travel restrictions remain in place all over the world, which are significantly affecting the number of visitors to Saipan. From 2 February 2020, all foreign nationals who were physically present within Mainland China during the 14-day period preceding their attempted entry are not permitted to enter into the US, including Saipan. To cope with the measures imposed by local government, the casino in Imperial Palace • Saipan has suspended operations since 17 March 2020 to help curb the spread of the COVID-19. Furthermore, from 27 March 2020, the Commonwealth Ports Authority has limited aircraft landing/flight operations at the Saipan International Airport to the hours between 8am and 12pm daily. While it is premature to forecast when COVID-19 can be contained, a prolonged coronavirus crisis may have a material effect on our 2020 financial results and our integrated resorts developments in Saipan, at least for the first half of 2020.

Despite the current impact from the COVID-19, we believe visitation to the Island of Saipan still has great potential in the long run benefiting from the island’s favorable weather, stunning attractions, proximity location and flexible visa policies, with more hotels to be built and opened.

Debt/Equity Fund Raising and Refinancing

The Board does not rule out the possibility that the Company may carry out debt and/or equity fund raising plan(s) to further strengthen the financial position of the Group in the event that suitable fund raising opportunities arise in support of the development of the Group, including the casino and the integrated resort on the Island of Saipan. As at the date of this annual report, the Company has not yet concluded on any concrete fund raising opportunities.

業務展望 (續)

綜合度假村發展 (續)

酒店入住率及房租維持高位。根據北馬里亞納群島酒店協會之數據，於二零一九曆年，平均酒店房租維持每晚148.20美元的高水平，而平均酒店入住率則為80.43%，與二零一八年相比略為下跌分別2.66美元(或1.77%)及1.71%。

儘管如此，自二零二零年一月前後2019冠狀病毒病(「COVID-19」)爆發以來，世界各地仍然實施多項旅遊限制，嚴重影響塞班島旅客人次。自二零二零年二月二日起，在試圖入境前14日內在中國內地實際居住的所有外國國民均不得進入美國(包括塞班島)。為配合地方政府所採取之措施，博華皇宮•塞班轄下娛樂場自二零二零年三月十七日起暫停營運，以遏制COVID-19傳播。此外，自二零二零年三月二十七日起，聯邦港口管理局(Commonwealth Ports Authority)將塞班島國際機場的飛機降落/飛行操作限制在每天早上八點正至下午十二點正之間。儘管無法預測何時可以遏制COVID-19傳播，惟冠狀病毒危機持續可能會對我們的二零二零年財務業績及至少對二零二零年上半年塞班島綜合度假村的發展構成重大影響。

儘管目前受到COVID-19的影響，惟塞班島氣候怡人、景色秀麗、地點便捷及簽證政策靈活，我們相信，隨著更多酒店動工及開業，到訪該島的旅客人數長遠仍具有龐大增長潛力。

債務/股本集資及再融資

倘出現合適集資機會，董事會不排除本公司可能會進行債務及/或股本集資計劃以進一步加強本集團財務狀況，從而支持本集團之發展，包括於塞班島之娛樂場及綜合度假村。於本年報日期，本公司尚未就任何實質集資機會作出結論。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW

For the year ended 31 December 2019, the Group achieved revenue of approximately HK\$539 million, which is principally contributed by the casino gaming operations. Loss attributable to owners of the Company for the year ended 31 December 2019 of approximately HK\$3,904 million, as compared with a loss attributable to owners of approximately HK\$2,965 million in last year. The loss is mainly attributable to decrease in revenue, provision for impairment on trade receivables, share of loss of a joint venture and increase in finance costs and income tax expenses incurred during the year. Basic and diluted loss per share were both HK2.73 cents, as compared with basic and diluted loss per share were both HK2.07 cents in last year.

Casino Gaming Operations

The following table sets forth the results of the casino gaming operations for the years ended 31 December 2019 and 2018:

財務回顧

截至二零一九年十二月三十一日止年度，本集團所得收益約為5億3,900萬港元，主要來自娛樂場博彩業務。截至二零一九年十二月三十一日止年度，本公司持有人應佔虧損約為39億400萬港元，而去年之持有人應佔虧損則約為29億6,500萬港元。出現虧損主要由於年內收益減少、計提應收貿易賬款減值、應佔一間合營企業虧損以及財務費用及所得稅開支增加所致。每股基本及攤薄虧損均為2.73港仙，而去年之每股基本及攤薄虧損均為2.07港仙。

娛樂場博彩業務

下表載列截至二零一九年及二零一八年十二月三十一日止年度娛樂場博彩業務之業績：

		For the year ended 31 December	
		截至十二月三十一日止年度	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
(in thousands, except for number of gaming tables and slot machines and Electronic Table Game gaming operations ("ETG") and percentage)	(以千計，賭枱及角子機以及電子桌面博彩(「電子桌面博彩」)數目及百分比除外)		
Average number of VIP gaming tables in operation	營運中貴賓賭枱平均數目	15	28
VIP table games rolling	貴賓賭枱轉碼數	14,022,022	126,262,045
VIP gross table games win	貴賓賭枱總贏額	458,316	4,676,523
VIP table games revenue (net of rebate and commissions)	貴賓賭枱收益 (扣除回扣及佣金)	253,787	2,912,324
VIP table games win percentage	貴賓賭枱贏率百分比	3.27%	3.70%
Average number of Mass Gaming tables in operation	營運中中場賭枱平均數目	32	45
Mass games drop	中場博彩投注額	648,061	660,546
Mass games gross table games win	中場賭枱總贏額	186,381	208,920
Mass games win percentage	中場博彩贏率百分比	28.76%	31.63%
Average number of slot machines and ETG in operation	營運中角子機及電子桌面博彩平均數目	289	262
Slot machines and ETG handle	角子機及電子桌面博彩收入總額	924,449	885,307
Slot machines and ETG gross win	角子機及電子桌面博彩總贏額	63,237	56,302
Slot machines and ETG hold percentage	角子機及電子桌面博彩贏率	6.84%	6.36%

FINANCIAL REVIEW (Continued)

VIP Gaming Operations

A significant portion of our VIP casino customers is sourced through the Group's own marketing channels. Such high-spending VIP customers generally receive rebate, commissions and allowances based on a percentage of the rolling chip turnover. The allowances can be utilised for expenses incurred on hotel rooms, food and beverages and other discretionary customer-related expenses. The Group's VIP players are also brought to us via intensive marketing campaigns.

VIP gaming operations also include premium mass customers that are smaller in scale and entitled to the same scheme of commissions and allowances as the VIP casino customers.

In addition, a minor operation of the Group's VIP customers has been sourced via a licenced junket operator since August 2016. The establishment of a licenced junket incentive allowed the Group to bring in new players which mitigated the Group's credit concerns.

VIP rolling chip volume reached approximately HK\$14,022 million (2018: HK\$126,262 million) for the year of 2019. VIP gaming revenue (net of rebate and commissions) was approximately HK\$254 million (2018: HK\$2,912 million) with a win percentage of 3.27% (2018: 3.70%). Our VIP customers primarily consist of credit players. Geographically, most of our direct VIP patrons come from Mainland China, Hong Kong, Macau and Korea.

Impairment

The gross trade receivables decreased to approximately HK\$9,086 million (2018: HK\$9,670 million) from VIP gaming operations as at the year ended 31 December 2019. While the scale of VIP gaming operations had a significant impact to the Group, the Group regularly reviews the recoverability of trade receivables to ensure that adequate impairments are made for irrecoverable amounts.

財務回顧(續)

貴賓博彩業務

我們賭場大部分貴賓客源來自本集團自設市場營銷渠道。該等高消費貴賓客戶一般按轉碼營業額之百分比獲取回扣、佣金及津貼。津貼可用於支付酒店房間、餐飲及其他客戶相關酌情開支產生之費用。密集式市場推廣活動亦為本集團帶來貴賓客戶。

貴賓博彩業務亦包括高端中場博彩客戶，該等客戶規模較小並享有與貴賓博彩客戶相同之佣金及津貼機制。

此外，自二零一六年八月起，本集團小部分貴賓客源來自持牌中介人營運商。設立持牌中介人獎勵有助本集團吸引新客戶，減低本集團之信貸憂慮。

二零一九年度之貴賓轉碼金額達約140億2,200萬港元(二零一八年：1,262億6,200萬港元)。貴賓博彩收益(扣除回扣及佣金)約為2億5,400萬港元(二零一八年：29億1,200萬港元)，贏率百分比則為3.27%(二零一八年：3.70%)。我們的貴賓客戶主要為信貸客戶。從地理位置而言，我們的直接貴賓客戶大多來自中國內地、香港、澳門及韓國。

減值

截至二零一九年十二月三十一日止年度，來自貴賓博彩業務的應收貿易賬款總額減至約90億8,600萬港元(二零一八年：96億7,000萬港元)。由於貴賓博彩業務的規模對本集團具有重大影響，本集團定期檢討應收貿易賬款的可收回性以確保就不可收回款項作出足夠減值。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (Continued)

Impairment (Continued)

Impairment of the Group's trade receivables was estimated based on expected credit losses which has taken into consideration the collectability of individual customers, debts' ageing profile, security provided in the form of front money and guarantee deposits as well as experience with collection trends in the casino industry and forward looking factors including the economic outlook and business conditions and provision for impairment was made on certain customers' trade receivables as follows:

- (i) as at 31 December 2019, the provision for impairment of trade receivables due from the Group's largest and the ten largest debtors amounted to approximately HK\$1,086 million and approximately HK\$2,738 million (2018: HK\$657 million and HK\$1,922 million) respectively. The aforementioned provisions were made based on the expected credit losses, which includes a review of individual customer's facts and circumstances (such as financial position and ongoing dialogue on settlement arrangements, etc), ageing of the outstanding amounts, securities provided and past repayment records;
- (ii) as at 31 December 2019, the provision for impairment of trade receivables due from the remaining customers of the Group amounted to approximately HK\$4,223 million (2018: HK\$2,768 million) arising from regular review of the overdue balances by the management.

The Board has also prudently benchmarked against its industry peers on the impairment provision of trade receivables and considered that the impairment of trade receivables as estimated by the Company in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019 to be comparable and in line with global industry standard.

財務回顧(續)

減值(續)

本集團應收貿易賬款減值乃根據預期信貸虧損估計作出，並考慮到個別客戶款項之可收回能力、債務之賬齡、以預付款及保證金形式提供之擔保、對娛樂場行業收款趨勢之經驗以及經濟前景及業務狀況等前瞻性因素，若干客戶應收貿易賬款所作出減值撥備如下：

- (i) 於二零一九年十二月三十一日，應收本集團最大及十大債務人的應收貿易賬款減值撥備分別為約10億8,600萬港元及約27億3,800萬港元(二零一八年：6億5,700萬港元及19億2,200萬港元)。上述撥備乃根據預期信貸虧損，包括對個別客戶的實際情況及狀況(例如財務狀況及在還款安排上之持續溝通等)、未償還款項之賬齡、所提供抵押及過往還款記錄的審閱而作出；
- (ii) 於二零一九年十二月三十一日，應收本集團其餘客戶的應收貿易賬款減值撥備約42億2,300萬港元(二零一八年：27億6,800萬港元)乃產生自管理層對逾期結餘的定期審閱。

董事會亦審慎以同等對應收貿易賬款減值作出之撥備為基準，認為本公司於截至二零一九年十二月三十一日止年度之綜合損益及其他全面收益表內之估計應收貿易賬款減值可資比較，並符合全球同業標準。

FINANCIAL REVIEW (Continued)

Impairment (Continued)

The Board also wishes to elaborate below measures taken by the Group to recover the trade receivables:

- (i) credit terms extended by the Group are generally 30 days for gaming operations. The Group's credit and collection department, along with representatives of the VIP marketing department, regularly meet on a monthly basis to identify customers whose debts are due and the VIP marketing department will make contact with customers for recovery of the outstanding debts; and
- (ii) once the receivables are overdue for repayment and if the customers still have not repaid the outstanding debts within six months of the programme end date, the Group's credit and collection department will then issue demand letters to the customers, along with its guarantors (if applicable), for demand of immediate payments. If no responses were received thereafter, the Group's management may consider bringing legal actions against the customers in order to collect the outstanding debts.

Mass Gaming Operations

For the year ended 31 December 2019, revenue from mass gaming operations amounted to approximately HK\$186 million (2018: HK\$209 million) and mass gaming drop reached approximately HK\$648 million (2018: HK\$661 million). Customers from the mass gaming operations do not receive rebate and commissions from the Group.

Going forward, we will continue to review our mass gaming areas to maximise table utilisation, to expand or to refurbish our gaming areas, to innovate our gaming products and to invest in technologies and analytical capability to enhance table productivity and customer retention.

財務回顧(續)

減值(續)

董事會亦謹此說明本集團就收回應收貿易賬款而採取之以下措施：

- (i) 本集團一般就博彩業務給予30日信貸期。本集團之信貸及收款部門聯同貴賓營銷部門之代表每月定期識別債務到期之客戶，而貴賓營銷部門會聯絡客戶以收回未償還債務；及
- (ii) 應收款項一旦出現逾期還款及倘客戶於計劃結束日期六個月內仍未償還債務，本集團之信貸及收款部門將向客戶及其擔保人(如適用)發出要求還款通知書，要求即時還款。倘其後並無接獲任何回覆，則本集團管理層可能考慮向客戶採取法律行動以收回未償還債務。

中場博彩業務

截至二零一九年十二月三十一日止年度，中場博彩業務之收益約為1億8,600萬港元(二零一八年：2億900萬港元)，而中場博彩投注額則約為6億4,800萬港元(二零一八年：6億6,100萬港元)。中場博彩業務之客戶並無收取本集團回扣及佣金。

展望未來，我們將會繼續檢討中場博彩區以盡力提升賭枱使用率、擴大或翻新博彩區、革新旗下博彩產品以及投資於技術及分析能力，藉此提升賭枱贏率及留住客戶。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (Continued)

Slot Machines and ETG Gaming Operations

Revenue from the slot machines and ETG amounted to approximately HK\$63 million (2018: HK\$56 million) and hold percentage reached 6.84% (2018: 6.36%) for the year ended 31 December 2019.

Going forward, we will continue to re-examine the mix of our slot machines and ETG games in operation to maximise our casino profitability. We will also aim to develop technologies to enhance our analytical capability to help us deliver more personal and precision marketing efforts.

Cost of Sales

Cost of sales for the year ended 31 December 2019 was approximately HK\$219 million (2018: HK\$340 million) which comprise principally the direct casino costs such as casino licence fees of approximately HK\$119 million and Saipan's business gross revenue tax of approximately HK\$26 million.

Other income, gains and losses

Other income, gains and losses for the year ended 31 December 2019 mainly represented compensation received from insurance claims of approximately HK\$10 million (2018: Nil) and bad debts recovery of approximately HK\$18 million (2018: Nil).

Operating expenses

Operating expenses, excluding impairment of trade receivables, decreased to approximately HK\$1,165 million. The decrease is mainly attributable to a decrease in staff costs of approximately HK\$159 million, a decrease in professional fee of approximately HK\$105 million, and a decrease in other operating expenses of approximately HK\$223 million during the year ended 31 December 2019.

財務回顧(續)

角子機及電子桌面博彩業務

截至二零一九年十二月三十一日止年度，角子機及電子桌面博彩之收益約為6,300萬港元(二零一八年：5,600萬港元)，而贏率則為6.84%(二零一八年：6.36%)。

展望未來，我們將會持續重新檢視旗下角子機及電子桌面博彩之博彩組合以盡可能提升賭場之盈利能力。我們亦致力開發新技術以提高分析能力，藉此推動更具個性及精闢獨到的市場推廣工作。

銷售成本

截至二零一九年十二月三十一日止年度之銷售成本約為2億1,900萬港元(二零一八年：3億4,000萬港元)，主要包括直接賭場成本，如娛樂場牌照費約1億1,900萬港元及塞班島營業總收益稅約2,600萬港元。

其他收入、收益及虧損

截至二零一九年十二月三十一日止年度之其他收入、收益及虧損主要指自保險索償取得賠償約1,000萬港元(二零一八年：無)及壞賬收回約1,800萬港元(二零一八年：無)。

營運開支

營運開支(不包括應收貿易賬款減值)減至約11億6,500萬港元。該減幅主要由於截至二零一九年十二月三十一日止年度之員工成本減少約1億5,900萬港元、專業費用減少約1億500萬港元及其他營運開支減少約2億2,300萬港元。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (Continued)

Adjusted LBITDA

The following table reconciles Adjusted LBITDA to its most directly comparable Hong Kong Financial Reporting Standards (“HKFRSs”) measurement, loss attributable to owners of the Company, for the years ended 31 December 2019 and 2018.

財務回顧(續)

經調整LBITDA

下表載列截至二零一九年及二零一八年十二月三十一日止年度經調整LBITDA與其最直接可比較香港財務報告準則(「香港財務報告準則」)之計量，即本公司持有人應佔虧損之對賬。

		For the year ended 31 December	
		截至十二月三十一日止年度	
		2019	2018
		二零一九年	二零一八年
		HK\$'000	HK\$'000
		千港元	千港元
Loss for the year attributable to the owners of the Company	本公司持有人應佔年內虧損	(3,904,270)	(2,965,023)
Add/(less):	加/(減)：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	208,865	167,312
Depreciation of right-of-use assets	使用權資產折舊	33,069	–
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	–	4,263
Casino licence fees	娛樂場牌照費	119,192	117,578
Interest income	利息收入	(2)	(1)
Fair value (gain)/loss on derivative financial instruments, net	衍生金融工具之公允價值(收益)/虧損淨額	23	(46)
Finance costs	財務費用	362,974	257,857
Taxes	稅項	403,020	(292,410)
Share-based payments	以股份為基礎之付款開支	6,805	17,298
Net foreign currency differences	匯兌差異淨額	(13,752)	18,035
Adjusted LBITDA (Note) (unaudited)	經調整LBITDA(附註)(未經審核)	(2,784,076)	(2,675,137)

Note: Adjusted LBITDA is used by management as the primary measure of the Group's operating performance with that of our competitors. Adjusted LBITDA should not be considered in isolation, construed as an alternative to result or operating result as reported under HKFRSs or cash flow data, or interpreted as an alternative to cash flow as a measure of liquidity. Adjusted LBITDA presented in this annual report may not be comparable to other similarly titled measures of other companies operating in the gaming or other business industry sectors.

附註：管理層採用經調整LBITDA，作為比較本集團與競爭對手的經營表現的主要計量指標。經調整LBITDA不應視作獨立參考數據；不應當作按香港財務報告準則呈列的業績或經營業績的替代指標或現金流量數據的指標；亦不應解作替代現金流量作為流動性計量指標。本年報所呈列經調整LBITDA未必適合與其他經營博彩業務或其他行業的公司的其他類似名目之計量作比較。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (Continued)

Significant Investment and Acquisition

Apart from the development of integrated resorts on the Island of Saipan and investment in American Sinopan, the Company did not have any significant investment, acquisition or disposal during the year that should be notified to the shareholders of the Company.

Regarding the investment in American Sinopan, please refer to the announcement of the Company dated 10 July 2019 for details.

Capital expenditure

The Group incurred capital expenditure of approximately HK\$889 million (2018: HK\$1,196 million) during the year ended 31 December 2019, mainly for construction of the Imperial Palace • Saipan and acquisition of gaming related equipment.

Liquidity and Financial Resources

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. Net debt includes convertible bonds, unsecured bonds and notes, loans from related parties, loans from a joint venture, other borrowings, less cash and cash equivalents. Capital represents total equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

財務回顧(續)

重大投資及收購事項

除於塞班島發展綜合度假村及投資於美國申班外，本公司年內並無須提請本公司股東垂注之任何重大投資、收購事項或出售事項。

有關投資於美國申班事宜，詳情請參閱本公司日期為二零一九年七月十日之公告。

資本開支

截至二零一九年十二月三十一日止年度，本集團產生資本開支約8億8,900萬港元(二零一八年：11億9,600萬港元)，主要用於興建博華皇宮•塞班及購買博彩相關設備。

流動資金及財務資源

本集團利用資本負債比率(淨債務除以經調整資本加淨債務)監察資本。淨債務包括可換股債券、無抵押債券及票據、來自關聯方之貸款、來自一間合營企業之貸款、其他借款減去現金及現金等值物。資本指本公司持有人應佔權益總額。於報告期末的資產負債比率如下：

		31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
Net debt	淨債務	4,085,937	5,473,589
Total equity	總權益	120,913	890,253
Capital and net debt	資本及淨債務	4,206,850	6,363,842
Gearing ratio	資本負債比率	97.1%	86.0%

FINANCIAL REVIEW (Continued)

Capital structure

During the year ended 31 December 2019, there was no change to the authorised and issued share capital of the Company (2018: no change).

As at 31 December 2019, the total number of issued ordinary shares with the par value of HK\$0.0005 each was 142,984,807,678 (31 December 2018: 142,984,807,678).

Risk of Foreign Exchange Fluctuation

The business transactions of the Group are mainly carried in HK\$ and US\$ meaning that it will be subject to limited exchange rate exposure given HK\$ and US\$ are pegged. However, the Group will closely monitor this risk exposure and would take prudent measures as and when appropriate.

Capital Commitments

As at 31 December 2019, the Group had capital commitments of approximately HK\$545 million (31 December 2018: HK\$458 million).

Contingent Liabilities

Save as disclosed in note 34 to the consolidated financial statements, the Group did not have any other significant contingent liabilities as at 31 December 2019.

Pledge of Assets

As at 31 December 2019, the Group pledged an item of property, plant and equipment with a carrying amount of approximately HK\$103 million (31 December 2018: Nil) and the issued shares of a subsidiary of the Company (the relevant share charge arrangement has not been completed as of the date of issuance of this annual report), as securities for interest-bearing loans with carrying amounts of approximately HK\$43 million (31 December 2018: Nil) and HK\$1,168 million (31 December 2018: Nil), respectively.

EMPLOYEES AND REMUNERATION POLICIES

The total number of staff of the Group as at 31 December 2019 was 1,086 (31 December 2018: 1,786).

Remuneration packages are reviewed annually and determined with reference to market and individual performance. In addition to salary payments, the Group also provides other employment benefits such as mandatory provident fund and medical insurance.

財務回顧(續)

資本架構

截至二零一九年十二月三十一日止年度，本公司之法定及已發行股本並無變動(二零一八年：並無變動)。

於二零一九年十二月三十一日，每股面值為0.0005港元之已發行普通股總數為142,984,807,678股(二零一八年十二月三十一日：142,984,807,678股)。

外匯波動風險

本集團之業務交易主要以港元及美元進行。鑑於港元與美元掛鈎，本集團只須面對有限匯兌風險。然而，本集團將密切監視該風險，並適時採取審慎措施。

資本承擔

於二零一九年十二月三十一日，本集團之資本承擔約為5億4,500萬港元(二零一八年十二月三十一日：4億5,800萬港元)。

或然負債

除綜合財務報表附註34所披露外，於二零一九年十二月三十一日，本集團並無任何其他重大或然負債。

資產抵押

於二零一九年十二月三十一日，本集團抵押賬面值約1億300萬港元(二零一八年十二月三十一日：無)之物業、廠房及設備以及本公司附屬公司之已發行股份(於本年報刊發日期相關股份抵押安排尚未完成)，作為賬面值分別約4,300萬港元(二零一八年十二月三十一日：無)及11億6,800萬港元(二零一八年十二月三十一日：無)之計息貸款之擔保。

僱員及薪酬政策

於二零一九年十二月三十一日，本集團員工總數為1,086名(二零一八年十二月三十一日：1,786名)。

薪酬待遇乃按年審閱並參照市場及個人表現而釐定。除支付薪俸外，本集團亦提供其他僱員福利，例如強制性公積金及醫療保險。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

Corporate Governance

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board believes that good corporate governance is essential to the success of the Group and the enhancement of shareholders' value.

During the year ended 31 December 2019, the Company was in full compliance with the Code Provisions set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") (the "CG Code"), except for the following deviation:

Code Provision A.2.1

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Company currently does not have any officer with the title chief executive. At present, Ms. Cui Li Jie, being the Chairperson and an Executive Director of the Company and who has considerable industry experience, is responsible for the strategic planning, formulation of overall corporate development policies and managing the businesses of the Group. Notwithstanding the aforementioned, the Board will review the current structure from time to time and as and when appropriate if candidate with suitable leadership, knowledge, skills and experience is identified, the Company may make the necessary modification to the management structure.

企業管治常規

企業管治

本公司致力以透明、問責及獨立原則於合理框架內維持高水平企業管治。董事會認為，良好企業管治對本集團之成功及提升股東價值尤為重要。

截至二零一九年十二月三十一日止年度，本公司已全面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」）附錄十四所載守則條文（「企業管治守則」），惟以下偏離情況除外：

守則條文第A.2.1條

根據企業管治守則之守則條文第A.2.1條，主席與行政總裁的角色應有所區分，並不應由同一人擔任。主席與行政總裁之職責分工應清晰界定並以書面列明。本公司現時並無任何職位為行政總裁之職員。現時，崔麗杰女士為本公司主席兼執行董事，彼擁有豐富行業經驗，負責本集團之策略規劃、制訂整體公司發展政策及管理本集團業務。然而，董事會將不時檢討現行架構，倘於適當時候物色到具備合適領導才能、知識、技術及經驗的候選人，本公司或會對管理架構作出所需修訂。

CORPORATE GOVERNANCE PRACTICES (Continued)

Code Provision A.2.7

Under code provision A.2.7, the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. During the year ended 31 December 2019, no formal meeting was held between the Chairperson of the Board and the independent non-executive Directors without the presence of other directors due to tight schedules. Although such meeting was not held during the year, the Chairperson of the Board can be contacted by email or phone to discuss any potential concerns and/or queries that the independent non-executive Directors may have and the Chairperson has delegated the Company Secretary of the Company to gather any concerns that the independent non-executive Directors may have and report to the Board for setting up meetings whenever necessary.

Code Provision A.6.7

Under code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend the general meetings and develop a balanced understanding of the views of shareholders. Due to other engagements, two independent non-executive Directors of the Company, Mr. Lee Kwok Leung and Mr. Robert James Woolsey, were unable to attend the annual general meeting of the Company held on 25 June 2019. However, the Board believes that the presence of the other independent non-executive Directors at such general meeting allowed the Board to develop a balanced understanding of the views of shareholders.

Code Provision E.1.2

According to code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. Ms. Cui Li Jie, being the Chairperson and an Executive Director of the Company, was unable to attend the annual general meeting of the Company held on 25 June 2019. Mr. Teng Sio I, an Executive Director, who is also familiar with the Group's business and operations, attended and chaired the aforementioned meeting. Other Directors, including two independent non-executive Directors, being the chairman/members of the Audit Committee, together with the external independent auditor attended the aforementioned annual general meeting and answered questions from the attending shareholders and investors. All resolutions proposed were duly passed by shareholders' voting at the meeting.

企業管治常規(續)

守則條文第A.2.7條

根據守則條文第A.2.7條，主席應至少每年與獨立非執行董事舉行一次其他董事避席之會議。截至二零一九年十二月三十一日止年度，董事會主席因時間緊迫而並無與獨立非執行董事舉行其他董事避席之正式會議。儘管年內並無舉行有關會議，惟董事會主席可透過電郵或電話聯繫，以討論獨立非執行董事可能提出之任何潛在關注事宜及／或疑問，而主席已委派本公司之公司秘書收集獨立非執行董事可能提出之任何關注事宜，並於必要時向董事會報告以召開會議。

守則條文第A.6.7條

根據企業管治守則之守則條文第A.6.7條，獨立非執行董事及其他非執行董事須出席股東大會，從而對股東意見有持平了解。由於其他事務在身，兩名本公司獨立非執行董事李國樑先生及Robert James Woolsey先生無法出席於二零一九年六月二十五日舉行之股東週年大會。然而，董事會相信，出席有關股東大會之其他獨立非執行董事能夠讓董事會對股東意見有持平了解。

守則條文第E.1.2條

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。本公司主席兼執行董事崔麗杰女士未能出席本公司於二零一九年六月二十五日舉行之股東週年大會，而同樣熟稔本集團業務及營運之執行董事丁少儀先生則有出席上述會議，並擔任大會主席。其他董事(包括分別為審核委員會主席／成員之兩名獨立非執行董事)與外聘獨立核數師亦有出席上述股東週年大會，並已回答出席會議之股東及投資者之提問。所有提呈決議案均獲股東於大會上表決正式通過。

Corporate Governance Report

企業管治報告

THE BOARD OF DIRECTORS

The Board currently comprises three executive Directors, one non-executive Director and four independent non-executive Directors. The brief biographical details of Board members are set out in the Biographical Details of the Directors and Senior Management on pages 30 to 33 of this annual report. The Board has established four board committees, namely Executive Committee, Audit Committee, Nomination Committee and Remuneration Committee. Attendance of the board meetings, the meetings of the board committees and the general meetings for the year ended 31 December 2019 is given below. The respective responsibilities of the Board and board committees are discussed later in this report.

董事會

董事會現由三名執行董事、一名非執行董事及四名獨立非執行董事組成。董事會成員之履歷詳情已載於本年報第30頁至第33頁之董事及高級管理人員履歷詳情內。董事會已設立四個董事委員會，包括執行委員會、審核委員會、提名委員會及薪酬委員會。截至二零一九年十二月三十一日止年度各董事出席董事會會議、董事委員會會議及股東大會的次數載列如下。董事會及董事委員會各自的職責將於本報告的稍後篇幅作出說明。

		No. of meetings attended/eligible to attend					General Meeting
		Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	Executive Committee Meeting	
		董事會會議	審核委員會會議	提名委員會會議	薪酬委員會會議	執行委員會會議	股東大會
Executive Directors	執行董事						
Ms. Xia Yuki Yu ("Ms. Xia")	Xia Yuki Yu 女士 (「Xia 女士」)	4/9	N/A 不適用	N/A 不適用	N/A 不適用	0/0	0/1
Mr. Teng Sio I ("Mr. Teng")	丁少儀先生(「丁先生」)	8/9	N/A 不適用	N/A 不適用	N/A 不適用	0/0	1/1
Ms. Cui Li Jie ("Ms. Cui")	崔麗杰女士(「崔女士」)	4/9	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Non-executive Director	非執行董事						
Mr. Ma Wentao ("Mr. Ma")	馬文濤先生(「馬先生」)	0/0	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Independent non-executive Directors	獨立非執行董事						
Mr. Ng Hoi Yue ("Mr. Ng")	伍海于先生(「伍先生」)	3/9	2/2	1/1	1/1	N/A 不適用	1/1
Mr. Tso Hon Sai Bosco ("Mr. Tso")	曹漢鏗先生(「曹先生」)	3/9	2/2	1/1	1/1	N/A 不適用	1/1
Mr. Lee Kwok Leung ("Mr. Lee")	李國樑先生(「李先生」)	2/9	2/2	1/1	1/1	N/A 不適用	0/1
Mr. Robert James Woolsey	Robert James Woolsey 先生	0/9	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	0/1

The Board is primarily responsible for overseeing the business and affairs of the Group and aims at protecting and enhancing stakeholders' values. Currently, Ms. Cui, being the Chairperson of the Board and an Executive Director and who has considerable industry experience, is responsible for the strategic planning, formulation of corporate policies and managing businesses. She is responsible for the leadership and effective running of the Board.

董事會主要負責監察本集團之業務及各種事務，旨在保障及提升各權益所有人之價值。目前，崔女士為董事會主席兼執行董事，彼擁有豐富行業經驗，負責策略規劃、制訂公司政策及管理業務。彼負責領導董事會並使之能有效運作。

THE BOARD OF DIRECTORS (Continued)

All Directors are regularly updated on governance and regulatory matters. There is an established procedure for all Directors to obtain independent professional advice at the expense of the Company in discharge of their duties.

The Board held meetings from time to time whenever necessary. Notice of at least 14 days has been given to all Directors for all regular board meetings and the Directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all Directors within reasonable time before the board meeting. Draft minutes of all board meetings are circulated to all Directors for comment within a reasonable time prior to confirmation.

Minutes of board meetings and meetings of board committees are kept by duly appointed secretaries of the respective meetings and all Directors have access to board papers and related materials, and are provided with adequate information on a timely manner, which enable the Board to make an informed decision on matters placed before it. The Company held nine Board meetings and one general meeting in 2019.

The existing Board composition reflects an appropriate mix of skills, experience and diversity among its members that are relevant to the Company's businesses and contribute to an effective Board. All Directors, including the Non-executive Director and the Independent Non-executive Directors, have contributed a wide range of valuable business experience, knowledge and professionalism to the Board, ensuring its effective and efficient operations. The Independent Non-executive Directors contribute to the Group and its strategies and policies by providing independent, constructive and informed comments.

An updated list of Directors, identifying their roles and functions at the Company, is available on the websites of the Company and the Stock Exchange.

NON-EXECUTIVE DIRECTORS

The Board currently has one non-executive Director and four independent non-executive Directors, one of the independent non-executive Directors holds appropriate professional qualifications, or accounting or related financial management expertise under Rule 3.10 of the Listing Rules.

董事會(續)

全體董事均定期獲得有關管治及監管事宜的更新資訊。全體董事亦可按照既定程序，尋求獨立專業意見以協助履行其責任，有關費用由本公司支付。

董事會不時在有需要時舉行會議。就董事會所有定期會議，全體董事均獲給予最少十四日通知，如有需要，董事可將討論事項納入有關議程。董事會定期會議的議程及附連之董事會文件在董事會會議前一段合理時間內派發予全體董事。所有董事會會議記錄初稿將於合理時間內向全體董事傳閱，以供董事提出意見，方予確認。

董事會及董事委員會的會議記錄由各會議經正式委任的秘書保存，全體董事均有權查閱董事會的文件及有關資料，並會及時獲得充分資料，使董事會可就提呈會議的事項作出知情決定。本公司於二零一九年曾舉行九次董事會會議及一次股東大會。

現有董事會組成反映其成員具備與本公司業務相關及讓董事會發揮成效之合適技能、經驗及多元化。全體董事(包括非執行董事及獨立非執行董事)為董事會貢獻廣泛的寶貴業務經驗、知識及專業技能，確保其有效且高效地運作。獨立非執行董事透過提供獨立、具建設性及知情意見，以對本集團以及其策略及政策作出貢獻。

一份已更新且訂明各董事於本公司之角色和職能之董事名單可於本公司及聯交所網站查閱。

非執行董事

董事會現有一名非執行董事及四名獨立非執行董事，其中一名獨立非執行董事具備上市規則第3.10條所列的適當專業資格，或會計或相關的財務管理專長。

Corporate Governance Report

企業管治報告

NON-EXECUTIVE DIRECTORS *(Continued)*

Each of the non-executive director and independent non-executive Directors had entered into an appointment letter with the Company an initial term of one year, which is automatically renewable for successive terms of one year upon the expiry of the said term.

Each of the independent non-executive Directors has given the Company an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors are independent and meet the independence guidelines set out in Rule 3.13 of the Listing Rules.

DIRECTORS' INDUCTION AND CONTINUOUS TRAINING AND DEVELOPMENT

Under code provision A.6.5 of the CG Code, Directors of the Company should participate in continuous professional development to develop and refresh their knowledge and skills. Each newly appointed Director receives induction on the first occasion of his or her appointment, so as to ensure that he or she has appropriate understanding of the business and operations of the Company and that he or she is fully aware of his or her responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Directors are also regularly updated on the Group's business and industry environments where appropriate in the management's monthly reports to the Board as well as briefings and materials circulated to the Board before board meeting.

During the year, all Directors have participated in continuous professional development to develop and refresh their knowledge and skills so as to ensure that their contribution to the Board remains informed and relevant.

DIRECTORS' INSURANCE

The Company has arranged appropriate insurance cover in respect of legal actions against the Directors.

DELEGATION BY THE BOARD

The Board sets the Group's objectives and strategies and monitors its performance. The Board also decides on matters such as major transactions, director appointments, and dividend and accounting policies and monitors the internal controls of the Group's business operation. The Board has delegated the authority and responsibility of overseeing the Group's day to day operations to management executives.

非執行董事 *(續)*

各非執行董事及獨立非執行董事已與本公司訂立委任函，初步任期為一年，可於上述任期屆滿後自動重續，每次為期一年。

各獨立非執行董事已根據上市規則第3.13條之規定向本公司提交年度獨立性確認書。本公司認為，所有獨立非執行董事均屬獨立人士，並符合上市規則第3.13條所載之獨立性指引。

董事之入職與持續培訓和發展

根據企業管治守則守則條文第A.6.5條，本公司董事須參與持續專業發展，以增進和重溫其知識和技能。每名新任董事均於首次獲委任時獲得入職指引，以確保其適當了解本公司的業務及經營，並且完全知悉上市規則和有關監管規定下的責任及義務。董事亦透過提交董事會的管理層每月報告以及於董事會會議前向董事會傳閱的簡報及資料中獲定期提供有關本集團的業務及行業環境的適切最新資料。

年內，全體董事已參與持續專業發展，以增進和重溫其知識和技能，確保其繼續在具備全面資訊及切合所需之情況下向董事會作出貢獻。

董事之保險

本公司已就董事面臨之法律訴訟安排適當保險。

董事會授權

董事會負責訂立本集團目標及策略並監察其表現。董事會亦會就主要交易、董事委任及股息和會計政策等項目作出決定，並會監察本集團業務營運的內部監控程序。董事會已將監督本集團日常運作的權力和責任下放給管理人員。

DELEGATION BY THE BOARD *(Continued)*

When the Board delegates aspect of its management and administration functions to management, clear directions would be given as to the power of management, in particular, the circumstances where management should report back to the Board before making decision or entering into any commitments on behalf of the Group.

Principal functions that are specifically delegated by the Board to the management include (i) implementation of corporate strategy and policy initiatives; (ii) provision of management reports to the Board in respect of Group's performance, financial position and prospects; and (iii) day-to-day management of the Group.

REMUNERATION COMMITTEE

The Company has set up a Remuneration Committee to ensure that there are formal and transparent procedures for setting policies on the remuneration of Directors. The Remuneration Committee currently comprises three independent non-executive Directors, namely Mr. Ng, Mr. Tso and Mr. Lee. The Remuneration Committee is chaired by Mr. Ng.

The main duties of the Remuneration Committee are to: (i) make recommendations to the Board on the remuneration policy and structure for Directors and senior management; (ii) ensure that they are fairly rewarded for their individual contribution to the Group's overall performance, having regard to the interests of shareholders; (iii) determine the specific remuneration packages to all executive Directors and senior management; and (iv) review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

During the year, one Remuneration Committee meeting was held to review the remuneration packages of the Directors and to make recommendations to the Board on the remuneration packages of the Directors. The Remuneration Committee ensures that no Director is involved in deciding his own remuneration. The Remuneration Committee is provided with sufficient resources to perform its duties and can seek advice from consultants or other independent external professional advisers if and when necessary. The terms of reference of the Remuneration Committee (revised on 21 May 2019), a copy of which is posted on the Stock Exchange's and Company's website, are consistent with the terms set out in the relevant section of the CG Code.

Details of the remuneration of each Director are set out in the consolidated financial statements on pages 130 to 132 of this annual report.

董事會授權 *(續)*

當董事會將其管理及行政職能方面之權力轉授予管理層時，已同時就管理層之權力給予清晰規定，尤其是管理層須向董事會匯報後方可作出決定或代表本集團作出任何承諾之情況。

董事會特定授權予管理層之主要職責包括(i)實施企業策略及政策措​​施；(ii)向董事會提交有關本集團之表現、財務狀況及前景之管理報告；及(iii)本集團之日常管理。

薪酬委員會

本公司已成立薪酬委員會，以確保在制訂董事薪酬之政策上有正式及透明之程序。薪酬委員會現時由三名獨立非執行董事組成，包括伍先生、曹先生及李先生。伍先生為薪酬委員會之主席。

薪酬委員會之主要職責為：(i)就董事及高級管理層之薪酬政策及架構向董事會提供推薦建議；(ii)確保彼等已按其各自對本集團整體表現之貢獻獲得公平待遇，同時亦照顧到股東之利益；(iii)釐定全體執行董事及高級管理層之具體薪酬待遇；及(iv)參考董事會不時議決之企業目的及目標，不時檢討及審批以表現為基準之薪酬。

年內曾舉行一次薪酬委員會會議，以就董事之薪酬待遇作出檢討及向董事會建議董事之薪酬待遇。薪酬委員會確保概無董事參與釐定其本身的薪酬。薪酬委員會獲提供充裕資源以履行其職責，並可於有需要時諮詢顧問或其他獨立外聘專業顧問之意見。薪酬委員會的職權範圍(於二零一九年五月二十一日修訂)與企業管治守則有關部分所載之條文一致。薪酬委員會的職權範圍已刊登在聯交所及本公司的網站內。

各董事之薪酬詳情載於本年報第130頁至第132頁之綜合財務報表。

Corporate Governance Report

企業管治報告

NOMINATION COMMITTEE

The Company has set up a Nomination Committee to ensure fair and transparent procedures for the appointment, re-election and removal of Directors to the Board. The Nomination Committee currently comprises three independent non-executive Directors, namely Mr. Ng, Mr. Tso and Mr. Lee. The Nomination Committee is chaired by Mr. Ng.

The main duties of the Nomination Committee are to: (i) review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes; (ii) make recommendations to the Board on relevant matters relating to the appointment or re-appointment and succession planning of Directors; (iii) identify individuals suitably qualified to become board members and select or make recommendations to the Board on selection of, individuals nominated for directorships; and (iv) assess the independence of independent non-executive Directors.

In selecting and recommending candidates for directorship, the Nomination Committee will consider the criteria, including character and integrity, qualifications (cultural and educational background, professional qualifications, skills and experience and diversity aspects under the "Board Diversity Policy), the potential contributions and willingness and ability to devote time and diligence as a member of the Board and/or Board committee(s). The Board will approve the recommendations based on the same criteria. During the year, one Nomination Committee meeting was held to review the structure, size and composition of the Board, make recommendation for appointment of Directors and assess the independence of each of the independent non-executive Directors. The terms of reference of the Nomination Committee (revised on 21 May 2019), a copy of which is posted on the Stock Exchange's and Company's website, are consistent with the terms set out in the relevant section of the CG Code.

提名委員會

本公司已設立提名委員會，以確保董事會委任、重選及罷免董事之程序公平及透明。提名委員會現時由三名獨立非執行董事組成，包括伍先生、曹先生及李先生。伍先生為提名委員會之主席。

提名委員會之主要職責為：(i) 定期檢討董事會之架構、規模及組成（包括成員之技能、知識及經驗），並就任何建議作出之變動向董事會提供推薦建議；(ii) 就董事委任或重新委任以及董事繼任計劃之有關事宜向董事會提供推薦建議；(iii) 物色具備合適資格可擔任董事會成員之人士，並挑選獲提名之個別人士出任董事或就此向董事會提供推薦建議；及(iv) 評估獨立非執行董事之獨立性。

挑選及推薦董事候選人時，提名委員會將考慮各項準則，包括性格及誠信方面、資歷（文化及教育背景、專業資格、技能及經驗以及董事會成員多元化政策項下之多元化方面）、潛在貢獻以及作為董事會及／或董事會委員會成員投放時間及精力之意願及能力。董事會將根據相同準則批准推薦建議。年內曾舉行一次提名委員會會議，以檢討董事會之架構、規模及組成，並就委任董事提供推薦建議及評估各獨立非執行董事之獨立性。提名委員會的職權範圍（於二零一九年五月二十一日修訂）與企業管治守則有關部分所載之條文一致。提名委員會的職權範圍已刊登在聯交所及本公司的網站內。

DIVERSIFICATION OF THE BOARD

The Company recognizes and embraces the benefits of having a diverse Board, and sees diversity at Board level as an essential element in the attainment of its strategic objectives and its sustainable development. As such, the Board and the Nomination Committee have adopted the Board Diversity Policy on 24 March 2014 with principles as summarized below.

The Nomination Committee of the Company reviews and assesses the composition of the Board and makes recommendations to the Board on appointment of new Directors. The Nomination Committee also oversees the conduct of the annual review of the effectiveness of the Board. In reviewing and assessing the composition of the Board, the Nomination Committee will consider the benefits of all aspects of diversity in order to maintain an appropriate range and balance of talents, skills, experience and background on the Board. In recommending candidates for appointment to the Board, the Nomination Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board, including but not limit to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service etc.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The procedures and process of appointment, re-election and removal of the Directors have been set out in the bye-laws of the Company (the "Bye-laws"). According to the Bye-laws, one-third of the Directors (or if their number is not a multiple of three, the number nearest to but no less than one-third) are subject to retirement by rotation and shall be eligible for re-election and re-appointment at least once every three years. Directors who are required to retire by rotation shall be those who have held the longest term of office since their last appointment or re-election. Any new Director appointed to fill casual vacancy shall hold office until the next general meeting of the Company. Any Director appointed as an addition to the Board shall hold office until the next following annual general meeting of the Company. All following appointment, resignation, removal or re-designation of Directors will be timely disclosed to the Shareholders by announcement and shall include in such announcement the reasons given by the Director for his resignation.

董事會成員多元化

本公司認同及深信多元化董事會帶來的裨益良多，並認為董事會層面的多元化為實現策略目標及其可持續發展之必要元素。因此，董事會及提名委員會已於二零一四年三月二十四日採納董事會成員多元化政策，其準則概述如下。

本公司提名委員會負責審閱及評估董事會的組成，並就委任新董事向董事會提出推薦建議。提名委員會亦監管董事會有效性年度審閱的進行。於審閱及評估董事會的組成時，提名委員會將考慮各方面多元化的裨益，以維持董事會的才能、技能、經驗及背景有恰當的比重及平衡。在推薦候選人加入董事會時，提名委員會將按客觀條件考慮候選人，並適度顧及董事會成員多元化的裨益，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、服務年限等。

委任及重選董事

董事委任、重選及罷免之程序及過程載於本公司之細則(「細則」)。根據細則，三分之一之董事(或倘董事人數並非三之倍數，則為最接近但不少於三分之一之人數)須輪值退任，並符合資格及須每三年至少重選及重新委任一次。須輪值退任之董事將為自上次獲委任或重選連任以來任職時間最長之董事。任何獲委任以填補臨時空缺之新董事將任職至本公司下次股東大會為止。任何獲委任作為董事會新增成員之董事將任職至本公司下屆股東週年大會為止。所有董事委任、辭任、罷免或調任將透過公告方式適時向股東披露，並將於該公告載列董事辭任之理由。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Ng, Mr. Tso and Mr. Lee. The Audit Committee is chaired by Mr. Ng.

The main duties of the Audit Committee are to (i) review and monitor the preparation of the Group's financial statements and annual and half-year reports and accounts; (ii) monitor, develop and implement the Group's policy on appointment of external auditor; (iii) recommend the appointment and reappointment of the Group's external auditor; (iv) supervise the Group's financial reporting system, risk management and internal control systems and (v) develop and review the Company's policies and practices on corporate governance and make recommendations to the Board. The Audit Committee has reviewed with the management and the external auditors the accounting principles and practices adopted by the Group and have discussed auditing, internal controls and financial reporting matters. During the year, two Audit Committee meetings were held to review the financial reporting matters and internal control procedures of the Group and appointment of external auditor. The terms of reference of the Audit Committee (revised on 21 May 2019), a copy of which is posted on the Stock Exchange's and Company's website, are consistent with the terms set out in the relevant section of the CG Code.

The Audit Committee is responsible for making recommendation to the Board on the appointment, re-appointment and removal of the external auditor and oversees the objectivity and effectiveness of the audit process in accordance with applicable standards. It also monitors the integrity of the Company's financial statements and their compliance with legal requirements and the Listing Rules in relation to financial reporting.

審核委員會

審核委員會現時由三名獨立非執行董事組成，包括伍先生、曹先生及李先生。伍先生為審核委員會之主席。

審核委員會之主要職責為：(i) 審閱及監督本集團財務報表及年度及半年度報告和賬目之編製；(ii) 監察、制訂及執行本集團對委聘外聘核數師之政策；(iii) 就委聘及續聘本集團之外聘核數師提供推薦建議；(iv) 監督本集團之財務申報制度、風險管理及內部監控制度；及(v) 制訂及檢討本公司之政策及企業管治常規，並向董事會提供推薦建議。審核委員會已與管理層及外聘核數師共同審閱本集團採納之會計原則及慣例，並商討有關審核、內部監控及財務申報事宜。年內曾舉行兩次審核委員會會議，以審閱本集團的財務申報事項及內部監控程序以及外聘核數師之委聘。審核委員會的職權範圍(於二零一九年五月二十一日修訂)與企業管治守則有關部分所載之條文一致。審核委員會的職權範圍已刊登在聯交所及本公司的網站內。

審核委員會負責向董事會就委任、續聘及罷免外聘核數師提出推薦建議，並根據適用標準監管審核程序之客觀性及有效性，同時亦監察本公司財務報表之完備性以及其就財務申報遵守法律規定及上市規則之情況。

EXECUTIVE COMMITTEE

The Executive Committee currently comprises two executive Directors, namely Ms. Xia and Mr. Teng. The Executive Committee is chaired by Ms. Xia.

The Executive Committee is vested with all the general powers of management and control of the activities of the Company and its subsidiaries as are vested in the Board, save and except for the approval of the Company's interim and annual reports and accounts, matters requiring a public announcement or discloseable or major transactions or other major disposals or acquisitions or corporate actions outside the ordinary and usual course of business of the Group which shall require the Board's approval.

The Executive Committee may exercise all such other powers and perform all such other acts as may be exercised and performed by the Board, save and except for those powers that may only be exercised by the Board pursuant to the Companies Act 1981 of Bermuda (the "Companies Act"), the Listing Rules or the Bye-laws.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions by the Directors. Following a specific enquiry, all Directors confirmed they have complied with the standards set out in the Model Code throughout the year ended 31 December 2019.

To comply with the code provision A.6.4 of the CG Code, the Company has also adopted the Model Code as the code of conduct for securities transactions by relevant employees of the Group to regulate the dealings in the securities of the Company by certain employees of the Group who are considered to be likely in possession of unpublished price sensitive information of the Company.

執行委員會

執行委員會現時由兩名執行董事組成，包括Xia女士及丁先生。Xia女士為執行委員會之主席。

執行委員會獲授予董事會所獲授關於本公司及其附屬公司活動之所有一般管理和控制權，惟批准本公司中期報告及年報以及賬目、須作出公告之事項或須予披露或主要交易或其他主要出售事項或收購事項或於本集團一般及日常業務過程以外進行之公司活動須由董事會批准則除外。

執行委員會可行使董事會可行使之其他所有權力及進行董事會可進行之其他所有行動，惟根據百慕達一九八一年公司法（「公司法」）、上市規則或細則僅可由董事會行使之權力則除外。

董事及有關僱員的證券交易守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）為董事進行證券交易的操守守則。經作出具體查詢，全體董事確認，彼等在截至二零一九年十二月三十一日止年度內已一直遵守標準守則所載之標準。

為遵守企業管治守則之守則條文第A.6.4條，本公司亦已採納標準守則為本集團有關僱員進行證券交易的操守守則，以規管本集團若干被認為可能會擁有本公司未公開之股價敏感資料的僱員買賣本公司之證券。

Corporate Governance Report

企業管治報告

ACCOUNTABILITY AND INTERNAL CONTROL

The Directors acknowledge their responsibility for preparing the financial statements of the Group. As at 31 December 2019, the Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The Board understands the importance of presenting a clear and comprehensive assessment of the Group's overall performance, financial position as well as prospects in a timely manner; and the Board is pleased to report that the annual and interim results of the Group are announced within three months and two months limit respectively after the end of the relevant periods.

The Board acknowledges its responsibility in evaluating and determining the nature and extent of risks in achieving the Group's objectives and maintaining sound and effective risk management and internal control systems for the Group to safeguard investments of the shareholders and assets of the Group at all times. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit Committee reviews risk management and internal control issues, if any, identified by the external auditor, regulatory authorities and management, and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems. The Audit Committee in turn reports material issues, if any, to the Board. The Board and management have conducted regular reviews during the year on the effectiveness of the risk management and internal control systems covering all material controls in areas of financial, operational and compliance controls and various functions for risk management. The Group has its own internal audit function assessing and commenting on the adequacy and effectiveness of the risk management and internal control systems during the year.

For the year under review, the Board considered that the Group's internal control systems are adequate and effective and the Group has complied with the code provisions on internal control of the CG Code and report except for the deviations previously disclosed.

問責及內部監控

董事確認彼等須就編製本集團財務報表承擔責任。於二零一九年十二月三十一日，據董事所知，並無有關任何事件或情況的重大不明朗因素可能對本集團持續經營的能力產生重大疑問。

董事會深明按時呈報有關本集團整體表現、財務狀況及前景之清晰全面評估之重要性；而董事會欣然報告，本集團之全年及中期業績分別於有關期間結束後三個月及兩個月限期內作出公告。

董事會知悉其有責任評估及釐定其於達致本集團目標時所承受之風險性質及程度，並維持本集團良好及有效之風險管理及內部監控制度，使股東之投資及本集團之資產在任何時間均得到保障。有關制度旨在管理而非消除未能達成業務目標之風險，並僅可就重大錯誤陳述或損失提供合理而非絕對保證。

審核委員會審閱外聘核數師、監管機構及管理層所確定之風險管理及內部監控事項(如有)，並評估本集團風險管理及內部監控制度之充足性及有效性。審核委員會亦就重大事項(如有)向董事會報告。年內，董事會及管理層定期檢討風險管理及內部監控制度之有效性，包括所有重大財務、營運及合規監控環節以及多項風險管理工作。本集團自設內部審核部門，於年內就風險管理及內部監控制度是否足夠及有效進行評估及作出評價。

在回顧年度內，除上文所披露之偏離情況外，董事會認為本集團的內部監控制度已經足夠和有效，本集團亦已遵守企業管治守則及報告內有關內部監控的守則條文。

AUDITOR'S REMUNERATION

For the year ended 31 December 2019, the independent auditor of the Company provided audit and non-audit services to the Company and the Group.

The auditor's remuneration in relation to the audit and non-audit services for the year amounted to HK\$12,800,000 and HK\$2,500,000 respectively.

The statement of the auditor of the Company regarding their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 50 to 60.

COMPANY SECRETARY

Ms. Lee Yuen Ting ("Ms. Lee") has been the company secretary of the Company since 21 November 2013. She reports to the Chairperson of the Board and is responsible for advising the Board on corporate governance matters and ensuring that board procedures are followed and board activities are efficiently and effectively conducted. Ms. Lee has completed not less than 15 hours of relevant professional training.

HANDLING INSIDE INFORMATION

The Company regulates the handling and propagation of inside information with reference to the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission. Unless any inside information falls within any of the safe harbors as permitted under the Securities and Future Ordinance, the Group is required to disseminate such information to the public in a timely manner.

The Board of Directors and relevant employees are regularly reminded of the importance of due compliance with policies regarding the applicable inside information regulatory updates. All Directors and relevant employees are required to take reasonable precautions for preserving the confidentiality of inside information and the relevant announcement (if applicable) before publication. If the Board believes that the necessary degree of confidentiality cannot be maintained, it will disclose the information to the public as soon as reasonably practicable.

核數師薪酬

截至二零一九年十二月三十一日止年度，本公司獨立核數師向本公司及本集團提供核數及非核數服務。

年內，核數師就提供核數及非核數服務所得之薪酬分別為12,800,000港元及2,500,000港元。

本公司核數師就財務報表作出申報之責任聲明載於第50頁至第60頁之獨立核數師報告內。

公司秘書

李琬婷女士(「李女士」)自二零一三年十一月二十一日起一直擔任本公司之公司秘書。彼向董事會主席報告，並負責向董事會提供有關企業管治事宜的意見，及確保遵循董事會程序及董事會行動順利地及有效地進行。李女士已完成不少於15個小時的相關專業培訓。

處理內幕消息

本公司參考證券及期貨事務監察委員會刊發之《內幕消息披露指引》，規管內幕消息處理及傳播。除非任何內幕消息屬證券與期貨條例所允許任何安全港範圍之內，否則本集團須適時向公眾人士發佈有關消息。

本公司定期提醒董事會及相關僱員妥為遵守有關適用內幕消息監管政策之重要性。全體董事及相關僱員須於發佈前採取合理預防措施，對有關內幕消息及相關公告(如適用)保密。倘董事會認為無法維持必要之保密程度，則其將在合理可行情況下盡快向公眾人士披露有關消息。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

Convening a Special General Meeting

Shareholders may convene a special general meeting of the Company according to the provisions as set out in the Bye-laws and the Companies Act.

Pursuant to bye-law 58 of the Company's Bye-laws, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in accordance with the provisions of the Companies Act.

Putting Forward Proposals at General Meetings

Pursuant to the Companies Act, shareholders representing not less than one-twentieth (5%) of the total voting right of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or not less than 100 shareholders are entitled to request the Company to give shareholders notice of a resolution which is intended to be moved at the general meeting. A written notice to that effect signed by the requisitionist(s) with details contact information must be deposited the Company's principle place of business in Hong Kong at Suites 7001, 7002 and 7014-7016, 70/F., Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong for the attention of the Company Secretary. The notice shall contain, inter alia, a description of the proposed resolution desired to be put forward the general meeting, the reasons for such a proposal and any material interest of the proposing shareholder in such a proposal.

The request will be verified with the Company's share registrar in Bermuda or Hong Kong and upon their confirmation that the request is proper and in order, the Company will ask the Board to include the resolution in the agenda for the general meeting.

股東權利

召開股東特別大會

根據細則及公司法所載條文，股東可召開本公司股東特別大會。

根據本公司細則第58條，任何一位或以上於遞呈要求日期持有不少於本公司繳足股本(賦有本公司股東大會投票權)十分之一的股東於任何時候有權透過向董事會或本公司的公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩(2)個月內舉行。倘遞呈後二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可根據公司法條文自發作出此舉。

於股東大會上提呈建議

根據公司法，於提呈要求當日持有不少於在有關提呈事宜之大會上總投票權二十分之一(5%)之股東，或不少於100名股東，有權要求本公司向股東發出擬於股東大會上動議之決議案通告。由提呈要求者簽署之書面通知及詳細聯絡資料須送交本公司之香港主要營業地點，地址為香港中環金融街8號國際金融中心二期70樓7001、7002及7014-7016室，並註明收件人為公司秘書。該通知須載有(其中包括)擬於股東大會上動議之所提呈決議案詳情、有關建議之理由以及建議股東於有關建議之任何重大權益。

有關要求將由本公司於百慕達或香港之股份過戶登記處核實，而經確認有關要求屬合適及符合程序後，本公司將要求董事會於股東大會議程中載入該決議案。

SHAREHOLDERS' RIGHTS (Continued)

Making Enquiry to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing to the company secretary at the Company's office in Hong Kong at Suites 7001, 7002 and 7014–7016, 70/F., Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong.

INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor's understanding of the Group's business performance and strategies. The Company has established a range of communication channels between itself, its shareholders and investors, including answering questions through the annual general meeting, the publications of annual and interim reports, notices, announcements and circulars on the websites of the Company at <http://www.equitynet.com.hk/1076> and <http://www.imperialpacific.com>.

CONSTITUTIONAL DOCUMENTS

During the year, there has been no significant change to the Company's constitutional documents. An updated version of the Bye-Laws of the Company is available on the websites of the Company and the Stock Exchange.

On behalf of the Board

Imperial Pacific International Holdings Limited

Cui Li Jie

Chairperson and Executive Director

Hong Kong, 31 March 2020

股東權利(續)

向董事會提出查詢

股東可隨時以書面形式將向董事會作出之查詢及關注之事項郵寄至本公司香港辦事處，地址為香港中環金融街8號國際金融中心二期70樓7001、7002及7014–7016室，請註明收件人為公司秘書。

投資者關係

本公司認為，與股東之有效溝通對加強投資者關係及加深投資者對本集團業務表現及策略之了解實屬必要。本公司已就其本身、股東與投資者之間的溝通設立多個渠道，當中包括通過股東週年大會回答問題，於本公司網站 <http://www.equitynet.com.hk/1076> 及 <http://www.imperialpacific.com> 刊發年報及中期報告、通告、公告及通函。

憲章文件

年內，本公司之憲章文件並無重大變動。本公司細則的更新版本載於本公司及聯交所網站。

代表董事會

博華太平洋國際控股有限公司

主席兼執行董事

崔麗杰

香港，二零二零年三月三十一日

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷詳情

EXECUTIVE DIRECTORS

Ms. Xia Yuki Yu (“**Ms. Xia**”), aged 46, has been appointed as an executive Director of the Company with effect from 21 November 2013. She is also a director of a certain subsidiaries of the Company. She has over fifteen years of experience in the public relation and marketing industry. Before joining the Group, Ms. Xia held executive positions in various enterprise groups operating in the gaming industry.

Mr. Teng Sio I (“**Mr. Teng**”), aged 38, joined the Company in November 2015 and has been appointed as an executive Director of the Company with effect from 18 April 2017. He is also a director of certain subsidiaries of the Company. Mr. Teng has solid experience in his roles as senior human resources management in sizable organizations of different fields. Prior to joining the Company, Mr. Teng served as a senior HR executive at one of Macau’s leading gaming-integrated resort complex (a complex with over 20,000 current employees). Under his supervision, he had led the team from pre-opening planning to successful openings during his years of service as senior management of the HR department. Mr. Teng is a bachelor degree holder in management. He is also a qualified trainer certified by Box Hill Institute and an expert certified by DDI, a global human resources consulting firm, in target selection.

Ms. Cui Li Jie (“**Ms. Cui**”), aged 61, the Chairperson of the Board, has been appointed as an executive Director of the Company with effect from 4 May 2017. She is also a director of certain subsidiaries of the Company. She has been engaged in real estate projects and building materials trading, and has gained extensive experience in investment. Ms. Cui is also the sole director and sole shareholder of Inventive Star Limited, the controlling shareholder (as defined in the Listing Rules) of the Company.

NON-EXECUTIVE DIRECTOR

Mr. Ma Wentao (“**Mr. Ma**”), aged 34, has been appointed as an executive Director of the Company with effect from 3 September 2019. Mr. Ma graduated from the Beijing Business Management College and has accumulated extensive experience in sales aspect for years. Since 2010, Mr. Ma has invested in Beijing Yangguang Zongheng Culture Development Limited (北京央廣縱橫文化發展有限公司) and acted as chief executive officer of the company. Currently, he is a director of two joint ventures (including American Sinopan LLC which operates the Casha resort hotel) in which the Group holds 50% of the equity interests.

執行董事

Xia Yuki Yu女士(「**Xia女士**」)，46歲，獲委任為本公司執行董事，自二零一三年十一月二十一日起生效。彼亦為本公司若干附屬公司之董事。彼於公共關係及市場推廣行業擁有逾十五年經驗。於加入本集團前，Xia女士曾於數間經營博彩行業的集團公司擔任行政要職。

丁少儀先生(「**丁先生**」)，38歲，於二零一五年十一月加盟本公司並自二零一七年四月十八日起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。丁先生專門從事博彩人力資源職務，於不同行業之大型機構擔當高級人力資源管理職務方面具備豐富經驗。於加盟本公司前，丁先生於澳門一間頂尖博彩綜合度假村(現有超過20,000名僱員)擔任高級人力資源行政人員。在擔任人力資源部高級經理之任期內，彼自該度假村之開業前計劃以至成功開業均負責監管並帶領其團隊工作。丁先生持有管理學士學位。彼亦為Box Hill Institute認可之合資格培訓員，及全球人力資源顧問機構DDI認可之目標挑選專家。

崔麗杰女士(「**崔女士**」)，61歲，董事會主席，獲委任為本公司執行董事，自二零一七年五月四日起生效。彼亦為本公司若干附屬公司之董事。彼先後經營房地產項目及建材貿易，並於投資方面具備豐富經驗。崔女士亦為本公司之控股股東(定義見上市規則)Inventive Star Limited之唯一董事及唯一股東。

非執行董事

馬文濤先生(「**馬先生**」)，34歲，獲委任為本公司非執行董事，自二零一九年九月三日起生效。馬先生畢業於北京企業管理研修學院，並於銷售方面具備多年豐富經驗。馬先生由二零一零年至今投資於北京央廣縱橫文化發展有限公司，兼任首席執行官，現亦為兩間本集團持有50%股權之合營企業(包括營運凱獅度假酒店項目之美國申班有限公司)的董事。

Biographical Details of Directors and Senior Management 董事及高級管理人員履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ng Hoi Yue (“**Mr. Ng**”), aged 56, has been appointed as an independent non-executive Director of the Company with effect from 21 November 2013. He is a fellow member of The Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has been practising as a certified public accountant in Hong Kong since 1989. Mr. Ng is currently an executive director and the Deputy Chief Executive Officer of Asian Citrus Holdings Limited (stock code: 73) and an independent non-executive director Ulferts International Limited (stock code: 1711), both are companies listed on the Stock Exchange. He was an independent non-executive director of Emperor Cultural Group Limited (stock code: 491), a company listed on the Stock Exchange, for the period from 16 May 2002 to 13 November 2018.

Mr. Tso Hon Sai Bosco (“**Mr. Tso**”), aged 55, has been appointed as an independent non-executive Director of the Company with effect from 21 November 2013. He has been a Hong Kong practising solicitor since 1990. He has been a non-executive director of ICO Group Limited (Stock Code: 1460) a company listed on the Stock Exchange, since October 2019 and an independent non-executive director of Carnival Group International Holdings Limited (Stock Code: 996), a company listed on the Stock Exchange, since May 2019. He is also currently a consultant with Messrs. Tso Au Yim & Yeung, Solicitors. He was an independent non-executive director of Legend Strategy International Holdings Group Company Limited (stock code: 1355), a company listed on the Stock Exchange, for the period from 25 June 2015 to 6 September 2018.

Mr. Lee Kwok Leung (“**Mr. Lee**”), aged 66, has been appointed as an independent non-executive Director of the Company with effect from 21 November 2013. He has years of direct investment, fund management and banking experience. Mr. Lee holds an investment advisor status from the Securities and Futures Commissions from 2000. He has been appointed as an executive director of China Internet Investment Finance Holdings Limited (stock code: 810) since 8 May 2014, and the chairman and executive director of Mayer Holdings Limited (stock code: 1116) since 9 October 2014.

獨立非執行董事

伍海于先生(「伍先生」)，56歲，獲委任為本公司獨立非執行董事，自二零一三年十一月二十一日起生效。彼為英格蘭及威爾士特許會計師協會、香港會計師公會及特許公認會計師公會資深會員。彼自一九八九年起在香港從事執業會計師工作。伍先生現時擔任亞洲果業控股有限公司(股份代號：73)之執行董事兼副行政總裁以及歐化國際有限公司(股份代號：1711)之獨立非執行董事，兩間公司均於聯交所上市。彼曾於二零零二年五月十六日至二零一八年十一月十三日期間擔任聯交所上市公司英皇文化產業集團有限公司(股份代號：491)之獨立非執行董事。

曹漢璽先生(「曹先生」)，55歲，獲委任為本公司獨立非執行董事，自二零一三年十一月二十一日起生效。彼自一九九零年起一直為香港執業律師。彼自二零一九年十月起擔任聯交所上市公司揚科集團有限公司(股份代號：1460)之非執行董事，並自二零一九年五月起擔任聯交所上市公司嘉年華國際控股有限公司(股份代號：996)之獨立非執行董事。彼亦現為曹歐嚴楊律師行之顧問。彼曾於二零一五年六月二十五日至二零一八年九月六日期間擔任聯交所上市公司枋濬國際集團控股有限公司(股份代號：1355)之獨立非執行董事。

李國樑先生(「李先生」)，66歲，獲委任為本公司獨立非執行董事，自二零一三年十一月二十一日起生效。彼在直接投資、基金管理及銀行方面擁有多多年經驗。李先生於二零零零年取得證券及期貨事務監察委員會認可之投資顧問資格。彼自二零一四年五月八日起獲委任為中國互聯網投資金融集團有限公司(股份代號：810)之執行董事，以及自二零一四年十月九日起獲委任為美亞控股有限公司(股份代號：1116)之主席及執行董事。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

(Continued)

Mr. Robert James Woolsey (“**Ambassador Woolsey**”), aged 78, has been appointed as an independent non-executive Director of the Company with effect from 16 May 2016, held Presidential appointments in two Republican and two Democratic administrations, most recently, from 1993 to 1995, as Director of Central Intelligence under President Bill Clinton. During his twelve years of government service, in addition to heading the CIA and the Intelligence Community, Ambassador Woolsey was Ambassador to the Negotiation on Conventional Armed Forces in Europe from 1989 to 1991, Under Secretary of the Navy from 1977 to 1979, and General Counsel to the U.S. Senate Committee on Armed Services from 1970 to 1973. He was appointed by the President to serve in Geneva, Switzerland, from 1983 to 1986 as Delegate at Large to the U.S. Soviet Strategic Arms Reduction Talks (START) and Nuclear and Space Arms Talks (NST). As an officer in the U.S. Army, he was an adviser on the U.S. Delegation to the Strategic Arms Limitation Talks (SALT I), in Helsinki and Vienna, from 1969 to 1970. He has served on numerous government and non-profit advisory boards such as the National Commission on Energy Policy and chaired the Clean Fuels Foundation and the New Uses Council. He also served as a Trustee of Stanford University and chaired the Executive Committee of the Board of Regents of The Smithsonian Institution. He has been a member of The National Commission on Terrorism, The Commission to Assess the Ballistic Missile Threat to the U.S., The President’s Commission on Federal Ethics Law Reform, The President’s Blue Ribbon Commission on Defense Management, and The President’s Commission on Strategic Forces. Ambassador Woolsey has also been a law partner at Shea & Gardner and a Vice President with the consulting firm of Booz Allen Hamilton. He also served on the boards of directors of a number of companies, including British Aerospace, Inc., Martin Marietta and Fairchild Industries. In 2009, he was the Annenberg Distinguished Visiting Fellow at the Hoover Institution at Stanford University; and from 2010 to 2011 he was a Senior Fellow at Yale University, where he taught in the Jackson Institute for Global Affairs. Ambassador Woolsey received his B.A. degree from Stanford University, where he graduated Magna Cum Laude and Phi Beta Kappa; an M.A. from Oxford University, where he was a Rhodes Scholar; and an LL.B from Yale Law School, where he was Managing Editor of the Yale Law Journal.

獨立非執行董事(續)

Robert James Woolsey 先生(「**Woolsey 大使**」)，78 歲，自二零一六年五月十六日起獲委任為本公司獨立非執行董事，曾分別於兩任共和黨及兩任民主黨治下接受總統任命任職，最近期為於一九九三年至一九九五年出任克林頓總統直轄之中央情報局局長。Woolsey 大使服務政府十二年期間，除領導中央情報局及情報體系外，曾於一九八九年至一九九一年出任歐洲常規武裝力量談判大使(Ambassador to the Negotiation on Conventional Armed Forces in Europe)，於一九七七年至一九七九年出任海軍副部長，及於一九七零年至一九七三年出任美國參議院軍事委員會總顧問。彼於一九八三年至一九八六年獲總統指派前往瑞士日內瓦擔當美蘇削減戰略武器談判(U.S. Soviet Strategic Arms Reduction Talks (START))及核武器與太空武器談判(Nuclear and Space Arms Talks (NST))之總代表(Delegate at Large)。作為美國陸軍軍官，彼於一九六九年至一九七零年在赫爾辛基及維也納擔任第一輪戰略武器限制談判(Strategic Arms Limitation Talks (SALT I))之美國代表團(U.S. Delegation)顧問。彼亦曾任職多個政府及非牟利諮詢委員會，如國家能源政策委員會(National Commission on Energy Policy)，並擔任 Clean Fuels Foundation 及 New Uses Council 之主席。彼另曾出任史丹福大學之理事及史密森尼學會(The Smithsonian Institution)董事會轄下執行委員會主席。彼為全國反恐怖主義委員會(The National Commission on Terrorism)、美國彈道導彈威脅評估委員會(The Commission to Assess the Ballistic Missile Threat to the U.S.)、聯邦道德法改革總統委員會(The President’s Commission on Federal Ethics Law Reform)、美國國防管理特別工作委員會(The President’s Blue Ribbon Commission on Defense Management)及戰略部隊總統委員會(The President’s Commission on Strategic Forces)成員。Woolsey 大使亦為 Shea & Gardner 之法律合夥人及博思艾倫漢密爾頓(Booz Allen Hamilton)諮詢公司之副總裁。彼另曾於多間公司擔任董事會職位，包括英國航太公司(British Aerospace, Inc.)、馬丁•馬瑞塔(Martin Marietta)及 Fairchild Industries。於二零零九年，彼為史丹福大學胡佛研究所(Hoover Institution)之 Annenberg 傑出客座研究員(Annenberg Distinguished Visiting Fellow)，後於二零一零年至二零一一年出任耶魯大學之高級研究員，並曾於 Jackson Institute for Global Affairs 授課。Woolsey 大使於史丹福大學取得文學士學位，以優等成績(Magna Cum Laude)及美國大學優等生之榮譽學會(Phi Beta Kappa)身分畢業；於牛津大學取得文學碩士學位，獲選為羅德學者；及於耶魯法學院取得法學士學位，為耶魯法學雜誌(Yale Law Journal)總編輯。

Biographical Details of Directors and Senior Management 董事及高級管理人員履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

(Continued)

The Board has received annual confirmation of independence from each of its independent non-executive Directors. Save as disclosed, the Board members have no financial, business, family or other material relationships with each other or with the senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

獨立非執行董事(續)

董事會已收到來自各獨立非執行董事之年度獨立性確認書。除披露者外，董事會成員彼此之間或與本公司的高級管理層、主要股東(定義見上市規則)或控股股東(定義見上市規則)並無任何財務、業務、家族或其他重大關係。

Directors' Report

董事會報告

The Board hereby presents the annual report and the audited consolidated financial statements of the Company for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding.

Details of the principal activities of the principal subsidiaries of the Company are set out in note 1 to the consolidated financial statements.

Details of the business review and future development of the Group's businesses are set out in the sections headed "Business Review" and "Business Outlook" under "Management Discussion and Analysis" of this annual report. The discussion forms part of this directors' report.

SEGMENT INFORMATION

An analysis of the Group's revenue and segment information for the year ended 31 December 2019 is set out in note 4 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 61 to 62 of this annual report.

The Board does not recommend the payment of any dividend for the year ended 31 December 2019.

The Group understands the success of its businesses depends on the support from its key stakeholders, including employees, customers, suppliers, professional advisers and regulators. The Group will continue to ensure effective communication and maintain good relationships with each of its key stakeholders.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 196 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

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

董事會謹此提呈截至二零一九年十二月三十一日止年度本公司年報及經審核綜合財務報表。

主要業務及業務回顧

本公司主要業務為投資控股。

本公司主要附屬公司之主要業務詳情載於綜合財務報表附註1。

本集團業務的業務回顧及未來發展詳情載於本年報「管理層討論與分析」項下「業務回顧」及「業務展望」兩節。該討論構成本董事會報告一部分。

分部資料

截至二零一九年十二月三十一日止年度，本集團之收益及分部資料之分析載於綜合財務報表附註4。

業績及股息

本集團截至二零一九年十二月三十一日止年度之業績載於本年報第61頁至第62頁之綜合損益及其他全面收益表。

董事會不建議派付截至二零一九年十二月三十一日止年度之任何股息。

本集團明白，其業務的成功取決於其主要權益所有人(包括僱員、客戶、供應商、專業顧問及監管機構)的支持。本集團將繼續確保與其各名主要權益所有人進行有效溝通及維持良好關係。

財務概要

本集團過往五個財政年度之業績以及資產與負債之概要載於本年報第196頁。

物業、廠房及設備

年內，本集團之物業、廠房及設備之變動詳情載於綜合財務報表附註13。

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 29 to the consolidated financial statements.

RESERVES

As at 31 December 2019, the Directors were of the opinion that the Company has no distributable reserves.

Details of movements in the reserves of the Company and the Group during the year are set out in note 42 to the consolidated financial statements and in the "Consolidated Statement of Changes in Equity" on page 65, respectively.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Corporate social responsibility and sustainability play an important role in our everyday business, and it is deeply rooted in our corporate value. We strive to make a difference in the CNMI and shoulder the responsibilities of a corporate citizen to grow with the community. We have a dedicated Corporate Social Responsibility Team that serves the community through charitable events, and seeks opportunities to empower the community by connecting them with education and employment.

In 2019, in order to fully implement the requirements of the Environmental, Social and Governance ("ESG") Reporting Guide in Appendix 27 of the Listing Rules, the Company has further attached great importance to organizing and arranging relevant preparation and disclosure, and the Company's ESG Report for the year ended 2019 will be published on the websites of the Company and the Stock Exchange.

股本

年內，本公司之股本變動詳情載於綜合財務報表附註29。

儲備

於二零一九年十二月三十一日，董事認為本公司並無可分派儲備。

年內本公司及本集團之儲備變動詳情分別載於綜合財務報表附註42及第65頁之「綜合權益變動表」。

環保政策及表現

企業社會責任及可持續發展在我們日常業務中擔當重要角色，對我們的企業價值根深柢固。我們致力於北馬里亞納作出改變，肩負企業公民的責任，與社區一起成長。我們擁有一支忠心耿耿的企業社會責任團隊，透過慈善活動服務社區，並透過提供教育及就業機會，探尋機遇壯大社區。

於二零一九年，為全面實施上市規則附錄二十七所載環境、社會及管治（「環境、社會及管治」）報告指引的規定，本公司更加重視組織及安排相關編製及披露，而本公司截至二零一九年止年度的環境、社會及管治報告將於本公司及聯交所網站上登載。

Directors' Report

董事會報告

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance of applicable rules and regulations. The Group has been allocating system and staff resources to ensure ongoing compliance with rules and regulations and to maintain cordial working relationships with regulators through effective communications. During the year, the Group has complied with, among others, to the best of our knowledge, the following major laws and regulations:

Hong Kong

- the Listing Rules;
- the Securities and Futures Ordinance;
- the Companies Ordinance; and
- the Gambling Ordinance.

Saipan

- The Commonwealth Gaming Act, codified at 4 CMC §§ 2301 et. seq.

SHARE OPTION SCHEME

At the beginning of the financial year ended 31 December 2019, 1,534,781,992 share options were outstanding pursuant to the share option scheme of the Company adopted on 27 June 2013 (the "Share Option Scheme") (each share option shall entitle the holder of the option to subscribe for one new Share) and 13,623,880,768 Shares, being 9.53% of the Shares then in issue, were available for issue under the Share Option Scheme.

During the year, no grantee had exercised any share options, no share options were granted and 13,513,976 share options lapsed. As at 31 December 2019, there were 1,521,268,016 share options outstanding pursuant to the Share Option Scheme. Further details of the Share Option Scheme are disclosed in note 30 to the consolidated financial statements.

遵守相關法例及法規

本集團認同遵守監管規定的重要性以及違反適用規則及法規的風險。本集團一直分配系統及員工資源，以確保持續遵守規則及法規，同時透過有效溝通與監管機構保持良好的工作關係。年內，就我們所知，本集團已遵守(其中包括)以下主要法例及法規：

香港

- 上市規則；
- 證券及期貨條例；
- 公司條例；及
- 賭博條例。

塞班島

- The Commonwealth Gaming Act, codified at 4 CMC §§ 2301 et. seq.

購股權計劃

於截至二零一九年十二月三十一日止財政年度初，根據本公司於二零一三年六月二十七日採納之購股權計劃(「購股權計劃」)有1,534,781,992份購股權尚未行使(每份購股權賦予購股權持有人權利認購一股新股份)，而根據購股權計劃可予發行之股份數目為13,623,880,768股，即當時已發行股份之9.53%。

年內，概無承授人行使任何購股權，亦無授出任何購股權，而13,513,976份購股權已失效。於二零一九年十二月三十一日，根據購股權計劃有1,521,268,016份購股權尚未行使。購股權計劃之進一步詳情已於綜合財務報表附註30內披露。

SHARE OPTION SCHEME (Continued)

The total number of the shares issued and to be issued upon exercise of the options granted to each participant, together with all options granted and to be granted to him/her under any other share option scheme(s) of the Company, within the 12-month period immediately preceding the proposed date of grant (including exercised, cancelled and outstanding options) shall not exceed 1% of the total number of the shares in issue as at the proposed date of grant. The exercise price of the share options is determinable by the Board, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer. The total number of shares which may be issued upon exercise of options must not exceed 30% of the number of shares in issue from time to time. No options may be granted if such grant would result in the 30% limit being exceeded.

OTHER INFORMATION

Movement of the share options under the Share Option Scheme during the year ended 31 December 2019 is as follows:

Categories of Participants	As at 1 January 2019	Granted	Exercised	Cancelled/ Lapsed	As at 31 December 2019	Exercise Price (HK\$)	Grant Date	Exercise Period
參與者類別	於二零一九年一月一日	已授出	已行使	已註銷/已失效	於二零一九年十二月三十一日	行使價(港元)	授出日期	行使期
Directors								
董事								
Ms. Xia Yuki Yu	3,527,272	-	-	-	3,527,272	0.22	18 June 2015	18 June 2018 — 17 June 2025
	3,527,272	-	-	-	3,527,272	0.22	18 June 2015	18 June 2019 — 17 June 2025
	3,527,272	-	-	-	3,527,272	0.22	18 June 2015	18 June 2020 — 17 June 2025
	3,527,272	-	-	-	3,527,272	0.22	18 June 2015	18 June 2021 — 17 June 2025
	2,664,000	-	-	-	2,664,000	0.15	5 April 2017	5 April 2018 — 4 April 2027
	2,664,000	-	-	-	2,664,000	0.15	5 April 2017	5 April 2019 — 4 April 2027
	2,672,000	-	-	-	2,672,000	0.15	5 April 2017	5 April 2020 — 4 April 2027
Xia Yuki Yu 女士							二零一五年六月十八日	二零一八年六月十八日至二零二五年六月十七日
							二零一五年六月十八日	二零一九年六月十八日至二零二五年六月十七日
							二零一五年六月十八日	二零二零年六月十八日至二零二五年六月十七日
							二零一五年六月十八日	二零二一年六月十八日至二零二五年六月十七日
							二零一七年四月五日	二零一八年四月五日至二零二七年四月四日
							二零一七年四月五日	二零一九年四月五日至二零二七年四月四日
							二零一七年四月五日	二零二零年四月五日至二零二七年四月四日

購股權計劃(續)

於緊接建議授出日期前12個月期間內，授予各參與者之購股權連同根據本公司任何其他購股權計劃已授予及將授予各參與者之所有購股權(包括已行使、已註銷及尚未行使之購股權)獲行使時已發行及將予發行之股份總數，不得超過於建議授出日期已發行股份總數之1%。購股權之行使價可由董事會釐定，惟不可低於下列三者中之最高者：(i) 提呈購股權要約當日本公司股份於聯交所之收市價；(ii) 緊接提呈要約當日前五個交易日本公司股份於聯交所之平均收市價；及(iii) 於提呈要約當日本公司股份的面值。因行使購股權而可能發行之股份總數，不得超過不時之已發行股份數目之30%。倘將導致超過該30%限額，則不得授出任何購股權。

其他資料

截至二零一九年十二月三十一日止年度，購股權計劃項下購股權之變動如下：

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OTHER INFORMATION (Continued)

其他資料(續)

Categories of Participants	As at 1 January 2019 於 二零一九年 一月一日	Granted 已授出	Exercised 已行使	Cancelled/ Lapsed 已註銷/ 已失效	As at 31 December 2019 於 二零一九年 十二月三十一日	Exercise Price (HKS) 行使價 (港元)	Grant Date 授出日期	Exercise Period 行使期
Mr. Teng Sio I	6,660,000	-	-	-	6,660,000	0.15	5 April 2017	5 April 2018 – 4 April 2027
	6,660,000	-	-	-	6,660,000	0.15	5 April 2017	5 April 2019 – 4 April 2027
	6,680,000	-	-	-	6,680,000	0.15	5 April 2017	5 April 2020 – 4 April 2027
丁少儀先生							二零一七年四月五日	二零一八年四月五日至二零二七年四月四日
							二零一七年四月五日	二零一九年四月五日至二零二七年四月四日
							二零一七年四月五日	二零二零年四月五日至二零二七年四月四日
Mr. Robert James Woolsey	286,753	-	-	-	286,753	0.15	5 April 2017	5 April 2018 – 4 April 2027
	286,753	-	-	-	286,753	0.15	5 April 2017	5 April 2019 – 4 April 2027
	287,614	-	-	-	287,614	0.15	5 April 2017	5 April 2020 – 4 April 2027
Robert James Woolsey 先生							二零一七年四月五日	二零一八年四月五日至二零二七年四月四日
							二零一七年四月五日	二零一九年四月五日至二零二七年四月四日
							二零一七年四月五日	二零二零年四月五日至二零二七年四月四日
Mr. Ng Hoi Yue	66,600	-	-	-	66,600	0.15	5 April 2017	5 April 2018 – 4 April 2027
	66,600	-	-	-	66,600	0.15	5 April 2017	5 April 2019 – 4 April 2027
	66,800	-	-	-	66,800	0.15	5 April 2017	5 April 2020 – 4 April 2027
伍海于先生							二零一七年四月五日	二零一八年四月五日至二零二七年四月四日
							二零一七年四月五日	二零一九年四月五日至二零二七年四月四日
							二零一七年四月五日	二零二零年四月五日至二零二七年四月四日
Mr. Tso Hon Sai Bosco	66,600	-	-	-	66,600	0.15	5 April 2017	5 April 2018 – 4 April 2027
	66,600	-	-	-	66,600	0.15	5 April 2017	5 April 2019 – 4 April 2027
	66,800	-	-	-	66,800	0.15	5 April 2017	5 April 2020 – 4 April 2027
曹漢璽先生							二零一七年四月五日	二零一八年四月五日至二零二七年四月四日
							二零一七年四月五日	二零一九年四月五日至二零二七年四月四日
							二零一七年四月五日	二零二零年四月五日至二零二七年四月四日
Mr. Lee Kwok Leung	66,600	-	-	-	66,600	0.15	5 April 2017	5 April 2018 – 4 April 2027
	66,600	-	-	-	66,600	0.15	5 April 2017	5 April 2019 – 4 April 2027
	66,800	-	-	-	66,800	0.15	5 April 2017	5 April 2020 – 4 April 2027
李國傑先生							二零一七年四月五日	二零一八年四月五日至二零二七年四月四日
							二零一七年四月五日	二零一九年四月五日至二零二七年四月四日
							二零一七年四月五日	二零二零年四月五日至二零二七年四月四日

OTHER INFORMATION (Continued)

其他資料(續)

Categories of Participants	As at 1 January 2019 於 二零一九年 一月一日	Granted 已授出	Exercised 已行使	Cancelled/ Lapsed 已註銷/ 已失效	As at 31 December 2019 於 二零一九年 十二月三十一日	Exercise Price (HK\$) 行使價 (港元)	Grant Date 授出日期	Exercise Period 行使期
Employees and others (in aggregate)	1,120,000,000	-	-	-	1,120,000,000	0.10525	3 December 2014	3 December 2014 – 2 December 2024
	50,841,996	-	-	846,544	49,995,452	0.22	18 June 2015	18 June 2018 – 17 June 2025
	50,841,996	-	-	846,544	49,995,452	0.22	18 June 2015	18 June 2019 – 17 June 2025
	50,841,996	-	-	846,544	49,995,452	0.22	18 June 2015	18 June 2020 – 17 June 2025
	50,841,996	-	-	846,544	49,995,452	0.22	18 June 2015	18 June 2021 – 17 June 2025
	950,000	-	-	-	950,000	0.255	26 November 2015	26 November 2016 – 25 November 2025
	950,000	-	-	-	950,000	0.255	26 November 2015	26 November 2017 – 25 November 2025
	950,000	-	-	-	950,000	0.255	26 November 2015	26 November 2018 – 25 November 2025
	950,000	-	-	-	950,000	0.255	26 November 2015	26 November 2019 – 25 November 2025
	54,626,585	-	-	3,372,557	51,254,028	0.15	5 April 2017	5 April 2018 – 4 April 2027
	54,626,585	-	-	3,372,557	51,254,028	0.15	5 April 2017	5 April 2019 – 4 April 2027
	54,790,630	-	-	3,382,686	51,407,944	0.15	5 April 2017	5 April 2020 – 4 April 2027
僱員及其他(合計)							二零一四年十二月三日 二零一五年六月十八日 二零一五年六月十八日 二零一五年六月十八日 二零一五年六月十八日 二零一五年六月十八日 二零一五年十一月二十六日 二零一五年十一月二十六日 二零一五年十一月二十六日 二零一五年十一月二十六日 二零一五年十一月二十六日 二零一五年十一月二十六日 二零一五年十一月二十六日 二零一五年十一月二十六日 二零一七年四月五日 二零一七年四月五日 二零一七年四月五日	二零一四年十二月三日至二零二四年十二月二日 二零一八年六月十八日至二零二五年六月十七日 二零一九年六月十八日至二零二五年六月十七日 二零二零年六月十八日至二零二五年六月十七日 二零二一年六月十八日至二零二五年六月十七日 二零一六年十一月二十六日至 二零二五年十一月二十五日 二零一七年十一月二十六日至 二零二五年十一月二十五日 二零一八年十一月二十六日至 二零二五年十一月二十五日 二零一九年十一月二十六日至 二零二五年十一月二十五日 二零一八年四月五日至二零二七年四月四日 二零一九年四月五日至二零二七年四月四日 二零二零年四月五日至二零二七年四月四日
Total 總計	1,534,781,992	-	-	13,513,976	1,521,268,016			

Directors' Report

董事會報告

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes are set out in note 2.5 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SHARES

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

DONATIONS

Charitable and other donations made by the Group during the year ended 31 December 2019 amounted to approximately HK\$92,000 (2018: HK\$4,867,000).

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate amount of sales attributable to the Group's 5 largest customers accounted for approximately 32% (2018: 61%) of the total sales for the year and sales attributable to the largest customer accounted for approximately 13% (2018: 39%) of the total sales for the year. Our suppliers provide products and services such as food and beverages products, gaming equipment and machines, and construction services. Purchases from the Group's 5 largest suppliers accounted for approximately 66% (2018: 70%) of the total purchases for the year and purchases from the largest supplier accounted for approximately 20% (2018: 55%) of the total purchases for the year.

None of the Directors, their associates, or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) has any interest in the Group's five largest customers and suppliers during the year.

退休福利計劃

退休福利計劃之詳情載於綜合財務報表附註2.5。

優先購買權

本公司細則或百慕達(本公司註冊成立之司法權區)法律並無有關優先購買權之條文，規定本公司須按比例發售新股予現有股東。

購買、贖回或出售上市股份

於年內，概無本公司或其任何附屬公司購買、出售或贖回任何本公司上市證券。

捐款

於截至二零一九年十二月三十一日止年度，本集團撥出之慈善及其他捐款約為92,000港元(二零一八年：4,867,000港元)。

主要客戶及供應商

於年內，本集團五大客戶應佔總銷售額佔年度總銷售額約32%(二零一八年：61%)，而最大客戶應佔銷售額佔年度總銷售額約13%(二零一八年：39%)。我們的供應商提供產品及服務，如餐飲產品、博彩設備及機器以及建築服務。向本集團五大供應商作出之採購額佔年度採購總額約66%(二零一八年：70%)，而向最大供應商作出之採購額佔年度採購總額約20%(二零一八年：55%)。

董事、其聯繫人士或任何股東(就董事所知，擁有本公司股本5%以上)年內概無於本集團五大客戶及供應商中擁有任何權益。

CONTINUING CONNECTED TRANSACTIONS

On 8 December 2017, Best Fortune Corporation Limited, a direct wholly-owned subsidiary of the Company entered into an employment agreement (“**Employment Agreement**”) with Mr. Ji Xiao Bo (“**Mr. Ji**”) pursuant to which Mr. Ji will continue to be appointed as the Project Director of the casino resort project on the Island of Saipan. According to the Employment Agreement, Mr. Ji is entitled to a basic annual salary of US\$1 million (equivalent to approximately HK\$7.75 million). The Employment Agreement was fixed to a term that expires on 31 December 2020 but is, in any event, terminable on three months’ notice in writing by either party. To cater for the possibility of discretionary bonus being awarded, the Board had set a cap on the total amount (inclusive of discretionary bonus) that may be paid to Mr. Ji under the New Employment Agreement for each of the financial year ended/ending 31 December 2018, 2019 and 2020 of US\$2 million (equivalent to approximately HK\$15.6 million). Mr. Ji is the son of Ms. Cui and Ms. Cui is a Director of the Company and the sole shareholder of Inventive Star Limited (“**Inventive Star**”), the controlling shareholder (as defined in the Listing Rules) of the Company. Mr. Ji is therefore a connected person (as defined in the Listing Rules) and the Employment Agreement therefore constituted a continuing connected transaction under Chapter 14A of the Listing Rules and subject to the reporting, annual review and announcement requirements, but was exempt from the independent shareholder’s approval requirement. Details of the Employment Agreement have been disclosed in the announcement of the Company dated 8 December 2017.

持續關連交易

於二零一七年十二月八日，本公司之直接全資附屬公司振裕興業有限公司與紀曉波先生(「**紀先生**」)訂立僱用協議(「**僱用協議**」)，據此，紀先生將繼續獲委任為塞班島娛樂場度假村項目之項目總監。根據僱用協議，紀先生有權收取基本年薪100萬美元(相當於約775萬港元)。僱用協議為固定年期，並於二零二零年十二月三十一日屆滿，惟在任何情況下，任何一方可發出三個月書面通知予以終止。為切合可能授出酌情花紅之情況，董事會已就截至二零一八年、二零一九年及二零二零年十二月三十一日止財政年度各年新僱用協議項下可能支付予紀先生之總金額(包括酌情花紅)設定上限為200萬美元(相當於約1,560萬港元)。紀先生為崔女士之兒子，而崔女士為本公司董事及本公司控股股東(定義見上市規則) Inventive Star Limited(「**Inventive Star**」)之唯一股東。因此，紀先生為關連人士(定義見上市規則)，而僱用協議構成上市規則第14A章項下之持續關連交易，並須遵守申報、年度審閱及公告規定，惟獲豁免遵守獨立股東批准之規定。僱用協議之詳情已於本公司日期二零一七年十二月八日之公告內披露。

Directors' Report

董事會報告

CONTINUING CONNECTED TRANSACTIONS

(Continued)

The independent auditor of the Company, Ernst & Young, was engaged to report on the Group's continuing connected transaction 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 auditor has issued an unqualified letter containing findings and conclusions in respect of the abovementioned continuing connected transaction in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided to the Stock Exchange. The independent non-executive Directors have reviewed the abovementioned continuing connected transaction and the auditor's letter and have confirmed that such transaction was entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favorable to the Group than terms available to or from independent third parties; and (iii) in accordance with the relevant agreement governing it on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors

Ms. Cui Li Jie (Chairperson)

Ms. Xia Yuki Yu

Mr. Teng Sio I

Non-executive Director

Mr. Ma Wentao (appointed on 3 September 2019)

Independent non-executive Directors

Mr. Robert James Woolsey

Mr. Ng Hoi Yue

Mr. Tso Hon Sai Bosco

Mr. Lee Kwok Leung

持續關連交易 (續)

本公司聘請本公司獨立核數師安永會計師事務所根據香港會計師公會發出的香港鑑證業務準則第3000號(經修訂)「歷史財務資料審核或審閱以外的鑑證工作」及參考實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」報告本集團之持續關連交易。核數師已根據上市規則第14A.56條發出具無保留意見函件，函件載有其對上述持續關連交易的發現和總結。本公司已向聯交所呈交核數師函件副本。獨立非執行董事已審閱上述持續關連交易及核數師函件，並確認該項交易乃(i)於本集團日常及一般業務過程中；(ii)按一般商業條款或不遜於本集團向或自獨立第三方提供的條款；及(iii)根據規管該項交易的有關協議的條款進行，屬公平合理，並符合本公司股東的整體利益。

董事

年內及直至本報告日期，本公司之董事如下：

執行董事

崔麗杰女士(主席)

Xia Yuki Yu 女士

丁少儀先生

非執行董事

馬文濤先生(於二零一九年九月三日獲委任)

獨立非執行董事

Robert James Woolsey 先生

伍海于先生

曹漢璽先生

李國樑先生

DIRECTORS (Continued)

Pursuant to bye-law 87(1) of the Company's Bye-laws, Mr. Ng Hoi Yue, Mr. Tso Hon Sai Bosco and Mr. Lee Kwok Leung shall retire from office at the forthcoming annual general meeting and being eligible, offer themselves for re-election as independent non-executive Directors. Pursuant to bye-law 86(2) of the Company's Bye-laws, Mr. Ma Wentao shall also retire from office at the forthcoming annual general meeting and being eligible, offer himself for re-election as a non-executive Director.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and Senior Management are set out on pages 30 to 33 of this annual report.

DIRECTORS' SERVICES CONTRACTS

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

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements.

MANAGEMENT CONTRACTS

According to the available information, the Board is not aware of any contract during the year entered into with the management and administration of the whole or any substantial part of the business of the Company.

PERMITTED INDEMNITY PROVISION

Pursuant to bye-law 166 of the Company's Bye-Laws and relevant provisions of the regulations stipulated, every Director and other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all losses and liabilities which he or she may incur or sustain in or about the execution of the duties of his or her office or otherwise in relation thereto, and no Director or other officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his or her office or in relation thereto, provided that this Bye-Law shall only have effect in so far as its provisions are not avoided by the Companies Act.

董事(續)

根據本公司細則第87(1)條，伍海于先生、曹漢璽先生及李國樑先生將於應屆股東週年大會輪值退任，且合資格應選連任為獨立非執行董事。根據本公司細則第86(2)條，馬文濤先生亦將於應屆股東週年大會退任，且合資格應選連任為非執行董事。

董事及高級管理人員履歷詳情

董事及高級管理人員之履歷詳情載於本年報第30頁至第33頁。

董事服務合約

於應屆股東週年大會合資格應選連任之董事概無與本集團訂立任何可由本集團於一年內毋須作出賠償(法定賠償除外)而終止之服務合約。

董事薪酬

董事薪酬之詳情載於綜合財務報表附註8。

管理合約

根據所獲得之資料，董事會概不知悉年內就本公司全部或大部分業務之管理及行政而訂立任何合約。

獲准彌償條文

根據本公司細則第166條及法規訂明之相關條文，本公司各董事及其他行政人員就其執行職務或與此相關之事宜招致或蒙受之一切損失或責任，均可從本公司資產及溢利中獲得彌償及保障，而各董事或其他行政人員毋須就其執行職務或與此相關之事宜而可能令本公司出現或招致之任何損失、損害或不幸負責，惟本細則僅在未被公司法廢止之情況下有效。

Directors' Report

董事會報告

PERMITTED INDEMNITY PROVISION *(Continued)*

The Company has taken out and maintained Directors' and officers' liabilities insurance throughout the year, which provides appropriate cover for the Directors.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

To the best knowledge of the Directors, none of the Directors has any interest in competing business to the Group during the year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

To the best knowledge of the Directors, there was no contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party to and in which a Director has a material interest in, whether directly or indirectly, or between the Company, or its subsidiary companies, and a controlling shareholder or any of its subsidiaries, and subsisted at the end of the financial year under review or at any time during the financial year under review.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which are required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

獲准彌償條文(續)

本公司於全年內均有投購董事及行政人員責任保險，為董事提供合適保障。

董事之競爭業務權益

據董事所知，年內董事概無於與本集團出現競爭之業務中擁有任何權益。

董事於重大合約之權益

據董事所知，本公司或其任何附屬公司或本公司、其附屬公司及控股股東或其任何附屬公司之間概無訂立與本集團業務有關，且董事於其中直接或間接擁有重大權益，並於回顧財政年度末或於回顧財政年度內任何時間仍然有效之重大合約。

董事及主要行政人員於股份、相關股份及債券中之權益及淡倉

於二零一九年十二月三十一日，各董事及主要行政人員於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中擁有(i)須根據證券及期貨條例第XV部第7及8分部條文通知本公司及聯交所(包括根據證券及期貨條例有關條文彼等被認為或視作擁有之權益或淡倉)；(ii)須根據證券及期貨條例第XV部第352條記入該條所述之登記冊內；或(iii)須根據標準守則通知本公司及聯交所之權益及淡倉如下：

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

董事及主要行政人員於股份、相關股份及債券中之權益及淡倉(續)

Long positions in the ordinary shares/underlying shares of the Company:

於本公司普通股/相關股份之好倉：

Name of Director	Capacity	Long position/ Short position	Number of Shares/ underlying shares held 所持股份/ 相關股份數目	Percentage of issued share capital of the Company 佔本公司 已發行股本百分比
董事姓名	身分	好倉/淡倉		
Ms. Xia Yuki Yu Xia Yuki Yu 女士	Beneficial owner 實益擁有人	Long position 好倉	383,109,088 (Note 1) 383,109,088 (附註 1)	0.27% 0.27%
Ms. Cui Li Jie 崔麗杰女士	Interest of controlled corporation 受控制法團權益	Long position 好倉	90,755,089,280 90,755,089,280	63.47% 63.47%
	Interest of controlled corporation 受控制法團權益	Short position 淡倉	24,268,733,333 (Note 2) 24,268,733,333 (附註 2)	16.97% 16.97%
Mr. Teng Sio I 丁少儀先生	Beneficial owner 實益擁有人	Long position 好倉	20,000,000 (Note 3) 20,000,000 (附註 3)	0.01% 0.01%
Mr. Robert James Woolsey Robert James Woolsey 先生	Beneficial owner 實益擁有人	Long position 好倉	861,120 (Note 4) 861,120 (附註 4)	0.00% 0.00%
Mr. Ng Hoi Yue 伍海于先生	Beneficial owner 實益擁有人	Long position 好倉	200,000 (Note 5) 200,000 (附註 5)	0.00% 0.00%
Mr. Tso Hon Sai Bosco 曹漢璽先生	Beneficial owner 實益擁有人	Long position 好倉	200,000 (Note 5) 200,000 (附註 5)	0.00% 0.00%
Mr. Lee Kwok Leung 李國樑先生	Beneficial owner 實益擁有人	Long position 好倉	200,000 (Note 5) 200,000 (附註 5)	0.00% 0.00%

Directors' Report

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Notes:

1. On 18 June 2015 and 5 April 2017, 14,109,088 share options (after share options adjustments) and 8,000,000 share options were granted to Ms. Xia Yuki Yu pursuant to the Share Option Scheme respectively.
2. Inventive Star had granted options over its shares of the Company at the exercise price of HK\$0.24 per share, exercisable to purchase a maximum of 3,268,733,333 shares. On 8 July 2019, Inventive Star entered into a contract with Guan Lian Capital Holdings Group Limited ("**Guan Lian Capital**") to grant rights to Guan Lian Capital to purchase 14,000,000,000 Shares of the Company. On 19 November 2019, Inventive Star entered into a contract with Brave Access Investments Limited ("**Brave Access**") granting Brave Access rights to purchase from Inventive Star an aggregate of 7,000,000,000 Shares of the Company.
3. On 5 April 2017, 20,000,000 share options were granted to Mr. Teng Sio I pursuant to the Share Option Scheme.
4. On 5 April 2017, 861,120 share options were granted to Mr. Robert James Woolsey pursuant to the Share Option Scheme.
5. On 5 April 2017, 200,000 share options were granted to Mr. Ng Hoi Yue, Mr. Tso Hon Sai Bosco and Mr. Lee Kwok Leung respectively pursuant to the Share Option Scheme.

Save as disclosed above, as at 31 December 2019, none of the Directors is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and none of the Directors, the chief executive of the Company nor their associates (as defined in the Listing Rules) had any other interests or short positions in the shares of the Company, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or the chief executive of the Company is taken or deemed to have under such provisions of the SFO); or (b) were required to be entered into the register maintained by the Company, pursuant to Section 352 of the SFO; or (c) were required to be notified to the Company or the Stock Exchange, pursuant to the Model Code for Securities Transaction by Directors of Listed Companies contained in the Listing Rules.

董事及主要行政人員於股份、相關股份及債券中之權益及淡倉(續)

附註：

1. 於二零一五年六月十八日及二零一七年四月五日，Xia Yuki Yu 女士根據購股權計劃分別獲授 14,109,088 份購股權(經購股權調整後)及 8,000,000 份購股權。
2. Inventive Star 已就本公司股份授出購股權，行使相關購股權可按行使價每股 0.24 港元購買最多 3,268,733,333 股股份。於二零一九年七月八日，Inventive Star 與冠聯資本控股集團有限公司(「冠聯資本」)訂立合約，以給予冠聯資本權利購買 14,000,000,000 股本公司股份。於二零一九年十一月十九日，Inventive Star 與進英投資有限公司(「進英」)訂立合約，以給予進英權利向 Inventive Star 購買合共 7,000,000,000 股本公司股份。
3. 於二零一七年四月五日，丁少儀先生根據購股權計劃獲授 20,000,000 份購股權。
4. 於二零一七年四月五日，Robert James Woolsey 先生根據購股權計劃獲授 861,120 份購股權。
5. 於二零一七年四月五日，伍海于先生、曹漢鏗先生及李國樑先生根據購股權計劃分別獲授 200,000 份購股權。

除上述披露者外，於二零一九年十二月三十一日，概無董事為根據證券及期貨條例第 XV 部第 2 及 3 分部之條文持有須向本公司披露之本公司股份及相關股份之權益或淡倉之公司之董事或僱員，且概無董事、本公司主要行政人員或彼等之聯繫人士(定義見上市規則)於本公司股份、本公司或任何相聯法團(定義見證券及期貨條例第 XV 部)相關股份及債券中，擁有任何其他權益或淡倉而(a)須根據證券及期貨條例第 XV 部第 7 及 8 分部通知本公司及聯交所(包括任何有關董事或本公司主要行政人員根據證券及期貨條例有關條文被認為或視作擁有之權益或淡倉)；或(b)須根據證券及期貨條例第 352 條記入本公司存置之登記冊內；或(c)須根據上市規則所載上市公司董事進行證券交易的標準守則通知本公司或聯交所。

SUBSTANTIAL SHAREHOLDER

As at 31 December 2019, in accordance with the register of the substantial shareholders kept by the Company under Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules, the following person was interested (including short positions) in the shares or underlying shares of the Company:

Long positions in the ordinary shares/underlying shares of the Company:

主要股東

於二零一九年十二月三十一日，根據本公司遵照證券及期貨條例第336條須存置之主要股東登記冊，或根據證券及期貨條例第XV部第2及3分部之條文及上市規則須予披露，以下人士擁有本公司股份或相關股份之權益(包括淡倉)：

於本公司普通股/相關股份之好倉：

Name of shareholder 股東名稱/姓名	Capacity 身分	Long position/ Short position 好倉/淡倉	Number of shares 股份數目	Approximate percentage of interest 概約權益百分比
Inventive Star Limited (Note 1)	Beneficial owner	Long position	90,755,089,280	63.47%
		Short position	24,268,733,333	16.97%
			(Note 2)	
Inventive Star Limited (附註1)	實益擁有人	好倉	90,755,089,280	63.47%
		淡倉	24,268,733,333	16.97%
			(附註2)	
Ms. Cui Li Jie (Note 1)	Interest of controlled corporation	Long position	90,755,089,280	63.47%
		Short position	24,268,733,333	16.97%
			(Note 2)	
崔麗杰女士(附註1)	受控制法團權益	好倉	90,755,089,280	63.47%
		淡倉	24,268,733,333	16.97%
			(附註2)	
Mr. Ji Xiaobo (Note 3)	Interest of controlled corporation	Long position	128,689,860,000	90.00%
紀曉波先生(附註3)	受控制法團權益	好倉	128,689,860,000	90.00%
Super Champion Global Limited (Note 3)	Beneficial owner	Long position	128,000,000,000	89.52%
超冠環球有限公司(附註3)	實益擁有人	好倉	128,000,000,000	89.52%
Guan Lian Capital Holdings Group Limited	Beneficial owner	Long position	14,000,000,000	9.79%
冠聯資本控股集團有限公司	實益擁有人	好倉	14,000,000,000	9.79%

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDER (Continued)

Notes:

1. Inventive Star is wholly and beneficially owned by Ms. Cui.
2. Inventive Star had granted options over its shares of the Company at the exercise price of HK\$0.24 per share, exercisable to purchase a maximum of 3,268,733,333 shares. On 8 July 2019, Inventive Star entered into a contract with Guan Lian Capital to grant rights to Guan Lian Capital to purchase 14,000,000,000 Shares of the Company. On 19 November 2019, Inventive Star entered into a contract with Brave Access granting Brave Access rights to purchase from Inventive Star an aggregate of 7,000,000,000 Shares of the Company.
3. Super Champion Global Limited is wholly and beneficially owned by Mr. Ji Xiaobo and Super Champion Global Limited held the convertible notes issued by the Company in the principal amount of HK\$400,000,000 which were convertible to 128,000,000,000 conversion shares if the underlying conversion rights were exercised in full.

Save as disclosed above, as at 31 December 2019, no person (other than a Director or chief executive of the Company) had registered an interest or short position in the securities or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 16 to 29 of this annual report.

INDEPENDENT AUDITOR

On 25 June 2019, Ernst & Young was re-appointed as the auditor of the Company until the conclusion of the next annual general meeting of the Company. A resolution for the reappointment of Ernst & Young as auditor of the Company will be proposed at the forthcoming annual general meeting.

主要股東(續)

附註：

1. Inventive Star由崔女士全資實益擁有。
2. Inventive Star已就本公司股份授出購股權，行使相關購股權可按行使價每股0.24港元購買最多3,268,733,333股股份。於二零一九年七月八日，Inventive Star與冠聯資本訂立合約，以給予冠聯資本權利購買14,000,000,000股本公司股份。於二零一九年十一月十九日，Inventive Star與進英訂立合約，以給予進英權利向Inventive Star購買合共7,000,000,000股本公司股份。
3. 超冠環球有限公司由紀曉波先生全資實益擁有，而超冠環球有限公司持有本公司所發行本金額為400,000,000港元之可換股票據，倘全面行使相關兌換權，則可兌換為128,000,000,000股兌換股份。

除上文所披露者外，於二零一九年十二月三十一日，概無其他人士(董事或本公司主要行政人員除外)於本公司之證券或相關股份中登記擁有根據證券及期貨條例第336條須予記錄之權益或淡倉。

企業管治

本公司致力維持高水平之企業管治常規。有關本公司所採納之企業管治常規資料刊載於本年報第16頁至第29頁之企業管治報告內。

獨立核數師

於二零一九年六月二十五日，安永會計師事務所獲續聘為本公司核數師，直至本公司下一屆股東週年大會結束時為止。有關續聘安永會計師事務所為本公司核數師之決議案將於應屆股東週年大會上提呈。

PUBLIC FLOAT

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

On behalf of the Board

Imperial Pacific International Holdings Limited

Cui Li Jie

Chairperson and Executive Director

Hong Kong, 31 March 2020

In the event of any inconsistency, the English text of this annual report shall prevail over the Chinese text.

公眾持股量

根據本公司所獲公開資料及就董事所知，於年內及直至本年報日期，本公司已按上市規則規定維持足夠之公眾持股量。

代表董事會

博華太平洋國際控股有限公司

主席兼執行董事

崔麗杰

香港，二零二零年三月三十一日

本年報之中英文本如有任何歧義，概以英文本為準。

Independent Auditor's Report

獨立核數師報告



To the shareholders of
Imperial Pacific International Holdings Limited
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Imperial Pacific International Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 61 to 195, which comprise the consolidated statement of financial position as at 31 December 2019, 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 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

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

致博華太平洋國際控股有限公司股東
(於百慕達註冊成立的有限公司)

意見

我們已審計列載於第61至195頁的博華太平洋國際控股有限公司(「**貴公司**」)及其附屬公司(以下統稱「**貴集團**」)的綜合財務報表，包括於二零一九年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，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 貴集團於二零一九年十二月三十一日的綜合財務狀況以及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1 to the consolidated financial statements which indicates that the Group incurred a net loss of HK\$3,904 million during the year ended 31 December 2019 and, as of that date, had net current liabilities of HK\$4,675 million and capital commitments of HK\$545 million as disclosed in note 33(a) to the consolidated financial statements.

We also draw attention to note 34(b) to the consolidated financial statements which indicates that the principal subsidiary of the Group that holds the gaming license is subject to regulatory oversight in respect of its compliance with the relevant laws and regulations including, inter alia, the Bank Secrecy Act ("BSA"). Subsequent to the end of the reporting period, this subsidiary received a letter from the Financial Crimes Enforcement Network ("FinCEN") of the US Department of the Treasury dated 4 March 2020, which indicated that there were apparent violations of the BSA and its implementing regulations based on its prior examination, and has requested the subsidiary to provide certain information and documents relevant to its compliance with these regulatory requirements from 2016 and up to the current date, before FinCEN evaluates the assessment of any civil money penalties or to take additional enforcement action. The Group is in the process of preparing for the required information and documents for submission to FinCEN.

These conditions, along with other matters as set forth in notes 2.1 and 34(b), indicate the existence of a material uncertainty which 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.

與持續經營相關的重大不明朗因素

我們注意到綜合財務報表附註2.1，當中顯示 貴集團於截至二零一九年十二月三十一日止年度產生虧損淨額39億400萬港元及截至該日的流動負債淨額46億7,500萬港元以及綜合財務報表附註33(a)所披露之資本承擔5億4,500萬港元。

我們亦注意到綜合財務報表附註34(b)，當中顯示 貴集團持有博彩牌照之主要附屬公司就其遵守相關法律及法規(其中包括銀行保密法(「銀行保密法」))受到規管監督。於報告期末後，該附屬公司接獲美國財政部金融罪行執法網絡(「金融罪行執法網絡」)所發出日期為二零二零年三月四日之函件，指出根據先前進行之調查存在可能違反銀行保密法及其實施條例之情況，並要求該附屬公司提供自二零一六年至今與遵守此等監管規定有關之若干資料及文件後，金融罪行執法網絡方會評估是否施加任何民事罰款或採取其他執法行動。 貴集團現正準備將向金融罪行執法網絡提交之所需資料及文件。

該等情況連同附註2.1及34(b)所載其他事宜，反映存在重大不明朗因素可能對 貴集團繼續持續經營的能力構成重大疑問。我們並無就該事宜修訂我們的意見。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

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

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在對綜合財務報表整體進行審計並形成意見的背景下進行處理的，我們不對這些事項提供單獨的意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

除「與持續經營相關的重大不明朗因素」所述之事宜外，我們已釐定下文所述事宜為須於我們報告內傳達之關鍵審計事項。

我們已經履行了本報告「核數師就審計綜合財務報表承擔的責任」部分闡述的責任，包括與這些關鍵審計事項相關的責任。相應地，我們的審計工作包括執行為應對評估綜合財務報表的重大錯誤陳述風險而設計的審計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為綜合財務報表整體發表審計意見提供了基礎。

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key audit matter

How our audit addressed the key audit matter

關鍵審計事項

我們的審計應對關鍵審計事項的方式

Impairment of trade receivables

應收貿易賬款減值

The carrying value of the Group's trade receivables as at 31 December 2019 amounted to HK\$2,125 million, representing 20.9% of the Group's total assets as at 31 December 2019. The loss allowance charged to the profit and loss account for the year was HK\$2,323 million, and the cumulative loss allowance of trade receivables carried as at 31 December 2019 was HK\$6,961 million. The loss allowance for the impairment of trade receivables is maintained to reduce the Group's trade receivables to their estimated recoverable amounts. Management evaluates the estimated loss allowance based on historical repayment behavior of debtors, ageing profile, availability of collaterals in front money and/or guarantee deposits, specific information on individual customers as well as experience with collection trends in the casino industry, and current economic and business conditions. The management's continued refinement of the impairment of trade receivables based on known customer information and changes in a region's economy or legal system can provide a significant change in estimate between periods.

貴集團應收貿易賬款於二零一九年十二月三十一日之賬面值為21億2,500萬港元，佔 貴集團於二零一九年十二月三十一日之資產總值20.9%。年內於損益賬內扣除之虧損撥備為23億2,300萬港元，而於二零一九年十二月三十一日之應收貿易賬款累計虧損撥備則為69億6,100萬港元。應收貿易賬款維持減值虧損撥備旨在將 貴集團之應收貿易賬款削減至估計可收回金額。管理層根據債務人過往之還款行為、賬齡情況、預付款及／或保證金之可用抵押品、個別客戶之特定資料、娛樂場行業常見收賬情況之經驗以及當前經濟及業務狀況衡量估計虧損撥備。管理層根據已知客戶資料持續對應收貿易賬款減值作出之精進調整，以及一個地區之經濟或法律制度出現之變動均可能令不同期間之估計出現重大變化。

In assessing the adequacy of the loss allowance for the impairment on the trade receivables, we test checked the accuracy of the ageing profile, reviewed the historical repayment records, considered the availability of collaterals and performed searches on specific customer's information. We have also re-calculated the loss allowance for expected credit losses of trade receivables using management's model and assessed the adequacy of the loss allowance and disclosures in the consolidated financial statements.

於評估應收貿易賬款之減值虧損撥備足夠與否時，我們測試及核查賬齡情況之準確度、審閱過往還款記錄、考慮抵押品之可用性並對特定客戶資料進行搜查。我們亦使用管理層之模式重新計算應收貿易賬款之預期信貸虧損之虧損撥備，並評估虧損撥備及綜合財務報表內之披露事項足夠與否。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key audit matter

How our audit addressed the key audit matter

關鍵審計事項

我們的審計應對關鍵審計事項的方式

We identified the impairment assessment of the trade receivables as a key audit matter because of (i) the material amounts involved, and (ii) the significant judgement and assumptions involved in the determination of loss allowance under the expected credit losses model.

我們將應收貿易賬款之減值評估識別為關鍵審計事項，乃由於(i)當中涉及之重大金額；及(ii)在釐定預期信貸虧損模式下之虧損撥備時涉及之重大判斷及假設。

The Group's accounting policies and disclosures on trade receivables and loss allowance for expected credit losses are set out in notes 2.5, 3 and 19 to the consolidated financial statements. 貴集團有關應收貿易賬款以及預期信貸虧損之虧損撥備之會計政策及披露載於綜合財務報表附註2.5、3及19。

Capitalisation of costs into construction in progress

成本於在建工程中資本化

The Group commenced the construction of the Imperial Pacific Resort Hotel•Saipan in July 2015. For the year ended 31 December 2019, additions to construction in progress amounted to approximately HK\$709 million, and the carrying amount was HK\$3,935 million as at the end of the reporting period.

貴集團於二零一五年七月開始興建博華塞班度假村酒店。截至二零一九年十二月三十一日止年度，添置在建工程約為7億900萬港元，於報告期末之賬面值為39億3,500萬港元。

We identified the capitalisation of costs into construction in progress as a key audit matter because of (i) the material amounts involved; and (ii) the significant judgement involved in the identification of overheads and interest expenses directly attributable to the construction activities.

我們將成本於在建工程中資本化識別為關鍵審計事項，乃由於(i)當中涉及之重大金額；及(ii)在識別建築活動融資直接應佔之費用及利息支出時涉及之重大判斷。

We test checked the significant additions of the construction in progress in the year by agreeing to contracts, invoices and payments, and assessed the bases of capitalisation of overheads and interest expenses directly attributable to the finance of the construction activities. We also reviewed the third-party surveyor's reports on the certified construction values and the project's progress.

我們藉同意合約、發票及付款測試及檢查重大添置在建工程，亦評估將建築活動融資直接應佔之費用及利息支出资本化之基礎。我們亦審閱第三方測量師就評估建築價值及項目進度所發出之報告。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key audit matter

How our audit addressed the key audit matter

關鍵審計事項

我們的審計應對關鍵審計事項的方式

The Group's accounting policies and disclosures on construction in progress are set out in notes 2.5 and 13 to the consolidated financial statements.

貴集團有關在建工程之會計政策及披露載於綜合財務報表附註2.5及13。

Assistance in investigation by Federal Government Authorities 協助聯邦政府機構進行調查

As disclosed in note 34(c) to the consolidated financial statements, the Company had previously made an announcement that a subsidiary of the Company in Saipan, the Commonwealth of Northern Mariana Islands, has assisted in an investigation by the Federal Government Authorities, and provided relevant information and documents as required by the Federal Government Authorities. 誠如綜合財務報表附註34(c)所披露，貴公司先前公佈貴公司之北馬里亞納群島聯邦塞班島附屬公司協助聯邦政府機構進行調查，並提供聯邦政府機構要求之相關資料及文件。

As at the date of issuance of these consolidated financial statements, the investigation by the Federal Government Authorities is still ongoing.
於此等綜合財務報表刊發日期，聯邦政府機構仍在進行調查。

The Group has engaged external legal counsels to conduct an independent investigation on the documents and information submitted and to be submitted to the authorities (the "Independent Investigation").

貴集團已委聘外聘法律顧問對已經及將向機構提交之文件及資料進行獨立調查（「獨立調查」）。

We assessed the competence, objectivity and independence of the external surveyors.

我們評估該外聘測量師之能力、客觀性及獨立性。

We also assessed the adequacy of the Group's disclosures regarding the construction in progress including the capital commitments at the end of the reporting period.

我們亦評估貴集團於報告期末就在建工程（包括資本承擔）所作披露足夠與否。

We made enquiries of appropriate personnel within the Group to understand the Group's approach to managing the risks arising from the matter.

我們向貴集團適當人員作出查詢，以瞭解貴集團管理此事宜所產生風險之方針。

We discussed with the Audit Committee and the Group's internal and external legal counsels, to understand the scope, approach and findings of the Independent Investigation. We involved our internal forensic specialists in these discussions.

我們與審核委員會以及貴集團內部及外聘法律顧問討論，以瞭解獨立調查之範圍、方針及結果。我們邀請內部法證專家參與討論。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key audit matter

How our audit addressed the key audit matter

關鍵審計事項

我們的審計應對關鍵審計事項的方式

We identified this event as a key audit matter because the outcome of the investigation can lead to fines, penalties or other implications to the Group's business operations.

我們將此事件識別為關鍵審計事項，乃由於調查結果或會導致徵收罰款、處罰或對 貴集團業務營運構成其他影響。

The Group's accounting policies and disclosures are set out in notes 2.5 and 34(c) to the consolidated financial statements.

貴集團之會計政策及披露載於綜合財務報表附註2.5及34(c)。

We assessed the competence, objectivity and independence of the external legal counsels.

我們評估該外聘法律顧問之能力、客觀性及獨立性。

We also assessed the adequacy of the Group's disclosures regarding this matter in the consolidated financial statements.

我們亦評估 貴集團就此於綜合財務報表所作披露足夠與否。

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

刊載於年度報告內其他信息

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

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

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.

就我們對綜合財務報表的審計而言，我們的責任是閱讀其他資料，並在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所瞭解的情況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。

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事就綜合財務報表須承擔的責任

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

在擬備綜合財務報表時，貴公司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，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助貴公司董事履行監督貴集團財務報告過程的職責。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的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。我們遵照百慕達一九八一年公司法第90條僅對全體股東作出報告，除此以外，本報告並無其他用途。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，但並非保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

Independent Auditor's Report

獨立核數師報告

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

(Continued)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審計綜合財務報表承擔的責任 (續)

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，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。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的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，則我們應當修訂我們的意見。我們的結論是基於截至核數師報告日期所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。

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

(Continued)

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

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

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

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

核數師就審計綜合財務報表承擔的責任 (續)

- 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。

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不足之處。

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

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

Independent Auditor's Report

獨立核數師報告

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

(Continued)

The engagement partner on the audit resulting in this independent auditor's report is Paul Kai Lung Go.

核數師就審計綜合財務報表承擔的責任 (續)

出具本獨立核數師報告的審計項目合夥人是吳繼龍。

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

31 March 2020

安永會計師事務所
執業會計師
香港中環
添美道1號
中信大廈22樓

二零二零年三月三十一日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		Notes	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		附註		
Revenue	收益	5	539,266	3,254,587
Cost of sales	銷售成本		(219,456)	(339,512)
Gross profit	毛利		319,810	2,915,075
Other income, gains and losses, net	淨其他收入、收益及虧損		29,134	(25,788)
Selling and marketing expenses	銷售及市場推廣開支		(14,032)	(27,834)
Operating and administrative expenses	經營及行政開支		(1,164,696)	(1,651,920)
Impairment losses recognised for trade receivables, net	確認應收貿易賬款之減值虧損淨額	19	(2,322,910)	(4,355,689)
Share-based payments	以股份為基礎之付款開支		(6,805)	(17,298)
Finance costs	財務費用	7	(362,974)	(257,857)
Share of loss of a joint venture	應佔一間合營企業虧損		(4,852)	–
LOSS BEFORE TAX	除稅前虧損	6	(3,527,325)	(3,421,311)
Income tax credit/(expense)	所得稅抵免/(開支)	10	(376,945)	456,288
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司持有人應佔年內虧損		(3,904,270)	(2,965,023)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

Year ended 31 December 2019

截至二零一九年十二月三十一日止年度

	Note	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(28,464)	4,006
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		(28,464)	4,006
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
— Change in fair value		(9,998)	(63,993)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		(9,998)	(63,993)
OTHER COMPREHENSIVE LOSS FOR THE YEAR		(38,462)	(59,987)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		(3,942,732)	(3,025,010)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	12	HK(2.73) cents 港仙	HK(2.07) cents 港仙

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2019
二零一九年十二月三十一日

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	13	物業、廠房及設備	7,317,813	6,447,398
Prepaid land lease payments	14(a)	預付土地租賃款項	–	178,292
Investment in a joint venture	15	於一間合營企業之投資	149,283	–
Prepayments, deposits and other receivables	16	預付款項、按金及其他應收款項	29,069	203,784
Equity investments designated at fair value through other comprehensive income	17	指定為按公允價值計入其他全面收入之股本投資	8,473	18,471
Trade receivables	19	應收貿易賬款	–	113,341
Deferred tax assets	28	遞延稅項資產	–	513,181
Total non-current assets		非流動資產總值	7,504,638	7,474,467
CURRENT ASSETS		流動資產		
Prepaid land lease payments	14(a)	預付土地租賃款項	–	4,540
Inventories	18	存貨	23,466	36,840
Trade receivables	19	應收貿易賬款	2,124,660	4,866,395
Prepayments, deposits and other receivables	16	預付款項、按金及其他應收款項	346,362	226,136
Derivative financial asset	23	衍生金融資產	–	24
Restricted bank deposit	20	受限制銀行存款	44,621	55,687
Cash and cash equivalents	20	現金及現金等值物	100,497	58,153
Total current assets		流動資產總值	2,639,606	5,247,775
CURRENT LIABILITIES		流動負債		
Trade payables	21	應付貿易賬款	77,023	91,739
Other payables and accruals	22	其他應付款項及應計款項	5,266,054	5,782,782
Derivative financial liabilities	23	衍生金融負債	–	1
Loans from related parties	24	來自關聯方之貸款	–	125,398
Other borrowings	25	其他借款	1,381,645	2,962,525
Convertible bonds	26	可換股債券	–	48,879
Unsecured bonds and notes	27	無抵押債券及票據	480,357	747,777
Loans from a joint venture	15	來自一間合營企業之貸款	10,046	–
Tax payable		應付稅項	99,063	236,353
Total current liabilities		流動負債總額	7,314,188	9,995,454
NET CURRENT LIABILITIES		流動負債淨額	(4,674,582)	(4,747,679)
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債	2,830,056	2,726,788

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2019
二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Other payables and accruals	其他應付款項及應計款項	22	418,157	212,772
Loans from related parties	來自關聯方之貸款	24	–	448,816
Other borrowings	其他借款	25	2,114,092	–
Unsecured bonds and notes	無抵押債券及票據	27	176,894	1,174,947
Total non-current liabilities	非流動負債總額		2,709,143	1,836,535
NET ASSETS	資產淨值		120,913	890,253
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	29	71,492	71,492
Reserves	儲備	31	49,421	818,761
Total equity	總權益		120,913	890,253

Cui Li Jie
崔麗杰
Director
董事

Xia Yuki Yu
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司持有人應佔								
Note	Share capital	Convertible notes reserve	Share premium account	Share option reserve	Exchange reserve	Other reserve	Investment reserve (non-recycling)	Accumulated losses	Total equity	
附註	股本 HK\$'000 千港元	可換股票據儲備 HK\$'000 千港元 (note 26) (附註26)	股份溢價賬 HK\$'000 千港元	購股權儲備 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	其他儲備 HK\$'000 千港元 (note 31) (附註31)	投資儲備 (不可轉回) HK\$'000 千港元	累計虧損 HK\$'000 千港元	總權益 HK\$'000 千港元	
At 1 January 2018	於二零一八年一月一日	71,492	1,480,332	2,265,796	70,792	34,368	–	(33,589)	(36,226)	3,852,965
Loss for the year	年內虧損	–	–	–	–	–	–	–	(2,965,023)	(2,965,023)
Other comprehensive income/(loss) for the year:	年內其他全面收入/(虧損):									
Changes in fair value of equity investments designated at fair value through other comprehensive income, net	指定為按公允價值計入其他全面收入之股本投資之公允價值變動淨額	–	–	–	–	–	–	(63,993)	–	(63,993)
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	–	–	–	–	4,006	–	–	–	4,006
Total comprehensive income/(loss) for the year	年內全面收入/(虧損)總額	–	–	–	–	4,006	–	(63,993)	(2,965,023)	(3,025,010)
Equity-settled share option arrangements	權益結算購股權安排	–	–	–	17,298	–	–	–	–	17,298
Transfer of reserve upon the lapse of share options	購股權失效時轉移儲備	–	–	–	(14,872)	–	–	–	14,872	–
Deemed capital contribution from a shareholder	視為一名股東出資	–	–	–	–	–	45,000	–	–	45,000
At 31 December 2018	於二零一八年十二月三十一日	71,492	1,480,332*	2,265,796*	73,218*	38,374*	45,000*	(97,582)*	(2,986,377)*	890,253

		Attributable to owners of the Company 本公司持有人應佔									
Notes	Share capital	Convertible notes reserve	Share premium account	Share option reserve	Exchange reserve	Other reserve	Perpetual loans	Investment reserve (non-recycling)	Accumulated losses	Total equity	
附註	股本 HK\$'000 千港元	可換股票據儲備 HK\$'000 千港元 (note 26) (附註26)	股份溢價賬 HK\$'000 千港元	購股權儲備 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	其他儲備 HK\$'000 千港元 (note 31) (附註31)	永續貸款 HK\$'000 千港元 (note 31) (附註31)	投資儲備 (不可轉回) HK\$'000 千港元	累計虧損 HK\$'000 千港元	總權益 HK\$'000 千港元	
At 1 January 2019	於二零一九年一月一日	71,492	1,480,332	2,265,796	73,218	38,374	45,000	–	(97,582)	(2,986,377)	890,253
Loss for the year	年內虧損	–	–	–	–	–	–	–	–	(3,904,270)	(3,904,270)
Other comprehensive loss for the year:	年內其他全面虧損:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net	指定為按公允價值計入其他全面收入之股本投資之公允價值變動淨額	–	–	–	–	–	–	–	(9,998)	–	(9,998)
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	–	–	–	–	(28,464)	–	–	–	(28,464)	
Total comprehensive loss for the year	年內全面虧損總額	–	–	–	–	(28,464)	–	–	(9,998)	(3,904,270)	(3,942,732)
Equity-settled share option arrangements	權益結算購股權安排	–	–	–	6,805	–	–	–	–	6,805	
Transfer of reserve upon the lapse of share options	購股權失效時轉移儲備	–	–	–	(2,264)	–	–	–	–	2,264	
Deemed capital contribution from a shareholder	視為一名股東出資	–	–	–	–	–	54,277	–	–	54,277	
Reclassification upon amendment of payment clauses of notes and borrowings	修訂票據及借款之付款條款時重新分類	–	–	–	–	–	3,112,310	–	–	3,112,310	
At 31 December 2019	於二零一九年十二月三十一日	71,492	1,480,332*	2,265,796*	77,759*	9,910*	99,277*	3,112,310*	(107,580)*	(6,888,383)*	120,913

* These reserve accounts comprise the consolidated reserves of HK\$49,421,000 (2018: HK\$818,761,000) in the consolidated statement of financial position.

* 此等儲備賬目包括綜合財務狀況表內之綜合儲備 49,421,000 港元 (二零一八年: 818,761,000 港元)。

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2019

截至二零一九年十二月三十一日止年度

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	來自經營業務之現金流量		
Loss before tax	除稅前虧損	(3,527,325)	(3,421,311)
Adjustments for:	調整項目：		
Finance costs	財務費用	7 362,974	257,857
Share of loss of a joint venture	應佔一間合營企業虧損	15 4,852	–
Bank interest income	銀行利息收入	6 (2)	(1)
Dividend income from equity investments designated at fair value through other comprehensive income	來自指定為按公允價值計入其他全面收入之股本投資之股息收入	6 (544)	(537)
Loss on disposal/write-off of property, plant and equipment, net	出售／撇銷物業、廠房及設備之虧損淨額	6 807	26,999
Gain on termination of leases	終止租賃之收益	6 (232)	–
Fair value loss/(gain) on derivative financial instruments, net	衍生金融工具之公允價值虧損／(收益)淨額	6 23	(46)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6 208,865	167,312
Depreciation of right-of-use assets	使用權資產折舊	6 33,069	–
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	6 –	4,263
Impairment of prepayments for acquisition of non-current assets	購置非流動資產之預付款項之減值	6 –	132,395
Impairment losses recognised for trade receivables, net	確認應收貿易賬款之減值虧損淨額	19 2,322,910	4,355,689
Share-based payments	以股份為基礎之付款開支	6 6,805	17,298
Foreign exchange losses/(gains) on financing activities	融資活動之匯兌虧損／(收益)	(10,425)	16,919
		(598,223)	1,556,837
Decrease/(increase) in inventories	存貨減少／(增加)	13,243	(11,012)
Increase in trade receivables	應收貿易賬款增加	(345,802)	(776,712)
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)	52,824	(3,678)
Increase/(decrease) in trade payables	應付貿易賬款增加／(減少)	(13,640)	12,663
Increase/(decrease) in other payables and accruals	其他應付款項及應計款項增加／(減少)	278,773	(958,216)
Cash used in operations	營運所用之現金	(612,825)	(180,118)
Overseas taxes paid	已付海外稅項	–	(6,180)
Net cash flows used in operating activities	經營業務所用之現金流量淨額	(612,825)	(186,298)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES	來自投資業務之現金流量		
Bank interest received	已收銀行利息	2	1
Dividends received from equity investments designated at fair value through other comprehensive income	來自指定為按公允價值計入其他 全面收入之股本投資之 已收股息	544	537
Purchases of items of property, plant and equipment	購買物業、廠房及 設備項目	(478,513)	(1,226,120)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及 設備項目之所得款項	-	2,239
Decrease/(increase) in restricted bank deposit	受限制銀行存款減少/(增加)	11,066	(55,687)
Net cash flows used in investing activities	投資業務所用之現金流量淨額	(466,901)	(1,279,030)

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2019

截至二零一九年十二月三十一日止年度

	Note	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	附註		
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of unsecured bonds		-	32,795
Proceeds from other borrowings		2,758,404	1,870,072
Repayment of other borrowings		(1,357,928)	(803,166)
Proceeds from loans from related parties		246,837	403,000
Repayment of loans from related parties		(302,160)	(182,925)
Proceeds from loans from a joint venture			
		10,046	-
Redemption of convertible bonds	26	(50,000)	-
Principal portion of lease payments		(27,725)	-
Interest paid		(155,226)	(81,423)
Net cash flows from financing activities		1,122,248	1,238,353
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents		42,522	(226,975)
at beginning of year		58,153	284,520
Effect of foreign exchange rate changes, net		(178)	608
CASH AND CASH EQUIVALENTS AT END OF YEAR		100,497	58,153
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		100,497	58,153

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2019
二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

Imperial Pacific International Holdings Limited (the “**Company**”) was incorporated in Bermuda as an investment holding company with limited liability under the Companies Act 1981 of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business is located at Suites 7001, 7002, 7014–7016, 70/F., Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong. The Company’s shares are listed on The Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

During the year, the Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the gaming and resort business, including the development of an integrated resort on the Island of Saipan, Commonwealth of the Northern Mariana Islands (“**CNMI**”).

In the opinion of the directors of the Company (the “**Directors**”), Inventive Star Limited (“**Inventive Star**”), a company incorporated in the British Virgin Islands, is the ultimate holding company of the Company and Ms. Cui Li Jie (“**Ms. Cui**”) is the ultimate controlling party.

1. 公司及集團資料

博華太平洋國際控股有限公司(「**本公司**」)乃根據百慕達一九八一年公司法於百慕達註冊成立為投資控股有限公司。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda，而其主要營業地點為香港中環金融街8號國際金融中心二期70樓7001、7002、7014–7016室。本公司股份於香港聯合交易所有限公司(「**聯交所**」)主板上市。

年內，本公司及其附屬公司(統稱「**本集團**」)主要從事博彩及度假村業務，包括發展北馬里亞納群島聯邦(「**北馬里亞納**」)塞班島綜合度假村。

本公司董事(「**董事**」)認為，Inventive Star Limited(「**Inventive Star**」，一間於英屬處女群島註冊成立之公司)為本公司最終控股公司，而崔麗杰女士(「**崔女士**」)為最終控制人。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2019
二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

1. 公司及集團資料(續)

有關附屬公司之資料

本公司主要附屬公司之詳情如下：

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered capital 已發行普通/ 註冊資本	Percentage of equity attributable to the Company 本公司應佔權益之百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Best Sunshine International Limited 佳曦國際有限公司	British Virgin Islands 英屬處女群島	US\$100 100美元	100 100	–	Investment holding 投資控股
Best Fortune Corporation Limited ("Best Fortune") 振裕興業有限公司(「振裕興業」)	Hong Kong 香港	HK\$1 1港元	100 100	–	Provision of management and consultancy services 提供管理及諮詢服務
New Praise Ventures Limited	British Virgin Islands	US\$1	100	–	Provision of management and consultancy services
New Praise Ventures Limited	英屬處女群島	1美元	100	–	提供管理及諮詢服務
Imperial Pacific International (CNMI), LLC ("IPI")	CNMI	US\$100	–	100	Development and operation of a hotel and casino resort
Imperial Pacific International (CNMI), LLC (「IPI」)	北馬里亞納	100美元	–	100	發展及營運酒店及 娛樂場度假村
Imperial Pacific Properties, LLC	CNMI	US\$100	–	100	Holding of leasehold land in Saipan
Imperial Pacific Properties, LLC	北馬里亞納	100美元	–	100	於塞班島持有租賃土地
East Gain Global Holdings Limited	British Virgin Islands	US\$1	100	–	Investment holding
East Gain Global Holdings Limited	英屬處女群島	1美元	100	–	投資控股
East Gain Global (CNMI) Limited	CNMI	US\$100	–	100	Holding of leasehold land in Saipan
East Gain Global (CNMI) Limited	北馬里亞納	100美元	–	100	於塞班島持有租賃土地
Oceanic Choice Limited	British Virgin Islands	US\$1	100	–	Holding of aircraft
Oceanic Choice Limited	英屬處女群島	1美元	100	–	持有飛機
Pride Keen Limited	British Virgin Islands	US\$1	100	–	Holding of yachts
傲建有限公司	英屬處女群島	1美元	100	–	持有遊艇
Rich Surplus Ventures Limited	British Virgin Islands	US\$1	100	–	Investment holding
Rich Surplus Ventures Limited	英屬處女群島	1美元	100	–	投資控股

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2019
二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

1. 公司及集團資料(續)

有關附屬公司之資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered capital 已發行普通/ 註冊資本	Percentage of equity attributable to the Company 本公司應佔權益之百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Rich Surplus Ventures (CNMI), LLC	CNMI	US\$100	–	100	Holding of leasehold land in Saipan
Rich Surplus Ventures (CNMI), LLC	北馬里亞納	100美元	–	100	於塞班島持有租賃土地
Colour Palace Investments Limited	British Virgin Islands	US\$1	100	–	Investment holding
Colour Palace Investments Limited	英屬處女群島	1美元	100	–	投資控股
Colour Palace CNMI LLC	CNMI	US\$100	–	100	Holding of leasehold land in Saipan
Colour Palace CNMI LLC	北馬里亞納	100美元	–	100	於塞班島持有租賃土地
Imperial Pacific Macau Limited	Macau	MOP25,000	–	100	Marketing and promotion of a hotel and casino resort
博華太平洋澳門有限公司	澳門	25,000澳門元	–	100	市場推廣及宣傳酒店及娛樂場度假村
Imperial Consultancy Macau Limited	Macau	MOP25,000	–	100	Marketing and consultancy services
博華顧問澳門一人有限公司	澳門	25,000澳門元	–	100	市場推廣及諮詢服務
Ideal Best Limited	British Virgin Islands	US\$1	100	–	Investment holding
Ideal Best Limited	英屬處女群島	1美元	100	–	投資控股
Ideal Best (CNMI), LLC	CNMI	US\$100	–	100	Holding of leasehold land in Saipan
Ideal Best (CNMI), LLC	北馬里亞納	100美元	–	100	於塞班島持有租賃土地
Green Estate Holdings Limited	British Virgin Islands	US\$1	100	–	Investment holding
Green Estate Holdings Limited	英屬處女群島	1美元	100	–	投資控股
Green Estate Holdings (CNMI), LLC	CNMI	US\$100	–	100	Holding of leasehold land in Saipan
Green Estate Holdings (CNMI), LLC	北馬里亞納	100美元	–	100	於塞班島持有租賃土地
Keen State Global Limited	British Virgin Islands	US\$1	100	–	Investment holding
Keen State Global Limited	英屬處女群島	1美元	100	–	投資控股

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2019
二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(Continued)

Information about subsidiaries (Continued)

1. 公司及集團資料(續)

有關附屬公司之資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 登記及營業地點	Issued ordinary/ registered capital 已發行普通/ 註冊資本	Percentage of equity attributable to the Company 本公司應佔權益之百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Keen State Global (CNMI), LLC	CNMI	US\$100	-	100	Holding of leasehold land in Saipan
Keen State Global (CNMI), LLC	北馬里亞納	100美元	-	100	於塞班島持有租賃土地
Leading Chief Limited	British Virgin Islands	US\$1	100	-	Investment holding
Leading Chief Limited	英屬處女群島	1美元	100	-	投資控股
Leading Chief (CNMI), LLC	CNMI	US\$100	-	100	Holding of leasehold land in Saipan
Leading Chief (CNMI), LLC	北馬里亞納	100美元	-	100	於塞班島持有租賃土地
Proper Grand Limited	British Virgin Islands	US\$1	100	-	Investment holding
Proper Grand Limited	英屬處女群島	1美元	100	-	投資控股
Proper Grand (CNMI) LLC	CNMI	US\$100	-	100	Holding of leasehold land in Saipan
Proper Grand (CNMI) LLC	北馬里亞納	100美元	-	100	於塞班島持有租賃土地
Unity Sense Limited	British Virgin Islands	US\$1	100	-	Investment holding
Unity Sense Limited	英屬處女群島	1美元	100	-	投資控股
Unity Sense (CNMI) LLC	CNMI	US\$100	-	100	Holding of leasehold land in Saipan
Unity Sense (CNMI) LLC	北馬里亞納	100美元	-	100	於塞班島持有租賃土地
Metro Time Limited	British Virgin Islands	US\$1	100	-	Investment holding
Metro Time Limited	英屬處女群島	1美元	100	-	投資控股
Metro Time (CNMI), LLC	CNMI	US\$100	-	100	Holding of leasehold land in Saipan
Metro Time (CNMI), LLC	北馬里亞納	100美元	-	100	於塞班島持有租賃土地

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

董事認為，上表所載列之本公司附屬公司對本年度業績影響重大或構成本集團資產淨值之主要部分。董事認為，詳述其他附屬公司將導致所述資料過於冗長。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2019
二零一九年十二月三十一日

2.1 BASIS OF PRESENTATION

Despite that the Group reported a net loss of HK\$3,904,270,000 for the year ended 31 December 2019 and had net current liabilities of HK\$4,674,582,000 and capital commitments of HK\$544,960,000 as at 31 December 2019 as detailed in note 33(a) to the consolidated financial statements, and the expected impact from the coronavirus disease 2019 (“COVID-19”) pandemic, which has also resulted in the temporary closure of its casino operation in Saipan, as further disclosed in note 40(a) to the consolidated financial statements, the Directors consider that the Group will have adequate funds available to enable it to operate as a going concern, based on the Group’s business forecast and cash flow projection which, inter alia, take into account the past actual operating performance of the Group and the following:

- (a) subsequent to the end of the reporting period, the Company has raised new unsecured loans for an aggregate amount of HK\$192,174,000 from independent third parties, which are repayable in 2021;
- (b) subsequent to the end of the reporting period, on 20 March 2020, the Company has entered into a deed of settlement with Hao Tian Development Group Limited, an independent third party and a note holder of the Company, to renew unsecured note amount of US\$30,000,000 (equivalent to HK\$233,670,000) and accrued interest of US\$2,550,000 (equivalent to HK\$19,862,000) outstanding as at 31 December 2019 which were originally due for redemption in January 2020. Pursuant to the deed of settlement, the refinanced note amount is US\$32,550,000 (equivalent to HK\$253,532,000), interest-bearing at 10.5% per annum and repayable in April 2021;

2.1 呈列基準

儘管誠如綜合財務報表附註33(a)所詳述本集團截至二零一九年十二月三十一日止年度錄得虧損淨額3,904,270,000港元，而於二零一九年十二月三十一日之流動負債淨額為4,674,582,000港元及資本承擔為544,960,000港元，加上綜合財務報表附註40(a)所進一步披露2019冠狀病毒病(「COVID-19」)疫情之預期影響導致其塞班島娛樂場暫時停業，惟董事認為根據本集團之業務預測及現金流量預測，本集團將有足夠資金使其以持續經營方式經營，並已計及(其中包括)本集團過往實際經營表現及下列各項因素：

- (a) 於報告期末後，本公司自獨立第三方籌得新無抵押貸款總額192,174,000港元，須於二零二一年償還；
- (b) 於報告期末後，於二零二零年三月二十日，本公司與獨立第三方兼本公司票據持有人昊天發展集團有限公司訂立和解契據，以重續於二零一九年十二月三十一日未償還之無抵押票據金額30,000,000美元(相當於233,670,000港元)及應計利息2,550,000美元(相當於19,862,000港元)，該等票據原先於二零二零年一月到期贖回。根據和解契據，再融資票據金額為32,550,000美元(相當於253,532,000港元)，按年利率10.5厘計息及須於二零二一年四月償還；

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2019

二零一九年十二月三十一日

2.1 BASIS OF PRESENTATION (Continued)

- (c) subsequent to the end of the reporting period, the Company has agreed with its lenders and another note holder to renew certain loan and note amounts of HK\$1,371,042,000 outstanding as at 31 December 2019 which were originally due for repayment in 2020, and extended the repayment tenure to 2021;
- (d) as at the end of the reporting period, the Company has unutilised credit facility of US\$350,000,000 (equivalent to HK\$2,726,150,000) from an independent third party. The total facility amount is US\$500,000,000 (equivalent to HK\$3,894,500,000), of which an amount of US\$150,000,000 (equivalent to HK\$1,168,350,000) was drawn down during the year and outstanding as at the end of the reporting period;
- (e) subsequent to the end of the reporting period, the Company has obtained unsecured credit facilities in an aggregate amount of HK\$1,290,000,000 from certain independent third parties;
- (f) Inventive Star and other related parties have undertaken to provide additional funding to finance the Group's operations and capital investments as and when necessary;
- (g) the management will consider other financing arrangements with a view to increasing the Group's capitalisation/equity; and
- (h) the management will continue to refinance and/or roll-over the Group's existing loans with a view to improving the Group's liquidity.

2.1 呈列基準(續)

- (c) 於報告期末後，本公司與其貸款人及另一名票據持有人協定重續於二零一九年十二月三十一日未償還之若干貸款及票據金額1,371,042,000港元，該等款項原先於二零二零年到期償還，其還款期延至二零二一年；
- (d) 於報告期末，本公司有來自一名獨立第三方之未動用信貸融資額350,000,000美元(相當於2,726,150,000港元)。融資總金額為500,000,000美元(相當於3,894,500,000港元)，其中150,000,000美元(相當於1,168,350,000港元)已於年內提取及於報告期末尚未償還；
- (e) 於報告期末後，本公司自若干獨立第三方取得無抵押信貸融資總額1,290,000,000港元；
- (f) Inventive Star及其他關聯方已承諾於必要時提供額外資金以撥資本集團營運及資本投資；
- (g) 管理層將考慮其他融資安排，務求增加本集團之市值／權益；及
- (h) 管理層會繼續將本集團現有貸款進行再融資及／或延期以改善本集團之流動資金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 December 2019
二零一九年十二月三十一日

2.1 BASIS OF PRESENTATION (Continued)

The Directors believe that, taking into account the above factors, the Group will have sufficient working capital to satisfy its present requirements for at least the next 12 months from the end of the reporting period. However, should the above financing be unavailable, the Group may be unable to continue as a going concern, in which case adjustments might have to be made to the carrying values of the Group's assets to state them at their realisable values, to provide for any further liabilities which might arise and to reclassify its non-current assets and non-current liabilities to current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

Compliance with Casino License Agreement

As disclosed in the note 34(b) to the consolidated financial statements, the Group was subject to a Bank Secrecy Act ("BSA") compliance examination during 2017 by the Financial Crimes Enforcement Network ("FinCEN"). Subsequent to the end of the reporting period, the Group received a letter from the FinCEN dated 4 March 2020, which requested the Group to provide certain information and documents relevant to compliance with the BSA requirements from October 2016 through the present. FinCEN has indicated in the letter that there were apparent violations of the BSA and its implementing regulations and it is considering whether to impose civil money penalty or take additional enforcement action against the Group. As of the date of issuance of these financial statements, the Group is still in the process of preparing for the required information and documents. The Directors believe it is not practicable for the Company to accurately predict the resolution of this matter, including timing or any possible impact to the Group. Notwithstanding the aforesaid, the Directors have made a provision for the estimated civil money penalty in respect of the identified and potential violations, and the Group has been and is under normal operation, save for the temporary closure of its casino operation in Saipan due to the COVID-19 outbreak as further disclosed in note 40(a) to the consolidated financial statements. Based on the Group's external and internal legal counsel's advice, the Directors believe that the ongoing investigation would not result in a material breach ("Material Breach") of the provisions of the Group's Casino License Agreement ("CLA") or the Commonwealth Casino Commission ("CCC")'s regulations.

2.1 呈列基準(續)

董事經考慮上述因素後認為，本集團將有充裕營運資金應付其自報告期末起計未來至少12個月之現時需求。然而，如若無法取得上述融資，本集團可能無法按持續經營基準繼續營運，於此情況下，或需對本集團資產之賬面值作出調整，使其賬面值按其可變現價值列賬，以為可能進一步產生之負債計提撥備及將其非流動資產及非流動負債分別重新分類至流動資產及流動負債。該等調整之影響並無於綜合財務報表內反映。

遵守娛樂場牌照協議

誠如綜合財務報表附註34(b)所披露，本集團於二零一七年受金融罪行執法網絡(「金融罪行執法網絡」)進行之(「銀行保密法」)合規檢查。於報告期末後，本集團接獲金融罪行執法網絡所發出日期為二零二零年三月四日之函件，要求本集團提供自二零一六年十月至今與遵守銀行保密法規定有關之若干資料及文件。金融罪行執法網絡在函件中指出，存在可能違反銀行保密法及其實施條例之情況，並正在考慮是否對本集團施加民事罰款或採取其他執法行動。截至此等財務報表刊發日期，本集團仍在準備所需資料及文件。董事相信，本公司準確預測此事宜之解決方案(包括需時長短或對本集團可能造成之影響)並不可行。儘管如此，董事已就所識別及潛在違規情況之估計民事罰款計提撥備，除綜合財務報表附註40(a)所進一步披露因COVID-19疫情爆發以致其塞班島娛樂場暫時停業外，本集團一直及現正保持正常營運。根據本集團外聘及內部法律顧問意見，董事相信，持續調查不會導致嚴重違反本集團娛樂場牌照協議(「娛樂場牌照協議」)之條文或聯邦賭場委員會(「聯邦賭場委員會」)之法規(「嚴重違規」)。

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2.1 BASIS OF PRESENTATION (Continued) Compliance with Casino License Agreement (Continued)

However, should the above matter be construed as a Material Breach, the Group might then not be able to continue as a going concern, in which case adjustments might have to be made to the carrying values of the Group's assets to state them at their realisable values, to provide for any further liabilities which might arise and to reclassify its non-current assets and non-current liabilities to current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2.2 BASIS OF PREPARATION

These 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"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements have been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income and derivative financial instruments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

2.1 呈列基準 (續) 遵守娛樂場牌照協議 (續)

然而，倘上述事宜被詮釋為嚴重違規，則本集團可能無法持續經營，在此情況下，可能須對本集團資產之賬面值進行調整，以按其可變現價值列報，就可能產生之任何其他負債計提撥備，並將其非流動資產及非流動負債分別重新分類為流動資產及流動負債。此等調整之影響並無在綜合財務報表反映。

2.2 編製基準

此等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)、香港普遍採納之會計原則及香港公司條例之披露規定而編製。除指定為按公允價值計入其他全面收入之股本投資及按公允價值計量之衍生金融工具外，此等財務報表乃按歷史成本法編製。除另有說明者外，此等財務報表乃以港元(「港元」)呈列，而全部價值均調整至最近千元。

綜合基準

綜合財務報表包括本公司及其附屬公司截至二零一九年十二月三十一日止年度之財務報表。附屬公司指本公司直接或間接控制之實體(包括結構實體)。當本集團能透過其參與承擔或享有投資對象可變回報之風險或權利，並能夠向投資對象使用其權力影響回報金額(即現有權利可使本集團能於現時指揮投資對象的相關活動)，即代表取得控制權。

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2.2 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

2.2 編製基準(續)

綜合基準(續)

當本公司直接或間接擁有投資對象少於大多數的投票權或類似權利，本集團於評估其對投資對象是否擁有權力時會考慮所有相關事實及情況，包括：

- (a) 與投資對象之其他投票權持有人訂立之合約安排；
- (b) 其他合約安排所產生之權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司之財務報表乃按與本公司相同的報告期間，採用一致的會計政策編製。附屬公司之業績乃自本集團獲得控制權當日起綜合入賬，並繼續綜合入賬，直至有關控制權終止當日為止。

關於本集團成員公司間交易之所有集團內公司間的資產及負債、權益、收入、開支及現金流量均於綜合入賬時悉數抵銷。

倘有事實及情況顯示上文所述三項控制元素中一項或多項元素出現變動，本集團會重新評估其是否對投資對象擁有控制權。附屬公司之所有權權益出現變動(並無失去控制權)作為一項權益交易入賬。

倘本集團失去對附屬公司之控制權，則會終止確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益之賬面值；及(iii)計入權益之累計匯兌差額；並確認(i)已收代價之公允價值；(ii)任何保留投資的公允價值；及(iii)因而於損益產生之盈餘或虧絀。先前已於其他全面收入確認之本集團應佔部分，按假設本集團已直接出售相關資產或負債的情況下須採用之相同基準，在適當情況下重新分類至損益或累計虧損。

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's consolidated financial statements.

Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i>
HKFRS 16	<i>Leases</i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i>
Annual Improvements to 2015–2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Except for the amendments to HKFRS 9 and HKAS 19, and Annual Improvements to HKFRSs 2015–2017 Cycle, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRSs are described below:

2.3 會計政策及披露變動

本集團於本年度之綜合財務報表首次採納以下新訂及經修訂香港財務報告準則。

香港財務報告準則第9號 (修訂本)	具有負補償之提前還款特性
香港財務報告準則第16號	租賃
香港會計準則第19號 (修訂本)	計劃修正、縮減或清償
香港會計準則第28號 (修訂本)	於聯營公司及合營企業之長期權益
香港(國際財務報告詮釋委員會)一詮釋第23號	所得稅處理之不確定性
二零一五年至二零一七年 週期之年度改進	香港財務報告準則第3號、 香港財務報告準則第11號、 香港會計準則第12號及香港 會計準則第23號(修訂本)

除香港財務報告準則第9號及香港會計準則第19號(修訂本)以及香港財務報告準則二零一五年至二零一七年週期之年度改進與編製本集團之財務報表無關外，新訂及經修訂香港財務報告準則之性質及影響說明如下：

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (a) HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles.

HKFRS 16 did not have any significant impact on leases when the Group is the lessor.

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of accumulated losses at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under HKAS 17 and related interpretations.

2.3 會計政策及披露變動(續)

- (a) 香港財務報告準則第16號取代香港會計準則第17號「租賃」、香港(國際財務報告詮釋委員會)－詮釋第4號「釐定安排是否包括租賃」、香港(常務詮釋委員會)－詮釋第15號「經營租賃－優惠」及香港(常務詮釋委員會)－詮釋第27號「評估涉及租賃法律形式交易之實質」。該準則載列確認、計量、呈列及披露租賃之原則，並要求承租人就所有租賃按單一資產負債表模式入賬，以確認及計量使用權資產及租賃負債，惟若干確認豁免情況除外。香港財務報告準則第16號內出租人之會計處理方式與香港會計準則第17號相比大致上維持不變。出租人將繼續使用類似原則將租賃分類為經營或融資租賃。

香港財務報告準則第16號對本集團作為出租人之租賃並無任何重大影響。

本集團於首次應用日期二零一九年一月一日使用經修訂追溯採納法採納香港財務報告準則第16號。根據此方法，準則已追溯應用，首次採納之累計影響乃作為二零一九年一月一日累計虧損期初結餘之調整，而二零一八年之比較資料並未重列並繼續根據香港會計準則第17號及相關詮釋呈報。

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(a) (Continued)

New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee — Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of property. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less (“**short-term leases**”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

2.3 會計政策及披露變動(續)

(a) (續)

租賃之新定義

根據香港財務報告準則第16號，倘合約為換取代價而給予在一段時間內控制可識別資產使用之權利，則該合約屬或包含租賃。倘客戶有權從使用可識別資產中獲取絕大部分經濟利益及有權主導已識別資產之使用，則表示擁有控制權。本集團選擇使用過渡可行權宜方法，在首次應用日期僅對先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號識別為租賃之合約應用該準則。根據香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號未有識別為租賃之合約並未予以重新評估。因此，香港財務報告準則第16號之租賃定義僅應用於二零一九年一月一日或之後訂立或變更之合約。

作為承租人 — 過往分類為經營租賃之租賃

採納香港財務報告準則第16號之影響之性質

本集團擁有多項物業之租賃合約。作為承租人，本集團先前按有關租賃是否已將其資產所有權之絕大部分回報及風險轉移予本集團之評估將租賃分類為融資租賃或經營租賃。根據香港財務報告準則第16號，本集團就所有租賃應用單一方法確認及計量使用權資產及租賃負債，惟就低價值資產租賃(按個別租賃基準選擇)及租期為12個月或以下之租賃(「**短期租賃**」)(按相關資產類別選擇)之兩個可選擇豁免除外。本集團並無按直線法於自二零一九年一月一日開始之租期內確認經營租賃之租賃開支，而是確認使用權資產折舊(及減值(如有))及就尚未償還租賃負債應計之利息(作為融資成本)。

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(a) (Continued)

As a lessee — Leases previously classified as operating leases (Continued)

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019 and included in other borrowings. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets included in property, plant and equipment in the consolidated statement of financial position.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease
- Using a single discount rate to a portfolio of leases with reasonably similar characteristics
- Excluding the initial direct costs from the measurement of the right-of-use asset at date of initial application

2.3 會計政策及披露變動(續)

(a) (續)

作為承租人 — 過往分類為經營租賃之租賃(續)

過渡之影響

於二零一九年一月一日之租賃負債按剩餘租賃付款之現值確認，按於二零一九年一月一日之增量借款利率貼現，並計入其他借款。使用權資產按租賃負債之金額計量，並以任何與緊接二零一九年一月一日前在財務狀況表確認之租賃有關之任何預付或累計租賃付款之金額予以調整。

所有該等資產均於該日按香港會計準則第36號作減值評估。本集團選擇在綜合財務狀況表之物業、廠房及設備內呈列使用權資產。

於二零一九年一月一日應用香港財務報告準則第16號時，本集團已使用以下選擇性可行權宜方法：

- 就租期於自首次應用日期起計12個月內結束之租賃應用短期租賃豁免
- 倘合約包含延長／終止租賃之選擇權，在確認租期時採用事後確認法
- 就具有合理類似特徵之租賃組合採用單一貼現率
- 自於首次應用日期之使用權資產計量撇除初始直接成本

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(a) (continued)

Financial impact at 1 January 2019

The impact arising from the adoption of HKFRS 16 at 1 January 2019 was as follows:

2.3 會計政策及披露變動(續)

(a) (續)

於二零一九年一月一日之財務影響

於二零一九年一月一日採納香港財務報告準則第16號所產生影響如下：

		HK\$'000 千港元
Assets		
Increase in right-of-use assets included in property, plant and equipment	計入物業、廠房及設備之使用權資產增加	268,892
Decrease in owned assets included in property, plant and equipment	計入物業、廠房及設備之自置資產減少	(9,823)
Decrease in prepaid land lease payments	預付土地租賃款項減少	(182,832)
Increase in total assets	資產總值增加	76,237
Liabilities		
Increase in lease liabilities included in other borrowings	計入其他借款之租賃負債增加	76,237
Increase in total liabilities	負債總額增加	76,237

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(a) (continued)

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

2.3 會計政策及披露變動(續)

(a) (續)

於二零一九年一月一日之租賃負債與於二零一八年十二月三十一日之經營租賃承擔對賬如下：

		HK\$'000 千港元
Operating lease commitments as at 31 December 2018	於二零一八年十二月三十一日 之經營租賃承擔	137,907
Less: Commitments relating to short-term leases and those leases with a remaining lease term ended on or before 31 December 2019	減：短期租賃及餘下租期 於二零一九年十二月三十一日 或之前結束之租賃之 相關承擔	(31,242)
Add: Payments for optional extension periods not recognised as at 31 December 2018	加：於二零一八年十二月三十一日 未確認選擇性延長期間之付款	8,390
		115,055
Weighted average incremental borrowing rate as at 1 January 2019	於二零一九年一月一日之加權 平均增量借款利率	12%
Discounted operating lease commitments as at 1 January 2019	於二零一九年一月一日之已貼現 經營租賃承擔	76,237
Lease liabilities as at 1 January 2019	於二零一九年一月一日之租賃負債	76,237

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2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (b) Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The amendments did not have any impact on the financial position or performance of the Group.
- (c) HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “**uncertain tax positions**”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation did not have any impact on the financial position or performance of the Group.

2.3 會計政策及披露變動(續)

- (b) 香港會計準則第28號(修訂本)澄清，香港財務報告準則第9號之範圍豁免僅包括於聯營公司或合營企業之權益(可應用權益法)，並不包括實質上構成於聯營公司或合營企業淨投資一部分之長期權益(並無應用權益法)。因此，實體將該等長期權益入賬時採用香港財務報告準則第9號而非香港會計準則第28號，包括香港財務報告準則第9號之減值規定。香港會計準則第28號其後應用於淨投資(包括長期權益)，惟僅在確認聯營公司或合營企業虧損及於聯營公司或合營企業之淨投資減值之情況下方可應用。該等修訂對本集團之財務狀況或表現並無任何影響。
- (c) 香港(國際財務報告詮釋委員會)－詮釋第23號處理倘稅項處理涉及影響香港會計準則第12號之應用之不確定性(通常稱為「**不確定稅務狀況**」)，該情況下之所得稅(即期及遞延)會計處理方法。該詮釋不適用於香港會計準則第12號範圍外之稅項或徵稅，尤其亦不包括與不確定稅項處理相關之權益及處罰相關規定。該詮釋具體處理(i)實體是否個別考慮不確定稅項處理；(ii)實體對稅務機關之稅項處理檢查所作假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；及(iv)實體如何考慮事實及情況變動。該詮釋對本集團之財務狀況或表現並無任何影響。

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2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i> ¹
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i> ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
HKFRS 17	<i>Insurance Contracts</i> ²
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> ¹

- ¹ Effective for annual periods beginning on or after 1 January 2020
- ² Effective for annual periods beginning on or after 1 January 2021
- ³ No mandatory effective date yet determined but available for adoption

2.4 已頒佈惟尚未生效之香港財務報告準則

本集團並無於此等財務報表應用下列已頒佈惟尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第3號(修訂本)	<i>業務之定義</i> ¹
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)	<i>利率基準改革</i> ¹
香港財務報告準則第10號及香港會計準則第28號(修訂本)(二零一一年)	<i>投資者與其聯營公司或合營企業間資產出售或投入</i> ³
香港財務報告準則第17號	<i>保險合約</i> ²
香港會計準則第1號及香港會計準則第8號(修訂本)	<i>重大之定義</i> ¹

- ¹ 於二零二零年一月一日或之後開始之年度期間生效
- ² 於二零二一年一月一日或之後開始之年度期間生效
- ³ 尚未確定強制生效日期，惟可供採納

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2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 January 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 已頒佈惟尚未生效之香港財務報告準則(續)

有關該等預期將適用於本集團之香港財務報告準則之進一步資料載於下文。

香港財務報告準則第3號(修訂本)釐清業務之定義並提供額外指引。該等修訂釐清，一項綜合活動及資產須至少包括一項參數與一個重要流程，且兩者須共同對創造收益之能力作出重大貢獻，方能被視為一項業務。在並未包含所有創造收益之參數及過程之情況下，業務亦可存續。該等修訂取消對市場參與者是否具備能力收購業務及持續產生收益而進行之評估，相反，其重點在於已取得之參數及已取得之重要流程能否共同對創造收益之能力作出重大貢獻。該等修訂亦收窄收益之定義，聚焦向客戶提供之貨品或服務、投資收入或來自日常活動之其他收入。此外，該等修訂提供有關評估已取得之流程是否屬重大之指引，並引入選擇性公允價值集中度測試，允許對一組已收購活動及資產是否屬一項業務進行簡單評估。本集團預期將於二零二零年一月一日起提前採納該等修訂。由於該等修訂前瞻適用於首次應用日期或之後發生之交易或其他事件，故本集團於過渡日期將不受該等修訂影響。

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)旨在解決銀行同業拆息改革對財務申報之影響。該等修訂提供可在替換現有利率基準前之不確定期限內繼續進行對沖會計處理之暫時補救措施。此外，該等修訂規定，公司須向投資者提供有關直接受該等不確定因素影響之對沖關係之額外資料。該等修訂於二零二零年一月一日或之後開始之年度期間生效，並可提早應用。該等修訂預期不會對本集團之財務報表造成任何重大影響。

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2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and a joint venture. However, the amendments are available for adoption now.

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 已頒佈惟尚未生效之香港財務報告準則(續)

香港財務報告準則第10號及香港會計準則第28號(修訂本)(二零一一年)處理對香港財務報告準則第10號及香港會計準則第28號(二零一一年)之間有關投資者與其聯營公司或合營企業間資產出售或投入規定之不一致情況。該等修訂規定，當投資者與其聯營公司或合營企業間資產出售或投入構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務之資產時，因該項交易產生之收益或虧損於該投資者之損益確認，惟僅以不相關投資者於該聯營公司或合營企業之權益為限。該等修訂前瞻應用。香港會計師公會已於二零一六年一月剔除香港財務報告準則第10號及香港會計準則第28號(修訂本)(二零一一年)先前之強制生效日期，而新強制生效日期將於對聯營公司及合營企業之會計處理完成更廣泛檢討後釐定。然而，該等修訂現時可供採納。

香港會計準則第1號及香港會計準則第8號(修訂本)提供重大之新定義。新定義訂明，倘資料遺漏、失實或含糊不清，而合理預期可能會影響用作一般用途之財務報表之主要使用者按該等財務報表作出之決定，則資料屬重大。該等修訂釐清，重要性將視乎資料性質或重要性而定。倘資料失實可能合理預期影響主要使用者作出之決定，則屬重大。本集團預期自二零二零年一月一日起前瞻採納該等修訂。該等修訂預期不會對本集團之財務報表造成任何重大影響。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment in a joint venture

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

The Group's investment in a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and other comprehensive income of a joint venture is included in the consolidated statement of profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between and Group and its associates or a joint venture are eliminated to the extent of the Group's investments in a joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arises from the acquisition of a joint venture is included as part of the Group's investments in a joint venture.

2.5 主要會計政策概要

於合營企業之投資

合營企業指一種合營安排，對安排擁有共同控制權之訂約方據此對合營企業之資產淨值擁有權利。共同控制指按照合約協定對一項安排共有之控制權，共同控制權僅在有關活動要求享有控制權之訂約方作出一致同意之決定時方始存在。

本集團於合營企業之投資乃按本集團根據權益會計法應佔資產淨值減任何減值虧損於綜合財務狀況表列賬。本集團應佔合營企業收購後業績及其他全面收入分別計入綜合損益及其他全面收益表。此外，倘直接於合營企業之權益確認一項變動，則本集團會於綜合權益變動表確認其應佔任何變動(如適用)。本集團與其聯營公司或合營企業之間交易所產生未變現收益及虧損以本集團於合營企業之投資為限對銷，惟倘未變現虧損證明所轉讓資產減值則除外。收購合營企業所產生商譽計入為本集團於合營企業之投資其中一部分。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

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

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

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.5 主要會計政策概要(續)

業務合併及商譽

業務合併乃採用收購法入賬。轉讓代價乃按公允價值計量，計算方式為本集團所轉讓資產、本集團自收購對象之前擁有人所承擔負債及本集團為換取收購對象之控制權發行之股權於收購日期之公允價值總和。就各項業務合併而言，本集團選擇是否按公允價值或收購對象可識別資產淨值之應佔比例，計量收購對象屬現有擁有權權益之非控股權益，並賦予持有人權利於清盤時按比例分佔有關資產淨值。所有其他非控股權益部分均按公允價值計量。收購相關成本於產生時入賬。

當本集團收購一項業務時，其會根據合約條款、於收購日期的經濟環境及相關條件評估將承接之金融資產及負債，以作出適合分類及指示。此舉包括將被收購方主合約中之嵌入衍生工具進行分離。

倘業務合併分階段完成，先前持有之股權乃按於收購日期之公允價值重新計量，而所產生之收益或虧損乃於損益中確認。

任何由收購方轉讓之或然代價將於收購日期按公允價值確認。分類為資產或負債之或然代價乃按公允價值計量，而公允價值變動則於損益中確認。分類為權益之或然代價不會重新計量，其後結算於權益內入賬。

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2.5 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.

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

2.5 主要會計政策概要(續)

業務合併及商譽(續)

商譽初步按成本(即所轉讓代價之合計金額、非控股權益之已確認金額及任何本集團過往於收購對象所持有權益之公允價值超出所收購可識別資產淨值及所承擔負債之差額)計量。倘此代價及其他項目之總和低於所收購資產淨值之公允價值，則有關差額在獲重新評估後於損益中確認為議價收購收益。

於初步確認後，商譽乃按成本減任何累計減值虧損計量。商譽於每年進行減值測試，或倘出現表明賬面價值可能減值之事宜或情況出現變動，則會作更頻密測試。本集團於十二月三十一日進行商譽年度減值測試。就減值測試而言，於業務合併中收購之商譽已自收購日期起被分配至本集團預期受惠於合併之協同效益之各現金產生單位，或現金產生單位組別，而不論本集團其他資產或負債是否分配至該等單位或單位組別。

減值乃根據評估商譽相關的現金產生單位(現金產生單位組別)之可收回金額而釐定。倘現金產生單位(現金產生單位組別)之可收回金額低於賬面值，則確認減值虧損。就商譽確認之減值虧損於隨後期間不予撥回。

倘商譽已被分配至現金產生單位(或現金產生單位組別)，且已出售該單位內部分業務，則於釐定出售的收益或虧損時，將與已出售業務有關之商譽計入業務之賬面值。在此等情況下，已出售之商譽按已出售業務之相對價值及已保留現金產生單位之部分而計量。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement

The Group measures its equity investments and derivative financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.5 主要會計政策概要(續)

公允價值計量

本集團於各報告期末按公允價值計量股本投資及衍生金融工具。公允價值為市場參與者於計量日期在有序交易中出售資產可收取的價格或轉讓負債可支付之價格。公允價值計量乃假設出售資產或轉讓負債之交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要或最具優勢市場須為本集團可進入之市場。資產或負債之公允價值乃基於市場參與者於資產或負債定價所用之假設計量(即假設市場參與者會以最佳經濟利益行事)。

非金融資產之公允價值計量須計及市場參與者透過最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途之其他市場參與者以產生經濟利益之能力。

本集團採納適用於不同情況且具備充分數據以供計量公允價值之估值技術，以盡量使用相關可觀察輸入值及盡量減少使用不可觀察輸入值。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

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

2.5 主要會計政策概要(續)

公允價值計量(續)

所有於綜合財務報表計量或披露公允價值的資產及負債乃基於對公允價值計量整體而言屬重大的最低層輸入值按以下公允價值層級分類：

- 第一級 — 基於相同資產或負債於活躍市場的報價(未經調整)
- 第二級 — 按估值技術計量，而對公允價值計量而言屬重大的最低層輸入值可直接或間接觀察得出
- 第三級 — 按估值技術計量，而對公允價值計量而言屬重大的最低層輸入值不可觀察得出

就按經常性基準於綜合財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公允價值計量整體而言屬重大的最低層輸入值)確定是否發生不同層級轉移。

非金融資產減值

倘資產存在減值跡象或須進行年度減值測試(存貨、遞延稅項資產及金融資產除外)，則會就該項資產的可收回金額作出估計。資產之可收回金額為資產或現金產生單位的可使用價值與其公允價值減出售成本兩者中之較高者，並就個別資產而釐定，除非該項資產並不產生在頗大程度上獨立於其他資產或資產組別的現金流入，在此情況下，可收回金額以該項資產所屬之現金產生單位釐定。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets (Continued)

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

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of 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. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

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

2.5 主要會計政策概要(續)

非金融資產減值(續)

資產之賬面值超逾其可收回金額時則確認減值虧損。於評估可使用價值時，估計未來現金流量將以除稅前貼現率折讓至現值，該貼現率反映現時市場對貨幣時間值及該項資產之特定風險的評估。減值虧損將於其產生期間於損益內與減值資產的功能一致的開支類別中扣除。

於各報告期末會評估是否有跡象顯示於過往確認的減值虧損可能不再存在或可能已減少。倘存在有關跡象，則會就有關可收回金額作出估計。僅於用以釐定資產之可收回金額的估計出現變動時，過往確認商譽以外的資產的減值虧損方可撥回，但撥回金額不得高於假設過往年度並無就該資產確認減值虧損而應有的賬面值(扣除任何折舊/攤銷)。該減值虧損的撥回於其產生期間計入損益。

關聯方

在下列情況下，有關一方將被視為與本集團有關聯：

- (a) 有關方為某一人士或該人士之近親，而該人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司之主要管理層成員；

或

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are a joint venture 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 parent of the Group.

2.5 主要會計政策概要(續)

關聯方(續)

(b) 有關方為實體且符合下列任何條件：

- (i) 該實體與本集團屬同一集團之成員公司；
- (ii) 一間實體為另一實體(或屬另一實體之母公司、附屬公司或同系附屬公司旗下)之聯營公司或合營企業；
- (iii) 該實體及本集團均為同一第三方之合營企業；
- (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司；
- (v) 該實體為離職後福利計劃，該計劃之受益人為本集團或與本集團有關的實體之僱員；
- (vi) 該實體由(a)項所述人士控制或共同控制；
- (vii) 於(a)(i)項所述人士對該實體有重大影響或屬該實體(或該實體之母公司)主要管理層成員；及
- (viii) 該實體或構成該實體一部分之任何集團成員公司，向本集團或本集團之母公司提供主要管理層成員服務。

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2.5 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 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 over its estimated useful life. The principal annual rates used for this purpose are as follows:

Owned assets	
Buildings	2.5%–4%
Yachts	10%
Motor vehicles	20%
Leasehold improvements	Over the shorter of the lease terms and 20%
Gaming machines and equipment	20%
Furniture and equipment	20%
Computer hardware and software	33%
Aircraft	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.

2.5 主要會計政策概要(續)

物業、廠房及設備以及折舊

物業、廠房及設備(除在建工程外)按成本減累計折舊及任何減值虧損入賬。物業、廠房及設備項目的成本包括其購買價及使資產處於擬定用途之運作狀況及地點而產生的任何直接應佔成本。

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),一般於其產生期間自損益扣除。倘能夠符合確認標準,重大檢查之開支會於資產賬面值中資本化作為替換。倘物業、廠房及設備之主要部分須定期替換,本集團會確認該等部分為有特定可使用年期之個別資產及相應計提折舊。

折舊以直線法計算,按每項物業、廠房及設備項目之估計可使用年期撇銷其成本。為此目的而主要使用的每年折舊率如下:

自置資產	
樓宇	2.5%–4%
遊艇	10%
汽車	20%
租賃裝修	按租賃期及20%之較短者
博彩機器及設備	20%
傢俬及設備	20%
電腦硬件及軟件	33%
飛機	10%

倘物業、廠房及設備項目的部分有不同的可使用年期,則該項目的成本須在各部分之間合理分配,而各部分須單獨計算折舊。剩餘價值、可使用年期及折舊方法至少於各財政年度末檢討一次,並在適當情況下作出調整。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the 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 under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the year of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Leases (applicable from 1 January 2019)

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.5 主要會計政策概要(續)

物業、廠房及設備以及折舊(續)

初步確認之物業、廠房及設備項目(包括任何重要部分)於出售時或於預期使用或出售不會產生未來經濟利益時終止確認。於終止確認資產之年度在損益中確認之任何出售或報廢收益或虧損，為有關資產銷售所得款項淨額與其賬面值兩者間之差額。

在建工程指在建樓宇，乃以成本減去減值虧損入賬，且並無計提折舊。成本包括建設年度內的建設直接成本及與借入資金相關的資本化借款成本。在建工程在落成及投入使用時重新分類至物業、廠房及設備之合適類別。

租賃(自二零一九年一月一日起適用)

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產用途之權利，則該合約為或包含租賃。

本集團作為承租人

本集團對所有租賃(惟短期租賃除外)應用單一確認及計量方法。本集團確認租賃負債以作出租賃款項，而使用權資產指使用相關資產之權利。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (applicable from 1 January 2019) (Continued)

Group as a lessee (Continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities and are included in property, plant and equipment. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	Over the lease terms
Buildings	Over the lease terms

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.5 主要會計政策概要 (續)

租賃 (自二零一九年一月一日起適用) (續)

本集團作為承租人 (續)

(a) 使用權資產

本集團於租賃開始日期 (即相關資產可供使用當日) 確認使用權資產。使用權資產按成本減任何累計折舊及減值虧損計量，並就任何重新計量租賃負債作出調整以及計入物業、廠房及設備。使用權資產成本包括已確認租賃負債金額、已產生初步直接成本及於開始日期或之前作出之租賃款項減任何已收租賃獎勵。使用權資產亦須以直線法按租賃期及估計可使用年期 (以較短者為準) 折舊，詳情如下：

租賃土地	按租賃期
樓宇	按租賃期

倘租賃資產擁有權於租賃期末前轉移至本集團或成本反映行使購買選擇權，則採用資產估計可使用年期計算折舊。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (applicable from 1 January 2019) (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in other borrowings.

2.5 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用) (續)

本集團作為承租人(續)

(b) 租賃負債

租賃負債於租賃開始日期按租賃期內所作租賃款項現值確認。租賃款項包括固定付款(包括實質固定款項)減任何應收租賃獎勵、取決於指數或利率之可變租賃款項以及預期根據剩餘價值擔保支付之金額。租賃款項亦包括本集團合理確定行使之購買選擇權之行使價，倘於租賃期內反映本集團行使終止選擇權，則有關終止租賃支付之罰款。不取決於指數或利率之可變租賃款項在出現觸發付款之事件或情況期間確認為開支。

於計算租賃款項現值時，由於租賃隱含利率不易釐定，故本集團應用租賃開始日期之增量借貸利率計算。於開始日期後，租賃負債金額增加反映利息之增加，並因作出租賃款項而減少。此外，倘有任何修改、租賃期有變、租賃款項有變(例如因指數或比率改變導致未來租賃付款有變)或購買相關資產之選擇權評估有變，則重新計量租賃負債之賬面值。

本集團之租賃負債計入其他借款。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (applicable from 1 January 2019) (Continued)

Group as a lessee (Continued)

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

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

Leases (applicable before 1 January 2019)

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.5 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用) (續)

本集團作為承租人(續)

(c) 短期租賃

本集團將短期租賃確豁免應用於樓宇短期租賃(即自開始日期起計租賃期為12個月或以下,亦不包含購買選擇權之租賃)。

短期租賃之租賃款項於租賃期內按直線法確認為開支。

租賃(於二零一九年一月一日前適用)

凡資產擁有權之絕大部分回報及風險轉移至本集團之租賃(不包括法定業權)均入賬列作融資租賃。於融資租賃開始時,租賃資產之成本按最低租賃款項之現值資本化,並連同相關責任(不包括利息部分)入賬,以反映購買及融資。資本化融資租賃項下持有的資產(包括融資租賃之預付土地租賃款項)乃計入物業、廠房及設備,並按資產之租賃年期及估計可使用年期(以較短者為準)折舊。該等租賃之財務費用乃自損益扣除,以便於租賃期內按固定比率扣除。

凡資產擁有權之絕大部分回報及風險仍歸屬於出租人之租賃均入賬列作經營租賃。倘本集團為出租人,本集團根據經營租賃出租的資產包含於非流動資產中,而根據經營租賃應收之租金則以直線法於租賃期內計入損益。倘本集團為承租人,根據經營租賃應付之租金(扣除已收出租人之任何獎勵)乃於租賃期內以直線法自損益扣除。

經營租賃項下之預付土地租賃款項初步按成本呈列,其後以直線法於租賃期內確認。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial assets at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2.5 主要會計政策概要(續)

投資及其他金融資產

初步確認及計量

金融資產可於初步確認時分類為其後按攤銷成本、按公允價值計入其他全面收入及按公允價值計入損益計量之金融資產。

初步確認時之金融資產分類取決於金融資產之合約現金流量特徵以及本集團管理該等資產之業務模式。除了並不包含重大融資組成部分或本集團已就此應用實務中有關不調整重大融資組成部分之影響之簡易處理方法之應收貿易賬款外，本集團初步按公允價值另加(倘金融資產並非按公允價值計入損益)交易成本計量金融資產。並不包含重大融資組成部分或本集團已就此應用實務中之簡易處理方法之應收貿易賬款，乃根據下文「收益確認」所載政策按香港財務報告準則第15號項下釐定之交易價格計量。

為使金融資產按攤銷成本或按公允價值計入其他全面收入進行分類及計量，需產生純粹支付本金及未償還本金利息(「純粹支付本金及利息」)之現金流量。具有並非純粹支付本金及利息之現金流量之金融資產按公允價值計入損益進行分類及計量，不論其業務模式如何。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchase or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2.5 主要會計政策概要(續)

投資及其他金融資產(續)

初步確認及計量(續)

本集團管理金融資產之業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收取合約現金流量、出售金融資產，或兩者兼有。按攤銷成本分類及計量之金融資產於旨在持有金融資產以收取合約現金流量之業務模式中持有，而按公允價值計入其他全面收入分類及計量之金融資產於旨在持有金融資產以收取合約現金流量及出售之業務模式中持有。並非於上述業務模式中持有之金融資產按公允價值計入損益分類及計量。

金融資產之所有一般買賣乃於交易日(即本集團承諾買賣該資產之日期)予以確認。一般買賣乃指按照一般市場規定或慣例在某期間內交付資產之金融資產買賣。

其後計量

金融資產其後視乎其歸屬於以下分類作計量：

按攤銷成本列賬之金融資產(債務工具)

按攤銷成本列賬之金融資產其後使用實際利率法計量，且可予減值。當資產終止確認、修訂或減值時，則收益及虧損於損益確認。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Financial assets at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gain and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value profit or loss are also recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2.5 主要會計政策概要 (續)

投資及其他金融資產 (續)

按公允價值計入其他全面收入之金融資產(股本工具)

於初步確認時，本集團可選擇於股本投資符合香港會計準則第32號金融工具：呈列項下之股本定義且並非持作買賣時，將其股本投資不可撤回地分類為指定按公允價值計入其他全面收入之股本投資。分類乃按個別工具基準釐定。

該等金融資產之收益及虧損概不會劃轉至損益。當確立付款權利時，倘與股息相關之經濟利益有可能流入本集團且股息金額能可靠計量，則股息於損益表中確認為其他收入，惟當本集團於作為收回金融資產部分成本之所得款項中獲益時則除外，於該情況下，該等收益於其他全面收入中入賬。指定按公允價值計入其他全面收入之股本投資毋須進行減值評估。

按公允價值計入損益之金融資產

按公允價值計入損益之金融資產於財務狀況表按公允價值列賬，公允價值之變動淨額於損益確認。

該類別包括本集團並無不可撤回地選擇按公允價值計入其他全面收入進行分類之衍生工具及股本投資。當確立付款權利時，倘與股息相關之經濟利益有可能流入本集團且股息金額能可靠計量，分類為按公允價值計入損益之金融資產之股本投資之股息亦於損益中確認為其他收入。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Financial assets at fair value through profit or loss

(Continued)

A derivative embedded in a hybrid contract, with a financial liability or no-financial host, is separated from the host and accounted for as a separated derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2.5 主要會計政策概要 (續)

投資及其他金融資產 (續)

按公允價值計入損益之金融資產 (續)

當嵌入混合合約(包含金融負債及非金融主體)之衍生工具具備與主體不密切相關之經濟特徵及風險;具備與嵌入式衍生工具相同條款之個別工具符合衍生工具之定義;且混合合約並非按公允價值計入損益計量,則該衍生工具與主體分開並作為個別衍生工具列賬。嵌入式衍生工具按公允價值計量,公允價值之變動於損益確認。僅於合約條款變動大幅影響原本所需現金流或將一項金融資產自按公允價值計入損益類別重新分類時,方會重新評估嵌入式衍生工具。

嵌入混合合約(包含金融資產主體)之衍生工具不得單獨入賬。金融資產主體連同嵌入式衍生工具須整體分類為按公允價值計入損益之金融資產。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.5 主要會計政策概要(續)

終止確認金融資產

金融資產(或(如適用)一項金融資產之一部分或一組同類金融資產之一部分)主要在下列情況將被終止確認(即自綜合財務狀況表移除):

- 收取該項資產所得現金流量之權利已屆滿;或
- 本集團已轉讓其收取該項資產所得現金流量之權利,或已根據一項「轉付」安排承擔責任,在並無重大延誤情況下,將所得現金流量全數付予第三方;及本集團(a)已轉讓該項資產絕大部分風險及回報;或(b)並無轉讓亦無保留該項資產絕大部分風險及回報,惟已轉讓該項資產的控制權。

當本集團轉讓其收取該項資產所得現金流量之權利或已訂立轉付安排時,本集團評估其自身是否已保留該資產擁有權的風險及回報以及有關程度。倘本集團並無轉讓亦無保留該項資產之絕大部分風險及回報,且並無轉讓該項資產的控制權,則本集團將按其持續涉及該項資產之程度繼續確認已轉讓資產。在此情況下,本集團亦確認相關負債。已轉讓資產及相關負債乃按可反映本集團已保留之權利及義務的基礎計量。

以對已轉讓資產作出擔保的方式的持續參與乃按資產原賬面值與本集團可能須償還之代價的最高金額之間的較低者計量。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.5 主要會計政策概要(續)

金融資產減值

本集團就所有並非按公允價值計入損益持有之債務工具確認預期信貸虧損(「預期信貸虧損」)撥備。預期信貸虧損乃基於根據合約到期之合約現金流量與本集團預期收取之所有現金流量之間的差額而計算，並以原實際利率之近似值貼現。預期現金流量將包括出售所持抵押品之現金流量或構成合約條款之其他信貸提升措施。

一般方法

預期信貸虧損分兩個階段進行確認。就自初步確認以來未有顯著增加之信貸風險而言，將就因未來十二個月內可能發生違約事件而產生之信貸虧損(12個月預期信貸虧損)計提預期信貸虧損撥備。就自初步確認以來已經顯著增加之信貸風險而言，不論何時發生違約，於餘下風險年期內之預期信貸虧損均須計提虧損撥備(全期預期信貸虧損)。

於各報告日期，本集團評估金融工具之信貸虧損自初步確認以來有否顯著增加。進行評估時，本集團比較於報告日期金融工具發生違約之風險與於首次確認日期金融工具發生違約之風險，並考慮無須不必要成本或工作即可獲得之合理可靠資料，包括過往及前瞻性資料。

倘合約已逾期還款90日，則本集團認為金融資產違約。然而，在若干情況下，倘內部或外部資料顯示，在計及本集團所持有any信貸提升措施前，本集團不大可能悉數收取未償還合約款項，則本集團亦可認為金融資產違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.5 主要會計政策概要 (續)

金融資產減值 (續)

一般方法 (續)

按攤銷成本計量之金融資產須按一般方法減值並根據以下預期信貸虧損之計量階段分類，惟應用下文所詳述之簡化方法之應收貿易賬項則除外。

第一階段 — 自初步確認以來信貸風險未有顯著上升之金融工具及該等按相當於12個月預期信貸虧損之金額計量虧損減值之金融工具

第二階段 — 自初步確認以來信貸風險已顯著上升惟未作出信貸減值之金融資產之金融工具及該等按相等於全期預期信貸虧損之金額計量虧損減值之金融工具

第三階段 — 於報告日期已作出信貸減值之金融資產(惟並非已購買或源生信貸減值)及該等按相等於全期預期信貸虧損之金額計量虧損減值之金融資產

簡化方法

就並不包含重大融資組成部分之應收貿易賬款而言或倘本集團應用實務中之簡易處理方法不調整重大融資組成部分之影響，本集團採用簡化方法計算預期信貸虧損。根據簡化方法，本集團不會追蹤信貸風險之變化，而是於各報告日期根據全期預期信貸虧損確認虧損撥備。本集團已根據其過往信貸虧損經驗設立撥備矩陣，就債務人及經濟環境之特定前瞻性因素作出調整。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans from related parties, other borrowings, unsecured bonds and notes, convertible bonds and notes and derivative financial liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, loans and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.5 主要會計政策概要(續)

金融負債

初步確認及計量

金融負債於初步確認時分類為按公允價值計入損益之金融負債、貸款及借款或應付款項(視乎情況而定)。

所有金融負債初步按公允價值確認，而貸款及借款及應付款項則扣除直接應佔交易成本。

本集團之金融負債包括應付貿易賬款及其他應付款項、來自關聯方之貸款、其他借款、無抵押債券及票據、可換股債券及票據以及衍生金融負債。

其後計量

金融負債其後視乎其以下分類計量：

按攤銷成本列賬之金融負債(貸款及借款)

於初步確認後，貸款及其他借款其後以實際利率法按攤銷成本計量，除非貼現影響甚微，於此情況下則按成本入賬。收益及虧損於終止確認負債時透過實際利率攤銷過程於損益確認。

計算攤銷成本時乃經計及收購事項所產生之任何折讓或溢價，以及作為實際利率組成部分之費用或成本。實際利率攤銷乃計入損益內之財務費用。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

Convertible bonds and notes

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

If the conversion option of convertible bonds exhibits characteristics of an embedded derivative, it is separated from its liability component. On initial recognition, the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs are apportioned between the liability and derivative components of the convertible bonds based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

2.5 主要會計政策概要(續)

金融負債(續)

可換股債券及票據

可換股債券具有負債特徵之部分於扣除交易成本後在財務狀況表內確認為負債。於發行可換股債券時，負債部分之公允價值乃採用等值不可換股債券之市場利率釐定，而該數額按攤銷成本基準列作長期負債，直至有關債券獲兌換或贖回為止。所得款項餘額於扣除交易成本後，將分配至已確認並計入股東權益之換股期權內。換股期權之賬面值於其後年度將不會重新計量。交易成本根據工具首次確認時所得款項分配至負債與權益部分之比例，分攤至可換股債券之負債與權益部分。

倘可換股債券之換股期權顯示嵌入式衍生工具之特徵，則將該換股期權與其負債部分分開列賬。於初步確認時，可換股債券之衍生部分按公允價值計量並呈列為衍生金融工具之一部分。所得款項超出初步確認為衍生部分之任何金額確認為負債部分。交易成本乃根據該等工具獲初步確認時所得款項於可換股債券之負債及衍生部分間之分配情況，攤分至負債及衍生部分。與負債部分相關之交易成本部分初步確認為負債之一部分。與衍生工具有關之部分則即時於損益確認。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Mandatorily convertible notes

Mandatorily convertible note issued by the Company is an instrument that, at a certain time in the future, is convertible into shares of the Company. A mandatorily convertible note is recognised as equity in its entirety if the fixed stated principal will be settled through delivery of a fixed number of the Company's own shares; the principal of the convertible note is in the same currency as the functional currency of the Company; and the interest on the note is payable only at the discretion of the Company. On initial recognition, the note is measured at fair value, net of transaction costs, and included in shareholders' equity. The carrying amount of the note is not remeasured in subsequent years.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.5 主要會計政策概要(續)

終止確認金融負債

當金融負債項下之責任已履行、取消或屆滿時，該金融負債會被終止確認。

當同一借貸方以大不相同條款之金融負債取代現有金融負債，或現有負債之條款被大幅修改，有關取代或修改被視作終止確認原來負債及確認新負債，而有關賬面值之差額則於損益內確認。

強制性可換股票據

本公司發行的強制性可換股票據可於未來若干時間後轉換為本公司股份。倘固定的本金將透過交付固定數量的本公司股份結算，則強制性可換股票據將全部確認為權益；可換股票據之本金與本公司之功能貨幣相同；而該票據之應付利息僅應由本公司酌情決定。於初步確認時，票據以公允價值計量且扣除交易成本計入股東權益中。票據之賬面值於其後年度不再重新計量。

抵銷金融工具

當現時存在一項可依法強制執行之權利可抵銷已確認金額，且亦有意以淨額結算或同時變現及償付債務時，則金融資產及金融負債可予抵銷，而其淨額則於財務狀況表內呈報。

存貨

存貨按成本與可變現淨值兩者中之較低者入賬。成本乃按加權平均基準計量。可變現淨值乃基於估計銷售價格減於完成及出售時產生之任何估計成本計算。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, 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, and assets similar in nature to cash, which are not restricted as to use.

Provisions

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

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

Income tax

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

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

2.5 主要會計政策概要(續)

現金及現金等值物

就綜合現金流量表而言，現金及現金等值物包括於購入時起計一般到期日較短的三個月內的手頭現金及活期存款，以及可隨時轉換為已知數額現金且沒有重大價值變動風險的短期及高度流通投資減應要求償還及構成本集團現金管理一個完整部分的銀行透支。

就綜合財務狀況表而言，現金及現金等值物包括手頭及銀行現金，當中包括定期存款及與現金性質類似且無使用限制的資產。

撥備

如因過往事宜而導致現時出現法律或推定責任，且日後資源可能須流出以清償該責任，倘對該等責任之金額可作出可靠估計時，則須確認撥備。

倘貼現具有重大影響，則須確認之撥備金額為清償有關責任之預期所需未來開支於報告期末之現值。已貼現之現值因時間過去而產生之金額增加，乃於損益內列入財務費用。

所得稅

所得稅包括即期及遞延稅項。就損益以外之項目確認之所得稅將於損益以外於其他全面收入或直接於權益內確認。

即期稅項資產及負債乃根據於報告期末已經頒佈或實質上已頒佈之稅率(及稅務法例)，並考慮本集團營運所在國家現行之詮釋及慣例，按預期可自稅務機關收回或向其支付之金額釐定。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

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

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

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

Deferred tax assets are recognised for all deductible temporary differences, and 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

2.5 主要會計政策概要(續)

所得稅(續)

遞延稅項乃就資產及負債之稅基及其作財務申報用途之賬面值於報告期末之所有暫時差額採用負債法作出撥備。

遞延稅項負債乃就所有應課稅暫時差額予以確認，惟以下情況則屬例外：

- 當遞延稅項負債乃因初步確認商譽或不屬業務合併之交易中的資產或負債而產生，且於交易進行時對會計溢利或應課稅溢利或虧損均無影響；及
- 對涉及於附屬公司之投資的應課稅暫時差額而言，倘可對撥回暫時差額之時間作出控制，以及暫時差額不大可能在可見將來撥回。

遞延稅項資產乃就所有可扣減之暫時差額、結轉未動用稅項抵免及任何未動用稅項虧損而確認。確認遞延稅項資產以可用作抵銷可扣減暫時差額、結轉未動用稅項抵免及未動用稅項虧損之應課稅溢利為限，惟以下情況則屬例外：

- 當可扣減暫時差額所得之遞延稅項資產乃於不屬業務合併之交易進行時因初步確認的資產或負債而產生，且對會計溢利或應課稅溢利或虧損均無影響；及

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.5 主要會計政策概要(續)

所得稅(續)

- 對於涉及於附屬公司之投資的可扣減暫時差額而言，遞延稅項資產僅在暫時差額有可能在可見將來撥回及應課稅溢利有可能出現以動用該等暫時差額時，方會確認。

遞延稅項資產之賬面值於各報告期末均予以檢討，並扣減至不再可能有足夠應課稅溢利讓全部或部分遞延稅項資產被動用之金額為止。未確認之遞延稅項資產乃於各報告期末重估，並確認至可能有足夠應課稅溢利讓全部或部分遞延稅項資產被收回之金額為止。

遞延稅項資產及負債乃按預期資產變現或負債清償之期間適用之稅率計算，並以報告期末已頒佈或實質上頒佈之稅率(及稅務法例)為基準。

僅當存在法律上可強制執行之權利，於預期遞延稅項負債或資產大部分將抵銷或收回之各未來期間，可將有關相同稅務機關對相同課稅實體或擬按淨額基準結算即期稅項負債及資產或變現資產並即時抵銷負債之不同應課稅實體所徵收所得稅之即期稅項資產與即期稅項負債以及遞延稅項資產與遞延稅項負債抵銷，遞延稅項資產方可與遞延稅項負債互相抵銷。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract, contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2.5 主要會計政策概要(續)

收益確認

來自客戶合約收益

客戶合約收益於貨品或服務之控制權轉移予客戶時按本集團預期有權就相關貨品或服務可換取之代價金額確認。

當合約中之代價包含可變金額時，本集團會估計因向客戶轉讓貨品或服務而有權獲取之代價金額。可變代價於合約開始時估計並受到約束，直至與可變代價相關之不確定因素得到解決時，所確認累計收益金額極有可能不會發生重大收益撥回。

當合約中包含融資部分，該融資部分為客戶提供超過一年之貨品或服務轉讓融資之重大利益時，收益按應收款項之現值計量，使用貼現率貼現，該貼現率將反映在本集團與客戶在合約開始時之單獨融資交易中。當合約中包含融資部分，該融資部分為本集團提供超過一年之重大財務利益時，合約項下確認之收益包括按實際利息法在合約負債上加算之利息。就客戶付款至轉移承諾貨品或服務之期限為一年或以內之合約而言，交易價格採用香港財務報告準則第15號實際中之簡易處理方法不會對重大融資部分之影響作出調整。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Casino revenues

Gross casino revenues are measured by the aggregate net difference between gaming wins and losses. The Group accounts for its casino wagering transactions on a portfolio basis versus an individual basis as all wagers have similar characteristics. Commissions rebated to customers either directly or indirectly through gaming promoters and cash discounts and other cash incentives earned by customers are recorded as a reduction of gross casino revenues. In addition to the wager, casino transactions typically include performance obligations related to complimentary goods or services provided in exchange for complimentary commissions or points earned under the Group's loyalty programs.

For casino transactions that include complimentary goods or services provided by the Group, the Group allocates the standalone selling price of each good or service to the appropriate revenue type based on the good or service provided. Complimentary goods or services that are provided under the Group's control and discretion and supplied by third parties are recorded as an operating expense.

2.5 主要會計政策概要 (續)

收益確認 (續)

來自客戶合約收益 (續)

(a) 賭場收益

賭場總收益按博彩收益與虧損之間的總淨差額計量。由於所有下注均具有相似特徵，本集團就其賭場下注交易按與個別基準相對立之組合基準入賬。客戶所賺取經由博彩中介人直接或間接向客戶回贈之佣金以及現金折扣及其他現金獎勵，均入賬列作賭場總收益之扣減。除下注外，賭場交易一般包括與以本集團客戶忠誠計劃下所賺取之免費佣金或積分換取之贈品或贈送服務相關之履約責任。

就涉及本集團所提供贈品或贈送服務之賭場交易而言，本集團根據所提供貨品或服務將各貨品或服務之單獨售價分配至適當之收益類別。在本集團之控制及酌情決定下所提供並由第三方所供應之贈品或贈送服務，均入賬列作經營開支。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Casino revenues (Continued)

The Group operates different non-discretionary incentives programs which include the loyalty programs (“**Loyalty Programs**”) to encourage repeat business mainly from loyal slot machine customers and table games patrons. Customers earn complimentary commissions or points primarily based on gaming activity and such points can be redeemed for free play and other free goods and services. For casino transactions that include complimentary commissions or points earned under the Loyalty Programs, the Group defers a portion of the revenue by recording the estimated standalone selling price of the complimentary commissions or earned points that are expected to be redeemed as a liability. Upon redemption of the complimentary commissions or points for Group-owned goods or services, the standalone selling price of each good or service is allocated to the appropriate revenue type based on the good or service provided. Upon the redemption of the complimentary commissions or points with third parties, the redemption amount is deducted from the liability and paid directly to the third party.

After allocating amounts to the complimentary goods or services provided and to the points earned under the Loyalty Programs, the residual amount is recorded as casino revenue.

(b) Food and beverage income

Food and beverage income is recognised when the food and beverage have been provided to the customers.

2.5 主要會計政策概要 (續)

收益確認 (續)

來自客戶合約收益 (續)

(a) 賭場收益 (續)

本集團設有不同之非酌情獎勵計劃，當中包括客戶忠誠計劃(「**客戶忠誠計劃**」)，主要鼓勵角子機賭客及賭桌博彩常客再次惠顧。客戶主要基於博彩活動賺取免費佣金或積分，而該等積分可兌換免費博彩及其他免費貨品及服務。就包括客戶忠誠計劃下所賺取免費佣金或積分之賭場交易而言，本集團透過將預期會兌換之免費佣金或已賺取積分之估計單獨售價入賬列作負債，藉以將部分收益遞延入賬。於兌換免費佣金或積分以換領本集團所擁有之貨品或服務時，各項貨品或服務之單獨售價將根據所提供貨品或服務分配至適當之收益類別。於與第三方兌換免費佣金或積分時，兌換金額乃自負債中扣除並直接支付予第三方。

本集團將金額分配至所提供贈品或贈送服務及客戶忠誠計劃項下所賺取之積分後，將餘額入賬列作賭場收益。

(b) 餐飲收入

餐飲收入於餐飲已提供予客戶時確認。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Other income

Interest income is recognised on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).

Share-based payments

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

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 30 to the consolidated financial statements.

2.5 主要會計政策概要(續)

收益確認(續)

其他收入

利息收入以應計基準使用實際利率法將金融工具之估計年期內或較短期間(如適用)之估計未來現金收入準確貼現至金融資產之賬面淨值。

股息收入乃於確立股東收取款項之權利後、股息相關之經濟利益將流向本集團及股息金額能可靠計量時確認。

合約負債

合約負債於本集團轉移相關貨品或服務前向客戶收取付款或到期支付(以較早者為準)時確認。合約負債於本集團履行合約(即轉移相關貨品或服務之控制權予客戶)時確認為收益。

以股份為基礎之付款開支

本公司設有購股權計劃，旨在向對本集團成功經營作出貢獻之合資格參與者提供獎勵及回報。本集團僱員(包括董事)以股份為基礎之付款開支方式收取薪酬，即僱員提供服務作為股本工具之代價(「權益結算交易」)。

就於二零零二年十一月七日後之授出與僱員進行權益結算交易之成本乃經參考授出當日之公允價值後計量。公允價值乃經外部估值師採用二項式模型釐定，其進一步詳情載於綜合財務報表附註30。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

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

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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

2.5 主要會計政策概要(續)

以股份為基礎之付款開支(續)

權益結算交易之成本，連同相應權益增加在表現及／或服務條件獲履行之期間內確認為僱員福利開支。於歸屬日期前之各報告期末，就權益結算交易確認之累計開支反映歸屬期屆滿之情況及本集團對最終將歸屬之股本工具數目之最佳估計。期內自損益扣除或計入損益之金額指期初及期末所確認之累計開支變動。

釐定獎勵於授出日期之公允價值時並不計及服務及非市場表現條件，但會評估達成該等條件之可能性，作為本集團對最終將歸屬之股本工具數量之最佳估計之部分。市場表現條件反映於授出日期之公允價值內。獎勵所附帶但無相關服務要求之任何其他條件被視為非歸屬條件。除非另有服務及／或表現條件，否則非歸屬條件反映於獎勵之公允價值內，並將即時支銷獎勵。

就因市場表現欠佳及／或未達致服務條件而最終並無歸屬之獎勵而言，不會確認開支。倘獎勵包括市場或非歸屬條件，則在所有其他表現及／或服務條件均獲達成之情況下，不論是否達成市場條件或非歸屬條件，該等交易均被視作已歸屬。

倘以權益結算之獎勵之條款有所變更，則在達成獎勵原定條款之情況下，所確認開支最少須達致猶如條款並無變更之水平。此外，倘任何變更導致變更當日以股份為基礎之付款開支計量之總公允價值有所增加，或對僱員帶來其他利益，則會就該等變更確認開支。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

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 scheme

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 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, except for the Group’s employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

2.5 主要會計政策概要(續)

以股份為基礎之付款開支(續)

倘以權益結算之獎勵被註銷，則被視為已於註銷當日獲歸屬，任何尚未確認之獎勵開支均即時確認，包括在本集團或僱員控制下之非歸屬條件未獲達成之任何獎勵。然而，倘授予新獎勵代替已註銷獎勵，並於授出當日指定為替代獎勵，則誠如前段所述，已註銷獎勵及新獎勵均被視為原有獎勵之變更。

尚未行使購股權之攤薄影響於計算每股盈利時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之規定，為合資格參與強制性公積金退休福利計劃(「強積金計劃」)之僱員設立定額供款之強積金計劃。根據強積金計劃之條款，本集團按有關僱員之基本薪金之某一百分點作出供款，並於作出供款時自損益扣除。強積金計劃的資產乃由獨立管理之基金與本集團的資產分開持有。本集團對強積金計劃作出之僱主供款乃全數歸屬於有關僱員，惟根據強積金計劃之規則，倘有關僱員於有關供款全數歸屬於有關僱員前離職，則有關供款將退回本集團之僱主自願性供款除外。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

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

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a capitalisation rate of 10.43% (2018: 9.24%) has been applied to the expenditure on the individual assets.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the consolidated financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.5 主要會計政策概要(續)

借款成本

因收購、建設或生產符合規定的資產(即需於一段長時間方能達致其原定用途或出售者)而直接產生之借款成本資本化作為該等資產之部分成本。倘資產已大致上可作其原定用途或出售,則該等借款成本將會停止資本化。將有待用於合資格資產之特定借款作短期投資所賺取之投資收入乃從可資本化借款成本中扣除。所有其他借款成本於其產生期間入賬。借款成本包括實體借入資金所產生的利息及其他成本。

倘資金一般用於借款並用於取得合資格資產時,個別資產開支的適用資本化比率為10.43%(二零一八年:9.24%)。

股息

當末期股息於股東大會上獲股東批准時會確認為負債。建議末期股息於綜合財務報表附註中披露。

由於本公司之組織章程大綱及細則授權董事宣派中期股息,故中期股息於建議時同時宣派。因此,中期股息於建議並宣派後隨即確認為負債。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

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

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

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2.5 主要會計政策概要 (續)

外幣

此等財務報表以港元(即本公司之功能貨幣)呈列。本集團內各實體決定其本身之功能貨幣，而各實體於財務報表中呈列之項目以有關功能貨幣計量。本集團內各實體錄得之外幣交易初步按交易日期當前各自功能貨幣匯率入賬。於報告期末以外幣計值之貨幣資產及負債按該日適用的功能貨幣匯率換算。結算或換算貨幣項目產生之差額於損益中確認。

以外幣按歷史成本計量之非貨幣項目按首次交易日期之匯率換算。以外幣按公允價值計量之非貨幣項目按計量公允價值當日之匯率換算。換算按公允價值計量之非貨幣項目產生之收益或虧損之處理方式與確認該項目公允價值變動之收益或虧損一致(即於其他全面收入或損益確認其公允價值變動收益或虧損之項目，其匯兌差額亦相應於其他全面收入或損益中確認)。

於釐定初步確認時有關資產之匯率、終止確認與預付代價相關之非貨幣資產或非貨幣負債時之開支或收益，首次交易日期為本集團初步確認預付代價產生之非貨幣資產或非貨幣負債之日期。倘有多筆提前支付或收取之款項，本集團就每筆支付或收取之預付代價釐定交易日期。

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2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

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

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries 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.

2.5 主要會計政策概要 (續)

外幣 (續)

若干海外附屬公司之功能貨幣並非港元，於報告期末，此等實體的資產及負債按報告期末之匯率換算為港元，此等實體之損益表按本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，並於匯兌儲備中累計。在出售海外業務時，與該特定海外業務相關之其他全面收入組成部分於損益中確認。

自收購海外業務產生之任何商譽以及對收購時產生的資產及負債之賬面值進行任何公允價值調整時，將被視作海外業務的資產及負債，並以結算日匯率換算。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量當日之匯率換算為港元。海外附屬公司在整年經常產生之現金流量按該年之加權平均匯率換算為港元。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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.

Provision for expected credit losses on trade receivables

The Group applies the simplified approach in calculating ECLs. An impairment analysis is performed at each reporting date using a loss rate approach to measure expected credit losses. The credit risk categorisation is determined based on a number of factors which include (i) debtors' ageing; (ii) historical repayment behaviour of debtors; (iii) availability of collateral in front money or guarantee deposits; (iv) wealth proof; (v) other debtors' specific information available to the Group which is relevant for credit risk assessment; and (vi) current industry conditions and future economic outlook. The credit risk categorisation is adjusted to reflect subsequent information uncovered to an extent that such information provides evidence of conditions existed as at the year end date and forward-looking information. The expected loss rates are estimated based on the expected cash flows that can be recovered from the collateral and other estimated repayments based on historical recovery ratios.

3. 重大會計判斷及估計

於編製本集團之財務報表時，管理層須作出影響收益、開支、資產及負債之報告金額及其隨附披露，以及或然負債披露之判斷、估計及假設。有關此等假設及估計之不明朗因素可導致須對未來受影響資產或負債之賬面值作出重大調整。

估計不明朗因素

於報告期末存在重大風險導致於下一個財政年度對資產及負債之賬面值作出重大調整之未來主要假設及其他主要估計不明朗因素來源於下文載述。

就應收貿易賬款之預期信貸虧損計提撥備

本集團採用簡化方法計算預期信貸虧損。於各報告日期採用虧損率法進行減值分析，以計量預期信貸虧損。信貸風險分類乃按多項因素面釐定，當中包括(i)應收賬款之賬齡；(ii)債務人過往還款記錄；(iii)有否提供預付款或保證金擔保；(iv)財產證明；(v)本集團可得其他債務人並與信貸風險評估相關之特定資料；及(vi)目前行業狀況及未來經濟前景。信貸風險分類乃經調整以反映其後發現之資料，而該等資料可為於年結日已存在之情況及前瞻性資料提供理據。預期虧損率乃按可自抵押品收回之預期現金流量及按歷史收回比率計算之其他估計還款估算。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables (Continued)

The assessment of the correlation among historical recovery ratio, estimated repayment and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and conditions. The Group's historical credit loss experience and estimates may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 19 to the consolidated financial statements.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 重大會計判斷及估計(續)

估計不明朗因素(續)

就應收貿易賬款之預期信貸虧損計提撥備(續)

對歷史收回比率、估計還款及預期信貸虧損之間的相關性進行之評估屬重大估計。預期信貸虧損金額對各種情況及狀況之變動相當敏感。本集團之過往信貸虧損經驗及估計可能亦未必能代表客戶日後之實際違約情況。有關本集團應收貿易賬款之預期信貸虧損之資料於綜合財務報表附註19披露。

非金融資產之減值

於各報告期末，本集團評估是否有任何跡象顯示所有非金融資產(包括使用權資產)均出現減值。倘有跡象顯示非金融資產賬面值或不可收回，則該等非金融資產須進行減值測試。減值於資產或現金產生單位之賬面價值超過其可收回金額(即其公允價值減出售成本與使用價值之較高者)時出現。公允價值減出售成本之計算乃基於類似資產公平交易中具約束力交易之可獲取數據，或可觀察市場價格減出售該資產的增量成本。於進行使用價值計算時，管理層須估計自該資產或現金產生單位產生之預期未來現金流量，並以合適的貼現率計算該等現金流量現值。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Useful lives of property, plant and equipment — owned assets

The Group determines the estimated useful lives and residual values for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different from previous estimates, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. The carrying amount of property, plant and equipment as at 31 December 2019 was HK\$7,086,635,000 (2018: HK\$6,447,398,000). Further details are set out in note 13 to the consolidated financial statements.

Income tax provision

The Group is subject to corporate income tax in the CNMI. As certain matters relating to income taxes are subject to the agreement by the local tax bureau, objective estimation and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax provisions in the period in which the differences are realised.

3. 重大會計判斷及估計(續)

估計不明朗因素(續)

物業、廠房及設備 — 自置資產之可使用年期

本集團釐定本集團物業、廠房及設備之估計可使用年期及剩餘價值。該估計乃根據類似性質及功能之物業、廠房及設備之實際可使用年期及剩餘價值之過往經驗作出。當可使用年期及剩餘價值與先前估計不同時，本集團將修訂折舊開支，或將已棄用或出售之技術過時或非策略資產作出撇銷或撇減。於二零一九年十二月三十一日，物業、廠房及設備之賬面值為7,086,635,000港元(二零一八年：6,447,398,000港元)。進一步詳情載於綜合財務報表附註13。

所得稅撥備

本集團須繳納北馬里亞納企業所得稅。由於有關所得稅的若干事宜受當地稅務局的協議所規限，故釐定所得稅撥備時須根據現時已頒佈的稅法、法規及其他相關政策作出客觀估計及判斷。倘此等事宜的最終稅務結果有別於原來記錄的金額，則有關差額將對差額兌現期間之所得稅撥備構成影響。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Provision for regulatory matters

As disclosed in note 34(b) to the consolidated financial statements, the Group is subject to the jurisdiction of various local and the Federal Government Authorities (the “Regulatory Authorities”) in the conduct of its casino operations. During the year and as of the date of issuance of these financial statements, the Group is subject to an investigation by FinCEN for compliance with the BSA. The Group has made a provision for the estimated civil money penalty which may be payable on the violations of the BSA, based on assumptions and estimates including the estimated number of violations and penalty amount per violation. The Group will revise the provision as more information is available from future communications with FinCEN, and any differences will impact on the provision for regulatory matters in the period in which the differences are realised.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the gaming and resort business, including the development of an integrated resort on the Island of Saipan. No separate operating segment information is presented as the Group has only one operating segment.

Geographical information

Geographical information is not presented since all of the Group’s revenue was derived from the Island of Saipan, where the Group provides the services to its customers. Over 90% of the Group’s non-current assets are located in the Island of Saipan. Accordingly, the presentation of geographical information would provide no additional useful information to the users of these consolidated financial statements.

Information about major customers

Revenue from gaming operations of approximately HK\$71,487,000 (2018: HK\$1,274,585,000) was derived from a single external customer during the year.

3. 重大會計判斷及估計(續)

估計不明朗因素(續)

規管事宜撥備

誠如綜合財務報表附註34(b)所披露，本集團於進行其賭場業務時受不同地方及聯邦政府機構(「監管機構」)所監督。年內及截至此等財務報表刊發日期，本集團就遵守銀行保密法受金融罪行執法網絡調查。根據假設及估計(包括估計違規宗數及每宗違規罰款金額)，本集團就違反銀行保密法可能應付估計民事罰款計提撥備。本集團將於日後與金融罪行執法網絡溝通後取得更多資料時修訂撥備，而任何差額將於實現差額期間影響規管事宜撥備。

4. 經營分部資料

本集團主要從事博彩及度假村業務，包括發展塞班島綜合度假村。由於本集團僅有一個經營分部，故並無呈列個別經營分部資料。

地區分部資料

由於本集團所有收益均來自塞班島(本集團向其客戶提供服務之地點)，故並無呈列地區分部資料。本集團超過90%之非流動資產位於塞班島。因此，呈列地區分部資料不會向此等綜合財務報表使用者提供有用的額外資料。

有關主要客戶之資料

年內，博彩業務收益約71,487,000港元(二零一八年：1,274,585,000港元)來自一名單一外部客戶。

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5. REVENUE

The Group's revenue is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
VIP gaming operations	貴賓博彩業務	253,787	2,912,324
Mass gaming operations	中場博彩業務	186,381	208,920
Slot machines and Electronic Table Game gaming operations	角子機及電子桌面博彩業務	63,237	56,302
Food and beverage	餐飲	35,861	77,041
		539,266	3,254,587

5. 收益

本集團之收益如下：

Details of contract liabilities are as follows:

有關合約負債之詳情如下：

		Outstanding chip liabilities 未償還籌碼負債		Loyalty program liabilities 客戶忠誠計劃負債		Patron deposits and other gaming liabilities 客戶按金及其他博彩負債	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Balance at 1 January	於一月一日之結餘	4,847	259,276	233,819	325,426	2,846,612	3,774,252
Balance at 31 December	於十二月三十一日 之結餘	4,857	4,847	232,451	233,819	2,385,052	2,846,612
Increase/(decrease)	增加/(減少)	10	(254,429)	(1,368)	(91,607)	(461,560)	(927,640)

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6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/
(crediting):

6. 除稅前虧損

本集團除稅前虧損已扣除／(計入)以下各項：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註		
Cost of inventories sold*	已出售存貨成本*	8,342	16,745
Business gross revenue tax ("BGRT")*	營業總收益稅 (「營業總收益稅」)*	26,075	163,878
Depreciation of property, plant and equipment	物業、廠房及設備折舊	208,865	167,312
Depreciation of right-of-use assets	使用權資產折舊	33,069	-
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	-	4,263
Casino licence fees*	娛樂場牌照費*	119,192	117,578
Auditor's remuneration	核數師薪酬	12,800	11,200
Minimum lease payments under operating leases	根據經營租賃之最低租賃款項	-	84,804
Lease payments not included in the measurement of lease liabilities	並無計入租賃負債計量 之租賃款項	15,594	-
Share-based payments	以股份為基礎之付款開支	6,805	17,298
Employee benefit expenses (including directors' remuneration (note 8)):	僱員福利開支(包括董事薪酬 (附註8)):		
Wages and salaries***	報酬及薪金***	724,165	986,692
Pension scheme contributions	退休金計劃供款	2,296	1,273
		726,461	987,965

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6. LOSS BEFORE TAX (Continued)

6. 除稅前虧損(續)

	Note	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	附註		
Foreign exchange differences, net	匯兌差額淨額	(13,752)	18,035
Loss on disposal/write-off of property, plant and equipment, net**	出售／撇銷物業、廠房及設備虧損淨額**	807	26,999
Gain on termination of leases**	終止租賃之收益**	(232)	–
Impairment of prepayments for acquisition of non-current assets	購置非流動資產之預付款項之減值	–	132,395
Bad debts recovery**	壞賬收回**	(18,281)	–
Fair value loss/(gain) on derivative financial instruments, net	衍生金融工具之公允價值虧損／(收益)淨額	26	(46)
Dividend income from equity investments at fair value through other comprehensive income**	來自按公允價值計入其他全面收入之股本投資之股息收入**	(544)	(537)
Bank interest income**	銀行利息收入**	(2)	(1)
Compensation received from insurance claims**	自保險索償取得賠償**	(9,901)	–

* Included in "Cost of sales" on the face of the consolidated statement of profit or loss and other comprehensive income.

** Included in "Other income, gains and losses, net" on the face of the consolidated statement of profit or loss and other comprehensive income.

*** Staff costs of HK\$282,576,000 (2018: HK\$385,270,000) included in the above were capitalised under property, plant and equipment.

* 計入綜合損益及其他全面收益表之「銷售成本」內。

** 計入綜合損益及其他全面收益表之「淨其他收入、收益及虧損」內。

*** 計入上文之員工成本282,576,000港元(二零一八年：385,270,000港元)乃於物業、廠房及設備項下資本化。

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7. FINANCE COSTS

An analysis of finance costs is as follows:

			2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註			
Interest on lease liabilities	租賃負債之利息	14(c)	9,265	–
Interest on other borrowings and loans from related parties	其他借款及來自關聯方 之貸款利息		472,383	301,235
Interest on convertible bonds and notes	可換股債券及票據之利息	26	2,091	4,167
Interest on unsecured bonds and notes	無抵押債券及票據之利息		107,856	155,640
			591,595	461,042
Less: Interest capitalised*	減：資本化利息*		(228,621)	(203,185)
			362,974	257,857

* The borrowing costs have been capitalised at the weighted average rate of 10.43% for the year ended 31 December 2019 (2018: 9.24%).

7. 財務費用

財務費用分析如下：

* 截至二零一九年十二月三十一日止年度，借款成本按加權平均利率10.43%撥充資本(二零一八年：9.24%)。

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8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Fees	袍金	3,724	6,136
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	3,703	6,095
Share-based payments	以股份為基礎之付款開支	543	792
Pension scheme contributions	退休金計劃供款	203	124
		4,449	7,011
Total directors' remuneration	董事薪酬總額	8,173	13,147

During the years ended 31 December 2015 and 2017, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 30 to the consolidated financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the consolidated financial statements for the current year is included in the above directors' remuneration disclosures.

8. 董事薪酬

根據聯交所證券上市規則(「上市規則」、香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部披露的本年度董事薪酬如下：

截至二零一五年及二零一七年十二月三十一日止年度，若干董事就其向本集團提供的服務根據本公司的購股權計劃獲授購股權，進一步詳情載於綜合財務報表附註30。該等購股權的公允價值已在歸屬期間於損益中確認，乃於授予日確定，而在本年度綜合財務報表中確認的金額包括在上述董事薪酬之披露。

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8. DIRECTORS' REMUNERATION (Continued)

(a) Independent non-executive directors

8. 董事薪酬(續)

(a) 獨立非執行董事

		Fees	Salaries, allowances and benefits in kind	Share- based payments 以股份為 基礎之 付款開支	Pension scheme contributions 退休金 計劃供款	Total remuneration
		袍金 HK\$'000 千港元	薪金、 津貼及 實物利益 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	總薪酬 HK\$'000 千港元
2019	二零一九年					
Ng Hoi Yue	伍海于	180	-	2	-	182
Tso Hon Sai Bosco	曹漢璽	180	-	2	-	182
Lee Kwok Leung	李國樑	180	-	2	-	182
Robert James Woolsey	Robert James Woolsey	784	-	10	-	794
		1,324	-	16	-	1,340
2018	二零一八年					
Ng Hoi Yue	伍海于	180	15	5	-	200
Tso Hon Sai Bosco	曹漢璽	180	15	5	-	200
Lee Kwok Leung	李國樑	180	15	5	-	200
Robert James Woolsey	Robert James Woolsey	767	8	22	-	797
		1,307	53	37	-	1,397

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8. DIRECTORS' REMUNERATION (Continued)

(b) Executive directors

8. 董事薪酬(續)

(b) 執行董事

		Fees	Salaries, allowances and benefits in kind	Share-based payments	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物利益	以股份為基礎之付款開支	退休金計劃供款	總薪酬
		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
2019	二零一九年					
Xia Yuki Yu	Xia Yuki Yu	2,400	-	318	18	2,736
Teng Sio I	丁少儀	-	3,703	209	185	4,097
Cui Li Jie	崔麗杰	-	-	-	-	-
		<u>2,400</u>	<u>3,703</u>	<u>527</u>	<u>203</u>	<u>6,833</u>
2018	二零一八年					
Cai Lingli (resigned on 20 August 2018)	蔡靈麗(於二零一八年八月二十日辭任)	1,529	-	-	-	1,529
Xia Yuki Yu	Xia Yuki Yu	2,400	-	522	18	2,940
Teng Sio I	丁少儀	900	6,042	233	106	7,281
Cui Li Jie	崔麗杰	-	-	-	-	-
		<u>4,829</u>	<u>6,042</u>	<u>755</u>	<u>124</u>	<u>11,750</u>

(c) Non-executive director

(c) 非執行董事

		Fees	Salaries, allowances and benefits in kind	Share-based payments	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物利益	以股份為基礎之付款開支	退休金計劃供款	總薪酬
		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
2019	二零一九年					
Ma Wentao (appointed on 3 September 2019)	馬文濤(於二零一九年九月三日獲委任)	-	-	-	-	-

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2018: Nil).

年內，概無董事訂有任何放棄或同意放棄任何薪酬之安排(二零一八年：無)。

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one director (2018: one), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining four (2018: four) highest paid employees who are not a director of the Company are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	32,697	31,706
Pension scheme contributions	退休金計劃供款	298	578
		32,995	32,284

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員人數	
		2019 二零一九年	2018 二零一八年
HK\$5,500,001 to HK\$6,000,000	5,500,001 港元至 6,000,000 港元	2	1
HK\$7,500,001 to HK\$8,000,000	7,500,001 港元至 8,000,000 港元	1	2
HK\$10,000,001 to HK\$15,000,000	10,000,001 港元至 15,000,000 港元	1	1
		4	4

9. 首五名最高薪酬僱員

年內，首五名最高薪酬的僱員包括一名(二零一八年：一名)董事，該名董事薪酬詳情見上文附註8。年內，另外四名(二零一八年：四名)最高薪酬非本公司董事僱員的薪酬詳情如下：

薪酬在以下範圍內的非董事最高薪酬僱員的人數如下：

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10. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2018: Nil). No provision for the CNMI corporate income tax has been made on casino operations for the subsidiaries operating in the CNMI as the Group did not generate any assessable profits arising in the CNMI during the year (2018: Nil).

10. 所得稅

由於本集團於年內並無在香港產生任何應課稅溢利，故並無就香港利得稅作出撥備（二零一八年：無）。由於本集團在年內並無在北馬里亞納產生任何應課稅溢利，故並無就於北馬里亞納經營之附屬公司就賭場業務應繳納之企業所得稅作出撥備（二零一八年：無）。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax — CNMI	即期稅項 — 北馬里亞納		
Over-provision in prior years	過往年度超額撥備	(135,529)	(449,172)
Deferred tax	遞延稅項		
Credit for the year	年內抵免	(170,886)	(7,116)
Impairment of deferred tax assets	遞延稅項資產減值	683,360	—
		<u>376,945</u>	<u>(456,288)</u>
Total tax charge/(credit) for the year	年內稅項開支／(抵免)總額		

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10. INCOME TAX (Continued)

The income tax charge/(credit) for the year is reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss before tax	除稅前虧損	(3,527,325)	(3,421,311)
Tax at the statutory tax rate	按法定稅率計算之稅項	(702,863)	(685,070)
Adjustment in respect of current and deferred taxes of previous periods	就過往期間之即期及遞延稅項作出調整	-	(198,207)
Income not subject to tax	毋須納稅之收入	(1,162)	(937)
Expenses not deductible for tax	不可扣稅之開支	635,226	995,211
Tax losses not recognised	未確認之稅項虧損	10,807	24,626
Temporary differences recognised	已確認之暫時性差異	(248,423)	(258,081)
Impairment of deferred tax assets	遞延稅項資產減值	683,360	-
Statutory tax concessions	法定稅務優惠	-	(333,830)
Tax charge/(credit) at the Group's effective rate	按本集團實際稅率計算之稅項開支/(抵免)	376,945	(456,288)

The Covenant of the CNMI provides for the imposition of the Internal Revenue Code of the United States as the local income tax. CNMI legislation provides for income tax rebates with descending graduated percentages ranging from 90% to 50% on local income tax on CNMI source income. The CNMI also imposes graduated (1.5% to 5%) BGRT. For casino gaming revenue, the rebate offset amount shall be 100% of the income tax imposed on net gaming revenue taxable income up to US\$15 million. For casino net gaming taxable income in excess of US\$15 million, the rebate offset amount ranges from 90% to 50% of the income tax imposed.

The legislation requires the payment of corporate income tax on CNMI source income only to the extent the pre-rebate income tax exceeds BGRT. The Group records its income tax expenses net of the aforementioned BGRT credit, gaming tax rebate and income tax rebate.

10. 所得稅(續)

年內，所得稅開支/(抵免)與綜合損益及其他全面收益內除稅前虧損之調節如下：

北馬里亞納的契據規定實施美國國內稅收守則則作為當地所得稅。北馬里亞納法例規定，所得稅退稅須按就北馬里亞納來源收入徵收之當地所得稅由90%遞減至50%之百分比計算。北馬里亞納亦徵收(由1.5%遞增至5%)營業總收益稅。就博彩收益而言，退稅抵銷金額須為就博彩收益應課稅收入淨額(上限為15,000,000美元)徵收之所得稅之100%。就超過15,000,000美元的賭場博彩收益應課稅收入淨額而言，退稅抵銷金額介乎所徵收所得稅之90%至50%。

該法例規定，僅在退稅前所得稅超過營業總收益稅之情況下須就北馬里亞納來源收入繳納企業所得稅。本集團所記錄之所得稅開支已扣除上述營業總收益稅抵免、博彩稅回饋及所得稅退稅。

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11. DIVIDENDS

No dividends have been paid or declared by the Company for the year ended 31 December 2019 (2018: Nil).

12. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to owners of the Company of HK\$3,904,270,000 (2018: HK\$2,965,023,000), and the weighted average number of ordinary shares of 142,984,807,678 (2018: 142,984,807,678) in issue during the year.

No adjustment had been made to the basic loss per share amounts presented for the years ended 31 December 2019 and 2018 in respect of a dilution as the impact of the share options and convertible bonds had an anti-dilutive effect on the basic loss per share amounts presented.

11. 股息

本公司概無派付或宣派截至二零一九年十二月三十一日止年度之股息(二零一八年：無)。

12. 本公司持有人應佔每股虧損

每股基本虧損金額乃根據本公司持有人應佔年內虧損3,904,270,000港元(二零一八年：2,965,023,000港元)，以及年內已發行普通股加權平均數142,984,807,678股(二零一八年：142,984,807,678股)計算。

由於購股權及可換股債券對所呈列之每股基本虧損金額產生反攤薄影響，故此截至二零一九年及二零一八年十二月三十一日止年度就攤薄而言並未對所呈列之每股基本虧損金額作出任何調整。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Right-of-use assets 使用權資產			Owned assets 自置資產										Total	
		Leasehold land	Buildings	Subtotal	Leasehold land classified as finance leases 租賃土地分類為融資租賃	Buildings	Yachts	Motor vehicles	Leasehold improvements	Gaming machines and equipment	Furniture and equipment	Computer hardware and software	Aircraft	Construction in progress		Subtotal
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cost:	成本：															
At 1 January 2018	於二零一八年一月一日	-	-	-	10,427	2,195,883	173,151	46,259	53,389	172,604	99,911	43,105	-	2,915,388	5,710,117	5,710,117
Additions	添置	-	-	-	-	-	-	7,534	623	31,429	3,995	29,706	-	1,122,423	1,195,710	1,195,710
Transfer	轉讓	-	-	-	-	22,675	-	-	-	-	-	-	-	(22,675)	-	-
Disposals/write-off	出售/撇銷	-	-	-	-	-	(38,292)	(564)	(3,172)	(8,712)	(5,663)	(1,038)	-	(26,966)	(84,407)	(84,407)
Exchange differences	匯兌差額	-	-	-	20	4,765	-	116	102	442	251	84	-	6,016	11,796	11,796
At 31 December 2018	於二零一八年十二月三十一日	-	-	-	10,447	2,223,323	134,859	53,345	50,942	195,763	98,494	71,857	-	3,994,186	6,833,216	6,833,216
Effect of adoption of HKFRS 16	採納香港財務報告準則第16號之影響	182,832	86,060	268,892	(10,447)	-	-	-	-	-	-	-	-	-	(10,447)	258,445
At 1 January 2019 (restated)	於二零一九年一月一日 (重列)	182,832	86,060	268,892	-	2,223,323	134,859	53,345	50,942	195,763	98,494	71,857	-	3,994,186	6,822,769	7,091,661
Additions	添置	-	3,552	3,552	-	-	-	-	568	19,769	1,161	45,632	113,025	709,142	889,297	892,849
Transfer	轉讓	-	-	-	-	743,143	-	-	-	-	4,928	-	-	(748,071)	-	-
Disposals	出售	-	(10,970)	(10,970)	-	-	-	(2,455)	-	-	-	-	-	-	(2,455)	(13,425)
Exchange differences	匯兌差額	(1,198)	(181)	(1,379)	-	(10,878)	-	(232)	(306)	(1,137)	(557)	(337)	-	(20,039)	(33,486)	(34,865)
At 31 December 2019	於二零一九年十二月三十一日	181,634	78,461	260,095	-	2,955,588	134,859	50,658	51,204	214,395	104,026	117,152	113,025	3,935,218	7,676,125	7,936,220
Accumulated depreciation	累計折舊															
At 1 January 2018	於二零一八年一月一日	-	-	-	417	25,635	37,142	15,044	21,358	84,424	31,086	26,772	-	-	241,878	241,878
Charge for the year	年內扣除	-	-	-	203	56,691	17,107	10,938	10,513	29,964	20,546	21,350	-	-	167,312	167,312
Disposals/write-off	出售/撇銷	-	-	-	-	-	(11,226)	(359)	(1,864)	(6,464)	(3,090)	(948)	-	-	(23,951)	(23,951)
Exchange differences	匯兌差額	-	-	-	4	45	-	33	35	348	68	46	-	-	579	579
At 31 December 2018	於二零一八年十二月三十一日	-	-	-	624	82,371	43,023	25,656	30,042	108,272	48,610	47,220	-	-	385,818	385,818
Effect of adoption of HKFRS 16	採納香港財務報告準則第16號之影響	-	-	-	(624)	-	-	-	-	-	-	-	-	-	(624)	(624)
At 1 January 2019 (restated)	於二零一九年一月一日 (重列)	-	-	-	-	82,371	43,023	25,656	30,042	108,272	48,610	47,220	-	-	385,194	385,194
Charge for the year	年內扣除	3,873	29,196	33,069	-	55,464	13,486	10,410	10,350	36,907	19,892	52,447	9,909	-	208,865	241,934
Disposals	出售	-	(4,118)	(4,118)	-	-	-	(1,648)	-	-	-	-	-	-	(1,648)	(5,766)
Exchange differences	匯兌差額	(8)	(26)	(34)	-	(699)	-	(189)	(232)	(858)	(394)	(549)	-	-	(2,921)	(2,955)
At 31 December 2019	於二零一九年十二月三十一日	3,865	25,052	28,917	-	137,136	56,509	34,229	40,160	144,321	68,108	99,118	9,909	-	589,490	618,407
Carrying amount:	賬面值：															
At 31 December 2019	於二零一九年十二月三十一日	177,769	53,409	231,178	-	2,818,452	78,350	16,429	11,044	70,074	35,918	18,034	103,116	3,935,218	7,086,635	7,317,813
At 31 December 2018	於二零一八年十二月三十一日	-	-	-	9,823	2,140,952	91,836	27,689	20,900	87,491	49,884	24,637	-	3,994,186	6,447,398	6,447,398

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14. LEASES

The Group as a lessee

The Group has lease contracts for buildings and leasehold land. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 25 to 55 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms of 5 years. Other equipment generally has lease terms of 12 months or less. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Prepaid land lease payments (before 1 January 2019)

		HK\$'000
		千港元
Carrying amount at 1 January 2018	於二零一八年一月一日之賬面值	186,493
Recognised in profit or loss during the year	年內於損益確認	(4,263)
Exchange differences	匯兌差額	602
Carrying amount at 31 December 2018	於二零一八年十二月三十一日之賬面值	<u>182,832</u>

14. 租賃

本集團作為承租人

本集團擁有樓宇及租賃土地之租賃合約。一筆過付款乃於向擁有人收購租期為25至55年之租賃土地時支付，並將不會根據此等土地租賃之條款持續付款。樓宇租賃之租期一般為5年。其他設備之租期一般為12個月或以下。一般而言，本集團不得向本集團以外人士轉讓及分租租賃資產。

(a) 預付土地租賃款項(於二零一九年一月一日前)

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14. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities (included under other borrowings) and the movements during the year are as follows:

		2019 二零一九年
		Lease liabilities 租賃負債
		HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	76,237
New leases	新租賃	3,552
Accretion of interest recognised during the year	年內已確認利息增幅	9,265
Termination	終止	(7,084)
Payments	付款	(36,843)
Exchange differences	匯兌差額	(146)
Carrying amount as 31 December	於十二月三十一日之賬面值	44,981
Analysed into:	分析為：	
Current portion	流動部分	23,240
Non-current portion	非流動部分	21,741

The maturity analysis of lease liabilities is disclosed in note 39 to the financial statements.

14. 租賃(續)

本集團作為承租人(續)

(b) 租賃負債

年內租賃負債(計入其他借款)之賬面值及變動如下：

租賃負債之到期分析於財務報表附註39披露。

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14. LEASES (Continued)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

		2019 二零一九年 HK\$'000 千港元
Interest on lease liabilities	租賃負債之利息	9,265
Depreciation charge of right-of-use assets	使用權資產折舊開支	33,069
Expense relating to short-term leases and other leases with remaining lease terms less than 12 months	與短期租賃及餘下租期少於12個月之其他租賃有關之開支	15,594
Total amount recognised in profit or loss	於損益確認之總額	57,928

(d) The total cash outflow for leases is disclosed in note 32(c) to the financial statements.

14. 租賃(續)

本集團作為承租人(續)

(c) 於損益確認之租賃相關款項如下：

租賃負債之利息	9,265
使用權資產折舊開支	33,069
與短期租賃及餘下租期少於12個月之其他租賃有關之開支	15,594
於損益確認之總額	57,928

(d) 租賃現金流出總額於財務報表附註32(c)披露。

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15. INVESTMENT IN A JOINT VENTURE

15. 於一間合營企業之投資

		2019 二零一九年 HK\$'000 千港元
Share of net assets	應佔資產淨值	149,283

On 10 July 2019, the Group entered into an equity transfer agreement with First Sinopan International Limited ("First Sinopan"), an independent third party, pursuant to which First Sinopan agreed to dispose of and the Group agreed to acquire a 50% equity interest in American Sinopan LLC ("American Sinopan") for a consideration of US\$21,100,000 (equivalent to HK\$164,000,000), satisfied by the Group's trade receivables with a gross amount of HK\$164,000,000. The fair value of the consideration on the date of completion of equity transfer was HK\$154,135,000.

The principal activity of American Sinopan is property development.

The following table illustrates the financial information of the Group's joint venture that is not material:

於二零一九年七月十日，本集團與一名獨立第三方第一申班國際有限公司（「第一申班」）訂立股權轉讓協議，據此，第一申班同意出售而本集團同意收購美國申班有限公司（「美國申班」）50%股權，代價為21,100,000美元（相當於164,000,000港元），有關代價以本集團應收貿易賬款總額164,000,000港元支付。代價於股權轉讓完成日期之公允價值為154,135,000港元。

美國申班之主要業務為物業發展。

下表說明本集團不重大合營企業之財務資料：

		2019 二零一九年 HK\$'000 千港元
Share of the joint venture's loss for the year	應佔合營企業年內虧損	(4,852)
Share of the joint venture's total comprehensive loss	應佔合營企業全面虧損總額	(4,852)
Aggregate carrying amount of the Group's investment in the joint venture	本集團於合營企業之投資之賬面總值	149,283

The loans from a joint venture are unsecured, interest-bearing at 6% per annum and repayable on demand.

來自一間合營企業之貸款為無抵押、按年利率6厘計息及須按要求償還。

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16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

16. 預付款項、按金及其他應收款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Prepaid casino licence fees	預付娛樂場牌照費	70,437	68,548
Prepayments	預付款項	79,544	142,648
Rental and other deposits	租金及其他按金	76,222	164,339
BGRT recoverable	可收回營業總收益稅	103,011	–
Other receivables (notes)	其他應收款項(附註)	46,217	54,385
		375,431	429,920
Less: Current portion	減：流動部分	(346,362)	(226,136)
Non-current portion	非流動部分	29,069	203,784

Notes:

- (i) Included in other receivables is an amount of HK\$3,033,000 (2018: HK\$3,032,000) due from Worldwide Asia Engineering Limited ("WWA"), a company in which Mr. Wu Li Wen, a sibling of Ms. Wu Pei Tzu who is a related party of the Company's controlling shareholder, is a director. The amount is unsecured, interest-free and repayable on demand.
- (ii) Included in other receivables is an amount of HK\$8,073,000 (2018: Nil) due from a joint venture. The amount is unsecured, interest-free and repayable on demand.
- (iii) Included in other receivables is an amount of HK\$13,679,000 (2018: Nil) due from the ultimate holding company. The amount is unsecured, interest-free and repayable on demand. The maximum amount outstanding during the year is HK\$13,679,000.

附註：

- (i) 其他應收款項包括應收環球亞洲工程有限公司(「環球亞洲」，本公司控股股東之關聯方Wu Pei Tzu女士之兄弟Wu Li Wen先生為該公司董事)款項3,033,000港元(二零一八年：3,032,000港元)。有關款項為無抵押、免息及須按要求償還。
- (ii) 其他應收款項包括應收一間合營企業款項8,073,000港元(二零一八年：無)。有關款項為無抵押、免息及須按要求償還。
- (iii) 其他應收款項包括應收最終控股公司款項13,679,000港元(二零一八年：無)。有關款項為無抵押、免息及須按要求償還。年內未償還最高金額為13,679,000港元。

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16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Where applicable, an impairment analysis is performed on deposits and other receivables at each reporting date by considering the probability of default of comparable companies with published credit ratings. In the situation where no comparable companies with credit rating can be identified, expected credit losses are estimated by a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forward-looking information, as appropriate. As at 31 December 2019 and 2018, the Group has concluded that the probability of default and loss rate are low and the financial impact of expected credit losses for deposits and other receivables under HKFRS 9 is insignificant for the years ended 31 December 2019 and 2018.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts.

17. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Equity investments designated at fair value through other comprehensive income	指定為按公允價值計入其他全面收入之股本投資		
Listed equity investments, at fair value	按公允價值列賬之上市股本投資	8,473	18,471

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

The market value of the Group's listed equity investments at the date of issuance of these consolidated financial statements was approximately HK\$5,393,000.

16. 預付款項、按金及其他應收款項(續)

在適當情況下，本集團會於各報告日期就按金及其他應收款項進行減值分析，當中考量已公佈信貸評級之可資比較公司之違約或然率。倘未能識別具有信貸評級之可資比較公司，在此情況下，本集團經參考其過往虧損記錄後採用虧損率法估計預期信貸虧損。虧損率乃經調整以反映目前狀況及前瞻性資料(如適用)。於二零一九年及二零一八年十二月三十一日，本集團總結認為，違約或然率及虧損率偏低，而截至二零一九年及二零一八年十二月三十一日止年度，根據香港財務報告準則第9號之按金及其他應收款項預期信貸虧損之財務影響並不重大。

上述各項資產概無逾期亦無減值。計入上述結餘之金融資產與近期並無拖欠記錄及逾期款項之應收款項有關。

17. 指定為按公允價值計入其他全面收入之股本投資

上述資產為不可撤回地指定為按公允價值計入其他全面收入之股本投資，原因為本集團認為該等投資之性質屬策略性投資。

本集團於該等綜合財務報表刊發日期之上市股本投資市值約為5,393,000港元。

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18. INVENTORIES

18. 存貨

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Carrying amount as at 31 December	23,466	36,840

於十二月三十一日之賬面值

19. TRADE RECEIVABLES

In relation to the VIP gaming operations, the Group grants credit lines (i.e., markers) to its VIP customers. The credit term is generally 30 days for gaming operations. Each customer has a maximum credit limit. For new customers, front money deposit or certain form of guarantee is normally required. Overdue balances are reviewed regularly by management. At the end of the reporting period, the Group has certain concentration of credit risk as 12% (2018: 11%) and 25% (2018: 27%) of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively. Trade receivables are non-interest-bearing.

19. 應收貿易賬款

就貴賓博彩業務而言，本集團給予其貴賓客戶信貸限額（即借據）。博彩業務之信貸期一般為30日。每名客戶均設有最高信貸限額。新客戶一般須預付按金或提供若干形式之保證。管理層定期檢討逾期餘款。於報告期末，本集團就應收本集團最大客戶及五大客戶之款項承擔若干信貸集中風險，分別佔本集團應收貿易賬款之12%（二零一八年：11%）及25%（二零一八年：27%）。應收貿易賬款並不計息。

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19. TRADE RECEIVABLES (Continued)

An ageing analysis of trade receivables as at the end of the reporting period, based on the program end date, is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 1 month	一個月內	20,921	87,670
More than 1 month but within 3 months	多於一個月但三個月內	41,811	250,375
More than 3 months but within 6 months	多於三個月但六個月內	60,855	698,009
More than 6 months but within 1 year	多於六個月但一年內	218,544	2,893,206
More than 1 year	多於一年	8,743,573	5,740,637
		9,085,704	9,669,897
Impairment	減值	(6,961,044)	(4,690,161)
		2,124,660	4,979,736
Less: Non-current portion	減：非流動部分	-	(113,341)
Current portion	流動部分	2,124,660	4,866,395

As at 31 December 2019, the Group had received guarantee deposits of HK\$1,069,073,000 (2018: HK\$1,824,700,000) (note 22(a)) from certain patrons/guarantors which can be used to offset against certain of the above trade receivables in an aggregate amount of approximately HK\$1,009,386,000 (2018: HK\$1,497,242,000) due from certain patrons in the event that the Group cannot recover the trade receivable amounts from these patrons in the normal course of its business.

19. 應收貿易賬款(續)

於報告期末，應收貿易賬款按博彩計劃結算日之賬齡分析如下：

於二零一九年十二月三十一日，本集團已收到來自若干客戶／擔保人之保證按金1,069,073,000港元(二零一八年：1,824,700,000港元)(附註22(a))，倘本集團未能在日常業務過程中向若干客戶收回彼等結欠之若干上述應收貿易賬款，則有關保證按金可用於抵銷此等客戶結欠之有關應收貿易賬款總額約1,009,386,000港元(二零一八年：1,497,242,000港元)。

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19. TRADE RECEIVABLES (Continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At beginning of year	年初	4,690,161	4,747,037
Impairment losses recognised	已確認之減值虧損	2,569,641	5,359,561
Impairment losses reversed	撥回減值虧損	(246,731)	(1,003,872)
Written off	撇銷	(10,971)	(4,424,715)
Exchange differences	匯兌差額	(41,056)	12,150
At end of year	年末	<u>6,961,044</u>	<u>4,690,161</u>

The Group applies a simplified approach in calculating ECLs. An impairment analysis is performed at each reporting date using a loss rate approach to measure expected credit losses. The credit risk categorisation is determined based on a number of factors which include (i) debtors' ageing; (ii) historical repayment behaviour of debtors; (iii) availability of collateral in front money or guarantee deposits; (iv) wealth proof; (v) other debtors' specific information available to the Group; and (vi) current industry conditions and future economic outlook which are relevant for credit risk assessment. The credit risk categorisation is adjusted to reflect subsequent information uncovered to an extent that such information provides evidence of conditions existed as at the year end date and forward-looking information. The expected loss rates are estimated based on the expected cash flows that can be recovered from the collateral and other estimated repayments based on historical recovery ratios.

19. 應收貿易賬款(續)

應收貿易賬款之減值虧損撥備變動如下：

本集團採用簡化方法計算預期信貸虧損。於各報告日期使用虧損率法進行減值分析以計量預期信貸虧損。信貸風險分類乃根據多項因素釐定，其中包括(i)應收賬款之賬齡；(ii)債務人過往還款記錄；(iii)有否提供預付款或保證金擔保；(iv)財產證明；(v)本集團可得其他債務人特定資料；及(vi)與信貸風險評估有關之現時行業狀況及未來經濟前景。本集團將調整信貸風險分類以反映未曾發現之後續資料，致使有關資料提供截至年末日期所存在條件之證據及前瞻性資料。預期虧損率乃根據基於歷史收回率計算可從抵押品及其他估計還款收回之預期現金流量估計。

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19. TRADE RECEIVABLES (Continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables by credit risk categories:

		Average loss rate 平均虧損率		Gross carrying amount 賬面總值	
		2019 二零一九年	2018 二零一八年	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Category A — Minimal risk	A類 — 最低風險	14%	0%	1,441,541	1,598,488
Category B — Lower risk	B類 — 較低風險	79%	45%	330,518	789,518
Category C — Moderate risk	C類 — 中等風險	80%	58%	2,350,845	5,806,083
Category D — Higher risk	D類 — 較高風險	93%	67%	4,962,800	1,475,808
				9,085,704	9,669,897

19. 應收貿易賬款(續)

以下為本集團應收貿易賬款按信貸風險類別劃分之信貸風險資料：

20. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSIT

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash and cash equivalents	現金及現金等值物	100,497	58,153
Restricted bank deposit (note)	受限制銀行存款(附註)	44,621	55,687
		145,118	113,840

20. 現金及現金等值物以及受限制銀行存款

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted bank deposit are deposited with creditworthy banks with no recent history of default.

Note: Pursuant to the CLA, the Group is required to place a certain amount of deposit as community development fund towards education, scholarships, infrastructure, healthcare and employee retirement benefits, etc., in the Island of Saipan.

銀行現金乃根據銀行每日存款利率之浮動利率賺取利息。銀行結餘及受限制銀行存款存放於具良好信用且近期並無拖欠付款記錄之銀行。

附註：根據娛樂場牌照協議，本集團須於塞班島存入一定款項作為社區發展資金，用於教育、獎學金、基建、醫療保健及僱員退休福利等。

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21. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 1 month	一個月內	6,928	6,090
More than 1 month but within 3 months	多於一個月但三個月內	6,089	16,381
More than 3 months but within 6 months	多於三個月但六個月內	15,734	35,715
More than 6 months but within 1 year	多於六個月但一年內	12,455	28,704
More than 1 year	多於一年	35,817	4,849
		77,023	91,739

The trade payables are non-interest-bearing and repayable on demand.

21. 應付貿易賬款

於報告期末，應付貿易賬款按發票日期之賬齡分析如下：

應付貿易賬款為免息及須按要求償還。

22. OTHER PAYABLES AND ACCRUALS

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Patron deposits and other gaming liabilities	客戶按金及其他博彩負債	2,385,052	2,846,612
Deposits received	已收按金	479,822	550,103
Loyalty program liabilities	客戶忠誠計劃負債	232,451	233,819
Outstanding chip liabilities	未償還籌碼負債	4,857	4,847
BGRT payable	應付營業總收益稅	73,230	27,378
Construction related payables	應付建築相關款項	1,230,451	1,308,605
CN 2015 payable	應付二零一五年可換股票據	23,400	23,400
Provision for regulatory matters	監管事項撥備	203,449	65,792
Other payables and accruals	其他應付款項及應計款項	1,051,499	934,998
		5,684,211	5,995,554
Less: Non-current portion	減：非流動部分	(418,157)	(212,772)
Current portion	流動部分	5,266,054	5,782,782

22. 其他應付款項及應計款項

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22. OTHER PAYABLES AND ACCRUALS (Continued)

Notes:

- (a) There is often a timing difference between the cash payment by the customers and recognition of revenue for each of the associated performance obligations. The Group has the following main types of liabilities associated with contracts with customers: (1) outstanding chip liabilities, (2) loyalty program liabilities, and (3) patron deposits and other gaming liabilities for gaming and non-gaming products and services yet to be provided.

The outstanding chip liabilities represent the collective amounts owed to junket operators and patrons in exchange for gaming chips in their possession. Outstanding chips are expected to be recognised as revenue or redeemed for cash within one year of being purchased. The loyalty program liabilities represent a deferral of revenue until patron's redemption of complimentary commissions or points earned. The loyalty program liabilities are expected to be redeemed and recognised as revenue within one year of being earned. Patron deposits and other gaming liabilities represent cash deposits made by customers for future services provided by the Group. The majority of these patron deposits and other gaming liabilities are expected to be recognised as revenue or refunded to the customer within one year of the date the deposit was recorded.

As at 31 December 2019, included in the Group's deposits received were deposits of HK\$1,069,073,000 (2018: HK\$1,824,700,000) from certain patrons/guarantors who have guaranteed the repayment of the trade receivables due from certain of the Group's casino patrons (the "Guarantee"). In the opinion of the directors, based on independent legal advice, the Group has the enforceable right to set off the deposits against any irrecoverable trade receivables due from these patrons under the Guarantee.

- (b) As at 31 December 2019, included in the amount was interest payable of HK\$13,591,000 (2018: HK\$154,558,000) to related parties.

22. 其他應付款項及應計款項(續)

附註：

- (a) 客戶現金付款與確認每項相關履約責任相關收益之間通常存在時間差異。本集團有以下涉及客戶合約之主要負債類別：(1)未償還籌碼負債；(2)客戶忠誠計劃負債；及(3)客戶按金以及其他與有待提供博彩及非博彩產品及服務有關之博彩負債。

未償還籌碼負債指中介人及客戶換取所持博彩籌碼所涉及之總額。未償還籌碼預期於購買後一年內確認為收益或兌換為現金。客戶忠誠計劃負債指直至客戶兌換所賺取免費佣金或積分為止之遞延收益。客戶忠誠度計劃負債預期於賺取後一年內兌換並確認為收益。客戶按金及其他博彩負債指客戶就本集團日後所提供服務以現金支付之按金。大部分客戶按金及其他博彩負債預期於按金記錄日期起計一年內確認為收益或退還予客戶。

於二零一九年十二月三十一日，來自若干客戶／擔保人就償還若干本集團娛樂場客戶結欠之應收貿易賬款作出擔保之按金1,069,073,000港元(二零一八年：1,824,700,000港元)(「擔保」)已計入本集團之已收按金內。董事經參考獨立法律意見後認為，本集團擁有可強制執行權利將此等按金抵銷在擔保項下該等客戶結欠之任何不可收回應收貿易賬款。

- (b) 於二零一九年十二月三十一日，該款項包括應付關聯方之利息13,591,000港元(二零一八年：154,558,000港元)。

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23. DERIVATIVE FINANCIAL INSTRUMENTS

23. 衍生金融工具

	2019 二零一九年		2018 二零一八年	
	Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元	Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元
Derivative financial instruments in relation to convertible bonds and notes				
可換股債券及票據相關衍生金融工具	-	-	24	1

24. LOANS FROM RELATED PARTIES

At the end of the reporting period, the Group's loans from related parties were repayable as follows:

24. 來自關聯方之貸款

於報告期末，本集團來自關聯方之貸款償還如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 1 year or on demand	一年內或應要求	-	125,398
In the second year	第二年	-	248,000
In the third to fifth years	第三至第五年	-	200,816
		-	574,214
Less: Non-current portion	減：非流動部分	-	(448,816)
Current portion	流動部分	-	125,398

During the year, certain related parties issued deeds pursuant to which these related parties have agreed that the Company shall have the sole discretion to determine the redemption dates of certain loans together with the interest accrued thereon. Accordingly, the loans were reclassified into perpetual loans under the Company and the Group's reserves in the statement of financial position from the date of the deeds. Further details are set out in note 31 to the consolidated financial statements.

年內，若干關聯方發出契據，據此，該等關聯方同意本公司可全權酌情決定若干貸款連同相關累計利息之贖回日期。因此，自契據日期起，貸款重新分類為本公司之永續貸款及本集團綜合財務狀況表內之儲備。進一步詳情載於綜合財務報表附註31。

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24. LOANS FROM RELATED PARTIES (Continued)

As at 31 December 2018, except for certain loans in an aggregate amount of HK\$238,816,000 which was interest-free and carried at amortised cost with an effective interest rate of 8% per annum, all loans from related parties were unsecured and interest-bearing at 7.5% to 12% per annum.

On initial recognition, the interest-free loans were discounted using the effective interest rate and the respective imputed interest was credited to equity as deemed capital contribution from a shareholder.

25. OTHER BORROWINGS

An analysis of other borrowings is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Lease liabilities (note 14(b))	租賃負債(附註14(b))	44,981	–
Other interest-bearing loans	其他計息貸款	3,450,756	2,962,525
		3,495,737	2,962,525
Less: Non-current portion	減：非流動部分	(2,114,092)	–
Current portion	流動部分	1,381,645	2,962,525

24. 來自關聯方之貸款(續)

於二零一八年十二月三十一日，除若干總額為238,816,000港元之免息、按攤銷成本列賬且實際年利率為8厘之貸款外，所有來自關聯方之貸款均為無抵押及按年利率7.5厘至12厘計息。

於初始確認時，免息貸款以實際利率貼現，而有關推算利息視作為來自一名股東之注資計入至權益。

25. 其他借款

其他借款分析如下：

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25. OTHER BORROWINGS (Continued)

At the end of the reporting period, the Group's other interest-bearing loans were repayable as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 1 year or on demand (note i)	一年內或應要求(附註i)	1,358,405	1,657,080
In the second year (note ii)	第二年(附註ii)	1,730,256	952,925
In the third to fifth years (note ii)	第三至第五年(附註ii)	362,095	352,520
		3,450,756	2,962,525
Less: Non-current portion (note ii)	減: 非流動部分(附註ii)	(2,092,351)	–
Current portion	流動部分	1,358,405	2,962,525

During the year, an independent third party issued a deed pursuant to which this independent third party has agreed that the Company shall have the sole discretion to determine the redemption dates of certain loans together with the interest accrued thereon. Accordingly, the loans were reclassified into perpetual loans under the Company and the Group's reserves in the statement of financial position from the date of the deed. Further details are set out in note 31 to the consolidated financial statements.

As at 31 December 2019, the interest-bearing loans are unsecured and interest-bearing at 7% to 13% (2018: 6% to 15%) per annum, save for (i) an interest-bearing loan amount of HK\$42,602,000 (2018: Nil) which is secured by the Group's aircraft with a carrying amount of HK\$103,116,000 (2018: Nil) and interest-bearing at LIBOR + 4% per annum; and (ii) an interest-bearing loan amount of HK\$1,168,350,000 (2018: Nil) which is secured by the issued shares of a subsidiary of the Company (the relevant shares charge arrangement has not been completed as of the date of issuance of these consolidated financial statements), guaranteed by Mr. Ji Xiaobo ("Mr. Ji"), Ms. Cui and Inventive Star and interest-bearing at fixed rate of 12% per annum.

25. 其他借款(續)

於報告期末，本集團其他計息貸款償還如下：

年內，一名獨立第三方發出契據，據此，該名獨立第三方同意本公司可全權酌情決定若干貸款連同應計利息之贖回日期。因此，自契據日期起，貸款重新分類為本公司之永續貸款及本集團綜合財務狀況表內之儲備。進一步詳情載於綜合財務報表附註31。

於二零一九年十二月三十一日，計息貸款為無抵押及按年利率7厘至13厘(二零一八年：6厘至15厘)計息，惟(i)計息貸款42,602,000港元(二零一八年：無)以本集團賬面值為103,116,000港元(二零一八年：無)之飛機作抵押，並按倫敦銀行同業拆息另加年利率4厘計息；及(ii)計息貸款1,168,350,000港元(二零一八年：無)以本公司附屬公司之已發行股份(相關股份抵押安排於此等綜合財務報表刊發日期尚未完成)作抵押且由紀曉波先生(「紀先生」)、崔女士及Inventive Star作擔保，並按固定年利率12厘計息除外。

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25. OTHER BORROWINGS (Continued)

As at 31 December 2019, an aggregate amount of HK\$685,086,000 (2018: HK\$605,925,000) included in the Group's other borrowings was pledged by certain patrons/guarantors who have guaranteed the repayment of the trade receivables due from some of the Group's patrons (the "Loan Guarantee"). In the opinion of the directors, based on independent legal advice, the Group has the enforceable right to set off the pledged loans against any irrecoverable trade receivables due from these patrons under the Loan Guarantee.

Notes:

- (i) As at 31 December 2018, the balance included other interest-bearing loans of HK\$586,850,000 and HK\$612,500,000 that were due to be repaid before 31 December 2018 and after 31 December 2018 up to the date of issuance of the consolidated financial statements for the year ended 31 December 2018, respectively. During the year and up to the date of issuance of the consolidated financial statements for the year ended 31 December 2018, save for loan amounts of HK\$350,000,000 and HK\$10,000,000 which had been subsequently repaid on 22 March 2019 and 24 March 2019, respectively, the Group had agreed with its lenders to extend the repayment tenure of the remaining loan amounts of HK\$839,350,000, which were overdue before these latest extension agreements, to the second half of 2019 or thereafter.
- (ii) As at 31 December 2018, for the other interest-bearing loans included in current liabilities of HK\$952,925,000 and HK\$352,520,000 were repayable in 2020 and 2021, respectively. These loan agreements had included a clause which stated that an event of default would occur if any indebtedness of the Group is not paid when due. Upon the occurrence of this event of default, as further detailed in note 25(i) to the consolidated financial statements, these lenders could have demanded for immediate repayment of these loans. Notwithstanding that the Group had not received any notice of default/demand for the accelerated repayment for any of these loan amounts up to the date of issuance of the consolidated financial statements for the year ended 31 December 2018, and despite this aggregate amount of HK\$1,305,445,000 was repayable after 2019, they had all been included in current liabilities as at 31 December 2018.

25. 其他借款 (續)

於二零一九年十二月三十一日，本集團其他借款其中合共685,086,000港元(二零一八年：605,925,000港元)由若干客戶／擔保人就保證償還本集團部分客戶結欠之應收貿易賬款而抵押(「貸款擔保」)。董事經參考獨立法律意見後認為，本集團擁有可強制執行權利將抵押貸款抵銷在貸款擔保項下該等客戶結欠之任何不可收回應收貿易賬款。

附註：

- (i) 於二零一八年十二月三十一日，有關結餘包括其他計息貸款，直至截至二零一八年十二月三十一日止年度之綜合財務報表刊發日期，586,850,000港元及612,500,000港元分別須於二零一八年十二月三十一日之前及二零一八年十二月三十一日之後償還。年內及直至截至二零一八年十二月三十一日止年度之綜合財務報表刊發日期，除已於二零一九年三月二十二日及二零一九年三月二十四日償還分別為數350,000,000港元及10,000,000港元之貸款外，本集團與其貸款人協定，將金額為839,350,000港元之貸款餘額(於最新延期協議前已逾期)之還款期延至二零一九年下半年或之後。
- (ii) 於二零一八年十二月三十一日，就計入流動負債之其他計息貸款，其中952,925,000港元及352,520,000港元分別須於二零二零年及二零二一年償還。該等貸款協議包括一項條款規定，當中列明倘本集團未能償還到期債務即視作發生違約事件。誠如綜合財務報表附註25(i)進一步詳述，一旦發生此違約事件，該等貸款人可要求即時償還該等貸款。儘管截至二零一八年十二月三十一日止年度之綜合財務報表刊發當日，本集團尚未就任何有關貸款接獲任何違約通知／提前還款要求，且合共1,305,445,000港元於二零一九年之後方須償還，惟全部有關貸款已於二零一八年十二月三十一日計入流動負債。

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26. CONVERTIBLE BONDS

CN 2014

On 19 March 2014 (the “**Completion Date**”), the Company completed the acquisition (the “**Acquisition**”) of the entire issued share capital of and a shareholder’s loan to Excel Earth Limited (“**Excel Earth**”) and obtained a profit guarantee given by the vendor. The principal asset of Excel Earth was its interests under, and entitlements to, the transfer of five percent (5%) of the distributable profit of Hang Seng Sociedade Unipessoal Limitada, for each 12-month period, which had commenced on 1 January 2014 and terminated on 28 October 2015.

The Acquisition was satisfied by issuing zero coupon convertible notes (“**CN 2014**”) at the conversion price of HK\$0.05 per conversion share (as adjusted from HK\$1.00 per conversion share by the effect of the share subdivision) in the aggregate principal amount of HK\$400,000,000 due on the sixteenth anniversary of the Completion Date to the vendor in accordance with the terms and conditions of the acquisition agreement. The conversion price had been subsequently adjusted to HK\$0.003125 per conversion share after the bonus issue on 3 July 2015. On the Completion Date, the fair value of CN 2014 was approximately HK\$1,480,000,000, based on a valuation report issued by an independent valuer, Roma Appraisals Limited, dated 29 August 2014. Details of the Acquisition had been disclosed in the circular of the Company dated 8 January 2014. CN 2014 were recognised as equity in its entirety without a liability portion in accordance with the Group’s accounting policy for mandatorily convertible notes.

26. 可換股債券

二零一四年可換股票據

於二零一四年三月十九日(「**完成日期**」)，本公司已完成收購坤佳有限公司(「**坤佳**」)之全部已發行股本及股東貸款(「**收購事項**」)，並獲賣方提供溢利保證。坤佳之主要資產為就自二零一四年一月一日起至二零一五年十月二十八日終止各個12個月期間向恒升一人有限公司取得其可分派溢利百分之五(5%)之權益及轉讓權。

根據收購協議之條款及條件，收購事項已透過按兌換價每股兌換股份0.05港元(已就股份拆細之影響自每股兌換股份1.00港元予以調整)向賣方發行本金總額為400,000,000港元於完成日期後滿十六週年到期之零息可換股票據(「**二零一四年可換股票據**」)償付。於二零一五年七月三日進行紅股發行後，兌換價其後已調整為每股兌換股份0.003125港元。於完成日期，根據獨立估值師羅馬國際評估有限公司所發出日期為二零一四年八月二十九日之估值報告，二零一四年可換股票據之公允價值約為1,480,000,000港元。收購事項之詳情已於本公司日期為二零一四年一月八日之通函內披露。根據本集團有關強制可換股票據之會計政策，二零一四年可換股票據確認為完全並無負債部分之權益。

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26. CONVERTIBLE BONDS (Continued)

CN 2015

On 21 August 2015, the Company issued zero coupon convertible notes in the aggregate principal amount of HK\$841,900,000 ("CN 2015"). CN 2015 matured after 24 months from the date of issuance and were convertible into ordinary shares of the Company at any time between the date of issue of the notes and their settlement date. CN 2015 were convertible at the conversion price of HK\$0.225 per share.

HK\$213,000,000 and HK\$300,000,000 of CN 2015 had been converted into ordinary shares of the Company in 2015 and 2017, respectively.

CN 2015 matured on 20 August 2017 and an aggregate principal amount of HK\$305,500,000 had been redeemed. As at 31 December 2019, the Company was in the process to redeem the remaining CN 2015 of an aggregate principal amount of HK\$23,400,000 (2018: HK\$23,400,000).

CB 2017

On 27 June 2017, the Company issued convertible bonds in the aggregate principal amount of HK\$50,000,000 which bear interest at 4% per annum ("CB 2017"). CB 2017 matured after 24 months from the date of issuance and were convertible into ordinary shares of the Company at any time between the date of issue of the bonds and their settlement date. CB 2017 were convertible at a conversion price of HK\$0.176 per share.

The interest amortised for the year was calculated by applying an effective interest rate of 8.82% to the liability component for the 24-month period from the bonds' issue date.

CB 2017 matured on 27 June 2019 and the Company redeemed CB 2017 with an aggregate principal amount of HK\$50,000,000 on 28 June 2019.

26. 可換股債券(續)

二零一五年可換股票據

於二零一五年八月二十一日，本公司發行本金總額為841,900,000港元之零息可換股票據(「二零一五年可換股票據」)。二零一五年可換股票據於發行日期起計24個月後到期，可於發行票據日期起至結算日期止期間任何時間兌換為本公司普通股。二零一五年可換股票據可按兌換價每股0.225港元兌換。

二零一五年可換股票據其中213,000,000港元及300,000,000港元已先後於二零一五年及二零一七年兌換為本公司普通股。

二零一五年可換股票據於二零一七年八月二十日到期，本金總額其中305,500,000港元已贖回。於二零一九年十二月三十一日，本公司正贖回二零一五年可換股票據餘下本金總額23,400,000港元(二零一八年：23,400,000港元)。

二零一七年可換股債券

於二零一七年六月二十七日，本公司發行按年利率4厘計息及本金總額為50,000,000港元之可換股債券(「二零一七年可換股債券」)。二零一七年可換股債券於發行日期起計24個月後到期，可於發行債券日期起至結算日期止期間任何時間兌換為本公司普通股。二零一七年可換股債券可按兌換價每股0.176港元兌換。

年內攤銷利息於債券發行日期起計24個月期間透過對負債部分應用實際利率8.82%計算。

二零一七年可換股債券於二零一九年六月二十七日到期，本公司已於二零一九年六月二十八日贖回本金總額50,000,000港元之二零一七年可換股債券。

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26. CONVERTIBLE BONDS (Continued)

CB 2017 (Continued)

The net proceeds received from the issuance of CB 2017 had been split into the liability and derivative components and their movements are as follows:

			Liability component	Derivative financial asset	Derivative financial liabilities	Total
		Note	負債部分	衍生 金融資產	衍生 金融負債	總計
		附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日		46,713	(1,010)	1,033	46,736
Interest expense	利息開支	7	4,167	-	-	4,167
Coupon interest paid	已付票息		(2,001)	-	-	(2,001)
Fair value (gain)/loss	公允價值(收益)/虧損		-	986	(1,032)	(46)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日		48,879	(24)	1	48,856
Interest expense	利息開支	7	2,091	-	-	2,091
Coupon interest paid	已付票息		(970)	-	-	(970)
Redemption	贖回		(50,000)	-	-	(50,000)
Fair value (gain)/loss	公允價值(收益)/虧損		-	24	(1)	23
At 31 December 2019	於二零一九年十二月三十一日		-	-	-	-

26. 可換股債券(續)

二零一七年可換股債券(續)

發行二零一七年可換股債券之已收所得款項淨額已分拆為負債及衍生部分，其變動如下：

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27. UNSECURED BONDS AND NOTES

27. 無抵押債券及票據

		31 December 2019 二零一九年十二月三十一日			31 December 2018 二零一八年十二月三十一日		
		Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
		實際利率(%)	到期	千港元	實際利率(%)	到期	千港元
Current:	流動：						
— 2017 Notes — 8.5%	— 二零一七年票據 — 8.5%	(b) 8.65	2020	467,290	—	—	—
— 2017 Bonds AI — 5.25%	— 二零一七年債券 AI — 5.25%	(c) 9.53	2020	13,067	—	—	—
— Promissory notes	— 承兌票據	(i) —	—	—	0-12	2019	117,757
				<u>480,357</u>			<u>117,757</u>
Repayable in the second year	於第二年償還						
— 2017 Notes — 8.5%	— 二零一七年票據 — 8.5%	(b), (j) —	—	—	8.65	2020	547,136
— 2017 Bonds AI — 5.25%	— 二零一七年債券 AI — 5.25%	(c), (j) —	—	—	9.53	2020	12,555
				—			<u>559,691</u>
Repayable in the third to fifth years, inclusive	於第三至第五年(包括首尾兩年) 償還						
— 2018 Bonds AAI — 5.25%	— 二零一八年債券 AAI — 5.25%	(e), (j) —	—	—	9.53	2021	23,234
— 2017 Bonds AII — 6.0%	— 二零一七年債券 AII — 6.0%	(d), (j) —	—	—	9.56	2022	13,497
— 2018 Bonds AIII — 6.0%	— 二零一八年債券 AIII — 6.0%	(f), (j) —	—	—	9.56	2022	6,193
				—			<u>42,924</u>
Repayable beyond five years	於五年後償還						
— 2017 Bonds B — 6.0%	— 二零一七年債券 B — 6.0%	(g), (j) —	—	—	9.56	2025	23,298
— 2018 Bonds BB — 6.0%	— 二零一八年債券 BB — 6.0%	(h), (j) —	—	—	9.56	2025	4,107
				—			<u>27,405</u>
				<u>480,357</u>			<u>747,777</u>

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27. UNSECURED BONDS AND NOTES (Continued)

27. 無抵押債券及票據 (續)

		31 December 2019 二零一九年十二月三十一日			31 December 2018 二零一八年十二月三十一日		
		Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
		實際利率 (%)	到期	千港元	實際利率 (%)	到期	千港元
Non-current:	非流動：						
Repayable in the second year	於第二年償還						
— 2017 Notes — 8.5%	— 二零一七年票據 — 8.5%	(b) 8.65	2021	77,880	—	—	—
— 2018 Bonds AAI — 5.25%	— 二零一八年債券 AAI — 5.25%	(e) 9.53	2021	24,151	—	—	—
— Promissory Notes	— 承兌票據	(i) 0.12	2021	26,499	—	—	—
				<u>128,530</u>			<u>—</u>
Repayable in the third to fifth years, inclusive	於第三至第五年 (包括首尾兩年) 償還						
— 2017 Bonds All — 6.0%	— 二零一七年債券 All — 6.0%	(d) 9.56	2022	13,915	—	—	—
— 2018 Bonds AAll — 6.0%	— 二零一八年債券 AAll — 6.0%	(f) 9.56	2022	6,373	—	—	—
— 2017 Notes — 7.8%	— 二零一七年票據 — 7.8%	(a),(k) —	—	—	7.8	2021	1,174,947
				<u>20,288</u>			<u>1,174,947</u>
Repayable beyond five years	於五年後償還						
— 2017 Bonds B — 6.0%	— 二零一七年債券 B — 6.0%	(g) 9.56	2025	23,871	—	—	—
— 2018 Bonds BB — 6.0%	— 二零一八年債券 BB — 6.0%	(h) 9.56	2025	4,205	—	—	—
				<u>28,076</u>			<u>—</u>
				<u>176,894</u>			<u>1,174,947</u>

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27. UNSECURED BONDS AND NOTES (Continued)

Notes:

- (a) On 22 February 2017 and 21 March 2017, the Company issued the 2017 Notes — 7.8% with principal amounts of US\$100,000,000 (approximately HK\$783,298,000) and US\$50,000,000 (approximately HK\$391,649,000), respectively to Inventive Star, which were interest-bearing at 7.8% per annum and repayable on 21 February 2019 and 20 March 2019, respectively. On 27 August 2018, Inventive Star issued a letter of undertaking to the Company, pursuant to which Inventive Star undertook that a notice of redemption would not be issued to the Company before February and March 2021 for the redemption and payment of the outstanding principal amounts of HK\$783,298,000 and HK\$391,649,000, respectively, together with the accrued interest thereon.

On 22 August 2019, Inventive Star issued a deed pursuant to which Inventive Star has agreed that the Company shall have the sole discretion to determine the redemption dates of certain notes together with the interest accrued thereon. Accordingly, the notes were reclassified into perpetual loans under the Company and the Group's reserves in the statement of financial position from the date of the deed. Further details are set out in note 31 to the consolidated financial statements.

- (b) On 25 January 2017, 27 January 2017 and 7 February 2017, the Company issued the 2017 Notes — 8.5% with an aggregate principal amount of US\$70,000,000 (approximately HK\$543,380,000) to certain independent third parties, which are interest-bearing at 8.5% per annum and repayable on 24 January 2020, 26 January 2020 and 6 February 2021 (2018: 6 February 2020), respectively.
- (c) On 15 September 2017, 20 September 2017, 13 October 2017, 3 November 2017 and 17 November 2017, the Company issued the 2017 Bonds AI — 5.25% with an aggregate principal amount of HK\$13,500,000 to certain independent third parties, which are interest-bearing at 5.25% per annum and repayable in 2020.
- (d) On 15 September 2017, 3 November 2017 and 9 November 2017, the Company issued the 2017 Bonds AII — 6.0% with an aggregate principal amount of HK\$15,000,000 to certain independent third parties, which are interest-bearing at 6% per annum and repayable in 2022.
- (e) On 18 April 2018, 8 May 2018 and 28 May 2018, the Company issued the 2018 Bonds AAI — 5.25% with an aggregate principal amount of HK\$25,500,000 to certain independent third parties, which are interest-bearing at 5.25% per annum and repayable in 2021.

27. 無抵押債券及票據 (續)

附註：

- (a) 於二零一七年二月二十二日及二零一七年三月二十一日，本公司向Inventive Star發行本金額分別為100,000,000美元(約783,298,000港元)及50,000,000美元(約391,649,000港元)之二零一七年票據 — 7.8%，有關票據按年利率7.8厘計息及分別須於二零一九年二月二十一日及二零一九年三月二十日償還。於二零一八年八月二十七日，Inventive Star向本公司發出承諾書，據此，Inventive Star承諾不會於二零二一年二月及三月前向本公司發出贖回通知，以贖回及支付未償還本金額分別783,298,000港元及391,649,000港元連同相關應計利息。

於二零一九年八月二十二日，Inventive Star發出契據，據此，Inventive Star同意本公司可全權酌情決定若干票據連同應計利息之贖回日期。因此，自契據日期起，票據重新分類為本公司之永續貸款及本集團綜合財務狀況表內之儲備。進一步詳情載於綜合財務報表附註31。

- (b) 於二零一七年一月二十五日、二零一七年一月二十七日及二零一七年二月七日，本公司向若干獨立第三方發行本金總額為70,000,000美元(約543,380,000港元)之二零一七年票據 — 8.5%，按年利率8.5厘計息，並分別須於二零二零年一月二十四日、二零二零年一月二十六日及二零二一年二月六日(二零一八年：二零二零年二月六日)償還。
- (c) 於二零一七年九月十五日、二零一七年九月二十日、二零一七年十月十三日、二零一七年十一月三日及二零一七年十一月十七日，本公司向若干獨立第三方發行本金總額為13,500,000港元之二零一七年債券AI — 5.25%，按年利率5.25厘計息，並須於二零二零年償還。
- (d) 於二零一七年九月十五日、二零一七年十一月三日及二零一七年十一月九日，本公司向若干獨立第三方發行本金總額為15,000,000港元之二零一七年債券AII — 6.0%，按年利率6厘計息，並須於二零二二年償還。
- (e) 於二零一八年四月十八日、二零一八年五月八日及二零一八年五月二十八日，本公司向若干獨立第三方發行本金總額為25,500,000港元之二零一八年債券AAI — 5.25%，按年利率5.25厘計息，並須於二零二一年償還。

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27. UNSECURED BONDS AND NOTES (Continued)

Notes: (Continued)

- (f) On 15 May 2018 and 14 June 2018, the Company issued the 2018 Bonds AAll — 6% with an aggregate principal amount of HK\$7,000,000, to certain independent third parties, which are interest-bearing at 6% per annum and repayable in 2022.
- (g) On 12 September 2017, 6 November 2017 and 20 November 2017, the Company issued the 2017 Bonds B — 6.0% with an aggregate principal amount of HK\$28,000,000 to certain independent third parties, which are interest-bearing at 6% per annum and repayable in 2025.
- (h) On 17 April 2018 and 1 June 2018, the Company issued the 2018 Bonds BB — 6% with an aggregate principal amount of HK\$5,000,000, to certain independent third parties, which are interest-bearing at 6% per annum and repayable in 2025.
- (i) In 2018, the Company issued certain unsecured promissory notes with principal amounts of US\$11,700,000 (approximately HK\$91,258,000) and US\$3,400,000 (approximately HK\$26,499,000) to Inventive Star and certain independent third parties, respectively. Except for a note amount of US\$2,550,000 (approximately HK\$19,874,000) that is interest-free, all notes are interest-bearing at 12% per annum and repayable in 2021 (2018: 2019).

On 22 August 2019, Inventive Star issued a deed pursuant to which Inventive Star has agreed that the Company shall have the sole discretion to determine the redemption dates of certain notes together with the interest accrued thereon. Accordingly, the notes were reclassified into perpetual loans under the Company and the Group's reserves in the statement of financial position from the date of the deed. Further details are set out in note 31 to the consolidated financial statements.

- (j) As at 31 December 2018, included in the amounts were unsecured notes with an aggregate principal amount of HK\$637,380,000 that were repayable in 2020 or after. These notes included a clause which stated that an event of default would occur if any indebtedness of the Group is not paid when due. Upon the occurrence of an event of default, as further detailed in note 25(i) to the consolidated financial statements, these note holders could have demanded for immediate repayment of these notes. Despite these notes were repayable in 2020 or after, the aggregate carrying amount of HK\$630,020,000 had been included in current liabilities as at 31 December 2018.

27. 無抵押債券及票據 (續)

附註：(續)

- (f) 於二零一八年五月十五日及二零一八年六月十四日，本公司向若干獨立第三方發行本金總額為7,000,000港元之二零一八年債券AAll — 6%，按年利率6厘計息，並須於二零二二年償還。
- (g) 於二零一七年九月十二日、二零一七年十一月六日及二零一七年十一月二十日，本公司向若干獨立第三方發行本金總額為28,000,000港元之二零一七年債券B — 6.0%，按年利率6厘計息，並須於二零二五年償還。
- (h) 於二零一八年四月十七日及二零一八年六月一日，本公司向若干獨立第三方發行本金總額為5,000,000港元之二零一八年債券BB — 6%，按年利率6厘計息，並須於二零二五年償還。
- (i) 於二零一八年，本公司分別向 Inventive Star 及若干獨立第三方發行若干本金總額為11,700,000美元(約91,258,000港元)及3,400,000美元(約26,499,000港元)之無抵押承兌票據。除為數2,550,000美元(約19,874,000港元)之免息票據外，所有票據均按年利率12厘計息，並須於二零二一年(二零一八年：二零一九年)償還。

於二零一九年八月二十二日，Inventive Star 發出契據，據此，Inventive Star 同意本公司可全權酌情決定若干票據連同應計利息之贖回日期。因此，自契據日期起，票據重新分類為本公司之永續貸款及本集團綜合財務狀況表內之儲備。進一步詳情載於綜合財務報表附註31。

- (j) 於二零一八年十二月三十一日，有關金額包括本金總額為637,380,000港元並須於二零二零年或之後償還之無抵押票據。該等票據包括一項條款規定，當中列明倘本集團未能償還到期債務即視作發生違約事件。一旦發生此違約事件(進一步詳情載於綜合財務報表附註25(i))，有關票據持有人可要求即時償還該等票據。儘管該等票據於二零二零年或之後方須償還，惟賬面總值630,020,000港元之有關票據已於二零一八年十二月三十一日計入流動負債。

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27. UNSECURED BONDS AND NOTES (Continued)

Notes: (Continued)

- (k) As at 31 December 2018, Inventive Star could have demanded for the immediate repayment pursuant to the occurrence of a condition which could trigger an event of default customary in these types of notes' agreements, as further detailed in note 25(i) to the consolidated financial statements. However, these notes had continued to be classified as non-current liabilities in accordance with the original notes' maturity dates because Inventive Star had agreed to waive any notice of default, to continue providing financial support to the Group and would not demand repayment of any amounts owed by the Group until it is in a position to repay without impairing its financial condition.

The unsecured notes issued by the Group are denominated in US\$. The unsecured bonds issued by the Group are denominated in HK\$.

28. DEFERRED TAX

The movements in deferred tax assets during the year are as follows:

27. 無抵押債券及票據 (續)

附註：(續)

- (k) 於二零一八年十二月三十一日，Inventive Star 可因發生可能引致該類票據協議的違約事件的情況而要求即時還款（進一步詳情載於綜合財務報表附註25(i)）。然而，該等票據仍按原先票據到期日分類為非流動負債，原因為 Inventive Star 已同意豁免任何違約通知以繼續向本集團提供財務支援，並將不會要求本集團償還任何結欠款項，直至其可在不會導致其財務狀況減值情況下還款為止。

本集團發行之無抵押票據以美元計值。本集團發行之無抵押債券以港元計值。

28. 遞延稅項

遞延稅項資產於年內之變動如下：

		Deductible temporary differences 可扣減 暫時差異 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	504,784
Deferred tax credited to profit or loss during the year, net	於年內計入損益的遞延稅項淨額	7,116
Exchange differences	匯兌差額	1,281
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	513,181
Deferred tax debited to profit or loss during the year, net	於年內扣自損益的遞延稅項淨額	(512,474)
Exchange differences	匯兌差額	(707)
At 31 December 2019	於二零一九年十二月三十一日	–

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28. DEFERRED TAX (Continued)

The Group has tax losses arising in Hong Kong and CNMI of HK\$599,449,000 (2018: HK\$569,300,000) and HK\$548,346,000 (2018: Nil), respectively, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in these entities 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.

28. 遞延稅項 (續)

本集團於香港及北馬里亞納產生的稅項虧損分別為599,449,000港元(二零一八年: 569,300,000港元)及548,346,000港元(二零一八年: 無), 並可供無限期抵銷產生有關虧損的公司之未來應課稅溢利。由於此等實體已虧損一段時間且認為其應課稅溢利不足以抵銷可動用之稅項虧損, 故並無就此等虧損確認遞延稅項資產。

29. SHARE CAPITAL

29. 股本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Authorised:	法定:		
300,000,000,000 ordinary shares of HK\$0.0005 each	300,000,000,000 股每股面值 0.0005 港元之普通股	150,000	150,000
Issued and fully paid:	已發行及繳足:		
142,984,807,678 ordinary shares of HK\$0.0005 each	142,984,807,678 股每股面值 0.0005 港元之普通股	71,492	71,492

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 30 to the consolidated financial statements.

購股權

本公司購股權計劃及根據該計劃發行購股權之詳情載於綜合財務報表附註30。

30. SHARE OPTION SCHEME

Equity-settled share option scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants include the full-time and part-time employees, executives, officers, directors, business consultants, agents, legal and financial advisers of the Company and the Company's subsidiaries. The Scheme became effective on 3 December 2014 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

30. 購股權計劃

權益結算購股權計劃

本公司設立購股權計劃(「計劃」), 目的旨在向對本集團成功經營作出貢獻之合資格參與者提供獎勵及回報。計劃的合資格參與者包括本公司及本公司附屬公司之全職及兼職僱員、行政人員、管理人員、董事、業務顧問、代理、法律及財務顧問。除非計劃已取消或經修訂, 計劃自二零一四年十二月三日起生效, 並自該日起計十年內仍然生效。

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30. SHARE OPTION SCHEME (Continued)

Equity-settled share option scheme (Continued)

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. 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 of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 30 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

30. 購股權計劃(續)

權益結算購股權計劃(續)

現時批准根據計劃可授出之未行使購股權數目行使時不得多於本公司不時已發行股份的10%。於任何十二個月期間內每名合資格參與者根據計劃獲授購股權而可獲發行之股份最高數目，以本公司不時已發行股份1%為限。進一步授出超逾該上限之購股權須經股東在股東大會上批准。

向本公司董事、主要行政人員、主要股東或彼等之任何聯繫人士授出購股權，須先經獨立非執行董事批准。此外，於任何十二個月期間內向本公司主要股東或獨立非執行董事或彼等之任何聯繫人士授出購股權，而所涉及股份超逾本公司不時已發行股份0.1%或總值(根據於授出日期之本公司股價計算)超逾5百萬港元，則須先經股東在股東大會上批准。

提呈授出的購股權之要約須於要約當日起計30日內接納，承授人並須支付合共1港元的象徵性代價。所授出的購股權的行使期由董事會釐定，並由若干歸屬期後開始，而屆滿日期不得遲於提呈購股權日期起計五年或計劃之到期日的較早者。

購股權之行使價可由董事釐定，惟不可低於下列三者中之最高者：(i) 提呈購股權要約當日日本公司股份於聯交所之收市價；(ii) 緊接提呈要約當日前五個交易日本公司股份於聯交所之平均收市價；及(iii) 於提呈要約當日本公司股份的面值。

購股權並不賦予持有人收取股息的權利，亦無權在股東大會上投票。

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30. SHARE OPTION SCHEME (Continued)

Equity-settled share option scheme (Continued)

The following share options were outstanding under the Scheme:

30. 購股權計劃(續)

權益結算購股權計劃(續)

計劃項下尚未行使購股權如下：

		2019 二零一九年		2018 二零一八年	
		Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目	Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目
Outstanding as at 1 January	於一月一日尚未行使	0.128	1,534,781,992	0.135	1,852,178,272
Lapsed during the year	年內失效	0.168	<u>(13,513,976)</u>	0.170	<u>(317,396,280)</u>
Outstanding as at 31 December	於十二月三十一日尚未行使	0.127	<u>1,521,268,016</u>	0.128	<u>1,534,781,992</u>
Exercisable at 31 December	於十二月三十一日可予行使	0.119	<u>1,353,096,861</u>	0.113	<u>1,241,656,388</u>

No option was exercised during the year ended 31 December 2019 (2018: Nil).

截至二零一九年十二月三十一日止年度並無購股權獲行使(二零一八年：無)。

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30. SHARE OPTION SCHEME (Continued)

Equity-settled share option scheme (Continued)

Share options outstanding as at the end of the reporting period have the following exercise periods and exercise prices:

Grant date	Exercise period	Exercise price	Number of options 2019 二零一九年之購股權數目	Number of options 2018 二零一八年之購股權數目
授出日期	行使期	行使價 HK\$ 港元		
3 December 2014 二零一四年十二月三日	3 December 2014–2 December 2024 二零一四年十二月三日至 二零二四年十二月二日	0.105	1,120,000,000	1,120,000,000
18 June 2015 二零一五年六月十八日	Note 1 附註 1	0.220	214,090,896	217,477,072
26 November 2015 二零一五年十一月二十六日	Note 2 附註 2	0.255	3,800,000	3,800,000
5 April 2017 二零一七年四月五日	Note 3 附註 3	0.150	183,377,120	193,504,920
			1,521,268,016	1,534,781,992
			5.21 years 5.21 年	6.08 years 6.08 年

Weighted average remaining contractual life of options outstanding at the end of period
於期末尚未行使購股權餘下加權平均合約年期

Note 1: 25% of the options granted will be vested on the third anniversary of the date of grant, another 25% of the options granted will be vested on the fourth anniversary of the date of grant, another 25% of the options granted will be vested on the fifth anniversary of the date of grant and the remaining 25% of the options granted will be vested on the sixth anniversary of the date of grant, up to 17 June 2025.

Note 2: 25% of the options granted are vested on the first anniversary of the date of grant, another 25% of the options granted are vested on the second anniversary of the date of grant, another 25% of the options granted are vested on the third anniversary of the date of grant and the remaining 25% of the options granted will be vested on the fourth anniversary of the date of grant, up to 26 November 2025.

30. 購股權計劃(續)

權益結算購股權計劃(續)

於報告期末尚未行使購股權之行使期及行使價如下：

附註 1：已授出購股權其中 25% 將於授出日期第三週年歸屬，已授出購股權另外 25% 將於授出日期第四週年歸屬，已授出購股權另外 25% 將於授出日期第五週年歸屬，已授出購股權餘下 25% 將於授出日期第六週年歸屬，直至二零二五年六月十七日為止。

附註 2：已授出購股權其中 25% 將於授出日期第一週年歸屬，已授出購股權另外 25% 將於授出日期第二週年歸屬，已授出購股權另外 25% 將於授出日期第三週年歸屬，已授出購股權餘下 25% 將於授出日期第四週年歸屬，直至二零二五年十一月二十六日為止。

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30. SHARE OPTION SCHEME (Continued)

Equity-settled share option scheme (Continued)

Note 3: One-third of such share options are vested on the first anniversary of the date of grant; another 33.3% of the options granted will be vested on the second anniversary of the date of grant, the remaining 33.4% of the options granted will be vested on the third anniversary of the date of grant, up to 4 April 2027.

During the year ended 31 December 2019, the Group has recognised a share option expense of HK\$6,805,000 (2018: HK\$17,298,000) in respect of the share options granted in the prior years.

Share options granted to consultants were incentives for helping the Group expand its business network, acquire and explore new business projects and opportunities. The fair value of such benefit could not be estimated reliably and, as a result, the fair value was measured by reference to the fair value of share options granted.

At the end of the reporting period, the Company had 1,521,268,016 (2018: 1,534,781,992) share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 1,521,268,016 (2018: 1,534,781,992) additional ordinary shares of the Company and additional share capital and share premium amounts of approximately HK\$761,000 (2018: HK\$767,000) and HK\$192,440,000 (2018: HK\$194,673,000), respectively.

30. 購股權計劃(續)

權益結算購股權計劃(續)

附註3：有關購股權的其中三分之一於授出日期第一週年歸屬，已授出購股權另外33.3%將於授出日期第二週年歸屬，已授出購股權餘下33.4%將於授出日期第三週年歸屬，直至二零二七年四月四日為止。

截至二零一九年十二月三十一日止年度，本集團已就先前年度已授出購股權確認購股權開支6,805,000港元(二零一八年：17,298,000港元)。

授予顧問之購股權乃就協助本集團擴展其業務網絡、收購及尋找新業務項目及機會之獎勵。有關福利之公允價值不能可靠地估計，因此，其公允價值乃參考所授出購股權之公允價值計量。

於報告期末，本公司於計劃項下尚未行使之購股權為1,521,268,016份(二零一八年：1,534,781,992份)。在本公司現有資本結構下，尚未行使購股權獲悉數行使將導致本公司額外發行1,521,268,016股(二零一八年：1,534,781,992股)普通股，而股本及股份溢價則分別增加約761,000港元(二零一八年：767,000港元)及192,440,000港元(二零一八年：194,673,000港元)。

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30. SHARE OPTION SCHEME (Continued)

Share options offered by the controlling shareholder on 14 December 2015

On 14 December 2015, the controlling shareholder of the Company offered 3,191,666,665 share options (“Option A”) to independent investors and 77,066,668 share options (“Option B”) to consultants and employees (collectively the “Offerees”) enabling the Offerees to subscribe for an aggregate of 3,268,733,333 shares under the Share Option Scheme. The exercise price is HK\$0.24 per share. Under Option A, the vesting period commenced 16 days after the grant date and grantees can exercise 100% of the share options. Under Option B, grantees can exercise 25% of the share options 3 years after the grant date, 25% of the share options 4 years after the grant date, 25% of the share options 5 years after the grant date and 25% of the share options 6 years after the grant date.

At the end of the reporting period, none of the options offered by the controlling shareholder have been taken up by the Offerees. Correspondingly, the consolidated financial statements for the year ended 31 December 2019 have not reflected the effects of such share-based payments (2018: Nil).

31. RESERVES

The amounts of the Group’s reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 65 of the consolidated financial statements.

Other reserve

Other reserve represented deemed capital contribution arising from interest-free loans from a shareholder.

30. 購股權計劃(續)

控股股東於二零一五年十二月十四日授出的購股權

於二零一五年十二月十四日，本公司控股股東分別向獨立投資者以及顧問及僱員（統稱「承授人」）授出3,191,666,665份購股權（「購股權A」）及77,066,668份購股權（「購股權B」），讓承授人可根據購股權計劃認購合共3,268,733,333股股份。行使價為每股0.24港元。根據購股權A，歸屬期自授出日期後16日開始，承授人可行使100%購股權。根據購股權B，承授人可於授出日期後3年行使25%購股權，於授出日期後4年行使25%購股權，於授出日期後5年行使25%購股權及於授出日期後6年行使25%購股權。

於報告期末，承授人尚未接納由控股股東授出之全部購股權。因此，截至二零一九年十二月三十一日止年度之綜合財務報表未有反映該等以股份為基礎之付款開支之影響（二零一八年：無）。

31. 儲備

本集團於本年度及過往年度之儲備數額及其變動於綜合財務報表第65頁所載綜合權益變動表呈列。

其他儲備

其他儲備指股東之免息貸款產生之視為出資。

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31. RESERVES (Continued)

Perpetual loans

During the year ended 31 December 2019, certain related parties issued deeds pursuant to which these related parties have agreed that the Company shall have the sole discretion to determine the redemption dates of certain loans and unsecured notes with an aggregate outstanding carrying amount of HK\$2,394,698,000, together with the interest accrued thereon of HK\$163,335,000. Accordingly, these amounts were reclassified into perpetual loans under the Company and the Group's reserves in the statements of financial position from the date of the deeds.

During the year ended 31 December 2019, an independent third party issued a deed pursuant to which this party has agreed that the Company shall have the sole discretion to determine the redemption dates of certain loans with an aggregate outstanding loan carrying amount of HK\$545,824,000, together with the interest accrued thereon of HK\$8,453,000. Accordingly, these amounts were reclassified into perpetual loans under the Company and the Group's reserves in the statements of financial position from the date of the deed.

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

Other than transactions disclosed in notes 15, 31 and 32(b) to the consolidated financial statements, the Group has the following major non-cash transactions during the year:

- (i) During the year ended 31 December 2019, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$3,552,000 and HK\$3,552,000, respectively, in respect of lease arrangements for office premises (2018: Nil).
- (ii) During the year ended 31 December 2019, an outstanding trade receivable balance was settled by the transfer of an aircraft at a consideration of HK\$113,025,000 (2018: Nil).

31. 儲備(續)

永續貸款

截至二零一九年十二月三十一日止年度，若干關聯方發出契據，據此，該等關聯方同意本公司可全權酌情決定若干貸款及無抵押票據(未償還賬面總值為2,394,698,000港元)連同應計利息163,335,000港元之贖回日期。因此，自契據日期起，有關款項重新分類為本公司之永續貸款及本集團綜合財務狀況表內之儲備。

截至二零一九年十二月三十一日止年度，一名獨立第三方發出契據，據此，該獨立第三方同意本公司可全權酌情決定若干貸款(未償還貸款賬面總值為545,824,000港元)連同應計利息8,453,000港元之贖回日期。因此，自契據日期起，有關款項重新分類為本公司之永續貸款及本集團綜合財務狀況表內之儲備。

32. 綜合現金流量表附註

(a) 主要非現金交易

除綜合財務報表附註15、31及32(b)所披露交易外，本集團於年內有以下主要非現金交易：

- (i) 截至二零一九年十二月三十一日止年度，本集團就辦公室物業之租賃安排有使用權資產及租賃負債之非現金添置分別3,552,000港元及3,552,000港元(二零一八年：無)。
- (ii) 截至二零一九年十二月三十一日止年度，應收貿易賬款之未償還結餘透過轉讓一架飛機支付，代價為113,025,000港元(二零一八年：無)。

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32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Changes in liabilities arising from financing activities

32. 綜合現金流量表附註(續)

(b) 融資業務產生之負債變動

		Interest payable included in other payables	Loans from related parties	Other borrowings	Convertible bonds and notes	CN 2015 payable included in other payables	Unsecured bonds and notes	Loans from a joint venture
		計入其他應付款項之應付利息 HK\$'000 千港元	來自關聯方之貸款 HK\$'000 千港元	其他借款 HK\$'000 千港元	可換股債券及票據 HK\$'000 千港元	計入其他應付款項之應付二零一五年可換股票據 HK\$'000 千港元	無抵押債券及票據 HK\$'000 千港元	來自一間合營企業之貸款 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	239,709	349,357	1,962,842	46,713	123,400	1,753,301	-
Changes from financing cash flows	融資現金流變動	(81,423)	220,075	1,066,906	-	-	32,795	-
Interest expenses	利息開支	452,883	-	3,297	2,166	-	2,696	-
Assignment of a loan and its related interest	轉讓貸款及其相關利息	(9,736)	49,736	(40,000)	-	-	-	-
Refinancing of interest payables	應付利息再融資	(117,757)	-	-	-	-	117,757	-
Trade receivables set-off	抵銷應收貿易賬款	-	-	-	-	(100,000)	-	-
Repayment of a loan by an item of property, plant and equipment	利用物業、廠房及設備項目償還貸款	-	-	(31,218)	-	-	-	-
Deemed capital contribution from a shareholder (note 31)	視為一名股東出資(附註31)	-	(45,000)	-	-	-	-	-
Exchange differences	匯兌差異	-	46	698	-	-	16,175	-
At 31 December 2018	於二零一八年十二月三十一日	483,676	574,214	2,962,525	48,879	23,400	1,922,724	-
Effect of adoption of HKFRS 16	採納香港財務報告準則第16號之影響	-	-	76,237	-	-	-	-
At 1 January 2019 (restated)	於二零一九年一月一日(重列)	483,676	574,214	3,038,762	48,879	23,400	1,922,724	-
Changes from financing cash flows	融資現金流變動	(146,108)	(55,323)	1,363,633	(50,000)	-	-	10,046
Interest expenses	利息開支	522,229	55,754	9,265	1,121	-	3,226	-
Assignment of loans, deposits received and related interest	轉讓貸款、已收按金及相關利息	(158,956)	611,423	(358,236)	-	-	-	-
New leases	新租賃	-	-	3,552	-	-	-	-
Termination of leases	終止租賃	-	-	(7,084)	-	-	-	-
Deemed capital contribution from a shareholder (note 31)	視為一名股東出資(附註31)	-	(54,277)	-	-	-	-	-
Reclassification upon amendment of payment clauses of notes and borrowings (note 31)	修訂票據及借款之付款條款時重新分類(附註31)	(171,788)	(1,131,397)	(545,824)	-	-	(1,263,301)	-
Exchange differences	匯兌差異	-	(394)	(8,331)	-	-	(5,398)	-
At 31 December 2019	於二零一九年十二月三十一日	529,053	-	3,495,737	-	23,400	657,251	10,046

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32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

		2019 二零一九年 HK\$'000 千港元
Within operating activities	經營業務內	15,594
Within financing activities	融資業務內	36,843
		<u>52,437</u>

33. COMMITMENTS

(a) The Group had the following commitments at the end of the reporting period:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Capital commitments	資本承擔		
Contracted, but not provided for:	已訂約，但未撥備：		
Property, plant and equipment	物業、廠房及設備	466,989	379,336
Leasehold lands	租賃土地	77,971	78,421
		<u>544,960</u>	<u>457,757</u>

32. 綜合現金流量表附註(續)

(c) 租賃之現金流出總額

計入綜合現金流量表之租賃之現金流出總額如下：

33. 承擔

(a) 本集團於報告期末之承擔如下：

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33. COMMITMENTS (Continued)

(a) The Group had the following commitments at the end of the reporting period: (Continued)

33. 承擔(續)

(a) 本集團於報告期末之承擔如下：(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other commitments	其他承擔		
Casino licence fees:	娛樂場牌照費：		
Within one year	一年內	116,835	117,510
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	467,340	470,040
After five years	五年後	1,635,690	1,762,650
		<u>2,219,865</u>	<u>2,350,200</u>
Community development fund fees:	社區發展資金費用：		
Within one year	一年內	155,780	156,680
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	623,120	626,720
After five years	五年後	1,869,360	2,036,840
		<u>2,648,260</u>	<u>2,820,240</u>
		<u>4,868,125</u>	<u>5,170,440</u>

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33. COMMITMENTS (Continued)

(b) Operating lease commitments as at 31 December 2018

The Group leased certain of its leasehold land and buildings on the Island of Saipan under operating lease arrangements. Except for operating leases in respect of leasehold land on the Island of Saipan which had periods of 25 and 55 years, the leases typically had an initial period of one to five years. None of the leases included contingent rentals.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 二零一八年 HK\$'000 千港元
Within one year	一年內	58,894
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	46,308
After five years	五年後	32,705
		<hr/> 137,907

33. 承擔(續)

(b) 於二零一八年十二月三十一日之經營租賃承擔

本集團根據經營租賃安排於塞班島租賃若干租賃土地及樓宇。除於塞班島之租賃土地之經營租賃為期25年及55年外，該等租賃之初步租期一般為一至五年不等，其中並無任何租賃包括或然租金。

於二零一八年十二月三十一日，本集團根據到期之不可撤銷經營租賃之未來最低租賃款項總額如下：

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34. CONTINGENT LIABILITIES

(a) Unasserted claims and assessments

The Group may be exposed to payment of damages assessed by the United States Equal Employment Opportunity Commission (“EEOC”). As at 31 December 2019, several former employees of a subsidiary have filed discrimination claims against that subsidiary for alleged violations of EEOC regulations. Violations of EEOC regulations may expose the subsidiary to payment of damages, civil and administrative fines or penalties.

In the opinion of the Directors, after taking into account the respective legal advices, as the aforementioned matters are possible unasserted claims and assessments and the likelihood of the Group making any significant amount of payments in respect of claims for damages is remote, the Group has not made any provision for loss in the consolidated financial statements.

(b) Regulatory oversight — BSA compliance

The Group is subject to the jurisdiction of the Regulatory Authorities in the conduct of its casino operations through IPI, its wholly-owned subsidiary. Specifically, IPI is required to comply with the rules and regulations of the CCC in the conduct of its gaming operations. IPI is also under the jurisdiction of the FinCEN in terms of its compliance with the anti-money laundering provisions of the BSA. Should IPI violate the requirements of the Regulatory Authorities, it could be subject to various sanctions and disciplinary actions including monetary fines and penalties, restrictions and conditions in the scope of operations, and the potential suspension or revocation of its gaming license.

34. 或然負債

(a) 未確立之申索及評估

本集團經美國公平就業機會委員會(「公平就業機會委員會」)評估後可能面臨損害賠償。於二零一九年十二月三十一日，一間附屬公司涉嫌違反公平就業機會委員會之規例而遭其數名前僱員向其提出歧視申索。違反公平就業機會委員會之規例可能令該附屬公司面臨損害賠償、民事及行政罰款或處分。

董事認為，經考慮各自的法律意見後，由於上述事項為潛在未確立之申索及評估，且本集團不大可能就損害申索作出任何大額付款，故本集團概無於綜合財務報表就虧損作出任何撥備。

(b) 規管監督 — 遵守銀行保密法

本集團透過其全資附屬公司IPI於進行其賭場業務時受監管機構所監督。具體而言，IPI於進行其博彩業務時須遵照聯邦賭場委員會之規則及法規。在遵照銀行保密法之反洗黑錢條文方面，IPI亦受金融罪行執法網絡所監督。倘IPI違反監管機構之規定，則其可能面臨不同制裁及處分，包括徵收罰款、限制及約束其業務範疇，以及可能暫停或撤銷其博彩牌照。

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34. CONTINGENT LIABILITIES (Continued)

(b) Regulatory oversight — BSA compliance

(Continued)

During 2017, IPI was subject to a routine BSA compliance examination conducted by the Internal Revenue Service (“IRS”) for the period from October 2016 to March 2017. During the year, the IRS issued a report (“IRS Report”) with findings on IPI’s compliance with the BSA. IPI, through its external legal counsel, had responded to the IRS Report and acknowledged certain of the findings of violations noted in the IRS Report. Subsequent to the end of the reporting period, IPI received a letter from FinCEN dated 4 March 2020, which has requested IPI to provide certain information and documents relevant to compliance with these regulatory requirements from October 2016 through the present. FinCEN has indicated in the letter that there were apparent violations of the BSA and its implementing regulations and it is considering whether to impose civil money penalties or take additional enforcement action against IPI. As of the date of issuance of these consolidated financial statements, IPI is still in the process of preparing for the information to be submitted to FinCEN. Accordingly, it is not practicable for the Company to accurately predict the resolution of this matter, including timing or any possible impact to the Group. Notwithstanding the aforesaid, the Directors, based on external advice, have made a provision for the estimated civil money penalty in respect of the identified and potential violations. The Group has been and is under normal operation without any interruption from this ongoing investigation, save for the temporary closure of its casino operation in Saipan due to the COVID-19 outbreak as further disclosed in note 40(a) to the consolidated financial statements.

34. 或然負債(續)

(b) 規管監督 — 遵守銀行保密法(續)

於二零一七年，IPI受到美國國家稅務局(「國稅局」)在二零一六年十月至二零一七年三月期間進行之例行銀行保密法合規性核查。年內，國稅局已就有關IPI銀行保密法合規情況之調查結果發出報告(「國稅局報告」)。IPI已透過其外聘法律顧問回應國稅局報告，並承認國稅局報告所述若干違規調查結果。於報告期末後，IPI接獲金融罪行執法網絡所發出日期為二零二零年三月四日之函件，要求IPI提供自二零一六年十月至今與遵守此等監管規定有關之若干資料及文件。金融罪行執法網絡在函件中指出，存在可能違反銀行保密法及其實施條例之情況，並正在考慮是否對IPI施加民事罰款或採取其他執法行動。截至此等綜合財務報表刊發日期，IPI仍在準備將向金融罪行執法網絡提交之資料。因此，本公司當前無法準確預測此事宜之解決方案，包括需時長短或對本集團可能造成之影響。儘管如此，根據外部建議，董事已就所識別及潛在違規情況之估計民事罰款計提撥備。本集團自接受是次核查以來業務一直及現正保持正常營運，並無出現任何業務中斷，惟綜合財務報表附註40(a)所進一步披露因COVID-19爆發以致其塞班島娛樂場暫時停業除外。

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34. CONTINGENT LIABILITIES (Continued)

(c) Investigation by Federal Government Authorities

As disclosed in the Company's announcement dated 7 November 2019, on 7 November, 2019, the Federal Government Authorities conducted a search of IPI offices requesting certain documents and information. Subsequently, a federal grand jury issued two grand jury subpoenas on IPI to provide additional documents and information in December 2019. IPI is fully cooperating with the Federal Government Authorities in providing documents and information.

The Group has engaged external legal counsels to conduct an independent investigation on the financial transactions undertaken by the Group with the named parties in the two subpoenas for the period from 2013 to 2019. Based on the findings from the investigation reports, the Directors have not identified any transactions which were assessed to be either of a high or moderate risk to a criminal liability exposure. Both the external and internal legal counsels of IPI have also opined that the criminal liability exposures which were assessed to be of a low to moderate risk in the investigation reports do not amount to a material breach of any provisions of IPI's CLA or the CCC's regulations. The Directors also believe that IPI had not undertaken any unlawful activities, and IPI has sound defenses that it had acted in good faith and conduct. The Group continues to cooperate with the Federal Government Authorities.

As of the date of issuance of these consolidated financial statements, the investigation is still ongoing and it is premature to predict the eventual outcome. Accordingly, the potential for any fines, penalties or other consequences cannot currently be assessed. It is also not yet possible to identify the timescale in which these issues might be resolved.

34. 或然負債(續)

(c) 聯邦政府機構調查

誠如本公司日期為二零一九年十一月七日之公告所披露，於二零一九年十一月七日，聯邦政府機構對IPI辦事處搜查，要求提供若干文件及資料。其後，聯邦大陪審團於二零一九年十二月對IPI發出兩份大陪審團傳票，要求提供其他文件及資料。IPI與聯邦政府機構全面合作，提供文件及資料。

本集團已委聘外聘法律顧問對本集團與名列兩份傳票之各方於二零一三年至二零一九年期間所進行財務交易進行獨立調查。根據調查報告結果，董事並無識別出任何被評估為刑事責任風險偏高或中等之交易。IPI內部及外聘法律顧問均認為，在調查報告中被評估為刑事責任風險偏低至中等之交易不足以構成嚴重違反任何IPI娛樂場牌照協議之條文或聯邦賭場委員會之規例。董事亦相信，IPI並無進行任何非法活動，而IPI因真誠行事及行為良好而有充分抗辯理據。本集團繼續與聯邦政府機構合作。

截至此等綜合財務報表刊發日期，調查仍在進行中，亦難以預測最終結果。因此，目前無法評估可能產生之罰款、刑罰或其他後果，亦可能無法確定解決此等事宜之時間。

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34. CONTINGENT LIABILITIES (Continued)

(d) Other litigation matters

As at the end of the reporting period and up to the date of issuance of these consolidated financial statements, apart from expressly stated above, the Group is a party to a number of civil litigation cases, as either a plaintiff or defendant. In the opinion of the Directors, after taking into account of the respective legal advices, these cases are either premature and/or the Group has a very high likelihood of success in its action and, therefore these cases will not have any significant adverse impact on the Group's results and financial position. In the opinion of the Directors, adequate provision has been made in these consolidated financial statements.

35. PLEDGE OF ASSETS

As at 31 December 2019, interest-bearing loans of HK\$42,602,000 (2018: Nil) and HK\$1,168,350,000 (2018: Nil) were secured by the Group's aircraft included in property, plant and equipment with a carrying amount of HK\$103,116,000 (2018: Nil) and the issued shares of a subsidiary of the Company (the relevant shares charge arrangement has not been completed at the date of issuance of these consolidated financial statements), respectively.

34. 或然負債(續)

(d) 其他訴訟事項

於報告期末及直至此等綜合財務報表刊發日期，除明確訂明者外，本集團作為原告或被告涉及數項民事訴訟案件。董事認為，經考慮各自之法律意見後，此等案件尚處於早期階段及／或本集團於其訴訟之成功率相當高，故此等案件將不會對本集團之業績及財務狀況構成任何重大不利影響。董事認為，已於此等綜合財務報表作出充分撥備。

35. 資產抵押

於二零一九年十二月三十一日，計息貸款42,602,000港元(二零一八年：無)及1,168,350,000港元(二零一八年：無)分別以本集團計入物業、廠房及設備且賬面值為103,116,000港元(二零一八年：無)之飛機以及本公司附屬公司之已發行股份(於此等綜合財務報表刊發日期相關股份抵押安排尚未完成)作抵押。

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36. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties during the year:

36. 關聯方交易

- (a) 除在綜合財務報表其他章節披露之交易外，本集團於年內有下列關聯方交易：

		Notes	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		附註		
<i>Continuing connected transactions:</i>				
持續關連交易：				
Salary paid to Mr. Ji	支付予紀先生之薪金	(i)	7,831	7,839
<i>Exempted connected transactions:</i>				
獲豁免關連交易：				
Interest expense on loans from and notes issued to related parties	來自關聯方貸款及向關聯方發行之票據之利息開支	(ii)	135,717	127,792
Project management service fees to WWA	支付予環球亞洲之項目管理服務費	(iii)	–	10,880
Rental expenses paid on behalf of the ultimate holding company	代最終控股公司支付之租金開支		13,679	–
Other borrowing's interest paid by Mr. Ji on behalf of the Company	紀先生代本公司支付之其他借款利息		10,200	–
<i>A joint venture:</i>				
一間合營企業：				
Interest expense on loans from a joint venture	來自一間合營企業貸款之利息開支	(iv)	170	–

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36. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

Notes:

- (i) On 8 December 2017, Best Fortune Corporation Limited, a directly wholly-owned subsidiary of the Company, entered into an employment agreement (the “**Employment Agreement**”) with Mr. Ji, the son of the ultimate controlling party of the Company, pursuant to which Mr. Ji was appointed as the Project Director of the casino resort project on the Island of Saipan. According to the Employment Agreement, Mr. Ji is entitled to a basic annual salary of US\$1,000,000 (equivalent to HK\$7,831,000) and a discretionary bonus. The aggregate amount of remuneration has a cap of US\$2,000,000 (equivalent to HK\$15,578,000).
 - (ii) During the year ended 31 December 2019, interest expense of HK\$135,717,000 (2018: HK\$127,792,000) was charged on loans from and notes issued to related parties. The interest rates ranged from 7.5% to 12% (2018: 7.5% to 12%) per annum.
 - (iii) During the year ended 31 December 2018, service fees of HK\$10,880,000 were payable to WWA for the project management services rendered to the Group. The amount mainly included reimbursements of staff costs and office overheads.
 - (iv) During the year ended 31 December 2019, interest expense of HK\$170,000 was charged on loans from a joint venture. The interest rate was 6% per annum.
- (b) Details of the Group’s interest payable to related parties, loans from related parties and unsecured bonds and notes issued to related parties as at the end of the reporting period are included in notes 22, 24 and 27 to the consolidated financial statements.

36. 關聯方交易 (續)

(a) (續)

附註：

- (i) 於二零一七年十二月八日，本公司之直接全資附屬公司振裕興業有限公司與本公司最終控制人之兒子紀先生訂立僱用協議（「**僱用協議**」），據此，紀先生獲委任為於塞班島進行之娛樂場度假村項目之項目總監。根據僱用協議，紀先生有權每年收取基本薪金1,000,000美元（相當於7,831,000港元）及酌情花紅。薪酬總額上限為2,000,000美元（相當於15,578,000港元）。
 - (ii) 截至二零一九年十二月三十一日止年度，來自關聯方貸款及向關聯方發行票據之利息開支為135,717,000港元（二零一八年：127,792,000港元）。年利率介乎7.5%至12%（二零一八年：7.5%至12%）。
 - (iii) 截至二零一八年十二月三十一日止年度，就向本集團提供之項目管理服務應付環球亞洲之服務費為10,880,000港元。該款項主要包括員工成本及辦公室開支的報銷。
 - (iv) 截至二零一九年十二月三十一日止年度，來自一間合營企業貸款收取利息開支170,000港元。年利率為6%。
- (b) 本集團於報告期末應付關聯方之利息、來自關聯方之貸款以及向關聯方發行之無抵押債券及票據之詳情載於綜合財務報表附註22、24及27。

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36. RELATED PARTY TRANSACTIONS (Continued)

- (c) Compensation of key management personnel of the Group:

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and the senior management, is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	36,400	37,950
Post-employment benefits	離職後福利	203	596
Share-based payments	以股份為基礎之付款開支	841	792
		37,444	39,338

Further details of directors' emoluments are included in note 8 to the consolidated financial statements.

37. FINANCIAL INSTRUMENTS BY CATEGORY

Other than the equity investments designated at fair value through other comprehensive income and derivative financial instruments as disclosed in notes 17 and 23 to the consolidated financial statements, respectively, all financial assets and liabilities of the Group as at 31 December 2019 and 2018, are financial assets at amortised cost, and financial liabilities at amortised cost, respectively.

36. 關聯方交易 (續)

- (c) 本集團主要管理人員之酬金：

本集團主要管理人員之薪酬(包括支付予本公司董事及高級管理層之金額)如下：

董事酬金之進一步詳情載於綜合財務報表附註8。

37. 按類別劃分之金融工具

除綜合財務報表附註17及23分別披露之指定為按公允價值計入其他全面收入之股本投資及衍生金融工具外，本集團於二零一九年及二零一八年十二月三十一日之所有金融資產及負債分別為按攤銷成本計量之金融資產及按攤銷成本計量之金融負債。

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

38. 金融工具之公允價值及公允價值級別

本集團金融工具之賬面值及公允價值如下，惟賬面值與公允價值合理相若者除外：

	Carrying amounts		Fair values		
	賬面值		公允價值		
	2019	2018	2019	2018	
	二零一九年	二零一八年	二零一九年	二零一八年	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	
Financial assets	金融資產				
Equity investments designated at fair value through other comprehensive income	指定為按公允價值計入其他全面收入之股本投資	8,473	18,471	8,473	18,471
Derivative financial assets	衍生金融資產	-	24	-	24
		8,473	18,495	8,473	18,495
Financial liabilities	金融負債				
Derivative financial liabilities	衍生金融負債	-	1	-	1
Other borrowings (other than lease liabilities)	其他借款(租賃負債除外)	3,450,756	2,962,525	3,497,531	2,962,525
Loans from a joint venture	來自一間合營企業之貸款	10,046	-	10,046	-
Loans from related parties	來自關聯方之貸款	-	574,214	-	576,304
Convertible bonds and notes	可換股債券及票據	-	48,879	-	48,879
Unsecured bonds and notes	無抵押債券及票據	657,251	1,922,724	648,279	1,890,014
		4,118,053	5,508,343	4,155,856	5,477,723

Management has assessed that the fair values of cash and cash equivalents, restricted bank deposit, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

管理層已評估，現金及現金等值物、受限制銀行存款、應收貿易賬款、應付貿易賬款、計入預付款項、按金及其他應收款項之金融資產以及計入其他應付款項及應計款項之金融負債的公允價值與其賬面值相若，主要由於此等工具於短期內到期所致。

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The Group's finance department headed by the Chief Financial Officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The Chief Financial Officer reports directly to the Directors. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the Chief Financial Officer. The valuation process and results are discussed with the Audit Committee twice a year for interim and annual financial reporting.

The fair values of the non-current portion of other borrowings, loans from related parties, convertible bonds and unsecured bonds and notes have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for other borrowings, and unsecured bonds and notes as at 31 December 2019 were assessed to be insignificant. The fair value of the liability portion of the convertible bonds and notes is estimated by discounting the expected future cash flows using an equivalent market interest rate for a similar convertible bond or note with consideration of the Group's own non-performance risk.

The fair values of listed equity investments are based on quoted market prices.

The fair values of the embedded derivatives in convertible bonds and notes are determined by valuation techniques and based on assumptions on market conditions existing at the end of the reporting period. The valuation model requires the input of subjective assumptions, including the stock price, expected volatility and risk free rate.

38. 金融工具之公允價值及公允價值級別(續)

本集團由首席財務官領導的財務部門負責決定金融工具公允價值計量之政策及程序。首席財務官直接向董事匯報。於各報告日期，財務部門分析金融工具之價值變動，並釐定估值中適用的主要輸入值。首席財務官審閱及批准估值，並就中期及年度財務報告的估值過程及結果與審核委員會每年進行兩次討論。

其他借款、來自關聯方之貸款、可換股債券以及無抵押債券及票據非流動部分之公允價值乃按擁有相若條款、信貸風險及餘下年期工具的現時可用比率貼現預期未來現金流量計算。於二零一九年十二月三十一日，本集團因本身就其他借款以及無抵押債券及票據之不履約風險而導致之公允價值變動被評為並不重大。可換股債券及票據負債部分之公允價值，乃按相若可換股債券或票據所用相等市場利率並考慮到本集團本身之不履約風險，貼現預期未來現金流量作出估計。

上市股本投資的公允價值乃按市場報價計算。

可換股債券及票據之嵌入式衍生工具之公允價值乃按估值方法釐定及按於報告期末對現時市場狀況之假設計算。估值模式規定主觀假設之輸入值，包括股價、預期波動及無風險利率。

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

As at 31 December 2019, the Group had financial assets designated at fair value through other comprehensive income amounting to HK\$8,473,000 (2018: HK\$18,471,000) measured at Level 1 fair value.

As at 31 December 2018, the Group had derivative financial assets amounting to HK\$24,000 measured at Level 2 fair value.

As at 31 December 2018, the Group had derivative financial liabilities amounting to HK\$1,000 measured at Level 2 fair value.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2018: Nil).

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivative financial instruments and equity investments designated at fair value through other comprehensive income, comprise other borrowings, loans from related parties, convertible bonds and notes, unsecured bonds and notes 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 foreign currency risk, credit risk, liquidity risk and equity price risk. The Directors review and agree policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.5 to the consolidated financial statements.

38. 金融工具之公允價值及公允價值級別(續)

於二零一九年十二月三十一日，本集團指定為按公允價值計入其他全面收入之金融資產8,473,000港元(二零一八年：18,471,000港元)乃按第一級公允價值計量。

於二零一八年十二月三十一日，本集團之衍生金融資產24,000港元乃按第二級公允價值計量。

於二零一八年十二月三十一日，本集團之衍生金融負債1,000港元乃按第二級公允價值計量。

年內，第一級與第二級之間概無任何公允價值計量之轉移，且金融資產及金融負債均無轉入或轉出第三級(二零一八年：無)。

39. 財務風險管理目標及政策

本集團衍生工具及指定為按公允價值計入其他全面收入之股本投資以外之主要金融工具包括其他借款、來自關聯方之貸款、可換股債券及票據、無抵押債券及票據以及現金及現金等值物。此等金融工具之主要目的為籌集資金作本集團經營所需。本集團擁有應收貿易賬款及應付貿易賬款等其他不同金融資產及負債，均直接來自其經營業務。

本集團金融工具之主要風險為外幣風險、信貸風險、流動資金風險及股本價格風險。董事檢討及協定管理各項有關風險之政策，並概述如下。本集團有關衍生工具的會計政策載於綜合財務報表附註2.5。

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from future commercial transactions, recognised assets and liabilities, net investments in foreign operations or expenditure of operating units in currencies other than the units' functional currencies. During the year, the Group did not use any financial instruments for hedging purposes.

The majority of its foreign currency exposure comprises assets and liabilities denominated in US\$. The exchange rate of the HK\$ is pegged to the US\$ and has remained relatively stable over the past years. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

Credit risk

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of trade receivables.

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. The Group issues credit in the form of markers to approved casino customers following investigations of creditworthiness. In addition, the Group reviews the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are made for irrecoverable amounts.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

39. 財務風險管理目標及政策(續)

外幣風險

本集團面對交易貨幣風險。有關風險來自未來商業交易、已確認資產及負債、海外業務投資淨額或經營單位開支以功能貨幣以外之其他貨幣為單位而產生。年內，本集團並無使用任何金融工具作對沖之用。

其外幣風險主要包括以美元計值之資產及負債，而港元之匯率與美元掛鈎並於過去數年維持較穩定。本集團透過密切監控匯率變動管理其外幣風險。

信貸風險

金融工具可能使本集團承受集中信貸風險(主要由應收貿易賬款組成)。

為降低信貸風險，本集團管理層成立團隊負責釐定信貸限額、信貸批准及其他監控程序，確保採取跟進行動收回逾期債務。本集團以借據的形式向通過信用審查的娛樂場客戶發出信貸。此外，本集團定期審閱各項個別貿易債務的可收回金額，確保就無法收回金額作出足夠減值虧損撥備。

最高風險及年結階段

下表顯示於十二月三十一日根據本集團信貸政策所得信貸質素及最高信貸風險(有關資料主要以逾期資料為依據，除非毋須付出重大成本或精力即可取得其他資料)以及年結階段分類。

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Maximum exposure and year-end staging (Continued)

39. 財務風險管理目標及政策 (續)

最高風險及年結階段 (續)

		12-month	Lifetime ECLs			Total
		ECLs	Simplified			
		12個月預期	全期預期信貸虧損			總計
		信貸虧損	Stage 1	Stage 2	Stage 3	approach
			第一階段	第二階段	第三階段	簡化方法
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 31 December 2019	於二零一九年	千港元	千港元	千港元	千港元	千港元
	十二月三十一日					
Trade receivables*	應收貿易賬款*	-	-	-	9,085,704	9,085,704
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產					
— Normal**	— 正常**	122,439	-	-	-	122,439
Cash and cash equivalents	現金及現金等值物					
— Not yet past due	— 尚未逾期	145,118	-	-	-	145,118
		<u>267,557</u>	<u>-</u>	<u>-</u>	<u>9,085,704</u>	<u>9,353,261</u>

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Maximum exposure and year-end staging (Continued)

39. 財務風險管理目標及政策(續)

最高風險及年結階段(續)

		12-month	Lifetime ECLs			Total	
		ECLs	Simplified				
		12個月預期	Stage 1	Stage 2	Stage 3	approach	Total
		信貸虧損	第一階段	第二階段	第三階段	簡化方法	總計
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 31 December 2018	於二零一八年		千港元	千港元	千港元	千港元	千港元
	十二月三十一日						
Trade receivables*	應收貿易賬款*	-	-	-	-	9,669,897	9,669,897
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產						
— Normal**	— 正常**	218,724	-	-	-	-	218,724
Cash and cash equivalents	現金及現金等值物						
— Not yet past due	— 尚未逾期	113,840	-	-	-	-	113,840
			332,564	-	-	9,669,897	10,002,461

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the consolidated financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets would be considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19 to the consolidated financial statements.

* 就本集團應用簡化方法計算減值之應收貿易賬款而言，根據撥備矩陣計算之資料於綜合財務報表附註19披露。

** 倘計入預付款項、按金及其他應收款項之金融資產尚未逾期及並無資料顯示金融資產自初始確認以來之信貸風險顯著增加，信貸質素被視為「正常」。否則，金融資產之信貸質素將被視為「存疑」。

有關本集團應收貿易賬款所產生信貸風險之進一步量化數據乃於綜合財務報表附註19披露。

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39. 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 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 loans from related parties, other borrowings, convertible bonds and notes and unsecured bonds and notes.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

39. 財務風險管理目標及政策(續)

流動資金風險

本集團運用經常性流動資金規劃工具監察資金短缺之風險。該工具考慮金融工具及金融資產(如應收貿易賬款)之到期情況,以及預測來自經營活動之現金流量。

本集團的目的是要運用來自關聯方之貸款、其他借款、可換股債券及票據以及無抵押債券及票據在資金持續供應與靈活性之間維持平衡。

本集團於報告期末根據合約非貼現開支的金融負債之到期情況如下:

		2019 二零一九年				
		Within 1 year or on demand 一年內或 應要求 HK\$'000 千港元	1 to 2 years 一至兩年 HK\$'000 千港元	Over 2 years but within 5 years 超過兩年 但五年內 HK\$'000 千港元	Over 5 years 超過五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Trade payables	應付貿易賬款	77,023	-	-	-	77,023
Accruals and other payables	應計款項及其他應付款項	2,163,872	-	-	-	2,163,872
Lease liabilities	租賃負債	29,119	5,980	7,720	57,727	100,546
Other borrowings (excluding lease liabilities)	其他借款 (不包括租賃負債)	1,438,302	2,010,459	410,537	-	3,859,298
Unsecured bonds and notes	無抵押債券及票據	568,254	55,805	28,582	33,733	686,374
Loans from a joint venture	來自一間合營企業之貸款	10,342	-	-	-	10,342
		4,286,912	2,072,244	446,839	91,460	6,897,455

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

39. 財務風險管理目標及政策(續)

流動資金風險(續)

		2018				
		二零一八年				
		Within	Over 2			
		1 year	years but			
		or on	1 to 2	within	Over	
		demand	years	5 years	5 years	
		一年內或	一至兩年	超過兩年	超過五年	
		應要求	但五年內	超過五年	總計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	
Trade payables	應付貿易賬款	91,739	–	–	–	91,739
Accruals and other payables	應計款項及其他應付款項	2,304,879	55,294	–	–	2,360,173
Other borrowings	其他借款	1,704,537	1,090,498	436,447	–	3,231,482
Loans from related parties	來自關聯方之貸款	125,398	264,333	231,902	–	621,633
Convertible bonds and notes	可換股債券及票據	50,970	–	–	–	50,970
Unsecured bonds and notes	無抵押債券及票據	141,495	705,521	1,322,745	35,718	2,205,479
		<u>4,419,018</u>	<u>2,115,646</u>	<u>1,991,094</u>	<u>35,718</u>	<u>8,561,476</u>

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual listed equity investments classified as equity investments designated at fair value through other comprehensive income (note 17) as at 31 December 2019 and 2018. The Group's listed investments are listed on the Hong Kong Stock Exchange and are valued at quoted market prices at the end of the reporting period. The Group is also exposed to equity price risk arising from changes in the price of the Company's own shares to the extent that the Company's own equity investments underlie the fair values of derivatives. The Group was also exposed to this risk through the conversion rights attached to the convertible bonds (note 26) issued by the Company.

股本價格風險

股本價格風險即股本證券公允價值因股權指數水平及個別證券價值之變動而減少之風險。於二零一九年及二零一八年十二月三十一日，本集團面臨由分類為指定為按公允價值計入其他全面收入之股本投資(附註17)引致的股本價格風險。本集團之上市投資於香港聯交所上市，並於報告期末按所報市價計值。本集團亦面臨來自本公司自有股份價格變動之股本價格風險，惟限於本公司自有股本投資低於衍生工具之公允價值。本集團亦因本公司發行之可換股債券(附註26)所附帶之兌換權而面臨有關風險。

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may 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 2018.

39. 財務風險管理目標及政策(續)

資本管理

本集團資本管理之主要目標為確保本集團能夠持續經營，並維持穩健的資本比率，以支持其業務營運及最大限度地提高股東價值。

本集團根據經濟狀況之變化及相關資產之風險特徵管理其資本架構並作出調整。為維持或調整資本架構，本集團或會調整支付予股東之股息、退還資本予股東或發行新股。本集團毋須遵守任何外加的資本規定。截至二零一九年及二零一八年十二月三十一日止年度，本集團資本管理之目標、政策或流程並無出現變動。

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management (Continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. Net debt includes convertible bonds and notes, unsecured bonds and notes, loans from related parties, loans from a joint venture, other borrowings, less cash and cash equivalents. Capital represents total equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods are as follows:

39. 財務風險管理目標及政策(續)

資本管理(續)

本集團採用資產負債比率(即淨債務除經調整資本加淨債務)監控資本。淨債務包括可換股債券及票據、無抵押債券及票據、來自關聯方之貸款、來自一間合營企業之貸款、其他借款，扣除現金及現金等值物。資本指本公司擁有人應佔股權總額。於報告期末的資產負債比率如下：

		31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	1 January 2019 二零一九年 一月一日 HK\$'000 千港元 (note) (附註)	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
Convertible bonds and notes	可換股債券及票據	–	48,879	48,879
CN 2015 payable	應付二零一五年可換股票據	23,400	23,400	23,400
Unsecured bonds and notes	無抵押債券及票據	657,251	1,922,724	1,922,724
Loans from related parties	來自關聯方之貸款	–	574,214	574,214
Loans from a joint venture (note 15)	來自一間合營企業之貸款 (附註 15)	10,046	–	–
Other borrowings	其他借款	3,495,737	3,038,762	2,962,525
Less: Cash and cash equivalents	減：現金及現金等值物	(100,497)	(58,153)	(58,153)
Net debt	淨債務	<u>4,085,937</u>	<u>5,549,826</u>	<u>5,473,589</u>
Total equity	總權益	<u>120,913</u>	<u>890,253</u>	<u>890,253</u>
Capital and net debt	資本及淨債務	<u>4,206,850</u>	<u>6,440,079</u>	<u>6,363,842</u>
Gearing ratio	資產負債比率	<u>97.1%</u>	<u>86.2%</u>	<u>86.0%</u>

Note: The Group has adopted HKFRS 16 using the modified retrospective approach and the effect of the initial adoption is adjusted against the opening balances as at 1 January 2019 with no adjustments to the comparative amounts as at 31 December 2018. This resulted in an increase in the Group's net debt and hence the Group's gearing ratio increased from 86.0% to 86.2% on 1 January 2019 when compared with the position as at 31 December 2018.

附註：本集團使用經修訂追溯採納法採納香港財務報告準則第16號，而首次採納之影響乃就二零一九年一月一日期初結餘作出調整，而二零一八年十二月三十一日之比較金額並未調整。此舉導致本集團淨債務增加，因此相比起二零一八年十二月三十一日之狀況，本集團於二零一九年一月一日之資產負債比率由86.0%升至86.2%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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40. EVENTS AFTER THE REPORTING PERIOD

Other than disclosed elsewhere in the consolidated financial statements, the Group also has the following significant events after the reporting period:

- (a) In January 2020, an outbreak of a respiratory illness caused by the COVID-19 was reported in Mainland China. From 2 February 2020, all foreign nationals who were physically present within Mainland China during the 14-day period preceding their attempted entry are not permitted to enter into the US, including Saipan, the CNMI. From 17 March 2020, the Group's casino operation in Saipan has been temporarily closed, until further notice, to support the public effort in the control of the COVID-19 outbreak. Furthermore, from 27 March 2020, the Commonwealth Ports Authority has limited aircraft landing/flight operations at the Saipan International Airport to the hours between 8am and 12pm daily.

The duration and intensity of this global health emergency and related disruptions is uncertain if travel and visitation continue to be restricted. Given the dynamic nature of these circumstances, the Group has been monitoring the impact from the COVID-19 which is expected to have a material effect on the Group's results for at least the first half of 2020.

- (b) On 20 March 2020, the Group entered into a sale and purchase agreement with DeTai New Energy Group Limited ("DeTai"), an independent third party, to dispose of 70% equity interest in Colour Palace Investments Limited, a wholly-owned subsidiary of the Company, and 70% of the shareholder's loan owed to the Group for a consideration of HK\$54,000,000. The consideration will be settled by way of an assignment of loan due to DeTai Finance Limited, a subsidiary of DeTai, to DeTai. The transaction is expected to be completed in July 2020.

40. 報告期後事項

除於綜合財務報表其他章節披露外，本集團於報告期後亦有以下重大事項：

- (a) 於二零二零年一月，中國內地爆發 COVID-19 引致的呼吸系統疾病。自二零二零年二月二日起，所有試圖進入美國前 14 日內曾於中國內地境內停留的外國公民均不獲准進入美國（包括北馬里亞納內的塞班）。自二零二零年三月十七日起，本集團於塞班的娛樂場已暫停營運直至另行通知，為支持遏制 COVID-19 傳播出一分力。此外，自二零二零年三月二十七日起，聯邦港口管理局規定塞班國際機場的飛機著陸／飛行操作時間限於每日上午八時正至下午十二時正。

倘旅遊及探訪繼續受到限制，此項全球公共衛生緊急事件及相關破壞的持續時間及影響程度仍未能確定。由於有關情況變化不定，本集團一直監察 COVID-19 所帶來的影響，預期最少對本集團於二零二零年上半年的業績造成重大影響。

- (b) 於二零二零年三月二十日，本集團與獨立第三方德泰新能源集團有限公司（「德泰」）訂立買賣協議，以出售本公司全資附屬公司彩殿投資有限公司 70% 股權及結欠本集團的 70% 股東貸款，代價為 54,000,000 港元。代價將以應付德泰一間附屬公司德泰財務有限公司之貸款轉讓予德泰之方式結付。有關交易預計將於二零二零年七月完成。

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40. EVENTS AFTER THE REPORTING PERIOD

(Continued)

- (c) On 27 March 2020, the Group entered into a sale and purchase agreement with Pacray International Holdings Limited (“**Pacray**”), an independent third party, to dispose of the entire equity interest in Ideal Best Limited, a wholly-owned subsidiary of the Company, for a consideration of HK\$30,328,000. The consideration will be settled by way of an assignment of loan due to Pacray and other payables due to a subsidiary of Pacray. The transaction is expected to be completed in May 2020.
- (d) On 27 March 2020, the Group entered into certain mortgage agreements with Joy Wealth Finance Limited (“**Joy Wealth**”), an independent third party, to charge the entire shares of East Gain Global Holdings Limited, Proper Grand Limited and Keen State Global Limited, which are all wholly-owned subsidiaries of the Company, as security for certain loans due to Joy Wealth.

41. COMPARATIVE AMOUNTS

As further explained in note 2.3 to the financial statements, the Group adopted HKFRS 16 on 1 January 2019 using the modified retrospective approach. Under this approach, the comparative amounts in the financial statements were not restated and continued to be reported under the requirements of the previous standard, HKAS 17, and related interpretations.

Certain comparative amounts have been reclassified and re-presented to conform with the current year’s presentation.

40. 報告期後事項(續)

- (c) 於二零二零年三月二十七日，本集團與獨立第三方太睿國際控股有限公司(「**太睿**」)訂立買賣協議，以出售本公司全資附屬公司Ideal Best Limited之全部股權，代價為30,328,000港元。代價將透過轉讓應付太睿之貸款及應付太睿附屬公司之其他應付款項方式支付。交易預期將於二零二零年五月完成。
- (d) 於二零二零年三月二十七日，本集團與獨立第三方寶欣財務有限公司(「**寶欣**」)訂立若干按揭協議，以抵押本公司全資附屬公司East Gain Global Holdings Limited、Proper Grand Limited及Keen State Global Limited之全部股份作為應付寶欣若干貸款之擔保。

41. 比較金額

誠如財務報表附註2.3進一步闡釋，本集團於二零一九年一月一日使用經修訂追溯採納法採納香港財務報告準則第16號。根據此方法，財務報表之比較金額不予重列，並繼續根據先前準則香港會計準則第17號及相關詮釋之規定呈報。

若干比較金額已重新分類及重列，與本年度之呈列一致。

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綜合財務報表附註

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42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

42. 本公司財務狀況表

有關本公司於報告期末之財務狀況表的資料如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	15,320	4,222
Deposits and other receivables	按金及其他應收款項	1,266	10,805
Interests in subsidiaries	於附屬公司之權益	5,257,170	7,211,420
Equity investment designated at fair value through other comprehensive income	指定為按公允價值計入其他全面收入之股本投資	8,473	18,471
Total non-current assets	非流動資產總值	5,282,229	7,244,918
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	82,542	39,401
Derivative financial asset	衍生金融資產	-	24
Cash and cash equivalents	現金及現金等值物	69,387	29,829
Amount due from a joint venture	應收一間合營企業款項	7,790	-
Total current assets	流動資產總值	159,719	69,254

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42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

42. 本公司財務狀況表(續)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計款項	1,071,920	1,672,609
Derivative financial liabilities	衍生金融負債	-	1
Loans from related parties	來自關聯方之貸款	-	125,398
Other borrowings	其他借款	1,339,636	2,962,525
Convertible bonds and notes	可換股債券及票據	-	48,879
Unsecured bonds and notes	無抵押債券及票據	480,357	747,777
Loan from a joint venture	來自一間合營企業之貸款	7,709	-
Total current liabilities	流動負債總額	<u>2,899,622</u>	<u>5,557,189</u>
NET CURRENT LIABILITIES	流動負債淨額	<u>(2,739,903)</u>	<u>(5,487,935)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	<u>2,542,326</u>	<u>1,756,983</u>
NON-CURRENT LIABILITIES	非流動負債		
Other payables and accruals	其他應付款項及應計款項	283,876	-
Loans from related parties	來自關聯方之貸款	-	448,816
Other borrowings	其他借款	2,062,947	-
Unsecured bonds and notes	無抵押債券及票據	176,894	1,174,947
Total non-current liabilities	非流動負債總額	<u>2,523,717</u>	<u>1,623,763</u>
Net assets	資產淨值	<u>18,609</u>	<u>133,220</u>
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	71,492	71,492
Reserves (note)	儲備(附註)	(52,883)	61,728
Total equity	總權益	<u>18,609</u>	<u>133,220</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

附註：

本公司之儲備概要如下：

		Convertible notes reserve 可換股 票據儲備 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 (note) (附註)	Other reserve 其他儲備 HK\$'000 千港元 (note 31) (附註31)	Perpetual loans 永續貸款 HK\$'000 千港元 (note 31) (附註31)	Investment reserve (non-recycling) 投資儲備 (不可轉回) HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018 (restated)	於二零一八年一月一日(重列)	1,480,332	2,265,796	70,792	-	-	(33,589)	(2,347,640)	1,435,691
Loss for the year	年內虧損	-	-	-	-	-	-	(1,372,268)	(1,372,268)
Other comprehensive loss for the year:	年內其他全面虧損：								
Changes in fair value of equity investments designated at fair value through other comprehensive income, net	指定為按公允價值計入其他全面收入之股本投資公允價值變動淨額	-	-	-	-	-	(63,993)	-	(63,993)
Equity-settled share option arrangements	權益結算購股權安排	-	-	17,298	-	-	-	-	17,298
Transfer of reserve upon the lapse of share options	購股權失效時轉撥儲備	-	-	(14,872)	-	-	-	14,872	-
Deemed capital contribution from a shareholder	視作一名股東出資	-	-	-	45,000	-	-	-	45,000
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	1,480,332	2,265,796	73,218	45,000	-	(97,582)	(3,705,036)	61,728
Loss for the year	年內虧損	-	-	-	-	-	-	(3,278,005)	(3,278,005)
Other comprehensive loss for the year:	年內其他全面虧損：								
Changes in fair value of equity investments designated at fair value through other comprehensive income, net	指定為按公允價值計入其他全面收入之股本投資公允價值變動淨額	-	-	-	-	-	(9,998)	-	(9,998)
Equity-settled share option arrangements	權益結算購股權安排	-	-	6,805	-	-	-	-	6,805
Transfer of reserve upon the lapse of share options	購股權失效時轉撥儲備	-	-	(2,264)	-	-	-	2,264	-
Deemed capital contribution from a shareholder	視作一名股東出資	-	-	-	54,277	-	-	-	54,277
Reclassification upon amendment of payment clauses of notes and borrowings	修訂票據及借款之付款條款時重新分類	-	-	-	-	3,112,310	-	-	3,112,310
At 31 December 2019	於二零一九年十二月三十一日	1,480,332	2,265,796	77,759	99,277	3,112,310	(107,580)	(6,980,777)	(52,883)

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42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: 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 2.5 to the consolidated financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or transferred to retained profits should the related options expire or be forfeited.

43. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 31 March 2020.

42. 本公司財務狀況表(續)

附註：購股權儲備包括尚未行使已授出購股權之公允價值，其進一步解釋載於綜合財務報表附註2.5以股份為基礎之付款開支之會計政策。該金額將於有關購股權獲行使時轉撥至股份溢價賬，或於有關購股權到期或被沒收時轉撥至保留溢利。

43. 批准綜合財務報表

綜合財務報表已於二零二零年三月三十一日獲董事會批准及授權刊發。

Five-Year Financial Summary

五年財務概要

The following table summarises the results, and the assets and liabilities of the Group for each of five years ended 31 December:

本集團截至十二月三十一日止五個年度各年之業績以及資產及負債於下表概述：

RESULTS

業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
CONTINUING OPERATIONS	持續經營業務					
Revenue	收益	384,128	3,925,726	7,793,546	3,254,587	539,266
Profit/(loss) before tax	除稅前溢利/(虧損)	50,351	1,096,803	870,960	(3,421,311)	(3,527,325)
Income tax (expenses)/credit	所得稅(開支)/抵免	–	(160,910)	(233,487)	456,288	(376,945)
Profit/(loss) for the year from continuing operations	來自持續經營業務 年內溢利/(虧損)	50,351	935,893	637,473	(2,965,023)	(3,904,270)
DISCONTINUED OPERATION	已終止業務					
Loss for the year from a discontinued operation	來自一項已終止業務 年內虧損	(68,392)	(318)	–	–	–
Profit/(loss) for the year attributable to owners of the Company	本公司持有人應佔 年內溢利/(虧損)	(18,041)	935,575	637,473	(2,965,023)	(3,904,270)

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				
		2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元
Total assets	資產總值	3,319,260	9,613,103	15,641,294	12,722,242	10,144,244
Total liabilities	負債總額	(1,571,735)	(6,752,206)	(11,788,329)	(11,831,989)	(10,023,331)
Net assets	資產淨值	1,747,525	2,860,897	3,852,965	890,253	120,913



IMPERIAL PACIFIC

INTERNATIONAL HOLDINGS

博華太平洋國際控股有限公司