



WUZHOU INTERNATIONAL HOLDINGS LIMITED

五洲國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 1369



2019

Annual Report
年報

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Corporate Information

公司資料

DIRECTORS

Executive Directors

Mr. Shen Xiaowei (*Chief Executive Officer*)
(appointed as Chief Executive Officer on 23 July 2020)

Mr. Zhu Yongqiu
Ms. Cai Qiaoling
Mr. Zhou Chen
Mr. Shu Cewan
(appointed as Chairman on 19 June 2019 and resigned on 23 July 2020)
Mr. Shu Cecheng (resigned on 19 June 2019)

Independent Non-executive Directors

Dr. Song Ming
Prof. Shu Guoying
Mr. Liu Chaodong

COMPANY SECRETARY

Ms. Li Yuen Shan (appointed on 13 January 2020)
Mr. Yeung Chi Lung (resigned on 13 January 2020)

AUTHORIZED REPRESENTATIVES

Mr. Shen Xiaowei
(appointed on 23 July 2020)
Mr. Zhou Chen
Mr. Shu Cewan
(appointed on 19 June 2019 and resigned on 23 July 2020)

AUDIT COMMITTEE

Mr. Liu Chaodong (*Committee Chairman*)
Dr. Song Ming
Prof. Shu Guoying

董事

執行董事

沈曉偉先生 (*行政總裁*)
(於二零二零年七月二十三日獲委任為行政總裁)
朱永球先生
蔡巧玲女士
周晨先生
舒策丸先生
(於二零一九年六月十九日獲委任為主席及於二零二零年七月二十三日辭任)
舒策城先生
(於二零一九年六月十九日辭任)

獨立非執行董事

宋敏博士
舒國濶教授
劉朝東先生

公司秘書

李婉珊女士
(於二零二零年一月十三日獲委任)
楊子龍先生
(於二零二零年一月十三日辭任)

授權代表

沈曉偉先生
(於二零二零年七月二十三日獲委任)
周晨先生
舒策丸先生
(於二零一九年六月十九日獲委任及於二零二零年七月二十三日辭任)

審核委員會

劉朝東先生 (*委員會主席*)
宋敏博士
舒國濶教授

Corporate Information (Continued) 公司資料(續)

REMUNERATION COMMITTEE

Dr. Song Ming (*Committee Chairman*)
Prof. Shu Guoying
Mr. Shu Cewan (resigned on 23 July 2020)

NOMINATION COMMITTEE

Prof. Shu Guoying (*Committee Chairman*)
(appointed as Committee Chairman on 3 August 2020)

Dr. Song Ming
Mr. Liu Chaodong
Mr. Shu Cewan
(appointed on 19 June 2019 and resigned on 23 July 2020)

Mr. Shu Cecheng (resigned on 19 June 2019)

AUDITOR

Zhonghui Anda CPA Limited
Certified Public Accountants

PRINCIPAL BANKERS

Bank of China Limited
Bank of Communications Co., Ltd
Industrial and Commercial Bank of China Limited
Xiamen International Bank

LEGAL ADVISORS

As to Hong Kong Law

Raymond Siu & Lawyers

As to PRC Law

DeHeng Law Offices

As to Cayman Islands law

Conyers Dill & Pearman

薪酬委員會

宋敏博士(委員會主席)
舒國濛教授
舒策丸先生
(於二零二零年七月二十三日辭任)

提名委員會

舒國濛教授(委員會主席)
(於二零二零年八月三日獲委任為
委員會主席)

宋敏博士
劉朝東先生
舒策丸先生
(於二零一九年六月十九日獲委任及
於二零二零年七月二十三日辭任)

舒策城先生
(於二零一九年六月十九日辭任)

核數師

中匯安達會計師事務所有限公司
執業會計師

主要往來銀行

中國銀行股份有限公司
交通銀行股份有限公司
中國工商銀行股份有限公司
廈門國際銀行

法律顧問

香港法律

蕭鎮邦律師行

中國法律

德恒律師事務所

開曼群島法律

Conyers Dill & Pearman

Corporate Information (Continued) 公司資料(續)

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1802, 18/F
Ruttonjee House
Ruttonjee Centre
11 Duddell Street
Central, Hong Kong

香港主要營業地點

香港中環
都爹利街11號
律敦治中心
律敦治大廈
18樓1802室

CORPORATE HEADQUARTERS IN PEOPLE'S REPUBLIC OF CHINA

19th Floor
Wuzhou International Columbus Plaza Tower B
287 Guangyi Road
Wuxi
China

中華人民共和國公司總部

中國
無錫市
廣益路287號
五洲國際哥倫布廣場B座
19樓

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

開曼群島主要股份過戶登記辦事處

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

香港股份過戶登記辦事分處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心1712-1716號舖

Corporate Information (Continued)

公司資料 (續)

LISTING INFORMATION

Share Listing

The Company's ordinary shares
The Stock Exchange of Hong Kong Limited
Stock Code: 01369

Senior Notes Listing

The Company's 13.75%, 5 years senior notes due 2018

The Stock Exchange of Hong Kong Limited
Stock code: 05970

WEBSITE

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

上市資料

股份上市

本公司普通股
香港聯合交易所有限公司
股份代號：01369

優先票據上市

本公司13.75%於二零一八年到期之5年期
優先票據
香港聯合交易所有限公司
股份代號：05970

公司網站

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

Management Discussion and Analysis

管理層討論及分析

Following a string of financial woes in the financial year ended 31 December 2018, certain claims were made against the Group in relation to the default repayment since the financial year ended 31 December 2018 and these litigations and arbitrations were on-going in the financial year ended 31 December 2019. Please refer to the Company's announcement dated 1 March 2019, 5 September 2019, 27 September 2019, 18 October 2019, 29 October 2019, 8 November 2019, 2 December 2019, 23 December 2019 for further details.

In addition, on 24 September 2019, the Company announced that it failed to repay the principal of RMB1.5 billion and the interest of RMB222 million of the second tranche of the RMB1.5 billion 2016 corporate bonds due to its financial difficulties.

On 5 December 2019, due to a pending litigation against Wuxi Wuzhou International Ornamental City Co., Ltd, a subsidiary of the Company, the accounting books and records of the subsidiary has been held in custody by the court under an enforcement order.

FINANCIAL REVIEW

Revenue

Our revenue is mainly derived from sale of properties, rental income, commercial and property management service income, and property consulting service income after deduction of allowances for returns and trade discounts.

Revenue decreased by RMB2,055 million from RMB3,101 million for the financial year ended 31 December 2018 to RMB1,046 million for the financial year ended 31 December 2019. The decrease in revenue was mainly due to a decrease in revenue from sales of properties.

繼截至二零一八年十二月三十一日止財政年度發生一系列財務危機後，本集團自截至二零一八年十二月三十一日止財政年度因還款違約遭數宗申索，該等訴訟及仲裁持續至截至二零一九年十二月三十一日止財政年度。進一步詳情，請參閱本公司日期為二零一九年三月一日、二零一九年九月五日、二零一九年九月二十七日、二零一九年十月十八日、二零一九年十月二十九日、二零一九年十一月八日、二零一九年十二月二日、二零一九年十二月二十三日之公告。

此外，於二零一九年九月二十四日，本公司宣佈因財務困難無法償還第二批二零一六年公司債券人民幣15億元的本金額人民幣15億元及利息人民幣222百萬元。

於二零一九年十二月五日，由於本公司之附屬公司無錫五洲國際裝飾城有限公司有一項未決訴訟，根據執行命令，該附屬公司之會計賬簿及記錄由法院保管持有。

財務回顧

收入

我們的收入主要來自物業銷售、租金收益、商業及物業管理服務收益及物業諮詢服務收益(已扣減退貨折讓與交易折扣)。

收入由截至二零一八年十二月三十一日止財政年度之人民幣3,101百萬元減少人民幣2,055百萬元至截至二零一九年十二月三十一日止財政年度之人民幣1,046百萬元。收入減少乃主要由於物業銷售的收入減少所致。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

Sale of properties

Revenue from sale of properties represents proceeds from sales of our properties held for sales. Revenue derived from sales of properties decreased by 72.6% to RMB761 million in the financial year ended 31 December 2019 as compared to RMB2,778 million in the financial year ended 31 December 2018. This decrease was the combined effects of the decrease in total GFA sold and average selling price as a result of weak demand of commercial properties.

Rental income

Rental income generated from rental of investment properties increased by 12.7% to RMB133 million in the financial year ended 31 December 2019 as compared to RMB118 million in the financial year ended 31 December 2018. The increase was mainly due to increase in space rented out during the financial year under review.

Commercial and property management service income

Commercial and property management service income decreased by RMB24 million to RMB107 million in the financial year ended 31 December 2019 as compared to RMB131 million in the financial year ended 31 December 2018. The decrease was primarily due to the decrease in the GFA of the properties operated and managed by the Group.

Property consulting service income

Property consulting service income decreased by RMB15 million to RMB19 million in the financial year ended 31 December 2019 as compared to RMB34 million in the financial year ended 31 December 2018. The decrease was mainly due to the decrease in business volume of the services during the financial year under review.

Non-current assets

Non-current assets decreased by RMB2,644 million to RMB5,424 million as at 31 December 2019 as compared to RMB8,068 million as at 31 December 2018. The decrease of non-current assets was mainly due to a decrease in investment properties as a result of fair value losses of investment properties of RMB1,941 million recognised during the financial year.

物業銷售

物業銷售收入指出售待售物業所得款項。於截至二零一九年十二月三十一日止財政年度，物業銷售收入減少72.6%至人民幣761百萬元，而於截至二零一八年十二月三十一日止財政年度為人民幣2,778百萬元。該減少是由於已售總建築面積減少以及商業物業的需求疲弱導致平均售價下降的綜合影響所致。

租金收益

於截至二零一九年十二月三十一日止財政年度，出租投資物業所得租金收益增加12.7%至人民幣133百萬元，而於截至二零一八年十二月三十一日止財政年度為人民幣118百萬元。增加主要是由於回顧財政年度內出租的空間增加所致。

商業及物業管理服務收益

於截至二零一九年十二月三十一日止財政年度，商業及物業管理服務收益下降人民幣24百萬元至人民幣107百萬元，而於截至二零一八年十二月三十一日止財政年度為人民幣131百萬元。下降主要是由於本集團營運及管理的物業建築面積減少所致。

物業諮詢服務收益

於截至二零一九年十二月三十一日止財政年度，物業諮詢服務收益下降人民幣15百萬元至人民幣19百萬元，而於截至二零一八年十二月三十一日止財政年度為人民幣34百萬元。下降主要是由於回顧財政年度內服務的業務量減少所致。

非流動資產

於二零一九年十二月三十一日，非流動資產減少人民幣2,644百萬元至人民幣5,424百萬元，而於二零一八年十二月三十一日為人民幣8,068百萬元。非流動資產減少乃主要由於財政年度內確認之投資物業公平值虧損人民幣1,941百萬元導致投資物業減少。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

Current assets

Current assets decreased by RMB1,132 million to RMB9,905 million as at 31 December 2019 as compared to RMB11,037 million as at 31 December 2018. The decrease of current assets was mainly due to decrease in properties for sale under development and investments at fair value through profit or loss of RMB423 million and RMB706 million respectively. The decrease in properties for sale under development was due to the decrease in number of development projects. Meanwhile, the decrease in investments at fair value through profit or loss was due to fair value losses of investments recognized during the financial year.

Liabilities

Total liabilities recorded a slight decrease of RMB660 million, from RMB19,669 million as at 31 December 2018 to RMB19,009 million as at 31 December 2019. The decrease of total liabilities was mainly due to decrease in trade and bill payables, contract liabilities and borrowings which was partially off-set by increase in accruals and other payables, senior notes and corporate bonds.

Net Liabilities

As a result of the decrease in assets, the Group recorded net liabilities of RMB3,680 million as at 31 December 2019 as compared to net liabilities of RMB563 million as at 31 December 2018.

Gross Profit and Margin

Gross profit decreased by RMB547 million to RMB354 million in the financial year ended 31 December 2019 as compared to RMB901 million in the financial year ended 31 December 2018. The decrease in gross profit was in line with the decrease in revenue during the financial year under review. Notwithstanding the decrease in gross profit, gross profit margin increased to 33.8% in the financial year ended 31 December 2019 as compared to 29.1% in the financial year ended 31 December 2018. The increase in gross profit margin was the net effects of lower construction costs and change in product mix.

流動資產

於二零一九年十二月三十一日，流動資產減少人民幣1,132百萬元至人民幣9,905百萬元，而於二零一八年十二月三十一日為人民幣11,037百萬元。流動資產減少乃主要由於發展中待售物業及按公平值計入損益之投資分別減少人民幣423百萬元及人民幣706百萬元所致。發展中待售物業減少乃由於開發項目數量減少。此外，按公平值計入損益之投資減少乃由於財政年度內確認之投資之公平值虧損所致。

負債

負債總額略微減少人民幣660百萬元，由二零一八年十二月三十一日之人民幣19,669百萬元減少至二零一九年十二月三十一日之人民幣19,009百萬元。負債總額減少乃主要由於貿易應付款項及應付票據、合約負債及借貸減少所致，惟部分被應計費用及其他應付款項、優先票據及公司債券增加所抵銷。

負債淨額

由於資產減少，本集團於二零一九年十二月三十一日錄得負債淨額人民幣3,680百萬元，而於二零一八年十二月三十一日負債淨額為人民幣563百萬元。

毛利及毛利率

於截至二零一九年十二月三十一日止財政年度，毛利減少人民幣547百萬元至人民幣354百萬元，而於截至二零一八年十二月三十一日止財政年度為人民幣901百萬元。毛利下降與回顧財政年度內的收入降幅一致。儘管毛利下降，於截至二零一九年十二月三十一日止財政年度，毛利率增至33.8%，而於截至二零一八年十二月三十一日止財政年度為29.1%。毛利率上升是由於建築成本下降及產品組合改變的淨影響所致。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

Other Income

Other income increased by RMB30 million to RMB72 million in the financial year ended 31 December 2019 as compared to RMB42 million in the financial year ended 31 December 2018. The increase in other income was mainly due to a gain on disposal of properties for sale under development in the financial year ended 31 December 2019 as compared to the financial year ended 31 December 2018. Other income are comprised of subsidy income, gain on disposal of property, plant and equipment and certain non-recurring income and gains.

Selling and Distribution Expenses

Selling and distribution expenses decreased by RMB103 million or 46.1% from RMB224 million in the financial year ended 31 December 2018 to RMB121 million in the financial year ended 31 December 2019 which was mainly due to a decrease in general selling, marketing and advertising activities during the financial year under review.

Administrative Expenses

Administrative expenses decreased by RMB91 million from RMB407 million in the financial year ended 31 December 2018 to RMB316 million in the financial year ended 31 December 2019 which was mainly due to decrease in foreign exchange losses and staff costs during the financial year under review. The decrease in staff costs was due to decrease in number of staff during the financial year under review.

Finance Costs

Finance costs decreased by RMB325 million from RMB1,020 million in the financial year ended 31 December 2018 to RMB695 million in the financial year ended 31 December 2019 which was mainly due to decrease in interest on senior notes and bank borrowings during the financial year under review.

其他收益

於截至二零一九年十二月三十一日止財政年度，其他收益增加人民幣30百萬元至人民幣72百萬元，而截至二零一八年十二月三十一日止財政年度為人民幣42百萬元。其他收益增加乃主要由於截至二零一九年十二月三十一日止財政年度的出售發展中待售物業的收益較截至二零一八年十二月三十一日止財政年度增加所致。其他收益包括補貼收益、出售物業、廠房及設備之收益以及若干非經常性收益與收入。

銷售及分銷開支

銷售及分銷開支由截至二零一八年十二月三十一日止財政年度的人民幣224百萬元減少人民幣103百萬元或46.1%至截至二零一九年十二月三十一日止財政年度的人民幣121百萬元，主要由於回顧財政年度內一般銷售、策劃推廣及宣傳活動減少所致。

管理費用

管理費用由截至二零一八年十二月三十一日止財政年度的人民幣407百萬元減少人民幣91百萬元至截至二零一九年十二月三十一日止財政年度的人民幣316百萬元，主要由於回顧財政年度內匯兌虧損及員工成本減少所致。員工成本減少乃由於回顧財政年度內員工人數減少所致。

融資成本

融資成本由截至二零一八年十二月三十一日止財政年度的人民幣1,020百萬元減少人民幣325百萬元至截至二零一九年十二月三十一日止財政年度的人民幣695百萬元，主要由於回顧財政年度內優先票據利息及銀行借貸減少所致。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

Income Tax Expenses

The Group recorded income tax credit of RMB419 million in the financial year ended 31 December 2019 as compared to a income tax expenses of RMB307 million in the financial year ended 31 December 2018. The changes was mainly due to deferred tax impact of the fair value changes of the investment properties.

Loss for The Year Attributable to Owners of The Company

The Group recorded a loss of RMB2,766 million in the financial year ended 31 December 2019 as compared to a loss of RMB4,216 million in the financial year ended 31 December 2018. The decrease in losses was mainly due to the combined effects of decreases in distribution and selling expenses, administrative expenses, finance costs, impairment loss on various assets and loss on disposal of subsidiaries.

BUSINESS REVIEW

Contracted Sales

During the financial year under review, the Group recorded contracted sales and contracted sales area of RMB761 million and 56,842 sq.m., representing a decrease of 72.6% and 83.9% respectively as compared to the financial year ended 31 December 2018 (2018: RMB2,778 million; 352,273 sq.m.).

Project development

As at 31 December 2019, the Group had 14 development projects in Jiangsu, Zhejiang, Shandong, Hubei, Heilongjiang, Jilin, Henan, Liaoning, Chongqing and Fujian, including 12 trade logistics centers, 2 multi-functional commercial complexes and residential projects.

Completed projects

During the financial year under review, the Group completed a total of 19 projects or project phases with a gross floor area ("GFA") of approximately 5,640,176 sq.m., including approximately 3,445,389 sq.m. of GFA sold and delivered and approximately 98,990 sq.m. of GFA held for lease.

所得稅開支

於截至二零一九年十二月三十一日止財政年度，本集團錄得所得稅抵免人民幣419百萬元，而於截至二零一八年十二月三十一日止財政年度錄得所得稅開支人民幣307百萬元。有關變動主要由於投資物業的公平值變動的遞延稅項影響所致。

本公司擁有人應佔年度虧損

於截至二零一九年十二月三十一日止財政年度，本集團錄得虧損人民幣2,766百萬元，而於截至二零一八年十二月三十一日止財政年度虧損為人民幣4,216百萬元。虧損減少乃主要由於分銷及銷售開支、管理費用、融資成本、各項資產之減值虧損及出售附屬公司之虧損減少的綜合影響所致。

業務回顧

合同銷售

於回顧財政年度內，本集團實現合同銷售金額人民幣761百萬元及合同銷售面積56,842平方米，較截至二零一八年十二月三十一日止財政年度分別減少72.6%及83.9%(二零一八年：人民幣2,778百萬元；352,273平方米)。

項目發展

截至二零一九年十二月三十一日，本集團的發展項目達14個，分別位於江蘇、浙江、山東、湖北、黑龍江、吉林、河南、遼寧、重慶及福建。其中12個商貿物流中心，2個多功能商業綜合體以及住宅項目。

已竣工項目

於回顧財政年度內，本集團共有19個項目或項目分期已竣工，建築面積約為5,640,176平方米。其中建築面積約3,445,389平方米已出售並交付，建築面積約98,990平方米持作租賃。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

Projects under development

As at 31 December 2019, the Group had a total of 14 projects or project phases under development with a total planned GFA of 1,005,696 sq.m., including GFA of approximately 297,670 sq.m. pre-sold and approximately 708,026 sq.m. of GFA held for lease.

Projects planned for future developments

As at 31 December 2019, the Group had a total of 13 projects or project phases planned for future development, with a total planned GFA of approximately 1,953,567 sq.m..

Land Bank

The Group considers that acquisition of ample land bank at reasonable costs is crucial to the long-term development and profitability of the Company. The Group carried out in-depth studies on local urban planning and acquired lands of substantial development potential in order to build new commercial areas and design projects in line with market demand. During the year under review, the Group was committed to securing a land bank at the regions we operate, while actively exploring and developing other regions, allowing the Group to expand its land bank nationwide.

As of 31 December 2019, the total planned GFA of land bank amounted to approximately 1,953,567 sq.m..

Centralised Operation, Management and Marketing

Most of the purchasers of our retail stores entered into exclusive operation and management agreements with the Group, pursuant to which the Group received management service income from the purchasers for managing the leases of the retail shops, event organization and ancillary service. The Group also provided the purchasers with services such as project positioning, planning, design, construction, planning and marketing, leasing and operation so as to ensure the centralized operation of projects.

發展中項目

截至二零一九年十二月三十一日，本集團發展中項目或項目分期共有14個，合計規劃總建築面積1,005,696平方米。其中，建築面積約297,670平方米已預售，建築面積約708,026平方米將持作租賃。

計劃日後發展項目

截至二零一九年十二月三十一日，本集團的計劃日後發展項目或項目分期共有13個，合計規劃總建築面積約為1,953,567平方米。

土地儲備

本集團認為，以合理成本收購大量土地儲備對本公司的長遠發展及盈利能力最為重要。本集團深入了解當地城鎮規劃，致力收購具良好發展潛力的土地，打造符合市場需求的新商業區及設計項目。於回顧年內，本集團致力鞏固現有地區的土地儲備，並積極進軍及發展其他地區，使得本集團的土地儲備更為全國化。

截至二零一九年十二月三十一日，本集團的總規劃土地儲備建築面積約為1,953,567平方米。

統一經營、管理及推廣

大部分零售店舖買家與本集團簽訂了獨家經營管理協議，據此本集團就管理零售店的租賃、組織活動及配套服務而向買家獲得管理服務收益。本集團亦為這些買家提供項目定位、規劃、設計、施工、策劃推廣、租賃及經營等服務，以確保項目的統一營運。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

The Group develops and operates its trade logistics centers and multi-functional commercial complexes under the brands of “Wuzhou International” and “Columbus”. In order to unify the brand image of its trade logistics centers and multi-functional commercial complexes, its professional planning and marketing team is responsible for formulating the nation-wide promotion strategies and coordinating marketing activities. After years of effort that included delivering high quality of products and successful brand strategy, the asset management, construction, design and operation capability of the Group were highly recognized in the industry. As a result, the brands “Wuzhou International” and “Columbus” were well-received in those places where the Group operates.

Future Prospects

Upon completion of the Group’s restructuring, the Group is expected to have a business with sufficient assets and sustainable profits.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 31 December 2019, the Group’s bank balances and cash (including restricted cash and pledged deposits) was RMB423 million (2018: RMB533 million), representing a decrease of 20.7% as compared to that as at 31 December 2018. A portion of our cash are restricted bank deposits that are restricted for use of property development. The restricted bank deposits will be released upon completion of the development of the relevant properties in which such deposits relate to. As at 31 December 2019, the Group’s restricted cash was RMB90 million (2018: RMB131 million), representing a decrease of 31.3% as compared to that as at 31 December 2018.

本集團以「五洲國際」及「哥倫布」品牌發展及運營商貿物流中心及多功能商業綜合體。為統一集團旗下商貿物流中心及多功能商業綜合體的品牌形象，本集團的專業策劃推廣團隊負責制定全國推廣戰略及協調推廣活動。經過多年的努力（包括提供高質量產品及成功的品牌戰略），本集團的資產管理、建設、設計及經營能力得到了業界的廣泛好評及認同，令「五洲國際」及「哥倫布」品牌於本集團業務所在地口碑載道。

未來展望

於本集團重組完成後，預期本集團將擁有具備充足資產及可持續利潤之業務。

流動資金、財務及資本資源

現金狀況

二零一九年十二月三十一日，本集團銀行結餘及現金（包括受限制現金及已抵押存款）為人民幣423百萬元（二零一八年：人民幣533百萬元），相比二零一八年十二月三十一日下降20.7%。部分現金為受限制銀行存款，限用於物業發展。該等受限制銀行存款將於與有關存款相關的物業竣工後解除。二零一九年十二月三十一日，本集團的受限制現金為人民幣90百萬元（二零一八年：人民幣131百萬元），相比二零一八年十二月三十一日減少31.3%。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

Current Ratio and Gearing Ratio

As at 31 December 2019, the Group has current ratio (being current assets over current liabilities) of 0.54 compared to that of 0.66 as at 31 December 2018. The gearing ratio was 129.1% as at 31 December 2019 compared to that of 107.6% as at 31 December 2018. The gearing ratio was calculated by net debts (aggregating interest-bearing bank and other borrowings, corporate bonds, senior and convertible notes, trade and bills payables, other payables and accruals and contract liabilities, net of cash and cash equivalents) over the total capital of the Group plus net debts. The total debt (aggregating interest-bearing bank and other borrowings, corporate bonds, senior and convertible notes) over total assets ratio was 60.1% as at 31 December 2019 compared to that of 49.2% as at 31 December 2018.

Borrowings and Charges on The Group's Assets

As at 31 December 2019, the Group had an aggregate interest-bearing bank and other borrowings, senior and convertible notes and corporate bonds of RMB3.2 billion (2018: RMB3.7 billion) and RMB6.0 billion (2018: RMB5.7 billion), respectively. Amongst the interest bearing bank and other borrowings, RMB2.7 billion (2018: RMB2.5 billion) will be repayable within 1 year, RMB499 million (2018: RMB992 million) will be repayable between 2 to 5 years and none was repayable after 5 years (2018: RMB233 million). The senior notes were repayable within 1 year and convertible notes were redeemable on or after 30 September 2017. Amongst the corporate bonds, RMB3.4 billion (2018: RMB2.0 billion) are repayable within 1 year and (2018: RMB1.1 billion) none was repayable between 2 to 5 years (2018: RMB1.1 billion).

流動比率及負債比率

二零一九年十二月三十一日，本集團流動比率（流動資產對流動負債的比率）為0.54，而二零一八年十二月三十一日則為0.66。二零一九年十二月三十一日，負債比率為129.1%，而二零一八年十二月三十一日則為107.6%。負債比率按淨債務（計息銀行及其他借貸、公司債券、優先及可換股票據、貿易應付款項及應付票據、其他應付款項及應計費用以及合約負債總額減現金及現金等價物）除以本集團股本總額加債務淨額計算。二零一九年十二月三十一日，總債務（計息銀行及其他借貸、公司債券、優先及可換股票據總額）對總資產比率為60.1%（二零一八年十二月三十一日則為49.2%）。

借貸及本集團資產抵押

二零一九年十二月三十一日，本集團的計息銀行及其他借貸、優先及可換股票據及公司債券總額分別為人民幣32億元（二零一八年：人民幣37億元）及人民幣60億元（二零一八年：人民幣57億元）。該等計息銀行及其他借貸中，人民幣27億元（二零一八年：人民幣25億元）須於一年內償還，人民幣499百萬元（二零一八年：人民幣992百萬元）須於二至五年內償還及並無款項須於五年後償還（二零一八年：人民幣233百萬元）。優先票據須於一年內償還，而可換股票據可於二零一七年九月三十日或之後贖回。該等公司債券中，人民幣34億元（二零一八年：人民幣20億元）須於一年內償還及並無款項須於二至五年內償還（二零一八年：人民幣11億元）。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

As at 31 December 2019, a substantial part of the interest-bearing bank and other borrowings were secured by land use rights and properties of the Group. The senior and convertible notes were jointly and severally guaranteed by certain subsidiaries of the Group and secured by pledge of their shares. The interest-bearing bank and other borrowings and corporate bonds were denominated in RMB while the senior and convertible notes were denominated in U.S. Dollar.

The Company has announced in the financial year ended 31 December 2018 that it has defaulted its senior and convertible notes and corporate bonds. Please refer to the Company's announcement dated 7 July 2018, 10 August 2018, 23 August 2018, 24 August 2018, 21 September 2018 and 4 October 2018 for further details.

Foreign Exchange Exposures

The Group mainly operates in the PRC. Other than the foreign currency denominated bank deposits, bank borrowings, senior and convertible notes, the Group does not have any other material direct exposure to foreign exchange fluctuations. To mitigate foreign exchange exposure for the purpose of minimising adverse effect on the operation of the Group, the Group continues to adopt a conservative approach and will closely monitor the foreign currency market and actively explore the domestic capital market for financing opportunities.

Capital Commitments

As at 31 December 2019, the Group had committed payment for properties under development amounting to RMB3.0 billion (2018: RMB3.0 billion).

二零一九年十二月三十一日，大部分計息銀行及其他借貸以本集團土地使用權及物業擔保。優先及可換股票據則由本集團若干附屬公司共同及個別擔保，並以彼等股份作抵押。計息銀行及其他借貸以及公司債券以人民幣計值，而優先及可換股票據以美元計值。

於截至二零一八年十二月三十一日止財政年度，本公司宣佈其就優先及可換股票據及公司債券違約。進一步詳情，請參閱本公司日期為二零一八年七月七日、二零一八年八月十日、二零一八年八月二十三日、二零一八年八月二十四日、二零一八年九月二十一日及二零一八年十月四日之公告。

外匯風險

本集團主要在中國營運。除以外幣計值的銀行存款、銀行借貸、優先及可換股票據外，本集團並無任何其他重大直接外匯波動風險。為緩和及外匯風險以盡量減低對本集團營運的不利影響，本集團繼續採納保守之方式，並將密切監察外幣市場及積極開拓國內資本市場以爭取融資機會。

資本承擔

二零一九年十二月三十一日，本集團承諾支付發展中物業款項為人民幣30億元(二零一八年：人民幣30億元)。

Management Discussion and Analysis (Continued)

管理層討論及分析 (續)

Contingent Liabilities

As at 31 December 2019, the Group had (a) the share of a joint venture's contingent liabilities of RMB23 million (2018: RMB23 million) arising from litigations, details of which are set out in Note 21 and 44 to the consolidated financial statements; and (b) provided guarantees amounting to RMB2.7 billion (2018: RMB2.7 billion) in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loan together with accrued interests thereon and any penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal title of the relevant properties. The guarantee period commences from the dates of grant of the relevant mortgages loans and ends after the purchaser obtained the individual property ownership certificate. In the opinion of the Directors, no provision for the guarantee contracts was recognised in the financial statements for the year ended 31 December 2019 as the default risk is low.

Employees and Remuneration Policies

As at 31 December 2019, the Group had approximately 585 (2018: 1,147) employees, of which 393 (2018: 843) employees are involved in the property development sector and 192 (2018: 304) employees are involved in the property operation services sector. Total staff costs (including Directors' emoluments) for the year ended 31 December 2019 amounted to RMB87 million (2018: RMB147 million). Remuneration is determined with reference to the performance, skills, qualifications and experiences of the staff concerned and according to the prevailing industry practice. Besides salary payments, other staff benefits include contribution to the mandatory provident fund (for Hong Kong employees) and state-managed retirement pension scheme (for PRC employees), a discretionary bonus program and a share option scheme.

或然負債

二零一九年十二月三十一日，本集團(a)就數項訴訟分佔合資公司或然負債人民幣23百萬元(二零一八年：人民幣23百萬元)，詳情載於綜合財務報表附註21及44；及(b)為若干銀行就本集團物業買家所訂立的按揭貸款授出的按揭融資所提供的擔保額為人民幣27億元(二零一八年：人民幣27億元)。根據擔保條款，倘該等買家拖欠按揭付款，本集團有責任償還拖欠買家應付銀行的所欠按揭貸款連同應計利息與任何罰金，本集團會因而有權取得相關物業的合法業權。擔保期自授出有關按揭貸款之日起計，至買家取得個人房屋所有權證後結束。董事認為，由於拖欠風險較低，因此截至二零一九年十二月三十一日止年度之財務報表並無確認擔保合同撥備。

僱員及薪酬政策

二零一九年十二月三十一日，本集團僱用約585名(二零一八年：1,147名)員工，其中393名(二零一八年：843名)員工從事物業發展分部及192名(二零一八年：304名)員工從事物業經營服務分部。截至二零一九年十二月三十一日止年度，員工成本總額(包括董事薪酬)為人民幣87百萬元(二零一八年：人民幣147百萬元)。薪酬參考相關員工的表現、技能、資歷及經驗並根據當時行業慣例釐定。除薪金外，其他員工福利包括強制性公積金(香港僱員)及國營退休金計劃(中國僱員)供款、酌情花紅計劃及購股權計劃。

Report of the Directors

董事會報告

The Directors have pleasure in presenting the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 1 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business of the Group as well as a discussion and analysis of the Group's performance during the year as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the laws of Hong Kong), including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business can be found in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Corporate Governance Report" of this annual report. These discussions form part of this Directors' report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on page 72.

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

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 208 of this annual report.

董事欣然呈報本集團截至二零一九年十二月三十一日止年度之年度報告及經審核綜合財務報表。

主要業務

本公司為投資控股公司。其主要附屬公司的業務載於綜合財務報表附註1。

業務回顧

按香港法例第622章公司條例附表5規定所作出的年內本集團業務公平回顧及本集團表現的討論及分析(包括本集團所面對主要風險及不確定性的討論及本集團業務的未來可能發展的跡象)載於本年報「主席報告」、「管理層討論及分析」及「企業管治報告」章節。該等討論組成本董事會報告的一部分。

業績及撥付

本集團截至二零一九年十二月三十一日止年度之業績載於第72頁之綜合損益及其他全面收益表。

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

財務概要

本集團過去五個財政年度的業績及資產和負債之概要載於本年報第208頁。

Report of the Directors (Continued)

董事會報告 (續)

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the share capital of the Company during the year ended 31 December 2019 are set out in note 39 to the consolidated financial statements.

Details of movements in the share options of the Company are set out in note 37 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company for the year ended 31 December 2019 are set out in the consolidated statement of changes in equity on page 75 and note 40 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

At 31 December 2019, the Company had no reserves available for distribution under the provisions of the Companies Law (as revised) of the Cayman islands (2018: Nil).

DONATIONS

Charitable and other donations made by the Group during the year ended 31 December 2019 amounted to approximately RMB37,920 (2018: approximately RMB26,500).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year ended 31 December 2019 are set out in note 18 to the consolidated financial statements.

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES

Particulars of the Company's principal subsidiaries, joint venture and associates are set out in notes 49, 21 and 22 to the consolidated financial statements respectively.

股本及購股權

本公司股本於截至二零一九年十二月三十一日止年度之變動詳情載於綜合財務報表附註39。

本公司購股權之變動詳情載於綜合財務報表附註37。

儲備

本集團及本公司截至二零一九年十二月三十一日止年度儲備之變動詳情載於第75頁之綜合權益變動表及綜合財務報表附註40。

可分派儲備

於二零一九年十二月三十一日，根據開曼群島公司法(經修訂)之條文，本公司並無可分派儲備(二零一八年：無)。

捐款

本集團於截至二零一九年十二月三十一日止年度內作出之慈善及其他捐款約為人民幣37,920元(二零一八年：約人民幣26,500元)。

物業、廠房及設備

本集團物業、廠房及設備於截至二零一九年十二月三十一日止年度之變動詳情載於綜合財務報表附註18。

附屬公司、合資公司及聯營公司

本公司主要附屬公司、合資公司及聯營公司的詳情分別載於綜合財務報表附註49、21及22。

Report of the Directors (Continued)

董事會報告 (續)

DIRECTORS

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

Executive directors:

Mr. Shen Xiaowei (*Chief Executive Officer*)
(appointed as Chief Executive Director on 23 July 2020)

Mr. Zhu Yongqiu

Ms. Cai Qiaoling

Mr. Zhou Chen

Mr. Shu Cecheng

(resigned on 19 June 2019)

Mr. Shu Cewan

(appointed as Chairman on 19 June 2019 and
resigned on 23 July 2020)

Independent non-executive directors:

Dr. Song Ming

Prof. Shu Guoying

Mr. Liu Chaodong

All Directors are subject to retirement by rotation at annual general meetings of the Company in accordance with the Company's articles of association (the "Articles of Association").

In accordance with Article 104(a) of the Articles of Association, Dr. Song Ming, Prof. Shu Guoying and Mr. Liu Chaodong will retire by rotation at the forthcoming annual general meeting of the Company (the "Annual General Meeting") and, being eligible, have offered themselves for re-election at the Annual General Meeting.

In accordance with Article 99(c) of the Articles of Association, any Director appointed by the Board after the annual general meeting of the Company held on 1 June 2018 will retire at the Annual General Meeting. Accordingly, Mr. Shen Xiaowei, Mr. Zhu Yongqiu, Ms. Cai Qiaoling, Mr. Zhou Chen and Mr. Liu Chaodong will retire from office and, being eligible, have offered themselves for re-election at the Annual General Meeting.

董事

於本年度及截至本報告日期，董事如下：

執行董事：

沈曉偉先生 (*行政總裁*)

(於二零二零年七月二十三日獲委任為
行政總裁)

朱永球先生

蔡巧玲女士

周晨先生

舒策城先生

(於二零一九年六月十九日辭任)

舒策丸先生

(於二零一九年六月十九日獲委任為
主席及於二零二零年七月二十三日
辭任)

獨立非執行董事：

宋敏博士

舒國瀾教授

劉朝東先生

全體董事須根據本公司組織章程細則(「組織章程細則」)於本公司股東週年大會上輪值退任。

根據組織章程細則第104(a)條，宋敏博士、舒國瀾教授及劉朝東先生將於本公司應屆股東週年大會(「股東週年大會」)輪值退任及符合資格並願意於股東週年大會上膺選連任。

根據組織章程細則第99(c)條，於二零一八年六月一日所舉行之本公司股東週年大會後獲董事會委任之任何董事，將於股東週年大會退任。因此，沈曉偉先生、朱永球先生、蔡巧玲女士、周晨先生及劉朝東先生將任滿告退，及符合資格並願意於股東週年大會上膺選連任。

Report of the Directors (Continued)

董事會報告 (續)

A circular containing, inter alia, the biographical details of the Directors proposed to be re-elected at the Annual General Meeting and the notice of the Annual General Meeting will be sent to Shareholders of the Company.

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 Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company considers all the independent non-executive Directors meet the guidelines set out in Rule 3.13 of the Listing Rules for assessing independence.

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Shen Xiaowei, Mr. Zhu Yongqiu, Ms. Cai Qiaoling and Mr. Zhou Chen, the executive Directors, entered into a service contract with the Company for a specific term of three years commencing from 7 August 2018. Each of Mr. Shu Cecheng and Mr. Shu Cewan entered into a service contract with the Company for a specific term of three years commencing from 18 May 2016.

Mr. Liu Chaodong, an independent non-executive Directors, entered into a service contract with the Company for a specific term of three years commencing from 7 August 2018. Each of Dr. Song Ming and Prof. Shu Guoying, an independent non-executive Director, entered into a service contract with the Company for a specific term of three years commencing from 18 May 2016.

All Directors are subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Company's Articles of Association.

No Director proposed for re-election at the Annual General Meeting has a service contract with the Company which is not determinable by the Group within one year without payment of compensation, other than normal statutory compensation.

載有(其中包括)擬於股東週年大會上膺選連任的董事之履歷詳情及股東週年大會通告之通函將寄發予本公司股東。

本公司已接獲各獨立非執行董事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3.13條之規定而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符合上市規則第3.13條有關評核獨立性之指引。

董事服務合約

執行董事沈曉偉先生、朱永球先生、蔡巧玲女士及周晨先生各自己與本公司訂立服務合約，指定任期為三年，自二零一八年八月七日起生效。舒策城先生及舒策丸先生各自己與本公司訂立服務合約，指定任期為三年，自二零一六年五月十八日起生效。

獨立非執行董事劉朝東先生已與本公司訂立服務合約，指定任期為三年，自二零一八年八月七日起生效。獨立非執行董事宋敏博士及舒國濶教授各自己與本公司訂立服務合約，指定任期為三年，自二零一六年五月十八日起生效。

全體董事須根據本公司組織章程細則於本公司股東週年大會上輪值退任及膺選連任。

擬於股東週年大會上膺選連任的董事概無與本公司訂立本集團不可於一年內毋須支付賠償(一般法定賠償除外)而終止的服務合約。

Report of the Directors (Continued)

董事會報告 (續)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

董事及主要行政人員於股份、相關股份及債券的權益及淡倉

As of 31 December 2019, the interests and short positions of the Directors and the chief executive in the Shares, underlying Shares and debentures of the Company or of any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, to be entered in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

截至二零一九年十二月三十一日，董事及主要行政人員於本公司或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文被當作或視為擁有的權益及淡倉），或根據證券及期貨條例第352條須登記於本公司存置的登記冊的權益及淡倉，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須另行知會本公司及聯交所的權益及淡倉如下：

(i) Long positions in the Shares and underlying Shares

(i) 於股份及相關股份的好倉

Name of Director/Chief Executive	Long/Short position	Nature of interest	Number of issued Shares held	Interest in underlying Shares	Approximate percentage to the issued Shares as at 31 December 2019
董事／主要行政人員姓名	好／淡倉	權益性質	所持已發行股份數目	於相關股份的權益	佔二零一九年十二月三十一日已發行股份的概約百分比
Mr. Shu Cewan	Long position	Interest of controlled corporation ⁽¹⁾	1,059,340,000	–	21.23%
舒策丸先生	好倉	受控制法團權益 ⁽¹⁾	1,059,340,000	–	21.23%

Notes:

附註：

(1) Boom Win Holdings Limited ("Boom Win") is owned as to 60% by Mr. Shu Cecheng and as to 40% by Mr. Shu Cewan. Both Mr. Shu Cecheng and Mr. Shu Cewan are directors of Boom Win. Mr. Shu Cecheng and Mr. Shu Cewan are deemed to be interested in the Shares held by Boom Win for the purpose of Part XV of the SFO.

(1) 舒策城先生及舒策丸先生分別擁有盛凱控股有限公司（「盛凱」）60%及40%股權。舒策城先生及舒策丸先生均為盛凱的董事。根據證券及期貨條例第XV部，舒策城先生及舒策丸先生被視為擁有盛凱所持股份的權益。

Report of the Directors (Continued)

董事會報告 (續)

(ii) Long positions in Associated Corporation

(ii) 所持相聯法團的好倉

Name of Director	Nature of interest	Name of associated corporation	Number of shares held	Description of shares	Percentage to that associated corporation's issued share capital as at 31 December 2019 佔二零一九年十二月三十一日所持該相聯法團已發行股本百分比
董事姓名	權益性質	相聯法團名稱	持有股份數目	股份詳情	
Mr. Shu Cewan	Corporate interest	Boom Win	20,000 shares	Par value of US\$1.00	40%
舒策丸先生	法團權益	盛凱	20,000 股股份	面值 1.00 美元	40%

Save as disclosed above, as at 31 December 2019, none of the Directors and chief executive of the Company had an interest or short position in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO (including the interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

除上文所披露者外，截至二零一九年十二月三十一日，概無本公司董事及主要行政人員於本公司或任何相聯法團(定義見證券及期貨條例第 XV 部) 股份、相關股份及債券中，擁有 (a) 根據證券及期貨條例第 XV 部須知會本公司及聯交所的權益或淡倉 (包括根據證券及期貨條例規定當作或視為擁有的權益及淡倉)，或 (b) 根據證券及期貨條例第 352 條須登記於該條規定存置的登記冊的權益或淡倉，或 (c) 根據標準守則須知會本公司及聯交所的權益或淡倉。

SHARE OPTION SCHEME

The Company adopted the Scheme which became effective on 27 May 2013 for the purpose of rewarding eligible participants who have contributed to the Group and to encourage eligible participants to work towards enhancing the value of the Company. Eligible participants of the Scheme include (i) any employee (whether full time or part time) of the Company, its subsidiaries or any entity in which the Group holds any equity interest (the "Invested Entity"), including any executive Director, directors of its subsidiaries or Invested Entity; (ii) any non-executive Director (including independent non-executive Director), non-executive directors (including independent non-executive) of its subsidiaries or any Invested Entity; or (iii) any senior management of the Company, its subsidiaries or Invested Entity that the Board considers, in its sole discretion, have contributed or will contribute to the Group. Subject to earlier termination of the Scheme by the Company in general meeting or by the Board, the Scheme shall be valid and effective for a period of 6 years from the date of its adoption.

The total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the Shares in issue when the Scheme was adopted, unless with the prior approval from the Company's Shareholders. The Company had 449,472,191 Shares available for issue under the Scheme, which represented 9.0% of the Company's Shares in issue as at the date of this report. The maximum number of Shares in respect of which options may be granted under the Scheme to each eligible participant in any 12-month period is not permitted to exceed 1% of Shares in issue, unless with the prior approval from the Company's Shareholders and with such participants and his close associates abstaining from voting. Options granted to a connected person of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors. Where any option granted to a substantial Shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued or to be issued upon exercise of all options already granted and to be granted to such person in the 12 month period, (i) representing in aggregate over 0.1% of the Shares in issue on the date of such grant; and (ii) having an aggregate value, based on the closing price of the Shares, in excess of HK\$5 million, such grant of options shall be subject to prior approval by resolutions of the Shareholders (voting by way of poll).

購股權計劃

本公司採納二零一三年五月二十七日生效之該計劃，旨在獎勵為本集團作出貢獻的合資格參與者及鼓勵合資格參與者為本公司增值作出貢獻。該計劃的合資格參與者包括董事會全權酌情認為已經或將要為本集團作出貢獻之(i)本公司、其附屬公司或本集團持有任何股權之任何實體(「被投資實體」)之任何僱員(不論全職或兼職)，包括其附屬公司或被投資實體之任何執行董事、董事；(ii)任何非執行董事(包括獨立非執行董事)、其附屬公司或任何被投資實體之非執行董事(包括獨立非執行董事)；或(iii)本公司、其附屬公司或被投資實體之任何高級管理人員。該計劃於採納日起計六年有效，惟可由本公司於股東大會或由董事會提前終止該計劃。

除非獲本公司股東事先批准，否則根據該計劃及本公司任何其他購股權計劃將授出的所有購股權獲行使可予發行的股份總數合共不得超過該計劃獲採納時已發行股份之10%。本公司根據該計劃可供發行的股份數目為449,472,191股，相當於本報告日期本公司已發行股份之9.0%。除非獲本公司股東事先批准且有關於參與者及其緊密聯繫人放棄投票，否則根據該計劃可能於任何12個月期間內授予各合資格參與者的購股權所涉最高股份數目不得超過已發行股份的1%。向本公司關連人士或彼等任何各自的聯繫人授出購股權，須經獨立非執行董事事先批准。倘向主要股東或獨立非執行董事或彼等任何各自的聯繫人授出任何購股權，會導致12個月期間內因行使所有已及將授予該人士的購股權而發行或將發行的股份：(i)合共超過有關授出日期已發行股份0.1%；及(ii)按股份收市價計算的總值超過5百萬港元，則授出有關購股權須經股東通過決議案事先批准(以投票方式進行)。

Report of the Directors (Continued) 董事會報告 (續)

An offer of the grant of an option under the Scheme shall remain open for acceptance for 15 days from the date of grant. Upon acceptance of such grant, the grantee shall pay HK\$1 to the Company as consideration. Options may be exercised in accordance with the terms of the Scheme at any time from the date of grant until the expiry of 6 years from such date. The subscription price shall be determined by the Board in its absolute discretion, and in any event shall not be less than the higher of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations on the date of grant of that option, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five business days immediately preceding the date of grant of that option; and (iii) the nominal value of the Shares.

For the year ended 31 December 2019, no share option has been granted and no option has been exercised under the Scheme. All the outstanding share options granted under the Scheme were lapsed/cancelled in September 2017.

NON-PUBLIC ISSUE OF ON-SHORE CORPORATE BONDS IN THE PRC

During the year ended 31 December 2016, Wuxi Wuzhou International Ornament City Co., Ltd., a limited liability company established in the PRC and a wholly-owned subsidiary of the Company, had, based on the result of book-building process, issued two tranches of Corporate Bonds in the PRC.

On 11 January 2017, Wuxi Wuzhou International Ornament City Co., Ltd. issued the third tranche of the Corporate Bonds in the amount of RMB1 billion for a term of three years, with an annual coupon rate of 7.30%.

Wuxi Wuzhou International Ornament City Co., Ltd. issued the Corporate Bonds in order to provide additional source of funding. Wuxi Wuzhou International Ornament City Co., Ltd. planned to use the net proceeds from the Corporate Bonds for refinancing and as general working capital of Wuxi Wuzhou International Ornament City Co., Ltd. and its subsidiaries. The net proceeds from the issue of this third tranche of the Corporate Bonds amounted to approximately RMB989 million. As at the date of this report, the net proceeds have been fully utilised in compliance with the intended use of the proceeds.

For more details, please refer to the announcements of the Company dated 13 January 2017.

根據該計劃授出購股權之要約自授出日期起計十五日內可供接納。接納有關授出時，承授人須向本公司支付1港元作為代價。購股權可自授出日期起直至滿六年內根據該計劃條款隨時行使。認購價由董事會全權酌情釐定，惟無論如何不得低於下列三者中的較高者：(i)購股權授出日期(須為營業日)聯交所每日報價之股份收市價；(ii)緊接購股權授出日期前五個營業日聯交所每日報價之股份平均收市價；及(iii)股份面值。

截至二零一九年十二月三十一日止年度，並無根據該計劃授出購股權，亦無行使購股權。根據該計劃授出的所有未行使購股權已於二零一七年九月失效/註銷。

發行中國境內非公開境內公司債券

截至二零一六年十二月三十一日止年度，於中國成立的有限公司且為本公司全資附屬公司無錫五洲國際裝飾城有限公司已根據簿記結果於中國發行兩批公司債券。

無錫五洲國際裝飾城有限公司於二零一七年一月十一日發行本金額為人民幣10億元的第三批公司債券，為期三年，票面年利率為7.30%。

無錫五洲國際裝飾城有限公司發行公司債券以獲取額外的資金來源。無錫五洲國際裝飾城有限公司計劃將公司債券的所得款項淨額用作再融資及作為無錫五洲國際裝飾城有限公司及其附屬公司的一般營運資金。發行第三批公司債券所得款項淨額約為人民幣989百萬元。於本報告日期，所得款項淨額已全數用作擬定用途。

進一步詳情，請參閱本公司日期為二零一七年一月十三日的公告。

Report of the Directors (Continued)

董事會報告 (續)

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the financial year ended 31 December 2019.

DIRECTOR'S INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR SIGNIFICANT CONTRACTS

There was no transaction, arrangement or significant contract, to which the Company, its holding company, fellow subsidiaries or subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2019.

PERMITTED INDEMNITY

The Articles of Association provide that the Company shall indemnify and hold harmless out of the assets of the Company any Director who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative in which judgment is given in his favour, or in which he is acquitted, by reason of the fact that he is or was a Director or, while a Director, is or was serving at the request of the Company as a director, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by the Director.

The Company has arranged appropriate coverage on Directors' and officers' liabilities in respect of legal actions against Directors and senior management arising out of corporate activities.

購買、出售或贖回本公司上市證券

截至二零一九年十二月三十一日止財政年度，本公司或其任何附屬公司並無購買、出售或贖回本公司上市證券。

董事於交易、安排或重大合約之權益

本公司、其控股公司、同系附屬公司或附屬公司概無訂立於截至二零一九年十二月三十一日止年度年底或於年度內任何時間仍然生效，而董事或與董事有關連的實體於其中(不論直接或間接)擁有重大利益的交易、安排或重大合約。

獲准彌償保證

組織章程細則訂明，就任何董事因目前或過往身為董事，或董事目前或過往應本公司要求擔任董事(包括有關僱員福利計劃的職務)而成為或被威脅成為當事人或以其他方式涉及任何訴訟、起訴或司法程序(不論民事、刑事、行政或司法調查)，而有關判決對該董事有利或該董事被判無罪釋放，本公司須以本公司資產彌償該董事蒙受的一切法律責任及損失及合理產生的開支(包括律師費)，並使其免受損失。

本公司已就因公司活動而產生針對董事及高級管理層的法律行動為董事及高級人員安排適當的責任保險。

Report of the Directors (Continued)

董事會報告 (續)

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group subsisted at the end of the year or at any time during the year ended 31 December 2019.

SUBSTANTIAL SHAREHOLDERS

As of 31 December 2019, so far as the Directors or chief executive of the Company were aware, the person(s) (other than a Director or chief executive of the Company) who had interests or short positions in any Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

管理合約

概無有關管理及經營本集團業務之全部或任何重大部分的合約於截至二零一九年十二月三十一日止年度年底或於年度內任何時間仍然生效。

主要股東

截至二零一九年十二月三十一日，就董事或本公司主要行政人員所知，以下人士（董事或本公司主要行政人員除外）於任何股份及相關股份中擁有登記於證券及期貨條例第336條規定本公司須存置的登記冊的權益或淡倉：

Name of shareholder 股東名稱	Nature of interest 權益性質	Number of Shares/ underlying Shares held 所持股份/ 相關股份數目	Approximate percentage of interest in the Company as at 31 December 2018 於二零一八年 十二月三十一日 所持本公司權益 概約百分比
Boom Win 盛凱	Beneficial interest ⁽¹⁾ 實益權益 ⁽¹⁾	1,059,340,000 1,059,340,000	21.23% 21.23%
Mr. Shu Cecheng 舒策城先生	Interest of controlled corporation ⁽¹⁾ 受控制法團權益 ⁽¹⁾	1,059,340,000 1,059,340,000	21.23% 21.23%
Mr. Sun Hongbing 孫宏兵先生	Beneficial interest 實益權益	1,016,548,907 1,016,548,907	20.37% 20.37%

Note:

(1) Boom Win is owned as to 60% by Mr. Shu Cecheng and as to 40% by Mr. Shu Cewan. Each of Mr. Shu Cecheng and Mr. Shu Cewan is deemed to be interested in the Shares held by Boom Win for the purpose of Part XV of the SFO.

附註：

(1) 舒策城先生及舒策丸先生分別擁有盛凱60%及40%股權，根據證券及期貨條例第XV部，舒策城先生及舒策丸先生各自被視為擁有盛凱所持股份的權益。

Save as disclosed above, as at 31 December 2019, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

除上文所披露者外，就董事所知，於二零一九年十二月三十一日，並無任何其他人士擁有登記於證券及期貨條例第336條規定須存置的登記冊的本公司股份或相關股份的任何權益或淡倉。

Report of the Directors (Continued)

董事會報告 (續)

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2019, the aggregate sales attributable to the five largest customers of the Group accounted for less than 30% of the Group's total sales in the year.

During the year ended 31 December 2019, the aggregate purchases attributable to the five largest suppliers of the Group accounted for less than 30% of the Group's total purchases in the year.

None of the Directors, their close associates or any Shareholders (which to the knowledge of the Director owned more than 5% of the Company's issued share capital) has a beneficial interest in the Group's five largest customers or suppliers.

CONNECTED TRANSACTIONS

During the year ended 31 December 2019, there was no connected transaction of the Group that need to be disclosed pursuant to Chapter 14A of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group during the year ended 31 December 2019 are set out in note 47 to the financial statements. These related party transactions either did not constitute connected transactions/continuing connected transactions or constituted connected transactions/continuing connected transactions but were exempted from all disclosure and independent Shareholders' approval requirements under the Listing Rules.

INTERESTS IN COMPETING BUSINESS

Save as disclosed, none of the Directors or any of their respective associates have engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or have any other conflict of interests with the Group.

主要客戶及供應商

於截至二零一九年十二月三十一日止年度，本集團五大客戶之銷售額合共佔本集團於本年度之總銷售額少於30%。

於截至二零一九年十二月三十一日止年度，本集團五大供應商之採購額合共佔本集團於本年度之總採購額少於30%。

概無董事、彼等之緊密聯繫人或任何股東（為據董事所知擁有本公司已發行股本超過5%者）擁有本集團五大客戶或供應商之實益權益。

關連交易

本集團於截至二零一九年十二月三十一日止年度概無需根據上市規則第14A章披露的關連交易。

關聯方交易

本集團於截至二零一九年十二月三十一日止年度進行的關聯方交易詳情載於財務報表附註47。該等關聯方交易並無構成關連交易／持續關連交易或已構成關連交易／持續關連交易，惟獲豁免遵守上市規則項下的所有披露及獨立股東批准的規定。

於競爭業務的權益

除所披露者外，概無董事或任何彼等各自的聯繫人從事與本集團業務競爭或可能競爭（不論直接或間接）的任何業務或與本集團存在任何其他利益衝突。

EMOLUMENT POLICY

The Group's emolument policy is designed to attract, retain and motivate talented individuals to contribute to the success of the business. The Group's emolument policy of the employees is formulated and reviewed by the remuneration committee of the Company on the basis of their merit, qualifications and competence.

The emoluments of the Directors are determined by the remuneration committee, having regards to the Group's operating results, individual performance and comparable market statistics.

The Group operates a mandatory provident fund scheme under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance for all its employees in Hong Kong. All the employees of the Group in Hong Kong are required to join the Company's mandatory provident fund scheme. Contributions are made based on a percentage of the employees' salaries. The assets of the Company's mandatory provident fund scheme are held separately from those of the Group by an independently administered fund. Contributions of the employer vest fully with the employees when contribution was made by the Company into the mandatory provident scheme. No forfeited contribution is available to reduce the contribution payable in the future years as of 31 December 2019.

The Group's subsidiaries in the PRC, in compliance with the applicable regulations of the PRC, participated in a state managed retirement benefits scheme operated by the local government. The subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement benefits schemes. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions. During the year ended 31 December 2019, the total amounts contributed by the Group to the schemes and amount charged to the consolidated income statement represented contribution payable to the scheme by the Group at rates specified in the rules of the schemes.

酬金政策

本集團之酬金政策旨在吸引、挽留及鼓勵有才幹的個人為業務成功作出貢獻。本集團僱員之酬金政策乃由本公司薪酬委員會根據彼等之功績、資格及能力制訂及審閱。

董事之酬金由薪酬委員會釐定，並經考慮本集團之經營業績、個人表現及可資比較市場統計數字。

本集團根據強制性公積金計劃條例的規則及規定為其所有香港僱員設立一項強制性公積金計劃。本集團所有於香港的僱員均須加入本公司強制性公積金計劃。供款按僱員薪金的某一百分比作出。本公司強制性公積金計劃之資產與本集團的其他資產分開處理，由一獨立管理之基金持有。本公司向強制性公積金計劃供款時，僱主供款將全數歸屬於僱員所有。於二零一九年十二月三十一日，並無失效之供款可供來年扣減應付供款。

本集團於中國之附屬公司遵照中國之適用規則，參與一項國家管理且由當地政府經營的退休福利計劃。附屬公司須按工資成本的指定百分比向退休福利計劃供款。本集團就退休福利計劃之唯一責任為作出指定供款。於截至二零一九年十二月三十一日止年度，本集團向計劃供款總額及於綜合收益表扣除之金額，乃為本集團根據計劃規則按指定比率向計劃應付之供款數額。

DEED OF NON-COMPETITION

Each of Mr. Shu Cecheng and Mr. Shu Cewan, the executive Directors, and Boom Win (the “Controlling Shareholders”), entered into a deed of non-competition dated 18 May 2013 (the “Deed of Non-competition”) in favour of the Company (for itself and on behalf of all members of the Group), pursuant to which each of the Controlling Shareholders would not, and would procure that none of his/its associates (other than any member of the Group) will directly or indirectly, engage in any business which competes or is likely to compete directly or indirectly with the Group’s business in the PRC or other places in which the Group carries on business.

In this regard, each of the Controlling Shareholders had provided to the Company a written confirmation in respect of his/its compliance with the Deed of Non-competition for the year ended 31 December 2019 and no personal interests were ever declared by any Controlling Shareholders who are also Directors at the Directors’ meetings. The independent non-executive Directors had also reviewed the compliance by each of the Controlling Shareholders with the undertakings in the Deed of Non-competition during the year ended 31 December 2019. The independent non-executive Directors had confirmed that, as far as they can ascertain, there is no breach by any of the Controlling Shareholders of the undertakings in the Deed of Non-competition given by them.

As of the date of this annual report, the Company is not aware of any other matters regarding the compliance of the undertaking and there has not been any change in the terms of the Deed of Non-competition since the Company’s listing on the Stock Exchange.

不競爭契約

執行董事舒策城先生和舒策丸先生以及盛凱(「控股股東」)各自已於二零一三年五月十八日訂立以本公司(為其本身及代表本集團所有成員公司)為受益人的不競爭契約(「不競爭契約」), 據此, 各控股股東不會及將促使其聯繫人(本集團的任何成員公司除外)不會直接或間接在中國或其他本集團業務所在地從事直接或間接與本集團業務競爭或可能競爭的任何業務。

在這方面, 各控股股東已就其於截至二零一九年十二月三十一日止年度對不競爭契約之遵守向本公司提供書面確認, 且概無控股股東(亦為董事)曾於董事會議申報任何個人權益。獨立非執行董事亦已審閱各控股股東於截至二零一九年十二月三十一日止年度對不競爭契約項下承諾之遵守。獨立非執行董事確認, 就彼等所確知, 各控股股東並無違反其作出之不競爭契約項下承諾。

截至本年報日期, 本公司並不知悉任何其他有關遵守承諾的事宜, 而不競爭契約的條款自本公司於聯交所上市起概無任何變動。

ESG DISCUSSION

The Group has been transforming itself into an operator of modern mega-sized trade logistics parks. By gradually embedding environmental, social and governance (“ESG”) factors into our daily operations, we have been striking a balance between business development and mitigation of environmental and social impact we created. In the regard, the Group aims to deepen its dialogues with its key stakeholder groups through platforms such as interactive activities, meetings and publications. Our key stakeholder groups include tenants, customers, employees, suppliers, trade associations, local communities, etc. We strive to maintain close relationship with our stakeholders and respond to their key concerns through reporting our ESG performance. The Group’s ESG Report will be published in due course and can be found on both the Company’s and the Stock Exchange’s websites.

Environment

The Group is dedicated to implementing its environmental protection philosophy. Embracing the increasingly stringent national environmental laws in China, we continue to keep abreast of the latest regulatory developments, ensuring the Group is able to fully grasp such implications. The failure to be responsive to changes to such regulations may adversely affect the Group’s reputation, operations and financial performance. While these measures require considerable internal resources and result in additional operational cost, the Group highly values the importance of ensuring compliance with applicable legal and regulatory requirements. In 2019, the Group has strictly abided by the applicable environmental laws and regulations and received no major fines for environmental violations in 2019.

For our property management business, it is primarily an office-based operation. Our environmental initiative is to focus on energy saving and waste reduction, such as the promotion of paperless office, installation of office automation systems, use of video conferencing to replace business travel, etc.

環境、社會及管治討論

本集團現正轉型為現代大型貿易物流園營運商。我們的日常營運日益重視環境、社會及管治(「環境、社會及管治」)因素，致力確保業務發展之餘，同時盡量減低對環境和社會造成影響。就此，本集團旨在通過互動活動、會議及刊發刊物等平台與其關鍵利益相關各方加深溝通。我們的關鍵利益相關各方包括租戶、客戶、僱員、供應商、商會、社區民眾等。我們致力與其利益相關各方維繫緊密關係，並通過匯報我們的環境、社會及管治表現，回應彼等所關注的重要事宜。本集團將適時刊發環境、社會及管治報告，內容可於本公司及聯交所網站閱覽。

環境

本集團致力落實環保理念。隨著中國全國性環境法律越發嚴厲，我們會繼續密切注視最新監管發展，確保本集團能全面掌握有關的涵義。倘若未能回應有關監管變動或會對本集團的聲望、業務經營及財務表現構成不利影響。儘管該等措施需要動用大量內部資源，並產生額外的經營成本，惟本集團珍視確保遵行適用法律及監管規定的重要性。二零一九年，本集團嚴格遵循適用的環境法律法規，二零一九年內未曾因環境事宜違規而繳納重大罰款。

在物業管理業務方面，業務主要在辦公室內營運，故環保措施以節能減排為主，如提倡無紙辦公室、安裝辦公室自動化系統、舉行視像會議以代替公幹等。

Report of the Directors (Continued)

董事會報告 (續)

For our project development business, all new projects are required to submit environmental impact assessment report, and construction begins only after obtaining permission from the environmental protection agency. We have also prepared the “Engineering Environmental Protection Management Guidance Manual”, detailing the requirements of environmental protection and energy conservation measures.

We will continue to improve, identify, assess and control the potential risk of wastewater and waste disposal, and monitor the performance indicators related to the environment of the construction site.

For further information about the Company’s environmental performance during the year under review, please refer to the separate ESG Report to be issued by the Company.

Employee

With the Group’s comprehensive and transparent recruitment and promotion mechanism, we can effectively attract and retain talent. In 2019, we have strictly complied with the “Labour Law of the People’s Republic of China” and “Labour Contract Law of the People’s Republic of China” in Mainland China. All new employees are required produce originals and copies of original qualification documents necessary for the onboarding process and recruitment procedures according to requirements. Furthermore, they are required to fill out the “staff information form”. Through strictly verifying new employee’s identification, potential incidents on hiring child labour could be eliminated.

Over the years, the Group has been recruiting talents from both university campuses and the society to enhance the Company’s talent reserve. We have been continuously promoting the “high-flying” project targeting university students, aiming to enrich the Group’s talent pool.

在項目發展業務方面，所有新訂項目須呈交環境影響評估報告，並僅在取得環保當局批准後方可動工。我們亦須擬備「工程環保管理指引手冊」，詳細列明環保規定及節能措施。

我們會繼續改善、發現、評估和控制排放廢水及棄置廢物的潛在風險，監察與工地環境相關的表現指標。

有關本公司於回顧年度環境表現的進一步資料，請參閱本公司將另行刊發的環境、社會及管治報告。

僱員

本集團設有完善而透明度高的招聘及晉升機制，有效吸納和延挽人才。二零一九年，我們在中國內地嚴格遵守《中華人民共和國勞動法》及《中華人民共和國勞動合同法》。所有新聘僱員須按規定出示入職過程及招聘程序所需的資歷證明正本及副本。此外，所有新聘僱員須填報「員工資料表」，嚴格核實新聘僱員的身分，避免有可能聘用童工。

本集團多年來一直在大學校園和社會市場上招攬人才，加強本公司人才匯聚。我們會繼續針對大學生推廣「騰飛」計劃，令本集團得以廣納賢才。

Report of the Directors (Continued)

董事會報告 (續)

Customers

The Group has been striving to attain higher customer satisfaction levels by providing better quality services to its customers. Detailed requirements regarding customer service are listed in our staff handbook. Calls received from customers and customer satisfaction measurements are handled according to regulations, and employees are strictly prohibited from intercepting needs and concerns expressed by customers. We have also developed a series of customer service management methods, including “retail customer service management approach”, “complaints management approach”, carrying out in-depth market management work and standardization of the market in order to avoid competition between tenants.

Suppliers

On engaging with our suppliers, in addition to ensure their business principles, conduct, and standards are aligned with our own, we regularly monitor whether their performance has satisfied the Group’s requirements regarding environmental and social aspects. Since 2018, a supplier database has also been established to improve procurement efficiency.

Community

The Group bears its share of corporate social responsibility, understanding that it requires long-term efforts and does not imply participating charitable activities on one-off basis. During the year, the Group held a number of community activities throughout Mainland China. By donating funds, materials and organizing public welfare activities, we actively connect with the communities by offering assistance in the areas of poverty alleviation, education, etc. In 2019, the Group had donated a total of approximately RMB37,920.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company’s Articles of Association, or the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

客戶

本集團致力為客戶提供上乘服務，提升客戶滿意度。員工手冊內列載客戶服務的具體要求。我們會按照規定接聽客戶來電和考量客戶滿意度，嚴禁員工拒絕受理客戶的需要和關注。我們亦制定出「零售客戶服務管理辦法」、「投訴管理辦法」等一系列客戶服務管理辦法，深入進行市場管理及市場規範化工作，避免租戶互相競爭。

供應商

在委託供應商方面，除確保彼等的營商原則、操守及準則與我們的相符外，我們會定期監察供應商的表現是否符合本集團在環境和社會方面的要求。從二零一八年起，我們亦設立了供應商資料庫，旨在改善採購效益。

社區

本集團承擔應有的企業社會責任，明白到承擔社會責任需要長遠努力，而非靠參與一次性慈善活動。年內，本集團在中國大陸各省市舉辦了多項社區活動。我們透過捐款、捐贈物資、籌辦公益活動，在改善貧窮、教育等範疇上給予援助，主動連結社區民眾。二零一九年，本集團捐款合計達約人民幣37,920元。

優先購買權

本公司之組織章程細則或開曼群島法例並無有關優先購買權之條文，致使本公司須向現有股東按比例提呈發售新股份。

Report of the Directors (Continued)

董事會報告 (續)

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report contained in this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group and its activities are subject to requirements under various laws. These include, among others, Labour Law of the PRC* (“中華人民共和國勞動法”), Labour Contract Law of the PRC (“中華人民共和國勞動合同法”) Environmental Protection Law of the PRC* (“中華人民共和國環境保護法”), Law of the PRC on Wholly Foreign-Owned Enterprises* (“中華人民共和國外資企業法”) and Law of the PRC on Enterprise Income Tax* (“中華人民共和國企業所得稅法”) and the applicable regulations, guidelines and policies issued or promulgated under or in connection with these statutes. On the listed company level, the Group is also subject to the Listing Rules, the Codes on Takeovers and Mergers and Share Buybacks, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and/or the laws, rules and regulations of the jurisdictions where the Group companies are incorporated. The Company seeks to ensure compliance with these requirements through various measures such as internal controls, trainings and oversight of various business units at different levels of the Group. The Group highly values the importance of ensuring compliance with applicable legal and regulatory requirements.

During the year ended 31 December 2019, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

企業管治

本公司所採納之主要企業管治常規載於本年報企業管治報告。

遵守相關法律及法規

本集團及其業務須遵守多項法律的規定，其中包括中華人民共和國勞動法、中華人民共和國勞動合同法、中華人民共和國環境保護法、中華人民共和國外資企業法及中華人民共和國企業所得稅法，以及根據或與該等法律有關而下發或頒佈的適用規定、指引及政策。於上市公司層面，本集團亦須遵守上市規則、公司收購、合併及股份購回守則、香港法律第622章公司條例、香港法律第571章證券及期貨條例及／或組成本集團各公司註冊成立所在司法權區的法律、規則及規例。本公司致力通過不同措施，確保遵守有關規定，如於本集團不同層面對各業務單位進行內部監控、培訓及監察。本集團著重確保遵守適用法律法規規定的重要性。

就本公司所知，截至二零一九年十二月三十一日止年度並無本集團重大違反或未有遵守適用法律及法規之情況而對本集團之業務及營運造成重大影響。

Report of the Directors (Continued)

董事會報告 (續)

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, at the date of this annual report, the Company has maintained a sufficient public float throughout the year ended 31 December 2019.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save for transactions disclosed elsewhere in this report, there were no significant investments held, material acquisitions and disposal of subsidiaries, associates and joint ventures during the financial year under review.

FUND RAISING ACTIVITIES

Save as disclosed elsewhere in this report, the Company did not have any equity fund raising activating during the year under review.

On 29 August 2018, the Company entered into a subscription agreement with the Cathy Capital Holdings Limited ("Cathy Capital"), pursuant to which Cathy Capital has agreed to subscribe for, and the Company has agreed to issue, the convertible notes in the principal amount of HK\$2,000,000. On 16 June 2020, the aforesaid subscription was lapsed and has ceased to have any effect since the Conditions Precedent have not been fulfilled on or before 30 June 2019 or such other date as may be agreed in writing between the Company and Cathy Capital. Please refer to the announcements of the Company dated 29 August 2018, 30 August 2018 and 16 June 2020 for further details.

足夠公眾持股量

基於本公司在本年報日期可獲得之公開資訊及就其董事所知，本公司於截至二零一九年十二月三十一日止年度內已維持足夠公眾持股量。

重大投資以及附屬公司、聯營公司及合資公司的重大收購及出售事項

除本報告其他章節所披露之交易外，於回顧財政年度，概無持有重大投資以及附屬公司、聯營公司及合資公司的重大收購及出售事項。

集資活動

除本報告其他章節所披露者外，本公司於回顧年度內並無任何股本集資活動。

於二零一八年八月二十九日，本公司與 Cathy Capital Holdings Limited (「Cathy Capital」) 訂立認購協議，據此，Cathy Capital 同意認購，而本公司同意發行本金額 2,000,000 港元的可換股票據。於二零二零年六月十六日，由於先決條件於二零一九年六月三十日或本公司與 Cathy Capital 可能以書面協定之其他日期或之前尚未達成，故上述認購事項已失效及不再具有任何效力。進一步詳情，請參閱本公司日期為二零一八年八月二十九日、二零一八年八月三十日及二零二零年六月十六日之公告。

Report of the Directors (Continued) 董事會報告 (續)

EVENTS AFTER THE REPORTING PERIOD

Save for the transactions and events disclosed below, there were no major event occurred since the end of the financial year ended 31 December 2019 up to the date of this report.

On 30 March 2020, Wuxi Longxiang and Ningbo Huaye Material Technology Company Limited* (寧波華業材料科技有限公司) (“Ningbo Huaye”) entered into a debt settlement agreement, pursuant to which Wuxi Longxiang agreed to sell, and Ningbo Huaye agreed to acquire, the Zhonghai Trust — Huayi Pure Bond No. 7 Collective Funds Trust Scheme* (中海信託 — 華溢純債7號集合資金信託計劃) at a total consideration of RMB31.68 million. Please refer to the Company’s announcement dated 31 March 2020 for further details.

On 10 April 2020, Wuxi Zhongnan Properties Investment Company Limited* (無錫中南置業投資有限公司) (“Wuxi Zhongnan”) and Ningbo Huaye and Ningbo Qichuang Properties Company Limited* (寧波啟創置業有限公司) (“Ningbo Qichuang”) entered into two debt settlement agreements respectively, pursuant to which Wuxi Zhongnan agreed to sell, and Ningbo Huaye and Ningbo Qichuang agreed to acquire, certain interests in Zhonghai Trust — Huayi Pure Bond No. 6 Collective Funds Trust Scheme* (中海信託 — 華溢純債6號集合資金信託計劃) at a consideration of RMB12.1 million and RMB20 million respectively. Please refer to the Company’s announcement dated 16 April 2020 for further details.

On 4 August 2020, Wuxi Longxiang Investment Company Limited* (無錫市龍祥投資有限公司) (the “Vendor”), each of Zhengzhou Ruimaotong Supply Chain Company Limited* (鄭州瑞茂通供應鏈有限公司) (the “Purchaser 1”) and Henan Yian Supply Chain Management Company Limited* (河南怡安供應鏈管理有限公司) (the “Purchaser 2”) entered into the agreement of property sale and bonds cancellation 1 and agreement of property sale and bonds cancellation 2 respectively, pursuant to which the Vendor agreed to sell, and the Purchaser 1 and Purchaser 2 agreed to acquire a total of 52 commercial property units situated on 5/F, Area A, Wuzhou Galaxy City and a total of 71 commercial property units situated on 4/F, Area C of Wuzhou Galaxy City at a consideration of approximately RMB43.74 million and approximately RMB20.22 million respectively. For details, please refer to the announcement of the Company dated 4 August 2020.

報告期後事項

除下列所披露的交易及事項外，截至二零一九年十二月三十一日止財政年度結束後直至本報告日期，概無發生重大事項。

於二零二零年三月三十日，無錫龍祥與寧波華業材料科技有限公司(「寧波華業」)訂立債券抵償協議，據此，無錫龍祥同意出售而寧波華業同意購買中海信託 — 華溢純債7號集合資金信託計劃，總代價為人民幣31.68百萬元。進一步詳情，請參閱本公司日期為二零二零年三月三十一日之公告。

於二零二零年四月十日，無錫中南置業投資有限公司(「無錫中南」)分別與寧波華業及寧波啟創置業有限公司(「寧波啟創」)訂立兩份債券抵償協議，據此，無錫中南同意出售而寧波華業及寧波啟創同意購買中海信託 — 華溢純債6號集合資金信託計劃的若干權益，代價分別為人民幣12.1百萬元及人民幣20百萬元。進一步詳情，請參閱本公司日期為二零二零年四月十六日之公告。

於二零二零年八月四日，無錫市龍祥投資有限公司(「賣方」)分別與鄭州瑞茂通供應鏈有限公司(「買方1」)及河南怡安供應鏈管理有限公司(「買方2」)訂立物業出售及債券註銷協議1與物業出售及債券註銷協議2，據此，賣方同意出售而買方1及買方2同意購買五洲銀河城A區5樓的合共52個商用物業單位及五洲銀河城C區4樓的合共71個商用物業單位，代價分別為約人民幣43.74百萬元及約人民幣20.22百萬元。進一步詳情，請參閱本公司日期為二零二零年八月四日之公告。

Report of the Directors (Continued)

董事會報告 (續)

On 21 August 2020, the Company has published an announcement in relation to the winding up of Hong Kong Wuzhou International Group Limited (“Hong Kong Wuzhou”) by way of creditors’ voluntary liquidation. As part of the Group’s restructuring and upon request by the relevant creditors, Wuzhou International Investment Limited, the sole shareholder of Hong Kong Wuzhou, an indirect wholly-owned subsidiary of the Company, resolved that Hong Kong Wuzhou could not by reason of its liabilities, continue its business, and that it should be wound up. For details, please refer to the announcement of the Company dated 21 August 2020.

On 24 August 2020, the Company has published an announcement in relation to the independent review of the independent advisor on (i) the suspected unapproved transfers and (ii) unauthorised fund transfers as required by the special investigation committee of the Company. The special investigation committee has considered the findings of the report of the independent advisor and formed views and recommendations. Further, the Board has taken remedial actions in addressing concerns over the internal control of the Group. For details, please refer to the announcement of the Company dated 26 August 2020.

On 24 August 2020, the Company entered into a subscription agreement with China Concept Fund SPC (“China Concept”), pursuant to which China Concept has conditionally agreed to subscribe new shares to be issued by the Company as part of the Group’s restructuring in order to fulfill the resumption guidance and the additional resumption guidance issued by the Stock Exchange. For details, please refer to the announcement of the Company dated 26 August 2020.

於二零二零年八月二十一日，本公司刊發一份公告，內容有關以債權人自願清盤方式將香港五洲國際集團有限公司（「香港五洲」）清盤。作為本集團重組的一部分及按相關債權人的要求，本公司間接全資附屬公司香港五洲的唯一股東五洲國際投資有限公司議決，香港五洲因其負債而未能繼續經營其業務，故應清盤。詳情請參閱本公司日期為二零二零年八月二十一日之公告。

於二零二零年八月二十四日，本公司刊發一份公告，內容有關獨立顧問按本公司特別調查委員會的要求就(i)疑屬未經批准轉讓及(ii)未經授權資金劃轉進行的獨立審查。特別調查委員會已考慮獨立顧問的報告的調查結果並出具意見及建議。此外，董事會已採取補救措施，釋除對本集團內部監控的疑慮。詳情請參閱本公司日期為二零二零年八月二十六日之公告。

於二零二零年八月二十四日，本公司與China Concept Fund SPC（「China Concept」）訂立認購協議，據此，China Concept有條件同意認購本公司將予發行的新股份，作為本集團重組的一部分，以達成聯交所發出的復牌指引及新增復牌指引。詳情請參閱本公司日期為二零二零年八月二十六日之公告。

Report of the Directors (Continued)

董事會報告 (續)

Major findings of the independent review of the independent advisor

On 24 August 2020, the Company has published an announcement in relation to the independent review of the independent advisor on (i) the suspected unapproved transfer of equity interest in companies (the “Suspected Unapproved Transfers”) and (ii) unauthorised fund transfers as required by the special investigation committee of the Company.

Suspected Unapproved Transfers

1. since 1 January 2018, there were in total 15 Suspected Unapproved Transfers, 13 of which had been completed, while the remaining 2 were subject to dispute or official registration;
2. each of the Suspected Unapproved Transfers had not been reported to the Board;
3. save for one Suspected Unapproved Transfers where the Company had taken remedial action and published an announcement on 20 August 2018 upon becoming aware of it, the Board was not informed of the remaining 14 Suspected Unapproved Transfers and had therefore failed to comply with the relevant reporting, announcement and shareholders’ approval requirements of a notifiable transaction as required under Chapter 14 of the Listing Rules;
4. Mr. Shu Cecheng and/or Mr. Shu Cewan (“Messrs Shu”) were the legal representatives and/or senior management of the controlling shareholders of the subject entities transferred at the time when the Suspected Unapproved Transfer took place. Messrs Shu were also executive directors of the Company at the material time and had failed to report and disclose the potential transfer of the entities to the Board. As all the Suspected Unapproved Transfers were executed by either one of Messrs Shu, Messrs Shu are likely to be held responsible for the Company’s failure in complying with the relevant requirements under Chapter 14 of the Listing Rules;

獨立顧問進行獨立審查的主要調查結果

於二零二零年八月二十四日，本公司刊發公佈，內容有關獨立顧問按本公司特別調查委員會的要求就(i)疑屬未經批准轉讓公司股權(「疑屬未經批准轉讓」)及(ii)未經授權資金劃轉進行之獨立審查。

疑屬未經批准轉讓

1. 自二零一八年一月一日起，共有15宗疑屬未經批准轉讓，其中13宗已經完成，而餘下2宗涉及爭議或正式登記；
2. 各宗疑屬未經批准轉讓並無向董事會報告；
3. 除一宗本公司已採取補救措施並於知悉後在二零一八年八月二十日刊發公告的疑屬未經批准轉讓外，董事會並不知悉餘下14宗疑屬未經批准轉讓，因此未能遵守上市規則第14章項下所規定的須予公佈交易的相關申報、公告及股東批准規定；
4. 舒策城先生及／或舒策丸先生(「舒先生」)於疑屬未經批准轉讓發生時為被轉讓標的實體控股股東的法定代表及／或高級管理層。舒先生於關鍵時間亦為本公司的執行董事，未能向董事會報告及披露該等實體的潛在轉讓。由於所有疑屬未經批准轉讓乃由舒先生其中一人簽立，舒先生可能須就本公司未能遵守上市規則第14章項下的相關規定負責；

Report of the Directors (Continued)

董事會報告 (續)

- Messrs Shu explained that at the material time, the Company did not have any policy or procedures in place for reporting transfer of assets or equity interest of subsidiaries to the Board and/or management and hence they were not aware that the Suspected Unapproved Transfers had to be reported to the Board for approval. It was not until September 2018 did the Company set out the policy and procedures for reporting transfer of assets or equity interest of subsidiaries to the Board and/or management;
 - since the Company had not put in place clear reporting and approval policy or procedures for reporting transfer of assets or equity interest of subsidiaries at the time of the Suspected Unapproved Transfers, the independent advisor was unable to conclude whether the Suspected Unapproved Transfers were the result of the lack of clear policy or procedures or the willful withholding of the information by Messrs Shu; and
- 舒先生解釋，於關鍵時間，本公司並無制定就向董事會及／或管理層報告轉讓附屬公司資產或股權的任何政策或程序，因此，彼等並不知悉疑屬未經批准轉讓須向董事會報告以供批准。直至二零一八年九月，本公司並無制定向董事會及／或管理層報告轉讓附屬公司資產或股權的政策及程序；
 - 由於本公司於疑屬未經批准轉讓發生時並無就報告轉讓附屬公司的資產或股權制定明確的報告及批准政策或程序，故獨立顧問無法確定疑屬未經批准轉讓是否因缺乏明確的政策或程序或舒先生蓄意隱瞞資料所致；及

Unauthorized Fund Transfer

- during the Relevant Period, the Company made 30 transactions which involved payments with amount equivalent to RMB10,000,000 or above;
 - amongst the 30 transactions reviewed, all the transactions have complied with the relevant approvals as required under the applicable payment procedures, except for the 5 transactions;
 - there were no discrepancies among the bank account records and the internal records of all the subsidiaries of the Company.
- 於相關期間，本公司進行30項交易，涉及金額相當於人民幣10,000,000元或以上的付款；
 - 在所審閱的30項交易中，所有交易已遵守適用付款程序所規定的相關批准，惟5項交易除外；
 - 銀行賬戶記錄與本公司所有附屬公司的內部記錄之間並無差異。

Remedial Actions Taken by the Company

The Board has considered the final reports prepared by the independent advisor and the views and recommendation from the special investigation committee of the Company. The Board has taken the following remedial actions: (1) enhancement of internal control; (2) reviewing on the Company's internal control systems and financial reporting procedures; and (3) taking legal advice on suspected unapproved transfers.

未經授權資金劃轉

本公司採取的補救措施

董事會已考慮獨立顧問編製之最終報告及本公司特別調查委員會的意見及建議。董事會已採取以下補救措施：(1)加強內部監控；(2)檢討本公司之內部監控系統及財務申報程序；及(3)採納有關疑屬未經批准轉讓的法律意見。

Report of the Directors (Continued)

董事會報告 (續)

Please refer to the announcement of the Company dated 24 August 2020 for further details. Further announcement in relation to the Suspected Unapproved Transfers will be made as and when appropriate.

AUDITORS

On 27 February 2020, BDO Limited has resigned as the auditor of the Company and Zhonghui Anda CPA Limited was appointed as the auditor of the Company on the even date.

The consolidated financial statements of the Group for the year ended 31 December 2019 have been audited by Zhonghui Anda CPA Limited ("Zhonghui Anda"), who was first appointed by the Directors as the auditors of the Company on 28 February 2020 and will retire at the forthcoming annual general meeting of our Company and, being eligible, offer themselves for re-appointment. A resolution for its reappointment as the auditor of the Company will be proposed.

On behalf of the Board
Shen Xiaowei
Executive Director and Chief Executive Officer

Hong Kong, 18 August 2020

* For identification purpose only

有關進一步詳情，請參閱本公司日期為二零二零年八月二十四日之公告。本公司將於適當時候刊發有關疑屬未經批准轉讓的進一步公告。

核數師

於二零二零年二月二十七日，香港立信德豪會計師事務所有限公司已辭任本公司核數師及於同日，中匯安達會計師事務所有限公司已獲委任為本公司核數師。

本集團截至二零一九年十二月三十一日止年度之綜合財務報表已經中匯安達會計師事務所有限公司（「中匯安達」）審核，該公司於二零二零年二月二十八日首次獲董事委任為本公司之核數師，並將於本公司應屆股東週年大會上退任及合資格並願意重選連任。本公司將提呈決議案，續聘其為本公司核數師。

代表董事會
執行董事兼行政總裁
沈曉偉

香港，二零二零年八月十八日

Corporate Governance Report 企業管治報告

The Company is committed to maintain high standards of corporate governance with a view to assuring the conduct of management of the Company as well as protecting the interests of all Shareholders. The Company has always recognized the importance of Shareholders' transparency and accountability. It is the belief of the Board that Shareholders can maximize their benefits from good corporate governance.

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

The Company has adopted the code provisions as set out in the Corporate Governance Code ("CG Code") contained in Appendix 14 to the Listing Rules. The Company and the Directors confirm, to the best of their knowledge, that the Company has complied with the code provisions contained in the CG Code throughout the year ended 31 December 2019 except for code provisions A.2.1, A.2.7, A.6.7 and E.1.2.

In respect of code provision A.2.1 of the CG Code, the roles of chairman and chief executive shall be separated and shall not be performed by the same individual. Mr. Shu Cewan held both positions since the retirement of Mr. Shu Cecheng, 19 June 2019. Mr. Shu Cewan has considerable experience in the related industry. The Board considered that this situation would not impair the balance of power and authority between the Board and the management of the Company because the balance of power and authority is governed by the operations of the Board which comprises experienced and high caliber individuals with demonstrated integrity. Furthermore, decisions of the Board are made by way of majority votes. The Board believes that this structure is conducive to a more precise and more promptly response to the fast changing business environment and a more efficient management and implementation of business process. The Board also considers that vesting two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group's business strategies and is beneficial to the Group.

本公司致力維持良好的企業管治以確保本公司管理層的操守及保障全體股東的權益。本公司一向注重股東的透明度及問責。董事會認為，良好的企業管治能為股東創造最大利益。

企業管治守則及企業管治報告

本公司已採納上市規則附錄十四所載之企業管治守則（「企業管治守則」）載列的守則條文。本公司及董事確認，就彼等所深知，本公司於截至二零一九年十二月三十一日止年度已遵守企業管治守則所載守則條文，惟守則條文第A.2.1、A.2.7、A.6.7及E.1.2條除外。

根據企業管治守則守則條文A.2.1，主席與行政總裁的角色應有所區分，並不應由一人同時兼任。自二零一九年六月十九日舒策城先生退任以來，舒策丸先生擔任此兩個職位。舒策丸先生擁有大量相關行業經驗。董事會認為，此情況不會損害董事會與本公司管理層間的權力及授權平衡，因為權力及授權平衡透過董事會運作管理，而董事會乃由資深及具才幹及誠信之個人組成。此外，董事會的決定均透過大多數表決通過。董事會相信，此架構有利於對快速變化的業務環境作出更準確及更迅速回應，及更為有效管理及實施業務流程。董事會亦相信，將兩個職能集中於同一人士，可為本集團提供強大及一致的領導，方便發展及執行本集團的業務策略，並對本集團有利。

Corporate Governance Report (Continued) 企業管治報告 (續)

Code provision A.2.7 of the CG Code stipulates that the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive Directors) without the executive directors present. Mr. Shu Cecheng, the chairman of the Company did not hold any meeting with the non-executive Directors of the Company without the executive Directors present. However, Mr. Shu Cecheng has effective communication with the non-executive Directors from time to time.

Code provision A.6.7 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. All independent non-executive Directors and the non-executive Director did not attend any general meetings since the annual general meeting of the Company held on 1 June 2018 since the Company had not convened any annual general meeting since 1 June 2018.

Code provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting and should invite the chairman of the audit, remuneration, nomination and any other committees (as appropriate) to attend the annual general meeting. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. All Directors have not attended any general meetings since the annual general meeting of the Company held on 1 June 2018 since the Company had not convened any annual general meeting since 1 June 2018.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for the Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding directors' securities transactions. The Company has made specific enquiry of all Directors whether the Directors have complied with the required standard set out in the Model Code regarding Directors' securities transactions during the year ended 31 December 2019 and all Directors confirmed that they have complied with the Model Code during the year ended 31 December 2019 and up to the date of this annual report.

企業管治守則守則條文A.2.7規定，主席應至少每年與非執行董事(包括獨立非執行董事)舉行一次沒有執行董事出席的會議。本公司主席舒策城先生並無與本公司非執行董事舉行任何沒有執行董事出席的會議。然而，舒策城先生不時與非執行董事進行有效溝通。

企業管治守則之守則條文第A.6.7條訂明，獨立非執行董事及其他非執行董事應出席股東大會，對股東之意見有公正之了解。由於本公司自二零一八年六月一日以來並無召開任何股東週年大會，故所有獨立非執行董事及非執行董事並未出席本公司於二零一八年六月一日舉行股東週年大會後之任何股東大會。

守則條文E.1.2規定，董事會主席應出席股東週年大會，並邀請審核委員會、薪酬委員會、提名委員會及任何其他委員會(視何者適用而定)的主席出席股東週年大會。若有關委員會主席未克出席，董事會主席應邀請另一名委員(或如該名委員未能出席，則其正式委任的代表)出席。由於本公司自二零一八年六月一日以來並無召開任何股東週年大會，故所有董事並未出席本公司於二零一八年六月一日舉行股東週年大會後之任何股東大會。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事證券交易之行為守則。本公司已就截至二零一九年十二月三十一日止年度董事有否遵守董事證券交易之標準守則所規定標準向全體董事作出特定查詢，而全體董事確認，截至二零一九年十二月三十一日止年度及直至本年報日期彼等已遵守標準守則。

THE BOARD

Responsibilities

The Board is responsible for the leadership and control of the Company and overseeing the Group's business, strategic decisions and performances, and has full and timely access to all relevant information in relation to the Group's business and affairs, but the day-to-day management is delegated to the management of the Company. The independent non-executive Directors possess respectively professional qualifications and related management experience in the areas of financial accounting, law, global economy and real estate and have contributed to the Board with their professional opinions.

Further, the Board is in charge of the task of maximizing the financial performance of the Company, formulating strategies and management policies of the Group, approving strategic objectives and is responsible for providing the Shareholders with a long-term return with stable and continuous growth.

The Board reserves for its decisions all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

The Board is also responsible for maintaining and reviewing the effectiveness of the risk management and internal control systems of the Group. It has carried out reviews of the existing implemented systems and procedures, including control measures of financial and operational compliance and risk management functions of the Group.

The Board recognizes that corporate governance should be the collective responsibility of Directors and is responsible for performing the corporate governance duties as required under code provision D.3.1 of the CG Code. For the year ended 31 December 2019, the Company has, among others, reviewed and updated the compliance manuals on notifiable transactions and price sensitive information (inside information) in accordance with the Listing Rules as guidelines for its employees.

董事會

職責

董事會負責領導與監控本公司，監督本集團的業務、戰略決策及績效，可全面及時掌握有關本集團業務與事務的一切相關信息，惟日常管理則授權本公司管理層負責。獨立非執行董事分別擁有財務會計、法律、全球經濟及房地產等領域的專業資歷及相關管理經驗，以其專業意見對董事會作出貢獻。

再者，董事會肩負實現公司財務績效最大化、制訂本集團戰略與管理政策、審批戰略目標的任務，並有責任為股東提供長遠、穩定及持續增長的回報。

董事會保留對本公司所有重大事宜的決策權，包括對所有政策事宜、整體戰略及財政預算、內部控制及風險管理體系、重大交易(特別是可能涉及利益衝突者)、財務信息、委任董事及其他重大財務和營運事宜的批准與監察。

董事會亦負責保持及審議本集團風險管理及內部控制體系的效能。董事會已對現有已實施的體系與程序進行審閱，包括本集團的財務控制措施以及營運合規與風險管理職能。

董事會堅信企業管治應為董事的共同責任，董事負責履行企業管治守則的守則條文第D.3.1條規定的企業管治責任。截至二零一九年十二月三十一日止年度，本公司根據上市規則已(其中包括)審閱並更新有關須予公佈交易以及敏感價格資料(內幕消息)的遵行手冊，以之作為其僱員的指引。

Corporate Governance Report (Continued)

企業管治報告 (續)

Composition and Qualifications

The Board currently comprises four executive Directors, being Mr. Shen Xiaowei, Mr. Zhu Yongqiu, Ms. Cai Qiaoling and Mr. Zhou Chen and three independent non-executive Directors, being Dr. Song Ming, Prof. Shu Guoying and Mr. Liu Chaodong.

Biographical details of each Director are set out on pages 57 to 62.

The relationships among the members of the Board are disclosed under "Directors' Biographies" on pages 57 to 62. Save as disclosed under "Directors' Biographies", the Board members have no financial, business, family or other material/relevant relationships with each other. The formation of the Board has met Rule 3.10A of the Listing Rules for the Board to have at least one-third in number of its members comprising independent non-executive Directors.

The Company has received an annual confirmation of independence from each of the independent non-executive Directors. The Company is of the view that all the independent non-executive Directors meet the guidelines for assessing independence in accordance with Rule 3.13 of the Listing Rules.

Appointment and Re-Election of Directors

Each of the executive Directors has entered into a service contract with the Company for a specific term of three years while each of the independent non-executive Directors has entered into a service contract with the Company for a specific term of three years.

組成與資歷

董事會現時包括四位執行董事，即沈曉偉先生、朱永球先生、蔡巧玲女士及周晨先生；以及三位獨立非執行董事，即宋敏博士、舒國瀅教授及劉朝東先生。

各董事的詳細履歷載於第57頁至第62頁。

董事會成員之間的關係在第57頁至第62頁「董事履歷」中披露。除「董事履歷」一節所披露外，董事會成員之間並無財務、業務、家族或其他重大／相關關係。董事會的組成符合上市規則第3.10A條有關董事會的規定，即獨立非執行董事佔董事會人數最少三分之一。

本公司已收到各獨立非執行董事有關其獨立性的年度確認。本公司認為，全體獨立非執行董事均符合上市規則第3.13條有關獨立性評估的指引。

董事的委任與重選連任

各執行董事已與本公司訂立服務合約，指定任期為三年；而各獨立非執行董事已與本公司訂立服務合約，指定任期為三年。

Directors' Training and Professional Development Programme

All Directors should keep abreast of the responsibilities as a director, and of the conduct and business activities of the Company. The Company is responsible for arranging and funding suitable induction programmes and on-going training and professional development programmes for the Directors. Accordingly, the Company has and will arrange an induction programme for the newly appointed Director before his/her formal appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements being a newly appointed Director. The Company further arranges on-going training and professional development seminars for Directors.

During the year ended 31 December 2019, all Directors were provided with monthly newsletters on the Group's business, operations and financial matters as well as updates, if any, on applicable legal and regulatory and market changes to facilitate the discharge of their responsibilities. The Company had also organized a seminar on the "Continuing Obligations of Directors of Companies listed in Hong Kong" for the Directors. The seminar was facilitated by Company's legal advisors with presentation and relevant materials. Continuing briefings and professional development for Directors will be arranged whenever necessary.

All Directors had provided the company secretary of the Company with their training records for the year of 2019.

董事培訓與專業發展計劃

所有董事均應密切關注作為董事的責任，以及本公司業務活動的進行情況。本公司負責為董事安排及資助合適的入職培訓及持續培訓與專業發展課程。因此，本公司已經及將於正式委任新任董事之前，為他／她安排入職培訓，確保他／她對本集團的業務與營運有適當的了解，並且充分知悉根據上市規則及相關監管規定，他／她作為新任董事的責任與義務。此外，本公司也為董事安排持續培訓與專業發展講座。

截至二零一九年十二月三十一日止年度內，所有董事均獲提供每月通訊，內容有關本集團業務、營運及財務事宜，以及適用的法律監管及市場變更最新資料(如有)，以助董事履行責任。本公司亦為董事舉辦了以「香港上市公司董事持續責任」為題的講座，由本公司法律顧問負責講授，並提供相關材料。今後如有需要，將繼續為董事安排簡報會及專業發展。

全體董事已向本公司公司秘書提交二零一九年度的培訓記錄。

Corporate Governance Report (Continued)

企業管治報告 (續)

Directors 董事		Types of continuous professional development programmes (Note) 持續專業發展計劃類型 (附註)
Executive Directors		
Mr. Shu Cecheng (resigned on 19 June 2019)	執行董事 舒策城先生 (於二零一九年六月十九日辭任)	(A) and (B) (A) 及 (B)
Mr. Shu Cewan	舒策丸先生	(A) and (B) (A) 及 (B)
Mr. Zhu Yongqiu	朱永球先生	(A) and (B) (A) 及 (B)
Mr. Shen Xiaowei	沈曉偉先生	(A) and (B) (A) 及 (B)
Ms. Cai Qiaoling	蔡巧玲女士	(A) and (B) (A) 及 (B)
Mr. Zhou Chen	周晨先生	(A) and (B) (A) 及 (B)
Independent Non-executive Directors		
Dr. Song Ming	獨立非執行董事 宋敏博士	(A) and (B) (A) 及 (B)
Prof. Shu Guoying	舒國瀆教授	(A) and (B) (A) 及 (B)
Mr. Liu Chaodong	劉朝東先生	(A) and (B) (A) 及 (B)
Note:	附註：	
(A): attending briefing sessions and/or seminars	(A)：出席簡報會及／或講座	
(B): reading seminar materials and updates relating to the latest development of the Listing Rules and other applicable regulatory requirements	(B)：閱讀講座資料及有關上市規則及其他適用監管規定最新發展的最新資料	

Indemnification of Directors and Officers

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of legal actions against Directors and senior management arising out of corporate activities.

董事及高級人員的彌償安排

本公司已就董事及高級管理層因公司業務而可能面臨的法律訴訟，安排適當的董事及高級人員責任保險。

Corporate Governance Report (Continued)

企業管治報告 (續)

BOARD MEETINGS

During the year ended 31 December 2019, eight meetings were held by the Board. The individual attendance record is as follows:

董事會會議

董事會截至二零一九年十二月三十一日止年度內共舉行八次會議。個別董事出席記錄如下：

Directors 董事		No. of meetings attended/ No. of meetings held 出席會議數目/ 舉行會議數目
Executive Directors:	執行董事：	
Mr. Shu Cecheng (resigned on 19 June 2019)	舒策城先生 (於二零一九年六月十九日辭任)	2/3
Mr. Shu Cewan	舒策丸先生	8/8
Mr. Zhu Yongqiu	朱永球先生	8/8
Mr. Shen Xiaowei	沈曉偉先生	8/8
Ms. Cai Qiaoling	蔡巧玲女士	8/8
Mr. Zhou Chen	周晨先生	7/8
Independent non-executive Directors:	獨立非執行董事：	
Dr. Song Ming	宋敏博士	4/8
Prof. Shu Guoying	舒國瀾教授	1/8
Mr. Liu Chaodong	劉朝東先生	8/8

Directors have timely access to relevant information prior to each Board meeting. Directors are given the opportunity to include matters in the agenda for regular Board meetings while Directors have access to board papers and related materials to allow them to make informed decisions on matters arising from Board meetings.

董事於每次董事會會議之前及時獲提供相關信息。董事可為定期董事會會議的議程提議討論事項，並可查閱董事會文件及有關材料，以便就董事會會議的事宜作出知情的決策。

Minutes of Board meetings and meetings of other committees are kept by the company secretary of the Company and are open for inspection by Directors.

董事會會議及其他委員會會議的會議記錄，由本公司公司秘書保管，董事可隨時查閱。

During the year ended 31 December 2019, the Company did not hold any general meeting.

截至二零一九年十二月三十一日止年度，本公司並無舉行任何股東大會。

Corporate Governance Report (Continued)

企業管治報告 (續)

AUDIT COMMITTEE

The Company has established an audit committee for the purpose of reviewing and monitoring the financial reporting process, risk management and internal control systems of the Company. As at 31 December 2019, the audit committee of the Company comprises three independent non-executive Directors, namely Mr. Liu Chaodong, Dr. Song Ming and Prof. Shu Guoying, while Mr. Liu Chaodong is the chairman of the audit committee.

During the year ended 31 December 2019, the audit committee held one meeting. The individual attendance records is as follows:

Directors 董事		No. of meeting attended/ No. of meeting held 出席會議數目/ 舉行會議數目
Dr. Song Ming	宋敏博士	1/1
Prof. Shu Guoying	舒國瀾教授	1/1
Mr. Liu Chaodong	劉朝東先生	1/1

The audit committee is mainly responsible for reviewing important accounting policies, overseeing the Company's financial reporting process, monitoring the performance of the external auditors and the internal audit department, reviewing and evaluating the effectiveness of the Company's financial reporting procedures, risk management and internal control procedures and ensuring compliance with applicable statutory accounting and reporting requirements, legal and regulatory requirements, internal rules and procedures approved by the Board.

During the year ended 31 December 2019, the audit committee reviewed and discussed with external auditors of the Company the Group's financial statements and the audit committee also reviewed the effectiveness of the Company's internal audit function. The audit committee together with the management of the Company also reviewed the accounting policies and practices adopted by the Group and discussed, among other things, risk management and internal control systems and financial reporting matters.

審核委員會

本公司已設立審核委員會，目的為審議及監察本公司財務報告流程、風險管理及內部控制系統。於二零一九年十二月三十一日，本公司審核委員會現由三名獨立非執行董事組成，即劉朝東先生、宋敏博士及舒國瀾教授，劉朝東先生擔任審核委員會主席。

截至二零一九年十二月三十一日止年度，審核委員會曾舉行一次會議。個別出席記錄如下：

審核委員會專責審議重要的會計政策、監督本公司的財務報告流程、監察外部核數師及內部審核部的表現，審議、評估本公司的財務報告程序、風險管理及內部控制程序的效能，確保遵守適用法定會計及報告規定、法律及監管規定、內部規則及董事會批准的程序。

截至二零一九年十二月三十一日止年度，審核委員會與本公司外聘核數師審閱本集團財務報表並進行探討，而審核委員會亦檢討本公司內部審核職能的有效性。審核委員會與本公司管理層亦審閱本集團採用之會計政策及慣例，並探討(其中包括)風險管理及內部控制系統及財務報告等事項。

Corporate Governance Report (Continued)

企業管治報告 (續)

REMUNERATION COMMITTEE

The Company has established a remuneration committee. The remuneration committee is responsible for advising the Board on the remuneration policy and framework of the Company's Directors and senior management, as well as reviewing and determining the remuneration of all executive Directors and senior management with reference to the Company's objectives from time to time. As at 31 December 2019, the remuneration committee comprises an executive Director, Mr. Shu Cewan, and two independent non-executive Directors, Dr. Song Ming and Prof. Shu Guoying, while Dr. Song Ming is the chairman of the committee.

During the year ended 31 December 2019, the remuneration committee did not hold any meeting.

Details of the remuneration by band of the members of the senior management of the Company (including executive Directors), whose biographies are set out on pages 57 to 62 of this annual report, for the year ended 31 December 2019 are set out below:

Remuneration band 薪酬範圍		Number of individuals 人數
Nil to RMB1,000,000	零至人民幣 1,000,000 元	8
RMB1,000,000 to RMB2,000,000	人民幣 1,000,000 元至人民幣 2,000,000 元	1

NOMINATION COMMITTEE

The Company has established a nomination committee. The nomination committee is primarily responsible for selection and assessment of suitable candidates for appointment of Directors. As at 31 December 2019, the nomination committee comprises an executive Director, Mr. Shu Cewan and two independent non-executive Directors, Dr. Song Ming and Mr. Liu Chaodong, while Mr. Shu Cewan is the chairman of the committee.

In considering the suitability of a candidate for directorship, the nomination committee will take into account the qualification, experience, expertise and knowledge of the candidates as well as the requirements under the Listing Rules.

薪酬委員會

本公司已設立薪酬委員會。薪酬委員會負責就本公司董事及高級管理層之薪酬政策及架構向董事會提出建議，並參照本公司之目標不時審閱及釐定全體執行董事及高級管理層之薪酬。於二零一九年十二月三十一日，薪酬委員會成員包括一名執行董事舒策丸先生及兩名獨立非執行董事宋敏博士及舒國濛教授，委員會主席為宋敏博士。

截至二零一九年十二月三十一日止年度，薪酬委員會並無舉行任何會議。

本公司高級管理層成員(包括執行董事)(履歷載於本年報第57至第62頁)按薪酬範圍載列截至二零一九年十二月三十一日止年度的薪酬詳情如下：

提名委員會

本公司已設立提名委員會。提名委員會主要負責就委任董事而遴選及評估合適人選。於二零一九年十二月三十一日，提名委員會成員包括一名執行董事舒策丸先生及兩名獨立非執行董事宋敏博士及劉朝東先生，委員會主席為舒策丸先生。

於考慮董事的合適人選時，提名委員會會考慮有關人選的資歷、經驗、專業及知識，以及上市規則的規定。

Corporate Governance Report (Continued) 企業管治報告 (續)

The Company adopted a policy concerning the diversity of Board members with measurable objectives. The nomination committee evaluates the balance and blend of skills, experience and diversity of perspectives of the Board. Selection of candidates is based on a range of diversity perspectives, including but not limited to age, cultural and educational background, professional and industry experience, skills, knowledge, ethnicity and other qualities essential to the Company's business, and merit and contribution that the selected candidates will bring to the Board. The Board will review such measurable objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

During the year ended 31 December 2019, the nomination committee held two meetings. The individual attendance records is as follows:

本公司已採納董事會成員多元化政策並制定可計量目標。提名委員會評估董事會成員在技巧、經驗及多樣的觀點與角度的平衡和結合。在甄選候選人時，將從多樣的觀點與角度出發，包括但不限於考慮年齡、文化及教育背景、專業及行業經驗、技巧、知識、種族、對本公司業務不可或缺的其他素質，以至候選人能為董事會帶來的優勢及貢獻。董事會將不時檢討該等可計量目標，確保其是否合適及確認達致該等目標的進度。

截至二零一九年十二月三十一日止年度，提名委員會曾舉行兩次會議。個別出席記錄如下：

Directors 董事		No. of meetings attended/ No. of meetings held 出席會議數目/ 舉行會議數目
Mr. Shu Cecheng (resigned on 19 June 2019)	舒策城先生 (於二零一九年六月十九日辭任)	1/1
Dr. Song Ming	宋敏博士	0/0
Mr. Liu Chaodong	劉朝東先生	2/2
Mr. Shu Cewan (appointed on 19 June 2019)	舒策丸先生 (於二零一九年六月十九日獲委任)	2/2

During the year ended 31 December 2019, the nomination committee had reviewed the composition and diversity of the Board. Since the Board is composed of members coming from diverse backgrounds, the nomination committee considered the Board to possess a diversity of perspectives which is up to the standard of the CG Code and is appropriate to the Group's requirements which is determined by the Directors' skills and experience appropriate to the Company's business. Besides, the nomination committee had also evaluated the performance of the retiring Directors during the year.

截至二零一九年十二月三十一日止年度，提名委員會已審閱董事會的組成及多元化。由於董事會由來自不同背景的成員組成，提名委員會認為董事會具有多樣化之視野，符合企業管治守則的標準及適合本集團的需求，即按適合本公司業務的董事技能及經驗釐定。此外，提名委員會亦已評估年內退任董事的表現。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 of the CG Code stipulates that the role of chairman and chief executive should be separate and should not be performed by the same individual. The Chairman of the Board is Mr. Shu Cecheng and the chief executive officer is Mr. Shu Cewan. Mr. Shu Cecheng and Mr. Shu Cewan are brothers. However, there is a clear distinction between the Chairman's responsibility for overall strategic planning and the chief executive officer's responsibility for the management of day-to-day operation of the Group's business.

On 19 June 2019, Mr. Shu Cecheng tendered his resignation as the chairman of the Board and an executive director of the Company due to health reason and ceased to be the chairman of Nomination Committee. Since the resignation of Mr. Shu Cecheng, the Company is in compliance with the code provision A.2.1. of the CG Code.

AUDITOR'S REMUNERATION

During the year ended 31 December 2019, the total remuneration for statutory audit services provided by the Company's external auditors, Zhonghui Anda CPA Limited ("Zhonghui Anda") amounted to approximately RMB3,000,000.

During the year ended 31 December 2019, no remuneration was paid for permissible non-audit services provided by the external auditors (including any entity under common control, ownership or management with the external auditors).

RISK MANAGEMENT AND INTERNAL CONTROL

During the year ended 31 December 2019, the Company has complied with Principle C.2 of the CG Code by establishing appropriate and effective risk management and internal control systems. Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties on an ongoing basis. Main features of the risk management and internal control systems are described in the sections below:

主席與行政總裁

企業管治守則守則條文A.2.1規定主席與行政總裁的角色應有所區分，並不應由一人同時兼任。董事會的主席為舒策城先生，而行政總裁為舒策丸先生。舒策城先生及舒策丸先生為兄弟。然而，主席所承擔的整體策略規劃與行政總裁所承擔本集團的日常業務營運管理的責任有明確區別。

於二零一九年六月十九日，舒策城先生因個人健康理由，已辭任本公司董事會主席及執行董事之職務並不再擔任提名委員會主席。由於舒策城先生辭任，本公司已遵守企業管治守則守則條文A.2.1。

核數師酬金

截至二零一九年十二月三十一日止年度，就本公司外部核數師中匯安達會計師事務所有限公司（「中匯安達」）的法定核數服務所支付的酬金總額約為人民幣3,000,000元。

截至二零一九年十二月三十一日止年度，並無就外部核數師（包括由外部核數師共同控制、擁有或管理之任何實體）所提供之獲許可非審核服務支付酬金。

風險管理及內部控制

截至二零一九年十二月三十一日止年度，本公司已遵守企業管治守則的C.2原則，設立了合適有效的風險管理及內部監控系統。管理層負責設計、實行及監察有關系統，而董事會則負責持續監督管理層履行其職務。風險管理及內部監控系統的主要特徵於下文各節說明：

Corporate Governance Report (Continued)

企業管治報告 (續)

Risk Management System

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- Evaluation: Analyse the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- Management: Consider the risk responses, ensure effective communication to the Board and on-going monitor of the residual risks.

Based on the risk assessments conducted in the year ended 31 December 2018, the Board became aware that the Company might have transferred the equity interest of certain subsidiaries and such transfers had not been approved by the Board. The Board took a serious view about this matter and had established a special investigation committee which comprises Mr. Zhou Chen, Dr. Song Ming, Prof. Shu Guoying and Mr. Liu Chaodong to investigate the same. Details of the formation of the special investigation committee are set out in the announcement of the Company dated 17 September 2018. The special investigation committee has continued the investigation of the Suspected Unauthorized Transfer throughout the year 2019. Details of the investigation, please refer to the section "Events after the Reporting Period" and the announcement of the Company dated 24 August 2020.

Internal Control System

The Company has in place an internal control system. The internal control framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follow:

- Control Environment: A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.

風險管理系統

本集團已採納一項風險管理系統以管理有關其業務及營運的風險。該系統包括以下階段：

- 識別：識別風險所有權、業務目標及可能影響目標達成的風險。
- 評估：分析風險的可能性及影響並對風險組合作出相應評估。
- 管理：考慮風險應對，確保與董事會進行有效溝通並持續監察剩餘風險。

按照截至二零一八年十二月三十一日止年度進行的風險評估，董事會獲悉本公司可能曾轉讓若干附屬公司的股權，而有關轉讓並未經董事會批准。董事會非常重視此事宜，並已成立特別調查委員會對此進行調查，該委員會成員包括周晨先生、宋敏博士、舒國濶教授及劉朝東先生。有關成立特別調查委員會之詳情載於本公司日期為二零一八年九月十七日之公告。特別調查委員會一直對二零一九年全年的可疑未授權轉讓進行調查。有關調查詳情，請參閱「報告期後事項」一節及本公司日期為二零二零年八月二十四日之公告。

內部監控系統

本公司制定內部監控系統。內部監控框架有助本集團達致營運有效性及效率性、財務報告可靠性及遵守適用法例及規例的目標。框架由以下部分組成：

- 監控環境：為本集團開展內部監控提供基礎的一套標準、程序及結構。

Corporate Governance Report (Continued) 企業管治報告 (續)

- Risk Assessment: A dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- Control Activities: Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- Information and Communication: Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- Monitoring: Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.
- 風險評估：識別及分析風險以達成本集團目標並就如何管理風險形成依據的動態交互流程。
- 監控行動：政策及程序為幫助確保減輕風險以達成目標的管理層指令獲執行而制定的行動。
- 資料及通訊：為本集團提供進行日常監控所需資料的內部及外部通訊。
- 監察：為確定內部監控的各組成部分是否存在及運行而進行的持續及單獨評估。

In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- Confidentiality agreements are in place when the Group enters into significant negotiations.
- The executive Directors are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.
- 為加強本集團的內幕消息處理系統並確保其公開披露的真實性、準確性、完整性與及時性，本集團亦採納並實施一套內幕消息政策及程序。本集團已不時採納若干合理措施以確存在適當保障以防止違反有關本集團的披露規定，其中包括：
- 僅少數僱員可按需要查閱相關資料。掌握內幕消息的僱員充分熟知彼等的保密責任。
- 本集團進行重大磋商時將會訂立保密協議。
- 執行董事獲指派為代表本公司向外部各方（如媒體、分析員或投資者）溝通的人士。

Based on the internal control reviews conducted and save as disclosed in the announcement of the Company dated 24 August 2020 in relation to the findings of the Independent advisor, in the year ended 31 December 2019, no significant control deficiency was identified.

按照所進行的內部監控檢討及除本公司日期為二零二零年八月二十四日內容有關獨立顧問之調查結果之公告所披露者外，截至二零一九年十二月三十一日止年度並無發現重大監控不足之處。

Corporate Governance Report (Continued)

企業管治報告 (續)

Internal Auditors

The Group has established its internal audit department, which consists of professional staff with relevant expertise. The internal audit department is independent of the Group's daily operation and is responsible for financial and operational audit of the Company and its subsidiaries on a regular basis, as well as formulating risk management and internal control system for pinpointing, identifying and controlling financial and operational risks, ensuring compliance with all applicable laws and regulations and protection of the Group's assets.

The internal audit team principally supervises and reviews internal control and compliance matters of the Group, and internal audit covers investments, marketing activities, operation, procurement and tenders as well as information security.

According to the Company's internal audit plan, review of the risk management and internal control systems is conducted semi-annually respectively, and the results are reported to the Board via the audit committee afterwards.

Effectiveness of the Risk Management and Internal Control Systems

The Board is overall responsible for the risk management and internal control systems of the Group including financial, operational and compliance controls, and review and assessment of the effectiveness of these systems has been conducted semi-annually in order to safeguard the Group's assets and Shareholders' interests. Several areas have been considered during the Board's reviews, which include but not limited to (i) the changes in the nature and extent of significant risks since the last annual review, and the Group's ability to respond to changes in its business and the external environment (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems.

內部核數師

本集團設立其內部審核部門，由具備相關專業知識的專業員工組成。內部審核部門獨立於本集團的日常營運，負責定期對本公司及其附屬公司進行財務及經營審核工作，亦負責制定風險管理及內部監控系統，以發現、識別及控制財務及營運風險，確保遵守所有適用法律法規及保全本集團資產。

內部審核團隊的主要職責是監督及檢討本集團的內部監控及合規相關事宜，其內部審核的範圍涵蓋投資、營銷、運營、採購招投標及信息安全等方面。

根據本公司內部審核計劃，風險管理及內部監控系統分別每半年檢討一次，結果會隨後通過審核委員會向董事會匯報。

風險管理及內部監控系統的有效性

董事會對本集團的風險管理及內部監控系統(包括財務、經營及合規監控)負有整體責任，亦每半年檢討及評估該等系統的有效性，以保障本集團的資產和股東權益。董事會檢討過程會審議多個範疇，包括但不限於(i)重大風險自上年度檢討後在性質及程度上的變動，以及本集團應對其業務及外在環境轉變的能力(ii)管理層持續監察風險及內部監控系統的範圍及質量。

Corporate Governance Report (Continued) 企業管治報告 (續)

The Board, through its reviews and the reviews made by the internal audit department and the audit committee, concluded that the risk management and internal control systems were effective and adequate. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is also considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programs and budget provided were sufficient.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors acknowledged their responsibilities for preparing the financial statements of the Group in accordance with statutory requirements and applicable accounting standards, which give a true and fair view of the state of affairs of the Group and of the results of its operations and cash flows for that period. The Directors also acknowledged their responsibilities to ensure that the financial statements of the Group are published in a timely manner.

The Group had incurred a loss attributable to the owners of the Company of approximately RMB2,766 million for the year ended 31 December 2019 and recorded a net current liabilities and net liabilities of approximately RMB8,580 million and RMB3,680 million as at 31 December 2019. In view of these circumstances, the Directors have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, the Group has implemented or is in the process of implementing the following measures, namely: (i) obtaining confirmations of banking facilities from various financial institutions and banks in the PRC; (ii) entering into loan renewal discussions with the banks in due course; and (iii) taking measures to tighten cost controls over various costs and expenses and to seek business opportunities with the aim to attain profitable and positive cash flow operations. After taking into account the above measures, the Directors consider that the Group will be able to realise its assets and discharge its liabilities and commitments in the normal course of business. Therefore, the consolidated financial statements of the Group have been prepared on a going concern basis.

按照董事會檢討以及內部審核部門及審核委員會的檢討結果，董事會認為風險管理及內部監控系統有效及充足。然而，有關系統旨在管理而非消除無法達成業務目標的風險，且就重大錯誤聲明或損失僅可提供合理但非絕對的保證。另外，本公司的資源、員工資歷及經驗被視為足夠，而員工所接受的培訓課程及有關預算亦屬充足。

董事對財務報表的責任

董事確認，遵照法定要求及適用會計準則編製本集團財務報表，以真實及公平地反映本集團於期內的事務狀況及其經營業績及現金流量，乃屬他們的責任。董事亦確認，他們有責任確保本集團及時刊發財務報表。

本集團截至二零一九年十二月三十一日止年度錄得本公司擁有人應佔虧損約人民幣2,766百萬元，並於二零一九年十二月三十一日錄得流動負債淨額及負債淨額約人民幣8,580百萬元及人民幣3,680百萬元。有鑒於此，董事就評核本集團有否充足的財務資源持續經營，已考慮本集團的未來流動資金及表現以及其備用財務資源。為改善本集團流動資金狀況及現金流量，以維持本集團持續經營，本集團已經或正在實行以下措施，即：(i)向中國多家金融機構及銀行獲取銀行融資的確認；(ii)適時與銀行商討貸款重續事宜；及(iii)採取措施收緊各項成本及開支的監控，並尋求商機以達致有利可圖且現金流量為正數的業務經營。經考量上述措施，董事認為本集團於正常業務過程中能將其資產變現，同時履行其責任及承諾。因此，本集團綜合財務報表已按持續經營基礎編製。

Corporate Governance Report (Continued) 企業管治報告 (續)

Save as the above, the Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The reporting responsibilities of the Company's external auditor on the financial statements of the Group are set out in the "Independent Auditor's Report" on pages 63 to 71 of this annual report.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to convene an extraordinary general meeting and putting forward proposals at Shareholders' meetings

Pursuant to article 58 of the Articles of Association of the Company, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures by which enquiries may be put to the Board

Shareholders are provided with contact details of the Company, such as website, telephone hotline, fax number, email address and postal address, in order to enable them to make any query that they may have with respect to the Company. They can also send their enquiries to the Board or the company secretary through the above means. If Shareholders have any enquiries in respect of their shareholdings and entitlements to dividend, they may contact Computershare Hong Kong Investor Services Limited, the Company's branch share registrar in Hong Kong from time to time.

除上文所述者外，董事並無知悉任何重大不確定因素，乃關於可能對本公司持續經營之能力構成重大疑問的事件或狀況。

本公司外部核數師對本集團財務報表的報告責任，載於本年報第63頁至第71頁「獨立核數師報告」。

股東權利

股東召開臨時股東大會及在股東大會提案的程序

依據本公司的組織章程細則第58條，於送達提案日期持有附本公司股東大會表決權的本公司實繳股本不少於十分之一的任何一位或以上股東，有權於任何時候向董事會或本公司公司秘書提交書面提案，要求董事會召開臨時股東大會，處理提案所述任何事項；而該股東大會須於送達提案後兩個月內舉行。倘若董事會未能於送達提案後21日內通知召開會議，則提案人可用相同方式自行通知召開會議，提案人因董事會未能通知召開會議而產生的一切合理開支，須由本公司負責支付。

向董事會提出查詢的程序

本公司已向股東提供本公司聯絡方法的詳情，譬如網頁、電話熱線、傳真號碼、電郵地址及郵寄地址，以便股東提出任何有關本公司的查詢。彼等亦可通過上述途徑，向董事會或公司秘書作出查詢。股東如有任何有關其持股及股息權益的查詢，彼等可不時聯絡本公司於香港的股份過戶登記分處香港中央證券登記有限公司。

Corporate Governance Report (Continued)

企業管治報告 (續)

Constitutional Documents

There has been no change in the Company's constitutional documents during the year ended 31 December 2019.

INVESTOR RELATIONS

Effective Communication with Shareholders and Investors

As a showpiece of the Company facing the capital market, the Board believes that a transparent and timely disclosure of the Group's latest information will enable the Shareholders and investors to have better understanding on the Group's operations and strategies. The Company recognises the importance of maintaining effective investor relations with the existing and potential investors. To enhance the communication between the Company and the investors, as well as to maintain the transparency of the Company, the investor relations team engages in providing effective ways for Shareholders and investors to obtain latest company information. In addition to the issue of monthly and quarterly newsletters and interim and annual financial reports, the Company's website at "www.wz-china.com" also acts as a communication platform with Shareholders and investors, where information and updates on the Group's business developments and operations, financial information, corporate governance practices and other information are available for public access. The Company will also actively respond to any enquiries raised by the Shareholders and investors through emails and phone calls. Meanwhile, the Company has also arranged company meetings, telephone conferences, investors' meetings, luncheons, site visits and a number of non-deal road shows and actively participated in a couple of global investors' conferences and forums held by investment banks.

The Board also considers that general meetings of the Company provide a useful forum for Shareholders to exchange views with the Board. The Chairman of the Board as well as the chairmen and/or other members of the audit committee, remuneration committee and nomination committee of the Company have been invited to attend the annual general meetings and other Shareholders' meetings of the Company to reply questions raised.

章程文件

截至二零一九年十二月三十一日止年度，本公司的章程文件並無變更。

投資者關係

與股東及投資者的有效溝通

作為本公司面向資本市場的體現，董事會相信，保持透明度、及時披露本集團最新信息，將有助於股東及投資者更好地了解本集團的營運與戰略。本公司深悉與現有投資者及準投資者保持有效投資者關係的重要性。為加強本公司與投資者的溝通，以及保持本公司的透明度，投資者關係團隊致力提供有效途徑，讓股東及投資者獲取最新的公司信息。除刊發每月及季度通訊、中期及年度財務報告外，本公司的網站「www.wz-china.com」也可充當與股東及投資者的溝通平台，提供有關本集團業務發展與營運、財務信息、企業管治常規的信息及最新情況以及其他信息，讓公眾查閱。本公司亦將積極回答股東及投資者通過電郵、電話提出的任何查詢。同時，本公司亦安排了公司會議、電話會議、投資者會議、午餐會、實地參觀及若干不涉及交易的路演，以及積極參與若干投資銀行舉辦的全球投資者會議及論壇。

董事會亦視本公司股東大會為股東與董事會交流意見的有效論壇。董事會主席以及本公司審核委員會、薪酬委員會及提名委員會主席及／或其他成員，均獲邀請出席股東週年大會及本公司其他股東會議，回答會上提出的問題。

Corporate Governance Report (Continued)

企業管治報告 (續)

As one of the measures to safeguard Shareholders' interests and rights, separate resolutions are proposed at Shareholders' meetings on each substantial issue, including the election of individual Directors, for Shareholders' consideration and voting. All resolutions proposed at general meetings will be voted by poll pursuant to the Listing Rules and the poll voting results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wz-china.com) after the relevant general meetings.

COMPANY SECRETARY

As at 31 December 2019, the company secretary of the Company was Mr. Yeung Chi Lung. The Board had reviewed the training and continuous professional development of the company secretary during the year ended 31 December 2019 and considered that the requirements under Rule 3.29 of the Listing Rules in respect of the professional training of the company secretary were complied with.

作為保障股東權益與權利的舉措之一，重大事項(包括個別董事選舉)均以獨立決議案方式在股東會議上提出，讓股東審議和表決。依據上市規則，在股東大會提出的所有決議案，均以股數投票方式表決，表決結果將於相關股東大會後上載聯交所網站(www.hkexnews.hk)及本公司網站(www.wz-china.com)。

公司秘書

於二零一九年十二月三十一日，本公司公司秘書為楊子龍先生。董事會已審閱公司秘書於截至二零一九年十二月三十一日止年度之培訓及持續專業發展活動，並認為上市規則第3.29條項下有關公司秘書之專業培訓規定已獲遵守。

Directors' Biographies

董事履歷

EXECUTIVE DIRECTORS

Mr. Shu Cewan (舒策丸), aged 48, is the Group's chief executive officer. Mr. Shu Cewan was appointed as an executive Director on 14 November 2012. He was appointed as the chief executive officer of the Company on 19 June 2019. He resigned as an executive Director and the chief executive officer on 23 July 2020. He was a member of the remuneration committee of the Company. He is the brother of Mr. Shu Cecheng, the Group's Chairman and Mr. Shu Cezhang, the Group's head of operations. Mr. Shu Cewan was closely involved in the Group's operations and oversaw all the key aspects of the Group's operations and business, including the planning and implementation of projects. Mr. Shu Cewan has over ten years of experience in the real estate development industry, and he has been with the Group since December 2004. Mr. Shu Cewan was the general manager and vice-president of certain subsidiaries of the Group. Since joining the Group, Mr. Shu Cewan has been responsible for the overall day-to-day management of these Group companies, particularly in the aspects of operation, administration, human resources management and finance.

Mr. Shu Cewan was named a driving force figure in China's commercial property sector in 2010 by the organizing committee of the Fifth Annual Conference of the Chinese Commercial and Office Property Sector in May 2010. In March 2011, he was named among the most respected private entrepreneurs in China by the Chinese Enterprise Evaluation Association and Association for the Promotion of International Cooperation and Development of Chinese Private Enterprises. In November 2011, he was named an Influential personality in the Chinese commercial property sector at the Chinese Commercial Property Business Conference. He was granted the title of Outstanding Private Entrepreneur of Jiangsu Province in October 2014, the Personality for the Year in the Chinese Market Economy Award in 2015 and the China Securities "Golden Bauhinia" Award: CEO of the Best Listed Company in 2016. Since 2011, Mr. Shu Cewan has been the vice president of Wuxi Wenzhou Chamber of Commerce. He is also the vice chairman of the Federation of Chinese Private Enterprises, a member of the Eighth Chong An District Committee (Wuxi) of the Chinese People's Political Consultative Conference, a deputy to the Fifteenth National People's Congress from Taishun County, Wenzhou City and a council member of the Chong An District Industrial and Commercial Federation in Wuxi.

執行董事

舒策丸先生，48歲，本集團行政總裁。舒策丸先生於二零一二年十一月十四日獲委任為執行董事。彼於二零一九年六月十九日獲委任為本公司行政總裁。於二零二零年七月二十三日，彼辭任執行董事及行政總裁。彼為本公司薪酬委員會成員。彼為本集團主席舒策城先生及本集團營運總監舒策張先生之胞兄弟。舒策丸先生密切參與本集團營運，監督本集團營運及業務的各重要方面，包括項目的規劃及執行。舒策丸先生擁有逾十年房地產開發行業經驗，自二零零四年十二月以來一直服務於本集團。舒策丸先生曾於本集團若干附屬公司擔任總經理及副總裁。舒策丸先生自加入本集團以來一直負責本集團成員公司的整體日常管理，尤其是營運、行政、人力資源管理與財務方面。

舒策丸先生於二零一零年五月獲第五屆中國商業地產及寫字樓年會組委會評為二零一零年中國商業地產推動力人物，於二零一一年三月獲中國企業評價協會及中國民營企業國際合作發展促進會等組織評為中國最受尊敬民營企業家，於二零一一年十一月被中國商業地產招商大會評為中國商業地產風雲人物，於二零一四年十月榮獲江蘇省優秀民營企業家、2015中國民營經濟年度人物、2016年中國證券「金紫荊獎」：最佳上市公司CEO。舒策丸先生自二零一一年起亦擔任無錫市溫州商會副會長，此外，彼亦擔任中華民營企業聯合會副會長、無錫市崇安區第八屆中國人民政治協商會議委員、溫州市泰順縣第十五屆人大代表、無錫市崇安工商聯執委。

Directors' Biographies (Continued)

董事履歷 (續)

Mr. Shu Cewan graduated from Jiangnan University with a diploma in business management in July 2011. He obtained a master of business administration issued by the Victoria University Switzerland.

Mr. Zhu Yongqiu (朱永球), aged 45, was appointed as an executive Director on 7 August 2018. He is also the Assistant to the President of the Group. Mr. Zhu joined the Group in 2013 as the Assistant to the President of the Group as well as the General Manager of Changchun Zhongnan Property Development Co., Ltd., an indirect wholly-owned subsidiary of the Company, responsible for the complete management of the Changchun Project, the Shenyang Project, the Mudanjiang Project, the Hunan Loudi Project and the Group's development projects in the north-east of the People's Republic of China (the "PRC").

Mr. Zhu obtained a bachelor's degree in water supply and drainage engineering from Chongqing Jianzhu University in July 1997 and a post-graduate diploma in environmental engineering from Zhejiang University in July 2001. Mr. Zhu holds the professional title certificate for Class I Architect.

Mr. Shen Xiaowei (沈曉偉), aged 42, was appointed as an executive Director on 7 August 2018. He joined the Group in September 2017 and is also the Vice President of the Group in charge of the financial matters. Mr. Shen obtained a diploma in accounting from Nanjing Audit University in July 1998 and a master's degree in business administration from Shanghai University of Finance and Economics in 2014. Mr. Shen is a registered tax agent and a certified public accountant in the PRC.

Ms. Cai Qiaoling (蔡巧玲), aged 37, was appointed as an executive Director on 7 August 2018. She is also the Supervisor of the President's office of the Group. Ms. Cai joined the Group in 2007 as the Supervisor of the President's office of the Group, and is responsible for legal matters of the Group. Prior to joining the Group, Ms. Cai worked as an assistant at Shanghai Jinxiao Law Firm in 2005 and 2006 where she assisted lawyers in file management. Ms. Cai graduated from East China College of Political Science and Law (now known as East China University of Political Science and Law) with a diploma in law by self-study in June 2004 and she was certified by the National Vocational Qualification Examination Certification Centre as a senior economist and a senior tax planner in November 2008 and January 2009 respectively.

舒策丸先生於二零一一年七月畢業於江南大學，取得商務管理文憑。彼取得瑞士維多利亞大學頒發的工商管理碩士學位。

朱永球先生，45歲，於二零一八年八月七日獲委任為執行董事。彼亦為本集團的總裁助理。朱先生於二零一三年加入本集團，擔任本集團總裁助理，兼任本公司間接全資附屬公司長春市中南房地產開發有限公司的總經理，負責全面管理長春項目、瀋陽項目、牡丹江項目、湖南婁底項目及本集團位於中華人民共和國（「中國」）東北區域開發的項目。

朱先生於一九九七年七月獲得重慶建築大學給水排水工程學士學位，並於二零零一年七月獲得浙江大學環境工程研究生文憑。朱先生持有的職稱證書為一級建造師。

沈曉偉先生，42歲，於二零一八年八月七日獲委任為執行董事。彼於二零一七年九月加入本集團，亦為本集團的副總裁，主管財務事宜。沈先生於一九九八年七月獲得南京審計學院會計學文憑，並於二零一四年獲得上海財經大學工商管理碩士學位。沈先生獲得中國註冊稅務師及註冊會計師證書。

蔡巧玲女士，37歲，於二零一八年八月七日獲委任為執行董事。彼亦為本集團的總裁辦公室主任。蔡女士於二零零七年加入本集團，擔任本集團的總裁辦公室主任，分管本集團法務工作。加入本集團前，蔡女士於二零零五年及二零零六年任上海金曉律師事務所助理，協助律師進行文件歸檔管理。蔡女士通過自學於二零零四年六月畢業於華東政法學院（現稱華東政法大學），取得法律文憑，並先後於二零零八年十一月及二零零九年一月獲全國職業資格考試認證中心認定為高級經濟師及高級稅務策劃師。

Directors' Biographies (Continued)

董事履歷 (續)

Mr. Zhou Chen (周晨), aged 38, was redesignated from an independent non-executive Director to an executive Director on 7 August 2018. He was appointed as an independent non-executive Director on 1 December 2017. Mr. Zhou was an executive director and the company secretary of China Asia Valley Group Limited ("China Asia Valley") formerly known as China Graphene Group Limited, a company listed on the main board of the Stock Exchange, from February 2018 to June 2020. He has been an independent non-executive director of Christine International Holdings Limited, a company listed on the main board of the Stock Exchange, from March 2019 to March 2020. Mr. Zhou has been the chief financial officer of Yamada Green Resources Limited (listed on the main board of Singapore Exchange Securities Trading Limited (the "SGX")) since January 2018. He was the chief treasury officer of China Asia Valley from June 2016 to January 2018 and was in charge of the group's accounting and corporate finance matters. Mr. Zhou was the chief financial officer of Asia Fashion Holdings Limited (listed on the main board of the SGX from October 2015 to June 2016. Prior to that, Mr. Zhou had been a general manager of investment and corporate finance of Bayon Airlines Holdings Limited, a business control and risk manager of Tee International Limited (listed on the SGX) and a finance manager of a Singapore private company where he was in charge of accounting and initial public offering process. Between 2008 and 2013, Mr. Zhou worked at Singapore local audit firms and was responsible for, inter alia, the audit of companies incorporated in China and listed on the SGX.

Mr. Zhou is an affiliate of The Association of Chartered Certified Accountants (ACCA) and is a member of the Institute of Singapore Chartered Accountants. Mr. Zhou obtained an advance diploma in accountancy from Xiamen University in December 2016 and obtained a bachelor of science in applied accounting from Oxford Brookes University in July 2008.

周晨先生，38歲，於二零一八年八月七日由獨立非執行董事調任為執行董事。彼於二零一七年十二月一日獲委任為獨立非執行董事。周先生曾於二零一八年二月至二零二零年六月獲聯交所主板上市公司中亞烯谷集團有限公司（「中亞烯谷」，前稱為中國烯谷集團有限公司）委任為執行董事及公司秘書。於二零一九年三月至二零二零年三月，彼為聯交所主板上市公司克莉絲汀國際控股有限公司之獨立非執行董事。周先生自二零一八年一月起一直擔任新加坡證券交易所有限公司（「新交所」）主板上市公司山田綠色資源有限公司的財務總裁。彼自二零一六年六月至二零一八年一月曾任中亞烯谷的庫務總裁，專責該集團的會計及企業融資事宜。周先生自二零一五年十月至二零一六年六月期間曾任新交所主板上市公司Asia Fashion Holdings Limited的財務總監。此前，周先生曾任Bayon Airlines Holdings Limited投資及企業融資總經理、新交所上市公司Tee International Limited業務監控及風險管理主管以及新加坡一家私營公司的財務經理，專責會計及首次公開發售程序。於二零零八年至二零一三年間，周先生效力新加坡當地數家審計事務所，專責（其中包括）對多家於中國註冊成立及新交所上市的公司進行審計工作。

周先生為特許公認會計師公會(ACCA)準會員，並為新加坡註冊會計師公會會員。周先生於二零一六年十二月獲廈門大學頒授會計專業高等文憑，於二零零八年七月獲Oxford Brookes University頒授應用會計理學士學位。

Directors' Biographies (Continued)

董事履歷 (續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Song Ming (宋敏), aged 58, was appointed as an independent non-executive Director on 18 May 2013. He is the chairman of the remuneration committee of the Company and a member of the audit committee and the nomination committee of the Company. Dr. Song has over 26 years of experience in the research of bank regulation and management, financial market, derivatives and macroeconomics. Dr. Song was employed by the school of economics and finance of the University of Hong Kong as a professor from 1997 to 2018. Dr. Song is the Dean of School of Economics and Management, Wuhan University since 2018. Between 1991 and 1997, Dr. Song was the associate professor and assistant professor at the department of economics, Cleveland State University. Dr. Song is currently the director of Centre for China Financial Research at the University of Hong Kong. Dr. Song has been heavily involved in various academic conferences, researches and consultation projects.

Dr. Song has been appointed as an independent non-executive director of the United Laboratories International Holdings Limited, Guotai Junan International Holdings Limited, Great Wall Pan Asia Holdings Limited and Tande Co, Ltd. since 2007, 2010, 2016 and 2015 respectively, the former three are companies listed on the Stock Exchange and the latter is a company with its A Shares listed on the Shanghai Stock Exchange.

Dr. Song is currently the vice president of the Chinese Financial Association of Hong Kong. Dr. Song has also been involved in different advisory committees of the Hong Kong Government. Dr. Song is a member of the Advisory Committee on Human Resources Development in the Financial Services Sector in Hong Kong.

Dr. Song graduated from Zhejiang University in July 1982 with a bachelor degree in applied mathematics. Dr. Song obtained his master degree in applied mathematics from Huazhong University of Science and Technology (formerly known as Huazhong Institute of Technology). Dr. Song was awarded a doctorate degree by Ohio State University.

獨立非執行董事

宋敏博士，58歲，於二零一三年五月十八日獲委任為獨立非執行董事。彼為本公司薪酬委員會主席及本公司審核委員會及提名委員會成員。宋博士擁有逾26年銀行監管與管理、金融市場、衍生工具及宏觀經濟學研究經驗。宋博士於一九九七年至二零一八年任職香港大學經濟金融學院，擔任教授一職。自二零一八年起任武漢大學經濟與管理學院院長一職。一九九一年至一九九七年，宋博士擔任克利夫蘭州立大學經濟系副教授及助理教授。宋博士現任香港大學中國金融研究中心主任，一直積極參與各種學術會議、研究及諮詢課題。

宋博士先後自二零零七年、二零一零年、二零一六年及二零一五年獲委任為聯邦製藥國際控股有限公司、國泰君安國際控股有限公司、長城環亞控股有限公司及天地源股份有限公司的獨立非執行董事，前三家公司均為聯交所上市公司，而後者為上海證券交易所上市的A股公司。

宋博士現任香港中國金融協會副主席，亦曾於香港政府多個諮詢委員會工作。宋博士為香港財經界人力資源發展諮詢委員會成員。

宋博士於一九八二年七月畢業於浙江大學，取得應用數學學士學位。宋博士獲華中科技大學(前稱華中工學院)頒授應用數學碩士學位。宋博士取得俄亥俄州立大學博士學位。

Directors' Biographies (Continued)

董事履歷 (續)

Prof. Shu Guoying (舒國滢), aged 60, was appointed as an independent non-executive Director on 18 May 2013. He is a member of the audit committee and the remuneration committee and the chairman of the nomination committee of the Company. He has more than 30 years of experience in the PRC law, particularly in the teaching of jurisprudence and legal methodology.

Prof. Shu has held various teaching positions in the China University of Political Science and Law ("CUPL") since 1987, where he first started as a teaching assistant and was later promoted to lecturer, associate professor and professor in 1988, 1994 and 2001 respectively. Prof. Shu has also been a member of the Academic Committee of CUPL and a vice chairman of the Academic Degrees Committee of CUPL since 2001, and a chairman of the Professors Committee of Law Faculty at CUPL since 2015. In addition, from 2006 to 2008, Prof. Shu was a part-time professor of China Foreign Affairs University and has held positions in many professional organizations. Prof. Shu has been a member of the proposition committee of the Chinese National Judicial Examination between 2002 and 2005 and a member of the First Legislative and Legal Expert Committee of the Beijing People's Municipal Government between 2009 and 2014, and has been entitled to government special subsidy by the State Council since 2016. Throughout his professional career in the legal academia, Prof. Shu has published numerous books and journal articles in the PRC.

Prof. Shu graduated from CUPL with a bachelor degree in law, and later obtained a master degree in law.

舒國滢教授，60歲，於二零一三年五月十八日獲委任為獨立非執行董事。彼為本公司審核委員會及薪酬委員會成員以及提名委員會主席。彼擁有逾30年中國法律，尤其是法理學與法律方法論執教經驗。

舒教授自一九八七年以來歷任中國政法大學(「中國政法大學」)多個教育崗位，最初擔任助教，後分別於一九八八年、一九九四年及二零零一年逐步晉升為講師、副教授及教授。舒教授亦自二零零一年起成為中國政法大學學術委員會成員，並兼任中國政法大學學位委員會副主席，自二零一五年起擔任中國政法大學法學院教授委員會主席。此外，二零零六年至二零零八年，舒教授曾任外交學院兼職教授，並在多個專業組織任職。二零零二年至二零零五年，舒教授曾是國家司法考試命題委員會成員之一，二零零九年至二零一四年擔任第一屆北京市人民政府立法工作法律專家委員會成員，自二零一六年起獲批享受國務院政府特殊津貼。舒教授在其法律學術職業生涯中曾在中國出版大量書籍及期刊文章。

舒教授先後獲得中國政法大學頒授法律學士學位及法律碩士學位。

Directors' Biographies (Continued)

董事履歷 (續)

Mr. Liu Chaodong (劉朝東), aged 50, was appointed as an independent non-executive Director on 7 August 2018. He is the chairman of the audit committee and a member of the nomination committee of the Company. Mr. Liu has practicing qualifications of registered accountant, registered tax agent, forensic accounting practitioner and certified public valuer in the PRC. He graduated from Anhui Jianghuai Vocational University majoring in financial accounting and from Huazhong University of Science and Technology majoring in legal studies in 1990 and 2006 respectively. Mr. Liu served as the Chief Accountant in Blue Star New Chemical Materials Co., Ltd. from 1991 to 1994 and as a Department Manager in Zhonglei Certified Public Accountants Co., Ltd. from 1994 to 1997. He is currently the Deputy General Manager of the Foshan Branch of Ruihua Certified Public Accountants (LLP).

Mr. Liu has been an Independent Non-Executive Director of Grand Field Group Holdings Limited (Stock Code: 115), a company listed on the Main Board of the Stock Exchange, since August 2009.

劉朝東先生，50歲，於二零一八年八月七日獲委任為獨立非執行董事。彼為本公司審核委員會主席及提名委員會成員。劉先生具有中國註冊會計師、中國註冊稅務師、司法會計鑒定人以及中國註冊資產評估師執業資格。一九九零年，彼在安徽江淮職業大學修畢財務會計專業，二零零六年在中國華南科技大學修畢法學專業。一九九一年至一九九四年，劉先生於藍星化工新材料股份有限公司任主辦會計，一九九四年至一九九七年於中磊會計師事務所有限公司任部門經理。彼現任瑞華會計師事務所(特殊普通合夥)佛山分所副總經理。

劉先生自二零零九年八月起一直擔任聯交所主板上市公司鈞濠集團有限公司(股份代號：115)之獨立非執行董事。

Independent Auditor's Report

獨立核數師報告



TO THE SHAREHOLDERS OF
WUZHOU INTERNATIONAL HOLDINGS LIMITED
五洲國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Wuzhou International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 72 to 207, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致五洲國際控股有限公司股東

(於開曼群島註冊成立之有限公司)

無法表示意見

本核數師(以下簡稱「我們」)已獲委聘審計列載於第72至207頁的五洲國際控股有限公司(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二零一九年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們不會就 貴集團之綜合財務報表發表意見。由於我們報告內「無法表示意見之基礎」一節所述之事宜屬重大,故我們未能取得充分適當之審計憑證為該等綜合財務報表之審計意見提供基礎。我們認為,綜合財務報表在所有其他方面已遵照香港公司條例之披露規定妥為編製。

Independent Auditor's Report (Continued)

獨立核數師報告 (續)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表審計報告 (續)

Basis for Disclaimer of Opinion

無法表示意見之基礎

1. Limited accounting books and records of subsidiaries disposed

As disclosed in note 42(a) to the consolidated financial statements, certain subsidiaries of the Company (the "Disposal subsidiaries") have been disposed or deemed to have disposed for the year ended 31 December 2018, the accounting books and records in respect of the Disposal subsidiaries were unable to be obtained for the year ended 31 December 2018. Due to the insufficiency of supporting documentation and explanations for accounting books and records in respect of the Disposal subsidiaries, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the loss on disposal of subsidiaries of approximately RMB424,554,000 for the year ended 31 December 2018 have been accurately recorded and properly accounted for in the consolidated financial statements.

1. 出售附屬公司之有限會計賬簿及記錄

誠如綜合財務報表附註42(a)所披露，於截至二零一八年十二月三十一日止年度，貴公司之若干附屬公司（「出售附屬公司」）已出售或視作出售，於截至二零一八年十二月三十一日止年度未能取得有關出售附屬公司之會計賬簿及記錄。由於有關出售附屬公司之會計賬簿及記錄之證明文件及解釋不充足，我們未能取得充分及適當的審計憑證，以令我們信納於截至二零一八年十二月三十一日止年度出售附屬公司之虧損約人民幣424,554,000元是否已於綜合財務報表準確記錄及妥為入賬。

2. Limited accounting books and records of a subsidiary

As explained in note 2 to the consolidated financial statements, 無錫五洲國際裝飾城有限公司 (Wuxi Wuzhou International Ornamental City Co., Ltd), a subsidiary of the Company has been under a pending litigation and relevant accounting books and records has been held in custody by the court. Due to the insufficiency of supporting documentation and explanations for accounting books and records the said subsidiary, we were unable to carry out audit procedures to satisfy ourselves as to whether the following income and expenses for the years ended 31 December 2019 and 2018 and the assets and liabilities as at 31 December 2019 and 2018, and the segment information and other related disclosure notes in relation to the Group, as included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements.

2. 一家附屬公司之有限會計賬簿及記錄

誠如綜合財務報表附註2所述，貴公司之附屬公司無錫五洲國際裝飾城有限公司有一項未決訴訟及相關會計賬簿及記錄由法院保管持有。由於有關該附屬公司之會計賬簿及記錄之證明文件及解釋不充足，我們未能執行審計程序，以令我們信納下列截至二零一九年及二零一八年十二月三十一日止年度之收入及開支及於二零一九年及二零一八年十二月三十一日之資產及負債，以及分部資料及其他與貴集團有關之相關披露附註（貴集團綜合財務報表所載者）是否已於綜合財務報表準確記錄及妥為入賬。

Independent Auditor's Report (Continued)

獨立核數師報告 (續)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表審計報告 (續)

Basis for Disclaimer of Opinion (Continued)

無法表示意見之基礎 (續)

2. Limited accounting books and records of a subsidiary (Continued)

2. 一家附屬公司之有限會計賬簿及記錄 (續)

		For the year ended 31 December	
		截至十二月三十一日止年度	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Income and expenses:	收益及開支：		
Revenue	收入	29,322	76,449
Cost of sales	銷售成本	(5,808)	(7,904)
Gross profit	毛利	23,514	68,545
Other income	其他收益	144	4,200
Distribution and selling expenses	分銷及銷售開支	(1,914)	(9,451)
Administrative expenses	管理費用	(21,650)	(52,919)
Other expenses	其他費用	(5,618)	(876)
(Loss)/profit for the year	年內(虧損)/利潤	(5,524)	9,499

Independent Auditor's Report (Continued)

獨立核數師報告 (續)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表審計報告 (續)

Basis for Disclaimer of Opinion (Continued)

無法表示意見之基礎 (續)

2. Limited accounting books and records of a subsidiary (Continued)

2. 一家附屬公司之有限會計賬簿及記錄 (續)

		As at 31 December	
		於十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Assets and liabilities:	資產及負債：		
Trade receivables	貿易應收款項	5,640	5,640
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	806,763	815,830
Properties for sale under development	發展中待售物業	170,911	169,282
Properties held for sale	待售物業	139,656	139,656
Trade and bills payables	貿易應付款項及應付票據	(141,232)	(141,096)
Contract liabilities	合約負債	(22,754)	(16,240)
Accruals and other payables	應計費用及其他應付款項	(541,480)	(484,585)
Net assets	資產淨值	417,504	488,487

Independent Auditor's Report (Continued)

獨立核數師報告 (續)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Basis for Disclaimer of Opinion (Continued)

3. Trade receivable and prepayments, deposits and other receivables

In addition to point 2 above, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the recoverability of trade receivables of approximately RMB67,496,000 and prepayments, deposits and other receivables of approximately RMB925,600,000 respectively as at 31 December 2019 and the recoverability of trade receivables of approximately RMB67,496,000 and prepayments, deposits and other receivables of approximately RMB908,074,000 respectively as at 31 December 2018; (ii) the carrying amount of trade receivables of approximately RMB67,496,000 and prepayments, deposits and other receivables of approximately RMB925,600,000 respectively as at 31 December 2019 and the carrying amount of trade receivables of approximately RMB67,496,000 and prepayments, deposits and other receivables of approximately RMB908,074,000 respectively as at 31 December 2018 are fairly stated; and (iii) whether the impairment for trade receivables of approximately RMB38,925,000 and prepayments, deposits and other receivables of approximately RMB743,641,000 respectively for the year ended 31 December 2018 are properly recorded.

綜合財務報表審計報告 (續)

無法表示意見之基礎 (續)

3. 貿易應收款項及預付款項、按金及其他應收款項

除上文第2點外，我們未能取得充分及適當的審計憑證，以令我們信納(i)於二零一九年十二月三十一日之貿易應收款項約人民幣67,496,000元及預付款項、按金及其他應收款項約人民幣925,600,000元的可收回性，及於二零一八年十二月三十一日之貿易應收款項約人民幣67,496,000元及預付款項、按金及其他應收款項約人民幣908,074,000元的可收回性；(ii)於二零一九年十二月三十一日之貿易應收款項之賬面值約人民幣67,496,000元及預付款項、按金及其他應收款項之賬面值約人民幣925,600,000元以及於二零一八年十二月三十一日之貿易應收款項之賬面值約人民幣67,496,000元及預付款項、按金及其他應收款項之賬面值約人民幣908,074,000元已公平呈列；及(iii)截至二零一八年十二月三十一日止年度之貿易應收款項之減值約人民幣38,925,000元及預付款項、按金及其他應收款項之減值約人民幣743,641,000元是否已妥為記錄。

Independent Auditor's Report (Continued)

獨立核數師報告 (續)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表審計報告 (續)

Basis for Disclaimer of Opinion (Continued)

無法表示意見之基礎 (續)

4. Properties for sale under development and properties held for sale

In addition to point 2 above, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the recoverability of properties for sale under development of approximately RMB1,730,184,000 and properties held for sale of approximately RMB3,444,457,000 respectively as at 31 December 2019 and the recoverability of properties for sale under development of approximately RMB1,778,610,000 and properties held for sale of approximately RMB3,168,183,000 respectively as at 31 December 2018; (ii) the carrying amount of properties for sale under development of approximately RMB1,730,184,000 and properties held for sale of approximately RMB3,444,457,000 respectively as at 31 December 2019 and the carrying amount of properties for sale under development of approximately RMB1,778,610,000 and properties held for sale of approximately RMB3,168,183,000 respectively as at 31 December 2018 are fairly stated; and (iii) whether the impairment for properties for sale under development of approximately RMB476,934,000 and properties held for sale of approximately RMB470,818,000 respectively for the year ended 31 December 2018 are properly recorded.

5. Investments in associates and share of loss of associates

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) whether the carrying amounts of investments in associates of approximately RMB135,784,000 and RMB319,071,000 as at 31 December 2019 and 2018 respectively are fairly stated; (ii) the Group's share of loss of associates of approximately RMB183,287,000 and RMB62,129,000 for the year ended 31 December 2019 and 2018 respectively are fairly stated, and (iii) the accuracy of the disclosures in relation to the investments in associates.

4. 發展中待售物業及待售物業

除上文第2點外，我們未能取得充分及適當的審計憑證，以令我們信納(i)於二零一九年十二月三十一日之發展中待售物業約人民幣1,730,184,000元及待售物業約人民幣3,444,457,000元的可收回性，及於二零一八年十二月三十一日之發展中待售物業約人民幣1,778,610,000元及待售物業約人民幣3,168,183,000元的可收回性；(ii)於二零一九年十二月三十一日之發展中待售物業之賬面值約人民幣1,730,184,000元及待售物業之賬面值約人民幣3,444,457,000元以及於二零一八年十二月三十一日之發展中待售物業之賬面值約人民幣1,778,610,000元及待售物業之賬面值約人民幣3,168,183,000元已公平呈列；及(iii)截至二零一八年十二月三十一日止年度之發展中待售物業之減值約人民幣476,934,000元及待售物業之減值約人民幣470,818,000元是否已妥為記錄。

5. 於聯營公司的投資及分佔聯營公司虧損

我們未能取得充分及適當的審計憑證，以令我們信納(i)於二零一九年及二零一八年十二月三十一日之於聯營公司的投資之賬面值(分別約為人民幣135,784,000元及人民幣319,071,000元)是否已公平呈列；(ii)貴集團於截至二零一九年及二零一八年十二月三十一日止年度分佔聯營公司虧損分別約人民幣183,287,000元及人民幣62,129,000元已公平呈列；及(iii)有關於聯營公司的投資之披露之準確性。

Independent Auditor's Report (Continued)

獨立核數師報告 (續)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表審計報告 (續)

Basis for Disclaimer of Opinion (Continued)

無法表示意見之基礎 (續)

6. Investments in a joint venture and share of loss of a joint venture

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) whether the carrying amounts of investments in a joint venture of approximately RMB87,126,000 as at 31 December 2019 and 2018 are fairly stated; (ii) whether the Group had any share of result of a joint venture for the year ended 31 December 2019 and 2018 are fairly stated; and (iii) the accuracy of the disclosures in relation to the investments in a joint venture.

6. 於一家合資公司的投資及分佔一家合資公司虧損

我們未能取得充分及適當的審計憑證，以令我們信納(i)於二零一九年及二零一八年十二月三十一日之於一家合資公司的投資之賬面值約人民幣87,126,000元是否已公平呈列；(ii) 貴集團於截至二零一九年及二零一八年十二月三十一日止年度是否有任何應佔合資公司的業績已公平呈列；及(iii)有關於一家合資公司的投資之披露之準確性。

7. Investments at fair value through profit or loss

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) whether the fair value on investments at fair value through profit or loss of approximately RMB723,441,000 and RMB1,438,697,000 as at 31 December 2019 and 2018 respectively are fairly stated; (ii) the fair value changes on investments at fair value through profit or loss of approximately RMB706,037,000 and RMB69,962,000 for the year ended 31 December 2019 and 2018 respectively are fairly stated; and (iii) the accuracy of the disclosures in relation to the investments at fair value through profit or loss.

7. 按公平值計入損益之投資

我們未能取得充分及適當的審計憑證，以令我們信納(i)於二零一九年及二零一八年十二月三十一日之按公平值計入損益之投資之公平值(分別約為人民幣723,441,000元及人民幣1,438,697,000元)是否已公平呈列；(ii)於截至二零一九年及二零一八年十二月三十一日止年度按公平值計入損益之投資之公平值變動分別約人民幣706,037,000元及人民幣69,962,000元已公平呈列；及(iii)有關按公平值計入損益之投資之披露之準確性。

Independent Auditor's Report (Continued)

獨立核數師報告 (續)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Basis for Disclaimer of Opinion (Continued)

8. Going concern

We draw attention to note 3 to the consolidated financial statements which mentions that the Group incurred loss attributable to owners of the Company of approximately RMB2,766,425,000 for the year ended 31 December 2019 and the Group has net current liabilities and net liabilities of approximately RMB8,580,327,000 and RMB3,680,188,000 as at 31 December 2019 respectively. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to complete the restructuring. We consider that the disclosures are adequate. However, in view of the extent of the uncertainties relating to the completion of the restructuring, we disclaim our opinion in respect of the material uncertainties relating to the going concern basis.

9. Contingent liabilities

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of contingent liabilities arising from litigations as at 31 December 2019 and 2018.

Any adjustments to the figures as described from points 1 to 9 above might have a significant consequential effect on the Group's results and cash flows for the years ended 31 December 2019 and 2018 and the financial positions of the Group as at 31 December 2019 and 2018, and the related disclosures thereof in the consolidated financial statements.

綜合財務報表審計報告 (續)

無法表示意見之基礎 (續)

8. 持續經營

謹請垂注綜合財務報表附註3，該附註提及 貴集團截至二零一九年十二月三十一日止年度產生 貴公司擁有人應佔虧損約人民幣2,766,425,000元及於二零一九年十二月三十一日 貴集團之流動負債淨額及負債淨額分別約為人民幣8,580,327,000元及人民幣3,680,188,000元。該等狀況顯示存在重大不明朗因素而可能對 貴集團的持續經營能力構成重大疑問。綜合財務報表已按持續經營基準編製，並假設 貴公司建議重組將順利完成，及於重組後， 貴集團將繼續完成其在可預見未來到期的財務責任。綜合財務報表並不包括任何可能因重組無法完成而導致的任何調整。我們認為該等披露屬充分。然而，鑒於與完成重組有關的不明朗因素的程度，我們拒絕就與持續經營基準有關的重大不明朗因素發表意見。

9. 或然負債

我們並無獲提供充分證據令我們信納關於於二零一九年及二零一八年十二月三十一日之因訴訟產生的或然負債披露之存在性及完整性。

上述第1至第9項所述之任何數據調整可能對 貴集團截至二零一九年及二零一八年十二月三十一日止年度之業績及現金流量及 貴集團於二零一九年及二零一八年十二月三十一日之財務狀況，以及綜合財務報表之有關披露造成相應重大影響。

Independent Auditor's Report (Continued) 獨立核數師報告 (續)

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Pang Hon Chung

Audit Engagement Director

Practising Certificate Number P05988

Hong Kong, 18 August 2020

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據國際會計準則理事會頒佈之國際財務報告準則及香港公司條例之披露規定，真實而公平地列報該等綜合財務報表，及負責進行董事認為對編製綜合財務報表屬必要之有關內部控制，以使該等綜合財務報表不存在由於欺詐或錯誤導致重大錯誤陳述。

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

核數師之責任

我們的責任乃根據香港會計師公會頒佈之香港審計準則對 貴集團之綜合財務報表進行審計並出具核數師報告。然而，由於本報告「無法表示意見之基礎」一節所述之事宜，我們無法取得充分及適當之審計憑證作為就該等綜合財務報表作出審計意見之基準。

根據香港會計師公會頒佈之專業會計師道德守則(「守則」)，我們獨立於 貴集團，並已履行守則中之其他道德責任。

中匯安達會計師事務所有限公司

執業會計師

彭漢忠

審計項目董事

執業證書編號 P05988

香港，二零二零年八月十八日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue	收入	9	1,046,319	3,100,926
Cost of sales	銷售成本		(692,355)	(2,199,900)
Gross profit	毛利		353,964	901,026
Other income	其他收益	10	72,238	41,872
Distribution and selling expenses	分銷及銷售開支		(120,577)	(223,964)
Administrative expenses	管理費用		(315,528)	(406,847)
Change in fair value of investment properties	投資物業公平值變動		(1,941,389)	(877,235)
Change in investment at fair value through profit or loss	按公平值計入損益之投資變動		(706,037)	(69,962)
Impairment loss on various assets	各項資產之減值虧損		–	(1,789,951)
Loss on disposal of subsidiaries	出售附屬公司之虧損		–	(424,554)
Share of result of associates	應佔聯營公司業績		(183,287)	(62,619)
Finance costs	融資成本	12	(694,881)	(1,019,692)
Loss before tax	稅前虧損		(3,535,497)	(3,931,926)
Income tax credit/(expenses)	所得稅抵免/(開支)	13	418,696	(307,602)
Loss for the year	年內虧損	14	(3,116,801)	(4,239,528)
Total comprehensive loss for the year	年內全面虧損總額		(3,116,801)	(4,239,528)
Loss for the year attributable to:	以下各方應佔年內虧損：			
Owners of the Company	本公司擁有人		(2,766,425)	(4,215,744)
Non-controlling interests	非控股權益		(350,376)	(23,784)
			(3,116,801)	(4,239,528)
Total comprehensive loss for the year attributable to:	以下各方應佔年內全面虧損總額：			
Owners of the Company	本公司擁有人		(2,766,425)	(4,215,744)
Non-controlling interests	非控股權益		(350,376)	(23,784)
			(3,116,801)	(4,239,528)
Loss per share	每股虧損	17	RMB cents 人民幣分	RMB cents 人民幣分
Basic and diluted	基本及攤薄		(55.44)	(84.48)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

			At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元
		Notes 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	139,194	147,085
Investment properties	投資物業	19	5,043,800	7,501,600
Right-of-use assets	使用權資產	23	2,212	–
Intangible assets	無形資產		833	1,301
Investments in associates	於聯營公司的投資	22	135,784	319,071
Investments in a joint venture	於一間合資公司的投資	21	87,126	87,126
Investments at fair value through profit or loss	按公平值計入損益之投資	24	14,626	11,626
Long-term deferred expenses	長期遞延開支		262	661
			5,423,837	8,068,470
Current assets	流動資產			
Inventories	存貨		164	114
Properties for sale under development	發展中待售物業	25	2,088,439	2,510,955
Properties held for sale	待售物業	26	4,109,744	4,235,808
Trade receivables	貿易應收款項	27	87,750	88,427
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	28	2,160,427	1,891,701
Prepaid land lease payments	預付土地租賃款項	20	327,851	350,321
Investments at fair value through profit or loss	按公平值計入損益之投資	24	708,815	1,427,071
Restricted bank balances	受限制銀行結餘	29	89,588	130,807
Pledged deposits	已抵押存款	29	49,690	150,998
Bank and cash balances	銀行及現金結餘	29	282,733	250,885
			9,905,201	11,037,087
Current liabilities	流動負債			
Trade and bills payables	貿易應付款項及應付票據	30	2,595,916	2,837,865
Contract liabilities	合約負債	32	3,044,888	3,223,044
Accruals and other payables	應計費用及其他應付款項	31	3,347,792	2,879,106
Lease liabilities	租賃負債	23	1,579	–
Borrowings	借貸	33	2,684,887	2,472,558
Convertible notes	可換股票據	34	518,335	423,141
Senior notes	優先票據	35	2,107,860	2,082,930
Corporate bonds	公司債券	36	3,401,010	2,048,692
Current tax liabilities	即期稅項負債		783,261	865,463
			18,485,528	16,832,799

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表 (續)

At 31 December 2019 於二零一九年十二月三十一日

			At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元
		Notes 附註		
Net current liabilities	流動負債淨額		(8,580,327)	(5,795,712)
Total assets less current liabilities	資產總值減流動負債		(3,156,490)	2,272,758
Non-current liabilities	非流動負債			
Borrowings	借貸	33	498,685	1,224,902
Corporate bonds	公司債券	36	-	1,139,956
Deferred tax liabilities	遞延稅項負債	38	24,329	471,287
Lease liabilities	租賃負債	23	684	-
			523,698	2,836,145
NET LIABILITIES	負債淨額		(3,680,188)	(563,387)
Capital and reserves	股本及儲備			
Share capital	股本	39	313,354	313,354
Reserves	儲備	40	(4,042,285)	(1,275,860)
Equity attributable to owners of the Company	本公司擁有人應佔權益		(3,728,931)	(962,506)
Non-controlling interests	非控股權益		48,743	399,119
TOTAL EQUITY	權益總額		(3,680,188)	(563,387)

The consolidated financial statements on pages 72 to 207 were approved and authorised for issue by the board of directors on 18 August 2020 and are signed on its behalf by:

第72至207頁之綜合財務報表已於二零二零年八月十八日獲董事會批准及授權刊發並由以下人士代表簽署：

Shen Xiaowei

沈曉偉

Director

董事

Zhou Chen

周晨

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital	Share premium	Capital reserve	Statutory reserve funds	Property revaluation reserve	(Accumulated losses)/ retained profits	Total	Non-controlling interests	Total
		股本	股份溢價	資本儲備	法定儲備基金	物業重估儲備	(累計虧損)/ 保留利潤	總計	非控股權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	313,354	1,299,010	86,371	396,809	121,414	1,032,453	3,249,411	536,486	3,785,897
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	-	(4,215,744)	(4,215,744)	(23,784)	(4,239,528)
Capital contribution from non-controlling equity holders of subsidiaries	一 附屬公司非控股權益持有人注資	-	-	-	-	-	-	-	8,000	8,000
Purchase of non-controlling interests	一 購買非控股權益	-	-	-	-	-	3,827	3,827	(8,973)	(5,146)
Disposal of subsidiaries	出售附屬公司	-	-	-	(51,013)	-	51,013	-	(112,610)	(112,610)
Appropriations to statutory surplus reserve	提取法定盈餘儲備	-	-	-	7,938	-	(7,938)	-	-	-
At 31 December 2018	於二零一八年十二月三十一日	313,354	1,299,010	86,371	353,734	121,414	(3,136,389)	(962,506)	399,119	(563,387)
At 1 January 2019	於二零一九年一月一日	313,354	1,299,010	86,371	353,734	121,414	(3,136,389)	(962,506)	399,119	(563,387)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	-	(2,766,425)	(2,766,425)	(350,376)	(3,116,801)
At 31 December 2019	於二零一九年十二月三十一日	313,354	1,299,010	86,371	353,734	121,414	(5,902,814)	(3,728,931)	48,743	(3,680,188)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash flows from operating activities	經營活動所得現金流量		
Loss before income tax	所得稅前虧損	(3,535,497)	(3,931,926)
Adjustments for:	調整：		
Finance costs	融資成本	694,881	1,019,692
Share of results of associates	應佔聯營公司業績	183,287	62,619
Interest income	利息收益	(4,074)	(5,233)
Depreciation	折舊	9,301	8,466
Amortisation of intangible assets	無形資產攤銷	468	468
Amortisation of long-term deferred expenses	長期遞延開支攤銷	399	610
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之收入	641	162
Loss on disposal of subsidiaries	出售附屬公司之虧損	956	424,554
Fair value change of investments at fair value through profit or loss	按公平值計入損益之投資之公平值變動	706,037	69,962
Change in fair value of investment properties	投資物業公平值變動	1,941,389	877,235
Impairment loss on various assets	各項資產之減值虧損	-	1,789,951
Operating cash flows before working capital changes	營運資金變動前之經營現金流量	(2,212)	316,560
Change in inventories	存貨之變動	(50)	365
Change in properties for sale under development and held for sale	發展中待售及待售物業之變動	725,065	(783,286)
Change in trade receivables	貿易應收款項之變動	677	6,179
Change in prepayments, deposits and other receivables	預付款項、按金及其他應收款項之變動	(260,725)	(925,840)
Change in investment properties	投資物業之變動	66,752	1,512
Change in restricted bank balances	受限制銀行結餘之變動	41,219	(34,495)
Change in trade and bills payables	貿易應付款項及應付票據之變動	(241,949)	430,223
Change in other payables and accruals	其他應付款項及應計費用之變動	350,807	1,763,278
Change in contract liabilities	合約負債之變動	(178,156)	553,010
Cash generated from operations	經營活動所得現金	501,428	1,327,506
Tax paid	已付稅項	(110,464)	(226,980)
Net cash generated from operating activities	經營活動所得現金淨額	390,964	1,100,526

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表 (續)

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

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash flows from investing activities	投資活動所得現金流量		
Disposal of subsidiaries	出售附屬公司	–	(173,029)
Deemed disposal of subsidiaries	視作出售附屬公司	–	(38,116)
Purchase of property, plant and equipment	購置物業、廠房及設備	(2,051)	(813)
Purchase of intangible assets	購買無形資產	–	(1,146)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	–	20,720
Purchase of investment at fair value through profit or loss	購買按公平值計入損益之投資	(7,000)	–
Proceeds from disposal of investment at fair value through profit or loss	出售按公平值計入損益之投資所得款項	8,218	50,000
Interest received	已收利息	4,074	5,233
Changes in pledged deposits	已抵押存款之變動	101,308	137,434
Net cash generated from investing activities	投資活動所得現金淨額	104,549	283
Cash flows from financing activities	融資活動所得現金流量		
Repayment of corporate bonds	償還公司債券	(32,288)	–
Repayment of convertible notes	償還可換股票據	–	(179,664)
Proceeds from borrowings	借貸所得款項	18,800	469,771
Repayment of borrowings	償還借貸	(169,320)	(1,174,263)
Repayment of lease liabilities	償還租賃負債	(1,643)	–
Interest paid	已付利息	(311,182)	(437,081)
Net cash used in financing activities	融資活動所用現金淨額	(495,633)	(1,321,237)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(120)	(220,428)
Cash and cash equivalents at beginning of year	年初現金及現金等價物	250,885	363,494
Effect of changes in foreign exchange rate	匯率變動影響	31,968	107,819
Cash and cash equivalents at end of year	年末現金及現金等價物	282,733	250,885
Analysis of cash and cash equivalents	現金及現金等價物分析		
Bank and cash balances	銀行及現金結餘	282,733	250,885

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The address of its head office and principal place of business is located at Unit 5105, 51/F, The Center, 99 Queen's Road Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and have been suspended for trading shares since 3 September 2018.

The Company is an investment holding company. During the year, the Group, comprising the Company and its subsidiaries, was principally involved in property development, property investment and the provision of property management services in the People's Republic of China (the "PRC").

2. BASIS OF PREPARATION

On 4 July 2018, the Company announced among other things that (i) an event of default had occurred and was continuing under the indenture agreement dated 26 September 2013 for the issuance of the US\$300,000,000 13.75% Senior Notes Due 2018 (the "Notes"), (ii) the Group has defaulted on principal repayments of certain loans and received notices from its creditors demanding early repayment or declaring certain loans to be immediately due and payable, and (iii) certain creditors had initiated litigations against the Company and/or its subsidiaries in the PRC.

On 10 August 2018, it was further announced that the Group had been experiencing going concern issues as it was not in a position to settle those of its financial liabilities which have fallen due.

1. 一般資料

本公司在開曼群島註冊成立為一家獲豁免有限責任公司。其總部地址及主要營業地點位於香港皇后大道中99號中環中心51樓5105室。本公司股份在香港聯合交易所有限公司（「聯交所」）主板上市並自二零一八年九月三日起暫停買賣股份。

本公司為一家投資控股公司。年內，本集團（包括本公司及其附屬公司）主要於中華人民共和國（「中國」）從事物業發展、物業投資及提供物業管理服務。

2. 編製基準

於二零一八年七月四日，本公司宣佈（其中包括）(i)根據日期為二零一三年九月二十六日有關發行二零一八年到期本金額300,000,000美元13.75%優先票據（「票據」）的契約協議，一項違約事件已發生並持續進行，(ii)本集團已拖欠償還若干貸款之本金額，並接獲其債權人要求提早還款或宣佈若干貸款即時到期並須償還的通知書，及(iii)若干債權人針對本公司及／或其附屬公司於中國提出訴訟。

於二零一八年八月十日，本集團進一步宣佈因無法結清其已逾期財務負債，本集團正面臨持續經營的問題。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

2. BASIS OF PREPARATION (Continued)

On 2 September 2018, the Company announced that the publication of the interim results for the six months period ended 30 June 2018, and the despatch of the corresponding interim report would be delayed. On 3 September 2018, trading in the shares of the Company on the Stock Exchange was suspended at the request of the Company.

On 17 September 2018, the Company announced that it has formed a special investigation committee to investigate certain suspected transfers of equity interest of subsidiaries which had not been approved by the board of directors of the Company (the "Board") (the "Suspected Unapproved Transfers"). Subsequently, an independent advisor was engaged to perform an independent review into the Suspected Unapproved Transfers.

By way of letters dated 13 November 2018 and 16 October 2019, the Stock Exchange imposed the following Resumption Guidance for the Company:

- (i) Publish all outstanding financial results and address any audit modifications;
- (ii) Conduct an appropriate investigation into the Suspected Unapproved Transfers, announce findings and take appropriate remedial actions;
- (iii) Demonstrate its compliance with Rule 13.24 of the Listing Rules;
- (iv) Inform the market of all material information for shareholders and investors to appraise the Company's position;
- (v) Demonstrate the Company has in place adequate internal controls and procedures to comply with the Listing Rules;

2. 編製基準(續)

於二零一八年九月二日，本公司宣佈將延遲刊發截至二零一八年六月三十日止六個月期間的中期業績，及寄發有關中期報告。於二零一八年九月三日，應本公司要求，本公司股份於聯交所暫停買賣。

於二零一八年九月十七日，本公司宣佈成立特別調查委員會，以調查未經本公司董事會(「董事會」)批准之若干疑屬附屬公司股權轉讓事宜(「疑屬未經批准轉讓」)。其後，本公司已委聘獨立顧問就疑屬未經批准轉讓展開獨立審閱。

透過日期為二零一八年十一月十三日及二零一九年十月十六日之函件，聯交所向本公司施加下列復牌指引：

- (i) 刊發所有未刊發財務業績及處理任何審核修訂；
- (ii) 就疑屬未經批准轉讓進行適當調查，公佈調查結果及採取適當補救行動；
- (iii) 證明其已遵守上市規則第13.24條；
- (iv) 知會市場所有重大資料，以供股東及投資者評估本公司之狀況；
- (v) 證明本公司設有充足內部監控及程序以遵守上市規則；

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

2. BASIS OF PREPARATION (Continued)

- (vi) Demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which will pose a risk to investors and damage market confidence; and
- (vii) Demonstrate that all directors of the Company meet a standard of competence commensurate with their position as directors of a listed issuer to fulfil duties of skill, care and diligence as required under Rules 3.08 and 3.09 of the Listing Rules.

On 5 December 2019, due to a pending litigation with 無錫五洲國際裝飾城有限公司 (Wuxi Wuzhou International Ornamental City Co., Ltd), a subsidiary of the Company, the accounting books and records of the subsidiary has been held in custody by the court under an execution order.

The Company received a letter (the "Letter") from the Stock Exchange on 13 March 2020, the Listing Committee of the Stock Exchange (the "Listing Committee") decided to cancel the Company's listing under listing rules (the "Delisting Decision"). It is indicated in the Letter that, if the Company decides not to request the Delisting Decision be referred to the Listing Review Committee of the Stock Exchange for review pursuant the listing rules, the last day of listing of the shares of the Company would be on 27 March 2020, and the listing of the shares of the Company would be on 30 March 2020.

On 24 March 2020, the Company has submitted a request to the Listing Review Committee for review of the Delisting Decision pursuant to the Listing Rules.

The Company, together with its professional advisors, is taking step to implement the Group's restructuring and is preparing a submission to the Listing Review Committee.

2. 編製基準(續)

- (vi) 證明並無針對管理誠信及／或任何對本公司管理及營運有重大影響力的人士的誠信的合理監管疑問，從而令投資者蒙受風險及破壞市場信心；及
- (vii) 證明本公司全體董事符合上市規則第3.08及3.09條所規定的具備足夠的才幹勝任上市發行人董事職務以履行應有技能、謹慎及勤勉行使責任的標準。

於二零一九年十二月五日，由於本公司之附屬公司無錫五洲國際裝飾城有限公司有一項未決訴訟，根據執行命令，該附屬公司之會計賬簿及記錄由法院保管持有。

於二零二零年三月十三日，本公司接獲聯交所發出的函件(「函件」)，聯交所上市委員會(「上市委員會」)根據上市規則決定取消本公司的上市地位(「除牌決定」)。函件中指出，如本公司決定不根據上市規則請求將除牌決定提呈至聯交所上市覆核委員會覆核，本公司股份的最後上市日期為二零二零年三月二十七日，而本公司股份的上市地位將於二零二零年三月三十日取消。

於二零二零年三月二十四日，本公司根據上市規則向上市覆核委員會提交請求，要求覆核除牌決定。

本公司及其專業顧問正在採取措施進行本集團重組及準備向上市覆核委員會遞交呈請。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

3. GOING CONCERN BASIS

The Group incurred a loss attributable to owners of the Company of RMB2,766,425,000 for the year ended 31 December 2019 and as at 31 December 2019 the Group had net current liabilities and net liabilities of RMB8,580,327,000 and RMB3,680,188,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements have been prepared on a going concern basis on the basis that the restructuring of the Group will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligation as they fall due in the foreseeable future.

The directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. 持續經營基礎

本集團截至二零一九年十二月三十一日止年度產生本公司擁有人應佔虧損人民幣2,766,425,000元，而於二零一九年十二月三十一日，本集團擁有流動負債淨額及負債淨額分別為人民幣8,580,327,000元及人民幣3,680,188,000元。該等狀況顯示存在重大不明因素而可能對本集團的持續經營能力構成重大疑問。因此，本集團可能無法在正常業務過程中將其資產變現並解除其負債。

綜合財務報表已按持續經營基礎編製，基於本集團將順利完成重組，且於重組後，本集團將於可見將來繼續悉數履行其已到期財務責任。

因此，董事認為財務報表按持續經營基礎編製屬適當。倘本集團無法繼續持續經營，須對綜合財務報表作出調整，以將本集團資產價值調整為其可收回金額、就可能產生的任何進一步負債計提撥備及分別將非流動資產及負債重新分類為流動資產及負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

4. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") that are relevant to its operations and effective for its accounting year beginning on 1 January 2019. IFRSs comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years except as stated below.

A. IFRS 16 "Leases"

The Group has first adopted IFRS 16 "Lease" from 1 January 2019, but has not restated comparatives figures for the year ended 31 December 2018, as permitted under the specific transitional provisions in the standard. The Group has elected to apply the modified retrospective approach for the application IFRS 16 as lessee and will recognize the right-of-use assets at the date of initial application equal to the lease liability, adjusted by the amount of related prepaid or accrued lease payments recognised in the consolidated statement of financial position immediately before the date of initial application.

4. 應用新訂及經修訂的國際財務報告準則

於本年度，本集團已採納所有與其業務有關並於二零一九年一月一日開始的會計年度生效的新訂及經修訂國際財務報告準則(「國際財務報告準則」)。國際財務報告準則包括國際財務報告準則(「國際財務報告準則」)、國際會計準則(「國際會計準則」)及詮釋。除下文所述外，採納此等新訂及經修訂國際財務報告準則並無導致本集團的會計政策、本集團財務報表的呈列以及本年度及過往年度所呈報的數額發生重大變動。

A. 國際財務報告準則第16號「租賃」

本集團自二零一九年一月一日首次採納國際財務報告準則第16號「租賃」，惟由於準則內特定過渡條文許可，並無重列截至二零一八年十二月三十一日止年度之比較數字。本集團作為承租人選擇就應用國際財務報告準則第16號應用經修訂追溯法，並將於首次應用日期確認使用權資產相等於租賃負債，於緊接首次應用日期前之綜合財務狀況表確認之相關預付或應計租賃款項金額予以調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

4. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

A. IFRS 16 "Leases" (Continued)

(a) Adjustments recognised on adoption of HKFRS 16 "Leases"

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.645%.

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

- (i) the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (ii) reliance on previous assessments on whether leases are onerous;
- (iii) the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- (iv) the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

4. 應用新訂及經修訂的國際財務報告準則 (續)

A. 國際財務報告準則第16號「租賃」(續)

(a) 採納香港財務報告準則第16號「租賃」時確認之調整

於採納國際財務報告準則第16號時，本集團就先前根據國際會計準則第17號租賃的原則分類為「經營租賃」的租賃確認租賃負債。該等負債按租賃付款餘額的現值計量，並使用截至二零一九年一月一日的承租人增量借款利率進行貼現。於二零一九年一月一日租賃負債適用的承租人加權平均增量借款利率為5.645%。

於首次採納香港財務報告準則第16號時，本集團已採用該準則所允許的以下實務簡易處理方法：

- (i) 對具有合理相似特徵的租賃組合使用單一貼現率；
- (ii) 倚賴前期評估租賃是否繁重；
- (iii) 在首次應用日期扣除初始直接成本以計量使用權資產；及
- (iv) 當合約包含續租或終止租約的選擇權，以事後分析結果確定租期。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

4. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

A. IFRS 16 "Leases" (Continued)

(a) Adjustments recognised on adoption of HKFRS 16 "Leases" (Continued)

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 "Determining whether an Arrangement contains a Lease".

As a lessee, the Group's leases are mainly rentals of offices. The right-of-use assets were measured at the amount equal to the lease liability and there were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

4. 應用新訂及經修訂的國際財務報告準則 (續)

A. 國際財務報告準則第16號「租賃」(續)

(a) 採納香港財務報告準則第16號「租賃」時確認之調整 (續)

本集團亦已選擇不重新評估合約在首次應用日期是否或包含租賃。相反，對於在過渡日期之前訂立的合約，本集團依據其應用國際會計準則第17號及國際財務報告詮釋委員會詮釋第4號「釐定安排是否包括租賃」作出的評估。

作為承租人，本集團之租賃主要為辦公室租賃。使用權資產按等同於租賃負債的金額計量，且概無繁重租賃合約需要在首次應用日期對使用權資產進行調整。下表呈列就各個單獨項目確認的調整。並未計入變動的項目並未受到影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

4. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

A. IFRS 16 "Leases" (Continued)

(a) Adjustments recognised on adoption of HKFRS 16 "Leases" (Continued)

At 1 January 2019:	於二零一九年一月一日：	RMB'000 人民幣千元
Increase in lease liabilities	租賃負債增加	3,707
Increase in right-of-use assets	使用權資產增加	3,707
The reconciliation of operation lease commitment to lease liabilities	經營租賃承擔與租賃負債之對賬	RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露之經營租賃承擔	3,969
Less:	減：	
Commitments relating to leases with a remaining lease term ending on or before 31 December 2019	與剩餘租期截至二零一九年十二月三十一日或之前之租賃有關之承擔	(13)
Discounting of 5.645%	按5.645%貼現	(249)
Lease liabilities discounted at relevant incremental borrowing rates at 1 January 2019	按於二零一九年一月一日之相關增量借貸利率貼現之租賃負債	3,707
Analysed as:	分析為：	
Current	流動	1,484
Non-current	非流動	2,223
		3,707

The Group has not applied the new IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new IFRSs but is not yet in a position to state whether these new IFRSs would have a material impact on its results of operations and financial position.

4. 應用新訂及經修訂的國際財務報告準則 (續)

A. 國際財務報告準則第16號「租賃」(續)

(a) 採納香港財務報告準則第16號「租賃」時確認之調整 (續)

本集團尚未應用已頒佈但未生效的新訂國際財務報告準則。本集團已開始評估該等新訂國際財務報告準則的影響，惟仍未能表明該等新訂國際財務報告準則會否對其經營業績及財務狀況造成重大影響。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with IFRSs, and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by investment properties and certain investments, which are carried at their fair values, as explained in the accounting policies set out below. These consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of consolidated financial statements in conformity with IFRSs requires the use of key assumptions and estimates. It also requires management to exercise its judgments in the process of applying the accounting policies. The areas involving critical judgments and areas where assumptions and estimates are significant to these consolidated financial statements are disclosed in Note 5 to the consolidated financial statements.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

5. 重大會計政策

該等綜合財務報表已根據國際財務報告準則、聯交所證券上市規則及香港公司條例的適用披露規定編製。

如下文會計政策所述，該等綜合財務報表已根據歷史成本慣例編製，惟就投資物業及若干投資作出修訂並按其公平值入賬。該等綜合財務報表以人民幣(「人民幣」)列值，除另有指明外，所有數值均約整至最接近的千位。

編製符合國際財務報告準則的綜合財務報表須採用主要假設及估計，亦要求管理層於應用該等會計政策的過程中行使其判斷。涉及重大判斷之範疇及對該等綜合財務報表屬重大之假設及估計之範疇於綜合財務報表附註5披露。

於編製該等綜合財務報表時應用之重大會計政策載於下文。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

5. 重大會計政策(續)

綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。附屬公司指本集團擁有控制權之實體。當本集團因參與實體業務而承擔可變回報之風險或享有可變回報之權利，且能夠透過其對實體之權力影響該等回報時，則本集團控制該實體。當本集團之現有權利使其能夠於現時掌控相關業務(即對實體回報產生重大影響之業務)時，則本集團對該實體行使權力。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有之潛在投票權，以釐定其是否擁有控制權。潛在投票權僅於其持有人能夠實際行使該權利之情況下方會予以考慮。

附屬公司自其控制權轉移至本集團當日起綜合入賬，並自控制權終止當日起不再綜合入賬。

出售一家附屬公司(導致失去控制權)之收益或虧損指(i)出售代價的公平值連同於該附屬公司任何保留投資的公平值與(ii)本公司應佔該附屬公司資產淨值連同與該附屬公司有關之任何剩餘商譽以及任何相關累計外幣換算儲備兩者間差額。

集團內部交易、結餘及未變現利潤均予以對銷。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已於有需要時作出變動，以確保與本集團所採納之政策貫徹一致。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Consolidation (Continued)

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

5. 重大會計政策(續)

綜合賬目(續)

非控股權益是指並非由本公司直接或間接擁有的附屬公司權益。非控股權益在綜合財務狀況表及綜合權益變動表的權益項目中列示。非控股權益在綜合損益及其他全面收益表呈列為本公司非控股股東及擁有人之間之年度損益及全面收益總額分配。

損益及其他全面收益的各項目歸屬予本公司擁有人及非控股股東，即使導致非控股權益出現虧絀結餘。

本公司於附屬公司之所有權權益之變動(不會導致失去控制權)作為權益交易(即與擁有人(以彼等之擁有人身份)進行之交易)入賬。控股及非控股權益之賬面值經調整以反映其於附屬公司相關權益之變動。非控股權益被調整之金額與已付或已收代價公平值之間之任何差額須直接於權益內確認並歸屬於本公司擁有人。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, equity investments at fair value through other comprehensive income), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

5. 重大會計政策(續)

業務合併及商譽

收購法用於將業務合併中的收購附屬公司入賬。收購成本乃按所獲資產收購日期之公平值、所發行之股本工具、所產生之負債以及或然代價計量。收購相關成本於有關成本產生及接獲服務期間確認為開支。於收購時，附屬公司之可識別資產及負債均按其於收購日期之公平值計量。

收購成本超出本公司應佔附屬公司可識別資產及負債之公平淨值之差額乃列作商譽。本公司應佔可識別資產及負債之公平淨值超出收購成本之差額乃於綜合損益內確認為本公司應佔議價收購之收益。

對於分段進行之業務合併，先前已持有之附屬公司之股權乃按其於收購日期之公平值重新計量，而由此產生之損益於綜合損益內確認。公平值會加入至收購成本以計算商譽。

倘先前已持有之附屬公司之股權之價值變動已於其他全面收益內確認(例如按公平值於其他全面收益列賬的股本投資)，則於其他全面收益確認之金額乃按在先前已持有之股權被出售的情況下所需之相同基準確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combination and goodwill (Continued)

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

5. 重大會計政策 (續)

業務合併及商譽 (續)

商譽會每年進行減值測試或當事件或情況改變顯示可能減值時則更頻繁地進行減值測試。商譽乃按成本減累計減值虧損計量。商譽減值虧損之計量方法與下文會計政策內所述之其他資產之計量方法相同。商譽之減值虧損於綜合損益內確認，且隨後不予撥回。就減值測試而言，商譽會被分配至預期因收購之協同效益而受惠之現金產生單位。

於附屬公司之非控股權益初步按非控股股東應佔該附屬公司於收購當日之可識別資產及負債之公平淨值比例計算。

聯營公司

聯營公司為本集團對其有重大影響力之實體。重大影響力指參與實體財務及營運決策之權力，而非控制或共同控制該等政策之制定。在評估本集團是否擁有重大影響力時，會一併考慮所持有的現時可行使或可轉換之潛在投票權（包括其他實體持有之潛在投票權）的存在及影響。於評估潛在投票權是否產生重大影響力時，不會考慮持有人行使或轉換該權利之意向及財政能力。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Associates (Continued)

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

5. 重大會計政策(續)

聯營公司(續)

於一家聯營公司的投資按權益法於綜合財務報表內列賬，最初按成本確認。所收購聯營公司的可識別資產及負債按收購日期的公平值計量。收購成本超出本集團應佔聯營公司可識別資產及負債公平淨值的數額作為商譽入賬。商譽列入投資的賬面值，並於出現客觀憑證顯示該項投資已減值時於各報告期末與該項投資一併接受減值測試。本集團應佔可識別資產及負債公平淨值超出收購成本的差額於綜合損益內確認。

本集團應佔聯營公司的收購後利潤或虧損於綜合損益確認，而其應佔收購後儲備變動則於綜合儲備內確認。收購後之累計變動於投資之賬面值作出調整。倘本集團應佔聯營公司虧損相等於或多於其於聯營公司之權益(包括任何其他無抵押應收款)，則本集團不進一步確認虧損，除非本集團已產生責任或代聯營公司付款。倘聯營公司其後錄得利潤，則本集團僅於其應佔利潤相等於其應佔未確認之虧損後，方會恢復確認其應佔之該等利潤。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Associates (Continued)

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

5. 重大會計政策(續)

聯營公司(續)

出售一家聯營公司(導致失去重大影響力)之收益或虧損指(i)出售代價的公平值連同於該聯營公司任何保留投資的公平值與(ii)本集團應佔該聯營公司資產淨值連同與該聯營公司有關之任何剩餘商譽以及任何相關累計外幣換算儲備兩者間差額。倘於聯營公司的投資變成於合資公司的投資,本集團會繼續應用權益法且不會重新計量保留權益。

對銷本集團與其聯營公司間交易之未變現利潤乃以本集團於聯營公司之權益為限。除非交易提供憑證顯示所轉讓資產出現減值,否則未變現虧損亦予以對銷。聯營公司之會計政策已於有需要時作出變動,以確保與本集團所採納之政策貫徹一致。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities are activities that significantly affect the returns of the arrangement. When assessing joint control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has joint control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

5. 重大會計政策(續)

合營安排

合營安排是由兩方或以上擁有共同控制的安排。共同控制權乃經合約同意一項安排的控制權分享，共同控制權僅於分享控制權各方一致同意有關相關活動的決策時存在。相關活動是指對安排之回報有重大影響之活動。在評估共同控制權以釐定其是否有共同控制權時，本集團會考慮其潛在投票權以及其他人士持有的潛在投票權。在持有人能實際行使潛在投票權的情況下，方會考慮其權利。

合營安排可指合營業務或合資公司。合營業務乃為擁有該安排共同控制權之各訂約方有權享有與該安排有關之資產，及就負債承擔責任之合營安排。合資公司為擁有該安排共同控制權之各訂約方有權享有該安排之資產淨值之合營安排。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Joint arrangements (Continued)

In relation to its interest in a joint operation, the Group recognises in its consolidated financial statements, its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly, in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

Investment in a joint venture is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the joint venture in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

5. 重大會計政策(續)

合營安排(續)

就本集團於合營業務之權益而言，本集團在綜合財務報表中，按照國際財務報告準則適用於特定資產、負債、收入及開支的規定，確認其資產(包括其應佔共同持有之任何資產)、其負債(包括其應佔共同產生之任何負債)、銷售其應佔合營業務之出產所得收入、其應佔銷售合營業務之出產所得收入以及其開支(包括其應佔共同產生之任何開支)。

於一家合資公司的投資按權益法於綜合財務報表內列賬，最初按成本確認。所收購合資公司的可識別資產及負債按收購日期的公平值計量。收購成本超出本集團應佔合資公司可識別資產及負債公平淨值的數額作為商譽入賬。商譽列入投資的賬面值，並於出現客觀憑證顯示該項投資已減值時於各報告期末與該項投資一併接受減值測試。本集團應佔可識別資產及負債公平淨值超出收購成本的差額於綜合損益內確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Joint arrangements (Continued)

The Group's share of a joint venture's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of a joint venture that results in a loss of joint control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that joint venture and (ii) the Group's share of the net assets of that joint venture plus any remaining goodwill relating to that joint venture and any related accumulated foreign currency translation reserve. If an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

5. 重大會計政策(續)

合營安排(續)

本集團應佔合資公司的收購後利潤或虧損於綜合損益確認，而其應佔收購後儲備變動則於綜合儲備內確認。收購後之累計變動於投資之賬面值作出調整。倘本集團應佔合資公司虧損相等於或多於其於合資公司之權益(包括任何其他無抵押應收款)，則本集團不進一步確認虧損，除非本集團已產生責任或代合資公司付款。倘合資公司其後錄得利潤，則本集團僅於其應佔利潤相等於其應佔未確認之虧損後，方會恢復確認其應佔之該等利潤。

出售一家合資公司(導致失去共同控制權)之收益或虧損指(i)出售代價的公平值連同於該合資公司任何保留投資的公平值與(ii)本集團應佔該合資公司資產淨值連同與該合資公司有關之任何剩餘商譽以及任何相關累計外幣換算儲備兩者間差額。倘於合資公司的投資變成於聯營公司的投資，本集團會繼續應用權益法且不會重新計量保留權益。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Joint arrangements (Continued)

Unrealised profits on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi, which is the Company's functional and presentation currency.

5. 重大會計政策(續)

合營安排(續)

對銷本集團與其合資公司間交易之未變現利潤乃以本集團於合資公司之權益為限。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。合資公司之會計政策已於有需要時作出變動，以確保與本集團所採納之政策貫徹一致。

外幣換算

(a) 功能及呈報貨幣

本集團旗下各實體的財務報表內的項目均以該實體營運所在的主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表以人民幣呈報，人民幣為本公司之功能及呈報貨幣。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currency translation (Continued)

(b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

5. 重大會計政策(續)

外幣換算(續)

(b) 各實體財務報表內之交易及結餘

外幣交易於首次確認時按交易當日之匯率換算為功能貨幣。以外幣計值之貨幣資產及負債按各報告期末之匯率予以換算。因此換算政策所產生之收益及虧損於損益內確認。

以公平值計量及外幣計值的非貨幣項目按釐定公平值當日之匯率換算。

倘非貨幣項目之收益或虧損於其他全面收益內確認，則該收益或虧損之匯兌部分亦於其他全面收益內確認。倘非貨幣項目之收益或虧損於損益內確認，則該收益或虧損之匯兌任何部分亦於損益內確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currency translation (Continued)

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

5. 重大會計政策(續)

外幣換算(續)

(c) 綜合賬目的換算

所有本集團實體的業績及財務狀況的功能貨幣如有別於本公司的呈列貨幣，均按以下方式換算為本公司的呈列貨幣：

- 於各財務狀況表呈列的資產及負債乃按有關財務狀況表日期的收市匯率換算；
- 收支乃按平均匯率換算(除非該平均匯率並非在有關交易當日通行匯率累積影響的合理估計內，在該情況下，收支按有關交易當日的匯率換算)；及
- 所有因此而產生的匯兌差額均於外幣匯兌儲備內確認。

於綜合賬目時，因換算於海外實體投資淨額及借款而產生的匯兌差額，均於外幣匯兌儲備內確認。當出售海外業務時，有關匯兌差額於綜合損益表中確認為出售的部分損益。

購入海外實體所產生的商譽及公平值調整，乃作為該海外實體的資產及負債處理，並按收市匯率換算。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment

Buildings comprise mainly offices. Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Buildings	2.38%
Plant and Machinery	9.50%–31.67%
Office equipment	19.00%–23.75%
Motor vehicles	19.00%–31.67%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

5. 重大會計政策(續)

物業、廠房及設備

樓宇主要包括辦公室。物業、廠房及設備按成本減累計折舊及減值虧損列賬。

其後產生之成本僅在與該項目有關之未來經濟利益有可能流入本集團，而該項目之成本能可靠地計量時，方會列入資產之賬面值或另行確認為資產(如適用)。所有其他維修及保養費用於其產生期間在損益內確認。

物業、廠房及設備的折舊乃按足以撇銷其重估金額減剩餘價值的比率，於估計可使用年期內使用直線法計算。主要年率如下：

樓宇	2.38%
廠房及機器	9.50%至31.67%
辦公室設備	19.00%至23.75%
汽車	19.00%至31.67%

於各報告期末均會檢討及調整剩餘價值、可使用年期及折舊方法(如適用)。

在建工程指正在建造之樓宇及廠房以及待安裝之機器，並按成本減減值虧損列賬。當相關資產可供使用時開始折舊。

出售物業、廠房及設備之收益或虧損指出售所得款項淨額與相關資產賬面值之間的差額，並在損益內確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Intangible assets

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

Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value based on valuation by an external independent valuer. Gains or losses arising from changes in fair value of the investment property are recognised in profit or loss for the period in which they arise.

If an investment property becomes owner-occupied or a property held for sale, it is reclassified as property, plant and equipment or properties held for sale as appropriate, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference between the carrying amount and the fair value of this item at the date of transfer is recognised as a revaluation of property, plant and equipment.

5. 重大會計政策(續)

無形資產

單獨取得的無形資產於初始確認時按成本計量。通過業務合併取得的無形資產的成本為收購日期的公平值。無形資產的可使用年期分為有限期或無限期。有限期的無形資產隨後按可使用經濟年期攤銷，並於有跡象顯示無形資產可能出現減值時評估減值。有限可使用年期的無形資產的攤銷期及攤銷方法至少於每個財政年度末檢討一次。

投資物業

投資物業指為賺取租金及／或資本增值而持有之土地及／或樓宇。投資物業初步按其成本(包括該物業所有直接成本)計量。

於初步確認後，投資物業根據外部獨立估值師之估值以公平值列賬。投資物業公平值變動產生之收益或虧損於產生期間在損益內確認。

倘投資物業由擁有人佔用或成為待售物業，則投資物業重新分類為物業、廠房及設備或待售物業(倘適用)，而為進行會計處理，投資物業於重新分類當日之公平值即為成本。

倘物業、廠房及設備項目因用途變更而成為投資物業，則此項目於轉讓日期之賬面值與公平值之任何差額確認為物業、廠房及設備之重估。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investment properties (Continued)

If a property held for sale becomes an investment property, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in profit or loss.

Property that is being constructed or developed for future use as investment property is stated at cost less impairment losses until construction or development is complete, at which time it is stated at fair value. The difference between the fair value and the previous carrying amount is recognised in profit or loss.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

Leases

The Group as lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group.

Right-of-use assets are stated at cost less accumulated depreciation and impairment losses.

Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis.

5. 重大會計政策(續)

投資物業(續)

倘待售物業成為投資物業，則此項目於轉撥日之賬面值與公平值之間產生之任何差額於損益確認。

現正興建或開發供日後用作投資物業之物業按成本減減值虧損列賬，直至完成興建或發展，屆時會按公平值列賬。公平值與先前賬面值間之差額於損益內確認。

出售投資物業之收益或虧損乃出售所得款項淨額與該物業之賬面值兩者之差額，並於損益確認。

租賃

本集團作為承租人

租賃於租賃資產可供本集團使用時確認為使用權資產及相應租賃負債。

使用權資產按成本減累計折舊及減值虧損列賬。

使用權資產於資產可使用年期與租賃期間之較短者內按折舊比率以直線基準計算折舊，以撇銷成本。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

The Group as lessee (Continued)

The principal annual rates are as follows:

Land use rights	2%–5%
Land and buildings	33%–50%

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs.

Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate.

Each lease payment is allocated between the liability and finance cost.

The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms.

Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US\$5,000.

The Group as lessor

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

5. 重大會計政策(續)

租賃(續)

本集團作為承租人(續)

主要折舊年率如下：

土地使用權	2%–5%
土地及樓宇	33%–50%

使用權資產按成本計量，該成本包括租賃負債之初始計量金額、預付租賃款項、初始直接成本及復原成本。

租賃負債包括租賃付款以租賃內含利率(倘該利率可釐定，否則按本集團之增量借款利率)貼現之淨現值。

每項租賃付款均會在負債與融資成本之間分配。

融資成本於租賃期間內於損益扣除，以產生租賃負債結餘的固定週期利率。

與短期租賃及低價值資產租賃相關的付款於租賃期內按直線法在損益內確認為開支。

短期租賃為初始租賃期限為12個月或以下的租賃。低價值資產為價值低於5,000美元的資產。

本集團作為出租人

資產所有權的絕大部分風險及回報並無轉讓予承租人之租賃入賬列為經營租賃。經營租賃的租金收入於相關租賃期內以直線法確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Properties for sale under development

Properties for sale under development are stated at the lower of cost and net realisable value. Costs include acquisition costs, prepaid land lease payments, construction costs, borrowing costs capitalised and other direct costs attributable to such properties. Net realisable value is determined by reference to sale proceeds received after the reporting period less selling expenses, or by estimates based on prevailing market condition. On completion, the properties are reclassified to properties held for sale at the then carrying amount.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Costs of properties include acquisition costs, prepaid land lease payments, construction costs, borrowing costs capitalised and other direct costs attributable to such properties. Net realisable value is determined by reference to sale proceeds received after the reporting period less selling expenses, or by estimates based on prevailing market condition.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

5. 重大會計政策(續)

發展中待售物業

發展中待售物業按成本與可變現淨值兩者之較低者入賬。成本包括收購成本、預付土地租賃款項、建築成本、資本化借貸成本及有關物業應佔其他直接成本。可變現淨值乃參照報告期後收取之銷售所得款項減銷售開支或根據現行市場狀況估計而釐定。於完成後，物業按當時的賬面值重新分類至待售物業。

待售物業

待售物業按成本與可變現淨值兩者之較低者入賬。物業成本包括收購成本、預付土地租賃款項、建築成本、資本化之借款成本及有關物業應佔其他直接成本。可變現淨值乃參考報告期後收取之銷售所得款項減銷售開支或根據現行市場狀況估計而釐定。

存貨

存貨按成本與可變現淨值兩者之較低者入賬。成本按加權平均基準釐定。製成品及在製品之成本包括：原材料、直接人工及所有生產經常性開支之適當部分以及(如適用)分包費用。可變現淨值按日常業務之估計售價減估計完成成本及進行銷售所需估計成本釐定。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

5. 重大會計政策(續)

確認及終止確認金融工具

金融資產及金融負債於本集團成為工具合約條文之訂約方時，於財務狀況表內確認。

倘從資產收取現金流之合約權利已到期；本集團已將其於資產擁有權之絕大部分風險及回報轉移；或本集團並無轉移及保留其於資產擁有權之絕大部分風險及回報但並無保留對資產之控制權，則金融資產將被終止確認。於終止確認金融資產時，資產之賬面值與已收代價及已於其他全面收益確認之累計收益或虧損總和之差額，將於損益內確認。

倘於有關合約之特定責任獲解除、取消或到期，則金融負債將被終止確認。終止確認之金融負債之賬面值與已付代價之差額於損益內確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Recognition and derecognition of financial instruments (Continued)

(a) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified under the following categories:

- Financial assets at amortised; and
- Investments at fair value through profit or loss.

5. 重大會計政策(續)

確認及終止確認金融工具(續)

(a) 金融資產

倘根據合約條款規定須於有關市場所規定交付資產的期限內購入或出售資產，則金融資產按交易日基準確認入賬及終止確認，並按公平值加直接應佔交易成本作初步確認，惟按公平值計入損益之投資則除外。收購按公平值計入損益之投資之直接應佔交易成本即時於損益確認。

本集團將金融資產分類為以下類別：

- 按攤銷成本計量之金融資產；及
- 按公平值計入損益之投資。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Recognition and derecognition of financial instruments (Continued)

(a) Financial assets (Continued)

(i) Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

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

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

(ii) Investments at fair value through profit or loss

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

5. 重大會計政策(續)

確認及終止確認金融工具(續)

(a) 金融資產(續)

(i) 按攤銷成本計量之金融資產

倘金融資產(包括應收賬款及其他應收款項)符合以下條件則歸入此分類:

- 持有資產的業務模式是為收取合約現金流;及
- 資產的合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

該等資產其後使用實際利息法按攤銷成本減預期信貸虧損之虧損撥備計量。

(ii) 按公平值計入損益之投資

倘金融資產不符合以攤銷成本計量之條件以及透過其他全面收益按公平值列賬之債務投資條件,則金融資產分類為此類別,除非本集團於初步確認時指定並非持有作買賣用途的股本投資列作為透過其他全面收益按公平值列賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Recognition and derecognition of financial instruments (Continued)

(a) Financial assets (Continued)

(ii) Investments at fair value through profit or loss (Continued)

Investments at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.

Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("lifetime expected credit losses") for trade receivables, contract assets and lease receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables and contract assets) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

5. 重大會計政策(續)

確認及終止確認金融工具(續)

(a) 金融資產(續)

(ii) 按公平值計入損益之投資(續)

按公平值計入損益之投資其後按公平值計量，而公平值變動產生的任何收益或虧損於損益確認。於損益確認的公平值收益或虧損扣除任何利息收入及股息收入。利息收入及股息收入於損益內確認。

預期信貸虧損之虧損撥備

本集團按攤銷成本確認金融資產之預期信貸虧損之虧損撥備。預期信貸虧損為加權平均信貸虧損，並以發生違約風險的金額作為加權數值。

於各報告期末，本集團就貿易應收款項、合約資產及租賃應收款項按相等於所有可能發生違約事件的預期信貸虧損除以該金融工具的預計存續期(「存續期預期信貸虧損」)的金額，計量金融工具的虧損撥備(倘金融工具的信貸風險自初步確認以來大幅增加)。

倘於報告期末某項金融工具(貿易應收款項及合約資產除外)之信貸風險自初步確認以來並無大幅增加，則本集團會按相等於反映該金融工具可能於報告期間後12個月內發生的違約事件所引致預期信貸虧損的存續期預期信貸虧損部分的金額計量金融工具的虧損撥備。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Loss allowances for expected credit losses

(Continued)

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

5. 重大會計政策 (續)

預期信貸虧損之虧損撥備 (續)

預期信貸虧損金額或將報告期末之虧損撥備調整至所需金額而撥回之金額於損益確認為減值收益或虧損。

現金及現金等價物

就現金流量表而言，現金及現金等價物指銀行及手頭現金、存於銀行及其他金融機構的活期存款以及可隨時兌換為已知金額現金之短期高流動性投資，其價值變動風險不大。應要求償還及構成本集團現金管理一個完整部分的銀行透支亦列入現金及現金等價物之一部分。

金融負債及股本工具

金融負債及股本工具乃根據所訂立合約安排之實質內容，以及國際財務報告準則中金融負債及股本工具之定義予以分類。股本工具為可證明於本集團資產之餘額權益經扣除其所有負債後之任何合約。就特定金融負債及股本工具採納之會計政策載於下文。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Convertible notes

Convertible notes which entitle the holder to convert the notes into equity instruments, other than into a fixed number of equity instruments at a fixed conversion price, are regarded as combined instruments consist of a liability and derivative components.

At the date of issue, the fair values of the derivative components are determined using an option pricing model.

The remainder of the proceeds is allocated to the liability component and is carried as a liability at amortised cost using the effective interest method until extinguished on conversion or redemption.

The derivative components are measured at fair value with gains and losses recognised in profit or loss.

Transaction cost are apportioned between liability and derivative components of the convertible loan based on the allocation of proceeds to the liability and derivative components on initial recognition.

5. 重大會計政策(續)

可換股票據

可換股票據凡賦予持有人權利將票據轉換為權益工具(不包括按固定轉換價轉換為固定數目之權益工具)，均被視為包含負債及衍生部分之合併工具。

於發行當日，衍生部分之公平值採用期權定價模式釐定。

剩餘所得款額分配至負債部分，並使用實際利率法按攤銷成本列為負債，直至獲轉換或贖回時註銷為止。

衍生部分按公平值計量，收益及虧損於損益確認。

交易成本根據首次確認時向負債及衍生部分分配所得款項的情況，在可換股貸款之負債及衍生部分之間進行攤分。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Financial guarantee contract liabilities

Financial guarantee contract liabilities are initially recognised at fair value and subsequently measured at the higher of:

- (a) the loss allowance; and
- (b) the amount initially recognised less cumulative amortisation recognised in profit or loss over the terms of the guarantee contracts.

Senior notes and corporate bonds

Senior notes and corporate bonds issued by the Company that contain both liability and early redemption option (which is not closely related to the host contract) are classified separately into respective items on initial recognition. At the date of issue, both the liability and early redemption option components are recognised at fair value.

In subsequent periods, the liability components of the senior notes and corporate bonds are carried at amortised cost using the effective interest method. The early redemption option is measured at fair value with changes in fair value recognised in profit or loss.

5. 重大會計政策(續)

借貸

借貸初步按公平值扣除已產生的交易成本確認，其後使用實際利率法按攤銷成本計量。

借貸被分類為流動負債，惟本集團有權無條件地延遲清償負債至報告期末後至少十二個月的則除外。

財務擔保合約負債

財務擔保合約負債初步按公平值確認，其後以下列較高者計量：

- (a) 虧損撥備；及
- (b) 初步確認金額減擔保合約期內損益中確認的累計攤銷。

優先票據和公司債券

本公司發行含有負債及提早贖回權（與主合約並無密切關連）的優先票據和公司債券在初始確認時分作不同類別。於發行日，負債及提早贖回權部分均按公平值確認。

在其後期間，優先票據和公司債券的負債部分使用實際利率法按攤銷成本列賬。提早贖回權按公平值計量，其公平值變化在損益中確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Senior notes and corporate bonds (Continued)

Transaction costs that relate to the issue of the senior notes and corporate bonds are allocated to the liability and early redemption option components in proportion to their relative fair values. Transaction costs relating to the early redemption option are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the periods of the senior notes and corporate bonds using the effective interest method.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Derivative financial instruments

Derivatives are initially recognised and subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

5. 重大會計政策(續)

優先票據和公司債券(續)

與發行優先票據和公司債券有關的交易成本按有關公平值的比例分配予負債及提早贖回權部分。與提早贖回權有關的交易成本即時於損益中扣除。與負債部分有關的交易成本計入負債部分的賬面值，並使用實際利率法在優先票據和公司債券期內攤銷。

貿易及其他應付款項

貿易及其他應付款項初步按其公平值列賬，其後則使用實際利率法按攤銷成本計量，除非貼現影響將不重大，在該情況下則按成本列賬。

衍生金融工具

衍生工具初始按公平值確認及其後按公平值計量，而公平值變動產生的任何收益或虧損於損益內確認。

股本工具

本公司發行的股本工具乃按收取的所得款項減直接發行成本列賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) 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.

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

5. 重大會計政策(續)

客戶合約收益

收益乃根據與客戶訂立的合約所訂明的代價參考慣常業務慣例計量以及不包括代表第三方收取的金額。對於客戶付款與承諾產品或服務轉移期間超過一年的合約，乃就顯著融資成分的影響對代價進行調整。

本集團通過將產品或服務的控制權轉移至客戶而履行履約責任時確認收益。視乎合約條款及適用於該合約的法律，履約責任可以在一段時間內或在某個時間點履行。倘若符合以下情況，履約責任將在一段時間內履行：

- (a) 客戶同時獲得及消費本集團履約所提供的利益；
- (b) 本集團履約會創造或加強客戶隨著創造或加強資產而控制的資產；或
- (c) 本集團履約不會創造可由本集團另作他用的資產，且本集團對迄今完成的履約付款擁有可強制執行的權利。

倘若履約責任在一段時間內履行，收益乃參照履約責任圓滿完成的進展確認。否則，收益於客戶取得產品或服務控制權的時間點確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Other revenue

Interest income is recognised using the effective interest method.

Dividend income is recognised when the shareholders' rights to receive payment are established.

Rental income is recognised on a straight-line basis over the lease term.

Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the at the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged in profit or loss represents contributions payable by the Group to the funds.

(c) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

5. 重大會計政策(續)

其他收益

利息收入以實際利率法確認。

股息收入於收取款項之股東權利確立時確認。

租金收入以直線法按租期確認。

僱員福利

(a) 僱員應享假期

僱員之年假及長期服務假期於賦予僱員時確認。截至報告期末止已就僱員因所提供服務享有之年假及長期服務假期之估計負債作出撥備。

僱員病假及產假於僱員休假時始確認。

(b) 退休金承擔

本集團向定額供款退休金計劃作出供款，全體僱員均可參與該計劃。供款由本集團及僱員按僱員基本薪金之百分比作出。自損益扣除之退休福利計劃成本指本集團應向該基金支付之供款。

(c) 離職福利

離職福利於本集團不再能夠撤回提供該等福利及於本集團確認重組成本及參與支付離職福利之較早日期者予以確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Share-based payments

The Group issues equity-settled share-based payments to certain directors and employees.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

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 capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

5. 重大會計政策(續)

以股份付款

本集團向若干董事及僱員發行權益結算之股份付款。

向董事及僱員作出以權益結算之股份付款按權益工具於授出日期之公平值計量(不包括非市場歸屬條件之影響)。權益結算之股份付款於授出日期釐定之公平值，以本集團估計最終歸屬之股份並就非市場歸屬條件之影響作出調整後，於歸屬期間按直線法支銷。

借貸成本

倘借貸成本直接屬於收購、興建或生產合資格資產(即須經一段時間作準備方可投放作擬定用途或銷售的資產)，則撥充資本作為該等資產成本的一部分，直至該等資產大致上可作擬定用途或銷售為止。將待用於合資格資產的指定借貸進行臨時投資所賺取的投資收入，則從合資格資本化借貸成本中扣除。

如借貸資金之一般目的及用途為獲取合資格資產，合資格資本化之借貸成本金額則採用資本化率計算該項資產開支之方法釐定。資本化率為適用於本集團於期內未償還借貸之借貸成本加權平均值(為獲得合資格資產之特別借貸除外)。

所有其他借貸成本於產生期間於損益內確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 differences between the carrying amounts of assets and liabilities in the 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

5. 重大會計政策(續)

政府資助

當有合理保證本集團將遵守附加條件並收到資助時，確認政府資助。

稅收

所得稅指即期稅項及遞延稅項之總和。

即期應付稅項按年內應課稅利潤計算。應課稅利潤與於損益內確認之利潤不同，原因是應課稅利潤不包括其他年度之應課稅或可予扣稅之收入或開支項目，亦不包括免稅或不可扣稅之項目。本集團之即期稅項負債按報告期末前已頒佈或實際頒佈之稅率計算。

遞延稅項按財務報表內資產及負債賬面值與計算應課稅利潤所用相關稅基之差額確認。遞延稅項負債一般按所有應課稅暫時差額確認入賬，而遞延稅項資產則會在可能有應課稅利潤可供作抵銷可予扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認入賬。倘暫時差額因商譽或在不影響應課稅利潤及會計利潤之交易中初次確認(業務合併除外)其他資產及負債而產生，則有關資產及負債不予確認。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and 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.

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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities 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.

5. 重大會計政策(續)

稅收(續)

於附屬公司及聯營公司的投資產生之應課稅暫時性差額乃確認為遞延稅項負債，惟本集團可控制暫時性差額之撥回及有關暫時性差額可能不會於可預見將來撥回則除外。

遞延稅項資產之賬面值於各報告期末進行檢討，並在不可能再有足夠應課稅利潤以收回全部或部分資產時予以減少。

遞延稅項乃根據於報告期末已頒佈或實質上已頒佈之稅率，按預期在負債償還或資產變現期間適用之稅率計算。遞延稅項乃於損益中確認，惟倘遞延稅項與於其他全面收益或直接於權益確認之項目相關，則在此情況下遞延稅項亦會在其他全面收益或直接於權益內確認。

遞延稅項資產及負債之計量反映按照本集團預期於報告期末可收回或清償其資產及負債之賬面值方式計算而得出之稅務結果。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

PRC land appreciation tax ("LAT")

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs, business taxes and all property development expenditures. LAT is recognised as an income tax expense. LAT paid is a deductible expense for PRC enterprise income tax purposes.

5. 重大會計政策(續)

稅收(續)

就計量以公平值模式計算之投資物業之遞延稅項而言，該等物業之賬面值被假定可透過銷售予以收回，惟假定被推翻除外。當投資物業可予折舊，而本集團持有投資物業之商業模式目的乃將投資物業所包含絕大部分之經濟利益隨著時間(而非透過銷售)消耗，則該假設即被推翻。倘該假設被推翻，則該等投資物業之遞延稅項按物業可被收回之預計方式予以計量。

倘有可合法強制執行權利將即期稅項資產與即期稅項負債抵銷，並涉及與同一稅務機關徵收之所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

中國土地增值稅(「土地增值稅」)

土地增值稅乃按土地價格增值額30%至60%的累進稅率計算，增值額為銷售物業所得款項減土地成本、借款成本、營業稅及所有物業發展開支等可扣除項目金額的餘額。土地增值稅確認為所得稅開支。已付土地增值稅為作中國企業所得稅用途之可扣除開支。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Group's various lines of business.

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.

Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.

5. 重大會計政策(續)

分部報告

經營分部及於財務報表內呈報之各分部項目金額從財務資料中確認，而該等財務資料乃定期提供予本集團最高級行政管理人員，以向本集團各項業務分配資源並評估本集團各項業務之表現。

除非個別重大之經營分部之經濟特徵相似，且在產品及服務性質、生產過程性質、顧客種類或等級、用以分銷產品或提供服務之方式，以及監管環境性質方面均相似，否則該等分部並不為財務申報目的而合併計算。倘個別非重大之經營分部共同具有上述大部分之特徵，則可能會合併計算。

關聯方

關聯方是指與本集團相關的個人或實體。

- (a) 符合以下條件之一的人士或其近親將被視為本集團的關聯方：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團擁有重大影響力；或
 - (iii) 為本公司或本公司母公司之主要管理人員。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Related parties (Continued)

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

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

5. 重大會計政策 (續)

關聯方 (續)

(b) 符合以下條件之一的任何實體將被視為本集團的關聯方：

- (i) 該實體及本公司為同一集團成員(即各母公司、附屬公司及同系附屬公司彼此間有關聯)。
- (ii) 一個實體為另一個實體之聯營公司或合資公司(或另一實體所屬集團的一個成員的聯營公司或合資公司)。
- (iii) 兩個實體均為同一第三方之合資公司。
- (iv) 一個實體為第三方實體之合資公司，而另一個實體為該第三方實體之聯營公司。
- (v) 實體為本集團或與本集團有關連之實體為其僱員福利而設立之退休福利計劃。倘本集團本身便是該計劃，提供資助的僱主亦與本集團有關聯。
- (vi) 實體受(a)項所述之人士控制或共同控制。
- (vii) (a)(i)項所述之人士對實體擁有重大影響力或為實體(或其母公司)之主要管理人員。
- (viii) 該實體或一個集團任何之成員，向本公司或本公司之母公司提供主要管理人員服務。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and other intangible assets except goodwill, deferred tax assets, investment properties, investment, inventories and receivables, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

5. 重大會計政策(續)

資產減值

本集團於各報告期末檢討有形及其他無形資產(商譽、遞延稅項資產、投資物業、投資、存貨及應收款項除外)之賬面值，以釐定有否任何跡象顯示該等資產出現減值虧損。倘存在任何該等跡象，則估計資產之可收回金額以釐定任何減值虧損程度。倘無法估計個別資產之可收回金額，則本集團估計資產所屬現金產生單位之可收回金額。

可收回金額為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，估計未來現金流量會按照可反映現時市場對貨幣時間值及資產特定風險之評估之稅前貼現率，貼現至其現值。

倘資產或現金產生單位之可收回金額估計低於其賬面值，則資產或現金產生單位之賬面值減至其可收回金額，而減值虧損即時於損益確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損視作重估價值減少處理。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment of assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit 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 (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

5. 重大會計政策 (續)

資產減值 (續)

倘減值虧損於日後撥回，則資產或現金產生單位之賬面值增至其可收回金額之經修訂估計，惟增加後之賬面值不得高於假設過往年度並無就資產或現金產生單位確認減值虧損而釐定的賬面值(扣除攤銷或折舊)。減值虧損撥回即時於損益確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損撥回視作重估價值增加處理。

撥備及或然負債

倘本集團因已發生的事件須承擔現有法定或推定責任，而履行責任有可能導致經濟利益流出，並可準確估計責任金額的情況下，須就不確定時間或金額之負債確認撥備。倘貨幣的時間價值重大，則撥備之金額乃按預期用於履行該責任之支出之現值列賬。

倘需要流出經濟利益的可能不大，或責任金額無法可靠估計，則責任乃披露為或然負債，惟經濟利益流出之可能性極低則另作別論。可能出現之責任，即是否存在將僅取決於日後是否會發生一宗或多宗事件，除非經濟利益流出之可能性極低，否則該等責任亦披露為或然負債。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

5. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the restructuring of the Group will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligation as they fall due in the foreseeable future. Details are explained in note 2 to consolidated financial statements.

5. 重大會計政策(續)

報告期後事項

提供有關本集團於報告期末之狀況之額外資料或顯示持續經營假設並不適當之報告期後事項為調整事項，並反映於財務報表。並非調整事項之報告期後事項，如屬重大時乃於財務報表附註披露。

6. 關鍵判斷與主要估計

應用會計政策的關鍵判斷

在應用會計政策過程中，董事已作出以下對綜合財務報表中已確認金額有最為重大影響的判斷。

(a) 持續經營基準

該等綜合財務報表的編製以持續經營為基準，有效性取決於本集團能否成功完成重組，而於重組後，本集團在可預見未來將繼續如期悉數履行其財務責任。詳情載述於綜合財務報表附註2。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Critical judgements in applying accounting policies (Continued)

(b) Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals and another portion that is held for use in the production of goods or service or for administrative expenses. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production of goods. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as an investment property. The Group considers each property separately in making its judgement.

6. 關鍵判斷與主要估計(續)

應用會計政策的關鍵判斷(續)

(b) 投資物業與業主自用物業的區別

本集團釐定一項物業是否符合資格為投資物業。在作出判斷時，本集團會考慮該物業所產生的現金流量是否基本不受本集團持有的其他資產所影響。業主自用物業所產生的現金流量，不僅只來自該物業，亦來自用於生產或供應流程的其他資產。

若干物業包括持有作賺取租金用途的部分，而另一部分則持有作生產貨品或服務或作為行政用途。如該等部分可獨立出售(或按融資租賃獨立出租)，本集團會對該等部分獨立記賬。如該等部分不可獨立出售，該物業只會在其用作生產貨品的部分並不重大時列賬為投資物業。在釐定配套服務是否重大以致某項物業不符合列為投資物業時，須作出判斷。本集團在作出判斷時會獨立研究每項物業。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Critical judgements in applying accounting policies (Continued)

(c) Deferred tax for investment properties

For the purposes of measuring deferred tax for 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, rather than through sale.

Therefore, in determining the Group's deferred tax for investment properties, the directors have adopted the presumption that investment properties measured using the fair value model are recovered through sale.

6. 關鍵判斷與主要估計 (續)

應用會計政策的關鍵判斷 (續)

(c) 投資物業之遞延稅項

就計量運用公平值模式計算之投資物業之遞延稅項而言，董事已檢討本集團之投資物業組合，並認為本集團之投資物業並非根據旨在將投資物業所包含絕大部分之經濟利益隨著時間(而非透過出售)消耗之商業模式持有。

因此，於釐定本集團投資物業之遞延稅項時，董事已採納使用公平值模式計量之投資物業乃透過出售收回之推斷。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty

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

(a) Property, plant and equipment and depreciation

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

(b) Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the fair value less costs of disposal and present value of estimated future cash flows. Where the fair value less costs of disposal and future cash flows are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of fair value less costs of disposal and future estimate cash flows, a material impairment loss may arise.

6. 關鍵判斷與主要估計(續)

估計不明朗因素的主要來源

以下描述可能引致資產負債之賬面值於下個財政年度或須予以重大調整，且有關未來的主要假設，以及於報告期末存在之估計不明朗因素的其他主要來源。

(a) 物業、廠房及設備以及折舊

本集團釐定其物業、廠房及設備的估計可使用年期、剩餘價值及相關折舊費用。該估計乃基於具有類似性質及功能的物業、廠房及設備的實際可使用年期及剩餘價值的過往經驗作出。倘可使用年期及剩餘價值有別於之前所估計者，本集團將修訂折舊支出，或撇銷或撇減技術上已過時或已廢棄或已售出的非策略性資產。

(b) 物業、廠房及設備之減值

倘事件或情況有變顯示資產的賬面值超過其可收回金額時，會對物業、廠房及設備進行減值檢討。可收回金額乃經參考公平值減出售成本以及預計未來現金流之現值釐定。倘公平值減出售成本以及未來現金流低於預期或有不利事件和事實及情況有變導致對公平值減出售成本以及未來預計現金流作出修訂，則可能會出現重大減值虧損。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(c) Income tax

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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.

(d) Net realisable value of inventories and properties for sale under development and for sale

Net realisable value of inventories and properties for sale under development and for sale is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycles. The Group will reassess the estimates by the end of each reporting period.

(e) Fair values of investment properties

The Group appointed an independent professional valuer to assess the fair values of the investment properties. In determining the fair values, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

6. 關鍵判斷與主要估計(續)

估計不明朗因素的主要來源(續)

(c) 所得稅

本集團須於多個司法權區繳納所得稅。釐定所得稅撥備時，須作出重大估計。於日常業務過程中充斥多項使最終稅務釐定無法確定的交易及計量。倘該等事項的最終稅務結果有別於初步入賬的金額，則有關差額將影響釐定期間的所得稅及遞延稅項撥備。

(d) 存貨以及開發中待售及待售物業的可變現淨值

存貨以及開發中待售及待售物業的可變現淨值指於一般業務過程中之估計售價減估計完成成本及銷售開支後之金額。該等估計乃根據當前市況以及生產及銷售類似性質產品之過往經驗作出。其可因客戶偏好轉變及競爭者因嚴峻的行業週期而採取之行動而出現重大變化。本集團將於各報告期末重新評估該等估計。

(e) 投資物業的公平值

本集團委聘獨立專業估值師評估投資物業的公平值。於釐定公平值時，估值師使用涉及若干估計的估值方法。董事行使其判斷，並信納估值法反映現行市況。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(f) PRC land appreciation tax ("LAT")

The Group is subject to LAT in the PRC. The provision for LAT is based on management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation and payments with the tax authorities for all its property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will impact on the LAT expenses and the related provision in the period in which the differences realise.

(g) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

6. 關鍵判斷與主要估計(續)

估計不明朗因素的主要來源(續)

(f) 中國土地增值稅(「土地增值稅」)

本集團須繳納中國土地增值稅。土地增值稅撥備根據管理層對中國相關稅務法律及法規所載規定的理解所作最佳估計計提。實際的土地增值稅負債須待物業發展項目竣工後由稅務機關釐定。本集團尚未就其所有物業發展項目與稅務機關最終確定土地增值稅的計算及付款。最終結果可能與初步入賬的金額不同，任何差額會影響差額變現期間的土地增值稅開支及相關撥備。

(g) 呆壞賬減值虧損

本集團根據對貿易及其他應收款項的可收回性的評估而為呆壞賬提計減值虧損，包括各債務人目前之信用可靠性及過往收款記錄。倘事件或情況變動顯示結餘可能無法收回，則會出現減值。識別呆壞賬需要使用判斷及估計。倘實際結果與原本的估計不符，該差異將影響估計已變更的年度內貿易及其他應收款項以及呆賬開支的賬面值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

6. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(h) Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

7. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities of Renminbi ("RMB"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

6. 關鍵判斷與主要估計(續)

估計不明朗因素的主要來源(續)

(h) 遞延稅項資產

在很有可能有足夠之應課稅利潤來抵扣虧損之情況下，應就未動用之稅務虧損確認遞延稅項資產。這需要管理層運用大量之判斷來估計未來應課稅利潤發生之時間及金額，連同未來稅務計劃策略，以決定應確認之遞延稅項資產之金額。

7. 財務風險管理

本集團業務活動須承受多項財務風險：外幣風險、信貸風險、流動資金風險及利率風險。本集團的整體風險管理項目專注於金融市場的不可預測性，並致力將對本集團財務表現的潛在不利影響減至最低。

(a) 外幣風險

本集團所承受的外幣風險輕微，原因是其大部分業務交易、資產及負債主要以本集團實體的功能貨幣人民幣(「人民幣」)計值。本集團現時並無有關外幣交易、資產及負債的外幣對沖政策。本集團將會密切監察其外幣風險，並會在有需要時考慮對沖重大外幣風險。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

7. FINANCIAL RISK MANAGEMENT (Continued)

(a) Foreign currency risk (Continued)

The following table demonstrates the sensitivity at the end of the reporting periods to a reasonably possible change in the Hong Kong dollar ("HKD") and the USD exchange rate, with all other variables held constant, of the Group's loss/profit before tax.

7. 財務風險管理 (續)

(a) 外幣風險 (續)

下表載列於報告期末所有其他變量維持不變時，本集團的稅前虧損／利潤對港元(「港元」)及美元匯率合理可能變動的敏感度。

		Rate	Increase/ (decrease) in loss/profit before tax 稅前虧損/ 利潤增加/ (減少) RMB'000 人民幣千元
		比率 %	
Year ended 31 December 2019	截至二零一九年 十二月三十一日止年度		
If HKD weakens against RMB	倘港元兌人民幣貶值	-5%	17
If HKD strengthens against RMB	倘港元兌人民幣升值	+5%	(17)
If USD weakens against RMB	倘美元兌人民幣貶值	-5%	131,296
If USD strengthens against RMB	倘美元兌人民幣升值	+5%	(131,296)
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度		
If HKD weakens against RMB	倘港元兌人民幣貶值	-5%	28
If HKD strengthens against RMB	倘港元兌人民幣升值	+5%	(28)
If USD weakens against RMB	倘美元兌人民幣貶值	-5%	125,283
If USD strengthens against RMB	倘美元兌人民幣升值	+5%	(125,283)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2019 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its financing activities to customers. The credit risk of the Group's other financial assets, which mainly comprise cash and pledged deposits, other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

At the end of the reporting period, the Group has no concentrations of credit risk in view of its large number of customers.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- internal credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

7. 財務風險管理(續)

(b) 信貸風險

倘交易對手未能於二零一九年十二月三十一日履行彼等有關各類已確認金融資產之責任，本集團面臨之最大信貸風險為綜合財務狀況表所列該等資產之賬面值。本集團之信貸風險主要來自其對客戶的融資活動。本集團其他金融資產主要包括現金及已抵押存款、其他應收款項，有關信貸風險來自交易對手違約，最大風險相等於該等工具的賬面值。

於報告期末，本集團客戶數量龐大，因此，並無集中信貸風險。

本集團通過比較報告日期發生的違約風險與初始確認日期的違約風險，在每個報告期內持續考慮金融資產的信貸風險是否顯著增加。其考慮了可用的合理且支持性的前瞻性資料。尤其是使用以下資料：

- 內部信貸評級；
- 預計會導致借款人履行其義務能力發生重大變化的業務、財務或經濟狀況的實際或預期重大不利變動；及
- 借款人的預期表現及行為發生重大變動，包括借款人付款狀況的變動。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

7. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

The Group uses two categories for non-trade loan receivables which reflect their credit risk and how the loan loss provision is determined for each of the categories. In calculating the expected credit loss rates, the Group considers historical loss rates for each category and adjusts for forward looking data.

Category 類別	Definition 定義	Loss provision 虧損撥備
Performing 履行	Low risk of default and strong capacity to pay 違約風險低，支付能力強	12 month expected losses 12個月預期虧損
Non-performing 未履行	Significant increase in credit risk 信貸風險顯著增加	Lifetime expected losses 存續期預期虧損

7. 財務風險管理 (續)

(b) 信貸風險 (續)

本集團對非貿易應收貸款使用兩種類別，反映其信貸風險及如何確定每種類別的貸款虧損撥備。於計算預期信貸虧損率時，本集團考慮每一類別的歷史虧損率，並根據前瞻性數據進行調整。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

7. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the Group's financial liabilities is as follows:

7. 財務風險管理(續)

(c) 流動資金風險

本集團的政策為定期監察現時及預期的流動資金需求，以確保其維持充足的現金儲備以應付短期及長期的流動資金需求。

本集團金融負債的到期分析如下：

		Carrying amounts 賬面值	Total contractual undiscounted cash flow 合約未貼現現金流量總額		
			Total 總計	Less than 1 year 一年內	Over 1 year 一年以上
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
31 December 2019	二零一九年 十二月三十一日				
Trade and bills payables	貿易應付款項及應付票據	2,595,916	2,595,916	2,595,916	-
Accruals and other payables	應計費用及其他應付款項	2,497,820	2,497,820	2,497,820	-
Borrowings	借貸	3,183,572	3,326,652	2,732,521	594,131
Convertible notes	可換股票據	518,335	518,335	518,335	-
Senior notes	優先票據	2,107,860	2,107,860	2,107,860	-
Corporate bonds	公司債券	3,401,010	3,334,904	3,334,904	-
		14,304,513	14,381,487	13,787,356	594,131
31 December 2018	二零一八年 十二月三十一日				
Trade and bills payables	貿易應付款項及應付票據	2,837,865	2,837,865	2,837,865	-
Accruals and other payables	應計費用及其他應付款項	1,959,271	1,959,271	1,959,271	-
Borrowings	借貸	3,697,460	3,964,860	2,572,544	1,392,316
Convertible notes	可換股票據	423,141	423,141	423,141	-
Senior notes	優先票據	2,082,930	2,082,930	2,082,930	-
Corporate bonds	公司債券	3,188,648	3,356,609	2,048,692	1,307,917
		14,189,315	14,624,676	11,924,443	2,700,233

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

7. FINANCIAL RISK MANAGEMENT (Continued)

(d) Interest rate risk

The Group's exposure to risk for changes in market interest rates relates primarily to the Group's bank and other borrowings and corporate bonds. The Group does not use derivative financial instruments to hedge interest rate risk. The Group manages its interest cost using variable rate bank borrowings.

On 31 December 2019, if the interest rate of bank borrowings had increased/decreased by 0.5% and all other variables held constant, the (loss)/profit before tax for the year of the Group would have increased/decreased by approximately RMB4,592,000 (2018: RMB4,840,000).

(e) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(f) Financial instruments by category

The carrying amounts of each of the category of the Group's financial instruments at the end of the reporting period are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Financial assets	金融資產		
Investments at fair value through profit or loss	按公平值計入損益之投資	723,441	1,438,697
Financial assets at amortised cost (including cash and cash equivalents)	按攤銷成本計量的金融資產 (包括現金及現金等價物)	2,309,962	2,137,165
Financial liabilities	金融負債		
Financial liabilities at amortised cost	按攤銷成本計量的金融負債	14,304,513	14,189,315

7. 財務風險管理 (續)

(d) 利率風險

本集團所面對市場利率變動風險主要與本集團銀行及其他借貸以及公司債券有關。本集團並無使用衍生金融工具對沖利率風險，而是採用浮息銀行借貸管理利息成本。

於二零一九年十二月三十一日，倘銀行借貸的利率上升/下調0.5%，而所有其他變量維持不變，本集團的年度稅前(虧損)/利潤將上升/下降約人民幣4,592,000元(二零一八年：人民幣4,840,000元)。

(e) 公平值

綜合財務狀況表所反映的本集團金融資產及金融負債的賬面值與其各自的公平值相若。

(f) 按類別劃分的金融工具

本集團各類金融工具於報告期末的賬面值如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

8. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

8. 公平值計量

公平值為市場參與者於計量日期在有序交易中出售資產所收取或轉讓負債所支付的價格。以下公平值計量披露採用公平值等級，將用於計量公平值的估值技術的輸入數據分為三個等級：

第一級輸入數據：本集團於計量日期可獲取相同資產或負債於活躍市場的報價(未經調整)。

第二級輸入數據：第一級所含報價以外可直接或間接觀察的資產或負債的輸入數據。

第三級輸入數據：資產或負債的不可觀察輸入數據。

本集團的政策為截至導致轉撥的事件或情況變動之日，確認轉入及轉出任何三個等級。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

8. FAIR VALUE MEASUREMENTS (Continued)

8. 公平值計量 (續)

(a) Disclosures of level in fair value hierarchy:

(a) 公平值等級內的等級披露：

		2019 二零一九年			
		Fair value measurements using: 使用以下各項的公平值計量：			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Recurring fair value measurements:	經常性公平值計量：				
Investment properties	投資物業	-	-	5,043,800	5,043,800
Investments at fair value through profit or loss	按公平值計入損益之投資	-	723,441	-	723,441
		2018 二零一八年			
		Fair value measurements using: 使用以下各項的公平值計量：			
		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Recurring fair value measurements:	經常性公平值計量：				
Investment properties	投資物業	-	-	7,501,600	7,501,600
Investments at fair value through profit or loss	按公平值計入損益之投資	-	1,438,697	-	1,438,697

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

8. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of investment property measured at fair value based on level 3 is included in Note 19:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Include gains or loss for assets held at end of reporting period	(1,941,389)	(877,235)
計入於報告期末所持資產的收益或虧損		

The total gains or losses recognised in profit or loss including those for assets held at end of reporting period are presented in change in fair value of investment properties in the statement of profit or loss.

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2019 and 2018:

The Group's Chief Financial Officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The Chief Financial Officer reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the Chief Financial Officer and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

8. 公平值計量(續)

(b) 基於第三級按公平值計量的投資物業對賬載於附註19：

於損益確認的總收益或虧損(包括報告期末所持資產的收益或虧損)於損益表內以投資物業公平值變動呈列。

(c) 於二零一九年及二零一八年十二月三十一日本集團所採用的估值過程及公平值計量所採用的估值技術及輸入數據披露：

本集團的財務總監負責就財務報告用途所需的資產及負債的公平值計量，包括第三級公平值計量。財務總監就該等公平值計量直接向董事會匯報。財務總監與董事會每年至少舉行兩次有關估值過程及結果的討論。

就第三級公平值計量而言，本集團一般會聘請具有認可專業資格及近期經驗的外部估值專家進行估值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

8. FAIR VALUE MEASUREMENTS (Continued)

- (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2019 and 2018: (Continued)

Level 2 fair value measurements

Description 描述	Valuation technique 估值技術	Inputs 輸入數據	Fair value 2019 公平值 二零一九年 RMB'000 人民幣千元
Investments at fair value through profit or loss 按公平值計入損益之投資	Market comparable approach 市場比較法	Dealer quotes for similar instruments 類似工具的交易商報價	723,441

Description 描述	Valuation technique 估值技術	Inputs 輸入數據	Fair value 2018 公平值 二零一八年 RMB'000 人民幣千元
Investments at fair value through profit or loss 按公平值計入損益之投資	Market comparable approach 市場比較法	Dealer quotes for similar instruments 類似工具的交易商報價	1,438,697

8. 公平值計量 (續)

- (c) 於二零一九年及二零一八年十二月三十一日本集團所採用的估值過程及公平值計量所採用的估值技術及輸入數據披露：(續)

第二級公平值計量

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

8. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2019 and 2018: (Continued)

Level 3 fair value measurements

Description 描述	Valuation technique 估值技術	Unobservable inputs 不可觀察輸入數據	Range 範圍	Effect on fair value for increase of inputs 輸入數據增加對公平值的影響	Fair value 2019 公平值 二零一九年
					RMB'000 人民幣千元
Investment properties 投資物業	Income capitalisation method 收入資本化法	Estimated rental value (RMB per sq.m. and per month) 估計租金價值 (每月每平方米人民幣)	16 to 158 3.5%–6.5%	Increase 減少	5,043,800
		Discount rate 貼現率			

8. 公平值計量 (續)

(c) 於二零一九年及二零一八年十二月三十一日本集團所採用的估值過程及公平值計量所採用的估值技術及輸入數據披露：(續)

第三級公平值計量

Description 描述	Valuation technique 估值技術	Unobservable inputs 不可觀察輸入數據	Range 範圍	Effect on fair value for increase of inputs 輸入數據增加對公平值的影響	Fair value 2018 公平值 二零一八年
					RMB'000 人民幣千元
Investment properties 投資物業	Income capitalisation method 收入資本化法	Estimated rental value (RMB per sq.m. and per month) 估計租金價值 (每月每平方米人民幣)	22 to 258 3.5%–6.5%	Decrease 減少	7,501,600
		Discount rate 貼現率			

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

9. REVENUE

Revenue, represents income from the sale of properties, commercial management service income, property management service income, property consulting service income and rental income during the year, after deduction of allowances for returns and discounts.

9. 收入

收入指年內物業銷售收益、商業管理服務收益、物業管理服務收益、物業諮詢服務收益及租金收益(已扣減退貨折讓與折扣)。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Sale of properties	物業銷售	761,368	2,778,294
Commercial management service income	商業管理服務收益	84,463	90,866
Property consulting service income	物業諮詢服務收益	19,017	34,401
Property management service income	物業管理服務收益	22,874	40,045
Others	其他	25,422	39,817
Revenue from contracts with customers	客戶合約收益	913,144	2,983,423
Rental income	租金收益	133,175	117,503
		1,046,319	3,100,926

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

9. REVENUE (Continued)

9. 收入(續)

Disaggregation of revenue from contracts with customers:

客戶合約收益之分類：

2019	二零一九年	Property development 物業發展 RMB'000 人民幣千元	Property management and investment 物業管理及投資 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Major products/service	主要產品/服務				
Sale of properties	物業銷售	761,368	-	-	761,368
Commercial management service	商業管理服務	-	84,463	-	84,463
Property consulting service	物業諮詢服務	-	19,017	-	19,017
Property management service	物業管理服務	-	22,874	-	22,874
Department store operation and providing consulting services	百貨店經營及提供諮詢服務	-	-	25,422	25,422
		761,368	126,354	25,422	913,144
Timing of revenue recognition	收入確認時間				
At a point in time	於某時間點	761,368	-	-	761,368
Over time	隨時間	-	126,354	25,422	151,776
		761,368	126,354	25,422	913,144

All revenue generated by the Group were derived from the PRC.

本集團之所有收入均源自中國。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

9. REVENUE (Continued)

9. 收入(續)

2018	二零一八年	Property development	Property management and investment	Others	Total
		物業發展	物業管理及投資	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Major products/service	主要產品/服務				
Sale of properties	物業銷售	2,778,294	-	-	2,778,294
Commercial management service income	商業管理服務收益	-	90,866	-	90,866
Property consulting service income	物業諮詢服務收益	-	34,401	-	34,401
Property management service income	物業管理服務收益	-	40,045	-	40,045
Department store operation and providing consulting services	百貨店經營及提供諮詢服務	-	-	39,817	39,817
		2,778,294	165,312	39,817	2,983,423
Timing of revenue recognition	收益確認時間				
At a point in time	於某時間點	2,778,294	-	-	2,778,294
Over time	隨時間	-	165,312	39,817	205,129
		2,778,294	165,312	39,817	2,983,423

All revenue generated by the Group were derived from the PRC.

本集團之所有收入均源自中國。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

9. REVENUE (Continued)

Sales of properties

The Group develops and sells properties to the customers. Sales of a contract are recognised when control of the property has transferred, being when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

Provision management and consulting service

The Group provides management and consulting service to the customers. Management and consulting fee income is recognised when the management and consulting service is rendered and there is no unfulfilled obligation that could affect the customer's acceptance of the service.

10. OTHER INCOME

9. 收入(續)

物業銷售

本集團發展及向客戶銷售物業。合約銷售於物業的控制權已轉移(即客戶取得已落成物業之實質管有權或法定所有權,而本集團擁有收取款項之現有權利並極有可能收取代價)時確認。

提供管理及諮詢服務

本集團為客戶提供管理及諮詢服務。管理及諮詢費收益於提供管理及諮詢服務時以及並無可能會影響客戶接受服務的未履行責任時確認。

10. 其他收益

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Subsidy income	補貼收益	17,942	27,614
Interest income	利息收益	4,074	5,233
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之收入	315	1,362
Gain on disposal of properties for sale under development	出售發展中待售物業之收入	44,427	–
Others	其他	5,480	7,663
		72,238	41,872

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

11. SEGMENT INFORMATION

The Group has three reportable segments as follows:

- (a) the property development segment engages in the development and sale of properties;
- (b) the property management and investment segment engages in providing commercial management services, property management services, property consulting services and investing in properties for their rental income potential and/or for capital appreciation; and
- (c) the “others” segment engages in department store operation and providing consulting services.

The Group’s reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of operating segment are the same as those described in note 5 to the consolidated financial statement.

Segment profits or losses do not include finance costs, dividend income and share of results of associates and joint venture. Segment assets do not include investments at fair value through profit or loss and interests in associates and a joint venture as these assets are managed on a group basis.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

11. 分部資料

本集團擁有以下三個呈報分部：

- (a) 物業發展分部從事物業開發及銷售；
- (b) 物業管理及投資分部提供商業管理服務、物業管理服務、物業諮詢服務，以及就物業的租金收入潛力及／或資本增值作出投資；及
- (c) 「其他」分部從事百貨店經營及提供諮詢服務。

本集團的可呈報分部為提供不同產品及服務的策略性業務單位。有關單位獨立管理，原因為各業務需要不同的科技及營銷策略。

經營分部之會計政策與綜合財務報表附註5所述者相同。

分部損益不包括融資成本、股息收益及應佔聯營公司及合資公司業績。分部資產不包括按公平值計入損益之投資及於聯營公司及一家合資公司權益，原因為該等資產按集團基準進行管理。

本集團將分部間銷售及轉讓按猶如有關銷售或轉讓乃向第三方(即按現時市價)作出之方式入賬。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

11. SEGMENT INFORMATION (Continued)

Information about reportable segments' profit or loss, assets and liabilities:

11. 分部資料(續)

可呈報分部之損益、資產及負債資料：

		Property development 物業發展 RMB'000 人民幣千元	Property management and investment 物業管理及投資 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度				
Revenue from external customers	來自外部客戶之收入	761,368	259,529	25,422	1,046,319
Segment loss	分部虧損	(710,139)	(1,902,251)	(44,939)	(2,657,329)
Income tax credit/(expenses)	所得稅抵免/(開支)	(33,808)	452,718	(214)	418,696
Other material non-cash items:	其他重大非現金項目：				
Additions to segment non-current assets	添置分部非流動資產	1,403	471	177	2,051
Depreciation and amortisation	折舊及攤銷	9,116	847	205	10,168
Change in fair value of investment properties	投資物業公平值變動	-	(1,941,389)	-	(1,941,389)
At 31 December 2019	於二零一九年十二月三十一日				
Segment assets	分部資產	8,758,755	5,393,875	230,057	14,382,687
Segment liabilities	分部負債	17,401,657	1,277,017	330,552	19,009,226
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度				
Revenue from external customers	來自外部客戶之收入	2,778,294	282,815	39,817	3,110,926
Segment loss	分部虧損	(1,733,643)	(1,066,132)	(49,840)	(2,849,615)
Income tax expense	所得稅開支	(213,807)	(1,676)	(92,119)	(307,602)
Other material non-cash items:	其他重大非現金項目：				
Impairment of assets	資產減值	(1,190,180)	(133,448)	(466,323)	(1,789,951)
Additions to segment non-current assets	添置分部非流動資產	793	10	10	813
Depreciation and amortisation	折舊及攤銷	8,229	847	468	9,544
Change in fair value of investment properties	投資物業公平值變動	-	(877,235)	-	(877,235)
At 31 December 2018	於二零一八年十二月三十一日				
Segment assets	分部資產	9,173,624	7,818,156	268,883	17,260,663
Segment liabilities	分部負債	18,058,477	1,285,420	325,047	19,668,944

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

11. SEGMENT INFORMATION (Continued)

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

11. 分部資料(續)

可呈報分部收入、損益、資產及負債之對賬：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue	收入		
Total revenue of reportable segments	可呈報分部之總收入	1,046,319	3,100,926
Profit or loss	損益		
Total loss of reportable segments	可呈報分部之總虧損	(2,657,329)	(2,849,615)
Finance costs	融資成本	(694,881)	(1,019,692)
Share of results of associates	應佔聯營公司業績	(183,287)	(62,619)
Loss before tax	除稅前虧損	(3,535,497)	(3,931,926)
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Assets	資產		
Total assets of reportable segments	可呈報分部之總資產	14,382,687	17,260,663
Corporate and unallocated assets	企業及未分配資產	946,351	1,844,894
Consolidated total assets	綜合總資產	15,329,038	19,105,557
Liabilities	負債		
Total liabilities of reportable segments	可呈報分部之總負債	19,009,226	19,668,944
Consolidated total liabilities	綜合總負債	19,009,226	19,668,944

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

11. SEGMENT INFORMATION (Continued)

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

No information about major customers is presented as no sales to a single customer contributed to over 10% of the Group's revenue for the years ended 31 December 2019 and 2018.

12. FINANCE COSTS

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interest expenses on borrowings	借貸利息開支	429,541	595,277
Interest expenses on senior notes	優先票據利息開支	-	212,973
Interest expenses on convertible notes	可換股票據利息開支	88,260	55,294
Interest expenses on corporate bonds	公司債券利息開支	244,650	218,872
Interest on lease liabilities	租賃負債利息	154	-
		762,605	1,082,416
Less: Amount capitalised	減：已資本化金額	(67,724)	(62,724)
		694,881	1,019,692

11. 分部資料(續)

地區資料

由於本集團來自外部客戶之收入僅來自其於中國大陸的經營所得且本集團並無非流動資產位於中國大陸境外，故並無呈列地區資料。

由於並無向單一客戶之銷售佔本集團截至二零一九年及二零一八年十二月三十一日止年度收入多於10%，故並無呈列主要客戶資料。

12. 融資成本

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

13. INCOME TAX

13. 所得稅

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
PRC Enterprise Income Tax for the year	本年度中國企業所得稅	6,705	131,294
PRC LAT	中國土地增值稅	21,557	117,596
		28,262	248,890
Deferred tax (note 38)	遞延稅項(附註38)	(446,958)	58,712
		(418,696)	307,602

No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2019 as the Group did not generate any assessable profits arising in Hong Kong during that year (2018: Nil).

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Subsidiaries of the Group operating in Mainland China are subject to PRC corporate income tax at a rate of 25%.

由於本集團於截至二零一九年十二月三十一日止年度在香港並無產生任何應課稅利潤(二零一八年：無)，因此並無於該年度就香港利得稅計提撥備。

其他地方的應課稅利潤稅項開支已根據本集團營運所在國家的現有法規、詮釋及慣例按該等國家的現行稅率計算。

本集團於中國大陸經營業務的附屬公司均須按25%的稅率繳納中國企業所得稅。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

13. INCOME TAX (Continued)

According to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned leasehold interest on land, buildings and their attached facilities in Mainland China is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value except for those permitted otherwise under the respective laws and regulations, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has estimated and made tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

13. 所得稅(續)

根據一九九四年一月一日起生效的中華人民共和國土地增值稅暫行條例及一九九五年一月二十七日起生效的中華人民共和國土地增值稅暫行條例實施細則的規定，出售或轉讓中國大陸國有土地租賃權益、建築物及其附著物所得全部收益均須按土地增值30%至60%的累進稅率繳納土地增值稅(有關法律法規另有允許者除外)，惟倘增值不超過全部可扣稅項目總和的20%，則普通住宅物業的物業銷售可豁免繳納土地增值稅。

本集團根據相關中國稅法及法規所載規定估計土地增值稅並就此作出稅項撥備。實際土地增值稅負債於物業開發項目竣工後由稅務機關釐定，而稅務機關可能對計算土地增值稅撥備的基準提出異議。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

13. INCOME TAX (Continued)

The reconciliation between the income tax and the loss before tax is as follows:

13. 所得稅(續)

所得稅與稅前虧損的對賬如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Loss before tax	除稅前虧損	(3,535,497)	(3,931,926)
Notional tax on profit before tax calculated at the PRC statutory rate	按中國法定稅率計算稅前利潤的名義稅項	(883,874)	(982,982)
Tax effect of non-deductible expenses	不可扣減開支的稅務影響	11,912	493,181
Tax effect of utilisation of previously unrecognised tax losses	動用過往未確認稅務虧損之稅務影響	(3,036)	(2,019)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	394,312	695,570
Profits and losses attributable to associates	聯營公司應佔損益	45,822	15,655
Provision for LAT	土地增值稅撥備	21,557	117,596
Tax effect on LAT	對土地增值稅的稅務影響	(5,389)	(29,399)
Income tax for the year	本年度所得稅	(418,696)	307,602

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

14. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging the following:

14. 年內虧損

本集團的年內虧損經扣除以下各項後達致：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Auditor's remuneration	核數師酬金	3,000	3,000
Cost of properties sold	已售物業成本	663,985	2,157,815
Depreciation	折舊	9,301	8,466
Amortisation of intangible assets	無形資產攤銷	468	468
Amortisation of long-term deferred expenses	長期遞延開支攤銷	399	610
Impairment loss on various assets	各項資產的減值虧損		
Impairment on goodwill	商譽減值	-	59,633
Impairment on prepayment, deposit and other receivables	預付款項、按金及其他應收款項減值	-	743,641
Impairment on trade receivables	貿易應收款項減值	-	38,925
Impairment loss on properties held for sale	待售物業減值虧損	-	470,818
Impairment loss on properties under development	發展中物業減值虧損	-	476,934
Foreign exchange differences	匯兌差額	31,968	107,819
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損	956	1,524
Staff costs (including directors' remuneration — note 15):	員工成本(包括董事薪酬—附註15):		
Salaries, bonus and allowances	薪金、花紅及津貼	81,144	138,060
Pension and social welfare	退休金及社會福利	6,033	8,964

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

15. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

The emoluments of each Director were as follows:

15. 董事及五名最高薪人士之薪酬

各董事之薪酬如下：

		Note	Fees	Salaries and other benefits	Equity-settled share-based payment expenses	Pension and social welfare	Total
		附註	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
				薪金及袍金 其他福利	股本結算 股份付款 開支	退休金及 社會福利	總計
Executive Directors	執行董事						
Mr. Shu Cecheng	舒策城先生	1	-	23	-	8	31
Mr. Shen Xiaowei	沈曉偉先生	2	603			21	624
Mr. Zhu Yongqiu	朱永球先生	2	473			9	482
Ms. Cai Qiaoling	蔡巧玲女士	2	443			20	463
Mr. Zhou Chen	周晨先生	4	1,305			-	1,305
Independent Non-Executive Directors	獨立非執行董事						
Dr. Song Ming	宋敏博士		268	-	-	-	268
Prof. Shu Guoying	舒國瀾教授		134	-	-	-	134
Mr. Liu Chaodong	劉朝東先生	2	268	-	-	-	268
Chief Executive and executive director	行政總裁及執行董事						
Mr. Shu Cewan	舒策丸先生	5	-	42	-	14	56
Total for the year ended 31 December 2019	截至二零一九年十二月三十一日止年度總計		3,494	65	-	72	3,631

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

15. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (Continued)

15. 董事及五名最高薪人士之薪酬 (續)

		Notes	Fees	Salaries and other benefits	Equity-settled share-based payment expenses	Pension and social welfare	Total
		附註	袍金	薪金及其他福利	股本結算股份付款開支	退休金及社會福利	總計
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
			人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors	執行董事						
Mr. Shu Cecheng	舒策城先生	1	-	389	-	18	407
Mr. Shen Xiaowei	沈曉偉先生	2	155	-	-	9	164
Mr. Zhu Yongqiu	朱永球先生	2	232	-	-	19	251
Ms. Cai Qiaoling	蔡巧玲女士	2	218	-	-	20	238
Mr. Zhou Chen	周晨先生	4	196	-	-	-	196
Non-executive director	非執行董事						
Mr. Wang Wei	王威先生	3	-	-	-	-	-
Independent Non-Executive Directors	獨立非執行董事						
Dr. Song Ming	宋敏博士		273	-	-	-	273
Prof. Shu Guoying	舒國瀼教授		137	-	-	-	137
Mr. Liu Chaodong	劉朝東先生	2	111	-	-	-	111
Mr. Zhou Chen	周晨先生	4	295	-	-	-	295
Chief Executive and executive director	行政總裁及執行董事						
Mr. Shu Cewan	舒策丸先生	5	-	42	-	15	57
Total for the year ended 31 December 2018	截至二零一八年十二月三十一日止年度總計		1,617	431	-	81	2,129

Notes:

- Resigned on 19 June 2019
- Appointed on 7 August 2018
- Resigned on 25 June 2018
- Re-designated from an Independent Non-Executive Director to an Executive Director on 7 August 2018
- Resigned on 23 July 2020

附註：

- 於二零一九年六月十九日辭任
- 於二零一八年八月七日獲委任
- 於二零一八年六月二十五日辭任
- 於二零一八年八月七日由獨立非執行董事調任為執行董事
- 於二零二零年七月二十三日辭任

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

15. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (Continued)

The five highest paid employees during the year included four (2018: four) directors, details of whose remuneration are set out in information above. Details of the remuneration of the remaining one (2018: one) non-directors, highest paid employees for the year are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	96	605
Performance-related bonuses	與業績掛鉤的花紅	4	-
Pension and social welfare	退休金及社會福利	5	-
		105	605

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

		Number of employees 僱員人數	
		2019 二零一九年	2018 二零一八年
Emolument band: HK\$Nil-HK\$1,000,000	薪酬範圍： 零港元至1,000,000港元	1	1

During the years ended 31 December 2019 and 2018, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join the Group or as compensation for loss of office other than those disclosed above. In addition, during the years ended 31 December 2019 and 2018, no directors waived any emoluments.

15. 董事及五名最高薪人士之薪酬 (續)

本年度五名最高薪僱員包括四名(二零一八年：四名)董事，其薪酬詳情載於上文。本年度餘下一名(二零一八年：一名)非董事最高薪僱員的薪酬詳情如下：

薪酬介乎下列組別的非董事最高薪僱員人數如下：

截至二零一九年及二零一八年十二月三十一日止年度，除上文披露者外，本集團概無向五名最高薪人士(包括董事)支付任何酬金，作為加入本集團的獎勵或離任的補償。此外，截至二零一九年及二零一八年十二月三十一日止年度，概無董事放棄任何酬金。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

16. DIVIDENDS

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

17. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year of approximately RMB2,766,425,000 (2018: RMB4,215,744,000) attributable to owners of the Company and the weighted average number of 4,990,259,914 (2018: 4,990,259,914) ordinary shares in issue during the year.

Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the year ended 31 December 2019 and 31 December 2018.

16. 股息

董事不建議就截至二零一九年十二月三十一日止年度派發任何股息(二零一八年：無)。

17. 每股虧損

每股基本虧損

本公司擁有人應佔每股基本虧損乃按本年度之本公司擁有人應佔虧損約人民幣2,766,425,000元(二零一八年：人民幣4,215,744,000元)及本年度已發行普通股之加權平均數4,990,259,914股(二零一八年：4,990,259,914股)計算。

每股攤薄虧損

於截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度全部潛在普通股均具有反攤薄效應。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機械 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost or valuation	成本或估值					
At 1 January 2018	於二零一八年一月一日	217,347	773	66,399	43,499	328,018
Additions	添置	-	-	470	343	813
Disposals	出售	-	-	(1,246)	(614)	(1,860)
Disposals of subsidiaries	出售附屬公司	(29,567)	-	(227)	(7,812)	(37,606)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	187,780	773	65,396	35,416	289,365
Additions	添置	-	89	-	1,962	2,051
Disposals	出售	-	-	-	(1,026)	(1,026)
At 31 December 2019	於二零一九年十二月三十一日	187,780	862	65,396	36,352	290,390
Accumulated depreciation and impairment	累計折舊及減值					
At 1 January 2018	於二零一八年一月一日	64,654	488	59,280	38,336	162,758
Charge for the year	年內開支	5,710	107	1,494	1,155	8,466
Disposals	出售	-	-	(1,096)	(602)	(1,698)
Disposals of subsidiaries	出售附屬公司	(21,757)	-	(63)	(5,426)	(27,246)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	48,607	595	59,615	33,463	142,280
Charge for the year	年內開支	7,040	102	1,216	943	9,301
Disposals	出售	-	-	-	(385)	(385)
At 31 December 2019	於二零一九年十二月三十一日	55,647	697	60,831	34,021	151,196
Carrying amount	賬面值					
At 31 December 2019	於二零一九年十二月三十一日	132,133	165	4,565	2,331	139,194
At 31 December 2018	於二零一八年十二月三十一日	139,173	178	5,781	1,953	147,085

Pledged property, plant and equipment with an aggregate carrying amount of RMB92,189,000 (2018: RMB98,314,000) to secure general facilities granted to the Group.

本集團抵押總賬面值為人民幣92,189,000元(二零一八年:人民幣98,314,000元)之物業、廠房及設備以為其所獲授一般融資提供擔保。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

19. INVESTMENT PROPERTIES

19. 投資物業

		Completed 已竣工物業 RMB'000 人民幣千元	Under construction 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Carrying amount at 1 January 2018	於二零一八年一月一日 之賬面值	8,339,152	1,135,847	9,474,999
Transferred from investment properties under construction	轉自在建投資物業	75,622	(75,622)	-
Transferred to properties held for sale	轉至待售物業	(49,727)	-	(49,727)
Transferred to cost of properties sold	轉至已售物業成本	(1,512)	-	(1,512)
Disposals of subsidiaries	出售附屬公司	(109,900)	(935,025)	(1,044,925)
Change in fair value of investment properties	投資物業公平值變動	(878,135)	900	(877,235)
Carrying amount at 31 December 2018 and 1 January 2019	於二零一八年十二月 三十一日及二零一九年 一月一日之賬面值	7,375,500	126,100	7,501,600
Settlement of borrowing	清償借貸	(363,368)	-	(363,368)
Transferred to properties held for sale	轉至待售物業	(86,291)	-	(86,291)
Transferred to cost of properties sold	轉至已售物業成本	(66,752)	-	(66,752)
Change in fair value of investment properties	投資物業公平值變動	(1,932,289)	(9,100)	(1,941,389)
Carrying amount at 31 December 2019	於二零一九年 十二月三十一日 之賬面值	4,926,800	117,000	5,043,800

The Group's investment properties were revalued at 31 December 2019 and 2018 on an open market value basis by reference to valuation performed by Savills Valuation an independent firm of chartered surveyors. Valuations were based on capitalisation of net income derived from the existing tenancies with allowance for the reversionary income potential of the properties. The investment properties are leased to third parties under operating leases.

本集團的投資物業於二零一九年及二零一八年十二月三十一日基於公開市值，參考獨立特許測量師行第一太平戴維斯估值進行的估值進行重估。估值乃基於對物業潛在復歸收益作出減免後的現有租約所得淨收益的資本化。投資物業根據經營租約租賃予第三方。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

19. INVESTMENT PROPERTIES (Continued)

At 31 December 2019, certain of the Group's investment properties with an aggregate carrying amount of RMB2,579,704,000 (2018: RMB3,470,629,000) are pledged to secure general facilities granted to the Group.

19. 投資物業(續)

於二零一九年十二月三十一日，本集團抵押總賬面值為人民幣2,579,704,000元(二零一八年：人民幣3,470,629,000元)的若干投資物業以為其所獲授一般融資提供擔保。

20. PREPAID LAND LEASE PAYMENTS

20. 預付土地租賃款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	350,321	2,283,575
Transferred to properties under development during the year	年內轉至發展中物業	(22,470)	(960,907)
Disposal of prepaid land lease payments	出售預付土地租賃款項	-	(972,347)
At 31 December	於十二月三十一日	327,851	350,321

The Group's prepaid land lease payment related to land use rights are located in Mainland China.

本集團與土地使用權有關的預付土地租賃款項位於中國大陸。

At 31 December 2019 the carrying amount of prepaid land lease payments pledged as security for the Group's general facilities amounted to RMB256,184,000 (2018: RMB266,359,000).

於二零一九年十二月三十一日，抵押作為本集團一般融資之擔保的預付土地租賃款項的賬面值為人民幣256,184,000元(二零一八年：人民幣266,359,000元)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

21. INVESTMENTS IN A JOINT VENTURE

21. 於一家合資公司的投資

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Unlisted investment:	非上市投資：		
Share of net assets	分佔資產淨值	87,126	87,126

The contractual arrangement provides the Group with only the joint control over 湖南洪雄房地產開發有限公司 ("Hunan Hongxiong") and the rights to the net assets of the joint venture. Under IFRS 11 this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method.

合約安排規定本集團僅有權享有湖南洪雄房地產開發有限公司(「湖南洪雄」)的共同控制權及合資公司的資產淨值。根據國際財務報告準則第11號，此合營安排分類為合資公司，並使用權益法於綜合財務報表中入賬。

The following tables show information of joint ventures that are material to the Group. These joint ventures are accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the IFRS financial statements of the joint ventures.

下表列示對本集團而言屬重大之合資公司之資料，該等合資公司乃使用權益法於綜合財務報表中入賬。財務資料概要乃根據合資公司的國際財務報告準則財務報表呈列。

Name	公司名稱	Hunan Hongxiong 湖南洪雄	
		2019 二零一九年	2018 二零一八年
Principal place of business/ country of incorporation	主要營業地點/ 註冊成立國家	PRC 中國	PRC 中國
Principal activities	主要業務	Property development 物業發展	Property development 物業發展
% of ownership interests/ voting rights held by the Group	本集團所持有擁有權權益/ 投票權百分比	51%/50%	51%/50%

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

21. INVESTMENTS IN A JOINT VENTURE

(Continued)

21. 於一家合資公司的投資(續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 31 December:	於十二月三十一日：		
Non-current assets	非流動資產	771	771
Current assets	流動資產	356,554	356,554
Non-current liabilities	非流動負債	(23,486)	(23,486)
Current liabilities	流動負債	(163,003)	(163,003)
Net assets	資產淨值	170,836	170,836
Group's share of net assets	本集團分佔資產淨值	87,126	87,126
Cash and cash equivalents included in current assets	計入流動資產之現金及現金等價物	440	440

		Hunan Hongxiong 湖南洪雄	
		2019 二零一九年	2018 二零一八年
Year ended 31 December:	截至十二月三十一日止年度：		
Revenue	收入	-	-
Loss and total comprehensive income	虧損及全面收益總額	-	-

The Group's share of contingent liabilities of Hunan Hongxiong is approximately RMB23,320,000 (2018: RMB23,320,000) in related to litigations.

本集團分佔湖南洪雄的或然負債約人民幣23,320,000元(二零一八年：人民幣23,320,000元)，與訴訟有關。

As at 31 December 2019 and 2018, no capital commitments were shared by the Group.

於二零一九年及二零一八年十二月三十一日，本集團概無分佔資本承擔。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

22. INVESTMENTS IN ASSOCIATES

22. 於聯營公司的投資

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Unlisted investments:	非上市投資：		
Share of net assets	分佔資產淨值	135,784	319,071

The following table shows information of associates that are material to the Group. These associates are accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the IFRS financial statements of the associates.

下表列示對本集團而言屬重大之聯營公司之資料，該等聯營公司乃使用權益法於綜合財務報表中入賬。財務資料概要乃根據聯營公司的國際財務報告準則財務報表呈列。

Name 公司名稱	Principal place of business/country of incorporation 主要營業地點/ 註冊成立國家	Paid-in capital RMB'000 實繳資本 人民幣千元	% of ownership interests/ voting rights held by the Group 本集團所持有擁有 權權益/投票權百分比	Principal activities 主要業務
Wuxi Bonan Property Co., Ltd 無錫市博南置業有限公司	PRC 中國	135,000	20.00%	Property development 物業發展
Wuxi Longan Property Co., Ltd. 無錫市崇安新城龍安置業有限公司	PRC 中國	50,000	25.00%	Property development 物業發展
Wuxi Wuzhou Xiangjiang Housing Co., Ltd. 無錫市五洲香江家居有限公司	PRC 中國	10,000	49.00%	Property management 物業發展
Dali Wuzhou International Commercial City Co., Ltd. 大理五洲國際商貿城有限公司	PRC 中國	20,000	38.50%	Property development 物業發展

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

23. LEASES AND RIGHT-OF-USE ASSETS

23. 租賃及使用權資產

Disclosures of lease-related items:

租賃相關項目披露如下：

		2019 二零一九年 RMB'000 人民幣千元
At 31 December:	於十二月三十一日：	
Right-of-use assets	使用權資產	
— Buildings	— 樓宇	2,212
		2,212
The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:	本集團租賃負債按照未貼現現金流量的到期日分析如下：	
Within one year	一年內	1,666
In the second year	於第二年	694
		2,360
Year ended 31 December:	截至十二月三十一日止年度：	
Depreciation charge of right-of-use assets	使用權資產折舊費用	
— Buildings	— 樓宇	1,540
Interest on lease liabilities	租賃負債利息	154
Total cash outflow for leases	租賃現金流出總額	1,643

The Group leases various buildings. Lease agreements are typically made for fixed periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

本集團租賃若干樓宇。租賃協議的期限一般固定為1至3年。租期按個別基準磋商，載有各種不同的條款及條件。租賃協議不施加任何契諾，且租賃資產不得用作借款抵押。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

23. LEASES AND RIGHT-OF-USE ASSETS (Continued)

23. 租賃及使用權資產 (續)

		Lease payments 租賃付款 2019 二零一九年 RMB'000 人民幣千元	Present value of lease payments 租賃付款現值 2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	1,666	1,579
In the second year	於第二年	694	684
		2,360	2,263
Future finance charges	未來財務費用	(97)	
Present value of lease obligations	租賃承擔現值	2,263	2,263
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：12個月內到期結算的款額 (見流動負債)		(1,579)
Non-current portion	非即期部分		684

24. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

24. 按公平值計入損益之投資

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Unlisted equity securities	非上市股本證券	14,626	11,626
Trust fund investments, at fair value	信託基金投資，按公平值	708,815	1,427,071
		723,441	1,438,697
Analysed as:	分析為：		
Current assets	流動資產	708,815	1,427,071
Non-current assets	非流動資產	14,626	11,626
		723,441	1,438,697

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

25. PROPERTIES FOR SALE UNDER DEVELOPMENT 25. 發展中待售物業

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	2,510,955	3,215,751
Additions	添置	181,484	3,002,312
Transferred from prepaid land lease payments	轉自預付土地租賃款項	22,470	960,907
Disposal of subsidiaries	出售附屬公司	-	(283,431)
Disposal	出售	(241,592)	
Transferred to properties held for sale	轉至待售物業	(384,878)	(3,907,650)
Impairment loss recognised	已確認減值虧損	-	(476,934)
At 31 December	於十二月三十一日	2,088,439	2,510,955

At 31 December 2019, the Group's certain properties under development amounted to RMB1,428,428,000 (2018: RMB1,720,169,000) were pledged to secure general facilities granted to the Group, and items of RMB353,742,000 (2018: RMB179,027,000) were frozen for a lawsuit in which a subsidiary of the Group is currently a defendant.

於二零一九年十二月三十一日，本集團抵押人民幣1,428,428,000元(二零一八年：人民幣1,720,169,000元)之若干發展中物業以擔保本集團所獲授的一般融資以及因本集團附屬公司現為被告的訴訟而凍結人民幣353,742,000元(二零一八年：人民幣179,027,000元)的項目。

The movements in provision for impairment are as follows:

減值撥備變動如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	487,091	10,157
Impairment loss recognised	已確認減值虧損	-	476,934
At 31 December	於十二月三十一日	487,091	487,091

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

26. PROPERTIES HELD FOR SALE

26. 待售物業

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	4,235,808	3,490,315
Transferred from properties for sale under development	轉自發展中待售物業	384,878	3,907,650
Disposal of subsidiaries	出售附屬公司	-	(584,763)
Transferred from investment properties	轉自投資物業	86,291	49,727
Transferred to cost of properties sold	轉至已售物業成本	(597,233)	(2,156,303)
Impairment loss recognised	已確認減值虧損	-	(470,818)
At 31 December	於十二月三十一日	4,109,744	4,235,808

At 31 December 2019, the Group's certain properties held for sale amounted to RMB1,514,865,000 (2018: RMB1,550,793,000) were pledged to secure general facilities granted to the Group.

於二零一九年十二月三十一日，本集團抵押人民幣1,514,865,000元(二零一八年：人民幣1,550,793,000元)之若干待售物業以為本集團所獲授一般融資提供擔保。

The movements in provision for impairment are as follows:

減值撥備變動如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	595,693	124,875
Impairment loss recognised	已確認減值虧損	-	470,818
At 31 December	於十二月三十一日	595,693	595,693

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

27. TRADE RECEIVABLES

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	126,675	127,352
Less: impairment losses	減：減值虧損	(38,925)	(38,925)
		87,750	88,427

Trade receivables represent rentals receivable from tenants, sales income and service income receivables from customers which are payable on presentation of invoices or in accordance with the terms of the related sales and purchase agreements. The credit period is generally three months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Trade receivables are unsecured and non-interest-bearing. The carrying amounts of trade receivables approximate to their fair values.

The following is an aging analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date at the end of the year:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
0 to 90 days	0至90天	11,261	29,235
91 to 180 days	91至180天	10,843	16,599
181 to 365 days	181至365天	5,262	957
1 to 2 years	1至2年	60,384	41,636
		87,750	88,427

27. 貿易應收款項

貿易應收款項指應收租戶租金、銷售收益及應收客戶服務收益，須於開具發票時或根據相關買賣協議條款支付。信貸期通常為三個月。本集團致力嚴格監控未收應收款項，並設有信貸監控部門以盡量降低信貸風險。管理層定期檢討逾期結餘。鑒於上文所述及本集團之貿易應收款項與各行業大量客戶有關，故並無重大集中信貸風險。

貿易應收款項為無抵押且不計息，其賬面值與公平值相若。

以下為於本年度末按發票日期呈列的貿易應收款項(已扣除呆賬撥備)的賬齡分析：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

27. TRADE RECEIVABLES (Continued)

The Group applies the simplified approach under IFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

27. 貿易應收款項 (續)

本集團應用國際財務報告準則第9號項下的簡易方法就所有貿易應收款項使用存續期預期虧損撥備計算預期信貸虧損。為計量預期信貸虧損，貿易應收款項已根據共享信貸風險特徵及逾期天數分類。預期信貸虧損亦包含前瞻性資料。

		Current	Over 1 day less than 180 days 超過 1天但少 於180天	Over 181 days less than 1 year 超過 181天但少 於1年	Over 1 year less than 2 years 超過 1年但少 於2年	Total
		即期				總計
At 31 December 2019	於二零一九年 十二月三十一日					
Weighted average expected loss rate	加權平均預期虧損率	0%	0%	0%	39%	
Receivable amount (RMB'000)	應收金額(人民幣千元)	11,261	10,843	5,262	99,309	126,675
Loss allowance (RMB'000)	虧損撥備(人民幣千元)	-	-	-	(38,925)	(38,925)
At 31 December 2018	於二零一八年 十二月三十一日					
Weighted average expected loss rate	加權平均預期虧損率	0%	0%	48%	0%	
Receivable amount (RMB'000)	應收金額(人民幣千元)	29,235	16,599	81,518	-	127,352
Loss allowance (RMB'000)	虧損撥備(人民幣千元)	-	-	(38,925)	-	(38,925)

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

既未逾期且未減值的貿易應收款項與近期並無歷史拖欠記錄的各行業大量客戶有關。

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

已逾期但未減值的貿易應收款項涉及擁有良好往績記錄的大量獨立客戶。根據過往經驗，本公司董事認為毋須就該等結餘的減值作出任何撥備，原因為信貸質素並無發生大幅變動且結餘仍被視為可悉數收回。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

28. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

28. 預付款項、按金及其他應收款項

	Note	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	附註		
Prepayments for acquisition of land use rights and construction costs		205,471	215,471
Taxes recoverable		154,755	160,182
Amount due from disposal company		458,579	458,579
Deposits and other receivables	1	1,341,622	1,057,469
		2,160,427	1,891,701

Note 1:

As at 31 December 2019, included in the balance mainly are consideration receivables from disposal of subsidiaries and the consideration receivables from disposal of properties for sale under development approximately of RMB300,000,000.

As at 31 December 2018, included in the balance mainly are consideration receivables from disposal of subsidiaries.

附註1:

於二零一九年十二月三十一日，計入結餘的款項主要為應收出售附屬公司之代價及應收出售發展中待售物業之代價約人民幣300,000,000元。

於二零一八年十二月三十一日，計入結餘的款項主要為應收出售附屬公司之代價。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

29. PLEDGED BANK DEPOSIT, RESTRICTED BANK BALANCES AND BANK AND CASH BALANCES

The Group's pledged bank deposits were pledged to bank to secure banking facilities granted to the Group amounted to RMB14,429,000 (2018: RMB26,924,000). Pledged bank deposits were pledged for issuance of bank acceptance notes amounted to RMB500,000 (2018: RMB89,900,000). Pledged bank deposits were pledged for a lawsuit as frozen assets amounted to RMB5,241,000 (2018: RMB4,415,000). Pledged bank deposits were pledged for mortgage loans of purchasers amounted to RMB29,520,000 (2018: RMB29,759,000).

At the end of reporting period, the restricted bank balances of Group represent guarantee deposits for construction of pre-sale properties denominated in RMB placed in designated accounts pursuant to relevant regulations in the PRC.

At the end of reporting period, most of the bank and cash balances of Group were denominated in RMB. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

29. 已抵押銀行存款、受限制銀行結餘以及銀行及現金結餘

本集團的已抵押銀行存款已抵押予銀行以擔保本集團所獲授的銀行融資人民幣14,429,000元(二零一八年：人民幣26,924,000元)。已抵押銀行存款已作為發行銀行承兌票據之抵押，抵押金額為人民幣500,000元(二零一八年：人民幣89,900,000元)。已抵押銀行存款已因訴訟作為凍結資產抵押，抵押金額為人民幣5,241,000元(二零一八年：人民幣4,415,000元)。已抵押銀行存款已作為買方按揭貸款之抵押，抵押金額為人民幣29,520,000元(二零一八年：人民幣29,759,000元)。

於報告期末，本集團之受限制銀行結餘指根據中國相關法規建設預售物業於指定賬戶入賬以人民幣計值的保證金。

於報告期末，本集團大部分銀行及現金結餘乃以人民幣計值。人民幣兌換為外幣須遵循《中華人民共和國外匯管理條例》。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

30. TRADE AND BILLS PAYABLES

30. 貿易應付款項及應付票據

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade payables	貿易應付款項	2,595,149	2,743,465
Bills payable	應付票據	767	94,400
		2,595,916	2,837,865

The aging of bills payable at the end of reporting period falls within 1 year.

應付票據於報告期末的賬齡為一年內。

At 31 December 2019, bills payable were secured by bank deposit of RMB500,000 (2018: RMB89,900,000).

於二零一九年十二月三十一日，應付票據由銀行存款人民幣500,000元(二零一八年：人民幣89,900,000元)作抵押。

An aging analysis of the trade payables at the end of the reporting period, based on invoice dates, is as follows:

貿易應付款項於報告期末按發票日期呈列之賬齡分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 1 year	1年內	435,469	1,187,775
Over 1 year	超過1年	2,159,680	1,555,690
		2,595,149	2,743,465

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

31. ACCRUALS AND OTHER PAYABLES

31. 應計費用及其他應付款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Accruals	應計費用	789,976	467,751
Advances from third parties	第三方墊款	1,315,072	1,128,200
Deposits related to construction	建設按金	144,253	205,591
Deposits related to sale of properties	物業銷售按金	58,917	20,867
Maintenance funds	維修資金	143,867	137,271
Others	其他	75,485	59,535
Payroll and welfare payable	應付工資及福利	16,591	10,272
Rental collection on behalf of third parties	代表第三方收取的租金	117,937	117,567
Rental deposits	租金按金	38,892	38,675
Taxes and surcharges	稅項及附加費	646,802	693,377
		3,347,792	2,879,106

Other payables are unsecured, non-interest-bearing and repayable on demand. The fair values of other payables at the end of the reporting period approximated to their corresponding carrying amounts.

其他應付款項為無抵押、不計息，且須應要求償還。其他應付款項於報告期末的公平值與其相應的賬面值相若。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

32. CONTRACT LIABILITIES

32. 合約負債

Disclosures of revenue-related items:

收入相關項目披露：

		As at 31 December 2019 於二零一九年 十二月 三十一日 RMB'000 人民幣千元	As at 31 December 2018 於二零一八年 十二月 三十一日 RMB'000 人民幣千元	As at 1 January 2018 於二零一八年 一月一日 RMB'000 人民幣千元
Total contract liabilities	合約負債總額	3,044,888	3,223,044	3,443,466
Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:	於年末分配至未達成履約責任並預期於以下年度確認為收入之交易價：			
— 2019	— 二零一九年	—	622,393	
— 2020	— 二零二零年	728,212	728,212	
— 2021	— 二零二一年	895,939	895,939	
— 2022	— 二零二二年	1,422,025	1,422,025	
		3,046,176	3,668,569	
			Year ended 31 December 截至十二月三十一日止年度 2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue recognised in the year that was included in contract liabilities at beginning of year	於年初計入合約負債之年內確認收入		761,369	2,778,294

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

32. CONTRACT LIABILITIES (Continued)

Significant changes in contract liabilities during the year:

32. 合約負債 (續)

年內合約負債之重大變動：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Increase due to operations in the year	年內因營運而增加	583,212	3,331,305
Decrease due to disposals of a subsidiaries	因出售一家附屬公司而減少	-	(773,433)
Transfer of contract liabilities to revenue	轉移合約負債至收入	(761,368)	(2,778,294)

A contract liability represents the Group's obligation to transfer products or services to a customer for which the Group has received consideration from the customer.

合約負債指本集團因收取客戶代價而須轉讓產品或服務予客戶之責任。

33. BORROWINGS

33. 借貸

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Bank loans — secured	有抵押銀行貸款	2,187,567	2,644,866
Other loans — secured	有抵押其他貸款	415,496	461,022
Trust financing — secured	有抵押信託融資	580,509	591,572
		3,183,572	3,697,460
The borrowings are repayable as follows:	借貸須於下列年期償還：		
On demand or within one year	按要求或一年內	2,684,887	2,472,558
In the second year	第二年	76,561	592,400
In the third to fifth years, inclusive	第三至第五年(包括首尾兩年)	422,124	399,842
After five years	五年後	-	232,660
		3,183,572	3,697,460
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：十二個月內到期償還之款項(於流動負債項下列示)	(2,684,887)	(2,472,558)
Amount due for settlement after 12 months	十二個月後到期償還之款項	498,685	1,224,902

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

33. BORROWINGS (Continued)

The effective interest rates per annum at the end of the reporting period were as follows:

33. 借貸 (續)

於報告期末，實際年利率如下：

		2019 二零一九年		2018 二零一八年	
		Effective interest rate (%) 實際利率 (%)	Maturity 到期日	Effective interest rate (%) 實際利率 (%)	Maturity 到期日
Current	即期				
Bank loans — secured, payable on demand	有抵押銀行貸款， 按要求支付	1.85–12.00	2020 二零二零年	1.85–12.00	2019 二零一九年
Other loans — secured	有抵押其他貸款	8.00–30.00	2020 二零二零年	8.00–9.00	2019 二零一九年
Current portion of long term bank loan — secured	有抵押長期銀行貸款的 即期部分	6.175–15.00	2020 二零二零年	6.75–15.00	2019 二零一九年
Current portion of long term other loan — secured	有抵押長期其他貸款的 即期部分	8.00–12.50	2020 二零二零年	8.00–12.50	2019 二零一九年
Non-current	非即期				
Bank loans — secured	有抵押銀行貸款	6.4–15.00	2021 to 2024 二零二一年至 二零二四年	6.175–15.00	2020 to 2024 二零二零年至 二零二四年
Trust financing — secured	有抵押信託融資	6.40–9.00	2021 to 2022 二零二一年至 二零二二年	6.40–9.21	2020 to 2022 二零二零年至 二零二二年

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

33. BORROWINGS (Continued)

The Group's bank and other borrowings are secured by the pledges of the following assets with carrying values at the end of the reporting period as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	92,189	98,314
Investment properties	投資物業	2,579,704	3,470,629
Prepaid land lease payments	預付土地租賃款項	256,184	266,359
Properties for sale under development	發展中待售物業	1,428,428	1,720,169
Properties held for sale	待售物業	1,514,865	1,550,793
Pledged deposits	已抵押存款	14,929	26,924

On top of the pledges mentioned above, the directors of Shu Brothers and close family members have guaranteed certain of the Group's bank and other borrowings up to RMB2,115,070,000 (2018: RMB2,544,926,000) as at the end of the reporting period.

34. CONVERTIBLE NOTES

On 26 September 2014 and 22 October 2014 (the "Issue Date"), the Company issued respectively two tranches of convertible notes ("Tranche 1" and "Tranche 2") maturing on 30 September 2019 (the "Maturity Date"), in the aggregate principal amount of USD50 million of each tranche with an initial conversion price of HKD1.78 per ordinary share of the Company. Pursuant to the indenture, if the accumulated aggregate site area of new industrial logistic projects invested by the Company and certain of its subsidiaries on the day falling 18 months after the first closing date is less than 600 mu, the initial conversion price shall be deemed to be HKD1.49 subject to adjustment in the manner provided in the indenture.

33. 借貸(續)

本集團銀行及其他借貸以抵押下列資產作擔保，相關資產於報告期末的賬面值如下：

於報告期末，除了上述抵押，舒氏兄弟董事及直系親屬為本集團最多人民幣2,115,070,000元(二零一八年：人民幣2,544,926,000元)的若干銀行及其他借貸提供擔保。

34. 可換股票據

於二零一四年九月二十六日及二零一四年十月二十二日(「發行日期」)，本公司分別發行兩批於二零一九年九月三十日(「到期日」)到期的可換股票據(「第一批」及「第二批」)，本金總額為每批50百萬美元，而初步換股價為每股本公司普通股1.78港元。根據契約，倘本公司及其若干附屬公司投資的新工業物流項目的累計總佔地面積於首個截止日期後滿18個月少於600畝，初步換股價須根據契約提供的調整方式而被視為1.49港元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

34. CONVERTIBLE NOTES (Continued)

On 26 September 2014 and 22 October 2014 (the "Issue Date"), the Company issued respectively two tranches of convertible notes ("Tranche 1" and "Tranche 2") maturing on 30 September 2019 (the "Maturity Date"), in the aggregate principal amount of USD50 million of each tranche with an initial conversion price of HKD1.78 per ordinary share of the Company.

Pursuant to the indenture, if the accumulated aggregate site area of new industrial logistic projects invested by the Company and certain of its subsidiaries on the day falling 18 months after the first closing date is less than 600 mu, the initial conversion price shall be deemed to be HKD1.49 subject to adjustment in the manner provided in the indenture.

The coupon interest rate is 7% per annum, payable semi-annually in arrears on 30 March and 30 September in each year. The noteholders have the option to convert the Tranche 1 and Tranche 2 to ordinary shares of the Company at any time after the Issue Date to its maturity.

The holder of the convertible notes shall have the right to require the Company to redeem all or some only of such holder's notes at any time on or after 30 September 2017 at its early redemption amount at such redemption date as specified in the relevant notice of the relevant holder together with interest accrued and unpaid to the redemption date.

Unless previously redeemed, repaid, converted or purchased and cancelled, the Company will redeem the convertible notes at approximately 137.48% of its principal amount on the Maturity Date.

34. 可換股票據(續)

於二零一四年九月二十六日及二零一四年十月二十二日(「發行日期」)，本公司分別發行兩批於二零一九年九月三十日(「到期日」)到期的可換股票據(「第一批」及「第二批」)，本金總額為每批50百萬美元，而初步換股價為每股本公司普通股1.78港元。

根據契約，倘本公司及其若干附屬公司投資的新工業物流項目的累計總佔地面積於首個截止日期後滿18個月少於600畝，初步換股價須根據契約提供的調整方式而被視為1.49港元。

票息年利率為7%，每半年於每年三月三十日及九月三十日支付。票據持有人有權選擇於發行日後至到期時的任何時間轉換第一批及第二批至本公司普通股。

可換股票據持有人將有權要求本公司於二零一七年九月三十日或之後任何時間按於有關持有人有關通知所指明的該贖回日期之提早贖回金額連同於贖回日期之應計未付利息贖回全部或部分該等持有人的票據。

除非先前贖回、償還、轉換或購買及註銷，本公司將於到期日按本金額約137.48%贖回可換股票據。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

34. CONVERTIBLE NOTES (Continued)

Since the conversion options embedded in the Tranche 1 and Tranche 2 don't meet the definition of equity instruments of the Company, Tranche 1 and Tranche 2, in their entirety, are accounted for as financial liabilities and are separated into the host debt component and embedded derivative component. The embedded derivatives are accounted for as financial liabilities at fair value through profit or loss. The host debt component is initially recognised as the excess of proceeds over the amount initially recognised as the derivative component, net of transaction costs allocated to the host debt component, and are subsequently measured at amortised cost.

For the year ended 31 December 2017, the holders required the Company to redeem all of the convertible notes (the "Settlement"). According to extension agreements between the Group and the holders, the Settlement has been extended by instalments from 26 September 2017 to 26 March 2018.

All convertible notes at 31 December 2019 and 2018 are overdue.

34. 可換股票據(續)

由於第一批及第二批嵌入的換股期權並不符合本公司的權益工具定義，因此整個第一批及第二批入賬列作金融負債，並分為主要債務部分及嵌入衍生工具部分。嵌入衍生工具入賬列作按公平值計入損益之金融負債。主要債務部分按照所得款項超出初始確認的衍生工具部分金額，扣除分配至主要債務部分的交易費用後進行初始確認，並在其後按照攤銷成本計量。

於截至二零一七年十二月三十一日止年度，持有人要求本公司贖回全部可換股票據(「償付」)。根據本集團與持有人訂立的延長協議，償付已於二零一七年九月二十六日至二零一八年三月二十六日分期延長。

於二零一九年及二零一八年十二月三十一日，所有可換股票據均已逾期。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

34. CONVERTIBLE NOTES (Continued)

The proceeds received from the issue of the convertible loan notes have been split between the liability and derivative components as follows:

34. 可換股票據 (續)

發行可換股貸款票據所得款項已分為以下負債及衍生工具部分：

		Tranche 1 第一批 RMB'000 人民幣千元	Tranche 2 第二批 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Liability component at 1 January 2018	於二零一八年一月一日 的負債部分	296,248	299,773	596,021
Repayments	償還款項	(89,832)	(89,832)	(179,664)
Interest charged	利息支出	27,647	27,647	55,294
Interest payable	應付利息	(26,680)	(26,680)	(53,360)
Exchange realignment	匯兌調整	2,335	2,515	4,850
Liability component at 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日 的負債部分	209,718	213,423	423,141
Interest charged	利息支出	44,130	44,130	88,260
Exchange realignment	匯兌調整	3,445	3,489	6,934
Liability component at 31 December 2019	於二零一九年 十二月三十一日 的負債部分	257,293	261,042	518,335

Interest expenses on the Tranche 1 and Tranche 2 are calculated using the effective interest method by applying the effective interest rates of 24% (2018: 13.1%) to the host debt component.

第一批及第二批的利息開支按實際利息法計算，主要債務部分所用的實際利率為24%（二零一八年：13.1%）。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

35. SENIOR NOTES

The Group has following senior notes remain in issue at the end of the reporting period:

- a. On 26 September 2013, the Company issued senior notes in an aggregate principal amount of USD100,000,000 (the "2013 Notes"). The 2013 Notes are listed on the Stock Exchange. The 2013 Notes carry interest at the rate of 13.75% per annum, payable semi-annually on 26 March and 26 September in arrears, and will mature on 26 September 2018, unless redeemed earlier. There is no redemption price after the maturity date.

At any time and from time to time prior to 26 September 2016, the Company may redeem up to 35% of the aggregate principal amount of the 2013 Notes with proceeds from one or more sales of certain kinds of its capital stock at a redemption price of 113.75% of the principal amount of the 2013 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, subject to certain conditions.

- b. On 16 January 2014, the Company issued senior notes in an aggregate principal amount of USD100,000,000 (the "2014 Notes"). The additional senior notes are listed on the Stock Exchange and the Singapore Exchange Securities Trading Limited. The 2014 Notes have the same terms and conditions as those of the 2013 Notes, save for the issue date and purchase price.

35. 優先票據

於報告期末，本集團以下優先票據仍維持發行：

- a. 於二零一三年九月二十六日，本公司發行本金總額為100,000,000美元的優先票據(「二零一三年票據」)。二零一三年票據於聯交所上市。二零一三年票據的年息為13.75%，須於三月二十六日及九月二十六日每半年支付一次，除非提早贖回，否則將於二零一八年九月二十六日到期。於到期日後並無購回價。

在若干條件的規限下，本公司可於二零一六年九月二十六日前隨時及不時以出售一項或多項其若干類別股本之所得款項，按二零一三年票據本金額113.75%之贖回價另加截至(但不包括)贖回日期應計但未支付利息(如有)，贖回最多35%的二零一三年票據本金總額。

- b. 於二零一四年一月十六日，本公司發行本金總額為100,000,000美元的優先票據(「二零一四年票據」)。額外優先票據於聯交所及新加坡證券交易所有限公司上市。除發行日期及購買價外，二零一四年票據與二零一三年票據的條款及條件相同。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

35. SENIOR NOTES (Continued)

- (c) On 6 July 2015, the Company issued additional senior notes in an aggregate principal amount of USD100,000,000 (the "2015 Notes"). The additional senior notes are listed on the Stock Exchange and the Singapore Exchange Securities Trading Limited. The 2015 Notes have the same terms and conditions as those of the 2013 Notes, save for the issue date and purchase price.

The 2013 Notes, 2014 Notes and 2015 Notes recognised in the consolidated statement of financial position were calculated as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	2,082,930	2,041,538
Exchange realignment	匯兌調整	24,930	95,330
Interest expenses	利息開支	–	212,973
Coupon paid	已付票息	–	(130,664)
Interest payable	應付利息	–	(136,247)
At 31 December	於十二月三十一日	2,107,860	2,082,930

35. 優先票據(續)

- (c) 於二零一五年七月六日，本公司額外發行本金總額為100,000,000美元的優先票據（「二零一五年票據」）。額外優先票據於聯交所及新加坡證券交易所有限公司上市。除發行日期及購買價外，二零一五年票據與二零一三年票據的條款及條件相同。

於綜合財務狀況表確認的二零一三年票據、二零一四年票據及二零一五年票據計算如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. CORPORATE BONDS

On 19 August 2016, Wuxi Wuzhou Ornament City Co., Ltd., ("Wuxi Wuzhou Ornament City") an indirectly wholly-owned subsidiary of the Company, issued a non-public corporate bond of RMB500,000,000 for a term of three years with an annual coupon rate of 6.90% ("the first tranche Corporate Bonds"). At the end of the first and the second year subsequent to the inception date, Wuxi Wuzhou Ornament City as the issuer is entitled to adjust interest rate and the holders of the first tranche Corporate Bonds may at their options sell back the bonds to Wuxi Wuzhou Ornament City in whole or in part at a price equal to 100% of the principal amount of the bond plus accrued and unpaid interest to the sold-back date.

On 19 September 2016, Wuxi Wuzhou Ornament City, issued a non-public corporate bond of RMB1,500,000,000 for a term of three years with an annual coupon rate of 7.40% ("the second tranche Corporate Bonds"). At the end of the second year subsequent to the inception date, Wuxi Wuzhou Ornament City as the issuer is entitled to adjust interest rate and the holders of the second tranche Corporate Bonds may at their options sell back the bonds to Wuxi Wuzhou Ornament City in whole or in part at a price equal to 100% of the principal amount of the bond plus accrued and unpaid interest to the sold-back date.

On 11 January 2017, Wuxi Wuzhou Ornament City, issued a non-public corporate bond of RMB1,000,000,000 for a term of three years with an annual coupon rate of 7.30% ("the third tranche Corporate Bonds"). At the end of the second year subsequent to the inception date, Wuxi Wuzhou Ornament City as the issuer is entitled to adjust interest rate and the holders of the third tranche Corporate Bonds may at their options sell back the bonds to Wuxi Wuzhou Ornament City in whole or in part at a price equal to 100% of the principal amount of the bond plus accrued and unpaid interest to the sold-back date.

36. 公司債券

於二零一六年八月十九日，本公司間接全資附屬公司無錫五洲裝飾城有限公司(「無錫五洲裝飾城」)發行人民幣500,000,000元非公開公司債券，為期三年，票面年利率6.90%(「第一批公司債券」)。自開始日期起第一年及第二年年末，無錫五洲裝飾城(作為發行人)有權調整利率，而第一批公司債券持有人則可選擇按相等於債券本金額100%另加截至售回日期應計但未支付利息的價格，向無錫五洲裝飾城售回全部或部分債券。

於二零一六年九月十九日，無錫五洲裝飾城發行人民幣1,500,000,000元非公開公司債券，為期三年，票面年利率7.40%(「第二批公司債券」)。自開始日期起第二年年末，無錫五洲裝飾城(作為發行人)有權調整利率，而第二批公司債券持有人則可選擇按相等於債券本金額100%另加截至售回日期應計但未支付利息的價格，向無錫五洲裝飾城售回全部或部分債券。

於二零一七年一月十一日，無錫五洲裝飾城發行人民幣1,000,000,000元非公開公司債券，為期三年，票面年利率7.30%(「第三批公司債券」)。自開始日期起第二年年末，無錫五洲裝飾城(作為發行人)有權調整利率，而第三批公司債券持有人則可選擇按相等於債券本金額100%另加截至售回日期應計但未支付利息的價格，向無錫五洲裝飾城售回全部或部分債券。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

36. CORPORATE BONDS (Continued)

The first tranche Corporate Bonds, second tranche Corporate Bonds and third tranche Corporate Bonds recognised in the consolidated statement of financial position were calculated as follows:

36. 公司債券(續)

於綜合財務狀況表確認的第一批公司債券、第二批公司債券及第三批公司債券計算如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	3,188,648	2,969,776
Repayment of principal	償還本金	(32,288)	–
Interest expenses	利息開支	244,650	218,872
At 31 December	於十二月三十一日	3,401,010	3,188,648
Less: Current portion	減：即期部分	(3,401,010)	(2,048,692)
Non-current portion	非即期部分	–	1,139,956

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS

a. Pre-IPO share award scheme

Pursuant to the board resolution dated 30 September 2012, the Group established a pre-IPO share award scheme (the "Share Award Scheme"). Under the Share Award Scheme, the Shu Brothers, the Controlling Shareholders and directors of the Company, transferred 1% of the Company's shares (representing 34,221,619 shares, the "Awarded Shares") held by them through Boom Win to seven employees of the Group. The share transfer was completed on 12 October 2012. The objective of the Share Award Scheme is to recognise the contributions of certain employees of the Group and providing incentives.

The Awarded Shares, subject to a vesting period, are being held by the trust on behalf of the grantees. The vesting period is five years, from the beginning of each instalment, during which 24%, 24%, 24%, 14% and 14% of the Award Shares granted to employee will vest on each of the five anniversaries of the first vesting date. The first vesting date is 1 January of the year following the successful listing of the Company's shares on the Stock Exchange.

The fair value of the Awarded Shares granted under the Share Award Scheme on 30 September 2012 was RMB14,246,971, which was determined by Savills Valuation, an independent firm of professionally qualified valuers, using the income approach. The significant input into the approach was estimated fair value of shares at the grant date. The consideration of the above 1% equity interest of the Company is RMB8,411,805.

37. 股份付款交易

a. 首次公開發售前股份獎勵計劃

根據日期為二零一二年九月三十日的董事會決議案，本集團設立首次公開發售前股份獎勵計劃(「股份獎勵計劃」)。根據股份獎勵計劃，控股股東兼本公司董事舒氏兄弟透過盛凱轉讓所持本公司1%股份(即34,221,619股股份，「獎勵股份」)予本集團七名僱員。股份轉讓於二零一二年十月十二日完成。股份獎勵計劃旨在肯定本集團若干僱員的貢獻並提供獎勵。

獎勵股份設有歸屬期，由信託代承授人持有。歸屬期為五年(自每個分期開始)，其中24%、24%、24%、14%及14%授予僱員的獎勵股份分別於首次歸屬日期的五個週年日歸屬。首次歸屬日期為本公司股份成功在聯交所上市後的年度之一月一日。

根據二零一二年九月三十日的股份獎勵計劃所授出獎勵股份的公平值為人民幣14,246,971元，由獨立專業合資格估值師行第一太平戴維斯估值按收益法釐定。該方法的重要參數為授出日期股份的估計公平值。本公司上述1%股權的代價為人民幣8,411,805元。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

(a) Pre-IPO share award scheme (Continued)

The Awarded Shares are contingent at grant date and are subject to the cancellation in the event of resignation of the grantee; and the vesting conditions of the shares successfully listed on the Stock Exchange and satisfactory performance of such employee based on his or her annual performance appraisal. During the year ended 31 December 2019, no expense is recognised in relation to the Awarded Shares granted to certain employee of the Group (2018: RMB nil).

(b) Share option scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, the Company's shareholders, and any non-controlling shareholder in the Company's subsidiaries.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

37. 股份付款交易(續)

(a) 首次公開發售前股份獎勵計劃(續)

獎勵股份或會於授出日期授出，並於承授人辭職時註銷。股份之歸屬條件為股份成功在聯交所上市及該僱員的年度業績評估達到滿意成績。截至二零一九年十二月三十一日止年度，並無就授予本集團若干僱員的獎勵股份確認開支(二零一八年：人民幣零元)。

(b) 購股權計劃

本公司設有購股權計劃(「該計劃」)，旨在向合資格參與人對本集團營運之成功作出之貢獻提供獎勵及報酬。該計劃的合資格參與人包括本公司董事(包括獨立非執行董事)、本集團其他僱員、本集團的貨物或服務供應商、本集團客戶、本公司股東及本公司附屬公司的任何非控股股東。

根據該計劃現時可授出之未行使購股權之最高數目(於行使時)將相等於本公司於任何時候已發行股份之10%。於任何十二個月期間，根據該計劃授予各合資格參與人之購股權可予發行之最高股份數目以本公司任何時候已發行股份之1%為限。授出超過此限制之任何其他購股權均須獲股東於股東大會上批准。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

(b) Share option scheme (Continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HKD5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

Pursuant to the board resolution dated 24 September 2013, the Company has granted share options under the Scheme adopted on 27 May 2013 to certain directors (including independent non-executive directors) and the employees of the Company and its subsidiaries (the "Grantees") which, subject to the acceptance of the share options by the Grantees, will enable the Grantees to subscribe for an aggregate of 93,119,611 new shares of USD0.01 each (the "Shares") in the share capital of the Company, representing approximately 2% of the issued share capital of the Company.

The grant of share options to each of the above directors and/or substantial shareholder and chief financial officer of the Company has been approved by the independent non-executive directors of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company are subject to shareholders' approval in advance in a general meeting.

37. 股份付款交易(續)

(b) 購股權計劃(續)

授予本公司董事、行政總裁或主要股東或彼等任何聯繫人之購股權須經獨立非執行董事事先批准。此外，於任何十二個月期間，倘授予本公司主要股東或獨立非執行董事或彼等任何聯繫人之任何購股權超逾本公司任何時候已發行股份之0.1%或根據於授出日期本公司股份價格計算之總值超過5,000,000港元，則須經股東於股東大會上事先批准。

根據日期為二零一三年九月二十四日之董事會決議案，本公司根據於二零一三年五月二十七日採納之該計劃，向若干董事(包括獨立非執行董事)及本公司及其附屬公司的僱員(「承授人」)授出購股權，承授人接受購股權後將可認購本公司股本中總額為93,119,611股每股面值0.01美元的新股份(「該等股份」)，佔本公司已發行股本約2%。

授予本公司上述各董事及／或主要股東及財務總監的購股權已由本公司的獨立非執行董事批准。此外，任何授予本公司主要股東或獨立非執行董事的購股權須經股東於股東大會上事先批准。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

(b) Share option scheme (Continued)

The share options are exercisable during the following periods:

- (i) up to 30% of the Share Options granted to each Grantee at any time after the expiration of 12 months from the date of grant and ending on the expiry date of the option period and after the Grantee has satisfied the vesting conditions specified by the Board;
- (ii) up to 30% of the Share Options granted to each Grantee at any time after the expiration of 24 months from the date of grant and ending on the expiry date of the Option Period and after the Grantee has satisfied the vesting conditions specified by the Board; and
- (iii) up to 40% of the share options granted to each Grantee at any time after the expiration of 36 months from the date of grant and ending on the expiry date of the option period and after the Grantee has satisfied the vesting conditions specified by the Board.

The exercise price of share options is HKD1.27 per share, representing the highest of:

- (i) the closing price of HKD1.27 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant;
- (ii) the average closing price of HKD1.256 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

37. 股份付款交易 (續)

(b) 購股權計劃 (續)

購股權可於以下期間行使：

- (i) 承授人達成董事會指定之歸屬條件後，授予各承授人之購股權中最多30%可自授出日期起計滿12個月起至購股權期限到期日止的任何時間行使；
- (ii) 承授人達成董事會指定之歸屬條件後，授予各承授人之購股權中最多30%可自授出日期起計滿24個月起至購股權期限到期日止的任何時間行使；及
- (iii) 承授人達成董事會指定之歸屬條件後，授予各承授人之購股權中最多40%可自授出日期起計滿36個月起至購股權期限到期日止的任何時間行使。

購股權行使價為每股股份1.27港元，為下列各項中最高者：

- (i) 股份於授出日期在聯交所發出之每日報價表所載收市價每股股份1.27港元；
- (ii) 股份於緊接授出日期前五個營業日在聯交所發出之每日報價表所載平均收市價每股股份1.256港元；及
- (iii) 股份之面值。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

37. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

(b) Share option scheme (Continued)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

No share options were outstanding under the Scheme during the years ended 31 December 2019 and 2018.

37. 股份付款交易 (續)

(b) 購股權計劃 (續)

購股權並無賦予持有人獲派股息或於股東大會上投票之權利。

於截至二零一九年及二零一八年十二月三十一日止年度，該計劃項下並無尚未行使之購股權。

38. DEFERRED TAX

The following are the details deferred tax liabilities and assets recognised by the Group.

Deferred tax assets

		Losses available for offsetting against future taxable profit	Unrealised revenue received in advance	Payroll and welfare accrual	Accrued costs, LAT and expenses	Unrealised subsidy income received	Allowance for asset impairment	Total
		可供抵銷 未來應課稅 利潤的虧損	提前收取的 未變現收入	應計工資 及福利	應計成本、 土地增值稅 及開支	已收 未變現 津貼收益	資產減值 撥備	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	132,330	54,586	25	122,040	32,723	12,455	354,159
— Charge to consolidated statement of profit or loss	— 扣除自綜合損益表	(130,206)	(54,302)	(25)	(88,975)	(32,723)	(12,455)	(318,686)
— Disposal of subsidiaries	— 出售附屬公司	(2,124)	(284)	—	(33,065)	—	—	(35,473)
At 31 December 2018, 1 January 2019, and 31 December 2019	於二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	—	—	—	—	—	—	—

38. 遞延稅項

以下為本集團確認之遞延稅項負債及資產之詳情。

遞延稅項資產

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

38. DEFERRED TAX (Continued)

38. 遞延稅項 (續)

Deferred tax liabilities

遞延稅項負債

		Fair value adjustment arising from investment properties	Fair value adjustment on respective acquisition dates of subsidiaries	Gain on business combination	Fair value adjustment arising from equity investments at fair value through other comprehensive income	Total
		投資物業的公平值調整	附屬公司於各自收購日期的公平值調整	業務合併所得收入	計入其他全面收益之股本投資的公平值調整	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	791,260	45,488	18,760	522	856,030
— Credit to consolidated statement of profit or loss	— 計入綜合損益表	(219,533)	(21,159)	(18,760)	(522)	(259,974)
— Disposal of subsidiaries	— 出售附屬公司	(124,769)	-	-	-	(124,769)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	446,958	24,329	-	-	471,287
— Credit to consolidated statement of profit or loss	— 計入綜合損益表	(446,958)	-	-	-	(446,958)
At 31 December 2019	於二零一九年十二月三十一日	-	24,329	-	-	24,329

The following is the analysis of the deferred tax balances (after offset) for statement of consolidated financial position purposes:

就綜合財務狀況表而言，遞延稅項結餘（於抵銷後）之分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Deferred tax liabilities	遞延稅項負債	(24,329)	(471,287)
		(24,329)	(471,287)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

38. DEFERRED TAX (Continued)

At 31 December 2019 and 2018, no deferred tax liabilities has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries, associate and joint ventures established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries, associates and joint ventures will distribute such earnings in the foreseeable future.

At the end of the reporting period the Group has unused tax losses of approximately RMB4,715,930,000 (2018: RMB3,303,524,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately RMB4,715,930,000 (2018: RMB3,303,524,000) in the PRC are available for offsetting against future profits that may be carried forward for five years for PRC enterprise income tax purpose.

38. 遞延稅項(續)

於二零一九年及二零一八年十二月三十一日，概無就本集團於中國大陸成立的附屬公司、聯營公司及合資公司須繳納預扣稅的未匯出盈利應付的預扣稅而確認遞延稅項負債。董事認為，該等附屬公司、聯營公司及合資公司在可預見未來不大可能會分派該等盈利。

於報告期末，本集團尚未動用之稅項虧損約為人民幣4,715,930,000元(二零一八年：人民幣3,303,524,000元)，可用作抵銷未來利潤。鑒於未來利潤流之不可預測性，故並無確認遞延稅項資產。就中國企業所得稅而言，未確認稅項虧損包括於中國之虧損約人民幣4,715,930,000元(二零一八年：人民幣3,303,524,000元)，可用作抵銷未來利潤，並可結轉五年。

39. SHARE CAPITAL

39. 股本

		Number of shares 股份數目	RMB'000 人民幣千元
Authorised:	法定：		
Ordinary shares of USD0.10 each	每股面值0.10美元之普通股		
At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年一月一日、 二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	10,000,000,000	627,931
Issued and fully paid:	已發行及繳足：		
Ordinary shares of USD0.10 each	每股面值0.10美元之普通股		
At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年一月一日、 二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	4,990,259,914	313,354

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

39. SHARE CAPITAL (Continued)

Capital management

The Group's primary objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

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 payment of dividends, issue new shares, buyback shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes, within net debt, interest-bearing bank and other borrowings, senior notes, convertible notes, corporate bonds, trade and bills payables, other payables and accruals, advances from customers, less cash and cash equivalents. Capital includes equity attributable to the owners of the Company. The gearing ratios as at the end of reporting periods were 126% (2018: 106%).

39. 股本 (續)

資本管理

本集團管理資本主要旨在保障本集團的持續經營能力，透過定價與風險水平相稱的產品及服務，以及按合理成本取得融資，從而能夠繼續為股東提供回報並為其他權益持有人帶來利益。本集團於管理資本的目標為保障本集團持續經營的能力及通過優化債務及權益結餘使股東回報最大化。

本集團根據經濟狀況變動管理及調整資本結構。為維持或調整資本結構，本集團或會調整股息派付、發行新股份、購回股份、增加新債務，贖回現有債務或出售資產以減少債務。

本集團採用負債比率監察資本，負債比率以債務淨額除以資本總額加債務淨額計算。債務淨額包括計息銀行及其他借貸、優先票據、可換股票據、公司債券、貿易應付款項及應付票據、其他應付款項及應計費用、預收客戶款、減現金及現金等價物。資本包括本公司擁有人應佔權益。報告期末的負債比率為126% (二零一八年：106%)。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

40. RESERVES

- a. The amounts of the Company's reserves and the movements therein for the current and prior years are presented below:

		Share premium account 股份溢價賬 RMB'000 人民幣千元	share option reserve 購股權儲備 RMB'000 人民幣千元	Accumulated loss 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	1,299,010	-	(1,511,018)	(212,008)
Total comprehensive loss for the year	年內全面虧損總額	-	-	(1,161,243)	(1,161,243)
At 31 December 2018	於二零一八年十二月三十一日	1,299,010	-	(2,672,261)	(1,373,251)
At 1 January 2019	於二零一九年一月一日	1,299,010	-	(2,672,261)	(1,373,251)
Total comprehensive loss for the year	年內全面虧損總額	-	-	(1,751,476)	(1,751,476)
At 31 December 2019	於二零一九年十二月三十一日	1,299,010	-	(4,423,737)	(3,124,727)

(b) Nature and purpose of reserves of the Group

(i) Statutory reserve funds

PRC laws and regulations require wholly-owned foreign enterprises ("WFOE") to provide for the reserve funds by appropriating part of the net profit, as determined under the PRC accounting rules and regulations, before dividend distribution. Each subsidiary which is a WFOE is required to appropriate at least 10% of its net profit after tax to the reserve fund until the balance of this fund has reached 50% of its registered capital. The reserve fund can only be used, upon approval by the relevant authority, to set off accumulated losses or increase capital.

40. 儲備

- a. 本公司於本年度及過往年度之儲備金額及其變動呈列如下：

(b) 本集團儲備之性質及目的

(i) 法定儲備金

中國法律法規規定，外商獨資企業（「外商獨資企業」）須在派息前撥備，根據中國會計規則及規定釐定部分淨利潤用作儲備金。作為外商獨資企業的各附屬公司須將除稅後不少於10%的淨利潤撥往儲備金，直至此儲備金結餘達到其註冊資本的50%。儲備金僅在獲有關機關批准下方可用於抵銷累計虧損或增資。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

40. RESERVES (Continued)

(b) Nature and purpose of reserves of the Group (Continued)

(i) Statutory reserve funds (Continued)

Each of the non-foreign invested subsidiaries in Mainland China is required to transfer 10% of its net profit after tax, as determined under the PRC accounting rules and regulations, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before the distribution of dividends to respective equity owners. The statutory surplus reserve can be used to set off accumulated losses or convert into capital by the issue of new equity interests to equity owners in proportion to their existing equity holdings.

(ii) Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

40. 儲備(續)

(b) 本集團儲備之性質及目的(續)

(i) 法定儲備金(續)

各中國內地非外商投資附屬公司須按中國會計規則及規定釐定，將其10%的稅後淨利潤轉撥至法定盈餘儲備，直至該儲備結餘達至其註冊資本50%。向該儲備的轉撥須在向各股權擁有人派息前作出。法定盈餘儲備可用作抵銷累計虧損或通過向股權擁有人按其現時的股權持有比例發行新股權轉換為資本。

(ii) 購股權儲備

購股權儲備包括已授出但未行使的購股權公平值，並於財務報表附註4所載之以股份付款之會計政策進一步闡釋。該金額將於相關購股權獲行使時轉撥往股份溢價賬，或倘相關購股權到期或被沒收時，則轉撥往保留利潤。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiary that has material non-controlling interests are set out below:

		2019 二零一九年	2018 二零一八年
Percentage of equity interests held by non-controlling interests:	非控股權益持有之股權百分比：		
Wuxi Longan	無錫龍安	35.7%	35.7%

41. 擁有重大非控股權益之非全資附屬公司

擁有重大非控股權益之本集團附屬公司的詳情如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Loss for the year allocated to non-controlling interests:	分配至非控股權益年度虧損：		
Wuxi Longan	無錫龍安	(282,478)	(39,516)
Accumulated balances of non-controlling interests at the reporting dates:	於報告日期非控股權益之累計結餘：		
Wuxi Longan	無錫龍安	(62,908)	219,570

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

41. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

(Continued)

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

41. 擁有重大非控股權益之非全資附屬公司(續)

下表載列上述附屬公司的財務資料概要。所披露金額為除任何公司間對銷前金額：

Wuxi Longan	無錫龍安	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue	收入	11,543	10,870
Change in fair value of investment properties	投資物業公平值變動	(754,911)	(99,200)
Total expenses	開支總額	(53,089)	(21,133)
Loss for the year	年內虧損	(791,255)	(110,689)
Current assets	流動資產	44,210	33,467
Non-current assets	非流動資產	378,240	1,245,045
Current liabilities	流動負債	(365,946)	(430,753)
Non-current liabilities	非流動負債	(232,717)	(232,717)
Net cash flows used in operating activities	經營活動所用現金流量淨額	(59,004)	(84,512)
Net cash flows used in investing activities	投資活動所用現金流量淨額	(2,210)	(4,781)
Net cash flows used in financing activities	融資活動所用現金流量淨額	(29,371)	(16,441)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(90,585)	(105,734)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS 42. 綜合現金流量表附註

a. Disposal of subsidiaries

Transferred of equity interest of certain subsidiaries

During the year, the Group has transferred of equity interest of certain subsidiaries to independent third parties, the details of the transfer as follows:

a. 出售附屬公司

轉讓若干附屬公司之股權

年內，本集團已向獨立第三方轉讓若干附屬公司之股權，轉讓詳情如下：

Disposal subsidiaries 出售附屬公司	Date of transfer 轉讓日期
大理五洲國際物業管理有限公司	1 June 2018 二零一八年六月一日
吉林市五洲國際房地產開發有限公司	30 May 2018 二零一八年五月三十日
杭州潤都物業管理有限公司	1 June 2018 二零一八年六月一日
瑞安市五洲國際商業管理有限公司	4 June 2018 二零一八年六月四日
鄭州五洲國際商業運營有限公司	4 June 2018 二零一八年六月四日
徐州五洲公路港物流服務有限公司	4 June 2018 二零一八年六月四日
漳州五洲國際商貿城有限公司	20 September 2018 二零一八年九月二十日
浙江紅貝投資有限公司	4 June 2018 二零一八年六月四日
邢台市月晟房地產開發有限公司	13 June 2018 二零一八年六月十三日
無錫順泰商業發展有限公司	17 May 2018 二零一八年五月十七日
汝州五洲國際工業博覽城有限公司	11 May 2018 二零一八年五月十一日
天津龍祥商業運營管理有限公司	1 June 2018 二零一八年六月一日
重慶市忠縣五洲萬商商貿城有限公司	2 January 2018 二零一八年一月二日
樂清市五洲國際商業管理有限公司	1 June 2018 二零一八年六月一日

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued) 42. 綜合現金流量表附註 (續)

a. Disposal of subsidiaries (Continued)

Deemed disposal of a subsidiary (Continued)

On 10 April 2018, 大理五洲國際商貿城有限公司, a subsidiary of the Company had capital injections of RMB31,950,000 from independent third parties, the shareholdings of the subsidiary has been changed from 100% to 38.5%, the subsidiary became an associate of the Group.

a. 出售附屬公司 (續)

視作出售一家附屬公司 (續)

於二零一八年四月十日，本公司一家附屬公司大理五洲國際商貿城有限公司自獨立第三方獲得注資人民幣31,950,000元，於該附屬公司之持股由100%變更至38.5%，且該附屬公司成為本集團的一家聯營公司。

	Transferred of equity interest of certain subsidiaries 轉讓若干附屬 公司之股權	Deemed disposal of a subsidiary 視作出售一家 附屬公司	Total 總計
	2018 二零一八年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元

Net assets at the date of disposal were as follows: 於出售日期之淨資產如下：

Property, plant and equipment	物業、廠房及設備	5,324	5,036	10,360
Intangible assets	無形資產	100	-	100
Long-term deferred expenses	長期遞延開支	777	-	777
Deferred tax assets	遞延稅項資產	18,387	17,086	35,473
Investment cost	投資成本	-	12,200	12,200
Investment properties	投資物業	352,325	692,600	1,044,925
Prepaid land lease payments	預付土地租賃款項	603,057	369,290	972,347
Properties for sale under development	發展中待售物業	283,431	-	283,431
Properties held for sale	待售物業	117,988	466,775	584,763
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	616,414	123,688	740,102

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued) 42. 綜合現金流量表附註(續)

a. Disposal of subsidiaries (Continued)

Deemed disposal of a subsidiary (Continued)

		Transferred of equity interest of certain subsidiaries 轉讓若干附屬 公司之股權	Deemed disposal of a subsidiary 視作出售一家 附屬公司	Total 總計
		2018 二零一八年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current tax assets	即期稅項資產	1,431	–	1,431
Trade receivables	貿易應收款項	35,214	335	35,549
Bank and cash balances	銀行及現金結餘	177,029	38,116	215,145
Trade and bills payables	貿易應付款項及 應付票據	(103,265)	(203,676)	(306,941)
Other payables and accruals	其他應付款項及 應計費用	(950,893)	(459,040)	(1,409,933)
Contract liabilities	合約負債	(445,699)	(327,734)	(773,433)
Borrowings	借貸	(135,000)	(30,000)	(165,000)
Deferred tax liabilities	遞延稅項負債	(40,127)	(84,642)	(124,769)
Net assets disposed of:	出售淨資產：	536,493	620,034	1,156,527
Non-controlling interests	非控股權益	(76,272)	(36,338)	(112,610)
		460,221	583,696	1,043,917
Loss on disposal of subsidiaries	出售附屬公司 之虧損	(151,142)	(273,412)	(424,554)
Consideration/fair value of the associate	代價／聯營公司 之公平值	309,079	310,284	619,363
Consideration receivables	應收代價	305,079	–	305,079
Consideration received during the year	年內已收代價	4,000	–	4,000
Bank and cash balances disposed of	出售銀行及現金 結餘	(177,029)	(38,116)	(215,145)
Net cash (outflow)/inflow arising on disposal	出售所產生之現金 (流出)／流入淨額	(173,029)	(38,116)	(211,145)

a. 出售附屬公司(續)

視作出售一家附屬公司(續)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued) 42. 綜合現金流量表附註 (續)

(b) Changes in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

(b) 融資活動所產生負債變動

下表列示本集團年內融資活動所產生負債變動：

		Lease liabilities	Borrowings	Convertible notes	Senior notes	Corporate bonds	Total liabilities from financing activities
		租賃負債	借貸	可換股票據	優先票據	公司債券	融資活動之負債總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	-	5,604,719	596,021	2,041,538	2,969,776	11,212,054
Changes in cash flows	現金流量變動	-	(704,492)	(179,664)	(130,664)	-	(1,014,820)
Non-cash changes	非現金變動						
— Settled by pledged deposits	— 由已抵押存款結算	-	(1,037,767)	-	-	-	(1,037,767)
— Disposal of subsidiaries	— 出售附屬公司	-	(165,000)	-	-	-	(165,000)
— Imputed interest expenses	— 估算利息開支	-	595,277	55,294	212,973	218,872	1,082,416
— Interest payable	— 應付利息	-	(595,277)	(53,360)	(136,247)	-	(784,884)
— Exchange differences	— 匯兌差額	-	-	4,850	95,330	-	100,180
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	-	3,697,460	423,141	2,082,930	3,188,648	9,392,179
Changes in cash flows	現金流量變動	(1,643)	(150,520)	-	-	(32,288)	(184,451)
Non-cash changes	非現金變動						
— Initial recognition	— 初始確認	3,707	-	-	-	-	3,707
— Settled by investment properties	— 由投資物業結算	-	(363,368)	-	-	-	(363,368)
— Imputed interest expenses	— 估算利息開支	154	429,541	88,260	-	244,650	762,605
— Interest payable	— 應付利息	-	(429,541)	-	-	-	(429,541)
— Exchange differences	— 匯兌差額	45	-	6,934	24,930	-	31,909
At 31 December 2019	於二零一九年十二月三十一日	2,263	3,183,572	518,335	2,107,860	3,401,010	9,213,040

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

43. SUMMARISED FINANCIAL POSITION OF THE COMPANY 43. 本公司財務狀況概要

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	–	1,628,367
Other receivables	其他應收款項	11,354	11,354
Bank and cash balances	銀行及現金結餘	83	188
		11,437	1,639,909
Current liabilities	流動負債		
Accruals and other payables	應計費用及其他應付款項	196,615	193,735
Senior notes	優先票據	2,107,860	2,082,930
Convertible notes	可換股票據	518,335	423,141
		2,822,810	2,699,806
Net current liabilities	流動負債淨額	(2,811,373)	(1,059,897)
NET LIABILITIES	負債淨額	(2,811,373)	(1,059,897)
Capital and reserves	股本及儲備		
Share capital	股本	313,354	313,354
Reserves	儲備	(3,124,727)	(1,373,251)
TOTAL EQUITY	權益總額	(2,811,373)	(1,059,897)

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

44. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Share of the joint venture's contingent liabilities arising from litigations 分佔合資公司因訴訟產生的或然負債	23,320	23,320
Guarantees given to banks in connection with facilities granted to purchasers of the Group's properties 就授予本集團物業買家貸款向銀行作出的擔保	2,731,534	2,724,780
	2,754,854	2,748,100

The Group provided guarantees in respect of mortgage facilities granted by certain banks to the purchasers of the Group's completed properties held for sale. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to banks. The Group is then entitled to take over the legal titles of the related properties. The Group's guarantee period commences from the date of grant of the relevant mortgage loan and ends after the execution of individual purchaser's collateral agreement.

The Group did not incur any material loss during the years ended 31 December 2019 and 2018 in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's completed properties held for sale. The directors consider that in case of default on payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

44. 或然負債

於報告期末，並無於財務報表計提的或然負債如下：

本集團就若干銀行向本集團待售已竣工物業之買家授出的按揭貸款提供擔保。根據擔保安排條款，倘買家拖欠按揭款項，本集團須向銀行償還拖欠買家所欠未償還按揭貸款及任何應計利息與罰款。本集團其後可取得相關物業的合法業權。本集團的擔保期自相關按揭貸款授出之日開始至個別買家訂立抵押協議後終止。

截至二零一九年及二零一八年十二月三十一日止年度，本集團並無就其待售已竣工物業之買家獲授按揭貸款而提供的擔保產生任何重大虧損。董事認為，倘拖欠還款，相關物業的可變現淨值足以償還未償還的按揭貸款及任何應計利息與罰款，因此並無就擔保作出撥備。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

45. LEASE COMMITMENTS

As lessor

The Group leases out its investment properties under operating lease arrangements with leases negotiated from terms ranging from 1 to 20 years. The terms of leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2019, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	224,654	325,723
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	598,410	773,016
After five years	五年以上	566,911	646,008
		1,389,975	1,744,747

As lessee

The Group leases certain of its office properties under operating lease arrangements, negotiated for terms of one to three years with an option for renewal after the end of lease terms, at which time all terms will be renegotiated.

45. 租賃承擔

作為出租人

本集團根據協定租賃年期介乎一至二十年的經營租賃安排出租投資物業。租賃條款通常要求租戶支付抵押按金及根據當時市況定期調整租金。

於二零一九年十二月三十一日，本集團根據與其租戶訂立之不可撤銷經營租賃的未來最低租賃應收款項總額到期情況如下：

作為承租人

本集團根據經營租賃安排租用若干辦公室物業，協定年期介乎一至三年，可選擇於租期末重新協商所有條款後續租。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

45. LEASE COMMITMENTS (Continued)

As lessee (Continued)

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases in respect of certain office premises and machinery are analysed as follows:

		2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	1,864
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	2,105
		3,969

46. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contracted but not provided for	已訂約但未撥備		
— Properties under development	— 發展中物業	2,991,151	3,013,556
		2,991,151	3,013,556

45. 租賃承擔(續)

作為承租人(續)

於報告期末，根據有關若干辦公室物業及機器的不可撤銷經營租賃，日後最低租賃款項總額分析如下：

46. 資本承擔

本集團於報告期末的資本承擔如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

47. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following balances with related parties during the year:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Due from related company	應收關連公司款項	40,886	36,130

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Rental income	租金收益	4,128	8,125

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Key management personnel remuneration:	主要管理人員薪酬：		
Short term employee benefits	短期僱員福利	3,582	2,870
Pension scheme contributions and social welfare	退休金計劃供款及社會福利	81	94
		3,663	2,964

47. 關聯方交易

除該等綜合財務報表其他部分詳述之交易外，本集團年內與關聯方的結餘如下：

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

48. EVENTS AFTER THE REPORTING PERIOD

On 30 March 2020, Wuxi Longxiang and Ningbo Huaye Material Technology Company Limited* (寧波華業材料科技有限公司) (“Ningbo Huaye”) entered into a debt settlement agreement, pursuant to which Wuxi Longxiang agreed to sell, and Ningbo Huaye agreed to acquire, the Zhonghai Trust — Huayi Pure Bond No. 7 Collective Funds Trust Scheme* (中海信託 — 華溢純債7號集合資金信託計劃) at a total consideration of RMB31.68 million. Please refer to the Company’s announcement dated 31 March 2020 for further details.

On 10 April 2020, Wuxi Zhongnan Properties Investment Company Limited* (無錫中南置業投資有限公司) (“Wuxi Zhongnan”) and Ningbo Huaye and Ningbo Qichuang Properties Company Limited* (寧波啟創置業有限公司) (“Ningbo Qichuang”) entered into two debt settlement agreements respectively, pursuant to which Wuxi Zhongnan agreed to sell, and Ningbo Huaye and Ningbo Qichuang agreed to acquire, certain interests in Zhonghai Trust — Huayi Pure Bond No. 6 Collective Funds Trust Scheme* (中海信託 — 華溢純債6號集合資金信託計劃) at a consideration of RMB12.1 million and RMB20 million respectively. Please refer to the Company’s announcement dated 16 April 2020 for further details.

On 4 August 2020, Wuxi Longxiang Investment Company Limited* (無錫市龍祥投資有限公司) (the “Vendor”), each of Zhengzhou Ruimaotong Supply Chain Company Limited* (鄭州瑞茂通供應鏈有限公司) (the “Purchaser 1”) and Henan Yian Supply Chain Management Company Limited* (河南怡安供應鏈管理有限公司) (the “Purchaser 2”) entered into the agreement of property sale and bonds cancellation 1 and agreement of property sale and bonds cancellation 2 respectively, pursuant to which the Vendor agreed to sell, and the Purchaser 1 and Purchaser 2 agreed to acquire a total of 52 commercial property units situated on 5/F, Area A, Wuzhou Galaxy City and a total of 71 commercial property units situated on 4/F, Area C of Wuzhou Galaxy City at a consideration of approximately RMB43.74 million and approximately RMB20.22 million respectively. For details, please refer to the announcement of the Company dated 4 August 2020.

48. 報告期後事項

於二零二零年三月三十日，無錫龍祥與寧波華業材料科技有限公司(「寧波華業」)訂立債券抵償協議，據此，無錫龍祥同意出售而寧波華業同意購買中海信託 — 華溢純債7號集合資金信託計劃，總代價為人民幣31.68百萬元。進一步詳情，請參閱本公司日期為二零二零年三月三十一日之公告。

於二零二零年四月十日，無錫中南置業投資有限公司(「無錫中南」)分別與寧波華業及寧波啟創置業有限公司(「寧波啟創」)訂立兩份債券抵償協議，據此，無錫中南同意出售而寧波華業及寧波啟創同意購買中海信託 — 華溢純債6號集合資金信託計劃的若干權益，代價分別為人民幣12.1百萬元及人民幣20百萬元。進一步詳情，請參閱本公司日期為二零二零年四月十六日之公告。

於二零二零年八月四日，無錫市龍祥投資有限公司(「賣方」)分別與鄭州瑞茂通供應鏈有限公司(「買方1」)及河南怡安供應鏈管理有限公司(「買方2」)訂立物業出售及債券註銷協議1與物業出售及債券註銷協議2，據此，賣方同意出售而買方1及買方2同意購買五洲銀河城A區5樓的合共52個商用物業單位及五洲銀河城C區4樓的合共71個商用物業單位，代價分別為約人民幣43.74百萬元及約人民幣20.22百萬元。進一步詳情，請參閱本公司日期為二零二零年八月四日之公告。

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

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

Particulars of the Company's principal subsidiaries at the end of the reporting period are as follows:

49. 本公司主要附屬公司的詳情

下表載列董事認為對本年度業績有重要影響或組成本集團財務狀況主要部分之本公司附屬公司。董事認為，提供其他附屬公司之詳情會使內容過於冗長。

於報告期末，本公司主要附屬公司之詳情如下：

Name 名稱	Notes 附註	Place of incorporation/ registration 註冊成立/ 登記地點	Issued/paid-up capital 已發行/繳足股本	Percentage of the Company's indirect ownership interest		Principal activities 主要業務
				2019 二零一九年	2018 二零一八年	
香港五洲國際集團有限公司 Hong Kong Wuzhou International Group Limited	1	Hong Kong	HK\$10,000	100.00%	100.00%	Investment holding
香港五洲國際集團有限公司	1	香港	10,000港元	100.00%	100.00%	投資控股
無錫中南置業投資有限公司 ("Wuxi Zhongnan Property Investment Co., Ltd.")	3	The PRC	RMB36,614,000	100.00%	100.00%	Property development
無錫中南置業投資有限公司	3	中國	人民幣36,614,000元	100.00%	100.00%	物業發展
無錫五洲國際裝飾城有限公司 ("Wuxi Wuzhou International Ornament City Co., Ltd.")	2	The PRC	RMB100,000,000	100.00%	100.00%	Property development and property investment
無錫五洲國際裝飾城有限公司	2	中國	人民幣100,000,000元	100.00%	100.00%	物業發展及物業投資
無錫市崇安新城龍安商業物業經營管理有限公司 ("Wuxi Chong'anxincheng Long'an Commercial Property Management Co., Ltd." ("Wuxi Long'an"))	2	The PRC	RMB1,000,000	64.30%	64.30%	Property management
無錫市崇安新城龍安商業物業經營管理有限公司 (「無錫龍安」)	2	中國	人民幣1,000,000元	64.30%	64.30%	物業管理
無錫市龍祥投資有限公司 ("Wuxi Longxiang Investment Co., Ltd.")	3	The PRC	RMB20,000,000	62.00%	62.00%	Property development
無錫市龍祥投資有限公司	3	中國	人民幣20,000,000元	62.00%	62.00%	物業發展
南通五洲國際投資有限公司 ("Nantong Wuzhou International Investment Co., Ltd.")	3	The PRC	RMB80,000,000	51.00%	51.00%	Property development
南通五洲國際投資有限公司	3	中國	人民幣80,000,000元	51.00%	51.00%	物業發展

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

49. 本公司主要附屬公司的詳情 (續)

Name 名稱	Notes 附註	Place of incorporation/ registration 註冊成立/ 登記地點	Issued/paid-up capital 已發行/繳足股本	Percentage of the Company's indirect ownership interest 佔本公司間接擁有權益之百分比		Principal activities 主要業務
				2019 二零一九年	2018 二零一八年	
重慶市榮昌區五洲五金裝飾城有限公司 ("Chongqing Rongchang Wuzhou Hardware Ornament City Co., Ltd.")	3	The PRC	RMB60,000,000	94.00%	94.00%	Property development
重慶市榮昌區五洲五金裝飾城有限公司	3	中國	人民幣60,000,000元	94.00%	94.00%	物業發展
無錫市龍騰商業投資發展有限公司 ("Wuxi Longteng Commercial Investment & Development Co., Ltd.")	3	The PRC	RMB50,000,000	100.00%	100.00%	Property development
無錫市龍騰商業投資發展有限公司	3	中國	人民幣50,000,000元	100.00%	100.00%	物業發展
襄陽五洲國際商貿城有限公司 ("Xiangyang Wuzhou International Commercial City Co., Ltd.")	3	The PRC	RMB100,000,000	100.00%	100.00%	Property development
襄陽五洲國際商貿城有限公司	3	中國	人民幣100,000,000元	100.00%	100.00%	物業發展
龍口五洲國際商貿城有限公司 ("Longkou Wuzhou International Commercial City Co., Ltd.")	3	The PRC	RMB20,000,000	95.00%	95.00%	Property development
龍口五洲國際商貿城有限公司	3	中國	人民幣20,000,000元	95.00%	95.00%	物業發展
江陰五洲置業有限公司 ("Jiangyin Wuzhou Property Co., Ltd.")	3	The PRC	RMB60,000,000	90.00%	90.00%	Property development
江陰五洲置業有限公司	3	中國	人民幣60,000,000元	90.00%	90.00%	物業發展
煙台五洲置業有限公司 ("Yantai Wuzhou Property Co., Ltd.")	3	The PRC	RMB20,000,000	95.00%	95.00%	Property development
煙台五洲置業有限公司	3	中國	人民幣20,000,000元	95.00%	95.00%	物業發展
保山五洲國際廣場有限公司 ("Baoshan Wuzhou International Plaza Co., Ltd.")	3	The PRC	RMB20,000,000	61.00%	61.00%	Property development
保山五洲國際廣場有限公司	3	中國	人民幣20,000,000元	61.00%	61.00%	物業發展
洛陽五洲國際工業博覽城有限公司 ("Luoyang Wuzhou International Industrial Exposition City Co., Ltd.")	3	The PRC	RMB60,000,000	61.00%	61.00%	Property development
洛陽五洲國際工業博覽城有限公司	3	中國	人民幣60,000,000元	61.00%	61.00%	物業發展

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註 (續)

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

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

49. 本公司主要附屬公司的詳情 (續)

Name 名稱	Notes 附註	Place of incorporation/ registration 註冊成立/ 登記地點	Issued/paid-up capital 已發行/繳足股本	Percentage of the Company's indirect ownership interest		Principal activities 主要業務
				2019 二零一九年	2018 二零一八年	
瑞安市五洲國際商貿城有限公司 ("Ruian Wuzhou International Commercial City Co., Ltd.")	3	The PRC	RMB50,000,000	100.00%	100.00%	Property development
瑞安市五洲國際商貿城有限公司	3	中國	人民幣50,000,000元	100.00%	100.00%	物業發展
牡丹江五洲國際商貿博覽城有限公司 ("Mudanjiang Wuzhou International Trade Exposition City Co., Ltd.")	2	The PRC	HK\$1,950,000,000	100.00%	100.00%	Property development
牡丹江五洲國際商貿博覽城有限公司	2	中國	1,950,000,000港元	100.00%	100.00%	物業發展
江蘇通潤置業有限公司 ("Jiangsu Tongrun Property Co., Ltd.")	2	The PRC	USD80,000,000	100.00%	100.00%	Property development
江蘇通潤置業有限公司	2	中國	80,000,000美元	100.00%	100.00%	物業發展
長春市中南房地產開發有限公司 ("Changchun Zhongnan Property Development Co., Ltd.")	2	The PRC	RMB200,000,000	100.00%	100.00%	Property development
長春市中南房地產開發有限公司	2	中國	人民幣200,000,000元	100.00%	100.00%	物業發展
鄭州五洲國際工業博覽城房地產有限公司 ("Zhengzhou Wuzhou International Industrial Exposition City Property Co., Ltd.")	3	The PRC	RMB50,000,000	100.00%	100.00%	Property development
鄭州五洲國際工業博覽城房地產有限公司	3	中國	人民幣50,000,000元	100.00%	100.00%	物業發展
宜興五洲立盛商業發展有限公司 ("Yixing Wuzhou Lisheng Commercial Development Co., Ltd.")	2	The PRC	USD30,000,000	51.00%	51.00%	Property development
宜興五洲立盛商業發展有限公司	2	中國	30,000,000美元	51.00%	51.00%	物業發展
五洲國際(樂清)電工電氣城有限公司 ("Wuzhou International (Yueqing) Electrical City Co., Ltd.")	3	The PRC	RMB1,000,000	100.00%	100.00%	Property development
五洲國際(樂清)電工電氣城有限公司	3	中國	人民幣1,000,000元	100.00%	100.00%	物業發展
南通五洲商業投資有限公司 ("Nantong Wuzhou Commercial International Co., Ltd.")	3	The PRC	RMB60,000,000	100.00%	100.00%	Property development
南通五洲商業投資有限公司	3	中國	人民幣60,000,000元	100.00%	100.00%	物業發展

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

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

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Note 1: Registered as limited liability companies under the Hong Kong Companies Ordinance.

Note 2: Registered as wholly-foreign-owned entities under PRC law.

Note 3: Registered as limited liability companies under PRC law.

The English names of the subsidiaries which are established in the PRC are for identification purpose only.

50. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 18 August 2020.

49. 本公司主要附屬公司的詳情(續)

附註1：根據香港公司條例註冊為有限公司。

附註2：根據中國法律註冊為外商獨資企業。

附註3：根據中國法律註冊為有限責任公司。

於中國成立的附屬公司之英文名稱僅供識別用途。

50. 批准綜合財務報表

綜合財務報表已於二零二零年八月十八日獲董事會批准及授權刊發。

Summary Financial Information

財務資料概要

RESULTS 業績		For the year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	1,046,319	3,100,926	3,545,671	3,788,328	3,332,809
(Loss)/profit before tax	稅前(虧損)/利潤	(3,535,497)	(3,931,926)	(278,142)	533,729	(344,586)
Income tax expenses	所得稅開支	418,696	(307,602)	(296,351)	(424,598)	(216,798)
(Loss)/profit for the year	年內(虧損)/利潤	(3,116,801)	(4,239,528)	(574,493)	109,131	(561,384)
Attributable to:	以下各方應佔：					
Owners of the Company	本公司擁有人	(2,766,425)	(4,215,744)	(516,562)	100,573	(481,742)
Non-controlling interests	非控股權益	(350,376)	(23,784)	(57,931)	8,558	(79,642)
		(3,116,801)	(4,239,528)	(574,493)	109,131	(561,384)

ASSETS AND LIABILITIES 資產及負債		At 31 December 於十二月三十一日				
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Total assets	資產總值	15,329,038	19,105,557	24,845,357	23,469,858	21,001,762
Total liabilities	負債總額	(19,009,226)	(19,668,944)	(21,059,460)	(19,319,563)	(16,985,879)
		(3,680,188)	(563,387)	3,785,897	4,150,295	4,015,883
Equity attributable to owners of the Company	本公司擁有人應佔權益	(3,728,931)	(962,506)	3,249,411	3,644,559	3,558,283
Non-controlling interests	非控股權益	48,743	399,119	536,486	505,736	457,600
		(3,680,188)	(563,387)	3,785,897	4,150,295	4,015,883



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