



ETERNITY INVESTMENT LIMITED

永恒策略投資有限公司*

(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 : 764)

2018
ANNUAL REPORT 年報

* 僅供識別

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Corporate Information 公司資料

BOARD OF DIRECTORS

Executive directors

Mr. Lei Hong Wai
(Chairman and Chief Executive Officer)
Mr. Cheung Kwok Wai Elton
Mr. Chan Kin Wah Billy
Mr. Cheung Kwok Fan

Independent non-executive directors

Mr. Wan Shing Chi
Mr. Ng Heung Yan
Mr. Wong Tak Chuen

COMPANY SECRETARY

Mr. Chan Kin Wah Billy

MEMBERS OF AUDIT COMMITTEE

Mr. Wong Tak Chuen (Chairman)
Mr. Wan Shing Chi
Mr. Ng Heung Yan

MEMBERS OF REMUNERATION COMMITTEE

Mr. Ng Heung Yan (Chairman)
Mr. Lei Hong Wai
Mr. Wan Shing Chi

MEMBERS OF NOMINATION COMMITTEE

Mr. Lei Hong Wai (Chairman)
Mr. Wan Shing Chi
Mr. Ng Heung Yan

MEMBERS OF FINANCE COMMITTEE

Mr. Chan Kin Wah Billy (Chairman)
Mr. Wong Tak Chuen

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

董事會

執行董事

李雄偉先生
(主席兼行政總裁)
張國偉先生
陳健華先生
張國勳先生

獨立非執行董事

尹成志先生
吳向仁先生
黃德銓先生

公司秘書

陳健華先生

審核委員會成員

黃德銓先生(主席)
尹成志先生
吳向仁先生

薪酬委員會成員

吳向仁先生(主席)
李雄偉先生
尹成志先生

提名委員會成員

李雄偉先生(主席)
尹成志先生
吳向仁先生

財務委員會成員

陳健華先生(主席)
黃德銓先生

註冊辦事處

Clarendon House
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Hamilton HM 11
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HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited
Share Registration Public Office
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited

STOCK CODE

764

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香港股份過戶登記分處

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核數師

國衛會計師事務所有限公司
執業會計師

主要往來銀行

星展銀行(香港)有限公司
恒生銀行有限公司

股份代號

764

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Chairman's Statement

主席報告

To our shareholders

In 2018, we reported a loss attributable to owners of the Company of HK\$586.09 million, a 200% increase compared with that of 2017. Such significant increase in loss was largely attributable to (i) a HK\$203.69 million increase in loss on change in fair value of Hong Kong listed equities held by us, (ii) a HK\$233.63 million written-off of property, plant and equipment, and (iii) a HK\$38.92 million allowance for credit losses on our receivables made in accordance with the new impairment model of HKFRS 9 *Financial Instruments*, which has no effect on our cashflow.

Our sale of financial assets business did not perform well in 2018. It was attributable to a sharp drop in valuations in 2018, particularly in small and medium cap stocks, which caused a 220% increase in loss on change in fair value of the Hong Kong listed equities held by us. In 2019, we will closely monitor the factors, such as economic factors, investor sentiment, and fundamentals of investees, and their future prospects, and proactively adjust our portfolio in order to improve our performance.

Our money lending business performed well in 2018 and achieved a 36% increase in interest income on loans. This significant growth was beyond our expectation. Such significant growth was mainly due to an unexpected increase in our money lending services in the second half of 2018. As our money lending business is our major income source, we remain cautious in assessing customers' ability to repay and approving loans to our customers in order to reduce our credit risk. Despite our customers have a good repayment history and none of our customer defaults in repayment, we have to make an allowance for credit losses of HK\$17.55 million on our loan receivables in accordance with the new impairment model of HKFRS 9 *Financial Instruments*. The customer base of our money lending business is still dominated by high-net-worth individuals. To diversify our credit risk, we will make more effort to develop Hong Kong listed companies segment as listed companies have generally a higher creditworthiness.

致本公司股東

於二零一八年，我們報告本公司擁有人應佔虧損586,090,000港元，較二零一七年增加200%。該虧損急升乃主要由於(i)我們所持有之香港上市股票之公平值變動虧損增加203,690,000港元；(ii)撇銷物業、廠房及設備233,630,000港元；及(iii)根據香港財務報告準則第9號金融工具之新減值模式對應收款項作出信貸虧損撥備38,920,000港元(對現金流並無影響)。

於二零一八年，我們之銷售金融資產業務表現未如理想，主要由於二零一八年之估值大幅下跌(尤其是於中小型股票市場)，導致我們所持有之香港上市股票之公平值變動虧損增加220%。於二零一九年，我們將密切監察例如經濟因素、投資者氣氛、以及投資公司之基本因素及未來前景等各項因素，並積極調整股票投資組合，從而改善我們業績表現。

我們之貸款業務於二零一八年表現良好，貸款利息收入獲得36%增長。此顯著增長超出我們預期，該增長主要因為借貸服務於二零一八年下半年錄得意外增長所致。由於貸款業務屬於主要收入來源，我們仍會審慎評估客戶之還款能力及審批客戶貸款，以降低信貸風險。儘管我們的客戶還款紀錄良好，且未有客戶出現還款違約，我們須根據香港財務報告準則第9號金融工具之新減值模式對應收貸款確認信貸虧損撥備17,550,000港元。借貸業務之客戶群乃以高淨值人士為主。為分散信貸風險，我們會更努力發展香港上市公司分部，因為上市公司信譽一般較佳。

After the restructuring in 2017, our sale of jewelry products business has been making a great effort in developing overseas retail chain stores and wholesale market. In the first half of 2018, we have established business relationships with two wholesalers and one retail chain store in Europe. In the second half, we participated in various trade fairs and exhibitions in Europe and Hong Kong for searching new customers. We are currently approaching several prospective customers in Europe and the United States, and product samples have just been provided to the prospective customers for evaluation. Our sales team is following up the evaluation of product samples with the prospective customers. With the increased sales and marketing efforts made by our sales team, we believe that the performance of our sale of jewelry products business will improve gradually in the coming years. In the meantime, we closely monitor the business conditions in the jewelry industry and adjust our strategy, if need.

於二零一七年進行重組後，我們之銷售珠寶產品業務致力開拓海外零售連鎖店及批發市場。於二零一八年上半年，我們與位於歐洲之兩名批發商及一個零售連鎖店建立業務關係。於下半年，我們於歐洲及香港參與不同交易會及展覽會以物色新客戶。我們正與數名歐洲及美國潛在客戶接洽，並已提供產品樣本供潛在客戶作評估。銷售團隊正與潛在客戶跟進產品樣本之評估。鑑於銷售團隊已增加銷售及營銷力度，我們相信，銷售珠寶產品業務將於未來數年逐步改善。與此同時，我們將密切監察珠寶業之業務狀況，並在有需要時調整策略。

Chairman's Statement 主席報告

The segment results of our property investment business deteriorated in 2018. Such deterioration was mainly attributable to (i) the recognition of the HK\$233.62 million written-off of “construction in progress” classified under “property, plant and equipment”, (ii) the recognition a HK\$21.29 million allowance for credit losses on other receivables from Mainland China's debtors, (iii) the absence of contribution from the investment properties located in Guangzhou, Mainland China (the “**Guangzhou Property**”) in the second half of 2018 following its disposal in June 2018, and (iv) a HK\$5.51 million decrease in gain arising on change in fair value of investment properties. In June 2018, we disposed of the Guangzhou Property through the sale of our entire equity interest in Best Volume Investments Limited. Although the disposal resulted in a loss of HK\$10.99 million, we considered that the disposal allowed us to strengthen our financial resources as the Guangzhou Property had failed to generate positive cashflow to us since the date of its acquisition, where the payment of operating expenses and finance costs and bank loan repayment exceeded the receipt of rental income. After a thorough study, we demolished seven hotel villas erected on the first phase of our 580 Chinese acre land in Beijing, Mainland China (the “**Subject Land**”) in order to make way for developing a new business, namely cultural business, in the third quarter of 2018. The demolition of the seven hotel villas caused a HK\$233.62 million written-off of construction in progress to us. However, the development of the new business is temporarily suspended pending for the outcome of our discussion on a co-operative arrangement with a Mainland China wedding planner as both the new business and the co-operation arrangement require the first phase area of the Subject Land for operation. The co-operative arrangement with Mainland China wedding planner is relating to the provision of the open garden square and the buildings erected on the Subject Land as venue for wedding ceremony. As demand for wedding planning in Mainland China is on the rise, we believe that the co-operative arrangement not only provides a new source of income to the Group, but also increase the occupancy rate of hotel to be erected on the second and third phases of Subject Land. The discussion is at a preliminary stage and no terms have been reached. The second and third phases of the Subject Land will be developed into a complex with a five-star hotel, high-end serviced apartments, restaurants, exhibition and conference halls, recreational facilities, and supporting facilities with a total gross floor area of 71,000 square metres. Applications have been made to the relevant governmental authorities for amending the previously approved development plan for the second and third phases of the Subject Land.

我們之物業投資業務之分部業績於二零一八年倒退。該倒退乃主要由於(i) 確認撇銷分類為「物業、廠房及設備」之「在建工程」233,620,000 港元；(ii) 就應收中國內地借款人之其他應收款項確認信貸虧損撥備21,290,000 港元；(iii) 於二零一八年六月出售位於中國內地廣州之投資物業(「廣州物業」)後，二零一八年下半年缺少廣州物業之業績貢獻；及(iv) 投資物業公平值變動產生之收益減少5,510,000 港元。於二零一八年六月，我們透過出售我們持有之 Best Volume Investments Limited 之全部股權出售廣州物業。儘管出售事項錄得虧損10,990,000 港元，我們認為出售事項有助增強財務資源，此乃由於自收購日期起，就廣州物業支付營運開支、融資成本及銀行貸款還款超出收取之租金收入，廣州物業一直未能產生正現金流。經過詳盡研究後，我們已於二零一八年第三季度拆卸位於中國內地北京佔地580畝之地塊(「主體地塊」)第一階段已興建的七棟別墅酒店，以創造空間開展新業務，即文化業務。拆卸七棟別墅酒店導致撇銷233,620,000 港元之在建工程。然而，新業務之開展正暫時擱置，以待我們與一間中國內地婚禮策劃公司商討合作安排之結果，此乃由於新業務及合作安排均需運用主體地塊第一階段之空間營運。與中國內地婚禮策劃公司之合作安排有關使用主體地塊上之開放式花園廣場及建築物作婚禮場地。由於中國內地對婚禮策劃之需求日益增加，我們相信，合作安排不僅可為本集團提供一項新收入來源，更可提高主體地塊第二及第三階段所興建酒店之入住率，惟商討尚屬初步階段，並未達成任何條款。主體地塊之第二及第三階段將開發為建築面積合共71,000 平方米之一間五星級酒店、豪華服務式公寓、餐館、展覽場地及會議廳、康樂設施及配套設施。已向相關政府機關申請修訂早前批准的主體地塊第二及第三階段開發之計劃。

After its tenth year of expansion following the global financial crisis, the global economy has clearly lost some of its vigor in 2018. We believe that the economic outlook for 2019 remains uncertain as the global economy is facing a lot of challenges, including the unresolved trade tension between the United States and Mainland China, the slowdown in Mainland China's economy, the extended Brexit uncertainty, and the ongoing political uncertainty in Europe. Moving into 2019, we continue to solidify our fundamentals by refining our business operations and developing our existing businesses in a cautious manner.

Finally, I would like to take this opportunity to extend our appreciation to all fellow directors and employees for their invaluable efforts, dedication and commitment to the Group and to thank all shareholders and business associates for their continuous support.

Lei Hong Wai
Chairman

Hong Kong, 26 March 2019

全球經濟於全球金融危機後已經歷十年擴張，並於二零一八年明顯變得黯淡。基於全球經濟面臨眾多挑戰，包括美國及中國內地未解決之貿易磨擦、中國內地經濟放緩、英國脫歐之不確定因素及歐洲政局持續不穩，我們認為二零一九年經濟前景維持不明朗。踏入二零一九年，我們將透過精簡業務持續鞏固基本因素，並以審慎方式開展現有業務。

最後，本人藉此機會向全體董事及僱員對本集團作出之寶貴努力、熱誠及承擔致以衷心謝意，亦感謝所有股東及業務夥伴長久以來之支持。

主席
李雄偉

香港，二零一九年三月二十六日

FINANCIAL REVIEW

Given that the Group had not been able to secure quality films at reasonable price for distribution, the Group ceased its film distribution business by disposing of the entire issued share capital of Riche Video Limited (“**Riche Video**”), a wholly-owned subsidiary of the Company engaged in distribution of video products and holding of film rights, on 17 February 2017 in order to concentrate its resources on existing businesses. Accordingly, the results of Riche Video were presented separately as discontinued operation for financial reporting purposes.

Loss attributable to owners of the Company for the year ended 31 December 2018 amounted to HK\$586,090,000, a 200% increase from HK\$195,545,000 for the previous year. The deterioration in the results is discussed in “Results of continuing operations” and “Operations Review” below.

Results of continuing operations

During the year ended 31 December 2018, the Group recorded revenue of HK\$188,037,000, a 248% increase from HK\$53,989,000 for the previous year. This significant increase was mainly attributable to the recognition of the revenue of HK\$6,698,000 for the Group’s sale of financial assets business in the year ended 31 December 2018, whereas a loss of HK\$103,657,000 was recorded in the previous year. Of the total revenue, HK\$96,274,000 was generated from money lending, HK\$36,286,000 was generated from property investment, HK\$48,779,000 was generated from sale of jewelry products, and HK\$6,698,000 was generated from sale of financial assets.

Loss for the year ended 31 December 2018 from continuing operations amounted to HK\$588,725,000, a 201% increase from HK\$195,617,000 in the year ended 31 December 2017.

Gross profit for sale of jewelry products increased by 10% from HK\$4,551,000 in the year ended 31 December 2017 to HK\$5,027,000 in the year ended 31 December 2018. Gross profit margin for sale of jewelry products decreased from 11% in the year ended 31 December 2017 to 10% in the year ended 31 December 2018. The increase in gross profit was mainly attributable to the increase in sale. The decrease in gross profit margin was mainly due to the increase in moulding and production costs in producing product samples for business development.

財務回顧

由於本集團未能以合理價格取得高質素電影以供發行，故本集團已於二零一七年二月十七日透過出售豐采錄影有限公司（「豐采錄影」，一間本公司之全資附屬公司，其從事發行影像產品及持有電影版權）之全部已發行股本，終止其電影發行業務，使其資源集中於現有業務。因此，就財務報告而言，豐采錄影之業績已個別呈列為已終止經營業務。

本公司擁有人應佔截至二零一八年十二月三十一日止年度之虧損為586,090,000港元，較去年之195,545,000港元增加200%。業績倒退於下文「持續經營業務之業績」及「業務回顧」討論。

持續經營業務之業績

截至二零一八年十二月三十一日止年度，本集團錄得收益188,037,000港元，較去年之53,989,000港元增加248%。該顯著增幅主要由於本集團銷售金融資產業務於截至二零一八年十二月三十一日止年度確認收益6,698,000港元，而去年則錄得虧損103,657,000港元。總收益中，96,274,000港元來自借貸，36,286,000港元來自物業投資，48,779,000港元來自銷售珠寶產品以及6,698,000港元來自銷售金融資產。

截至二零一八年十二月三十一日止年度來自持續經營業務之虧損為588,725,000港元，較截至二零一七年十二月三十一日止年度之195,617,000港元增加201%。

銷售珠寶產品之毛利自截至二零一七年十二月三十一日止年度之4,551,000港元增加10%至截至二零一八年十二月三十一日止年度之5,027,000港元，而銷售珠寶產品之毛利率自截至二零一七年十二月三十一日止年度之11%減少至截至二零一八年十二月三十一日止年度之10%。毛利之增加主要由於銷售額增加。毛利率之下降乃主要由於業務開發製造樣辦時產生模具及生產成本。

FINANCIAL REVIEW (Continued)

Results of continuing operations (Continued)

Gross profit for property investment decreased by 34% from HK\$24,931,000 in the year ended 31 December 2017 to HK\$16,560,000 in the year ended 31 December 2018. Gross profit margin for property investment decreased from 56% in the year ended 31 December 2017 to 46% in the year ended 31 December 2018. The decrease in gross profit and gross profit margin was mainly attributable to the disposal of the Group's investment properties located at No. 33 Nonglinxia Road, Yuexiu District, Guangzhou, Mainland China (the "Guangzhou Property") on 22 June 2018.

Other gains and losses represent items of income and expenses, which are material and/or extraordinary in nature. Net loss of other gains and losses increased by 603% from HK\$74,634,000 in the year ended 31 December 2017 to HK\$524,816,000 in the year ended 31 December 2018. Major items of other gains and losses recorded by the Group during the year are as follows:

- (a) At the end of the reporting period, the Group measured its investment properties in Hong Kong at fair value based on a valuation prepared by an independent qualified valuer and recognised a gain of HK\$14,500,000 arising on change in fair value of investment properties.
- (b) Upon completion of the acquisition of 1,020,000,000 shares in Global Mastermind Holdings Limited ("Global Mastermind"), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM operated by The Stock Exchange of Hong Kong Limited (the "Exchange") under stock code: 8063, the Group measured the 217,750,000 shares in Global Mastermind already held by it at market price for transferring these shares from "financial assets at fair value through profit or loss ("FVTPL")" to "interests in associates" in applying equity method to account for its investment in Global Mastermind. As a result, the Group recognised a gain of HK\$554,000 arising on change in fair value of financial assets at FVTPL.

At the end of the reporting period, the Group measured its Hong Kong listed equities classified as financial assets at FVTPL at fair value based on the closing prices as quoted on the Exchange and recognised a loss of HK\$296,765,000 arising on change in fair value of financial assets at FVTPL.

財務回顧(續)

持續經營業務之業績(續)

物業投資之毛利自截至二零一七年十二月三十一日止年度之24,931,000港元減少34%至截至二零一八年十二月三十一日止年度之16,560,000港元。而物業投資之毛利率自截至二零一七年十二月三十一日止年度之56%減少至截至二零一八年十二月三十一日止年度之46%。毛利及毛利率下降主要由於本集團於二零一八年六月二十二日出售位於中國內地廣州越秀區農林下路33號之投資物業(「廣州物業」)所致。

其他收益及虧損指重大及／或非經常性收入及開支項目。其他收益及虧損之虧損淨額由截至二零一七年十二月三十一日止年度之74,634,000港元增加603%至截至二零一八年十二月三十一日止年度之524,816,000港元。年內，本集團錄得以下主要的其他收益及虧損項目：

- (a) 於報告期末，本集團根據一名獨立合資格估值師所編製之估值計量其位於香港之投資物業之公平值，並確認投資物業公平值變動產生收益14,500,000港元。
- (b) 於完成收購1,020,000,000股環球大通集團有限公司(「環球大通」)(該公司為一間於開曼群島註冊成立之有限公司，其已發行股份於香港聯合交易所有限公司(「聯交所」)GEM上市(股份代號：8063))股份後，本集團按市價計量其已持有之217,750,000股環球大通股份，應用權益法將該等股份由「按公平值計入損益表(按公平值計入損益表)」之金融資產轉至「於聯營公司之權益」，以列賬其於環球大通之投資。因此，本集團確認按公平值計入損益表之金融資產公平值變動產生之收益554,000港元。

於報告期末，本集團按聯交所所報收市價計量分類為按公平值計入損益表之金融資產之香港上市股票公平值，並確認來自按公平值計入損益表之金融資產公平值變動之虧損296,765,000港元。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Results of continuing operations (Continued)

- (c) In the second half of 2018, seven hotel villas erected on the first phase of the Subject Land (as defined below) were demolished in order to make way for developing a new business and a HK\$233,621,000 written-off of “construction in progress” classified under “property, plant and equipment” was recognised. In addition, fixed assets with a carrying amount of HK\$11,000 were written off in the second half of 2018.
- (d) On 22 June 2018, the Group disposed of the entire issued share capital of Best Volume Investments Limited (“**Best Volume**”) at a consideration of HK\$405,000,000 and recognised a loss on disposal of HK\$10,993,000. The principal asset of Best Volume and its subsidiaries is the Guangzhou Property.

Selling and distribution expenses mainly represent staff costs of sales team, overseas travelling expenses, exhibition expenses, freight charges, and commission incurred by the Group’s sale of jewelry products business. Selling and distribution expenses increased by 39% from HK\$3,842,000 in the year ended 31 December 2017 to HK\$5,350,000 in the year ended 31 December 2018. This increase was mainly attributable to the increase in overseas travelling expenses and exhibition expenses for developing European and the United States markets.

Administrative expenses amounted to HK\$162,812,000 for the year ended 31 December 2018, a 62% increase from HK\$100,573,000 for the previous year. This increase was mainly attributable to (i) a HK\$7,030,000 increase in depreciation expense due to the full year effect of depreciation on the acquisition of certain office units in Hong Kong for own use in September 2017, (ii) a HK\$1,755,000 increase in overseas travelling expenses, (iii) a HK\$13,383,000 increase in staff costs (including directors’ emoluments) due to an increase in directors’ emoluments and increased operating activities in Beijing, Mainland China, and (iv) the recognition of an allowance for credit losses of HK\$38,921,000 on the Group’s receivables, which was made in accordance with the new impairment model of HKFRS 9 *Financial Instruments* and had no effect on the Group’s cashflow.

財務回顧(續)

持續經營業務之業績(續)

- (c) 於二零一八年下半年，主體地塊(定義見下文)第一階段之七棟別墅酒店已拆卸，以發展新業務，並確認撇銷233,621,000港元分類為「物業、廠房及設備」之「在建工程」。此外，賬面值為11,000港元之固定資產於二零一八年下半年撇銷。
- (d) 於二零一八年六月二十二日，本集團以代價405,000,000港元出售Best Volume Investments Limited(「**Best Volume**」)之全部已發行股本，並確認出售虧損10,993,000港元。Best Volume及其附屬公司之主要資產為廣州物業。

銷售及分銷開支主要指本集團銷售珠寶產品業務所產生之銷售團隊員工成本、海外差旅費用、展覽開支、運費及佣金。銷售及分銷開支由截至二零一七年十二月三十一日止年度之3,842,000港元增加39%至截至二零一八年十二月三十一日止年度之5,350,000港元。該增幅主要由於為開拓歐洲及美國市場導致海外差旅費用及展覽開支增加。

截至二零一八年十二月三十一日止年度，行政開支為162,812,000港元，較去年之100,573,000港元增加62%。該增幅主要由於(i)折舊開支增加7,030,000港元，原因為二零一七年九月購置用作自用位於香港之若干辦公室單位折舊之全年效應；(ii)海外差旅費用增加1,755,000港元；(iii)員工成本(包括董事酬金)增加13,383,000港元，原因為董事酬金增加及於中國內地北京之經營活動增加；及(iv)就本集團應收款項確認信貸虧損撥備38,921,000港元，乃根據香港財務報告準則第9號金融工具之新減值模式而作出，對本集團之現金流並無影響。

FINANCIAL REVIEW (Continued)

Results of continuing operations (Continued)

Share of results of associates amounted to HK\$8,909,000 for the year ended 31 December 2018, representing (i) the share of profit of HK\$17,410,000 from Elite Prosperous Investment Limited (“**Elite Prosperous**”), a 49% owned associate of the Company, and (ii) a gain on bargaining purchase of HK\$3,407,000 arising from the acquisition of 1,020,000,000 shares in Global Mastermind as discussed in “Investments in associates” under “Operations Review” below, which were partly offset by (i) the share of loss of HK\$11,907,000 from Global Mastermind and (ii) the share of loss of HK\$1,000 from China Hong Kong Money Limited, a 30% owned associate of the Company.

Finance costs increased by 83% from HK\$23,627,000 in the year ended 31 December 2017 to HK\$43,276,000 in the year ended 31 December 2018. Such increase was mainly due to the full year effect of imputed interest on the Company’s HK\$300,000,000 8% secured notes due 2020 (the “**Secured Notes**”) as the Secured Notes were issued on 25 August 2017.

Income tax credit increased from HK\$9,052,000 in the year ended 31 December 2017 to HK\$11,091,000 in the year ended 31 December 2018. This increase was mainly due to (i) the recognition of a deferred tax credit of HK\$8,216,000 arising from the allowance for credit losses made on the Group’s receivables, and (ii) the absence of a deferred tax credit arising from loss on change in fair value of the Guangzhou Property in the year ended 31 December 2018, where the deferred tax credit arising from loss on change in fair value of the Guangzhou Property amounted to HK\$5,896,000 in the year ended 31 December 2017.

Results of discontinued operation

Loss from discontinued operation for the year ended 31 December 2017 amounted to HK\$3,000, which represents the results of Riche Video for the period from 1 January 2017 to 17 February 2017, being the date on which Riche Video ceased to be a subsidiary of the Company.

財務回顧(續)

持續經營業務之業績(續)

截至二零一八年十二月三十一日止年度，本集團應佔聯營公司業績為8,909,000港元，相當於(i)應佔Elite Prosperous Investment Limited(「**Elite Prosperous**」，一間本公司擁有49%權益之聯營公司)之溢利17,410,000港元；及(ii)誠如下文「業務回顧」中「於聯營公司之投資」討論，因收購環球大通1,020,000,000股份導致議價購買收益3,407,000港元，部份被(i)應佔環球大通虧損11,907,000港元；及(ii)應佔中港資有限公司(一間本公司擁有30%權益之聯營公司)之虧損1,000港元所抵銷。

融資費用由截至二零一七年十二月三十一日止年度之23,627,000港元增加83%至截至二零一八年十二月三十一日止年度之43,276,000港元。該項增幅乃主要由於本公司發行之於二零二零年到期300,000,000港元8%擔保票據(「擔保票據」)之估算利息之全年效應，因擔保票據於二零一七年八月二十五日發行。

所得稅抵免由截至二零一七年十二月三十一日止年度之9,052,000港元增加至截至二零一八年十二月三十一日止年度之11,091,000港元。增幅主要由於(i)就本集團應收款項確認信貸虧損撥備產生之遞延稅項抵免8,216,000港元及(ii)截至二零一八年十二月三十一日止年度並無廣州物業公平值變動虧損產生之遞延稅項抵免，而截至二零一七年十二月三十一日止年度，廣州物業公平值變動虧損產生之遞延稅項抵免為5,896,000港元。

已終止經營業務之業績

截至二零一七年十二月三十一日止年度，已終止經營業務之虧損為3,000港元，相當於豐采錄影於二零一七年一月一日至二零一七年二月十七日(即豐采錄影不再為本公司附屬公司當日)期間之業績。

FINANCIAL REVIEW (Continued)

Liquidity and financial resources

During the year, the Group funded its operations through a combination of cash generated from operations, equity attributable to owners of the Company, and borrowings. Equity attributable to owners of the Company decreased from HK\$3,266,389,000 at 31 December 2017 to HK\$2,655,704,000 at 31 December 2018.

At 31 December 2018, the cash and cash equivalents of the Group amounted to HK\$140,628,000 (2017: HK\$225,010,000).

At 31 December 2018, the Group had outstanding borrowings of HK\$706,812,000 (2017: HK\$950,852,000) representing:

- (a) the carrying amount of the Secured Notes of HK\$299,611,000, which are interest bearing at 8.00% per annum, secured by a share charge over 100% issued shares in China Jiu hao Health Industry Group Limited, a wholly-owned subsidiary of the Company and the principal assets of which are (i) the rights to construct and operate the club facilities of a membership golf club and resort (the “**Club**”) in Beijing, Mainland China, and (ii) the rights to develop and operate a piece of 580 Chinese acre land (the “**Subject Land**”) adjacent to the Club and the rights to manage the properties erected on the Subject Land, and maturing on 25 August 2020;

財務回顧(續)

流動資金及財務資源

年內，本集團透過經營所得現金、本公司擁有人應佔權益及借款為其經營提供資金。本公司擁有人應佔權益由二零一七年十二月三十一日之3,266,389,000港元減少至二零一八年十二月三十一日之2,655,704,000港元。

於二零一八年十二月三十一日，本集團之現金及現金等價物為140,628,000港元(二零一七年：225,010,000港元)。

於二零一八年十二月三十一日，本集團之未償還借款為706,812,000港元(二零一七年：950,852,000港元)，包括：

- (a) 賬面值為299,611,000港元之擔保票據，以年利率8.00%計息，並以本公司一間全資附屬公司中國9號健康產業集團有限公司(其主要資產為(i)建設及經營位於中國內地北京一間會員制高爾夫俱樂部及酒店(「會所」)之會所設施之權利；及(ii)開發及經營毗鄰會所之一幅佔地580畝之地塊(「主體地塊」)之權利以及管理主體地塊上已建物業之權利)100%已發行股份之股份質押作為抵押品及於二零二零年八月二十五日到期；

FINANCIAL REVIEW (Continued)

Liquidity and financial resources (Continued)

- (b) the banking facilities in the aggregate principal amount of HK\$157,201,000 granted by a bank, comprising (i) an instalment loan of HK\$122,152,000, which is interest bearing at 1.00% per annum over one-month HIBOR or 3.00% per annum below the prime rate quoted by the bank, whichever is lower, secured by a first legal charge over the Group's properties located at Unit Nos. 1201, 1202, 1203, 1209, 1210, 1211 & 1212 and the corridor on 12th Floor, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong (the "Shun Tak Property"), guaranteed by the Company and two wholly-owned subsidiaries of the Company, and maturing on 18 September 2037; (ii) an advance of HK\$20,000,000 under a revolving term loan, which is interest bearing at HIBOR plus 2.00% per annum, secured by the first legal charge over the Shun Tak Property, guaranteed by the Company and a wholly-owned subsidiary of the Company, and maturing on 22 April 2019; and (iii) various advances in the aggregate principal amount of HK\$15,049,000 under the account payable financing facilities, which is interest bearing at 2.00% per annum over HIBOR, secured by the first legal charge over the Shun Tak Property, guaranteed by the Company and a wholly-owned subsidiary of the Company, and maturing in January, February, March, April, and May 2019;
- (c) a loan of HK\$200,000,000 granted by a finance company, which is interest bearing at 8.00% per annum, secured by (i) seven post-dated cheques drawn in favour of the finance company for payment of the principal and the interests stipulated under the loan agreement, and (ii) a personal guarantee given by Mr. Lei Hong Wai, the Chairman of the Board and an executive director of the Company, and maturing on 30 May 2019; and
- (d) a cash advance of HK\$50,000,000 made by Mr. Lei Hong Wai to the Group for financing its short-term funding needs. The cash advance is non-interest bearing, unsecured, and repayable on demand.

The decrease in the Group's outstanding borrowings was mainly attributable to the release of the Renminbi bank loan with an outstanding principal amount of RMB166,201,000 (equivalent to HK\$198,826,000) at 31 December 2017 through the disposal of Best Volume in June 2018.

財務回顧(續)

流動資金及財務資源(續)

- (b) 由一間銀行授出之本金總額為157,201,000港元之銀行融資，包括(i)分期貸款122,152,000港元，按一個月香港銀行同業拆息加年利率1.00%或該銀行所報最優惠利率減年利率3.00%計息(以較低者為準)，以本集團位於香港干諾道中168-200號信德中心西翼12樓1201、1202、1203、1209、1210、1211及1212號單位及走廊之物業(「信德物業」)之第一法定押記作抵押，由本公司及本公司兩間全資附屬公司擔保及於二零三七年九月十八日到期；(ii)定期循環貸款項下貸款20,000,000港元，按香港銀行同業拆息加年利率2.00%計息，以信德物業之第一法定押記作抵押，由本公司及本公司一間全資附屬公司擔保及於二零一九年四月二十二日到期；及(iii)應付款項財務融資項下本金總額為15,049,000港元之多項貸款，按香港銀行同業拆息加年利率2.00%計息，以信德物業之第一法定押記作抵押，由本公司及本公司一間全資附屬公司擔保及於二零一九年一月、二月、三月、四月及五月到期；
- (c) 由一間財務公司授出一筆200,000,000港元之貸款，按年利率8.00%計息，以(i)為支付貸款協議項下本金及利息而以該財務公司為抬頭人之七張期票及(ii)以本公司董事會主席兼執行董事李雄偉先生之個人擔保作抵押及於二零一九年五月三十日到期；及
- (d) 由李雄偉先生就本集團短期資金需要作出50,000,000港元現金墊款。該現金墊款為免息、無抵押，且按要求償還。

本集團之未償還借款減少乃主要由於透過於二零一八年六月出售Best Volume解除於二零一七年十二月三十一日尚未償還本金額為人民幣166,201,000元(相等於198,826,000港元)之人民幣銀行貸款。

Management Discussion and Analysis

管理層討論及分析



FINANCIAL REVIEW (Continued)

Gearing ratio

At 31 December 2018, the gearing ratio calculated as a percentage of total borrowings over equity attributable to owners of the Company was 27% (2017: 29%).

Net current assets and current ratio

At 31 December 2018, the Group's net current assets and current ratio were HK\$783,497,000 (2017: HK\$834,571,000) and 2.19 (2017: 1.84) respectively.

Capital structure

During the year ended 31 December 2018, there was no change in the Company's capital structure.

Material acquisition

On 29 June 2018, the Group acquired 1,020,000,000 shares in Global Mastermind at a consideration of HK\$153,000,000. The acquisition constituted a discloseable transaction of the Company under the Rules Governing the Listing of Securities on the Exchange (the "Listing Rules") and was only subject to the announcement requirement of the Listing Rules. Prior to the acquisition, the Group already held 217,750,000 shares in Global Mastermind, which were accounted for as financial assets at FVTPL for financial reporting purposes. Upon completion of the acquisition, the Group holds 1,237,750,000 shares in Global Mastermind and is interested in 29.04% of the issued share capital of Global Mastermind. As such, Global Mastermind is treated as an associate in accordance with HKAS 28 *Investments in Associates and Joint Ventures* for financial reporting purposes.

Material disposal

On 22 June 2018, the Group disposed of the entire issued share capital of Best Volume at the consideration of HK\$405,000,000 and recognised the loss on disposal of HK\$10,993,000. The principal asset of Best Volume and its subsidiaries is the Guangzhou Property. The disposal constituted a major transaction of the Company under the Listing Rules and was approved by the shareholders at the Company's special general meeting held on 27 February 2018. Upon completion of the disposal, Best Volume ceased to be a subsidiary of the Company.

財務回顧(續)

資本負債比率

於二零一八年十二月三十一日，按借款總額除以本公司擁有人應佔權益所得百分比計算之資本負債比率為27% (二零一七年：29%)。

流動資產淨值及流動比率

於二零一八年十二月三十一日，本集團之流動資產淨值及流動比率分別為783,497,000港元 (二零一七年：834,571,000港元) 及2.19 (二零一七年：1.84)。

資本結構

截至二零一八年十二月三十一日止年度，本公司之資本結構概無變動。

重大收購事項

於二零一八年六月二十九日，本集團以代價153,000,000港元收購1,020,000,000股環球大通股份。收購事項構成聯交所證券上市規則(「上市規則」)項下本公司之須予披露交易，並僅須遵守上市規則項下之公佈規定。於收購事項前，本集團已持有217,750,000股環球大通股份，其就財務報告而言入賬為按公平值計入損益表之金融資產。於完成收購事項後，本集團持有1,237,750,000股環球大通股份，並於環球大通已發行股本中擁有29.04%權益。因此，就財務報告而言，且根據香港會計準則第28號於聯營公司及合營企業之投資，環球大通被視為一間聯營公司。

重大出售事項

於二零一八年六月二十二日，本集團以代價405,000,000港元出售Best Volume之全部已發行股本，並確認出售虧損10,993,000港元。Best Volume及其附屬公司之主要資產為廣州物業。出售事項構成上市規則項下本公司之主要交易，並獲股東於二零一八年二月二十七日舉行之本公司股東特別大會上批准。於完成出售事項後，Best Volume不再為本公司之附屬公司。

FINANCIAL REVIEW (Continued)

Pledge of assets

At 31 December 2018, the following Group's assets were pledged:

- (a) the Shun Tak Property with a carrying amount of HK\$402,177,000 (2017: HK\$394,330,000), of which HK\$226,577,000 (2017: HK\$160,330,000) is classified under "property, plant and equipment" and HK\$175,600,000 (2017: HK\$234,000,000) is classified under "investment properties", for securing the banking facilities granted to the Group; and
- (b) the 100% issued shares in China Jiu hao Health Industry Group Limited with an unaudited combined net assets of HK\$1,101,487,000 (2017: HK\$1,338,524,000) after adjusting for purchase price allocation for securing the Secured Notes.

Material commitments

At 31 December 2018, the Group had a total commitment of HK\$25,283,000 (2017: HK\$40,292,000) relating to the development costs of the Subject Land, which were contracted but not provided for.

Exchange risk and hedging

The majority of the Group's transactions, assets and liabilities are denominated in Hong Kong dollars and Renminbi. The Group is exposed to exchange risk with respect mainly to Renminbi which may affect its performance. The directors closely monitor statement of financial position and cash flow exchange risk exposures and where considered appropriate use financial instruments, such as forward exchange contracts, foreign currency options and forward rate agreements, to hedge this exchange risk. During the year ended 31 December 2018, no financial instruments for hedging purposes were used by the Group.

Contingent liabilities

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

財務回顧(續)

資產抵押

於二零一八年十二月三十一日，本集團已抵押下列資產：

- (a) 信德物業之賬面值為402,177,000港元(二零一七年：394,330,000港元)，當中226,577,000港元(二零一七年：160,330,000港元)分類為「物業、廠房及設備」及175,600,000港元(二零一七年：234,000,000港元)分類為「投資物業」，以獲得授出予本集團之銀行融資；及
- (b) 中國9號健康產業集團有限公司之100%已發行股份，經調整購買價分配後之未經審核合併資產淨值為1,101,487,000港元(二零一七年：1,338,524,000港元)，以獲得擔保票據。

重大承擔

於二零一八年十二月三十一日，本集團對主體地塊之發展成本已訂約但並未撥備總承擔為25,283,000港元(二零一七年：40,292,000港元)。

匯兌風險及對沖

本集團大部分交易、資產及負債以港元及人民幣計值。本集團面臨之匯兌風險主要與人民幣有關，可能影響其表現。董事密切監察財務狀況表及現金流匯兌風險，並在其認為適當的情況下使用金融工具(如遠期外匯合約、外匯期權及遠期利率協議)對沖該匯兌風險。截至二零一八年十二月三十一日止年度，本集團並無使用金融工具作對沖用途。

或然負債

於二零一八年十二月三十一日，本集團並無重大或然負債。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Employees and remuneration policy

At 31 December 2018, the headcount of the Group was 96 (2017: 87). Staff costs (including directors' emoluments) for the year ended 31 December 2018 amounted to HK\$82,959,000 (2017: HK\$69,895,000). The increase in staff costs was mainly attributable to an increase in directors' emoluments and the full year effect of the staff costs resulted from the increased operating activities in Beijing, Mainland China since the third quarter of 2017. In addition to basic salaries, contributions to retirement benefits scheme and discretionary bonus, staff benefits include medical scheme and share options.

Key performance indicators

The Company has defined the following key performance indicators ("KPIs") which are closely aligned with the performance of the Group.

財務回顧(續)

僱員及酬金政策

於二零一八年十二月三十一日，本集團之僱員人數為96人(二零一七年：87人)。截至二零一八年十二月三十一日止年度之員工成本(包括董事酬金)為82,959,000港元(二零一七年：69,895,000港元)。員工成本增加主要由於董事酬金增加及自二零一七年第三季度起於中國內地北京之經營活動增加所引致的員工成本之全年效應。除基本薪金、退休福利計劃供款及酌情花紅外，員工福利包括醫療計劃及購股權。

主要表現指標

本公司已識別以下與本集團表現緊密一致之主要表現指標(「主要表現指標」)。

		For the year ended 31 December		
		截至十二月三十一日止年度		
		Notes	2018	2017
		附註	二零一八年	二零一七年
Revenue	收益		HK\$188,037,000 港元	HK\$53,989,000 港元
Loss for the year attributable to owners of the Company	本年度本公司擁有人應佔虧損		HK\$586,090,000 港元	HK\$195,545,000 港元
Equity attributable to owners of the Company	本公司擁有人應佔權益		HK\$2,655,704,000 港元	HK\$3,266,389,000 港元
Return on financial assets at FVTPL	按公平值計入損益表之金融資產之回報	1	(41)%	(16)%
Return on loan receivables	應收貸款之回報	2	9%	9%
Return on capital employed in sale of jewelry products	銷售珠寶產品所用資本之回報	3	(16)%	(7)%
Return on property investment	物業投資之回報	4	3%	5%

FINANCIAL REVIEW (Continued)

Key performance indicators (Continued)

Notes:

1. Return on financial assets at FVTPL includes gains and losses arising on change in fair value, gains and losses on disposal, and dividend income. It is measured as a percentage against opening fair value of financial assets at FVTPL.
2. Return on loan receivables includes interest income and bad debt written-off. It is measured as a percentage against average loan receivables (before allowance for credit losses and excluding accrued interest receivables).
3. Return on capital employed in sale of jewelry products represents segment profit or loss from sale of jewelry products business divided by average capital employed and is measured as a percentage.
4. Return on property investment includes gains and losses arising on change in fair value, rental income, and gains and losses on disposal less amortisation of intangible assets in respect of the Club, depreciation expenses of the property, plant and equipment of the Club and operating lease rentals in respect of the Club. It is measured as a percentage against opening fair value of investment properties, opening carrying amounts of intangible assets in respect of the Club and opening carrying amounts of property, plant and equipment of the Club.

Commentary on the performance of the Group against each of the KPIs is set out above and “Operations Review” below.

These KPIs are reviewed regularly and amended occasionally to correspond with the changing mix of the Group’s principal activities.

OPERATIONS REVIEW

Sale of financial assets business

During the year, the Group’s sale of financial assets business reported a segment loss (before taxation) of HK\$289,126,000, which mainly included (i) a gain of HK\$6,698,000 from trading of Hong Kong listed equities, (ii) a loss of HK\$296,211,000 arising on change in fair value of financial assets at FVTPL, and (iii) the dividend income from Hong Kong listed equities held by the Group of HK\$661,000. The segment loss was due to a sharp drop in equity valuations in 2018, particularly in small and medium cap stocks, which resulted in a 220% increase in the loss on change in fair value of financial assets at FVTPL. Accordingly, return on financial assets at FVTPL deteriorated from (16)% for the year ended 31 December 2017 to (41)% for the year ended 31 December 2018.

財務回顧(續)

主要表現指標(續)

附註：

1. 按公平值計入損益表之金融資產之回報包括公平值變動產生之收益及虧損、出售事項之收益及虧損，以及股息收入。以按公平值計入損益表之金融資產之期初公平值計算為百分比。
2. 應收貸款之回報包括利息收入及壞賬撇銷。以平均應收貸款(除信貸虧損撥備前及不包括應收應計利息)計算為百分比。
3. 銷售珠寶產品所用資本之回報指銷售珠寶產品業務之分部溢利或虧損除以平均所用資本，並計算為百分比。
4. 物業投資之回報包括公平值變動產生之收益及虧損、租金收入及出售事項之收益及虧損減以有關會所之無形資產之攤銷、會所之物業、廠房及設備之折舊開支及有關會所之經營租賃租金。以投資物業之期初公平值、有關會所之無形資產之期初賬面值及會所之物業、廠房及設備之期初賬面值計算為百分比。

就本集團表現之各主要表現指標之評論載於上述及下文「業務回顧」。

該等主要表現指標獲定期檢討並不時修訂，配合本集團不斷變動之主要業務組合。

業務回顧

銷售金融資產業務

年內，本集團銷售金融資產業務呈報分部虧損(除稅前)289,126,000港元，主要包括(i)買賣香港上市股票收益6,698,000港元；(ii)按公平值計入損益表之金融資產公平值變動產生之虧損296,211,000港元；及(iii)由本集團持有之香港上市股票之股息收入661,000港元。分部虧損由於二零一八年股票(尤其是小型及中型股票)估值大幅下挫，導致按公平值計入損益表之金融資產公平值變動虧損增加220%。因此，按公平值計入損益表之金融資產之回報由截至二零一七年十二月三十一日止年度之(16)%倒退至截至二零一八年十二月三十一日止年度之(41)%。

Management Discussion and Analysis

管理層討論及分析

OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

During the year ended 31 December 2018, the Group acquired four Hong Kong listed equities with the aggregate acquisition costs of HK\$34,730,000 and made a trading gain of HK\$6,698,000 from selling three Hong Kong listed equities with the aggregate carrying amounts plus transactions costs of HK\$84,348,000 at the aggregate sale proceeds of HK\$91,046,000.

Movements in the carrying amount of Hong Kong listed equities held by the Group during the years ended 31 December 2018 and 2017 are as follows:

業務回顧(續)

銷售金融資產業務(續)

截至二零一八年十二月三十一日止年度，本集團購入四隻香港上市股票，總購入成本為34,730,000港元及出售三隻香港上市股票，其賬面值加交易成本總額為84,348,000港元，而出售所得款項總額為91,046,000港元，故產生買賣收益6,698,000港元。

截至二零一八年及二零一七年十二月三十一日止年度，由本集團持有之香港上市股票之賬面值之變動如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	662,943	544,442
Add: Acquisitions	加：購入	34,730	304,722
Re-classification from available-for-sale financial assets	重新分類可供出售金融資產	—	365,000
Gain arising on change in fair value upon transfer to interests in associates	轉至聯營公司之權益後公平值變動產生之收益	554	—
Less: Disposals	減：出售	(84,111)	(458,695)
Loss arising on change in fair value	公平值變動產生之虧損	(296,765)	(92,526)
Transfer to interests in associates	轉至聯營公司之權益	(30,049)	—
Carrying amount at 31 December	於十二月三十一日之賬面值	287,302	662,943

OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Details of the Hong Kong listed equities held by the Group at 31 December 2018 are as follows:

業務回顧(續)

銷售金融資產業務(續)

於二零一八年十二月三十一日由本集團持有之香港上市股票之詳情如下：

Name of Hong Kong listed equities	香港上市股票名稱	Notes	Number of shares held at 31 December 2018	Fair value at 31 December 2018	Fair value as compared to the consolidated total assets of the Group at 31 December 2018	Dividend received in the year ended 31 December 2018	Gain/(loss) arising on change in fair value recognised in the year ended 31 December 2018
		附註	於二零一八年十二月三十一日持有之股份數目	於二零一八年十二月三十一日之公平值 HK\$'000 千港元	公平值與本集團於二零一八年十二月三十一日綜合資產總值之比較	截至二零一八年十二月三十一日止年度已收取之股息 HK\$'000 千港元	截至二零一八年十二月三十一日止年度已確認公平值變動所產生之收益/(虧損) HK\$'000 千港元
Affluent Partners Holdings Ltd. (stock code: 1466)	錢唐控股有限公司 (股份代號: 1466)	1	59,200,000	68,672	1.73%	-	(4,527)
Brockman Mining Ltd. (stock code: 159)	布萊克萬礦業有限公司 (股份代號: 159)	2	40,220,000	7,240	0.18%	-	2,695
CBK Holdings Ltd. (stock code: 8428)	國茂控股有限公司 (股份代號: 8428)	3	21,720,000	4,344	0.11%	-	1,390
China Healthcare Enterprise Group Ltd. (stock code: 1143)	華夏健康產業集團有限公司 (股份代號: 1143)	4	30,000,000	2,040	0.05%	-	(6,660)
China Healthwise Holdings Ltd. (stock code: 348)	中國智能健康控股有限公司 (股份代號: 348)	5	708,396,000	43,212	1.09%	-	(7,792)
Frontier Services Group Ltd. (stock code: 500)	先豐服務集團有限公司 (股份代號: 500)	6	21,340,000	26,462	0.67%	-	(4,436)
Hsin Chong Group Holdings Ltd. (stock code: 404)	新昌集團控股有限公司 (股份代號: 404)	7	90,000,000	-	-	-	-
Huayi Tencent Entertainment Company Ltd. (stock code: 419)	華誼騰訊娛樂有限公司 (股份代號: 419)	8	200,000,000	38,800	0.98%	-	(32,200)
Kingston Financial Group Ltd. (stock code: 1031)	金利豐金融集團有限公司 (股份代號: 1031)	9	33,028,000	61,432	1.55%	661	(186,278)
KuangChi Science Ltd. (stock code: 439)	光啟科學有限公司 (股份代號: 439)	10	23,000,000	11,500	0.29%	-	(45,540)
Lajin Entertainment Network Group Ltd. (stock code: 8172)	拉近網娛集團有限公司 (股份代號: 8172)	11	53,500,000	10,539	0.27%	-	(9,256)
Sincere Watch (Hong Kong) Ltd. (stock code: 444)	Sincere Watch (Hong Kong) Ltd. (股份代號: 444)	12	55,000,000	4,785	0.12%	-	(1,705)
Town Health International Medical Group Ltd. (stock code: 3886)	康健國際醫療集團有限公司 (股份代號: 3886)	13	70,000,000	6,211	0.16%	-	(2,889)
Yunfeng Financial Group Ltd. (stock code: 376)	雲鋒金融集團有限公司 (股份代號: 376)	14	444,000	2,065	0.05%	-	433
				287,302		661	(296,765)

OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Notes:

1. Affluent Partners Holdings Ltd. (“**Affluent Partners**”) and its subsidiaries are principally engaged in (i) purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products, and (ii) the operation of strategic investment and financial services segment, with the objective to include investments in real estate agency business, real estate investment, and other potential investment opportunities.

Based on its published financial information, the group had net assets of HK\$236,508,000 and HK\$217,179,000 at 31 March 2018 and 30 September 2018 respectively. The group recorded a loss attributable to owners of Affluent Partners of HK\$129,787,000 and HK\$14,796,000 for the year ended 31 March 2018 and the six months ended 30 September 2018 respectively.

As disclosed in its 2018 interim report, with gradual expansion in real estate investment business, Affluent Partners’ targets are the United Kingdom and the countries along “Eurasia”. Affluent Partners anticipates such investments and its strategic investment and financial services business will diversify its income streams, and generate additional investment returns on its available funds from time to time. Affluent Partners expects that the real estate investment business will be its growth driver and will actively make continuous efforts to find appropriate investment projects in the future. Affluent Partners will continue enhancing the development of the mature pearls and jewellery business, actively participating in various important jewellery & gem fairs around the world and optimising operation efficiency and productivity in a bid to stay competitive. With the memorandum of understanding dated 4 October 2018 relating to the formation of a joint venture for the acquisition and development properties across the United Kingdom especially in the student housing, serviced apartments and built to rent sectors, the collaboration agreement dated 26 October 2018 relating to setting up one or more REITs, and the development of its existing strategic investment and financial services business, Affluent Partners will focus its investments and operations more in the real estate and investment and asset management sectors especially in Europe and Asia.

2. Brockman Mining Ltd. (“**Brockman Mining**”) and its subsidiaries are principally engaged in the development and exploration of iron ore mining projects in Australia.

Based on its published financial information, the group had net assets of HK\$584,725,000 and HK\$549,486,000 at 30 June 2018 and 31 December 2018 respectively. The group recorded a profit attributable to owners of Brockman Mining of HK\$108,086,000 for the year ended 30 June 2018 and a loss attributable to owners of Brockman Mining of HK\$12,245,000 for the six months ended 31 December 2018.

業務回顧(續)

銷售金融資產業務(續)

附註：

1. 錢唐控股有限公司(「錢唐」)及其附屬公司主要從事(i)珍珠及珠寶產品之採購、加工、設計、生產及批發分銷及(ii)策略投資及財務服務分部之營運，其目標為包括房地產代理業務之投資、房地產投資及其他潛在投資機會。

根據其已刊發之財務資料，該集團於二零一八年三月三十一日及二零一八年九月三十日之資產淨值分別為236,508,000港元及217,179,000港元。該集團於截至二零一八年三月三十一日止年度及截至二零一八年九月三十日止六個月分別錄得錢唐擁有人應佔虧損129,787,000港元及14,796,000港元。

誠如其二零一八年中報所披露，隨著房地產投資業務逐步擴張，錢唐之目標投放在英國及「歐亞大陸」沿線之國家。錢唐預期相關投資，以及其策略投資及財務服務業務，將可拓展其收入來源，且不時為其可使用資金產生額外投資回報。錢唐預期房地產投資業務將可成為其增長動力，並將於未來繼續積極尋找適合的投資項目。錢唐將繼續改善發展已成熟的珍珠及珠寶業務，積極參加世界各地多個重要的珠寶首飾展覽會，並優化業務效率及生產力，以維持競爭力。隨著訂立日期為二零一八年十月四日有關成立合資企業以於英國收購及發展物業(尤其是學生房屋、服務式公寓及建造以出租分部)之諒解備忘錄及日期為二零一八年十月二十六日有關成立一項或多項產業信託之合作協議以及現有策略投資及財務服務業務之發展，錢唐將更集中其投資及業務於房地產以及投資及資產管理分部，尤其於歐洲及亞洲。

2. 布萊克萬礦業有限公司(「布萊克萬礦業」)及其附屬公司主要從事於澳洲開發及勘探鐵礦石項目。

根據其已刊發之財務資料，該集團於二零一八年六月三十日及二零一八年十二月三十一日之資產淨值分別為584,725,000港元及549,486,000港元。該集團於截至二零一八年六月三十日止年度錄得布萊克萬礦業擁有人應佔溢利108,086,000港元及於截至二零一八年十二月三十一日止六個月錄得布萊克萬礦業擁有人應佔虧損12,245,000港元。

OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Notes: (Continued)

According to its latest interim results announcement, Brockman Mining entered into a Farm-in Joint Venture Agreement (the “**FJV Agreement**”) with Polaris Metals Pty Ltd. (“**Polaris**”), a wholly owned subsidiary of Mineral Resources Limited (“**MRL**”), on 26 July 2018 for the development of its flagship Marillana Iron Ore Project located in Pilbara region of Western Australia. Under the terms of the FJV Agreement, Polaris will earn a 50% interest in the Marillana Iron Ore Project and MRL will be responsible for development of the mine, construction and operation of the processing plant for an estimated minimum production rate of 20 million tonnes per annum of high quality Marillana product. The funding for the mine development, which is estimated to be a maximum of A\$300 million, will be shared by the joint venture. Under the terms of the FJV Agreement, MRL will use its best endeavours to secure debt funding for Brockman Mining’s A\$150 million contribution. The capital cost for the process plant construction will be borne entirely by MRL, in return for a service fee to be paid by the joint venture based on production volumes. MRL has also committed to the construction and operation of rail and port infrastructure, which consists of a 320km long light railway connecting Marillana to a port at South West Creek in the Port Hedland inner harbour. It is expected that construction of this railway and port will commence before the end of 2019 and be operational by the end of 2021. The processing plant is scheduled to commence operations concurrently with the railway. The establishment of the joint venture will unlock the value of the Marillana Iron Ore Project and may assist in the future development of its group’s other iron ore assets in the Pilbara Region. Brockman Mining is looking forward to working with MRL, an established Australian mining services and processing company. The proven capability of MRL in constructing and operating process plants in the Pilbara region will de-risk the development of the Marillana Iron Ore Project.

3. CBK Holdings Ltd. (“**CBK Holdings**”) and its subsidiaries are principally engaged in provision of catering services in Hong Kong.

Based on its published financial information, the group had net assets of HK\$81,008,000 and HK\$74,296,000 at 31 March 2018 and 30 September 2018 respectively. The group recorded a loss attributable to owners of CBK Holdings of HK\$9,746,000 and HK\$6,712,000 for the year ended 31 March 2018 and the six months ended 30 September 2018 respectively.

業務回顧(續)

銷售金融資產業務(續)

附註：(續)

根據其最近之中期業績公佈，布萊克萬礦業與礦之源開採有限公司(「礦之源開採」)之全資附屬公司 Polaris Metals Pty Ltd.(「Polaris」)於二零一八年七月二十六日訂立轉讓及合營公司(「轉讓及合營公司」)協議，以開發其位於西澳皮爾巴拉地區之旗艦 Marillana 鐵礦石項目。根據轉讓及合營公司協議之條款，Polaris 將取得 Marillana 鐵礦石項目 50% 權益，而礦之源開採將負責發展礦場、興建及營運加工廠，估計最低生產量為每年 20,000,000 噸之高品質 Marillana 產品。礦場發展之資金(估計最高金額為 300,000,000 澳元)將由合營公司方分擔。根據轉讓及合營公司協議之條款，礦之源開採將盡其最大努力為布萊克萬礦業之 150,000,000 澳元注資取得債務融資。加工廠之建設資金成本將全數由礦之源開採承擔，以換取合營公司按產量支付服務費。礦之源開採亦承諾興建及營運鐵路及港口基建系統，包括 320 公里連接 Marillana 至黑德蘭內港 South West Creek 港口之輕軌鐵路。預計該鐵路及港口基建系統將於二零一九年底前開始興建，並於二零二一年底前通車。與此同時，加工廠與鐵路預期將同時開始營運。成立合營公司將實現 Marillana 鐵礦石項目之價值，並可協助本集團於皮爾巴拉地區日後其他鐵礦產之發展。布萊克萬礦業期待與位於澳洲且發展成熟之採礦服務及加工公司礦之源開採合作。礦之源開採於皮爾巴拉地區建設及營運加工廠之雄厚實力亦大大解除 Marillana 鐵礦石項目發展之風險。

3. 國茂控股有限公司(「國茂控股」)及其附屬公司主要從事於香港提供餐飲服務。

根據其已刊發之財務資料，該集團於二零一八年三月三十一日及二零一八年九月三十日之資產淨值分別為 81,008,000 港元及 74,296,000 港元。該集團於截至二零一八年三月三十一日止年度及截至二零一八年九月三十日止六個月分別錄得國茂控股擁有人應佔虧損 9,746,000 港元及 6,712,000 港元。

OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Notes: (Continued)

According to its 2018 interim report, CBK Holdings will continue with its prudent site selection strategy to expand its network of hotpot restaurants. CBK Holdings will also continue to conduct feasibility studies on refining its existing brands and launching of new brands to meet growing customer expectations on dining experience. CBK Holdings is exploring the commercial viability of extending its business hours. CBK Holdings has introduced such measure in one of its restaurants, which offers special discounts for customers who come for “happy hour” hotpot or “late night” hotpot at the restaurant. Recruiting and retaining talent for improving on overall operational efficiency is one of CBK Holdings’ priorities in the financial year of 2018. Based on its success in the past, CBK Holdings remains optimistic about its future development. CBK Holdings intends to cautiously execute its development plan as set forth in its prospectus dated 27 January 2017 for the purpose of bringing a desirable return to its shareholders and facilitating the long-term growth of its business.

- China Healthcare Enterprise Group Ltd. (“China Healthcare”) and its subsidiaries are principally engaged in (i) electronic manufacturing services, (ii) marketing and distribution of communications products, (iii) trading and selling of medical equipment, and (iv) securities and other assets investments.

Based on its published financial information, the group had net assets of HK\$654,002,000 and HK\$586,812,000 at 31 December 2017 and 30 June 2018 respectively. The group recorded a loss attributable to owners of China Healthcare of HK\$128,428,000 and HK\$52,282,000 for the year ended 31 December 2017 and the six months ended 30 June 2018 respectively.

According to its interim results announcement for the six months ended 30 June 2018, despite uncertainties arising from the trade tensions between the United States of America and Mainland China, the electronic manufacturing services business of China Healthcare has thus far been unaffected by the trade disputes, and it has already received reasonable level of orders from customers for the upcoming half year of 2018. China Healthcare will nonetheless monitor market developments closely, including the fluctuation of Renminbi and the rise in component costs. In respect of the latter, China Healthcare has taken necessary action, which, besides seeking alternative suppliers, China Healthcare will transfer the cost increase to its clients going forward. Furthermore, China Healthcare will continue to develop new products, particularly Wi-Fi and Bluetooth enabled

業務回顧(續)

銷售金融資產業務(續)

附註：(續)

根據其二零一八年中報報告，國茂控股將繼續保持審慎的選址策略以擴大旗下火鍋店網絡。國茂控股將繼續就完善現有品牌及推出新品牌進行可行性研究，以滿足顧客對用餐體驗不斷提高的期望。國茂控股現正探索延長營業時間的商業可行性。國茂控股已在其中一間分店推行有關措施，為該店享用「歡樂時光」火鍋或「深夜」火鍋的堂食顧客提供特別折扣。聘用及挽留人才以提高整體運營效益為國茂控股二零一八財政年度之重點之一。基於其過往成功經驗，國茂控股對其未來發展保持樂觀態度。國茂控股擬審慎執行其日期為二零一七年一月二十七日之招股章程載列之發展計劃，從而為股東帶來理想回報，並促進其業務長期增長。

- 華夏健康產業集團有限公司(「華夏健康」)及其附屬公司主要從事(i)電子製造服務；(ii)通訊產品之營銷及分銷；(iii)醫療器械之買賣及銷售；及(iv)證券及其他資產投資。

根據其已刊發之財務資料，該集團於二零一七年十二月三十一日及二零一八年六月三十日之資產淨值分別為654,002,000港元及586,812,000港元。該集團於截至二零一七年十二月三十一日止年度及截至二零一八年六月三十日止六個月分別錄得華夏健康擁有人應佔虧損128,428,000港元及52,282,000港元。

根據其截至二零一八年六月三十日止六個月之中期業績公佈，儘管美利堅合眾國與中國內地之間貿易緊張局勢產生不確定因素，惟華夏健康之電子製造服務業務遠未受貿易爭端之影響，就二零一八年下半年而言已從客戶獲得合理水平之訂單。儘管如此，華夏健康將密切監察市場發展，包括人民幣之匯率變動及元件成本之上漲。對於後者而言，華夏健康已採取必要行動，除物色其他供應商外，日後華夏健康會將成本增幅轉嫁予其客戶。此外，華夏健康將繼續開發新產品，特別是具有Wi-Fi及藍牙功能之智能家用電器，以促進其電子製造服務業務之長期發展。對於其證券及其他資產投資業務，華夏健康仍致力於開拓中國內地保健市場。在所

OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Notes: (Continued)

smart-home appliances to facilitate long-term development of its electronic manufacturing services business. With reference to its securities and other assets investment operation, China Healthcare remains committed to tapping the healthcare market of Mainland China, which has been the fastest growing market among all large emerging economies, increasing by over four-fold in the ten-year span of 2006 to 2016, or from RMB1,096.6 billion to RMB4,634.5 billion respectively. Despite such phenomenal growth, healthcare spending per capita is only at approximately 6% of Mainland China's Gross Domestic Product. The healthcare market therefore possesses tremendous room for further growth, and China Healthcare will make the necessary investments and establish relevant ties to expedite its development in this burgeoning segment. While downside risk has increased significantly, China Healthcare trusts that efforts undertaken to bolster its key business operations, including those for raising its competitiveness in the future, will stand China Healthcare in good stead regardless of what economic scenario eventually materialised. That being said, China Healthcare will manage operations with utmost prudence, fully mindful of the interests of its shareholders.

- China Healthwise Holdings Ltd. (“China Healthwise”) and its subsidiaries are principally engaged in development, engineering, manufacturing and sale of toys, consumer electronic products, sales of Chinese health products, money lending, and investment in financial instruments.

Based on its published financial information, the group had net assets of HK\$274,150,000 and HK\$405,489,000 at 31 March 2018 and 30 September 2018 respectively. The group recorded a loss attributable to owners of China Healthwise of HK\$186,103,000 and HK\$39,099,000 for the year ended 31 March 2018 and the six months ended 30 September 2018 respectively.

As disclosed in its 2018/2019 interim report, China Healthwise will continue the multi-brand and multi-product strategy and the strict cost control for its childcare products business for coping with the challenge from strong competition and the United States and Mainland China trade war. Despite the encouraging and positive responses on its new toy products at the New York and Hong Kong toy fairs in early 2018, further capital investments for product development, engineering, new product moulds plus additional marketing and promotion costs for new products will continuously affect the profitability of China Healthwise's OBM toy business. The recent liquidation of a major toy retail chain stores in the United States and worldwide has minor impact on

業務回顧(續)

銷售金融資產業務(續)

附註：(續)

有新興大型經濟體中，保健市場增長最快，二零零六年至二零一六年十年期間增長4倍以上，或由人民幣1,096,600,000,000元增至人民幣4,634,500,000,000元。雖然增長顯著，但人均保健支出僅佔中國內地之國內生產總值約6%。因此，保健市場進一步增長空間巨大，華夏健康將作出必要投資及建立相關聯繫以加快該尚處於萌芽階段之分部之發展。雖然下行風險明顯加劇，但華夏健康相信為促進其主要業務營運所作出之努力(包括為提高其未來競爭力所付出之努力)將使華夏健康處於有利地位，而不論經濟情況最終如何。即便如此，華夏健康將以最審慎之態度管理業務，充分考慮其股東權益。

- 中國智能健康控股有限公司(「中國智能健康」)及其附屬公司主要從事開發、設計、生產及銷售玩具、電子消費品、銷售中國保健產品、借貸及金融工具投資。

根據其已刊發之財務資料，該集團於二零一八年三月三十一日及二零一八年九月三十日之資產淨值分別為274,150,000港元及405,489,000港元。該集團於截至二零一八年三月三十一日止年度及截至二零一八年九月三十日止六個月分別錄得中國智能健康擁有人應佔虧損186,103,000港元及39,099,000港元。

誠如其二零一八年／二零一九年中期報告所披露，中國智能健康將推行多品牌及多產品策略及嚴格控制成本以應對市場競爭激烈及中美貿易戰的挑戰。儘管其玩具產品於二零一八年初舉辦之紐約及香港玩具博覽會取得積極正面的反饋，產品開發、工程設計、新產品模具仍需進一步資本投入，加上新產品之額外市場營銷及推廣成本將繼續影響中國智能健康對自有品牌製造玩具業務之盈利。近期一家美國及全球大型玩具零售連鎖店清盤對中國智能健康自有品牌製造玩具業務銷售產生影響較小，因為管理層已於過去幾年持續



OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Notes: (Continued)

the sales of China Healthwise's OBM toy business as management has continued to reduce price and margin plus diverted its markets in North America towards clubs, supermarkets and internet sales over the last couple of years. With the right products at competitive prices, management expects these retail channels to continue contributing to the sales of its OBM toy business for the remainder of financial year of 2018/2019. China Healthwise expects the increasing tourists to Hong Kong to have a positive future impact on the retail market of Hong Kong and the performance of its Chinese healthcare products business. China Healthwise will continue to invest in the health care business and to develop its retail business of "Sum Yung" (參茸) and dried seafood products in Hong Kong with an aim to broaden its revenue base. Despite certain uncertainties in the global economy such as interest hike and the tightening of the United States and Mainland China relationship, the demand for China Healthwise's money lending business remained strong during the six months ended 30 September 2018. China Healthwise will continue to develop its money lending business cautiously by strengthening its credit policy and risk control policy. With an aim to achieve the best use of its resources and improve its overall performance, China Healthwise has continuously evaluated its investment in financial instruments.

6. Frontier Services Group Ltd. ("**Frontier Services**") and its subsidiaries are principally engaged in the provision of aviation and logistics services, the provision of online financial market information, and other direct investments.

Based on its published financial information, the group had net assets of HK\$1,191,521,000 at 31 December 2018. The group recorded a loss attributable to owners of Frontier Services of HK\$258,846,000 for the year ended 31 December 2018.

According to its annual results announcement for the year ended 31 December 2018, 2018 was a fruitful year for Frontier Services. Frontier Services has built up a solid foundation for growth in businesses in 2019 and onwards by opening up of new presences and markets along the Belt and Road regions. During the second half of 2018, Frontier Services had put additional effort in exploring opportunities on infrastructure business. It is expected that Frontier Services will take part in one or two infrastructure projects in 2019 in order to diversify its business segments. In 2019, Frontier Services plans to provide infrastructure project solutions encompassing planning and management, financing, construction and

業務回顧(續)

銷售金融資產業務(續)

附註：(續)

降低單價及利潤，並將其於北美的市場轉向俱樂部、超市及網上銷售。憑藉價優質高的產品，管理層預計該等零售渠道於二零一八年／二零一九財政年度餘下期間繼續對中國智能健康自有品牌製造玩具業務之銷售作出貢獻。中國智能健康預期香港將迎來更多遊客，對香港零售市場及其中藥保健品業務之表現帶來正面影響。中國智能健康將繼續投資於保健業務並發展其在香港之參茸及乾製海產品零售業務以便擴大收入基礎。儘管全球經濟存在若干不確定性，如利率飆升及中美貿易關係緊張，中國智能健康之放債業務在截至二零一八年九月三十日止六個月期間之需求仍保持強勁。中國智能健康將繼續透過加強信貸政策及風險管控政策以審慎發展其放債業務。為充分利用其資源及改善其整體表現，中國智能健康已持續評估其金融工具投資。

6. 先豐服務集團有限公司(「先豐服務」)及其附屬公司主要從事提供航空及物流服務、提供線上金融市場資訊業務及其他直接投資。

根據其已刊發之財務資料，該集團於二零一八年十二月三十一日之資產淨值為1,191,521,000港元。該集團於截至二零一八年十二月三十一日止年度錄得先豐服務擁有人應佔虧損258,846,000港元。

根據先豐服務截至二零一八年十二月三十一日止年度之全年業績公佈，二零一八年是其豐盛的一年。憑藉沿著一帶一路開闢新的據點及市場，先豐服務已為其二零一九年及以後之發展奠定堅實基礎。於二零一八年下半年，先豐服務加大力度探索基礎設施業務之機遇。預期先豐服務將於二零一九年參與一兩個基礎設置項目以實行多元化業務分部。於二零一九年，先豐服務計劃提供基

OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Notes: (Continued)

logistics, helping its customers to manage the entire project value chain focusing on transportation corridors, energy and logistics networks as well as social housing projects in Africa and South East Asia, echoing China's Belt and Road initiative. Frontier Services also intends to take part in these projects through equity investment. Infrastructure business segment will be established to support Frontier Services' capabilities to take advantage of these large projects and maximise synergies. Frontier Services has specifically identified certain countries along the Belt and Road, namely Laos, Myanmar, Cambodia and the Democratic of Republic of Congo for its business development. On business segments, security, logistic and insurance are still the key drivers for growth. Frontier Services would like to take advantage of those infrastructure projects in order to stimulate the growth in revenue and profitability of these three business streams. Although the global economy remains highly volatile, Frontier Services remains positive towards 2019 because a strong and solid foundation has been formed. At the same time, Frontier Services will continuously implement various cost reduction measures to enhance its overall operational efficiency. Frontier Services has the belief that its focus on the Belt and Road Initiative and its uniqueness in terms business modeling and shareholding structure would still be its competitive strength to support its long-term strategic growth.

7. Hsin Chong Group Holdings Ltd. ("Hsin Chong") and its subsidiaries are principally engaged in building construction, civil engineering, electrical and mechanical installation, and property development and investment.

Based on its published financial information, the group had net assets of HK\$11,704,986,000 and HK\$10,876,205,000 at 31 December 2017 and 30 June 2018 respectively. The group recorded a loss attributable to owners of Hsin Chong of HK\$774,382,000 and HK\$704,973,000 for the year ended 31 December 2017 and the six months ended 30 June 2018 respectively.

According to its 2018 interim report, Hsin Chong's financial situation had been restraining its ability to obtain new projects since the beginning of 2018, which resulted in a decrease in the turnover of its construction business. This, in turn, caused a reduction in its cashflow and an increase in its financing cost. Hsin Chong had pursued strategic measures, including but not limited to disposal of its assets and refinancing of its current facilities to restore its cashflow and liquidity. During such restoration period, Hsin Chong noticed and foresaw that (i) the operating

業務回顧(續)

銷售金融資產業務(續)

附註：(續)

建項目解決方案(當中包括策劃及管理、融資、建設及物流)，協助客戶管理整個項目價值鏈，專注非洲及東南亞之運輸通道、能源及物流網絡以及社會住房項目，以配合中國一帶一路倡議。先豐服務亦有意透過股權投資參與該等項目。先豐服務將設立基建業務，提升其把握大型項目優勢及充分展現協同效應的能力。先豐服務已特別認定多個一帶一路沿線國家，即老撾、緬甸、柬埔寨及剛果民主共和國進行業務發展。就業務分部而言，安保、物流及保險依舊為發展之主要推動力。先豐服務擬利用該等基礎設施項目以刺激該三個業務分支之收入增長及盈利能力。儘管全球經濟依舊極不穩定，先豐服務對二零一九年保持樂觀，因為其已建立強大而穩固之基礎。同時，先豐服務將繼續實施若干成本降低措施以提高本集團之整體營運效率。先豐服務相信專注於一帶一路倡議和其業務模式及股權結構之獨特性仍然是其競爭力優勢，以支持其長期戰略性增長。

7. 新昌集團控股有限公司(「新昌」)及其附屬公司主要從事樓宇建造、土木工程、機電安裝工程及物業發展及投資。

根據其已刊發之財務資料，該集團於二零一七年十二月三十一日及二零一八年六月三十日之資產淨值分別為11,704,986,000港元及10,876,205,000港元。該集團於截至二零一七年十二月三十一日止年度及截至二零一八年六月三十日止六個月分別錄得新昌擁有人應佔虧損774,382,000港元及704,973,000港元。

根據其二零一八年中報報告，自二零一八年初以來，新昌的財務狀況已限制其取得新項目的能力，導致建造業務營業額減少。此轉而導致其現金流減少及融資成本增加。新昌已尋求戰略性措施，包括但不限於出售資產及對當前融資進行再融資以恢復其現金流及流動性。於恢復期間，新昌注意到及預見(i)多個項目的操作進展可能受到



OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Notes: (Continued)

progress of various projects might be affected, (ii) the short-term financing cost might increase, (iii) new tenders would be restricted until the cashflow and liquidity of Hsin Chong restored, and (iv) key staffs turnover might increase. Hsin Chong was currently in discussions with Poly Property Group Co., Limited (stock code: 119), which had expressed an interest in investing in its equity securities.

Trading in the shares of Hsin Chong has been suspended since 3 April 2017. The price of Hsin Chong's shares closed at HK\$0.35 per share on 31 March 2017, being the last trading day prior to the suspension of trading of the shares at 9:00 a.m. on 3 April 2017. In view of the existence of material uncertainties which may cast significant doubt about Hsin Chong's ability to continue as a going concern, the entire fair value of the shares in Hsin Chong held by the Group of HK\$31,500,000 at 31 March 2017 was fully impaired for prudence sake.

On 31 July 2018, Hsin Chong issued an announcement relating to the transitional arrangements for the amendments to the delisting framework under the Listing Rules. According to the announcement, if Hsin Chong fails to fulfill all the conditions for resumption of trading of its shares to the satisfaction of the Exchange and resume trading in its shares by 31 July 2019, the Listing Department of the Exchange will recommend the Listing Committee of the Exchange to proceed with the cancellation of Hsin Chong's listing. This is subject to the Exchange's right to impose a shorter specific remedial period under Rule 6.10 of the Listing Rules where appropriate.

On 22 February 2019, Hsin Chong issued an announcement giving an update on its resumption progress and current status. As stated in the announcement, Hsin Chong is in the course of formulating and yet to finalise a resumption proposal. Hsin Chong has not paid the amounts outstanding under the USD300 million 8.75% senior notes due 2018 and the USD150 million 8.50% senior notes due 2019. The Bermuda Court made the orders as sought in the winding up petition filed by a creditor of Hsin Chong against Hsin Chong on 17 January 2019, and the new joint provisional liquidators were appointed on 19 February 2019. The joint and several receivers and managers of three subsidiaries were appointed by another creditor of Hsin Chong on 20 December 2018. The entire issued shares of Hsin Chong Construction (BVI) Ltd., being one of the three subsidiaries, were transferred to one of the joint

業務回顧(續)

銷售金融資產業務(續)

附註：(續)

影響；(ii)短期融資成本可能增加；(iii)於新昌恢復現金流及流動性前，新投標將可能受到限制；及(iv)員工流失率可能增加。新昌正與有意對其股本證券進行投資的保利置業集團有限公司(股份代號：119)進行洽商。

新昌之股份自二零一七年四月三日起暫停買賣。於二零一七年三月三十一日(即新昌股份於二零一七年四月三日上午九時正暫停買賣前的最後交易日)，新昌股份之收市價為每股0.35港元。鑑於新昌持續經營之能力存在重大疑問，為審慎起見，本集團持有之新昌股份於二零一七年三月三十一日之全部公平值31,500,000港元已予悉數減值。

於二零一八年七月三十一日，新昌刊發有關上市規則就修訂除牌框架的過渡安排之公佈。根據該公佈，倘新昌未能於二零一九年七月三十一日前達成全部恢復股份買賣之條件並令聯交所信納而恢復股份買賣，則聯交所上市部將建議聯交所上市委員會展開取消新昌上市地位之程序。在適當情況下，聯交所有權根據上市規則第6.10條施加較短的特定補救期。

於二零一九年二月二十二日，新昌刊發公佈更新其恢復買賣的進展及當前狀況。誠如該公佈所述，新昌正制定惟尚未落實恢復買賣建議。新昌尚未支付3億美元於二零一八年到期之8.75厘優先票據及1.5億美元於二零一九年到期之8.50厘優先票據之未償還金額。百慕達法院已作出一名新昌債權人於二零一九年一月十七日針對新昌提交之清盤呈請書內尋求之命令，且新任共同臨時清盤人已於二零一九年二月十九日獲委任。於二零一八年十二月二十日，另一名新昌債權人委任新昌三間附屬公司之共同及個別接管人及經理。Hsin Chong Construction (BVI) Ltd. (三間附屬公司之一)之全部已發行股份已於二零一九年一月二十一日轉讓予其中一名共同及個別接管人及經理(作為債權人之代名人及受託人)。Hsin

OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Notes: (Continued)

and several receivers and managers (as nominee and trustee for the creditor) on 21 January 2019. Hsin Chong Construction (BVI) Ltd. was placed into liquidation on 24 January 2019 and the joint liquidators of Hsin Chong Construction (BVI) Ltd. were appointed on 24 January 2019.

On 25 March 2019, Hsin Chong issued an announcement stating it received a letter from the Exchange on 21 March 2019, in which the Exchange stated they require Hsin Chong, as an additional resumption guidance, to (i) have the winding up petitions against Hsin Chong withdrawn or dismissed and the provisional liquidators discharged; and (ii) publish all outstanding financial results and address any audit modifications.

8. Huayi Tencent Entertainment Company Ltd. (“**Huayi Tencent**”) and its subsidiaries are principally engaged in (i) entertainment and media business, and (ii) provision of offline healthcare and wellness services.

Based on its published financial information, the group had net assets of HK\$868,792,000 at 31 December 2018. The group recorded a profit attributable to owners of Huayi Tencent of HK\$73,737,000 for the year ended 31 December 2018.

According to its annual results announcement for the year ended 31 December 2018, the future of Chinese film industry looks bright as the Chinese are now more willing to spend on films and entertainment. According to a public research on global entertainment and media outlook for 2018 to 2022, it is expected that Mainland China will continue its astonishing pace of cinema construction between 2018 and 2022, and by 2022 the number of cinema screens in Mainland China will be nearly double in number of that the United States currently has. As the Korean films and television dramas are receiving a lot of attention and enjoying a broad and stable base of audience, Huayi Tencent is confident of the performance of HB Entertainment Co., Ltd., a 31% owned associate of Huayi Tencent, and Huayi-Warner Contents Fund, a limited partnership established by Huayi Tencent, Warner Bros. Korea Inc. et al for investing in film projects, in the long run. Apart from the collaboration with HB Entertainment Co., Ltd. and Warner Bros Korea Inc., Huayi Tencent is also actively working along with Korean producers and looking for further opportunities and advancements so as to increase its revenue. As the Chinese film and entertainment industry is approaching the stage of a more diversified development, Huayi Tencent is determined to, through the knowledge and backing of its controlling

業務回顧(續)

銷售金融資產業務(續)

附註：(續)

Chong Construction (BVI) Ltd.已於二零一九年一月二十四日進入清盤程序，Hsin Chong Construction (BVI) Ltd.之共同清盤人已於二零一九年一月二十四日獲委任。

於二零一九年三月二十五日，新昌刊發公佈載述其於二零一九年三月二十一日收到聯交所之函件，當中聯交所表示其要求新昌作為附加復牌指引，以(i)針對新昌之清盤呈請獲撤銷或駁回，及臨時清盤人獲解除職務；及(ii)公佈所有尚未完成之財務業績並解決任何審計修改。

8. 華誼騰訊娛樂有限公司(「華誼騰訊」)及其附屬公司主要從事(i)娛樂及媒體業務；及(ii)提供線下健康及養生服務。

根據其已刊發之財務資料，該集團於二零一八年十二月三十一日之資產淨值為868,792,000港元。該集團於截至二零一八年十二月三十一日止年度錄得華誼騰訊擁有人應佔溢利73,737,000港元。

根據其截至二零一八年十二月三十一日止年度之年度業績公佈，中國電影業前景明朗，中國居民願意花費在電影娛樂消閒上。根據有關二零一八年至二零二二年全球娛樂及媒體展望之公開調查，在預測期二零一八至二零二二年內中國將以目前驚人的速度繼續建造電影院，到了二零二二年，中國將接近美國現有電影銀幕的兩倍。韓國影視作品具備極高的關注度及大量穩定的觀眾基礎，故華誼騰訊對HB Entertainment Co., Ltd.(華誼騰訊擁有31%之聯營公司)及華誼華納文化創意基金(華誼騰訊與Warner Bros. Korea Inc.就投資於電影項目成立之有限合夥)長遠的業績表現具備信心。除了透過與HB Entertainment Co., Ltd.及Warner Bros. Korea Inc.合作外，華誼騰訊亦正積極與韓國製片商合作，尋找更多機遇與發展，為本集團帶來更多收益。隨著中國電影娛樂行業發展步入更多元化發展里程，華誼騰訊銳意透過控股股東華誼兄弟國際有限公司及騰訊控股有限公司於影視娛

OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Notes: (Continued)

shareholders Huayi Brothers International Limited and Tencent Holdings Limited, continue its global development and invest in quality movie projects, as well as to look for opportunities of collaboration with well-established and internationally-renowned film studios. In the future, Huayi Tencent will also keep a close eye on investment opportunities in the pan-entertainment industry (such as the gaming, eSports and music), with a view to reinforcing its deployment in the cultural and entertainment industry. The healthcare and wellness business is expected to generate stable revenue for Huayi Tencent in the future.

- Kingston Financial Group Ltd. (“**Kingston Financial**”) and its subsidiaries are principally engaged in the provision of a wide range of financial services which include securities brokerage, underwriting and placements, margin and initial public offering financing, corporate finance advisory services, futures brokerage and asset management services. The group also provides gaming and hospitality services in Macau.

Based on its published financial information, the group had net assets of HK\$20,639,360,000 and HK\$20,915,889,000 at 31 March 2018 and 30 September 2018 respectively. The group recorded a profit attributable to owners of Kingston Financial of HK\$1,348,626,000 and HK\$592,157,000 for the year ended 31 March 2018 and the six months ended 30 September 2018 respectively.

As disclosed in its 2018 interim report, the investment sentiment is expected to recover upon the positive progress of the development of the Guangdong-Hong Kong-Macao Greater Bay Area (“**GBA**”), which will offer ample opportunities for financial services industry. The Stock and Bond Connect schemes between the Mainland China and Hong Kong continues to fuel the growth by means of increasing number of international and Mainland Chinese investors trading securities and bonds across different markets. The expansion of the daily quota of Stock Connect and the inclusion of A shares in the MSCI indexes may also enhance the attractiveness of the Mainland and Hong Kong stock markets. Moreover, the anticipated lowering of required reserve ratios by the People’s Bank of China would stimulate positive market sentiment and bring in positive impact to the financial markets. Looking forward, Kingston Financial will adopt a responsive approach, to prudently deploy and implement expansion plans that are in line with the market situation in Hong Kong and the Mainland China. With its strong visibility across the region, Kingston Financial is well-poised to grasp the opportunities arising from the existing mature Hong Kong market, as well as the emerging capital

業務回顧(續)

銷售金融資產業務(續)

附註：(續)

樂的知識及宏厚支援，繼續在全球發展並投資具高質素電影項目，並尋找機會與具實力及國際知名的電影工作室合作。華誼騰訊在未來亦會密切關注包括遊戲、電競、音樂等泛娛樂產業的投資機會，以期完善華誼騰訊於文化娛樂產業的佈局。另外，在健康及養生業務方面，預期在未來可繼續為華誼騰訊帶來平穩的收入。

- 金利豐金融集團有限公司(「**金利豐金融**」)及其附屬公司主要從事提供全面金融服務，包括證券經紀、包銷及配售、保證金及首次公开发售融資、企業財務顧問服務、期貨經紀及資產管理服務。該集團亦在澳門提供博彩及酒店服務。

根據其已刊發之財務資料，該集團於二零一八年三月三十一日及二零一八年九月三十日之資產淨值分別為20,639,360,000港元及20,915,889,000港元。該集團於截至二零一八年三月三十一日止年度及截至二零一八年九月三十日止六個月分別錄得金利豐金融擁有人應佔溢利1,348,626,000港元及592,157,000港元。

誠如其二零一八年中報報告所披露，積極發展粵港澳大灣區(「**大灣區**」)將為金融服務業提供充足機遇，預期投資氣氛會有所復甦。中港市場互聯互通及債券通計劃令買賣不同市場證券及債券的國內外投資者數目不斷增加，繼而有助該等業務發展。滙港通及深港通每日配額擴大，加上A股獲納入MSCI指數，亦會提高中國內地與香港股票市場之吸引力。另外，對中國人民銀行下調存款準備金率之預期將誘發正面市場情緒，為金融市場帶來正面影響。展望未來，金利豐金融將採用一套有效方針，審慎部署並落實執行可配合香港及中國內地市況之拓展計劃。憑藉其於地域間之高可見度，金利豐金融已整裝待發，務求把握

OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Notes: (Continued)

market in the GBA. With the opening of the Hong Kong-Zhuhai-Macao Bridge, Kingston Financial expects the Macau gaming and tourism market to maintain a positive development prospect. Kingston Financial will continue to drive the revenue growth of its hotel and gaming segments in the region.

10. KuangChi Science Ltd. (“**KuangChi Science**”) and its subsidiaries are principally engaged in the research and development and manufacture of innovative products for future technology businesses, and the provision of other innovative technology service solutions.

Based on its published financial information, the group had net assets of HK\$2,534,049,000 and HK\$1,980,327,000 at 31 December 2017 and 30 June 2018 respectively. The group recorded a profit attributable to owners of KuangChi Science of HK\$66,051,000 for the year ended 31 December 2017 and a loss attributable to owners of KuangChi Science of HK\$162,867,000 for the six months ended 30 June 2018.

According to its interim results announcement for the six months ended 30 June 2018, KuangChi Science is committed to building future smart cities by developing and integrating different future technologies, including “future artificial intelligence (AI)” technology and “future space” technology. In “future AI” technology business, KuangChi Science has developed the “Super Intelligent System” in response to the demand for urban security and management. With the integration of various smart surveillance devices, it makes the “Super Intelligent System” possible for active detection, prevention, early warning and forecasting of crimes. During the six months ended 30 June 2018, “Super Intelligent System” was piloted by public security authorities in Shanghai, Mainland China. It is expected that “Super Intelligent System” will be fully operational in the third quarter of 2018, helping Shanghai to become the world’s first all-intelligent security and defense region. KuangChi Science believes that the “Super Intelligent System” is in a boundless market with a focus on comprehensive management. With the successful application of the “Super Intelligent System” in the area of security and the accumulation of quality big data, KuangChi Science will gradually further develop in various vertical industries including comprehensive management and security market as well as smart city operation and services, and promote the “Super Intelligent System” as the standard smart city infrastructure in the future. In “future space” technology business, KuangChi Science is committed to the application of its intergenerational flight and float platform solutions in commercial use, such as

業務回顧(續)

銷售金融資產業務(續)

附註：(續)

既有成熟之香港市場以及大灣區內資本市場所帶來之機遇。金利豐金融預期，港珠澳大橋開通營運將令澳門博彩及旅遊市場未來繼續積極發展。金利豐金融將繼續驅動其於區內之收益增長。

10. 光啟科學有限公司(「光啟科學」)及其附屬公司主要從事未來技術業務創新產品研發製造以及其他創新技術解決方案業務。

根據其已刊發之財務資料，該集團於二零一七年十二月三十一日及二零一八年六月三十日之資產淨值分別為2,534,049,000港元及1,980,327,000港元。該集團於截至二零一七年十二月三十一日止年度錄得光啟科學擁有人應佔溢利66,051,000港元及於截至二零一八年六月三十日止六個月錄得光啟科學擁有人應佔虧損162,867,000港元。

根據其截至二零一八年六月三十日止六個月之中期業績公佈，光啟科學致力透過融合不同未來技術(包括「未來人工智能」及「未來空間技術」)打造未來智慧城市。於「未來人工智能」技術業務方面，光啟科學研發「超級智能系統」以回應城市安防及治理方面的需求。透過使用不同智能監控部件，「超級智能系統」可主動發現、預防、預警及預測犯案。截至二零一八年六月三十日止六個月，「超級智能系統」獲得上海某區域公安機關合作試點。預期「超級智能系統」將於二零一八年第三季度全面上線運行，助上海成為全球首個全智能治安防禦區。光啟科學相信「超級智能系統」面臨的是一個以綜治業務為重心的超級藍海市場。隨著安防領域「超級智能系統」的成功應用及優質大數據的積累，光啟科學將逐步深耕綜治市場、泛安防市場、泛智慧城市運營及服務等各個垂直行業，推廣「超級智能系統」成為面向未來智慧城市基礎設施標準配置。於「未來空間」技術業務方面，光啟科學致力於跨代飛行、駐空平台解決方案之商業應用，例如城市安全、應急及環保。

Management Discussion and Analysis

管理層討論及分析

OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Notes: (Continued)

urban safety, emergency and environmental protection. Discussions regarding cooperation on the “SkyX” project, the development of unmanned aerial vehicle for inspection of pipelines of energy facilities, are being conducted with a number of potential clients from South Africa, Mexico, Argentina, Nigeria, and the United States of America. To strengthen its core competitiveness, KuangChi Science brought in 112 experts of high and new technology from around the world in the six months ended 30 June 2018.

11. Lajin Entertainment Network Group Ltd. (“**Lajin Entertainment**”) and its subsidiaries are principally engaged in the business of investment and production of movie and media contents, and the provision of artist management services.

Based on its published financial information, the group had net assets of HK\$899,671,000 and HK\$794,502,000 at 31 December 2017 and 30 June 2018 respectively. The group recorded a loss attributable to owners of Lajin Entertainment of HK\$79,853,000 and HK\$95,536,000 for the year ended 31 December 2017 and the six months ended 30 June 2018 respectively.

As disclosed in Lajin Entertainment’s 2018 interim report, there are six productions expected to be screened in late 2018 or 2019. In addition, “Legend of the Galactic Heroes” (銀河英雄傳説) and “The Tibet Code” (藏地密碼) are big-budget productions and the main focus of Lajin Entertainment’s investment in the coming two to three years. Lajin Entertainment will provide full support and plan to release these productions in and after 2020. For its artist management, Lajin Entertainment will strive to secure more commercial advertisement jobs for its artists and leverage on the facilities available in its production base in Beijing, Mainland China to provide them with necessary trainings and shooting/production environment, enabling these future stars to shine. Lajin Entertainment has put enormous effort in building its Huo Miao Original Music Service Platform (“**Huo Miao Platform**”). Lajin Entertainment will increase marketing effort to promote and publicise Huo Miao Platform with an aim to gain publicity. Lajin Entertainment firmly believes in the originality of music and such brand new concept of tailor-made music production would prosper in the future. Lajin Entertainment will continue to promote its production base’s competitive edge and strive to secure joint production agreements to enhance a stable source of income, as well as to ensure the maximum utilisation of its facilities.

業務回顧(續)

銷售金融資產業務(續)

附註：(續)

「SkyX」項目(能源設施管線巡查之無人機)與南非、墨西哥、阿根廷、尼日利亞、美國等地多位潛在客戶洽談合作。為加強核心競爭力，光啓科學於截至二零一八年六月三十日止六個月從全球引進高新科技及技術人才達112人。

11. 拉近網娛集團有限公司(「拉近網娛」)及其附屬公司主要從事電影及媒體內容之投資及製作業務，及提供藝人管理服務。

根據其已刊發之財務資料，該集團於二零一七年十二月三十一日及二零一八年六月三十日之資產淨值分別為899,671,000港元及794,502,000港元。該集團於截至二零一七年十二月三十一日止年度及截至二零一八年六月三十日止六個月分別錄得拉近網娛擁有人應佔虧損79,853,000港元及95,536,000港元。

誠如拉近網娛二零一八年中報所披露，於二零一八年年末或二零一九年預期將有六部影視作品。此外，《銀河英雄傳説》及《藏地密碼》為涉及巨額預算之項目並為拉近網娛未來兩三年之投資重心。拉近網娛將給予全力支持並計劃將於二零二零年前後發行該等製作。就其藝人管理而言，拉近網娛將致力為其藝人取得更多商務廣告工作，並將利用其位於中國內地北京之製作基地提供之設施為彼等提供訓練和拍攝製作條件，使該等未來新星能夠發出耀眼的光芒。拉近網娛傾力打造其火喵原創音樂服務平台(「火喵平台」)。拉近網娛將加強市場營銷，推廣及宣傳火喵平台，以增加公眾知名度。拉近網娛堅信原創音樂及定制音樂製作之品牌新概念日後將蓬勃發展。拉近網娛將繼續提升其製作基地之競爭優勢，並致力取得聯合製作協議，以增強收入之穩定來源及保證最大程度利用其設施。

OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Notes: (Continued)

12. Sincere Watch (Hong Kong) Ltd. (“**Sincere Watch**”) and its subsidiaries are principally engaged in distribution of branded luxury watches, timepieces and accessories in Hong Kong, Macau, Taiwan, Korea and Mainland China, dining business, and property investment.

Based on its published financial information, the group had net assets of HK\$1,068,513,000 and HK\$1,111,872,000 at 31 March 2018 and 30 September 2018 respectively. The group recorded a loss attributable to owners of Sincere Watch of HK\$59,972,000 and HK\$65,299,000 for the year ended 31 March 2018 and six months ended 30 September 2018 respectively.

As disclosed in its 2018 interim report, Sincere Watch further expanded its property investment business in Mainland China through the acquisition of an investment property situated in a prime location in Beijing in April 2018. Apart from their potential for capital growth, the investment properties held by Sincere Watch are a source of stable rental income. Sincere Watch will continue its efforts in exploring appropriate investment opportunities in order to diversify its source of income. The watch distribution business of Sincere Watch is facing many challenges and Sincere Watch will continue to look for ways to enhance this business by establishing its distribution network throughout its key markets in Hong Kong, Macau, Taiwan, Korea, and Mainland China and undertaking a number of brand enhancement activities to reinforce the brand leadership.

13. Town Health International Medical Group Ltd. (“**Town Health**”) and its subsidiaries are principally engaged in healthcare business in Hong Kong, which comprises managed care, medical and dental clinics operation and provision of beauty and cosmetic medical services, direct investment in healthcare sector, and investment in securities and properties. The group also provides hospital and clinic management services in Mainland China.

Based on its published financial information, the group had net assets of HK\$4,314,480,000 and HK\$4,383,399,000 at 31 December 2017 and 30 June 2018 respectively. The group recorded a loss attributable to owners of Town Health of HK\$107,745,000 for the year ended 31 December 2017 and a profit attributable to owners of Town Health of HK\$57,627,000 for the six months ended 30 June 2018.

業務回顧(續)

銷售金融資產業務(續)

附註：(續)

12. Sincere Watch (Hong Kong) Ltd. (「**Sincere Watch**」) 及其附屬公司主要從事於香港、澳門、台灣、南韓及中國內地從事華貴品牌手錶、時計及配件之分銷業務、飲食業務以及物業投資。

根據其已刊發之財務資料，該集團於二零一八年三月三十一日及二零一八年九月三十日之資產淨值分別為1,068,513,000港元及1,111,872,000港元。該集團於截至二零一八年三月三十一日止年度及截至二零一八年九月三十日止六個月分別錄得Sincere Watch擁有人應佔虧損59,972,000港元及65,299,000港元。

誠如其二零一八年中報告所披露，Sincere Watch透過於二零一八年四月收購位於北京優越地段之投資物業進一步擴展其於中國內地之物業投資業務。除具備資本增長潛力外，Sincere Watch所持投資物業亦為穩定租金收入來源。Sincere Watch將繼續努力探索合適投資機會以多元化發展其收入來源。Sincere Watch之腕錶分銷業務正面臨多項挑戰，Sincere Watch將繼續透過於香港、澳門、台灣、南韓及中國內地成立主要市場分銷網絡及舉行多個提升品牌知名度活動鞏固品牌領導地位，尋求方法改善其業務。

13. 康健國際醫療集團有限公司(「**康健**」)及其附屬公司主要於香港從事醫療業務，包括醫療管理、經營醫療及牙醫診所，以及醫學美容業務、保健行業直接投資及證券及物業投資。該集團亦於內地提供醫及診所管理服務。

根據其已刊發之財務資料，該集團於二零一七年十二月三十一日及二零一八年六月三十日之資產淨值分別為4,314,480,000港元及4,383,399,000港元。該集團於截至二零一七年十二月三十一日止年度錄得康健擁有人應佔虧損107,745,000港元及於截至二零一八年六月三十日止六個月錄得康健擁有人應佔溢利57,627,000港元。

Management Discussion and Analysis

管理層討論及分析

OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Notes: (Continued)

As disclosed in its interim results announcement for the six months ended 30 June 2018, Town Health's business in Hong Kong will continue to maintain a stable growth. With the deepening of healthcare reforms in Mainland China, there will be increasing demand for high-end healthcare services in Mainland China. To grasp the blooming business opportunities, Town Health will leverage its healthcare management expertise to introduce high quality and more efficient Hong Kong-style healthcare service and operation models to Mainland China and strive to become the leading player in the healthcare industry. The further development of Nanshi Hospital will expand Town Health's income base. In addition, Town Health will focus on developing its community healthcare. Town Health's new comprehensive medical centre is located at the centre of Nanyang City and equipped with high-end sophisticated outpatient facilities to serve the needs of high-end customers. The centre is expected to become the most prestigious medical centre in that locality. Town Health expects that its high-end dental business in Mainland China will continue to grow in the second half of 2018. Town Health will proactively promote Invisalign orthodontic services, enhance its brand awareness, and continue to introduce its dental clinic services and Invisalign training services to Nanshi Hospital. Town Health will also actively develop the businesses of Nanyang Xiangrui Hospital Management Advisory Co. Ltd., a subsidiary of Town Health, covering marketing, medical equipment and consumables trading and property management services, in order to expand the services scope of its hospital management business. Meanwhile, Town Health will continue to strengthen its cooperation with China Life Insurance (Group) Company to develop integrated health management centres in Mainland China. Town Health will strive to develop a new collaborative business model between the insurance and healthcare services sectors. Focusing on preventive medicines and anti-aging services, the health management centre will provide comprehensive and holistic healthcare services to high-end customers of China Life Insurance (Group) Company.

On 27 November 2017, the Securities and Futures Commission (the "SFC") issued a direction under Section 8(1) of the Securities and Futures (Stock Market Listing) Rules to suspend the trading in the shares of Town Health with effect from 9:00 a.m. on that date. Immediate prior to the suspension, the price of Town Health's shares closed at HK\$0.69 per share on 24 November 2017.

業務回顧(續)

銷售金融資產業務(續)

附註：(續)

誠如其截至二零一八年六月三十日止六個月中期業績公佈所披露，康健將繼續保持香港業務穩定發展。隨著中國內地醫改不斷深化，中國內地市場對高端醫療服務之需求日增。為把握蓬勃之業務契機，康健將發揮自身之醫療管理優勢，把優質及更高效之港式醫療服務及營運模式引入中國內地，矢志成為醫療行業標杆。南石醫院之進一步建設將擴寬康健之收入基礎。此外，康健將著力發展其社區健康業務。康健之新綜合醫療中心位於南陽市市中心，配備高端及成熟之門診設備，迎合高端客戶之需求。該中心有望成為本地最享負盛名之醫療中心。康健相信其於中國內地之高端牙科業務將於二零一八年下半年穩定發展。康健將積極推廣隱適美正畸服務，提升其品牌知名度，並繼續將其牙科診所服務及隱適美培訓服務引入至南石醫院。康健亦將積極發展南陽祥瑞醫院管理諮詢有限公司(一間為康健之附屬公司)之業務，涵蓋市場推廣、醫療設備及耗材貿易以及物業管理服務，以此拓展其醫院管理業務之服務範圍。同時，康健將持續加強與中國人壽保險(集團)公司之合作，於中國內地建立綜合健康管理中心。康健將致力於開創保險及醫療服務行業之合作業務模式。健康管理中心將以預防醫療及抗衰老服務為核心，為中國人壽保險(集團)公司之高端客戶提供全方位之醫療服務。

於二零一七年十一月二十七日，證券及期貨事務監察委員會(「證監會」)根據證券及期貨(證券市場上市)規則第8(1)條發出指令，自當日上午九時正起暫停買賣康健股份。緊接停牌前，康健股份於二零一七年十一月二十四日之收市價為每股0.69港元。

OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Notes: (Continued)

On 11 July 2018, Town Health issued an announcement relating to the transitional arrangements for the amendments to the delisting framework under the Listing Rules. According to the announcement, if Town Health fails to resume trading in its shares by 31 January 2020, the Listing Department of the Exchange will recommend the Listing Committee of the Exchange to proceed with the cancellation of Town Health's listing. This is subject to the Exchange's right to impose a shorter specific remedial period under Rule 6.10 of the Listing Rules if appropriate.

On 31 January 2019, Town Health issued an announcement giving an update on its resumption progress. As stated in the announcement, the forensic investigation has been completed and reported to the independent board committee. As a result of recent communication with the SFC, the independent board committee has engaged the independent forensic accountant to conduct further inquiry and investigation into the matters and make recommendations to the board of directors accordingly. Town Health will monitor and assess the progress of such investigation. At this stage, Town Health is not able to provide a concrete timetable on the next steps in connection with the resumption.

Based on a valuation report prepared by an independent professional valuer appointed by the Group, the fair value of the shares in Town Health held by the Group was HK\$6,211,000 at 31 December 2018.

14. Yunfeng Financial Group Ltd. (“Yunfeng Financial”) and its subsidiaries are principally engaged in the provision of financial services, including securities brokerage, wealth management and investment, corporate finance consultancy, ESOP (Employee Stock Ownership Plan) administration, and investment research.

Based on its published financial information, the group had net assets of HK\$4,139,332,000 and HK\$3,947,469,000 at 31 December 2017 and 30 June 2018 respectively. The group recorded a loss attributable to owners of Yunfeng Financial of HK\$379,054,000 and HK\$186,279,000 for the year ended 31 December 2017 and the six months ended 30 June 2018 respectively.

According to its interim results announcement for the six months ended 30 June 2018, Yunfeng Financial's major sources of revenue includes subscription fees and management fees for products launched by it, platform fees for distribution of third-parties products, administration fee for employee stock ownership plan

業務回顧(續)

銷售金融資產業務(續)

附註：(續)

於二零一八年七月十一日，康健刊發有關上市規則就修訂除牌框架的過渡安排之公佈。根據該公佈，倘康健未能於二零二零年一月三十一日前恢復股份買賣，聯交所上市部將向聯交所上市委員會建議展開取消康健上市地位之程序。在適當情況下，聯交所有權根據上市規則第6.10條施加較短的特定補救期。

於二零一九年一月三十一日，康健刊發公佈以提供有關其復牌進展之最新資料。誠如該公佈所述，法證調查已完成，並已向獨立董事委員會報告。由於近期與證監會進行之溝通，獨立董事委員會已委聘獨立法證會計師以相應對有關事宜進行進一步查訊及調查，並向董事會提出建議。康健將監察及評估有關調查之進展。於現階段，康健無法就恢復買賣之下一步提供具體時間表。

根據本集團委聘之獨立專業估值師編製之估值報告，於二零一八年十二月三十一日，本集團所持之康健股份之公平值為6,211,000港元。

14. 雲鋒金融集團有限公司(「雲鋒金融」)及其附屬公司主要從事提供金融服務，包括證券經紀、財富管理及投資、企業融資諮詢服務、員工持股計劃管理及投資研究。

根據其已刊發之財務資料，該集團於二零一七年十二月三十一日及二零一八年六月三十日之資產淨值分別為4,139,332,000港元及3,947,469,000港元。該集團於截至二零一七年十二月三十一日止年度及截至二零一八年六月三十日止六個月分別錄得雲鋒金融擁有人應佔虧損379,054,000港元及186,279,000港元。

根據其截至二零一八年六月三十日止六個月之中期業績公佈，於二零一八年上半年，雲鋒金融之主要收益來源包括發行產品之認購費及管理費、分銷第三方產品之平台費、員工持股服務管理費

Management Discussion and Analysis

管理層討論及分析

OPERATIONS REVIEW (Continued)

Sale of financial assets business (Continued)

Notes: (Continued)

management services, brokerage commission income, and corporate advisory fee income in the first half of 2018. In addition, Yunfeng Financial generates other operating income and gains from its own general capital. Yunfeng Financial is still in the process of building its client base and scale of asset under management. In the second half of 2018, Yunfeng Financial will continue to push forward on the completion of the acquisition of an equity interest in MassMutual Asia Limited. The uncertainties in the global economy related to instances such as Sino-US trade war, and the Brexit are expected to adversely affect the market. Yunfeng Financial will remain flexible and adjust its strategy in light of market conditions.

The directors believe that the future performance of the Hong Kong listed equities held by the Group is largely affected by economic factors, investor sentiment, demand and supply balance of an investee company's shares and fundamentals of an investee company, such as investee company's news, business fundamentals and development, financial performance and future prospects. Accordingly, the directors closely monitor the above factors, particularly the fundamentals of each individual investee company in the Group's equity portfolio, and proactively adjust the Group's equity portfolio mix in order to improve its performance.

Money lending business

During the year, the Group's money lending business generated interest income on loans of HK\$96,274,000, a 36% increase from HK\$70,626,000 for the previous year. This increase was attributable to the increase in granting of new loans to customers during the year as compared to the previous year.

The average monthly outstanding balance of loan receivables (before allowance for credit losses and accrued interest receivables) increased from HK\$790,754,000 in the year ended 31 December 2017 to HK\$1,055,373,000 in the year ended 31 December 2018. During the year, the Group granted new loans in the aggregate principal amount of HK\$1,072,000,000 to 13 customers. The Group's customers made drawings in the aggregate principal amount of HK\$903,267,000 from the existing and new loans and repaid HK\$915,570,000 to the Group.

業務回顧(續)

銷售金融資產業務(續)

附註：(續)

、經紀佣金收入及企業諮詢服務費。此外，雲峰金融自有資金亦產生若干收益。雲峰金融仍在建立其客戶量及擴大資產管理規模當中。於二零一八年下半年，雲峰金融將繼續推進收購美國萬通保險亞洲有限公司股權之交割工作。展望全球經濟之不確定性包含中美貿易戰，英國脫歐等對市場產生不良影響，雲峰金融將根據市場情況靈活調整其策略。

董事相信，本集團持有之香港上市股票之未來表現相當大程度上受經濟因素、投資者氣氛、被投資公司股份之供求情況及被投資公司之基本因素(如被投資公司之消息、業務基本因素及發展、財務表現及未來前景)所嚴重影響。故此，董事密切監察上述因素，尤其本集團股票組合之各間被投資公司之基本因素，並積極調整本集團之股票投資組合，以改善其表現。

借貸業務

年內，本集團之借貸業務產生之貸款利息收入為96,274,000港元，較去年之70,626,000港元增加36%。該增幅乃由於本年度向客戶授出之新貸款較去年多。

尚未償還應收貸款月均結餘(除信貸虧損撥備及應收應計利息前)自截至二零一七年十二月三十一日止年度之790,754,000港元增加至截至二零一八年十二月三十一日止年度之1,055,373,000港元。年內，本集團向13名客戶授出本金總額為1,072,000,000港元之新貸款。本集團客戶自現有及新貸款提取本金總額為903,267,000港元，並向本集團償還915,570,000港元。

OPERATIONS REVIEW (Continued)

Money lending business (Continued)

At the end of the reporting period, the directors assessed the collectability of the Group's loan receivables. Although there was no objective evidence that the Group would not be able to collect its loan receivables, an allowance for credit losses on loan receivables of HK\$17,547,000 was recognised based on a valuation prepared by an independent professional valuer. Such allowance for credit losses was made in accordance with the new impairment model of HKFRS 9 *Financial Instruments* and had no effect on the Group's cashflow. At 31 December 2018, the Group's loan receivables together with accrued interest receivables (before allowance for credit losses) amounted to HK\$1,186,286,000 (2017: HK\$1,200,630,000). Return on loan receivables for the year ended 31 December 2018 is 9%, which is same as the previous year.

Sale of jewelry products business

During the year, the Group's sale of jewelry products business generated revenue of HK\$48,779,000, a 14% increase from HK\$42,608,000 for the previous year, and reported a segment loss (before taxation) of HK\$6,473,000, a 35% deterioration from HK\$4,801,000 for the previous year. The deterioration was due to the Group's sale of jewelry products business was still at an early stage in developing overseas retail chain stores and wholesale market, where sales orders placed by customers were insufficient and costs were incurred substantially for business development.

In 2017, the Group refined its business strategy by targeting overseas retail chain stores and wholesale market in response to the sluggish market conditions. During the year, the Group has established business relationships with two wholesalers and one retail chain store in Europe through securing sales orders from them. As it was at an early stage, the sales orders from these three customers were not sizeable, but increased gradually. Despite the business relationships with three customers having been established, the Group has continued its efforts in expanding its customer base by participating in various trade fairs in Europe and Hong Kong. Significant moulding and production costs were incurred for producing product samples for business development. These two factors contributed the increase in loss incurred by the Group's sale of jewelry products business. In addition, an allowance for credit losses on trade receivables of HK\$89,000 was recognised based on a valuation prepared by an independent professional valuer. Return on capital employed in sale of jewelry products for the year ended 31 December 2018 is (16)% (2017: (7)%).

業務回顧(續)

借貸業務(續)

於報告期末，董事評估本集團應收貸款之可收回程度。儘管並無客觀證據顯示本集團將無法收回其應收貸款，惟已對本集團應收貸款確認預期信貸虧損撥備17,547,000港元(基於一名獨立專業估值師編製之估值)。該等信貸虧損撥備乃根據香港財務報告準則第9號金融工具之新減值模式作出，對本集團現金流並無影響。於二零一八年十二月三十一日，本集團應收貸款連同應收應計利息(除信貸虧損撥備前)為1,186,286,000港元(二零一七年：1,200,630,000港元)。截至二零一八年十二月三十一日止年度，應收貸款之回報為9%，與去年相同。

銷售珠寶產品業務

年內，本集團之銷售珠寶產品業務產生之收益為48,779,000港元，較去年之42,608,000港元增加14%，及呈報分部虧損(除稅前)6,473,000港元，較去年4,801,000港元倒退35%。該倒退乃由於本集團銷售珠寶產品業務仍處於開發海外零售連鎖店及批發市場之早期，客戶銷售訂單不足及業務開發產生大量成本。

於二零一七年，本集團透過應對市場狀況不穩而將目標放於海外零售連鎖商店及批發市場，重整其業務策略。於年內，本集團向位於歐洲之兩名批發商及一個零售連鎖商店獲取銷售訂單，建立業務合作關係。由於尚處於早期，從該三名客戶取得之銷售訂單不多，但正逐步增加。儘管已與三名客戶建立業務合作關係，本集團繼續努力參與歐洲及香港的貿易展，以拓展其客戶基礎。本集團於業務開發製造樣辦時產生重大模具及生產成本。該兩項因素導致本集團銷售珠寶產品業務產生虧損增加。此外，基於一名獨立專業估值師編製之估值，本集團已確認貿易應收款項之信貸虧損撥備89,000港元。截至二零一八年十二月三十一日止年度，銷售珠寶產品所用資本之回報為(16)% (二零一七年：(7)%)。

OPERATIONS REVIEW (Continued)

Sale of jewelry products business (Continued)

At 31 December 2018, the Group's inventories of jewelry products, including raw materials, work-in-progress and finished goods, amounted to HK\$33,222,000 (2017: HK\$33,500,000) and the Group's sale of jewelry products business had undelivered sales orders amounting to HK\$709,000 (2017: HK\$1,000,000).

Property investment business

During the year, the Group's property investment business generated rental income of HK\$36,286,000, an 18% decrease from HK\$44,412,000 for the previous year, and recorded a segment loss (before taxation) of HK\$279,788,000, whereas a profit of HK\$10,552,000 was recorded in the previous year. The deterioration in segment results was due to (i) a HK\$233,621,000 written-off of construction in progress as discussed below, (ii) the recognition of an allowance for credit losses of HK\$21,285,000 on the Group's other receivables from Mainland China debtors, (iii) a HK\$5,513,000 decrease in gain on change in fair value of investment properties, (iv) the increase in operating costs resulted from the increased operating activities in Beijing, Mainland China, and (v) the absence of contribution from the Guangzhou Property in the second half of 2018 following its disposal in June 2018. Of the total rental income, HK\$21,263,000 was generated from the assets of the Club, HK\$3,510,000 was generated from the investment portion of the Shun Tak Property, and HK\$11,513,000 was generated from the Guangzhou Property. No rental income was generated from the Subject Land.

The development of the Subject Land was originally divided into three phases, in which the first phase involved erecting nine hotel villas, the second phase involved erecting hotel villas, and the third phase involved erecting a high-end hotel apartment complex with restaurants, multifunction room facilities and hotel apartment units. The first phase development of the Subject Land was completed. The gross floor area of the nine hotel villas erected on the first phase of the Subject Land amounts to 23,000 square metres.

業務回顧(續)

銷售珠寶產品業務(續)

於二零一八年十二月三十一日，本集團之珠寶產品存貨(包括原材料、在製品及製成品)為33,222,000港元(二零一七年：33,500,000港元)及本集團之銷售珠寶產品業務有709,000港元(二零一七年：1,000,000港元)之未交貨銷售訂單。

物業投資業務

年內，本集團之物業投資業務產生之租金收入為36,286,000港元，較去年之44,412,000港元減少18%，並錄得分部虧損(除稅前)279,788,000港元，而去年則錄得溢利10,552,000港元。分部業績倒退乃由於(i)撇銷233,621,000港元之在建工程(如下文所討論)；(ii)就本集團應收中國內地借款人之其他應收款項確認信貸虧損撥備21,285,000港元；(iii)投資物業公平值變動之收益減少5,513,000港元；(iv)於中國內地北京之經營業務增加引致的經營成本增加；及(v)於二零一八年六月出售廣州物業後於二零一八年下半年失去其貢獻之業績部份。於總租金收入當中，21,263,000港元來自會所之資產、3,510,000港元來自信德物業之投資部分及11,513,000港元來自廣州物業。主體地塊尚未產生租金收入。

主體地塊之開發原本分為三個階段，其中第一階段涉及興建九棟別墅酒店，第二階段涉及興建多棟別墅酒店，而第三階段涉及興建一棟連餐廳、多功能室設施之高端酒店式公寓綜合體以及酒店式公寓單位。主體地塊第一階段開發已完成。主體地塊第一階段九棟別墅酒店之建築面積為23,000平方米。

OPERATIONS REVIEW (Continued)

Property investment business (Continued)

In the third quarter of 2018, the directors decided to develop a new business, namely cultural business. In developing the new business, the directors decided to utilise the entire first phase of the Subject Land. To make way for developing the new business, seven of the nine hotel villas erected on the first phase of the Subject Land with a total gross floor area of 18,000 square metres were demolished for constructing an open garden square with an area of 60,000 square metres, whereas the remaining two hotel villas with a total gross floor area of 5,000 square metres are to be used as supporting facilities for the new business. As a result of demolishing the seven hotel villas, a HK\$233,621,000 written-off of “construction in progress” classified under “property, plant and equipment” was recognised.

The gross floor area of the demolished seven hotel villas, being 18,000 square metres, was added into the second and third phases development of the Subject Land. The design development stage of the second and third phases development of the Subject Land has been completed. The second and third phases of the Subject Land will be developed into a complex with a five-star hotel, high-end serviced apartments, restaurants, exhibition and conference halls, recreational facilities, such as an indoor pool, a spacious spa and a fitness centre, and supporting facilities with a total gross floor area of 71,000 square metres. Applications have been made to the relevant governmental authorities for amending the previously approved development plan for the second and third phases of the Subject Land. Based on a rough estimation, the total development costs for the second and third phases of the Subject Land are RMB904,425,000 (equivalent to HK\$1,032,211,000), which will be financed by the internal resources of the Group, income generated from the Group’s property investment operations in Beijing, and external borrowings.

業務回顧(續)

物業投資業務(續)

於二零一八年第三季度，董事決定開展新業務，即文化業務。為開展新業務，董事決定使用主體地塊整個第一階段。為創造空間推行新業務，建於主體地塊第一階段上之九棟別墅酒店中之其中七棟建築面積合共 18,000 平方米的別墅酒店已經拆卸，以建造一個面積約 60,000 平方米之開放式花園廣場，餘下兩棟建築面積合共 5,000 平方米之別墅酒店則用作新業務之配套建設。由於拆卸七棟別墅酒店，確認撇銷 233,621,000 港元分類為「物業、廠房及設備」之「在建工程」。

七棟已拆卸別墅酒店的建築面積，即 18,000 平方米，已列入主體地塊第二及第三開發階段。主體地塊第二及第三階段的設計開發階段已完成。主體地塊之第二及第三階段將開發為一間集五星級酒店、豪華服務式公寓、餐館、展覽場地及會議廳、康樂設施，例如室內泳池、寬敞的水療中心及健身中心及配套設施一身的綜合體，建築面積合共 71,000 平方米。本集團已向相關政府機關申請修訂早前批核的主體地塊第二及第三階段開發之計劃。根據粗略估算，主體地塊第二及第三階段的總開發成本為人民幣 904,425,000 元（相當於 1,032,211,000 港元），將以本集團內部資源、本集團於北京之物業投資業務所得收入及外部借貸撥支。



OPERATIONS REVIEW (Continued)

Property investment business (Continued)

The Group is currently in discussion with a Mainland China wedding planner relating to a co-operative arrangement for the provision of the open garden square and the buildings erected on the Subject Land as venue for wedding ceremony. With the growing number of middle class in Mainland China and weddings being a serious affair in Chinese culture, weddings in Mainland China have now become a way for brides and grooms to impress their friends and peers. Accordingly, demand for wedding planning in Mainland China is on the rise. The directors believe that the co-operative arrangement not only provides a new source of income to the Group, but also increases the occupancy rate of hotel. If the co-operative arrangement is materialised, the open garden square together with the remaining two hotel villas erected on the first phase of the Subject Land will be utilised for holding wedding ceremony. Accordingly, the development of the new business is temporarily suspended pending for the outcome of the discussion. As at the date of this annual report, the discussion is at a preliminary stage and no terms have been reached.

At the end of the reporting period, the directors performed impairment tests for the goodwill arising from the acquisition of Smart Title Limited and the intangible assets relating to (i) the rights to construct and operate the club facilities of the Club, and (ii) the rights to develop and operate the Subject Land and the rights to manage the properties erected on the Subject Land with reference to the two valuation reports prepared by an independent professional valuer. As the recoverable amount of the cash generating unit of the Group's property investment operations in Beijing exceeded its carrying amount, no impairment loss of goodwill was required. No impairment of intangible assets was also required as the recoverable amounts of intangible assets exceeded their carrying amounts.

業務回顧(續)

物業投資業務(續)

本集團正與一間中國內地婚禮策劃公司商討提供開放式花園廣場及主體地塊上之建築物作婚禮場地之合作安排。由於中國內地中產人士數目增加及中國文化重視婚禮，婚禮在中國內地現已成為新郎及新娘給朋友及同輩留下深刻印象之機會。因此，中國內地對婚禮策劃之需求日益增加。董事認為，合作安排不僅可為本集團提供一項新收入來源，更可提高酒店之入住率。倘若合作安排得以落實，開放式花園廣場連同主體地塊第一階段已建之餘下兩棟別墅酒店將用作舉辦婚禮。因此，新業務之開展暫時擱置，以待商討結果。於本年報日期，商討尚屬初步階段，並未達成任何條款。

於報告期末，董事已參照一名獨立專業估值師編製之兩份估值報告就收購 Smart Title Limited 產生之商譽及有關 (i) 建設及經營會所之會所設施之權利，及 (ii) 開發及經營主體地塊之權利以及管理主體地塊上已建物業之權利之無形資產進行減值測試。由於本集團營運北京物業投資之現金產生單位之可收回金額超過賬面值，故毋須確認商譽減值虧損。由於無形資產之可收回金額超過賬面值，故毋須就無形資產確認減值。

OPERATIONS REVIEW (Continued)

Property investment business (Continued)

In April 2018, the renovation of the Shun Tak Property was completed. Two and a half office units of the Shun Tak Property have been leased out and generated rental income of HK\$3,510,000 in the year ended 31 December 2018. It was originally planned that three office units of the Shun Tak Property were used as the head office of the Company and the remaining four office units were leased out for rental income. In July 2018, the Group has changed the plan of the Shun Tak Property, in which four and a half office units are used as the head office and the remaining two and a half office units are leased out for rental income. Accordingly, one and a half office units of the Shun Tak Property with an aggregate carrying amount of HK\$72,900,000 were transferred from “investment properties” to “property, plant and equipment” for financial reporting purposes in July 2018.

At the end of the reporting period, the directors measured the investment property portion of the Shun Tak Property at fair value. Based on the property valuation report prepared by the independent qualified valuer, the fair value of the investment property portion of the Shun Tak Property increased from HK\$161,100,000 (excluding the investment properties with an aggregate amount of HK\$72,900,000 transferred to “property, plant and equipment” in July 2018) at 31 December 2017 to HK\$175,600,000 at 31 December 2018. Accordingly, a gain of HK\$14,500,000 arising on change in fair value of investment properties was recognised.

On 22 June 2018, the Group disposed of the entire issued share capital of Best Volume at the consideration of HK\$405,000,000 and recognised the loss on disposal of HK\$10,993,000. The principal asset of Best Volume and its subsidiaries is the Guangzhou Property. The net proceeds from the disposal are intended to be used for the development of the Subject Land. Although the Group records a loss on the disposal, the directors consider that the disposal enables the Group to (i) largely reduce its reliance on obtaining external financing for developing the Subject Land, which correspondingly reduces its future finance costs, and (ii) strengthen its cash position as Best Volume and its subsidiaries have recorded a net cash outflow since the date of its acquisition. During the period from 1 January 2018 to 22 June 2018, the Guangzhou Property generated rental income of HK\$11,513,000 and contributed a profit of HK\$4,700,000 to the Group.

業務回顧(續)

物業投資業務(續)

於二零一八年四月，信德物業之翻新工程已完成，且信德物業之兩個半辦公室單位已出租，並於截至二零一八年十二月三十一日止年度產生租金收入3,510,000港元。信德物業之三個辦公室單位原先計劃用作本公司總辦事處，而餘下四個辦公室單位則出租以產生租金收入。於二零一八年七月，本集團已改變信德物業之計劃，四個半辦公室單位用作總辦事處，而餘下兩個半辦公室單位則出租以產生租金收入。因此，就財務報告而言，於二零一八年七月，信德物業之一個半辦公室單位之賬面總值為72,900,000港元將會由「投資物業」轉至「物業、廠房及設備」。

於報告期末，董事已按公平值計量信德物業之投資物業部份之公平值。按一名獨立合資格估值師編製之物業估值報告，信德物業之投資物業部份之公平值由二零一七年十二月三十一日之161,100,000港元(不包括於二零一八年七月轉至「物業、廠房及設備」之投資物業合共72,900,000港元)增加至二零一八年十二月三十一日之175,600,000港元。因此，確認投資物業公平值變動產生之收益14,500,000港元。

於二零一八年六月二十二日，本集團以代價405,000,000港元出售Best Volume之全部已發行股本，並確認出售虧損10,993,000港元。Best Volume及其附屬公司之主要資產為廣州物業。出售事項之所得款項淨額擬用作開發主體地塊。儘管本集團就出售事項錄得虧損，但董事認為出售事項令本集團(i)大幅減少其因開發主體地塊需取得外部融資之依賴程度，因此亦相應減少其未來融資費用；及(ii)加強其現金狀況，原因為Best Volume及其附屬公司自其收購日期起錄得現金流出淨額。自二零一八年一月一日起至二零一八年六月二十二日期間，廣州物業為本集團產生租金收入11,513,000港元及貢獻溢利4,700,000港元。



OPERATIONS REVIEW (Continued)

Property investment business (Continued)

Return on property investment for the year ended 31 December 2018 is 3% (2017: 5%). The decrease in return was mainly attributable to the HK\$233,621,000 written-off of construction in progress and the recognition of the allowance for credit losses of HK\$21,285,000 as discussed above.

Investments in associates

On 9 August 2018, the Group disposed of its 49% equity interest in and the shareholder's loan of HK\$7,393,000 (before accumulated impairment of HK\$5,913,000) due by Spark Concept Group Limited ("Spark Concept") at a consideration of HK\$3,000,000 and recorded a gain on disposal of HK\$1,520,000. During the period from 1 January 2018 to 9 August 2018, Spark Concept and its subsidiaries reported a loss of HK\$4,456,000 (year ended 31 December 2017: HK\$195,000). The significant increase in loss was due to the written-off of fixed assets resulted from the closure of the high-end Japanese restaurant in Central. As the Group's share of post-acquisition losses equalled to its interests in Spark Concept, no further share of losses was recognised by the Group.

業務回顧(續)

物業投資業務(續)

截至二零一八年十二月三十一日止年度，物業投資之回報為3%（二零一七年：5%）。回報減少主要由於誠如上述撇銷233,621,000港元之在建工程以及確認信貸虧損撥備21,285,000港元。

於聯營公司之投資

於二零一八年八月九日，本集團出售其於 Spark Concept Group Limited (「Spark Concept」) 之49%權益及該公司應付之股東貸款7,393,000港元(除累計減值5,913,000港元前)，代價為3,000,000港元，並錄得出售收益1,520,000港元。於二零一八年一月一日至二零一八年八月九日期間，Spark Concept及其附屬公司呈報虧損4,456,000港元(截至二零一七年十二月三十一日止年度：195,000港元)。虧損大幅增加乃由於關閉位於中環之高端日本餐導致撇銷固定資產。由於本集團之應佔收購後虧損相等於其於 Spark Concept之權益，本集團並無確認進一步應佔虧損。

OPERATIONS REVIEW (Continued)

Investments in associates (Continued)

Elite Prosperous is an investment holding company and the principal asset of which is the term loan of US\$10,000,000 (equivalent to HK\$78,410,000) advanced to an unlisted investment holding company (the “**Holding Company**”). The principal subsidiaries of the Holding Company are engaged in (i) agency payment services, (ii) currency exchange services, and (iii) provision of online, mobile and cross-border payment services. During the year, no capitalisation issue of the preferred shares in the capital of the Holding Company to Elite Prosperous by way of conversion of the term loan of US\$10,000,000 (equivalent to HK\$78,410,000) was taken place as one of the conditions as set out in the instrument dated 7 September 2017 relating to the term loan had not been satisfied. Although the capitalisation issue has lapsed, Elite Prosperous still has the rights to participate in the payment and currency exchange services business by (i) converting the term loan into such number of preferred shares in the capital of the Holding Company as determined by the instrument pursuant to the conversion option granted under the instrument, or (ii) requiring the Holding Company to sell 645 preferred shares in the capital of one of its wholly-owned subsidiary, which is engaged in provision of online, mobile and cross-border payment services in Mainland China, to Elite Prosperous at US\$10,000,000 (equivalent to HK\$78,410,000) pursuant to the purchase option granted under the instrument. Elite Prosperous has not yet decided on whether to exercise the conversion option or the purchase option until the plan to list the Holding Company or its subsidiaries in a stock exchange being finalised. At the end of the reporting period, Elite Prosperous measured the term loan at fair value. Based on a valuation report prepared by an independent professional valuer, the fair value of the term loan increased from HK\$77,167,000 at 31 December 2017 to HK\$114,553,000 at 31 December 2018 and Elite Prosperous recognised a gain of HK\$35,529,000 arising on change in fair value. During the year, Elite Prosperous reported a profit of HK\$35,529,000 and the Group shared a profit of HK\$17,410,000 from Elite Prosperous.

業務回顧(續)

於聯營公司之投資(續)

Elite Prosperous為一間投資控股公司，其主要資產為向一間非上市投資控股公司（「控股公司」）提供10,000,000美元（相等於78,410,000港元）之定期貸款。控股公司之主要附屬公司從事(i)代理支付服務；(ii)貨幣匯兌服務；及(iii)提供線上、移動及跨境支付服務。於年內，並無透過轉換10,000,000美元（相等於78,410,000港元）之定期貸款對Elite Prosperous進行控股公司股本之優先股份之資本化發行，原因是日期為二零一七年九月七日有關定期貸款之文據所載之其中一項條件尚未獲達成。儘管資本化發行已失效，Elite Prosperous仍有權按以下方式參與支付及貨幣匯兌服務業務：(i)根據該文據授出之轉換權將定期貸款轉換為該文據所釐定控股公司股本之優先股份數目；或(ii)根據該文據所授出之購買選擇權，要求該控股公司以代價10,000,000美元（相等於78,410,000港元）向Elite Prosperous出售其一間全資附屬公司（於中國內地從事提供線上、移動及跨境支付服務）股本中之645股優先股。於控股公司或其附屬公司於一間證券交易所上市之計劃落實前，Elite Prosperous尚未決定其將行使轉換權或購買選擇權與否。於報告期末，Elite Prosperous按公平值計量該定期貸款。根據一名獨立專業估值師編製之估值報告，該定期貸款之公平值由二零一七年十二月三十一日之77,167,000港元增加至二零一八年十二月三十一日之114,553,000港元，Elite Prosperous確認公平值變動產生之收益35,529,000港元。於年內，Elite Prosperous呈報溢利35,529,000港元，且本集團自Elite Prosperous分佔溢利17,410,000港元。

OPERATIONS REVIEW (Continued)

Investments in associates (Continued)

On 29 June 2018, the Group acquired 1,020,000,000 shares in Global Mastermind. Taking into account of the 217,750,000 shares in Global Mastermind which already held by the Group and had been accounted for as financial assets at FVTPL for financial reporting purposes, the Group holds 1,237,750,000 shares in Global Mastermind and is interested in 29.04% of the issued share capital of Global Mastermind upon completion of the acquisition. Global Mastermind is treated as an associate in accordance with HKAS 28 *Investments in Associates and Joint Ventures* for financial reporting purposes. Global Mastermind and its subsidiaries (the “**Global Mastermind Group**”) are principally engaged in provision and operation of travel business, treasury management business, money lending business, and provision of securities and asset management services. The Global Mastermind Group has obtained licenses from the SFC to carry out businesses in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance. Hong Kong is one of the most vibrant international financial centres in the world and financial services is one of the four pillars sectors of Hong Kong. The directors consider that the investment in Global Mastermind enables the Group to participate in the financial services sector in Hong Kong. On completion of the acquisition of the shares in Global Mastermind, the fair value of net assets acquired as of the acquisition date exceeded the fair value of the consideration transferred by HK\$3,407,000. Accordingly, the Group recognised the gain on bargaining purchase of HK\$3,407,000 in “share of results of associates”. During the period from 30 June 2018 to 31 December 2018, the Global Mastermind Group reported a loss of HK\$41,002,000 and the Group shared a loss of HK\$11,907,000 from Global Mastermind. Global Mastermind reported an increase in loss in the second half of 2018, which was mainly due to (i) the recognition of an allowance on credit losses for trade and loan receivables in accordance with the new impairment model of HKFRS 9 *Financial Instruments*, (ii) the recognition of a net unrealised loss on securities investment, and (iii) the recognition of a loss on change in fair value of investment properties.

業務回顧(續)

於聯營公司之投資(續)

於二零一八年六月二十九日，本集團收購1,020,000,000股環球大通之股份。經計及本集團已持有並就財務報告而言入賬為按公平值計入損益表之金融資產之217,750,000股環球大通股份，本集團於完成收購事項後持有1,237,750,000股環球大通股份，並於環球大通已發行股本中擁有29.04%權益。就財務報告而言，且根據香港會計準則第28號於聯營公司及合營企業之投資，環球大通被視為一間聯營公司。環球大通及其附屬公司(統稱「環球大通集團」)主要從事提供及經營旅遊業務、財資管理業務、放債業務以及提供證券及資產管理服務。環球大通集團已自證監會取得從事證券及期貨條例項下第1類(證券交易)、第2類(期貨合約交易)、第4類(就證券提供意見)、第6類(就機構融資提供意見)及第9類(提供資產管理)受規管活動之牌照。香港為世界最具活力之國際金融中心之一，且金融服務業為香港四大支柱行業之一。董事認為投資於環球大通有助本集團涉足香港金融服務業。於完成收購環球大通股份後，於收購日期已收購資產淨值之公平值較已轉讓代價之公平值超出3,407,000港元。因此，本集團於「應佔聯營公司業績」就議價購買收益3,407,000港元。於二零一八年六月三十日至二零一八年十二月三十一日期間，環球大通集團呈報虧損41,002,000港元，而本集團分佔環球大通虧損11,907,000港元。環球大通於二零一八年下半年呈報虧損增加，乃主要由於(i)根據香港財務報告準則第9號金融工具之新減值模式就貿易應收款項及應收貸款確認信貸虧損撥備；(ii)確認證券投資之未變現虧損淨值；及(iii)確認投資物業公平值變動虧損。

FUTURE PROSPECTS

The economic growth of Hong Kong is determined by the performance of the world's two largest economic: the United States and Mainland China. The directors believe that the key risks of 2019 are the outcome of trade negotiations between the United States and Mainland China and the slowdown in Mainland China's economic growth. As such, the directors expect the Hong Kong economy and the Hong Kong equity market remain uncertain and volatile in 2019. Accordingly, the directors will cautiously monitor Hong Kong equity market and adjust the Group's equity portfolio as and when appropriate in 2019.

In view of the key risks faced by the Hong Kong economy, the Group shall adopt a more cautious approach in selecting its customers in order to mitigate its credit risk. The directors expect the interest income on loans for 2019 will remain fairly stable.

Sales and marketing efforts have been taken in developing overseas retail chain stores and wholesale market in Europe and the United States, but time is needed to secure sales orders from customers. The directors expect that the performance of the Group's sale of jewelry products business will gradually improve in the coming years.

Despite the investment portion of the Shun Tak Property having been leased out since the second quarter of 2018, the directors expect that the performance of the Group's property investment business will show a decrease in 2019 as compared to 2018 due to the absence of contribution from the Guangzhou Property following its disposal in June 2018.

For the coming years, the directors will continue to cautiously monitor the business environment and strengthen the business foundation of the Group by focusing on its existing businesses. In addition, the directors will continue to cautiously identify suitable investment opportunities for the Group to diversify its businesses and broaden its revenue base.

未來前景

香港經濟增長受世界兩大經濟體：美國及中國內地之表現影響。董事相信，二零一九年的主要風險為中美貿易談判結果及中國內地經濟增長放緩。因此，董事預期香港經濟及香港股票市場於二零一九年維持不確定及波動。因此，董事將於二零一九年審慎監測香港股票市場並適時調整本集團之股票組合。

鑑於香港經濟面臨之重大風險，本集團將採取更審慎方式挑選客戶，以減低信貸風險。董事預期，二零一九年之貸款利息收入可維持相對穩定。

本集團已採取營銷及市場推廣行動以開拓歐洲及美國零售連鎖店及批發市場，惟取得客戶銷售訂單仍然需時。董事預期，本集團之銷售珠寶產品業務將於未來數年逐步改善。

儘管信德物業投資部份已於二零一八年第二季度起出租，董事預期，本集團之物業投資業務於二零一九年之業績將較二零一八年下跌，原因為廣州物業於二零一八年六月售出後失去其業績貢獻。

未來數年，董事將持續監察營商環境，並專注於現有業務，以增強本集團業務根基。此外，董事將繼續為本集團審慎識別合適之投資機會以使其業務更多元化及擴闊其收益基礎。

Management Discussion and Analysis

管理層討論及分析

PRINCIPAL RISKS AND UNCERTAINTIES

A summary of the principal risks and uncertainties which may impact the Group's financial conditions, results of operations or future performance and how the Group to mitigate these risks is set out below.

This summary should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties faced by the Group, but rather those risks which the Group currently believes may have a significant impact on the Group's performance and future prospects.

Principal risks 主要風險

Description 內容

Strategic risk 策略性風險

Strategic risk is the risk that medium and long-term profitability and/or reputation of the Group could be adversely impacted by the failure either to identify or implement the correct strategy, or to react appropriately to changes in the business environment.
策略性風險為因未能識別或實施正確策略或對營業環境變化作出適當反應而對本集團中期及長期盈利能力及／或聲譽造成不利影響之風險。

Economic risk 經濟風險

Economic risk is the risk of any downturn in economic conditions could impact the Group's performance through higher bad debts as a result of customers' inability to repay loans and lower asset values.
經濟風險為任何經濟環境之下行風險，或會透過客戶無力償還貸款而導致壞賬增加及資產價值降低而影響本集團表現。

Credit risk 信貸風險

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.
信貸風險為倘金融工具之客戶或交易對手於到期時未能履行其合約責任，本集團承受財務虧損之風險。

主要風險及不明朗因素

可能影響本集團之財務狀況、營運業績或未來表現之主要風險及不明朗因素概要及本集團如何緩解該等風險載於下文。

此概要不應被視作對本集團面臨之所有潛在風險及不明朗因素之完整詳盡陳述，惟本集團現時相信該等風險可能對本集團之表現及未來前景構成重大影響。

Mitigating actions 舒緩措施

- Extensive investment management experience of the Board.
董事會於投資管理之豐富經驗。
- Regularly review on strategy and performance of each business unit.
定期檢討各業務單位之策略及表現。
- Perform comprehensive due diligence on all potential acquisitions.
就所有潛在收購事項進行全面盡職審查。
- Regularly review forward looking indicators to identify economic conditions.
定期檢討前瞻性指標以識別經濟環境。
- Fully understand customers and carry out credit quality assessment on customers before granting loans.
於授出貸款前全面了解客戶並對客戶進行信貸質素評估。
- Regularly monitor loans receivables and assess for their recoverability.
定期監察應收貸款及評核其可回收程度。
- Limit credit risk exposure by granting loan to any single customer of not more than 8% of the consolidated total assets of the Group.
透過向任何單一客戶授出不多於本集團綜合資產總值8%之貸款以限制信貸風險。
- Make rental contracts with tenants with an appropriate credit history.
與擁有適當信貸往績之承租人訂立租約。

PRINCIPAL RISKS AND UNCERTAINTIES

(Continued)

主要風險及不明朗因素(續)

Principal risks 主要風險	Description 內容	Mitigating actions 舒緩措施
Liquidity risk 流動資金風險	Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. 流動資金風險為本集團未能履行其到期之財務責任之風險。	<ul style="list-style-type: none"> Regularly monitor liquidity and statement of financial position. 定期監察流動資金及財務狀況表。 Maintain appropriate liquidity to cover commitments. 保留適當流動資金兌現承諾。 Limit liquidity risk exposure by investing only in securities listed on stock exchanges. 透過僅投資於交易所上市證券限制流動資金風險。 Ensure acceptable and appropriate finance in place, or believed to be available before committing investment projects. 承擔投資項目前確保已有或將有可接受及適當資金。
Price risk 價格風險	Price risk is the risk that changes in equity prices will affect the Group's income and the value of its holdings of equities. 價格風險為將影響本集團收入及其所持股票價值之股價變動之風險。	<ul style="list-style-type: none"> Regularly monitor equity portfolio to address any portfolio issues promptly. 定期監察股票投資組合以即時處理任何投資組合問題。 Spread price risk exposure by investing a number of equities. 投資多個股票以分散價格風險。
Exchange risk 匯兌風險	Exchange risk is the risk that changes in foreign exchange rates will affect the Group's income and the value of its holdings of assets. 匯兌風險為將影響本集團收入及其所持資產價值之外匯匯率變動之風險。	<ul style="list-style-type: none"> Closely monitor statement of financial position and cashflow exchange risk exposures and where considered appropriate use financial instruments, such as forward exchange contracts, foreign currency options and forward rate agreements, to hedge this exchange risk. 密切監察財務狀況表及現金流匯兌風險，並在其認為適用的情況下使用金融工具(如遠期外匯合約、外匯期權及遠期利率協議)對沖該匯兌風險。
People risk 人事風險	People risk is the risk of loss of the services of any directors, senior management and other key personnel which could have a material adverse effect on the Group's businesses. 人事風險為任何董事、高級管理人員及其他主要人員終止服務可能對本集團業務造成重大不利影響之風險。	<ul style="list-style-type: none"> Provide competitive reward and benefit packages that ensure our ability to attract and retain the employees we need. 提供有競爭力之獎勵及福利待遇以確保本集團有能力吸引及挽留所需之人才。 Ensure that the staff of the Group has the right working environment to enable them to do the best job possible and maximise their satisfaction at work. 確保本集團之員工有合適之工作環境以令員工盡最大可能做好工作及令工作滿意度最大化。

Management Discussion and Analysis

管理層討論及分析



PRINCIPAL RISKS AND UNCERTAINTIES

(Continued)

主要風險及不明朗因素(續)

Principal risks 主要風險	Description 內容	Mitigating actions 舒緩措施
Legal and regulatory risk 法律及監管風險	<p>Legal and regulatory risk is the risk that a breach of laws and regulations could lead to litigation, investigations or disputes, resulting in additional costs being incurred, civil and/or criminal proceedings and reputational damage.</p> <p>法律及監管風險為違反法律及法規可能引致訴訟、調查或糾紛、產生額外成本、民事及／或刑事程序及名聲損害之風險。</p>	<ul style="list-style-type: none">• Monitor changes and developments in the regulatory environment and ensure that sufficient resources being made available to implement any required changes. 監察規管環境之變動及發展並確保可用之資源足以實施任何規定之變動。• Seek legal or other specialist advice as appropriate. 適當時尋求法律或其他專業人士意見。

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the “**Board**”) is committed to maintaining a high standard of corporate governance, in line with the principles of the code provisions of the Corporate Governance Code (the “**Code**”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Exchange**”).

In the opinion of the Board, the Company has complied with the Code throughout the year ended 31 December 2018, except for:

- (a) the roles of the Chairman and the Chief Executive Officer are not segregated and are exercised by the same individual; and
- (b) the non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election pursuant to the Company’s bye-laws.

The Board as a whole is responsible for performing the corporate governance duties. The Board periodically reviews and improves the corporate governance practices and standards of the Company with a view to continuously improve the Company’s corporate governance practices by assessing their effectiveness with evolving standards to meet changing circumstances and needs.

The Board has reviewed and monitored the Company’s corporate governance practices and standards on compliance with legal and regulatory requirements, the code of business conduct and ethics applicable to the directors and employees, and the training and continuous professional development of directors. The Board has also reviewed the Company’s compliance with the Code and disclosure in the corporate governance report.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules for securities transactions by the directors of the Company. Having made specific enquiry, all directors confirmed that they had complied with the required standard as set out in the Model Code throughout the year ended 31 December 2018.

企業管治常規

本公司董事會(「董事會」)致力維持良好之企業管治水平，符合香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載企業管治守則(「守則」)之守則條文之原則。

董事會認為，本公司於截至二零一八年十二月三十一日止整個年度內一直遵守守則，惟下述者除外：

- (a) 主席與行政總裁之角色沒有分開，並由同一人擔任；及
- (b) 本公司非執行董事之委任並無指定任期，惟須根據本公司之公司細則輪值退任及膺選連任。

全體董事會負責履行企業管治職責。董事會定期檢討及改善本公司之企業管治常規及標準，通過不斷演變以迎合不斷改變之情況及需要之守則，來評估其有效性，從而不斷改善本公司之企業管治常規。

董事會檢討及監督本公司的企業管治常規及符合法律與監管要求之標準、適用於董事及僱員之商業操守及道德守則以及董事的培訓與持續專業發展。董事會亦檢討本公司就遵守守則方面及企業管治報告之披露。

董事證券交易

本公司已就本公司董事進行證券交易採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則(「標準守則」)。經作出具體查詢後，全體董事已確認，彼等於截至二零一八年十二月三十一日止年度內一直遵守標準守則所載之規定標準。



FINANCIAL REPORTING

The Board is responsible for presenting a balanced, clear and understandable assessment of the Company's annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The directors acknowledge that it is their responsibilities for preparation of the consolidated financial statements of the Group and ensure that the consolidated financial statements are in accordance with statutory requirements and applicable financial reporting standards. The directors also ensure that the timely publication of the consolidated financial statements of the Group.

The directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquires, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The Company engaged HLB Hodgson Impey Cheng Limited as its auditors for the year ended 31 December 2018. The statement by HLB Hodgson Impey Cheng Limited regarding their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditors' Report on pages 96 to 106 of the annual report.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the Group's businesses, strategic direction and financial performance. The management, consisting of executive directors along with other executives, is delegated the authority and responsibility by the Board for the management of the Group. In addition, the Board has also delegated various responsibilities to four committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Finance Committee, to assist the Board in discharging its duties and to oversee particular aspects of the Group's activities.

財務報告

董事會負責對本公司年度及中期報告、內幕消息公佈，以及上市規則及其他監管規定之其他披露事項作出持平、清晰及易明之評估。

董事確認編製本集團綜合財務報表乃彼等之責任，並確保綜合財務報表遵守法定規定及適用財務報告準則。董事亦確保適時刊發本集團之綜合財務報表。

董事確認，經作出一切合理查詢後所深知、盡悉及確信，彼等並不知悉任何有關可能對本公司持續經營能力造成重大質疑之重要不明朗因素。

本公司已委聘國衛會計師事務所有限公司為其截至二零一八年十二月三十一日止年度之核數師。國衛會計師事務所有限公司就彼等對本集團綜合財務報表之申報責任載於年報第96至106頁之獨立核數師報告內。

董事會

董事會負責領導及控制本公司，並監督本集團之業務、策略性方向及財務表現。董事會已授予管理層(包括執行董事及其他行政人員)權力及責任管理本集團。此外，董事會亦將不同權力授予四個委員會(即審核委員會、薪酬委員會、提名委員會及財務委員會)，以協助董事會履行其職責及監督本集團活動之特定範疇。

BOARD OF DIRECTORS (Continued)

Decisions on important matters are specifically reserved to the Board while decisions on the Group's general operations are delegated to the management. Important matters include those affecting the Group's strategic policies, major investment and funding decisions and major commitments relating to the Group's operations.

The day-to-day management of the Group is delegated to the management. This delegation of authority includes responsibility for developing and formulating business plans and budgets of the Group for the Board's approval, operating the Group's businesses within the parameters set by the Board, keeping the Board informed of material developments of the Group's businesses, identifying and managing operation and other risk and implementing the policies and processes approved by the Board.

The composition of the Board reflects the necessary balance skills and experience desirable for effective leadership of the Company and independence in decision-making.

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

Executive directors:

Mr. Lei Hong Wai
(Chairman and Chief Executive Officer)
Mr. Cheung Kwok Wai Elton
Mr. Chan Kin Wah Billy
Mr. Cheung Kwok Fan

Independent non-executive directors:

Mr. Wan Shing Chi
Mr. Ng Heung Yan
Mr. Wong Tak Chuen

Biographical information of the directors as at the date of this report are set out in the Biographical Details of Directors on pages 93 to 95 of the annual report.

董事會(續)

重要事宜之決策特別留待董事會作出，而本集團一般營運決策則由管理層作出。重要事宜包括對本集團之策略性政策、重大投資及融資決定，以及對其他有關本集團營運重大承擔構成影響之事宜。

管理層獲授權負責本集團之日常管理。該等授權包括負責發展及制定本集團之業務計劃及預算以供董事會批准、在董事會定下之範圍內經營本集團業務、向董事會提供本集團業務重大發展之最新資料、確定及管理營運及其他風險，並實行董事會批准之政策及程序。

董事會之組成反映其有效領導本公司及保持決策獨立性而具備適當所需均衡技巧及經驗。

年內及截至本報告日期，本公司董事如下：

執行董事：

李雄偉先生
(主席兼行政總裁)
張國偉先生
陳健華先生
張國勳先生

獨立非執行董事：

尹成志先生
吳向仁先生
黃德銓先生

於本報告日期之董事履歷資料載於年報第93至95頁之董事履歷詳情內。

BOARD OF DIRECTORS (Continued)

Save and except for (a) Mr. Cheung Kwok Wai Elton and Mr. Cheung Kwok Fan are brothers, and (b) each of Mr. Lei Hong Wai, Mr. Cheung Kwok Wai Elton and Mr. Cheung Kwok Fan beneficially owns 50%, 25%, and 25% respectively in the issued share capital of Twin Success International Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, there is no relationship between the members of the Board.

The Company Secretary of the Company is responsible to keep minutes of all Board and committee meetings. Draft minutes are normally circulated to the directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

The directors are able, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses. The Board shall resolve to provide separate appropriate independent professional advice to the directors to assist the relevant directors to discharge their duties.

The Company prepares a monthly update on the Group's performance and position to all directors to enable the Board as a whole and each director to discharge their duties and responsibilities.

During the year ended 31 December 2018, the Board at all times met the requirements Rules 3.10(1) and (2), and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive directors (representing not less than one-third of the Board) with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

For a director to be considered independent, that director should not have any direct or indirect material interest in the Group. In determining the independence of directors, the Board follows the requirements set out in the Listing Rules. The Company has received from each of the independent non-executive directors an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules in respect of the year ended 31 December 2018. The Company considers all of the independent non-executive directors are independent. No independent non-executive director has served the Company for more than nine years.

董事會(續)

除(a)張國偉先生及張國勳先生為兄弟，及(b)李雄偉先生、張國偉先生及張國勳先生分別於本公司之主要股東(定義見證券及期貨條例第XV部)Twin Success International Limited之已發行股本實益擁有50%、25%及25%權益外，各董事會成員概無關係。

本公司之公司秘書負責就所有董事會及委員會會議之會議記錄存檔。會議記錄草稿一般於各會議後一段合理時間內向董事傳閱以收集意見，最終版本將公開以供董事審閱。

董事可於提出合理要求後，在適當情況下尋求獨立專業意見，費用由本公司承擔。董事會將議決向董事提供個別適當之獨立專業意見，以協助相關董事履行其職務。

本公司就本集團之表現及狀況為全體董事編製每月最新資料，以讓董事會整體及各董事履行其職務及職責。

截至二零一八年十二月三十一日止年度內，董事會一直遵守上市規則第3.10(1)及(2)條，以及第3.10A條有關委任最少三名獨立非執行董事(佔董事會人數不少於三分之一)而最少一名獨立非執行董事具備適當專業資格或會計或相關財務管理專長之規定。

董事不得於本集團擁有任何直接或間接重大權益，方被視為獨立。於釐定董事之獨立性時，董事會遵從上市規則載列之規定。本公司已收到各獨立非執行董事根據上市規則第3.13條所發出有關其於截至二零一八年十二月三十一日止年度之獨立性之年度確認書。本公司認為全體獨立非執行董事均具獨立性。概無獨立非執行董事服務本公司超過九年。

BOARD OF DIRECTORS (Continued)

The directors are fully insured under the directors' and officers' liability insurance policy for indemnification against costs, charges, losses, expenses and liabilities that may be incurred by them in the execution and discharge of their duties.

The directors are committed to complying with code provision A.6.5 of the Code on directors' training. All directors have participated in continuous professional development and provided a record of training they received for the year ended 31 December 2018 to the Company.

A summary of training received by the directors during the year ended 31 December 2018 is as follows:

Executive directors:

Mr. Lei Hong Wai
Mr. Cheung Kwok Wai Elton
Mr. Chan Kin Wah Billy
Mr. Cheung Kwok Fan

執行董事：

李雄偉先生
張國偉先生
陳健華先生
張國勳先生

Independent non-executive directors:

Mr. Wan Shing Chi
Mr. Ng Heung Yan
Mr. Wong Tak Chuen

獨立非執行董事：

尹成志先生
吳向仁先生
黃德銓先生

Note 1:

- 1: Television programmes or webcasts
- 2: Courses, seminars or workshops

Note 2:

- A: Corporate governance and regulatory
B: Financial reporting and taxation

On 18 December 2018, the Chairman of the Board held a meeting with the independent non-executive directors, without the presence of the executive directors.

董事會(續)

董事乃受董事及高級人員之責任保險全面保障，以向董事們在執行及履行彼等之職務時而產生之成本、費用、損失、開支及責任作出賠償。

董事已承諾遵守守則條文第A.6.5條之董事培訓守則。全體董事已參與持續專業發展，並向本公司提供彼等於截至二零一八年十二月三十一日止年度接受培訓之記錄。

截至二零一八年十二月三十一日止年度，董事接受培訓概要如下：

Types of training 培訓類型 (Note 1) (附註1)	Subject of training 培訓主題 (Note 2) (附註2)
--	--

1 & 2	A & B
1 & 2	A & B
1 & 2	A & B
1 & 2	A & B

附註1：

- 1： 電視節目或網絡廣播
- 2： 課程、研討會或工作坊

附註2：

- A： 企業管治及監管
B： 財務報告及稅務

於二零一八年十二月十八日，董事會主席與獨立非執行董事舉行會議，而執行董事並無出席。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 of the Code requires that the role of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year, Mr. Lei Hong Wai has taken up the roles of the Chairman of the Board and the Chief Executive Officer of the Company. Mr. Lei possesses essential leadership skills and has extensive experience in corporate management and business development. The Board is of the view that currently vesting the roles of the Chairman and the Chief Executive Officer in the same person provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies.

TERMS OF NON-EXECUTIVE DIRECTORS

Code provision A.4.1 of the Code requires that non-executive directors should be appointed for a specific term, subject to re-election. All non-executive directors of the Company are not appointed for a specific term, but are subject to retirement from office by rotation and re-election in accordance with the provisions of the Company's bye-laws. At each annual general meeting, one-third of the directors for the time being, (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every director shall be subject to retirement by rotation at least once every three years. As such, the Company considers that such provision is sufficient to meet the underlying objective of this code provision.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy setting out the approach to achieve diversity on the Board. The Company considers diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

主席及行政總裁

守則之守則條文第A.2.1條規定，主席與行政總裁之角色應有區分，不應由同一人同時兼任。年內，李雄偉先生擔任本公司董事會主席及行政總裁。李先生具備重要領導技巧，並於企業管理及業務發展方面擁有豐富經驗。董事會認為，目前由同一人擔任主席及行政總裁之角色讓本集團有穩固及貫徹一致之領導，並使業務策劃、決策及長遠業務策略之執行更為有效。

非執行董事之任期

守則之守則條文第A.4.1條規定，非執行董事之委任應有指定任期，並須接受重選。本公司所有非執行董事並非按指定任期委任，惟須根據本公司之公司細則條文輪席退任及接受重選。於每屆股東週年大會上，當時董事之三分之一（或倘人數並非三之倍數，則為最接近但不少於三分之一之數）須輪席退任，而各董事須最少每三年輪席退任一次。因此，本公司認為該等條文足以符合此守則條文之相關目標。

董事會多元化政策

本公司已採納董事會多元化政策，當中載列達致董事會多元化之方法。本公司認為董事會成員多元化可透過考慮多方面後達致，包括但不限於性別、年齡、文化及教育背景、專業經驗、技巧及知識。所有董事會委任均以用人唯才為原則，以客觀準則考慮人選，並已充分考慮董事會多元化之裨益。

BOARD DIVERSITY POLICY (Continued)

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

BOARD COMMITTEES

The Board has established four committees with clearly defined written terms of reference. The main roles and responsibilities of these committees, including all authorities delegated to them by the Board, as set out in the terms of reference, are published on websites of the Company and the Exchange. The independent views and recommendations of the four committees ensure proper control of the Group and the continual achievement of the high corporate governance standards expected of a listed company. The chairman of each committee reports the outcome of the committee's meetings to the Board for further discussions and approvals.

The majority of the members of each board committees are independent non-executive directors. The board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

Remuneration Committee

The Remuneration Committee comprises two independent non-executive directors, namely Mr. Ng Heung Yan and Mr. Wan Shing Chi, and one executive director, namely Mr. Lei Hong Wai. Mr. Ng Heung Yan is the chairman of the Remuneration Committee.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy and ensuring that no director or any of his associates will involve in deciding his own remuneration. The Remuneration Committee makes recommendations to the Board on the remuneration packages, including benefits in kind, pension rights and compensation payments, of individual executive directors and senior management.

董事會多元化政策(續)

甄選候選人將根據一系列多元化之範疇，包括但不限於性別、年齡、文化及教育背景、專業經驗、技巧及知識。最終決定將在考慮獲選候選人選將為董事會帶來之好處及貢獻而作出。

董事委員會

董事會已成立四個委員會，並以書面具體列明其職權範圍。該等委員會之主要職責及責任(包括所有獲董事會授予之權力)載於職權範圍內，刊登於本公司及聯交所網站。四個委員會之獨立觀點及建議確保妥善控制本集團及持續達致預期上市公司應有之高企業管治水平。各委員會之主席向董事會報告委員會會議之結果，以供進一步討論及批准。

各董事委員會之大部分成員為獨立非執行董事。董事委員會提供充足資源以履行彼等之責任，並應合理要求，在適當情況下尋求獨立專業意見，費用由本公司承擔。

薪酬委員會

薪酬委員會由兩名獨立非執行董事吳向仁先生及尹成志先生，以及一名執行董事李雄偉先生組成。吳向仁先生為薪酬委員會主席。

薪酬委員會主要負責就本公司董事及高級管理人員之全體薪酬政策及架構及就設立正規而具透明度之程序制訂薪酬政策，向董事會提出建議，並確保任何董事或其任何聯繫人士不得參與決定其本身之薪酬。薪酬委員會就個別執行董事及高級管理人員之薪酬待遇，包括實物福利、退休金權利及賠償款項，向董事會提出建議。

BOARD COMMITTEES (Continued)

Remuneration Committee (Continued)

During the year ended 31 December 2018, the Remuneration Committee held four meetings to review and discuss the remuneration structure and packages of each executive directors and the discretionary bonuses of the executive directors for making recommendations to the Board for approval.

Nomination Committee

The Nomination Committee comprises one executive director, namely Mr. Lei Hong Wai, and two independent non-executive directors, namely Mr. Wan Shing Chi and Mr. Ng Heung Yan. Mr. Lei Hong Wai is the chairman of the Nomination Committee.

The Nomination Committee is mainly responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, identifying potential directors and making recommendations to the Board on the appointment or re-appointment of directors.

The Nomination Committee leads the process and makes recommendations for appointments to the Board, whether as additional appointment or to fill up the casual vacancy of directorship as and when they arise, in light of challenges and opportunities facing the Company, as well as business development and requirements of the Company.

The Company has adopted a nomination policy aiming to ensure the Board has a balance of skills, experience, knowledge and diversity of perspectives appropriate to the requirements of the Company's business. The Nomination Committee will evaluate, select and recommend candidate(s) for directorships to the Board by giving due consideration to selection criteria including but not limited to:

- (a) diversity in aspects including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge and length of service;
- (b) commitment for responsibilities of the Board in respect of available time and relevant interest;
- (c) qualifications, including accomplishment and experience in the relevant industries the Company's business is involved in;
- (d) independence;

董事委員會(續)

薪酬委員會(續)

於截至二零一八年十二月三十一日止年度內，薪酬委員會就檢討及討論每位執行董事之薪酬架構及待遇及執行董事之酌情花紅，已舉行四次會議，並向董事會作出建議以供審批。

提名委員會

提名委員會由一名執行董事李雄偉先生，以及兩名獨立非執行董事尹成志先生及吳向仁先生組成。李雄偉先生為提名委員會主席。

提名委員會主要負責檢討董事會之架構、規模及組成(包括技能、知識及經驗)，物色潛在董事及就委任或重新委任董事向董事會提出建議。

提名委員會於需要額外委任董事或填補董事空缺時，會因應本公司面對之挑戰及機遇，以及在配合本公司之業務發展及需要下，作出領導及就委任向董事會提出建議。

本公司已採納提名政策，旨在確保董事會根據本公司業務要求而具備適當所需技巧、經驗、知識及多樣的觀點。提名委員會審慎考慮(包括但不限於)下列甄選準則後，將評估、甄選及就董事候選人向董事會提出建議：

- (a) 各方面的多樣性，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年期；
- (b) 履行董事會職責的可投入時間及相關的利益；
- (c) 資格，包括涉及本公司業務的相關行業的成就和經驗；
- (d) 獨立性；

BOARD COMMITTEES (Continued)

Nomination Committee (Continued)

- (e) reputation for integrity;
- (f) potential contributions that the individual(s) can bring to the Board; and
- (g) plan(s) in place for the orderly succession of the Board.

The Nomination Committee will evaluate and recommend retiring director(s) to the Board for re-appointment by giving due consideration to the selection criteria including but not limited to:

- (a) the overall contribution and service of the retiring director(s) to the Company, including but not limited to the attendance of the meetings of the Board and/or its committees and general meetings where applicable, in addition to the level of participation and performance on the Board and/or its committees; and
- (b) whether the retiring director(s) continue(s) to satisfy the selection criteria.

The Nomination Committee will evaluate and recommend candidate(s) for the position(s) of the independent non-executive directors of the Company by giving due consideration to the factors including but not limited to those set out in Rules 3.10(2) and 3.13 of the Listing Rules in addition to the selection criteria.

The Nomination Committee will recommend to the Board for the appointment of a director in accordance with the following procedures and process:

- (a) the Nomination Committee will, giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;
- (b) the Nomination Committee may consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing directors, advertising, recommendations from a third party agency firm and proposals from shareholders of the Company with due consideration given to the selection criteria;

董事委員會(續)

提名委員會(續)

- (e) 誠信聲譽；
- (f) 個人可以向董事會帶來的潛在貢獻；及
- (g) 為董事會有序繼任而制訂的計劃。

提名委員會經審慎考慮(包括但不限於)下列甄選準則後，將評估及就重新委任退任董事向董事會提出建議：

- (a) 退任董事對本公司之整體貢獻及服務(包括但不限於)在董事會及／或其轄下委員會的參與程度及表現，以及出席董事會及／或其轄下委員會之會議及股東大會(倘適用)；及
- (b) 退任董事是否繼續符合甄選準則。

提名委員會經審慎考慮各項因素(包括但不限於上市規則第3.10(2)及3.13條所述者)後，將評估及就本公司獨立非執行董事候選人提出建議。

提名委員會將根據以下程序及流程向董事會建議任命董事：

- (a) 提名委員會將適當考慮董事會目前的組成和規模，首先制定一份理想的技能、觀點及經驗清單，以集中物色重點；
- (b) 提名委員會於物色或甄選合適候選人時可諮詢其認為適當的任何來源，例如現有董事的推薦、廣告、第三方代理公司的推薦及本公司股東的建議，並適當考慮甄選準則；

BOARD COMMITTEES (Continued)

Nomination Committee (Continued)

- (c) the Nomination Committee may adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third party reference checks;
- (d) upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- (e) the Nomination Committee will provide the relevant information of the selected candidate to the Remuneration Committee for consideration of remuneration package of such selected candidate;
- (f) the Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment, and where a non-executive director is considered, the Remuneration Committee will make the recommendation to the Board on the proposed remuneration package;
- (g) the Board may arrange for the selected candidate to be interviewed by the members of the Board who are not members of the Nomination Committee and the Board will thereafter deliberate and decide the appointment as the case may be; and
- (h) all appointment of directors will be confirmed by the filing of the consent to act as director of the relevant director (or any other similar filings requiring the relevant director to acknowledge or accept the appointment as director, as the case may be) to be filed with the relevant Companies Registry.

During the year ended 31 December 2018, the Nomination Committee held one meeting to review the structure, size and composition of the Board.

董事委員會(續)

提名委員會(續)

- (c) 提名委員會可採用其認為適當的任何程序評估候選人的合適性，例如面試、背景調查、演講及第三方背景調查；
- (d) 在考慮適合擔任董事職位的候選人後，提名委員會將舉行會議及／或以書面決議案方式以酌情批准向董事會提交委任建議；
- (e) 提名委員會將向薪酬委員會提供所選候選人的相關資料，以供考慮該候選人的薪酬待遇；
- (f) 其後，提名委員會將就建議委任向董事會提出建議，而於考慮非執行董事時，薪酬委員會將就建議薪酬待遇向董事會提出建議；
- (g) 董事會可安排選定的候選人由不屬提名委員會成員的董事會成員進行面試，此後，董事會將根據具體情況審議並決定任命；及
- (h) 所有董事的任命，將通過提交相關董事表示同意擔任董事的文件(或要求相關董事確認或接受任命為董事的任何其他類似文件，視具體情況而定)予公司註冊處作存檔予以確認。

於截至二零一八年十二月三十一日止年度內，提名委員會已就檢討董事會之架構、規模及組成舉行一次會議。

BOARD COMMITTEES (Continued)

Finance Committee

The Finance Committee comprises one executive director, namely Mr. Chan Kin Wah Billy, and one independent non-executive director, namely Mr. Wong Tak Chuen. Mr. Chan Kin Wah Billy is the chairman of the Finance Committee.

The Finance Committee is mainly responsible for reviewing and approving banking facilities and financial instruments to be granted or issued by the Company for the Group's needs and the provision of corporate guarantees by the Company for its subsidiaries and associates.

During the year ended 31 December 2018, no Finance Committee meeting was held.

Audit Committee

The Audit Committee comprises three independent non-executive directors, namely Mr. Wong Tak Chuen, Mr. Wan Shing Chi and Mr. Ng Heung Yan. Mr. Wong Tak Chuen is the chairman of the Audit Committee.

The main responsibilities of the Audit Committee are to monitor the financial reporting process of the Company and to review the Company's financial control, and risk management and internal control systems. It also governs the engagement of external auditors and its performance. The Audit Committee meets regularly with at least two meetings annually. Prior to the commencement of an audit, the Audit Committee meets the Company's external auditors to review and discuss the audit plan and key audit matters of the Group. It also has separate meeting with the Company's external auditors at least once a year with the absence of the management to discuss any issues arising from the audit and any other matters the external auditors may wish to raise.

董事委員會(續)

財務委員會

財務委員會由一名執行董事陳健華先生，以及一名獨立非執行董事黃德銓先生組成。陳健華先生為財務委員會主席。

財務委員會主要負責檢討及審批本公司就本集團需要將授出或發行之銀行融資及金融工具，以及本公司為其附屬公司及聯營公司提供之公司擔保。

於截至二零一八年十二月三十一日止年度內，財務委員會並無舉行會議。

審核委員會

審核委員會由三名獨立非執行董事黃德銓先生、尹成志先生及吳向仁先生組成。黃德銓先生為審核委員會主席。

審核委員會之主要責任為監察本公司之財務報告程序，以及檢討本公司之財務監控、風險管理及內部監控系統。審核委員會亦管理外聘核數師之委聘及其表現。審核委員會每年定期會面最少兩次。於開始審核前，審核委員會與本公司之外聘核數師會面，以審閱及討論本集團之審核計劃及關鍵審核事項。審核委員會亦會在管理層缺席之情況下，每年與本公司之外聘核數師會面最少一次，以討論任何因審核工作產生的事宜及核數師想提出的其他事項。

BOARD COMMITTEES (Continued)

Audit Committee (Continued)

During the year ended 31 December 2018, the Audit Committee reviewed and discussed with the external auditors the audit plan and key audit matters of the Group for the year ended 31 December 2018. The Audit Committee reviewed with the external auditors the audited consolidated financial statements of the Group for the year ended 31 December 2017, the annual report for 2017, the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2018, and the interim report for 2018 before their submission to the Board for approval. It also reviewed the review report on risk management and internal control systems of the Group and discussed the findings on the review report with Infinity Concept Ripple Limited (formerly known as Infinity Assurance Limited), which is an independent firm of professional accountants appointed by the Board to carry out an annual independent review. The Audit Committee also discussed with the Group's risk management and internal control systems with the executive directors to ensure the executive directors had performed their duties to have effective systems for the year ended 31 December 2018. The Audit Committee also discussed with the management and the external auditors the accounting policies and practices which might affect the Group and financial reporting matters.

At the meeting held on 21 March 2019, the Audit Committee concluded that it was satisfied with its review of the audit fee, process and effectiveness, independence and objectivity of HLB Hodgson Impey Cheng Limited. The Audit Committee has therefore recommended to the Board that HLB Hodgson Impey Cheng Limited be re-appointed as the Company's auditors at the annual general meeting in 2019.

董事委員會(續)

審核委員會(續)

於截至二零一八年十二月三十一日止年度內，審核委員會已與外聘核數師審閱及討論本集團截至二零一八年十二月三十一日止年度之審核計劃及關鍵審核事項。審核委員會已於呈交董事會以取得批准前，與外聘核數師審閱本集團截至二零一七年十二月三十一日止年度之經審核綜合財務報表、二零一七年年報、本集團截至二零一八年六月三十日止六個月之未經審核簡明綜合財務報表及二零一八年中中期報告。審核委員會亦審閱本集團風險管理及內部監控系統之審查報告，並討論集思廣益有限公司(前稱捷耀會計師事務所有限公司，一間獲董事會委任以進行年度獨立審查之專業獨立會計師行)之審查報告之發現。審核委員會亦與本集團執行董事討論風險管理及內部審核控制系統，以確保執行董事於截至二零一八年十二月三十一日止年度履行職責以達成有效之系統。審核委員會亦與管理層及外聘核數師討論可能影響本集團及財務報告事宜之會計政策及常規。

於二零一九年三月二十一日舉行之會議上，審核委員會確認信納對國衛會計師事務所有限公司之核數費用、程序及有效性、獨立性及客觀性進行之檢討。審核委員會因此向董事會建議於二零一九年股東週年大會上重新委任國衛會計師事務所有限公司為本公司之核數師。

ATTENDANCE RECORDS AT MEETINGS

The attendance records of each director at the various meetings of the Company during the year ended 31 December 2018 are set out as below:

		Annual general meeting 股東週年 大會	Special general meeting 股東特別 大會	Meetings Attended/Held 已出席/已舉行會議				
				Board 董事會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Audit Committee 審核委員會	Finance Committee 財務委員會
Number of meetings	會議次數	1	1	39	4	1	4	0
Executive directors:	執行董事：							
Mr. Lei Hong Wai	李雄偉先生	1/1	1/1	35/39	4/4	1/1	N/A 不適用	N/A 不適用
Mr. Cheung Kwok Wai Elton	張國偉先生	1/1	1/1	36/39	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Chan Kin Wah Billy	陳健華先生	1/1	1/1	37/39	N/A 不適用	N/A 不適用	N/A 不適用	0/0
Mr. Cheung Kwok Fan	張國勳先生	1/1	1/1	35/39	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. Wan Shing Chi	尹成志先生	1/1	1/1	36/39	4/4	1/1	4/4	N/A 不適用
Mr. Ng Heung Yan	吳向仁先生	1/1	1/1	36/39	4/4	1/1	4/4	N/A 不適用
Mr. Wong Tak Chuen	黃德銓先生	1/1	1/1	36/39	N/A 不適用	N/A 不適用	4/4	0/0

COMPANY SECRETARY

Mr. Chan Kin Wah Billy has been the Company Secretary of the Company since 31 January 2005. He is also an executive director of the Company. The biographical information of Mr. Chan are set out in the Biographical Details of Directors on page 94 of the annual report. During the year, Mr. Chan undertook not less than 15 hours of relevant professional training.

INDEPENDENT AUDITORS' REMUNERATION

During the year, the Company engaged HLB Hodgson Impey Cheng Limited to perform audit services and non-audit services and incurred audit services fees of HK\$1,081,000 and non-audit services fees of HK\$339,000. The non-audit services consist of taxation services and reviewing the Group's interim financial statements for the six months ended 30 June 2018 and reporting accountant services in relation to a notifiable transaction. The Company also engaged four audit firms to perform audit services and non-audit services for certain subsidiaries established in Mainland China and incurred audit services fees of HK\$7,000 and non-audit services fees of HK\$14,000. The non-audit services consist of issuance of capital verification reports and annual inspection services.

會議出席紀錄

於截至二零一八年十二月三十一日止年度內，各董事於本公司多個會議之出席紀錄載列如下：

		Annual general meeting 股東週年 大會	Special general meeting 股東特別 大會	Meetings Attended/Held 已出席/已舉行會議				
				Board 董事會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Audit Committee 審核委員會	Finance Committee 財務委員會
Number of meetings	會議次數	1	1	39	4	1	4	0
Executive directors:	執行董事：							
Mr. Lei Hong Wai	李雄偉先生	1/1	1/1	35/39	4/4	1/1	N/A 不適用	N/A 不適用
Mr. Cheung Kwok Wai Elton	張國偉先生	1/1	1/1	36/39	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Chan Kin Wah Billy	陳健華先生	1/1	1/1	37/39	N/A 不適用	N/A 不適用	N/A 不適用	0/0
Mr. Cheung Kwok Fan	張國勳先生	1/1	1/1	35/39	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. Wan Shing Chi	尹成志先生	1/1	1/1	36/39	4/4	1/1	4/4	N/A 不適用
Mr. Ng Heung Yan	吳向仁先生	1/1	1/1	36/39	4/4	1/1	4/4	N/A 不適用
Mr. Wong Tak Chuen	黃德銓先生	1/1	1/1	36/39	N/A 不適用	N/A 不適用	4/4	0/0

公司秘書

陳健華先生自二零零五年一月三十一日起出任本公司之公司秘書，彼亦為本公司之執行董事。陳先生之履歷資料載於年報第94頁之董事履歷詳情內。年內，陳先生參加不少於15小時之相關專業培訓。

獨立核數師酬金

年內，本公司委聘國衛會計師事務所有限公司進行核數服務，以及非核數服務，並產生核數服務費1,081,000港元及非核數服務費339,000港元。非核數服務包括稅務服務、審閱本集團截至二零一八年六月三十日止六個月之財務報表及就一項須予公佈交易提供之申報會計師服務。本公司亦曾聘請四間核數師行，為於中國內地成立之若干附屬公司進行核數服務及非核數服務，並產生核數服務費7,000港元及非核數服務費14,000港元。非核數服務費包括出具資本驗證報告及年度審閱服務。

RISK MANAGEMENT AND INTERNAL CONTROL

As with all businesses, the Group is exposed to risks and uncertainties in pursuit of its strategic and business objectives. The Board acknowledges that it has overall responsibility for the Group's risk management and internal control systems and for reviewing their effectiveness.

However, due to inherent limitations of any system of risk management and internal control, it should be noted that the risk management and internal control systems of the Group are designed to manage rather than eliminate the risk of failure to achieve its strategic and business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

In view of each business units being actively managed by the executive directors, all the executive directors are responsible for monitoring that appropriate process and controls are in place to effectively and efficiently manage risks, so that the strategic and business objectives of the Group can be met. Principal risks are identified by assessing the possible effects on the Group's reputation, stakeholders, earnings, capital and liquidity, and the future sustainability of the Group's businesses. They are closely monitored and overseen by the executive directors on a regular basis. Risk information is communicated to employees, who have a responsibility to co-operate with the executive directors' initiatives and to carry out their duties avoiding excessive risk.

The Group's risk management and internal control systems include the following:

- (a) A code of business conduct and ethics that requires all directors and employees of the Group to maintain the basic standards of ethical and legal behavior in conducting business.
- (b) A risk management process which enables identification and assessment of risks that could impact on the achievement of agreed strategic and business objectives, and ensures that appropriate mitigating measures and controls are put in place.
- (c) Clearly defined organisational structure, with defined authority limits and reporting mechanisms to the Board.

風險管理及內部監控

誠如所有業務般，本集團於實現其策略及業務目標時面臨風險及不確定因素。董事會確認，其對本集團之風險管理及內部監控系統以及檢討其有效性承擔全部責任。

然而，由於任何風險管理及內部監控系統均有固有限制，務須注意本集團之風險管理及內部監控系統旨在管理而並非消除導致未能實現其策略及業務目標之風險，並僅提供合理及並非絕對保證防止重大錯誤或損失。

鑑於各業務單位由執行董事積極地管理，所有執行董事負責監察適當流程及監控措施，以有效地管理風險，從而達致本集團策略及業務目標。主要風險乃透過評估可能對本集團之聲譽、持份者、收益、資本及資金流動性，以及本集團業務未來可持續性之影響予以識別，並由執行董事會定期密切監察及監督。風險資料應傳達予僱員，僱員有責任配合執行董事所提倡之建議，並執行其職責以避免過高風險。

本集團之風險管理及內部監控系統包括以下各項：

- (a) 商業操守及道德守則規定本集團所有董事及僱員於進行業務時維持基本標準道德及法律行為。
- (b) 風險管理程序能夠識別及評估可能影響實現已協定之策略及業務目標之風險，並確保採取合適緩和及監控措施。
- (c) 清楚定義組織架構，包括明確界定權限及向董事會報告之機制。

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

- (d) A comprehensive set of policies and procedures relating to operational and financial controls, including capital expenditure.
- (e) A comprehensive system of financial reporting.
- (f) An annual review of the adequacy and effectiveness of the Group's risk management and internal control systems.

As the Company does not have an internal audit function, the Audit Committee engaged Infinity Concept Ripple Limited to carry out the annual independent review on the adequacy and effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2018. The annual independent review covered all material controls, including financial, operational and compliance controls, and risk management functions of the Group. The review report from Infinity Concept Ripple Limited was presented to and reviewed by the Audit Committee and the Board. No material internal control defects were found. Accordingly, the Board, in conjunction with the Audit Committee, considers that the Group's risk management and internal control systems were adequate and effective.

The Board reviewed the need for internal audit function, but has decided that because of the size of the Group it cannot be justified at present. The Board will review this decision annually.

The Board also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting functions.

The Company has adopted the Policy and Procedures on Disclosure of Inside Information which contains the guidelines to the directors and all the relevant employees of the Group to ensure that the inside information of the Company is to be disseminated to the public in an equal and timely manner in accordance with applicable laws and regulations.

風險管理及內部監控(續)

- (d) 一套有關營運與財務監控(包括資本開支)之完善政策及程序。
- (e) 一套完善財務報告系統。
- (f) 對本集團風險管理及內部監控系統之充足性及有效性作出之年度審查。

由於本公司無內部審核職能，審核委員會委聘集思廣益有限公司對本集團截至二零一八年十二月三十一日止年度之風險管理及內部監控系統之充足性及有效性進行獨立年度審查。獨立年度審查涵蓋本集團所有重大監控，包括財務、營運及合規監控，以及風險管理職能。集思廣益有限公司之審查報告已提交予審核委員會及董事會審閱，並無發現重大內部監控缺陷。因此，董事會及審核委員會聯合認為本集團之風險管理及內部監控系統屬適充分及有效。

董事會審查內部審核職能之截要性，但已決定由於本集團之規模，目前未能合理化。董事會將按年檢討該決定。

董事會亦審查本集團會計及財務報告職能之資源、員工資格及經驗、培訓計劃及預算之充分性。

本公司已採納內幕消息披露政策及程序，其中載有給予本集團董事及所有相關僱員之指引，以確保本公司之內幕消息能以公平與及時之方式向公眾傳播，並遵守適用之法律與法規。

COMMUNICATION WITH SHAREHOLDERS

The Company reports to its shareholders twice a year. Interim and annual results are announced to keep shareholders informed of the Group's performance and operations. The general meetings of the Company provide an opportunity for direct communication between the shareholders and the Board. Shareholders are welcomed to raise any query in relation to the Group's businesses at the general meetings. The Chairman of the Board as well as chairmen of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Finance Committee, or in their absence, other members of the respective committees, and where applicable, the independent Board Committee, are available to answer questions at the general meetings. Our corporate website which contains corporate information, interim and annual reports, announcements and circulars issued by the Company, enables the Company's shareholders to access information on the Group on a timely basis.

SHAREHOLDERS' RIGHTS

Shareholders holding 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 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.

Any number of shareholders representing not less than one-twentieth of the total voting rights of all the shareholders of the Company or not less than 100 shareholders can put forward any proposed resolution or the business to be dealt with at general meetings of the Company by depositing a requisition in writing together with a sum reasonably sufficient to meet the Company's relevant expenses at the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The requisition must be signed by the relevant shareholder(s).

與股東之溝通

本公司每年向其股東報告兩次。公佈中期及年度業績以便股東得悉本集團表現及營運之資料。本公司股東大會提供一個股東與董事會直接溝通之機會。於股東大會上，歡迎股東就本集團之業務提出任何疑問。董事會主席，以及審核委員會、薪酬委員會、提名委員會及財務委員會之主席或(在彼等缺席之情況下)各委員會之其他成員及獨立董事委員會(如適用)將於股東大會上解答提問。本公司網站載有本公司刊發之公司資料、中期報告及年報、公佈及通函，使本公司股東可及時獲得本集團資料。

股東權利

持有附帶權利於本公司股東大會上投票之本公司已繳股本不少於十分之一之股東，有權向董事會及本公司之公司秘書提出書面請求，要求董事會召開股東特別大會，以處理該請求中訂明之任何事項。

代表不少於所有本公司股東總投票權二十分之一之股東，或不少於100名股東之任何數目之股東，可將書面請求連同足以支付本公司相關開支之合理款額，存放於本公司之註冊辦事處，地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda，以提呈任何將於本公司股東大會上處理之決議案或事項。該請求須經相關股東簽署。

SHAREHOLDERS' RIGHTS (Continued)

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

Unit 1211, Shun Tak Centre, West Tower
168-200 Connaught Road Central
Hong Kong
Telephone: (852) 2268 8236
Fax: (852) 2369 0981
Email: billy@eternityinv.com.hk

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

DIVIDEND POLICY

During the year, the Company has adopted a new dividend policy to replace its existing dividend policy adopted in January 2000. The Company considers the new dividend policy creates flexibility on the Board in declaring the payments of dividends.

Under the new dividend policy, the Company does not have any pre-determined dividend payout ratio. The declaration, payment, and amount of dividends are subject to the Board's discretion having regard to the following factors:

- (a) the earnings, financial conditions, capital requirements and future plans of the Group;
- (b) the shareholders' interests of the Company;
- (c) the economic outlook;
- (d) the contractual restrictions on the payment of dividends by the Company to its shareholders;
- (e) the statutory and regulatory restrictions on the payment of dividends by the Company; and
- (f) any other factors the Board may consider relevant.

股東權利(續)

股東可隨時將其查詢及關注以書面形式送交公司秘書，向董事會提出，公司秘書之通訊詳情如下：

香港
干諾道中 168-200 號
信德中心西座 1211 室
電話：(852) 2268 8236
傳真：(852) 2369 0981
電郵：billy@eternityinv.com.hk

股東亦可於本公司股東大會上向董事會作出查詢。

股息政策

年內，本公司已採納新股息政策以取代於二零二零年一月採納之現有股息政策。本公司認為新股息政策可給予董事會宣派股息之靈活性。

根據新股息政策，本公司並無任何預先釐定之派息比率。宣派、派付及股息之數額均由董事會酌情決定並考慮以下因素：

- (a) 本集團之盈利、財務狀況、資本要求及未來計劃；
- (b) 本公司股東之權益；
- (c) 經濟前景；
- (d) 本公司向其股東派付股息之合約規限；
- (e) 本公司派付股息之法定及監管規限；及
- (f) 董事會可能認為有關之任何其他因素。

CONSTITUTIONAL DOCUMENTS

There was no change to the Company's bye-laws during the year. The Company's bye-laws is available on the websites of the Company and the Exchange.

This report was approved by the Board on 26 March 2019 and signed on its behalf by:

Lei Hong Wai
Chairman

憲章文件

年內，本公司之公司細則概無變動。本公司之公司細則登載於本公司及聯交所之網站。

本報告於二零一九年三月二十六日獲董事會批准，並由以下人士代表簽署：

主席
李雄偉

SCOPE AND REPORTING PERIOD

This report contains information and data on the environmental, social and governance performance of the Group during the year ended 31 December 2018.

This report has been prepared with reference to the Environmental, Social and Governance Reporting Guide as set in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Group is principally engaged in sale of financial assets, property investment, money lending, and design and sale of jewelry products. The design and sale of jewelry products business does not involve manufacturing of jewelry products. The manufacturing of the jewelry products is outsourced to subcontractors, who are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

ENVIRONMENTAL

Environmental Policy

The Group recognises that it has a responsibility to manage the impact of its business on the environment both now and in the future. The Group will use its best endeavours to conduct its operations in a manner that is environmentally responsible and sustainable.

The Group commits to:

- (a) meet or exceed all legal and regulatory requirements for environmental protection;
- (b) maintain awareness within the Group of the responsibility of the Group and its employees to ensure protection of the environment;
- (c) reuse, recycle and responsibly dispose of all electronic waste; and
- (d) purchase environmental preferable products and favoring products with reputable certifications or labels.

範圍及報告期

本報告載有本集團截至二零一八年十二月三十一日止年度之環境、社會及管治表現資料及數據。

本報告乃參考香港聯合交易所有限公司證券上市規則(「上市規則」)附錄二十七所載之環境、社會及管治報告指引而編製。

本集團主要從事銷售金融資產、物業投資、借貸，以及設計及銷售珠寶產品。設計及銷售珠寶產品業務不涉及製造珠寶產品。製造珠寶產品外判予獨立於本公司及其關聯人士(定義請見上市規則)之第三方分包商。

環境

環境政策

本集團意識到有責任管理其業務對環境目前及未來之影響。本集團將竭盡所能以環保及可持續之方式進行其業務。

本集團致力於：

- (a) 達致或高於環境保護之所有法律及監管要求；
- (b) 保持本集團及其僱員對其確保環境保護責任的意識；
- (c) 重複使用、循環再用及負責任地棄置所有電子廢料；及
- (d) 購買環保優選產品，並偏好具有良好認證或標籤之產品。



ENVIRONMENTAL (Continued)

Use of Resources, the Environment and Natural Resources

As the Group is principally engaged in sale of financial assets, property investment, money lending, and design and sale of jewelry products, the Group requires limited natural resources to operate and does not produce any hazardous or non-hazardous wastes. Therefore, the Group has a relatively low environmental impact.

Emissions

The Group's direct environmental impact comes from its office premises, air travel and fuel consumed by owned motor vehicles. The Group continuously seeks ways to minimise the Group's environmental footprint and improve its energy saving, as well as reducing emissions.

環境(續)

資源、環境及天然資源之使用

由於本集團主要從事銷售金融資產、物業投資、借貸，以及設計及銷售珠寶產品，本集團經營之業務所需之天然資源有限，且不產生任何有害或無害之廢料。因此，本集團對環境造成之影響較少。

排放物

本集團之直接環境影響來自其辦公室物業、航空差旅及擁有汽車所消耗之燃油。本集團不斷尋求方法減低本集團之生態足印及改善其節能，以及減少排放物。

For the year ended
31 December
截至十二月三十一日止年度
2018 2017
二零一八年 二零一七年
CO₂ emissions in kg
以公斤計算之二氧化碳排放量

Source of greenhouse gas emissions	溫室氣體排放物來源		
— electricity (office premises)	— 電力(辦公室物業)	65,874	46,451
— air travel	— 航空差旅	82,302	73,820
— fuel consumed by owned motor vehicles	— 擁有汽車所消耗之燃油	90,775	24,424
Total	總計	238,951	144,695

The following measures are taken by the Group to reduce emissions:

- (a) Communicating the importance of environmental issues to the Group's employees.
- (b) Purchasing environmental preferable products and favoring products with reputable certifications or labels.
- (c) Encouraging the use of public transportation to reduce the Group's employees' local travel impact.

本集團採取以下措施以減少排放物：

- (a) 向本集團僱員傳達環境議題之重要性。
- (b) 購買環保優選產品，並偏好具有良好認證或標籤之產品。
- (c) 鼓勵使用公共交通工具，以減少本集團僱員於當地差旅之影響。

SOCIAL

Employment and Labour Practices

Employment and Remuneration

The Group has a strong commitment to ensure that all its employees are treated fairly and that the Group provides equal opportunity both to existing employees and in its recruitment process. Merit is the primary basis for employment with the Group. All employees and applicants for employment should be treated and evaluated according to their job related skills, qualifications, abilities and aptitudes only.

The Group is committed to ensure that no employees or applicants are subjected to unlawful discrimination, either directly or indirectly, on grounds of a protected characteristic. This commitment applies to all aspects of employment, including recruitment and selection, training, promotion and career development opportunities, terms and conditions of employment, grievance handling and the application of disciplinary procedures, and selection for redundancy.

The Group seeks to consider employees from a wide range of backgrounds in its recruitment processes, and the Group does not tolerate any form of harassment or discrimination of employees with regards to race, gender, age, disability, sexual orientation or religion. Active harassment and discrimination in the workplace in any form is unacceptable. The Group regards any actions by an employee that constitute harassment or discrimination as serious misconduct.

The Group has developed and implemented a competitive remuneration structure which is key for the Group to attract, motivate and retain the best talent. In addition to basic salaries, the Mandatory Provident Fund and discretionary bonus, staff benefits include medical scheme and share options. The Group continually reviews its remuneration structure to ensure it remains attractive and competitive.

The Group has remained diverse, with 40% (2017: 44%) of its employees being women. The Group also employs a broad age range, with 19% (2017: 24%) of its employees under 30 years old and 14% (2017: 15%) above 50 years old.

社會

僱傭及勞工慣例

僱傭及薪酬

本集團堅決致力於確保其所有僱員獲公平待遇，而本集團向其現有僱員及於招聘過程中提供平等機會。僱用之主要基準為對本集團之好處。所有僱員及求職者應僅根據彼等之工作相關技能、資格、能力及才能而獲對待及評估。

本集團致力於確保概無僱員或求職者因受保障特徵而直接或間接遭受非法歧視。該承諾適用於僱傭之所有方面，包括招聘及甄選、培訓、晉升及職業發展機會、僱傭條款及條件、申訴處理及施行紀律程序及選擇裁員。

本集團務求於其招聘過程中考慮僱員多方面之背景，本集團不容許對僱員有任何有關種族、性別、年齡、殘疾、性取向或宗教之騷擾或歧視行為。於工作場所之任何激烈騷擾或歧視行為均不能接受。本集團視對僱員作出之任何構成騷擾或歧視之行動為嚴重不當行為。

本集團已制定並實施有競爭力之薪酬架構，此乃本集團吸引、激勵及保留最佳人才之關鍵。除基本薪金、強制性公積金及酌情花紅外，僱員福利包括醫療計劃及購股權。本集團不斷審查其薪酬架構，以確保其維持吸引力與競爭力。

本集團保持多元化，其中40%（二零一七年：44%）之僱員為女性。本集團亦僱用廣泛之年齡層，其中19%（二零一七年：24%）之僱員為年齡30歲以下，而14%（二零一七年：15%）之僱員為年齡50歲以上。



SOCIAL (Continued)

Employment and Labour Practices (Continued)

Health and Safety

The Group is committed to the health and safety of all employees. The Group will work to eliminate hazardous practices and behaviour, which could cause accidents, injuries or illness to employees, visitors and the general public. The Group strives to have injury free workplaces. The primary goal is to assist in providing a safe and healthy workplace environment for the Group's employees and visitors.

The objectives of the Group in ensuring health and safety are to:

- (a) comply with all relevant statutory obligations;
- (b) provide adequate resources to establish and maintain safe systems of work;
- (c) maintain health and safety competency and integrate health and safety requirements in all aspects of business;
- (d) ensure all incidents are reported and thoroughly investigated with a view to preventing a similar injury occurring; and
- (e) promote a positive health and safety culture that is based on the principle that all incidents can be prevented.

All managers and contractors are accountable for health and safety performance in their areas. All employees are required to follow rules for safe and healthy operations, report hazards to their managers and must always report any injuries that occur to either themselves or others.

During the year, there was no reportable hazardous incident (2017: Nil).

社會(續)

僱傭及勞工慣例(續)

健康及安全

本集團致力於所有僱員之健康安全為己任。本集團將努力消除可能造成僱員、訪客及公眾事故、傷害或疾病之危險做法及行為。本集團力保無傷害工作場所。主要目標是協助為本集團僱員及訪客提供一個安全及健康之工作環境。

本集團確保健康及安全之目標為：

- (a) 遵守所有相關法定義務；
- (b) 提供充足資源，以建立及維持工作之安全系統；
- (c) 保持健康及安全能力，並在業務之所有方面納入健康及安全要求；
- (d) 確保所有事故得以報告並徹底調查以防止類似之傷害發生；及
- (e) 基於可防止所有事故之原則，促進積極之健康及安全文化。

所有經理及承包商均對彼等所在地區之健康及安全表現負責。所有僱員均須遵守安全及健康操作之規則，向其經理報告危險，並須經常報告自身或他人發生之任何傷害。

年內，概無可匯報之危險事件(二零一七年：無)。

SOCIAL (Continued)

Employment and Labour Practices (Continued)

Training and Development

The training and development of the Group's employees is key to employee retention, and ensuring that employees continue to have the skills and expertise that is core to the Group's sustainable business success and growth. Employees are encouraged to attend courses, seminars and workshops that are relevant to their jobs and the Group reimburses for related expenses in full. Employees of the Group also have the opportunity to be mentored by the directors, building one-to-one relationships to coach employees through their careers.

During the year, the Group paid staff training expenses amounting to HK\$136,000 (2017: HK\$7,000).

Labour Standards

The Group is committed to be an employer of choice. The Group values its employees and recognises their contribution towards achieving sustainable business success and growth for the Group and creating value for its stakeholders.

The Group does not tolerate unethical labour standards and complies with local labour legislations and minimum wage laws in the countries where it operates.

The labour standards of the Group are:

(a) Child labour

The Group shall not engage in or support the use of child labour.

(b) Forced and compulsory labour

The Group shall not engage in or support the use of forced or compulsory labour, or bonded or involuntary prison labour. Employees are free to leave upon reasonable notice.

社會(續)

僱傭及勞工慣例(續)

培訓及發展

本集團僱員之培訓及發展為僱員留任之關鍵，確保僱員持續擁有本集團可持續業務成功及增長之核心技能及專長。鼓勵僱員參加與其工作有關之課程、研討會及工作坊，以及本集團對相關費用全額報銷。本集團僱員亦有機會受到董事之指導，建立一對一之關係，通過彼等之事業成就指導僱員。

年內，本集團支付僱員培訓費用為136,000港元(二零一七年：7,000港元)。

勞工標準

本集團致力成為首選僱主。本集團重視僱員，認可彼等為實現本集團可持續業務之成功及增長所作出之貢獻，並為持份者創造價值。

本集團不容忍不道德之勞工標準，並且遵守其經營所在國家之當地勞工法及最低工資法。

本集團之勞工標準如下：

(a) 童工

本集團不得委聘或支持使用童工。

(b) 強迫及強制勞工

本集團不得委聘或支持使用強迫或強制勞工，或債役或非自願之監獄勞工。僱員可在合理通知後自由離職。



SOCIAL (Continued)

Employment and Labour Practices (Continued)

Labour Standards (Continued)

(c) Health and safety

The Group shall provide a safe and healthy workplace environment and shall take effective steps to prevent potential accidents and injuries to employees' health by minimising, so far as is reasonably practicable, and in co-operation with its employees, the causes of hazards inherent in the workplace.

(d) Freedom of association

The freedom of association is respected and the Group will comply with the relevant labour relations legislation in the countries where it operates.

(e) Discrimination

The Group shall not engage in or support any discriminatory practices in hiring, remuneration, access to training, promotion, termination or retirement based on race, gender, age, disability, sexual orientation, religion or other conditions that could give rise to discrimination.

(f) Working hours

The Group shall comply with applicable laws and industry standards on working hours and holiday entitlements. Overtime shall be voluntary and shall not be demanded on a regular basis.

(g) Remuneration

The Group shall comply with the local labour legislations and minimum wage laws in the countries where it operates. All work related activities are carried out on the basis of a recognised employment relationship established according to the local labour legislations.

During the year, no non-compliance of Hong Kong labour legislations or Mainland China's labour laws was reported or noted (2017: Nil).

社會(續)

僱傭及勞工慣例(續)

勞工標準(續)

(c) 健康及安全

本集團應提供一個安全及健康之工作環境，並應採取有效措施防止潛在意外，及通過在盡可能合理可行範圍內與僱員合作減少工作場所固有危險之發生而防止對僱員健康之傷害。

(d) 結社自由

尊重結社自由，及本集團將遵守其經營所在國家之相關勞動關係法。

(e) 歧視

本集團不得於僱用、薪酬、接受培訓、晉升、終止或退休方面參與或支持基於種族、性別、年齡、殘疾、性取向、宗教或其他可能導致歧視之條件之任何歧視做法。

(f) 工作時間

本集團應遵守有關工作時間及假期權利之適用法律及行業標準。加班乃自願性質，不得恒常要求。

(g) 薪酬

本集團應遵守其經營所在國家之當地勞動法及最低工資法。所有與工作有關之活動均於根據當地勞動法確定之認可僱用關係之基礎上進行。

年內，概無已匯報或已知悉不遵守香港勞工法例或中國內地勞工法例之情況(二零一七年：無)。

SOCIAL (Continued)

Operating Practices

Supplier Relations

The Group views its suppliers as partners who make an important contribution to the Group's sustainable business success and growth. Employees of the Group are expected to be honest and fair in all business interactions with suppliers, which include contractors, consultants and other agents.

The choice of suppliers of goods and services must be made based on the best value received by the Group. In addition, the Group believes in doing business with those suppliers who demonstrate high standards of ethical behavior. The Group will not knowingly engage suppliers who operate in violation of applicable laws or regulations, including local environmental, employment and safety laws.

All agreements with suppliers that are important for the conduct of the Group's business should be in writing and must specify the goods and services to be provided and the fees to be paid. Such agreements must be in line with reasonable competitive and market practices, and the relevant Group's policies and procedures.

Customer Relations

The Group believes that customers are vitally important to its sustainable business success and growth. Employees of the Group have a paramount duty to act with integrity, respect, diligence and competence in their dealings with the Group's customers.

To preserve its customer relationships:

- (a) the Group does not misrepresent its services or products in any sales or promotional efforts;
- (b) the Group communicates clearly so that customers understand the terms of the business relationships, including contracts, performance criteria, schedules, prices and responsibilities; and
- (c) the Group protects its customers' confidential information pursuant to contracts with its customers and all applicable privacy laws in the countries in which the Group operates.

社會(續)

營運慣例

供應商關係

本集團將供應商視為對本集團可持續業務之成功及增長作出重要貢獻之合作夥伴。本集團僱員應在與供應商(包括承包商、顧問及其他代理)之所有業務往來中誠實及公正。

貨物及服務供應商之選擇須基於本集團獲取最佳價值而作出。此外，本集團認為業務是與該等表現出較高道德行為標準之供應商開展。本集團不會故意委聘違反適用法律或法規(包括當地環境、僱傭及安全法律)之供應商。

與對本集團業務重要之供應商間之所有協議應以書面形式作出，並且必須指明提供之商品及服務以及應支付之費用。有關協議須符合合理競爭及市場慣例，以及相關本集團之政策及程序。

客戶關係

本集團相信客戶對其可持續業務之成功及增長非常重要。本集團僱員有責任在與本集團客戶之交易中以誠信、尊重、勤勉及能力行事。

為保持與其客戶之關係：

- (a) 本集團不會在任何銷售或促銷活動中虛報其服務或產品；
- (b) 本集團清楚地溝通，使客戶了解業務關係之條款，包括合同、業績標準、時間表、價格及責任；及
- (c) 本集團根據與其客戶之合同及本集團經營所在國家之所有適用私隱法律保護其客戶之機密資料。



SOCIAL (Continued)

Operating Practices (Continued)

Product and Service Responsibility

(a) Design and sale of jewelry products

The Group shall not make any untruthful, misleading or deceptive representation or make any material omission in selling or marketing of any jewelry products.

All supplies of raw materials used in the Group's jewelry products shall be acquired from legitimate sources which, to the best knowledge of the Group, have no involvement in funding conflicts. The Group prohibits knowingly buying or selling conflict precious stones or assisting others to do so.

The Group will not knowingly engage subcontractors who operate in violation of applicable laws or regulations, including local environmental, employment and safety laws.

(b) Money lending

In addition to compliance with the Money Lenders Ordinance, the Money Lenders Regulations and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, the Group strictly prohibits abusive, misleading or fraudulent lending practices. In providing money lending services to its customers, the Group adopts the following responsible lending practices:

- (i) The Group provides its customers with the information they need to make fully informed decisions about its money lending services.
- (ii) The Group prices its money lending services based on appropriate factors, including the risk and cost of extending loans, competition and marketplace strategy and conditions, and soundness consideration.
- (iii) The Group only approves applications where it believes the customer has the ability to repay the loan according to its terms.
- (iv) The Group provides timely responses to customers' questions and complaints, and takes prompt corrective action if it has made an error.

社會(續)

營運慣例(續)

產品及服務責任

(a) 設計及銷售珠寶產品

本集團不得在銷售或營銷任何珠寶產品時作出任何失實、誤導或欺詐性陳述或作出任何重大遺漏。

本集團之珠寶產品使用之所有原材料供應，均須從合法來源獲得，據本集團所知並無涉及資金衝突。本集團禁止故意或協助他人買賣衝突寶石。

本集團不會故意委聘違反適用法律或法規(包括當地環境、僱傭及安全法律)之分包商。

(b) 借貸

除遵守放債人條例、放債人規例及打擊洗錢及恐怖分子資金籌集條例外，本集團亦嚴格禁止濫用、誤導或欺詐性貸款行為。在向客戶提供借貸服務時，本集團採取以下負責任貸款行為：

- (i) 本集團向客戶提供彼等所需之資料，以便就其借貸服務作出充分知情決定。
- (ii) 本集團根據包括延長貸款之風險及成本、競爭與市場策略和市況、以及合理性考慮等合適因素，就其借貸服務作出定價。
- (iii) 本集團根據其條款僅批准其認為有能力償還貸款之客戶之申請。
- (iv) 本集團及時回應客戶之問題及投訴，倘發生錯誤，應及時採取糾正措施。

SOCIAL (Continued)

Operating Practices (Continued)

Personal Data Privacy

The Group will only collect personal data from its employees and customers ethically and lawfully. It also seeks to collect personal data in a fair manner, and in a way that is not unreasonably intrusive. If an employee is collecting personal data on behalf of the Group, he or she must inform the person involved of (i) the purpose for which personal data is collected and, unless consented by the person involved, the personal data collected cannot be used for any new or additional purpose, (ii) the personal data collected cannot be transferred to any third party unless required by law or upon informed consent from the person involved, and (iii) subject to the requirements of the Personal Data (Privacy) Ordinance, the person involved has the right to request access to and correct the personal data collected by the Group. Steps must be taken to ensure that the use of personal data is complying with the Personal Data (Privacy) Ordinance.

Employees must ensure that the confidentiality of personal data contained in the Group's records is strictly maintained.

During the year, no non-compliance of the Personal Data (Privacy) Ordinance was reported or noted (2017: Nil).

Anti-corruption and Ethics

The Group commits to maintain confidence in the integrity of the Company. All directors and employees are responsible for the Company achieving the highest levels of business and accountable for acting in line with the policies and standards outlined in the Group's Code of Business Conduct and Ethics, which serves to (i) emphasise the Company's commitment to ethics and compliance with the letter and the spirit of all laws and regulations, and (ii) set forth the basic standards of ethical and legal behavior. The Group's Code of Business Conduct and Ethics clearly states that:

- (a) All directors and employees are prohibited from soliciting, accepting or offering any bribe in conducting the Group's business or affairs, whether in Hong Kong or elsewhere.

社會(續)

營運慣例(續)

個人資料私隱

本集團將僅以符合道德及合法之方式向其僱員及客戶收集個人資料。其亦致力以公平及並非不合理侵擾之方式收集個人資料。倘一名僱員代表本集團收集個人資料，彼必須知會涉及人士 (i) 收集個人資料之用途，且除非獲所涉及人士同意，所收集之個人資料不得用於任何新或其他用途，(ii) 除非法律規定或獲得所涉及人士之知情同意，否則所收集之個人資料不得轉讓予任何第三方，及 (iii) 在個人資料(私隱)條例規限下，所涉及人士有權要求取得及更正本集團收集之個人資料。本集團必須採取步驟以確保使用個人資料符合個人資料(私隱)條例。

僱員必須確保嚴格保密本集團記錄所載之個人資料。

年內，概無已匯報或已知悉不遵守個人資料(私隱)條例之情況(二零一七年：無)。

反貪污和道德

本集團致力維持對本公司誠信之信心。全體董事及僱員均對本公司達致最高水平之業務負責，並負責以與本集團商業操守及道德守則所載之政策及標準一致之方式行事，該守則(i) 強調本公司之道德承擔及遵守函件及所有法律及法規之精神，及(ii) 載列道德及法律行為之基本標準。本集團之商業操守及道德守則清楚述明：

- (a) 全體董事及僱員於進行本集團業務或事務期間不得在香港或任何其他地方招攬、接納或提供任何賄賂。



SOCIAL (Continued)

Operating Practices (Continued)

Anti-corruption and Ethics (Continued)

- (b) All directors and employees should not engage in activities or hold or trade assets that involve, or could appear to involve, a conflict between their personal interests and the interests of the Group.
- (c) No gift or entertainment should ever be offered or accepted by a director, an employee or any family member of a director or an employee unless it (i) is consistent with customary business practices, (ii) is not excessive in value, (iii) cannot be construed as a bribe or payoff, and (iv) does not violate any laws or regulations.
- (d) Directors and employees are advised not to engage in frequent gambling activities, e.g. mahjong, with persons having business dealings with the Group.
- (e) Directors and employees should not accept any loan from, or through the assistance of, any individual or organisation having business dealings with the Group. There is however no restriction on borrowing from licensed banks or financial institutions.
- (f) Directors and employees are required to protect proprietary, commercial and other information that is confidential to the Group. These obligations of confidentiality continue after an individual's employment has ceased with the Group.

During the year, no instance of non-compliance relating to bribery, extortion or fraud was reported or noted (2017: Nil).

社會(續)

營運慣例(續)

反貪污和道德(續)

- (b) 全體董事及僱員不得參與或持有或買賣涉及或可被視為涉及彼等之個人利益與本集團利益有衝突之活動或資產。
- (c) 概無董事或僱員，或董事或僱員之任何家族成員應獲提供或接受饋贈或款待，除非饋贈或款待(i)與傳統業務慣例一致；(ii)並無巨額價值；(iii)不可詮釋為賄賂或報酬；及(iv)並無違反任何法例或法規。
- (d) 建議董事及僱員不應與本集團有業務交易之人士進行任何經常性賭博活動，例如麻將。
- (e) 董事或僱員不應接受來自或透過與本集團有業務交易之個人或組織之協助所得之任何貸款。然而，自持牌銀行或金融機構取得借貸概無限制。
- (f) 董事及僱員須保障對本集團而言屬機密資料之所有權、商業及其他資料。該等保密責任在個人與本集團之僱傭關係終止後持有。

年內，概無已匯報或已知悉有關賄賂、勒索或欺詐之不合規情況(二零一七年：無)。

SOCIAL (Continued)

Community, Business Conduct and Ethics

While the Group is accountable to its key stakeholders, the Group also takes into account of the communities in which it operates. The Group commits to make a positive impact on its neighbourhoods by being a good neighbour to the communities. In view of the current Hong Kong's political and economic landscape, the directors believe that compliance with law, integrity and fair dealing are the prime interests of the communities. As such, the Group is committed to make the communities in which it operates, better places to do business by managing its business in compliance with all applicable laws and regulations of the countries in which it operates and in accordance with the highest level of business ethics and personal integrity in all types of transactions and interactions.

The Company Secretary has been designated by the board of directors to monitor changes and developments in the regulatory environment and ensure that sufficient resources being made available to implement any required changes. The Company Secretary is responsible for ensuring the Group complying with all applicable laws and regulations of the countries in which it operates.

All directors and employees are responsible for the Company achieving the highest levels of business and accountable for acting in line with the policies and standards outlined in the Group's Code of Business Conduct and Ethics. They are required to comply with the Code of Business Conduct and Ethics, which serves to (i) emphasise the Company's commitment to ethics and compliance with the letter and the spirit of all laws and regulations, (ii) set forth the basic standards of ethical and legal behavior, (iii) provide a mechanism for reporting instances non-compliance, and (iv) help prevent and detect wrongdoing.

During the year, no non-compliance of the laws and regulations in Hong Kong or the Code of Business Conduct and Ethics was reported or noted (2017: Nil).

社會(續)

社區、商業操守及道德

本集團對其主要持份者負責，同時，本集團亦慮及其營運所在之社區。本集團致力作為良好之社區鄰里，為毗鄰帶來正面影響。鑑於現時香港之政治及經濟狀況，董事相信遵守法律、誠信及公平交易符合社區的最佳利益。因此，本集團務求以遵守其營運所在國家之所有適用法律及法規，以及根據所有交易類別及互動之商業道德及個人誠信最高水平管理其業務，使其營運所在社區成為進行業務之更佳場所。

公司秘書已獲董事會委派以監察規管環境之變動及發展，並確保已提供充足資源以執行任何規定變動。公司秘書負責確保本集團遵守其營運所在國家之所有適用法律及法規。

全體董事及僱員均對本公司達致最高水平之業務負責，並負責以與本集團商業操守及道德守則所載之政策及標準一致方式行事。彼等須遵守商業操守與道德守則，該守則(i)強調本公司之道德承擔及遵守函件及所有法律及法規之精神；(ii)載列道德及法律行為之基本標準；(iii)提供匯報不遵守情況之機制；及(iv)有助防止及發現不正當行為。

年內，概無已匯報或已知悉不遵守香港法律及法規或商業操守與道德守則之情況(二零一七年：無)。

Environmental, Social And Governance Report

環境、社會及管治報告



COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

During the year, the Board was not aware of any non-compliance of the environmental laws and regulations that have a significant impact on the Group.

This report was approved by the Board on 26 March 2019 and signed on its behalf by:

Lei Hong Wai
Chairman

遵守環保法律及法規

年內，董事會並不知悉任何對本集團有重大影響的違反環保法律及法規之情況。

本報告於二零一九年三月二十六日獲董事會批准，並由以下人士代表簽署：

主席
李雄偉

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries and associates are set out in notes 46 and 24 respectively to the consolidated financial statements. There were no significant changes to the Group's principal activities during the year.

BUSINESS REVIEW

A fair review of the Group's business, comprising an analysis using financial key performance indicators, a description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year, if any, and an indication of likely future developments in the Group's business can be found in the Management Discussion and Analysis on pages 8 to 46 of the annual report.

A discussion on the Group's environmental policies and performance and the Group's compliance with the relevant laws and regulations that have a significant impact on the Group, and an account of the Group's relationships with its key stakeholders that have a significant impact on the Group and on which the Group's success depends can be found in the Environmental, Social and Governance Report on pages 65 to 76 of the annual report.

The Management Discussion and Analysis, and the Environmental, Social and Governance Report form part of this report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2018 and the Group's financial position at that date are set out in the Group's consolidated financial statements on pages 107 to 279 of the annual report.

The directors do not recommend the payment of a dividend for the year ended 31 December 2018.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 280 of the annual report.

董事謹此呈報截至二零一八年十二月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司為投資控股公司。其附屬公司及聯營公司之主要業務分別載於綜合財務報表附註46及24。年內本集團主要業務並無重大變動。

業務回顧

本集團業務之中肯審視，其中包括使用財務主要表現指標、本集團所面對主要風險及不明因素之說明、自財務年度末以來已發生影響本集團之重要事項(如有)之詳情及本集團業務之可能未來發展之指示，可參閱於年報第8至46頁之管理層討論及分析。

有關本集團環境政策及表現及本集團遵守對本集團有重大影響之相關法律及法規合規情況以及對本集團之成功有重大影響之本集團與其重要持份者之關係之討論，可參閱於年報第65至76頁之環境、社會及管治報告。

管理層討論及分析以及環境、社會及管治報告為本報告之一部分。

業績及股息

本集團截至二零一八年十二月三十一日止年度之業績及本集團於該日期之財務狀況載於年報第107至279頁之本集團之綜合財務報表。

董事不建議派發截至二零一八年十二月三十一日止年度之股息。

五年財務概要

本集團最近五個財政年度之業績與資產及負債概要載於年報第280頁。

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 32 to the consolidated financial statements.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES

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

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders at 31 December 2018 amounted to HK\$447,033,000 (2017: HK\$449,400,000).

DIRECTORS

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

Executive directors:

Mr. Lei Hong Wai
(Chairman and Chief Executive Officer)
Mr. Cheung Kwok Wai Elton
Mr. Chan Kin Wah Billy
Mr. Cheung Kwok Fan

Independent non-executive directors:

Mr. Wan Shing Chi
Mr. Ng Heung Yan
Mr. Wong Tak Chuen

In accordance with the provisions of the Company's bye-laws, Mr. Cheung Kwok Fan, Mr. Ng Heung Yan, and Mr. Wong Tak Chuen will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

股本

本公司股本於年內之變動詳情載於綜合財務報表附註32。

購買、贖回或出售本公司之上市證券

年內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

本公司之可分派儲備

本公司於二零一八年十二月三十一日可供分派予股東之儲備為447,033,000港元(二零一七年：449,400,000港元)。

董事

年內及截至本報告日期，本公司董事如下：

執行董事：

李雄偉先生
(主席兼行政總裁)
張國偉先生
陳健華先生
張國勳先生

獨立非執行董事：

尹成志先生
吳向仁先生
黃德銓先生

根據本公司之公司細則條文，張國勳先生、吳向仁先生及黃德銓先生將於應屆股東週年大會上輪值退任，並符合資格且願意膺選連任。

DIRECTORS (Continued)

The directors of the Company's subsidiaries included in the consolidated financial statements (other than those listed above) were:

Mr. Guan Jialin
Ms. Han Fang
Mr. Yuan Huixia
Ms. Wong Siu Yan
Mr. Xie Zhaobin (*ceased to be a director on 22 June 2018 due to the disposal of the subsidiaries*)

Biographical information of the directors of the Company are set out on pages 93 to 95 of the annual report.

DIRECTORS' SERVICE CONTRACTS

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

PERMITTED INDEMNITY PROVISION

Pursuant to Bye-law 166(1) of the Company's by-laws, the directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of them. Such permitted indemnity provision is currently in force and was in force throughout the year.

The Company has also taken out and maintained directors' and officers' liability insurance policy throughout the year, which indemnifies against costs, charges, losses, expenses and liabilities that may be incurred by the directors in the execution and discharge of their duties.

董事(續)

計入綜合財務報表本公司之附屬公司之董事(上文所列示者除外)包括:

關家麟先生
韓芳女士
袁輝霞先生
王少茵女士
謝肇斌先生(由於出售該等附屬公司而自二零一八年六月二十二日起不再擔任董事)

本公司之董事履歷資料載於年報第93至95頁。

董事之服務合約

擬於應屆股東週年大會上膺選連任之董事概無訂有本集團於一年內不付賠償(法定賠償除外)則不可終止之服務合約。

允許賠償條文

根據本公司之公司細則第166(1)條,董事可從本公司之資產及溢利獲得彌償,董事或任何董事就彼等各自之職務或信託執行其職責或假定職責時因所作出、發生或遺漏的任何行動而所招致或蒙受所有訴訟、成本、費用、損失、損害及開支,可獲確保免就此受任何損害,惟此彌償不得伸延至彼等任何人士可能被冠以之任何欺詐或不誠實事宜。有關允許賠償條文現為有效並於整年內有效。

本公司於整年內已購買及維持董事及高級職員責任保險,為董事於執行及履行其職務時可能產生之成本、費用、損失、開支及負債提供彌償。

CHANGES IN INFORMATION OF DIRECTORS

The changes in information of directors as required to be disclosed pursuant to Rule 13.51B of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Exchange**”) are set out below:

- (a) on 3 April 2018, Mr. Lei Hong Wai, the Chairman of the Board and an executive director, resigned as the chairman of the board of directors, an executive director, an authorised representative, and a member of the remuneration committee and the nomination committee of Man Sang International Limited, a company listed on the Main Board of the Exchange under stock code: 938;
- (b) on 3 April 2018, Mr. Cheung Kwok Wai Elton, an executive director, resigned as an executive director of Man Sang International Limited; and
- (c) on 5 November 2018, Mr. Wong Tak Chuen, an independent non-executive director, resigned as an independent non-executive director, the chairman of the audit committee, and a member of the remuneration committee and the nomination committee of Man Sang International Limited.

董事資料之變動

根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第13.51B條須予披露之董事資料之變動載列如下：

- (a) 於二零一八年四月三日，主席兼執行董事李雄偉先生已辭任民生國際有限公司(一間於聯交所主板上市之公司，股份代號：938)董事會主席、執行董事、授權代表、薪酬委員會及提名委員會成員；
- (b) 於二零一八年四月三日，執行董事張國偉先生已辭任民生國際有限公司執行董事；及
- (c) 於二零一八年十一月五日，獨立非執行董事黃德銓先生已辭任民生國際有限公司獨立非執行董事、審核委員會主席以及薪酬委員會及提名委員會成員。

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

董事及主要行政人員於股份、相關股份及債券之權益

At 31 December 2018, the interests of the directors and the chief executive and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and the Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

於二零一八年十二月三十一日，按本公司根據證券及期貨條例第352條存置之登記冊所記錄，或按本公司及聯交所根據上市發行人董事進行證券交易的標準守則所獲通知，本公司董事及主要行政人員及彼等之聯繫人士於本公司及其相聯法團之股份、相關股份及債券中擁有之權益如下：

Long positions

好倉

(a) Ordinary shares of HK\$0.01 each of the Company

(a) 本公司每股面值0.01港元之普通股

Number of ordinary shares held and capacity 持有之普通股數目及身份

Name of director 董事姓名	Notes 附註	Beneficial owner 實益擁有人	Held by controlled corporations 受控制公司之權益	Total 總計	Percentage of the share capital of the Company 佔本公司股本百分比
Mr. Lei Hong Wai 李雄偉先生	1 and 2 1及2	357,580,000	583,832,803	941,412,803	24.65%
Mr. Cheung Kwok Wai Elton 張國偉先生	1 and 2 1及2	—	583,832,803	583,832,803	15.29%
Mr. Cheung Kwok Fan 張國勳先生	1 and 2 1及2	—	583,832,803	583,832,803	15.29%
Mr. Chan Kin Wah Billy 陳健華先生		6,319,500	—	6,319,500	0.17%

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

Long positions (Continued)

- (a) Ordinary shares of HK\$0.01 each of the Company (Continued)

Notes:

1. Twin Success International Limited ("Twin Success") beneficially owns 583,832,803 ordinary shares of the Company.

Twin Success is owned as to 50% by Silver Pacific International Limited and as to 50% by Silver Pacific Development Limited. Silver Pacific International Limited is wholly owned by Mr. Lei Hong Wai. Silver Pacific Development Limited is owned as to 50% by Mr. Cheung Kwok Wai Elton and as to 50% by Mr. Cheung Kwok Fan.

2. On 5 June 2018, Twin Success pledged its 583,832,803 ordinary shares of the Company in favour of Kingston Finance Limited as security for a loan facility.

- (b) Share options of the Company

Name of director 董事姓名	Capacity 身份	Number of share options held 持有之購股權數目	Number of underlying shares 相關股份數目
Mr. Lei Hong Wai 李雄偉先生	Beneficial owner 實益擁有人	3,800,000	3,800,000
Mr. Cheung Kwok Wai Elton 張國偉先生	Beneficial owner 實益擁有人	3,800,000	3,800,000
Mr. Cheung Kwok Fan 張國勳先生	Beneficial owner 實益擁有人	3,800,000	3,800,000
Mr. Chan Kin Wah Billy 陳健華先生	Beneficial owner 實益擁有人	38,190,000	38,190,000

Other than as disclosed above, none of the directors, chief executive nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations at 31 December 2018.

董事及主要行政人員於股份、相關股份及債券之權益(續)

好倉(續)

- (a) 本公司每股面值0.01港元之普通股(續)

附註：

1. Twin Success International Limited (「Twin Success」)實益擁有583,832,803股本公司普通股股份。

Twin Success分別由Silver Pacific International Limited擁有50%權益及Silver Pacific Development Limited擁有50%權益。Silver Pacific International Limited由李雄偉先生全資擁有。Silver Pacific Development Limited分別由張國偉先生擁有50%權益及張國勳先生擁有50%權益。

2. 於二零一八年六月五日，Twin Success已以金利豐財務有限公司為受益人質押其583,832,803股本公司普通股股份，作為一項貸款融資之抵押。

- (b) 本公司購股權

除上文所披露者外，於二零一八年十二月三十一日，概無董事、主要行政人員及彼等之聯繫人士於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。

SHARE OPTIONS

Particulars of the Company's share option schemes are set out in note 44 to the consolidated financial statements.

The following table discloses movements in the Company's share options during the year:

	Share options type 購股權類別	Outstanding at	Granted during the year 於年內授出	Exercised during the year 於年內行使	Cancelled during the year 於年內註銷	Lapsed during the year 於年內失效	Outstanding at
		1 January 2018 於二零一八年一月一日 尚未行使					31 December 2018 於二零一八年十二月三十一日 尚未行使
Directors and chief executive 董事及主要行政人員							
Mr. Lei Hong Wai 李雄偉先生	2017	32,150,000	—	—	—	(32,150,000)	—
	2018	—	3,800,000	—	—	—	3,800,000
		32,150,000	3,800,000	—	—	(32,150,000)	3,800,000
Mr. Cheung Kwok Wai Elton 張國偉先生	2017	32,160,000	—	—	—	(32,160,000)	—
	2018	—	3,800,000	—	—	—	3,800,000
		32,160,000	3,800,000	—	—	(32,160,000)	3,800,000
Mr. Cheung Kwok Fan 張國勳先生	2017	32,160,000	—	—	—	(32,160,000)	—
	2018	—	3,800,000	—	—	—	3,800,000
		32,160,000	3,800,000	—	—	(32,160,000)	3,800,000
Mr. Chan Kin Wah Billy 陳健華先生	2017	32,150,000	—	—	—	(32,150,000)	—
	2018	—	38,190,000	—	—	—	38,190,000
		32,150,000	38,190,000	—	—	(32,150,000)	38,190,000
Total directors and chief executive 董事及主要行政人員合計		128,620,000	49,590,000	—	—	(128,620,000)	49,590,000
Employees and consultants 僱員及顧問	2017	192,980,000	—	—	—	(192,980,000)	—
	2018	—	267,330,000	—	—	—	267,330,000
Total employees and consultants 僱員及顧問合計		192,980,000	267,330,000	—	—	(192,980,000)	267,330,000
Total 總計		321,600,000	316,920,000	—	—	(321,600,000)	316,920,000

The closing price of the Company's shares immediately before 27 April 2018, the date of grant of the 2018 share options, was HK\$0.185.

購股權

本公司購股權計劃詳情載於綜合財務報表附註44。

下表披露本公司於年內之購股權變動：

本公司股份緊接二零一八年四月二十七日(二零一八年購股權之授出日期)之前之收市價為0.185港元。

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed in the section headed "SHARE OPTIONS", at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body.

EQUITY-LINKED AGREEMENTS

Other than the share option scheme of the Company as disclosed in the section headed "SHARE OPTIONS" above and in note 44 to the consolidated financial statements, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

- (a) On 11 July 2018, a cash advance of HK\$60,000,000 was made by Twin Success, which is beneficially owned as to 50% by Mr. Lei Hong Wai, as to 25% by Mr. Cheung Kwok Wai Elton, and as to 25% by Mr. Cheung Kwok Fan, to the Group for financing its short-term funding needs. The cash advance was non-interest bearing and unsecured. On 6 August 2018, the Group repaid the cash advance to Twin Success.
- (b) On 19 July 2018, Twin Success made a cash advance of HK\$48,000,000 to the Group for financing its short-term funding needs. The cash advance was non-interest bearing and unsecured. On 24 July 2018, the Group repaid the cash advance to Twin Success.
- (c) On 19 October 2018, Twin Success made a cash advance of HK\$25,000,000 to the Group for financing its short-term funding needs. The cash advance was non-interest bearing and unsecured. On 5 December 2018, the Group repaid the cash advance to Twin Success.

收購股份或債券之安排

除「購股權」一節所披露者外，年內本公司或其任何附屬公司概無訂立任何安排，使董事可以收購本公司或任何其他機構的股份或債券的方式獲益。

股票掛鈎協議

除上文「購股權」一節及綜合財務報表附註44所披露本公司之購股權計劃外，本公司概無於年內訂立或於年終存續任何股票掛鈎協議將會或可導致本公司發行股份，或規定本公司訂立任何協議將會或可導致本公司發行股份。

董事於重大交易、安排或合約之權益

- (a) 於二零一八年七月十一日，Twin Success (其由李雄偉先生、張國偉先生及張國勳先生分別實益擁有50%、25%及25%權益)就本集團之短期資金需要提供資金而向其作出60,000,000港元現金墊款。現金墊款為免息及無抵押。於二零一八年八月六日，本集團已向Twin Success償還現金墊款。
- (b) 於二零一八年七月十九日，Twin Success就本集團之短期資金需要提供資金而向其作出48,000,000港元現金墊款。現金墊款為免息及無抵押。於二零一八年七月二十四日，本集團已向Twin Success償還現金墊款。
- (c) 於二零一八年十月十九日，Twin Success就本集團之短期資金需要提供資金而向其作出25,000,000港元現金墊款。現金墊款為免息及無抵押。於二零一八年十二月五日，本集團已向Twin Success償還現金墊款。

**DIRECTORS' INTERESTS IN
TRANSACTIONS, ARRANGEMENTS OR
CONTRACTS OF SIGNIFICANCE** (Continued)

(d) On 14 November 2018, Mr. Lei Hong Wai made a cash advance of HK\$10,000,000 to the Group for financing its short-term funding needs. The cash advance was non-interest bearing and unsecured. On 5 December 2018, the Group repaid the cash advance to Mr. Lei Hong Wai.

(e) On 29 November 2018, Mr. Lei Hong Wai provided a personal guarantee to secure the Company's repayment obligations under a loan of HK\$200,000,000 granted by a finance company. No consideration is paid by the Company to Mr. Lei Hong Wai for the provision of personal guarantee. No security over the assets of the Group was provided for the personal guarantee given by Mr. Lei Hong Wai.

At 31 December 2018, the provision of personal guarantee by Mr. Lei Hong Wai remains in full force and effect.

(f) On 24 December 2018, Mr. Lei Hong Wai made a cash advance of HK\$50,000,000 to the Group for financing its short-term funding needs. The cash advance was non-interest bearing and unsecured. On 4 January 2019, the Group repaid the cash advance to Mr. Lei Hong Wai.

At 31 December 2018, the outstanding balance of the cash advance is HK\$50,000,000.

Other than as disclosed above, no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party and in which a director or a connected entity of a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

**董事於重大交易、安排或合約之權益
(續)**

(d) 於二零一八年十一月十四日，李雄偉先生就本集團之短期資金需要提供資金而向其作出10,000,000港元現金墊款。現金墊款為免息及無抵押。於二零一八年十二月五日，本集團已向李雄偉先生償還現金墊款。

(e) 於二零一八年十一月二十九日，李雄偉先生提供個人擔保，以作為本公司於一間財務公司授予本公司200,000,000港元貸款下還款責任之抵押。本公司概無就李雄偉先生提供個人擔保支付代價，亦概無就李雄偉先生提供之個人擔保提供本集團資產作為抵押。

於二零一八年十二月三十一日，李雄偉先生提供之個人擔保維持十足效力及作用。

(f) 於二零一八年十二月二十四日，李雄偉先生就本集團之短期資金需要提供資金而向其作出50,000,000港元現金墊款。現金墊款為免息及無抵押。於二零一九年一月四日，本集團已向李雄偉先生償還現金墊款。

於二零一八年十二月三十一日，現金墊款之未償付結餘為50,000,000港元。

除上文所披露者外，於年終或年內任何時間，概無本公司或其任何附屬公司訂立而本公司董事或董事之關連實體直接或間接於其中擁有重大權益之重大交易、安排或合約仍然生效。

CONNECTED TRANSACTIONS

On 20 August 2018, 北京北湖九號商務酒店有限公司 (Beijing Bayhood No. 9 Business Hotel Company Limited, “**Bayhood No. 9 Co.**”), a wholly-owned subsidiary of the Company, as lender entered into the loan agreement between Mr. Guan Jialin, a director of certain subsidiaries of the Company, as borrower and Ms. Hao Yuhui, the spouse of Mr. Guan Jialin, as guarantor in relation to the granting of a loan in the principal amount of RMB25,000,000 (equivalent to HK\$28,532,000) for a term of 24 months commencing from 24 August 2018. The loan is interest bearing at 9% per annum, secured by a real estate mortgage over a residential property located in Beijing, Mainland China (the “**Property**”) owned by Ms. Hao Yuhui, and maturing on 23 August 2020. The terms of the loan agreement were negotiated on an arm's length basis between Bayhood No. 9 Co. and Mr. Guan Jialin with reference to terms and conditions of the loan agreements entered into between the Group and its money lending customers.

On 20 September 2018, Bayhood No. 9 Co., Mr. Guan Jialin, and Ms. Hao Yuhui entered into a supplemental agreement relating to the amendment of the condition precedent of the loan agreement dated 20 August 2018. Pursuant to which, the loan agreement is conditional upon the real estate mortgage over the Property having been duly registered with 北京市順義區房屋管理局 (Real Estate Bureau of Beijing Shunyi District, the “**Real Estate Bureau**”) by Mr. Yuan Huixia (as an agent of Bayhood No. 9 Co.) and Ms. Hao Yuhui. Mr. Yuan Huixia is a director and the legal representative of a wholly-owned subsidiary of the Company.

Concurrently, on 20 September 2018, Mr. Yuan Huixia executed an irrevocable undertaking in favour of Bayhood No. 9 Co., pursuant to which:

- (a) Mr. Yuan Huixia shall, on behalf of Bayhood No. 9 Co. and together with Ms. Hao Yuhui, register the real estate mortgage over the Property with the Real Estate Bureau;
- (b) in the event that Mr. Guan Jialin does not repay the loan in accordance with the loan agreement, Mr. Yuan Huixia shall sell the Property on the instruction of Bayhood No. 9 Co. and transfer the proceeds in full to Bayhood No. 9 Co.;

關連交易

於二零一八年八月二十日，本公司之全資附屬公司北京北湖九號商務酒店有限公司(「北湖9號公司」)(作為貸款人)與本集團若干附屬公司之董事關家麟先生(作為借款人)及關家麟先生之配偶郝玉慧女士(作為擔保人)已訂立貸款協議，內容有關授出本金額為人民幣25,000,000元(相等於28,532,000港元)之貸款，自二零一八年八月二十四日起計為期二十四個月。貸款按年利率9%計息，以郝玉慧女士擁有之位於中國內地北京市之住宅物業(「物業」)之房地產按揭作抵押及於二零二零年八月二十三日到期。貸款協議之條款乃經北湖9號公司與關家麟先生公平磋商後協定，並參考本集團及其借貸客戶訂立之該等貸款協議之條款及條件。

於二零一八年九月二十日，北湖9號公司、關家麟先生及郝玉慧女士訂立補充協議，內容有關修訂日期為二零一八年八月二十日之貸款協議之先決條件，據此，貸款協議須待袁輝霞先生(作為北湖9號公司代理人)及郝玉慧女士向北京市順義區房屋管理局(「房屋管理局」)正式註冊物業之房地產按揭後方可作實。袁輝霞先生為本公司一間全資附屬公司之董事及法律代表。

同時，於二零一八年九月二十日，袁輝霞先生以北湖9號公司為受益人簽立一份不可撤銷承諾書，據此：

- (a) 袁輝霞先生代表北湖9號公司連同郝玉慧女士向房屋管理局註冊物業之房地產按揭；
- (b) 倘關家麟先生未能按貸款協議償還貸款，袁輝霞先生須按北湖9號公司之指示出售物業，並將所得款項全數轉讓予北湖9號公司；

CONNECTED TRANSACTIONS (Continued)

- (c) in the event that Bayhood No. 9 Co. proposes to change the mortgagee of the mortgage over the Property or terminate the mortgage, Mr. Yuan Huixia shall execute all necessary documents on the instruction of Bayhood No. 9 Co. to effect such change or termination; and
- (d) unless on the instruction of Bayhood No. 9 Co., Mr. Yuan Huixia shall not change the mortgagee of the mortgage over the Property, terminate the mortgage, or sell the Property.

As each of Mr. Guan Jialin, Ms. Hao Yuhui and Mr. Yuan Huixia is a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules, the entering into of the loan agreement (as supplemented by the supplemental agreement with the undertaking) constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

The directors (including all the independent non-executive directors) confirm that the terms of the loan agreement (as supplemented by the supplemental agreement with the undertaking) are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and its shareholders as a whole.

Announcements in respect of the loan agreement and the supplemental agreement were published on 20 August 2018 and 20 September 2018 respectively in accordance with Chapter 14A of the Listing Rules.

The loan agreement (as supplemented by the supplemental agreement with the undertaking) became unconditional on 26 September 2018 and the drawdown of the loan was made on 29 September 2018.

Other than as disclosed above, the Group had no connected transactions during the year.

MANAGEMENT CONTRACT

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

關連交易(續)

- (c) 倘北湖9號公司擬更改物業按揭之承按人或終止按揭，袁輝霞先生須按北湖9號公司之指示執行所有必要文件，以產生該更改或終止；及
- (d) 除非獲北湖9號公司之指示，否則袁輝霞先生不得更改該物業按揭之承按人、終止按揭或出售該物業。

根據上市規則第14A章，由於關家麟先生、郝玉慧女士與袁輝霞先生各自於附屬公司層面上為本公司之關連人士，故訂立貸款協議(經補充協議及承諾書修訂)構成上市規則第14A章項下本公司之關連交易。

董事(包括全體獨立非執行董事)確認，貸款協議(經補充協議及承諾書修訂)之條款屬公平合理，其項下擬進行之交易乃按正常商業條款訂立，且符合本公司及其股東之整體利益。

根據上市規則第14A章有關貸款協議及補充協議之公佈已分別於二零一八年八月二十日及二零一八年九月二十日刊發。

貸款協議(經補充協議及承諾書修訂)於二零一八年九月二十六日成為無條件，且貸款於二零一八年九月二十九日已提取。

除上文所披露者外，年內，本集團並無關連交易。

管理合約

於年內並無訂立或存續有關本公司整體或任何重大部份業務之管理及行政合約。

SUBSTANTIAL SHAREHOLDERS

At 31 December 2018, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance shows that the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Long positions

(a) Ordinary shares of HK\$0.01 each of the Company

主要股東

於二零一八年十二月三十一日，本公司根據證券及期貨條例第336條存置之主要股東登記冊顯示，下列股東已就擁有本公司已發行股本之有關權益知會本公司。

好倉

(a) 本公司每股面值0.01港元之普通股

Name of shareholder 股東姓名／名稱	Notes 附註	Number of ordinary shares held and capacity 持有之普通股數目及身份			Total 總計	Percentage of the share capital of the Company 佔本公司 股本百分比
		Beneficial owner 實益擁有人	Person having a security interest in shares 於股份擁有 證券權益之人士	Held by controlled corporation(s) 受控制公司 之持有權益		
Twin Success	1 and 4 1及4	583,832,803	—	—	583,832,803	15.29%
Silver Pacific International Limited	1, 2 and 4 1、2及4	—	—	583,832,803	583,832,803	15.29%
Silver Pacific Development Limited	1, 3 and 4 1、3及4	—	—	583,832,803	583,832,803	15.29%
Mr. Lei Hong Wai 李雄偉先生	1, 2 and 4 1、2及4	357,580,000	—	583,832,803	941,412,803	24.65%
Mr. Cheung Kwok Wai Elton 張國偉先生	1, 3 and 4 1、3及4	—	—	583,832,803	583,832,803	15.29%
Mr. Cheung Kwok Fan 張國勳先生	1, 3 and 4 1、3及4	—	—	583,832,803	583,832,803	15.29%
Kingston Finance Limited 金利豐財務有限公司	4 and 5 4及5	—	583,832,803	—	583,832,803	15.28%
Ample Cheer Limited	4 and 5 4及5	—	—	583,832,803	583,832,803	15.28%
Best Forth Limited	4 and 5 4及5	—	—	583,832,803	583,832,803	15.28%
Ms. Chu Yuet Wah 李月華女士	4, 5 and 6 4、5及6	—	—	583,832,815	583,832,815	15.28%

SUBSTANTIAL SHAREHOLDERS (Continued)

Long positions (Continued)

(a) Ordinary shares of HK\$0.01 each of the Company (Continued)

Notes:

1. Twin Success is owned as to 50% by Silver Pacific International Limited and as to 50% by Silver Pacific Development Limited.
2. Silver Pacific International Limited is wholly owned by Mr. Lei Hong Wai.
3. Silver Pacific Development Limited is owned as to 50% by Mr. Cheung Kwok Wai Elton and as to 50% by Mr. Cheung Kwok Fan.
4. On 5 June 2018, Twin Success pledged its 583,832,803 ordinary shares of the Company in favour of Kingston Finance Limited as security for a loan facility.
5. Kingston Finance Limited is a wholly-owned subsidiary of Ample Cheer Limited, which is owned as to 80% by Best Forth Limited and as to 20% by Insight Glory Limited. Ms. Chu Yuet Wah owns 100% interest in Best Forth Limited and Insight Glory Limited.
6. Out of the 583,832,815 ordinary shares of the Company, 12 ordinary shares are interested by Kingston Securities Limited. Kingston Securities Limited is a wholly-owned subsidiary of Galaxy Sky Investments Limited, which is wholly owned by Kingston Capital Asia Limited. Kingston Capital Asia Limited is wholly owned by Kingston Financial Group Limited. Active Dynamic Limited owns 49.19% interest in Kingston Financial Group Limited. Ms. Chu Yuet Wah owns 100% interest in Active Dynamic Limited.

主要股東(續)

好倉(續)

(a) 本公司每股面值0.01港元之普通股(續)

附註：

1. Twin Success分別由Silver Pacific International Limited擁有50%權益及Silver Pacific Development Limited擁有50%權益。
2. Silver Pacific International Limited由李雄偉先生全資擁有。
3. Silver Pacific Development Limited分別由張國偉先生擁有50%權益及張國勳先生擁有50%權益。
4. 於二零一八年六月五日，Twin Success已以金利豐財務有限公司為受益人質押其583,832,803股本公司普通股股份，作為一項貸款融資之抵押。
5. 金利豐財務有限公司為Ample Cheer Limited之一間全資附屬公司，Ample Cheer Limited由Best Forth Limited擁有80%權益及由Insight Glory Limited 20%權益。李月華女士擁有Best Forth Limited及Insight Glory Limited全部權益。
6. 583,832,815股本公司普通股股份當中，金利豐證券有限公司於12股普通股股份擁有權益。金利豐證券有限公司為Galaxy Sky Investments Limited之全資附屬公司，而Galaxy Sky Investments Limited由金利豐金融集團有限公司全資擁有。Active Dynamic Limited擁有金利豐金融集團有限公司49.19%權益。李月華女士擁有Active Dynamic Limited全部權益。

SUBSTANTIAL SHAREHOLDERS (Continued)

Long positions (Continued)

(b) Share options of the Company

Name of shareholder 股東名稱	Capacity 身份	Number of share options held 持有之購股權數目	Number of underlying shares 相關股份數目
Mr. Lei Hong Wai 李雄偉先生	Beneficial owner 實益擁有人	3,800,000	3,800,000
Mr. Cheung Kwok Wai Elton 張國偉先生	Beneficial owner 實益擁有人	3,800,000	3,800,000
Mr. Cheung Kwok Fan 張國勳先生	Beneficial owner 實益擁有人	3,800,000	3,800,000

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company at 31 December 2018.

CONFIRMATION OF INDEPENDENCE

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

INTERESTS IN COMPETITORS

(a) Mr. Cheung Kwok Wai Elton is the chairman of the board of directors and an executive director of Global Mastermind Holdings Limited (stock code: 8063), a company listed on GEM operated by the Exchange engaging in the provision and operation of travel business, treasury business, money lending business, and provision of securities, futures and asset management services. Therefore, Global Mastermind Holdings Limited competes with the Group's sale of financial assets and money lending businesses.

主要股東(續)

好倉(續)

(b) 本公司購股權

除上文所披露者外，本公司並無獲知會於二零一八年十二月三十一日擁有本公司股本之任何其他有關權益或淡倉。

獨立性確認書

本公司已收到各獨立非執行董事根據上市規則第3.13條所發出有關其獨立性之年度確認書。本公司認為全體獨立非執行董事均具獨立性。

於競爭對手之權益

(a) 張國偉先生為環球大通集團有限公司(一間於聯交所GEM上市之公司，股份代號：8063，從事提供及經營旅遊業務、財資管理業務、放債業務，以及提供證券、期貨及資產管理服務)之董事會主席兼執行董事。因此，環球大通集團有限公司為本集團之銷售金融資產及借貸業務之競爭對手。

INTERESTS IN COMPETITORS (Continued)

(b) Mr. Lei Hong Wai is the chairman of the board of directors and an executive director of China Healthwise Holdings Limited (stock code: 348), a company listed on the Main Board of the Exchange engaging in sales of toys, commercial kitchen and consumer electronic products, and Chinese health products, money lending business, and investment in financial instruments. Therefore, China Healthwise Holdings Limited competes with the Group's sale of financial assets and money lending businesses.

PRE-EMPTIVE RIGHTS

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

RETIREMENT BENEFITS SCHEME

Details of the Group's retirement benefits scheme are set out in note 45 to the consolidated financial statements.

EMOLUMENT POLICY

The emolument policy for the employees of the Group is set up by the directors of the Company on the basis of their individual performance, qualifications and competence.

The emoluments of the directors of the Company are approved by the Board on the recommendation of the Remuneration Committee with reference to their duties and responsibilities in the Company.

The Company has adopted a share option scheme as an incentive to directors and eligible persons, details of the share option scheme are set out in note 44 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company as at the latest practicable date prior to the issue of the annual report, the Company has maintained the prescribed public float under the Listing Rules.

於競爭對手之權益(續)

(b) 李雄偉先生為中國智能健康控股有限公司(一間於聯交所主板上市之公司，股份代號：348，從事銷售玩具、商用廚房產品及消費類電子產品及中藥保健品、放債業務，及投資金融工具)之董事會主席兼執行董事。因此，中國智能健康控股有限公司為本集團之銷售金融資產及借貸業務之競爭對手。

優先認購權

本公司之公司細則或百慕達法例並無有關優先認購權之條文，規定本公司須按比例向現有股東發售新股份。

退休福利計劃

本集團退休福利計劃之詳情載於綜合財務報表附註45。

酬金政策

本集團僱員之酬金政策由本公司董事按其個人表現、資歷及能力而訂立。

本公司董事之酬金經董事會按照薪酬委員會參考彼等於本公司之職務及職責所提出之建議而批准。

本公司已採納購股權計劃，作為對董事及合資格人士之獎勵，購股權計劃之詳情載於綜合財務報表附註44。

足夠公眾持股量

根據本公司於年報刊發前之最後實際可行日期能夠公開取得之資料及本公司董事之知情範圍內，本公司一直維持上市規則所規定之公眾持股量。

MAJOR CUSTOMERS AND SUPPLIERS

In 2018, the Group's largest customer and five largest customers accounted for 11.31% (2017: 38.54%) and 46.62% (2017: 150.13%) of its revenue from sales of goods or rendering of services respectively.

In 2018, the Group's largest supplier and five largest suppliers accounted for 46.65% (2017: 26.19%) and 84.96% (2017: 78.10%) of its purchases respectively.

At no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors of the Company owns more than 5% of the number of issued shares of Company) have an interest in any of the Group's five largest customers or suppliers.

CHARITABLE DONATIONS

During the year, the Group did not make any charitable donations (2017: Nil).

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint HLB Hodgson Impey Cheng Limited as auditors of the Company.

This report was approved by the Board on 26 March 2019 and signed on its behalf by:

Lei Hong Wai
Chairman

主要客戶及供應商

於二零一八年，本集團之最大客戶及五大客戶分別佔其銷售商品或提供服務收益11.31%（二零一七年：38.54%）及46.62%（二零一七年：150.13%）。

於二零一八年，本集團之最大供應商及五大供應商分別佔其採購額46.65%（二零一七年：26.19%）及84.96%（二零一七年：78.10%）。

於年內任何時間，概無本公司董事、董事之聯繫人士或股東（就本公司董事所知擁有本公司已發行股份數目5%以上）於本集團任何五大客戶或供應商中擁有權益。

慈善捐款

年內，本集團並無作出任何慈善捐款（二零一七年：無）。

核數師

一項決議案將於股東週年大會上提交以續聘國衛會計師事務所有限公司為本公司之核數師。

本報告由董事會於二零一九年三月二十六日批准並由以下人士代表簽署：

主席
李雄偉

EXECUTIVE DIRECTORS

Mr. Lei Hong Wai, aged 50, was appointed as an executive director of the Company and the Chairman of the Board on 18 January 2010 and 1 February 2010, respectively. He is also the Chief Executive Officer of the Company. Mr. Lei is responsible for the development of the overall strategic planning and management of the Group. He has over 17 years of extensive experience in corporate management, investment and business development. He was a director of The Chamber of Hong Kong Listed Companies Limited, which promotes interaction amongst its members which are listed companies in Hong Kong and the People's Republic of China, in 2002. Mr. Lei is the chairman of the Nomination Committee of the Board and a member of the Remuneration Committee of the Board. He also holds directorships in certain subsidiaries and associates of the Company. Mr. Lei is also a director of Twin Success International Limited and Silver Pacific International Limited, the substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Lei is currently the chairman of the board of directors and an executive director of China Healthwise Holdings Limited (stock code: 348), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Exchange"). Mr. Lei was the chairman of board of directors and an executive director of Man Sang International Limited (stock code: 938), a company listed on the Main Board of the Exchange, during the period from 31 March 2016 to 3 April 2018 and 26 June 2015 to 3 April 2018 respectively.

Mr. Cheung Kwok Wai Elton, aged 53, was appointed as an executive director of the Company on 1 February 2011. Mr. Cheung is responsible for the business development of the Group. He has over 29 years of experience in the area of corporate finance and securities industries. He holds a Master Degree in Accounting and Finance from the University of Lancaster in the United Kingdom. He also holds directorships in certain subsidiaries and an associate of the Company. Mr. Cheung is also a director of Twin Success International Limited and Silver Pacific Development Limited, the substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Cheung is the elder brother of Mr. Cheung Kwok Fan, an executive director of the Company. Mr. Cheung is currently the chairman of the board of directors and an executive director of Global Mastermind Holdings Limited (stock code: 8063), a company listed on GEM operated by the Exchange and an associate of the Company. Mr. Cheung was an executive director of Haier Healthwise Holdings Limited (stock code: 348 and now known as China Healthwise Holdings Limited), a company listed on the Main Board of the Exchange, during the period from 11 October 2016 to 16 December 2016. Mr. Cheung was also an executive director of Man Sang International Limited (stock code: 938), a company listed on the Main Board of the Exchange, during the period from 26 June 2015 to 3 April 2018.

執行董事

李雄偉先生，現年50歲，分別於二零一零年一月十八日及二零一零年二月一日獲委任為本公司執行董事及董事會主席。彼亦同時擔任本公司行政總裁。李先生負責本集團整體策略計劃之發展及管理。彼擁有逾17年企業管理、投資及業務發展之豐富經驗。於二零零二年，彼擔任香港上市公司商會有限公司之董事，該商會之工作為促進其成員公司（乃香港及中華人民共和國之上市公司）間之互動合作。李先生為董事會提名委員會主席及董事會薪酬委員會成員。彼亦於本公司之若干附屬公司及聯營公司擔任董事職務。李先生亦為本公司之主要股東（定義見證券及期貨條例第XV部）Twin Success International Limited及Silver Pacific International Limited之董事。李先生現為中國智能健康控股有限公司（一間於香港聯合交易所有限公司（「聯交所」）主板上市之公司，股份代號：348）之董事會主席兼執行董事。李先生分別於二零一六年三月三十一日至二零一八年四月三日及二零一五年六月二十六日至二零一八年四月三日期間曾任民生國際有限公司（一間於聯交所主板上市之公司，股份代號：938）之董事會主席及執行董事。

張國偉先生，現年53歲，於二零一一年二月一日獲委任為本公司執行董事。張先生負責監督本集團之業務發展。彼於企業融資領域及證券業擁有逾29年經驗。彼持有英國蘭卡斯特大學會計及財務碩士學位。彼亦於本公司若干附屬公司及一間聯營公司擔任董事職務。張先生亦為本公司之主要股東（定義見證券及期貨條例第XV部）Twin Success International Limited及Silver Pacific Development Limited之董事。張先生為本公司執行董事張國勳先生之兄長。張先生現為環球大通集團有限公司（一間於聯交所GEM上市之公司，股份代號：8063）之董事會主席兼執行董事。張先生於二零一六年十月十一日至二零一六年十二月十六日期間曾任海爾智能健康控股有限公司（一間於聯交所主板上市之公司，股份代號：348，現稱中國智能健康控股有限公司）之執行董事。張先生於二零一五年六月二十六日至二零一八年四月三日期間亦曾任民生國際有限公司（一間於聯交所主板上市之公司，股份代號：938）之執行董事。

Biographical Details of Directors 董事履歷詳情

EXECUTIVE DIRECTORS (Continued)

Mr. Chan Kin Wah Billy, aged 56, was appointed as an executive director of the Company on 18 January 2010. He has over 30 years of experience in accounting and financial control. He is a member of the Hong Kong Institute of Certified Public Accountants, a CPA member of CPA Australia and a non-practicing member of the Chinese Institute of Certified Public Accountants. He holds a Bachelor of Administration Degree from the University of Ottawa in Canada and a Master of Commerce Degree in Professional Accounting from the University of New South Wales in Australia. Mr. Chan is the chairman of the Finance Committee of the Board. Mr. Chan also holds directorships in five subsidiaries of the Company. He is the Company Secretary of the Company and certain subsidiaries of the Company. Mr. Chan was an executive director of SkyNet Group Limited (stock code: 8176 and now known as SuperRobotics Limited), a company listed on GEM operated by the Exchange during the period from 5 August 2014 to 25 May 2017.

Mr. Cheung Kwok Fan, aged 51, was appointed as the non-executive director on 31 August 2011 and redesignated as an executive director of the Company on 18 September 2014. Mr. Cheung is responsible for the overall management of the Group's design and sale of jewelry business. He holds directorships in three subsidiaries of the Company. Mr. Cheung has over 27 years' working experience in the field of architecture. He is a member of The Hong Kong Institute of Architects, a member of The Royal Australian Institute of Architects, Registered Architect in Hong Kong and an Authorised Person in the List of Architects. He obtained his Bachelor Degree of Arts in Architectural Studies from The University of Hong Kong in 1989 and a Bachelor Degree in Architecture from The University of Hong Kong in 1991. He was selected as an awardee of the Ten Outstanding Young Persons Selection organised by Junior Chamber of International Hong Kong in 2005. He has been teaching as a part-time position in the Architecture Subject Group of HKU School of Professional and Continuing Education since September 2009 and has been appointed as an Adjunct Lecturer since 1 January 2014. Mr. Cheung has been the director of his own architectural practice, Oritecture Limited, since 10 December 2009. He is the younger brother of Mr. Cheung Kwok Wai Elton, an executive director of the Company.

執行董事(續)

陳健華先生，現年56歲，於二零一零年一月十八日獲委任為本公司執行董事。彼擁有逾30年會計及財務監控之經驗。彼為香港會計師公會之會員、澳洲會計師公會之高級會員及中國註冊會計師協會之非執業會員。彼持有加拿大渥太華大學之工商管理學士學位及澳洲新南威爾斯大學之專業會計商學碩士學位。陳先生為董事會財務委員會主席。陳先生亦於本公司五間附屬公司擔任董事職務。彼為本公司及本公司若干附屬公司之公司秘書。陳先生於二零一四年八月五日至二零一七年五月二十五日期間曾任航空互聯集團有限公司(一間於聯交所GEM上市之公司，股份代號：8176，現稱超人智能有限公司)之執行董事。

張國勳先生，現年51歲，於二零一一年八月三十一日獲委任為非執行董事，並於二零一四年九月十八日獲調任為本公司執行董事。張先生負責本集團珠寶設計及銷售業務之整體管理。彼於本公司三間附屬公司擔任董事職務。張先生於建築界擁有逾27年工作經驗。彼為香港建築師學會會員、澳洲皇家建築師學會會員、香港註冊建築師及認可人士(建築師名單)。彼於一九八九年取得香港大學建築學文學士學位，並於一九九一年取得香港大學建築學學士學位。彼曾於二零零五年獲國際青年商會香港總會選為十大傑出青年。自二零零九年九月起，彼於香港大學專業進修學院建築學科小組進行兼職教學，並自二零一四年一月一日起獲委任為客席講師。自二零零九年十二月十日起，張先生為建築原創室有限公司(其個人之建築師事務所)之董事。彼為本公司執行董事張國偉先生之胞弟。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wan Shing Chi, aged 49, has been appointed as an independent non-executive director since 25 May 2010. Mr. Wan is a member of the Remuneration Committee, the Nomination Committee and the Audit Committee of the Board. He has over 25 years of experience in the field of construction engineering and is currently a site coordinator of a reputable construction company in Hong Kong. He holds a Bachelor Degree of Engineering with honours from University of Melbourne, Australia and is a member of the Asia Institute of Building.

Mr. Ng Heung Yan, aged 48, has been appointed as an independent non-executive director since 31 August 2011. Mr. Ng is the chairman of the Remuneration Committee of the Board, and a member of the Nomination Committee and the Audit Committee of the Board. He has over 21 years of experience in metal work engineering design and currently works as a project director in a private engineering company in Hong Kong. He was graduated from Monash University in Australia with a Bachelor Degree of Engineering (Industrial and Computing) in 1993.

Mr. Wong Tak Chuen, aged 54, has been appointed as an independent non-executive director since 7 November 2011. Mr. Wong is the chairman of the Audit Committee of the Board and a member of the Finance Committee of the Board. He is a fellow member of both Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants in the United Kingdom, as well as a member of the Institute of Chartered Accountants in England and Wales. He has over 29 years of experience in auditing, financial management, mergers and acquisitions gained from certain senior finance related positions in an international accounting firm in Hong Kong, companies listed in Hong Kong and a company listed in the United States of America. He is currently the chief financial officer of a public company in Hong Kong. Mr. Wong is currently an independent non-executive director of Huanxi Media Group Limited (stock code: 1003) and China Healthwise Holdings Limited (stock code: 348), both of the companies are listed on the Main Board of the Exchange. Mr. Wong was an independent non-executive director of Man Sang International Limited (stock code: 938), a company listed on the Main Board of the Exchange, during the period from 12 July 2016 to 5 November 2018.

獨立非執行董事

尹成志先生，現年49歲，自二零一零年五月二十五日獲委任為獨立非執行董事。尹先生為董事會薪酬委員會、提名委員會及審核委員會成員。彼於建造工程方面擁有逾25年經驗，現為一間信譽良好之香港建築公司之工程主任。彼持有澳洲墨爾本大學工程榮譽學士學位，並為亞洲建造師學會成員。

吳向仁先生，現年48歲，自二零一一年八月三十一日獲委任為獨立非執行董事。吳先生為董事會薪酬委員會主席及董事會提名委員會及審核委員會成員。彼於金屬工程設計方面擁有逾21年經驗，現於一間香港私營工程公司擔任項目總監。彼於一九九三年畢業於澳洲蒙那許大學，並持有工程學(工業及計算)學士學位。

黃德銓先生，現年54歲，自二零一一年十一月七日獲委任為獨立非執行董事。黃先生為董事會審核委員會主席及董事會財務委員會成員。彼為香港會計師公會及英國特許公認會計師公會之資深會員，同時亦為英格蘭和威爾士特許會計師協會會員。彼過去曾於香港一間國際會計事務所、香港數間上市公司及美國一間上市公司擔任與財務有關之高級職位，期間於核數、財務管理、合併及收購方面累積逾29年經驗。彼現為一間香港公眾公司之首席財務官。黃先生現為歡喜傳媒集團有限公司(股份代號：1003)及中國智能健康控股有限公司(股份代號：348)之獨立非執行董事。兩間公司均於聯交所主板上市。黃先生於二零一六年七月十二日至二零一八年十一月五日曾任民生國際有限公司(一間於聯交所主板上市之公司，股份代號：938)之獨立非執行董事。

Independent Auditors' Report

獨立核數師報告



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

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告羅士打大廈
31樓

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ETERNITY INVESTMENT LIMITED *(Incorporated in Bermuda with limited liability)*

OPINION

We have audited the consolidated financial statements of Eternity Investment Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 107 to 279, which comprise the consolidated statement of financial position at 31 December 2018, 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 at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

獨立核數師報告
致**ETERNITY INVESTMENT LIMITED**
(永恒策略投資有限公司*)股東
(於百慕達註冊成立之有限公司)

意見

吾等已審核載列於第107至279頁 Eternity Investment Limited (永恒策略投資有限公司*) (以下簡稱「貴公司」) 及其附屬公司 (統稱「貴集團」) 的綜合財務報表，此綜合財務報表包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，綜合財務報表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」) 真實而公平地反映貴集團於二零一八年十二月三十一日之綜合財務狀況，及其截至該日止年度之綜合財務表現及綜合現金流量，並已遵照香港公司條例之披露規定妥為編製。

* 僅供識別

BASIS FOR OPINION

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

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.

意見基礎

吾等根據香港會計師公會頒佈的香港審計準則（「香港審計準則」）進行審核。吾等根據該等準則的責任於本報告「核數師就審核綜合財務報表承擔的責任」一節中進一步詳述。根據香港會計師公會的職業會計師道德守則（「守則」），吾等獨立於貴集團，並已按照守則履行其他職業道德責任。吾等相信，所獲取的審核憑證充足及適當地為吾等的意見提供基礎。

關鍵審核事項

關鍵審核事項為根據吾等的專業判斷，對吾等審核本期間的綜合財務報表最為重要的事項。該等事項於吾等審核整體綜合財務報表及出具意見時進行處理。吾等不會對該等事項提供個別意見。

KEY AUDIT MATTERS (Continued)

Key Audit Matter

關鍵審核事項

Valuation of investment properties

投資物業之估值

Refer to note 19 to the consolidated financial statements.

請參閱綜合財務報表附註19。

At 31 December 2018, the Group had investment properties with carrying amounts of HK\$175,600,000 and gain arising on change in fair value recognised in profit or loss with an amount of HK\$14,500,000 was recognised.

於二零一八年十二月三十一日，貴集團之投資物業賬面值為175,600,000港元，並確認於損益表確認之公平值變動產生之收益14,500,000港元。

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

貴集團投資物業之公平值乃採納使用重大不可觀察輸入數據、市況假設及判斷之估值技術釐定。貴集團亦委聘一家獨立合資格專業估值師，以制定及釐定適當之估值技術。

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

由於估計不確定性之主要來源及估值涉及之重大假設及判斷，投資物業估值識別為關鍵審核事項。

關鍵審核事項(續)

How our audit addressed the Key Audit Matter

吾等的審核對關鍵審核事項的處理

Our audit procedures in relation to management's determination of the valuation of investment properties included: 吾等就管理層釐定投資物業估值之審核程序包括：

- evaluating the competence, capabilities and objectivity of the valuers; 評估估值師的資格、能力及客觀性；
- assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the relevant industry and using our valuation experts; 基於吾等對相關行業之認識及運用吾等之估值專家，評價所採用之方法及關鍵假設是否合適；
- challenging the reasonableness of key assumptions based on our knowledge of the business and industry; and 基於吾等對業務及行業之認識，質疑關鍵假設是否合理；及
- checking, on a sampling basis, the accuracy and relevance of the input data used. 抽樣查核所採用輸入數據之準確性及相關性。

We found the key assumptions were supported by the available evidence.

吾等發現關鍵假設得到現有證據所支持。

KEY AUDIT MATTERS (Continued)

Key Audit Matter (Continued)

關鍵審核事項(續)

Impairment assessment on trade receivables and loan receivables

貿易應收款項及應收貸款之減值評估

Refer to notes 25 and 27 to the consolidated financial statements respectively.

請分別參閱綜合財務報表附註25及27。

At 31 December 2018, the Group had trade receivables and loan receivables, net of allowance for credit losses, of HK\$32,974,000 and HK\$1,168,739,000 respectively. Management judgement was required in assessing and determining the recoverability of trade receivables and loan receivables, and adequacy of allowance made.

於二零一八年十二月三十一日，貴集團之貿易應收款項及應收貸款(扣除已確認之信貸虧損撥備後)分別為32,974,000港元及1,168,739,000港元。於評估及釐定貿易應收款項及應收貸款之可收回性以及所作出撥備之充足性時，管理層須作出判斷。

In determining whether there was objective evidence of impairment loss, the Group took into consideration the credit history of the customers and the current market condition which may require management judgement.

於釐定是否有減值虧損之客觀證據時，貴集團考慮客戶之信貸記錄及現時市況，當中可能須要管理層作出判斷。

關鍵審核事項(續)

How our audit addressed the Key Audit Matter (Continued)

吾等的審核對關鍵審核事項的處理(續)

Our audit procedures in relation to the management's impairment assessment of trade receivables and loan receivables included:

吾等就管理層就貿易應收款項及應收貸款之減值評估之審核程序包括：

- discussing the Group's procedures on credit period given to customers with the management;
與管理層討論 貴集團向客戶授出信貸期之程序；
- checking, on a sample basis, the aging profile of the trade receivables and loan receivables at 31 December 2018 to the underlying financial records and post year-end settlements to bank receipts;
按抽樣基準檢查相關財務記錄中於二零一八年十二月三十一日貿易應收款項及應收貸款之賬齡及年結日後之銀行收款結算；
- inquiring of management for the status of each of the material trade receivables past due at 31 December 2018 and corroborating explanations from management with supporting evidence, such as understanding on-going business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers; and
向管理層查詢於二零一八年十二月三十一日逾期之各項重大貿易應收款項之情況，以及有確實證券支持之闡釋，例如根據交易記錄了解與客戶之持續業務關係、檢查與客戶之過往及其後結算記錄及其他聯繫；及

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KEY AUDIT MATTERS (Continued)

Key Audit Matter (Continued)

關鍵審核事項(續)

Impairment assessment on trade receivables and loan receivables (Continued)

貿易應收款項及應收貸款之減值評估(續)

Refer to notes 25 and 27 to the consolidated financial statements respectively. (Continued)

請分別參閱綜合財務報表附註25及27。(續)

關鍵審核事項(續)

How our audit addressed the Key Audit Matter (Continued)

吾等的審核對關鍵審核事項的處理(續)

- assessing the appropriateness of the expected credit loss provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses.

評估作出預期信貸虧損撥備方法的適合性、按抽樣基準審查主要輸入數據，以評估該等數據之準確性及完整性，並對用作釐定預期信貸虧損之假設提出質疑，包括過往及前瞻性資料。

We considered the management conclusion to be consistent with the available information.

吾等認為管理層的結論與所提供資料一致。

KEY AUDIT MATTERS (Continued)

Key Audit Matter (Continued)

關鍵審核事項(續)

Impairment assessment on the Group's goodwill and intangible assets

貴集團商譽及無形資產之減值評估

Refer to notes 21, 22 and 23 to the consolidated financial statements respectively.

請分別參閱綜合財務報表附註21、22及23。

The Group has intangible assets and goodwill of HK\$868,411,000 and HK\$278,407,000 respectively relating to the property investment segment at 31 December 2018. Management performed impairment assessment on intangible assets and goodwill and concluded that no impairment loss on intangible assets and goodwill was recognised. This conclusion was based on value in use model that required significant management judgement with respect to the discount rate and the underlying cash flows, in particular future revenue growth and capital expenditure. Independent external valuations were obtained in order to support management's estimates.

貴集團於二零一八年十二月三十一日之無形資產及商譽分別為868,411,000港元及278,407,000港元，乃與物業投資分部有關。管理層就無形資產及商譽進行減值評估，並得出結論，無形資產及商譽並無減值虧損須予確認。該結論乃基於使用價值模式，該模式要求涉及貼現率及相關現金流量，尤其是未來收益增長及資本支出之重大管理層判斷。管理層之估計已獲得獨立外部估值之支持。

關鍵審核事項(續)

How our audit addressed the Key Audit Matter (Continued)

吾等的審核對關鍵審核事項的處理(續)

Our audit procedures in relation to the management's impairment assessment of goodwill and intangible assets included:

吾等就管理層對商譽及無形資產之減值評估之審核程序包括：

- evaluating the competence, capabilities and objective of the valuers;
評估估值師之資格、能力及客觀性；
- assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the relevant industry and using our valuation experts;
基於吾等對相關行業之認識及運用吾等之估值專家，評價所採用之方法及關鍵假設是否合適；
- challenging the reasonableness of key assumptions based on our knowledge of the business and industry; and
基於吾等對業務及行業之認識，質疑關鍵假設是否合理；及
- checking, on a sample basis, the accuracy and relevance of the input data used.
抽樣查核所採用輸入數據之準確性及相關性。

We found the key assumptions were supported by the available evidence.

吾等發現關鍵假設得到現有證據所支持。

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KEY AUDIT MATTERS (Continued)

Key Audit Matter (Continued)

關鍵審核事項(續)

Written-off of the Group's construction in progress under property, plant and equipment

撇銷 貴集團物業、廠房及設備項下之在建工程

Refer to note 18 to the consolidated financial statements.

請參閱綜合財務報表附註 18。

Pursuant to the board of directors' decision to pursue cultural business in the People's Republic of China to promote Chinese culture, customs and traditions. Seven of the nine hotel villas erected on the first phase of the 580 Chinese acre land in Beijing, Mainland China (the "Subject Land") are demolished for constructing a cultural square with an area of approximately 60,000 square metres for carrying out the cultural business. The demolition of the seven hotel villas results in the recognition of a written-off of construction in progress under property, plant and equipment of HK\$233,621,000 in the year ended 31 December 2018.

根據董事會於中華人民共和國從事文化業務以促進中國文化、風俗及傳統之決定，建於一幅位於中國內地北京，佔地 580 畝之地塊(「主體地塊」)第一階段上之九棟別墅酒店中其中七棟已拆卸，以建造一個面積約 60,000 平方米之文化廣場進行文化業務。拆卸七棟別墅酒店導致截至二零一八年十二月三十一日止年度確認撇銷物業、廠房及設備項下之在建工程 233,621,000 港元。

We identified the written-off of the Group's construction in progress under property, plant and equipment as a key audit matter since it is critical to the operations of property investment business.

由於撇銷 貴集團物業、廠房及設備項下在建工程對物業投資業務之經營屬重大，吾等識別撇銷物業、廠房及設備項下在建工程為關鍵審核事項。

關鍵審核事項(續)

How our audit addressed the Key Audit Matter (Continued)

吾等的審核對關鍵審核事項的處理(續)

Our audit procedures in relation to the written-off of the Group's construction in progress under property, plant and equipment included:

吾等就撇銷 貴集團物業、廠房及設備項下在建工程之審核程序包括：

- physically inspecting the Subject Land; 對主體地塊進行實地考察；
- inquiring of the management for the business rationale of demolition of the seven hotel villas; 向管理層查詢拆卸七棟別墅酒店之業務原則；
- assessing the basis applied by the management to calculate the written off amount of the demolished hotel villas; and 評估管理層計算已拆卸別墅酒店之撇銷金額的基準；及
- re-performing the calculation of written-off of construction in progress under property, plant and equipment. 重新進行撇銷物業、廠房及設備項下在建工程的計算工作。

We considered the management conclusion to be consistent with the available information.

吾等認為管理層的結論與所提供資料一致。

OTHER INFORMATION

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

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

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

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

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

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

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

其他資料

董事對其他資料負責。其他資料包括年報所載之資料，但不包括綜合財務報表及其核數師報告（「其他資料」）。

吾等對綜合財務報表之意見並不涵蓋其他資料，且吾等並不就其發表任何形式之核證結論。

就吾等對綜合財務報表之審核之言，吾等之責任為閱覽其他資料，從而考慮其他資料是否與綜合財務報表或吾等於審核得知之情況有重大不符之處，或是否看似重大錯誤陳述。倘根據吾等已履行之工作，吾等作出之結論為此其他資料有重大錯誤陳述，吾等須報告該事實。吾等就此並無報告事項。

董事及審核委員會就綜合財務報表承擔的責任

董事負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製真實及公平之綜合財務報表，並對董事釐定為使編製綜合財務報表不會因欺詐或錯誤而存有重大錯誤陳述而言屬必要之內部控制負責。

於編製綜合財務報表時，董事負責評估 貴集團之持續經營能力，並披露有關持續經營之相關事宜（視適合情況而定）及使用持續經營為會計基準，除非董事計劃清盤 貴集團或終止經營，或並無其他實際可行方法而如此行事。

審核委員會負責監控 貴集團之財務報告程序。

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獨立核數師報告

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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

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

核數師就審核綜合財務報表承擔的責任

吾等的目標為合理確定整體綜合財務報表是否不存在因欺詐或錯誤而導致的任何重大錯誤陳述，並出具載有吾等意見的核數師報告。吾等按照百慕達一九八一年公司法第90條僅向閣下全體報告意見，除此之外並無其他目的。吾等不會就本報告之內容向任何其他人士負上或承擔任何責任。合理確定屬高層次核證，惟無法擔保根據香港審計準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據本綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審核時，吾等運用專業判斷，於整個審核過程中抱持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表因欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充足及適當審核憑證為吾等的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 了解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對貴集團內部控制的有效程度發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

核數師就審核綜合財務報表承擔的責任 (續)

- 總結董事採用以持續經營為會計基礎是否恰當，並根據已獲取的審核憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘吾等總結認為存在重大不確定因素，吾等需於核數師報告中提請使用者注意綜合財務報表內的相關資料披露，或如果相關資料披露不足，則修訂吾等的意見。吾等的結論以截至核數師報告日期所獲得的審核憑證為基礎，惟未來事件或情況可能導致貴集團不再具有持續經營的能力。
- 評估綜合財務報表(包括資料披露)的整體列報、架構及內容，以及綜合財務報表是否已公平列報相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。吾等須負責指導、監督及執行集團的審核工作。吾等須為吾等的審核意見承擔全部責任。

吾等與審核委員會就(其中包括)審核工作的計劃範圍及時間安排及重大審核發現，包括吾等於審核期間識別出內部監控的任何重大缺陷溝通。

吾等亦向審核委員會提交聲明，說明吾等已遵守有關獨立性的道德要求，並就所有被合理認為可能影響吾等的獨立性的關係及其他事宜及相關防範措施(如適用)與彼等溝通。

Independent Auditors' Report

獨立核數師報告

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

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

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

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hon Koon Fai, Alex
Practising Certificate Number: P05029

Hong Kong, 26 March 2019

核數師就審核綜合財務報表承擔的責任 (續)

吾等從與審核委員會溝通的事項中，決定哪些事項對本期綜合財務報表的審核工作最為重要，因而構成關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，吾等認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則吾等會於核數師報告中描述此等事項。

出具本獨立核數師報告的審核項目董事為韓冠輝。

國衛會計師事務所有限公司
執業會計師

韓冠輝
執業證書號碼：P05029

香港，二零一九年三月二十六日

Consolidated Statement of Profit or Loss

綜合損益表

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

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Continuing operations	持續經營業務			
Revenue	收益	6	188,037	53,989
Cost of sales	銷售成本		(63,478)	(57,537)
Gross profit/(loss)	毛利/(毛損)		124,559	(3,548)
Investment and other income	投資及其他收入	7	2,970	1,273
Other gains and losses	其他收益及虧損	8	(524,816)	(74,634)
Selling and distribution expenses	銷售及分銷開支		(5,350)	(3,842)
Administrative expenses	行政開支		(162,812)	(100,573)
Share of results of associates	應佔聯營公司業績		8,909	282
Loss from operations	經營虧損		(556,540)	(181,042)
Finance costs	融資費用	9	(43,276)	(23,627)
Loss before taxation	除稅前虧損		(599,816)	(204,669)
Income tax credit	所得稅抵免	10	11,091	9,052
Loss for the year from continuing operations	本年度來自持續經營業務之虧損	11	(588,725)	(195,617)
Discontinued operation	已終止經營業務			
Loss for the year from discontinued operation	本年度來自已終止經營業務之虧損	12	—	(3)
Loss for the year	本年度虧損		(588,725)	(195,620)
Loss for the year attributable to:	以下人士應佔本年度虧損：			
Owners of the Company	本公司擁有人		(586,090)	(195,545)
Non-controlling interests	非控股權益		(2,635)	(75)
			(588,725)	(195,620)
Loss per share	每股虧損	16		
From continuing and discontinued operations	來自持續經營及已終止經營業務			
Basic and diluted	基本及攤薄		HK(15.34) cents 港仙	HK(5.41) cents 港仙
From continuing operations	來自持續經營業務			
Basic and diluted	基本及攤薄		HK(15.34) cents 港仙	HK(5.41) cents 港仙
From discontinued operation	來自已終止經營業務			
Basic and diluted	基本及攤薄		N/A 不適用	HK – cent 港仙

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

隨附之附註構成本綜合財務報表之一部分。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss for the year	本年度虧損	(588,725)	(195,620)
Other comprehensive (expense)/ income for the year, net of income tax	本年度其他全面(開支)/ 收益，扣除所得稅後		
<i>Item that will not be reclassified to profit or loss:</i>	將不會重新分類至 損益表之項目：		
Share of other comprehensive income/(expense) of associates	應佔聯營公司之其他 全面收益/(開支)	19,945	(910)
<i>Items that may be reclassified subsequently to profit or loss:</i>	其後可能重新分類至 損益表之項目：		
Exchange differences arising on translating foreign operations	換算海外業務產生之 匯兌差額	(65,089)	112,251
Reclassification adjustments for a foreign operation disposed of	出售海外業務之重新分類 調整	10,651	—
Share of other comprehensive expense of an associate	應佔一間聯營公司之 其他全面開支	(265)	—
		(54,703)	112,251
Other comprehensive (expense)/ income for the year, net of income tax	本年度其他全面(開支)/ 收益，扣除所得稅後	(34,758)	111,341
Total comprehensive expense for the year	本年度全面總開支	(623,483)	(84,279)
Total comprehensive expense for the year attributable to:	以下人士應佔本年度全面總 開支：		
Owners of the Company	本公司擁有人	(620,941)	(84,201)
Non-controlling interests	非控股權益	(2,542)	(78)
		(623,483)	(84,279)

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

隨附之附註構成本綜合財務報表之一部分。

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	Notes 附註			
ASSETS		資產		
Non-current assets		非流動資產		
Property, plant and equipment	18	物業、廠房及設備	535,761	664,795
Investment properties	19	投資物業	175,600	810,019
Intangible assets	21	無形資產	868,411	931,421
Goodwill	22	商譽	278,407	353,599
Interests in associates	24	於聯營公司之權益	251,383	38,393
Deferred tax assets	40	遞延稅項資產	15,083	6,280
Prepayments and other receivables	28	預付款項及其他應收款項	50,104	20,957
Loan receivables	25	應收貸款	353,021	574,503
			2,527,770	3,399,967
Current assets		流動資產		
Inventories	26	存貨	37,471	38,453
Loan receivables	25	應收貸款	815,718	626,127
Trade receivables	27	貿易應收款項	32,974	41,107
Deposits, prepayments and other receivables	28	按金、預付款項及其他應收款項	129,087	228,495
Amount due from an associate	29	應收一間聯營公司款項	—	1,480
Financial assets at fair value through profit or loss	30	按公平值計入損益表之金融資產	287,302	662,943
Tax recoverable		可收回稅項	243	323
Cash and cash equivalents	31	現金及現金等價物	140,628	225,010
			1,443,423	1,823,938
Total assets		資產總值	3,971,193	5,223,905
EQUITY		權益		
Share capital	32	股本	38,196	38,196
Reserves		儲備	2,617,508	3,228,193
Equity attributable to owners of the Company		本公司擁有人應佔權益	2,655,704	3,266,389
Non-controlling interests		非控股權益	(2,626)	(84)
Total equity		權益總額	2,653,078	3,266,305

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
LIABILITIES	負債			
Current liabilities	流動負債			
Trade payables	貿易應付款項	33	3,593	8,452
Deposits received, accruals and other payables	已收按金、應計費用及其他應付款項	34	121,233	383,528
Receipts in advance	預收款項		41,235	43,467
Promissory note	承兌票據	35	—	—
Tax payables	應付稅項		86,664	87,659
Bank borrowings	銀行借款	36	157,201	166,261
Other borrowings	其他借款	37	200,000	300,000
Amount due to a director	應付一名董事款項	39	50,000	—
			659,926	989,367
Non-current liabilities	非流動負債			
Deposit received and other payables	已收按金及其他應付款項	34	102,535	91,834
Receipts in advance	預收款項		16,200	37,800
Bank borrowings	銀行借款	36	—	185,193
Secured notes	擔保票據	38	299,611	299,398
Deferred tax liabilities	遞延稅項負債	40	239,843	354,008
			658,189	968,233
Total liabilities	負債總額		1,318,115	1,957,600
Total equity and liabilities	權益及負債總額		3,971,193	5,223,905
Net current assets	流動資產淨值		783,497	834,571
Total assets less current liabilities	資產總額減流動負債		3,311,267	4,234,538

The consolidated financial statements on pages 107 to 279 were approved and authorised for issue by the board of directors on 26 March 2019 and are signed on its behalf by:

Lei Hong Wai
李雄偉
Director
董事

Chan Kin Wah Billy
陳健華
Director
董事

綜合財務報表第107至279頁已於二零一九年三月二十六日經董事會批准及授權刊發，並由下列人士代表簽署：

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

隨附之附註構成本綜合財務報表之一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔												
		Share capital	Share premium	Capital reserve	Contributed surplus	Other reserve	Equity-settled share-based payment reserve	Available-for-sale financial assets revaluation reserve	Exchange reserve	Fair value through other comprehensive income reserve	Retained profits	Sub-total	Non-controlling interests	Total
		股本	股份溢價	資本儲備	實繳盈餘	其他儲備	以股權結算之股份支款	可供出售金融資產重估儲備	匯兌儲備	計入其他全面收益表儲備	保留溢利	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note a) (附註a)	(Note b) (附註b)		(Note c) (附註c)	(Note d) (附註d)						
At 1 January 2017 (originally stated)	二零一七年一月一日 (按原先呈列)	32,160	1,722,165	19,833	404,663	-	9,848	144,250	(136,060)	-	1,052,286	3,249,145	(6)	3,249,139
Effect on early adoption of Hong Kong Financial Reporting Standard 9	提早應用香港財務報告準則第9號之影響	-	-	-	-	-	-	(144,250)	-	-	144,250	-	-	-
At 1 January 2017 (restated)	於二零一七年一月一日(經重列)	32,160	1,722,165	19,833	404,663	-	9,848	-	(136,060)	-	1,196,536	3,249,145	(6)	3,249,139
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	-	(195,545)	(195,545)	(75)	(195,620)
Other comprehensive income for the year	本年度其他全面收益	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of an associate	應佔一間聯營公司之其他全面開支	-	-	-	-	-	-	-	-	(910)	-	(910)	-	(910)
Exchange differences arising on translating foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	-	-	-	112,254	-	-	112,254	(3)	112,251
Total comprehensive income/(expense) for the year	本年度全面收益/(開支)總額	-	-	-	-	-	-	-	112,254	(910)	(195,545)	(84,201)	(78)	(84,279)
Placing of new shares	配售新股份	6,432	96,480	-	-	-	-	-	-	-	-	102,912	-	102,912
Share issue expenses	股份發行開支	-	(3,686)	-	-	-	-	-	-	-	-	(3,686)	-	(3,686)
Repurchase of shares	購回股份	(396)	(7,908)	-	-	-	-	-	-	-	-	(8,304)	-	(8,304)
Recognition of equity-settled share-based payment	確認以股權結算之股份支款	-	-	-	-	-	10,523	-	-	-	-	10,523	-	10,523
Release on disposal of a subsidiary	於出售一間附屬公司時撥回	-	-	(2,072)	-	-	-	-	-	-	2,072	-	-	-
Release on lapse of equity-settled share-based payment	以股權結算之股份支款失效時撥回	-	-	-	-	-	(9,848)	-	-	-	9,848	-	-	-
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	38,196	1,807,051	17,761	404,663	-	10,523	-	(23,806)	(910)	1,012,911	3,266,389	(84)	3,266,305
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	-	(586,090)	(586,090)	(2,635)	(588,725)
Other comprehensive expense for the year	本年度其他全面開支	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income/(expense) of associates	應佔聯營公司之其他全面收益/(開支)	-	-	-	-	19,035	-	-	(265)	910	-	19,680	-	19,680
Exchange differences arising on translating foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	-	-	-	(65,182)	-	-	(65,182)	93	(65,089)
Reclassification adjustment for a foreign operation disposed of	出售海外業務之重新分類調整	-	-	-	-	-	-	-	10,651	-	-	10,651	-	10,651
Total comprehensive income/(expense) for the year	本年度全面收益/(開支)總額	-	-	-	-	19,035	-	-	(54,796)	910	(586,090)	(620,941)	(2,542)	(623,483)
Recognition of equity-settled share-based payment	確認以股權結算之股份支款開支	-	-	-	-	-	9,063	-	-	-	-	9,063	-	9,063
Release on lapse of equity-settled share-based payment	以股權結算之股份支款失效時撥回	-	-	-	-	-	(10,523)	-	-	-	10,523	-	-	-
Recognition of equity component of convertible loan held by an associate	確認一間聯營公司所持有之可換股貸款之權益部份	-	-	-	-	1,193	-	-	-	-	-	1,193	-	1,193
At 31 December 2018	於二零一八年十二月三十一日	38,196	1,807,051	17,761	404,663	20,228	9,063	-	(78,602)	-	437,344	2,655,704	(2,626)	2,653,078

Consolidated Statement of Changes in Equity

綜合權益變動表

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

Notes:

- (a) Capital reserve represents the difference of share capital and share premium of the subsidiaries and the nominal value of the 880 shares issued by Riche (BVI) Limited (formerly known as Ocean Shores (BVI) Limited) prior to the allotment of 120 shares to Classical Statue Limited and the amount arising from issue of share by a subsidiary.
- (b) Contributed surplus represents the net amount transferred from share capital and share premium to retained profits pursuant to the special resolutions passed at the special general meetings held on 22 August 2003, 30 April 2008 and 12 December 2011.
- (c) Equity-settled share-based payment reserve represents the fair value of services estimated to be received in exchange for the grant of the relevant share options over the relevant vesting periods, the total of which is based on the fair value of the share options at grant date. The amount for each reporting period is determined by spreading the fair value of the share options over the relevant vesting periods (if any) and is recognised as staff costs and related expenses with a corresponding increase in equity-settled share-based payment reserve.
- (d) Available-for-sale financial assets revaluation reserve represents cumulative gains and losses on revaluation of available-for-sale financial assets recognised in other comprehensive income less those cumulative gains and losses recycled and recognised in profit or loss upon derecognition of available-for-sale financial assets.

附註：

- (a) 資本儲備指附屬公司之股本及股份溢價與向 Classical Statue Limited 配發 120 股股份前 Riche (BVI) Limited (前稱 Ocean Shores (BVI) Limited) 所發行之 880 股股份之面值及附屬公司發行股份所得款項之差額。
- (b) 實繳盈餘指根據於二零零三年八月二十二日、二零零八年四月三十日及二零一一年十二月十二日舉行之股東特別大會上通過之特別決議案自股本及股份溢價轉撥至保留溢利之淨額。
- (c) 以股權結算之股份支款儲備指於相關歸屬期內授出相關購股權以換取估計將接獲服務之公平值，其總額乃根據購股權於授出日期之公平值計算。各報告期之金額乃透過將購股權公平值於相關歸屬期(如有)內攤分釐定，並確認為員工成本及相關開支，而以股權結算之股份支款儲備作相應增加。
- (d) 可供出售金融資產重估儲備指已於其他全面收益確認之可供出售金融資產重估之累計收益及虧損，扣除於終止確認可供出售金融資產時已收回並於損益表確認之累計收益及虧損。

Consolidated Statement of Cash Flows

綜合現金流量表

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

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動			
Loss before taxation from continuing operations	來自持續經營業務之除稅前虧損		(599,816)	(204,669)
Loss before taxation from discontinued operation	來自已終止經營業務之除稅前虧損	12	—	(3)
<i>Adjustments for:</i>	<i>就以下項目作出調整：</i>			
Amortisation of intangible assets	無形資產攤銷	11, 21	20,887	20,456
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	11, 18	22,897	15,743
Dividend income	股息收入	7	(661)	(1,022)
Equity-settled share-based payment expenses	以股權結算之股份支款開支	11	9,063	10,523
Gain arising on change in fair value of investment properties	投資物業公平值變動產生之收益	8, 19	(14,500)	(20,013)
Loss/(gain) on disposal of subsidiaries	出售附屬公司之虧損／(收益)	8, 42	10,993	(1)
Gain on disposal of an associate	出售一間聯營公司之收益	8, 24	(1,520)	—
Impairment loss recognised in respect of amount due from an associate	已確認應收一間聯營公司款項之減值虧損	8	—	217
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	8, 22	—	1,813
Impairment loss recognised in respect of loan receivables	就應收貸款確認之減值虧損	11	17,547	—
Impairment loss recognised in respect of other receivables	就其他應收款項確認之減值虧損	11	21,285	—
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認之減值虧損	11	89	—
Interest expenses	利息開支	9	43,276	23,627
Interest income on bank deposits	銀行存款之利息收入	7	(175)	(76)
Interest income on other receivables	其他應收款項之利息收入	7	(1,684)	—
Loss arising on change in fair value of financial assets at fair value through profit or loss	按公平值計入損益表之金融資產公平值變動產生之虧損	8	296,211	92,526
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	8	—	92
Share of results of associates	應佔聯營公司業績		(8,909)	(282)
Written-off of property, plant and equipment	撇銷物業、廠房及設備	8	233,632	—

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Notes 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	48,615	(61,069)
Decrease in inventories	存貨減少	771	7,530
Decrease/(increase) in loan receivables	應收貸款減少/(增加)	14,344	(749,467)
(Increase)/decrease in trade receivables	貿易應收款項(增加)/減少	(15,122)	22,713
Decrease/(increase) in deposits, prepayments and other receivables	按金、預付款項及其他應收款項減少/(增加)	6,624	(129,498)
Decrease in financial assets at fair value through profit or loss	按公平值計入損益表之金融資產減少	49,380	153,973
Decrease in trade payables	貿易應付款項減少	(4,719)	(28,262)
Decrease in deposits received, accruals and other payables	已收按金、應計費用及其他應付款項減少	(1,027)	(44,914)
Decrease in amount due to an associate	應付一間聯營公司款項減少	—	(991)
Decrease in receipts in advance	預收款項減少	(22,430)	(16,178)
Cash generated from/(used in) operations	營運產生/(所用)之現金	76,436	(846,163)
Tax paid	已付稅項	(2,790)	(176)
Net cash generated from/(used in) operating activities	經營活動產生/(所用)之現金淨額	73,646	(846,339)
INVESTING ACTIVITIES			
Dividend received	已收股息	7	1,022
Bank interest received	已收銀行利息	7	76
Interest on other receivables received	已收其他應收款項之利息	7	—
Net cash inflow from disposal of subsidiaries	出售附屬公司產生之現金流入淨額	42	172
Advance to an associate	向一間聯營公司墊款	(16)	(38,421)
Proceeds from deposit received associated with the disposal of subsidiaries	已收出售附屬公司相關按金所得款項	—	235,300
Addition to interest in an associate	增加於一間聯營公司之權益	(153,142)	—
Proceeds from disposal of an associate	出售一間聯營公司所得款項	3,000	—
Purchase of property, plant and equipment, and investment properties	購買物業、廠房及設備及投資物業	(70,913)	(279,784)
Prepayment for property, plant and equipment	物業、廠房及設備之預付款項	(3,318)	—
Net cash used in investing activities	投資活動所用之現金淨額	(60,636)	(81,635)

Consolidated Statement of Cash Flows

綜合現金流量表

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

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
FINANCING ACTIVITIES	融資活動			
Proceeds from placing of new shares	配售新股份之所得款項		—	102,912
Proceeds from bank borrowings	銀行借款所得款項		68,723	215,251
Proceeds from other borrowings	其他借款所得款項		200,000	450,000
Net proceeds from issue of secured notes	發行擔保票據所得款項淨額	38	—	299,326
Payment on repurchase of shares	購回股份所用款項		—	(8,304)
Advance from a director	一名董事墊款		60,000	10,000
Repayment to a director	還款予一名董事		(10,000)	(10,000)
Advance from a shareholder	一名股東墊款		133,000	—
Repayment to a shareholder	還款予一名股東		(133,000)	—
Repayment of bank borrowings	銀行借款還款		(70,939)	(151,617)
Repayment of other borrowings	其他借款還款		(300,000)	(150,000)
Repayment of promissory note	承兌票據還款	35	—	(30,000)
Interest paid	已付利息		(44,109)	(12,845)
Share issue expenses	股份發行開支		—	(3,686)
Net cash (used in)/generated from financing activities	融資活動(所用)/產生之現金淨額		(96,325)	711,037
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(83,315)	(216,937)
Cash and cash equivalents at the beginning of the reporting period	報告期初之現金及現金等價物		225,010	438,975
Effect of foreign exchange rate changes	匯率變動之影響		(1,067)	2,972
Cash and cash equivalents at the end of the reporting period	報告期末之現金及現金等價物		140,628	225,010
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘分析			
Cash at bank and on hand	銀行及手頭現金	31	140,628	225,010

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

隨附之附註構成本綜合財務報表之一部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL INFORMATION

The Company is incorporated in Bermuda as an exempted company with limited liability and its issued shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Exchange”). The addresses of the registered office, and head office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries (together with the Company referred to as the “Group”) are sale of financial assets, property investment, money lending, and design and sale of jewelry products. The Group was also engaged in distribution of films and sub-licensing of film rights, which were discontinued on 17 February 2017. The Group has suspended its sale of precious stones business since the first quarter of 2017.

The consolidated financial statements are presented in thousands of units of Hong Kong dollar (HK\$’000), which is same as the functional currency of the Company.

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

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

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

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

1. 一般資料

本公司為於百慕達註冊成立之獲豁免有限公司，其已發行股份在香港聯合交易所有限公司（「聯交所」）主板上市。本公司之註冊辦事處以及總辦事處及主要營業地點之地址於年度報告之公司資料一節披露。

本公司之主要業務為投資控股。本公司之附屬公司（連同本公司統稱「本集團」）之主要業務為銷售金融資產、物業投資、借貸、以及設計及銷售珠寶產品。本集團亦從事電影發行及轉授電影發行權，並已於二零一七年二月十七日終止。本集團自二零一七年第一季度暫停其銷售寶石業務。

綜合財務報表以千港元（千港元）為單位呈列，與本公司之功能貨幣相同。

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本

於本年度強制生效之新訂香港財務報告準則及其修訂本

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

香港財務報告準則第2號（修訂本）	以股份支付交易之分類及計量
香港財務報告準則第4號（修訂本）	就應用香港財務報告準則第9號金融工具時一併應用香港財務報告準則第4號保險合同
香港財務報告準則第15號	來自客戶合約之收益及相關修訂
香港（國際財務報告詮釋委員會）— 詮釋第22號	外幣交易及墊付代價
香港會計準則第28號（修訂本）	作為二零一四年至二零一六年週期香港財務報告準則之年度改進的一部分
香港會計準則第40號（修訂本）	轉讓投資物業

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

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

HKFRS 15 Revenue from Contracts with Customers

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

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

The Group recognises revenue from sale of jewelry products which arises from contracts with customers.

The application of HKFRS 15 does not have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

於本年度強制生效之新訂香港財務報告準則及其修訂本(續)

除下文所述者外，其餘於本年度應用新訂香港財務報告準則及經其修訂本對綜合財務報表所載之本年度及過往年度本集團財務表現及財務狀況及／或其披露並無重大影響。

香港財務報告準則第15號來自客戶合約之收益

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

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則的累計影響已於二零一八年一月一日首次應用日期確認。於首次應用日期的任何差額於期初保留溢利(或權益的其他部分(如適用))確認，且並無重列比較資料。此外，根據香港財務報告準則第15號的過渡條文，本集團已選擇僅對於二零一八年一月一日尚未完成的合約追溯應用該準則。因此，若干比較資料未必能與根據香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋編製的比較資料作比較。

本集團就與客戶的合約確認銷售珠寶產品的收益。

應用香港財務報告準則第15號將不會對在相關報告期內確認收益的時間和金額構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

Amendments to HKAS 40 Transfers of Investment Property

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

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

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

於本年度強制生效之新訂香港財務報告準則及其修訂本(續)

香港會計準則第40號(修訂本)轉讓投資物業

該等修訂本澄清轉至或轉自投資物業需評估物業是否符合或不再符合投資物業之定義，該定義須以證據支持其用途已改變。該等修訂本進一步澄清香港會計準則第40號所列情況外之情況或可證明用途改變，而該用途改變可能適用於在建物業(即用途改變不限於已竣工物業)。

於初始應用日期，本集團按照截至該日的現有狀況評估若干物業的分類，對於二零一八年一月一日的分類並無影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

New and amendments to HKFRSs in issue but not yet effective

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

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

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

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

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

已頒佈但尚未生效之新訂香港財務報告準則及其修訂本

本集團並無提早應用以下已頒佈但尚未生效之新訂香港財務報告準則及其修訂本：

香港財務報告準則第3號(修訂本)	業務的定義 ²
香港財務報告準則第9號(修訂本)	具不賠償條款的預付款項 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)	投資者與其聯營公司或合營企業之間之資產出售或注資 ⁵
香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ⁴
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理的不確定性 ¹
香港會計準則第1號及香港會計準則第8號(修訂本)	重大的定義 ³
香港會計準則第19號(修訂本)	計劃修正、縮減或清償 ¹
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 ¹
香港財務報告準則(修訂本)	二零一五年至二零一七年週期香港財務報告準則之年度改進 ¹

- 1 於二零一九年一月一日或之後開始之年度期間生效。
- 2 對收購日期於二零二零年一月一日或之後開始之首個年度期間開始或之後之業務合併生效。
- 3 於二零二零年一月一日或之後開始之年度期間生效。
- 4 於二零二一年一月一日或之後開始之年度期間生效。
- 5 於待定期限或之後開始之年度期間生效。

除下文所述的新訂香港財務報告準則及其修訂本外，董事預期，應用所有其他新訂香港財務報告準則及其修訂本於可見將來不會對綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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

HKFRS 16 Leases

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

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

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

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

已頒佈但未生效之新訂香港財務報告準則及其修訂本(續)

香港財務報告準則第16號租賃

香港財務報告準則第16號為租賃安排之識別以及對出租人及承租人之會計處理引入綜合模式。香港財務報告準則第16號於生效時將取代香港會計準則第17號租賃及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。此外，香港財務報告準則第16號規定售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租賃修訂的規定。

就承租人會計處理而言，除短期租賃及低價值資產租賃外，經營租賃及融資租賃之差異已予撤銷，並由承租人須就所有租賃確認使用權資產及相應負債之模式替代。

使用權資產初始按成本計量，隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債之任何重新計量作出調整。租賃負債初始按租賃付款(非當日支付)之現值計量。其後，租賃負債就(其中包括)利息及租賃付款以及租賃修訂之影響作出調整。就現金流量分類而言，本集團目前將預付租賃款項呈列為與自用租賃土地及分類為投資物業的租賃土地有關的投資現金流量，其他經營租賃款項則呈列為經營現金流量。應用香港財務報告準則第16號後，有關租賃負債之租賃付款將分配至本金及利息部分，並將由本集團分別呈列為融資及經營現金流量。

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綜合財務報表附註

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

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

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

HKFRS 16 Leases (Continued)

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

At 31 December 2018, the Group had non-cancellable operating lease commitments of HK\$701,449,000 as disclosed in note 43. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂本(續)

已頒佈但未生效之新訂香港財務報告準則及其修訂本(續)

香港財務報告準則第16號租賃(續)

除若干亦適用於出租人的要求外，香港財務報告準則第16號大致保留香港會計準則第17號內出租人會計之要求，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號亦要求較廣泛的披露。

如附註43所披露，於二零一八年十二月三十一日，本集團的不可註銷經營租賃承擔為701,449,000港元。初步評估顯示該等安排將符合租賃的定義。於應用香港財務報告準則第16號後，本集團將就所有該等租賃確認使用權資產及相應負債，除非該等租賃符合低值或短期租賃的性質。

應用新規定或會導致上述計量、呈列及披露資料之變動。本集團(作為承租人)擬選擇經修訂追溯法應用香港財務報告準則第16號，並將於期初保留溢利中確認初始應用的累計影響，而毋須重列比較資料。

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRSs which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Exchange (the “**Listing Rules**”) and by the disclosure requirements of the Hong Kong Companies Ordinance.

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

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

3. 主要會計政策概要

編製綜合財務報表時應用之主要會計政策載列如下。除另有指明外，該等政策於呈列之所有年度獲貫徹應用。

編製基準

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則而編製，香港財務報告準則為包括所有適用的個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋之統稱。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）規定之適用披露事項及香港公司條例之披露規定。

綜合財務報表乃根據歷史成本基準編製，惟於各報告期末按公平值計量之投資物業及若干金融工具除外（於下述會計政策中闡述）。

歷史成本一般按交換貨品及服務所支付代價之公平值計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of preparation (Continued)

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

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

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

3. 主要會計政策概要(續)

編製基準(續)

公平值是於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付之價格，而不論該價格是否直接可觀察得出或可使用其他估值技術估計。倘市場參與者於計量日期對資產或負債定價時會考慮資產或負債之特徵，則本集團於估計資產或負債之公平值時會考慮該等特徵。本綜合財務報表中作計量及／或披露用途之公平值乃按此基準釐定，惟屬於香港財務報告準則第2號以股份為基礎之支付範圍之以股份形式支付之交易、屬於香港會計準則第17號租賃範圍內之租賃交易，以及與公平值有部分相似之處但並非公平值之計量，如香港會計準則第2號存貨之可變現淨值或香港會計準則第36號資產減值之使用價值除外。

非金融資產的公平值計量計入市場參與者透過使用其資產的最高及最佳用途或透過將資產出售予將使用其最高及最佳用途的另一名市場參與者而能夠產生經濟利益的能力。

對於按公平值交易並且相關估值技術將使用不可觀察輸入數據計量其後期間公平值之金融工具及投資物業，估值技術會作調整，以令估值技術的結果等於交易價格。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of preparation (Continued)

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

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

Basis of consolidation

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

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

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

3. 主要會計政策概要(續)

編製基準(續)

此外，就財務報告而言，公平值計量根據公平值計量輸入數據之可觀察程度及輸入數據對公平值計量整體之重要性分類為第1、第2或第3級，載述如下：

- 第1級輸入數據乃實體於計量日期可取得之相同資產或負債於活躍市場中所報價格(未經調整)；
- 第2級輸入數據乃資產或負債之可直接或間接觀察獲得之輸入數據(第1級所載報價除外)；及
- 第3級輸入數據乃資產或負債之不可觀察獲得之輸入數據。

綜合基準

綜合財務報表包括本公司及本公司及其附屬公司所控制之實體之財務報表。當本公司符合以下要素時，則取得控制權：

- 可對投資對象行使權力；
- 因參與投資對象業務而承擔浮動回報之風險或享有權利；及
- 有能力使用其權力影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本集團會重新評估其是否對投資對象擁有控制權。

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綜合財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

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

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

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

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

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

Business combinations

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

3. 主要會計政策概要(續)

綜合基準(續)

附屬公司之綜合入賬於本集團取得有關附屬公司之控制權起開始，並於本集團失去有關附屬公司之控制權時終止。具體而言，年內所收購或出售附屬公司之收入及開支乃自本集團取得控制權之日期起計入綜合損益表及其他全面收益表，直至本集團不再控制有關附屬公司之日期為止。

損益表及其他全面收益表之每個項目乃歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

於必要時，將對附屬公司之財務報表作出調整，以令彼等之會計政策與本集團之會計政策一致。

有關本集團成員之間交易之所有集團內公司間之資產及負債、權益、收益、支出及現金流於綜合時悉數對銷。

附屬公司的非控股權益與本集團的權益分開呈列，指目前擁有權益的持有人可於相關附屬公司清盤時按比例取得相關附屬公司資產淨值部分。

業務合併

收購業務以收購法入賬。業務合併所轉讓代價以公平值計量，而公平值按本集團所轉讓資產、本集團對被收購方前擁有人所產生負債以及本集團就交換被收購方控制權所發行股本權益於收購日期的公平值總和計算。收購有關成本一般於產生時於損益表內確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Business combinations (Continued)

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

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

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

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

3. 主要會計政策概要(續)

綜合基準(續)

業務合併(續)

於收購日期，所購入可識別資產及所承擔負債，按其公平值確認，但以下各項除外：

- 遞延稅項資產或負債及有關僱員福利安排之資產或負債分別遵循香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認和計量；
- 與被收購方以股份支款交易或為替代被收購方以股份支款安排而訂立之本集團以股份支款安排有關之負債或權益工具，於收購日期根據香港財務報告準則第2號*以股份支款*計量；及
- 根據香港財務報告準則第5號*持作出售非流動資產及已終止經營業務*分類為持作出售之資產(或出售組合)按該準則計量。

商譽按所轉讓代價、於被收購方任何非控股權益之金額及收購方過往所持被收購方股本權益(如有)公平值總和超出於收購日期所收購可識別資產及所承擔負債之淨額計量。倘於重新評估後，所收購可識別資產及所承擔負債之淨額超出所轉讓代價、於被收購方任何非控股權益之金額及收購方過往所持被收購方權益(如有)公平值之總和，差額即時於損益表確認為按議價購買收益。

現有所有權權益及授權持有人於清盤時按比例分佔相關附屬公司資產淨值之非控股權益，其可初步按非控股權益按比例分佔被收購方可識別資產淨值之已確認數額或公平值計量。計量基準可按個別交易選擇。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Changes in Group's ownership interests in existing subsidiaries with change of control

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the interests in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Investments in associates

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

3. 主要會計政策概要(續)

綜合基準(續)

本集團於現有附屬公司擁有權權益之變動(導致控制權變動)

倘若本集團失去對附屬公司之控制權，該附屬公司之資產及負債及非控股權益(如有)終止確認。收益或虧損於損益表內確認且以下列兩者間之差額計算：(i) 所收代價之公平值與任何保留權益之公平值總和及(ii)資產(包括商譽)之賬面值與本公司擁有人應佔之附屬公司之負債。過往在有關附屬公司之其他全面收益確認之所有金額均入賬，猶如本集團已直接出售附屬公司之相關資產或負債(即按適用之香港財務報告準則具體規定/准許重新分類至損益表或轉移至其他股本類別)。

於附屬公司之投資

於附屬公司之投資按成本值扣除減值入賬。成本包括投資直接應佔成本。附屬公司之業績由本公司按已收及應收股息入賬。

倘於宣派股息期間，有關股息超過附屬公司之全面收益表總額，或倘該投資於獨立財務報表之賬面值超過被投資方淨資產(包括商譽)於綜合財務報表之賬面值，則於收取投資股息時，須對於附屬公司之權益作減值測試。

於聯營公司之投資

聯營公司指本集團對其有重大影響力之實體。重大影響力為參與被投資方之財務及營運政策決定之權力，惟對該等政策並無控制權或共同控制權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. 主要會計政策概要(續)

於聯營公司之投資(續)

聯營公司的業績以及資產及負債以權益會計法於本綜合財務報表入賬。作會計權益法用途的聯營公司的財務報表乃按與本集團就同類交易及同類情況下事項的統一會計政策編製。根據權益法，於聯營公司之投資初步按成本於綜合財務狀況表內確認，並於其後就確認本集團應佔該聯營公司的損益及其他全面收益予以調整。聯營公司除損益及其他全面收益外之資產淨值變動不會列賬，除非該等變動導致本集團持有之所有權權益變動。當本集團應佔該聯營公司的虧損超出本集團於該聯營公司的權益(包括實質上成為本集團於該聯營公司投資淨額一部分的任何長期權益)時，本集團終止確認其應佔之進一步虧損。僅於本集團已產生法定或推定責任，或已代表該聯營公司支付款項的情況下，方會確認額外虧損。

於聯營公司之投資乃自被投資方成為聯營公司當日起按權益法入賬。收購於聯營公司之投資時，投資成本超出本集團應佔該被投資方之可識別資產及負債之公平值淨額之任何數額確認為商譽，並計入該投資之賬面值。本集團所佔之可識別資產及負債的公平值淨額超出投資成本部分，在重新評估後，即時於投資收購期間於損益表內確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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

3. 主要會計政策概要(續)

於聯營公司之投資(續)

本集團評估是否存在客觀證據證明於一間聯營公司的權益可能減值。如有客觀證據，投資之全部賬面值(包括商譽)將視作單一資產並按香港會計準則第36號資產減值透過將其可收回金額(即使用價值和公平值減出售成本之較高者)與賬面值作比較以進行減值測試。任何已確認之減值虧損會成為投資賬面值之一部分。倘投資之可收回金額其後回升，減值虧損之任何撥回會按照香港會計準則第36號確認。

當本集團不再對聯營公司擁有重大影響力時，則按出售於該被投資公司的全部權益入帳，所產生的收益或虧損於損益表中確認。倘本集團保留於聯營公司之權益且該保留權益為香港會計準則第9號範疇內之金融資產，則本集團會於該日按公平值計量保留權益，而該公平值被視為於初步確認時之公平值。聯營公司之賬面值與任何保留權益及出售聯營公司之任何所得款項公平值間之差額，會於釐定出售該聯營公司之收益或虧損時入賬。此外，本集團會將先前在其他全面收益就該聯營公司確認之所有金額入賬，基準與該聯營公司直接出售相關資產或負債所需基準相同。因此，倘該聯營公司先前已於其他全面收益確認之收益或虧損，會於出售相關資產或負債時重新分類至損益表。本集團會於出售／部分出售相關聯營公司時將收益或虧損由權益重新分類至損益表(作為重新分類調整)。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

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

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

Goodwill

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

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

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

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of the gain or loss on disposal.

3. 主要會計政策概要(續)

於聯營公司之投資(續)

倘本集團削減其於聯營公司之所有權權益而本集團繼續採用權益法，若有關收益或虧損會於出售相關資產或負債時重新分類至損益表，則本集團會將先前已於其他全面收益確認與削減所有權權益有關之收益或虧損部分重新分類至損益表。

倘集團實體與本集團之聯營公司進行交易，僅在聯營公司之權益與本集團無關之情況下，方會於本集團綜合財務報表中確認與聯營公司進行交易所產生之溢利及虧損。

商譽

因收購業務產生之商譽乃按成本(於收購業務當日確定)減累計減值虧損(如有)列值。

為進行減值測試，商譽乃分配至預期將從合併所帶來的協同效益中受惠的各個集團的現金產生單位(「現金產生單位」)(或現金產生單位組合)，即就內部管理而言監管商譽之最低層次及不大於一個經營分部。

獲得商譽分配的現金產生單位(或現金產生單位組合)每年進行減值測試及每當有跡象顯示該單位可能出現減值時更為頻繁地進行減值測試。就於某一報告期間收購產生的商譽而言，獲得商譽分配的現金產生單位(或現金產生單位組合)於該報告期間結束前進行減值測試。倘可收回金額低於該單位的賬面值，則首先分配減值虧損以減低任何商譽的賬面值，然後按該單位內各項資產的賬面值所佔比例分配至其他資產(或現金產生單位組合)。

出售相關現金產生單位時，商譽之應佔金額乃計入釐定出售事項損益之金額。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discontinued operation

A discontinued operation is a component of the Group's business, the operation and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operation, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operation, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented in the consolidated statement of profit or loss, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs of disposal, or on the disposal, of the assets or disposal group constituting the discontinued operation.

Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

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

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

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

3. 主要會計政策概要(續)

已終止經營業務

已終止經營業務為本集團業務的組成，其營運和現金流量可清晰地與本集團其餘業務分開，並代表業務或經營地域的一項獨立主要項目，或是出售業務或經營地域的一項獨立主要項目的單一協調計劃的一部分，或是一家全為了轉售而購入的附屬公司。

分類為已終止經營業務在出售後發生。其亦會在業務被廢除時發生。

當一項業務被分類為終止經營時，綜合損益表中呈列單一數額，包括該終止經營的稅後利潤或虧損和就公平值減去出售成本的計量而確認的稅後利得或虧損，或於出售時包括構成終止經營的資產或出售組別。

收益及其他收入

於本集團的日常業務過程中，收入由本集團按銷售貨品、提供服務或他人使用本集團的租賃資產產生的收入分類為收益。

來自客戶合約之收益(根據應用香港財務報告準則第15號後附註2之過渡條文)

根據香港財務報告準則第15號，本集團於(或就)履約責任完成時確認收益，即當特定履約責任下相關貨品或服務「控制權」已轉移至客戶。

履約責任指一項貨品或服務(或一組貨品或服務)或一系列大致相同之個別貨品或服務。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and other income (Continued)

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

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

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

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

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

3. 主要會計政策概要(續)

收益及其他收入(續)

倘符合以下其中一項準則，控制權隨時間轉移，而收益則參照完全履行相關履約責任之進展情況而隨時間確認：

- 於本集團履約時，客戶同時取得並消耗本集團履約所提供之利益；
- 本集團於履約時產生及提升一項資產，而該資產於本集團履約時由客戶控制；或
- 本集團於履約時並無產生令本集團具有替代用途之資產，及本集團就迄今已履約部分強制執行付款。

否則，收益於客戶取得個別貨品或服務控制權之時按單一時間點確認。

合約資產指本集團就本集團已轉讓貨品或服務予客戶而收取尚未成為無條件代價之權利。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價之無條件權利，即代價付款到期前僅需時間推移。

合約負債指本集團就自客戶收取代價(或代價金額已到期)而本集團須轉讓貨品或服務予客戶之責任。與合約相關之合約資產及合約負債按淨額基準呈列入賬。

就包括超過一項履約責任之合約而言，本集團按相對單獨售價基準分配交易價格至各項履約責任。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and other income (Continued)

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

(i) Sales of jewelry products

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

(ii) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable.

3. 主要會計政策概要(續)

收益及其他收入(續)

本集團收益及其他收入確認政策的進一步詳情如下：

(i) 銷售珠寶產品

收益於客戶管有並接納產品時確認。倘該等產品為部分履行涵蓋其他貨品的合約，則確認收益的金額為合約項下交易總額的合適比例，按照相對獨立售價基準根據合約協定的所有貨品及服務之間分配。

(ii) 經營租賃的租金收入

經營租賃的租金收入在租賃期所涵蓋的會計期間內，以等額在損益賬內確認；但如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。經營租賃協議所涉及的優惠措施均在損益賬中確認為應收租賃淨付款總額的組成部分。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and other income (Continued)

(iii) Dividend

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of tangible and intangible assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策概要(續)

收益及其他收入(續)

(iii) 股息

上市投資項目之股息收入將於該項目的股價除息日確認。

(iv) 利息收入

利息收入於產生時按實際利率法確認。就按攤銷成本計量且並無出現信貸減值之金融資產而言，實際利率用於該資產之賬面總值。

有形及無形資產(商譽除外)減值

於各報告期末，本集團檢討其具有限可使用年期之有形及無形資產之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。倘存在任何該等跡象，則估計相關資產之可收回金額，以釐定減值虧損(如有)之程度。

有形及無形資產的可收回金額乃分別估計。當無法個別估計資產之可收回金額，則本集團估計該資產所屬現金產生單位之可收回金額。倘可識別合理及一致之分配基準，則公司資產亦會分配至個別現金產生單位，否則將分配至可識別合理及一致之分配基準之最小現金產生單位組別。

可收回金額乃公平值減出售成本與使用價值兩者中之較高者。評估使用價值時，採用除稅前貼現率將估計未來現金流量貼現至其現值，該貼現率應反映當前市場對貨幣時間值及資產(或現金產生單位)特定風險(未來現金流量之估計未就該等風險作出調整)之評估。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of tangible and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 主要會計政策概要(續)

有形及無形資產(商譽除外)減值(續)

倘資產(或現金產生單位)之可收回金額估計低於賬面值，則資產(或現金產生單位)之賬面值減至可收回金額。分配減值虧損時，減值虧損首先會分配以減低任何商譽(如適用)的賬面值，然後再基於單位中各項資產的賬面值按比例分配至其他資產。資產的賬面值不得減少至低於公平值減出售成本(如可計量)、使用價值(如可釐定)及零(以最高者為準)。分配至資產的減值虧損數額按單位的其他資產比例分配。減值虧損即時於損益表確認。

倘減值虧損於其後撥回，則將該資產(或現金產生單位)之賬面值增至其可收回金額的經修訂估計值，惟增加後的賬面值不得超過該資產(或現金產生單位)過往年度未確認減值虧損情況下所應釐定之賬面值。減值虧損撥回數額即時於損益表確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “loss before taxation” as reported in the consolidated statement of profit or loss because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with interests in subsidiaries and interests in associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 主要會計政策概要(續)

稅項

所得稅開支指當期應繳稅項及遞延稅項之總和。

本期應繳稅項根據年內應課稅溢利計算。應課稅溢利有別於綜合損益表內呈報之「除稅前虧損」，因其不包括其他年度之應課稅或可扣稅收入或開支，亦不包括毋須課稅或不可扣稅項目。本集團之本期稅項之負債採用於報告期末已實施或大致已實施之稅率計算。

遞延稅項乃按綜合財務報表內資產及負債之賬面值與用以計算應課稅溢利之相關稅基間之暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產一般在有可能獲得可動用可扣減暫時差額之應課稅溢利時，就所有可扣減暫時差額確認。倘暫時差額乃因初步確認一宗交易(業務合併除外)中的資產及負債產生，且不影響應課稅溢利及會計溢利，則相關遞延稅項資產及負債不予確認。此外，倘暫時差額產生自初步確認商譽，則不確認遞延稅項負債。

遞延稅項負債按附屬公司權益及於聯營公司權益之相關應課稅暫時差額確認，惟倘本集團能控制暫時差額之撥回及暫時差額不大可能於可見將來撥回則除外。因該等權益相關之可扣減暫時差額而產生之遞延稅項資產，僅於有可能獲得可供動用暫時差額之利益的足夠應課稅溢利且其預計可於可見將來撥回時確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred taxes for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when investment properties are depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 主要會計政策概要(續)

稅項(續)

遞延稅項資產之賬面值於各報告期末檢討，並扣減至當不再可能有足夠應課稅溢利可供收回所有或部分資產為止。

遞延稅項資產及負債按預期於清償負債或變現資產之期間適用之稅率計量，該稅率乃根據於報告期末已實施或大致已實施之稅率(及税法)釐定。

遞延稅項負債及資產之計量反映本集團於報告期末預期收回或結清其資產及負債賬面值之方式可能會帶來之稅務後果。

就計量使用公平值模型計量之投資物業之遞延稅項而言，乃假設有關於物業之賬面值可透過出售全部收回，該假設被駁回則除外。倘投資物業可折舊，而其所處業務模型之目標為於一段時間內使用投資物業所含之絕大部分經濟利益(而非透過出售)，則推翻該假設。

本期及遞延稅項於損益表內確認，惟倘本期及遞延稅項涉及於其他全面收益表確認或直接於權益確認之項目，則亦分別於其他全面收益表或直接於權益確認。倘本期稅項或遞延稅項乃因業務合併的初步會計處理而產生，則稅務影響計入業務合併之會計處理。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purpose are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The principal annual rates are as follows:

Golf courses	3.33%
Buildings	3.33%-5%
Leasehold improvements	20%-33.33%
Office equipment	20%-33.33%
Motor vehicles	10%-25%
Furniture and fixtures	15%-33.33%
Plant and machineries	10%-33.33%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 主要會計政策概要(續)

物業、廠房及設備

物業、廠房及設備包括持作生產或供應貨品或服務之用或作行政用途之樓宇，乃按成本值減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

在建以作生產、供應或行政用途之物業按成本減任何已確認減值虧損列賬。成本包括專業費用及就合資格資產而言，根據本集團之會計政策資本化之借貸成本。該等物業乃於竣工後並可投入作擬定用途時歸類為適當類別之物業、廠房及設備。該等資產按與其他物業資產相同之基準，於該等資產可投入作擬定用途時開始計提折舊。

資產(在建工程除外)之折舊按其估計可使用年期以直線法撇銷其成本減剩餘價值確認。估計可使用年期、剩餘價值及折舊方法乃於各報告期末檢討，任何估計變動之影響按未來適用法入賬。折舊之主要年率如下：

高爾夫球場	3.33%
樓宇	3.33%-5%
租賃物業裝修	20%-33.33%
辦公室設備	20%-33.33%
汽車	10%-25%
傢俬及裝置	15%-33.3%
廠房及機器	10%-33.3%

物業、廠房及設備項目乃於出售後或當預期持續使用該資產不會產生未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目產生之任何收益或虧損乃按出售所得款項與資產賬面值之差額釐定，並於損益表確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

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

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

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

An investment property is transferred at fair value to property, plant and equipment when the property begins to be occupied by the owner. Gain or loss arising from change in fair value of the investment property upon the transfer is included in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3. 主要會計政策概要(續)

投資物業

投資物業指持作賺取租金及／或資本增值之物業。

投資物業初步按成本值計量，包括任何直接應佔開支。於初步確認後，投資物業按公平值計量。本集團所有根據經營租賃持有作賺取租金或資本增值用途之物業權益乃使公平值模型計量並分類及入賬為投資物業。投資物業公平值變動產生之收益及虧損於產生期間計入損益表。

投資物業於出售後或在投資物業永久不再使用及預期出售該等物業不會產生未來經濟利益時終止確認。投資物業終止確認產生之收益及虧損(按出售所得款項淨額與資產賬面值之差額計算)於該物業終止確認期間計入損益表。

當物業開始由擁有人佔用時，投資物業按公平值轉至物業、廠房及設備。轉撥投資物業公平值變動產生之收益或虧損計入損益表。

無形資產

獨立收購之無形資產

獨立收購的具有限可使用年期之無形資產，按成本值減累計攤銷及任何累計減值虧損列賬。具有限可使用年期之無形資產之攤銷按估計可使用年期以直線法確認。估計可使用年期及攤銷方法於各報告期末檢討，而任何估計變動之影響按未來適用法入賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets (Continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less any accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined using the first-in, first-out or weighted average method as appropriate. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as cost of sales in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as cost of sales in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is offset against the cost of sales in the period in which the reversal occurs.

3. 主要會計政策概要(續)

無形資產(續)

業務合併中購入之無形資產

業務合併中購入並與商譽分開確認之無形資產，初步按其於收購日期之公平值(視為其成本值)確認。

初步確認後，於業務合併中購入之具有有限可使用年期之無形資產以與獨立收購之無形資產相同之基準，按成本值減任何累計攤銷及任何累計減值虧損呈報。

終止確認無形資產

無形資產於出售或預計不會從資產的使用或出售中獲得未來經濟利益時終止確認。因終止確認無形資產而產生之收益及虧損(按出售所得款項淨額與該資產賬面值之差額計算)，於終止確認該資產時於損益表確認。

存貨

存貨按成本與可變現淨值之較低者列賬。已售存貨之成本乃酌情採用先入先出或加權平均法釐定。可變現淨值指存貨估計售價減完成之所有估計成本及作出銷售所需之成本。

所出售存貨之賬面值在相關收入確認期間內確認為銷售成本。任何存貨撇減至可變現淨值之金額及存貨之所有虧損，均在出現撇減或虧損期間內確認為銷售成本。因可變現淨值增加引致存貨的任何撇減撥回之金額，均在出現撥回期間內抵銷銷售成本。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest/dividend income which are derived from the Group's ordinary course of business are presented as investment and other income.

3. 主要會計政策概要(續)

金融工具

當集團實體成為工具合約條文之訂約方時，於綜合財務狀況表確認金融資產及金融負債所有以常規方式購入或出售之金融資產均按買賣日期基準確認及終止確認。以常規方式購入或出售指須於市場規定或慣例所訂時限內交付資產之金融資產購入或出售。

除來自客戶合約之貿易應收款項自二零一八年一月一日起根據香港財務報告準則第15號初始確認外，金融資產及金融負債初始按公平值計量。收購或發行金融資產及金融負債(按公平值計入損益之金融資產除外)直接應佔之交易成本於初始確認時加入金融資產或金融負債之公平值或從中扣除(視情況而定)。直接產生自收購按公平值計入損益表之金融資產之交易成本即時於損益表確認。

實際利率法乃計算金融資產或金融負債之攤銷成本及按有關期間攤分利息收入及利息支出之方法。實際利率乃於初步確認時將估計日後現金收入及支出(包括所支付及收取構成整體實際利率之所有費用、交易成本及其他溢價或折讓)按金融資產或金融負債之預期使用年期，或較短期間(倘合適)準確折現至賬面淨值之利率。

本集團日常業務過程中產生之利息／股息收入呈列為投資及其他收益。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

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

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“**FVTOCI**”):

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

All other financial assets are subsequently measured at fair value through profit or loss (“**FVTPL**”).

A financial asset is classified as held for trading if:

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

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 主要會計政策概要(續)

金融工具(續)

金融資產

金融資產之分類及其後計量

符合以下條件之金融資產其後按攤銷成本減去減值虧損計量：

- 該金融資產為在以持有資產以收取合約現金流量為目標的業務模式下持有；及
- 合約條款在特定日期產生的現金流僅為支付本金及未償本金的利息。

滿足以下條件的金融資產其後按公平值計入其他全面收益(「按公平值計入其他全面收益」)而計量：

- 該金融資產為在以收取合約現金流量及出售為目標的業務模式下持有；及
- 合約條款在特定日期產生的現金流僅為支付本金及未償本金的利息。

所有其他金融資產均其後分類為按公平值計入損益表(「按公平值計入損益表」)。

倘出現下列情況，金融資產被歸類為持作買賣：

- 購入金融資產主要是為於短期內出售；或
- 於初步確認時，其構成本集團合併管理之金融工具之確定組合之一部份及具有最近實際短期獲利模式；或
- 為未被指定及可有效作為對沖工具之衍生工具。

此外，倘能消除或大幅減低會計錯配，則本集團可不可撤回地指定須按攤銷成本或按公平值計入其他全面收益計量之金融資產，以按公平值計入損益表計量。

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綜合財務報表附註

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

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

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Investment and other income" line item.

3. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

金融資產之分類及其後計量(續)

(i) 攤銷成本及利息收入

對於隨後以攤銷成本計量的金融資產，利息收入乃使用實際利率法確認。利息收入乃根據對金融資產的總賬面值應用實際利率計算，惟隨後出現信貸減值的金融資產除外（見下文）。對於隨後出現信貸減值的金融資產，利息收入乃根據對下個報告期金融資產的攤銷成本應用實際利率確認。倘於隨後的報告期間，信貸減值金融工具的信貸風險有所好轉，使該金融資產不再信貸減值，利息收入自釐定資產不再出現信貸減值後的報告期初起，根據對金融資產的總賬面值應用實際利率確認。

(ii) 按公平值計入損益表之金融資產

並不符合按攤銷成本或按公平值計入其他全面收益計量或指定為按公平值計入其他全面收益計量的準則的金融資產乃按公平值計入損益表計量。

按公平值計入損益表之金融資產按於各報告期末的公平值計量，而任何公平值收益或虧損均於損益表內確認。於損益表內確認的淨收益或虧損並不包括就金融資產賺取的任何股息或利息，並計入「投資及其他收益」項目內。

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綜合財務報表附註

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



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

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

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

The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed on an individual basis.

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

3. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

金融資產之減值

本集團就根據香港財務報告準則第9號可予減值的金融資產(包括貿易應收款項、應收貸款、按金及其他應收款項、應收一間聯營公司款項及銀行結餘)的預期信貸虧損(「預期信貸虧損」)確認損失撥備。預期信貸損失的金額於各報告日期更新，以反映自初始確認以來的信貸風險變動。

全期預期信貸虧損指於相關工具的預期年期內所有可能違約事件將產生的預期信貸虧損。反之，12個月預期信貸虧損指預期於報告日期後12個月內可能違約事件預期將產生的全期預期信貸虧損的一部分。評估乃按本集團過往信貸虧損的經驗進行，並就債務人、整體經濟情況及評估於報告期末的當前情況及對未來情況的預測的特定因素作出調整。

本集團經常就並無重大融資部分之貿易應收款項確認全期預期信貸虧損。該等資產的預期信貸虧損乃按個別基準評估。

就所有其他工具而言，本集團計量的虧損撥備相等於12個月預期信貸虧損，除非當信貸風險自初始確認起出現重大增加，則本集團會確認全期預期信貸虧損。對應否確認全期預期信貸虧損的評估乃按自初始確認起發生違約的可能性或風險大幅增加而進行。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

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

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

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

3. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

(i) 信貸風險大幅增加

於評估信貸風險自初始確認以來是否大幅增加時，本集團比較於報告期間就金融工具發生違約的風險與於初始確認日期就金融工具發生違約的風險。於作出此評估時，本集團考慮屬合理及可支持的定量及定質資料，包括過往經驗及在並無繁重成本或工作下可得的前瞻性資料。

尤其是，於評估信貸風險是否已大幅增加時已計入下列資料：

- 金融工具的外部(如有)或內部信貸評級的實際或預期嚴重轉差；
- 信貸風險的外部市場指標嚴重轉差(如債務人的信貸息差及信貸違約掉期價格大幅增加)；
- 預期導致債務人滿足其債務責任的能力大幅減少的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人的經營業績實際或預期嚴重轉差；
- 債務人所在的監管、經濟或科技環境的實際或預期重大不利變動，導致債務人滿足其債務責任的能力大幅減少。

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綜合財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 180 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

(i) 信貸風險大幅增加(續)

不論上述評估的結果，當合約付款已逾期超過180日，本集團會假定信貸風險自初始確認起大幅增加，除非本集團具有合理及可支持資料展示相反情況。

就財務擔保合約而言，本集團成為不可撤回承擔一方之日期被視為就財務工具減值評估進行初始確認之日期。於評估信貸風險自財務擔保合約初步確認以來是否顯著上升時，本集團會考慮指定債務人違背合約之風險之變動。

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when (i) a trade receivable is more than 240 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate, and (ii) the credit quality of a loan receivable is classified as underperforming or non-performing in accordance with the Group's credit rating system.

(iii) Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

3. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

(ii) 違約之定義

就內部信貸風險管理目的而言，本集團於內部產生或獲取自外部來源的資料表明，債務人不太可能向債權人(包括本集團)全額還款(不考慮本集團持有的任何抵押品)時，視為發生違約事件。

儘管有上述分析，本集團認為發生違約，倘(i)貿易應收款項逾期超過240日時，除非本集團有合理且可支持的資料證明更滯後的違約標準屬更合適，及(ii)應收貸款之信貸質素根據本集團之信貸評估系統被分類為不良或不履行。

(iii) 信貸減值之金融資產

當發生對金融資產估計未來現金流量有不利影響之一個或多個違約事件時，金融資產產生信貸減值。金融資產信貸減值之證據包括以下事項之可觀察數據：

- 發行人或借款人出現嚴重財政困難；
- 違反合約，如拖欠或逾期事件；違反合約，如拖欠或逾期事件；
- 借款人之貸款人出於與借款人財務困難有關的經濟或合同考慮，給予借款人在任何其他情況下都不會做出的讓步；

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets (Continued)

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

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of (i) trade receivables, when the amounts are over 270 days past due, (ii) loan receivables, when the credit quality are classified as non-performing in accordance with the Group's credit rating system, and (iii) other receivables, when the other receivables become credit-impaired financial assets, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

3. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

(iii) 信貸減值之金融資產(續)

- 借款人有可能破產或進行其它財務重組；或
- 因財政困難而導致該金融資產失去活躍市場。

(iv) 撇銷政策

當有資料顯示交易對手陷入嚴重財困，且並無實際收回的可能之時(例如交易對手已清算或進入破產程序時，或倘為(i)貿易應收款項，該等金額逾期超過270日，(ii)應收貸款，根據本集團信貸評級系統其信貸質素分類為不履行，及(iii)其他應收款項，而其他應收款項成為信貸減值金融資產，以較早發生者為準)，本集團會撇銷金融資產。已撇銷的金融資產仍可根據本集團的收回程序實施強制執行，在適當情況下考慮法律意見。撇銷構成終止確認事件。任何其後收回款項會於損益表中確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率(即違約時的損失程度)及違約風險暴露的函數。評估違約概率及違約損失率的依據是過往數據，並按前瞻性資料調整。預期信貸虧損之估計反映無偏頗及概率加權之數額，其乃根據加權之相應違約風險而釐定。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

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

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

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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

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

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

3. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

(v) 預期信貸虧損的計量及確認(續)

一般而言，預期信貸虧損估計為根據合約到期支付予本集團的所有合約現金流量與本集團預期收取的所有現金流量之間的差異，並按於初始確認時釐定的實際利率折現。

若按綜合基準計量生命週期的預期信貸虧損，以處理個別工具層面的證據尚未可得的情況，金融工具乃按以下基準分組：

- 金融工具的性質；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 可用的外部信貸測評。

管理層定期檢討分組方法，確保各組別的組成項目仍然具有相似的信貸風險特徵。

利息收入根據金融資產的賬面值總額計算，惟金融資產為信貸減值的情況除外，於此情況下，利息收入根據金融資產的撇銷成本計算。

就財務擔保合約而言，虧損撥備按根據香港財務報告準則第9號釐定之虧損撥備或初步確認之金額減(如適用)於擔保期間確認之累計收入款項(以較高者為準)確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and loan receivables where the corresponding adjustment is recognised through a loss allowance account.

Financial liabilities and equity instruments

Classification and measurement

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or equity instruments according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

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

3. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

(v) 預期信貸虧損的計量及確認(續)

本集團藉調整所有金融工具的賬面值，於損益表確認減值收益或虧損，惟貿易應收款項及應收貸款則透過虧損撥備賬確認相應調整。

金融負債及權益工具

分類及計量

集團實體發行之金融負債及權益工具乃根據合約安排之內容及金融負債與權益工具之定義分類為金融負債或權益工具。

權益工具

權益工具為可證明於實體之資產經扣除其所有負債後之剩餘權益之任何合約。本公司發行之權益工具按已收所得款項扣除直接發行成本入賬。

購回本公司之權益工具所支付之代價於權益中扣除。購買、出售、發行或取消本公司之權益工具並無收益或虧損於損益表確認。

金融負債

所有金融負債其後以實際利息法按攤銷成本計量。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at amortised cost

Financial liabilities including trade payables, accruals and other payables, deposits received, bank borrowings, other borrowings, amount due to a director and secured notes are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contract

A financial guarantee contract is a contract that requires the issuers to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. 主要會計政策概要(續)

金融工具(續)

金融負債及權益工具(續)

按攤銷成本列賬之金融負債

金融負債(包括貿易應付款項、應計費用及其他應付款項、已收按金、銀行借款、其他借款、應付一名董事款項及擔保票據)其後以實際利息法按攤銷成本計量。

財務擔保合約

財務擔保合約為因指定債務人未能按債務工具之原有或經修改條款如期付款時，發行人需支付指定金額予持有人以補償其所遭受損失之合約。財務擔保合約負債初始按公平值計量，其後按以下之較高者計量：

- 虧損撥備之金額；及
- 初步確認之金額減去(如適用)於擔保期內確認之累計攤銷的金額。

終止確認

倘從資產收取現金流量之合約權利已到期，或金融資產已轉讓且本集團已將其於金融資產擁有權之絕大部份風險及回報轉移至另一實體，則金融資產將被取消確認。倘若本集團並無轉讓或保留擁有權之絕大部份風險及回報，並繼續控制已轉讓之資產，則本集團會確認其於資產的保留權益及可能需要支付的相關負債款項。倘若本集團保留已轉讓金融資產擁有權之絕大部份風險及回報，則本集團繼續確認金融資產並同時就所得收益確認抵押借款。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition (Continued)

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

Financial liabilities are derecognised when the Group's obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. 主要會計政策概要(續)

金融工具(續)

終止確認(續)

於終止確認以攤銷成本計量的金融資產時，資產賬面值與已收及應收對價間之差額於損益表確認。

本集團於有關合約之特定責任獲解除、取消或到期時取消確認金融負債。取消確認之金融負債賬面值與已付或應付代價之差額乃於損益表中確認。

現金及現金等價物

綜合現金流量表中的現金及現金等價物包括手頭現金、銀行通知存款、原到期日為三個月或以下之其他短期高流動性投資及銀行透支。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率確認。於各報告期末，以外幣計值之貨幣項目均按該日期之適用匯率重新換算。按公平值列賬且按外幣計值之非貨幣項目乃按釐定公平值當日之適用匯率重新換算。按外幣歷史成本計量之非貨幣項目毋須重新換算。

於結算及重新換算貨幣項目時產生之匯兌差額均於彼等產生期間於損益表中確認。

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綜合財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollar) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of "exchange reserve" (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

3. 主要會計政策概要(續)

外幣(續)

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按各報告期末之適用匯率換算為本集團之呈列貨幣(即港元)，而有關之收入及開支項目乃按期內平均匯率換算，除非期內匯率出現重大波幅，則於此情況下，將採用交易日期之匯率。所產生匯兌差額(如有)均確認為其他全面收益表，及於「匯兌儲備」項下累計權益(歸屬於非控股權益(倘適用))。

於出售海外業務(即出售本集團於海外業務的全部權益，或涉及失去對包括海外業務附屬公司控制權的出售，或出售包括海外業務的合營安排或聯營公司部分權益且當中的保留權益成為財務資產)時，就本公司擁有人應佔該業務而於權益內累計的所有匯兌差額乃重新分類至損益表。

因收購海外業務產生之商譽及可識別資產之公平值調整將被視作該海外業務之資產及負債，並按各報告期末適用之匯率換算。由此產生之匯兌差額乃於其他全面收益表內確認。

借貸成本

收購、建造或生產合資格資產(即需要一段長時間才可作擬定用途或出售)直接應佔之借貸成本，加入該等資產的成本，直至資產大致上可作擬定用途或出售之時為止。

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



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs (Continued)

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

Leases

All leases are classified as operating leases.

The Group as lessor

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Employee benefits

Bonuses

The Group recognises a liability for bonuses when there is a contractual obligation and the amount can be estimated reliably.

Retirement benefit obligations

The Group operates the Mandatory Provident Fund Scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee-administered funds.

3. 主要會計政策概要(續)

借貸成本(續)

所有借貸成本均在產生期內之損益表內確認。

租賃

所有租賃分類為經營租賃。

本集團作為出租人

經營租賃之租金收入以直線法於有關租期內確認於損益表。磋商及安排經營租賃產生之初步直接成本乃計入租賃資產之賬面值，並以直線法於租期內確認為開支。

本集團作為承租人

經營租賃付款以直線法於租期內確認為開支，除非另有系統化基準更能代表使用租賃資產經濟利益之時間模式。

僱員福利

花紅

本集團於有合約責任及責任金額能夠可靠地估計時就花紅確認負債。

退休福利責任

本集團根據香港強制性公積金計劃條例，為按香港僱傭條例聘用之僱員運作強制性公積金計劃(「強積金計劃」)。強積金計劃為界定供款計劃，其資產由獨立信託管理基金持有。

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綜合財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits (Continued)

Retirement benefit obligations (Continued)

Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, with the employees' contributions subject to a cap of monthly relevant income of HK\$30,000. The Group's contributions to the MPF Scheme are expensed as incurred. 5% of relevant income vests immediately upon the completion of service in the relevant service period, while the remaining portion vests in accordance with the MPF Scheme's vesting scales. Where employees leave the MPF Scheme prior to the full vesting of the employer's contributions, the amount of forfeited contributions is used to reduce the contributions payable by the Group.

The employees employed by the Group's subsidiaries in the People's Republic of China (the "PRC") are members of state-managed retirement benefit schemes operated by the government of the PRC. The subsidiaries are required to contribute a specific percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes operated by the government of the PRC is to make the specified contributions under the schemes.

3. 主要會計政策概要(續)

僱員福利(續)

退休福利責任(續)

根據強積金計劃，僱主及其僱員各自須按僱員相關收入之5%向計劃作出供款，僱員供款以相關月收入30,000港元為限。本集團向強積金計劃作出之供款於產生時支銷。相關收入之5%在完成相關服務期之服務時即時歸屬，其餘部分則根據強積金計劃之歸屬比例歸屬。倘僱員於僱主供款全數歸屬前退出強積金計劃，則沒收之供款金額將用作扣減本集團應付之供款。

本集團位於中華人民共和國(「中國」)之附屬公司僱用之僱員為由中國政府設立之國家管理退休福利計劃之成員。該等附屬公司須向退休福利計劃作出佔薪金若干百分比之供款，作為提供福利之資金。根據中國政府運行之退休福利計劃作出規定供款為本集團對該等計劃之唯一責任。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (equity-settled share-based payment reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in equity-settled share-based payment reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in equity-settled share-based payment reserve will be transferred to retained profits.

3. 主要會計政策概要(續)

以股權結算之股份支款交易

授予僱員之購股權

向僱員及提供類似服務之其他人士提供之以股權結算之股份支款按權益工具於授出日期之公平值計量。

以股權結算之股份支款之公平值乃於授出日期不考慮非市場歸屬條件而釐定，在歸屬期間以直線法列作開支，以本集團估計最終將歸屬的權益工具為基礎，並於權益(即以股權結算之股份支款儲備)作相應之增加。於各報告期末，本集團基於對所有相關非市場歸屬條件之評估，修訂關於逾期將歸屬的權益工具數目的估計。修訂原估計的影響(如有)於損益表確認，以令累計開支反映經修訂之估計，並於以股權結算之股份支款儲備作相應調整。對於在授出日期即時歸屬之購股權，所授出購股權之公平值即時於損益表列作開支。

當購股權獲行使時，之前於以股權結算之股份支款儲備確認之數額將轉撥至股本及股份溢價。若購股權在歸屬日期後被沒收或在屆滿日期仍未行使，之前於以股權結算之股份支款儲備確認之數額將轉撥至保留溢利。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity-settled share-based payment transactions (Continued)

Share options granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

3. 主要會計政策概要(續)

以股權結算之股份支款交易(續)

授予顧問之購股權

與非僱員人士之以股權結算之股份支款交易按所獲得商品或服務之公平值計量，惟公平值不能可靠計量者除外，在此情況下則按所授予之權益工具於實體獲得商品或對手方提供服務之日期之公平值計量。所獲得商品或服務之公平值確認為開支(除非該等商品或服務符合被確認為資產之要求)。

或然負債及或然資產

或然負債指因過往事件而可能產生之責任，且其是否存在僅可經不完全由本集團掌握之一項或多項無法確定之未來事件發生與否證實。或然負債亦可為源自過往事件之現時責任，因不大可能需要經濟資源流出或責任金額無法可靠計量而未確認。或然負債未經確認，惟於綜合財務報表附註披露。倘資源流出之可能性有變，以致有很可能發生流出時，則確認為撥備。

或然資產指因過往事件而可能產生之資產，且其存在與否僅可經不完全由本集團掌握之一項或多項無法確定之未來事件發生與否證實。或然資產未經確認，惟當很有可能發生經濟利益流入時，則於財務報表附註披露。倘流入幾乎可以確定，則確認資產。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties transactions

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

- (i) A person or a close member of that person's family is related to the Group if that person:
 - (1) has control or joint control over the Group;
 - (2) has significant influence over the Group; or
 - (3) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
 - (1) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (2) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (3) both entities are joint ventures of the same third party;
 - (4) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (5) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (6) the entity is controlled or jointly controlled by a person identified in (i);

3. 主要會計政策概要(續)

關連人士交易

以下人士被視為與本集團有關，倘：

- (i) 倘某人士符合以下條件，則該人士或其直系親屬被視為與本集團有關聯：
 - (1) 對本集團擁有控制權或共同控制權；
 - (2) 對本集團擁有重大影響力；或
 - (3) 為本集團或本集團母公司之主要管理人員。
- (ii) 倘任何以下條件適用，則某實體與本集團有關聯：
 - (1) 該實體及本集團為同一集團之成員公司(表示各母公司、附屬公司及同系附屬公司互相關聯)；
 - (2) 一實體為另一實體之聯營公司或合營公司(或另一實體為成員公司之集團之成員公司之聯營公司或合營公司)；
 - (3) 兩個實體均為同一第三方之合營公司；
 - (4) 一實體為第三間實體之合營公司，而另一實體為該第三間實體之聯營公司；
 - (5) 該實體乃為本集團或與本集團有關聯之實體之僱員利益而設之離職後福利計劃；
 - (6) 該實體受(i)所識別人士控制或共同控制；

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties transactions (Continued)

(ii) (Continued)

- (7) a person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (8) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

A related party transaction is a transfer of resources, services or obligations between the Group and a related party, regardless of whether a price is charged.

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

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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

3. 主要會計政策概要(續)

關連人士交易(續)

(ii) (續)

- (7) 於(i)(1)所識別之人士對該實體行使重大影響力，或為該實體(或該實體之母公司)之主要管理人員；或
- (8) 該實體、或一間集團之任何成員公司(為集團之一部分)向本集團或本集團之母公司提供主要管理人員服務。

關連人士交易指本集團與一名關連人士之間的資源、服務或責任轉移，不論是否收取價格。

該名人士之近親為可能被預期於與實體進行交易時影響該名人士或受該名人士影響之該等家族成員。

撥備

倘本集團因過往事件而須承擔現時之法定或推定責任、本集團可能須履行該責任及責任金額能夠可靠估計，則確認撥備。

已確認為撥備之金額，為對報告期末履行現時責任所需代價之最佳估計，並考慮與責任有關之風險及不明朗因素。倘使用履行現時責任所需之估計現金流量計量撥備，其賬面值為相關現金流量之現值(倘貨幣時間值之影響重大)。

當清償撥備所需之部分或全部經濟利益預期可從第三方收回時，倘幾乎可以確定可收取彌償及應收款項金額能可靠計量，則應收款項確認為資產。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. 主要會計政策概要(續)

分部呈報

經營分部及綜合財務報表所呈報各分類項目之金額乃自定期提供予本集團最高層管理人員之財務資料中識別得出。最高層管理人員依據該等財務資料分配資源至本集團不同業務及地域以及評估該等業務及地域之表現。

就財務報告而言，個別重大經營分部不會合併計算，惟分部間有類似經濟特點及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方法及監管環境性質方面相類似則除外。倘經營分部並非個別重大但符合大部份此等準則，則該等經營分部可能會被合併計算。

4. 關鍵會計估計及判斷

在應用本集團之會計政策(如附註3所述)時，董事須就對未能從其他來源輕易獲得的資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃根據過往經驗及認為相關之其他因素作出。實際結果可能與該等估計不盡相同。

該等估計及相關假設會作持續評估。倘對會計估計之修訂僅影響進行修訂之期間，則於該期間確認，或倘修訂會影響目前及未來期間，則會於修訂期間及未來期間確認。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has not recognised any deferred tax on changes in fair value of investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

4. 關鍵會計估計及判斷(續)

於應用會計政策時之關鍵判斷

除董事於應用本集團會計政策之過程中涉及估計之關鍵判斷(見下文)以外,以下為對在綜合財務報表確認之金額有最重大影響之關鍵判斷。

投資物業的遞延稅項

就計量利用公平值模式計量的投資物業所產生的遞延稅項而言,董事已檢討本集團的投資物業組合並斷定本集團的投資物業並非以旨在隨著時間流逝消耗該等投資物業包含之絕大部分經濟利益之商業模式持有。因此,在計量本集團投資物業的遞延稅項時,董事認為,以公平值模式計量的投資物業之賬面值可因出售而收回的假設成立。本集團並無確認任何投資物業公平值變動的遞延稅項,本集團未因投資物業的公平值變動而需在出售時繳納所得稅。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Critical judgements in applying accounting policies (Continued)

Principal versus agent consideration (principal)

The Group engages in trading of jewelry products. Upon application of HKFRS 15, the Group reassessed whether the Group should continue to recognise revenue on gross basis based on the requirements in HKFRS 15. The Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the goods and the Group has inventory risk.

Key sources of estimation uncertainty

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

Assessment of economic useful lives of property, plant and equipment, and intangible assets other than goodwill

Property, plant and equipment, and intangible assets with finite useful lives other than goodwill are depreciated or amortised over their economic useful lives. The assessment of estimated useful lives is a matter of judgement based on the experience of the Group, taking into account factors such as technological progress, changes in market demand, expected usage and physical wear and tear. Useful lives are periodically reviewed for continued appropriateness. Due to long lives of assets, changes to the estimates used can result in variations in their carrying amounts.

4. 關鍵會計估計及判斷(續)

於應用會計政策時之關鍵判斷(續)

委託人與代理人的考慮(委託人)

本集團從事珠寶產品貿易。應用香港財務報告準則第15號後，本集團已重新評估本集團是否應當繼續根據香港財務報告準則第15號的規定確認收益總額。經計及本集團主要負責履行提供貨品的承諾及本集團承擔存貨風險等考慮因素後，由於本集團在向客戶轉移規定貨品前控制相關貨品，因此本集團認為本集團為相關交易的委託人。

估計不確定因素之主要來源

以下為關於未來之主要假設，以及於報告期末極有可能導致須對下個財政年度的資產及負債賬面值作出重大調整之估計不確定因素之其他主要來源。

商譽以外之物業、廠房及設備及無形資產之經濟可使用年期評估

除商譽以外，有限可使用年期之物業、廠房及設備及無形資產須於其經濟可使用年期內折舊或攤銷。估計可使用年期評估乃根據本集團之經驗作出判斷，並考慮如技術進步、市場需求變動、預期用法及實物損耗等因素。定期對可使用年期進行持續適用性檢討。由於資產使用年期較長，估計變動會影響其賬面值。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of goodwill

Goodwill is reviewed for impairment at the end of each reporting period or whenever events or changes in circumstances indicate that the carrying amount of the CGU exceeds its recoverable amount. The recoverable amount of the CGU is the greater of the fair value less costs of disposal and value in use. An estimation of the value in use of the CGU involves estimating the future cash flows expected to arise from its continuing use and applying the appropriate discount rate that reflects current market assessment of the time value of money and the risk specific to the CGU.

Fair value measurement of financial instruments under Level 3 of the fair value hierarchy

At 31 December 2018, the listed equity securities of a listed issuer held by the Group have been suspended from trading on the Exchange since 27 November 2017 and no unadjusted quoted prices in active markets are available. The fair value measurement of the suspended listed equity securities is classified under Level 3 of the fair value hierarchy and uses a valuation technique based on significant unobservable inputs. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments. See note 50 for further discussion.

4. 關鍵會計估計及判斷(續)

估計不確定因素之主要來源(續)

商譽之減值

商譽於各報告期末或當有事件出現或情況改變顯示現金產生單位之賬面值超出其可收回金額時作減值檢討。現金產生單位之可收回金額為公平值減出售成本及使用價值之較高者。現金產生單位使用價值之估計包括預期自持續使用所產生之未來現金流量，及應用可反映現行市場對貨幣時間價值之評估和現金產生單位之特定風險之合適貼現率。

第3級公平值等級項下金融工具之公平值計量

於二零一八年十二月三十一日，本集團持有之一名上市發行人之上市股本證券自二零一七年十一月二十七日起於聯交所暫停買賣，於活躍市場上並無未經調整之報價。該已暫停上市股本證券之公平值計量獲分類為第3級公平值等級，使用根據重大不可觀察輸入數據估值技術計量。在確定相關估值技術及其所使用的相關輸入數據時須作出判斷及估計。與該等因素相關的假設變動可能影響該等工具的呈報公平值。相關進一步討論請參閱附註50。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Key sources of estimation uncertainty (Continued)

Fair value of investment properties

Investment properties are stated at fair value based on the market values, being the estimated amount for which properties could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction or the valuation performed by an independent valuer. In determining the fair value, the valuer has based on method of valuation which involves certain estimates and assumptions. In relying on the valuation report, the management has exercised their judgements and is satisfied that the method of valuation is reflective of the current market conditions. Should there be any changes in assumptions due to change of market conditions, the fair value of the investment properties will be adjusted accordingly.

ECL for financial assets

The Group makes loss allowance on receivables based on various factors including the aging of the receivables, historical write-off experience and forward looking information. The identification of impairment of receivables requires the use of judgement and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying amounts of receivables and the allowance for credit losses on receivables is recognised in the years in which such estimates have been changed. See note 50 for further discussion.

4. 關鍵會計估計及判斷(續)

估計不確定因素之主要來源(續)

投資物業之公平值

投資物業根據市值以公平值入賬，市值乃物業於估值日在願意買方與願意賣方按正常交易條款交易的估計金額或一名獨立估值師進行的估值。估值師於釐定公平值時乃根據包含若干估計及假設之估值方法進行。管理層已作出判斷並信納估值方法反映現行市況，方信納估值報告。倘市況變動引致假設改變，則投資物業之公平值將相應調整。

金融資產之預期信貸虧損

本集團根據不同因素包括應收款項之賬齡、過往撇銷經驗及前瞻性資料對應收款項作出虧損撥備。識別應收款項減值須運用判斷及估計。倘預期有別於原先估計，則有關差異將會影響有關估計變動年內應收款項之賬面值及應收款項之信貸虧損撥備。詳盡的討論請參閱附註50。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Key sources of estimation uncertainty (Continued)

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and variable selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in customers' taste and competitors' actions in response to severe industry cycle. The directors reassess the estimations at the end of reporting period.

4. 關鍵會計估計及判斷(續)

估計不確定因素之主要來源(續)

所得稅

本集團須於多個司法權區繳納所得稅。釐定全球的所得稅撥備須作出重大判斷。於日常業務過程中，眾多交易及計算之最終稅務決定均不確定。本集團估計是否須繳納額外稅項，並據此就預計稅務審計問題確認負債。倘該等事項之最終稅務後果有別於初步記錄之金額，則相關差額將影響作出上述決定期間之所得稅及遞延稅項撥備。

存貨之可變現淨值

存貨之可變現淨值為於日常業務過程中估計之售價，扣除估計完成成本及可變銷售開支。該等估計乃基於當前市況及銷售類似性質產品之歷史經驗，並可能因應客戶喜好變化及競爭對手為應對嚴峻的行業週期而採取的行動發生重大變動。董事於報告期末重新評估該等估計。

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5. OPERATING SEGMENTS

The Group's operating segments have been determined based on the information reported to the Chairman of the board of directors, being the chief operating decision maker, that are used for performance assessment and to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments. The Group currently has four operating segments:

- | | |
|------------------------------|--|
| (a) Property investment | Leasing of rental properties |
| (b) Sale of financial assets | Sale of financial assets at FVTPL |
| (c) Money lending | Money lending |
| (d) Sale of jewelry products | Design and sale of jewelry products, and sale of precious stones |

An operating segment regarding the distribution of films and sub-licensing of film rights was discontinued on 17 February 2017 upon the disposal of Riche Video Limited (“**Riche Video**”).

The sale of precious stones business has been suspended since the first quarter of 2017.

5. 經營分部

本集團之經營分部已根據向董事會主席（即主要經營決策人）報告之資料釐定，有關資料可用作評估表現及作出策略性決定。本集團之經營業務乃根據其業務性質及所提供之產品及服務構建及獨立管理。本集團各經營分部指提供產品及服務之策略性業務單位，其風險及回報有別於其他經營分部。本集團現時有四個經營分部：

- | | |
|------------|------------------|
| (a) 物業投資 | 租賃租用物業 |
| (b) 銷售金融資產 | 銷售按公平值計入損益表之金融資產 |
| (c) 借貸 | 借貸 |
| (d) 銷售珠寶產品 | 設計及銷售珠寶產品，以及銷售寶石 |

有關發行電影及轉授電影發行權之經營分部已於二零一七年二月十七日出售豐采錄影有限公司（「**豐采錄影**」）後終止。

銷售寶石業務已自二零一七年第一季度起暫停。

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

5. OPERATING SEGMENTS (Continued)

An analysis of the Group's reportable segment revenue, results, assets, liabilities and other selected financial information for the years ended 31 December 2018 and 2017 by operating segments are as follows:

Segment revenue and results

For the year ended 31 December 2018

5. 經營分部(續)

截至二零一八年及二零一七年十二月三十一日止年度，本集團按經營分部劃分之可呈報分部收益、業績、資產、負債及其他選定財務資料之分析如下：

分部收益及業績

截至二零一八年十二月三十一日止年度

		Continuing operations 持續經營業務				Discontinued operation 已終止經營業務		Consolidated 綜合
		Property investment 物業投資 HK\$'000 千港元	Sale of financial assets 銷售金融資產 HK\$'000 千港元	Money lending 借貸 HK\$'000 千港元	Sale of jewelry products 銷售珠寶產品 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Distribution 發行 HK\$'000 千港元	
Segment revenue	分部收益	36,286	6,698	96,274	48,779	188,037	-	188,037
Segment (loss)/profit	分部(虧損)/溢利	(279,788)	(289,126)	31,978	(6,473)	(543,409)	-	(543,409)
Interest income on bank deposits	銀行存款之利息收入					175	-	175
Unallocated corporate income	未分配企業收入					502	-	502
Unallocated corporate expenses	未分配企業開支					(13,244)	-	(13,244)
Gain on disposal of an associate	出售一間聯營公司之收益					1,520	-	1,520
Loss on disposal of subsidiaries	出售附屬公司之虧損					(10,993)	-	(10,993)
Finance costs	融資費用					(43,276)	-	(43,276)
Share of results of associates	應佔聯營公司業績					8,909	-	8,909
Loss before taxation	除稅前虧損					(599,816)	-	(599,816)
Income tax credit	所得稅抵免					11,091	-	11,091
Loss for the year	本年度虧損					(588,725)	-	(588,725)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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



5. OPERATING SEGMENTS (Continued)

Segment revenue and results (Continued)

For the year ended 31 December 2017

		Continuing operations 持續經營業務				Discontinued operation 已終止經營業務		Consolidated 綜合
		Property investment 物業投資 HK\$'000 千港元	Sale of financial assets 銷售 金融資產 HK\$'000 千港元	Money lending 借貸 HK\$'000 千港元	Sale of jewelry products 銷售 珠寶產品 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Distribution 發行 HK\$'000 千港元	
Segment revenue	分部收益	44,412	(103,657)	70,626	42,608	53,989	–	53,989
Segment profit/(loss)	分部溢利/(虧損)	10,552	(195,659)	68,820	(4,801)	(121,088)	(3)	(121,091)
Interest income on bank deposits	銀行存款之利息收入					76	–	76
Unallocated corporate income	未分配企業收入					175	–	175
Unallocated corporate expenses	未分配企業開支					(60,271)	–	(60,271)
Gain on disposal of a subsidiary	出售一間附屬公司之收益					1	–	1
Impairment loss recognised in respect of amount due from an associate	已確認應收一間聯營公司款項之減值虧損					(217)	–	(217)
Finance costs	融資費用					(23,627)	–	(23,627)
Share of results of associates	應佔聯營公司業績					282	–	282
Loss before taxation	除稅前虧損					(204,669)	(3)	(204,672)
Income tax credit	所得稅抵免					9,052	–	9,052
Loss for the year	本年度虧損					(195,617)	(3)	(195,620)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both years.

Segment results represent (loss incurred)/profit earned by each segment without allocation of central administrative expenses including directors' emoluments, share of results of associates, certain investment and other income, certain other gains and losses, finance costs and income tax credit. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

5. 經營分部(續)

分部收益及業績(續)

截至二零一七年十二月三十一日止年度

上文呈報之分部收益指由外部客戶產生之收益。兩個年度並無分部間銷售。

分部業績指各分部(產生之虧損)/賺取之溢利，惟並無分配中央行政開支，包括董事酬金、應佔聯營公司業績、若干投資及其他收入、若干其他收益及虧損、融資費用及所得稅抵免。此乃就分配資源及評估分部表現而向主要經營決策人呈報之衡量基準。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. OPERATING SEGMENTS (Continued)

Segment assets and liabilities

At 31 December 2018

5. 經營分部(續)

分部資產及負債

於二零一八年十二月三十一日

		Continuing operations				Sub-total	Discontinued operation	Consolidated
		持續經營業務						
		Property investment	Sale of financial assets	Money lending	Sale of jewelry products		Distribution	
		物業投資	銷售金融資產	借貸	銷售珠寶產品	小計	發行	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment assets	分部資產							
– Hong Kong	– 香港	416,066	569,728	1,188,093	68,647	2,242,534	–	2,242,534
– The PRC	– 中國	1,646,961	–	–	–	1,646,961	–	1,646,961
		<u>2,063,027</u>	<u>569,728</u>	<u>1,188,093</u>	<u>68,647</u>	<u>3,889,495</u>	<u>–</u>	<u>3,889,495</u>
Unallocated corporate assets	未分配企業資產							81,698
Consolidated total assets	綜合資產總值							<u>3,971,193</u>
Segment liabilities	分部負債							
– Hong Kong	– 香港	(126,477)	(12,112)	(73,952)	(37,006)	(249,547)	–	(249,547)
– The PRC	– 中國	(545,473)	–	–	–	(545,473)	–	(545,473)
		<u>(671,950)</u>	<u>(12,112)</u>	<u>(73,952)</u>	<u>(37,006)</u>	<u>(795,020)</u>	<u>–</u>	<u>(795,020)</u>
Unallocated corporate liabilities	未分配企業負債							(523,095)
Consolidated total liabilities	綜合負債總額							<u>(1,318,115)</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. OPERATING SEGMENTS (Continued)

Segment assets and liabilities (Continued)

At 31 December 2017

5. 經營分部(續)

分部資產及負債(續)

於二零一七年十二月三十一日

		Continuing operations				Sub-total	Discontinued operation	Consolidated
		持續經營業務						
		Property investment	Sale of financial assets	Money lending	Sale of jewelry products		Distribution	
		物業投資	銷售金融資產	借貸	銷售珠寶產品	小計	發行	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment assets	分部資產							
– Hong Kong	– 香港	242,294	726,458	1,284,413	70,973	2,324,138	–	2,324,138
– The PRC	– 中國	2,668,627	–	–	–	2,668,627	–	2,668,627
		<u>2,910,921</u>	<u>726,458</u>	<u>1,284,413</u>	<u>70,973</u>	<u>4,992,765</u>	<u>–</u>	<u>4,992,765</u>
Unallocated corporate assets	未分配企業資產							231,140
Consolidated total assets	綜合資產總值							<u>5,223,905</u>
Segment liabilities	分部負債							
– Hong Kong	– 香港	(128,947)	(12,118)	(1,135)	(31,926)	(174,126)	–	(174,126)
– The PRC	– 中國	(1,163,172)	–	–	–	(1,163,172)	–	(1,163,172)
		<u>(1,292,119)</u>	<u>(12,118)</u>	<u>(1,135)</u>	<u>(31,926)</u>	<u>(1,337,298)</u>	<u>–</u>	<u>(1,337,298)</u>
Unallocated corporate liabilities	未分配企業負債							(620,302)
Consolidated total liabilities	綜合負債總額							<u>(1,957,600)</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. OPERATING SEGMENTS (Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates, amount due from an associate, certain deposits, prepayments, other receivables and cash and cash equivalents that are not attributable to individual segments. Assets used jointly by individual segments are allocated on the basis of the revenues earned by individual segments; and
- all liabilities are allocated to operating segments other than other borrowings, secured notes, certain accruals, other payables and tax payables that are not attributable to individual segments. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

Other segment information

For the year ended 31 December 2018

5. 經營分部(續)

分部資產及負債(續)

為監察分部表現及於分部間分配資源：

- 除於聯營公司之權益、應收一間聯營公司款項、若干按金、預付款項、其他應收款項，以及現金及現金等價物不計入個別分部外，所有資產均分配至經營分部。個別分部共同使用之資產按個別分部賺取之收益分配；及
- 除其他借款、擔保票據、若干應計費用、其他應付款項及應付稅項不計入個別分部外，所有負債均分配至經營分部。分部共同產生之負債按分部資產比例分配。

其他分部資料

截至二零一八年十二月三十一日止年度

	Continuing operations					Discontinued operation		Consolidated	
	持續經營業務					已終止經營業務			
	Property investment	Sale of financial assets	Money lending	Sale of jewelry products	Unallocated	Sub-total	Distribution		
	物業投資	銷售金融資產	借貸	銷售珠寶產品	未分配	小計	發行	綜合	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Amounts included in the measure of segment (loss)/profit and segment assets	計量分部(虧損)/溢利及分部資產所計入之金額								
Additions to property, plant and equipment	添置物業、廠房及設備	70,888	-	-	25	-	70,913	-	70,913
Amortisation of intangible assets	無形資產攤銷	(20,887)	-	-	-	-	(20,887)	-	(20,887)
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	(22,836)	-	-	(61)	-	(22,897)	-	(22,897)
Dividend income	股息收入	-	661	-	-	-	661	-	661
Gain arising on change in fair value of investment properties	投資物業公平值變動產生之收益	14,500	-	-	-	-	14,500	-	14,500
Impairment loss recognised in respect of loan receivables	就應收貸款確認之減值虧損	-	-	(17,547)	-	-	(17,547)	-	(17,547)
Impairment loss recognised in respect of other receivables	就其他應收款項確認之減值虧損	(21,285)	-	-	-	-	(21,285)	-	(21,285)
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認之減值虧損	-	-	-	(89)	-	(89)	-	(89)
Interest income on other receivables	其他應收款項之利息收入	1,053	129	-	-	502	1,684	-	1,684
Loss arising on change in fair value of financial assets at FVTPL	按公平值計入損益表之金融資產公平值變動產生之虧損	-	(296,211)	-	-	-	(296,211)	-	(296,211)
Written-off of property, plant and equipment	撇銷物業、廠房及設備	(233,632)	-	-	-	-	(233,632)	-	(233,632)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. OPERATING SEGMENTS (Continued)

Other segment information (Continued)

For the year ended 31 December 2017

5. 經營分部(續)

其他分部資料(續)

截至二零一七年十二月三十一日止年度

	Continuing operations					Sub-total	Distribution	Discontinued operation 已終止 經營業務	Consolidated
	Property investment	Sale of financial assets	Money lending	Sale of jewelry products	Unallocated				
	物業投資	銷售金融資產	借貸	銷售珠寶產品	未分配	小計	發行	綜合	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Amounts included in the measure of segment profit/(loss) and segment assets	計量分部溢利/(虧損)及分部資產所計入之金額								
Additions to investment properties	190,403	–	–	–	–	190,403	–	190,403	
Additions to property, plant and equipment	56,301	–	–	–	161,880	218,181	–	218,181	
Amortisation of intangible assets	(20,456)	–	–	–	–	(20,456)	–	(20,456)	
Depreciation of property, plant and equipment	(14,083)	–	–	(116)	(1,544)	(15,743)	–	(15,743)	
Dividend income	–	1,022	–	–	–	1,022	–	1,022	
Gain arising on change in fair value of investment properties	20,013	–	–	–	–	20,013	–	20,013	
Impairment loss recognised in respect of goodwill	(1,813)	–	–	–	–	(1,813)	–	(1,813)	
Loss arising on change in fair value of financial assets at FVTPL	–	(92,526)	–	–	–	(92,526)	–	(92,526)	
Loss on disposal of property, plant and equipment	(92)	–	–	–	–	(92)	–	(92)	

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. OPERATING SEGMENTS (Continued)

Geographical information

The Group mainly operates in Hong Kong and the PRC. The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

		Continuing operations		Discontinued operation		Continuing operations		Discontinued operation	
		Revenue from external customers		Revenue from external customers		Non-current assets*		Non-current assets*	
		持續經營業務		已終止經營業務		持續經營業務		已終止經營業務	
		從對外客戶而來之收益		從對外客戶而來之收益		非流動資產*		非流動資產*	
		2018	2017	2018	2017	2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Australia	澳洲	21	68	-	-	-	-	-	-
Europe	歐洲	10,437	10,218	-	-	-	-	-	-
Hong Kong	香港	144,595	(1,493)	-	-	665,778	432,895	-	-
The Middle East	中東	-	705	-	-	-	-	-	-
The PRC	中國	32,777	44,412	-	-	1,465,511	2,386,289	-	-
The United States of America	美利堅合眾國	207	79	-	-	-	-	-	-
		188,037	53,989	-	-	2,131,289	2,819,184	-	-

* Non-current assets excluded deferred tax assets, other receivables and loan receivables.

* 非流動資產不包括遞延稅項資產、其他應收款項及應收貸款。

5. 經營分部(續)

地區資料

本集團主要於香港及中國經營。本集團按地區劃分之來自對外客戶之收益及有關其非流動資產之資料詳列如下：

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綜合財務報表附註

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

5. OPERATING SEGMENTS (Continued)

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

		For the year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Customer 1 ¹	客戶 1 ¹	N/A 不適用 ⁴	18,549
Customer 2 ¹	客戶 2 ¹	19,901	13,303
Customer 3 ²	客戶 3 ²	21,264	20,809
Customer 4 ²	客戶 4 ²	N/A 不適用 ⁴	9,159
Customer 5 ³	客戶 5 ³	N/A 不適用 ⁴	16,200
Customer 6 ³	客戶 6 ³	N/A 不適用 ⁴	12,191
Customer 7 ³	客戶 7 ³	N/A 不適用 ⁴	10,560

- ¹ Revenue from sale of jewelry products.
- ² Revenue from property investment.
- ³ Revenue from money lending.
- ⁴ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

5. 經營分部(續)

有關主要客戶之資料

於相關年度向本集團總收益貢獻10%以上之來自客戶之收益如下：

		For the year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Customer 1 ¹	客戶 1 ¹	N/A 不適用 ⁴	18,549
Customer 2 ¹	客戶 2 ¹	19,901	13,303
Customer 3 ²	客戶 3 ²	21,264	20,809
Customer 4 ²	客戶 4 ²	N/A 不適用 ⁴	9,159
Customer 5 ³	客戶 5 ³	N/A 不適用 ⁴	16,200
Customer 6 ³	客戶 6 ³	N/A 不適用 ⁴	12,191
Customer 7 ³	客戶 7 ³	N/A 不適用 ⁴	10,560

- ¹ 來自銷售珠寶產品之收益。
- ² 來自物業投資之收益。
- ³ 來自借貸之收益。
- ⁴ 相關收益並無向本集團總收益貢獻10%以上。

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綜合財務報表附註

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

6. REVENUE

For the year ended 31 December 2018

Disaggregation of revenue from contracts with customers

6. 收益

截至二零一八年十二月三十一日止年度

來自客戶合約之收益明細

		HK\$'000 千港元
Continuing operations	持續經營業務	
Sale of jewelry products	銷售珠寶產品	48,779
Timing of revenue recognition	確認收益之時間	
A point in time	按單一時間點	48,779

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

來自客戶合約之收益與於分部資料披露的金額的對賬載列如下。

		HK\$'000 千港元
Continuing operations	持續經營業務	
Sale of jewelry products	銷售珠寶產品	48,779
Revenue from contracts with customers	來自客戶合約之收益	48,779
Sale of financial assets, net	銷售金融資產，淨額	6,698
Interest income on loans	貸款利息收入	96,274
Rental income	租金收入	36,286
Total revenue	總收益	188,037

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

		HK\$'000 千港元
Continuing operations	持續經營業務	
Sale of jewelry products	銷售珠寶產品	42,608
Sale of financial assets, net	銷售金融資產，淨額	(103,657)
Interest income on loans	貸款利息收入	70,626
Rental income	租金收入	44,412
Total revenue	總收益	53,989

Notes to the Consolidated Financial Statements

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



6. REVENUE (Continued)

Revenue from sale of financial assets is recorded on a net basis, details of which are as follows:

6. 收益(續)

銷售金融資產之收益按淨額基準入賬，詳情如下：

		For the year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Proceeds from sale of financial assets at FVTPL	銷售按公平值計入損益表之金融資產之所得款項	91,046	356,032
Carrying amounts of financial assets at FVTPL sold plus transaction costs	已售按公平值計入損益表之金融資產之賬面值另加交易費用	(84,348)	(459,689)
		6,698	(103,657)

7. INVESTMENT AND OTHER INCOME

7. 投資及其他收入

		For the year ended 31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Continuing operations	持續經營業務		
Dividend income	股息收入	661	1,022
Interest income on bank deposits	銀行存款之利息收入	175	76
Interest income on other receivables	其他應收款項之利息收入	1,684	—
Net foreign exchange gain	匯兌收益淨額	—	63
Sundry income	雜項收入	450	112
		2,970	1,273

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

8. OTHER GAINS AND LOSSES

8. 其他收益及虧損

		For the year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Continuing operations	持續經營業務		
Gain arising on change in fair value of investment properties	投資物業公平值變動產生之收益	14,500	20,013
Gain on disposal of an associate	出售一間聯營公司之收益	1,520	—
Impairment loss recognised in respect of amount due from an associate	已確認應收一間聯營公司款項之減值虧損	—	(217)
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	—	(1,813)
Loss arising on change in fair value of financial assets at FVTPL	按公平值計入損益表之金融資產公平值變動產生之虧損	(296,211)	(92,526)
(Loss)/gain on disposal of subsidiaries	出售附屬公司之(虧損)/收益	(10,993)	1
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	(92)
Written-off of property, plant and equipment	撇銷物業、廠房及設備	(233,632)	—
		(524,816)	(74,634)

9. FINANCE COSTS

9. 融資費用

		For the year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Continuing operations	持續經營業務		
Interest on bank borrowings	銀行借款之利息	9,266	9,857
Interest on other borrowings	其他借款之利息	9,797	5,216
Imputed interest on secured notes	擔保票據之估算利息	24,213	8,554
		43,276	23,627

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



10. INCOME TAX CREDIT

10. 所得稅抵免

		For the year ended	
		31 December	
		截至十二月三十一日止年度	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Continuing operations	持續經營業務		
Hong Kong Profits Tax	香港利得稅		
— Current tax	— 本期稅項	(2,283)	(2,103)
— Over provision in prior years	— 過往年度超額撥備	123	20
		(2,160)	(2,083)
PRC Enterprise Income Tax	中國企業所得稅		
— Current tax	— 本期稅項	(1,883)	(1,633)
Deferred taxation credit (note 40)	遞延稅項抵免(附註40)	15,134	12,768
		11,091	9,052

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, starting from the current year, the Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for the year ended 31 December 2017.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

於二零一八年三月二十一日，香港立法會通過二零一七年稅務(修訂)(第7號)條例草案(「條例草案」)，其引入兩級制利得稅率制度。條例草案於二零一八年三月二十八日簽署成為法律並於翌日刊登憲報。根據兩級制利得稅率制度，合資格集團實體的首2,000,000港元溢利將按8.25%的稅率徵稅，而超過2,000,000港元的溢利將按16.5%的稅率徵稅。不符合兩級制利得稅率制度的集團實體之溢利將繼續按16.5%之劃一稅率徵稅。

因此，自本年度起，香港利得稅按首2,000,000港元之估計應課稅溢利之8.25%計算，並按超過2,000,000港元之估計應課稅溢利之16.5%計算。

截至二零一七年十二月三十一日止年度，香港利得稅按估計應課稅溢利之16.5%計算。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施規例，中國附屬公司於兩個年度之稅率為25%。

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綜合財務報表附註

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

10. INCOME TAX CREDIT (Continued)

The income tax credit for the year can be reconciled to the loss before taxation from continuing operations per consolidated statement of profit or loss as follows:

10. 所得稅抵免(續)

本年度所得稅抵免與綜合損益表內之持續經營業務之除稅前虧損對賬如下：

		For the year ended	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
Continuing operations	持續經營業務		
Loss before taxation	除稅前虧損	(599,816)	(204,669)
Taxation at domestic income tax rate	以當地所得稅率計稅	(114,383)	(36,357)
Tax effect of income not taxable for tax purpose	稅務上毋須課稅收入之稅務影響	(14,700)	(14,310)
Tax effect of expenses not deductible for tax purpose	稅務上不可扣稅開支之稅務影響	122,492	49,061
Tax effect of accelerated accounting depreciation over/(under) tax depreciation	多計/(少計)會計折舊對比稅務折舊之稅務影響	129	(19)
Tax effect of estimated tax losses not recognised	未確認估計稅項虧損之稅務影響	10,793	9,650
Utilisation of tax losses previously not recognised	動用先前未確認稅項虧損	—	(4,289)
Tax concession (Note)	稅務優惠(附註)	(165)	—
Over-provision in prior years	過往年度過多撥備	(123)	(20)
Deferred taxation credit	遞延稅項抵免	(15,134)	(12,768)
Income tax credit	所得稅抵免	(11,091)	(9,052)

Note:

It represents the tax concession from the enactment of the two-tiered Profit Tax rates by the Inland Revenue Department.

附註：

此乃香港稅務局實施兩級制利得稅率制度後產生之稅務優惠。

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11. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

Loss for the year from continuing operations has been arrived at after charging/(crediting):

11. 本年度來自持續經營業務之虧損

本年度來自持續經營業務之虧損乃扣除／(計入)以下各項後得出：

		For the year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Continuing operations	持續經營業務		
Amortisation of intangible assets (included in administrative expenses)	無形資產攤銷 (計入行政開支)	20,887	20,456
Auditors' remuneration:	核數師酬金：		
— audit services	— 核數服務	1,088	1,108
— non-audit services	— 非核數服務	353	467
		1,441	1,575
Cost of inventories sold	已銷售存貨之成本	43,752	38,057
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	22,897	15,743
Impairment loss recognised in respect of loan receivables	就應收貸款確認之減值虧損	17,547	—
Impairment loss recognised in respect of other receivables	就其他應收款項確認之減值虧損	21,285	—
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認之減值虧損	89	—
Net foreign exchange loss/(gain)	匯兌虧損／(收益)淨額	67	(63)
Operating lease rentals in respect of rental premises	租賃物業之經營租賃租金	3,259	2,873
Operating lease rentals in respect of operating rights	經營權之經營租賃租金	16,831	16,471
Less: operating lease rentals capitalised	減：已資本化經營租賃租金	(11,134)	(10,896)
		5,697	5,575
Equity-settled share-based payment expenses in respect of consultancy services	就顧問服務以股權結算之股份支款開支	—	702
Staff costs (including directors' emoluments):	員工成本(包括董事酬金)：		
— salaries and allowances	— 薪金及津貼	46,905	34,425
— discretionary bonuses	— 酌情花紅	25,463	25,215
— contributions to retirement benefits scheme	— 退休福利計劃供款	1,528	434
— equity-settled share-based payment expenses	— 以股權結算之股份支款開支	9,063	9,821
		82,959	69,895

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

11. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS (Continued)

Loss for the year from continuing operations has been arrived at after charging/(crediting): (Continued)

11. 本年度來自持續經營業務之虧損 (續)

本年度來自持續經營業務之虧損乃扣除/(計入)以下各項後得出：(續)

		For the year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Gross rental income from investment properties and operating rights	來自投資物業及經營權之租金總收入	(36,286)	(44,412)
Less: direct operating expenses incurred for investment properties and operating rights that generated rental income during the year	減：年內產生租金收入之投資物業及經營權產生之直接經營開支	19,726	19,480
Less: direct operating expenses incurred for investment properties and operating rights that did not generate rental income during the year	減：年內並無產生租金收入之投資物業及經營權產生之直接經營開支	382	401
		(16,178)	(24,531)

12. DISCONTINUED OPERATION

On 17 February 2017, the Group entered into a sale and purchase agreement relating to the disposal of the entire issued share capital of Riche Video, which was principally engaged in distribution of video products and holding of film rights. The Group discontinued its distribution of films and sub-licensing of film rights operation by disposing of Riche Video, which enabled the Group to concentrate resources on its existing businesses. The disposal was completed on 17 February 2017, being the date on which the control of Riche Video passed to the acquirer.

12. 已終止經營業務

於二零一七年二月十七日，本集團就出售豐采錄影之全部已發行股本訂立買賣協議，其主要從事發行錄影產品及持有電影發行權。本集團於出售豐采錄影後終止確認其發行電影及轉授電影發行權業務，令本集團能夠集中資源於其現有業務。此出售事項於二零一七年二月十七日完成，即豐采錄影之控制權轉交給收購方當日。

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12. DISCONTINUED OPERATION (Continued)

The loss for the period from 1 January 2017 to 17 February 2017 from the discontinued distribution of films and sub-licensing of film rights operation is set out below:

		HK\$'000 千港元
Loss on distribution of films and sub-licensing of film rights operation	發行電影及轉授電影發行權業務之虧損	(3)
Gain on disposal of distribution of films and sub-licensing of film rights operation (note 42)	出售發行電影及轉授電影發行權業務之收益(附註42)	1
		(2)

12. 已終止經營業務(續)

已終止發行電影及轉授電影發行權業務由二零一七年一月一日至二零一七年二月十七日期間之虧損載列如下：

The results of the discontinued operation for the period from 1 January 2017 to 17 February 2017 were as follows:

		HK\$'000 千港元
Revenue	收益	—
Administrative expenses	行政開支	(3)
Loss before taxation	除稅前虧損	(3)
Income tax expense	所得稅開支	—
Loss for the period from discontinued operation	來自己終止經營業務之本年度虧損	(3)

於二零一七年一月一日至二零一七年二月十七日期間，已終止經營業務之業績如下：

The cash flows of the discontinued operation for the period from 1 January 2017 to 17 February 2017 were as follows:

		HK\$'000 千港元
Net cash outflow from operating activities	經營活動現金流出淨額	(96)
Net cash outflow	現金流出淨額	(96)

於二零一七年一月一日至二零一七年二月十七日期間，已終止經營業務之現金流量如下：

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13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

The aggregate amounts of emoluments paid or payable to the directors and the chief executive officer of the Company during the year was HK\$47,741,000 (2017: HK\$48,185,000) and was included in "administrative expenses" under continuing operations. The emoluments of each director and the chief executive officer for the years ended 31 December 2018 and 2017 disclosed pursuant to the Listing Rules and the Hong Kong Company Ordinance are as follows:

13. 董事及行政總裁之酬金

年內已付或應付本公司董事及行政總裁之酬金總額為47,741,000港元(二零一七年：48,185,000港元)並計入持續經營業務下之「行政開支」。截至二零一八年及二零一七年十二月三十一日止年度，各董事及行政總裁之酬金根據適用上市規則及香港公司條例披露如下：

		Fees 袍金		Salaries and allowances 薪金及津貼		Discretionary bonuses 酌情花紅		Contributions to retirement benefit schemes 退休福利計劃供款		Equity-settled share-based payment expenses 以股權結算之股份支款開支		Total 總計	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Executive directors	執行董事												
Mr. Lei Hong Wai, the chief executive officer	李焯偉先生 (行政總裁)	-	-	8,400	8,400	10,000	10,000	18	18	109	1,052	18,527	19,470
Mr. Cheung Kwok Wai Elton	張國偉先生	-	-	8,400	8,400	10,000	10,000	18	18	109	1,052	18,527	19,470
Mr. Chan Kin Wah Billy	陳健華先生	-	-	4,570	2,020	3,500	3,500	18	18	1,092	1,052	9,180	6,590
Mr. Cheung Kwok Fan	張國勳先生	120	120	810	1,020	90	85	18	18	109	1,052	1,147	2,295
Independent non-executive directors	獨立非執行董事												
Mr. Wan Shing Chi	尹成志先生	120	120	-	-	-	-	-	-	-	-	120	120
Mr. Ng Heung Yan	吳向仁先生	120	120	-	-	-	-	-	-	-	-	120	120
Mr. Wong Tak Chuen	黃德銓先生	120	120	-	-	-	-	-	-	-	-	120	120
Total emoluments	酬金總額	480	480	22,180	19,840	23,590	23,585	72	72	1,419	4,208	47,741	48,185

The executive directors' and the chief executive officer's emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors.

There was no arrangement under which a director or the chief executive officer of the Company waived or agreed to waive any remuneration during the year ended 31 December 2018 (2017: Nil).

以上所示之執行董事及行政總裁之酬金為彼等就管理本公司及本集團事務提供服務之酬金。上述獨立非執行董事酬金為彼等作為董事提供服務之酬金。

於截至二零一八年十二月三十一日止年度，並無本公司董事或行政總裁放棄或同意放棄任何酬金之安排(二零一七年：無)。

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13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (Continued)

During the year ended 31 December 2018, no emoluments have been paid by the Group to any of the directors and the chief executive officer as an inducement to join or upon joining the Group as compensation for loss of office (2017: Nil).

The executive directors and the chief executive officer of the Company are entitled to bonus payments which are determined based on their duties and responsibilities in the Group.

During the years ended 31 December 2018 and 2017, the executive directors were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in note 44 to the consolidated financial statements. The number of share options granted is determined based on the directors' duties and responsibilities in the Group.

14. TRANSACTIONS, ARRANGEMENTS OR CONTRACTS IN WHICH DIRECTORS OF THE COMPANY HAVE MATERIAL INTERESTS

Save as disclosed in note 47 to the consolidated financial statements, no transaction, arrangement and contract of significance in relation to the Group's business to which the Company or any subsidiaries of the Company was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the reporting period.

13. 董事及行政總裁之酬金(續)

截至二零一八年十二月三十一日止年度，本集團概無向任何董事及行政總裁支付酬金作為吸引彼等加盟本集團或加盟後之獎勵，或離職補償(二零一七年：無)。

本公司執行董事及行政總裁有權享有花紅，乃根據彼等於本集團之職務及責任釐定。

截至二零一八年及二零一七年十二月三十一日止年度，執行董事根據本公司購股權計劃就彼等對本集團之服務獲授購股權。購股權計劃詳情載於綜合財務報表附註44。所授予之購股權數目乃根據董事於本集團之職務及責任釐定。

14. 本公司董事擁有重大權益之交易、安排或合約

除綜合財務報表附註47披露者外，概無本公司董事直接或間接於本公司或本公司任何附屬公司所訂立與本集團業務有關並於報告期末或報告期內任何時間仍存續之重大交易、安排及合約中擁有重大權益。

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

15. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included three directors (2017: four directors), details of whose remuneration are set out in note 13 to the consolidated financial statements. Details of the remuneration for the year of the remaining two (2017: one) highest paid employees who are neither a director nor the chief executive officer of the Company are as follows:

15. 五名最高薪僱員

本集團本年度之五名最高薪僱員中包括三名董事(二零一七年：四名董事)，彼等之酬金詳情於綜合財務報表附註13披露。餘下兩名(二零一七年：一名)並非本公司董事或行政總裁之最高薪僱員之酬金詳情如下：

		For the year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	2,369	698
Discretionary bonuses	酌情花紅	611	175
Contributions to retirement benefits scheme	退休福利計劃供款	36	18
Equity-settled share-based payment expenses	以股權結算之股份支款開支	2,184	1,052
		5,200	1,943

The highest paid employees who are not the directors whose remuneration fell within the following bands is as follows:

最高薪非本公司董事僱員之酬金介乎以下範圍：

		Number of employees 僱員人數	
		2018 二零一八年	2017 二零一七年
HK\$0 – HK\$1,000,000	零港元至1,000,000港元	—	—
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 至1,500,000港元	—	—
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 至2,000,000港元	—	1
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 至2,500,000港元	1	—
HK\$2,500,001 – HK\$3,000,000	2,500,001港元 至3,000,000港元	1	—

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

15. FIVE HIGHEST PAID EMPLOYEES

(Continued)

During the years ended 31 December 2018 and 2017, the non-director and non-chief executive officer highest paid employee(s) were/was granted share options, in respect of their/his services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in the note 44 to the consolidated financial statements. The number of share options granted is determined based on the duties and responsibilities of the non-director and non-chief executive highest paid employee(s) in the Group.

16. LOSS PER SHARE

From continuing and discontinued operations

The calculation of basic and diluted loss per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

		For the year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<u>Loss for the purpose of basic and diluted loss per share</u>	<u>於計算每股基本及攤薄虧損時所用之虧損</u>		
Loss for the year attributable to owners of the Company	本公司擁有人應佔本年度虧損	(586,090)	(195,545)

		For the year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
<u>Number of ordinary shares</u>	<u>普通股數目</u>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	於計算每股基本及攤薄虧損時所用之普通股加權平均數	3,819,606	3,615,020

15. 五名最高薪僱員(續)

截至二零一八年及二零一七年十二月三十一日止年度，非董事及非行政總裁最高薪僱員已根據本公司購股權計劃就向本集團提供服務而獲授購股權。購股權計劃詳情載於綜合財務報表附註44內。所授予之購股權數目乃根據該等非董事及非行政人員最高薪僱員於本集團之職務及責任釐定。

16. 每股虧損

來自持續經營及已終止經營業務

本公司擁有人應佔來自持續經營及已終止經營業務之每股基本及攤薄虧損乃根據以下數據計算：

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

16. LOSS PER SHARE (Continued)

From continuing and discontinued operations (Continued)

The calculation of diluted loss per share does not assume the exercise of the Company's outstanding share options as they had an anti-dilutive effect to the basic loss per share for the years ended 31 December 2018 and 2017. The basic and diluted loss per share are the same for both years.

From continuing operations

The calculation of basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

16. 每股虧損(續)

來自持續經營及已終止經營業務(續)

計算每股攤薄虧損時並無假設行使本公司之尚未行使購股權，此乃由於其對截至二零一八年及二零一七年十二月三十一日止年度之每股基本虧損具有反攤薄效應。此兩個年度的每股基本及攤薄虧損均相同。

來自持續經營業務

本公司擁有人應佔來自持續經營業務之每股基本及攤薄虧損乃根據以下數據計算：

		For the year ended 31 December	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
<u>Loss for the purpose of basic and diluted loss per share</u>	<u>於計算每股基本及攤薄虧損時所用之虧損</u>		
Loss for the year from continuing operations	本年度來自持續經營業務之虧損	(588,725)	(195,617)
Less: loss for the year from continuing operations attributable to non-controlling interests	減：非控股權益應佔本年度來自持續經營業務之虧損	2,635	75
Loss for the year from continuing operations attributable to owners of the Company	本公司擁有人應佔本年度來自持續經營業務之虧損	(586,090)	(195,542)

The denominators used are same as those detailed above for both basic and diluted loss per share from continuing and discontinued operations.

所用分母與上述計算來自持續經營及已終止經營業務之每股基本及攤薄虧損所採用者相同。

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

16. LOSS PER SHARE (Continued)

From discontinued operation

The calculation of basic and diluted loss per share from discontinued operation attributable to the owners of the Company is based on the following data:

<u>Loss for the purpose of basic and diluted loss per share</u>	<u>於計算每股基本及攤薄虧損時所用之虧損</u>
Loss for the year from discontinued operation	本年度來自已終止經營業務之虧損

The denominators used are same as those detailed above for both basic and diluted loss per share from continuing and discontinued operations.

17. DIVIDENDS

The directors do not recommend the payment of any final dividend for the year ended 31 December 2018 (2017: Nil).

16. 每股虧損(續)

來自已終止經營業務

本公司擁有人應佔來自已終止經營業務之每股基本及攤薄虧損乃根據以下數據計算：

For the year ended 31 December 截至十二月三十一日止年度	
2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元

— (3)

所用分母與上述計算來自持續經營及已終止經營業務之每股基本及攤薄虧損所採用者相同。

17. 股息

本公司董事並不建議派發截至二零一八年十二月三十一日止年度之任何末期股息(二零一七年：無)。

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

18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Golf courses 高爾夫球場 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本									
At 1 January 2017	於二零一七年一月一日	159,264	62,348	193,845	1,665	33,652	564	1,050	2,848	455,236
Additions during the year	年內添置	161,874	—	51,758	211	—	1,249	2,892	197	218,181
Disposals	出售	—	—	—	(91)	—	—	—	(1)	(92)
Exchange alignment	匯兌調整	11,165	4,371	13,066	120	2,176	43	101	128	31,170
At 31 December 2017 and 1 January 2018	於二零一七年 十二月三十一日及 二零一八年一月一日	332,303	66,719	258,669	1,905	35,828	1,856	4,043	3,172	704,495
Additions during the year	年內添置	—	—	57,530	—	9,976	842	—	2,565	70,913
Transfer from investment properties (note 19)	轉撥自投資物業 (附註 19)	72,900	—	—	—	—	—	—	—	72,900
Written off	撇銷	—	—	(233,621)	(22)	—	—	—	(126)	(233,769)
Exchange alignment	匯兌調整	(7,837)	(3,068)	(5,527)	(87)	(1,527)	(66)	(138)	(93)	(18,343)
At 31 December 2018	於二零一八年 十二月三十一日	397,366	63,651	77,051	1,796	44,277	2,632	3,905	5,518	596,196
Accumulated depreciation and impairment	累計折舊及減值									
At 1 January 2017	於二零一七年一月一日	8,794	3,367	—	551	6,384	326	1,050	1,788	22,260
Charge for the year	本年度支出	8,824	2,858	—	286	3,252	164	41	318	15,743
Exchange alignment	匯兌調整	870	335	—	49	380	3	1	59	1,697
At 31 December 2017 and 1 January 2018	於二零一七年 十二月三十一日及 二零一八年一月一日	18,488	6,560	—	886	10,016	493	1,092	2,165	39,700
Charge for the year	本年度支出	14,092	2,920	—	193	4,005	637	554	496	22,897
Eliminated upon written off	撇銷時對銷	—	—	—	(16)	—	—	—	(121)	(137)
Exchange alignment	匯兌調整	(1,031)	(401)	—	(47)	(451)	(20)	(20)	(55)	(2,025)
At 31 December 2018	於二零一八年 十二月三十一日	31,549	9,079	—	1,016	13,570	1,110	1,626	2,485	60,435
Carrying amounts	賬面值									
At 31 December 2018	於二零一八年 十二月三十一日	365,817	54,572	77,051	780	30,707	1,522	2,279	3,033	535,761
At 31 December 2017	於二零一七年 十二月三十一日	313,815	60,159	258,669	1,019	25,812	1,363	2,951	1,007	664,795

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18. PROPERTY, PLANT AND EQUIPMENT

(Continued)

During the year ended 31 December 2018, the Group capitalised operating lease rentals of HK\$11,134,000 (2017: HK\$10,896,000).

All of the Group's buildings, golf courses and construction in progress located in the PRC are held on medium-term lease. The Group's buildings located in Hong Kong are also held on medium-term lease.

During the year ended 31 December 2018, the Group recognised a written-off of construction in progress of HK\$233,621,000 as a result of the demolition of the seven hotel villas erected on a piece of 580 Chinese acre land (the "Subject Land") adjacent to a membership golf club and resort (the "Club") in Beijing, the PRC. Please refer to the Company's inside information announcement dated 2 August 2018 for more details.

The Group has pledged its buildings located in Hong Kong with an aggregate carrying amount of HK\$226,577,000 (2017: HK\$160,330,000) to secure the Group's bank borrowings.

19. INVESTMENT PROPERTIES

18. 物業、廠房及設備(續)

於截至二零一八年十二月三十一日止年度，本集團已將11,134,000港元(二零一七年：10,896,000港元)之經營租賃租金資本化。

本集團位於中國之所有樓宇、高爾夫球場及在建工程乃以中期租約持有，本集團位於香港之樓宇乃以中期租約持有。

截至二零一八年十二月三十一日止年度，由於拆卸毗鄰位於中國北京一間會員制高爾夫俱樂部及酒店(「會所」)之一幅佔地580畝之地塊(「主體地塊」)上之七棟別墅酒店，本集團確認撇銷在建工程233,621,000港元。更多詳情請參閱本公司日期為二零一八年八月二日之內幕消息公佈。

本集團已將其位於香港賬面總值為226,577,000港元(二零一七年：160,330,000港元)之樓宇抵押為本集團銀行借款之抵押品。

19. 投資物業

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fair value	公平值		
At 1 January	於一月一日	810,019	561,089
Additions during the year	年內添置	—	190,403
Derecognised on disposal of subsidiaries (note 42)	出售附屬公司時終止確認(附註42)	(571,107)	—
Gain arising on change in fair value recognised in profit or loss	於損益表確認之公平值變動產生之收益	14,500	20,013
Transfer to property, plant and equipment (note 18)	轉撥至物業、廠房及設備(附註18)	(72,900)	—
Exchange alignment	匯兌調整	(4,912)	38,514
At 31 December	於十二月三十一日	175,600	810,019
Unrealised gain on change in fair value of investment properties recognised in the consolidated statement of profit or loss (included in other gains and losses)	於綜合損益表確認之投資物業公平值變動產生之未變現收益(計入其他收益及虧損)	14,500	20,013

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

19. INVESTMENT PROPERTIES (Continued)

On 22 June 2018, the Group disposed of its investment properties located in the PRC through the disposal of the entire issued share capital of Best Volume Investments Limited (“Best Volume”). Please refer to note 42 to the consolidated financial statements for details.

On 3 July 2018, the investment properties with an aggregate fair value of HK\$72,900,000 were transferred to “property, plant and equipment” as the investment properties became an owner-occupied property on that date. The fair value of HK\$72,900,000 was determined on the basis of a valuation carried out by an independent professional firm of qualified valuers, APAC Appraisal and Consulting Limited (“APAC”).

All of the Group’s properties’ interests held under operating leases to earn rentals or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment properties.

19. 投資物業(續)

於二零一八年六月二十二日，本集團透過出售Best Volume Investments Limited (「Best Volume」)之全部已發行股本出售其位於中國之投資物業。有關詳情，請參閱綜合財務報表附註42。

於二零一八年七月三日，由於公平值總額72,900,000港元之投資物業於該日成為業主自用物業，故已轉撥至「物業、廠房及設備」。該公平值72,900,000港元乃按一間獨立專業合資格估值師行亞太資產評估及顧問有限公司(「亞太資產」)估值釐定。

本集團持有以經營租賃作賺取租金收入或資本增值之所有物業權益均採用公平值模式計算，並歸類及列賬為投資物業。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Investment properties located in Hong Kong held on medium-term lease	位於香港及以中期租約持有之投資物業	175,600	234,000
Investment properties located in the PRC held on medium-term lease	位於中國及以中期租約持有之投資物業	—	576,019
		175,600	810,019

All of the Group’s investment properties have been pledged to secure the Group’s bank borrowings.

本集團之全部投資物業已抵押為本集團銀行借款之抵押品。

Details of the Group’s investment properties are as follows:

本集團投資物業之詳情載列如下：

Location 地點	Existing use 現時用途	Tenure 年期	Attributable interest to the Group 本集團應佔權益
Portion of Unit No.1202 and the corridor and whole of Unit Nos.1201 and 1212 on 12th Floor, Shun Tak Centre, West Tower, 168–200 Connaught Road Central, Hong Kong 香港干諾道中168-200號信德中心西翼12樓部份1202室及走廊及全部1201及1212室	Commercial 商業	Medium-term lease 中期租約	100%

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



20. FAIR VALUE MEASUREMENT OF INVESTMENT PROPERTIES

(a) Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and
- Level 3 valuations: Fair value measured using significant unobservable inputs.

20. 投資物業之公平值計量

(a) 公平值等級

下表按照香港財務報告準則第13號公平值計量所界定的三個公平值等級，呈列本集團於報告期末按經常性基準計量之投資物業公平值。公平值計量的級別分類乃參考估值技術使用之輸入數據之可觀察程度及重要性釐定，載述如下：

- 第1級估值：僅使用第1級輸入數據(即相同資產或負債在計量日期於活躍市場之未經調整報價)計量之公平值；
- 第2級估值：使用第2級輸入數據(即不符合第1級定義之可觀察輸入數據)且並無使用重大不可觀察輸入數據計量之公平值。不可觀察輸入數據指市場數據不可用之輸入數據；及
- 第3級估值：使用重大不可觀察輸入數據計量之公平值。

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20. FAIR VALUE MEASUREMENT OF INVESTMENT PROPERTIES (Continued)

20. 投資物業之公平值計量(續)

(a) Fair value hierarchy (Continued)

(a) 公平值等級(續)

		Fair value measurement categorised into 公平值計量分類為			
		Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2018	於二零一八年 十二月三十一日				
Recurring fair value measurement	經常性公平值計量				
Investment properties located in Hong Kong	位於香港之投資物業	—	175,600	—	175,600
At 31 December 2017	於二零一七年 十二月三十一日				
Recurring fair value measurement	經常性公平值計量				
Investment properties located in the PRC	位於中國之投資物業	—	—	576,019	576,019
Investment properties located in Hong Kong	位於香港之投資物業	—	234,000	—	234,000
		—	234,000	576,019	810,019

During the year ended 31 December 2018, there were no transfers between Level 1 and 2.

截至二零一八年十二月三十一日止年度，第1級及第2級之間概無轉撥。

Transfers out of Level 2 and 3 during the year ended 31 December 2018 are as follows:

截至二零一八年十二月三十一日止年度之第2級及第3級轉出如下：

- (i) on 22 June 2018, the Group transferred its investment properties located in the PRC out of Level 3 as the Group disposed of the investment properties through the disposal of the entire issued share capital of Best Volume; and
- (ii) on 3 July 2018, the Group transferred the investment properties with an aggregate fair value of HK\$72,900,000 out of Level 2 as the investment properties became an owner-occupied property on that date.

- (i) 於二零一八年六月二十二日，由於本集團透過出售Best Volume之全部已發行股本出售投資物業，本集團將其位於中國之投資物業自第3級轉出；及
- (ii) 於二零一八年七月三日，由於公平值總額72,900,000港元之投資物業成為業主自用物業，故本集團於該日將該物業自第2級轉出。

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



20. FAIR VALUE MEASUREMENT OF INVESTMENT PROPERTIES (Continued)

(a) Fair value hierarchy (Continued)

During the year ended 31 December 2017, there were no transfers between Level 1 and 2, or transfers into or out of Level 3.

The Group's policy is to recognise transfers between levels of fair value hierarchy as at the date of the events or change in circumstance that caused the transfer.

The Group's investment properties were measured at fair value at 31 December 2018 and 31 December 2017. For the year ended 31 December 2018, the valuation was carried out by APAC. For the year ended December 2017, the valuations were carried out by APAC and Colliers International (Hong Kong) Limited ("Colliers"), an independent professional firm of qualified valuers. Each of the valuers has among its staff members with appropriate qualifications and recent experience in the locations and categories of properties being valued. The directors have discussion with the valuers on the valuation assumptions and valuation results when the valuations were performed at the end of each reporting period.

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

(b) Valuation techniques and inputs used in Level 2 fair value measurement

The fair value of investment properties located in Hong Kong is determined using market comparison approach by reference to recent sales price of comparable properties on a price per square foot basis using market data which is publicly available.

20. 投資物業之公平值計量(續)

(a) 公平值等級(續)

於截至二零一七年十二月三十一日止年度，第1級及第2級之間概無轉撥，或第3級無轉入或轉出。

本集團之政策為於轉撥事件或導致轉撥之情況出現變動當日，確認公平值等級之間之轉撥。

本集團之投資物業於二零一八年十二月三十一日及二零一七年十二月三十一日按公平值計量。截至二零一八年十二月三十一日止年度，估值由亞太資產開展。截至二零一七年十二月三十一日止年度，估值由亞太資產及一間獨立專業合資格估值師行高力國際物業顧問(香港)有限公司(「高力」)開展。各估值師的職員擁有相關資格以及關於兩個年度所估值物業的地區及類別的最近期經驗。於各報告期末進行估值時，董事已就估值假設及估值結果與估值師進行討論。

於估計投資物業之公平值時，投資物業之最高及最佳用途即為其當前用途。

(b) 第2級公平值計量所用之估值技巧及輸入數據

位於香港之投資物業之公平值乃使用市場比較法，使用可公開取閱之市場數據，按每平方呎價格基準參考可資比較物業之近期售價。

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20. FAIR VALUE MEASUREMENT OF INVESTMENT PROPERTIES (Continued)

20. 投資物業之公平值計量(續)

(c) Information about Level 3 fair value measurement

(c) 有關第3級公平值計量之資料

	Valuation technique 估值技術	Unobservable input 不可觀察輸入數據	Range 範圍
Investment properties located in the PRC 位於中國之投資物業	Income approach 收入法	Capitalisation rate 資本化比率	2017: 3.75% to 4.75% 二零一七年：3.75%至4.75%

The fair value of investment properties located in the PRC is determined using income approach by taking into account the net rental income of the investment properties derived from the existing tenancy with due allowance for the reversionary income potential, which are then capitalised into the value at an appropriate capitalisation rate. The capitalisation rate used has been taken into account of the rental income potential, quality and location of the investment properties and prevailing market condition. The fair value measurement is positively correlated to the expected market rental growth and the occupancy rate, and negatively correlated to the capitalisation rate.

位於中國的投資物業之公平值以收益法釐訂，在考慮投資物業現有租賃項下租金收入淨額並就房地產的可復歸收入潛力計提適當撥備，其後按適當之資本化比率轉化為價值。所用之資本化比率已計及租金潛力、投資物業的質量及位置及現行市況。公平值計量與預期市場租金增長及租用率成正比，並與資本化比率成反比。

The movements during the year in the balance of the Level 3 fair value measurement are as follows:

本年度第3級公平值計量結餘之變動載列如下：

		HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	561,089
Loss arising on change in fair value	公平值變動產生之虧損	(23,584)
Exchange alignment	匯兌調整	38,514
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	576,019
Derecognised on disposal of subsidiaries (note 42)	出售附屬公司時終止確認 (附註42)	(571,107)
Exchange alignment	匯兌調整	(4,912)
At 31 December 2018	於二零一八年十二月三十一日	—

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20. FAIR VALUE MEASUREMENT OF INVESTMENT PROPERTIES (Continued)

(c) Information about Level 3 fair value measurement (Continued)

Gain arising on change in fair value of investment properties is included in the "Other gains and losses" line item in the consolidated statement of profit or loss.

20. 投資物業之公平值計量(續)

(c) 有關第3級公平值計量之資料(續)

投資物業公平值變動產生之收益計入綜合損益表內「其他收益及虧損」項目。

21. INTANGIBLE ASSETS

21. 無形資產

		Operating rights in respect of the Subject Land 有關主體地塊之經營權 HK\$'000 千港元	Operating rights in respect of the Club 有關會所之經營權 HK\$'000 千港元	Software and licenses 軟件及牌照 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本				
At 1 January 2017	於二零一七年一月一日	861,433	53,215	37	914,685
Exchange alignment	匯兌調整	60,389	3,730	3	64,122
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	921,822	56,945	40	978,807
Exchange alignment	匯兌調整	(42,389)	(2,619)	(2)	(45,010)
At 31 December 2018	於二零一八年十二月三十一日	879,433	54,326	38	933,797
Accumulated amortisation and impairment losses	累計攤銷及減值虧損				
At 1 January 2017	於二零一七年一月一日	22,697	1,781	22	24,500
Charge for the year	本年度支出	18,954	1,487	15	20,456
Exchange alignment	匯兌調整	2,250	177	3	2,430
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	43,901	3,445	40	47,386
Charge for the year	本年度支出	19,367	1,520	—	20,887
Exchange alignment	匯兌調整	(2,675)	(210)	(2)	(2,887)
At 31 December 2018	於二零一八年十二月三十一日	60,593	4,755	38	65,386
Carrying amounts	賬面值				
At 31 December 2018	於二零一八年十二月三十一日	818,840	49,571	—	868,411
At 31 December 2017	於二零一七年十二月三十一日	877,921	53,500	—	931,421

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21. INTANGIBLE ASSETS (Continued)

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Operating rights in respect of the Subject Land	47 years
Operating rights in respect of the Club	37 years
Software and licenses	3 years

Operating rights in respect of the Subject Land

The operating rights in respect of the Subject Land were acquired through a business combination completed on 6 October 2015. The operating rights represent (i) the rights to develop and operate the Subject Land, and (ii) the rights to manage the properties erected on the Subject Land up to 30 January 2062. The operating rights in respect of the Subject Land were granted to 北京北湖九號商務酒店有限公司 (Beijing Bayhood No. 9 Business Hotel Company Limited, “**Bayhood No. 9 Co.**”), a wholly-owned subsidiary of the Company, under the cooperation construction and operating agreements. The cost of the operating rights of HK\$938,061,000 represents the fair value of such assets valued by D&P China (HK) Limited (“**D&P**”), an independent firm of professional valuers, as at 6 October 2015, being the completion date of the business combination.

The operating rights in respect of the Subject Land are stated at cost less accumulated amortisation and impairment losses, if any.

Amortisation charge for the year is included in the “Administrative expenses” line item in the consolidated statement of profit or loss.

Particulars of the impairment testing on the operating rights in respect of the Subject Land are disclosed in note 23 to the consolidated financial statements.

21. 無形資產(續)

上述無形資產具有有限可使用年期。該等無形資產以直線法按以下期間進行攤銷：

有關主體地塊之經營權	47年
有關會所之經營權	37年
軟件及牌照	3年

有關主體地塊之經營權

通過業務合併收購有關主體地塊之經營權於二零一五年十月六日完成。該經營權指截至二零一六年一月三十日之前(i)開發及經營主體地塊之權利；及(ii)管理主體地塊上已建物業之權利。主體地塊之經營權已根據合作建設及經營協議授予本公司全資附屬公司北京北湖九號商務酒店有限公司(「北湖9號公司」)。該經營權之成本938,061,000港元指有關資產之公平值由一間獨立專業估值師行D&P China (HK) Limited (「**D&P**」)於二零一五年十月六日(即業務合併之完成日期)評估。

有關主體地塊之經營權乃按成本減累計攤銷及減值虧損(如有)呈列。

本年度之攤銷費用計入綜合損益表內「行政開支」項目。

有關主體地塊之經營權之減值測試詳情於綜合財務報表附註23披露。

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

21. INTANGIBLE ASSETS (Continued)

Operating rights in respect of the Club

The operating rights in respect of the Club were acquired through a business combination as completed on 6 October 2015. The operating rights represent the rights to construct and operate the club facilities of the Club up to 31 December 2051. The operating rights in respect of the Club were granted to Bayhood No. 9 Co. under another cooperation construction and operating agreements. The cost of the operating rights of HK\$57,948,000 represents the fair value of such asset valued by D&P as at 6 October 2015, being the completion date of the business combination.

The operating rights in respect of the Club are stated at cost less accumulated amortisation and impairment losses, if any.

Amortisation charge for the year is included in the "Administrative expenses" line item in the consolidated statement of profit or loss.

Particulars of the impairment testing on the operating rights in respect of the Club are disclosed in note 23 to the consolidated financial statements.

Software and licenses

Software and licenses were acquired through a business combination as completed on 6 October 2015.

Software and licenses are stated at cost less accumulated amortisation and impairment losses, if any.

21. 無形資產(續)

有關會所之經營權

通過業務合併收購有關會所之經營權於二零一五年十月六日完成。該經營權指截至二零一五年十二月三十一日之前建設及經營會所之會所設施權利。該會所之經營權已根據另一份合作建設及經營協議授予北湖9號公司。該經營權之成本57,948,000港元指有關資產之公平值由D&P於二零一五年十月六日(即業務合併之完成日期)評估。

有關會所之經營權乃按成本減累計攤銷及減值虧損(如有)呈列。

本年度之攤銷費用計入綜合損益表內「行政開支」項目。

有關會所之經營權之減值測試詳情於綜合財務報表附註23披露。

軟件及牌照

軟件及牌照透過於二零一五年十月六日完成之業務合併取得。

軟件及牌照按成本減累計攤銷及減值虧損(如有)列賬。

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22. GOODWILL

22. 商譽

		Total 總計 HK\$'000 千港元
Cost	成本	
At 1 January 2017	於二零一七年一月一日	376,902
Exchange alignment	匯兌調整	26,421
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	403,323
Derecognised on disposal of subsidiaries (note 42)	出售附屬公司時終止確認 (附註42)	(61,246)
Exchange alignment	匯兌調整	(16,232)
At 31 December 2018	於二零一八年十二月三十一日	325,845
Accumulated impairment losses	累計減值虧損	
At 1 January 2017	於二零一七年一月一日	44,713
Impairment loss recognised	已確認之減值虧損	1,813
Exchange alignment	匯兌調整	3,198
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	49,724
Exchange alignment	匯兌調整	(2,286)
At 31 December 2018	於二零一八年十二月三十一日	47,438
Carrying amounts	賬面值	
At 31 December 2018	於二零一八年十二月三十一日	278,407
At 31 December 2017	於二零一七年十二月三十一日	353,599

Particulars regarding impairment testing on goodwill are disclosed in note 23 to the consolidated financial statements.

有關商譽減值之詳情於綜合財務報表附註23披露。

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

23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

For the purpose of impairment testing, intangible assets in respect of the operating rights and goodwill set out in notes 21 and 22 to the consolidated financial statements have been allocated to one individual CGU (2017: two individual CGUs) in the property investment segment. The allocation of the carrying amounts of intangible assets in respect of the operating rights and goodwill (net of accumulated impairment losses) is as follows:

23. 商譽及無形資產減值測試

為進行減值測試，綜合財務報表附註21及22所載有關經營權之無形資產及商譽已分配至物業投資分部之一個獨立現金產生單位(二零一七年：兩個獨立現金產生單位)。有關經營權之無形資產及商譽賬面值之分配(扣除累計減值虧損)載列如下：

	Property investment operations in Beijing under Smart Title Limited ("Smart Title") Smart Title Limited (「Smart Title」) 於北京之物業投資業務		Property investment operations in Guangzhou under Best Volume Best Volume 於廣州之物業投資業務		Total 總計	
	2018 二零一八年 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	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Goodwill	278,407	291,826	—	61,773	278,407	353,599
Intangible assets						
— Operating rights in respect of the Subject Land	818,840	877,921	—	—	818,840	877,921
— Operating rights in respect of the Club	49,571	53,500	—	—	49,571	53,500
	1,146,818	1,223,247	—	61,773	1,146,818	1,285,020

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

Property investment operations in Beijing under Smart Title

The recoverable amount of the property investment operations in Beijing under Smart Title has been determined based on the value in use calculations of the operating rights in respect of the Subject Land and the Club.

以上現金產生單位之可回收金額及其主要相關假設之基準概述如下：

Smart Title 於北京之物業投資業務

Smart Title 於北京之物業投資業務之可回收金額已根據有關主體地塊及會所之經營權之使用價值計算而釐定。

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23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS (Continued)

Property investment operations in Beijing under Smart Title (Continued)

(a) Operating rights in respect of the Subject Land

The value in use calculation of the operating rights in respect of the Subject Land has been determined with reference to the valuations prepared by APAC (2017: D&P). Those valuations use cash flow projections based on the financial budgets approved by management covering a 43-year period (2017: 44-year period), and discount rate of 16.54% (2017: 13.00%). The budget period represents the remaining period of the rights to develop and operate the Subject Land, pursuant to the signed cooperation construction and operating agreements. The discount rate used reflects estimated weighted average cost of capital, stage of development, and specific risks relating to the operations. Cash flow projections during the budget period for the operating rights in respect of the Subject Land are based on the budgeted revenue, gross margin, operating expenses, capital expenditures incurred and expected inflation during the budget period. Expected cash inflows and outflows, which include the budgeted revenue, gross margin, operating expenses, capital expenditures incurred and expected inflation, have been determined based on the signed agreements and management's expectations for the market development with reference to the industry and macro-economic data.

23. 商譽及無形資產減值測試(續)

Smart Title 於北京之物業投資業務(續)

(a) 有關主體地塊之經營權

計算有關主體地塊之經營權之使用價值時乃參考亞太資產(二零一七年：D&P)所編製之估值釐定。該等估值使用管理層批准之財務預算之現金流預測，覆蓋43年期間(二零一七年：44年期間)，貼現率為16.54%(二零一七年：13.00%)。預算期間為根據已訂立合作建設及經營協議，開發及經營主體地塊之餘下期間之權利。所使用之貼現率反映估計資本成本加權平均、開發階段及經營之特定風險。有關主體地塊之經營權之預算期內現金流預測乃根據預算期內之預算收入、毛利率、經營開支、所產生之資本承擔及預期通脹率。預期現金流入及流出(包括預算收入、毛利率、經營開支、所產生之資本承擔及預期通脹率)乃根據已訂立協議及管理層對參考行業及宏觀經濟數據得出之市場發展期望而釐定。

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23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS (Continued)

Property investment operations in Beijing under Smart Title (Continued)

(b) Operating rights in respect of the Club

The value in use calculation of the operating rights in respect of the Club has been determined with reference to a valuation report prepared by APAC (2017: D&P). That valuation uses cash flow projection based on the financial budget approved by management covering a 33-year period (2017: 34-year period), and discount rate of 11.00% (2017: 11.00%). The budget period represents the remaining period of the rights to construct and operate the club facilities of the Club, pursuant to the signed cooperation construction and operating agreement. The discount rate used is based on the terminal capitalisation rate of similar industry and the rental growth rate of the signed lease agreement. Cash flow projection during the budget period for the operating rights in respect of the Club is based on the budgeted rental income and operating expenses during the budget period. Expected cash inflows and outflows, which include the budgeted rental income and operating expenses, have been determined based on the signed agreements and management's expectations for the renewal of lease agreement with the same terms and conditions upon its expiry.

During the year ended 31 December 2018, the directors determine that there is no impairment on the property investment operations in Beijing under Smart Title (2017: impairment loss of HK\$1,813,000). The directors believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the property investment operations in Beijing under Smart Title to exceed its aggregate recoverable amount.

23. 商譽及無形資產減值測試(續)

Smart Title 於北京之物業投資業務(續)

(b) 有關會所之經營權

有關會所之經營權使用價值之計算乃經參考亞太資產(二零一七年：D&P)之估值報告而釐定。該估值使用管理層批准之財務預算之現金流預測，覆蓋33年期間(二零一七年：34年期間)，貼現率為11.00%(二零一七年：11.00%)。預算期間為根據已訂立合作建設及經營協議，建設及經營會所之會所設施之餘下期間之權利。所使用之貼現率乃基於相近行業之最終資本化率及已訂立租賃協議之租金增長率。有關會所之經營權之預算期內現金流預測乃根據預算期內之預算租金收入及經營開支。預期現金流入及流出(包括預算租金收入及經營開支)乃根據已訂立協議及管理層對租賃協議屆滿後以相同條款及條件重續租賃協議之預期而釐定。

截至二零一八年十二月三十一日止年度，董事釐定Smart Title於北京之物業投資業務並無減值(二零一七年：減值虧損1,813,000港元)。董事相信，任何該等假設之任何可能變動，將不會導致Smart Title於北京之物業投資業務之賬面總值超過其可收回總金額。

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23. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS (Continued)

Property investment operations in Guangzhou under Best Volume

In the year ended 31 December 2017, the recoverable amount of the property investment operations in Guangzhou under Best Volume was determined based on the value in use calculation with reference to a valuation performed by Colliers. That calculation used cash flow projections based on financial budgets approved by the directors covering a five-year period at a discount rate of 6.30% per annum and cash flows beyond the five-year period are extrapolated using a 3.00% growth rate. This growth rate is based on the relevant market growth forecasts and did not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculation related to the estimation of cash inflows/outflows which included budgeted rental income, such estimation was based on Best Volume's existing tenancy agreements and management's expectations for the market development.

During the year ended 31 December 2017, the directors determined that there was no impairment on the property investment operations in Guangzhou under Best Volume. The directors believed that any reasonably possible change in any of these assumptions on which the recoverable amount was based would not cause the carrying amount of the property investment operations in Guangzhou under Best Volume to exceed its recoverable amount.

On 22 June 2018, goodwill arising on acquisition of Best Volume was derecognised upon the disposal of the entire issued share capital of Best Volume. Please refer to note 42 to the consolidated financial statements for details.

23. 商譽及無形資產減值測試(續)

Best Volume 於廣州之物業投資業務

截至二零一七年十二月三十一日止年度，Best Volume 於廣州之物業投資業務之可收回金額已根據使用價值計算而釐定，經參考高力進行之估值。該計算採用之現金流量預測乃基於董事批准之五年期間財政預算按貼現率每年6.30%計算，而五年期間後之現金流量乃利用3.00%增長率進行推斷。該增長率乃根據相關行業增長預測，且並不超過相關行業之平均長期增長率。使用價值計算之其他主要假設乃有關對現金流入／流出之估計，包括預算租金收入，有關估計乃基於Best Volume之現有租約及管理層對市場發展之預期而作出。

截至二零一七年十二月三十一日止年度，董事釐定Best Volume 於廣州之物業投資業務並無減值。董事相信，可收回金額之任何該等假設所出現之任何合理可能變動，將不會導致Best Volume 於廣州之物業投資業務之賬面值超出可收回金額。

於二零一八年六月二十二日，於出售Best Volume之全部已發行股本後，收購Best Volume所產生之商譽已終止確認。有關詳情，請參閱綜合財務報表附註42。

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

24. INTERESTS IN ASSOCIATES

24. 於聯營公司之權益

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Listed shares in Hong Kong			
— Global Mastermind Holdings Limited (“Global Mastermind”)	香港上市股份 — 環球大通集團有限公司 (「環球大通」)	194,656	—
Unlisted shares in Hong Kong			
— Elite Prosperous Investment Limited (“Elite Prosperous”)	香港非上市股份 — Elite Prosperous Investment Limited (「Elite Prosperous」)	56,131	37,796
— China Hong Kong Money Limited (“China Hong Kong Money”)	— 中港資有限公司(「中港資」)	596	597
— Spark Concept Group Limited (“Spark Concept”)	— Spark Concept Group Limited (「Spark Concept」)	—	—
		251,383	38,393
Market value of listed shares			
— Global Mastermind	上市股份市值 — 環球大通	113,873	—

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綜合財務報表附註

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

24. INTERESTS IN ASSOCIATES (Continued)

At the end of the reporting period, the Group had interests in the following associates:

24. 於聯營公司之權益(續)

於報告期末，本集團於以下聯營公司中擁有權益：

Name of entity 實體名稱	Country/place of incorporation 註冊成立 國家/地點	Principal place of business 主要營業地點	Proportion of ownership interest and voting power held by the Group 本集團所持擁有權權益及投票權比例		Principal activities 主要業務
			2018 二零一八年	2017 二零一七年	
Global Mastermind (Note (i)) 環球大通(附註(i))	Cayman Islands 開曼群島	Hong Kong 香港	29.04%	4.99%	Provision and operation of, travel business, treasury management, business, money lending business, securities, futures and brokerage business, and assets management services 提供及經營旅遊業務、財資管理業務、放債業務、證券、期貨及證券經紀，以及資產管理服務
China Hong Kong Money (Note (ii)) 中港資(附註(ii))	Hong Kong 香港	Hong Kong 香港	30%	30%	Dormant 暫無營業
Elite Prosperous (Note (iii)) (附註(iii))	British Virgin Islands 英屬處女群島	Hong Kong 香港	49%	49%	Investment holding 投資控股
Spark Concept (Note (iv)) (附註(iv))	British Virgin Islands 英屬處女群島	Hong Kong 香港	—	49%	Catering 餐飲

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



24. INTERESTS IN ASSOCIATES (Continued)

Notes:

- (i) On 29 June 2018, the Group acquired 1,020,000,000 shares in Global Mastermind, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM operated by the Exchange under stock code: 8063, at a consideration of HK\$153,000,000. Prior to the acquisition, the Group already held 217,750,000 shares in Global Mastermind, which were accounted for as “financial assets at FVTPL” in the consolidated statement of financial position for financial reporting purposes. Upon completion of the acquisition, the Group was interested in 1,237,750,000 shares in Global Mastermind, representing approximately 29.04% of the issued share capital of Global Mastermind. The Group transferred the 217,750,000 shares in Global Mastermind with an aggregate fair value of HK\$30,049,000 at 29 June 2018 to “interests in associates” in the consolidated statement of financial position in applying equity method to account for the Group’s investment in Global Mastermind.

On completion of the acquisition of the shares in Global Mastermind, the fair value of net assets acquired as of the acquisition date exceeded the fair value of the consideration transferred by HK\$3,407,000. Accordingly, the Group recognised a gain on bargaining purchase of HK\$3,407,000 in the line item “Share of results of associates” in the consolidated statement of profit or loss.

The market value of listed shares of Global Mastermind held by the Group at 31 December 2018 is HK\$113,873,000.

- (ii) On 30 March 2016, China Hong Kong Money allotted and issued 599,999 and 400,000 new shares at an issue price of HK\$1.00 per share to the Group and an individual, who is an independent third party, respectively. China Hong Kong Money became a 60% owned subsidiary of the Company on that date.

24. 於聯營公司之權益(續)

附註：

- (i) 於二零一八年六月二十九日，本集團以代價153,000,000港元收購環球大通1,020,000,000股股份，環球大通為於開曼群島註冊成立之有限公司，其已發行股份於聯交所GEM以股份代號：8063上市。收購前，本集團已持有環球大通217,750,000股股份，就財務報告用途計入綜合財務狀況表為「按公平值計入損益表之金融資產」。於收購完成後，本集團於環球大通1,237,750,000股股份中擁有權益，相當於環球大通已發行股本約29.04%。於二零一九年六月二十九日本集團應用權益法將公平值總額30,049,000港元之環球大通217,750,000股股份轉移至綜合財務狀況表中「於聯營公司之權益」以計入為本集團於環球大通之投資。

於完成收購環球大通股份時，截至收購日期之已收購資產淨額公平值超出已轉讓之公平值代價3,407,000港元。因此，本集團於綜合損益表內「應佔聯營公司業績」項目確認議價購買收益3,407,000港元。

於二零一八年十二月三十一日，本集團持有之環球大通上市股份市值為113,873,000港元。

- (ii) 於二零一六年三月三十日，中港資以發行價每股1.00港元向本集團及一名獨立第三方個人分別配發及發行599,999股及400,000股新股份。自該日起，中港資成為本集團持有60%之附屬公司。

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綜合財務報表附註

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

24. INTERESTS IN ASSOCIATES (Continued)

On 21 December 2016, China Hong Kong Money allotted and issued 1,000,000 new shares at an issue price of HK\$1.00 per share to the individual. On the same date, Mr. Cheung Kwok Wai Elton, one of the two directors of China Hong Kong Money appointed to the board of directors by the Group, resigned as a director of China Hong Kong Money. As a result of the allotment and issue of the new shares and the resignation of Mr. Cheung Kwok Wai Elton as a director, the Group's shareholding interest in China Hong Kong Money was diluted from 60% to 30% and the Group lost the control over China Hong Kong Money. The Group was regarded as having significant influence over China Hong Kong Money. The Group reclassified the investment in China Hong Kong Money to "interests in associates".

- (iii) On 31 August 2017, the Group subscribed for 49 ordinary shares which represent 49% equity interests in Elite Prosperous at a consideration of US\$49. Elite Prosperous is an investment holding company.

On 5 September 2017, the Group and the other shareholder of Elite Prosperous, an independent third party, as lenders entered into the shareholders' loan agreement with Elite Prosperous as borrower. Pursuant to the shareholders' loan agreement, the Group has agreed to provide a shareholder's loan in the amount of US\$4,900,000, equivalent to HK\$38,421,000, to Elite Prosperous, being the Group's pro rata share of the shareholders' loan in the principal amount of US\$10,000,000, equivalent to HK\$78,410,000, in aggregate to be provided by all of the shareholders of Elite Prosperous. The shareholders' loan of US\$10,000,000 is solely for the purpose of financing Elite Prosperous's operating and investment needs. The shareholders' loan of US\$10,000,000 is unsecured, non-interest bearing and repayable on demand. On the same date, the Group made the shareholder's loan of US\$4,900,000 to Elite Prosperous. The Group classified the shareholder's loan of US\$4,900,000 to Elite Prosperous as "interests in associates". The maximum amount of the shareholder's loan outstanding to the Group during the year ended 31 December 2018 was HK\$38,437,000 (2017: HK\$38,421,000).

24. 於聯營公司之權益(續)

於二零一六年十二月二十一日，中港資以發行價每股1.00港元向該個人配發及發行1,000,000股新股份。於同日，張國偉先生(本集團委任中港資董事會兩名董事之一)辭任中港資董事。由於配發及發行新股份以及張國偉先生辭任董事職務，本集團於中港資之股權由60%攤薄至30%，而本集團失去中港資之控制權。本集團被視為對中港資有重大影響。本集團將於中港資之投資重新分類為「於聯營公司之權益」。

- (iii) 於二零一七年八月三十一日，本集團以代價49美元收購Elite Prosperous之49股普通股，相當於其49%股權。Elite Prosperous為一間投資控股公司。

於二零一七年九月五日，本集團及Elite Prosperous另一名股東(一名獨立第三方)(作為放債人)與Elite Prosperous(作為借款人)訂立股東貸款協議。根據股東貸款協議，本集團已同意向Elite Prosperous提供金額為4,900,000美元(相等於38,421,000港元)之貸款，即其於Elite Prosperous全體股東將提供之股東貸款本金總額為10,000,000美元(相等於78,410,000港元)之按比例應佔部分。此筆10,000,000美元之股東貸款僅可用於滿足Elite Prosperous之運營及投資需要。此筆10,000,000美元之股東貸款為無抵押、免息及須按要求償還。同日，本集團向Elite Prosperous提供4,900,000美元之股東貸款。本集團將向Elite Prosperous提供之股東貸款4,900,000美元劃分為「於聯營公司之權益」。截至二零一八年十二月三十一日止年度，未償付本集團的股東貸款之最大款項為38,437,000港元(二零一七年：38,421,000港元)。

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

24. INTERESTS IN ASSOCIATES (Continued)

Notes: (Continued)

- (iv) On 15 December 2011, the Group acquired 49% of the issued share capital of Spark Concept at a consideration of HK\$49. Spark Concept is an investment holding company and its principal subsidiaries are principally engaged in catering.

On 9 August 2018, the Group entered into a sale and purchase agreement relating to the disposal of 49% of issued share capital of Spark Concept and the shareholder's loan of HK\$1,480,000 (net of impairment loss) due by Spark Concept to an individual who is a shareholder and a director of Spark Concept at a cash consideration of HK\$3,000,000. The disposal was completed on 9 August 2018 and the Group recognised a gain on disposal of an associate of HK\$1,520,000 in the line item "Other gains and losses" in the consolidated statement of profit or loss.

All of associates are accounted for using the equity method in the consolidated financial statements.

24. 於聯營公司之權益(續)

附註：(續)

- (iv) 於二零一一年十二月十五日，本集團以代價49港元收購 Spark Concept 已發行股本之 49%。Spark Concept 為一間投資控股公司，而其主要附屬公司主要從事餐飲。

於二零一八年八月九日，本集團訂立買賣協議，其內容有關本集團以現金代價3,000,000港元向一名為 Spark Concept 股東及董事之個人出售 Spark Concept 已發行股本之49%及1,480,000港元 Spark Concept 應付股東貸款(扣除減值虧損)。出售事項已於二零一八年八月九日完成。本集團於綜合損益表「其他收益及虧損」項目中確認出售一間聯營公司收益1,520,000港元。

所有聯營公司計入本綜合財務報表時均使用權益法。

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24. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of material associate

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

Global Mastermind

24. 於聯營公司之權益(續)

重要聯營公司之財務資料概要

有關本集團重要聯營公司之財務資料概要載列於下文。財務資料概要代表根據香港財務報告準則編製之聯營公司財務報表所示金額。

環球大通

		2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產	325,151
Current assets	流動資產	506,608
Current liabilities	流動負債	(84,326)
Non-current liabilities	非流動負債	(77,128)
		For the period from 29 June 2018 to 31 December 2018 於二零一八年 六月二十九日 至二零一八年 十二月 三十一日期間 HK\$'000 千港元
Revenue for the period	本期間收益	36,341
Loss for the period	本期間虧損	(41,002)
Other comprehensive income for the period	本期間其他全面收益	64,635
Total comprehensive income for the period	本期間全面收益	23,633

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24. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of material associate (Continued)

Global Mastermind (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

24. 於聯營公司之權益(續)

重要聯營公司之財務資料概要(續)

環球大通(續)

上述財務資料概要與綜合財務報告內所確認於該聯營公司之權益賬面值之對賬：

		2018 二零一八年 HK\$'000 千港元
Net assets of Global Mastermind	環球大通之資產淨值	670,305
Proportion of the Group's ownership interest in Global Mastermind	本集團於環球大通擁有之權益比例	29.04%
The Group's share of net assets of Global Mastermind	本集團應佔環球大通之資產淨值	194,656
Carrying amount of the Group's interest in Global Mastermind	本集團於環球大通之權益之賬面值	194,656

Aggregate information of associates that are not individually material

並非個別重大之聯營公司綜合資料

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
The Group's share of profit/(loss) and total comprehensive income/(expense) for the year	本集團應佔年內溢利／(虧損)及全面收益／(開支)總額	18,318	(628)
Aggregate carrying amount of the Group's interests in these associates	本集團於此等聯營公司之權益之總賬面值	56,727	38,393

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綜合財務報表附註

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

24. INTERESTS IN ASSOCIATES (Continued)

24. 於聯營公司之權益(續)

Unrecognised share of loss of associates that are not individually material

並非個別重大之尚未確認應佔聯營公司虧損

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unrecognised share of loss of associates for the year	尚未確認應佔年內聯營公司虧損	(2,184)	(95)
Cumulative unrecognised share of loss of associates	累計尚未確認應佔聯營公司虧損	(8,676)	(6,492)

Disposal of 49% ownership interest in Spark Concept

出售於 Spark Concept 之 49% 擁有權

On 9 August 2018, the Group entered into a sale and purchase agreement relating to the disposal of 49% of issued share capital of Spark Concept and the shareholder's loan of HK\$1,480,000 (net of impairment loss) due by Spark Concept to an individual who is a shareholder and a director of Spark Concept at a cash consideration of HK\$3,000,000. The disposal was completed on 9 August 2018. This transaction has resulted in the recognition of a gain on disposal of an associate, which is calculated as follows:

於二零一八年八月九日，本集團訂立買賣協議，其內容有關本集團以現金代價3,000,000港元向一名為Spark Concept股東及董事之個人出售Spark Concept已發行股本之49%權益及1,480,000港元Spark Concept應付股東貸款(扣除減值虧損)。出售事項已於二零一八年八月九日完成。此次交易確認出售一間聯營公司之收益，其計算如下：

		HK\$'000 千港元
Proceeds of disposal	出售所得款項	3,000
Less: amount due from an associate carrying amount of the 49% investment on the date of disposal	減：應收一間聯營公司款項於出售日期49%投資之賬面值	(1,480)
Gain on disposal recognised	確認出售收益	1,520

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綜合財務報表附註

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



25. LOAN RECEIVABLES

25. 應收貸款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loan to customers	向客戶提供之貸款	1,174,998	1,187,301
Accrued interest receivables	應收應計利息	11,288	13,329
		1,186,286	1,200,630
Less: allowance for credit losses	減：信貸虧損撥備	(17,547)	—
		1,168,739	1,200,630

All loans are denominated in Hong Kong dollar. The loan receivables carry effective interest ranging from 8% to 15% per annum (2017: 8% to 15% per annum). A maturity profile of the loan receivables (net of allowance for credit losses) at 31 December 2018 and 2017, based on the maturity date is as follows:

所有貸款均以港元計值。應收貸款之實際年利率介乎8%至15%（二零一七年：年利率8%至15%）。於二零一八年及二零一七年十二月三十一日，按到期日劃分之應收貸款（扣除信貸虧損撥備）到期情況如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current assets	流動資產		
Within one year	一年內	815,718	626,127
Non-current assets	非流動資產		
More than one year but not exceeding two years	一年以上但不超過兩年	353,021	574,503
		1,168,739	1,200,630

During the year ended 31 December 2018, an allowance for credit losses on loan receivables of HK\$17,547,000 was recognised (2017: Nil).

截至二零一八年十二月三十一日止年度，就應收貸款確認之信貸虧損撥備為17,547,000港元（二零一七年：無）。

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綜合財務報表附註

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

25. LOAN RECEIVABLES (Continued)

At 31 December 2018, a loan in the principal amount of HK\$100,000,000 is secured by a corporate guarantee. At 31 December 2017, certain loans in the aggregate principal amounts of HK\$180,000,000 were secured by personal and corporate guarantees, and pledge of customer's property.

Included in the carrying amount of loan receivables at 31 December 2018 is an accumulated allowance for credit losses of HK\$17,547,000 (2017: Nil).

Details of impairment assessment of loan receivables for the year ended 31 December 2018 are set out in note 50.

25. 應收貸款(續)

於二零一八年十二月三十一日，一筆本金額為100,000,000港元之貸款乃以公司擔保作抵押。於二零一七年十二月三十一日，本金總額為180,000,000港元之若干貸款乃以個人及公司擔保，以及質押客戶物業作抵押。

於二零一八年十二月三十一日，應收貸款賬面值包括累計信貸虧損撥備為17,547,000港元(二零一七年：無)。

截至二零一八年十二月三十一日止年度應收貸款之減值評估詳情載於附註50。

26. INVENTORIES

Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品

26. 存貨

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
----------------------------------	----------------------------------

	11,465	11,986
	114	963
	25,892	25,504
	37,471	38,453

Inventories are expected to be recovered within one year.

存貨預期將於一年內收回。

27. TRADE RECEIVABLES

Trade receivables	貿易應收款項
Less: allowance for credit losses	減：信貸虧損撥備

27. 貿易應收款項

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
----------------------------------	----------------------------------

	33,063	41,107
	(89)	—
	32,974	41,107

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

27. TRADE RECEIVABLES (Continued)

The following is an aging analysis of trade receivables (net of allowance for credit losses) at the end of the reporting period presented based on the invoice dates:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0-30 days	0至30日	5,494	5,333
31-60 days	31至60日	5,651	11,503
61-90 days	61至90日	5,669	6,139
91-120 days	91至120日	3,442	3,195
121-180 days	121至180日	5,757	11,469
Over 180 days	180日以上	6,961	3,468
		32,974	41,107

During the year ended 31 December 2018, an allowance for credit losses on trade receivables of HK\$89,000 was recognised (2017: Nil).

Included in the carrying amount of trade receivables at 31 December 2018 is an accumulated allowance for credit losses of HK\$89,000 (2017: Nil).

Details of impairment assessment of trade receivables for the year ended 31 December 2018 are set out in note 50.

Movement in the allowance for credit losses during the year is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	—	—
Allowance for credit losses recognised during the year	本年度確認之預期信貸虧損撥備	89	—
At 31 December	於十二月三十一日	89	—

27. 貿易應收款項(續)

按發票日期呈列於報告期末之貿易應收款項(扣除信貸虧損撥備)之賬齡分析如下:

截至二零一八年十二月三十一日止年度,就貿易應收款項確認之信貸虧損撥備為89,000港元(二零一七年:無)。

於二零一八年十二月三十一日,貿易應收款項賬面值包括累計信貸虧損撥備為89,000港元(二零一七年:無)。

截至二零一八年十二月三十一日止年度貿易應收款項之減值評估詳情載於附註50。

本年度信貸虧損撥備之變動如下:

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

28. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

28. 按金、預付款項及其他應收款項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Deposits	按金	696	12,081
Prepayments	預付款項	83,909	71,141
Other receivables	其他應收款項	94,586	166,230
		179,191	249,452
Less: prepayments and other receivables classified as non-current assets	減：分類為非流動資產之預付款項及其他應收款項	(50,104)	(20,957)
		129,087	228,495

At 31 December 2018, included in the other receivables are the loan to a director of certain subsidiaries of the Company of RMB25,000,000 (equivalent to HK\$28,532,000) for a term of 24 months commencing on 24 August 2018 (2017: Nil) and the related interest receivable of RMB576,000 (equivalent to HK\$658,000) (2017: Nil). The key terms of the loan to the director are disclosed in note 47.

At 31 December 2018, an aggregate amount of HK\$3,206,000 classified as non-current assets is prepayments relating to property, plant and equipment (2017: Nil).

During the year ended 31 December 2018, an allowance for credit losses on other receivables of HK\$21,285,000 was recognised (2017: Nil), of which HK\$21,120,000 is related to other receivables (2017: Nil) and HK\$165,000 is related to the loan to the director (2017: Nil).

Details of impairment assessment of other receivables for the year ended 31 December 2018 are set out in note 50.

於二零一八年十二月三十一日，計入其他應收款項包括向本公司若干附屬公司之一名董事提供貸款人民幣25,000,000元(相等於28,532,000港元)(二零一七年：無)，自二零一八年八月二十四日開始起計為期24個月及相關應收利息為人民幣576,000元(相等於658,000港元)(二零一七年：無)。向該董事提供貸款之主要條款於附註47披露。

於二零一八年十二月三十一日，合共3,206,000港元分類為非流動資產，該金額為物業、廠房及設備之預付款(二零一七年：無)。

截至二零一八年十二月三十一日止年度，已就其他應收款項確認信貸虧損撥備21,285,000港元(二零一七年：無)，其中21,120,000港元與其他應收款項相關(二零一七年：無)及165,000港元與向該董事提供貸款相關(二零一七年：無)。

截至二零一八年十二月三十一日止年度，其他應收款項之減值評估詳情載於附註50。

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

29. AMOUNT DUE FROM AN ASSOCIATE

Detail of amount due from an associate is as follows:

		Maximum amount outstanding during the year 年內未償還之最高金額 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Spark Concept	Spark Concept	7,393	—	7,393
Less: impairment loss recognised	減：已確認之減值虧損		—	(5,913)
			—	1,480

The carrying amount of amount due from Spark Concept was reduced to the recoverable amount which was determined by reference to the estimation of future cash flows expected to be generated from Spark Concept.

The amount due from Spark Concept is unsecured, non-interest bearing and repayable on demand.

On 9 August 2018, the Group entered into a sale and purchase agreement relating to the disposal of 49% of issued share capital of Spark Concept and the shareholder's loan of HK\$1,480,000 (net of impairment loss) due by Spark Concept to an individual who is a shareholder and a director of Spark Concept at a cash consideration of HK\$3,000,000. The disposal was completed on 9 August 2018.

During the year ended 31 December 2017, an impairment loss of HK\$217,000 was recognised in respect of the amount due from Spark Concept.

29. 應收一間聯營公司款項

應收一間聯營公司款項之詳情如下：

應收 Spark Concept 款項之賬面值乃減少至可收回金額，可收回金額乃經參考預期將由 Spark Concept 產生之估計未來現金流量釐定。

應收 Spark Concept 款項為無抵押、免息及須按要求償還。

於二零一八年八月九日，本集團訂立買賣協議，其內容有關本集團以現金代價 3,000,000 港元向一名為 Spark Concept 股東及董事之個人出售 Spark Concept 已發行股本之 49% 及 1,480,000 港元 Spark Concept 應付股東貸款（扣除減值虧損）。出售事項已於二零一八年八月九日完成。

截至二零一七年十二月三十一日止年度，已就應收 Spark Concept 款項確認減值虧損 217,000 港元。

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30. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

30. 按公平值計入損益表之金融資產

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Listed equity securities in Hong Kong, at fair value	287,302	662,943

At the end of the reporting period, financial assets at FVTPL were measured at fair value. Fair value of listed equity securities were determined with reference to quoted market closing price, except for the listed equity securities of a listed issuer in Hong Kong, which have been suspended from trading on the Exchange since 27 November 2017, with a fair value of HK\$6,211,000 (2017: HK\$9,100,000). The fair value measurement of the suspended listed equity securities was classified under Level 3 of the fair value hierarchy and was based on the valuation performed by Graval Consulting Limited (“Graval”) (2017: Prudential Surveyors (Hong Kong) Limited (“PSHK”)), an independent firm of professional valuers, using market approach.

During the year ended 31 December 2018, a loss arising on change in fair value of financial assets at FVTPL of HK\$296,211,000 (2017: HK\$92,526,000) was recognised in the line item “Other gains and losses” in the consolidated statement of profit or loss.

於報告期末，按公平值計入損益表之金融資產以公平值計量。上市股本證券之公平值參考市場所報收市價確定，惟公平值為6,211,000港元(二零一七年：9,100,000港元)之香港上市發行人之上市股本證券(自二零一七年十一月二十七日於聯交所暫停買賣)除外。獲分類為第3級公平值等級之已暫停上市股本證券的公平值乃基於一間獨立專業估值師行博浩企業顧問有限公司(「博浩」)(二零一七年：測建行(香港)有限公司(「測建行」))使用市場法進行的估值計量。

截至二零一八年十二月三十一日止年度，按公平值計入損益表之金融資產公平值變動產生之虧損296,211,000港元(二零一七年：92,526,000港元)。於綜合損益表「其他收益及虧損」項目確認。

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

31. CASH AND CASH EQUIVALENTS

31. 現金及現金等價物

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Cash at bank and on hand	銀行及手頭現金	140,628	225,010

At the end of the reporting period, the cash and cash equivalents of the Group denominated in Renminbi (“RMB”) and United States dollar (“USD”) amounted to HK\$9,188,000 (2017: HK\$37,607,000) and HK\$739,000 (2017: HK\$3,739,000) respectively.

The RMB is not freely convertible into other currencies, however, under the PRC’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Bank balances earn interests at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

For the year ended 31 December 2018, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided. Details of impairment assessment of bank balances for the year ended 31 December 2018 are set out in note 50.

於報告期末，本集團以人民幣(「人民幣」)及美元(「美元」)計值之現金及現金等價物分別為9,188,000港元(二零一七年：37,607,000港元)及739,000港元(二零一七年：3,739,000港元)。

人民幣不可自由兌換為其他貨幣。然而，根據中國的外匯管理條例及結匯及售匯及付匯管理規定，本集團獲准通過獲授權開展外匯業務之銀行將人民幣兌換為其他貨幣。

銀行結餘按根據銀行日存款利率計算之浮動利率計息。銀行結餘存放於信譽良好且近期並無違約記錄之銀行。

截至二零一八年十二月三十一日止年度，本集團對銀行結餘進行減值評估，並認為對手方銀行違約的可能性並不重大，因此並無作出信貸虧損撥備。截至二零一八年十二月三十一日止年度，銀行結餘之減值評估詳情載於附註50。

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32. SHARE CAPITAL

Movements in the share capital of the Company during the year are as follows:

32. 股本

本公司股本於年內之變動如下：

	Number of shares 股份數目		Share capital 股本	
	2018 二零一八年 '000 千股	2017 二零一七年 '000 千股	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Ordinary shares of HK\$0.01 each (2017: HK\$0.01 each)				
Authorised:				
At 1 January and 31 December				
	10,000,000	10,000,000	100,000	100,000
Issued and fully paid:				
At 1 January	3,819,606	3,216,006	38,196	32,160
Placing of new shares (Note a)	—	643,200	—	6,432
Repurchase of shares (Note b)	—	(39,600)	—	(396)
At 31 December	3,819,606	3,819,606	38,196	38,196

Notes:

- (a) On 16 May 2017, the Company allotted and issued 643,200,000 new ordinary shares at a price of HK\$0.16 per share to five individual investors, who are independent third parties, and five corporate investors, whose ultimate beneficial owners are independent third parties, by way of placing of new shares under general mandate. The net proceeds from the placing of HK\$99,226,000 were fully utilised for financing the acquisition of the properties located in Hong Kong as announced by the Company on 13 April 2017.

附註：

- (a) 於二零一七年五月十六日，本公司根據一般授權以配售新股份之形式按每股0.16港元之價格配發及發行643,200,000股新普通股予五名個別投資者（為獨立第三方）及五名企業投資者（其最終實益擁有人為獨立第三方）。配售之所得款項淨額99,226,000港元如本公司於二零一七年四月十三日公佈，全數用作撥付收購位於香港之若干物業。

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



32. SHARE CAPITAL (Continued)

Notes: (Continued)

- (b) During the year ended 31 December 2017, the Company repurchased and cancelled its own shares as follows:

Month of repurchase	購回股份之月份	No. of ordinary share of HK\$0.01 each 每股面值0.01港元之普通股數目 '000 千股	Price per share 每股價格		Aggregate Consideration paid 所支付之總代價 HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
October 2017	二零一七年十月	20,800	0.220	0.176	3,959
November 2017	二零一七年十一月	18,800	0.235	0.225	4,345
		39,600			8,304

The above ordinary shares were cancelled upon repurchase.

The directors considered that the Company's ordinary shares were trading at a discount to the net asset value per share, the repurchases would increase the net asset value per share of the Company.

附註：(續)

- (b) 截至二零一七年十二月三十一日止年度，本公司購回並註銷其股份如下：

以上普通股已於購回時註銷。

董事認為本公司普通股價格低於每股資產淨值，購回股份將提高本公司的每股資產淨值增加。

33. TRADE PAYABLES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade payables	貿易應付款項	3,593	8,452

33. 貿易應付款項

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33. TRADE PAYABLES (Continued)

The following is an aging analysis of trade payables at the end of the reporting period presented based on the invoice dates:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 – 30 days	0 至 30 日	240	819
31 – 60 days	31 至 60 日	344	219
61 – 90 days	61 至 90 日	286	1,660
91 – 120 days	91 至 120 日	484	544
Over 120 days	120 日以上	2,239	5,210
		3,593	8,452

The average credit period on purchase of goods and services is 120 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

按發票日期呈列於報告期末之貿易應付款項之賬齡分析如下：

購買貨品及服務之平均信貸期為120日。本集團已實施財務風險管理政策，以確保所有應付款項於信貸時間範圍內清償。

34. DEPOSITS RECEIVED, ACCRUALS AND OTHER PAYABLES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Deposits received (Note)	已收按金(附註)	1,437	237,694
Accruals	應計費用	54,816	21,285
Other payables	其他應付款項	167,515	216,383
		223,768	475,362
Less: other payables classified as non-current liabilities	減：分類為非流動負債之其他應付款項	(102,535)	(91,834)
		121,233	383,528

Note:

Deposits received at 31 December 2017 include a refundable deposit of HK\$235,300,000 received from Mr. Xie Zhaobin, pursuant to the conditional sale and purchase agreement dated 5 December 2017 entered into between Golden Stone Management Limited (“Golden Stone”), a wholly-owned subsidiary of the Company, as vendor and Mr. Xie Zhaobin as purchaser relating to the sale and purchase of 100% of the entire issued share capital of Best Volume. The disposal was completed on 22 June 2018.

34. 已收按金、應計費用及其他應付款項

附註：

於二零一七年十二月三十一日之已收按金包括根據本公司全資附屬公司Golden Stone Management Limited (「Golden Stone」)(作為賣方)與謝肇斌先生(作為買方)於二零一七年十二月五日就買賣Best Volume 100%已發行股本而訂立之有條件買賣協議，自謝肇斌先生收到的一筆可予退還按金235,300,000港元。出售事項已於二零一八年六月二十二日完成。

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35. PROMISSORY NOTE

35. 承兌票據

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	—	30,000
Repayment of promissory note	承兌票據還款	—	(30,000)
At 31 December	於十二月三十一日	—	—

Note:

The promissory note is part of the consideration for the acquisition of the entire issued share capital of Best Volume as completed on 12 November 2015. The promissory note is non-interest bearing, unsecured and maturing within three business days after the date of a final and effective judgement or an effective and binding settlement agreement of the lawsuit between Guangzhou Yingrui Real Estate Development Co., Ltd. (“**Yingrui**”), a wholly-owned subsidiary of Best Volume, and Zhanjiang City No. 4 Construction Engineering Co., Ltd. (the “**Contractor**”) in respect of not paying certain payment under the construction contract relating to the construction of Yingrui’s investment properties located in the PRC.

Following the First Trial Written Judgement issued by the People’s Court on 24 June 2016, Yingrui lodged an appeal against the First Trial Written Judgement to the Intermediate People’s Court of Guangzhou City in July 2016. After the appeal was heard by the Intermediate People’s Court of Guangzhou City, a judgement was handed down on 9 January 2017 dismissing the Appeal and upholding the First Trial Judgement. On 15 March 2017, Yingrui and the Contractor entered into a settlement agreement, pursuant to which Yingrui agreed to pay the Contractor a sum of RMB9,700,000 (equivalent to HK\$10,844,000) within three days from the date of the settlement agreement as full and final settlement of the Proceeding. On the same day, Ace Guide Holdings Limited, the ultimate beneficial owner of Yingrui prior to the acquisition of Yingrui by Best Volume in October 2014, deposited an amount of RMB9,700,000 (equivalent to HK\$10,844,000) into Yingrui’s bank account and Yingrui paid the said amount of RMB9,700,000 (equivalent to HK\$10,844,000) was utilised by Yingrui to pay to the Contractor pursuant to the settlement agreement. On 16 March 2017, the People’s Court has ruled the seizure on certain units of the Groups’ investment property located in the PRC in the aggregate value of RMB15,000,000 (equivalent to HK\$16,769,000) be released.

During the year ended 31 December 2017, the abovementioned lawsuit was settled between Yingrui and the Contractor and the promissory note was fully repaid.

附註：

承兌票據為收購 Best Volume 之全部已發行股本(已於二零一五年十一月十二日完成)之部份代價。承兌票據為免息、無抵押及於 Best Volume 全資附屬公司廣州市迎瑞房地產開發有限公司(「迎瑞」)與湛江市第四建築工程有限公司(「承包商」)有關尚未支付迎瑞位於中國之投資物業之建築合約項下若干款項之訴訟獲得最終及有效判決或簽訂有效及具約束力之和解協議後三個營業日內到期。

在人民法院於二零一六年六月二十四日發出第一審判決書後，迎瑞已於二零一六年七月就第一審判決書向廣州市中級人民法院提出上訴。於廣州市中級人民法院就上訴進行聆訊後，二零一七年一月九日發出之裁決駁回上訴，並維持初審判決。於二零一七年三月十五日，迎瑞與承包商訂立和解協議，據此，迎瑞同意在和解協議日期起計三日內向承包商支付人民幣9,700,000元(相等於10,844,000港元)，以將訴訟作全面及最終和解。同日，Best Volume 於二零一四年十月收購迎瑞前迎瑞之最終實益擁有人 Ace Guide Holdings Limited 將人民幣9,700,000元(相等於10,844,000港元)款項存入迎瑞之銀行賬戶，而迎瑞已支付上述人民幣9,700,000元(相等於10,844,000港元)並由迎瑞用作根據和解協議付款予承包商。於二零一七年三月十六日，人民法院頒令，對本集團位於中國之投資物業若干單位(總值人民幣15,000,000元(相等於16,769,000港元))之扣押得以解除。

截至二零一七年十二月三十一日止年度，迎瑞與建築工程公司已就上述訴訟達成和解，承兌票據已悉數償還。

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

36. BANK BORROWINGS

36. 銀行借款

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Secured bank borrowings	已抵押銀行借款	157,201	351,454
Carrying amounts repayable:	須償還之賬面值：		
Within one year	一年內	35,049	38,836
More than one year, but not exceeding two years	一年以上但不超過兩年	—	13,634
More than two years, but not exceeding five years	兩年以上但不超過五年	—	40,901
Over five years	五年以上	—	130,658
		35,049	224,029
Carrying amounts that contain a repayable on demand clause (shown under current liabilities) but repayable:	含有按要求償還條款但須償還之賬面值(計入流動負債)：		
Within one year	一年內	5,235	5,261
More than one year, but not exceeding two years	一年以上但不超過兩年	5,353	5,373
More than two years, but not exceeding five years	兩年以上但不超過五年	16,865	16,805
Over five years	五年以上	94,699	99,986
		122,152	127,425
		157,201	351,454
Less: amounts shown under current liabilities	減：計入流動負債之款項	(157,201)	(166,261)
Amounts shown under non-current liabilities	計入非流動負債之款項	—	185,193

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綜合財務報表附註

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

36. BANK BORROWINGS (Continued)

At 31 December 2018, the Group had the following bank borrowings:

- (a) a secured mortgage loan of HK\$122,152,000 (2017: HK\$127,425,000), which is interest bearing at 1% per annum over one-month Hong Kong Interbank Offered Rate (“HIBOR”) or 3% per annum below the prime rate quoted by the bank from time to time, whichever is lower, secured by a first legal charge over the Group’s buildings and investment properties located in Hong Kong with an aggregate carrying amount of HK\$402,177,000 (2017: HK\$394,330,000), guaranteed by the Company and two wholly-owned subsidiaries of the Company, namely K E Group Limited and Om Gem Limited, and maturing on 18 September 2037;
- (b) a secured revolving term loan of HK\$20,000,000 (2017: HK\$20,000,000), which is interest bearing at HIBOR plus 2% per annum, secured by the first legal charge over the Group’s buildings and investment properties located in Hong Kong with an aggregate carrying amount of HK\$402,177,000 (2017: HK\$394,330,000), guaranteed by the Company and Om Gem Limited, and maturing on 22 April 2019; and
- (c) a secured account payable financing of HK\$15,049,000 (2017: HK\$5,203,000) which is interest bearing at 2% per annum over HIBOR, secured by the first legal charge over the Group’s buildings and investment properties located in Hong Kong with an aggregate carrying amount of HK\$402,177,000 (2017: HK\$394,330,000), guaranteed by the Company and Om Gem Limited, and maturing in five months commencing from January 2019.

At 31 December 2017, the Group also had a secured RMB bank loan of HK\$198,826,000, which is interest bearing at the benchmark interest rate of The People’s Bank of China upward by 20% per annum, secured by the Groups’ investment properties located in the PRC with an aggregate carrying amount of HK\$576,019,000, guaranteed by Yingrui, and maturing on 28 August 2032. The secured RMB bank loan was released through the disposal of Best Volume on 22 June 2018.

36. 銀行借款(續)

於二零一八年十二月三十一日，本集團有以下銀行借款：

- (a) 一筆為122,152,000港元(二零一七年：127,425,000港元)之有抵押按揭貸款，乃按一個月期香港銀行同業拆息(「香港銀行同業拆息」)加年利率1%或銀行不時所報之最優惠利率減年利率3%(以較低者為準)計息，以本集團賬面總值為402,177,000港元(二零一七年：394,330,000港元)之位於香港之樓宇及投資物業之第一法定押記作抵押，由本公司及本公司兩間全資附屬公司(即鑽滙集團有限公司及Om Gem Limited)提供擔保，並於二零一七年九月十八日到期；
- (b) 一筆為20,000,000港元(二零一七年：20,000,000港元)之有抵押循環定期貸款，乃按期香港銀行同業拆息加年利率2%計息，以本集團賬面總值為402,177,000港元(二零一七年：394,330,000港元)之位於香港之樓宇及投資物業之第一法定押記作抵押，由本公司及Om Gem Limited提供擔保，並於二零一九年四月二十二日到期；及
- (c) 一筆為15,049,000港元(二零一七年：5,203,000港元)之有抵押應付款項融資，乃按期香港銀行同業拆息加年利率2%計息，以本集團賬面總值為402,177,000港元(二零一七年：394,330,000港元)之位於香港之樓宇及投資物業之第一法定押記作抵押，由本公司及Om Gem Limited提供擔保，並於二零一九年一月起計五個月到期。

於二零一七年十二月三十一日，本集團亦有一筆為198,826,000港元之已抵押人民幣銀行借款，乃按中國人民銀行基準利率加年利率20%計息，由本集團賬面總值576,019,000港元之位於中國之投資物業作抵押、由迎瑞擔保並於二零一二年八月二十八日到期。該已抵押人民幣銀行借款已透過於二零一八年六月二十二日出售Best Volume解除。

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36. BANK BORROWINGS (Continued)

As the secured mortgage loan contains a repayable on demand clause, the entire outstanding balance of the secured mortgage loan was classified under current liabilities.

The bank borrowings are denominated in currencies are set out below:

36. 銀行借款(續)

由於有抵押按揭貸款包含須按要求償還條文，因此有抵押按揭貸款全部未付金額被列作流動負債。

銀行借款以下列貨幣計值：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
RMB	人民幣	—	198,826
Hong Kong dollar	港元	157,201	152,628
		157,201	351,454

37. OTHER BORROWINGS

Unsecured other borrowings

At 31 December 2018, the unsecured other borrowing of HK\$200,000,000 is interest bearing at 8% per annum, guaranteed by a personal guarantee given by Mr. Lei Hong Wai, an executive director, and maturing on 30 May 2019.

At 31 December 2017, the two unsecured other borrowings are interest bearing at 8% per annum, and guaranteed by two personal guarantees given by Mr. Lei Hong Wai. Of the total unsecured other borrowings, HK\$200,000,000 and HK\$100,000,000 are maturing on 27 April 2018 and 1 June 2018 respectively. The two unsecured other borrowings were repaid at maturity.

The unsecured other borrowings are denominated in Hong Kong dollar.

37. 其他借款

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unsecured other borrowings	200,000	300,000

無抵押其他借款

於二零一八年十二月三十一日，無抵押其他借款200,000,000港元以年利率8%計息，由執行董事李雄偉先生提供的個人擔保作為擔保，並於二零一九年五月三十日到期。

於二零一七年十二月三十一日，兩項無抵押其他借款以年利率8%計息，及由李雄偉先生提供的兩項個人擔保作為擔保。在無抵押其他借款總額中，200,000,000港元及100,000,000港元將分別於二零一八年四月二十七日及二零一八年六月一日到期。兩項無抵押其他借款已於到期時償還。

無抵押其他借款均以港元計值。

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38. SECURED NOTES

38. 擔保票據

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Secured notes	擔保票據	299,611	299,398
			HK\$'000 千港元
Proceeds from issue of secured notes	發行擔保票據所得款項		300,000
Less: transaction costs related to issue of secured notes	減：發行擔保票據之相關交易成本		(674)
			299,326
			HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日		—
Issue of secured notes	發行擔保票據		299,326
Imputed interest on secured notes	擔保票據之估算利息		8,554
Interest payable	應付利息		(8,482)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日		299,398
Imputed interest on secured notes	擔保票據之估算利息		24,213
Interest paid and payable	已付及應付利息		(24,000)
At 31 December 2018	於二零一八年十二月三十一日		299,611

On 25 August 2017, the Company issued the secured notes in the aggregate principal amount of HK\$300,000,000. The secured notes are interest bearing at 8% per annum and payable semi-annually in arrears, secured by share charge over 100% of the issued share capital in China Jiu hao Health Industry Group Limited, a wholly-owned subsidiary of the Company and the principal assets of which are the operating rights in respect of the Club and the Subject Land, and maturing on 25 August 2020.

於二零一七年八月二十五日，本公司發行有本金總額為300,000,000港元之擔保票據。該擔保票據以年利率8%計息，每半年到期時支付一次，以本公司全資附屬公司中國9號健康產業集團有限公司（其主要資產為有關會所及主體地塊之經營權）的100%已發行股本之股份押記作抵押，並於二零二零年八月二十五日到期。

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38. SECURED NOTES (Continued)

The effective interest rate of the secured notes is 8.09% per annum.

The secured notes are denominated in Hong Kong dollar.

The Company has an option to repay the outstanding principal amount of the secured notes at any time before the maturity date. The option is regarded as embedded derivatives in the host contract. The directors assessed the fair value of the option with reference to the valuation performed by Grant Sherman Appraisal Limited (“Grant Sherman”), an independent firm of professional valuers, which assessed the fair value of the option using the discounted cash flow method and determined that the fair value of the option was insignificant on initial recognition and at the end of the reporting period. Accordingly, the fair value of the option was not recognised in the consolidated financial statements.

Under the secured notes, the Company covenants with the noteholders that from the issue date and for so long as any secured notes are outstanding, (i) the Group will not create any encumbrance upon the whole or any part of its present or future undertaking, assets or revenue of the Group to secure any present or future indebtedness incurred or to secure any guarantee or indemnity in respect of any guarantee or indemnity in respect of (subject to the exceptions as set out in the secured notes), and (ii) the Company will ensure the consolidated tangible net worth of the Group will not be less than HK\$1,300,000,000. The Company has complied with the covenant throughout the year ended 31 December 2018 and the period from 25 August 2017 (issue date) to 31 December 2017.

39. AMOUNT DUE TO A DIRECTOR

Mr. Lei Hong Wai

李雄偉先生

50,000

—

Amount due to a director is unsecured, non-interest bearing and repayable on demand.

38. 擔保票據(續)

擔保票據之實際年利率為8.09%。

擔保票據以港元計值。

本公司可選擇在到期日前之任何時間償還擔保票據之未償還本金額。選擇權被視為主合約之嵌入衍生工具。董事參考一間獨立專業估值師行中證評估有限公司(「中證」)進行之估值評估選擇權之公平值，該估值師使用貼現現金流法評估選擇權之公平值，並釐定選擇權於初步確認及報告期末時之公平值微不足道。因此，並無於綜合財務報表中確認提早償還選擇權之公平值。

根據擔保票據，本公司與票據持有人訂約，自發行日期及於任何擔保票據仍未償還期間，(i)本集團將不會就其現時或將來的承擔、資產或收入的全部或任何部分置設產權負擔，以取得任何現時或將來債務或取得現時或將來債務之擔保或彌償保證(受擔保票據所載豁免者除外)；及(ii)本公司將確保本集團的綜合有形淨值將不少於1,300,000,000港元。本公司已於截至二零一八年十二月三十一日止整個年度內及自二零一七年八月二十五日至二零一七年十二月三十一日期間遵守有關契諾。

39. 應付一名董事款項

2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
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應付一名董事款項為無抵押、免息及須按要償還。

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40. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	15,083	6,280
Deferred tax liabilities	遞延稅項負債	(239,843)	(354,008)
		(224,760)	(347,728)

The followings are the major deferred tax liabilities and assets recognised and movements thereon:

		Revaluation of investment properties 重估 投資物業 HK\$'000 千港元	Fair value adjustment on acquisition of subsidiaries 收購附屬公司 之公平值調整 HK\$'000 千港元	Amortisation of operating lease 經營 租賃攤銷 HK\$'000 千港元	Allowance for credit losses 信貸虧損 撥備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	(98,704)	(240,694)	4,738	-	(334,660)
Credit to consolidated statement of profit or loss	計入綜合損益表	5,896	5,702	1,170	-	12,768
Exchange alignment	匯兌調整	(6,715)	(19,493)	372	-	(25,836)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	(99,523)	(254,485)	6,280	-	(347,728)
Credit to consolidated statement of profit or loss	計入綜合損益表	-	5,826	1,092	8,216	15,134
Derecognised on disposal of subsidiaries (note 42)	出售附屬公司時終止確認 (附註42)	98,675	-	-	-	98,675
Exchange alignment	匯兌調整	848	8,816	(325)	(180)	9,159
At 31 December 2018	於二零一八年十二月三十一日	-	(239,843)	7,047	8,036	(224,760)

At 31 December 2018, the Group had unused estimated tax losses of HK\$220,446,000 (2017: HK\$168,178,000) available for offsetting against future taxable profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The unrecognised tax losses could be carried forward indefinitely except for the tax losses arising in the PRC of HK\$81,920,000 (2017: HK\$56,404,000) that will expire in one to five years for offsetting against future taxable profits.

40. 遞延稅項資產／負債

為呈列於綜合財務狀況表，若干遞延稅項資產及負債已予以抵銷。就財務報告而言，以下為遞延稅項結餘之分析：

以下為主要已確認遞延稅項負債及資產及其變動：

於二零一八年十二月三十一日，本集團有未動用估計稅項虧損220,446,000港元(二零一七年：168,178,000港元)可供抵銷日後應課稅溢利。由於無法估計日後之溢利，故概無確認遞延稅項資產。未確認稅項虧損可無限期結轉，惟除將於中國產生用以抵銷未來應課稅溢利之稅項虧損81,920,000港元(二零一七年：56,404,000港元)將於未來一至五年內過期。

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綜合財務報表附註

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

41. STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVES OF THE COMPANY

41. 本公司之財務狀況表及儲備變動

(a) Statement of financial position of the Company

(a) 本公司之財務狀況表

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
ASSETS	資產		
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司之權益	2,806,069	3,187,493
Current assets	流動資產		
Prepayments	預付款項	431	443
Cash and cash equivalents	現金及現金等價物	24,375	29,794
		24,806	30,237
Total assets	資產總值	2,830,875	3,217,730
EQUITY	權益		
Capital and reserves attributable to owners of the Company	本公司擁有人應佔股本及儲備		
Share capital	股本	38,196	38,196
Reserves	儲備	2,263,147	2,266,974
Total equity	權益總額	2,301,343	2,305,170
LIABILITIES	負債		
Current liabilities	流動負債		
Accruals and other payable	應計費用	15,924	13,346
Amounts due to subsidiaries	應付附屬公司款項	13,997	299,816
Other borrowings	其他借款	200,000	300,000
		229,921	613,162
Non-current liabilities	非流動負債		
Secured notes	擔保票據	299,611	299,398
Total liabilities	負債總額	529,532	912,560
Total equity and liabilities	權益及負債總額	2,830,875	3,217,730
Net current liabilities	流動負債淨額	(205,115)	(582,925)
Total assets less current liabilities	資產總值減流動負債	2,600,954	2,604,568

Signed on behalf of the board of directors
by:

代表董事會簽署：

Lei Hong Wai
李雄偉
Director
董事

Chan Kin Wah Billy
陳健華
Director
董事

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

41. STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVES OF THE COMPANY (Continued)

41. 本公司之財務狀況表及儲備變動 (續)

(b) Reserve of the Company

(b) 本公司儲備

		Share premium	Contributed surplus	Equity-settled share-based payment reserve	Accumulated losses	Total
		股份溢價	實繳盈餘	以股權結算之股份支款儲備	累計虧損	總計
		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
			(Note a)	(Note b)		
			(附註 a)	(附註 b)		
At 1 January 2017	於二零一七年一月一日	1,722,165	488,016	9,848	(33,273)	2,186,756
Loss and total comprehensive expense for the year	本年度虧損及全面開支總額	—	—	—	(15,191)	(15,191)
Placing of new shares	配售新股份	96,480	—	—	—	96,480
Share issue expenses	股份發行開支	(3,686)	—	—	—	(3,686)
Repurchase of shares	購回股份	(7,908)	—	—	—	(7,908)
Recognition of equity-settled share-based payment	確認以股權結算之股份支款	—	—	10,523	—	10,523
Release on lapse of equity-settled share-based payment	以股權結算之股份支款失效時撥回	—	—	(9,848)	9,848	—
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	1,807,051	488,016	10,523	(38,616)	2,266,974
Loss and total comprehensive expense for the year	本年度虧損及全面開支總額	—	—	—	(12,890)	(12,890)
Recognition of equity-settled share-based payment	確認以股權結算之股份支款	—	—	9,063	—	9,063
Release on lapse of equity-settled share-based payment	以股權結算之股份支款失效時撥回	—	—	(10,523)	10,523	—
At 31 December 2018	於二零一八年十二月三十一日	1,807,051	488,016	9,063	(40,983)	2,263,147

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

41. STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVES OF THE COMPANY (Continued)

(b) Reserve of the Company (Continued)

Notes:

- (a) Contributed surplus represents the net amount transferred from share capital and share premium to retained profits pursuant to the special resolutions passed at the special general meetings held on 22 August 2003, 30 April 2008 and 12 December 2011.

Under the Company Act 1981 of Bermuda (as amended), the contributed surplus is available for distribution. However, the Company cannot make a distribution out of the contributed surplus if: (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of its assets would thereby be less than its liabilities.

- (b) Equity-settled share-based payment reserve represents the fair value of services estimated to be received in exchange for the grant of the relevant share options over the relevant vesting periods, the total of which is based on the fair value of the share options at grant date. The amount for each reporting period is determined by spreading the fair value of the share options over the relevant vesting periods (if any) and is recognised as staff costs and related expenses with a corresponding increase in equity-settled share-based payment reserve.

41. 本公司之財務狀況表及儲備變動 (續)

(b) 本公司儲備(續)

附註：

- (a) 實繳盈餘指根據於二零零三年八月二十二日、二零零八年四月三十日及二零一一年十二月十二日舉行之股東特別大會上通過之特別決議案自股本及股份溢價轉撥至保留溢利之淨額。

根據百慕達一九八一年公司法(經修訂)，繳入盈餘可供分派。然而，倘(i)本公司於作出有關派付後於不能或將不能支付其到期負債；或(ii)其資產的可變現價值將因而少於其負債，則本公司不可自繳入盈利作出分派。

- (b) 以股權結算之股份支款儲備指於相關歸屬期內授出相關購股權以換取估計將接獲服務之公平值，其總額乃根據購股權於授出日期之公平值計算。各報告期之金額乃透過將購股權公平值於相關歸屬期(如有)內攤分釐定，並確認為員工成本及相關開支，而以股權結算之股份支款儲備作相應增加。

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42. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2018

Best Volume and its subsidiaries

On 5 December 2017, the Group entered into a conditional sale and purchase agreement relating to the disposal of the entire issued share capital of Best Volume to Mr. Xie Zhaobin, a director of certain subsidiaries of Best Volume, at a cash consideration of HK\$405,000,000. The disposal was completed on 22 June 2018.

Analysis of assets and liabilities over which control was lost

42. 出售附屬公司

截至二零一八年十二月三十一日止年度

Best Volume 及其附屬公司

於二零一七年十二月五日，本集團就有關出售 Best Volume 之全部已發行股本予 Best Volume 若干附屬公司之董事謝肇斌先生訂立有條件買賣協議，現金代價為 405,000,000 港元。該出售事項已於二零一八年六月二十二日完成。

失去控制權之資產及負債分析

		HK\$'000 千港元
Investment properties (note 19)	投資物業(附註19)	571,107
Goodwill (note 22)	商譽(附註22)	61,246
Trade receivables	貿易應收款項	22,881
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	37,844
Cash and cash equivalents	現金及現金等價物	7,414
Deposits received, accruals and other payables	已收按金、應計費用及其他應付款項	(5,461)
Receipts in advance	預收款項	(443)
Bank borrowings	銀行借款	(190,571)
Deferred tax liabilities (note 40)	遞延稅項負債(附註40)	(98,675)
Net assets disposed of	已出售之資產淨值	405,342

Loss on disposal of subsidiaries 出售附屬公司之虧損

		HK\$'000 千港元
Cash consideration received	已收現金代價	405,000
Net assets disposed of	已出售資產淨值	(405,342)
Release of exchange reserve upon disposal of Best Volume and its subsidiaries	於出售 Best Volume 及其附屬公司後匯兌儲備撥回	(10,651)
Loss on disposal of subsidiaries	出售附屬公司之虧損	(10,993)

Net cash inflow arising on disposal 出售產生之現金流入淨額

		HK\$'000 千港元
Cash consideration received	已收現金代價	405,000
Less: deposit received in December 2017 cash and cash equivalents disposed of	減：已於二零一七年十二月收回之按金 已出售之現金及現金等價物	(235,300) (7,414)
Net cash inflow	現金流入淨額	162,286

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

42. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2017

Riche Video

On 17 February 2017, the Group as vendor and an independent third party as purchaser entered into a sale and purchase agreement relating to the disposal of the entire issued share capital of Riche Video and the shareholder's loan of HK\$39,851,000 due by Riche Video at a cash consideration of HK\$173,000. The disposal was completed on 17 February 2017.

Analysis of assets and liabilities over which control was lost

		HK\$'000 千港元
Club debenture	會所債券	172
Cash and cash equivalents	現金及現金等價物	1
Amount due to immediate holding company	應付直接控股公司之款項	(39,851)
Accruals	應計費用	(1)
Net liabilities disposed of	已出售負債淨值	(39,679)

Gain on disposal of a subsidiary

出售一間附屬公司之收益

		HK\$'000 千港元
Cash consideration received	已收到之現金代價	173
Net liabilities disposed of	已出售負債淨額	39,679
Less: shareholder's loan assigned to purchaser	減：已轉讓予買方之股東貸款	(39,851)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	1

Net cash inflow arising on disposal

出售產生之現金流入淨額

		HK\$'000 千港元
Cash consideration received	已收到之現金代價	173
Less: cash and cash equivalents disposed of	減：已出售現金及現金等價物	(1)
Net cash inflow	現金流入淨額	172

42. 出售附屬公司(續)

截至二零一七年十二月三十一日止年度

豐采錄影

於二零一七年二月十七日，本集團(作為賣方)與獨立第三方(作為買方)就出售豐采錄影之全部已發行股本及豐采錄影應付之股東貸款39,851,000港元訂立買賣協議，現金代價為173,000港元。此出售事項已於二零一七年二月十七日完成。

失去控制權之資產及負債分析

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

43. COMMITMENTS

(a) Lease commitments

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	15,425	15,141
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	54,394	56,413
Over five years	五年以上	631,630	653,277
		701,449	724,831

Operating lease payments represent rentals payable by the Group for its office premises and the operating rights in respect of the Club and the Subject Land. Leases in respect of the office premises are mainly negotiated for an average term of three years and rentals are fixed for an average of three years. The Group does not have an option to purchase the leased premises and the operating rights in respect of the Club and the Subject Land at the expiry of the lease period.

The Group as lessor

Rental income earned from investment properties during the year amounted to HK\$15,023,000 (2017: HK\$23,603,000). All of the Group's investment properties are held for rental purposes. The investment properties are expected to generate rental yields of 2.00% (2017: 4.10%) on an ongoing basis. The investment properties have committed tenants for the next three years (2017: seven years).

43. 承擔

(a) 租賃承擔

本集團作為承租人

於報告期末，本集團之不可撤銷經營租賃所承擔之日後最低租賃付款之到期情況如下：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	15,425	15,141
In the second to fifth year inclusive	54,394	56,413
Over five years	631,630	653,277
	701,449	724,831

經營租賃付款指本集團就其辦公室物業及有關會所及主體地塊之經營權應付之租金。辦公室物業之租約主要議定之租期平均為三年，而租金平均每三年訂定。本集團並無獲授於租賃期屆滿時可購買租賃資產及會所及主體地塊之經營權之選擇權。

本集團作為出租人

年內投資物業賺取之租金收入為15,023,000港元(二零一七年：23,603,000港元)。所有本集團之投資物業乃持作租賃用途。預期投資物業可持續產生2.00%(二零一七年：4.10%)之租金收益率。投資物業於未來三年均已承有承租戶(二零一七年：七年)。

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

43. COMMITMENTS (Continued)

(a) Lease commitments (Continued)

The Group as lessor (Continued)

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	5,095	24,292
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	6,695	79,277
Over five years	五年以上	—	25,125
		11,790	128,694

(b) Other commitments

At the end of the reporting period, the Group had the following other commitments which were contracted but not provided for:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Capital expenditures for the Subject Land	主體地塊之資本開支	25,283	40,292
Renovation costs for the properties located in Hong Kong	位於香港物業之翻新成本	—	4,779
		25,283	45,071

43. 承擔(續)

(a) 租賃承擔(續)

本集團作為出租人(續)

於報告期末，本集團就下列日後最低租賃付款與租戶訂約：

(b) 其他承擔

於報告期末，本集團有以下已訂約但並未撥備之其他承擔：

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44. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

Pursuant to an ordinary resolution passed by the shareholders on 12 December 2011, the Company adopted a new share option scheme (the “**Option Scheme**”) to replace the share option scheme adopted on 21 January 2002. The Option Scheme will expire on 11 December 2021. The purpose of the Option Scheme is to enable the Company to grant share options to selected eligible participants as incentives or rewards for their contribution or potential contribution to the Group.

Under the Option Scheme, eligible participants are full time or part time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Company or any subsidiary); any holder of any securities issued by the Group; and any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Group or any person who, in the sole discretion of the board of directors of the Company has contributed or may contribute to the Group.

The overall limit on the number of shares which may be issued upon exercise of all share options granted and yet to be exercised under the Option Scheme and any other share option schemes of the Company must not exceed 30% of the shares in issue from time to time. Subject to the above overall limit, the total number of shares which may be issued upon exercise of all share options to be granted under the Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the shares in issue as at the date of approval of the Option Scheme (the “**Scheme Mandate Limit**”). Share options lapsed in accordance with the terms of the Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit. The Company may refresh the Scheme Mandate Limit subject to approval of the shareholders in general meeting, provided that the Scheme Mandate Limit as refreshed must not exceed 10% of the shares in issue as at the date of approval of the refreshed limit.

44. 以股權結算之股份支款之交易

根據股東於二零一一年十二月十二日通過之普通決議案，本公司採納一項新購股權計劃（「購股權計劃」）以取代於二零零二年一月二十一日採納之購股權計劃。購股權計劃將於二零二一年十二月十一日屆滿。購股權計劃旨在令本公司可向選定之合資格參與者授出購股權，作為彼等對本集團之貢獻或潛在貢獻之獎勵或報酬。

根據購股權計劃，合資格參與者為本集團之全職或兼職僱員（包括本公司或任何附屬公司之任何董事，不論執行或非執行，及不論是否獨立）；本集團所發行任何證券之任何持有人；及本集團之任何業務或合營夥伴、承包商、代理或代表、顧問、諮詢人、供應商、製片商或授權人、客戶、獲授權人（包括任何轉授獲授權人）或發行商、業主或租戶（包括任何分租租戶），或本公司董事會全權酌情決定已經或可能對本集團作出貢獻之任何人士。

於行使根據購股權計劃及本公司任何其他購股權計劃授出而尚未行使其所有購股權後可予發行之股份數目整體上限，不得超過不時已發行股份之30%。在上述整體限額之規限下，於行使根據購股權計劃及本公司任何其他購股權計劃將予授出之所有購股權後可予發行之股份總數，合共不得超過購股權計劃獲批准當日已發行股份之10%（「計劃授權限額」）。於計算計劃授權限額時，已根據購股權計劃之條款失效之購股權將不計算在內。在股東大會上獲股東批准後，本公司可更新計劃授權限額，惟更新後之計劃授權限額不得超過更新限額獲批准當日已發行股份之10%。

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44. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Unless approved by the shareholders in the manner set out below, the total number of shares issued and to be issued upon exercise of the shares options granted to each eligible participant (including both exercised and outstanding share options) in any 12-month must not exceed 1% of the shares in issue. Where any further grant of share options to an eligible participant would result in the shares issued and to be issued upon exercise of all share options granted and to be granted to such eligible participant (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by the shareholders in general meeting with such eligible participant and his associates abstaining from voting.

Any grant of share options to a substantial shareholder (as defined in the Listing Rules) or an independent non-executive director, or their respective associates, would result in the shares issued and to be issued upon exercise of all share options already granted and to be granted (including share options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% of the shares in issue; and (ii) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5,000,000, such further grant of share options must be approved by the shareholders at a general meeting, with voting to be taken by way of a poll.

An offer for the grant of share options shall remain open for acceptance for a period of 30 days from the date upon which it is made. A non-refundable nominal consideration of HK\$1.00 is payable by the grantee upon acceptance of an offer for the grant of share options. Share options may be exercised in whole or in part at any time during the period to be determined and identified by the board of directors, but in any event no later than 10 years from the date of grant but subject to the early termination of the Option Scheme.

44. 以股權結算之股份支款之交易(續)

除非以下述方式獲股東批准，否則任何12個月期間內，每名合資格參與者於行使獲授予之購股權(包括已行使及尚未行使之購股權)後已發行及將予發行之股份總數，不得超過已發行股份之1%。倘向合資格參與者進一步授出購股權將導致於截至進一步授出購股權當日(包括該日)止12個月期間內，於行使已授予及將授予該合資格參與者之所有購股權(包括已行使、註銷及尚未行使之購股權)後已發行及將予發行之股份合共超過已發行股份之1%，則進一步授出該等購股權須獲股東於股東大會上批准，該合資格參與者及其聯繫人須放棄投票。

倘向本公司主要股東(定義見上市規則)或獨立非執行董事或彼等各自之聯繫人士授出任何購股權將導致於截至授出購股權當日(包括該日)止12個月期間內，於行使已授出及將予授出之所有購股權(包括已行使、註銷及尚未行使之購股權)後已發行及將予發行之股份：(i)合共超過已發行股份總數之0.1%；及(ii)按股份於各授出日期之收市價計算，總值超過5,000,000港元，則進一步授出該等購股權須獲股東於股東大會上以投票表決方式批准。

出售購股權之要約須於作出要約日期起30日期間內維持有效可供接納。承授人於接納所授出購股權之要約時須支付1.00港元之不可退還名義代價。購股權可於董事會釐定及確定之期間內隨時全部或部分行使，但無論如何不得遲於授出日期起計十年，惟受購股權計劃提早終止所規限。

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44. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (Continued)

The exercise price shall be determined by the board of directors at its sole discretion, provided that it shall be not less than the highest of: (i) the closing price of the shares as shown in the daily quotations sheet of the Exchange on the offer date; (ii) the average closing prices of the shares as shown in the daily quotations sheet of the Exchange for the five business days immediately preceding the offer date; and (iii) the nominal value of the shares on the offer date.

At 31 December 2018 and 2017, the Company has not adopted any share option scheme other than the Option Scheme.

Details of specific categories of share options are as follows:

Share option type 購股權類別	Date of grant 授出日期	Exercise period 行使期	Exercise price 行使價
2007A	22 March 2007 二零零七年三月二十二日	22 March 2007 to 21 March 2017 二零零七年三月二十二日至 二零一七年三月二十一日	HK\$1,470.308* 1,470.308 港元*
2007B	31 May 2007 二零零七年五月三十一日	31 May 2007 to 30 May 2017 二零零七年五月三十一日至 二零一七年五月三十日	HK\$2,188.687* 2,188.687 港元*
2017	27 April 2017 二零一七年四月二十七日	27 April 2017 to 26 April 2018 二零一七年四月二十七日至 二零一八年四月二十六日	HK\$0.202 0.202 港元
2018	27 April 2018 二零一八年四月二十七日	27 April 2018 to 26 April 2019 二零一八年四月二十七日至 二零一九年四月二十六日	HK\$0.185 0.185 港元

* The exercise prices are adjusted to reflect the effect of rights issue completed on 20 August 2015.

44. 以股權結算之股份支款之交易(續)

行使價由董事會以其唯一酌情權釐定，但不得低於以下三者之最高者：(i) 股份於要約日期在聯交所每日報價表所示之收市價；(ii) 股份於緊接要約日期前五個營業日在聯交所每日報價表所示之平均收市價；及(iii) 股份於要約日期之面值。

於二零一八年及二零一七年十二月三十一日，本公司並無採納除購股權計劃外的任何購股權計劃。

特定類別購股權之詳情如下：

* 行使價已作出調整以反映於二零一五年八月二十日完成供股之影響。

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44. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (Continued)

The following table discloses movements of the Company's share options held by directors, employees and consultants during the year:

44. 以股權結算之股份支款之交易(續)

下表披露董事、僱員及顧問於年內所持本公司購股權之變動：

Share option type 購股權類別	Number of share options 購股權數目				Outstanding at 31 December 2018 於二零一八年 十二月三十一日 尚未行使
	Outstanding at 1 January 2018 於二零一八年 一月一日 尚未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed during the year 於年內失效	
2017	321,600,000	—	—	(321,600,000)	—
2018	—	316,920,000	—	—	316,920,000
	321,600,000	316,920,000	—	(321,600,000)	316,920,000
Exercisable at the end of the reporting period 於報告期末可予行使					316,920,000
Weighted average exercise price 加權平均行使價	HK\$0.202 0.202 港元	HK\$0.185 0.185 港元	— —	HK\$0.202 0.202 港元	HK\$0.185 0.185 港元

Share option type 購股權類別	Number of share options 購股權數目				Outstanding at 31 December 2017 於二零一七年 十二月三十一日 尚未行使
	Outstanding at 1 January 2017 於二零一七年 一月一日 尚未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed during the year 於年內失效	
2007A	4,835	—	—	(4,835)	—
2007B	25,309	—	—	(25,309)	—
2017	—	321,600,000	—	—	321,600,000
	30,144	321,600,000	—	(30,144)	321,600,000
Exercisable at the end of the reporting period 於報告期末可予行使					321,600,000
Weighted average exercise price 加權平均行使價	HK\$2,073.46 2,073.46 港元	HK\$0.202 0.202 港元	— —	HK\$2,073.46 2,073.46 港元	HK\$0.202 0.202 港元

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44. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (Continued)

During the year ended 31 December 2018, 316,920,000 share options were granted on 27 April 2018. The estimated fair values of the share options granted on the date of grant are HK\$9,063,000. The fair value of the share options granted during the year ended 31 December 2018 was HK\$9,063,000 which had been expensed as equity-settled share-based payment expenses.

During the year ended 31 December 2017, 321,600,000 share options were granted on 27 April 2017. The estimated fair values of the share options granted on the date of grant are HK\$10,523,000. The fair value of the share options granted during the year ended 31 December 2017 was HK\$10,523,000 which had been expensed as equity-settled share-based payment expenses.

The fair values of the share options for the years ended 31 December 2018 and 2017 were calculated by Grant Sherman using binomial option pricing model. The inputs to the model were as follows:

44. 以股權結算之股份支款之交易(續)

截至二零一八年十二月三十一日止年度，已於二零一八年四月二十七日授出316,920,000份購股權。於授出日期授出之購股權之估計公平值為9,063,000港元。截至二零一八年十二月三十一日止年度內授出之購股權之公平值為9,063,000港元，已列作以股權結算之股份支款開支。

截至二零一七年十二月三十一日止年度，已於二零一七年四月二十七日授出316,920,000份購股權。於授出日期授出之購股權之估計公平值為10,523,000港元。截至二零一七年十二月三十一日止年度內授出之購股權之公平值為10,523,000港元，已列作以股權結算之股份支款開支。

截至二零一八年及二零一七年十二月三十一日止年度購股權之公平值乃由中證採用二項式期權定價模式計量。模式所用輸入數據載於下表：

	Share option type 購股權類別	
	2018 二零一八年	2017 二零一七年
Share option life 購股權年期	1 year 1年	1 year 1年
Grant date share price 授出日期股價	HK\$0.185 0.185港元	HK\$0.202 0.202港元
Exercise price 行使價	HK\$0.185 0.185港元	HK\$0.202 0.202港元
Expected volatility 預期波幅	40.65%	44.47%
Expected life of share options 購股權之預期年期	1 year 1年	1 year 1年
Dividend yield 股息收益率	0%	0%
Risk-free interest rate 無風險利率	1.945%	1.104%

Expected volatility was determined by using the historical volatility of the Company's share prices over the previous one year.

預期波幅乃利用本公司過去一年之股價之歷史波幅釐定。

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44. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (Continued)

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of a share option varies with different variables of certain subjective assumptions.

For equity-settled share-based payments with parties other than employees, the Group has rebutted the presumption that the fair values of the services received can be estimated reliably as in the opinion of the directors, the fair value of the services received cannot be reliably measured. Accordingly, the Group measured the services received from these parties, with reference to the fair values of the share options granted using the binomial option pricing model, at the date of grant.

At 31 December 2018, the Company had 316,920,000 share options outstanding (2017: 321,600,000), representing 8.30% (2017: 8.42%) of the issued share capital of the Company at that date.

45. RETIREMENT BENEFITS SCHEMES

With effect from 1 December 2000, the Group has set up a defined contribution retirement scheme, the MPF Scheme for all the eligible employees of the Group. The Group did not provide retirement benefits for its employees prior to set up of the MPF Scheme.

Under the MPF Scheme, the employees are required to contribute 5% of their monthly salaries up to a maximum of HK\$1,500 per employee and they can choose to make additional contributions. The employer's monthly contributions are calculated at 5% of each employee's monthly salaries up to a maximum of HK\$1,500 (the "Mandatory Contribution"). The employees are entitled to 100% of the Mandatory Contribution upon their retirement at the age of 65 years old, death or total incapacity.

The employees of the Group's subsidiaries in the PRC are members of state-managed retirement benefit schemes operated by the PRC government. The subsidiaries are required to contribute a specific percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes operated by the PRC government is made the specified contributions under the schemes. The contributions are charged to profit or loss as incurred.

44. 以股權結算之股份支款之交易(續)

計算購股權之公平值所用之變數及假設乃以董事之最佳估計為基準。購股權之價值須視乎若干主觀假設之數據而計算出不同之估值。

就僱員以外之有關方之確認以股權結算之股份支款而言，由於董事認為所獲服務之公平值並未能可靠地計量，本集團已推翻所獲服務之公平值能可靠地估計之假設。因此，本集團於授出日期，參照使用二項式期權定價模式得出之已授出購股權之公平值，計量從該等有關方獲得之服務。

於二零一八年十二月三十一日，本公司有316,920,000份尚未行使之購股權(二零一七年：321,600,000份)，佔本公司當日已發行股本8.30%(二零一七年：8.42%)。

45. 退休福利計劃

自二零零零年十二月一日起，本集團為所有合資格僱員設立一項界定供款退休計劃 — 強積金計劃。於設立強積金計劃前，本集團並無為僱員提供任何退休福利。

根據強積金計劃，僱員均須按其月薪之5%(以每名僱員最多1,500港元為限)作出供款，並可選擇作出額外供款。僱主每月之供款按各僱員月薪之5%(以最多1,500港元為限)計算(「強制性供款」)。僱員可於65歲退休、逝世或完全失去工作能力時全數獲取強制性供款。

本集團之中國附屬公司之僱員為由中國政府設立之國家管理退休福利計劃之成員。該等附屬公司須向退休福利計劃作出佔薪金若干百分比之供款，作為提供福利之資金。根據該等退休福利計劃作出規定供款為本集團對該等計劃之唯一責任。供款於產生時於損益表扣除。

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46. PARTICULARS OF SUBSIDIARIES

46. 附屬公司之詳情

Details of the Company's subsidiaries at 31 December 2018 are set out as follows:

本公司附屬公司於二零一八年十二月三十一日之詳情載列如下：

Name of subsidiary 附屬公司名稱	Country/place of incorporation or operation 註冊成立或經營之國家/地點	Class of shares held/ registered capital 持有股份/ 註冊股本類別	Proportion of ownership interest and voting power held by the Company 本公司持有之擁有權權益及投票權比例		Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本	Principal activities 主要業務
			2018 二零一八年 %	2017 二零一七年 %		
Adelio Holdings Limited	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1 1美元	Investment holding 投資控股
Angel Wish Group Limited	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1 1美元	Investment holding 投資控股
Bayhood No. 9 Co. ^u 北湖9號公司 ^u	The PRC 中國	Registered 註冊	100	100	RMB50,000,000 人民幣50,000,000元	Provision of recreational and wellness services through the management of a membership-based golf club and resort 透過管理會員制高爾夫俱樂部及酒店提供休閒度假及保健服務
Best Season Holdings Corp.	British Virgin Islands 英屬處女群島	Ordinary 普通	75	75	US\$100 100美元	Dormant 暫無營業
Best Volume	British Virgin Islands 英屬處女群島	Ordinary 普通	—	100	US\$2 2美元	Investment holding 投資控股
Bluelagoon Investment Holdings Limited	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1 1美元	Dormant 暫無營業
China Jiu hao Health Industry Group Limited 中國9號健康產業集團有限公司	Hong Kong 香港	Ordinary 普通	100	100	HK\$1 1港元	Investment holding 投資控股
Eternity Finance Group Limited 永恒財務集團有限公司	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	HK\$100,000,000 100,000,000港元	Investment holding 投資控股
Gainful Fortune Limited	British Virgin Islands 英屬處女群島	Ordinary 普通	99.99	99.99	HK\$160,000,100 160,000,100港元	Dormant 暫無營業
Golden Stone	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1 1美元	Investment holding 投資控股
Hong Kong Builders Finance Limited 港建財務有限公司	Hong Kong 香港	Ordinary 普通	100	100	HK\$2 2港元	Money lending 借貸
K E G Limited	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1 1美元	Investment holding 投資控股

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46. PARTICULARS OF SUBSIDIARIES (Continued)

46. 附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Country/place of incorporation or operation 註冊成立或 經營之國家/地點	Class of shares held/ registered capital 持有股份/ 註冊股本類別	Proportion of ownership interest and voting power held by the Company 本公司持有之擁有權權益 及投票權比例		Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本	Principal activities 主要業務
			2018 二零一八年 %	2017 二零一七年 %		
K E Group Limited 鑽滙集團有限公司	Hong Kong 香港	Ordinary 普通	100	100	HK\$10,000 10,000港元	Design and sale of jewelry products and sale of precious stones 設計及銷售珠寶產品以及 銷售寶石
Legend Rich Limited	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1 1美元	Investment holding 投資控股
Max Winner Investments Limited 凱宏投資有限公司	Hong Kong 香港	Ordinary 普通	100	100	HK\$1 1港元	Property holdings 持有物業
New Cove Limited	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1 1美元	Investment holding 投資控股
Om Gem Limited	Hong Kong 香港	Ordinary 普通	100	100	HK\$10,000 10,000港元	Design and sale of jewelry products and sale of precious stones 設計及銷售珠寶產品以及 銷售寶石
One Synergy Limited	Hong Kong 香港	Ordinary 普通	100	100	HK\$1 1港元	Investment holding 投資控股
Open Heart Investments Limited	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1 1美元	Investment holding 投資控股
Radiant Beauty Limited 普雋有限公司	Hong Kong 香港	Ordinary 普通	—	100	HK\$1 1港元	Investment holding 投資控股
Rexdale Investment Limited	Hong Kong 香港	Ordinary 普通	100	100	HK\$10,000,000 10,000,000港元	Property holdings 持有物業
Riche Advertising Limited	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1 1美元	Sale of financial assets 銷售金融資產
Riche (BVI) Limited	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1,000 1,000美元	Investment holding 投資控股
Riche Distribution Limited 豐采發行有限公司	Hong Kong 香港	Ordinary 普通	100	100	HK\$1,000,000 1,000,000港元	Dormant 暫無營業
Riche Multi-Media Limited 豐采多媒體有限公司	Hong Kong 香港	Ordinary 普通	100	100	HK\$2 2港元	Dormant 暫無營業

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46. PARTICULARS OF SUBSIDIARIES (Continued)

46. 附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Country/place of incorporation or operation 註冊成立或 經營之國家/地點	Class of shares held/ registered capital 持有股份/ 註冊股本類別	Proportion of ownership interest and voting power held by the Company 本公司持有之擁有權權益 及投票權比例		Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本	Principal activities 主要業務
			2018 二零一八年 %	2017 二零一七年 %		
Riche Pictures Limited	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1 1美元	Investment holding 投資控股
Simple View Investment Limited	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1 1美元	Sale of financial assets 銷售金融資產
Smart Field Management Limited	Hong Kong 香港	Ordinary 普通	100	100	HK\$1 1港元	Investment holding 投資控股
Smart Sphinx Limited	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1 1美元	Investment holding 投資控股
Smart Title	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1 1美元	Investment holding 投資控股
Stable Income Limited 堅益有限公司	Hong Kong 香港	Ordinary 普通	100	100	HK\$1,000,000 1,000,000港元	Dormant 暫無營業
Victory Peace Holdings Limited	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1 1美元	Sale of financial assets 銷售金融資產
Virtue Crest Investments Limited 德冠投資有限公司	British Virgin Islands 英屬處女群島	Ordinary 普通	—	100	US\$1 1美元	Investment holding 投資控股
Yuan Shun Investments Limited 元順投資有限公司	British Virgin Islands 英屬處女群島	Ordinary 普通	100	100	US\$1 1美元	Investment holding 投資控股
四海能樂(北京)餐飲文化有限 公司 [#]	The PRC 中國	Registered 註冊	100	100	RMB6,657,085 人民幣6,657,085元	Investment holding 投資控股
歡樂時代文化發展(北京)有限 公司 [®]	The PRC 中國	Registered 註冊	100	100	RMB100,000 人民幣100,000元	Investment holding 投資控股
廣州駿新環境監測有限公司 [#]	The PRC 中國	Registered 註冊	—	100	RMB500,000 人民幣500,000元	Trading of environmental protection products 買賣環保產品
廣州永翰投資管理有限公司 [®]	The PRC 中國	Registered 註冊	—	100	RMB50,000,000 人民幣50,000,000元	Property development 物業開發
廣州股質環保科技有限公司 [#]	The PRC 中國	Registered 註冊	—	100	RMB5,000,000 人民幣5,000,000元	Trading of environmental protection products 買賣環保產品

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46. PARTICULARS OF SUBSIDIARIES (Continued)

46. 附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Country/place of incorporation or operation 註冊成立或 經營之國家/地點	Class of shares held/ registered capital 持有股份/ 註冊股本類別	Proportion of ownership interest and voting power held by the Company 本公司持有之擁有權權益 及投票權比例		Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本	Principal activities 主要業務
			2018 二零一八年 %	2017 二零一七年 %		
廣州市迎瑞房地產開發有限公司 [®]	The PRC 中國	Registered 註冊	—	100	RMB16,000,000 人民幣16,000,000元	Property development 物業開發
北京時代發展物業管理有限公司 ^μ	The PRC 中國	Registered 註冊	100	100	RMB10,000,000 人民幣10,000,000元	Provision of property management services 提供物業管理服務
北京北湖商業管理有限公司 ^μ	The PRC 中國	Registered 註冊	100	100	RMB10,000,000 人民幣10,000,000元	Leasing of properties 物業租賃
北京北湖時代文化有限公司 ^μ	The PRC 中國	Registered 註冊	100	100	RMB10,000,000 人民幣10,000,000元	Investment holding 投資控股
北京棟馳文化發展有限公司 ("棟馳") [®]	The PRC 中國	Registered 註冊	70	70	RMB10,000,000 人民幣10,000,000元	Managing and operating cultural forum and related cultural activities 管理及經營文化論壇及相關 文化活動

[#] A limited liability company (solely invested by Taiwan, Hong Kong or Macao legal person) established in the PRC.

[#] 於中國成立之有限責任公司(台港澳法人獨資)。

[®] A limited liability company (solely invested by foreign owned enterprise) established in the PRC.

[®] 於中國成立之有限責任公司(外商投資企業獨資)。

^μ A limited liability company (solely invested by legal person) established in the PRC.

^μ 於中國成立之有限責任公司(法人獨資)。

[®] An other limited liability company established in the PRC.

[®] 於中國成立之其他有限責任公司。

The Company directly holds the interest in Riche (BVI) Limited. All other subsidiaries are indirectly held by the Company.

本公司直接持有 Riche (BVI) Limited 之權益。所有其他附屬公司均由本公司間接持有。

None of the subsidiaries had issued any debt securities at the end of the year or during the year.

概無附屬公司已於年末或年內發行任何債務證券。

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46. PARTICULARS OF SUBSIDIARIES

(Continued)

The directors consider that Best Season Holdings Corp., Gainful Fortune Limited and 棣馳, the non-wholly owned subsidiaries that have non-controlling interests, are not material to the Group. Accordingly, the financial information of Best Season Holdings Corp., Gainful Fortune Limited and 棣馳 is not separately presented in the consolidated financial statements.

47. MATERIAL RELATED PARTY TRANSACTIONS

During the years ended 31 December 2018 and 2017, the Group entered into the following transactions with related parties:

Transactions with associates

Loans to associates

Amount due from an associate (note 24)	應收一間聯營公司款項 (附註 24)
Amount due from an associate (note 29)	應收一間聯營公司款項 (附註 29)

The loans to associates do not constitute connected transactions as defined in Chapter 14A of the Listing Rules.

46. 附屬公司之詳情(續)

董事認為 Best Season Holdings Corp.、Gainful Fortune Limited 及 棣馳 (為擁有非控股權益之非全資附屬公司) 對本集團而言並非重大。因此 Best Season Holdings Corp.、Gainful Fortune Limited 及 棣馳 之財務資料並無於本綜合財務報表中分開呈列。

47. 重大關連人士交易

於截至二零一八年及二零一七年十二月三十一日止年度，本集團與關連人士訂立以下交易：

與聯營公司之交易

貸款予聯營公司

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Amount due from an associate (note 24)	38,437	38,421
Amount due from an associate (note 29)	—	1,480
	38,437	39,901

本集團向聯營公司提供之貸款並不構成上市規則第 14A 章所定義之關連交易。

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47. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

Transactions with associates (Continued)

Expenses paid/payable to and income received/receivable from associates

47. 重大關連人士交易(續)

與聯營公司之交易(續)

已付/應付聯營公司支出及已收/應收聯營公司收入

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Brokerage fees paid to an associate	已付一間聯營公司經紀佣金	10	—
Rental income received from an associate	來自一間聯營公司租金收入	1,492	—

The above transactions do not constitute connected transactions as defined in Chapter 14A of the Listing Rules.

上述交易並不構成上市規則第14A章所定義之關連交易。

Compensation of key management personnel

主要管理人員薪酬

The remuneration of executive directors and the chief executive officer, who are key management, during the year was as follows:

年內，執行董事及行政總裁(為主要管理人員)之酬金如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Short-term benefits	短期福利	45,890	43,545
Post-employment benefits	離職後福利	72	72
Equity-settled share-based payments	以股權結算之股份支款	1,419	4,208
		47,381	47,825

Total remuneration is included in “staff costs” (note 11).

總酬金乃計入「員工成本」(附註11)。

The remuneration of executive directors and the chief executive officer is approved by the board of directors on the recommendation of the Remuneration Committee having regard to the duties and responsibilities of individuals and market trends.

執行董事及行政總裁之酬金乃由董事會按薪酬委員會之推薦建議及參考各人之職務及職責及市場趨勢後批准。

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47. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

Transactions with the directors and substantial shareholders of the Company

- (a) On 17 March 2017, Mr. Lei Hong Wai, an executive director, made a cash advance of HK\$10,000,000 to the Group for financing its short-term funding needs. The cash advance was non-interest bearing and unsecured. On 28 March 2017, the Group repaid the cash advance to Mr. Lei Hong Wai.
- (b) On 27 October 2017, Mr. Lei Hong Wai provided a personal guarantee to secure the Company's repayment obligations under the loan of HK\$200,000,000 granted by a finance company to the Company maturing on 27 April 2018. No consideration was paid by the Company to Mr. Lei Hong Wai for the provision of personal guarantee. No security over the assets of the Group was provided for the personal guarantee given by Mr. Lei Hong Wai. On 27 April 2018, the Company repaid the loan to the finance company.
- (c) On 30 November 2017, Mr. Lei Hong Wai provided another personal guarantee to secure the Company's repayment obligations under another loan of HK\$100,000,000 granted by a finance company to the Company maturing on 1 June 2018. No consideration was paid by the Company to Mr. Lei Hong Wai for the provision of personal guarantee. No security over the assets of the Group was provided for the personal guarantee given by Mr. Lei Hong Wai. On 1 June 2018, the Company repaid the loan to the finance company.
- (d) On 11 July 2018, a cash advance of HK\$60,000,000 was made by Twin Success International Limited ("Twin Success"), a substantial shareholder of the Company which is beneficially owned as to 50% by Mr. Lei Hong Wai, as to 25% by Mr. Cheung Kwok Wai Elton and as to 25% by Mr. Cheung Kwok Fan, to the Group for financing its short-term funding needs. Each of Mr. Cheung Kwok Wai Elton and Mr. Cheung Kwok Fan are executive directors. The cash advance was non-interest bearing and unsecured. On 6 August 2018, the Group repaid the cash advance to Twin Success.

47. 重大關連人士交易(續)

與本公司之董事及主要股東之交易

- (a) 於二零一七年三月十七日，執行董事李雄偉先生就本集團之短期資金需要而向其作出10,000,000港元現金墊款。現金墊款為免息及無抵押。於二零一七年三月二十八日，本集團已向李雄偉先生償還現金墊款。
- (b) 於二零一七年十月二十七日，李雄偉先生就一間財務公司向本公司授出的200,000,000港元貸款項下本公司的還款責任提供個人擔保，此筆貸款於二零一八年四月二十七日到期。本公司並無就提供個人擔保向李雄偉先生支付代價。並無以本集團的資產作為李雄偉先生提供的個人擔保之抵押。於二零一八年四月二十七日，本公司向財務公司償還貸款。
- (c) 於二零一七年十一月三十日，李雄偉先生就一間財務公司向本公司授出的另一筆100,000,000港元貸款項下本公司的還款責任提供另一項個人擔保，此筆貸款於二零一八年六月一日到期。本公司並無就提供個人擔保向李雄偉先生支付代價。並無以本集團的資產作為李雄偉先生提供的個人擔保之抵押。於二零一八年六月一日，本公司向財務公司償還貸款。
- (d) 於二零一八年七月十一日，Twin Success International Limited (「Twin Success」，本公司主要股東，由李雄偉先生、張國偉先生及張國勳先生分別實益擁有50%、25%及25%權益)就其之短期資金需要提供資金而向本集團作出60,000,000港元現金墊款。張國偉先生及張國勳先生各自為執行董事。現金墊款為免息及無抵押。於二零一八年八月六日，本集團已向Twin Success償還現金墊款。

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47. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

Transactions with the directors and substantial shareholders of the Company (Continued)

- (e) On 19 July 2018, Twin Success made a cash advance of HK\$48,000,000 to the Group for financing its short-term funding needs. The cash advance was non-interest bearing and unsecured. On 24 July 2018, the Group repaid the cash advance to Twin Success.
- (f) On 19 October 2018, Twin Success made a cash advance of HK\$25,000,000 to the Group for financing its short-term funding needs. The cash advance was non-interest bearing and unsecured. On 5 December 2018, the Group repaid the cash advance to Twin Success.
- (g) On 14 November 2018, Mr. Lei Hong Wai made a cash advance of HK\$10,000,000 to the Group for financing its short-term funding needs. The cash advance was non-interest bearing and unsecured. On 5 December 2018, the Group repaid the cash advance to Mr. Lei Hong Wai.
- (h) On 29 November 2018, Mr. Lei Hong Wai provided a personal guarantee to secure the Company's repayment obligations under the loan of HK\$200,000,000 granted by the finance company to the Company maturing on 30 May 2019. No consideration was paid by the Company to Mr. Lei Hong Wai for the provision of personal guarantee. No security over the assets of the Group was provided for the personal guarantee given by Mr. Lei Hong Wai.

At 31 December 2018, the provision of personal guarantee by Mr. Lei Hong Wai remains in full force and effect.

47. 重大關連人士交易(續)

與本公司之董事及主要股東之交易(續)

- (e) 於二零一八年七月十九日，Twin Success就本集團之短期資金需要提供資金而向其作出48,000,000港元現金墊款。現金墊款為免息及無抵押。於二零一八年七月二十四日，本集團已向Twin Success償還現金墊款。
- (f) 於二零一八年十月十九日，Twin Success就本集團之短期資金需要提供資金而向其作出25,000,000港元現金墊款。現金墊款為免息及無抵押。於二零一八年十二月五日，本集團已向Twin Success償還現金墊款。
- (g) 於二零一八年十一月十四日，李雄偉先生就本集團之短期資金需要提供資金而向其作出10,000,000港元現金墊款。現金墊款為免息及無抵押。於二零一八年十二月五日，本集團已向李雄偉先生償還現金墊款。
- (h) 於二零一八年十一月二十九日，李雄偉先生就財務公司向本公司提供之200,000,000港元於二零一九年五月三十日到期之貸款之還款責任提供個人擔保。本公司概無就提供個人擔保向李雄偉先生支付代價，亦概無以本集團資產作為李雄偉先生提供的個人擔保作抵押。

於二零一八年十二月三十一日，李雄偉先生提供之個人擔保維持十足效力及作用。

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47. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

Transactions with the directors and substantial shareholders of the Company (Continued)

- (i) On 24 December 2018, Mr. Lei Hong Wai made a cash advance of HK\$50,000,000 to the Group for financing its short-term funding needs. The cash advance was non-interest bearing and unsecured. On 4 January 2019, the Group repaid the cash advance to Mr. Lei Hong Wai.

At 31 December 2018, the outstanding balance of the cash advance is HK\$50,000,000, which is presented in the "Amount due to a director" line item in the consolidated statement of financial position.

All of the above transactions also constitute connected transactions as defined in Chapter 14A of the Listing Rules. However, these transactions are fully exempt from the connected transaction requirements in Chapter 14A of the Listing Rules under Rule 14A.90.

Transactions with the directors of the subsidiaries of the Company

- (a) On 5 December 2017, Golden Stone as vendor entered into a conditional sale and purchase agreement with Mr. Xie Zhaobin, a director of certain subsidiaries of Best Volume, as purchaser relating to the sale and purchase of 100% of the issued share capital of Best Volume. The consideration was determined after arm's length negotiations between the parties to the conditional sale and purchase agreement with reference to the unaudited consolidated net asset value of Best Volume and its subsidiaries, the carrying amount of goodwill on acquisition of Best Volume and the fair value of the investment properties located in the PRC at 30 June 2017. Upon signing the conditional sale and purchase agreement, Mr. Xie Zhaobin paid a refundable deposit of HK\$235,300,000 to Golden Stone.

47. 重大關連人士交易(續)

與本公司之董事及主要股東之交易(續)

- (i) 於二零一八年十二月二十四日，李雄偉先生就本集團之短期資金需要提供資金而向其作出50,000,000港元現金墊款。現金墊款為免息及無抵押。於二零一九年一月四日，本集團已向李雄偉先生償還現金墊款。

於二零一八年十二月三十一日，未償還現金墊款結餘為50,000,000港元，其於計入綜合財務狀況表內「應付一名董事款項」項目。

所有上述之交易亦構成上市規則第14A章所定義之關連交易。然而，該等交易獲全面豁免遵守上市規則第14A章第14A.90條項下之關連交易之規定。

與本公司附屬公司之董事之交易

- (a) 於二零一七年十二月五日，Golden Stone(作為賣方)與謝肇斌先生(Best Volume若干附屬公司之董事)(作為買方)訂立有條件買賣協議，內容關於買賣Best Volume之100%已發行股本。此代價經有條件買賣協議訂約方公平磋商後釐定，並已參考Best Volume及其附屬公司於二零一七年六月三十日之未經審核綜合資產淨值、收購Best Volume之商譽之賬面值及位於中國之投資物業之公平值。於訂立有條件買賣協議後，謝肇斌先生已向Golden Stone支付235,300,000港元之可予退還按金。

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47. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

Transactions with the directors of the subsidiaries of the Company (Continued)

As two of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the sale and purchase of 100% issued share capital of Best Volume are more than 25% but all ratios were less than 75%, the sale and purchase of 100% of the issued share capital of Best Volume constituted a major transaction for the Company and was subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As Mr. Xie Zhaobin was a director of several subsidiaries of Best Volume, Mr. Xie was a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. Therefore, the sale and purchase of 100% of the issued share capital of Best Volume also constituted a connected transaction for the Company under Chapter 14A of the Listing Rules. The Board had approved the conditional sale and purchase agreement and the transactions contemplated thereunder. In addition, the directors (including all the independent non-executive directors) had confirmed that the terms of the conditional sale and purchase agreement were fair and reasonable, the transactions contemplated thereunder were on normal commercial terms and in the interests of the Company and the shareholders as a whole. Accordingly, the sale and purchase of 100% issued share capital of Best Volume was exempt from independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

The sale and purchase of 100% issued share capital of Best Volume was approved by the shareholders on 27 February 2018 and completed on 22 June 2018.

47. 重大關連人士交易(續)

與本公司附屬公司之董事之交易(續)

由於有關買賣 Best Volume 之 100% 已發行股本之其中兩項相關適用百分比率(根據上市規則計算得出)超過 25% 但低於 75%，買賣 Best Volume 之 100% 已發行股本構成本公司之主要交易，須遵守上市規則第 14 章項下之公佈、通函及股東批准之規定。

由於謝肇斌先生為 Best Volume 多間附屬公司之董事，根據上市規則第 14A 章項下謝先生為本公司附屬公司層面之關連人士。因此，根據上市規則第 14A 章項下買賣 Best Volume 之 100% 已發行股本亦構成本公司之關連交易。董事會已批准有條件買賣協議及其項下擬進行之交易。此外，董事(包括所有獨立非執行董事)已確認有條件買賣協議之條款屬公平合理，其項下擬進行之交易按正常商業條款訂立以及符合本公司及股東之整體利益。因此，買賣 Best Volume 之 100% 已發行股本獲豁免遵守上市規則第 14A.101 條項下之獨立財務意見及獨立股東批准之規定。

買賣 Best Volume 之 100% 已發行股本已於二零一八年二月二十七日獲股東批准及於二零一八年六月二十二日完成。

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47. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

Transactions with the directors of the subsidiaries of the Company (Continued)

- (b) On 20 August 2018, Bayhood No. 9 Co. as lender entered into a loan agreement with Mr. Guan Jialin, a director of certain subsidiaries of the Group, as borrower, and Ms. Hao Yuhui, the spouse of Mr. Guan Jialin, as guarantor relating to grant a loan in the principal amount of RMB25,000,000 (equivalent to HK\$28,532,000) to Mr. Guan Jialin for a term of 24 months commencing from 24 August 2018. The loan is interest bearing at 9.00% per annum, secured by a real estate mortgage over a residential property located in Beijing, the PRC owned by Ms. Hao Yuhui (the “**Property**”) and maturing on 23 August 2020. The terms of the loan agreement were negotiated on an arm’s length basis between Bayhood No. 9 Co. and Mr. Guan Jialin with reference to terms and conditions of the loan agreements entered into between the Group and its money lending customers.

On 20 September 2018, Bayhood No. 9 Co., Mr. Guan Jialin and Ms. Hao Yuhui entered into a supplemental agreement relating to the amendment of the condition precedent of the loan agreement dated 20 August 2018. Pursuant to which, the loan agreement is conditional upon the real estate mortgage over the Property having been duly registered with北京市順義區房屋管理局 (Real Estate Bureau of Beijing Shunyi District) (the “**Real Estate Bureau**”) by Mr. Yuan Huixia, a legal representative and a director of a wholly-owned subsidiary of the Company, (as agent of Bayhood No. 9 Co.) and Ms. Hao Yuhui.

47. 重大關連人士交易(續)

與本公司附屬公司之董事之交易(續)

- (b) 於二零一八年八月二十日，北湖9號公司(作為貸款人)與本集團若干附屬公司之董事關家麟先生(作為借款人)及關家麟先生之配偶郝玉慧女士(作為擔保人)已訂立貸款協議，內容有關向關家麟先生授出本金額為人民幣25,000,000元(相等於28,532,000港元)之貸款，自二零一八年八月二十四日起計為期二十四個月。貸款按年利率9%計息，以郝玉慧女士擁有之位於中國北京市之住宅物業(「物業」)之房地產按揭作抵押及於二零二零年八月二十三日到期。貸款協議之條款乃經北湖9號公司與關家麟先生公平磋商後協定，並參考本集團及其借貸客戶訂立之貸款協議之條款及條件。

於二零一八年九月二十日，北湖9號公司、關家麟先生及郝玉慧女士訂立補充協議，內容有關修訂日期為二零一八年八月二十日之貸款協議之先決條件，據此，貸款協議須待本公司一間全資附屬公司之法律代表及董事袁輝霞先生(作為北湖9號公司代理人)及郝玉慧女士向北京市順義區房屋管理局(「房屋管理局」)正式註冊物業之房地產按揭後方可作實。

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47. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

Transactions with the directors of the subsidiaries of the Company (Continued)

Concurrently, on 20 September 2018, Mr. Yuan Huixia executed an irrevocable undertaking in favour of Bayhood No. 9 Co., pursuant to which:

- (i) Mr. Yuan Huixia shall, on behalf of Bayhood No. 9 Co. and together with Ms. Hao Yuhui, register the real estate mortgage over the Property with the Real Estate Bureau;
- (ii) in the event that Mr. Guan Jialin does not repay the loan in accordance with the loan agreement, Mr. Yuan Huixia shall sell the Property on the instruction of Bayhood No. 9 Co. and transfer the proceeds in full to Bayhood No. 9 Co.;
- (iii) in the event that Bayhood No. 9 Co. proposes to change the mortgagee of the mortgage over the Property or terminate the mortgage, Mr. Yuan Huixia shall execute all necessary documents on the instruction of Bayhood No. 9 Co. to effect such change or termination; and
- (iv) unless on the instruction of Bayhood No. 9 Co., Mr. Yuan Huixia shall not change the mortgagee of the mortgage over the Property, terminate the mortgage, or sell the Property.

As each of Mr. Guan Jialin, Ms. Hao Yuhui and Mr. Yuan Huixia is a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules, the entering into of the loan agreement (as supplemented by the supplemental agreement with the undertaking) constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

47. 重大關連人士交易(續)

與本公司附屬公司之董事之交易(續)

同時，於二零一八年九月二十日，袁輝霞先生以北湖9號公司為受益人簽立一份不可撤銷承諾書，據此：

- (i) 袁輝霞先生代表北湖9號公司連同郝玉慧女士向房屋管理局註冊物業之房地產按揭；
- (ii) 倘關家麟先生未能按貸款協議償還貸款，袁輝霞先生須按北湖9號公司之指示出售物業，並將所得款項全數轉讓予北湖9號公司；
- (iii) 倘北湖9號公司建議更改物業按揭之承按人或終止按揭，袁輝霞先生須按北湖9號公司之指示執行所有必要文件，以產生該更改或終止；及
- (iv) 除非獲北湖9號公司之指示，否則袁輝霞先生不得更改該物業按揭之承按人、終止按揭或出售該物業。

根據上市規則第14A章，由於關家麟先生、郝玉慧女士與袁輝霞先生各自於附屬公司層面上為本公司之關連人士，故訂立貸款協議(經補充協議及承諾書補充)構成上市規則第14A章項下本公司之關連交易。

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47. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

Transactions with the directors of the subsidiaries of the Company (Continued)

Given that (i) the Board had approved the loan agreement (as supplemented by the supplemental agreement with the undertaking) and the transactions contemplated thereunder, and (ii) the directors (including all the independent non-executive directors) had confirmed that the terms of the loan agreement (as supplemented by the supplemental agreement with the undertaking) were fair and reasonable, the transaction contemplated thereunder were on normal commercial terms and in the interests of the Company and its shareholders as a whole. Accordingly, the entering into of the loan agreement (as supplemented by the supplemental agreement with the undertaking) was exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules. The granting of loan under the loan agreement (as supplemented by the supplemental agreement with the undertaking) was only subject to the announcement requirement under Chapter 14A of the Listing Rules.

The loan agreement became unconditional on 26 September 2018 and the drawdown of the loan was made on 29 September 2018.

At 31 December 2018, the outstanding balance of the loan is RMB25,000,000 (equivalent to HK\$28,532,000), which is included in the "Other receivables" line item in the consolidated statement of financial position. The related interest income for the year ended 31 December 2018 amounted to RMB576,000 (equivalent to HK\$680,000), which is included in the "Investment and other income" line item in the consolidated statement of profit or loss.

The directors confirm that the above transactions have complied with the connected transaction requirements in Chapter 14A of the Listing Rules.

47. 重大關連人士交易(續)

與本公司附屬公司之董事之交易(續)

鑑於(i)董事會已批准貸款協議(經補充協議及承諾書補充)及其項下擬進行之交易;及(ii)董事(包括全體獨立非執行董事)已確認貸款協議(經補充協議及承諾書補充)之條款屬公平合理、其項下擬進行之交易乃按一般商業條款訂立,並符合本公司及其股東之整體利益。因此,根據上市規則第14A.101條,訂立貸款協議(經補充協議及承諾書補充)獲豁免遵守通函、獨立財務意見及獨立股東批准的規定。根據貸款協議(經補充協議及承諾書補充)授出貸款僅須遵守上市規則第14A章項下之公佈規定。

貸款協議已於二零一八年九月二十六日成為無條件及貸款已於二零一八年九月二十九日提取。

於二零一八年十二月三十一日,貸款之未償還結餘為人民幣25,000,000元(相等於28,532,000港元),已計入綜合財務狀況表內「其他應收款項」項目。截至二零一八年十二月三十一日止年度之相關利息收入為人民幣576,000元(相當於680,000港元),已計入綜合損益表內「投資及其他收入」項目。

董事確認該等交易已遵守上市規則第14A章之關連交易規定。

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48. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2017, the Group acquired buildings and investment properties at an aggregate consideration including transaction costs of HK\$352,277,000, in which an amount of HK\$128,800,000 was settled by the proceeds of the secured mortgage loan obtained from a bank (note 36).

49. CAPITAL RISK MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and maintain healthy ratios in order to support its business and enhance shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue of new shares or redemption of existing shares as well as raise or repay debts. The Group's overall strategy remains unchanged from prior years.

The Group monitors capital using a gearing ratio, which is net debt divided by equity attributable to owners of the Company. The Group's policy is to maintain the gearing ratio between 20% and 40%. Net debt includes interest-bearing bank and other borrowings, amount due to a director and secured notes, less cash and cash equivalents. Equity attributable to owners of the Company includes share capital, retained profits and other reserves. The gearing ratio as at the end of the reporting periods was as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Total debt	債務總額	706,812	950,852
Less: cash and cash equivalents	減：現金及現金等價物	(140,628)	(225,010)
Net debt	債務淨額	566,184	725,842
Equity attributable to owners of the Company	本公司擁有人應佔權益	2,655,704	3,266,389
Gearing ratio	資產負債比率	26.61%	29.11%

48. 主要非現金交易

於截至二零一七年十二月三十一日止年度，本集團以總代價(包括交易費用)352,277,000港元收購樓宇及投資物業，其中128,800,000港元乃透過自一間銀行獲取之有抵押按揭貸款之所得款項結付(附註36)。

49. 資本風險管理

本集團管理資本之主要目標為保障本集團持續經營之能力並維持穩健比率，以支持其業務及提升股東價值。

本集團管理其資本結構並根據經濟情況變化作出調整。為維持或調整資本結構，本集團會調整向股東派發之股息、向股東發還資本、發行新股或贖回現有股份以及籌集或償還債務。自上年度，本集團之整體策略維持不變。

本集團使用資產負債比率監察資本，該比率按債務淨額除以本公司擁有人應佔權益計算。本集團的政策是維持資產負債比率介乎20%至40%。債務淨額包括計息銀行借款及其他借款、應付一名董事款項及擔保票據，減現金及現金等價物。本公司擁有人應佔權益包括股本、保留溢利及其他儲備。於報告期末之資產負債比率如下：

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49. CAPITAL RISK MANAGEMENT (Continued)

On 25 August 2017, the Group issued secured notes in the aggregate principal amount of HK\$300,000,000. Under the secured notes, the Company covenants with the noteholders that from the issue date and for so long as any secured notes are outstanding, the Group will ensure the consolidated tangible net worth of the Group will not be less than HK\$1,300,000,000. Consolidated tangible net worth of the Group means, by reference to an annual audited consolidated financial statements or a semi-annual unaudited consolidated financial statements of the Group, the aggregate of the amounts paid up or credited as paid up on the issued ordinary share capital of the Company and the amount standing to the credit of the reserves of the Group, but deducting any amount shown in respect of goodwill or other intangible assets of the Group.

The Company has complied with the covenant throughout the year ended 31 December 2018. At 31 December 2018, the consolidated tangible net worth of the Group was HK\$1,506,260,000 (2017: HK\$1,981,285,000). At 30 June 2018, the consolidated tangible net worth of the Group was HK\$1,851,511,000 (2017: N/A).

50. FINANCIAL INSTRUMENTS

Categories of financial instruments

Financial assets

Amortised cost

Financial assets at FVTPL

— Listed equity securities

Financial liabilities

Amortised cost

金融資產

攤銷成本

按公平值計入損益表之

金融資產

— 上市股本證券

金融負債

攤銷成本

49. 資本風險管理(續)

於二零一七年八月二十五日，本集團發行本金總額為300,000,000港元的擔保票據。根據該等擔保票據，本公司向票據持有人作出契諾，自發行日期及直至有任何尚未償還票據，本集團將確保本集團的綜合有形資產淨值將不少於1,300,000,000港元。本集團的綜合有形資產淨值指經參考本集團的年度經審核綜合財務報表或半年度未經審核綜合財務報表，本公司已發行普通股本的繳足或入賬列作繳足總額，以及本集團儲備的進賬金額，惟扣減任何有關就本集團商譽或其他無形資產呈列的金額。

本公司已於截至二零一八年十二月三十一日止整個年度內遵守有關契諾。於二零一八年十二月三十一日，本集團的綜合有形淨值為1,506,260,000港元(二零一七年：1,981,285,000港元)。於二零一八年六月三十日，本集團之綜合有形淨值為1,851,511,000港元(二零一七年：不適用)。

50. 金融工具

金融工具之類別

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	金融資產		
Amortised cost	攤銷成本	1,436,927	1,634,457
Financial assets at FVTPL	按公平值計入損益表之 金融資產		
— Listed equity securities	— 上市股本證券	287,302	662,943
Financial liabilities	金融負債		
Amortised cost	攤銷成本	934,173	1,434,666

The Group's major financial instruments include loan receivables, trade receivables, deposits and other receivables, amount due from an associate, cash and cash equivalents, trade payables, deposits received, accruals and other payables, bank borrowings, other borrowings, amount due to a director, and secured notes.

本集團之主要金融工具包括應收貸款、貿易應收款項、按金及其他應收款項、應收一間聯營公司款項、現金及現金等價物、貿易應付款項、已收按金、應計費用及其他應付款項、銀行借款、其他借款、應付一名董事款項及擔保票據。

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50. FINANCIAL INSTRUMENTS (Continued)

Categories of financial instruments (Continued)

At the end of the reporting period:

- (a) loan receivables, trade receivables, other receivables, amount due from an associate, and cash and cash equivalents are categorised as “amortised cost” under financial assets; and
- (b) trade payables, deposits received, accruals and other payables, bank borrowings, other borrowings, amount due to a director, and secured notes are categorised as “amortised cost” under financial liabilities.

Financial risk management objectives and policies

The Group's major financial instruments include listed equity securities classified under financial assets at FVTPL, loan receivables, trade receivables, other receivables, amount due from an associate, cash and cash equivalents, trade payables, deposits received, accruals and other payables, bank borrowings, other borrowings, amount due to a director and secured notes. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

50. 金融工具(續)

金融工具之類別(續)

於報告期末：

- (a) 應收貸款、貿易應收款項及其他應收款項、應收一間聯營公司款項，及現金及現金等價物分類為金融資產項下的「攤銷成本」；及
- (b) 貿易應付款項、已收按金、應計費用及其他應付款項、銀行借款、其他借款、應付一名董事款項，及擔保票據分類為金融負債下的「攤銷成本」。

財務風險管理目標及政策

本集團的主要金融工具包括分類為按公平值計入損益表之金融資產之上市股本證券、應收貸款、貿易應收款項、應收一間聯營公司款項、現金及現金等價物、貿易應付款項、已收按金、應計費用及其他應付款項、銀行借款、其他借款、應付一名董事款項及擔保票據。金融工具的詳情於相關附註中披露。該等金融工具的相關風險包括市場風險(外幣風險、利率風險及股價風險)、信貸風險及流動資金風險。下文載列如何減低該等風險的政策。管理層管理及監察該等風險承擔，以確保及時及有效採取適當措施。

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50. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk

(a) Foreign currency risk

The Group's operations are mainly in Hong Kong and the PRC. An entity within the Group is exposed to foreign currency risk from commercial transactions and monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency.

The Group engages in property investment business in the PRC through its local subsidiaries with RMB as their functional currency. These PRC subsidiaries are not exposed to foreign currency risk as their commercial transactions and monetary assets and liabilities are denominated in RMB.

Several subsidiaries of the Group with Hong Kong dollar as their functional currency have commercial transactions and monetary assets and liabilities that are denominated in USD, Pound Sterling, and Euro.

The Group currently does not have a foreign currency hedging policy. It manages its foreign currency risk by closely monitoring financial position and cash flow exchange risk exposures and where considered appropriate using financial instruments, such as forward exchange contracts, foreign currency options and forward rate agreements, to hedge the foreign currency risk.

At 31 December 2018, the Group's entities with functional currency of Hong Kong dollar had the aggregate net monetary assets denominated in USD amounted to HK\$4,280,000 (2017: HK\$1,764,000). Given that Hong Kong dollar are pegged to USD, the directors consider that there is no significant foreign currency risk exposure with respect to USD.

50. 金融工具(續)

財務風險管理目標及政策(續)

市場風險

(a) 外幣風險

本集團之經營主要位於香港及中國。本集團一間實體面臨外幣風險，其由商業交易及以並非該實體功能貨幣之貨幣計值之貨幣資產及負債產生。

本集團通過其以人民幣作為功能貨幣之國內附屬公司在中國從事物業投資業務。該等中國附屬公司並無面臨外匯風險，原因為其商業交易以及貨幣資產及負債乃以人民幣計值。

本集團以港元為其功能貨幣之若干附屬公司擁有以美元、英鎊及歐元計值之商業交易以及貨幣資產及負債。

本集團現時並無外幣對沖政策。本集團管理其外幣風險，密切監測財務狀況及現金流匯兌風險，並在其認為適用的情況下使用金融工具(如遠期外匯合約、外匯期權及遠期利率協議)對沖該外幣風險。

於二零一八年十二月三十一日，本集團以港元為功能貨幣之實體擁有以美元計值之貨幣資產淨值總額為4,280,000港元(二零一七年：1,764,000港元)。鑑於港元與美元掛鈎，董事認為並無有關美元之重大外幣風險。

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50. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

(a) Foreign currency risk (Continued)

At 31 December 2018, the Group's entities with functional currency of Hong Kong dollar had the aggregate net monetary assets denominated in Pound Sterling and Euro amounted to HK\$420,000 (2017: HK\$692,000). Given that the aggregate net monetary assets denominated in these foreign currencies is less than 1.00% (2017: less than 1.00%) of the Group's net assets at 31 December 2018, the directors consider that the net monetary assets of these currencies are not significant to the Group at the end of the reporting period. Accordingly, no sensitivity analysis is prepared and disclosed.

(b) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to its bank borrowings with variable rates. The Group's cash flow interest rate risk is concentrated on fluctuation of HIBOR arising from its Hong Kong dollar denominated bank borrowings. The Group's other borrowings and secured notes carry fixed interest rates, which are not exposed to interest rate risk.

The Group currently does not have an interest rate hedging policy. It manages its interest rate risk by closely monitoring the interest rate movements and where considered appropriate using financial instruments to hedge the interest rate risk.

At 31 December 2018, if interest rates of bank borrowings had been 50 basis points (2017: 50 basis points) higher/lower, with all other variables remain constant, the Group's loss and total comprehensive expense for the year ended 31 December 2018 would have increased/decreased by HK\$786,000 (2017: HK\$1,467,000).

50. 金融工具(續)

財務風險管理目標及政策(續)

市場風險(續)

(a) 外幣風險(續)

於二零一八年十二月三十一日，本集團以港元為功能貨幣之實體擁有以英磅及歐元計值之貨幣資產淨值總額為420,000港元(二零一七年：692,000港元)。由於以該等外幣計值之貨幣資產淨值總額佔本集團於二零一八年十二月三十一日之資產淨值少於1.00%(二零一七年：少於1.00%)，故董事認為該等貨幣於報告期末之貨幣資產淨值對本集團而言並不重大。因此，並無編製及披露敏感度分析。

(b) 利率風險

本集團因其浮息銀行借款而面臨現金流量利率風險。本集團的現金流量利率風險主要集中於其以港元計值的銀行借款產生的香港銀行同業拆息的波動。本集團的其他借款及擔保票據均按固定利率計息，並無面臨利率風險。

本集團現時並無利率對沖政策。本集團透過密切監察利率變動及在適合時動用金融工具對沖利率風險以管理其利率風險。

於二零一八年十二月三十一日，倘銀行借款的利率上升/下降50個基點(二零一七年：50個基點)，而所有其他變數維持不變，則本集團截至二零一八年十二月三十一日止年度的虧損及全面開支總額將增加/減少786,000港元(二零一七年：1,467,000港元)。

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50. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

(b) Interest rate risk (Continued)

The sensitivity analysis above has been determined based on the exposure to a change in interest rates for bank borrowings with variable rates at the end of the reporting period. The analysis is prepared assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure the Group's bank borrowings with variable rates which expose the Group to cash flow interest rate risk at the end of the reporting period. The impact on the Group's loss and total comprehensive expense for the year ended 31 December 2018 is estimated as an annualised impact on interest expense of such change in interest rates. The sensitivity analysis is performed on the same basis for 2017.

(c) Equity price risk

The Group is exposed to equity price risk arising from listed equity securities held by it classified as financial assets at FVTPL. The Group's listed equity securities are listed on the Exchange.

The Group manages its equity price risk by regularly monitoring equity portfolio to address any portfolio issues promptly and spreading equity price risk exposure by investing a number of listed equity securities.

The sensitivity analyses have been determined based on the exposure to equity price risk at the reporting date. Sensitivity analyses for unquoted equity securities with fair value measurement categorised within Level 3 were disclosed as below.

At 31 December 2018, if the prices of the listed equity securities with quoted market price held by the Group had been 15% (2017: 15%) higher/lower, with all other variables remain constant, the Group's loss and total comprehensive expense for the year ended 31 December 2018 would have decreased/increased by HK\$35,985,000 (2017: HK\$81,894,000).

50. 金融工具(續)

財務風險管理目標及政策(續)

市場風險(續)

(b) 利率風險(續)

上述敏感度分析乃基於浮息銀行借款於報告期末利率發生變動的風險而釐定。該分析乃假設於報告期末利率發生變動而編製，並應用於在報告期末重新計量令本集團面臨現金流量利率風險的本集團浮息銀行借款。其對本集團截至二零一八年十二月三十一日止年度的虧損及全面開支總額的影響，乃按有關利率變動對利息開支造成的年化影響作估計。該敏感度分析按與二零一七年相同的基準進行。

(c) 股價風險

本集團面臨由其持有的上市股本證券(分類為按公平值計入損益的金融資產)產生的股價風險。本集團的上市股本證券在聯交所上市。非上市債務證券將作長期持有。

本集團定期監察股本組合以即時處理任何組合事宜達致管理股價風險，並以投資多項上市股本證券分散股價風險。

上述敏感度分析乃基於於報告日期所面對的股本證券價格風險釐定。公平值計量屬第3級的無報價股本證券的敏感度分析於下文披露。

於二零一八年十二月三十一日，倘本集團持有的具所報市價的上市股本證券價上升/下跌15%(二零一七年：15%)，而所有其他變數維持不變，則本集團截至二零一八年十二月三十一日止年度的虧損及全面總開支將減少/增加35,985,000港元(二零一七年：81,894,000港元)。

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綜合財務報表附註

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

50. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

The credit risk of the Group mainly arises from bank balances, trade receivables, loan receivables, other receivables and balance receivable from associates. The exposures to these credit risks are regularly monitored on an ongoing basis by established credit policies in each of the Group's core businesses.

(a) Bank balances

The Group's exposure to credit risk arising from bank balances is limited because the counterparties are high-credit-quality banks and/or financial institutions, for which the Group considers to have low credit risk.

(b) Trade receivables

Trade receivables arise from the Group's sale of jewelry products business. The Group trades only with recognised and creditworthy third parties. The Group allows credit period ranging from 0 to 180 days to its customers. Before accepting any new customer, credit evaluation is performed by the responsible executive director to assess the potential customer's credit quality and define its credit limit. Credit evaluations are reviewed regularly. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider the Group's credit risk is significantly reduced.

50. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估

本集團之信貸風險主要由銀行結餘、貿易應收款項、應收貸款、其他應收款項及來自聯營公司應收結餘產生。該等信貸風險透過於本集團各核心業務建立之信貸政策按持續基準定期監察。

(a) 銀行結餘

本集團自銀行結餘產生之信貸風險承擔有限，原因是交易對手方為信貸評級高之銀行及／或金融機構，而本集團認為該等交易對手方之信貸風險偏低。

(b) 貿易應收款項

本集團之銷售珠寶產品業務產生貿易應收款項。本集團僅與熟悉及信譽良好的第三方進行貿易。本集團向其客戶授出介乎0至180日之間之信貸期。在接納任何新客戶之前，負責之執行董事進行信貸評估，以評估潛在客戶的信貸質量及決定其信貸限額。本集團定期審查信貸評估。本集團已實際其他監控程序，以確保採取跟進行動收回逾期債務。就此而言，本公司董事認為本集團的信貸風險大幅減少。

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綜合財務報表附註

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



50. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

(b) Trade receivables (Continued)

The Group performs impairment assessment by applying the HKFRS 9 simplified approach, which uses lifetime ECL allowance as basis for all trade receivables with reference to an ECL valuation prepared by Grant Sherman. The ECL of trade receivables is calculated as the product of the three factors: gross credit exposure, probability of default, and recovery rate in case of insolvency in Hong Kong. The probability of default is derived through the application of a linear multiple regression model, which estimates the statistical relationship between a dependent variable and multiple independent variables. To reflect any current or forward-looking information affecting the customers' abilities to settle the trade receivables, certain adjustments have been made in the process of deriving the appropriate probability of default. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the end of the reporting period about past events, current conditions and forecasts of future economic conditions.

50. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估(續)

(b) 貿易應收款項(續)

本集團應用香港財務報告準則第9號簡易方法對所有貿易應收款項進行減值評估，該方法以全期預期信貸虧損作基準，並已參考中證編製的預期信貸虧損估值。貿易應收款項的預期信貸虧損按三個系數的積數計算：信貸風險承擔總額、違約率及倘在香港無力償債的收回率。違約率透過應用線性複迴歸模型計算得出，該模型估計因變數及多個獨立變數之間之統計關係。為反映影響客戶結付貿易應收款項能力的任何現時或前瞻性資料，於計算得出適當違約率的過程中已作出若干調整。有關計算反映概率加權結果、金錢的時間價值及於報告期末可得有關過往事件、現時狀況及對未來經濟狀況預測的合理及可支持資料。

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綜合財務報表附註

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50. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

(b) Trade receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables at 31 December 2018:

Past due status	逾期狀況	ECL rate 預期信貸 虧損率	Gross carrying amount 總賬面值 HK\$'000 千港元	Allowance for credit losses 信貸虧損撥備 HK\$'000 千港元	Net carrying amount 賬面淨值 HK\$'000 千港元
Current (not past due)	即期(並無逾期)	0.10%	31,381	(30)	31,351
1-30 days past due	逾期1至30日	0.20%	494	(1)	493
31-90 days past due	逾期31至90日	1.00%	801	(8)	793
More than 90 days past due	逾期超過90日	12.92%	387	(50)	337
			33,063	(89)	32,974

Trade receivables are written off when there is information indicating that the customer is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the customer has been placed under liquidation or has entered into bankruptcy proceedings, or the trade receivables are over 270 days past due, whichever occurs earlier.

50. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估(續)

(b) 貿易應收款項(續)

下表提供有關本集團於二零一八年十二月三十一日就貿易應收款項之信貸風險及預期信貸虧損：

當有資料顯示客戶有嚴重財政困難及未來並無實際機會收回有關款項，例如客戶正在清盤中或已進行破產程序，或貿易應收款項逾期超過270日(以較早發生者為準)，則撇銷有關貿易應收款項。

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綜合財務報表附註

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

50. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

(c) Loan receivables

Loan receivables arise from the Group's money lending business. The Group has developed a credit policy and procedures manual for its money lending business. The credit policy and procedures manual specifies the Group's credit policy towards its money lending business, the risk management of the Group's money lending business, and the credit procedures for the Group's money lending business, which include, among others, the loan application, credit approval, loan closing, and monitoring ongoing credit risk procedures. All new customers of the Group are subject to loan application procedures, which include customer due diligence, reference check for credit and character, and financial background check. Granting of loan and extension of final repayment date of loan is approved by the two responsible executive directors based on customer's financial position, past experience, credit assessment and other factors. Monitoring the ongoing credit risk of each individual customer is carried out by the two responsible executive directors twice a year, which includes meeting with the customer and reviewing of its/his/her periodic financial position. In addition to monitoring on credit risk of each customer twice a year as mentioned above, review of patterns of repayment of principal and/or interest of each individual customer is carried out by the two responsible executive directors monthly in order to ensure potential problem loan is timely identified. In this regard, the directors of the Company consider the Group's credit risk is significantly reduced.

50. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估(續)

(c) 應收貸款

本集團之借貸業務產生應收貸款。本集團已為其借貸業務制定信貸政策及程序手冊。信貸政策及程序手冊訂明本集團有關其借貸業務的信貸政策、本集團借貸業務的風險管理以及本集團借貸業務的信貸程序，包括(其中包括)申請貸款、信貸批核、貸款完結及監察持續信貸風險程序。本集團的所有新客戶須辦理貸款申請程序，包括客戶盡職審查、信貸及人格的背景調查及財務背景調查。貸款授出及貸款的最終還款日期延期由兩名負責執行董事根據客戶的財務狀況、過往經驗、信貸評估及其他因素作出審批。兩名負責執行董事每年兩次監察每一名個別客戶的持續信貸風險，當中包括與該客戶會面及審視其定期財務狀況。除如上述每年兩次監察每一名客戶的信貸風險外，該兩名負責執行董事每月審閱償還本金及／或利息的模式，以確保及時發現潛在問題貸款。就此而言，本公司董事認為本集團的信貸風險大幅減少。

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綜合財務報表附註

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

50. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

(c) Loan receivables (Continued)

The board of directors of the Company is responsible to ensure the credit policy and procedures manual is appropriate to the market need and the procedures as set out in the manual are strictly followed and carried out by the staff. The board of directors has appointed Infinity Concept Ripple Limited, an independent firm of professional accountants, to conduct independent review on adequacy and effectiveness of the risk management and internal control systems of the Group's money lending business.

For the purpose of internal credit risk management, the Group considers a loan receivable as underperforming if (i) the repayment of principal and/or interest has been overdue for more than three months, and (ii) the principal, accrued interest and/or future interest of the loan may not be fully secured by the fair value of collateral at its prevailing market price. The Group considers a loan receivable as non-performing if (i) the repayment of principal and/or interest has been overdue for more than six months, and (ii) the collection of principal and/or interest in full is improbable after taking into account the fair values of the collateral at prevailing market price.

50. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估(續)

(c) 應收貸款(續)

本公司董事會負責確保信貸政策及程序手冊適合市場需要，以及員工嚴格遵守及執行手冊所載程序。董事會已委任一間獨立專業會計師行集思廣益有限公司獨立檢討本集團借貸業務的風險管理及內部監控系統的充足性及有效性。

就內部信貸風險管理而言，本集團在下情況下認為應收貸款屬不良：(i) 本金及／或利息還款已逾期超過三個月，及(ii) 貸款本金、應計利息及／或未來利息未必由抵押品按其現行市價計算的公平值全數擔保。本集團在下情況下認為應收貸款屬不履約：(i) 本金及／或利息還款已逾期超過六個月，及(ii) 經計及抵押品按其現行市價計算的公平值，不可能全數收回本金及／或利息。

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綜合財務報表附註

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

50. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

(c) Loan receivables (Continued)

The Group performs impairment assessment by applying the HKFRS 9 general approach for all loan receivables on the basis of allowance of 12-month ECL for items without a significant increase in credit risk (“SICR”) and lifetime ECL for items with a SICR with reference to another ECL valuation prepared by Grant Sherman. As no loan receivables have been classified as underperforming nor non-performing according to the Group’s credit rating system, none of the loan receivables are classified to have a SICR at 31 December 2018. The ECL of loan receivables is calculated as the product of the three factors: gross credit exposure, probability of default over 12 months following the reporting date, and recovery rate in case of insolvency in Hong Kong. The probability of default is derived through the application of a linear multiple regression model, which estimates the statistical relationship between a dependent variable and multiple independent variables. To reflect any current or forward-looking information affecting the customers’ ability to settle the loans, certain adjustments have been made in the process of deriving the appropriate probability of default. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the end of the reporting period about past events, current conditions and forecasts of future economic conditions.

50. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估(續)

(c) 應收貸款(續)

本集團應用香港財務報告準則第9號的一般方法對所有應收貸款進行減值評估，就並無信貸風險顯著增加(「信貸風險顯著增加」)的項目按12個月預期信貸虧損的基準進行評估，而就信貸風險顯著增加的項目則按全期預期信貸虧損的基準進行評估，並已參考中證編製的另一份預期信貸虧損估值。由於根據本集團的信貸評級系統，並無應收貸款獲分類為不良或不履約，於二零一八年十二月三十一日並無應收貸款獲分類為有信貸風險顯著增加。應收貸款的預期信貸虧損按三個系數的積數計算：風險承擔總額、報告日期後超過12個月的違約率及倘在香港無力償債的收回率。由報告日期後12個月之違約率透過應用線性複迴歸模型計算得出，該模型估計因變數及多個獨立變數之間之統計關係。為反映影響客戶結付貸款能力的任何現時或前瞻性資料，於計算得出適當違約率的過程中已作出若干調整。有關計算反映概率加權結果、金錢的時間價值及於報告期末可得有關過往事件、現時狀況及對未來經濟狀況預測的可支持資料。

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

50. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

(c) Loan receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECL for loan receivables at 31 December 2018:

Internal credit quality classification	內部信貸質素分類	ECL rate 預期信貸虧損率	Gross carrying amount 總賬面值 HK\$'000 千港元	Allowance for credit losses recognised 已確認信貸虧損撥備 HK\$'000 千港元	Net carrying amount 賬面淨值 HK\$'000 千港元
Performing	履約	1.48%	1,186,286	(17,547)	1,168,739
Underperforming	不良	0.00%	—	—	—
Non-performing	不履約	0.00%	—	—	—
			1,186,286	(17,547)	1,168,739

The Group writes off a loan receivable when its credit quality is classified as non-performing. Since the commencement of the Group's money lending business in January 2012, no credit quality of loan receivables has been classified as underperforming or non-performing and no loan receivables has been written off.

50. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估(續)

(c) 應收貸款(續)

下表提供有關本集團於二零一八年十二月三十一日就應收貸款之信貸風險及預期信貸虧損：

當應收貸款的信貸質素分類為不履約時，本集團撇銷該應收貸款。自本集團於二零一二年一月展開其借貸業務起，概無應收貸款的信貸質素分類為不良或不履約，且並無撇銷應收貸款。

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綜合財務報表附註

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



50. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

(d) Other receivables

Other receivables arise from transactions outside the principal activities of the Group and mainly represent cash advances to various construction contractors and services providers in relation to the development of the Subject Land prior to the acquisition of the operating rights in respect of the Subject Land. Other receivables also include the loan to a director of certain subsidiaries of the Company of HK\$28,532,000 for a term of 24 months commencing from 24 August 2018 and the related interest receivable of HK\$658,000. The key terms of the loan to the director are disclosed in note 47.

The Group performs impairment assessment on other receivables of HK\$86,681,000 (excluding the loan to the director of HK\$28,532,000 and the related interest receivable of HK\$658,000) at the end of the reporting period by assessing whether a receivable becomes a credit-impaired financial asset. In assessing whether a receivable becomes a credit-impaired financial asset, the Group has taken observable data into account, such as the current financial conditions of a debtor, the probability of default of a debtor, and the aging of a cash advance. The impairment assessment was performed by the directors of the Company. No independent valuer was engaged for preparing an ECL valuation. Having performed the impairment assessment, an allowance for credit losses on other receivables of HK\$21,120,000 was recognised in the year ended 31 December 2018.

50. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估(續)

(d) 其他應收款項

本集團主要業務以外的交易產生其他應收款項，及主要為於收購有關主體地塊之經營權前主體地塊之開發而向多名建築承建商及服務供應商作出之現金墊款。其他應收款項亦包括向本公司若干附屬公司之一名董事提供28,532,000港元之貸款，自二零一八年八月二十四日開始起計為期24個月及相關應收利息為658,000港元。向該董事提供貸款之主要條款於附註47披露。

本集團於報告期末透過評估應收款項是否成為信貸減值金融資產，對其他應收款項86,681,000港元(不包括向該名董事提供28,532,000港元之貸款及相關應收利息為658,000港元)進行減值評估。於評估應收款項是否成為信貸減值金融資產時，本集團考慮可觀察數據，例如債務人的現時財務狀況、債務人的違約率以及現金墊款的賬齡。本公司董事進行減值評估。概無獨立估值師獲委聘以編製預期信貸虧損估值。進行減值評估後，其他應收款項的信貸虧損撥備21,120,000港元於截至二零一八年十二月三十一日止年度確認。

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綜合財務報表附註

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50. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

(d) Other receivables (Continued)

For impairment assessment on the loan to the director of HK\$28,532,000 and the related interest receivable of HK\$658,000, the Group performs impairment assessment by applying the HKFRS 9 general approach on the basis of allowance of 12-month ECL for item without SICR and lifetime ECL for item with SICR with reference to the ECL valuation prepared by Grant Sherman. The loan to the director is not classified to have a SICR at 31 December 2018. The ECL of the loan to the director is calculated as the product of the three factors: gross credit exposure, probability of default over 12 months following the reporting date, and recovery rate in case of insolvency in Hong Kong. The probability of default is derived through the application of a linear multiple regression model, which estimates the statistical relationship between a dependent variable and multiple independent variables. To reflect any current or forward-looking information affecting the director's ability to settle the receivable, certain adjustments have been made in the process of deriving the appropriate probability of default. The calculation reflects the probability-weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Having performed the impairment assessment, an allowance for credit losses on the loan to the director of HK\$165,000 was recognised in the year ended 31 December 2018.

50. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險及減值評估(續)

(d) 其他應收款項(續)

就向該董事提供28,532,000港元之貸款及相關應收利息658,000港元的減值評估而言，本集團應用香港財務報告準則第9號的一般方法進行減值評估，就並無信貸風險顯著增加的項目按12個月預期信貸虧損的基準進行評估，而就有信貸風險顯著增加的項目則按全期預期信貸虧損的基準進行評估，並已參考中證編製的預期信貸虧損估值。於二零一八年十二月三十一日向該董事提供貸款並無分類為信貸風險有顯著增加。向該董事提供貸款之預期信貸虧損按三個系數的積數計算：信貸風險承擔總額、報告日期後12個月的違約率及尚在香港無力償債的收回率。違約率透過應用線性複迴歸模型計算得出，該模型估計因變數及多個獨立變數之間之統計關係。為反映影響該董事結付應收款項能力的任何現時或前瞻性資料，於計算得出適當違約率的過程中已作出若干調整。有關計算反映概率加權結果、金錢的時間價值及於報告日期可得有關過往事件、現時狀況及對未來經濟狀況預測的合理及可支持資料。進行減值評估後，於截至二零一八年十二月三十一日止年度已確認向該董事提供貸款之信貸虧損撥備165,000港元。

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50. 金融工具(續)

Financial risk management objectives and policies (Continued)

Liquidity risk

Ultimate responsibility for liquidity risk rests with the board of directors, which has built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. The Group manages its liquidity risk by regularly monitoring liquidity and financial position, maintaining appropriate liquidity to cover commitments, limiting liquidity risk exposure by investing only in securities listed on major stock exchanges, and ensuring acceptable and appropriate finance in place, or believed to be available before committing investment projects.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

50. 金融工具(續)

財務風險管理目標及政策(續)

流動資金風險

流動資金風險之最終責任由董事會承擔。董事會已設立妥善之流動資金風險管理架構，符合本集團短期、中期及長期融資及流動資金管理規定。本集團管理其流動資金風險之方式為定期監測流動資金及財務狀況、保留適當流動資金兌現承諾、透過僅投資於主要交易所上市證券限制流動資金風險以及承擔投資項目之前確保已有或將有可接受及適當資金。

下表基於協定之還款期詳列本集團的非衍生金融負債之餘下合約到期情況。該表根據本集團須付款的最早日期之金融負債未貼現現金流量而編製。該表包括利息及本金現金流量。

		Weighted average effective rate 加權平均 實際利率	Within 1 year or on demand 1年內 或按要求 HK\$'000 千港元	1 to 5 years 1至5年 HK\$'000 千港元	Over 5 years 5年以上 HK\$'000 千港元	Total undiscounted cash flows 未貼現 總現金流量 HK\$'000 千港元	Total carrying amount 賬面總值 HK\$'000 千港元
2018	二零一八年						
Non-derivative financial liabilities	非衍生金融負債						
Trade payables	貿易應付款項	-	3,593	-	-	3,593	3,593
Deposits received, accruals and other payables	已收按金、應計費用及其他應付款項	-	121,233	102,535	-	223,768	223,768
Secured notes	擔保票據	8.09%	-	323,850	-	323,850	299,611
Other borrowings	其他借款	8.00%	200,000	-	-	200,000	200,000
Amount due to a director	應付一名董事款項	-	50,000	-	-	50,000	50,000
Bank borrowings	銀行借款	2.81%	157,609	-	-	157,609	157,201
Total	總計		532,435	426,385	-	958,820	934,173
2017	二零一七年						
Non-derivative financial liabilities	非衍生金融負債						
Trade payables	貿易應付款項	-	8,452	-	-	8,452	8,452
Deposits received, accruals and other payables	已收按金、應計費用及其他應付款項	-	383,528	91,834	-	475,362	475,362
Secured notes	擔保票據	8.09%	-	323,619	-	323,619	299,398
Other borrowings	其他借款	8.00%	300,000	-	-	300,000	300,000
Bank borrowings	銀行借款	4.23%	167,811	57,749	138,357	363,917	351,454
Total	總計		859,791	473,202	138,357	1,471,350	1,434,666

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50. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Bank borrowings with a repayable on demand clause are included in the “within 1 year or on demand” time band in the above maturity analysis. At 31 December 2018, the aggregate undiscounted principal amounts of these bank borrowings amounted to HK\$151,508,000 (2017: HK\$129,636,000). Taking into account the Group’s financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repaid after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

Maturity Analysis – Bank borrowings with a repayable on demand clause based on scheduled repayments

50. 金融工具(續)

財務風險管理目標及政策(續)

流動資金風險(續)

具有償還條款之銀行借款在以上到期分析中列入「一年內或按要求」時間段。於二零一八年十二月三十一日，該等銀行借款之未貼現本金總額為151,508,000港元(二零一七年：129,636,000港元)。經考慮本集團之財務狀況，董事認為該等銀行不大可能行使期酌情權要求立即還款。董事認為，該等銀行借款將根據貸款協議之預定還款日期於報告期末後償還，詳情於下表載列：

基於預定還款安排之到期分析 – 具有按要求償還條款之銀行貸款

		Within 1 year	1 to 5 years	Over 5 years	Total undiscounted cash flows 未貼現 總現金流量	Total carrying amount 總賬面值
		1年內 HK\$'000 千港元	1至5年 HK\$'000 千港元	5年以上 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2018	二零一八年					
Non-derivative financial liabilities	非衍生金融負債					
Bank borrowings	銀行借款	8,079	32,316	111,113	151,508	122,152
2017	二零一七年					
Non-derivative financial liabilities	非衍生金融負債					
Bank borrowings	銀行借款	5,352	22,563	101,721	129,636	127,425

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50. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

(a) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. Observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and
- Level 3 valuations: Fair value measured using significant unobservable inputs.

In estimating the fair value, the Group uses unadjusted quoted prices in active markets for identical assets or liabilities to the extent they are available. Where Level 1 inputs are not available, the Group engages independent third party qualified valuers to perform valuation. The Finance and Accounting Department works closely with the independent third party qualified valuers to establish the appropriate valuation techniques and inputs to the model. The executive director who is responsible for the Group's finance and accounting function reports the Finance and Accounting Department's findings to the board of directors twice a year to explain the cause of fluctuations in fair value.

50. 金融工具(續)

金融工具之公平值計量

按經常性基準以公平值計量之本集團金融資產及負債之公平值

(a) 公平值等級

下表按照香港財務報告準則第13號公平值計量所界定的三個公平值等級，呈列本集團於報告期末按經常性基準計量之金融工具公平值。公平值計量的級別分類乃參考估值技術使用之輸入數據之可觀察程度及重要性釐定，載述如下：

- 第1級估值：僅使用第1級輸入數據(即相同資產或負債在計量日期於活躍市場之未經調整報價)計量之公平值；
- 第2級估值：使用第2級輸入數據(即不符合第1級定義之可觀察輸入數據)且並無使用重大不可觀察輸入數據計量之公平值。不可觀察輸入數據指市場數據不可用之輸入數據；及
- 第3級估值：使用重大不可觀察輸入數據計量之公平值。

估計公平值時，本集團盡可能採用基於相同資產或負債於活躍市場所報之未經調整報價。倘並無第1級輸入數據，本集團將委聘獨立第三方合資格估值師進行估值。財務及會計部門與獨立第三方合資格估值師緊密合作，制訂合適之估值技術及輸入數據模式。負責本集團之財務及會計職能之執行董事每年兩次向董事會呈報財務及會計部門之調查結果以解釋公平值波動之原因。

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50. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

(a) Fair value hierarchy (Continued)

50. 金融工具(續)

金融工具之公平值計量(續)

按經常性基準以公平值計量之本集團金融資產及負債之公平值(續)

(a) 公平值等級(續)

		Fair value measurements categorised into 公平值計量分類為							
		Level 1 第1級		Level 2 第2級		Level 3 第3級		Total 總計	
		2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Financial assets	金融資產								
Financial assets at FVTPL	按公平值計入損益表之金融資產								
– Listed equity securities	– 上市股本證券	281,091	653,843	–	–	6,211	9,100	287,302	662,943

		Fair value at 31 December 2018 於二零一八年 十二月 三十一日 之公平值 HK\$'000 千港元	Fair value at 31 December 2017 於二零一七年 十二月 三十一日 之公平值 HK\$'000 千港元	Fair value hierarchy	Valuation techniques and key inputs
Financial assets	金融資產				
Financial assets at FVTPL	按公平值計入損益表之金融資產				
– Listed equity securities	– 上市股本證券	281,091	653,843	Level 1 第1級	Quoted closing prices in active markets at活躍市場所報之收市價
– Listed equity securities	– 上市股本證券	6,211	9,100	Level 3 第3級	Significant unobservable inputs 重大不可觀察輸入數據

		Fair value at 31 December 2018 於二零一八年 十二月 三十一日 之公平值 HK\$'000 千港元	Fair value at 31 December 2017 於二零一七年 十二月 三十一日 之公平值 HK\$'000 千港元	Fair value hierarchy	Valuation techniques and key inputs
Financial assets	金融資產				
Financial assets at FVTPL	按公平值計入損益表之金融資產				
– Listed equity securities	– 上市股本證券	281,091	653,843	Level 1 第1級	Quoted closing prices in active markets at活躍市場所報之收市價
– Listed equity securities	– 上市股本證券	6,211	9,100	Level 3 第3級	Significant unobservable inputs 重大不可觀察輸入數據

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50. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

(a) Fair value hierarchy (Continued)

During the year ended 31 December 2018, there were no transfers between Level 1 and 2, or transfers into or out of Level 3.

On 29 June 2018, the Group transferred 217,750,000 shares of Global Mastermind with an aggregate fair value of HK\$30,049,000 out of Level 1 as the Group has applied equity method to account for its investment in Global Mastermind.

During the year ended 31 December 2017, the Group transferred listed equity securities with an aggregate fair value of HK\$87,500,000 from Level 1 to 3 as the trading in the listed equity securities has been suspended since 27 November 2017 and no unadjusted quoted prices in active markets are available. As a result, the Group uses significant unobservable inputs to measure their fair value at the end of the reporting period.

The Group's policy is to recognise transfers between levels of fair value hierarchy as of the date of the events or change in circumstances that cause the transfer.

50. 金融工具(續)

金融工具之公平值計量(續)

按經常性基準以公平值計量之本集團金融資產及負債之公平值(續)

(a) 公平值等級(續)

於截至二零一八年十二月三十一日止年度，第1級及第2級之間並無轉撥，或並無轉入或轉出第3級。

於二零一八年六月二十九日，由於本集團已應用權益法將其於環球大通之投資入賬，本集團將公平值總額30,049,000港元之217,750,000股環球大通股份自第1級轉出。

於截至二零一七年十二月三十一日止年度，由於該上市股本證券自二零一七年十一月二十七日起暫停買賣並於活躍市場並無可用未經調整報價，故本集團將公平值總額87,500,000港元之上市股本證券由第1級轉移至第3級。因此，本集團於報告期末使用重大不可觀察輸入數據計量其公平值。

本集團之政策為於轉撥事件或導致轉撥之情況出現變動當日，確認公平值等級之間之轉撥。

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50. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

(b) Information about Level 3 fair value measurement

50. 金融工具(續)

金融工具之公平值計量(續)

按經常性基準以公平值計量之本集團金融資產及負債之公平值(續)

(b) 關於第3級公平值計量之資料

		Valuation technique 估值技術	Significant unobservable input 重大不可觀察輸入數據	Relation of significant unobservable inputs to fair value 重大不可觀察輸入數據與公平值之關係
At 31 December 2018	於二零一八年十二月三十一日			
Financial assets at FVTPL	按公平值計入損益表之金融資產	Market approach 市場法	Holdings return basis of negative 53.15% 持股回報基準負53.15%	The holding return basis is positively correlated to the fair value measurement 持股回報基準與公平值計量成正比
– Listed equity securities	– 上市股本證券		Price-to-earning basis of 27.14 市盈基準27.14	The price-to-earning basis is positively correlated to the fair value measurement 市盈基準與公平值計量成正比
			Discount rate of negative 78.01% 貼現率負78.01%	The discount rate is negatively correlated to the fair value measurement 貼現率與公平值計量成反比
At 31 December 2017	於二零一七年十二月三十一日			
Financial assets at FVTPL	按公平值計入損益表之金融資產	Market approach 市場法	Discount rate of 79.48% 貼現率79.48%	The discount rate is negatively correlated to the fair value measurement 貼現率與公平值計量成反比
– Listed equity securities	– 上市股本證券			

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50. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

(b) Information about Level 3 fair value measurement (Continued)

One of the Group's listed equity securities classified as financial assets at FVTPL has been suspended from trading since 27 November 2017 and no unadjusted quoted prices in active markets are available. The fair value of the suspended listed equity securities at 31 December 2018 was measured by Graval (2017: PSHK) using a valuation technique with significant unobservable inputs and hence was classified under Level 3 of the fair value hierarchy.

The movements during the year in the balance of this Level 3 fair value measurement are as follows:

50. 金融工具(續)

金融工具之公平值計量(續)

按經常性基準以公平值計量之本集團金融資產及負債之公平值(續)

(b) 關於第3級公平值計量之資料(續)

本集團其中一項獲分類為按公平值計入損益表之金融資產之上市股本證券自二零一七年十一月二十七日起暫停買賣，並於活躍市場並無可用未經調整報價。於二零一八年十二月三十一日，該暫停買賣上市股本證券公平值乃博浩(二零一七年：測建行)使用採用重大不可觀察輸入數據之估值技術計量，因此被分類為第3級公平值等級。

本年度第3級公平值計量結餘之變動如下：

		HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	—
Transfer from Level 1	自第1級轉入	87,500
Loss arising on change in fair value of financial assets at FVTPL	按公平值計入損益表之金融資產之公平值變動產生之虧損	(78,400)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	9,100
Loss arising on change in fair value of financial assets at FVTPL	按公平值計入損益表之金融資產之公平值變動產生之虧損	(2,889)
At 31 December 2018	於二零一八年十二月三十一日	6,211

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50. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and liabilities that are not measured at fair value on a recurring basis

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values at 31 December 2018 and 31 December 2017, except for the secured notes, which had a carrying amount and fair value of HK\$299,611,000 (31 December 2017: HK\$299,398,000) and HK\$301,862,000 (31 December 2017: HK\$311,630,000) at 31 December 2018 respectively.

The fair value measurement of the secured notes was classified under Level 3 of the fair value hierarchy. The fair value of the secured notes was determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the return required by the noteholders for investing in similar financial instruments.

50. 金融工具(續)

金融工具之公平值計量(續)

並非按經常性基準以公平值計量之本集團金融資產及負債之公平值

按成本或攤銷成本計量之本集團金融工具之賬面值與其於二零一八年十二月三十一日及二零一七年十二月三十一日之公平值並無重大差異，惟於二零一八年十二月三十一日擔保票據之賬面值及公平值分別為299,611,000港元(二零一七年十二月三十一日：299,398,000港元)及301,862,000港元(二零一七年十二月三十一日：311,630,000港元)。

擔保票據之公平值計量獲分類為第3級公平值等級。擔保票據之公平值根據普遍接受之基於貼現現金流量分析所作之定價模式釐定，最重大之輸入數據為貼現率，可反映投資類似金融工具之票據持有人所要求之回報。

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51. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

51. 融資活動產生之負債對賬

下表詳述本集團融資活動所產生之負債變動(包括現金及非現金變動)。融資活動所產生負債之現金流量或未來現金流量已經或將會於本集團綜合現金流量表內分類為融資活動現金流量。

		Interest payable	Bank borrowings	Other borrowings	Secured notes	Amount due to a shareholder	Amount due to a director	Promissory note	Total
		應付利息	銀行借款	其他借款	擔保票據	應付一名股東款項	應付一名董事款項	承兌票據	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2017	於二零一七年一月一日	209	145,081	–	–	–	–	30,000	175,290
Non-cash changes	非現金變動								
– Interest expenses on bank borrowings	– 銀行借款的利息開支	9,857	–	–	–	–	–	–	9,857
– Interest expenses on other borrowings	– 其他借款的利息開支	5,216	–	–	–	–	–	–	5,216
– Interest expenses on secured notes	– 擔保票據的利息開支	8,482	–	–	72	–	–	–	8,554
– Acquisition of buildings and Investment properties	– 收購樓宇及投資物業	–	128,800	–	–	–	–	–	128,800
– Foreign exchange translation	– 外匯換算	–	13,939	–	–	–	–	–	13,939
Cash flows	現金流量								
– Inflow from financing activities	– 自融資活動流入	–	215,251	450,000	299,326	–	10,000	–	974,577
– Outflow from financing activities	– 自融資活動流出	(12,845)	(151,617)	(150,000)	–	–	(10,000)	(30,000)	(354,462)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	10,919	351,454	300,000	299,398	–	–	–	961,771
Non-cash changes	非現金變動								
– Interest expenses on bank borrowings	– 銀行借款的利息開支	9,266	–	–	–	–	–	–	9,266
– Interest expenses on other borrowings	– 其他借款的利息開支	9,797	–	–	–	–	–	–	9,797
– Interest expenses on secured notes	– 擔保票據的利息開支	24,000	–	–	213	–	–	–	24,213
– Derecognised on disposal of subsidiaries (note 42)	– 出售附屬公司時終止確認(附註42)	–	(190,571)	–	–	–	–	–	(190,571)
– Foreign exchange translation	– 外匯換算	–	(1,466)	–	–	–	–	–	(1,466)
Cash flows	現金流量								
– Inflow from financing activities	– 自融資活動流入	–	68,723	200,000	–	133,000	60,000	–	461,723
– Outflow from financing activities	– 自融資活動流出	(44,109)	(70,939)	(300,000)	–	(133,000)	(10,000)	–	(558,048)
At 31 December 2018	於二零一八年十二月三十一日	9,873	157,201	200,000	299,611	–	50,000	–	716,685

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

52. CONTINGENT LIABILITIES

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

53. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 26 March 2019.

52. 或然負債

於二零一八年十二月三十一日，本集團並無重大或然負債。

53. 批准綜合財務報表

綜合財務報表已於二零一九年三月二十六日經董事會批准及授權刊發。

Five-Year Financial Summary

五年財務概要

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



		For the year ended 31 December 截至十二月三十一日止年度				
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Results	業績					
Revenue	收益	188,037	53,989	161,042	184,780	88,671
(Loss)/profit from operations	經營(虧損)/溢利	(556,540)	(181,042)	(201,278)	132,451	278,310
Finance costs	融資費用	(43,276)	(23,627)	(9,529)	(1,609)	—
(Loss)/profit before taxation	除稅前(虧損)/溢利	(599,816)	(204,669)	(210,807)	130,842	278,310
Income tax credit/(expense)	所得稅抵免/(開支)	11,091	9,052	2,903	(8,253)	(6,898)
(Loss)/profit for the year from continuing operations	來自持續經營業務之本年度(虧損)/溢利	(588,725)	(195,617)	(207,904)	122,589	271,412
Loss for the year from discontinued operation	來自已終止經營業務之本年度虧損	—	(3)	—	(22,988)	(46,112)
(Loss)/profit for the year	本年度(虧損)/溢利	(588,725)	(195,620)	(207,904)	99,601	225,300
Dividends	股息	—	—	—	—	—

		At 31 December 於十二月三十一日				
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Assets and liabilities	資產及負債					
Total assets	資產總值	3,971,193	5,223,905	4,241,538	4,430,846	2,243,314
Total liabilities	負債總額	(1,318,115)	(1,957,600)	(992,399)	(1,078,541)	(86,873)
Net assets	資產淨值	2,653,078	3,266,305	3,249,139	3,352,305	2,156,441
Capital and reserves	股本及儲備					
Equity attributable to owners of the Company	本公司擁有人應佔權益	2,655,704	3,266,389	3,249,145	3,352,310	2,144,651
Non-controlling interest	非控股權益	(2,626)	(84)	(6)	(5)	11,790
		2,653,078	3,266,305	3,249,139	3,352,305	2,156,441



ETERNITY INVESTMENT LIMITED
永恒策略投資有限公司*
(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 : 764)