



南海控股有限公司
NAN HAI CORPORATION LIMITED

NAN HAI
CORPORATION
LIMITED

南海控股有限公司

ANNUAL REPORT 2019

年報

Incorporated in Bermuda with limited liability

於百慕達註冊成立之有限公司

Stock Code 股份代碼:680

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Corporate Information

公司資料

The information of the Company as at the date of this report was as follows:

DIRECTORS

Executive Directors

Mr. YU Pun Hoi (Chairman)

Ms. LIU Rong (Chief Executive Officer)

Non-executive Director

Mr. LAM Bing Kwan

Independent Non-executive Directors

Mr. LAU Yip Leung

Mr. XIAO Sui Ning

Mr. HO Yeung Nang

COMPANY SECRETARY

Ms. Jay Shree Aggarwal

AUDITOR

BDO Limited

Certified Public Accountants

Hong Kong

BERMUDA LEGAL ADVISER

Appleby

HONG KONG LEGAL ADVISER

Gerry K.C. Wai & Co., Solicitors

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

12/F., The Octagon

No.6 Sha Tsui Road

Tsuen Wan

New Territories

Hong Kong

REGISTERED OFFICE

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM10

Bermuda

PRINCIPAL REGISTRAR

MUFG Fund Services (Bermuda) Limited

4th Floor

North Cedar House

41 Cedar Avenue

Hamilton HM 12

Bermuda

於本報告日期，本公司之資料如下：

董事

執行董事

于品海先生(主席)

劉榮女士(行政總裁)

非執行董事

林秉軍先生

獨立非執行董事

劉業良先生

肖遂寧先生

何養能先生

公司秘書

Jay Shree Aggarwal 女士

核數師

香港立信德豪會計師事務所有限公司

執業會計師

香港

百慕達法律顧問

Appleby

香港法律顧問

韋智理律師行

香港主要營業地點

香港

新界

荃灣

沙咀道6號

嘉達環球中心12樓

註冊辦事處

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM10

Bermuda

主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited

4th Floor

North Cedar House

41 Cedar Avenue

Hamilton HM 12

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

680

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
China CITIC Bank International Limited
Bank of Communications Co., Ltd.
Luso International Banking Ltd.
China Merchants Bank Co., Ltd.

WEBSITE ADDRESS

<http://www.nanhaicorp.com>

香港股份過戶登記分處

卓佳雅柏勤有限公司
香港
皇后大道東183號
合和中心54樓

股份代號

680

主要往來銀行

星展銀行(香港)有限公司
香港上海滙豐銀行有限公司
中信銀行(國際)有限公司
交通銀行股份有限公司
澳門國際銀行股份有限公司
招商銀行股份有限公司

網址

<http://www.nanhaicorp.com>

Chairman's Statement

主席報告



Chairman's Statement

主席報告

Nan Hai Corporation Limited ("Nan Hai") (the "Company") is a corporation listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 680). On behalf of the board of directors (the "Board") of the Company, I present to our shareholders the annual report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2019.

Based on its diversified core business strategic deployment, the Group continued to operate in the areas of culture and media services, property development and enterprise cloud services, through Dadi Media (HK) Limited and its subsidiaries, Dadi Cinema Investment Limited and its subsidiaries and Oristar Technology (HK) Limited and its subsidiaries (collectively referred to as "Dadi Media"), Nan Hai Development Limited and its subsidiaries (collectively referred to as "Nan Hai Development") and Sino-i Technology Limited (stock code: 250) and its subsidiaries (collectively referred to as "Sino-i"). In 2019, three major business segments, namely culture and media services, property development and enterprise cloud services, contributed over 90% of the Group's revenue. In the meantime, the Group has also continued to make steady development in relevant segments through Dadi News Media (HK) Limited and its subsidiaries (collectively referred to as "News Media Business") as well as Dadi Innovation (HK) Limited and its subsidiaries (collectively referred to as "Innovative Business").

2019 was an extremely complicated year for the PRC economy with significantly intensifying domestic and foreign risks and challenges. Amid such overall operating environment, the Group's business development has also been affected to some extent. In 2019, the revenue and performance of the Group declined as compared to 2018, which was mainly due to the decrease in the profit from property development segment which was mainly affected by the revenue recognition and the accrued expenses of deferred income tax; and the decrease of the performance of culture and media services which was affected by the first time adoption of HKFRS 16 Leases. Nevertheless, the performance of enterprise cloud services and Innovative Business segments of the Group has been improved.

Nan Hai Corporation Limited (南海控股有限公司) (「南海」) (「本公司」) 為香港聯合交易所有限公司 (「聯交所」) 之上市公司 (股份代號: 680)。本人謹代表本公司董事會 (「董事會」) 向公司股東呈報本公司及其附屬公司 (統稱「本集團」) 截至2019年12月31日止之年度報告。

在多元核心業務戰略佈局下，本集團透過旗下大地傳播(香港)有限公司及其附屬公司、大地影院投資有限公司及其附屬公司及辰星科技(香港)有限公司及其附屬公司(統稱「大地傳播」)，南海發展有限公司及其附屬公司(統稱「南海發展」)和中國數碼信息有限公司(股份代碼: 250)及其附屬公司(統稱「中國數碼」)持續深耕於文化與傳播服務、房地產開發及企業雲服務行業，2019年文化與傳播服務、房地產開發及企業雲服務三大業務板塊為本集團貢獻逾90%的營收。同時，本集團通過大地傳媒(香港)有限公司及其附屬公司(統稱「新聞傳播業務」)及大地創意商業(香港)有限公司及其附屬公司(統稱「創意商業」)繼續穩步佈局相關領域。

2019年是中國經濟形勢極其複雜的一年，國內外風險與挑戰明顯上升，在環境整體趨緊的情形下，本集團業務發展也受到一定的影響。2019年本集團的營收規模和業績與2018年相比均有所下降，主要原因是由於房地產開發板塊受收入確認及計提遞延所得稅費用影響而利潤下滑；文化與傳播服務板塊受首次採納香港財務報告準則第16號—租賃的影響而業績下降。儘管如此，本集團在企業雲服務、創意商業等領域的業績仍然有所提升。

Chairman's Statement

主席報告

In 2019, through internal business integration of the Group's culture and media services segment, the Group has further enhanced the resource sharing of such business segment, continuously improved the construction of its "Film +" ecosystem, and continued to consolidate and enhance its brand influence. As for the property development segment, by maintaining abundant project reserve, the Group has been proactively developing new high-quality projects, including the investments in Jinghu Boulevard comprehensive catering, hotel and commercial project on the east side of "Free Man Garden", so as to achieve sustainable development of its property development business. After a number of new business attempts, the News Media Business has shown a leap-forward growth in revenue. This business segment, especially the media content, has considerable influence in Hong Kong market. Crabtree & Evelyn under the Innovative Business has been adjusting its business model from a traditional retail to an OMO operating model. As a result of the brand relaunch in the second half of the year, Crabtree & Evelyn launched a new product and brand image and improved its business. In 2019, the Group will continue to focus on internal systematic construction, improve the efficiency of operation and management and reduce its internal management costs.

Going forward, along with the continuous development of economy and technology, the consumer market environment will be more ever-changing with emerging new technologies and products. We will continue to develop its three major business segments, namely culture and media services, enterprise cloud services and property development, and look for development opportunities in media platform and Innovative Business. Meanwhile, we will continue to explore the OMO operating model, use Internet technology and big data in its operations, connect online and offline operations, upgrade existing businesses, continuously improve its operating efficiency, improve our profitability and promote sustainable development.

2019，本集團文化與傳播服務板塊進行了內部業務整合，進一步提高板塊內相關業務的資源共享，不斷完善電影+生態圈的建設，持續鞏固並提升品牌的影響力。房地產開發板塊亦在做好存量項目基礎上，積極開拓新的優質項目，包括投資「自由人花園」東側的鏡湖大道餐飲、酒店綜合商業項目，實現房地產業務的可持續發展。「新聞傳播業務」亦嘗試了若干新業務方向，收入指標有了大幅的提升，尤其是媒體內容，在香港業內有不俗的影響力。「創意商業」板塊內的「瑰柏翠」業務，其商業模式也正在由傳統零售轉變為OMO運營，並於下半年重新出發，推出了全新的產品和品牌形象，帶來了業務的改善。2019年本集團內部繼續推進系統化建設，提升運營管理效率，降低內部管理成本。

未來，隨著經濟與科技的持續發展，消費市場環境也會更加多變，新技術和新產品也將不斷湧現。我們將繼續深耕文化與傳播服務、企業雲服務、房地產開發三大產業方向，並在媒體平台、創意商業等方向積極尋找發展空間。同時繼續深入探索OMO經營模式，利用互聯網技術和大數據運營，打通線上線下，升級現有業務，持續提升經營效率，提高公司盈利能力，促進可持續發展。

Chairman's Statement

主席報告

Last but not least, I would like to express my gratitude to the shareholders for their concern and support, and also to the Board, executive committee and all staff of the Company for their dedication and contribution. The management and I will spare no effort to lead the Company into the future.

最後，感謝各位股東對本集團的關注與支持，感謝本公司董事會、執行委員會和全體員工的辛勤努力，我及管理層將不遺餘力地帶領公司朝未來邁進。

Yu Pun Hoi

Chairman

Hong Kong, 26 March 2020

于品海

主席

香港，2020年3月26日

Management Discussion and Analysis

管理層討論及分析



Management Discussion and Analysis

管理層討論及分析

The Group continued to operate in the areas of culture and media services, property development and enterprise cloud services, through Dadi Media, Nan Hai Development and Sino-i, and its businesses have developed steadily. In the meantime, the Group has also continued to make steady development in relevant segments through News Media Business and Innovative Business.

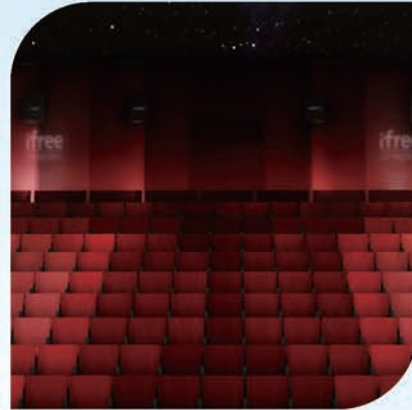
During the year, revenue of the Group was approximately HK\$9,321.2 million (2018: HK\$16,789.5 million), representing a year-on-year decrease of approximately 44.5% as compared to the corresponding period of last year. Loss for the year of the Group was approximately HK\$641.4 million (2018: profit for the year of approximately HK\$974.3 million). The loss was mainly due to (i) decrease in the profit from property development segment which is mainly affected by the revenue recognition and the accrued expenses of deferred income tax; and (ii) decrease of the performance of culture and media services which is affected by the first time adoption of HKFRS 16 Leases. The net assets of the Group as at 31 December 2019 were approximately HK\$5,294.3 million (2018: HK\$6,955.3 million).

本集團透過旗下大地傳播、南海發展和中國數碼持續深耕於文化與傳播服務、房地產開發及企業雲服務領域，各項業務持續穩步推進。同時，本集團通過新聞傳播業務及創意商業繼續穩步佈局相關領域。

年內，本集團之收益同比下降約44.5%至93.212億港元(2018年：167.895億港元)，本集團年內錄得虧損約6.414億港元(2018年：年內溢利約9.743億港元)。虧損的主要原因是(i)房地產開發分部受收入確認及計提遞延所得稅費用的影響，利潤下降；及(ii)文化與傳播服務分部受首次採納香港財務報告準則第16號租賃的影響，業績下降。本集團資產淨值於2019年12月31日約52.943億港元(2018年：69.553億港元)。

Culture and Media Services

文化與傳播服務



ifree
自由人影城



Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

During the year, the revenue of this business segment was approximately HK\$4,652.8 million (2018: HK\$4,931.5 million). Loss before income tax was approximately HK\$868.8 million (2018: HK\$660.4 million).

業務回顧

年內，本業務部門之收益約為46.528億港元（2018年：49.315億港元），所得稅前虧損約為8.688億港元（2018年：6.604億港元）。



大地影院集團
Dadi Cinema Group



大地電影
Dadi Film



Cinema Operation

In 2019, the national gross box office in China amounted to RMB59.367 billion (excluding service charges), representing a year-on-year increase of 4.9%. The annual admission of audiences was approximately 1.728 billion, representing a year-on-year increase of 0.5%. There were 14 films, including 10 domestic films, with box office over RMB1 billion and 89 films with box office over RMB100 million.

影院終端

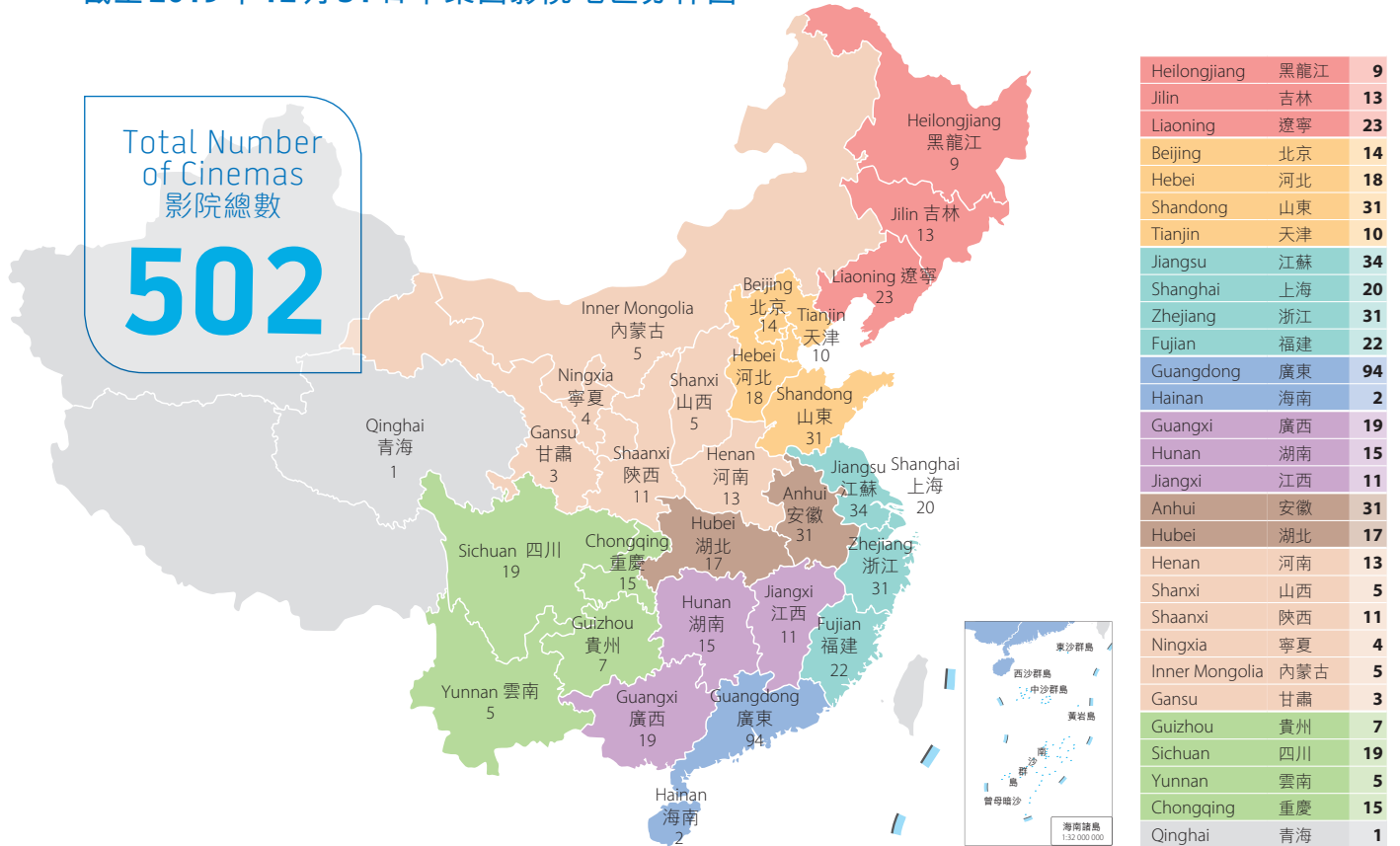
2019年，中國電影票房為593.67億元人民幣（不含服務費），同比增長4.9%；觀影人次約為17.28億，同比增長0.5%；票房過10億元人民幣影片14部，其中國產影片10部，票房過億元人民幣影片89部。

Management Discussion and Analysis

管理層討論及分析

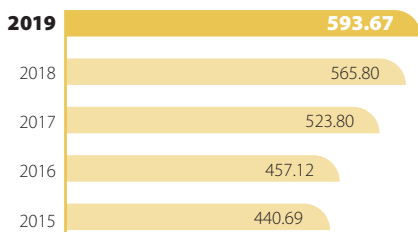
GEOGRAPHICAL DISTRIBUTION OF CINEMA OPERATION OF THE GROUP AS AT 31 DECEMBER 2019

截至2019年12月31日本集團影院地區分佈圖



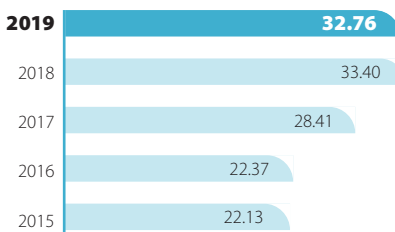
National Gross Box Office (RMB hundred million)

全國票房總額(人民幣億元)



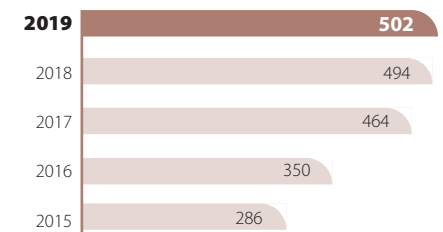
Box Office of the Group's Cinemas (tax included) (RMB hundred million)

本集團影院含稅票房(人民幣億元)



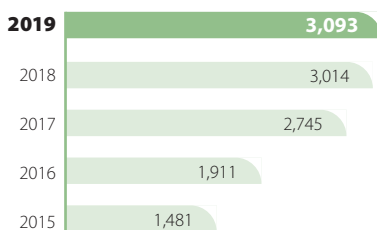
Number of the Group's Cinemas (Number)

本集團影院數量(家)



Number of Screens in the Group's Cinemas (pieces)

本集團影院銀幕數量(塊)



Number of Audiences in the Group's Cinemas (ten thousands)

本集團影院觀影人次(萬人)



Management Discussion and Analysis

管理層討論及分析

During the year, the cinema business of this business segment achieved a box office revenue (tax included) of RMB3,276 million (excluding service charges), representing a year-on-year decrease of approximately 1.9%. The main reason for the decrease was due to the dilution of box office as a result of the opening of new cinemas in the PRC. Besides, in order to achieve higher return on investment, this business segment laid down stricter investment return requirements, affecting the speed of opening new cinemas to some extent.

During the year, box office of the cinema business contributed to approximately 5.5% of the national box office revenue (tax included) with the admission of audiences of approximately 93.76 million, maintaining its No. 2 ranking among cinema investment and management companies throughout China. As at 31 December 2019, this business segment had an aggregate of 502 cinemas with 3,093 screens operating in 29 provinces (autonomous regions, municipalities) and 187 cities across China.

In 2019, adhering to the “Film +” strategy, this business segment continued to perfect the consumer spending activities within the cinema premises and expand the scope of spending at cinema to enhance the operating efficiency of its cinemas and further consolidate its advantageous market position in China’s cinema operation. Leveraging on the economy of scale of the cinema operation, this business segment insisted upon an “user-oriented” approach centering around the demand from film-goers and deepened the “Film +” strategy by way of diversification of cinema scenario and comprehensive product exploration. Through the establishment of a pivot platform integrating culture, consumer spending and other industries, it materialized “service-oriented”, “individuality-oriented” and “brand-oriented” focus. Besides, in order to enhance viewing experience and set up a multi-purpose cinema scenario, this business segment has also actively provided a wide variety of integrated entertainment including e-sports, live performance and other cultural activities, optimizing the utilization of the cinema premises and targeting a more diversified customer base with higher spending potential.

年內，本業務部門影院業務含稅票房收入達到32.76億元人民幣（不含服務費），同比下降約1.9%，下降的主要原因為內地新開影院增加導致的票房分流。另外，為了提高投資回報，本業務部門對投資提出了更嚴格的回報要求，這也在一定程度上影響了新建影院的開店速度。

年內，本業務部門影院業務含稅票房市場份額全國佔比約為5.5%，觀影人次達到約9,376萬，繼續鞏固全國影院投資管理公司第二名的市場地位。截至2019年12月31日，本業務部門在全國擁有影院502家，銀幕3,093塊，覆蓋全國29個省（自治區、直轄市），187個城市。

2019年，本業務部門繼續圍繞「電影+」戰略完善影院場景消費內涵，拓展影院消費邊界，提升影院的經營效率，進一步鞏固中國影院終端行業的優勢市場地位。依託影院終端的規模化優勢，本業務部門堅持以用戶為核心，圍繞觀影需求，通過影院場景的多樣化拓展，產品的多樣化探索，對「電影+」戰略進行深化。通過打造整合文化消費和其他產業的樞紐平台，實現向「服務化」、「個性化」、「品牌化」的轉變。另外，在提升觀影體驗，打造多元化影院場景的基礎上，積極提供包括電競賽事、現場演出以及其他文化活動在內的多元化娛樂內容，實現了觀影空間的高效利用，並輻射更具多元化、更具消費潛力的目標客群。



Management Discussion and Analysis

管理層討論及分析

Meanwhile, this business segment used big data to understand the spending and behaviour patterns of the film-goers and actively developed and deepened the reach to each film-goer by fully capitalizing on the time film-goers stay in the cinema premises before and after viewing, further enhancing the conversion rate of cinema users. We believe that the ever-changing pattern of spending for experience caters to the spending behavior of those born after the 1990s and 2000s and has become a consumption trend in the film market. Currently, operation of this business segment's big data-based membership system has achieved preliminary results. The member base has been expanding steadily with an ever-rising proportion of active members. Positive momentum has been formed among products, resources and members. This would further enhance the Group's resources integration capabilities and brand influence.

In 2019, cinema advertising business of this segment continuously provided the customers with marketing solutions covering the entire industry chain, established a marketing platform featuring multi-aspect consumer data, broader customer reach and deeper interaction with customers, by integrating the upstream and downstream as well as communication resources of the industry, enhancing product marketability and customer servicing capabilities. Moreover, based on the dual enhancement of business development capabilities and media resources reservation, a number of innovative marketing projects were completed, winning attention from film-goers and appreciation from advertisers.

Dadi Film

In 2019, growth of the overall film market slowed down. However, quality domestic films demonstrated further competitiveness with more films being screened. Diversification of film genre made breakthrough and set a healthy growth trend.

During the year, Dadi Media (HK) Limited and its subsidiaries (collectively referred to as "Dadi Film") under Dadi Media continued to develop its business in three aspects of film content, animation and distribution.

同時，本業務部門利用大數據洞悉觀眾的消費、活動行為軌跡，充分利用觀眾觀影前後的影院駐留時間，積極拓展、深化對每一位觀眾的觸達，進一步提升了用戶轉化率。我們相信，不斷強化、不斷更新的體驗消費模式是適應90後、00後的消費習慣，並且已經成為一個電影市場的消費趨勢。目前，本業務部門以大數據為基礎的會員經營已經取得初步成效，會員規模穩步增加，活躍會員佔比不斷提升，異業資源的引入日益豐富。產品端、資源端與會員端之間已經形成了良性驅動，這將進一步提升本集團的資源整合能力、品牌影響力。

2019年，本業務部門影院廣告業務持續為客戶提供全鏈路營銷解決方案，通過整合產業鏈上下游及行業傳播資源，打造多場景消費者數據營銷平台，更大規模的客戶觸達、更加深入的客戶互動，提升了產品營銷能力以及客戶服務能力。此外，在業務拓展能力和媒介資源儲備的雙重提升的基礎上，完成了多個創新型的營銷項目，緊貼影院的場景優勢，獲得了觀影群體的高度關注及廣告客戶的一致好評。

大地電影

2019年，整體電影市場增速放緩，但同時國產電影優質內容競爭力進一步凸顯，上映數量保持上升，類型多元化亦迎來突破性進展，呈現出良性健康的成長態勢。

年內，大地傳播旗下大地傳播（香港）有限公司及其附屬公司（統稱「大地電影」）繼續深耕於內容，在電影內容、動漫以及發行三個業務方向上發展。

Management Discussion and Analysis

管理層討論及分析

In 2019, capitalizing on its own characteristics and enjoying the synergy with other segments of the Group, this business segment insisted upon its operating philosophy of striving for excellence while maintaining stability to further explore its own core competitiveness and produce film projects with market potential to meet the growing demand for quality contents by investing in development and cooperating with top players in the industry. As to the industry of animation contents, this business segment paid more attention to the layout of K12 industry in 2019, including the incubation and operation of children IP. Currently we have established cooperative relations with world-renowned animation companies like 9 Story Media Group Inc., Samg Animation Co., Ltd., etc.. Its "Mini Force" series, being a kids' favourite, boasts a click-through rate of over 10 billion on the internet platform in the PRC. Its toy franchises ranked third on Taobao's toy sales chart and sixth on search popularity chart. Other commercial cooperation partners include KFC, Baidu, Longemont, etc..

Oristar

In 2019, Oristar Technology (HK) Limited and its subsidiaries (collectively referred to as "Oristar") has successfully transformed itself from a traditional cinema software and equipment service provider into an internet company serving the cinema industry. A brand new revenue management SaaS (Software as a Service) service platform was launched for cinemas. More than 200 functions were developed on the brand new cloud structure and big data system to enable revenue increase and cost savings for cinema operation. As at 31 December 2019, Oristar provided services for approximately 1,804 cinemas, covering approximately 11,318 halls in 31 provinces (autonomous regions, municipalities) across China.

During the year, Oristar focused on the advertisement business function of the brand new SaaS service platform. It took the initiative to introduce the "Oristar advertisement business platform" to the industry, fully realizing digitalization and commercialization in the management of advertising resources for cinemas in four dimensions, i.e. time, space, contents, and recipients. It provided cinemas with a comprehensive screening management system with fully automatic online-controlled functions in relation to management, categorization, dispatching and screening. It also provided advertisers with comprehensive data services covering quotation, broadcasting monitoring and user analysis.

2019年，本業務部門結合自身團隊特點及與本集團其他板塊行業協同效應，堅持穩健，求精的內容製造及運營理念，不斷挖掘自身核心競爭力，持續投資開發並與業內一線團隊開展合作，拍攝具有市場潛力的電影項目，以滿足市場對優質內容日益增長的尋求。在動漫內容產業方面，2019年本業務部門更加專注在K12產業佈局，包括兒童IP的孵化和運營。目前已與全球知名動畫企業9 Story Media Group Inc.、三智動漫有限公司等企業建立合作關係。其中旗下的「迷你特工隊」系列在中國互聯網平台點擊率超100億次，深受小朋友喜愛。其玩具授權在淘寶變形玩具系列銷售排名第三，人氣搜索排名第六。與此同時，還展開了與肯德基、百度、龍之夢等公司的商業合作。

辰星科技

2019年，辰星科技(香港)有限公司及其附屬公司(統稱「辰星科技」)成功實現了從傳統影院軟件和設備服務商到影院產業互聯網公司的轉型。面向影院推出了全新的收益管理SaaS (Software as a Service, 軟件即服務) 服務平台，在全新的雲架構和大數據體系上，開發出了200多項功能，為影院的經營和增收節支全面賦能。截至2019年12月31日，辰星科技服務影城數達到約1,804家，累計覆蓋影廳約11,318個，輻射中國31個省(自治區、直轄市)。

年內，辰星科技聚焦全新的收益管理SaaS服務平台廣告業務功能，在業內率先推出了「辰星廣告業務平台」，全面實現影院廣告資源的數字化和商品化管理，從時間、空間、內容、受眾四個維度出發，為影院提供了全面的播控下發管理系統，實現了管理、編目、下發、播放等環節全自動線上調控功能。同時也為廣告主提供了全面的廣告資源詢價執行、監播及用戶分析等數據服務。

Management Discussion and Analysis

管理層討論及分析

PROSPECTS

2020 looks set to be an unusual year for the cinema industry in the PRC. The novel coronavirus outbreak has imposed huge impact on the cinema operation and even the overall film market. There will be significant challenges lying ahead in the growth of the PRC film market. Seven films were withdrawn from the Spring Festival screening schedule. Other films on the subsequent schedule may also be affected, which will affect the operating results of the cinema operation in the short run. We expect the PRC film market will see a recovery in box office revenue during the summer holidays when the novel coronavirus outbreak dies down. All in all, we remain optimistic about the medium and long term development of the cinema industry in PRC. In 2020, we will adhere to our core values of “client-orientedness, integrity, proactiveness, entrepreneurship, learn-to-grow” to continue the establishment of a film-based platform of culture and entertainment. In future, besides optimizing the nationwide cinema layout and structure, we will strategically focus on the cinemas in those important regions, create a specific innovative cinema service model, and set a new benchmark for cinema service applicable to the entire nation.

For the business of cinema operation, this business segment will continue to implement the OMO (Online — Merge — Offline) business model, gradually materialize the shift from scale expansion to delicate operation and from premises operation to membership operation, continue to introduce diversified consumption model and interests and actively promote, replicate and share such measure in nearly 500 cinemas across the nation. This business segment will further pursue its “Film +” strategy in terms of operation of the membership system. In the future, this business segment will continue to introduce more value-added services including children entertainment activities, live performance, other cultural activities and IP related products to further enrich members’ privilege and perfect the service ecosystem of cinemas. Relying on the diversified and unique member activities, the user consumption experience will be further enhanced and the Group’s big data resources will be increased, providing support for the further enhancement of members’ experience and precise marketing. For advertising business, in 2020, this business segment will continue to strengthen the integration of OMO resources, classify and match customer demand through digitalization of scenario and media buying, achieve accurate performance feedback through the establishment of a platform serving both the supply side and the demand side of cinemas, and enhance customer service capabilities and brand influence.

展望

2020年對中國影院行業註定是不平凡的一年，新型冠狀病毒疫情對影院終端乃至整個電影市場都產生了巨大衝擊，中國電影市場增長將受到嚴峻挑戰。春節檔已有七部影片宣佈撤檔，接下來檔期內的其他影片也可能會陸續撤檔，這將在短期內對影院終端業務的經營業績產生影響。我們預計，在新型冠狀病毒疫情結束後，內地電影票房將會在暑期檔迎來復蘇。總體上，我們對中國影院行業中長期發展仍然保持樂觀態度。2020年我們將秉承「客戶至上、誠信正直、主動協作、創業精神、學習成長」的核心價值觀，持續構建以電影為基礎的文化娛樂平台。未來，在優化全國影院佈局結構的基礎上，我們將會對重點票倉區域的影院進行戰略聚焦，更有針對性地創新影院服務模式，打造影院觀影服務新標杆，並推廣至全國。

在影院終端業務上，本業務部門將繼續堅持在OMO（線上線下融合）業務模式上的實踐，逐步實現由規模化擴張向精細化運營的轉變，由場地經營向會員經營的轉變，持續引入多樣化的消費業態與權益，並積極地在全國近500家影院中進行推廣、複製與共享。本業務部門將在會員經營的維度繼續深化「電影+」戰略。未來，本業務部門將持續引入包括兒童娛樂活動、現場演出、其他文化消費、IP衍生品等更多類型的增值服務，進一步充實會員權益，完善影院的服務生態圈。依靠豐富、獨特的會員活動，增強影院場景的觸達和用戶消費體驗的提升，充實本集團的大數據資源，進而對會員體驗的進一步提升和精準營銷提供支持。廣告業務方面，2020年，本業務部門將持續強化線上線下資源整合，通過場景數據化、媒介採買數據化等方式，實現客戶需求的分級匹配，通過建立影院供應方平台和需求方平台，實現精確效果反饋，穩步提升客戶服務綜合能力和品牌影響力。

Management Discussion and Analysis

管理層討論及分析

PROSPECTS (Continued)

As for contents, Dadi Film will steadily push forward the scheduling arrangement of films to be screened and actively identify revenue generating channels in 2020. Dadi Film will continue to develop and produce original creative projects based on a strictly-controlled budget and risk management. It will also continue to participate in more top-notch projects, create quality film contents and maintain its reputation in the industry by capitalizing on its advantages over resources and brand name. As for animation content industry, this business segment will continue to effect in-depth development of the children segment by promoting its own IPs and developing more quality IPs in collaboration with more world-renowned animation companies.

As for the cinema revenue services, Oristar, being a service provider specialized in cinema digitalization, will continue to focus on cost reduction and revenue generation for cinemas, assisting cinemas to enhance their core competitiveness. As for products, Oristar will further perfect the functions of its cloud platform and integrate two separate platforms, namely the advertisement platform and collecting platform, providing cinemas with quality one-stop and internet-based products and services while saving cost expenditure of digitalization and informatization of cinemas as well as enhancing their operating efficiency and profitability.

展望(續)

在內容端方面，2020年大地電影將穩步推進待上映項目的定檔發行工作，充分挖掘變現渠道；同時在嚴格預算把控及風險控制的基礎上，持續進行原創項目的開發製作，並發揮大地電影的資源優勢及品牌優勢，繼續參與更多優質頭部項目，打造高質量精品電影內容，在行業中持續發聲。在動漫內容產業方面，本業務部門將繼續在兒童業務板塊深根發力，全方位推廣自有IP，與此同時與更多的國際動漫企業合作，開發更多的優質IP。

在影院收益服務方面，作為影院數字化信息的服務商，辰星科技將繼續聚焦於影院的降本增效，助力提高影城的核心競爭力。在產品方面進一步完善辰星雲平台的各項功能，整合原本獨立的廣告平台和集採平台，在為影院提供優質的一站式、互聯網化的產品和服務的同時，節約影院數字化和信息化的成本開支，提升影院經營效率和盈利能力。

Property Development

房地產開發



Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

During the year, revenue of this business segment was approximately HK\$3,301.0 million (2018: HK\$9,908.3 million) and profit before income tax was approximately HK\$2,762.7 million (2018: HK\$6,018.3 million).

“The Peninsula” Project in Shenzhen

Located in the prime triangle zone formed by Qianhai Shenzhen-Hong Kong cooperation free trade zone, Houhai financial and commercial center and Shekou free trade zone, the “Peninsula”, a flagship project of Nan Hai Development, commands the beautiful landscape of Shenzhen Bay Port with three waterfronts, enjoying a perpetual seaview. The project is developed in five phases with a total gross floor area over a million sq.m., establishing a diversified business format combining high-end housing, intelligent business, smart hotel, office sharing, creative theater and yacht club etc.

Phases 1 and 2 of “The Peninsula” have been sold out. The sale of Phase 3 was launched in April 2016 and almost sold out. The sale of Phase 4 was launched on 23 April 2019 with the sell through rate reaching 82% on that day. As at 31 December 2019, accumulated sales amounted to approximately RMB7,445 million. Construction of the main part of the project has been completed. Decoration works are under way and delivery is expected to take place by late 2020 or early 2021. The Group is holding 55,800 sq.m. of the commercial portion to establish businesses including smart hotel, intelligent business and shared offices according to the idea of “world citizen style and stay with the trend”. Operation will be commenced by the second half of 2020.

業務回顧

年內，本業務部門之收益約為33.010億港元（2018年：99.083億港元），所得稅前溢利約為27.627億港元（2018年：60.183億港元）。

深圳「半島·城邦」項目

南海發展旗下項目深圳「半島·城邦」，地處前海深港合作自貿區、後海金融商業中心與蛇口自貿區黃金三角核心地帶，坐擁深圳灣區得天獨厚的山海資源，三面環海，永久享一線海景景觀，系南海發展的旗艦項目。項目共分五期開發，總建築面積逾百萬平米，打造高端住宅、智能商業、智能酒店、共享辦公、創想劇院、遊艇會等多元業態。

其中，一期、二期已售罄，三期於2016年4月開盤，已基本售罄。四期於2019年4月23日開盤銷售，開盤當天去化率82%，截至2019年12月31日，累計銷售額達約74.45億元人民幣，目前項目主體工程已竣工，並開始精裝修籌備工作，計劃於2020年末或2021年初交付；集團自持5.58萬平方米的商業部分，按照「世界公民風格、與時代同步」的理念打造智能酒店、智能商業、共享辦公等業態，將於2020年下半年開業綻放。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

“Free Man Garden” Project in Guangzhou

Located at the Guangzhou airport economic development area, adjacent to Baiyun International Airport and Guangzhou North Comprehensive Passenger Transportation Hub, “Free Man Garden” project of Nan Hai Development in Guangzhou creates an eco-friendly residential area of 1.5 million square meters in the north of Baiyun district, Guangzhou featuring new environment-friendly concepts, scarce urban green belts and excellent community operations. It is a complex comprising housing, commercial facilities, cinema, school, garden, clubhouse and various large scale sports facilities, definitely a quality liveable district with eco-friendly and oxygen-rich features in Guangzhou. The “Free Man Garden” project comprises a total of eight phases, of which Phases 1, 2, 4 and 7 have been sold out and Phase 7 began to deliver in May 2019. The sale of Phases 5 and 6 were launched on 1 December 2018. As at 31 December 2019, a total of 447 flats with an aggregate area of approximately 56,130 sq.m. were sold for an sales amount of approximately RMB1,366 million. Phase 3 known as “Freedom Lane (自由里)” with a gross floor area of approximately 36,000 sq.m. is self-owned for providing comprehensive services of catering, entertainment and culture and commenced operation with a grand opening held on 28 December 2019.

Moreover, this business segment actively creates a new model of operation in real estate business and developed quality projects in various ways. Leveraging on the experience accumulated in the development of “The Peninsula” and “Free Man Garden” projects, the Group will continuously invest in the construction of various quality projects, materializing a steady and sustainable development of the property development business. Currently this business segment is actively negotiating for concluding strategic cooperation agreements in respect of a number of projects, including the investments in “Jinghu Boulevard” Project in Guangzhou, which is a project sitting to the east of “Free Man Garden”, just across the street, with a capacity building area of 78,000 sq.m., and will be developed into a commercial complex integrating catering, hotel, entertainment, etc..

業務回顧(續)

廣州「自由人花園」項目

南海發展旗下項目廣州「自由人花園」，坐落廣州空港經濟開發區，毗鄰白雲國際機場與廣州北站綜合交通樞紐，以新銳的環保理念、稀缺的城市綠地、卓越的小區運營，創寫廣州市白雲北150萬平方米生態人居版圖，集住宅、商業、影院、學校、園林、會所和各類大型運動設施於一體，是廣州市高質量大型生態活氧小區。「自由人花園」總計八期，其中一期、二期、四期和七期基本售罄，其中七期於2019年5月開始交樓。五、六期於2018年12月1日推售，截至2019年12月31日，共售出447套，面積約56,130平方米，銷售金額約13.66億元人民幣；三期自持商業項目「自由里」總建築面積約3.6萬平方米，打造餐飲、娛樂、文化為一體的多元綜合服務體，已於2019年12月28日盛大開業。

另外，本業務部門還積極創新房地產經營模式，以多種形式開拓優質項目，依託「半島·城邦」和「自由人花園」項目經驗，持續投資建設其他各類優質項目，實現房地產業務的穩定可持續發展。目前，本業務部門正在積極拓展多個項目的戰略合作協議，投資了廣州鏡湖大道項目。該項目位於廣州自由人花園東側，與自由人花園隔路相望，計容建築面積7.8萬平方米，將建設成為涵蓋餐飲、酒店、娛樂等功能的綜合商業項目。



Management Discussion and Analysis

管理層討論及分析

PROSPECTS

Policies governing the operation of the property market were relatively tightened in 2019. The authorities focused on monitoring the financial risks of the real estate sector and maintained tightened regulation on capital flow throughout the year. Policies specific to individual city, region and development trend were implemented to maintain stability in the property market. Meanwhile, operating system for the property market became increasingly effective, laying a solid foundation for further implementing an effective management mechanism in property development. Rigorous control, strict regulation and tightening corporate financing will continue into 2020 but there will be plenty of new and valuable opportunities for development after all. At the same time, the epidemic of novel coronavirus breaking out early this year will have impact on the construction workers returning to the cities and the entire industry chain of the construction sector. Under the current circumstances, Nan Hai Development will capitalize on the advantages in existing projects, integrate the Group's industry resources and actively address the challenges arising from the epidemic so as to proactively develop quality projects, further optimize strategic deployment and have a good grip on development opportunities by taking advantage of the trend of urban renewal and the transformation and upgrading of the industry. Nan Hai Development will continue to optimize corporate governance and talent development. It will adopt active and reliable funding strategies to enhance internal operation and risk control, laying a foundation for sustainable development.

展望

2019年房地產市場運行的政策環境整體偏緊，中央聚焦房地產金融風險，資金定向監管全年保持從緊態勢；地方因城、因區、因勢施策保持房地產市場穩定。同時，房地產行業運行基礎制度更趨完善，為進一步落實房地產長效管理機制奠定更加堅實的基礎。2020年將延續強調控，嚴監管態勢，企業融資收緊，但仍有很多新的價值拓展機會；同時，年初爆發的新型冠狀病毒肺炎疫情將對建設工人返城及建築業的全產業鏈產生影響。新形勢下，南海發展將立足現有項目優勢，整合集團產業資源，積極應對階段性疫情挑戰，在城市更新、產業轉型升級等方面的利好契機下，積極拓展優質項目，進一步優化戰略佈局，夯實未來發展空間。與此同時，南海發展將持續優化公司治理及組織人才發展，運用積極穩妥的資金策略，提升內部運營和風險管控，為可持續發展奠定基礎。

Enterprise Cloud Services

企業雲服務



Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

By virtue of the comprehensive cloud computing infrastructure services, e-commerce and total “Internet+” solutions offered for corporate clients in China, this segment continued its development of digitalization and smart operation. Having made unremitting efforts over time, this segment has successfully established an outstanding nationwide business and localized service network in the industry, so as to effectively address the problems of “the last kilometer” from service providers to corporate clients. Coping with the rapid development of mobile internet and establishment of de-centralized network ecosystem represented by WeChat applet, the full network responsive portal developed on existing portal products as well as the foreign trade industry solutions launched by 中企動力科技股份有限公司 (CE Dongli Technology Company Limited, “CE Dongli”) under this business segment have effectively met the clients’ demands for portal marketing. Apart from this, in order to meet the clients’ increasing demand for online and offline trading businesses, CE Dongli has launched the digitalized e-commerce business in a timely manner, providing its clients with one-stop solutions featuring online and offline marketing and operation. Coupled with the cloud computing services of 北京新網數碼信息技術有限公司 (Beijing Xinnet Cyber Information Company Limited, “Xinnet”), CE Dongli played a significant role in growing the number of users.

During the year, with CE Dongli and Xinnet being its main operating entities, this business segment was committed to the development of cloud services for corporate digitalization and smart operation by providing comprehensive IaaS (Infrastructure as a Service), SaaS application, corporate e-commerce services, “corporate digitalization transformation” total solutions and big data-based business intelligence cloud services to China market. During the year, revenue of this business segment was approximately HK\$957.4 million (2018: HK\$997.9 million). Loss before income tax was approximately HK\$68.0 million (2018: HK\$125.1 million).

業務回顧

本業務部門在向中國企業客戶提供全方位的雲計算基礎設施服務、電子商務和「互聯網+」整體解決方案的基礎上，持續推進其數字化智能經營進程。通過長期不懈的努力，已經成功建立了業內首屈一指的全國性的商務和本地化服務網絡，有效解決了服務商到企業客戶的「最後一公里」的問題。伴隨著移動互聯網的高速發展和以微信小程序為代表的去中心化網絡生態的建立，本業務部門下屬中企動力科技股份有限公司（「中企動力」）在原有門戶產品的基礎上推出的全網響應式門戶以及針對外貿客戶推出的外貿行業解決方案，有效的滿足了客戶對門戶推廣類業務的不同需求。除此之外，為滿足客戶對線上線下交易類業務日益增長的需求，中企動力適時推出了數字電商業務，為客戶提供線上線下營銷經營一體化解決方案，和北京新網數碼信息技術有限公司（「新網」）的雲計算服務一起對於用戶量的增長起到了明顯的推動作用。

年內，本業務部門致力於企業數字化智能經營雲服務的發展，以旗下核心企業中企動力及新網為經營主體，面向中國市場提供全方位的IaaS（基礎設施即服務）、SaaS應用、企業電子商務服務、「企業數字化轉型」整體解決方案以及基於大數據的商業智能雲服務。年內，本業務部門之收益約為9.574億港元（2018年：9.979億港元），所得稅前虧損約為0.680億港元（2018年：1.251億港元）。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

CE Dongli

With 20 years' experience as a service provider for enterprises in China, CE Dongli has successfully established a SaaS product system that meets the demand for management digitalization from enterprises, established a market for corporate services in which top players of various industries were involved as cooperative partners, and established an extensive network for business and localized services, providing corporate digitalization and operation solutions. During the year, with the advent of 5G network, CE Dongli introduced the full network responsive portal product targeting optimization of mobile internet experience. Hence, the number of potential users increased while enhancing users' experience. For industrial solutions, the launch of foreign trade portal was well-received by the market. The number of foreign trade customers increased by more than 1,600 during the year. For the smart business aspect, CE Dongli launched "Youyi" (有翼) cloud digital products, providing such all-chain digital services as mobile marketplace, applet, and smart store for customers in the consumer retail industry. In addition to providing digitalization and operation solutions for SMEs, CE Dongli also continued to expand its major client base by providing the "MarTech" digitalization and smart operation flagship services for more high-end customers. Since the launching of high-end customized brand CE Ultimate (中企高呈), CE Dongli has provided digital operation services for more than 300 well-known companies (that are Fortune Global 500 companies and top 100 companies in various industries in China), enjoying a better competitiveness in various industries including finance, real estate, medical, retail and education, etc.. Meanwhile, in the course of meeting the high-end customers' needs for complicated digitalization, CE Dongli persistently built up its strengths in products and services, performed sampling and integration, and gradually developed specific products and industry solutions that meet the needs of different industries and customers of different stages by relying on the support of the product research center, cooperated with a number of well-known service providers of corporate digital services to create an ecosystem for providing enterprises with value-oriented digital services. For new product research, CE Dongli has gradually formed a PaaS (Platform as a service) platform supported by the middle structure of business (業務中台) to promptly come up with flexible and feasible products and industry solutions according to the needs of different industries and customers of different stages. Hence, it significantly improved the delivery efficiency of product development and laid a solid foundation for integrating more cooperative partners in future.

業務回顧(續)

中企動力

中企動力基於服務中國企業20年的經驗，搭建了滿足廣大企業經營管理數字化需求的SaaS產品體系，建立了企業服務生態市場並吸引了廣大行業頭部合作夥伴入駐，建立了龐大的商務和本地化服務網絡，為其提供企業數字化經營解決方案。年內，中企動力在5G來臨的大背景下，推出了針對移動互聯網體驗優化全網響應式門戶產品，在提升用戶體驗的同時擴大了潛在用戶的數量。行業解決方案方面，外貿門戶的推出獲得了市場的高度認可，年內新增超過1,600家外貿客戶。在智能商業領域，中企動力推出了有翼雲數字商務產品，為消費品零售行業客戶提供了包含移動商城、小程序、智慧門店等全鏈條的數字化服務。除了為中小企業提供數字化經營解決方案外，中企動力在大客戶領域的拓展也在持續進行，不斷的為更多高端客戶提供「MarTech」數字化智能經營旗艦級服務。自中企動力推出高端定製品牌中企高呈以來，已為300多家知名企業(世界500強企業及中國行業百強企業)提供數字化服務，在金融，地產，醫藥，零售，教育等多個行業中具備了較強的競爭力。與此同時，在滿足高端客戶複雜數字化需求的服務過程中，中企動力不斷沉澱產品與服務能力，抽樣整合，依託產研中心的支撐，逐漸形成了針對不同行業、不同階段客戶群需求的特定產品及行業解決方案，並與企業數字化服務的眾多知名服務商達成合作，共建生態，為企業提供價值導向的數字化全鏈服務。在新產品的研發方面，中企動力逐步建成以業務中台為支撐的PaaS(平台即服務)平台，可以根據不同行業、不同階段客戶的需求快速形成靈活可配置的產品和行業解決方案，大幅度提高了產品開發交付效率，也為未來整合更多的生態合作夥伴提供了堅實的基礎支持。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

Xinnet

During the year, Xinnet continued its cloud services such as IaaS, domain name hosting and synergistic communication for SMEs and microenterprises through internet access and the nationwide distributor channels. In 2019, Xinnet completed the shift towards the building of a mixed cloud computing platform based on the public cloud computing platform, generally forming a mixed cloud structure and the capabilities of providing cloud products and services. Cloud service capabilities of IaaS and PaaS were further enhanced based on the mixed cloud, and the cloud service ecosystem of Xinnet was enriched by combining big data and artificial intelligence. On this basis, Xinnet regarded its public cloud products as its core and provided users with more extensive value-added products and a more comprehensive cloud service experience through the application and service market.

PROSPECTS

The management of this business segment considers that with the rapid development of mobile internet and gradual establishment of a de-centralized business model, enterprises in China have witnessed a wave of digitalization transformation, and smart corporate services based on big data will be developed. At this particular moment and under the current requirements for development, cloud services and industrial solutions for corporate digitalization and smart operation will enjoy enormous room for development. Besides, China enterprises will commit further resources to digitalization transformation which has become the common goal for China enterprises to achieve quality existence and development. Going forward, this segment will continue to improve its support and servicing capabilities for online/offline operations by regarding users as its core, relying on the industry and making full use of the Internet, so as to promptly respond to the needs and problems of enterprises and provide solutions in a timely manner. In respect of product applications, with an in-depth understanding of the industry's business scenarios, the Group will promptly respond to the needs of business scenarios in different industries based on the cloud product model, the middle structure of business (業務中台) and SaaS applications. Furthermore, this segment will also increase its capital investment in data centre, cloud computing technology, automatic operation and maintenance technology, big data technology as well as smart marketing technology, generally enhancing its core competence of technology to further develop and optimize its products and services for enterprises' digital intelligent business scenario.

業務回顧(續)

新網

年內，新網繼續通過網絡在線與遍佈全國的代理商渠道，面向全國中小微企業開展IaaS、域名託管、協同通訊等雲服務。2019年新網雲在公有雲計算平台基礎上完成向混合雲計算平台架構的轉變，整體形成混合雲架構方案及雲產品服務能力。並以混合雲為基礎，不斷豐富IaaS、PaaS雲服務能力，結合大數據、人工智能等技術不斷豐富新網的雲服務生態體系。在此基礎上，新網以公有雲產品為核心，通過應用與服務市場，為用戶提供更加豐富的增值產品以及更加全面的雲服務體驗。

展望

本業務部門管理層認為，伴隨著移動互聯網高速發展和去中心化商業模式的逐漸確立，中國企業已經迎來一次數字化轉型浪潮，基於大數據的智慧商業服務將會得到發展。在當前特定的時期和發展要求之下，面向企業數字化智能經營的雲服務和行業解決方案會擁有廣闊的市場空間，而且中國企業未來會進一步加大數字化轉型的投入，這也成為中國廣大企業更高質量生存與發展的共識。未來，本業務部門將以用戶為核心，以行業為依託，充分利用互聯網手段，不斷提升自己的線上及線下全面運營支撐能力和服務能力，對企業的需求、問題進行快速響應，及時解決。在產品應用方面，在深度理解行業商業場景的基礎上，以雲產品模型、業務中台、SaaS應用做支撐，快速響應不同行業的商業場景需求。此外，本業務部門會持續加大對數據中心、雲計算技術、自動化運維技術、大數據技術、智能營銷技術的資本投入，全面提升核心技術能力，進一步研發和優化面向企業數字化智能經營商業場景的產品和服務。

News Media Business and Innovative Business

新聞傳播業務
與創意商業



Management Discussion and Analysis

管理層討論及分析

NEWS MEDIA BUSINESS

Business Review

There are two business divisions under the news media business, namely “HK01” and “Duowei Media”. This business segment integrated the content and editing operations of “HK01” and “Duowei Media” to increase synergy and cost-effectiveness in 2019. During the year, revenue of this business segment was approximately HK\$89.6 million (2018: HK\$222.0 million), and revenue from third parties increased from approximately HK\$54.3 million to approximately HK\$89.6 million. Loss before income tax was approximately HK\$387.9 million (2018: HK\$385.9 million).

Based in Hong Kong, this business segment has more than 790 employees. It is a pioneer of advocacy media, aiming at creating an internet lifestyle platform, a brand new idea of combining internet with news media business, for Hong Kong people. During the year, apart from developing the news media business, this business segment has stepped up its efforts in developing “01 Heart (01心意)”, a charity platform, “01 Run Together (01齊跑)” a running services platform, and “eatojoy (e肚子)”, a self-collection takeaway ordering platform. It also established the “HKshopNet (一網打盡)”, an online shopping rebate platform, “Book Book Travel (卜卜遊)”, a travel services platform, and focused on developing the related membership economy. Various offline events, such as the “The 1st Hong Kong Martial Arts Expo (第一屆香港武術及搏擊運動博覽)”, community markets under the “01社區型活墟計劃”, “HK01 Economic Summit 2019 (「香港01」2019經濟高峰論壇)”, were held and online activities, such as “2019區選專頁” and “01 Entertainment Award (01最賞睇娛樂大獎)” were organized, with an aim to provide Hong Kong people with a more comprehensive and quality internet services featuring news and information with online and offline activities complementing each other.

During the year, active users of the webpages and mobile applications of this business segment reached over 1.5 million on average, nearly doubling over last year. The number of active users of “HK01” was over 2.3 million at the peak. In respect of page views, the average number of daily page views of the webpages and mobile applications approached 19 million, increasing more than two times as compared to that in 2018. Page views of “HK01” approached 57 million at the peak. As at 31 December 2019, the number of members of this business segment was over 1 million, more than two-fold of last year. With high quality news reports, this business segment achieved remarkable results by winning a number of news awards, including four US Telly Awards and the Awards for Editorial Excellence (《年度卓越新聞獎》) by The Society of Publishers in Asia. In terms of corporate and customer activities, we won four Spark Awards (卓越傳媒大獎), two MARKies Awards and two Mob-Ex Awards.

新聞傳播業務

業務回顧

新聞傳播業務包括「香港01」和「多維傳媒」，本業務部門於2019年整合「香港01」和「多維傳媒」的內容與編輯業務，以增強協同效應和成本效益。年內，本業務部門之收益約為0.896億港元（2018年：2.220億港元）其中從第三方取得的收益由0.543億港元增長至0.896億港元，所得稅前虧損約為3.879億港元（2018年：3.859億港元）。

本業務部門立足於香港，在香港擁有正式員工超過790人，以倡議型媒體的先行者為出發點，旨在打造一個屬香港人的互聯網生活平台，這是一種嶄新的互聯網與新聞媒體業務結合的新構想。年內，本業務部門除發展新聞媒體業務外，並持續加大「01心意」慈善平台、「01齊跑」跑步服務平台、「e肚子」外賣自取平台的投入與發展；更建立「一網打盡」網購回贈平台、「卜卜遊」旅遊服務平台及重點發展會員經濟；亦舉辦了不同活動，包括「第一屆香港武術及搏擊運動博覽」、「01社區型活墟計劃」下的社區墟市及「「香港01」2019經濟高峰論壇」等線下活動；另籌組「2019區選專頁」及「01最賞睇娛樂大獎」線上活動，目的就是要為香港人提供更全面優質的、以新聞信息為基礎、線上線下活動相互配合的全方位互聯網服務。

年內，本業務部門網頁及手機應用的平均活躍用戶超過150萬，相比去年增長接近一倍，而「香港01」在最高峰時活躍用戶更超越230萬；在瀏覽量方面，網頁及手機應用的每日平均瀏覽量接近1,900萬，相比2018年平均數增長超過兩倍，而「香港01」在最高峰時，瀏覽量更接近5,700萬。截至2019年12月31日，本業務部門會員人數已超過100萬，相比去年同期增長逾一倍。憑藉優質的新聞報道，本業務部門奪得多個新聞獎項，其中包括4項國際性的美國《Telly Awards》大獎、亞洲出版業協會《年度卓越新聞獎》；在公司及客戶活動方面則勇奪4項《The Spark Awards卓越傳媒大獎》、2項《MARKies Awards》及2項《Mob-Ex Awards》，成績斐然。

Management Discussion and Analysis

管理層討論及分析

NEWS MEDIA BUSINESS (Continued)

Prospects

This business segment strives to establish an internet lifestyle platform for Hong Kong people. For the media aspect, we plan to strengthen the contents of social news, entertainment news and lifestyle articles in the future, coupled with online and offline promotion, to reach a wider spectrum of viewers and secure the leading position in Hong Kong media. Moreover, we will step up our efforts in developing the activity platform of "01 Space (01 空間)", continue to promote membership economy and activate "01 points (01 積分)" for gift redemption and charitable causes, establishing ourselves as a leading internet lifestyle platform in Hong Kong.

INNOVATIVE BUSINESS

Business Review

During the year, revenue was approximately HK\$255.5 million (2018: HK\$831.9 million) and loss before income tax was approximately HK\$382.3 million (2018: HK\$1,047.8 million).

Within the industry, younger consumers continued to turn to smaller, innovative brands with strong social followings and digital foundations. This trend drove high business valuations and acquisition by traditional leaders fighting to remain relevant. Under this background, the full year numbers are different from that of 2018 due to the conclusion of the legacy retail and distributor businesses which was fully executed in the first half of 2019, and the up-front investment in the brand relaunch from July 2019. As a result of the restructuring, operating costs were dramatically reduced in 2019.

Crabtree & Evelyn's strategy has been to transform from a traditional retail to an OMO operating model, and to pursue the OMO development path starting from e-commerce. This vision placed Crabtree & Evelyn ahead of the industry. During the year, Crabtree & Evelyn exited its retail stores and sold its existing warehouses and manufacturing sites for a good return. While traditional retail companies struggled, Crabtree & Evelyn relaunched its entire brand and product lines in July 2019.

As part of this relaunch, Crabtree & Evelyn introduced 3 new ranges (Evelyn Rose, Crabtree, The Gardeners), 40 new products, and 50 reformulations of consumer favourites from The Archives, and several of these new products have received extraordinary customer reviews and won industry awards. These launches were powered by a new global e-commerce platform and supply chain operation, and an organization restructured for speed and agility in a digital world.

新聞傳播業務(續)

展望

本業務部門致力打造一個屬香港人的互聯網生活平台。在媒體方面，未來我們會繼續加強社會新聞、娛樂新聞及生活類的報道，並配合線上及線下宣傳，以接觸更廣的受眾，搶佔香港媒體第一地位。另外，我們將大力發展「01 空間」活動平台、繼續推動會員經濟發展及激活「01 積分」換禮物及做善事等，拓展成為香港首屈一指的互聯網生活平台。

創意商業

業務回顧

年內，本業務部門之收益約為2.555億港元(2018年：8.319億港元)，所得稅前虧損則約為3.823億港元(2018年：10.478億港元)。

在年輕消費者中，繼續轉向具有較強社交營銷和線上基礎的小型新興品牌。此趨勢推動傳統龍頭作出高商業估值及進行收購以保持緊貼潮流。在這種背景下，瑰柏翠的全年數據較2018年出現重大變化，一是因為2019年上半年全面關閉傳統零售及分銷渠道，二是因為從2019年7月開始為品牌重新出發進行先期投資。經過業務重組，2019年瑰柏翠的營運成本顯著下降。

瑰柏翠之策略為從傳統零售模式轉型為OMO運營模式，以電子商務為起點，尋求發展OMO運營模式。此願景已令瑰柏翠處於行業領先地位：年內，瑰柏翠關閉其零售店，出售其現有倉庫及製造基地，並取得理想回報。在零售公司傳統的商業模式面臨嚴重挑戰的時候，瑰柏翠已於2019年7月重新發佈其完整品牌及產品系列。

作為品牌重新出發的一環，瑰柏翠推出3個產品系列(伊芙琳玫瑰系列、野蘋果系列、園藝大師系列)、40款新產品以及受消費者喜愛的重新出發的50款現有產品，且獲得客戶高度評價及業界獎項。這些成績得益於瑰柏翠搭建了全新的全球電子商務平台及供應鏈、以及為匹配數字經營而打造的快速且敏捷的組織。

Management Discussion and Analysis

管理層討論及分析

INNOVATIVE BUSINESS (Continued)

Prospects

In 2020, Crabtree & Evelyn will aggressively expand its brand foundation, customer base, and product portfolio across the world as well as implement global control of pricing and discounting which will significantly improve gross margins. Crabtree & Evelyn will continue to expand online social marketing including e-commerce operations and fully immerse into China market, to further strengthen and extend influence of Crabtree & Evelyn's global brand.

FINANCIAL RESOURCES AND LIQUIDITY

The Group continued to adopt prudent funding and treasury policies. As at 31 December 2019, net assets attributable to the owners of the Company amounted to approximately HK\$4,696.0 million (31 December 2018: approximately HK\$6,199.8 million), including cash and bank balances of approximately HK\$11,720.6 million (31 December 2018: approximately HK\$8,297.6 million) which were mainly denominated in US dollars, Renminbi and Hong Kong dollars. As at 31 December 2019, the Group's aggregate borrowings were approximately HK\$18,853.0 million (31 December 2018: approximately HK\$19,959.8 million), of which approximately HK\$10,625.9 million (31 December 2018: approximately HK\$11,759.1 million) were bearing interest at fixed rates while approximately HK\$8,227.1 million (31 December 2018: approximately HK\$8,200.7 million) were at floating rates. The Group has partially managed interest rate risk through interest rate swap.

The gearing ratio of the Group, which is calculated as the net debt divided by the adjusted capital plus net debt was approximately 57.40% (31 December 2018: approximately 62.64%).

As at 31 December 2019, the capital commitment of the Group was approximately HK\$525.9 million (31 December 2018: approximately HK\$263.6 million), of which approximately HK\$16.6 million would be used for the renovation of property in Beijing, approximately HK\$65.0 million would be used as capital expenditures for the expansion of its cinema business and approximately HK\$444.3 million would be used for property development.

創意商業(續)

展望

2020年，瑰柏翠將在全球積極夯實品牌根基、拓展客戶基礎、發展產品組合，並控制全球價格及折扣以大幅改善毛利。瑰柏翠將不斷擴展包括電子商務在內的社交化線上營銷，並將全面進入中國市場，進一步鞏固和擴大瑰柏翠國際品牌的影響力。

財務資源及流動資金

本集團繼續採取審慎之資金及財務政策。於2019年12月31日，本公司擁有人應佔資產淨值約為46.960億港元(2018年12月31日：約61.998億港元)，包括現金及銀行結存約為117.206億港元(2018年12月31日：約82.976億港元)，主要以美元、人民幣及港元為單位。於2019年12月31日，本集團之借貸總額約為188.530億港元(2018年12月31日：約199.598億港元)，其中約106.259億港元(2018年12月31日：約117.591億港元)乃按固定利率計息，而約82.271億港元(2018年12月31日：約82.007億港元)則按浮動利率計息。本集團已透過利率掉期管理部分風險。

本集團之資本負債比率，即負債淨額除以已調整之資本加以負債淨額約為57.40%(2018年12月31日：約62.64%)。

於2019年12月31日，本集團之資本承擔約為5.259億港元(2018年12月31日：約2.636億港元)，其中約0.166億港元用作位於北京之物業之翻新工程費用，約0.650億港元將用作為擴展影院業務之資本開支、及約4.443億港元將用作房地產開發。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL RESOURCES AND LIQUIDITY (Continued)

As at 31 December 2019, the Group's contingent liabilities were approximately HK\$21.1 million in connection with the guarantees given to secure credit facilities (31 December 2018: approximately HK\$20.4 million).

As at 31 December 2019, certain right-of-use assets, buildings, other property, plant and equipment, properties under development and completed properties held for sale, investment properties and bank deposits with a total net carrying value of approximately HK\$15,083.3 million were pledged to secure the credit facilities granted to the Group (31 December 2018: approximately HK\$11,997.2 million). In addition, trading securities with a carrying value of approximately HK\$0.2 million and certain shares of several subsidiaries were pledged and bank accounts were charged for securing the Group's credit facilities (31 December 2018: approximately HK\$0.2 million).

Details of the bank and other borrowings and financing of the Group are set out in notes 29 and 31 to the financial statements.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group operated mainly in the PRC, and its operating expenses and revenue were primarily denominated and settled in Renminbi. The Group adopted Hong Kong dollars as its reporting currency, and the reported assets, liabilities and results may be affected by Renminbi exchange rate. As the majority of the Group's borrowings were primarily denominated in US dollars and Renminbi, it was exposed to foreign exchange risk. The Group has partially managed such risk through cross currency swap. The Group will still keep reviewing and monitoring the fluctuation in exchange rates between relevant currencies and consider using foreign exchange hedging instruments from time to time to minimize the risk exposure arising from changes in exchange rates. The Group will also proactively choose the type of currency for assets and liabilities based on its prejudgment of currency trend under practicable circumstances.

財務資源及流動資金(續)

於2019年12月31日，本集團之或然負債約為0.211億港元，乃就信貸融資提供之擔保所致(2018年12月31日：約0.204億港元)。

於2019年12月31日，本集團之信貸融資是以賬面淨值總額約為150.833億港元之若干使用權資產、樓宇、其他物業、廠房及設備、待發展及已落成待售物業、投資性物業及銀行存款作為抵押(2018年12月31日：約119.972億港元)。此外，本集團已質押賬面值約為200,000港元之交易證券、數間附屬公司之若干股份、及銀行賬戶作為本集團信貸融資之抵押(2018年12月31日：約200,000港元)。

本集團的銀行及其他借貸及融資詳情載於財務報表附註29及31。

匯率波動風險

本集團之主要業務位於中國，經營開支及收入主要以人民幣計值並結算。本集團以港元為匯報貨幣，所錄之資產、負債以及業績可能會受人民幣匯率影響。本集團之借貸以美元、人民幣為主，面臨外匯風險。本集團通過交叉貨幣互換工具對此風險進行了部分管理。本集團仍將持續審視及監察相關貨幣的匯率波動，不時考慮利用外匯對沖工具，降低匯率變化帶來的風險；亦會在可能的情况下，根據集團對貨幣走勢的預判，主動選擇資產和負債的貨幣種類。

Management Discussion and Analysis

管理層討論及分析

EMPLOYEE AND REMUNERATION POLICY

The Company employs and remunerates its employees based on their qualifications, experience and performance. In addition to basic salary payments, other benefits include housing, contributions to mandatory provident fund, group medical insurance, group personal accident insurance and examination leave. Employees are eligible to be granted share options under the Company's share option scheme at the discretion of the Board of the Company. In general, salary review is conducted annually. As at 31 December 2019, the Group had 18,789 employees (2018: 21,745 employees). The salaries of and allowances for employees for the year ended 31 December 2019 were about approximately HK\$2,222.0 million (2018: HK\$2,519.8 million). The Group focuses on providing skill and quality training for various levels of staff, and provides on-the-job capability training to its staff; in respect of staff quality, corresponding training on personal work attitude and work habits is also provided.

僱員及薪酬政策

本公司員工的聘用及薪酬均以員工之學歷、經驗和工作表現為基礎。除基本薪金外，其他福利包括住房、強制性公積金供款、團體醫療保險、團體個人意外保險及考試休假等。員工可根據本公司購股權計劃並按本公司董事會之酌情決定獲授購股權。一般而言，每年均會進行薪金檢討。於2019年12月31日，本集團有18,789名員工(2018年：21,745名員工)。截至2019年12月31日止年度，員工之薪金及津貼共約22.220億港元(2018年：25.198億港元)。本集團注重對員工技能和素質的培訓，針對不同崗位的需求，對員工進行崗位能力的培訓；在員工素質方面，對個人工作態度及工作習慣等方面也進行相應的培訓。

Report of the Directors

董事會報告

The Board herein present their report and the audited financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. During the year, the Group was principally engaged in culture and media services, property development, enterprise cloud services, news media business and innovative business.

SEGMENT INFORMATION

Particulars of the Group's revenue and segment information for the year are set out in notes 5 and 6 to the financial statements respectively.

BUSINESS REVIEW

The description of principal risks and uncertainties that the Group may be facing is provided in the Risk Management and Internal Control section on pages 77 to 83 of this annual report and a fair review of the Group's business during the year, and the probable future business development of each segment of the Company are provided in the Management Discussion and Analysis section on pages 8 to 31 of this annual report. Also, the financial risk management objectives and policies of the Group can be found in note 52 to the financial statements. Particulars of important events affecting the Group that have occurred since the end of the financial year ended 31 December 2019 are provided in the Management Discussion and Analysis section. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Five-Year Financial Summary on page 292 of this annual report. In addition, discussions on the Group's environmental policies, relationships with its consumers and employees and compliance with relevant laws and regulations which have a significant impact on the Group are all contained in the Environmental, Social and Governance Report on pages 84 to 116 of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 126.

The directors of the Company have resolved not to recommend the declaration of any final dividend for the year ended 31 December 2019 (for the year ended 31 December 2018: 0.15 HK cents per ordinary share).

董事會謹此提呈本集團截至2019年12月31日止年度之董事會報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股。年內，本集團主要從事文化與傳播服務、房地產開發及企業雲服務，新聞傳播業務及創意商業領域。

分部資料

本集團於本年度之收益及分部資料分別載於財務報表附註5及6。

業務回顧

有關本集團可能面對之主要風險及不確定因素之描述載於本年報第77頁至第83頁之風險管理及內部監控一節；有關本集團年內業務之中肯審視及本公司各分部之可能日後業務發展載於本年報第8至31頁之管理層討論與分析一節。此外，本集團財務風險管理目標及政策可於財務報表附註52閱覽。自截至2019年12月31日止財政年度結束以來所發生影響本集團之重要事件詳情載於管理層討論與分析一節。應用財務關鍵表現指標之本集團年內表現分析載於本年報第292頁之五年財政摘要。此外，有關本集團環境政策、與其消費者及僱員之關係以及遵守對本集團有重要影響之相關法例及規例之討論，全部載於本年報第84至116頁之環境、社會及管治報告。

業績及利潤分配

本集團於本年度之業績載於第126頁之綜合收益表。

本公司董事已決議不建議宣派截至2019年12月31日止年度之任何末期股息（截至2018年12月31日止年度：每股普通股0.15港仙）。

FIVE-YEAR 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 292.

PROPERTY, PLANT AND EQUIPMENT

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

SUBSIDIARIES AND ASSOCIATES

Particulars of the Company's principal subsidiaries and associates as at 31 December 2019 are set out in notes 16 and 17 to the financial statements respectively.

BANK AND OTHER BORROWINGS AND FINANCING

Details of the bank and other borrowings and financing of the Group as at 31 December 2019 are set out in notes 29 and 31 to the financial statements respectively.

SHARE CAPITAL AND SHARE PREMIUM

During the year, details of the movements in share capital and share premium of the Company are set out in notes 37 and 39 to the financial statements.

RESERVES

During the year, details of the movements in the reserves of the Company and the Group are set out in note 39 to the financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2019, the amount of the Company's reserves available for distribution was approximately HK\$1,302.1 million. In addition, the Company's share premium account with a balance of approximately HK\$11,000 may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's sales to the five largest customers and purchases from the five largest suppliers for the year ended 31 December 2019 accounted for less than 30.00% of the Group's total revenue and purchases respectively.

五年財政摘要

本集團過去五個財政年度之業績、資產及負債之摘要載於第292頁。

物業、廠房及設備

年內，本集團之物業、廠房及設備之變動詳情載於財務報表附註13。

附屬公司及聯營公司

本公司於2019年12月31日之主要附屬及聯營公司之詳情分別載於財務報表附註16及17。

銀行及其他借貸及融資

本集團於2019年12月31日之銀行及其他借貸及融資之詳情分別載於財務報表附註29及31。

股本及股份溢價

年內，本公司股本及股份溢價之變動詳情載於財務報表附註37及39。

儲備

年內，本公司及本集團儲備之變動詳情載於財務報表附註39。

可供分派儲備

本公司於2019年12月31日可供分派之儲備約為13.021億港元。此外，本公司股份溢價賬內約為11,000港元，可作已繳足紅股之方式派發。

主要客戶及供應商

本集團五大客戶及五大供應商截至2019年12月31日止年度之銷售及購貨百分比，分別佔本集團總收益額及購貨額少於30.00%。

Report of the Directors

董事會報告

DONATIONS

For the year ended 31 December 2019, the Company made charitable donations and other donations amounting to approximately HK\$3,405,000.

DIRECTORS' EMOLUMENTS

Details of directors' emoluments are set out in note 45 to the financial statements.

DIRECTORS' INTEREST IN COMPETING BUSINESS

The director below is deemed to be interested in the business which competes or is likely to compete either directly or indirectly, with business of the Group and is required to make disclosure of interests pursuant to Rule 8.10(2) of the Listing Rules:

Ms. Liu Rong, an executive director of the Company, is a director and ultimate shareholder of 廣東大地電影院線股份有限公司 (GD Cinema Circuit Company Limited*) ("GD Cinema Circuit"). GD Cinema Circuit invests in cinema business and therefore is deemed to compete with the cinema investment business of the Group. However, the Board believes that the competition does not pose any material threat to the Group's business prospects due to the fact that the cinemas operated by the Group and the cinemas invested by the above-mentioned director who is interested in the competing business focus on different market segments.

In 2019, most of the cinemas invested by GD Cinema Circuit are managed by the cinema management company controlled by the Group by way of entrusted management. We will make disclosure of such connected transaction according to the requirements under Chapter 14A of the Listing Rules when necessary.

In order to further safeguard the interest of the Group, those directors not interested in the competing business review on a regular basis the businesses and operations of the Group to ensure that its businesses are run on the basis that they are independent of, and at arm's length from, GD Cinema Circuit.

PENSION SCHEME

Details of retirement benefit plans in respect of the year are set out in note 44 to the financial statements.

捐款

截至2019年12月31日止年度，本公司作出之慈善捐款及其他捐款約為3,405,000港元。

董事酬金

董事酬金之詳情載於財務報表附註45。

董事於競爭業務之權益

以下董事乃被視為於以下與本集團之業務構成或可能構成(不論直接或間接)競爭之業務中擁有權益，須根據上市規則第8.10(2)條作出披露：

本公司執行董事劉榮女士為廣東大地電影院線股份有限公司(「大地院線」)之董事兼最終股東。大地院線投資影院業務，故被視為與本集團之影院投資業務構成競爭。然而董事會相信該競爭不會對本集團業務前景帶來重大威脅，原因為由本集團所經營之影院與上述存有競爭利益之董事所投資之影院各自針對不同细分市场。

在2019年，大地院線投資的影院大部分以委託管理的方式由本集團控制的影院管理公司進行管理，對於此項關連交易，必要時我們會依據上市規則第14A章規定進行披露。

為了進一步保障本集團之利益，該等並無競爭業務權益之董事乃定期審閱本集團之業務及運作，以確保其業務與大地院線能在獨立及公平之基礎下經營。

退休金計劃

本年度退休福利計劃之詳情載於財務報表附註44。

* For identification purpose only

Report of the Directors

董事會報告

DIRECTORS

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

Mr. Yu Pun Hoi (*Chairman*)
Ms. Liu Rong (*Chief Executive Officer*)
Mr. Lam Bing Kwan[#]
Mr. Lung King Cheong[#] (*retired with effect from 30 May 2019*)
Mr. Lau Yip Leung*
Mr. Xiao Sui Ning*
Mr. Ho Yeung Nang*

[#] Non-executive directors

* Independent non-executive directors

The Company has received annual confirmation from each of the existing independent non-executive directors of the Company confirming his independence to the Company pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and the Company considers that such directors are independent to the Company.

In accordance with Bye-law 99 of the Company's Bye-Laws ("Bye-Laws"), Mr. Yu Pun Hoi, Mr. Lam Bing Kwan and Mr. Xiao Sui Ning shall retire at the forthcoming annual general meeting ("AGM"). All of the above retiring directors, being eligible, will offer themselves for re-election.

董事

於年內及截至本報告日期，本公司之董事如下：

于品海先生(主席)
劉榮女士(行政總裁)
林秉軍先生[#]
龍景昌先生[#] (自2019年5月30日起退任)
劉業良先生*
肖遂寧先生*
何養能先生*

[#] 非執行董事

* 獨立非執行董事

本公司已接獲本公司各現任獨立非執行董事作出之年度確認書，確認其根據聯交所證券上市規則(「上市規則」)第3.13條於本公司之獨立性，而本公司認為該等董事獨立於本公司。

根據本公司的公司細則(「細則」)第99條，于品海先生、林秉軍先生、肖遂寧先生將於應屆之股東周年大會(「股東周年大會」)上輪值退任。所有上述退任董事都符合資格並願意膺選連任。

Report of the Directors

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of directors of the Company and senior management of the Group as at the date of this report were as follows:

Biographical Details of Directors

Executive Directors

Mr. Yu Pun Hoi, aged 61, holding a degree of Doctor of Philosophy conferred by Peking University, joined the Board in September 2000. Mr. Yu is the chairman of the Board, the chairman of nomination committee of the Company, and a controlling shareholder of the Company.

Mr. Yu Pun Hoi is also an executive director and a member of nomination committee of Sino-i, and a director of a number of subsidiaries of the Company.

Ms. Liu Rong, aged 48, graduated from the Law School of Anhui University with a Bachelor degree in Laws, and got a Master of Laws conferred by the Law Institute of Chinese Academy of Social Science, and is also a qualified lawyer in the PRC. In addition, Ms. Liu graduated from the International MBA School of National School of Development of Peking University in 2013. Prior to joining the Group, Ms. Liu worked in Chinese government departments and law firms.

Ms. Liu joined Sino-i group in April 2002 and has been appointed as an executive director and a member of executive committee of the Company since March 2009, a member of nomination committee since March 2017, the chief executive officer of the Company since February 2018, and the chairlady of executive committee of the Company since October 2019.

Ms. Liu is also the chairlady of the board of directors, the chairlady of nomination committee and a director of a number of subsidiaries of Sino-i, and a director and/or general manager of a number of subsidiaries of the Company.

董事及高級管理人員履歷詳情

截至本報告日期的本公司董事及本集團高級管理人員履歷詳情如下：

董事履歷詳情

執行董事

于品海先生，61歲，持有北京大學哲學博士學位，於2000年9月加入董事會，現擔任本公司董事會主席，提名委員會主席，亦為本公司之控股股東。

于先生同時為中國數碼之執行董事及提名委員會成員，以及為若干本公司附屬公司之董事。

劉榮女士，48歲，持有安徽大學法學學士學位、中國社會科學院法學碩士學位及中國律師資格，並於2013年畢業於北京大學國家發展研究院國際MBA學院。加入本集團前，劉女士曾在中國政府部門及律師事務所工作。

劉女士於2002年4月加入中國數碼集團，於2009年3月出任本公司執行董事及執行委員會成員，於2017年3月出任提名委員會成員，於2018年2月出任本公司行政總裁，並於2019年10月出任本公司執行委員會主席。

劉女士同時為中國數碼之董事會主席、提名委員會主席及其若干附屬公司之董事，以及為若干本公司附屬公司之董事及／或總經理。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Biographical Details of Directors (Continued)

Non-executive Director

Mr. Lam Bing Kwan, aged 70, graduated from the University of Oregon in the United States of America with a Bachelor degree in Business Administration in 1974. Prior to joining the Group, Mr. Lam had accumulated extensive experience in industries such as banking, property development and investment business.

Mr. Lam joined the Board in September 2000, and was re-designated as a non-executive director in April 2002. Mr. Lam is also a non-executive director of Sino-i, and an independent non-executive director of Lai Sun Development Company Limited, Lai Sun Garment (International) Limited and Lai Fung Holdings Limited. The securities of the above mentioned companies are listed on the Stock Exchange.

Independent Non-executive Directors

Mr. Lau Yip Leung, aged 59, graduated from the City University of Hong Kong and awarded an honours degree of Bachelor of Arts in Accountancy in 1991, and also holds an MBA conferred by the University of Hull, UK. Mr. Lau is a fellow member of The Association of Chartered Certified Accountants, The Institute of Chartered Accountants in England and Wales, and the Hong Kong Institute of Certified Public Accountants. Mr. Lau is a certified public accountant in Hong Kong and started his public practice business in 1998. He is now the person-in-charge of Messrs. Fung Lau & Company, Certified Public Accountants.

Mr. Lau joined the Board in May 2006 and is also a member of audit committee and remuneration committee of the Company. In March 2012, Mr. Lau has been appointed as a member of nomination committee of the Company. Mr. Lau was appointed as the chairman of audit committee of the Company in September 2013.

董事及高級管理人員履歷詳情(續)

董事履歷詳情(續)

非執行董事

林秉軍先生，70歲，於1974年畢業於美國俄立岡大學，持有工商管理學士學位。加入本集團前，林先生積極參與銀行界、物業發展及投資業務，在此等行業具備豐富經驗。

林先生於2000年9月加入董事會，於2002年4月被調任為非執行董事。林先生同時為中國數碼之非執行董事，以及為麗新發展有限公司、麗新製衣國際有限公司及麗豐控股有限公司之獨立非執行董事。上述公司之證券於聯交所上市。

獨立非執行董事

劉業良先生，59歲，於1991年畢業於香港城市大學，持有會計學榮譽文學學士學位及英國赫爾大學工商管理碩士學位。劉先生為英國特許公認會計師公會、英格蘭及威爾斯特許會計師公會及香港會計師公會的資深會員。劉先生為香港執業會計師並於1998年開始執業，現為馮劉會計師公司(執業會計師)的負責人。

劉先生於2006年5月加入董事會，並出任為本公司審核委員會及薪酬委員會成員，於2012年3月出任為本公司提名委員會成員。於2013年9月，劉先生獲委任為本公司審核委員會主席。

Report of the Directors

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Biographical Details of Directors (Continued)

Independent Non-executive Directors (Continued)

Mr. Xiao Sui Ning, aged 72, graduated from Yunnan Finance and Management College (雲南經濟管理幹部學院) majoring in enterprise management. Mr. Xiao is recognised as a senior economist by Bank of Communications.

Mr. Xiao joined the Board in April 2016 and has been appointed as the chairman of remuneration committee, and a member of audit committee and nomination committee of the Company. Mr. Xiao is also an independent non-executive director, the chairman of remuneration committee, and a member of audit committee and nomination committee of Sino-i.

Mr. Ho Yeung Nang, aged 70, holds a Bachelor's Degree in Arts from The University of Hong Kong and a Master's Degree in Business Administration from The Chinese University of Hong Kong. Mr. Ho served in different managerial positions in banking industry both in Hong Kong and China during the period from about 1973 to 1988. During the period from about 1989 to 1991, Mr. Ho was in Canada running his own business. In about 1992, Mr. Ho joined the Group and worked as a general manager of the property division of the Group, who left the Group in July 2009 and engaged in the position of chief operating officer of a private company engaged in coal mining and iron sand mining businesses in Indonesia and the Philippines respectively.

Mr. Ho joined the Board in September 2016 and has been appointed as a member of audit committee, remuneration committee and nomination committee of the Company. Mr. Ho is also an independent non-executive director and a member of audit committee, remuneration committee and nomination committee of Sino-i.

董事及高級管理人員履歷詳情(續)

董事履歷詳情(續)

獨立非執行董事(續)

肖遂寧先生，72歲，畢業於雲南經濟管理幹部學院，主修企業管理。肖先生獲交通銀行認可為高級經濟師。

肖先生於2016年4月加入董事會，並出任為本公司薪酬委員會主席兼審核委員會及提名委員會成員。肖先生同時為中國數碼之獨立非執行董事、薪酬委員會主席兼審核委員會及提名委員會成員。

何養能先生，70歲，何先生持有香港大學文學士學位及香港中文大學工商管理碩士學位。何先生約於1973至1988年期間曾在香港及中國銀行業擔任不同管理職位。約於1989年至1991年期間，何先生於加拿大自行經營業務。何先生約於1992年加盟本集團，擔任本集團地產部總經理，並於2009年7月離開本集團。自離開本集團以來何先生一直擔任一間私人公司之營運總監，該公司分別於印尼及菲律賓從事採煤及鐵砂開採業務。

何先生於2016年9月加入董事會，並出任為本公司審核委員會、薪酬委員會及提名委員會成員。何先生同時為中國數碼之獨立非執行董事、審核委員會、薪酬委員會及提名委員會成員。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Biographical Details of Senior Management

Mr. Chen Ming Fei (aged 43)

General Manager

中企動力科技股份有限公司 (CE Dongli Technology Company Limited)

General Manager

北京新網數碼信息技術有限公司 (Beijing Xinnet Cyber Information Company Limited)

Mr. Chen, has engaged in sales for a number of years, and possesses acute insight in IT business, and has extensive and professional experiences in product creation, business strategy planning and business management. Prior to joining Sino-i group, Mr. Chen worked in Vorwerk of Co. KG, a German company.

In 2000, Mr. Chen joined CE Dongli, and was appointed as a national commercial director, sales deputy general manager, executive deputy general manager and business general manager. In January 2012, Mr. Chen was promoted to a general manager, responsible for operation management of CE Dongli. Mr. Chen is also the general manager of Xinnet, responsible for operation management of Xinnet. Mr. Chen is also an executive director and a general manager of Sino-i, and a director and/or general manager of a number of subsidiaries of Sino-i. In January 2018, Mr. Chen was appointed as the chief executive officer of Sino-i.

Mr. Chen is also a member of executive committee of the Company, and a director of a number of subsidiaries of the Company.

Mr. Xue Bo Ying (aged 51)

General Manager

Nan Hai Development Limited

General Manager

深圳半島城邦房地產開發有限公司 (The Peninsula Shenzhen Property Development Co., Ltd.)

Mr. Xue graduated from Huazhong University of Science and Technology and obtained a Master degree in architecture from Tsinghua University, and is a certified first-level architect and a certified town planner in the PRC. Prior to joining the Group, Mr. Xue worked in such senior positions as deputy general manager, senior architect and architectural design director in a number of corporations, and also worked in Guangzhou City Construction Commission.

Mr. Xue joined the Group in January 2006 as an architectural design director, responsible for overall architectural design of various property projects of the Group in the PRC. In February 2009, Mr. Xue was appointed as an executive deputy general manager of Nan Hai Development Limited, a wholly-owned subsidiary of the Company, and was promoted to general manager in July 2010 and appointed as a general manager of 深圳半島城邦房地產開發有限公司 (The Peninsula Shenzhen Property Development Co., Ltd.).

Mr. Xue is also a member of executive committee of the Company, and a director of a number of subsidiaries of the Company.

董事及高級管理人員履歷詳情 (續)

高級管理人員履歷詳情

陳鳴飛先生 (43歲)

總經理

中企動力科技股份有限公司

總經理

北京新網數碼信息技術有限公司

陳先生從事銷售工作多年，對於IT行業有著敏銳的市場洞察力，在產品創意、商務策略規劃與商務管理方面具有豐富的實戰經驗和專業積累。加入中國數碼集團前，陳先生曾在德國福維克公司工作。

陳先生於2000年加入中企動力，歷任全國商務總監、銷售副總經理、常務副總經理及業務總經理，於2012年1月晉升為總經理，負責中企動力的經營管理工作。陳先生亦擔任新網總經理，負責新網的經營管理工作。陳先生亦為中國數碼之執行董事兼總經理以及為若干中國數碼附屬公司之董事及／或總經理。於2018年1月，陳先生獲委任為中國數碼行政總裁。

陳先生亦為本公司執行委員會成員及若干本公司附屬公司之董事。

薛伯英先生 (51歲)

總經理

南海發展有限公司

總經理

深圳半島城邦房地產開發有限公司

薛先生畢業於華中科技大學，持有清華大學建築學碩士學位、國家一級註冊建築師與國家註冊城市規劃師資格。加入本集團前，薛先生曾在多家企業出任副總經理、高級建築師及建築設計總監等要職，並曾於廣州市建設委員會工作。

薛先生於2006年1月加入本集團，出任為設計總監，負責本集團在中國房地產項目的總體建築設計工作。於2009年2月出任為本公司全資附屬公司南海發展有限公司常務副總經理，於2010年7月晉升為總經理，並兼任深圳半島城邦房地產開發有限公司總經理。

薛先生亦為本公司執行委員會成員及若干本公司附屬公司之董事。

Report of the Directors

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Biographical Details of Senior Management (Continued)

Mr. Xu Heran (aged 44)

Mr. Xu Heran had more than 10 years' experience in enterprise management and accumulated in-depth experience and knowledge in culture and media services sector. Prior to joining the Company, Mr. Xu was the general manager of CFG — BARCO (Beijing) Electronics Co., Ltd.

Mr. Xu graduated from Peking University and obtained a Doctor degree in Philosophy. Mr. Xu joined the Company in November 2018 as a chief strategy officer and is responsible for operation management of cinema and cinema related businesses of the Company from June 2019.

Mr. Xu is also a member of executive committee of the Company, and a director of a number of subsidiaries of the Company.

Mr. Zhang Yang (aged 44)

Mr. Zhang Yang holds a Bachelor degree in automation from Tsinghua University, and a Master degree in business and information technology from The University of Melbourne. Prior to joining the Company, Mr. Zhang worked as strategy consulting director of information technology in Accenture (China) Co., Ltd., and also worked as vice president in JD.com (“京東”).

Mr. Zhang joined the Company in 2017 as a vice general manager, being responsible for information work, and the strategic transformation of certain subsidiaries of the Company.

Mr. Zhang is also a member of executive committee of the Company, and a director of a number of subsidiaries of the Company.

董事及高級管理人員履歷詳情(續)

高級管理人員履歷詳情(續)

徐鶴然先生(44歲)

徐鶴然先生從事企業管理逾十年，並在文化與傳播服務領域具有較為豐富的經驗和專業積累。加入本公司前，徐先生曾擔任中影巴可(北京)電子有限公司總經理。

徐先生早年畢業於北京大學哲學系，獲授予哲學博士學位。其於2018年11月加入本公司，出任首席戰略官，2019年6月開始亦負責本公司影院行業相關業務的經營管理。

徐先生亦為本公司執行委員會成員及若干本公司附屬公司之董事。

張洋先生(44歲)

張洋先生畢業於清華大學，持有清華大學自動化專業學士學位，以及墨爾本大學商業與信息技術碩士學位。加入本公司前，張先生曾任埃森哲(中國)有限公司信息技術戰略諮詢總監，京東集團副總裁等要職。

張先生於2017年加入本公司，出任副總經理，主管信息化工作，並負責若干本公司附屬公司及業務的戰略轉型。

張先生亦為本公司執行委員會成員及若干本公司附屬公司之董事。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, the interests and short positions of the directors and chief executive of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

The Company

Long and short positions in shares in issue

董事於股份及相關股份之權益及淡倉

於2019年12月31日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有須記錄於根據證券及期貨條例第352條存置之登記冊中或已根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）或以其他方式知會本公司及聯交所之權益及淡倉如下：

本公司

於已發行股份之好倉及淡倉

Name of Director	Capacity/ Nature of interest	Number of shares held	Approximate percentage holding	Notes
董事姓名	身份／權益性質	所持股份數目	持股概約 百分比	附註
Yu Pun Hoi ("Mr. Yu") 于品海（「于先生」）	Corporate interest 公司權益	40,673,177,261(L) 10,862,068,966(S)	59.25% 15.82%	1 2

Notes:

- These 40,673,177,261 shares were collectively held by Rosewood Assets Ltd., Pippen Limited, Staverley Assets Limited, First Best Assets Limited and Unicorn Assets Group Limited companies indirectly wholly owned by Mr. Yu through Dadi Holdings Limited, a company wholly owned by Mr. Yu.
- These 10,862,068,966 shares were charged by Pippen Limited, a company indirectly wholly owned by Mr. Yu through Dadi Holdings Limited, a company wholly owned by Mr. Yu.
- (L) denotes long position and (S) denotes short position.

附註：

- 該等40,673,177,261股股份分別由于先生透過其全資擁有的公司大地控股有限公司間接全資擁有的Rosewood Assets Ltd.、Pippen Limited、Staverley Assets Limited、First Best Assets Limited及Unicorn Assets Group Limited合共持有。
- 該等10,862,068,966股股份由于先生透過其全資擁有的公司大地控股有限公司間接全資擁有的Pippen Limited抵押。
- (L)指好倉，而(S)指淡倉。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)

Associated Corporations

As disclosed above, Mr. Yu is entitled to control the exercise of more than one-third of the voting power at general meetings of the Company. As such, Mr. Yu is taken to be interested in the shares of the associated corporations of the Company within the meaning of Part XV of the SFO. Sino-i is a company whose shares are listed on the Stock Exchange, and is an associated corporation of the Company within the meaning of Part XV of the SFO. As at 31 December 2019, the interests of the directors of the Company in shares and underlying shares of Sino-i were as follows:

Sino-i

Long position in shares in issue

Name of Director	Capacity/Nature of interest	Number of shares held	Approximate percentage holding	Notes
董事姓名	身份／權益性質	所持股份數目	持股概約百分比	附註
Mr. Yu 于先生	Corporate interest 公司權益	12,838,585,316(L)	59.11%	1

Notes:

- These 12,838,585,316 shares were collectively held by Goalrise Investments Limited, View Power Investments Limited and Wise Advance Investments Limited, all of which are wholly-owned subsidiaries of the Company. Mr. Yu was taken to be interested in these shares by virtue of his controlling interests in shares of the Company.
- (L) denotes long position.

Save as disclosed above, as at 31 December 2019, none of the directors nor chief executive of the Company had any interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules.

董事於股份及相關股份之權益及淡倉(續)

相聯法團

如上述所披露，于先生於本公司股東大會上可控制行使超過三分之一之投票權。因此，于先生被視為於本公司相聯法團(定義見證券及期貨條例第XV部)之股份中佔有權益，中國數碼股份於聯交所上市，根據證券及期貨條例第XV部，被視為本公司之相聯法團。於2019年12月31日，本公司董事於中國數碼擁有之股份及相關股份之權益如下：

中國數碼

於已發行股份之好倉

附註：

- 該等 12,838,585,316 股股份分別由本公司之全資附屬公司 Goalrise Investments Limited、View Power Investments Limited 及 Wise Advance Investments Limited 合共持有。于先生因於本公司股份持有控股權益而被視為於該等股份中擁有權益。
- (L) 指好倉。

除上文所披露者外，於2019年12月31日，本公司董事及主要行政人員概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有須記錄於根據證券及期貨條例第352條存置之登記冊中，或已根據上市規則附錄10所載之標準守則或以其他方式知會本公司及聯交所之權益或淡倉。

SHARE OPTION SCHEME

On 28 May 2012, the Company adopted a share option scheme (the "Scheme"). Under the Scheme, share options may be granted to directors, employees of the Group and those who have contributed or will contribute to the Group at any time within ten years after its adoption at the discretion of the Board.

Since the adoption of the Scheme and during the year ended 31 December 2019, no share options have been granted under the Scheme by the Company. No share options were granted, exercised, cancelled or lapsed by the Company under the Scheme during the year ended 31 December 2019 and there were no outstanding share options under the Scheme as at 31 December 2019 and up to the date of this report.

A summary of the Scheme is as follows:

(1) Purpose

The purpose of the Scheme is to provide incentives or rewards to participants for their contribution or would-be contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which any member of the Group holds any equity interests (the "Invested Entity").

(2) Participants

The participants include:

- a. any employee (whether full time or part time employee, including any executive directors but not any non-executive director) of the Company, its subsidiaries and any Invested Entity;
- b. any non-executive director (including independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity;
- c. any supplier of goods or services to any member of the Group or any Invested Entity;
- d. any customer of the Group or any Invested Entity;
- e. any person or entity that provides research, development or technological support or other services to the Group or any Invested Entity;
- f. any shareholder or any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; and
- g. any ex-employee who has contributed or may contribute to the development and growth of the Group and any Invested Entity.

購股權計劃

於2012年5月28日，本公司採納一項購股權計劃（「該計劃」）。根據該計劃，於採納後十年內，董事會可隨時酌情授出購股權予本集團之董事、僱員以及曾為或將為本集團作出貢獻之人士。

自採納該計劃以來及截至2019年12月31日止年度，本公司並無根據該計劃授出購股權。於截至2019年12月31日止年度，本公司概無根據該計劃已授出、獲行使、已註銷或已失效之購股權，而於2019年12月31日及截至本報告日期，於該計劃項下概無任何尚未行使購股權。

該計劃之概要如下：

(1) 目的

該計劃旨在提供鼓勵或獎賞參與者對本集團作出之貢獻或可能作出之貢獻及／或協助本集團聘請及留任能幹僱員及吸納對本集團與本集團任何成員公司持有其任何股本權益之公司（「所投資公司」）有價值之人才。

(2) 可參與之人士

可參與之人士包括：

- a. 本公司、其附屬公司及任何所投資公司之任何僱員（不論全職或兼職僱員，包括任何執行董事但不包括任何非執行董事）；
- b. 本公司、其任何附屬公司或任何所投資公司之任何非執行董事（包括獨立非執行董事）；
- c. 向本集團任何成員公司或任何所投資公司提供貨物或服務之任何供應商；
- d. 本集團或任何所投資公司之任何客戶；
- e. 向本集團或任何所投資公司提供研究、開發或技術支援或其他服務之任何人士或公司；
- f. 本集團或任何所投資公司之任何股東或任何成員公司，或本集團或任何所投資公司之任何成員公司所發行任何證券之任何持有人；及
- g. 對於本集團及任何所投資公司之發展及增長作出貢獻或可能作出貢獻之任何前僱員。

Report of the Directors

董事會報告

SHARE OPTION SCHEME (Continued)

(3) Maximum number of shares

The total number of shares which may be issued upon exercise of all share options to be granted under the Scheme must not in aggregate exceed 10% of the relevant class of shares of the Company in issue as at the date of approval of the Scheme and the limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes must not exceed 30% of the relevant class of shares of the Company in issue from time to time. No share options may be granted under the Scheme and any other schemes of the Company if this will result in such limit exceeded. As at the date of this report, the number of shares available for issue in respect thereof is 6,864,553,579 shares representing approximately 10% of the total number of shares of the Company in issue.

(4) Maximum entitlement of each participant

The total number of shares issued and to be issued upon exercise of the share options granted to each participant under the Scheme and any other schemes (including both exercised and outstanding options) in any 12-month period must not exceed 1 per cent. of the relevant class of shares of the Company in issue. Any further grant of share options above this limit shall be subject to certain requirements as stipulated in the rules of the Scheme and to the relevant rules under the Listing Rules.

(5) The period within which the shares must be taken up under a share option

The period within which the shares must be taken up a share option shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed 10 years from the date of grant of the relevant share option.

(6) Minimum period for exercising a share option

The Board may at its discretion determine the minimum period for which a share option must be held before it can be exercised.

(7) Acceptance and payment on acceptance

The share option shall be deemed to have been accepted when the duplicate letter duly signed by the grantee, together with a remittance of HK\$1.00 in favour of the Company by way of consideration for the grant thereof, is received by the Company. To the extent that the offer is not accepted within 28 days in the manner aforesaid, it will be deemed to have been irrevocable declined and lapsed automatically.

購股權計劃(續)

(3) 股份最高數目

根據該計劃授出之購股權在悉數行使時可予發行之股份總數，不得超過該計劃獲採納之日時本公司已發行相關類別股份之10%及因悉數行使根據該計劃及其他計劃已授出但尚未行使之購股權而可予發行之股份數目限額，不得超過本公司不時已發行相關類別股份之30%。不得根據該計劃及本公司任何其他購股權計劃授出可能會導致超出此等限額之購股權。於本報告日期，購股權可予發行之股份數目最多為6,864,553,579股，相當於本公司已發行股份總數約10%。

(4) 各參與者可獲授權益之上限

每名參與者在任何12個月內獲授根據該計劃及任何其他購股權計劃授出之購股權(包括已行使及尚未行使之購股權)予以行使時所發行及將發行之股份總數，不得超過本公司已發行相關類別股份之1%。任何進一步授出超過該限額之購股權將須受該計劃之規則及上市規則項下相關規則所訂明之若干規定所規限。

(5) 購股權項下股份必須接納之期限

購股權涉及之股份必須接納之期限由董事會在授出購股權時全權決定，但該期限不得超過有關購股權授出之日起計10年。

(6) 行使購股權之最短期限

董事會可酌情釐定購股權在可被行使前必須持有之最短期限。

(7) 接納購股權及接納時所付款項

當本公司接獲由承授人簽署接納購股權之函件副本及向本公司繳付1.00港元之代價後，該購股權將被視為已獲承授人接納。倘要約並未以上述方式於28天內獲接納，該要約將被視為已不可撤回地拒絕及自動失效。

SHARE OPTION SCHEME (Continued)

(8) Basis of determining the subscription price

The subscription price for shares under the Scheme shall be a price determined by the directors of the Company, but it must be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of grant; and (iii) the nominal value of the share.

(9) Remaining life of the scheme

The Scheme will remain in force for a period of 10 years commencing on 29 May 2012 up to 28 May 2022.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Except for the Scheme disclosed above, at no time during the year was the Company, or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company.

DIRECTORS' SERVICE CONTRACTS

None of the directors has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than the statutory compensation.

MANAGEMENT CONTRACTS

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

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed in the paragraph "Connected Transactions", "Continuing Connected Transactions" and "Related Party Transactions" below, no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or its subsidiaries was a party, and in which any directors of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

購股權計劃(續)

(8) 釐定認購價之基準

該計劃項下之股份認購價由本公司董事釐定，惟不得低於下列三者中的最高者：(i) 股份於授予購股權授出當日(須為交易日)的收市價(以聯交所日報表所載者為準)；(ii) 股份於授予購股權授出日期前五個交易日的平均收市價(以聯交所日報表所載者為準)；及(iii) 股份面值。

(9) 該計劃尚餘之有效期

該計劃之有效期為10年，由2012年5月29日起計，直至2022年5月28日止。

購買股份或債券之安排

除上述該計劃所披露外，年內，本公司或其附屬公司從未參與任何安排，致使本公司各董事藉收購本公司之股份或債券而獲益。

董事服務合約

概無董事與本公司簽訂本公司不可於一年內免賠償(法定賠償除外)而終止之服務合約。

管理合約

年內，概無訂立或存在任何有關本公司之全部或任何主要部分業務之管理及行政合約。

董事在交易、安排及合約中之重大權益

除下文「關連交易」、「持續關連交易」及「關聯方交易」各段所披露者外，本公司或其附屬公司於年終或年內任何時間並無簽訂任何有關本集團業務，而令本公司董事在其中直接或間接佔有重大利益之重要交易、安排或合約。

Report of the Directors

董事會報告

DIRECTORS' INDEMNITIES

Pursuant to the Company's Bye-Laws, save and except so far as the provisions of the Bye-Laws shall be avoided by any provisions of the statutes, the directors, managing directors, alternate directors, auditors, secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own wilful neglect or default, fraud and dishonesty respectively, and none of them shall be answerable for the acts, receipts, neglects or defaults of any other of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects of the Company shall be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, except as the same shall happen by or through their own wilful neglect or default, fraud and dishonesty respectively.

The Bermuda Companies Act permits a company to exempt and indemnify its directors and officers from liability in the following terms:

- A company may in its bye-laws or in any contract or arrangement between the company and any officer, or any person employed by the company as auditor, exempt such officer or person from, or indemnify him in respect of, any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of any duty or breach of trust of which the officer or person may be guilty in relation to the company or any subsidiary thereof.
- Any provision, whether contained in the bye-laws of a company or in any contract or arrangement between the company and any officer, or any person employed by the company as auditor, exempting such officer or person from, or indemnifying him against any liability which by virtue of any rule of law would otherwise attach to him in respect of any fraud or dishonesty of which he may be guilty in relation to the company shall be void.

This indemnification may also cover any liabilities which the officer incurs in defending any proceedings (criminal or civil) where relief is granted to him, where he is acquitted, or where judgement is given in his favour. A company may advance money to an officer for the costs of defending proceedings, on the condition that the advance shall be repaid if any allegation of fraud or dishonesty is proven.

The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

董事彌償

根據本公司細則，除非法規之條款免除本條公司細則之規定，否則本公司現屆董事、董事總經理、替任董事、核數師、秘書及其他高級職員和現時辦理本公司任何事務之信託人(如有)及彼等各方之遺產執行人與遺產管理人，如因應各自之職務或信託責任而在執行職責或據稱職責時作出、贊同或遺漏作出任何行為，以致彼等任何一方或其任何遺產執行人或遺產管理人蒙受或招致任何訴訟、費用、收費、損失、損害及開支，本公司將動用其資產作出彌償並確保彼等免責，惟彼等自身蓄意疏忽或失責、詐騙及不誠實招致或引起之訴訟、費用、收費、損失、損害及開支(如有)不在此限。彼等概毋須就下列事項承擔責任：彼等當中其他人作出之行為、出具之收據、疏忽或失責，或因依循規定而聯同出具收據，或負責持管或保管本公司任何款項或物品之銀行或其他人等，或本公司放貸或投資任何金錢之抵押不足或欠妥，或彼等執行各自職務或信託責任期間可能出現之任何其他損失、不幸事件或損害或相關事宜，惟本賠償規定概不引伸至上述任何人士所涉及及蓄意疏忽或失責、詐騙及不實誠之任何相關事項。

百慕達公司法批准公司於以下條款豁免及彌償其董事及高級職員之責任：

- 公司可於其細則或公司與任何高級職員，或任何受公司僱用為核數師之任何人士訂立之任何合約或安排中，豁免有關高級職員或人士，或彌償其有關因任何疏忽、失責、違反任何職責或違反誠信(當中該高級職員或人士可能涉及公司或其任何附屬公司之罪行)而導致之任何損失或其所附帶之責任。
- 任何條款(不論載於公司細則抑或公司與任何高級職員、或受公司僱用為核數師之任何人士訂立之任何合約或安排)，豁免有關高級職員或人士，或彌償其就任何詐騙及不實誠(當中可能涉及公司之罪行)因而任何法律法規附帶於彼之任何責任，將為無效。

在獲授救濟、無罪釋放或判決對其有利之情況下，本彌償亦涵蓋高級職員於抗辯任何司法程序(刑事或民事)時產生之任何責任。公司可就抗辯司法程序之費用向高級職員墊款，條件為倘證實任何欺詐或不誠實之指控，須償還有關墊款。

本公司已為本集團董事及高級職員安排適當董事及高級職員之責任保險。

Report of the Directors

董事會報告

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in this annual report, there was no contract of significance to which the Company or any of its subsidiaries was a party and in which any controlling shareholder had a material interest subsisted during the year ended 31 December 2019.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in this annual report, no contract of significance has been entered into among the Company or any of its subsidiaries and the controlling shareholders or any of their subsidiaries during the year ended 31 December 2019, and no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries has been entered into during the year ended 31 December 2019.

CHANGE IN THE BOARD OF DIRECTORS

There was no change in the Board since the date of the Company's 2019 interim report and up to the date of this report.

CHANGES IN INFORMATION IN RESPECT OF DIRECTORS

Mr. Xiao Sui Ning, an independent non-executive director of the Company, since the date of the Company's 2019 interim report, resigned as an independent director of Beijing SPC Environment Protection Tech Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 2573) in October 2019.

REMUNERATION POLICY

The Company remunerates its employees based on their qualifications, experience and performance. In addition to basic salary payments, other benefits include housing, contributions to mandatory provident fund, group medical insurance, group personal accident insurance and examination leave and etc. Employees are eligible to be granted share options under the Company's share option scheme at the discretion of the Board. In general, salary review is conducted annually.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules.

Specific enquiries have been made to all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2019.

控股股東之合約權益

除本年報披露者外，於截至2019年12月31日止年度，本公司或其任何附屬公司概無訂立任何控股股東於當中擁有重大權益的任何重大合約。

與控股股東之合約

除本年報披露者外，於截至2019年12月31日止年度，本公司或其任何附屬公司並無與控股股東或彼等任何附屬公司訂立任何重大合約，而截至2019年12月31日止年度，控股股東或其任何附屬公司亦無就提供服務予本公司或其任何附屬公司訂立重大合約。

董事會變動

自本公司2019年中期報告日期以來直至本報告日期，概無董事會變動。

有關董事資料之變動

本公司獨立非執行董事肖遂寧先生自本公司2019年中期報告日期以來，於2019年10月辭任北京清新環境技術股份有限公司(深圳證券交易所上市公司，股票代號為2573)之獨立董事職位。

薪酬政策

本公司員工的薪酬均以員工之學歷、經驗和工作表現為基礎。除基本薪金外，其他福利包括住房、強制性公積金供款、團體醫療保險及團體個人意外保險及考試休假等。員工可根據本公司購股權計劃並按董事會之酌情決定獲授購股權。一般而言，每年均會進行薪金檢討。

證券交易之標準守則

本公司已採納上市規則附錄10所載之標準守則。

本公司已向所有董事作出特定查詢，董事們確認，彼等於截至2019年12月31日止年度內一直遵守標準守則。

Report of the Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at 31 December 2019, those persons (other than directors and chief executive of the Company) who had interests and short positions in shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

主要股東之權益及淡倉

於2019年12月31日，根據本公司按照證券及期貨條例第336條存置之登記冊所記錄，以下人士（本公司董事及最高行政人員除外）於本公司之股份或相關股份中擁有權益及淡倉：

Name of person holding an interest in shares which has been disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO 持有根據證券及期貨條例第XV部第2及3分部已向本公司披露股份權益之人士名稱／姓名	Nature of interest 權益性質	Number of shares held 所持股份數目	Approximate percentage of issued share capital of the Company 佔本公司已發行股本之概約百分比	
Dadi Holdings Limited 大地控股有限公司	Corporate interest 公司權益	40,673,177,261 (L) 10,862,068,966 (S)	59.25% 15.82%	1 4
Rosewood Assets Ltd.	Beneficial interest 實益權益	8,041,150,210 (L)	11.71%	1
Pippen Limited	Beneficial interest 實益權益	14,830,245,497 (L) 10,862,068,966 (S)	21.60% 15.82%	1
Staverley Assets Limited	Beneficial interest 實益權益	4,893,197,974 (L)	7.12%	1
First Best Assets Limited	Beneficial interest 實益權益	9,544,736,998 (L)	13.90%	1
Kung Ai Ming 龔愛明	Corporate interest 公司權益	6,530,443,498 (L) 6,461,043,498 (S)	9.51% 9.41%	2
Yu Ben Hei 于本熙	Corporate interest 公司權益	6,461,043,498 (L) 6,461,043,498 (S)	9.41% 9.41%	2
Macro Resources Ltd.	Beneficial interest 實益權益	4,361,043,498 (L) 4,361,043,498 (S)	6.35% 6.35%	2
Lim Siew Choon 林小春	Corporate interest 公司權益	5,514,986,997 (L)	8.03%	3
Empire Gate Industrial Limited	Beneficial interest 實益權益	5,514,986,997 (L)	8.03%	3
Central Huijin Investment Ltd.	Security interest 抵押權益	10,862,068,966 (L)	15.82%	5
China Construction Bank Corporation	Security interest 抵押權益	10,862,068,966 (L)	15.82%	5
CITIC Capital Holdings Limited	Corporate interest 公司權益	2,056,850,000 (L)	3%	
	Security interest 抵押權益	6,461,043,498 (L)	9.41%	6
CITIC Capital Equity Investment (Tianjin) Corporation Limited	Beneficial interest 實益權益	1,089,450,000(L)	1.58%	
	Security interest 抵押權益	6,461,043,498 (L)	9.41%	6

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS (Continued)

Notes:

1. Rosewood Assets Ltd., Pippen Limited, Staverley Assets Limited, First Best Assets Limited and Unicorn Assets Group Limited are companies indirectly wholly owned by Mr. Yu through Dadi Holdings Limited, a company wholly owned by Mr. Yu. Their interests in shares are disclosed as the corporate interests of Mr. Yu above.
2. Macro Resources Ltd. and K Resources Group Limited are held as to 50% each by Ms. Kung Ai Ming and Mr. Yu Ben Hei, the son of Mr. Yu. Their respective interest in 4,361,043,498 and 2,100,000,000 shares were included as interest held by Ms. Kung Ai Ming and Mr. Yu Ben Hei. Ms. Kung Ai Ming owns interest of 69,400,000 shares through Redmap Resources Limited, her wholly owned company.
3. Empire Gate Industrial Limited is wholly owned by Mr. Lim Siew Choon. Its interest in shares was included as interest held by Mr. Lim Siew Choon.
4. These 10,862,068,966 shares were charged by Pippen Limited, a company indirectly wholly owned by Mr. Yu through Dadi Holdings Limited, a company wholly owned by Mr. Yu.
5. These 10,862,068,966 shares were security interest indirectly held by Central Huijin Investment Ltd. through China Construction Bank Corporation, CCB International Group Holdings Limited, CCB Financial Holdings Limited, CCB International (Holdings) Limited and CCB International Overseas Limited.
6. These 6,461,043,498 shares were security interest indirectly held by CITIC Capital Holdings Limited through CITIC Capital MB Investment Limited, Prestige Way Holdings Limited, Prestige Way Limited, CITIC Capital Equity Investment (Tianjin) Corporation Limited and Infinite Benefits Limited.
7. (L) denotes long position and (S) denotes short position.

Save as disclosed above, as at 31 December 2019, no person (other than directors and chief executive of the Company) had notified to the Company any interests or short positions in shares or underlying shares of the Company which was required to be recorded in the register kept by the Company under Section 336 of the SFO.

主要股東之權益及淡倉(續)

附註：

1. Rosewood Assets Ltd.、Pippen Limited、Staverley Assets Limited、First Best Assets Limited 及 Unicorn Assets Group Limited 為于先生間接全資擁有之公司，透過彼全資擁有之大地控股有限公司持控，該等公司之股份權益於上文披露納入為于先生之公司權益。
2. 龔愛明女士及于先生之兒子于本熙先生各自持有 Macro Resources Ltd. 及 K Resources Group Limited 50% 權益。該等公司分別於 4,361,043,498 及 2,100,000,000 股股份之權益納入為龔愛明女士及于本熙先生所持有之權益。龔愛明女士透過其全資擁有之公司 Redmap Resources Limited 擁有 69,400,000 股股份之權益。
3. Empire Gate Industrial Limited 為林小春先生之全資擁有公司。該公司擁有之股份權益納入為林小春先生所持有之權益。
4. 該等 10,862,068,966 股股份由于先生透過其全資擁有的公司大地控股有限公司間接全資擁有的 Pippen Limited 抵押。
5. 該等 10,862,068,966 股股份為抵押權益，由 Central Huijin Investment Ltd. 透過 China Construction Bank Corporation, CCB International Group Holdings Limited, CCB Financial Holdings Limited, CCB International (Holdings) Limited 及 CCB International Overseas Limited 間接持有。
6. 該等 6,461,043,498 股股份為抵押權益，由 CITIC Capital Holdings Limited 通過 CITIC Capital MB Investment Limited, Prestige Way Holdings Limited, Prestige Way Limited, CITIC Capital Equity Investment (Tianjin) Corporation Limited 及 Infinite Benefits Limited 間接持有。
7. (L) 指好倉，而 (S) 指淡倉。

除上文所披露者外，於 2019 年 12 月 31 日，概無人士（本公司董事及最高行政人員除外）知會本公司，其於本公司之股份或相關股份中擁有須記錄於本公司按照證券及期貨條例第 336 條存置之登記冊之權益或淡倉。

Report of the Directors

董事會報告

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group are set out in note 50 to the financial statements.

Save for the transactions mentioned in the below section headed “Connected Transaction” and the section headed “Continuing Connected Transactions” which are subject to the disclosure and annual review requirements under Chapter 14A of the Listing Rules and are subject to all connected transaction requirements when any of the relevant the agreements is renewed or its terms are varied pursuant to Rule 14A.60 of the Listing Rules, certain transactions mentioned under the note also constituted connected transactions or continuing connecting transactions as defined in Chapter 14A of the Listing Rules but are exempt from the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in relation to these connected transactions.

CONNECTED TRANSACTION

On 24 December 2019, Dadi Cinema (HK) Limited (“Dadi Cinema (HK)”), 大地時代電影文化傳播(北京)有限公司 (Dadi Century Film Culture Media (Beijing) Company Limited*) (“Dadi Century”), 寧波移山影視投資管理合夥企業(有限合夥) (Ningbo Yishan Cinema Investment Partnership (Limited Partnership*)) (“Ningbo Yishan”) and 廣東大地影院建設有限公司 (Guangdong Dadi Cinema Construction Limited*) (“Guangdong Dadi”) entered into the capital injection agreement in relation to the capital injection of RMB1,200,000,000 into the registered capital of Guangdong Dadi made by Dadi Cinema (HK) and Dadi Century. The registered capital of Guangdong Dadi will be increased from RMB1,146,427,999 to RMB2,346,427,999, of which Dadi Cinema (HK) and Dadi Century will inject RMB526,330,442 and RMB673,669,558 to Guangdong Dadi respectively by converting their respective shareholder’s loans into equity. Upon completion of the capital injection, the equity interest of Dadi Cinema (HK), Dadi Century and Ningbo Yishan in Guangdong Dadi will be 41.74%, 53.42% and 4.84%, respectively. No further capital injection will be made by Ningbo Yishan under the capital injection agreement.

On 24 December 2019, 20% interest in Ningbo Yishan is held by Ms. Liu, an executive director of the Company, and 80% interest in Ningbo Yishan is held by 北京大地夢工廠投資合夥企業(有限合夥) (Beijing Dadi Dreamworks Investment Partnership (Limited Partnership)*), an associate of Ms. Liu. As such, Ningbo Yishan is an associate of Ms. Liu, and thus a connected person of the Company under Chapter 14A of the Listing Rules. Pursuant to the capital injection agreement, the equity interest of Ningbo Yishan in Guangdong Dadi will be diluted from 9.9% to 4.84% upon completion of the capital injection. As such, the effective equity interest of the Group in Guangdong Dadi will be increased from 90.1% to 95.16%, which shall be deemed as an acquisition of 5.06% equity interest in Guangdong Dadi from Ningbo Yishan by the Group for a deemed consideration of RMB118,800,000 (which corresponds to 9.9% (being the equity interest of Ningbo Yishan in Guangdong Dadi prior to the Capital Injection) of RMB1,200,000,000) and shall constitute a connected transaction of the Company. For details please refer to the announcement dated 24 December 2019 of the Company.

* For identification purpose only

關聯方交易

本集團之關聯方交易詳情載於財務報表附註50。

除下文「關連交易」一節及「持續關連交易」一節所述交易須遵守上市規則第14A章項下的披露及年度審閱規定及於任何相關協議根據上市規則第14A.60條重續或其條款予以更改而須遵守所有關連交易規定外，附註項下所述若干交易亦構成關連交易或持續關連交易(定義見上市規則第14A章)，惟豁免上市規則第14A章項下之申報、年度審閱、公告、通函及獨立股東批准規定。本公司已遵守上市規則第14A章有關該等關連交易之披露規定。

關連交易

於2019年12月24日，大地影院(香港)有限公司(「大地影院(香港)」)、大地時代電影文化傳播(北京)有限公司(「大地時代」)、寧波移山影視投資管理合夥企業(有限合夥)(「寧波移山」)及廣東大地影院建設有限公司(「廣東大地」)訂立增資協議，內容有關大地影院(香港)及大地時代對廣東大地進行增資，新增註冊資本人民幣1,200,000,000元，將廣東大地註冊資本由人民幣1,146,427,999元增加至人民幣2,346,427,999元，其中大地影院(香港)將以股東貸款轉換為權益的方式對廣東大地出資人民幣526,330,442元，大地時代將以股東貸款轉換為權益的方式對廣東大地出資人民幣673,669,558元。於增資完成後，大地影院(香港)、大地時代及寧波移山於廣東大地的股權將分別為41.74%、53.42%及4.84%，根據增資協議，寧波移山將不會進一步出資。

於2019年12月24日，本公司執行董事劉女士持有寧波移山20%權益，並由劉女士之聯繫人北京大地夢工廠投資合夥企業(有限合夥)持有寧波移山80%權益。因此，寧波移山為劉女士之聯繫人，故為上市規則第14A章項下本公司之關連人士。增資協議稀釋了寧波移山於廣東大地之股權，由9.9%降至完成增資後之4.84%。因此，本集團對廣東大地的實際股權由90.1%增至95.16%，將視為由本集團收購了寧波移山持有的廣東大地5.06%股權，視作代價為人民幣118,800,000元(相當於人民幣1,200,000,000元之9.9%(即增資前寧波移山於廣東大地之股權))，並構成本公司之關連交易。詳情請參閱本公司日期為2019年12月24日之公告。

CONTINUING CONNECTED TRANSACTIONS

During the financial year under review, the Company and certain subsidiaries entered into certain continuing connected transactions. As per the Listing Rules, all such continuing connected transactions are required to be disclosed in the annual report of the Company:

1. On 1 January 2014, Digicine Oristar Technology Development (Beijing) Company Limited (“Oristar Technology”) entered into the Oristar Technology Cooperation Agreement with GD Cinema Circuit, pursuant to which Oristar Technology shall use its reasonable endeavours to sale the Projection Equipment (or any part of it) (including installation and training) to GD Cinema Circuit upon fulfillment of certain conditions for coping with its business development during a fixed term of six (6) years, from 1 January 2014 to 31 December 2019. Particulars of which have been disclosed in the announcement dated 19 August 2015 issued by the Company, all capitalized terms used hereinbelow shall have the same meanings used in such announcement unless otherwise the contexts hereinbelow specify.

Major terms: (1) Undertakings of Oristar Technology

Oristar Technology shall use its reasonable endeavours to provide the Projection Equipment (or any part of it) (including appropriate installation and training) for GD Cinema Circuit within a reasonable period of time for the purpose of coping with GD Cinema Circuit’s business development.

(2) Undertakings of GD Cinema

GD Cinema Circuit shall purchase the Projection Equipment (or any part of it) from Oristar Technology on the conditions that (a) the selling price of the Projection Equipment (or any part of it) quoted by Oristar Technology shall not be higher than the selling price of (i) such Projection Equipment (or any part of it) or (ii) any other compatible equipment, apparatus or system, quoted by other suppliers obtained by GD Cinema Circuit; and (b) the quality of the Projection Equipment (or any part of it) (including but not limited to functionality and operation) and after-sales service (including but not limited to maintenance and repair) quoted by Oristar Technology shall not be lower and less than those quoted by other suppliers obtained by GD Cinema Circuit.

持續關連交易

於回顧財政年內，本公司及其若干附屬公司訂立若干持續關連交易。根據上市規則，所有該等持續關連交易均須於本公司年報中披露：

1. 於2014年1月1日，數碼辰星科技發展(北京)有限公司(「數碼辰星」)與大地院線訂立數碼辰星合作協議，據此數碼辰星須合理地盡力根據大地院線的若干要求向其銷售放映設備(或其任何部分)(包括安裝及培訓)，從而確保配合其業務發展，固定期限為六(6)年，自2014年1月1日起至2019年12月31日止。有關詳情載於本公司所刊發日期為2015年8月19日之公告，除下文另有所指外，本報告所用詞彙與該等公告所界定者具有相同涵義。

主要條款：(1) 數碼辰星的承諾

數碼辰星須用其合理努力於合理期間內為大地院線提供放映設備(或其任何部分)(包括適當的安裝及培訓)，以便應對大地院線的業務發展。

(2) 大地院線的承諾

大地院線須自數碼辰星購買放映設備(或其任何部分)，條件是(a)數碼辰星所報放映設備(或其任何一部分)的售價不得高於大地院線所取得的任何其他供應商所報有關(i)該放映設備(或其任何部分)或(ii)任何兼容設備、裝置或系統的售價；及(b)數碼辰星所報放映設備(或其任何部分)(包括但不限於功能及運行情況)及售後服務(包括但不限於保養及維修)的質量不得低於及少於大地院線取得的其他供應商所報者。

Report of the Directors

董事會報告

CONTINUING CONNECTED TRANSACTIONS (Continued)

1. (Continued)

On 19 August 2015, Ms. Liu Rong, a director of the Company, who is a connected person of the Company under Rule 14A.07 of the Listing Rules, (1) acquired 80% of Dadi Century (the remaining 20% has been owned by Mr. Yu Cheung Hoi, an associate of Mr. Yu, who is a connected person of the Company under Rule 14A.07 of the Listing Rules) which directly owns 85% equity interest of GD Cinema Circuit; and (2) gained an effective control of 15% equity interest of GD Cinema Circuit through 北京大地傳奇投資合作企業 (Beijing Dadi Legend Investment Partnership) (“Dadi Legend”) which is an associate of Ms. Liu Rong. Given the foregoing, Ms. Liu Rong has gained control in GD Cinema Circuit, and each of Dadi Century and GD Cinema Circuit has become an associate of Ms. Liu Rong pursuant to Rule 14A.12 of the Listing Rules. As a result, the continuing transactions contemplated under the Oristar Technology Cooperation Agreement have become continuing connected transactions effect from 19 August 2015.

The annual cap under Rule 14A.53 shall not be applied for the continuing connected transactions contemplated under the Oristar Technology Cooperation Agreement as such transactions have already been taken place since 1 January 2014 under the Oristar Technology Cooperation Agreement, i.e. before such transactions become connected transactions upon the gaining control in GD Cinema Circuit by Ms. Liu Rong on 19 August 2015.

2. On 30 November 2017, the Company entered into the Business Cooperation Framework Agreement with GD Cinema Circuit for a fixed term from 1 December 2017 to 30 November 2020, pursuant to which GD Cinema Circuit shall supply the Group with motion pictures and license the Group to project such motion pictures in its cinemas. Upon commencement of the term, the Dadi Cinema Cooperation Agreement (i.e. the cooperation agreement entered into between Guangdong Dadi and GD Cinema Circuit on 1 January 2015) and the Dadi Development Cooperation Agreement (i.e. the cooperation agreement entered into between Dadi Development and GD Cinema Circuit on 1 January 2015) shall be terminated and cease to take effect. As at the date of the Business Cooperation Framework Agreement, Ms. Liu Rong, owns 80% of Dadi Century Beijing, which directly owns 82.49% equity interest of GD Cinema Circuit. Ms. Liu Rong also has an effective control of 12.95% equity interest of GD Cinema Circuit through Dadi Legend, which is an associate of Ms. Liu Rong. In addition, Mr. Yu Cheung Hoi, an associate of Mr. Yu (an executive director of the Company), owns 20% of Dadi Century Beijing. Given the foregoing, GD Cinema Circuit is a connected person of the Company. Particulars of which have been disclosed in the announcement dated 30 November 2017 issued by the Company, all capitalized terms used hereinbelow shall have the same meanings used in such announcement unless otherwise the contexts hereinbelow specify.

持續關連交易(續)

1. (續)

於2015年8月19日，本公司董事劉榮女士(按上市規則第14A.07條為本公司關連人士)(1)收購大地時代80%權益(餘下20%已由先生的聯繫人士于常海先生持有，根據上市規則第14A.07條，彼是本公司關連人士)，大地時代直接持有大地院線85%股權；及(2)透過北京大地傳奇投資合作企業(「大地傳奇」)(其為劉榮女士的聯繫人士)有效控制大地院線的15%股權。鑒於前述情況，劉榮女士獲得大地院線的控制權，而大地時代北京及大地院線各自根據上市規則第14A.12條已成為劉榮女士的聯繫人士。因此，數碼辰星合作協議項下擬進行的持續交易自2015年8月19日起成為持續關連交易。

第14A.53條項下的年度上限將不適用於數碼辰星合作協議項下擬進行的持續關連交易，因為該等交易自2014年1月1日已根據數碼辰星合作協議進行，即劉榮女士於2015年8月19日取得大地院線控制權前該等交易已成為關連交易。

2. 於2017年11月30日，本公司與大地院線訂立業務合作框架協議，年期為2017年12月1日至2020年11月30日，據此，大地院線將向本集團供應影片，並許可本集團在旗下影院放映有關影片。年期一經開始，大地影院合作協議(即廣東大地與大地院線於2015年1月1日所訂立之合作協議)及大地影院發展合作協議(即大地影院發展與大地院線於2015年1月1日所訂立之合作協議)將告終止及失效。於業務合作框架協議日期，劉女士擁有大地時代北京80%權益，而大地時代北京則直接擁有大地院線82.49%股權。劉女士亦透過大地傳奇(即劉女士之聯繫人)實際控制大地院線之12.95%股權。此外，本公司執行董事于先生之聯繫人士于常海先生擁有大地時代北京20%權益。有鑑於此，大地院線為本公司之關連人士。有關詳情載於本公司所刊發日期為2017年11月30日之公告，除下文另有所指外，本報告所用詞彙與該等公告所界定者具有相同涵義。

CONTINUING CONNECTED TRANSACTIONS (Continued)

2. (Continued)
The fee payable for the motion pictures procured through the GD Cinema Circuit will either be paid as a Fixed Fee Motion Picture or a Box Sharing Motion Picture, both of which are explained below.

(a) Fixed Fee Motion Pictures

The Group shall pay monthly, a fixed licensing fee to the GD Cinema Circuit for licensing each Fixed Fee Motion Picture from the GD Cinema Circuit during the motion picture projection period and such fixed licensing fee shall be in accordance with the same terms offered by GD Cinema Circuit to its other cinema operators. GD Cinema Circuit shall not be entitled to sharing of the Net Box Office of the Fixed Fee Motion Pictures.

(b) Box Sharing Motion Pictures

The Net Box Office of each Box Sharing Motion Picture shall be distributed in the following manner:

- (i) a sum equivalent to all fees payable to the distributor (from whom GD Cinema Circuit obtained its right to permit the Group to project such motion pictures in its cinemas) (the "Distributor Fees") shall be paid to the GD Cinema Circuit;
- (ii) the Group shall, during the term, pay an amount of not more than 1% of the Net Box Office of the Box Sharing Motion Picture to the GD Cinema Circuit and the exact percentage of such payment shall be agreed upon between the Group and the GD Cinema Circuit prior to the screening of the motion picture; and
- (iii) the remaining portion of the Net Box Office shall belong to the Group.

持續關連交易(續)

2. (續)
透過大地院線採購影片所須支付之費用須按不分帳影片或分帳影片之形式支付，兩者之解釋如下。

(a) 不分帳影片

本集團將就許可放映大地院線每部不分帳影片於影片放映期內向大地院線每月支付固定許可費用，而有關固定許可費用將根據與大地院線提供予其其他電影院運營商相同之條款而釐定。大地院線將無權分享不分帳影片之淨票房。

(b) 分帳影片

每部分帳影片之淨票房將按以下方式分配：

- (i) 大地院線將獲支付金額相當於須支付予發行人(大地院線向其取得允許本集團在旗下影院放映有關影片之權利)之全部費用之款項(「發行人費用」)；
- (ii) 本集團將於年期內向大地院線支付不多於分帳影片淨票房1%之款項，而本集團與大地院線須於放映影片前協定有關款項具體百分比；及
- (iii) 淨票房餘下部分將歸本集團所有。

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董事會報告

CONTINUING CONNECTED TRANSACTIONS (Continued)

2. (Continued)
Pursuant to the Business Cooperation Framework Agreement, the maximum amount of payment to be made by the Group to the GD Cinema Circuit in relation to the provision of motion pictures, less the Distributor Fees (the "Annual Caps") are set out below:

		For the eleven months ended 30 November 2020 截至 2020 年 11 月 30 日 止 11 個月 (HK\$'000) (千港元)	For the year ended 31 December 2019 截至 2019 年 12 月 31 日 止年度 (HK\$'000) (千港元)	For the year ended 31 December 2018 截至 2018 年 12 月 31 日 止年度 (HK\$'000) (千港元)	For the month ended 31 December 2017 截至 2017 年 12 月 31 日 止月份 (HK\$'000) (千港元)
Maximum amount payable by the Group to the GD Cinema Circuit in relation to provision of motion pictures, less the Distributor Fees	本集團就獲提供影片向大地院線應付之最高款項減發行人費用	92,000	80,000	50,000	4,000

All the independent non-executive directors of the Company have reviewed the above continuing connected transactions, and confirmed that all such continuing connected transactions were entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

In accordance with Rule 14A.56 of the Listing Rules, the Company has engaged its auditors to report on all continuing connected transactions as mentioned above, and the auditors have issued to the Board a letter confirming that nothing has come to their attention that causes them to believe that all such continuing connected transactions:

- (1) have not been approved by the Board;
- (2) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (3) exceed the proposed annual caps as determined by the Company.

持續關連交易(續)

2. (續)
根據業務合作框架協議，本集團就獲提供影片將向大地院線支付之最高款項減發行人費用(「年度上限」)載列如下：

		For the eleven months ended 30 November 2020 截至 2020 年 11 月 30 日 止 11 個月 (HK\$'000) (千港元)	For the year ended 31 December 2019 截至 2019 年 12 月 31 日 止年度 (HK\$'000) (千港元)	For the year ended 31 December 2018 截至 2018 年 12 月 31 日 止年度 (HK\$'000) (千港元)	For the month ended 31 December 2017 截至 2017 年 12 月 31 日 止月份 (HK\$'000) (千港元)
Maximum amount payable by the Group to the GD Cinema Circuit in relation to provision of motion pictures, less the Distributor Fees	本集團就獲提供影片向大地院線應付之最高款項減發行人費用	92,000	80,000	50,000	4,000

本公司所有獨立非執行董事已審閱以上持續關連交易，並確認所有該等持續關連交易乃按以下方式訂立：

- (1) 本集團日常及一般營業過程中；
- (2) 正常或更佳商業條款；及
- (3) 根據規管有關交易的協議，按屬公平合理且符合本公司股東整體利益的條款訂立。

根據上市規則第 14A.56 條，本公司已委聘其核數師匯報上述所有持續關連交易，而核數師已向董事會發出一封函件，確認彼等並不知悉任何導致彼等相信所有該等持續關連交易：

- (1) 並未獲董事會批准；
- (2) 並非於所有重大方面根據規管交易的相關協議訂立；及
- (3) 超逾由公司釐定的建議年度上限。

Report of the Directors

董事會報告

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-Laws or the law in Bermuda.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

As referred to in the Company's announcement dated 17 May 2018, Top Yield Ventures Limited (a wholly-owned subsidiary of the Company) ("Top Yield") issued the US\$120,000,000 guaranteed senior notes ("2018 Notes") that bear interest at 9.75% per annum due 2019, which was listed on the Hong Kong Stock Exchange. Top Yield has fully repaid the principal amount of the outstanding 2018 Notes together with the accrued interest upon its maturity on 23 May 2019.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities during the year ended 31 December 2019.

PUBLIC FLOAT

Based on the publicly available information and to the best knowledge of the directors, the Company has maintained during the year and up to the date of this report sufficient public float as required under the Listing Rules.

CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the "Corporate Governance Report" on pages 63 to 83.

AUDIT COMMITTEE

The Audit Committee comprises all the independent non-executive directors of the Company, namely Mr. Lau Yip Leung, Mr. Xiao Sui Ning and Mr. Ho Yeung Nang. The Audit Committee has reviewed with the auditor of the Company and management the accounting principles and practices adopted by the Group, the audited consolidated financial statements of the Group for the year ended 31 December 2019, and discussed the auditing, financial control, internal control and risk management systems.

優先購買權

細則或百慕達法例並無有關優先購買權之規定。

購買、出售或贖回上市證券

誠如本公司日期為2018年5月17日之公告所述，豐得創投有限公司(本公司之全資附屬公司)(「豐得創投」)發行按年利率9.75%計息、於2019年到期之120,000,000美元擔保優先票據(「2018年票據」)，有關票據於香港聯交所上市。豐得創投已於2019年5月23日到期時悉數償還2018年票據之未償還本金額及應計利息。

除上文所披露者外，本公司或其任何附屬公司於截至2019年12月31日止年度內概無購買、出售或贖回其任何上市證券。

公眾持股量

按本公司從公眾可取閱資料所得及就董事所知，本公司於年內及截至本報告日期已維持依據上市規則規定的公眾持股量。

企業管治

本公司企業管治實務之詳情載於第63至83頁之「企業管治報告」。

審核委員會

審核委員會包括本公司全體獨立非執行董事，劉業良先生、肖遂寧先生及何養能先生。審核委員會已與本公司核數師及管理層審閱本集團所採納之會計準則及實務、本集團截至2019年12月31日止年度之經審核綜合財務報表，並檢討核數、財務監控、內部監控及風險管理制度事宜。

Report of the Directors

董事會報告

AUDITOR

The financial statements for the year ended 31 December 2019 were audited by BDO Limited ("BDO"). A resolution will be proposed at the forthcoming AGM of the Company to re-appoint BDO as auditor of the Company.

STRUCTURED AGREEMENTS

Reference is made to the joint announcements of the Company and its listed subsidiary, Sino-i, dated 15 November 2013, 6 December 2013 and 31 July 2015 (collectively, the "Announcements") in relation to a discloseable transaction under which Xinnet Technology Information Company Limited ("XWHT"), an indirect wholly-owned subsidiary of Sino-i, by means of the Structured Agreements, shall be entitled to control over Xinnet's management, businesses and operations in substance in addition to recognise and receive all economic benefits of the business of Xinnet. All capitalized terms used hereinbelow shall have the same meanings as those defined in the Announcements unless otherwise stated in this annual report.

The Board hereby provides updated information in relation to the business operations of Xinnet through the Structured Agreements and the implications thereof as follows:

(a) Particulars and business activities of Xinnet:

Xinnet is a limited liability company established in the PRC and a wholly-owned subsidiary of ZQHT. Mr. Jiang is a PRC citizen, and an ultimate beneficial owner of 100% equity interest of ZQHT. Xinnet's main businesses are provision of virtual server hosting and maintenance services, provision of email services and registration of domain names in the PRC, which are all regarded as a kind of internet content services. Xinnet has obtained a valid licence for providing internet content services, issued by 北京市通信管理局 (Beijing Communications Administration).

(b) Summary of main terms of the Structured Agreement:

- (1) *Loan Agreement (dated 15 November 2013):*
- (i) Parties: XWHT as lender; and Mr. Jiang as borrower
 - (ii) Loan amount: RMB1,500,000
 - (iii) The loan is interest free, and has no maturity date for repayment. Mr. Jiang shall have no right to effect any early repayment unless having the written consent from XWHT.

核數師

截至2019年12月31日止年度之財務報表均由香港立信德豪會計師事務所有限公司(「立信德豪」)審核。將於應屆股東周年大會上提呈一項續聘立信德豪為本公司核數師之決議案。

架構協議

茲提述本公司及其附屬公司中國數碼日期分別為2013年11月15日、2013年12月6日及2015年7月31日之聯合公告(統稱「該等公告」),內容有關須予披露交易,據此,新網華通信息技術有限公司(「新網華通」)(中國數碼之間接全資附屬公司)有權透過架構協議實質上掌控新網之管理、業務及營運,並同時確認及接收新網經營業務所得一切經濟利益。除本年報另有指明者外,本報告所用詞彙與該等公告所界定者具相同涵義。

董事會謹此提供有關透過架構協議經營新網業務之最新消息及有關影響如下:

(a) 新網之詳情及主要業務:

新網為於中國成立之有限公司,為中企華通之全資附屬公司。蔣先生為中國公民,為中企華通100%股權之最終實益擁有人。新網之主要業務為於中國提供虛擬伺服器寄存及維護服務、提供電子郵件服務及域名註冊服務。所有該等業務歸類為互聯網信息服務。新網已取得北京市通信管理局發出提供互聯網信息服務之有效牌照。

(b) 架構協議之主要條款摘要:

- (1) *借款協議(日期為2013年11月15日):*
- (i) 訂約方:新網華通作為貸方;及蔣先生作為借方
 - (ii) 貸款額:人民幣1,500,000元
 - (iii) 貸款為免息及並無到期還款日。除非獲新網華通書面同意,否則蔣先生將無權提早還款。

STRUCTURED AGREEMENTS (Continued)

(b) Summary of main terms of the Structured Agreement: (Continued)

- (2) *Equity Pledge Agreement (dated 15 November 2013):*
- (i) Parties: XWHT as pledgee; ZQHT as pledgor; and Xinnet
 - (ii) Assets pledged: 80% equity interest of Xinnet, free from encumbrance, as first fixed charge to XWHT as security.
 - (iii) ZQHT shall not dispose of the pledged 80% equity interest to any other party without obtaining the written approval of XWHT.
- (3) *Management and Technology Services Agreement (dated 15 November 2013):*
- (i) Parties: XWHT; and Xinnet
 - (ii) XWHT shall provide certain exclusive management and technology services to Xinnet.
 - (iii) The Management and Technology Services Agreement is solely terminable by XWHT but not Xinnet. In return for the provision of the exclusive services, XWHT shall be entitled to receive a service fee which is equivalent to the net profit of Xinnet as per its yearly audited financial statements.
- (4) *Option Agreement (dated 15 November 2013):*
- (i) Parties: XWHT as grantee; ZQHT as grantor; and Xinnet
 - (ii) ZQHT shall grant an exclusive option to XWHT at an option price of RMB1.00 to acquire up to 100% equity interest in the registered capital of Xinnet (no limit on the number of times the option may be exercised by XWHT). The total subscription price for 100% equity interest of Xinnet shall be equivalent to the total loan amount (being RMB1,500,000) under the Loan Agreement, and the subscription price for each option exercised shall be paid by direct set off on a dollar-for-dollar basis against the outstanding loan amount under the Loan Agreement.

架構協議(續)

(b) 架構協議之主要條款摘要：(續)

- (2) *股權質押協議(日期為2013年11月15日):*
- (i) 訂約方：新網華通作為質權人；中企華通作為出質人；及新網
 - (ii) 抵押資產：以第一固定押記形式向新網華通質押新網並無產權負擔之80%股權。
 - (iii) 除非獲新網華通書面同意，否則新網華通將不得向任何其他人士出售已抵押之80%股權。
- (3) *管理及技術服務提供協議(日期為2013年11月15日):*
- (i) 訂約方：新網華通；及新網
 - (ii) 新網華通向新網提供多項獨家諮詢及技術服務。
 - (iii) 管理及技術服務提供協議僅可由新網華通(而非新網)單方面終止。新網華通有權收取服務費作為提供獨家服務之回報，金額相等於新網經審核年度財務報表所示之純利。
- (4) *購買權協議(日期為2013年11月15日):*
- (i) 訂約方：新網華通作為承授方；中企華通作為授予方；及新網
 - (ii) 中企華通將按購買權代價人民幣1.00元向新網華通授出獨家購買權，以認購新網註冊資本中100%股權(新網華通可行使購買權之次數不受限制)。新網100%股權之總認購價相當於借款協議項下之貸款總額(即人民幣1,500,000元)，而行使每份購買權所涉及認購價須按定額基準透過直接抵銷借款協議項下未償還貸款金額之形式支付。

Report of the Directors

董事會報告

STRUCTURED AGREEMENTS (Continued)

(b) Summary of main terms of the Structured Agreement: (Continued)

(5) Power of Attorney (dated 15 November 2013):

- (i) Parties: ZQHT; and XWHT
- (ii) It is an irrevocable power of attorney under which XWHT shall be the sole attorney of ZQHT. XWHT shall have full power, without having to obtain ZQHT's any further consent or approval, to exercise such rights in Xinnet as (a) all shareholder's rights and voting rights in accordance with the corporate memorandum of Xinnet; and (b) rights of nomination and appointment of legal representative, chairman of the board, directors, general manager and other senior management personnel of Xinnet.

The Loan Agreement, the Equity Pledge Agreement, the Management and Technology Services Agreement, the Option Agreement and the Power of Attorney shall be executed simultaneously with each other.

(c) The significance of business activities of Xinnet to the Group:

By means of the Structured Agreements, the Group may engage in the business of virtual server hosting and maintenance in the PRC and such business may widen the spectrum of services of the Group. The widened services are expected to lead the Group to having not only a stronger foothold against its competitors in the PRC but also an achievement of efficiency and cost-effectiveness in provision of virtual server hosting and maintenance services to the customers of the Group.

(d) The financial impact of the Structured Agreements on the Group:

XWHT is a parent company of Xinnet as XWHT has the right to control Xinnet by virtual of the Structured Agreements. As a result, the financial position and operating results of Xinnet and its subsidiary shall be consolidated in the XWHT's financial statements from the date on which XWHT has gained control in Xinnet in accordance with the HKFRS.

During the year, Xinnet's revenue was approximately HK\$113,604,000 (2018: approximately HK\$136,542,000); loss before income tax was approximately HK\$31,924,000 (2018: approximately HK\$26,744,000); and total assets were approximately HK\$186,209,000 (2018: approximately HK\$145,515,000) have been consolidated into the Group's financial statement.

The loss for the year was mainly due to the decrease in gross profit of its domain name business.

架構協議(續)

(b) 架構協議之主要條款摘要：(續)

(5) 授權委託書(日期為2013年11月15日)：

- (i) 訂約方：中企華通；及新網華通
- (ii) 此乃不可撤回授權書，據此，新網華通將為中企華通之唯一代理，而新網華通可於毋須取得中企華通任何同意或批准之情況下，全權行使於新網之權利，(a)根據新網之公司章程例行使一切股東權利及投票權；及(b)提名及委任新網之法定代表人、董事長、董事、總經理及其他高級管理人員。

借款協議、股權質押協議、管理及技術服務提供協議、購買權協議與授權委託書將同時簽立。

(c) 新網業務對本集團之重要性：

通過架構協議，本集團可於中國從事虛擬伺服器寄存及維護業務，該業務可能會拓闊本集團之服務範圍。據預料該額外業務帶領本集團不僅於中國打造較其他競爭對手更為穩固的基礎，而且可以為本集團客戶提供虛擬伺服器寄存及維護服務達到具高效率及成本效益方式之成績。

(d) 架構協議對本集團之財務影響：

由於新網華通有權透過架構協議控制新網，故新網華通為新網之母公司。因此，根據香港財務報告準則，新網及其附屬公司之財務狀況及經營業績自新網華通取得新網之控制權當日起於新網華通之財務報表綜合入賬。

年內，新網收益約為113,604,000港元(2018年：約136,542,000港元)；所得稅前虧損約為31,924,000港元(2018年：約26,744,000港元)；及總資產約為186,209,000港元(2018年：約145,515,000港元)已於本集團財務報表綜合入賬。

年內虧損的主要原因為域名業務毛利降低。

STRUCTURED AGREEMENTS (Continued)

(e) The extent to which the Structured Agreements relate to requirement of applicable laws, rules and regulations other than the foreign ownership restriction:

In view of the PRC legal opinion, (i) the Structured Agreements have complied with the laws, rules and regulations in the PRC, and complied with the respective articles of association of XWHT, ZQHT and Xinnet; (ii) there is no law, rule or regulation specifically disallows foreign investors from using any structured agreement to gain control of or operate the business of Xinnet; and (iii) the Structured Agreements would not be deemed as concealing illegal intentions with a lawful form and void under the PRC contract law.

(f) Reasons for using the Structured Agreements and the risks associated therewith including actions taken to mitigate such risks:

Xinnet's main businesses are classified as value-added telecommunication services which is a kind of business restricted to foreign investors in the PRC. By virtue of 外商投資電信企業管理規定 (Provisions on the Administration of Foreign Investment Telecommunication Enterprises), foreign investors are not allowed to hold more than 50% in the equity interest of a PRC enterprise providing value-added telecommunication services.

The main businesses of Xinnet are considered as value-added businesses which widen the spectrum of services of the Group for its customers and in turn enhance the Group's competitiveness in the PRC market. As the Group faces the aforesaid restriction in equity interest of a PRC company, the Structured Agreements shall be regarded as a strategic arrangement by which the Group may fully and effectively control Xinnet, which in turn enables the Group to achieve the aforesaid purposes. In addition, the Structured Agreements offer flexibility to the Group in control of Xinnet — (a) control of its management, businesses and operations; and (b) owning of its 100% equity interest by exercising the call option under the Option Agreement when the restriction in having more than 50% equity interest of a PRC enterprise by foreign investors is removed or repealed.

架構協議(續)

(e) 架構協議與適用法律、規則及規例(而非外國所有權限制)規定相關之程度：

中國法律意見認為，(i) 架構協議已符合中國法例、規則及規例，並符合新網華通、中企華通及新網各自之章程細則；(ii) 並無法例、規則或規例具體列明不允許外國投資者運用任何架構協議控制或經營新網；及(iii) 根據中國合同法，架構協議將不會視作以合法形式掩蓋非法目的，亦不會視作無效。

(f) 使用架構協議之理由及與之相關風險(包括降低有關風險之措施)：

新網之主要業務被歸類為增值電信服務，於中國為其中一類限制外商投資者之業務。根據外商投資電信企業管理規定，外商投資者不得擁有提供增值電信服務之中國企業超過50%權益。

新網之主要業務被視為增值業務，有助拓闊本集團向客戶提供之服務範圍，從而提高本集團於中國市場中之競爭力。由於本集團面臨著前述中國公司的股權限制，架構協議應被視為一項戰略安排，讓本集團可以充分地及有效地控制新網使本集團能夠實現前述目的。與此同時，架構協議為本集團控制新網方面提供靈活性 — (a) 控制其管理、業務及營運；及(b) 當有關外商投資者於中國企業擁有超過50%權益之限制被刪除或廢除時可透過行使購買權協議項下購買權而持有其100%權益。

Report of the Directors

董事會報告

STRUCTURED AGREEMENTS (Continued)

(f) Reasons for using the Structured Agreements and the risks associated therewith including actions taken to mitigate such risks: (Continued)

In addition to the foreign ownership restriction under the prevailing applicable laws and regulations, the Structured Agreements do not violate any PRC laws, rules and regulations, and the execution of the Structured Agreements by the parties thereto does not violate any article in the articles of association of the contracting parties; and such prevailing provision and notice issued by the PRC authorities as (i) 《外商投資電信企業管理規定》(Provisions on the Administration of Foreign Investment Telecommunication Enterprises) (amended in 2008) and 《外商投資產業指導目錄》(Catalogue for Guidance of Foreign Investment Industries) (amended in 2015) issued by the State Council of the PRC, under which foreign investor shall not have more than 50% in a corporation providing value-added telecommunication services; and (ii) 《關於加強外商投資經營增值電信業務管理的通知》(Notice of Strengthened Administration of Foreign Investment in and Operation of Value-Added Telecommunication Business) issued by the Ministry of Industry and Information Technology of the PRC in July 2006 under which a local PRC company holding an internet content provider licence shall not lease, transfer or sell the licence to foreign investors in any form, or provide any assistance to foreign investors to provide internet content services in the PRC, but such provision and notice are not governing or restricting the control of a PRC company through structured agreements.

Given the foregoing, the Structured Agreements shall be regarded as valid documents binding all parties thereto as at the date of this report. However, if any new applicable law or regulation were enacted in the future in the PRC, the validity and enforceability of the Structured Agreements might have been affected, and as a result, the structured agreements of controlling Xinnet would have been disruptive which in turn would have affected the business of the Group.

The Ministry of Commerce of the PRC has issued certain consultation paper (草案徵求意見稿) in respect of a bill namely《中華人民共和國外國投資法》(Foreign Investment Law of the PRC) (the "Bill") in January 2015, which is to be enacted into an act or statute. As per sections 15 and 18 thereof, foreign investment means foreign investors directly or indirectly conduct certain investment activities, e.g. through structured agreements or trust arrangement to control a PRC company or holding equity interest of a PRC company. Any foreign investment in any business under the catalogue of restricted investment shall apply for an access permit from foreign investment authority under the State Council of the PRC as per section 27 thereof. There is no indication in the Bill that contracts under the contractual arrangement would be void.

架構協議(續)

(f) 使用架構協議之理由及與之相關風險(包括降低有關風險之措施): (續)

此外，根據現行適用法律及法規項下的外商擁有權限制，架構協議並無違反任何中國法律、規則及法規，且訂約各方執行架構協議並無違反訂約各方之任何公司章程；及中國當局頒佈該現行之規定及通知(即(i)中國國務院所頒佈《外商投資電信企業管理規定》(2008年修訂)及《外商投資產業指導目錄》(2015年修訂)，當中訂明外商投資者不得擁有提供增值電信服務之企業超過50%權益；及(ii)中國工業和信息化部於2006年7月所頒佈《關於加強外商投資經營增值電信業務管理的通知》，當中訂明持有互聯網信息服務供應商牌照之當地的中國公司不得以任何形式向外商投資者租賃、轉讓或出售牌照，或向外商投資者於中國提供互聯網信息服務提供任何援助)，惟有關規定及通知並無監管或限制透過架構協議控制中國公司。

鑑於上述情況，架構協議於本報告日期被視為有效文件，對訂約各方具有約束力。然而，倘中國將來實施任何新適用法律或法規，架構協議之有效性及強行執行性可能會受到影響，因此對控制新網之架構協議會造成破壞從而會影響本集團業務。

中國商務部於2015年1月頒佈若干《草案徵求意見稿》，有關一份名為《中華人民共和國外國投資法》的議案(「草案」)，有待制定為法令或法規。根據草案第15條及第18條，外商投資指外商投資者直接或間接從事若干投資活動，例如透過架構協議或信託安排來控制中國公司或持有中國公司權益。根據草案第27條，《限制實施目錄》項下任何外商投資業務須向中國國務院外資投資主管部門申請准入許可。草案並無表明合約安排項下合約將失效。

STRUCTURED AGREEMENTS (Continued)

(f) Reasons for using the Structured Agreements and the risks associated therewith including actions taken to mitigate such risks: (Continued)

Application for an access permit cited in the Bill could be viewed as a kind of administrative procedure rather than a prohibitive threshold, therefore, failure in obtaining the permit by fulfilling certain administrative procedures would not be very high. As Mr. Jiang is not a connected person of the Group, the risk of direct conflict of interest with the Group will be very low. It is unlikely for Mr. Jiang setting up another entity conducting business having a direct competition with Xinnet's, otherwise, Mr. Jiang would not execute and procure the execution of the Structured Agreements by which Mr. Jiang has given up the businesses of Xinnet. As at the date of this report, the Group is not aware that Mr. Jiang has carried out or is involved in any business having a direct competition with the businesses of the Group. If Mr. Jiang or ZQHT breaches any obligations or undertakings under any Structured Agreements, the operations of Xinnet would not be affected as the position of the Group in controlling Xinnet has been fully secured by (a) full control of the board of directors of Xinnet; and (b) obtaining a charge of 100% equity interest in Xinnet (as per the provision of the Loan Agreement, the pledgor has further charged the remaining 20% equity interest in Xinnet as first fixed charge in favour of the pledgee in October 2014).

Since the Bill has yet been enacted into an act or statute, the sections or provisions thereof might be further modified and amended after the consultation period, it is uncertain whether there will be any additional conditions imposed on foreign investors.

《中華人民共和國外商投資法》(Foreign Investment Law of the PRC) was promulgated on 15 March 2019 and was implemented on 1 January 2020. The Foreign Investment Law does not clearly stipulate the legality or effectiveness of foreign-invested enterprises in adopting structured agreements to control domestic companies in the PRC, nor does it require explicit requirements on the specific form of the structured agreements or the specific content of the structured agreements legal documentation. Thus, after the Foreign Investment Law come into force, its provisions shall not affect the effectiveness of the structured agreements legal documentation. However, there are still uncertainties in the interpretation and application of the PRC laws and regulations on the effectiveness of the structured agreements, and the interpretation of the relevant authorities may be different from the above. Therefore, we cannot assure that the above structured agreement will not be adversely affected.

The Structured Agreements might be subject to scrutiny of the tax authorities in the PRC, and additional tax might be imposed, but the Group does not expect that such tax risk is high and will lead to any substantial financial impact on the Group.

架構協議(續)

(f) 使用架構協議之理由及與之相關風險(包括降低有關風險之措施): (續)

草案所訂明准入許可申請可被視為一項行政程序而非禁止性門檻。因此，履行若干行政程序後取得准入許可之失敗機會不高。蔣先生並非本集團之關連人士，故與本集團出現直接利益衝突之風險非常低。蔣先生不大可能建立另一實體從事與新網直接競爭之業務，否則蔣先生不會簽訂及促使執行架構協議(蔣先生據此放棄新網之業務)。於本報告日期，本集團並無發現蔣先生進行或參與任何與本集團業務構成直接競爭之業務。由於本集團控制新網之地位已完全受以下各項所保障：(a) 完全控制新網之董事會；及(b) 持有新網之100%股權作為抵押品(根據借款協議之條文，出質人於2014年10月以第一固定押記形式向質權人進一步抵押新網餘下20%股權)，即使蔣先生或中企華通違反架構協議項下任何責任或承諾，新網之業務亦不會受到影響。

由於草案尚未制定為法令或法規，當中所載章節或條文可能於諮詢期後進一步修改及修訂，故無法確定會否對外商投資者施加任何額外條件。

《中華人民共和國外商投資法》於2019年3月15日頒佈並於2020年1月1日實施，該《外商投資法》未就外商投資企業採用協議控制架構控制中國境內公司的合法性或有效性進行明確規定，也未就協議控制架構的具體形式或協議控制法律文件具體內容提出明確要求，因此《外商投資法》生效後，其條款不會對協議控制法律文件的既有效力產生影響。但是因中國法律法規對於協議控制結構效力的解釋和適用仍然存在不確定性，其有關機關的詮釋可能與以上的理解不同，因此，我們無法保證以上的架構協議將不會受到不利影響。

架構協議或會受到中國稅務機關監察，可能會徵收額外稅項，惟本集團預期有關稅項風險不高，亦不會對本集團帶來任何重大財務影響。

Report of the Directors

董事會報告

STRUCTURED AGREEMENTS (Continued)

(g) Material change in the Structured Agreements:

No Structured Agreement has been supplemented or modified since the date of execution of all such Structured Agreements.

(h) Unwinding of the Structured Agreements:

No Structured Agreement has been unwound since the date of execution all such Structured Agreements. None of the Structured Agreement is to be unwound until and unless the restriction on ownership by foreign investors is removed or not in force. In the event of such restriction in foreign investment is removed or not in force, XHWT will exercise its option under the Option Agreement to acquire the entire equity interest in Xinnet. Upon completion of formal acquisition of the entire equity interest in Xinnet, the Structured Agreements will then be unwound.

On behalf of the Board

Yu Pun Hoi

Chairman

Hong Kong, 26 March 2020

架構協議(續)

(g) 架構協議之重大變化：

自簽訂架構協議日期以來，架構協議未作補充或修訂。

(h) 解除架構協議：

於簽訂架構協議日期以來，架構協議未被解除。除非及直至外商投資者擁有權限制被移除或失效，否則不會解除架構協議。倘外商投資有關限制遭解除或失效，新網華通將行使其根據購買權協議所獲授購買權以收購新網全部權益。於新網全部股權之正式收購完成後，屆時架構協議將解除。

代表董事會

于品海

主席

香港，2020年3月26日

Corporate Governance Report

企業管治報告

The Board is pleased to present the Corporate Governance Report of the Company for the year ended 31 December 2019.

The Company is committed to maintain high corporate governance standard and unambiguous procedures to ensure the integrity, transparency and quality of disclosure in order to enhance its shareholders' value.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company has complied with the Corporate Governance Code (the "CG Code") and Corporate Governance Report as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2019 and as of the date of this report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code.

Specific enquiries have been made to all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2019.

The Company has also established written guidelines on no less exacting than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company.

董事會欣然提呈本公司於截至2019年12月31日止年度的企業管治報告。

本公司致力於維持高水平的企業管治標準及清晰程序，以確保資料披露之完整性、透明度及質素，藉以提升股東效益。

遵守企業管治守則

董事會認為，截至2019年12月31日止整個年度內及截至本報告日期，本公司已遵守上市規則附錄14所載之企業管治守則（「企業管治守則」）及企業管治報告。

證券交易標準守則

本公司已採納標準守則。

本公司已向所有董事作出特別查詢，董事們確認，彼等於截至2019年12月31日止年度整個期間內已遵守標準守則。

本公司亦就可能擁有本公司未刊登之內幕消息之有關僱員制定有關僱員進行證券交易之書面指引（「僱員書面指引」），該指引不低於標準守則所訂之標準。

本公司概不知悉有關僱員不遵守僱員書面指引之情況。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

As at the date of this report, the current Board is made up of six directors including two executive directors, one non-executive director and three independent non-executive directors (the "INEDs"). The directors are, collectively and individually, aware of their responsibilities to the shareholders. The directors' biographical information is set out on pages 36 to 40 under the heading "Biographical Details of Directors and Senior Management". During the year ended 31 December 2019 and up to the date of this report, the Board consisted of the following:

Executive Directors

Mr. Yu Pun Hoi (*Chairman*)

Ms. Liu Rong (*Chief Executive Officer*)

Non-executive Directors

Mr. Lam Bing Kwan

Mr. Lung King Cheong (*retired with effect from 30 May 2019*)

Independent Non-executive Directors

Mr. Lau Yip Leung

Mr. Xiao Sui Ning

Mr. Ho Yeung Nang

The overall management of the Company's businesses is vested in the Board, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and monitoring its affairs. All directors should take decisions objectively in the best interests of the Company.

The day-to-day management, administration and operation of the Company are delegated to the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned senior management of the Company.

The Board has the full support of its board committees and the senior management of the Company to discharge its responsibilities.

To the best knowledge of the Company, the Board members do not have any financial, business and family or other material/relevant relationship with each other. During the year, the Board held 23 meetings.

During the year, the chairman held a meeting with each of the non-executive directors and independent non-executive directors of the Company and obtained independent opinions relating to affairs of the Board and the Company without the presence of other executive directors.

董事會

截至本報告日期，現行董事會由六名董事組成，包括兩名執行董事、一名非執行董事及三名獨立非執行董事（「獨立非執行董事」）。董事們共同及個別知悉彼等對股東之責任。董事之履歷資料載於第36至40頁「董事及高級管理人員履歷詳情」一節。於截至2019年12月31日止年度及截至本報告日期，董事會由下列人士組成：

執行董事

于品海先生（主席）

劉榮女士（行政總裁）

非執行董事

林秉軍先生

龍景昌先生（自2019年5月30日起退任）

獨立非執行董事

劉業良先生

肖遂寧先生

何養能先生

董事會獲賦予本公司業務之全面管理權，透過監控本公司事務，肩負起領導、監察及共同承擔推動本公司成功之責任。全體董事應就本公司最佳利益作出客觀決定。

本公司之日常管理、行政及營運乃委以高級管理人員負責，授權職能及工作任務定期進行檢討。於訂立任何重大交易前，上述本公司高級管理人員須先獲得董事會批准。

董事會獲本公司之董事委員會及高級管理人員全面支援以履行其職責。

就本公司所知，董事會各成員之間概無財務、業務及家庭或其他重大／關聯關係。年內，董事會曾舉行23次會議。

年內，在其他執行董事缺席的情況下，主席與本公司各非執行董事及獨立非執行董事舉行會議，獲得與董事會及本公司事務相關的獨立意見。

BOARD OF DIRECTORS (Continued)

Non-executive Directors

Code Provision A.4.1 stipulated that non-executive directors should be appointed for a specific term subject to re-election.

The Company has entered into service contracts with its non-executive directors (including INEDs) for a term of two years with effect from the signing date of service contracts.

Independent Non-executive Directors

Pursuant to Rules 3.10(1) and 3.10(2) of the Listing Rules, during the year ended 31 December 2019, the Company has appointed three INEDs of whom Mr. Lau Yip Leung is a certified public accountant in Hong Kong.

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

Notwithstanding that Mr. Lau Yip Leung has served as an INED for more than nine years, (i) the Board has assessed and reviewed the annual confirmation of independence based on the requirement set out in Rule 3.13 of the Listing Rules and affirmed that Mr. Lau Yip Leung remains independent; (ii) the Nomination Committee of the Company has assessed and is satisfied of the independence of Mr. Lau Yip Leung; and (iii) the Board considers that Mr. Lau Yip Leung remains independent of management and free of any relationship which could materially interfere with the exercise of his independent judgement. Notwithstanding the length of his service, the Company believes that his valuable knowledge and experience in the Group's business will continue to benefit the Company and the shareholders as a whole.

Directors' Training

According to the Code Provision A.6.5, all directors should participate in a programme of continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding training, placing an appropriate emphasis on the roles, functions and duties of the directors.

From time to time, directors are provided with written materials to develop and refresh their professional skills on the latest development of applicable laws, rules and regulations for the purpose of assisting them in discharging their duties. The Company had received from each of the directors the confirmations on taking continuous professional training during the year.

董事會(續)

非執行董事

守則條文A.4.1訂明，非執行董事應按特定任期委任，並須受重選所規限。

本公司已與非執行董事(包括獨立非執行董事)簽訂服務合約，彼等之任期均為自其簽訂服務合約之日起計兩年。

獨立非執行董事

根據上市規則第3.10(1)及3.10(2)條之規定，截至2019年12月31日止年度，本公司已委任三名獨立非執行董事，其中劉業良先生為香港執業會計師。

本公司已收到各獨立非執行董事根據上市規則第3.13條規定作出之年度獨立性確認書。本公司認為所有獨立非執行董事均具獨立性。

儘管劉業良先生已擔任獨立非執行董事超過九年，(i)本公司董事會已根據上市規則第3.13條所載準則評估及審閱獨立性年度確認書，並確認劉業良先生仍為獨立人士；(ii)本公司提名委員會已評估且滿意劉業良先生之獨立性；及(iii)董事會認為劉業良先生獨立於管理層，亦不存在任何以致嚴重影響彼等行使獨立判斷的關係。儘管彼等服務任期較長，但本公司相信，彼等於本集團業務之豐富知識及經驗將繼續為本公司及股東整體帶來利益。

董事培訓

根據守則條文A.6.5，全體董事應參與一項增進及重溫其知識及技能之持續專業發展課程，以確保彼等對董事會之貢獻仍屬知情及相關。本公司應負責安排培訓及撥款，適當重申董事之角色、職能及職責。

董事將不時獲發有關旨在增進及重溫其專業技能之最新發展的適用法例、規則及規例的書面材料，以協助彼等履行其職責。本公司已接獲各董事於年內參加持續專業培訓之確認書。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

The Board has established four board committees, namely Executive Committee, Audit Committee, Remuneration Committee and Nomination Committee, to oversee particular aspects of the Company's affairs and to assist in the execution of the Board's responsibilities.

Executive Committee

The Company formulated written terms of reference for the Executive Committee. During the year ended 31 December 2019 and up to the date of this report, the Executive Committee consisted of executive directors and senior management of the Company as follows:

Mr. Yu Pun Hoi (*ceased to be the chairman and member of the Executive Committee with effect from 25 October 2019*)

Ms. Liu Rong (*Chairlady of the Executive Committee*)

Mr. Chen Ming Fei*

Mr. Xue Bo Ying*

Ms. Yu Xin* (*resigned with effect from 25 October 2019*)

Ms. Zhao Lei* (*resigned with effect from 25 October 2019*)

Mr. Xu He Ran* (*appointed with effect from 25 October 2019*)

Mr. Zhang Yang* (*appointed with effect from 25 October 2019*)

* Senior Management

The primary duties of the Executive Committee are empowered to plan, determine, approve, implement, handle, arrange, review and amend all policies, operations, corporate governance functions and internal control of the Group, ensuring that the delegation of its powers to the senior management is clearly defined, and that a transparent reporting procedural system is in place and effectively monitored.

During the year, the Executive Committee held 5 meetings, in particular, to review the financial performance of the segments in the Group, review the Company's policies and practices on corporate governance, make decisions on the strategic layout of the Group.

Audit Committee

The Company formulated written terms of reference for the Audit Committee in accordance with the requirements of the Listing Rules. During the year ended 31 December 2019 and up to the date of this report, the Audit Committee consisted of all INEDs as follows:

Mr. Lau Yip Leung (*Chairman of the Audit Committee*)

Mr. Xiao Sui Ning

Mr. Ho Yeung Nang

董事委員會

董事會成立四個董事委員會，即執行委員會、審核委員會、薪酬委員會及提名委員會，以監察本公司特定方面之事務及協助董事會履行責任。

執行委員會

本公司為執行委員會制定書面職權範圍。於截至2019年12月31日止年度及截至本報告日期，執行委員會由以下本公司執行董事及高級管理人員組成：

于品海先生(不再擔任執行委員會主席及成員，自2019年10月25日起生效)

劉榮女士(執行委員會主席)

陳鳴飛先生*

薛伯英先生*

于欣女士*(自2019年10月25日起辭任)

趙蕾女士*(自2019年10月25日起辭任)

徐鶴然先生*(自2019年10月25日起獲委任)

張洋先生*(自2019年10月25日起獲委任)

* 高級管理人員

執行委員會之職責為策劃、釐定、批准、實施、處理、安排、審核及修訂本集團之所有政策、營運、企業管治職能及內部監控，確保向高級管理人員之授權清晰界定及具透明度之流程系統有效地運作及受監控。

年內，執行委員會曾舉行5次會議，包括審閱本集團各分部之財務表現，檢討本公司的企業管治政策及常規並就本集團之戰略佈局作出決策。

審核委員會

根據上市規則之規定，本公司為審核委員會制定書面職權範圍。於截至2019年12月31日止年度及截至本報告日期，審核委員會由以下全體獨立非執行董事組成：

劉業良先生(審核委員會主席)

肖遂寧先生

何養能先生

Corporate Governance Report

企業管治報告

BOARD COMMITTEES (Continued)

Audit Committee (Continued)

The primary duties of the Audit Committee are to ensure the objectivity and credibility of financial reports and internal control procedures as well as to maintain an appropriate relationship with the external auditor of the Company.

During the year, the Audit Committee held 2 meetings, in particular, to review with management the accounting principles and practices adopted by the Group, the audited financial statements for the year ended 31 December 2018 and the unaudited interim results for the six months ended 30 June 2019, and discussed the auditing, financial control, internal control and risk management systems.

Remuneration Committee

The Company formulated written terms of reference for the Remuneration Committee in accordance with the requirements of the Listing Rules. During the year ended 31 December 2019 and up to the date of this report, the Remuneration Committee consisted of all the INEDs as follows:

Mr. Xiao Sui Ning (*Chairman of the Remuneration Committee*)
Mr. Lau Yip Leung
Mr. Ho Yeung Nang

The Remuneration Committee has adopted the second model described in paragraph B.1.2(c) under the CG Code (i.e. making recommendation to the Board on the remuneration packages of individual executive director and senior management member). The primary duties of the Remuneration Committee are responsible for making recommendations to the Board on the establishing of formal and transparent procedures for developing remuneration policies and the remuneration packages of individual executive directors and senior management. It takes into consideration on salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group.

During the year, the Remuneration Committee held 1 meeting, in particular, to review and recommend to the Board the remuneration policies and the remuneration packages of the individual executive directors and senior management of the Company.

For the year ended 31 December 2019, the emoluments paid or payable to members of senior management were within the following band:

Emolument band 酬金範圍

		Number of individuals 人數	
		2019	2018
Nil–HK\$1,000,000	零–1,000,000 港元	4	3
HK\$1,000,001–HK\$2,000,000	1,000,001 港元–2,000,000 港元	–	1

董事委員會(續)

審核委員會(續)

審核委員會之基本職責乃確保財務報告及內部監控程序之客觀性及可信性，以及與本公司之核數師維持適當關係。

年內，審核委員會曾舉行2次會議，包括與管理層審閱本集團採納之會計準則及實務、截至2018年12月31日止年度之經審核財務報表及截至2019年6月30日止六個月之未經審核中期業績，並檢討有關核數、財務監控、內部監控及風險管理制度事宜。

薪酬委員會

根據上市規則之規定，本公司為薪酬委員會制定書面職權範圍。於截至2019年12月31日止年度及截至本報告日期，薪酬委員會由以下全體獨立非執行董事組成：

肖遂寧先生(薪酬委員會主席)
劉業良先生
何養能先生

薪酬委員會已採納企業管治守則第B.1.2(c)段所述的第二個模式(即向董事會提交個別執行董事及高級管理人員的薪酬待遇建議)。薪酬委員會之基本職責乃向董事會提議設立正規而具透明度程序以制訂薪酬政策及個別執行董事及高級管理人員之薪酬待遇，該薪酬政策會考慮同類公司支付的薪酬、須付出的時間及職責以及本集團內其他職位的僱用條件。

年內，薪酬委員會曾舉行1次會議，包括檢討及建議董事會薪酬政策及本公司個別執行董事及高級管理層之薪酬待遇。

截至2019年12月31日止年度，已付及應付高級管理人員之酬金介乎下列範圍：

Corporate Governance Report

企業管治報告

BOARD COMMITTEES (Continued)

Nomination Committee

The Company formulated written terms of reference for the Nomination Committee in accordance with the requirements of the Listing Rules. During the year ended 31 December 2019 and up to the date of this report, the Nomination Committee consisted of the directors of the Company as follows:

Mr. Yu Pun Hoi (*Chairman of the Nomination Committee*)

Ms. Liu Rong

Mr. Lau Yip Leung*

Mr. Xiao Sui Ning*

Mr. Ho Yeung Nang*

* INEDs

The primary duties of the Nomination Committee are responsible for reviewing the structure, size and composition of the Board, formulating nomination policies, identifying individuals suitably qualified to become directors, assessing the independence of INEDs, and making recommendations to the Board on appointment of directors, and review the board diversity policy annually. The Nomination Committee has the authority given by the Board to seek external professional advice in the selection and recommendation for directorship, when required, fulfilling the requirements for professional knowledge and industry experience of any proposed candidates.

During the year, the Nomination Committee held 1 meeting, in particular, to review and assessment of the independence of all INEDs of the Company; to consider and recommend to the Board for approval the list of retiring directors for re-election at the annual general meeting held on 30 May 2019 (the "2019 AGM"); to review the structure, size and composition of the Board.

Nomination Policy

The Nomination Committee has adopted the nomination policy (the "Policy") which sets out the key nomination criteria and nomination procedures for the nomination of directors of the Company.

董事委員會(續)

提名委員會

根據上市規則之規定，本公司為提名委員會制定書面職權範圍。於截至2019年12月31日止年度及截至本報告日期，提名委員會由以下董事組成：

于品海先生(提名委員會主席)

劉榮女士

劉業良先生*

肖遂寧先生*

何養能先生*

* 獨立非執行董事

提名委員會之基本職責乃檢討董事會的架構、人數及組成、制定提名政策、物色適當人士擔任董事、評核獨立非執行董事之獨立性、就委任董事向董事會提出建議，及每年檢討董事會多元化政策。董事會已授權提名委員會，於必要時可就有關任何建議人選之專業知識及業界經驗之符合要求在挑選及推薦董事人選之事宜尋求外部專業意見。

年內，提名委員會曾舉行1次會議，包括檢討並評估本公司全體獨立非執行董事的獨立性；考慮並建議董事會通過輪值退任的董事於2019年5月30日舉行的股東周年大會(「2019年股東周年大會」)上膺選連任；檢討董事會架構、人數及組成。

提名政策

提名委員會已採納提名政策(「本政策」)，當中載列有關提名本公司董事之主要提名準則及提名程序。

BOARD COMMITTEES (Continued)

Nomination Policy (Continued)

Key Nomination criteria

The Nomination Committee shall identify and nominate qualified individuals for appointment as additional directors or to fill Board vacancies as and when they arise. The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate.

- Reputation for integrity
- Accomplishment and experience in any particular industry
- Professional and education background
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

The Nomination Committee shall make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive officer.

Nomination Procedures

1. Appointment of Directors
The Nomination Committee identifies individual(s) suitably qualified to become Board members, having due regard to the Policy and the diversity policy of the Board ("Board Diversity Policy"), and assesses the independence of the proposed INED(s) as appropriate.
 - (1) The Nomination Committee makes recommendation(s) to the Board.
 - (2) The Board considers the individual(s) recommended by the Nomination Committee, having due regard to the Policy and the Board Diversity Policy.
 - (3) The Board confirms the appointment of the individual(s) as director(s) or recommends the individual(s) to stand for election at a general meeting. Individual(s) appointed by the Board to fill a casual vacancy or as an addition to the Board will be subject to re-election by shareholders of the Company at the next annual general meeting after initial appointment in accordance with the Company's Bye-Laws.

董事委員會(續)

提名政策(續)

主要提名準則

提名委員會將物色及提名合資格人士以委任為新增董事或於董事會出現空缺時填補有關空缺。提名委員會評估建議候選人是否合適時將參考下列因素。

- 信譽
- 於任何特定行業之成就及經驗
- 專業及教育背景
- 可投入時間及相關利益
- 董事會之各多元化方面，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及任期

提名委員會將就委任或重新委任董事以及董事(尤其是主席及行政總裁)之繼任計劃向董事會提供推薦意見。

提名程序

1. 委任董事
提名委員會在顧及本政策及董事會成員多元化政策(「董事會成員多元化政策」)後，物色具備合適資格可成為董事會成員之人士，並評估建議獨立非執行董事之獨立性(如合適)。
 - (1) 提名委員會向董事會作出推薦建議。
 - (2) 董事會在顧及本政策及董事會成員多元化政策後，考慮提名委員會所推薦人士。
 - (3) 董事會確認委任有關人士擔任董事或推薦有關人士於股東大會上參選董事。獲董事會委任填補臨時空缺或董事會新增席位之人士須根據本公司之細則於初次任命後之下屆股東周年大會上由本公司股東重選連任。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES (Continued)

Nomination Policy (Continued)

Nomination Procedures (Continued)

2. Re-appointment of Directors
 - (1) The Nomination Committee considers each retiring Director, having due regard to the Policy and the Board Diversity Policy and assesses the independence of each retiring INED.
 - (2) The Nomination Committee makes recommendation(s) to the Board.
 - (3) The Board considers each retiring director recommended by the Nomination Committee having due regard to the Policy and the Board Diversity Policy.
 - (4) The Board recommends the retiring directors to stand for re-election at the annual general meeting in accordance with the Company's Bye-Laws.

The Nomination Committee will undertake the review and revision of the Policy, as and when needed.

BOARD DIVERSITY POLICY

The Board has adopted a Board Diversity Policy in relation to the nomination and appointment of new directors, which sets out the selection of board candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience. Board appointments will continue to be made on a merit basis and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board. The Nomination Committee will give consideration to the Board Diversity Policy when identifying suitably qualified candidates to become members of the Board, and will review the Board Diversity Policy, so as to develop and review measurable objectives for the implementing the Board Diversity Policy and to monitor the progress on achieving these objectives.

The directors' biographical information as at the date of this report is set out on pages 36 to 40 under the heading "Biographical Details of Directors and Senior Management". The Nomination Committee reviewed the Board Diversity Policy and achievement of objectives and effectiveness of the Board Diversity Policy, and recommended the Board that the existing Board was appropriately structured and no change was required.

董事委員會(續)

提名政策(續)

提名程序(續)

2. 重新委任董事
 - (1) 提名委員會在顧及本政策及董事會成員多元化政策後，考慮各退任董事並評估各退任獨立非執行董事之獨立性。
 - (2) 提名委員會向董事會作出推薦建議。
 - (3) 董事會在顧及本政策及董事會成員多元化政策後，考慮提名委員會所推薦各退任董事。
 - (4) 董事會建議退任董事根據本公司之細則於股東周年大會上重選連任。

提名委員會將於有需要時檢討及修訂提名政策。

董事會成員多元化政策

董事會已採納有關提名及委任新董事的董事會成員多元化政策。當中載明甄選董事會成員候選人將以一系列多元化範疇為基準，並參考本公司的業務模式和特定需求，包括但不限於性別、年齡、種族、語言、文化背景、教育背景、行業經驗和專業經驗。董事會成員委任乃基於用人唯才，而為有效達致董事會成員多元化，將考慮候選人的客觀條件。提名委員會將於物色合適且符合資格的候選人成為董事會成員時考慮董事會成員多元化政策，並檢討董事會成員多元化政策，以發展及審閱執行董事會成員多元化政策的計量目標，及監察達致該等目標的進度。

截至本報告日期的董事之履歷資料載於第36至40頁「董事及高級管理人員履歷詳情」一節。提名委員會已檢討董事會成員多元化政策以及多元化政策達標的情況及其成效，並建議董事會現有董事會架構合理，毋須作出改動。

Corporate Governance Report

企業管治報告

DIVIDEND POLICY

In deciding whether to propose a dividend and in determining the dividend amount, the Board of the Company takes into account, inter alia, the Group's earnings performance, financial position, general business conditions and strategies, interests of the shareholders of the Company, the Group's expected working capital requirements and future expansion plans, business cycle of the Group's business and other external or internal factors that may have an impact on the business, investment requirements and future prospects.

The proposed declaration of dividend is subject to the Board's decision and the declaration of any final dividend for any year is subject to shareholders' approval. The declaration of dividend is also subject to Bermuda law and the Company's Bye-laws.

CORPORATE GOVERNANCE FUNCTIONS

The Executive Committee of the Company is responsible for performing the duties on corporate governance functions set out below:

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

股息政策

本公司董事會採納的股息政策為，決定是否建議派付股息及釐定股息金額時，本公司董事會應考慮(其中包括)本集團之盈利表現、財務狀況、整體業務狀況及策略、本公司股東之利益、本集團之預期營運資金需求及未來擴展計劃、本集團業務之業務週期以及可能影響業務、投資需求及未來前景之其他外部或內部因素。

建議派付股息視乎董事會的決定而定，而宣派任何年度的末期股息須待股東批准後方可作實。派付股息亦須遵守百慕達法律及本公司之公司細則。

企業管治職能

本公司執行委員會負責履行下列企業管治職能責任：

- a. 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- b. 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- c. 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- d. 制定、檢討及監察僱員及董事的操守準則及合規手冊(如有)；及
- e. 檢討本公司遵守守則的情況及在企業管治報告內的披露。

Corporate Governance Report

企業管治報告

NUMBER OF MEETINGS AND DIRECTORS' ATTENDANCE

The attendance record of each director at the Board, Board committee meetings and general meetings of the Company held for the year ended 31 December 2019 is set out in the table below:

召開會議次數及董事出席記錄

下表列示各董事出席截至2019年12月31日止年度舉行的本公司董事會會議、董事委員會會議及股東大會的情況：

Name of Director	董事姓名	Attendance/Number of Meetings						
		Board Meeting	General Meeting	Executive Committee Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Continuous Professional Development
		董事會會議	股東大會	執行委員會會議	審核委員會會議	薪酬委員會會議	提名委員會會議	持續專業發展
Executive Directors	執行董事							
Mr. Yu Pun Hoi (Note 1)	于品海先生(附註1)	13	1	1	N/A 不適用	N/A 不適用	1	✓
Ms. Liu Rong	劉榮女士	22	1	5	N/A 不適用	N/A 不適用	1	✓
Non-executive Directors	非執行董事							
Mr. Lam Bing Kwan	林秉軍先生	14	1	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	✓
Mr. Lung King Cheong (Note 2)	龍景昌先生(附註2)	1	-	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	✓
Independent Non-executive Directors	獨立非執行董事							
Mr. Lau Yip Leung	劉業良先生	7	1	N/A 不適用	2	1	1	✓
Mr. Xiao Sui Ning	肖遂寧先生	1	-	N/A 不適用	1	-	-	✓
Mr. Ho Yeung Nang	何養能先生	7	1	N/A 不適用	2	1	1	✓
Number of meetings held during the year	年內召開會議次數	23	1	5	2	1	1	

Notes:

附註：

- | | |
|--|--|
| <p>(1) Mr. Yu Pun Hoi ceased to be the chairman and member of the executive committee of the Company with effect from 25 October 2019.</p> | <p>(1) 于品海先生不再擔任本公司執行委員會主席及成員，自2019年10月25日起生效。</p> |
| <p>(2) Mr. Lung King Cheong retired as a non-executive director of the Company with effect from 30 May 2019.</p> | <p>(2) 龍景昌先生退任本公司非執行董事，自2019年5月30日起生效。</p> |

Corporate Governance Report

企業管治報告

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS AND AUDITOR'S REMUNERATION

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

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2019.

The statement of the external auditor of the Company about its reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 117 to 125.

The remuneration paid to the external auditors of the Group in respect of audit service and non-audit services for the year ended 31 December 2019 amounted to approximately HK\$10,858,000 and HK\$1,269,000, respectively. The non-audit services include professional advice on transactions as well broader business advisory and advisory service to assist the Company to comply with laws and regulations. An analysis of the remuneration paid to the external auditors of the Group is set out in note 8 to the financial statements.

COMPANY SECRETARY

Ms. Jay Shree Aggarwal, who was an employee of the Company and became the company secretary with effect from 1 July 2018, has complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

有關財務報表之責任及核數師薪酬

根據上市規則及其他監管規定，董事會負責在年度報告、中期報告、涉及內幕消息事宜之公告及其他須披露資料內作出平衡、清晰及容易理解之評述。

董事得知彼等於編製本公司截至2019年12月31日止年度財務報表應負之責任。

本公司核數師就其關於財務報表之呈報責任發表之聲明載於第117至125頁之「獨立核數師報告」中。

截至2019年12月31日止年度，付予本集團核數師之核數服務及非核數服務之酬金分別約為10,858,000港元及1,269,000港元。非核數服務包括就交易提供專業意見以及提供廣泛業務諮詢及顧問服務以協助本公司遵守法律及法規。付予本集團核數師酬金之分析載於財務報表附註8內。

公司秘書

Jay Shree Aggarwal女士，為本公司僱員，自2018年7月1日起成為公司秘書，已遵守上市規則第3.29條有關專業培訓的規定。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

1. Procedures for shareholders to convene an Special General Meeting (“SGM”)

Pursuant to the Bye-law 62 of the Bye-Laws, the board may, whenever it thinks fit, convene an SGM, and SGM shall also be convened on requisition, as provided by the Companies Act 1981 of Bermuda (the “Companies Act”), or, in default, may be convened by the requisitionists.

Under Section 74 of the Companies Act, the directors of the Company, notwithstanding anything in its Bye-Laws shall, on the requisition of shareholders of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, forthwith proceed duly to convene an SGM of the Company.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company and may consist of several documents in like form each signed by one or more requisitionists.

If the directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

A meeting convened under Section 74 of the Companies Act by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by directors.

股東權利

1. 股東召開股東特別大會(「股東特別大會」)之程序

根據細則第62條，董事會可在其認為適當之情況下召開股東特別大會，亦可按百慕達1981年公司法(「公司法」)之規定應請求召開股東特別大會，如董事會未能召開，則可由請求人召開股東特別大會。

在公司法第74條項下，不論公司細則有任何規定，本公司董事將於遞交請求日持有不少於附有本公司股東大會投票權之本公司已繳足股本十分之一(按遞交請求日計)的股東提出請求時，隨即正式召開股東特別大會。

請求之文件須註明會議目的並須由請求人簽署及遞交至本公司註冊辦事處，而該文件可由多份同樣形式之文件(每份由一位或多位請求人簽署)所組成。

倘董事並未於遞交請求日起計21日內正式召開大會，請求人或持有請求人總投票權超過半數的任何該等人士可自行召開大會，惟有關大會不得於遞交請求日起計滿三個月之後舉行。

如大會是根據公司法第74條由請求人召開，請求人須盡可能以董事召開大會之同等方式召開有關大會。

SHAREHOLDERS' RIGHTS (Continued)

2. Procedures for putting forward proposals at shareholders' meeting

Subject to Section 79 of the Companies Act, it shall be the duty of the Company on the requisition in writing of such number of shareholders as is hereinafter specified, at the expense of the requisitionists unless the Company otherwise resolves:

- to give to the shareholders of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting;
- to circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The number of shareholders necessary for a requisition under Section 79 of the Companies Act shall be:

- (a) either any number of shareholders representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or
- (b) not less than one hundred shareholders.

Notice of any such intended resolution shall be given, and any such statement shall be circulated, to shareholders of the Company entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such shareholder in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other shareholders of the Company by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meetings of the Company, provided that the copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

股東權利(續)

2. 於股東大會上提呈建議之程序

根據公司法第79條，本公司有責任在該等股東人數(定義見下文)提出書面請求時(除非本公司另行議決，否則費用由請求人自行承擔)：

- 向有權收取下屆股東周年大會通告之本公司股東，發出任何有可能在該大會上妥為動議並擬動議之任何決議案的通告；
- 向有權收取任何股東大會通告之股東傳閱任何不多於1,000字之陳述書，內容為有關在任何擬訂決議案所提述之事宜，或有關將在該大會上處理之事務。

根據公司法第79條提出請求之必要股東人數應為：

- (a) 代表不少於在請求日有權在該請求涉及的大會上表決之所有股東總表決權二十分之一的任何數目股東；或
- (b) 不少於100名股東。

任何此等擬訂決議案之通告及任何此等陳述書，應以准許用於送達大會通告之方式，將該決議案或陳述書之副本向有權收取大會通告之每位本公司股東發出及傳閱，而任何該決議案之通告，則須以准許用於向任何其他股東發出本公司會議通告之任何方式，向其發出該等決議案一般效力之通告送達，惟該副本之送達方式或該等決議案一般效力之通告之發出方式(視屬何情況而定)，須與會議通告發出之方式相同，而送達或發出之時間，亦須在切實可行範圍內與會議通告發出之時間相同，及如當時不能在切實可行情況送達或發出，則須於隨後在切實可行範圍內盡快送達或發出。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS (Continued)

3. Shareholders' enquiries

Shareholders should direct their questions about their shareholdings to the branch share registrar of the Company in Hong Kong. Shareholders may at any time send their enquiries and concerns to the Board in writing at the Company's principal place of business in Hong Kong at 12/F., The Octagon, No.6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong, or to the Company by email at info@nanhaicorp.com. Shareholders may also make enquiries with the Board at the SGM/annual general meeting.

The details of the rights of shareholders of the Company can be found in the Company's website at www.nanhaicorp.com.

INVESTOR RELATIONS

The Company is committed to safeguard shareholders' interests and believes that effective communication with shareholders and other stakeholders is essential for enhancing investor relations and investor understanding of the business performance and strategies of the Group.

The Board adopted a Shareholders Communication Policy which aims to set out the provisions with the objective of ensuring that the shareholders of the Company and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable shareholders of the Company to exercise their rights in an informed manner, and to allow shareholders of the Company and potential investors to engage actively with the Company.

The Company endeavours to disclose all material information about the Group to all interested parties on a timely basis. All such publications together with additional information of the Group are timely updated on the Company's website at www.nanhaicorp.com.

CONSTITUTIONAL DOCUMENTS

There is no change in the Company's constitutional documents during the year.

股東權利(續)

3. 股東查詢

股東應直接向本公司於香港之股份過戶登記分處提出有關其股權之疑問。股東可隨時以書面形式將其查詢及問題送達本公司之香港主要營業地址香港新界荃灣沙咀道6號嘉達環球中心12樓遞交致董事會或透過電郵地址 info@nanhaicorp.com 致本公司。股東亦可在本公司之股東特別大會／股東周年大會上向董事會作出查詢。

有關本公司股東權利的詳情，請瀏覽本公司網站 www.nanhaicorp.com。

投資者關係

本公司致力保障股東權益，並相信與股東及其他利益相關者進行有效溝通對鞏固投資者關係以至投資者對本集團業務表現及策略之理解極為重要。

董事會已採納股東通訊政策，其所載條文旨在確保本公司股東及有意投資者可適時取得本公司之全面、相同及容易理解之資料，一方面使本公司股東可在知情情況下行使權力，另一方面讓本公司股東及有意投資者能積極地與本公司聯繫。

本公司致力適時向所有有關各方披露所有有關本集團之重大資料。所有發佈及本集團之額外資料於本公司網站 www.nanhaicorp.com 定期更新。

章程文件

年內，本公司的章程文件並無變動。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually through the Audit Committee. The Audit Committee assists the Board in monitoring the risk exposures and the operating effectiveness of the underlying risk management and internal control systems.

The Company assists the management in identifying, assessing, responding, monitoring and reporting corresponding risks through risk management and internal control structure. The system aims at managing instead of eliminating the risks of unfulfilled business goals that reasonably but not absolutely prevents the impact of material risks.

RISK MANAGEMENT STRUCTURE

The Company has established a sound risk management and internal control structure, adopting a top-down organizational structure from the Board to the specific internal control units with well-defined duties. The Group's Internal Audit and Monitoring Department assists the Board and/or the Audit Committee in the ongoing review of the effectiveness of the Group's risk management and internal control systems. The Board, through Audit Committee, is at least annually informed of significant risks that may impact on the Group's performance.

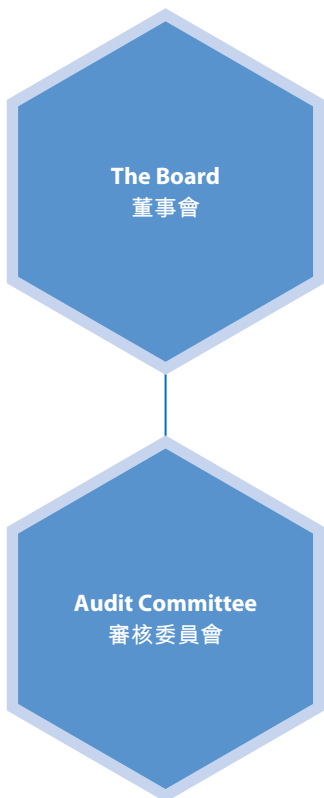
風險管理及內部監控

董事會知悉其監管本集團的風險管理及內部監控系統的責任，以及透過審核委員會至少每年檢討其成效。審核委員會協助董事會監察集團承受的風險水平、有關之風險管理和內部監控系統的運作成效。

本公司通過風險管理及內部控制的架構，協助管理層識別、評估、應對、監控、彙報相應的風險。該等系統旨在管理而非消除未能達成業務目標的風險，只合理而非絕對保證可防範重大風險的影響。

風險管理架構

本公司建立一個良好的風險管理及內部監控結構，搭建了從董事會到具體內控崗位的自上而下、職責明確的組織架構。集團內部審計監察部協助董事會及／或審核委員會持續檢討本集團風險管理及內部監控系統的成效。董事會透過審核委員會至少每年一次獲悉可能影響本集團表現的重大風險。



- ensure the maintenance of appropriate and effective risk management and internal control systems in order to safeguard the shareholders' investment and assets of the Group;
- formulate a management structure with specific terms of reference; and
- determine the nature and extent of significant risk that the Company is willing to take in achieving the strategic objectives, and formulate the Group's risk management strategies.
- 確保維持合適及有效的風險管理及內部監控系統，以保障股東投資及本集團資產；
- 制定有明確責任及權限的管理架構；及
- 釐定本公司就達致戰略目標所願承擔之重大風險之性質及程度，並制定本集團之風險管理策略。
- oversee the risk management and internal control systems of the Group;
- review and discuss with the management annually to ensure that the management has performed its duty to maintain effective risk management and internal control systems; and
- consider major findings on internal control matters and make recommendations to the Board.
- 監察本集團之風險管理及內部監控系統；
- 每年與管理層檢討並討論，以確保管理層履行其職責以維持風險管理及內部監控系統之有效性；及
- 考慮有關內部監控事宜的重要調查結果並向董事會作出推薦建議。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT STRUCTURE (Continued)

風險管理架構(續)



CONTROL APPROACH AND TOOLS

監控方法及方式

During the year, the management analyzed the control environment and the risks identified, and implemented various controls measures.

於本年度內，管理層已對監控環境及其相關已識別風險作分析，並就此實施多項監控。

- approach taken:** the management conducts interviews with relevant staff members, reviews relevant documentation of the internal control system and evaluates findings of any deficiencies in the design of the Group's internal control system, provides recommendations for improvement and assesses the effectiveness of such recommendations, where appropriate. The scope and findings of review on the risk management and internal control are reported to and reviewed by the Audit Committee annually.
 - management information systems and technologies:** such systems and technologies are employed to keep track of the inputs and outputs of the Group's operations, such as financial data system and human resources. They are also employed to track the audit process in the authorization system, in which permissions and responsibility of authorisation are clearly identified and adequate records can be maintained in the system.
- 所採取方法：**管理層與相關員工進行面談，並審閱內部監控系統相關文件及評估本集團內部監控系統設計中所發現之任何不足，就改善措施提供推薦建議及評估實施有關推薦建議之有效性(倘適用)。對風險管理及內部監控審閱的範圍及結果會每年呈報審核委員會並經其審核。
 - 管理信息系統及技術：**此用於控制業務活動，允許密切追蹤本集團業務之輸入及輸出，如財務數據系統及人力資源。其亦於授權系統追蹤審核程序，據此，授權許可及責任獲明確識別及該系統可維持足夠記錄。

Corporate Governance Report

企業管治報告

CONTROL APPROACH AND TOOLS (Continued)

- iii. **reports and variance analysis:** such reports and analysis of each segment are conducted on a regular basis such that the performance of each segment can be easily accessible.
- iv. **audit and supervision:** during the year, the Group conducts overall deployment and management of risk management and internal control according to the "Nan Hai Corporation Limited Internal Audit System (南海控股有限公司內部審計制度)". According to the internal audit system, the Audit and Monitoring Department conducts auditing and verification of the Group's main business, finance, engineering, information technology and other fields. In the meantime, thorough inspection for defects in the internal system of the subsidiaries of the Group is conducted to ensure the compliance, rationality and risk controllability in the major business processes of the Company. By analyzing various internal control points relating to the business processes, we have a better picture of the current conditions of internal control, and unearthed and rectify defects and weaknesses of the internal control system in order to prevent the potential risks of operation management, and improve corporate governance and cost-effectiveness.

RISK MANAGEMENT

As an important element of quality corporate governance, the overall risk management process is overseen by the Board through the Audit Committee. Rather than a separate and standalone process, risk management is integrated into the business and decision-making processes, including strategy formulation, business planning, capital allocation, investment decisions, internal control and day-to-day operations.

The management is entrusted with duties to identify, analyze, evaluate, respond, monitor and communicate risks associated with any activity, function or process within its terms of reference. It endeavours to evaluate the level of risk and compare it against the predetermined levels of risk acceptable to the Company. For risk control and monitoring, it involves making decisions regarding acceptable risks and the ways to address unacceptable risks. The management will develop contingency plans for possible loss scenarios. Incidents and other situations incurring actual or potential loss will be investigated and properly documented as part of the effort to manage risks.

監控方法及方式(續)

- iii. **報告及差異分析：**定期對各分部進行有關報告及分析，故可易於瞭解各分部之表現。
- iv. **審計監督：**年內，本集團依據《南海控股有限公司內部審計制度》，對風險管理和內部監控工作進行總體部署及管理。審計監察部依據內部審計制度，對集團主要業務、財務、工程、信息化等領域進行事後審計、核查，發現問題並提出改善方案。同時，對本集團各附屬公司內控制度進行查漏補缺，保證公司主要業務流程的合規性、合理性和風險可控性。通過分析有關業務流程的各個內部控制點，真實反映其內部控制的現況，找出內部控制體系的缺陷及薄弱環節，及時加以改進，以達成防範經營管理中潛在風險，並提升企業管治和經濟效益之目的。

風險管理

董事會透過審核委員會監督集團的整體風險管理程序，是我們優良企業管治的重要一環。本公司深明風險管理不是分割、獨立的流程，而是納入各項業務及決策流程中，包括戰略製定、業務規劃、資金分配、投資決定、內部監控和日常運營。

管理層獲委派於其責任及權力範圍內識別、分析、評估、應對、監控及傳達與任何活動、職務或程序有關風險。其致力評估風險水平並與預先釐定之可接納風險水平進行比較。就風險監控及監管而言，其涉及對可接納風險及如何應對非可接納者作出決定。管理層將對可能出現之損失情況制定應急方案。造成損失或險些造成損失的事故及其他情況將被調查及妥為存檔作為致力管理風險之一部分。

Corporate Governance Report

企業管治報告

RISK EXPOSURES

The following illustrates the major risks of the Group. Since the last annual review, there was no significant change in the nature and extent of risks during the year.

Risk of China's policies on real estate — the property development business of the Company is operated in China. In 2019, adhering to the principle of "no speculation of residential properties", the PRC government implemented local responsibility system, continued to make differentiated adjustments and established a solid and long term mechanism to promote a stable and healthy development of the real estate market. Compared to the previous year, the implementation of policies was relatively stable and is not expected to induce excessive volatility in the market. The management of the Company will monitor closely the development of the relevant policies and industry development trend to mitigate the risk.

Quality risk on property projects — quality of property projects not only affects the profitability of property developers, but also exerts a considerable impact on their corporate image and culture, and in turn their core competitiveness. The Company established a sound project control mechanism in relation to organizational structure, function division, recruitment and project management by clearly defining job flows, standards and reward and punishment system to enhance the implementation of other systems. Hence, the quality of the projects is guaranteed and improved.

Risks associated with single revenue structure of cinemas — subject to the nature of industry, box office receipts represent a large part of revenue structure of cinema business, which means that the revenue of cinemas relies highly on the films. If the performance of the overall movie market or the quality of movie content is poor, it will aggravate the Company's financial performance. To mitigate such risk, cinema business adopts a strategy to manage the film sources in a proactive and flexible manner, and also put more efforts into the introduction of other cultural and entertainment elements into cinemas to mitigate the risks associated with single revenue source

風險狀況

下列各項闡述本集團數項主要風險，自上年檢討後，本年度風險性質及風險程度並無發生重大變化。

中國的房地產政策風險 — 本公司的房地產開發業務均於中國經營，2019年，中國政府繼續堅持「房住不炒」的定位，落實地方責任主體，繼續實行差別化調控，建立健全長效機制，促進房地產市場平穩健康發展。較往年相比，政策出台的趨勢穩定，預計不會造成市場過度波動。本公司管理層將密切關注相關政策動向及行業發展趨勢以降低風險。

房地產項目質量風險 — 質量不僅影響房地產企業的獲利空間，且對企業形象、企業文化等產生不容忽視的影響，繼而直接關係到房地產企業核心競爭力的提升。本公司從組織架構、職能分工、招採及工程管理等方面入手，構建起完善的工程管控體系，通過明確作業流程、標準和獎懲機制來強化其他各項制度的落實與貫徹，以保證並不斷提升工程質量水平。

影院收入結構單一風險 — 受限於行業本身，影院業務收入結構中票房佔比較高，導致影院的收入存在對影片較大的依賴性。若整體電影市場表現或電影內容質量不佳時，會制約本公司的財務業績表現。為降低此類風險，影院業務採用了積極靈活管理影片來源的策略，與此同時也加大了在影院場所加入其他文化娛樂的力度，以降低單一收入來源相關的風險。

RISK EXPOSURES (Continued)

Risks associated with new product development — in light of intensifying market competition, the enterprise cloud services business continues to develop and launch new products to the market, underpinning the key to long-term success. However, the profitability of enterprise cloud services will be directly affected by technological and market uncertainties. If the Company cannot identify technical factors that lead to the failure of research and development in the new product development process in a timely manner in the future, or if the Company fails to precisely identify the competitive advantages of new products to rapidly capture market share, allowing our competitors to imitate our products and thus take our place, the profitability and competitiveness of the enterprise cloud services business will decline, which in return will adversely affect our business operations. In view of the above risks, the Group will, depending on its own conditions, gain a thorough understanding of its risk exposure, design a good risk management strategy, and make corresponding adjustments in accordance with market changes in the strategy implementation stage to reduce technical and market risks, thereby striving for product innovation and business growth. The measures taken or to be taken by the Group include: (1) making wise decisions on project selection and termination and reasonably allocating resources in the early stages of research and development; (2) determining decision points for project continuation/termination, performing full project evaluation and investing resources in a timely manner during the development process; (3) strengthening information exchange among new product developers and promoting effective communications and conversion of external market information and internal information; and (4) accelerating product development and product launch and effectively capturing market share.

Exchange risk — the Group is exposed to fluctuation in exchange rates as the Group's revenue is denominated in Renminbi while Hong Kong dollars are the reporting currency of the Group. The management will closely monitor the exchange exposure in order to keep the net exposure at an acceptable level and will consider hedging significant foreign currency exposure should the need arises.

INTERNAL CONTROL

The Internal Audit and Monitoring Department is assigned with the task to perform regular reviews on the Group's internal control systems in respect of operational, financial and compliance aspects and will report the audit review findings or irregularities, if any, to the management and advise on the implementation of steps and actions required to enhance the Group's internal controls. The result of internal audit reviews and agreed action plans are reported to the Audit Committee and the Board.

風險狀況(續)

新產品開發風險 — 企業雲服務業務部門隨著市場競爭的加劇，不斷開發並向市場投放新產品，這是取得持久優勢的關鍵，但因技術和市場的不確定性因素，將直接影響企業雲服務的盈利能力。未來如在新產品研發過程中不能及時發現導致研發失敗的技術因素，或無法準確定位新產品的相對競爭優勢從而無法快速攻佔市場而被競爭對手效仿並取代的市場風險，企業雲服務業務部門將面臨盈利能力下降、競爭力下降的風險，從而給經營帶來不利影響。針對上述風險，本集團將結合自身條件，全方位的瞭解所處的風險環境，並設計出良好的規避風險策略，並在策略實施階段根據市場變化及時作出相應調整從而降低技術、市場等風險對業務的衝擊，為產品的創新和業績增長提供保障。本集團已採取或擬採取的措施主要包括：(1) 在研發初期，做好項目的選擇和終止決策，合理配置資源；(2) 在開發過程中，制定明確的項目繼續/中止決策點，做好項目全程評估，適時投放資源；(3) 加強新產品開發人員之間的信息交流，促進外部市場信息與內部信息的快速溝通、轉化；及(4) 加速產品開發，快速投放並有效佔領市場。

匯率風險 — 本集團收入主要以人民幣計值，匯報貨幣為港幣，故此面臨外匯匯率波動風險。管理層會密切監控外匯風險並將淨風險維持在可接受水平，並將於必要時考慮對沖重大外匯風險。

內部監控

內部審計監察部被委派定期檢討本集團有關經營、財務及合規方面的內部監控系統，並向管理層報告審核檢討結果或不規範行為(如有)及就實施必要步驟及行動以提高本集團內部控制向彼等提供意見。內部審核檢討之結果及經協議之執行計劃乃向審核委員會及董事會匯報。

Corporate Governance Report

企業管治報告

INTERNAL CONTROL (Continued)

Apart from reviewing the systems, the Audit Committee has also reviewed and is satisfied with the adequacy of resources, qualifications and experiences of staff of the Company's accounting and financial reporting function, and their training programs and budget. The Board acknowledges that the management has been progressively implementing an adequate internal control system to ensure the effective functioning of the Group's operational, financial and compliance areas, including the following key measures, policies and procedures:

i. **financial reporting management:**

- proper controls are in place to ensure the maintenance of a complete, accurate and timely record of accounting and management information;
- regular reports on revenue and ageing analysis of receivables and internal financial reports giving a balanced and understandable assessment of the Group's financial performance are prepared for the management;
- quarterly updates on internal financial statements giving a balanced and understandable assessment of the Group's performance, financial position and prospects in sufficient details are provided to all Directors; and
- annual audit is carried out by external auditor to ensure that the consolidated financial statements are prepared in accordance with generally accepted accounting principles, the Group's accounting policies and the applicable laws and regulations.

ii. **the mechanism and procedures on disclosure of inside information** to ensure, with the assistance of an internal work team (if required), that any material information which comes to the knowledge of any one or more officers should be promptly identified, assessed and forwarded to the Board (if appropriate);

iii. **the policies and practices on compliance with legal and regulatory requirements** which shall be reviewed and monitored regularly by the Audit Committee designated by the Board;

iv. the Audit Committee designated by the Board to monitor, control and regularly review **continuing connected transactions** of the Company and ensure proper compliance with all relevant laws and regulations, the Listing Rules and the disclosure requirements; and

內部監控(續)

除檢討該等系統外，審核委員會亦已檢討本公司會計及財務匯報職能之資源、員工資格及經驗以及彼等之培訓計劃及預算之充足性並對此感到滿意。董事會知悉，管理層已逐步實施充分內部監控系統以確保本集團之營運、財務及合規範疇之有效運作，包括下列主要措施、政策及程序：

i. **財務報告管理：**

- 已建立適當的監控程序，確保全面、準確及適時記錄會計及管理資料；
- 定期為管理層編製收入及應收貸款賬齡的報告和內部財務報告，以提供本集團財務表現的持平及易於理解的評估；
- 每季度向全體董事提供內部財務報表的更新，以提供本集團表現、財務狀況及前景的持平及易於理解的評估，並具有充足詳情；及
- 外部核數師進行年度審核以保證綜合財務報表的編製符合公認會計準則、本集團的會計政策及適用法律及法規。

ii. **內幕消息披露機制及程序**，以在內部工作組(如需要)協助下，確保任何一名或多名高級人員得悉的任何重大資料須及時識別、評估及提交(倘適用)董事會；

iii. **有關遵守法律及監管規定之政策與常規**，由董事會委派之審核委員會定期檢討及監督；

iv. 由董事會委派之審核委員會監察、控制及定期檢討本公司之**持續關連交易**，確保妥為遵守一切相關法律及法規，上市規則以及披露規定；及

INTERNAL CONTROL (Continued)

- v. a **whistle-blowing policy** for employees of the Group and those who deal with the Group (e.g. customers and suppliers) to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters. The Group encourages reporting with real names and implements award policy if the reported suspicion is proved to be the case. Such arrangement will be reviewed by the Audit Committee to ensure that proper arrangement is in place for fair and independent investigation into the matters.

The Board and the Audit Committee have reviewed the Group's systems for the year ended 31 December 2019 and are not aware of any significant issues that would have an adverse impact on the effectiveness and adequacy of the systems, accordingly consider the systems effective and adequate.

內部監控(續)

- v. 設立**舉報政策**以讓本集團僱員及其他與本集團有往來者(如客戶及供應商)可暗中及保密的情況下就財務匯報、內部監控或其他事宜中的可能不當行為提出關注。鼓勵實名舉報，實行查實有獎政策。該等安排將由審核委員會檢討，確保有恰當安排就有關事項進行公平及獨立之調查。

截至2019年12月31日止年度，董事會及審核委員會已審閱本集團之系統，亦並無知悉任何可能對本集團之該等系統的有效性及充足性產生不利影響的重大問題，故此認為該等系統有效及充足。

Environmental, Social and Governance Report

環境、社會及管治報告

1. ABOUT THIS REPORT

This is the fourth Environmental, Social and Governance (ESG) report prepared by the Group. The purpose of this report is to provide an overview of the principles and sustainable development concepts and challenges faced by the Group and its vision and commitment to corporate social responsibility in 2019.

Reporting standards

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "Guide") set out in Appendix 27 of the Listing Rules and in compliance with the disclosure requirements and principles of the Guide. The Group has complied with the "comply or explain" provisions sets out in the Guide.

Reporting scope

The scope of this report includes all areas of its business over which the Group has financial significance and operational influence, as well as those of ESG significance to the Group and its stakeholders. This report mainly focuses on the overall performance of the Group's core business in respect of sustainable development and corporate social responsibility from 1 January 2019 to 31 December 2019. To give its readers a better understanding of the Group's environmental and social performance, this report covers and discloses the environmental key performance indicators of various segments of the Group, including culture and media services, property development, enterprise cloud services, news media business and innovative business*. Extensive stakeholder engagement and materiality assessments have also been carried out to determine the materiality issues included in this report.

Preparation of report

In preparing this report, we have received support from all stakeholders of the Group and gained a better understanding of the Group's current development at environmental and social aspects. This report summarizes our efforts on environmental and social aspects and helps the Company in developing future strategies for short-term and long-term sustainable development.

* Except for the total number of employees and the total number of employees by gender, age group and geographical region, other indicators included in this report do not include Crabtree & Evelyn.

1. 關於本報告

本報告為本集團所發佈的第四份環境、社會及管治 (ESG) 報告。本報告旨在概述本集團2019年度在企業社會責任所秉持的原則及可持續發展理念及所面對的挑戰，並對企業社會責任提出願景和承諾。

報告標準

本報告按照上市規則附錄二十七《環境、社會及管治報告指引》(下稱《指引》)編制而成，涵蓋的報告內容亦符合《指引》中的披露要求及原則。本集團已遵守指引所載列的「不遵守就解釋」條文。

報告範圍

報告範圍包括本集團擁有財務重要性及營運影響力，以及對本集團及持份者具環境、社會及管治範疇重要性的業務。本報告內容主要集中於本集團的核心業務，於2019年1月1日至2019年12月31日實踐可持續發展及履行企業社會責任的整體表現。為了令讀者更瞭解本集團在環境及社會範疇的表現，本報告闡述本集團涵蓋和披露有關文化與傳播服務、房地產開發、企業雲服務、新聞傳播業務及創意商業*等不同業務版塊的環境及社會範疇的關鍵績效指標，令讀者更瞭解本集團在環境及社會範疇的表現。我們也進行了廣泛的持份者參與及重要性評估以釐定本年度報告所包含的重要性議題。

報告編寫

本報告的編寫得到本集團各利益相關方的共同支持，促使我們更瞭解本集團目前在環境和社會層面的發展水平。本報告總結了我們於本年度在環境和社會的相關工作，並有助公司制定未來短期和長期可持續發展策略。

* 本報告統計範圍除僱員總數及按性別年齡組別及地區劃分的僱員總數，其他指標統計範圍不包含瑰柏翠。

Environmental, Social and Governance Report

環境、社會及管治報告

2. SUSTAINABLE DEVELOPMENT CONCEPT

In the face of global challenges including inequity, climate, education, and environment issues, the Group attaches great importance to the United Nations Sustainable Development Goals. During the year, we have added and identified certain aspects of the Group's business development in accordance with United Nations Sustainable Development Goals (SDGs) and made comparisons. The Group looks forward to further integration of corporate policies and daily practice to achieve a better and more sustainable future for all.

2. 永續發展理念

人類正面對各種全球挑戰，包括不公平、氣候、教育及環境問題。本集團重視聯合國可持續發展目標的重要性。本年度，我們增設及識別本集團業務發展相關的聯合國可持續發展目標(SDGs)的內容，並會進行對照。本集團期望進一步融合於企業政策及實行於日常當中，實現所有人更美好和更可持續未來的藍圖。



Environmental, Social and Governance Report

環境、社會及管治報告

2. SUSTAINABLE DEVELOPMENT CONCEPT (Continued)

2.1 ESG working group

The Group has established an ESG working group to regularly discuss the ESG work in an interactive manner, provide trainings for all departments, establish an effective management systems and control procedures to achieve sustainable development of the Group and all stakeholders.

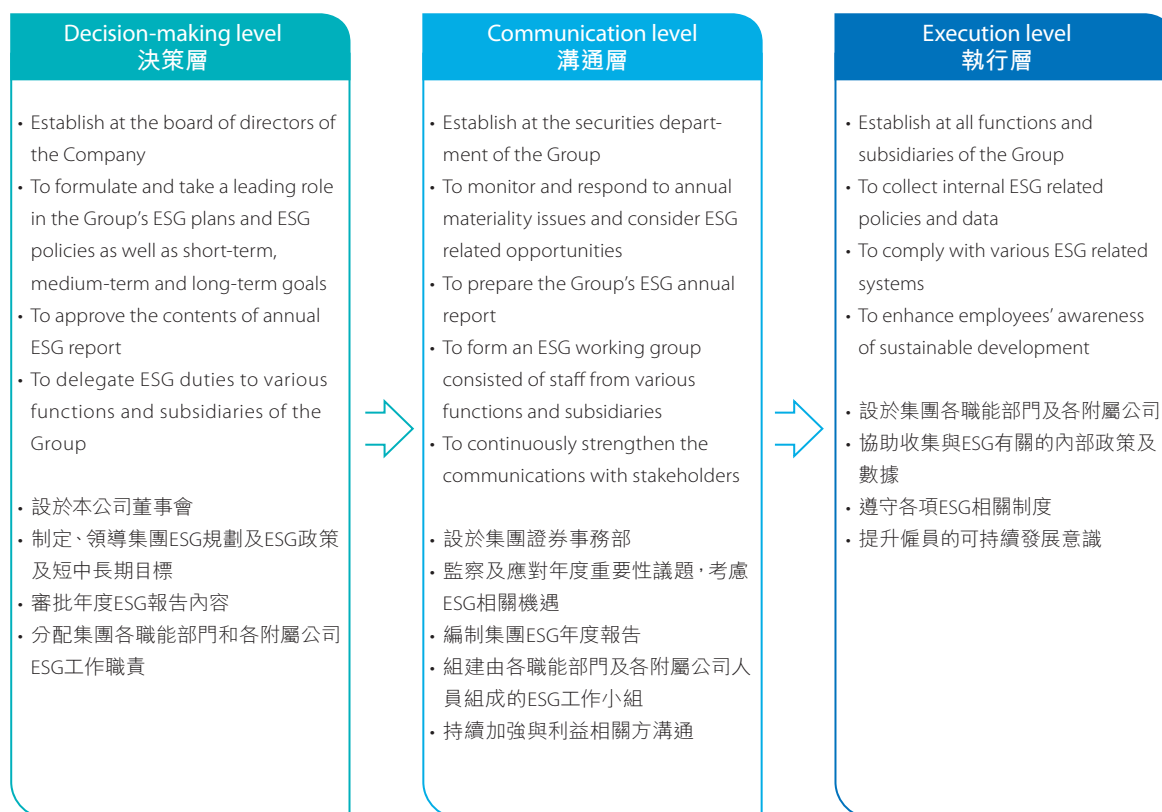
The team directly oversees the sustainable development strategies, work plans and performance goals of the Group, and makes recommendations with an aim to strengthen the leadership in ESG development, manage ESG related risks in a more effective manner and encourage all departments to implement our ESG policies.

2. 永續發展理念(續)

2.1 ESG工作小組

本集團已成立了ESG工作小組，小組以互動方式，定期進行ESG工作的溝通，建立了有效的管理體系及管控程序，以實現本集團及維繫各利益相關方的可持續發展。

該小組直接監督本集團的可持續發展策略、工作計劃及表現目標，並提供建議，旨在加強發展在環境、社會及管治方面的領導。我們希望能更有效地管理環境、社會及管治的相關風險，及推動各部門執行各項環境、社會及管治政策。



Environmental, Social and Governance Report

環境、社會及管治報告

2. SUSTAINABLE DEVELOPMENT CONCEPT (Continued)

2.2 Communication with stakeholders

The Group places great emphasis on the feedbacks from internal and external stakeholders to strengthen its ESG management. Through regular communications with stakeholders, we are able to identify sustainable development concerns from stakeholders and strive for furtherance of sustainable development.

We have conducted an objective assessment of the Group's sustainable development performance to understand the stakeholders' primary concerns and identify opportunities and risks ahead. We have also engaged all stakeholders through other channels on a regular basis. Regular communications with stakeholders are as follows:

2. 永續發展理念(續)

2.2 與利益相關方溝通

本集團十分重視內外持份者的意見，以強化環境、社會及管治的監管。我們定期與持份者溝通，以識別他們關注的可持續發展議題，以進一步推動我們在可持續發展上的工作。

我們對本集團的可持續發展表現進行客觀的評估，以瞭解持份者對優先關注議題的見解，並識別本集團面臨的機遇和風險。我們亦定期從其他渠道邀請各類持份者參與。本集團與持份者定期進行的各項溝通活動有：

Major stakeholders 主要利益相關方	Methods of engagement 主要參與方式
Shareholders 股東	Annual general meetings, interim and annual reports, corporate communications and results announcements 股東周年大會、中期報告與年報、企業通訊及業績公告
Investors 投資者	Results announcements 業績公告
Customers 客戶	Customer satisfaction surveys, customer service centers, customer loyalty programs, visits by customer relationship managers, daily operations/communications, telephone and e-mail 客戶滿意度調查、客戶服務中心、提升客戶忠誠度的活動、客戶關係經理探訪、日常營運/交流、電話及郵箱
Employees 員工	Performance interviews, business briefings, seminars/workshops/lectures, employee suggestion boxes, employee communication meetings 工作表現晤談、業務簡報、研討會/工作坊/講座、員工意見箱、員工溝通大會
Suppliers 供應商	Supplier management procedures, meetings, supplier evaluation systems 供應商管理程序、會議、供應商評估制度
Regulatory authorities 監管機構	Meetings, compliance reports 會議、合規報告
Business partners 業務夥伴	On-site visits, meetings 探訪、會議
Media 傳媒	Press releases, results announcements 新聞稿、業績公告
Peers 同業	Strategic cooperation 策略性合作項目
Community 社區	Volunteer services, community activities, seminars/lectures/workshops, donations 義工活動、社區活動、研討會/講座/工作坊、捐獻

Environmental, Social and Governance Report

環境、社會及管治報告

2. SUSTAINABLE DEVELOPMENT CONCEPT (Continued)

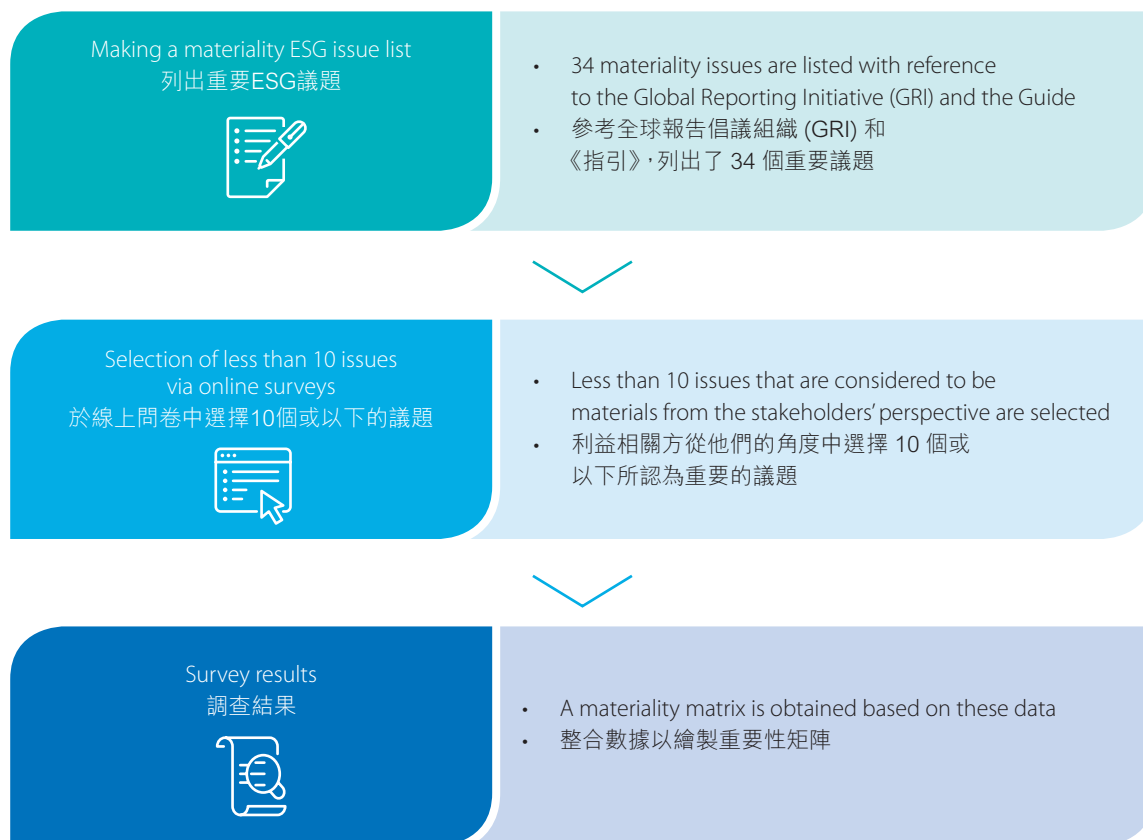
2.3 Materiality analysis and matrix

We have invited different stakeholders to give their comments via our online surveys. Materiality issues refer to those that are most relevant to and have a significant impact on the Group and its stakeholders, and which stakeholders expect us to better manage and disclose. In 2019, we conducted a materiality assessment to draw a materiality matrix for reviewing the Group's materiality issues. After such review, the Group identified 21 materiality issues. The overall materiality of the issues mapped on the top right-hand corner of the materiality matrix below is determined based on the total score given to each issue by internal and external stakeholders.

2. 永續發展理念(續)

2.3 重要性評估及矩陣

我們設立網上問卷，並邀請不同的利益相關方提供意見。重要議題是指與集團及持份者最相關並對其有重大影響，同時是持份者期望我們妥善管理及作出披露的議題。在2019年，我們進行了一次重要性評估，繪製重要性矩陣，以檢討集團的重要議題。經審視後，集團共識別了21個重要議題，下圖所示重要性矩陣右上角的重大議題對公司內部及外界持份者給予每項議題的總分釐定整體重要性。



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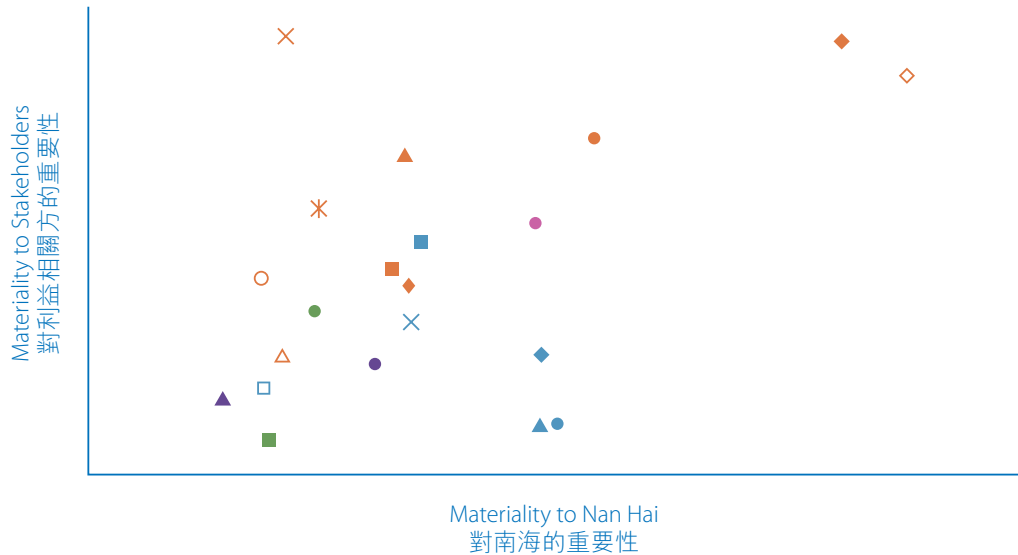
2. SUSTAINABLE DEVELOPMENT CONCEPT (Continued)

2. 永續發展理念(續)

2.3 Materiality analysis and matrix (Continued)

2.3 重要性評估及矩陣(續)

Materiality matrix of ESG issues
ESG議題重要性分析矩陣



- | | | |
|---|--|--|
| ◇ Business performance
經濟表現 | ◆ Health and safety of products/services
產品/服務的健康及安全 | ✕ Customer privacy protection
客戶私隱保障 |
| ◆ Market competitiveness
市場競爭力 | ✕ Employee diversity, non-discrimination and equal opportunities
員工多元化、不歧視及平等機會 | △ Mechanisms for handling complaints and replies
處理投訴和應對的機制 |
| ● Compliance with laws and regulations
遵守法律法規 | ▲ Quality control
質量控制 | ○ Protection of intellectual property
保護知識產權 |
| ● Employment rights
僱傭權益 | ■ Technology development and applications
技術發展及應用 | □ Qualifications and professional conduct
資歷及專業操守 |
| ▲ Labour relations
勞資關係 | ● Care for community
關注社區 | ■ Climate change
氣候變化 |
| ◆ Occupational health and safety
職業健康與安全 | ● Energy consumption and efficiency
能源消耗及效益 | ▲ Community investment and participation
社區投資和參與 |
| ■ Environmental awareness of employees
員工的環保意識 | ✕ Promotion and product labels
宣傳及產品服務標籤 | ● Supplier management
供應商管理 |

Environmental, Social and Governance Report

環境、社會及管治報告

3. PRAGMATIC OPERATION

The Group principally engages in culture and media services, property development, enterprise cloud services, news media and innovative business. The Group is committed to operate its business in compliance with laws and regulations, act with probity, transparency and accountability, implement appropriate risk management and internal control systems and effective customer service systems, protect intellectual property, improve supply chain management and ensure high standards of business ethics, thereby achieving better business performance and enhancing its market competitiveness.



Development awards in 2019:

- Cui Lu Technology won the Gold Award for Overseas Projects from LIAS Awards in Singapore with the stereoscopic greening project of Guangzhou Free Man Garden
- CE Dongli won the "2018-2019 First Place in Market Share in the Website Construction Market in China" from ccidnet.com
- HK01 won the various news awards, including four US "Telly Awards", "Awards for Editorial Excellence by The Society of Publishers in Asia", four "The Spark Awards, two "MARKies Awards" and two "Mob-Ex Awards"

3. 務實經營

本集團主要業務領域包括文化與傳播服務、房地產開發、企業雲服務、新聞傳播、創意商業等。我們堅持合法合規運營，並以廉潔誠實、公開透明及竭誠盡責的方式行事。從推行適切有效的風險管理和內部監控系統、優質的客戶服務體系、知識產權管理、提升供應鏈管理水平及確保維持崇高的商業道德標準，並提高我們的經濟表現及市場競爭力。

2019年度獲得多項發展殊榮：

- 翠籙科技憑廣州自由人花園立體綠化工程榮獲新加坡 LIAS Awards 海外項目金獎
- 中企動力榮獲由賽迪網發佈的「2018-2019 年度中國網站建設市場佔有率第一」
- 香港01奪得多項新聞獎項，包括4項美國《Telly Awards》大獎、亞洲出版業協會《年度卓越新聞獎》、4項《The Spark Awards 卓越傳媒大獎》、及2項《MARKies Awards》、及2項《Mob-Ex Awards》等

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3. PRAGMATIC OPERATION (Continued)

房地產開發



Cui Lu Technology won the Gold Award for Overseas Projects from LIAS Awards in Singapore with the stereoscopic greening project of Guangzhou Free Man Garden
翠錄科技憑廣州自由人花園立體綠化工程榮獲新加坡 LIAS Awards 海外項目金獎

3. 務實經營(續)

Property development



新聞傳播業務



HK01 won various international awards from "Telly Awards"
香港01 榮獲國際獎項「Telly Awards」的多項獎項

News media business



HK01 won the "MARKies Awards"
香港01 榮獲「MARKies Awards」獎項

Environmental, Social and Governance Report

環境、社會及管治報告

3. PRAGMATIC OPERATION (Continued)

3.1 Compliance and governance

Adhering to the policy of “integrity and diligence”, the Group strictly complies with all relevant laws and regulations including the Company Law of the People’s Republic of China (中華人民共和國公司法), the Listing Rules and the Law of the People’s Republic of China Against Unfair Competition (中華人民共和國反不正當競爭法) and adopts a zero tolerance attitude towards extortion, bribery, fraud, blackmail and money laundering. During the year, there was no corruption litigation case against the Group or its employees.

To maintain good corporate governance practices of the Group, rules that need to be strictly followed, attitude towards non-compliance and relevant management mechanisms are included in the Staff Manual (員工手冊) of the Company and its subsidiaries to prevent the Group from being involved in any cases related to bribery, extortion, fraud and money laundering. We have set up a customized whistle-blowing mechanism to identify any misconduct within the Group and take rectification actions in a timely manner. Data disclosure will be handled in a confidential and prudent manner. Without the consent of the relevant employees, the Group will not disclose the identity of the whistle-blowers.

3.2 Customer orientation

Diversified development is one of the remarkable achievements of the Group. Aiming at its target customers, each segment provides its customers with quality products and services, gains better understanding of customers’ preferences and requirements, and takes effective measures to protect customer information and privacy. We are able to handle complaints in a timely and effective manner to improve customer satisfaction. The Group will keep a detailed record for each complaint and arrive at the best possible approach internally before responding to the customer complaints. During the year, the number of complaints received by the Group was 4,405, of which 4,401 cases have been addressed. The percentage of customer complaints addressed during the year was 99.9%. In the coming year, we are devoted to reduce and avoid similar complaints and gradually improve our service quality.

3. 務實經營(續)

3.1 合規管治

本集團堅持貫徹「誠信勤勉」的方針，我們嚴格遵循《中華人民共和國公司法》、《上市規則》、《中華人民共和國反不正當競爭法》等所有相關法律法規，我們堅持對勒索、賄賂、欺詐、勒索和洗黑錢等行為採取零容忍的態度。本年度，本集團及其員工並沒有涉及有關貪污訴訟案件。

為維持本集團的企業管治水平，本公司及各附屬公司亦於「員工手冊」中明確地列出需嚴格遵守的細則，明確對違規違法的態度及管理有關事宜的機制，以防止本集團涉及一切有關賄賂、勒索、欺詐及洗黑錢的案件。我們提供定制的舉報管道，以及時發現集團內部的各種不當行為，並採取針對性的糾正措施。本集團會以保密及慎重的態度處理所有被透露的數據。在未得到相關僱員的同意下，本集團並不會透露作出指控的人士身份。

3.2 客戶為尊

本集團的多元化發展是公司引以為傲的成就。各業務板塊針對同客戶類形，為客戶提供優質產品和服務，更進一步精細化瞭解客戶的屬性和需求，並採取有效措施保護客戶信息及隱私安全。我們認為及時和有效的處理方式提升客戶的滿意度。每宗投訴都會詳細地記錄審查，並由內部討論最佳處理方法，在特定的回應客戶。本年度，本集團接獲了4,405宗投訴，而4,401個案都已處理，今年整體辦結率為99.9%。來年，我們以減少及避免同類投訴事件發生為目標，逐步改善服務質量。

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3. PRAGMATIC OPERATION (Continued)

3.2 Customer orientation (Continued)

As for culture and media services segment, we provide customer services via WeChat, APP and call center. By fully upgrading our call center and listening to customer feedbacks in all aspects, we strive for offering excellent customer services.

As for property development segment, upholding our philosophy of “providing customer-oriented and attentive services” and our property services standards to provide 24-hour housekeeping services, we continue to strive for excellence in professional capabilities, communication services and teamwork.

As for enterprise cloud services segment, CE Dongli launched an “accountability system (首問責任制)” to provide appropriate services or guidance according to established procedures and consistently maintain a high service quality by its professional customer services team.

As for news media business segment, in addition to providing daily information to its readers, HK01 has attained outstanding achievements on mobile platform in 2019, which include improving the practical lifestyle information functions and offering convenience for its users.

As for product quality and safety, we have established a quality management system to ensure product quality as our top priority. As always, there was no product recall due to safety or health problems during the year.

3.3 Information security

Customer privacy is not only important to our customers, but also to the Group. We strictly abide by all relevant laws and regulations including the Computer Information System Security Protection Regulations of the People’s Republic of China (中華人民共和國計算機信息系統安全保護條例) and the Measures for Security Protection Administration of the International Networking of Computer Information Networks (計算器網絡國際聯網安全保護管理辦法). We have contingency plans against different types and extent of potential or possible emergencies in place.

3. 務實經營(續)

3.2 客戶為尊(續)

在文化與傳播服務領域，我們的客戶服務方式涉及微信端，APP端，呼叫中心等，並且對呼叫中心進行了全面升級，多方面聽取客戶意見，為客戶做到最好。

在房地產開發領域，我們秉承「客戶為尊，用心服務」的服務理念，設立物業服務標準，提供24小時房地產管家服務，將專業能力，溝通服務和良好的團隊繼續推向更高的展業平台。

在企業雲服務領域，中企動力實行「首問責任制」，並由專業的客服團隊處理。我們按既定的程序提供相應服務或引導，有效及持續地客服品質。

在新聞傳播業務領域，香港01每日提供不同的信息給讀者，更於2019年在手機平台上取得優越成就，全面提升實用生活信息功能及帶來不同的便利等。

關於產品質量及安全，我們制定了質量管理制度，確保品質永遠為我們的優先考慮因素。一如既往，本年度沒有產品因安全或健康問題而需要回收的個案。

3.3 信息安全

客戶的隱私不僅對客戶而言至關重要，對本集團亦如是。我們嚴格遵守《中華人民共和國計算機信息系統安全保護條例》、《計算器網絡國際聯網安全保護管理辦法》等國家有關法律、法規等，考慮潛在的或可能發生的突發事件的類別和影響程度而事先制定的應急處置方案。

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3. PRAGMATIC OPERATION (Continued)

3.4 Procurement management

We are committed to work with our suppliers to build a better environment and society. The Group strictly complies with the Law of the People's Republic of China on Bid Invitation and Bidding (中華人民共和國招標投標法), the Implementing Regulations on the Law of the People's Republic of China on Bid Invitation and Bidding (中華人民共和國招標投標實施條例) and the local laws and regulations in which the Group operates. To strengthen the procurement management, avoid malpractices in the procurement process and strengthen its anti-corruption work, each segment will conduct data review on its suppliers to monitor their performance and service quality.

As for culture and media services segment, our major suppliers include projector and screen providers. Our cinemas formulated relevant procurement systems, such as the Procurement Management System (採購管理制度), to improve the quality of the supplies and ensure a fair and equal procurement. Such standards also regulate the procurement process, procurement organization structure, supplier selection and other procurement details. Based on the scale and procurement requirements of each project, cinemas may select their suppliers by means of public tendering, invitation to tender, negotiation and price quotation. Oristar developed the Supplier Management Handbook (供應商管理手冊) and the List of Qualified Suppliers (合格供應商名錄), to strengthen the supervision of suppliers' service processes, i.e. daily supervision and regular evaluation.

As for property development segment, our major suppliers include construction and installation, planning and consultation, inspection and design services providers. Nan Hai Development has formulated our own supplier management policies and supplier assessment procedures to ensure the quality of projects. We also required our suppliers to sign honesty and integrity agreements to prevent fraud during the procurement process. Employees involved in the procurement process, which are required to be honest and self-disciplined, are subject to supervision by the management and relevant departments.

3. 務實經營(續)

3.4 採購管理

我們期望與供應商共同構建美好環境和社會的承諾。本集團嚴格遵守《中華人民共和國招標投標法》、《中華人民共和國招標投標實施條例》以及運營地當地相關法律法規。為加強採購業務工作管理，預防採購過程中的各種弊端，加強反貪腐的工作。各業務板塊對各自供應商進行資料審查，監察供應商的履約能力及服務質素。

在文化與傳播服務領域，主要供應商類別包括放映機和屏幕等。我們公司旗下的影院制定「採購管理制度」等採購相關管理系統，提高質量水平，確保採購工作的公平、公正性，納入規範化管理。準則規範採購工作的流程、採購組織架構、選擇供應商的形式及採購細則等事項。影院按項目規模及採購需求，選擇取公開招標、邀請招標、談判、詢比價等方式選擇。辰星科技制定「供應商管理手冊」及「合格供應商名錄」，強化對供應商服務過程的監督(日常監督及及定期考評)。

在房地產開發領域，主要供應商類別包括施工安裝、策劃及諮詢、勘察設計服務提供方等。南海發展制定供應商管理政策以及供應商審核流程，確保工程採購的質量，並要求供應商簽署廉潔協議，確保採購過程中不會發生舞弊行為。參與採購過程的公司人員應需廉潔自律，並接受領導及相關部門的監督。

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3. PRAGMATIC OPERATION (Continued)

3.4 Procurement management (Continued)

As for enterprise cloud services segment, our suppliers include server, network equipment, accessory and domain name providers. CE Dongli developed the Procurement Management System (採購管理制度), which clearly defines the procurement responsibilities, regulates procurement process, ensure the procurement quality as well as improve procurement efficiency and economic efficiency.

3.5 Intellectual property

Abiding by the relevant intellectual property laws and regulations such as the Patent Law of the People's Republic of China (中華人民共和國專利法) and the Advertisement Law of the People's Republic of China (中華人民共和國廣告法), the Group is committed to safeguard its intellectual property rights and patents and internally approve its publicity materials, so as to provide complete, true and accurate product information to the public without making any misstatements or exaggerated information to deceive its consumers. During the year, the Group possesses registered patent for 42 products.

As for culture and media services segment, the Regulations on the Management of Non-litigation Affairs of the Legal Department (法務部非訴訟事務管理規定), which was formulated by the Group's cinemas, regulated the registration of trademarks, domain names, general-purpose websites and patent applications.

As for property development segment, Cui Lu Technology had the "Research and Development Project Approval and Management System" and the "Research and Development Confidentiality Management System" in place to protect its legitimate rights and interests from infringement.

As for enterprise cloud services segment, CE Dongli formulated the Intellectual Property Management System (知識產權管理制度), which regulated the registration of patents, copyrights, trademarks and domain names, and protected its intellectual property through various measures. CE Dongli also had a reward system in place.

3. 務實經營(續)

3.4 採購管理(續)

在企業雲服務領域，涉及的供應商包括服務器、網絡設備及配件、域名提供方等。中企動力制定「採購管理制度」，提倡明確採購責任，規範採購行為，保證採購質量，提高採購效率及提高經濟效益。

3.5 知識產權

本集團遵守《中華人民共和國專利法》及《中華人民共和國廣告法》等有關知識產權法律法規，致力維護集團於知識產權及專利，並確保集團宣傳內容經由集團內部審核，令社會公眾接收完整、真實及準確的產品信息，絕不做出虛報或誇大等不實信息欺騙消費者的行為。本年度，本集團有42件保持註冊的專利。

在文化與傳播服務領域，本集團影院制定了「法務部非訴訟事務管理規定」，規範商標、域名、通用網址的註冊、專利申請等流程。

在房地產開發領域，翠籙科技訂立的「研發項目立項管理制度」及「研發保密管理制度」為維護公司的合法權益不受侵犯。

在企業雲服務領域，中企動力制定「知識產權管理制度」，對專利、著作權、商標、域名註冊等規範管理，以多種途徑維護知識產權，並設置獎勵制度。

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4. ENVIRONMENTAL PROTECTION

Global climate change is a global topic of continuous concern. To meet emission reduction targets, global greenhouse gas emissions should reduce to zero by 2055. As part of this effort, the Group pays attention and attaches great importance to the best practices of sustainable development. We are devoted to become a leading enterprise in terms of sustainable development performance by formulating and adopting our core management policies. We also places great emphasis on achieving the United Nations Sustainable Development Goal 11 "Sustainable Cities and Communities" and Goal 13 "Climate Action".



The Group strictly adheres to relevant environmental laws and regulations, manages its sustainable development issues, enhances its employees' environmental awareness and reduces emissions, makes good use of resources and adopts waste management and environmental protection measures. During the year, there was no non-compliance of any relevant environmental laws and regulations such as the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法) and the Pollution Prevention and Control Law of the People's Republic of China (中華人民共和國污染防治法).

4. 環境保護

全球氣候變化是國際社會持續關注的議題。為了實現減排目標，全球必須在2055年以前把溫室氣體的排放量減少至零。作為一份子，本集團關注且高度重視可持續發展的最佳實踐。我們致力成為可持續發展表現領先的企業，並制定和採納核心管理方針。我們重視實踐聯合國可持續發展目標11、13 — 「可持續城市和小區」、「氣候行動」之責任。

本集團嚴格遵守環境相關法律法規，管理可持續發展事宜、提升員工環保意識，以至減少排放、善用資源、廢物管理與環境合規的措施。本年度，本集團營運時沒有違反《中華人民共和國環境保護法》及《中華人民共和國污染防治法》等與環保相關的法律法規。

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環境、社會及管治報告

4. ENVIRONMENTAL PROTECTION (Continued)

4.1. Carbon emission management

In response to the climate change strategies proposed under the "2019 Annual Report on Climate Change Policies and Actions in China (中國應對氣候變化的政策與行動2019年度報告)", we work together to address climate change. By collecting and filing complete environmental protection data through this reporting platform, the Group is well-prepared for data source tracking and setting its future indicators and targets. At the same time, we also enhanced the disclosure of the Group's greenhouse gas emissions and ongoing emission reduction measures during the year.

Based on the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development and ISO14064-1 set by the International Organization for Standardization, the greenhouse gas emissions of the Group during the year were 134,298.15 tonnes of CO₂e.*

4.2. Air pollutants

Vehicle emissions is one of the major air emissions standards of China. According to the information on fuel consumption of and kilometer operated by Group's vehicles during the year, we will arrange vehicle maintenance on a regular basis. During the year, the nitrogen oxides, sulfur oxides and particulate emissions were 83.57 kg, 2.28 kg and 6.93 kg, respectively.

* For sustainable development data, please refer to Appendix I.

4. 環境保護(續)

4.1. 碳排放管理

為配合國家應對《中國應對氣候變化的政策與行動2019年度報告》提出的氣候變化戰略，以應對氣候變化的問題。本集團透過本報告平台，收集環保數據，並會進行完整的歸檔，以便追蹤數據源及為未來訂立指標和目標作好準備。同時，我們亦於本年度加強披露集團溫室氣體排放的情況及實行中的減排措施。

本年度的溫室氣體排放表現根據世界資源研究所與世界可持續發展工商理事會開發的《溫室氣體盤查議定書》及國際標準化組織訂定的ISO14064-1。本集團溫室氣體排放量為134,298.15噸二氧化碳當量。*

4.2. 空氣排放物

車輛排放物是國家一直致力管制空氣排放標準之一。我們透過瞭解本年度集團名下車輛的燃油耗量及行駛公里的資訊，定期安排車輛進行保養。本年度的氮氧化物、硫氧化物及顆粒物排放量分別為83.57千克、2.28千克和6.93千克。

* 可持續發展數據可參閱附錄一。

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環境、社會及管治報告

4. ENVIRONMENTAL PROTECTION (Continued)

4.3. Energy consumption

During the year, the Group's total electricity consumption and steam consumption for its operations were 200,894,326.21 kWh and 2,880.81 tonnes. In the coming year, we will continue to monitor the electricity consumption of our business operations.

To reduce greenhouse gas emissions, we have taken the following specific measures to encourage effective energy management.

Lighting systems

照明系統

- Use glass partitions to deploy natural light at the Group's headquarters
集團總部以玻璃材料作間隔，充分利用自然光
- Adopt lighting colour management systems at the Group's cinemas
本集團影院採用照明色點管理系統
- Turn off the lights when the office areas are not in use
不使用辦公室時，務必關掉電燈
- Install independent switches to avoid turning on unnecessary lightings
設立獨立開關，避免開啓不必要的照明區域
- Replace with and give priority to energy-saving lightings
如需更換燈具，會優先選擇節能燈
- Clean all lightings on a regular basis to maintain and improve efficiency
定期清潔燈具，保持及提升效率

Electronic devices and appliances

電子設備及電器

- Set idle computers to enter auto standby/sleep mode
設定電腦閒置時進入自動待機／睡眠模式
- Turn off electronic devices completely during non-working hours
於非工作時間把電子設備完全關掉
- Purchase electronic devices such as printers with energy efficiency labels
購買具有能源效益標示的電子設備(如打印機)

4. 環境保護(續)

4.3. 能源耗量

本年度，本集團在運營過程中的總耗電量及蒸汽量為200,894,326.21千瓦時和2,880.81噸。來年，我們將繼續監控集團業務運營的耗電量。

為減少溫室氣體排放量，我們採取以下針對性的措施，實踐有效能源管理。

Air-conditioning systems

空調系統

- Clean the filters to maintain the efficiency of air-conditioning systems
清洗過濾網，保持空調系統高效能
- Turn off the air conditioners when the office areas are not in use
不使用辦公室時關掉空調

Case in respect of energy conservation — Lighting colour management systems adopted at the Group's cinemas 節能案例分享 — 本集團影院採用照明色點管理系統

With the lighting colour management systems at its cinemas in place, the Group standardized the on-off control of lighting equipment in the daily operations to maintain the atmosphere and reasonably control all lightings of the cinemas.

本集團為旗下影院建立照明色點管理系統，規範影院在日常營運中對照明設備的開關控制，保持影院氛圍並合理控制照明用電。

Lightings at its cinemas including paving lightings, business lightings, night lightings and special lightings, which can be adjusted according to different needs, had significant energy-saving effects.

影院的照明可按不同的需要為開鋪照明、營業照明、夜晚照明和特別照明作調整，具有顯著的節能效應。



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環境、社會及管治報告

4. ENVIRONMENTAL PROTECTION (Continued)

4.4. Water resource management

During the year, the Group's total water consumption and water consumption intensity for its operations were 1,400,648.15 tonnes. During the year, the reclaimed water consumption was 34,098 tonnes.

In order to save water, we have taken the following specific measures:

- Turn off water taps
- Fix dripping taps immediately
- Take meter readings regularly and check for hidden leaks
- Use reclaimed water

4.5. Waste management

The Group strictly complies with the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法) and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (中華人民共和國固體廢物污染環境防治法) and disposes its wastes and emissions properly according to the laws and regulations. The Group also strictly separates the domestic wastes and office wastes for further handling by recognized municipal companies. During the year, the Group's non-hazardous waste generated and recycled were 3,951,163.2 kg and 209,089 kg. The Group's hazardous waste generated was 8,087.06 kg and other hazardous waste generated was approximately 7,081 pieces. We will continue to monitor the non-hazardous waste and hazardous waste generated by the Group in the future to further improve our waste management measures.

4. 環境保護(續)

4.4. 水資源管理

本年度，本集團位於在運營過程中的總耗水量為1,400,648.15噸。本年度中水使用量為34,098噸。

為了節約用水，我們採取以下針對性的措施：

- 關緊水龍頭
- 立即維修滴水的水龍頭
- 定期檢查水錶讀數及有無隱蔽的漏水現象
- 實行中水使用

4.5. 廢棄物管理

本集團嚴格遵守國家《中華人民共和國環境保護法》及《中華人民共和國固體廢物污染環境防治法》，妥善合規處置廢棄物和排放物。我們對園區內的生活垃圾和辦公垃圾進行嚴格的分類管理，並交由規範的市政公司進行分類管理制度。本年度，本集團的無害廢棄物產生量為3,951,163.2千克，而無害廢棄物回收量為209,089千克。本集團的有害廢棄物產生量為8,087.06千克，其他有害廢棄物約為7,081件。未來，我們會持續監察集團的無害廢棄物及有害廢棄物的產生量，以便進一步改善廢棄物管理的措施。

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環境、社會及管治報告

4. ENVIRONMENTAL PROTECTION (Continued)

4.5. Waste management (Continued)

The Group made full use of innovative technologies and replaced part of its traditional paper-based office administrative system with electronic office system. We encourage our employees to use electronic communication technologies such as corporate WeChat and e-mail as much as possible to achieve paperless communication and paperless circulation.

Paper saving 節約用紙

- Re-use paper or print documents on both sides
• 重複使用或雙面打印文件
- Set double-sided printing and toner saving as default printer preferences
• 打印機默認為雙面打印及省墨模式
- Post paper-saving signs at the prominent places to remind our employees to copy documents on both sides or re-use paper
• 當眼處張貼告示，提醒員工採用雙面影印或使用再用紙
- Adopt electronic office system to replace paper-based office administrative system of the Group
• 本集團使用電子辦公系統取代以紙張記錄為主的辦公室行政系統
- Place recycling bins next to the printers to collect waste paper for further processing
• 於打印機旁放置回收箱，統一收集廢紙張再作進一步處理
- Use waste paper for note-taking
• 使用廢紙記事

4. 環境保護(續)

4.5. 廢棄物管理(續)

本集團充分善用創新科技，以電子辦公系統代替部分傳統紙本為主的辦公室行政系統。我們鼓勵員工盡可能利用電子通訊技術如企業微信、電子郵箱等傳遞信息，以達致無紙化溝通及無紙化傳閱。

Waste management 廢棄物管理

- Adopt automatic domestic waste and food waste collection systems
• 採用生活垃圾及廚餘垃圾自動收集系統
- Re-use envelopes, binders, file cards and other stationery
• 重複利用信封、活頁夾、檔案卡及其他文儀用品
- Re-use penholders with pen refills to avoid abandoning the entire pen
• 使用替換筆芯以重複利用筆杆，避免棄用整支筆
- Collect used batteries with a special recycling bin
• 將廢棄電池置於特定的回收箱內
- Reduce the use of disposable and non-recyclable products
• 減少使用一次性及不可回收的產品
- Assess material usage and avoid overstocking
• 評估物料用量，避免存貨過多

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環境、社會及管治報告

4. ENVIRONMENTAL PROTECTION (Continued)

4.5. Waste management (Continued)

4. 環境保護(續)

4.5. 廢棄物管理(續)

Case — Automatic waste collection systems adopted by “The Peninsula”

案例分享 — 半島城邦使用垃圾自動收集系統

As for property development segment, “The Peninsula” introduced (I) automatic domestic waste collection system and (II) automatic food waste collection system.

在房地產開發領域，半島城邦引入 (I) 生活垃圾自動收集系統及 (II) 廚餘垃圾自動收集系統。

Automatic domestic waste collection system

生活垃圾自動收集系統

All waste disposed by our residents will be temporarily stored in the collection bins with sensors to detect whether the bins are full or not. Once detected, the central control system will automatically turn on the ventilating fans in the collection station to generate negative pressure air flow for sending the waste to the central collection station, waste separator and then compactor via pipelines. After dust removal and deodorization, the air flow will be discharged to atmosphere. Compacted waste will be stored in sealed waste containers and finally sent to landfill or incineration plants. Such waste collection process will solve certain difficult problems including manpower, resources and spaces.

當居民投放垃圾後，垃圾會暫時存放在儲存箱內，由儲存箱的感應器接收垃圾已滿的信息，中央控制系統就自動啟動收集站內的抽風機，運行產生的負壓氣流以將垃圾通過管道系統輸送到中央收集站，再經過垃圾分離器及壓實機，經過除塵、除臭處理後氣流會被排到大氣外，而垃圾則被壓實導入密封的垃圾集裝箱內，最後運往垃圾填埋場或焚燒廠。此垃圾收集方式減卻需要大量人力、物力和佔用空間等棘手問題。

Automatic food waste collection system

廚餘垃圾自動收集系統

Food waste will be automatically sent through sealed and leak-proof vacuum pipelines by way of vacuum conveying from kitchens to containers for further collection and processing. Such food waste collection process will solve certain difficult problems including manpower and transportation.

利用真空輸送垃圾的方式，通過完全密閉及無異味外泄的真空管道將廚餘垃圾從廚房帶走。將廚餘垃圾自動運送到集裝箱，最終運走和清空垃圾。這收集方法摒棄了所有廚餘垃圾在人工處理和運輸上的難題。

4.6. Sustainable construction environment

As for property development segment, Nan Hai Development will continue to use natural lighting, optimize material-saving design, focus on structural insulation and thermal insulation, improve lightings and drainage systems and adopt innovative technologies during the design and construction stages, so as to create a community that uses resources efficiently and enhance its climate resilience in the future. Nan Hai Development actively shares our green building experiences with industry peers to promote green development.

4.6. 可持續的建築環境

在房地產開發方面，南海發展不斷研究在設計和建築階段時採用自然採光，節材設計優化，結構保溫，隔熱，提升照明及排水系統水平及創新科技的可能性，致力打造高效運用資源的社區環境，提升項目於日後運作的氣候應變力。南海發展積極將綠色建築經驗與同行企業交流分享，有助推行綠化發展。

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環境、社會及管治報告

4. ENVIRONMENTAL PROTECTION (Continued)

4.6. Sustainable construction environment (Continued)

4. 環境保護(續)

4.6. 可持續的建築環境(續)

Case — A low-carbon and energy conservation community created by “Free Man Garden”, our green building project

案例分享 — 綠色建築項目「自由人花園」打造低碳節能優質環境社區

Aiming at designing and building energy-efficient and environmentally friendly properties, Nan Hai Development is committed to meet the national green building standards and reduce the impacts on the environment.

南海發展以設計和建造高能源效益而環境友善的物業為目標，確保我們的建築符合國家對綠色建築標準要求，減少對環境造成的影響。

Phases 5 and 6 of “Free Man Garden” have also obtained the “one-star” green building design logo certificate in 2019. Taking into consideration of construction scale in the design and construction processes, coupled with smart lighting control systems, drainage design and garden landscape, Nan Hai Development strives for creating a livable and comfortable living environment for our residents, meeting their daily and leisure needs and reducing the use of resources.

2019年，自由人花園五六期更獲得「一星」綠色建築設計標籤證書。南海發展從建築設計方面，施工尺度，智能照明控制系統，排水設計及園林景觀等，多方的考量為住戶打造宜居，安居的生活居住環境，滿足住戶生活和休閒等需求，並減少資源使用。

Based on a comprehensive people-oriented plan, we are determined to achieve a green vision by making a good use of sunlight and green spaces to create a public garden. The buildings are also equipped with thermal insulation materials to reduce the indoor noise level. Lightings with infrared sensors are used on residential floors to automatically control the lights for energy saving purposes. We will continue to optimize the energy performance of our buildings and control the lightings with the controllers and receivers, so as to adhere to the concept of low-carbon and environmental protection. Garden landscape, public green space connectivity and environmental quality are the key factors for creating a high-quality and environmental friendly community.

實現綠色願景需要以人為本的綜合總體規劃。其中，日光融合綠色空間的連接，打造了一個公共綠化園林。建築物更採用保溫材料進行隔熱，降低室內噪聲級別。住宅樓層採用紅外感應燈具，自動感應開關控制，達到節能目的。我們不斷優化建築物的能源表現，通過燈具控制和控制器的接收，實踐低碳環保的理念。將園林景觀、公共綠地連接性、環境質量等考慮在內，創建優質環境社區的關鍵因素。

Cui Lu Technology won the Gold Award for Overseas Projects from LIAS Awards in Singapore with the stereoscopic greening project of Guangzhou Free Man Garden in 2019. Based on a number of assessment criteria such as design uniqueness, construction quality, selection of sustainable plant, the project has been highly appreciated and recognized by the judging panel of an authority in Singapore. In addition to affirming the professionalism and hard work of the relevant staff of the Group, such award also shows support to uphold the development concept of professionalism, innovation, collaboration and win-win.

翠籙科技憑藉廣州自由人花園立體綠化工程在2019年獲得新加坡LIAS Awards海外項目金獎，基於設計獨特性、施工品質、植物選擇的可持續性等多個評審標準，受到新加坡權威機構評審委員會的高度讚賞和認可。這殊榮無疑對本集團各相關配合單位人員的專業和努力充分肯定，這份難得的榮耀，秉承專業、創新、協作、共贏的發展理念。

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環境、社會及管治報告

4. ENVIRONMENTAL PROTECTION (Continued)

4.6. Sustainable construction environment (Continued)

4. 環境保護(續)

4.6. 可持續的建築環境(續)

Case — A low-carbon and energy conservation community created by “Free Man Garden”, our green building project

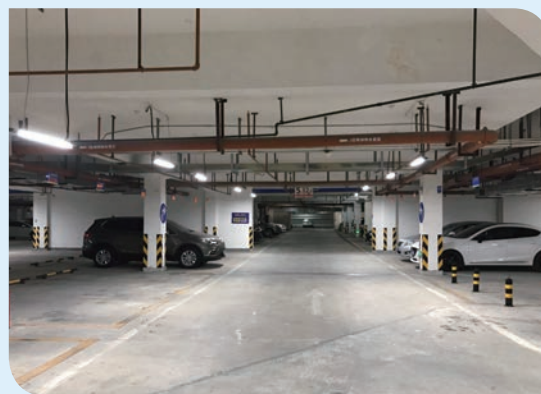
案例分享 — 綠色建築項目「自由人花園」打造低碳節能優質環境社區



Phases 5 and 6 of “Free Man Garden”
自由人花園五六期



By using white as the main colour of the building facade, heat absorption will be reduced
建築外立面主色為白色, 減少熱量吸收



Smart lighting control system is installed at the underground car park
地下車庫採用智能照明控制系統

4.7. Addressing climate change

In 2019, we continue to strengthen and identify existing environmental protection measures to reduce emissions and make good use of resources to address the risks posed by climate change.

4.7. 抗衡氣候變化

2019年，我們繼續加強及識別現行的環保措施，以減少排放及善用資源來應對氣候變化帶來的風險。

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環境、社會及管治報告

5. EMPLOYEE-ORIENTED

We value the relationships with our employees and pay attention to human rights, their working environment and opportunities for employee growth and development. We are committed to foster an ideal working environment by implementing various policies and measures and listen to employees' feedbacks to go beyond legal requirements.

5.1. Employment rights

To achieve the United Nations Sustainable Development Goal 8 "Decent Work and Economic Growth" and Goal 10 "Reduced Inequalities", the Group complies with the national laws and regulations, such as the Labour Law of the People's Republic of China (中華人民共和國勞動法), the Labour Contract Law of the People's Republic of China (中華人民共和國勞動合同法), the Law on Protection of Minors of the People's Republic of China (未成年人保護法) and the Provisions on Prohibition of Child Labour of the People's Republic of China (禁止使用童工規定) to safeguard the basic rights of our employees. The Group also strictly prohibits the use of forced or child labour in its business operations. To avoid child labour, the Group will conduct identity verification during the recruitment process. During the reporting period, no child or forced labour was discovered within the Group.



The Company and its subsidiaries formulated its Staff Manual (員工手冊) for all employees, which stipulated the basic requirements on recruitment, compensation, welfare, performance-based payment, staff development and training and health and safety, so as to establish a fair system for our employees and offer them opportunities for professional development.

As an employer that promotes equal opportunities, the Group is committed to provide an inclusive, safe, diverse and anti-discriminatory working environment for its employees with different backgrounds. We attach great importance to equal opportunities. Recruitment, compensation and promotion decisions are made based on the experience, skills and performance of our employees, regardless of age, gender, religion, race, skin colour, nationality, disability, sexual orientation, family, marital status or other legally protected status.

5. 員工為本

我們重視與員工的關係，關注人權、他們的工作環境、員工成長發展的機遇。我們致力於透過政策和舉措來培養理想的工作環境，並聆聽員工的反饋意見，達到超越法定的要求。

5.1. 僱傭權利

為了貫徹實踐聯合國可持續發展目標 8、10 —「體面工作和經濟增長」、「減少不平等」之責任，本集團亦會遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《未成年人保護法》和《禁止使用童工規定》等國家法律法規，保障員工的基本權益。本集團嚴禁在所有業務經營中僱用強迫勞工或童工，並在招聘錄用過程中，經過審查來防止僱用童工。於報告期內，本集團並沒有發生任何聘用童工或強制勞工的違規個案。

本公司及各附屬公司為全體員工制訂《員工手冊》，列明招聘管理，薪酬制度，員工福利，績效制度，員工發展培訓，健康與安全基本規範等規定，以建立員工能於公平的制度下為本集團服務，並賦予專業發展的機會。

作為提倡平等機會的僱主，本集團領先為來自不同背景的員工提供一個共融，安全，多元化和反歧視的工作環境。我們高度重視平等機會。招聘、薪酬和晉升決策皆是根據員工的經驗、技能和表現而定，絕不因年齡、性別、宗教、種族、膚色、國籍、傷健狀況、性取向、家庭、婚姻狀況或其他受法律保護的因素而有所偏頗。

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5. EMPLOYEE-ORIENTED (Continued)

5.1. Employment rights (Continued)

In order to listen to our employees' opinions and suggestions, the Group had established certain compliant and communication channels and a suggestion box for its employees and organized employee communication meetings and work performance interviews.

The workforce of the Group during the reporting period (as of 31 December 2019) is as follows:

Total workforce	僱員總數			2019
Total workforce	僱員總數	person	人數	18,789
Employees engaged (by gender)	聘用的僱員 (按性別劃分)			
Total number of female employees	女性僱員總數	person	人數	9,560
Total number of male employees	男性僱員總數	person	人數	9,229
Employees engaged (by employment type)	聘用的僱員 (按職位類型劃分)			
Supervisory level and below	主管級及以下員工	person	人數	16,467
Management level	經理級員工	person	人數	1,854
Director level and above	總監級及以上員工	person	人數	468
Employees engaged (by age group)	聘用的僱員 (按年齡組別劃分)			
35 or below	35歲以下	person	人數	15,056
35-45	35-45歲	person	人數	2,439
Over 45	45歲以上	person	人數	1,294
Employees engaged (by geographical region)	聘用的僱員 (按地區劃分)			
Mainland China	中國內地	person	人數	17,781
Overseas, Hong Kong, Macau and Taiwan	海外及港澳台	person	人數	1,008

5. 員工為本(續)

5.1. 僱傭權利(續)

本集團建立了多種員工申訴與溝通渠道，設立員工意見箱，員工溝通大會及工作表現晤談，我們積極傾聽員工意見與建議。

以下是於報告期內(截至2019年12月31日止)本集團僱員的情況：

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環境、社會及管治報告

5. EMPLOYEE-ORIENTED (Continued)

5.2. People-oriented

With a well-established compensation system, the Group aims at improving its market competitiveness and attracting talents. We are committed to build a reliable and enthusiastic team, provide competitive compensations and benefits, and establish a harmonious working environment by organizing various activities for its employees. To protect the financial interests and physical and mental health of our employees, we provide various benefits and subsidies. We also organize a variety of caring activities, distribute traditional festive gifts and hold birthday parties for our employees to achieve work-life balance.

In order to further improve employee morale, the Company and its subsidiaries have formulated a “performance-based management system” and encouraged our employees to achieve their full potentials according to the Group’s business objectives and corporate strategic direction. The performance-based evaluation results will serve as an important basis for salary adjustments, bonus distribution, staff deployment and trainings.

5.3. Nurturing talents

The Group places great emphasis on talent training. We have designed training programs based on our business needs to provide diversified internal and external training courses to our staff for mastering the latest knowledge and skills.

The Group provides trainings to our employees, including induction trainings for new employees, technical trainings, professional trainings and management trainings. The subsidiaries under each business segment also organize different outdoor development activities to enhance team cohesiveness and cooperation.



Induction training seminar
新入職培訓講座

5. 員工為本(續)

5.2. 以人為本

本集團的員工薪酬體系設計周全，以提高集團在市場上競爭力和對人才的吸引力為導向。我們致力建立可靠及熱情的團隊，並提供具有競爭力的薪酬待遇及福利，通過廣泛的員工活動建立一個和諧的工作環境。我們希望透過提供各項福利保障員工的財政及身心健康及各類補貼。我們亦為員工提供豐富多彩的關懷活動、傳統節日的節日禮物、員工生日會等福利，幫助員工平衡工作和生活。

為進一步提高員工士氣，本公司及各附屬公司制定之「績效管理制度」，鼓勵員工圍繞集團經營目標，按公司戰略方向，盡展所長。績效考核結果將作為其薪酬調整、獎金發放、職位調整、培養選拔等的重要依據。

5.3. 培育員工

本集團重視人才培訓，我們因應業務需求設計培訓，提供多樣化的內部外部培訓課程，以便員工掌握最新的知識和技能。

本集團向僱員提供培訓，包括新僱員入職培訓、技術培訓、專業培訓、管理培訓等。各業務板塊附屬公司亦會舉辦不同戶外拓展，增強團隊凝聚力與向心力。



Professional training
專業培訓

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5. EMPLOYEE-ORIENTED (Continued)

5.4. Health and safety

We place great emphasis on employees' health and safety and comply with the Law of the People's Republic of China on Work Safety (安全生產法) and the Law of the People's Republic of China on Prevention and Control of Occupational Diseases (職業病防治法). In addition to developing various health and safety measures for our workplace, we also offer medical insurance and arrange health checkups for our employees every year. There were no work-related fatalities within the Group. The number of lost days due to work injury was 529 days.

As for culture and media services segment, each cinema holds a scheduled firefighting conference every month, organizes fire drills every year and conducts regular checks on its firefighting equipment. As for property development segment, our Staff Manual stipulates that all employees must observe the labour disciplines during their work, implement safety production systems and follow operation regulations, and properly wear and use personal protective equipment.

In addition, we also pay attention to the physical and mental health of employees. The Group organizes spring trips, outreach trainings, annual dinners and special festive events on a regular basis to encourage healthy work-life balance for employees.



Spring trip
春遊

5. 員工為本(續)

5.4. 健康安全

我們非常重視員工的健康和安全，遵守《安全生產法》及《職業病防治法》等法律法規。工作場所訂有各種健康及安全措施，我們為員工提供醫療保險及年度身體檢查。本集團並沒有發生因工作而死亡的情況，而因工傷損失工作日數為529天。

在文化與傳播服務領域，各影院每月按期召開消防大會，每年均會舉行消防演習，並定期檢查防火設備。在房地產開發領域，員工手冊訂明員工需遵守勞動紀律，認真執行安全生產規章制度和操作規程，正確佩戴和使用勞動防護用品防意外發生。

另外，我們亦關注員工的身心健康，集團定期組織春游、外部拓展訓練、年會、以及針對各種節日的特色活動等並透過活動，有助工作與生活平衡。



Outreach training
外部拓展訓練

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環境、社會及管治報告

5. EMPLOYEE-ORIENTED (Continued)

5.4. Health and safety (Continued)

5. 員工為本(續)

5.4. 健康安全(續)

Nan Hai Development held the 6th Nan Hai Cup Group Badminton Game and Free and Fun Game 南海發展舉辦第六屆「南海杯」羽毛球團體賽暨「自由趣」運動會

In November 2019, we have held the 6th Nan Hai Cup Group Badminton Game and Free and Fun Game. Five sporting events, including group badminton game, basketball demonstration match, table tennis demonstration match, swimming competition, and group Free and Fun Game, were held. The team from 廣州城市公司 with most championships won the title of "Grand Slam" on that day. This event not only strengthens the willpower and perseverance of our staff, but also promotes the spirit of positivity and health, and thus further enhances team cohesiveness and cooperation.

2019年11月份，我們舉辦第六屆「南海杯」羽毛球團體賽暨「自由趣」運動會，評選五項運動項目比賽勝負，當中有羽毛球團體賽、籃球表演賽、乒乓球表演賽、游泳比賽、「自由趣」運動會團體賽。廣州城市公司聯隊當天包攬了最多總數的冠軍，當之無愧的「大滿貫」！是次活動不僅強化了員工自身的意志力和毅力，而且展現了良好的精神風貌和積極向上的健康心態，更增強了團隊的凝聚力和向心力。



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6. GIVING BACK TO THE COMMUNITY

To create common value for the community, the Group is committed to participate in community activities and donations through influential community projects and collaboration platforms. In 2019, we have successfully expanded our network of community partners in three major areas, namely charitable film-watching, art and culture and community betterment, to show our care for the society. During the year, we donated approximately HK\$3,405,000 and attracted 675 participants to join the “海貝計劃” organized by Nan Hai, upholding our mission of “Change the world with wisdom and heart”.

6. 回饋社會

本集團致力透過參與社區活動及捐款，承諾透過具影響力的社區項目及協作平台，為社區創造共同價值。在2019年，我們在公益觀影、藝術文化、造福社群這三大領域成功擴闊社區夥伴網絡，為社區各界送暖。我們於本年度捐款約3,405,000港元，更集合了675人次參與南海的「海貝計劃」及秉承集團使命「用智慧與心改變世界」。

Case — “海貝計劃” organized by Nan Hai 案例分享 — 南海的「海貝計劃」

Since its inception, Nan Hai set its mission as “Change the world with wisdom and heart”. By developing “海貝計劃” as its platform, Nan Hai participates in public welfare activities with its wisdom and technology, so as to motivate more volunteers and create greater value.

南海在成立之初就把「用智慧與心改變世界」作為使命。我們打造「海貝計劃」平台，以南海智慧和科技賦能公益項目，激發善心善舉創造更大價值。

(I) Children’s art charity sales

(一) 童畫義賣活動

On 27 August 2019, Nan Hai, together with 紅丹丹視障文化服務中心, held “童話裏的那個天使”, a children’s art charity sales, at Sino-i Campus. We invited 6 blind children and 36 children of Nan Hai employees to display and auction their paintings.

2019年8月27日，南海與紅丹丹視障文化服務中心合作在數碼莊園舉辦了「童話裏的那個天使」童畫拍賣會。我們邀請了6名盲童和36名南海員工子女們將自己的畫作展示、拍賣。

Aiming at providing more resources and opportunities for visually impaired teenagers to develop in the art field and build up their self-confidence in future diversified development, we have raised over RMB16,000 for blind children’s choir trainings. Such activity successfully boosted our employees’ sense of identification with our corporate culture and their support for public welfare, and passed the culture and spirit of love of Nan Hai to their children and family members.

我們希望為視障青少年在藝術領域的發展創造更多資源和機會及增添視障人士對未來自主多樣性發展的信心。共籌集善款1萬6千餘元，用於盲童合唱團的訓練中。活動成功激發了員工對企業文化的認同感和對社會公益事業的熱情，特別是傳承予子女將南海的文化和大愛的精神傳遞到家庭中去。



Environmental, Social and Governance Report

環境、社會及管治報告

6. GIVING BACK TO THE COMMUNITY (Continued) 6. 回饋社會(續)

(II) Windows to the Heart Film-watching Event

(二) 心目影院活動

On 15 October 2019, the White Cane Safety Day, “海貝計劃” successfully organized “愛在大地”, a film-watching events for visually impaired people. With professional visual explanations, more than 90 visually impaired viewers and their families watched the film for free. To celebrate the 70th anniversary of the founding of the PRC, Nan Hai has selected “My People, My Country”, the most valuable film. The movie was about the ordinary people met their destinies at that time in history. All visually impaired viewers with national flags in their hands listened attentively and applauded from time to time to show their patriotism.

2019年10月15日國際盲人日，海貝計劃成功籌辦了「愛在大地」視障朋友觀影活動。透過專業的影片視覺畫面講解，90餘位視障觀眾及家屬免費一起觀看電影。恰逢慶祝新中國成立70周年期間，南海精選內容價值最高的影片—《我和我的祖國》，影片中一個個普通人的命運，在振奮人心的歷史中浮沉，然後融合為一體，影片外一位位視障觀眾們手舉國旗，用心聆聽，不時響起掌聲，升起一顆顆熾熱的愛國心。

The warm and thoughtful volunteer services provided by 37 employees at such film-watching event delivered extensive social impacts. Thanks to the presence of our brand, more people paid attention to the cultural activities and entertainment of visually impaired people. Meanwhile, the brand awareness of “Dadi Cinema” and “Orange Sky Golden Harvest” under the Group has also been improved.

觀影期間，37名職工提供了溫暖而周到的志願服務，並引起了廣泛的社會效應，借助影院的品牌地位使更多人關注到視障朋友的文化娛樂生活，同時，增強了本集團旗下品牌大地影院和橙天嘉禾影城的品牌溫度。



Environmental, Social and Governance Report

環境、社會及管治報告

6. GIVING BACK TO THE COMMUNITY (Continued) 6. 回饋社會(續)

Case — Caring event held by HK01

案例分享 — 香港01 愛心送暖活動

“01 Heart”

In January 2019, the Group established “01 Heart”, a crowdfunding platform for online and offline interactive activities with fundraising functions, to raise funds for charity groups focusing on poverty alleviation, emergency assistance, medical assistance and education. We look forward to helping more disadvantaged groups by providing food and clothing and even alleviating intergenerational poverty.

In the past year, we have raised nearly HK\$2 million in total for about 100 charities.

“Kind Friday”

「周五心意」

In 2019, “Kind Friday” has raised over HK\$0.16 million for 13 charity projects related to food distribution, elderly care and poverty alleviation with the themes of “籌熱飯助弱勢”, “老有所安” and “都市貧窮”. As such, these charities that are lack of resources will be able to continue and extend its services for the grassroots.

2019年,「周五心意」先後以「籌熱飯助弱勢」、「老有所安」及「都市貧窮」為主題,為13個與派飯、長者和扶貧相關的慈善項目進行籌款,合共籌得逾16萬港元,讓缺乏資源的慈善機構得以延續及拓展這些對基層極為重要的服務。

「01心意平台」

2019年1月成立線上線下互動活動及籌款功能的眾籌平台「01心意」,為提供扶貧、緊急援助、助醫助學等服務的慈善團體籌款。我們期望能借此幫助更多弱勢社群解決三餐溫飽問題,甚或擺脫跨代貧窮的宿命。

過去一年,我們為約100間慈善團體合共籌得近200萬港元的善款。



Environmental, Social and Governance Report

環境、社會及管治報告

APPENDIX I: SUSTAINABILITY DATA STATEMENTS

附錄一：可持續發展數據摘要

Environmental KPI	環境關鍵績效指標	Unit	單位	2019
Greenhouse gas emissions Total greenhouse gas emissions (Scope 1 & 2)	溫室氣體排放量 溫室氣體排放總量(範疇1 & 2)	tonnes of CO ₂ e	噸二氧化碳當量	134,298.15
Greenhouse gas emissions intensity Greenhouse gas emissions intensity per square meter	溫室氣體排放強度 每平方米面積的排放密度	tonnes of CO ₂ e/ square meter	噸二氧化碳 當量/平方米	0.08
Fuel consumption Natural gas consumption Vehicle gasoline consumption Vehicle diesel consumption	燃料消耗 天然氣用量 車輛耗用的汽油 車輛耗用的柴油	m ³ liter liter	立方米 升 升	38,998 127,292 25,179
Energy consumption Total electricity consumption Electricity consumption intensity per square meter Purchased steam	能源消耗 總耗電量 耗電密度(每平方米) 外購蒸汽	kWh kWh/square meter tonnes	千瓦時 千瓦時/平方米 噸	200,894,326.21 125.15 2,880.81
Municipal water consumption Total municipal water consumption Municipal water consumption intensity per square meter	市政用水量 市政用水總量 市政用水密度(每平方米)	tonnes tonnes/square meter	噸 噸/平方米	1,400,648.15 0.87
Reclaimed water consumption Total reclaimed water consumption	中水使用量 中水使用總量	tonnes	噸	34,098
Hazardous waste Hazardous waste generated (including computers, batteries, used ink cartridges and toner cartridges) Other hazardous waste Hazardous waste intensity per employee	有害廢棄物 有害廢棄物產生量 (包含電腦、電池、 廢墨盒及碳粉盒) 其他有害廢棄物 有害廢棄物強度(每名員工)	kg piece kg/employee	千克 件 千克/員工	8,087.06 7,081 0.43
Non-hazardous waste Non-hazardous waste generated Decoration waste generated Non-hazardous waste intensity per employee Non-hazardous waste recycled	無害廢棄物 無害廢棄物產生量 裝修垃圾產生量 無害廢棄物強度(每名員工) 無害廢棄物回收量	kg kg kg/employee kg	千克 千克 千克/員工 千克	3,951,163.2 546,000 239.35 209,089
Paper consumption Paper Paper consumption intensity per employee	紙張耗用量 紙張 紙張耗用密度(每名員工)	kg kg/employee	千克 千克/員工	37,274.28 1.98

Environmental, Social and Governance Report

環境、社會及管治報告

APPENDIX II: INDEX OF THE STOCK EXCHANGE ESG REPORTING GUIDE

附錄二：聯交所《環境、社會及管治報告指引》索引

Descriptions 指標內容		Relevant chapter of this report 與報告內容相關章節
A. Environmental		
A. 環境範疇		
A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental protection
	A1.1 The types of emissions and respective emissions data.	Carbon emission management
	A1.2 Greenhouse gas emissions in total and intensity.	Carbon emission management
	A1.3 Total hazardous waste produced and intensity.	Waste management
	A1.4 Total non-hazardous waste produced and intensity.	Waste management
	A1.5 Description of measures to mitigate emissions and results achieved.	Carbon emission management
	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste management
A1 排放物	一般披露 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的：(a) 政策；及(b) 遵守對發行人有重大影響的相關法律及規例的資料。	環境保護
	A1.1 排放物種類及相關排放數據。	碳排放管理
	A1.2 溫室氣體總排放量及密度。	碳排放管理
	A1.3 所產生有害廢棄物總量及密度。	廢棄物管理
	A1.4 所產生無害廢棄物總量及密度。	廢棄物管理
	A1.5 描述減低排放量的措施及所得成果。	碳排放管理
	A1.6 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	廢棄物管理
A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental protection
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	Carbon emission management
	A2.2 Water consumption in total and intensity.	Water resource management
	A2.3 Description of energy use efficiency initiatives and results achieved.	Energy consumption
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Water resource management
	A2.5 Total packaging material used for finished products and with reference to per unit produced.	Not applicable as no packaging material is manufactured or produced by the Group
A2 資源使用	一般披露 有效使用資源(包括能源、水及其他原材料)的政策。	環境保護
	A2.1 按類型劃分的直接及/或間接能源(如電、氣或油)總耗量及密度。	碳排放管理
	A2.2 總耗水量及密度。	水資源管理
	A2.3 描述能源使用效益計劃及所得成果。	能源耗量
	A2.4 描述求取適用水源可有任何問題，以及提升水效益計劃及所得成果。	水資源管理
	A2.5 製成品所用包裝材料的總量及每生產單位佔量。	不適用，本集團無製造或生產包裝材料

Environmental, Social and Governance Report

環境、社會及管治報告

APPENDIX II: INDEX OF THE STOCK EXCHANGE ESG REPORTING GUIDE (Continued)

附錄二：聯交所《環境、社會及管治報告指引》索引(續)

Descriptions 指標內容			Relevant chapter of this report 與報告內容相關章節
A3 The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Sustainable construction environment environment Addressing climate change
A3 環境及天然資源	A3.1 一般披露	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 減低發行人對環境及天然資源造成重大影響的政策。 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	可持續的建築環境 抗衡氣候變化
B. Social			
B. 社會範疇			
B1 Employment	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment rights
B1 僱傭	B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment rights
	B1.2	Employee turnover rate by gender, age group and geographical region.	/
	一般披露	有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的政策及遵守對發行人有重大影響的相關法律及規例的資料。	僱傭權利
	B1.1	按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	僱傭權利
B1.2	按性別、年齡組別及地區劃分的僱員流失比率。	/	
B2 Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and safety
B2 健康與安全	B2.1	Number and rate of work-related fatalities.	Health and safety
	B2.2	Lost days due to work injury.	Health and safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and safety
	一般披露	有關提供安全工作環境及保障僱員避免職業性危害的： (a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	健康安全
	B2.1	因工作關係而死亡的人數及比率。	健康安全
	B2.2	因工傷損失工作日數。	健康安全
B2.3	描述所採納的職業健康與安全措施，以及相關執行及監察方法。	健康安全	
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Nurturing talents
B3 發展及培訓	B3.1	The percentage of employees trained by gender and employee category.	/
	B3.2	The average training hours completed per employee by gender and employee category.	/
	一般披露	有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	培育員工
	B3.1	按性別及僱員類別劃分的受訓僱員百分比。	/
B3.2	按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	/	

Environmental, Social and Governance Report

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APPENDIX II: INDEX OF THE STOCK EXCHANGE ESG REPORTING GUIDE (Continued)

附錄二：聯交所《環境、社會及管治報告指引》索引(續)

Descriptions 指標內容			Relevant chapter of this report 與報告內容相關章節
B4 Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment rights
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment rights
B4 勞工準則	B4.2	Description of steps taken to eliminate such practices when discovered.	Employment rights
	一般披露	有關防止童工或強制勞工的： (a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	僱傭權利
	B4.1	描述檢討招聘慣例的措施以避免童工及強制勞工。	僱傭權利
	B4.2	描述在發現違規情況時消除有關情況所採取的步驟。	僱傭權利
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Procurement management
	B5.1	Number of suppliers by geographical region.	/
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Procurement management
B5 供應鏈管理	一般披露	管理供應鏈的環境及社會風險政策。	採購管理
	B5.1	按地區劃分的供應商數目。	/
	B5.2	描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	採購管理
B6 Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Customer orientation
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Customer orientation
	B6.2	Number of products and service related complaints received and how they are dealt with.	Customer orientation
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Customer orientation
	B6.4	Description of quality assurance process and recall procedures.	Customer orientation
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Customer orientation
B6 產品責任	一般披露	產品責任：有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	客戶為尊
	B6.1	已售或已運送產品總數中因安全與健康理由而須回收的百分比。	客戶為尊
	B6.2	接獲關於產品及服務的投訴數目以及應對方法。	客戶為尊
	B6.3	描述與維護及保障知識產權有關的慣例。	客戶為尊
	B6.4	描述質量檢定過程及產品回收程序。	客戶為尊
	B6.5	描述消費者資料保障及私隱政策，以及相關執行及監察方法。	客戶為尊

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APPENDIX II: INDEX OF THE STOCK EXCHANGE ESG REPORTING GUIDE (Continued)

附錄二：聯交所《環境、社會及管治報告指引》索引(續)

Descriptions 指標內容			Relevant chapter of this report 與報告內容相關章節
B7 Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Compliance and governance
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Compliance and governance
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Compliance and governance
B7 反貪污	一般披露	有關防止賄賂、勒索、欺詐及洗黑錢的： (a)政策；及(b)遵守對發行人有重大影響的相關法律及規例的資料。	合規管治
	B7.1	於彙報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	合規管治
	B7.2	描述防範措施及舉報程序，以及相關執行及監察方法。	合規管治
B8 Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Giving back to the community
	B8.1	Focus areas of contribution.	Giving back to the community
	B8.2	Resources contributed to the focus area.	Giving back to the community
B8 社區投資	一般披露	有關以社區參與來瞭解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	回饋社會
	B8.1	專注貢獻範疇。	回饋社會
	B8.2	在專注範疇所動用資源。	回饋社會

Independent Auditor's Report

獨立核數師報告



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TO THE SHAREHOLDERS OF NAN HAI CORPORATION LIMITED

南海控股有限公司

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Nan Hai Corporation Limited (the "Company") and its subsidiaries (herein referred to as the "Group") set out on pages 126 to 290, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致 NAN HAI CORPORATION LIMITED (南海控股有限公司) 股東

(於百慕達註冊成立之有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第126至290頁Nan Hai Corporation Limited(南海控股有限公司)(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於2019年12月31日的綜合財務狀況報表與截至該日止年度的綜合收益表、綜合全面收益報表、綜合權益變動表及綜合現金流量報表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於2019年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及其綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

意見基礎

我們根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。該等準則規定我們的責任於本報告「核數師就審計綜合財務報表須承擔的責任」一節進一步描述。根據香港會計師公會頒佈的「專業會計師道德守則」(「守則」)，我們獨立於貴集團，並已履行守則中的其他道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

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

Impairment assessment of goodwill and other assets attributable to the cash-generating units ("CGUs")

(Refer to note 21 to the consolidated financial statements and the Group's critical accounting estimates and assumptions set out in note 4.1)

As at 31 December 2019, the Group had goodwill of HK\$5,218,765,000 which is allocated to the CGUs of cinema operation, innovative business, enterprise cloud services and property development segments for annual impairment testing.

The Company's directors have concluded that there was an impairment loss on goodwill amounted to HK\$32,174,000 and HK\$23,595,000 for the CGUs of cinema operation and innovative business segment respectively. This conclusion was based on the impairment testing carried out by the management for these CGUs in accordance with the Group's accounting policy stated in note 2.21 which is set out in detail in note 21 to the consolidated financial statements, which involved significant judgement and assumptions with respect to the determination of the pre-tax discount rates and the estimation of the underlying future cash flows.

We identified the impairment testing of goodwill and other assets of the relevant CGUs as a key audit matter because of its significance to the consolidated financial statements and because the impairment testing involved significant management judgement and estimates as explained above.

關鍵審計事項

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

現金產生單位（「現金產生單位」）應佔商譽及其他資產的減值評估

(請參閱綜合財務報表附註21及附註4.1所載 貴集團的重要會計估計及假設)

於2019年12月31日，貴集團之商譽為5,218,765,000港元，並分配至影院營運、創意商業、企業雲服務及房地產開發分部的現金產生單位作年度減值測試。

貴公司董事認為影院營運及創意商業分部現金產生單位之商譽減值虧損分別為32,174,000港元及23,595,000港元。此結論建基於管理層就該等現金產生單位根據綜合財務報表附註21詳述之 貴集團會計政策載於附註2.21進行之減值測試，當中涉及對釐定除稅前貼現率及估計相關未來現金流量的重大判斷及假設。

我們將相關現金產生單位之商譽及其他資產之減值測試分類為關鍵審計事項，原因為其對綜合財務報表而言屬重大，以及減值測試涉及管理層如上所述作出重大判斷及估計。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Impairment assessment of goodwill and other assets attributable to the cash-generating units ("CGUs") (Continued)

Our response

Our procedures in relation to management's impairment assessment above included:

- Evaluating the models used by management in the value in use calculations for impairment testing;
- Assessing the reasonableness of discount rates and growth rates applied to the impairment testing;
- Challenging the reasonableness of other key assumptions based on our knowledge of the business and industry;
- Checking input data to supporting evidence, such as approved budget and considering the reasonableness of the budget;
- Checking the value in use calculations mathematically;
- Comparing the actual performance in 2019 with the forecast in 2018; and
- Performing sensitivity analysis including assessing the effect of a change in the key assumptions to the recoverable amounts of the CGUs.

Fair value determination of investment properties

(Refer to note 14 to the consolidated financial statements and the Group's accounting policy set out in note 2.8)

As disclosed in note 14 to the consolidated financial statements, the Group's investment properties amounted to HK\$4,787,476,000 as at 31 December 2019 and the Group had recognised a gain on fair value change on investment properties of HK\$1,751,377,000 in the consolidated income statement.

The fair value of the Group's investment properties was determined by adopting valuation techniques with significant unobservable inputs, assumptions and judgements with assistance by an independent qualified valuer.

We have identified the fair value determination of investment properties as a key audit matter due to the financial significance of the amounts and that significant estimates and judgements are involved in the fair value determination.

關鍵審計事項(續)

現金產生單位(「現金產生單位」)應佔商譽及其他資產的減值評估(續)

我們的回應

我們就管理層上述減值評估所採納程序包括：

- 評核管理層於減值測試之使用價值計算中採用之模式；
- 評估減值測試所應用貼現率及增長率的合理性；
- 基於我們對業務及行業的認識，質疑其他主要假設的合理性；
- 檢查支持證據的輸入數據，例如獲批准預算及考慮預算的合理性；
- 在算術上檢查使用價值計算方法；
- 比較2019年實際表現與2018年所作預測；及
- 進行敏感度分析，包括評估更改有關現金產生單位可收回金額之主要假設之影響。

釐定投資物業公允價值

(請參閱綜合財務報表附註14及附註2.8所載 貴集團的會計政策)

誠如綜合財務報表附註14所披露，於2019年12月31日，貴集團之投資物業為4,787,476,000港元，而貴集團已於綜合收益表確認投資物業公允價值變動之收益1,751,377,000港元。

貴集團之投資物業公允價值透過採納估值技術而釐定，當中有重大不可觀察輸入數據，並在一家獨立合資格估值師協助下作出假設及判斷。

我們識別釐定投資物業公允價值為關鍵審計事項，原因為其金額在財務方面屬重大以及釐定公允價值涉及重大估計及判斷。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Fair value determination of investment properties (Continued)

Our response

Our procedures in relation to the management's determination of investment properties fair value above included:

- Reviewing the valuation report from independent qualified valuer and holding discussion with management and independent qualified valuer to understand the valuation basis, methodology used and underlying assumptions applied;
- Evaluating management's process in respect of reviewing the valuation performed by independent qualified valuer;
- Evaluating of the competence, capabilities and objectivity of independent qualified valuer;
- Selecting samples from the Group's investment property portfolio and obtaining the underlying data including comparables of market transactions used by the independent qualified valuer and assessing whether these are appropriate; and
- Performing market research and analysis to assess whether the changes in fair value of investment properties resulted from the valuation was reasonable and consistent with market trends to our knowledge.

Adoption of HKFRS 16 Leases

(Refer to note 3.1, 13 and 30 to the consolidated financial statements and the Group's accounting policy set out in note 2.16A)

The Group operates in the cinema operation, and has entered into various leases as lessee primarily in respect of cinemas. HKFRS 16, is first effective for the current financial period. The Group has elected to use the cumulative effect approach and recognised all the cumulative effect of initially applying HKFRS 16 as an adjustment to the opening balance of retained profits and non-controlling interests at the date of initial application. The comparative information presented in 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16. At 1 January 2019, the Group has recognised lease liabilities and right-of-use assets of approximately HK\$6,022,195,000 and HK\$5,025,820,000, respectively.

The measurement of lease liabilities and right-of-use assets requires management to make judgements in respect of the length of the lease terms where the leases contain extension or termination options, to determine appropriate discount rates, and to apportion contractual payments where the Group has separated non-lease components contained within the same contract as a lease. In the absence of the interest rate implicit in the lease, the calculation of the present value of the future lease payments also requires management to use significant estimates in determining an incremental borrowing rate for any given lease.

關鍵審計事項(續)

釐定投資物業公允價值(續)

我們的回應

我們就管理層上述釐定投資物業公允價值所採納程序包括：

- 審閱獨立合資格估值師之估值報告及與管理層及獨立合資格估值師討論以了解估值基準、所用方法及所採用相關假設；
- 評核管理層審閱獨立合資格估值師所進行估值之程序；
- 評核獨立合資格估值師之資格、能力及客觀性；
- 自 貴集團投資物業組合取樣及取得相關數據(包括獨立合資格估值師所用可資比較市場交易)以及評估有關數據是否合適；及
- 進行市場調查及分析以評估估值所產生投資物業公允價值變動是否合理及與我們所知之市場趨勢一致。

採納香港財務報告準則第16號「租賃」

(請參閱綜合財務報表附註3.1、13及30以及附註2.16A所載 貴集團的會計估計及假設)

貴集團經營電影業務，並主要就影院作為承租人訂立多份租賃。香港財務報告準則第16號於本財政期間首次生效。貴集團選擇採用累計影響法，並於首次應用日期將首次應用香港財務報告準則第16號之所有累計影響確認為保留溢利及非控股權益期初結餘之調整。按香港財務報告準則第16號之過渡條文所准許，2018年所呈列比較資料並未重列，並繼續根據香港會計準則第17號及相關詮釋呈報。於2019年1月1日，貴集團已確認租賃負債及使用權資產分別約6,022,195,000港元及5,025,820,000港元。

計量租賃負債及使用權資產需要管理層就租期長短作出判斷，租賃包括延期或終止選擇權，以釐定適當貼現率，並在 貴集團於同一租賃合約分開非租賃組成部分時分攤合約付款。在租賃並無暗含利率之情況下，計算未來租賃付款之現值亦需要管理層運用重大估計以釐定任何現有租賃之增量借貸利率。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Adoption of HKFRS 16 Leases (Continued)

We identified the identification and measurement of lease liabilities and right-of-use assets as a key audit matter because of the risks that existing leases subject to transition or leases entered into or modified during the period and consequential impacts relating to HKFRS 16 adoption are not completely identified, accounting policies, transition options and practical expedients are not appropriately applied, or disclosures applicable when the Group is a lessee are incomplete, inaccurate or not fairly presented. There are also risks that transition and year end date recognition and measurement adjustments related to discount rates, lease terms and other estimates are inappropriate as these judgements may be subject to management bias.

Our response

Our audit procedures to identify leases and to measure lease liabilities and right-of-use assets at the date of initial application included the following:

- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls in place to ensure the identification and recognition of leases in order to assess the completeness of the population of leases to be capitalised with reference to the selected transition approach and any practical expedients applied;
- Evaluating the appropriateness of the transition approach and accounting policies adopted, including the application of practical expedients and recognition exemptions available under HKFRS 16, compared to the requirements of HKFRS 16;
- Examining, on a sample basis, the list of leases compiled by management and inspecting the associated contracts and other relevant information to assess management's conclusion that these contracts meet the lease definition under HKFRS 16;
- With the assistance of our internal valuation specialists, evaluating the methodology adopted by management for determining the discount rates with reference to the requirements of HKFRS 16 and assessing the reasonableness of the data and significant assumptions adopted by management to determine the discount rates based on the length of the lease terms, repayment patterns and our knowledge of the Group's available debt financing arrangements;

關鍵審計事項(續)

採納香港財務報告準則第16號「租賃」(續)

我們識別租賃負債及使用權資產識別租及計量為關鍵審計事項，原因為無法完全識別有待過渡之現有租賃或於期內訂立或修改之租賃以及與採納香港財務報告準則第16號相關之影響之風險，會計政策、過渡選擇及實際權宜方法並無恰當應用，或適用於貴集團作為承租人之披露屬不完整、不正確或並無公平呈列。此外，與貼現率、租期及其他估計有關之過渡以及年結日確認及計量調整之風險，此乃由於此等判斷或會受到管理層偏見所影響。

我們的回應

我們就識別租賃以及於首次應用日期計量租賃負債及使用權資產所採納審計程序包括以下各項：

- 了解並評估關鍵內部控制措施之設計、實行及運作之成效，以確保識別及確認租賃，從而參考選定過渡方法及應用任何實際權宜方法評估將予資本化之租賃整體之完整性；
- 與香港財務報告準則第16號之規定相比，評核採納過渡方法及會計政策之適當性，包括應用香港財務報告準則第16號之實際權宜方法及確認豁免；
- 抽樣檢查管理層編製之租賃清單，並檢查相關合約及其他相關資料，以評估管理層所得結論，即此等合約符合香港財務報告準則第16號之租賃定義；
- 在內部估值專家之協助下，參考香港財務報告準則第16號之規定評核管理層用於釐定貼現率之方法，並評估數據之合理性及管理層所採納重大假設，以根據租期長短釐定貼現率、還款模式及我們對貴集團可用債務融資安排之了解；

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Adoption of HKFRS 16 Leases (Continued)

Our response (Continued)

- Re-performing, on a sample basis, the calculation of the lease liabilities and right-of-use assets, testing the accuracy of the data used in the calculation compared to the lease and other relevant documentation, and assessing the reasonableness of management's significant judgements and assumptions adopted when determining the length of the lease term where the lease contains extension or termination options or was modified during the period compared to our understanding of the Group's business and industry practice; and
- Assessing the disclosures in the consolidated financial statements in respect of leases, including transition disclosures and disclosures in relation to significant accounting judgements and estimates, with reference to the requirements of HKFRS 16.

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

關鍵審計事項(續)

採納香港財務報告準則第16號「租賃」(續)

我們的回應(續)

- 重新抽樣計算租賃負債及使用權資產、測試與租賃及其他相關文件相比用於計算之數據之準確性，並與我們對貴集團業務及行業慣例之了解相比，評估管理層於釐定租期長短、租賃包括延期或終止選擇權或於期內修改所採納重大判斷及假設之合理性；及
- 參考香港財務報告準則第16號之規定，評估綜合財務報表有關租賃之披露，包括過渡披露以及重大會計判斷及估計之披露。

年報中的其他資料

董事須就其他資料承擔責任。其他資料包括貴公司年報中所載資料，但不包括綜合財務報表及我們的核數師報告。

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

就我們對綜合財務報表的審計而言，我們的責任是閱覽其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，倘我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。就此而言，我們無任何報告。

Independent Auditor's Report

獨立核數師報告

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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

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

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

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

董事亦負責監督貴集團財務報告過程。審核委員會協助董事履行彼等的職責。

核數師就審計綜合財務報表須承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並發出包括我們意見的核數師報告。我們僅向閣下（作為整體）按照百慕達1981年公司法第90條報告，除此之外，本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，倘合理預期彼等單獨或合併時可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

Independent Auditor's Report

獨立核數師報告

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

核數師就審計綜合財務報表須承擔的責任(續)

在根據香港審計準則進行審計的過程中，我們行使專業判斷，保持專業懷疑態度。我們亦：

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

Independent Auditor's Report

獨立核數師報告

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

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

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

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

BDO Limited
Certified Public Accountants

Chiu Wing Cheung Ringo
Practising Certificate Number P04434

Hong Kong, 26 March 2020

核數師就審計綜合財務報表須承擔的責任(續)

我們已就(其中包括)計劃的審計範圍、時間安排、重大審計發現等,包括我們在審計中識別出內部控制的任何重大缺陷與審核委員會溝通。

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

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

香港立信德豪會計師事務所有限公司
執業會計師

招永祥
執業證書號碼 P04434

香港, 2020年3月26日

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2019 截至2019年12月31日止年度

		Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Revenue	收益	5(a)	9,321,212	16,789,451
Cost of sales and services provided	銷售及提供服務之成本	8	(4,138,837)	(6,062,856)
Gross profit	毛利		5,182,375	10,726,595
Other operating income	其他經營收入	5(b)	719,751	678,316
Selling and marketing expenses	銷售及市場推廣開支		(2,525,204)	(3,776,421)
Administrative expenses	行政開支		(960,119)	(1,332,717)
Other operating expenses	其他經營開支		(1,950,017)	(2,145,993)
Finance costs	融資成本	7	(1,368,717)	(1,095,940)
Expected credit loss ("ECL") on financial assets	金融資產之預期信貸虧損 (「預期信貸虧損」)		(46,202)	(37,415)
Fair value change on financial liabilities at fair value through profit or loss ("FVTPL")	按公允價值於損益賬處理 (「按公允價值於損益賬處理」) 之金融負債公允價值變動	32	24,342	59,997
Share of results of associates	應佔聯營公司業績		(18,992)	12,273
Share of results of joint ventures	應佔合營企業業績		249	466
Gain on disposal of non-current assets held-for-sale	處置持作出售之非流動 資產之收益	19	-	19,649
Gain on fair value change on investment properties	投資物業公允價值變動之收益	14	1,751,377	315,371
Profit before income tax	所得稅前溢利	8	808,843	3,424,181
Income tax expense	所得稅開支	9	(1,450,269)	(2,449,836)
(Loss)/Profit for the year	年內(虧損)/溢利		(641,426)	974,345
(Loss)/Profit for the year attributable to:	以下人士應佔年內(虧損)/溢利:			
Owners of the Company	本公司擁有人		(561,415)	1,140,854
Non-controlling interests	非控股權益		(80,011)	(166,509)
			(641,426)	974,345
(Loss)/Earnings per share for (loss)/profit attributable to the owners of the Company during the year	年內本公司擁有人應佔(虧損)/溢利之每股(虧損)/盈利	11	HK cent 港仙	HK cent 港仙
— Basic	— 基本		(0.82)	1.66
— Diluted	— 攤薄		(0.82)	1.63

Consolidated Statement of Comprehensive Income

綜合全面收益報表

For the year ended 31 December 2019 截至2019年12月31日止年度

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
(Loss)/Profit for the year	年內(虧損)/溢利	(641,426)	974,345
Other comprehensive income, including reclassification adjustments	其他全面收益，包括重新分類調整		
<i>Item that will not be reclassified subsequently to profit or loss:</i>	<i>其後將不會重新分類至損益賬之項目：</i>		
Fair value change on financial assets at fair value through other comprehensive income ("FVOCI"), net of tax	按公允價值於其他全面收益處理 (「按公允價值於其他全面收益處理」) 之金融資產之公允價值變動 (扣除稅項)	39,963	4,836
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益賬之項目：</i>		
Exchange loss on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌虧損	(226,749)	(645,711)
Exchange loss on translation of financial statements of foreign associates	換算海外聯營公司財務報表之 匯兌虧損	(4,110)	(5,139)
Exchange loss on translation of financial statements of foreign joint ventures	換算海外合營企業財務報表之 匯兌虧損	(214)	(94)
Other comprehensive income for the year, including reclassification adjustments	年內其他全面收益，包括重新 分類調整	(191,110)	(646,108)
Total comprehensive income for the year	年內全面收益總額	(832,536)	328,237
Total comprehensive income attributable to:	以下人士應佔全面收益總額：		
Owners of the Company	本公司擁有人	(753,658)	507,150
Non-controlling interests	非控股權益	(78,878)	(178,913)
		(832,536)	328,237

Consolidated Statement of Financial Position

綜合財務狀況報表

As at 31 December 2019 於 2019 年 12 月 31 日

	Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	9,382,329	5,217,394
Investment properties	14	4,787,476	757,669
Prepaid land lease payments under operating leases	15	–	22,860
Interests in associates	17	102,401	134,326
Interests in joint ventures	18	28,498	30,688
Amounts due from related parties	50	165,959	430,711
Financial assets at FVOCI			
按公允價值於其他全面 收益處理之金融資產	23	226,705	192,436
Financial assets at FVTPL			
按公允價值於損益賬處理之 金融資產		–	112
Long term trade receivables	24	1,079	764
Deposits, prepayments and other receivables	20	587,011	770,140
Intangible assets	21	6,419,076	6,516,732
Deferred tax assets	36	1,338,789	930,791
Pledged and restricted bank deposits	25	2,647,222	3,755,612
		25,686,545	18,760,235
Current assets			
Inventories	22	11,913,722	14,359,683
Financial assets at FVTPL			
按公允價值於損益賬處理之 金融資產		6,560	82,481
Trade receivables	24	486,166	538,800
Deposits, prepayments and other receivables	20	3,413,220	2,923,593
Amounts due from associates	28(b)	24,426	15,129
Amounts due from joint ventures	28(c)	836	2,327
Amounts due from related parties	50	279,749	2,004
Pledged and restricted bank deposits	25	8,330,343	3,207,363
Cash and cash equivalents	25	743,055	1,334,598
		25,198,077	22,465,978
Current liabilities			
Trade payables	26	3,132,872	1,894,306
Other payables and accruals	27	1,682,158	2,123,644
Contract liabilities		9,411,830	4,337,189
Provision for tax		4,652,025	4,844,022
Amount due to a director	28(a)	12,552	65,132
Amounts due to associates	28(b)	5,180	5,492
Amounts due to related parties	50	232,104	178,959
Other employee benefits	33	28,451	16,923
Bank and other borrowings	29	15,173,454	6,805,091
Finance lease liabilities	30	–	42,078
Lease liabilities	30	439,400	–
Convertible and exchangeable bonds	31	–	1,150,721
Financial liability at FVTPL			
按公允價值於損益賬處理之 金融負債	32	–	21,476
		34,770,026	21,485,033
Net current (liabilities)/assets		(9,571,949)	980,945
Total assets less current liabilities		16,114,596	19,741,180

Consolidated Statement of Financial Position

綜合財務狀況報表

As at 31 December 2019 於2019年12月31日

		Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Non-current liabilities	非流動負債			
Long term trade payables	長期應付貿易款項	26	212	409
Other employee benefits	其他僱員福利	33	36,508	27,260
Bank and other borrowings	銀行及其他借貸	29	3,679,580	11,913,914
Finance lease liabilities	融資租賃負債	30	-	48,012
Lease liabilities	租賃負債	30	5,607,441	-
Provision for warranty	保修撥備	35	2,575	3,886
Financial liabilities at FVTPL	按公允價值於損益賬處理之 金融負債	32	2,569	5,435
Deferred tax liabilities	遞延稅項負債	36	1,491,382	786,925
			10,820,267	12,785,841
Net assets	資產淨值		5,294,329	6,955,339
EQUITY	權益			
Share capital	股本	37	686,455	686,455
Reserves	儲備	39	4,009,545	5,513,308
Equity attributable to the Company's owners	本公司擁有人應佔權益		4,696,000	6,199,763
Non-controlling interests	非控股權益	41	598,329	755,576
Total equity	權益總額		5,294,329	6,955,339

On behalf of the Board

代表董事會

Yu Pun Hoi

于品海
Director
董事

Liu Rong

劉榮
Director
董事

Consolidated Statement of Cash Flows

綜合現金流量報表

For the year ended 31 December 2019 截至2019年12月31日止年度

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Cash flows from operating activities	經營活動之現金流量		
Profit before income tax	所得稅前溢利	808,843	3,424,181
Adjustments for:	就下列項目調整：		
Interest income	利息收入	(194,132)	(231,917)
Finance costs	融資成本	1,368,717	1,095,940
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,388,383	1,094,751
Amortisation of intangible assets other than goodwill	不包括商譽之無形資產攤銷	144,271	150,953
Write-off of property, plant and equipment	物業、廠房及設備撇銷	21,464	61,012
Write-off of intangible assets other than goodwill	不包括商譽之無形資產撇銷	38,557	70,327
Write-off of inventories	存貨撇銷	2,406	81,318
Operating lease charges on prepaid land leases	預付土地租賃之經營租賃款項	-	524
ECL on financial assets	金融資產之預期信貸虧損	46,202	37,415
Reversal of impairment loss on trade receivables and other receivables	應收貿易款項及其他應收款項減值虧損撥回	-	(4,250)
Provision for impairment of property, plant and equipment	物業、廠房及設備減值撥備	15,968	43,185
Provision for impairment of intangible assets other than goodwill	不包括商譽之無形資產減值撥備	1,507	25,938
Provision for impairment of goodwill	商譽減值撥備	55,769	180,836
Provision for warranty	保修撥備	-	401
Provision for impairment of interests in associates	於聯營公司之權益減值撥備	2,853	-
(Gain)/Loss on disposal of property, plant and equipment, net	出售物業、廠房及設備之(收益)/虧損淨額	(9,473)	9,634
Fair value change on financial assets at FVTPL, net	按公允價值於損益賬處理之金融資產之公允價值變動淨額	(4,723)	34,058
Fair value change on financial liabilities at FVTPL	按公允價值於損益賬處理之金融負債之公允價值變動	(24,342)	(59,997)
Gain on fair value change on investment properties	投資物業公允價值變動收益	(1,751,377)	(315,371)
Gain on trading of financial assets at FVTPL	按公允價值於損益賬處理之金融資產之買賣收益	(11,286)	(21,895)
Gain on disposal of non-current assets held-for-sale	處置持作出售之非流動資產之收益	-	(19,649)
Dividend income	股息收入	(960)	(5,731)
Share of results of associates	應佔聯營公司業績	18,992	(12,273)
Share of results of joint ventures	應佔合營企業業績	(249)	(466)

Consolidated Statement of Cash Flows

綜合現金流量報表

For the year ended 31 December 2019 截至2019年12月31日止年度

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Operating profit before working capital changes	營運資金變動前之經營溢利	1,917,390	5,638,924
Decrease in inventories	存貨減少	569,746	562,304
Increase in trade receivables, deposits, prepayments and other receivables	應收貿易款項、按金、預付款項及其他應收款項增加	(481,967)	(55,050)
Increase in trade payables, other payables and accruals and other employee benefits	應付貿易款項、其他應付款項及應計費用以及其他僱員福利增加	1,089,376	396,361
Increase/(Decrease) in contract liabilities	合約負債增加/(減少)	4,972,346	(2,694,954)
(Increase)/Decrease in amounts due from related parties	應收關連方款項(增加)/減少	(5,224)	1,919
Decrease in amounts due from joint ventures	應收合營企業款項減少	1,470	36
Increase in amounts due from associates	應收聯營公司款項增加	(9,727)	-
Increase in amounts due to related parties	欠關連方款項增加	57,343	54,344
<i>Cash generated from operating activities</i>	<i>經營活動所得現金</i>	8,110,753	3,903,884
Income taxes paid	已付所得稅	(950,392)	(1,641,926)
<i>Net cash generated from operating activities</i>	<i>經營活動所得現金淨額</i>	7,160,361	2,261,958
Cash flows from investing activities	投資活動之現金流量		
Payments to acquire intangible assets	購進無形資產之付款	(227,435)	(231,232)
Payments to acquire property, plant and equipment	購進物業、廠房及設備之付款	(386,361)	(674,530)
Proceeds from disposal of financial assets at amortised cost	處置按攤銷成本列賬之金融資產所得款項	-	130,024
Proceeds from disposal of non-current assets held-for-sale	處置持作出售之非流動資產所得款項	-	34,667
Net cash outflow arising from acquisition of interests in subsidiaries	收購附屬公司權益產生之現金流出淨額	-	(333,891)
Net cash outflow arising from acquisition of assets	收購資產產生之現金流出淨額	(2,262)	-
Decrease/(Increase) in long term deposits, other receivables and amount due from a related party	長期按金、其他應收款項及應收一名關連方款項減少/(增加)	40,774	(175,532)
(Increase)/Decrease in pledged and restricted bank deposits	已抵押及受限制銀行存款(增加)/減少	(4,207,150)	1,321,796
Interest received	已收利息	155,425	178,527
(Increase)/Decrease in guarantee deposits	(支付)/退回保證按金	(4,439)	69,418
Decrease in financial assets at FVTPL	按公允價值於損益賬處理之金融資產減少	92,042	98,419
Increase in financial assets at FVOCI	按公允價值於其他全面收益處理之金融資產增加	-	(53,087)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	58,012	326
Dividend received/Investment withdrawal from an associate and a joint venture	已收一間聯營公司及一間合營企業股息/撤回投資	40,679	-
Dividend received from financial assets	已收金融資產股息	960	5,731
Payments for setting up and acquisition of associates	成立及收購聯營公司之付款	-	(11,229)
Payment for setting up of a joint venture	成立一間合營企業之付款	-	(24,903)
<i>Net cash (used in)/generated from investing activities</i>	<i>投資活動(所用)/所得現金淨額</i>	(4,439,755)	334,504

Consolidated Statement of Cash Flows

綜合現金流量報表

For the year ended 31 December 2019 截至2019年12月31日止年度

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Cash flows from financing activities	融資活動之現金流量		
Proceeds from bank and other borrowings	銀行及其他借貸所得款項	7,148,057	5,366,418
Repayments of bank and other borrowings	償還銀行及其他借貸	(6,834,944)	(9,147,899)
Repayments of capital element of finance lease liabilities	償還融資租賃負債本金部分	-	(56,584)
Interest paid	已付利息	(1,151,954)	(1,479,630)
Repayments of interest element of finance lease liabilities	償還融資租賃負債利息部分	-	(8,529)
Repayments of capital element of lease liabilities	償還租賃負債本金部分	(387,524)	-
Repayments of interest element of lease liabilities	償還租賃負債利息部分	(520,743)	-
Redemption of convertible and exchangeable bonds	贖回可換股及可交換債券	(1,282,410)	-
(Repayment to)/Advance from a director	(向一名董事還款)/來自一名董事之墊款	(52,170)	53,215
Payments to acquire non-controlling interests of subsidiaries	就收購附屬公司非控股權益付款	-	(4,652)
Dividend paid to non-controlling equity holder of a subsidiary	向一間附屬公司非控股權益持有人支付股息	(38,912)	(198,118)
Dividend paid	已付股息	(102,968)	(157,885)
<i>Net cash used in financing activities</i>	<i>融資活動所用現金淨額</i>	(3,223,568)	(5,633,664)
Net decrease in cash and cash equivalents	現金及等同現金項目減少淨額	(502,962)	(3,037,202)
Cash and cash equivalents at 1 January	於1月1日之現金及等同現金項目	1,334,598	4,397,710
Effect of foreign exchange rate changes, on cash held	外幣匯率變動對所持現金之影響	(88,581)	(25,910)
Cash and cash equivalents at 31 December	於12月31日之現金及等同現金項目	743,055	1,334,598
Analysis of the balances of cash and cash equivalents	現金及等同現金項目結餘分析		
Cash at banks and in hand	銀行及庫存現金	743,055	1,334,598

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2019 截至2019年12月31日止年度

		Equity attributable to the Company's owners 本公司擁有人應佔權益										
		Share capital	Share premium	Capital reserve	General reserve	FVOCI reserve	Share-based payments reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	資本儲備	一般儲備	之儲備	之儲備	匯兌儲備	保留溢利	總額	非控股權益	權益總額
		(note 37)	(note 39)	(note 39)	(note 39)	(note 39)	(note 39)	(note 39)			(note 41)	
		(附註37)	(附註39)	(附註39)	(附註39)	(附註39)	(附註39)	(附註39)			(附註41)	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	686,455	11*	2,448,044*	202,454*	3,256*	178*	118,128*	2,741,237*	6,199,763	755,576	6,955,339
Effect on adoption of HKFRS 16 (note 3.1)	採納香港財務報告準則第16號 之影響(附註3.1)	-	-	-	-	-	-	-	(604,006)	(604,006)	(82,438)	(686,444)
At 1 January 2019 (restated)	於2019年1月1日(經重列)	686,455	11	2,448,044	202,454	3,256	178	118,128	2,137,231	5,595,757	673,138	6,268,895
Loss for the year	年內虧損	-	-	-	-	-	-	-	(561,415)	(561,415)	(80,011)	(641,426)
Other comprehensive income	其他全面收益	-	-	-	-	39,963	-	(232,206)	-	(192,243)	1,133	(191,110)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	39,963	-	(232,206)	(561,415)	(753,658)	(78,878)	(832,536)
Transfer to general reserve	撥入一般儲備	-	-	-	62,097	-	-	-	(62,097)	-	-	-
Share-based payments expenses (note 34)	以股份支付之開支(附註34)	-	-	-	-	-	2,135	-	-	2,135	-	2,135
Acquisition of non-controlling interests in subsidiaries	收購附屬公司之非控股權益	-	-	(9,241)	-	-	-	(340)	-	(9,581)	7,182	(2,399)
De-recognition of financial assets at FVOCI	終止確認按公允價值於其他全面 收益處理之金融資產	-	-	-	-	114	-	-	-	114	-	114
Capital injection into a non-wholly-owned subsidiary	向一間非全資附屬公司增資	-	-	(35,799)	-	-	-	-	-	(35,799)	35,799	-
Dividends to non-controlling interest of a subsidiary	向一間附屬公司非控股權益支付 之股息	-	-	-	-	-	-	-	-	-	(38,912)	(38,912)
Dividends relating to 2018 (note 10)	2018年相關股息(附註10)	-	-	-	-	-	-	-	(102,968)	(102,968)	-	(102,968)
At 31 December 2019	於2019年12月31日	686,455	11*	2,403,004*	264,551*	43,333*	2,313*	(114,418)*	1,410,751*	4,696,000	598,329	5,294,329

* These reserve accounts comprise the consolidated reserves of HK\$4,009,545,000 (2018: HK\$5,513,308,000) in the consolidated statement of financial position.

* 此等儲備賬目構成綜合財務狀況報表之綜合儲備4,009,545,000港元(2018年: 5,513,308,000港元)。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2019 截至2019年12月31日止年度

		Equity attributable to the Company's owners 本公司擁有人應佔權益										
		Share capital	Share premium	Capital reserve	General reserve	FVOCI reserve	Share-based payments reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
		按公允價值 於其他全面 收益處理					以股份支付 之儲備					
		股本 (note 37) (附註37)	股份溢價 (note 39) (附註39)	資本儲備 (note 39) (附註39)	一般儲備 (note 39) (附註39)	之儲備 (note 39) (附註39)	之儲備 (note 39) (附註39)	匯兌儲備 (note 39) (附註39)	保留溢利 (note 39) (附註39)	總額	非控股權益 (note 41) (附註41)	權益總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於2018年1月1日	686,455	965,911	1,564,582	184,034	-	-	756,668	1,985,580	6,143,230	1,052,020	7,195,250
Effect on adoption of HKFRS 15	採納香港財務報告準則第15號之影響	-	-	-	-	-	-	-	(104,537)	(104,537)	-	(104,537)
Effect on adoption of HKFRS 9	採納香港財務報告準則第9號之影響	-	-	-	-	(1,580)	-	-	(104,355)	(105,935)	-	(105,935)
At 1 January 2018 (restated)	於2018年1月1日(經重列)	686,455	965,911	1,564,582	184,034	(1,580)	-	756,668	1,776,688	5,932,758	1,052,020	6,984,778
Profit/(Loss) for the year	年內溢利/(虧損)	-	-	-	-	-	-	-	1,140,854	1,140,854	(166,509)	974,345
Other comprehensive income	其他全面收益	-	-	-	-	4,836	-	(638,540)	-	(633,704)	(12,404)	(646,108)
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	4,836	-	(638,540)	1,140,854	507,150	(178,913)	328,237
Transfer to general reserve	撥入一般儲備	-	-	-	18,420	-	-	-	(18,420)	-	-	-
Reduction of share premium	減少股份溢價	-	(965,900)	965,900	-	-	-	-	-	-	-	-
Issue of new shares of a subsidiary under the restricted share award scheme	根據限制性股份獎勵計劃發行新股	-	-	(82,103)	-	-	-	-	-	(82,103)	82,103	-
Share-based payments expenses (note 34)	以股份支付之開支(附註34)	-	-	-	-	-	178	-	-	178	-	178
Acquisition of non-controlling interests in subsidiaries	收購附屬公司之非控股權益	-	-	(335)	-	-	-	-	-	(335)	(4,317)	(4,652)
Acquisition of a non-wholly-owned subsidiary	收購一間非全資附屬公司	-	-	-	-	-	-	-	-	-	2,801	2,801
Dividends to non-controlling interest of a subsidiary	向一間附屬公司非控股權益支付之股息	-	-	-	-	-	-	-	-	-	(198,118)	(198,118)
Dividends relating to 2017	2017年相關股息	-	-	-	-	-	-	-	(157,885)	(157,885)	-	(157,885)
At 31 December 2018	於2018年12月31日	686,455	11	2,448,044	202,454	3,256	178	118,128	2,741,237	6,199,763	755,576	6,955,339

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

1. GENERAL INFORMATION

Nan Hai Corporation Limited (the “Company”) is a limited liability company incorporated in Bermuda. The address of the Company’s registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda, and its principal place of business is 12/F., The Octagon, No. 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

The Company and its subsidiaries (the “Group”) are principally engaged in culture and media services, property development, enterprise cloud services, news media business and innovative business. Details of the principal activities of the Company’s subsidiaries are set out in note 16.

As at 31 December 2019, the directors of the Company consider the ultimate holding company to be Dadi Holdings Limited, a limited liability company incorporated in Hong Kong.

The financial statements for the year ended 31 December 2019 were approved for issue by the board of directors (the “Board”) on 26 March 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements on pages 126 to 290 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

These consolidated financial statements have been prepared on a going concern basis which assumes the realisation of assets and satisfaction of liabilities in the ordinary course of business notwithstanding that the Group had net current liabilities of approximately HK\$9,571,949,000 as at 31 December 2019 (31 December 2018: net current assets of approximately HK\$980,945,000). The Board of the Company considers that the Group will have sufficient resources to satisfy its future working capital and other financing requirements in the next twelve months based on that the Group is in the progress of renewing or replacing certain other borrowings which will be due in the next twelve months, and that with certain right-of-use assets, buildings, other property, plant and equipment, properties under development and completed properties held for sale, investment properties and pledged bank deposits amounting to approximately HK\$15,083,273,000 (31 December 2018: HK\$11,997,194,000) in total being pledged for existing credit facilities, the Board considers that the Group will be able to renew or replace the existing facilities upon expiry.

1. 一般資料

Nan Hai Corporation Limited (南海控股有限公司) (「本公司」) 乃於百慕達註冊成立之有限責任公司，本公司之註冊辦事處地址為 Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda，其主要營業地點位於香港新界荃灣沙咀道6號嘉達環球中心12樓。本公司股份於香港聯合交易所有限公司(「香港聯交所」)主板上市。

本公司及其附屬公司(「本集團」)主要從事文化與傳播服務、房地產開發、企業雲服務、新聞傳播業務及創意商業。本公司附屬公司主要業務詳情載於附註16。

於2019年12月31日，本公司董事認為最終控股公司為大地控股有限公司，為於香港註冊成立之有限公司。

截至2019年12月31日止年度之財務報表已於2020年3月26日獲董事會(「董事會」)批准刊發。

2. 主要會計政策概要

2.1 編製基準

第126至290頁財務報表乃根據香港會計師公會(「香港會計師公會」)所頒佈香港財務報告準則(「香港財務報告準則」)，包括所有適用之香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋以及香港公司條例之披露規定而編製。財務報表亦包括香港聯合交易所證券上市規則(「上市規則」)之適用披露規定。

儘管本集團於2019年12月31日錄得流動負債淨額約9,571,949,000港元(2018年12月31日：流動資產淨值約980,945,000港元)，惟此等綜合財務報表已按持續經營基準編製，即假設可於日常業務過程中變現資產及償還負債。本公司董事會認為本集團將在未來十二個月內具備充足資源滿足其未來營運資金及其他融資需求，此乃基於本集團現正重續或替換將於未來十二個月到期之若干其他借貸，加上就現有信貸融資已抵押總值約15,083,273,000港元(2018年12月31日：11,997,194,000港元)之若干使用權資產、樓宇、其他物業、廠房及設備、發展中物業及已落成待售物業、投資物業以及已抵押銀行存款，故董事會認為本集團於到期時可重續或替換現有融資。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

In view of above, the Board is of the view that the Group will have sufficient financial resources to satisfy its future working capital and other financing requirements for at least the next twelve months from the reporting date. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 3.

The financial statements have been prepared on the historical cost basis except for investment properties and financial instruments, which are measured at fair values as explained in the accounting policies set out below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

2.2 Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

2. 主要會計政策概要(續)

2.1 編製基準(續)

基於上文所述，董事會認為本集團將具備充足財務資源滿足其自報告日期起計未來最少十二個月之未來營運資金及其他融資需求。因此，此等綜合財務報表已按持續經營基準編製。

編製此等財務報表所用之主要會計政策於下文概述。除另有指明外，該等政策已於所有呈列年度貫徹應用。採納新訂或經修訂香港財務報告準則及對本集團財務報表之影響(如有)於附註3內披露。

如下文會計政策所述，除投資物業及按公允價值計量之金融工具外，財務報表按歷史成本基準編製。

務請注意編製財務報表時曾使用會計估計及假設。儘管此等估計乃按管理層對現行事件及行動之最佳理解及判斷而作出，惟實際結果最終可能有別於該等估計。涉及高度判斷或複雜程度之範圍，或假設及估計對財務報表而言屬重大之範圍，在附註4內披露。

2.2 業務合併及綜合賬目基準

綜合財務報表包括本公司及其附屬公司之財務報表。公司間之交易及集團內公司間之結餘連同未變現溢利於編製綜合財務報表時全數對銷。未變現虧損亦予以對銷，惟有證據顯示交易所轉讓資產出現減值則除外，於此情況下，虧損於損益賬內確認。

年內收購或出售之附屬公司之業績，分別由收購生效日期起計入綜合收益表或計至出售生效日期止(視情況而定)。如有需要，會對附屬公司之財務報表作出調整，以使其會計政策與本集團其他成員公司所採納者一致。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Business combination and basis of consolidation (Continued)

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

2. 主要會計政策概要(續)

2.2 業務合併及綜合賬目基準(續)

收購附屬公司或業務採用收購法列賬。一項收購之成本乃按本集團(作為收購方)所轉讓資產、所承擔負債及所發行之股權於收購當日之公允價值總額計量。所收購可識別資產及所承擔負債則主要按收購當日之公允價值計量。本集團先前所持收購對象之股權以收購當日之公允價值重新計量，而所產生之損益則於損益賬內確認。本集團可選擇以逐筆交易為基準按公允價值或於收購對象之可識別資產淨值應佔比例計量非控股權益，反映目前於附屬公司之擁有權權益。除非香港財務報告準則另有規定計量標準，否則所有其他非控股權益乃按公允價值計量。所產生之收購相關成本本列作開支，惟於發行股本工具時產生者，則自權益扣除。

收購方將轉讓之任何或然代價按收購當日之公允價值確認。代價之其後調整僅於調整源自於計量期(最長為自收購日期起12個月)內所取得有關於收購當日之公允價值之新資料時方與商譽確認。分類為資產或負債之或然代價之所有其他其後調整均於損益中確認。

本集團於附屬公司並無導致失去控制權之權益變動列作權益交易入賬。本集團之權益與非控股權益之賬面值均予以調整，以反映彼等於附屬公司相對權益之變動。非控股權益之調整額與已支付或收取之代價之公允價值之間之任何差額，均直接於權益確認，並歸屬於本公司擁有人。

倘本集團失去附屬公司之控制權，出售損益乃按下列兩者之差額計算：(i) 所收取代價之公允價值與任何保留權益之公允價值之總額；及(ii) 該附屬公司之資產(包括商譽)及負債與任何非控股權益過往之賬面值。過往就該附屬公司於其他全面收益確認之款額按出售相關資產或負債時所規定之相同方式列賬。

收購後，代表於附屬公司之目前擁有權權益之非控股權益之賬面值為該等權益於初步確認時之金額加以非控股權益應佔權益其後變動之部分。即使會導致非控股權益出現虧蝕，全面收益總額仍歸屬於非控股權益。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Subsidiaries

A subsidiary is an investee over which the Group is able to exercise control. The Group controls an investee if all three of the following elements are present: power over the investee; exposure, or rights, to variable returns from the investee; and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- Substantive potential voting rights held by the Company and other parties who hold voting rights;
- Other contractual arrangements; and
- Historic patterns in voting attendance.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2.4 Associates

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

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

2. 主要會計政策概要(續)

2.3 附屬公司

附屬公司指本集團能夠對其行使控制權之投資對象。倘以下三項因素全部存在時，則本集團可控制投資對象：對投資對象之權力，承擔或有權享有投資對象之浮動回報及有能力運用權力影響該等浮動回報。當事實及情況顯示該等控制權之任何因素可能有變，則會重新評估控制權。

倘本公司擁有實際能力引導投資對象相關活動，而無需持有大多數投票權，則存在實際控制權。釐定實際控制權是否存在時，本公司考慮所有相關事實及情況，包括：

- 相對其他持有投票權人士之數量及分散情況，本公司投票權數量多少；
- 本公司及其他持有投票權人士所持有實際潛在投票權；
- 其他合約安排；及
- 參與投票之歷史模式。

於本公司之財務狀況表中，附屬公司之權益按成本扣除任何減值虧損計算，除非該附屬公司乃持作出售，或計入出售集團內。附屬公司之業績於報告日期按本公司已收及應收股息入賬。所有股息，不論是否從投資對象之收購前或收購後溢利中收取，均在本公司之損益內確認。

2.4 聯營公司

聯營公司指並非附屬公司或合營安排，而本集團對其有重大影響之實體。重大影響為參與決定投資對象之財務及營運政策之權力，但並非控制或共同控制該等政策。

聯營公司以權益法入賬，初步按成本確認，其後賬面值按本集團應佔聯營公司資產淨值於收購後之變動作出調整，惟超逾本集團於聯營公司權益之虧損將不予確認，除非本集團有責任彌補該等虧損。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Associates (Continued)

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

In the Company's statement of financial position, investments in associates are carried at cost less impairment losses, if any. The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year.

2.5 Joint arrangements

The Group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- Joint ventures: where the Group has rights to only the net assets of the joint arrangement; or
- Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

2. 主要會計政策概要(續)

2.4 聯營公司(續)

本集團與其聯營公司之間交易產生之損益僅於不相關投資者於聯營公司擁有權益時方才確認。該等交易產生之投資者分佔聯營公司溢利及虧損與聯營公司之賬面值對銷。倘未變現虧損證明資產轉移之減值，則即時於損益確認。

就聯營公司已付超出本集團應佔所收購可識別資產、負債及或然負債公允價值之任何溢價會撥充資本，並計入該聯營公司之賬面值。倘有客觀證據顯示於聯營公司之投資出現減值，則投資賬面值以與其他非金融資產一致之方式進行減值測試。

於本公司之財務狀況報表，於聯營公司之投資按成本減減值虧損(如有)列賬。聯營公司之業績由本公司按年內所收及應收股息計量。

2.5 共同安排

當有合約安排賦予本集團及至少一名其他訂約方對安排之相關活動之共同控制權時，則本集團為共同安排之訂約方。共同控制權乃根據與附屬公司控制權之相同原則予以評估。

本集團將其於共同安排之權益分類為：

- 合營企業：本集團僅對共同安排之資產淨值擁有權利；或
- 合營業務：本集團對共同安排之資產擁有權利並有責任承擔共同安排之負債。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Joint arrangements (Continued)

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interests in joint ventures in the same manner as investments in associates (i.e. using the equity method — see note 2.4).

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

The Group accounts for its interests joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

In the Company's statement of financial position, investments in joint ventures are stated at cost less impairment losses, if any. Results of joint ventures are accounted for by the Company on the basis of dividends received and receivable during the year.

2. 主要會計政策概要(續)

2.5 共同安排(續)

在評估於共同安排之權益分類時，本集團會考慮：

- 共同安排之架構；
- 透過單獨工具構建之共同安排之法律形式；
- 共同安排協議之合約條款；及
- 任何其他事實及情況(包括任何其他合約安排)。

本集團將合營企業之權益入賬之方法與將聯營公司之投資入賬之方法(即權益法，見附註2.4)一致。

合營企業投資已付任何溢價高於已收購本集團應佔可識別資產、負債及或然負債的公允價值撥充資本，計入合營企業的賬面值。倘有合營企業投資已經減值的客觀憑證，則按與其他非金融資產相同的方式就投資賬面值進行減值測試。

本集團於合營業務之權益乃根據其合約賦予之權利及義務，透過確認其應佔資產、負債、收入及開支入賬。

於合營公司之投資在本公司財務狀況報表按成本減減值虧損(如有)列賬。合營企業之業績於年內由本公司按已收及應收股息入賬。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation

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

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. HK\$) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as exchange reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the exchange reserve.

2. 主要會計政策概要(續)

2.6 外幣換算

財務報表以港元(「港元」)呈報，即本公司之功能貨幣。

集團實體以其經營所在主要經營環境之貨幣(「功能貨幣」)以外幣進行之交易，乃按交易進行時之匯率入賬。外幣貨幣資產及負債按報告期末當時匯率換算。以外幣計值按公允價值列賬之非貨幣項目按釐定公允價值當日匯率重新換算。以外幣按歷史成本計算之非貨幣項目不作重新換算。

結算與換算貨幣項目產生之匯兌差額於其產生期間於損益確認。重新換算按公允價值列賬之非貨幣項目產生之匯兌差額計入期內損益，惟重新換算有關收益及虧損於其他全面收益內確認之非貨幣項目所產生差額除外，在此情況下，匯兌差額亦於其他全面收益內確認。

於綜合入賬時，海外業務之收支項目按該年度平均匯率換算為本集團之呈列貨幣(即港元)，惟匯率於期內大幅波動則除外，在此情況下，則使用與交易進行時適用匯率相若之匯率。海外業務所有資產及負債按各報告期末之匯率換算。所產生匯兌差額(如有)於其他全面收益內確認，並於權益內累計為匯兌儲備(歸屬於非控股權益(如適用))。於集團實體個別財務報表之損益內所確認換算長期貨幣項目(構成本集團於有關海外業務淨投資一部分)之匯兌差額重新歸類為其他全面收益，並於權益內累計為匯兌儲備。

出售海外業務時，與該業務相關之匯兌儲備確認截至出售日期之累計匯兌差額，重新分類為損益作為出售盈虧之一部分。

就於2005年1月1日或之後收購海外業務而產生之商譽及所收購可識別資產之公允價值調整乃作為該海外業務之資產及負債處理，並按各報告期末之現行匯率重新換算。所產生匯兌差額於匯兌儲備確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Property, plant and equipment

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

Depreciation is provided to write off the cost less their residual values over their estimated useful lives on a straight-line method, at the following rates per annum:

Buildings	5%
Leasehold improvements, furniture, fixtures and equipment	2.5% to 33-1/3% over lease terms whichever involves shorter period
Motor vehicles and yachts	6-2/3% to 33-1/3%
Freehold land	No depreciation
Right-of-use assets	Shorter of estimated useful lives or the lease terms

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

The buildings comprise a portion that is held to earn rentals and the other portion that is held for administrative purpose. As the portion held to earn rentals cannot be sold separately and is insignificant, the building is classified as owner-occupied property rather than investment property.

2. 主要會計政策概要(續)

2.7 物業、廠房及設備

物業、廠房及設備按購入成本減累計折舊及累計減值虧損列賬。資產成本包括購買價及將該資產達至其擬定用途之運作條件及位置之任何直接應佔成本。

折舊乃按下列年率，於其估計可使用年期以直線法計提，以撇銷有關成本減剩餘價值：

樓宇	5%
租賃物業裝修、傢俬、裝置及設備	按2.5%至33-1/3%或租賃期間(以較短者為準)
汽車及遊艇	6-2/3%至33-1/3%
永久業權土地 使用權資產	並無折舊 按估計可使用年期或租賃期間(以較短者為準)

資產之剩餘價值、折舊方法及可使用年期於各報告日期檢討，在適當情況會作出調整。

倘一項資產之賬面值高於該資產之估計可收回金額，則該項資產立即撇減至其可收回金額。

出售物業、廠房及設備項目之盈虧按出售所得款項淨額與其賬面值之差額釐定，並於出售時在損益賬確認。

其後成本只有在該項目相關之未來經濟利益可能流入本集團，且該項目之成本能可靠計量時，方計入資產之賬面值或確認為獨立資產(視適用情況而定)。替換部分之賬面值則終止確認。維修及保養等所有其他成本，於其產生之財務期間自損益賬扣除。

該樓宇包括持作賺取租金部分及持作行政用途之其他部分。由於持作賺取租金部分不可分拆出售且並非重大，該樓宇分類為業主自用物業而非投資物業。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Investment properties

Investment property is property held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Properties under construction or development for future use as investment properties are classified as investment properties under construction. If the fair value cannot be reliably determined, the investment properties under construction will be measured at cost until such time as fair value can be determined or construction is completed.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in profit or loss.

2. 主要會計政策概要(續)

2.8 投資物業

投資物業為持作賺取租金或資本增值或兩者兼有之物業，惟並非持作在一般業務過程中出售、用作生產或供應商品或服務或用作行政用途。投資物業於初步確認時按成本計量，而其後任何公允價值變動則於損益賬確認。

未來用作投資物業之在建或開發中物業乃分類為在建投資物業。倘公允價值無法可靠釐定，在建投資物業將按成本計量，直至能夠釐定公允價值或建設工程完成之時為止。

投資物業公允價值變動產生之損益於其產生年度之損益入賬。

報廢或出售投資物業而產生之任何損益於報廢或出售年度之損益確認。

倘存貨轉入投資物業，物業於該日之公允價值與其先前賬面值之任何差額會於損益確認。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Payments for leasehold land held for own use under operating leases (accounting policies applied until 31 December 2018)

Payments for leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis as an expense except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of the land.

2.10 Goodwill

Set out below are the accounting policies on goodwill arising on acquisition of a subsidiary. Accounting for goodwill arising on acquisition of investment in an associate is set out in note 2.4.

Goodwill represents the excess of the aggregate of the fair value of the consideration transferred and the amount recognised for any non-controlling interest in the acquiree over the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units ("CGUs") that are expected to benefit from the synergies of the acquisition. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A CGU to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 2.21), and whenever there is an indication that the unit may be impaired.

2. 主要會計政策概要(續)

2.9 根據經營租賃持作自用之租賃土地付款(於2018年12月31日前應用之會計政策)

根據經營租賃持作自用之租賃土地付款指收購承租人佔用物業之長期權益之預付款項。該等付款按成本列賬，並於租賃期間按直線基準作為開支攤銷，惟倘有另一種基準更能反映本集團透過使用有關土地可產生收益之時間模式則除外。

2.10 商譽

下文列載有關收購附屬公司所產生商譽之會計政策。收購聯營公司之投資所產生商譽之會計法載於附註2.4。

商譽指轉讓代價及就於收購對象之非控股權益已確認金額總和超過所收購之收購對象可識別資產、負債及或然負債之公允價值淨額之差額。

倘可識別資產及負債之公允價值超出所付代價、於收購對象任何非控股權益金額及收購方先前於收購對象所持股權之收購日期公允價值之公允價值總和，則超出部分在重估後於收購日期在損益賬確認。

商譽乃按成本減減值虧損計量。就減值測試而言，收購所產生之商譽乃被分配到預期自收購所產生協同效益中受益之各有關現金產生單位(「現金產生單位」)。現金產生單位指可大致獨立於其他資產或資產組別產生現金流入之最小可識別資產組別。獲分配商譽之現金產生單位每年(以其賬面值與可收回金額(見附註2.21)進行比較)及於出現可能減值之跡象時進行減值測試。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Goodwill (Continued)

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

2.11 Other intangible assets and research and development activities

Other intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Computer software	4–5 years
Customer relationships	2 years
Development cost	2–5 years
Licenses, brand names and franchise right	8–10 years
Distribution channel	6.5 years

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the computer software to which it relates. All other expenditure is expensed as incurred.

Intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

2. 主要會計政策概要(續)

2.10 商譽(續)

就財政年度內收購產生之商譽而言，獲分配商譽之現金產生單位於該財政年度末前進行減值測試。倘現金產生單位之可收回金額少於其賬面值，則首先會分配減值虧損以減少該單位獲分配之任何商譽之賬面值，再根據該單位各項資產之賬面值按比例分配至該單位之其他資產。然而，分配至各項資產之虧損將不會導致個別資產之賬面值低於其公允價值減出售成本（若可計量）或使用價值（若可釐定）（取較高者）。任何商譽減值虧損於損益確認，且不會於往後期間撥回。

其後出售附屬公司時，於釐定出售之盈虧時將計及已資本化之商譽應佔金額。

2.11 其他無形資產及研發活動

其他無形資產

獨立收購之無形資產初步按成本確認。於業務合併中購入無形資產之成本為於收購日期之公允價值。初步確認後，具有有限使用年期之無形資產按成本減累計攤銷及任何累計減值虧損入賬。具有有限使用年期之無形資產之攤銷於其估計可使用年期以直線法計提撥備。無形資產於可使用時開始攤銷。以下為所應用之可使用年期：

電腦軟件	4–5年
與客戶關係	2年
開發成本	2–5年
牌照、品牌名稱及特許經營權	8–10年
分銷渠道	6.5年

其後開支只會在與其相關之電腦軟件之未來經濟利益增加時方撥充資本。所有其他開支於產生時支銷。

具無限使用年期之無形資產按成本減任何其後累計減值虧損入賬。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Other intangible assets and research and development activities (Continued)

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 2.21).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Research and development costs

Costs associated with research activities are expensed in profit or loss as they occur. Costs that are directly attributable to the development activities are recognised as intangible assets provided they meet the following recognition requirements:

- (i) demonstration of technical feasibility of the prospective product for internal use or sale;
- (ii) there is intention to complete the intangible asset and use or sell it;
- (iii) the Group's ability to use or sell the intangible asset is demonstrated;
- (iv) the intangible asset will generate probable economic benefits through internal use or sale;
- (v) sufficient technical, financial and other resources are available for completion; and
- (vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development along with an appropriate portion of relevant overheads. The costs of internally generated developments are recognised as intangible assets. They are subject to the same subsequent measurement method as externally acquired intangible assets.

All other development costs are expensed as incurred.

2. 主要會計政策概要(續)

2.11 其他無形資產及研發活動(續)

具有限使用年期之無形資產於有跡象顯示該資產可能出現減值時進行減值測試。具無限使用年期之無形資產及尚未可供使用之無形資產每年作減值測試，而不論是否有跡象顯示該等資產可能出現減值。無形資產透過比較其賬面值與可收回金額進行減值測試(見附註2.21)。

倘估計資產之可收回金額少於其賬面值，則資產之賬面值會削減至其可收回金額。

研究及開發成本

與研究活動相關之成本於產生時於損益賬支銷。開發活動直接應佔之成本於符合以下確認要求時確認為無形資產：

- (i) 顯示預期供內部使用或銷售之產品在技術上可行；
- (ii) 有意完成無形資產，並加以使用或出售；
- (iii) 顯示本集團有能力使用或出售該無形資產；
- (iv) 無形資產有可能透過內部使用或出售帶來經濟利益；
- (v) 備有足夠技術、財務及其他資源完成研發；及
- (vi) 能可靠計量無形資產應佔之開支。

直接成本包括開發過程中產生之僱員成本，以及適當部分之相關間接費用。開發產品產生之內部成本乃確認為無形資產。該資產其後之計量方法，與外購之無形資產相同。

所有其他開發成本於產生時支銷。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

2. 主要會計政策概要(續)

2.12 金融工具

(i) 金融資產

金融資產(並無重大融資部分之應收貿易款項除外)初步按公允價值另加(就並非按公允價值於損益賬處理之項目而言)收購或發行金融資產應佔之直接交易成本計量。並無重大融資部分之應收貿易款項初步按交易價格計量。

所有以常規方式購買及銷售之金融資產於交易日(即本集團承諾購買或出售資產當日)確認。常規買賣指規定於一般由市場規例或慣例確立期間內交付資產之金融資產買賣。

在確定具有嵌入衍生工具之金融資產之現金流是否純粹為本金及利息付款時，需從金融資產之整體考慮。

債務工具

債務工具之後續計量取決於本集團管理資產之業務模式及該等資產之現金流量特徵。本集團將其債務工具分類為三種計量類別：

攤銷成本：倘持有資產旨在收取合約現金流量，而該等資產之現金流量純粹為本金及利息付款，該等資產按攤銷成本計量。按攤銷成本計量之金融資產其後使用實際利率法計量。利息收入、外匯收益及虧損以及減值於損益賬確認。終止確認產生之任何收益於損益賬確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial instruments (Continued)

(i) *Financial assets (Continued)*

Debt instruments (Continued)

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

FVTPL: Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

2. 主要會計政策概要(續)

2.12 金融工具(續)

(i) *金融資產(續)*

債務工具(續)

按公允價值於其他全面收益處理：倘持有資產目的為收取合約現金流量及銷售金融資產，且資產之現金流量純粹為本金及利息付款，則按公允價值於其他全面收益處理計量。按公允價值於其他全面收益處理之債務工具其後按公允價值計量。使用實際利率法計算之利息收入、外匯收益及虧損以及減值於損益賬確認。其他收益及虧損淨額於其他全面收益確認。於終止確認時，於其他全面收益確認之累計收益及虧損重新分類至損益。

按公允價值於損益賬處理：按公允價值於損益賬處理之金融資產包括持作買賣之金融資產、於初步確認時指定按公允價值於損益賬處理之金融資產，或需要強制按公允價值計量之金融資產。倘金融資產乃為於近期進行出售或購置而收購，則金融資產會分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，除非衍生工具指定為實際對沖工具，則作別論。現金流量並非純粹用作支付本金及利息之金融資產分類為按公允價值於損益賬處理計量，而不論業務模式。儘管如上文所述債務工具可分類為按攤銷成本或按公允價值於其他全面收益處理，倘能夠消除或顯著減少會計錯配，則債務工具或會於初步確認時指定為按公允價值於損益賬處理。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial instruments (Continued)

(i) *Financial assets (Continued)*

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVOCI are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) *Impairment loss on financial assets*

The Group recognises loss allowances for ECL on trade receivables, contract assets, financial assets measured at amortised cost and debt investments measured at FVOCI. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

2. 主要會計政策概要(續)

2.12 金融工具(續)

(i) *金融資產(續)*

股本工具

於初次確認並非持作買賣用途之股本投資時，本集團可不可撤回地選擇於其他全面收益中呈列投資公允價值後續變動。是項選擇乃按投資逐項作出。按公允價值於其他全面收益處理之股本投資乃按公允價值計量。股息收入於損益賬確認，除非股息收入清楚呈列收回部分投資成本，則作別論。其他收益及虧損淨額於其他全面收益確認，亦不會重新分類至損益賬。所有其他股本工具分類為按公允價值於損益賬處理，倘公允價值有所變動，股息及利息收入於損益賬確認。

(ii) *金融資產之減值虧損*

本集團就應收貿易款項、合約資產、按攤銷成本計量之金融資產及按公允價值於其他全面收益處理之債務投資之預期信貸虧損確認虧損撥備。預期信貸虧損按以下其中一項基準計量：(1)12個月預期信貸虧損：此乃於報告日期後12個月內之潛在違約事件所導致預期信貸虧損；及(2)全期預期信貸虧損：此乃於金融工具預計年期內之所有潛在違約事件所導致預期信貸虧損。估計預期信貸虧損時所考慮最長期間為本集團面對信貸風險之最長合約期間。

預期信貸虧損為信貸虧損之概率加權估計。信貸虧損乃按根據合約應付本集團之所有合約現金流量與本集團預期收取之所有現金流量間之差額計量。該差額其後按與資產原有實際利率相若之利率貼現。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

The Group has elected to measure loss allowances for trade receivables and contract assets using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

2. 主要會計政策概要(續)

2.12 金融工具(續)

(ii) 金融資產之減值虧損(續)

本集團已選用香港財務報告準則第9號簡化法計量應收貿易款項及合約資產之虧損撥備，並已根據全期預期信貸虧損計算預期信貸虧損。本集團已制定根據本集團過往信貸虧損經驗計算之撥備矩陣，並按與債務人相關之特定前瞻因素及經濟環境調整。

就其他債務金融資產而言，預期信貸虧損按12個月預期信貸虧損計算。然而，當自發生以來信貸風險顯著增加，撥備將按全期預期信貸虧損計算。

當釐定金融資產之信貸風險有否自初步確認以來顯著增加，並於估計預期信貸虧損時，本集團考慮相關及毋須付出不必要成本或精力即可獲得之合理可作為依據之資料。此包括根據本集團過往經驗及已知信貸評估得出之定量及定性資料分析，並包括前瞻資料。

本集團假設，倘金融資產逾期超過90日，則其信貸風險已顯著增加。

本集團認為金融資產於下列情況下出現信貸減值：(1) 借款人不可能在本集團無追索權(例如：變現擔保(如持有))下向本集團悉數支付其信貸責任；或(2) 該金融資產逾期超過90日。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVTPL are initially measured at fair value and financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at FVTPL, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

2. 主要會計政策概要(續)

2.12 金融工具(續)

(ii) 金融資產之減值虧損(續)

信貸減值金融資產之利息收入按金融資產之攤銷成本(即賬面總值減虧損撥備)計算。非信貸減值金融資產之利息收入則按賬面總值計算。

(iii) 金融負債

本集團視乎所產生負債之目的將金融負債分類。按公允價值於損益賬處理之金融負債初步按公允價值計量，而按攤銷成本列賬之金融負債初步按公允價值計量並扣除已產生直接應佔成本。

按公允價值於損益賬處理之金融負債

按公允價值於損益賬處理之金融負債包括持作買賣之金融負債及於初步確認時指定為按公允價值於損益賬處理之金融負債。

倘收購金融負債旨在於短期內出售，則該金融負債分類為持有買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，除非彼等指定為有效對沖工具則作別論。持作買賣之負債所產生收益或虧損於損益賬確認。

倘合約包含一項或多項嵌入式衍生工具，則整份混合式合約可指定為按公允價值於損益賬處理之金融負債，惟倘嵌入式衍生工具並無令現金流量有重大變動或明確禁止分開處理嵌入式衍生工具則除外。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial instruments (Continued)

(iii) *Financial liabilities (Continued)*

Financial liabilities at FVTPL (Continued)

Financial liabilities may be designated upon initial recognition as at FVTPL if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise, except for the gains and losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, borrowings, certain preference shares and the debt element of convertible and exchangeable bonds issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

2. 主要會計政策概要(續)

2.12 金融工具(續)

(iii) *金融負債(續)*

按公允價值於損益賬處理之金融負債(續)

符合以下標準之金融負債可在初步確認時指定為按公允價值於損益賬處理：(i)有關指定消除或顯著減少因按不同基準計量負債或就其確認收益或虧損而造成之處理方法不一致情況；(ii)根據明文訂立之風險管理策略，該等負債為一類受管理而其表現乃按公允價值評估之金融負債其中部分；或(iii)有關金融負債包含須獨立入賬之嵌入式衍生工具。

於初步確認後，按公允價值於損益賬處理之金融負債按公允價值計量，並於產生之期間於損益賬確認公允價值變動，惟因本集團本身信貸風險而產生之收益及虧損除外，彼等於其他全面收益呈列，且其後不會重新分類至損益表。於損益表確認之公允價值收益或虧損淨額不包括就該等金融負債收取之任何利息。

按攤銷成本列賬之金融負債

按攤銷成本列賬之金融負債包括貿易及其他應付款項、借貸、若干優先股及本集團所發行可換股及可交換債券之債務部分其後採用實際利率法按攤銷成本計量。相關利息開支於損益賬確認。

當負債終止確認時，於損益賬確認收益或虧損並經攤銷處理。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial instruments (Continued)

(iv) Convertible and exchangeable bonds

Convertible and exchangeable bonds issued by the Group that contain both the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible and exchangeable bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the convertible and exchangeable bonds into equity, is included in equity (convertible and exchangeable bonds equity reserve).

In subsequent periods, the liability component of the convertible and exchangeable bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares, will remain in convertible and exchangeable bonds equity reserve until the embedded option is exercised (in which case the balance stated in convertible and exchangeable bonds equity reserve will be transferred to share capital and share premium. Where the option remains unexercised at the expiry dates, the balance stated in convertible and exchangeable bonds equity reserve will be released to the retained earnings. No gain or loss is recognised upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible and exchangeable bonds are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible and exchangeable bonds using the effective interest method.

2. 主要會計政策概要(續)

2.12 金融工具(續)

(iv) 可換股及可交換債券

本集團發行同時包含負債及兌換權部分之可換股及可交換債券於初步確認時獨立分類至各自相關項目。將透過以定額現金或其他金融資產交換一定數量之本公司自有股本工具結算之兌換權分類為股本工具。

於初步確認時，負債部分之公允價值採用相類不可換股債務適用當前市場利息釐定。發行可換股及可交換債券所得款項與負債部分獲指定之公允價值間之差額(相當於可讓持有人將可換股及可交換債券兌換為權益之兌換權)計入權益(可換股及可交換債券權益儲備)。

於隨後期間，可換股及可交換債券之負債部分採用實際利率法按攤銷成本列賬。權益部分(相當於可將負債部分兌換為普通股之選擇權)將於可換股及可交換債券權益儲備中保留，直至內含選擇權獲行使(在此情況下，於可換股及可交換債券權益儲備呈列之結餘將撥入股本及股份溢價)為止。倘選擇權於屆滿日期仍未行使，則於可換股及可交換債券權益儲備呈列之結餘將釋放至保留盈利。概無於選擇權獲兌換或屆滿時確認收益或虧損。

與發行可換股及可交換債券相關之交易成本按所得款項分配比例分配至負債及權益部分。與權益部分相關之交易成本直接於權益中扣除。與負債部分相關之交易成本計入負債部分之賬面值，並於可換股及可交換債券期限內採用實際利率法攤銷。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial instruments (Continued)

(v) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(vi) *Equity instruments*

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

(vii) *Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at FVTPL is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the loss allowance, being the ECL provision measured in accordance with principles of the accounting policy set out in note 2.12(ii); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the principles of HKFRS 15.

2. 主要會計政策概要(續)

2.12 金融工具(續)

(v) *實際利率法*

實際利率法為計算金融資產或金融負債之攤銷成本及按有關期間攤分利息收入或利息開支之方法。實際利率為確切貼現金融資產或負債之預計年期或(如適用)較短期間之估計未來現金收入或付款之利率。

(vi) *股本工具*

本公司發行之股本工具按收取之所得款項(扣除直接發行成本)列賬。

(vii) *財務擔保合約*

財務擔保合約乃要求發行人支付指定金額，以賠償持有人因指定債務人未能按債務工具原訂或經修訂條款如期還款而招致損失之合約。本集團發出並非指定按公允價值於損益賬處理之財務擔保合約初步按其公允價值減發出財務擔保合約直接應佔之交易成本確認。於初步確認後，本集團按以下各項中之較高者計量財務擔保合約：(i) 虧損撥備金額(即根據附註2.12(ii)所載會計政策原則計量之預期信貸虧損撥備)；及(ii) 初步確認之金額減(如適用)根據香港財務報告準則第15號之原則確認之累計攤銷。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial instruments (Continued)

(viii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

2.13 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

(i) Properties under development

The cost of properties under development for sale comprises the acquisition cost of land, materials, labour and other direct expenses and an appropriate proportion of overheads, and capitalised finance cost (see note 2.23).

2. 主要會計政策概要(續)

2.12 金融工具(續)

(viii) 終止確認

本集團於金融資產相關未來現金流量之合約權利屆滿時，或於金融資產已經轉讓且有關轉讓符合香港財務報告準則第9號之終止確認標準時終止確認金融資產。

當有關合約中訂明之義務獲解除、註銷或屆滿時，終止確認金融負債。

倘本集團因重新磋商金融負債之條款而向債權人發行其自有股本工具以全面或部分結付該負債，則所發行股本工具為已付代價，並於金融負債或其部分被註銷當日初步確認及按該日之公允價值計量。倘所發行股本工具之公允價值無法可靠計量，則股本工具按可反映被註銷金融負債之公允價值之金額計量。被註銷之金融負債或其部分之賬面值與已付代價間之差額於該年度損益賬確認。

2.13 存貨

存貨初步按成本確認，其後按成本及可變現淨值中之較低者入賬。成本包括所有購入成本、轉換成本及使存貨達致現時地點及狀態而產生之其他成本。可變現淨值乃以日常業務之估計售價減估計完工成本及適用銷售開支所得數額。

(i) 發展中物業

發展中待售物業之成本包括土地之收購成本、物料、勞工及其他直接費用，以及適當比例之間接費用及已資本化之融資成本(見附註2.23)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Inventories (Continued)

- (ii) *Completed properties held-for-sale*
Cost is determined by apportionment of the total land and development costs for that development project attributable to the unsold properties.
- (iii) *Food, beverages and merchandise goods*
Cost comprises the cost of purchased goods calculated using first-in, first-out ("FIFO") method.
- (iv) *Projection equipment*
Cost comprises the manufacturing cost of product and the cost of purchased raw materials calculated using FIFO method.
- (v) *Botanic-based personal care and fragrance products*
Cost comprises the manufacturing cost of product and the cost of purchased raw materials calculated using FIFO method.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand, demand deposits with banks or other financial institutions, and short-terms highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2. 主要會計政策概要(續)

2.13 存貨(續)

- (ii) *已落成待售物業*
成本乃按未出售物業應佔該發展項目之土地及發展成本總額之比例釐定。
- (iii) *食品、飲料及商品*
成本(包括購入貨物成本)以先進先出(「先進先出」)法計算。
- (iv) *放映設備*
成本(包括製造產品成本及購入原材料成本)以先進先出法計算。
- (v) *草本個人護理及香水產品*
成本(包括製造產品成本及購入原材料成本)以先進先出法計算。

2.14 現金及等同現金項目

現金及等同現金項目包括銀行現金及庫存現金、銀行或其他金融機構之活期存款，以及原到期日為三個月或以下可隨時轉換為已知數額現金且價值變動風險較少之短期高度流動性投資。就現金流量報表呈報而言，現金及等同現金項目包括按要求償還及屬本集團現金管理主要部分之銀行透支。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- they are available for immediate sale;
- management is committed a plan to sell;
- it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- an active programme to locate a buyer has been initiated;
- the asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- a sale is expected to complete within 12 months from the date of clarification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy; and
- fair value less costs to sell.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

The results of operations disposed of during the year are included in profit or loss up to the date of disposal.

2. 主要會計政策概要(續)

2.15 持作出售之非流動資產及出售組別

倘出現以下情況，非流動資產及出售組別分類為持作出售：

- 其可供立即出售；
- 管理層承諾計劃出售；
- 計劃不大可能有重大改變或撤回；
- 已經開始積極尋找買家之計劃；
- 資產或出售組別按相對其公允價值而言屬合理之價格進行市場推廣；及
- 預期將會於澄清日期起計12個月內完成有關出售。

分類為持作出售之非流動資產及出售組別按以下兩者中之較低者計量：

- 其於緊接被分類為持作出售前根據本集團會計政策釐定之賬面值；及
- 公允價值減出售成本。

於其被分類為持作出售後，非流動資產(包括出售組別內者)不予折舊。

年內所出售業務之業績在損益賬內計至出售日期為止。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16A Leases (accounting policies applied from 1 January 2019)

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases; and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

(i) *Accounting as a lessee*

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. For right-of-use asset that meets the definition of an investment property, they are carried at fair value and for right-of-use asset that meets the definition of a leasehold land and buildings held for own use, they are carried at depreciated cost. The right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease terms.

2. 主要會計政策概要(續)

2.16A 租賃(自2019年1月1日起應用之會計政策)

所有租賃(不論為經營租賃或融資租賃)須於財務狀況表資本化為使用權資產及租賃負債,惟實體可作出會計政策選擇,選擇不將(i)屬短期租賃的租賃;及/或(ii)相關資產為低價值的租賃進行資本化。本集團已選擇不就低價值資產以及於開始日期租賃期少於12個月的租賃確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租賃期內按直線法支銷。

(i) *作為承租人之會計處理*

使用權資產

使用權資產應按成本確認並將包括:(i)初步計量租賃負債的金額(見下文有關租賃負債入賬的會計政策);(ii)於開始日期或之前作出的任何租賃付款減已收取的任何租賃獎勵;(iii)承租人產生的任何初步直接成本;及(iv)承租人根據租賃條款及條件規定的情況下分解及移除相關資產時將產生的估計成本,除非該等成本乃為生產存貨而產生則除外。本集團應用成本模式計量使用權資產。根據成本模式,本集團按成本減任何累計折舊及任何減值虧損計量使用權資產,並就租賃負債任何重新計量作調整。就符合投資物業定義之使用權資產而言,其按公允價值列賬,而符合持作自用租賃土地及樓宇定義之使用權資產則按折舊成本列賬。使用權資產按估計可使用年期或租賃期(以較短者為準)以直線法折舊。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16A Leases (accounting policies applied from 1 January 2019) (Continued)

(i) *Accounting as a lessee (Continued)*

Right-of-use asset (Continued)

The Group accounts for leasehold land and buildings that are held for rental or capital appreciation purpose under HKAS 40 and are carried at fair value. The adoption of HKFRS 16 therefore does not have any material impact on these right-of-use assets. Other than the above right-of-use assets, the Group also has leased a number of properties under tenancy agreements which the Group exercises its judgement and determines that it is a separate class of asset apart from the leasehold land and buildings which is held for own use. As a result, the right-of-use assets arising from the properties under tenancy agreements are carried at depreciated cost.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

The following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

2. 主要會計政策概要(續)

2.16A 租賃(自2019年1月1日起應用之會計政策)(續)

(i) *作為承租人之會計處理(續)*

使用權資產(續)

本集團根據香港會計準則第40號將持作出租或資本增值用途之租賃土地及樓宇入賬，有關項目按公允價值列賬。因此，採納香港財務報告準則第16號對此等使用權資產並無任何重大影響。除上述使用權資產外，本集團亦根據租賃協議租賃多項物業，而本集團行使判斷並釐定其為持作自用租賃土地及樓宇以外的獨立資產類別。因此，租賃協議項下物業產生之使用權資產乃按折舊成本列賬。

租賃負債

租賃負債應按並非於租賃開始日期支付之租賃付款的現值確認。租賃付款將採用租賃暗含的利率貼現(倘該利率可輕易釐定)。倘該利率無法輕易釐定，本集團將採用承租人的增量借貸利率。

下列並非於租賃開始日期支付的租賃期內就使用相關資產權利支付的款項被視為租賃付款：(i) 固定付款減任何應收租賃獎勵；(ii) 初步按開始日期之指數或利率計量的浮動租賃付款(取決於指數或利率)；(iii) 承租人根據剩餘價值擔保預期將支付的款項；(iv) 倘承租人合理確定行使購買選擇權，該選擇權的行使價；及(v) 倘租賃期反映承租人行使選擇權終止租賃，終止租賃的罰款付款。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16A Leases (accounting policies applied from 1 January 2019) (Continued)

(i) *Accounting as a lessee (Continued)*

Lease liability (Continued)

Subsequent to the commencement date, a lessee measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

(ii) *Accounting as a lessor*

The Group has leased out its investment properties to a number of tenants. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

2.16B Leases (accounting policies applied until 31 December 2018)

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

2. 主要會計政策概要(續)

2.16A 租賃(自2019年1月1日起應用之會計政策)(續)

(i) *作為承租人之會計處理(續)*

租賃負債(續)

於開始日期後，承租人將透過下列方式計量租賃負債：(i) 增加賬面值以反映租賃負債的利息；(ii) 減少賬面值以反映作出的租賃付款；及(iii) 重新計量賬面值以反映任何重估或租賃修改，如指數或利率變動導致日後租賃付款變動、租賃期變動、實質固定租賃付款變動或購買相關資產的評估變動。

(ii) *作為出租人之會計處理*

本集團已向多名租戶出租其投資物業。來自經營租賃之租金收入於有關租期內按直線基準於損益賬中確認。磋商及安排經營租賃產生之初步直接成本加入租賃資產之賬面值，並於租期內按直線法確認為開支。

2.16B 租賃(於2018年12月31日前應用之會計政策)

倘本集團釐定一項安排(不論由一宗交易或一系列交易組成)附有權利可於協定期間內使用一項特定資產或多項資產以換取一項或多項付款，則該安排屬於或包含一項租賃。該釐定乃根據對該安排之內容評估而作出，而不論該安排是否為法定租賃形式。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16B Leases (accounting policies applied until 31 December 2018) (Continued)

(i) *Classification of assets leased to the Group*

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) *Assets acquired under finance leases*

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments of such assets, are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligation under finance leases.

Subsequent accounting for assets held under finance lease agreements corresponds to those applied to comparable acquired assets. The corresponding finance lease liability is reduced by lease payments less finance charges.

Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(iii) *Operating lease charges as the lessee*

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss on a straight-line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

2. 主要會計政策概要(續)

2.16B 租賃(於2018年12月31日前應用之會計政策)(續)

(i) *租予本集團資產之分類*

倘本集團根據租賃持有資產，而其中擁有權絕大部分風險及利益均轉移至本集團，乃分類為根據融資租賃持有之資產。不會向本集團轉移擁有權絕大部分風險及利益之租賃乃分類為經營租賃。

(ii) *根據融資租賃購買之資產*

倘若本集團根據融資租賃購入資產使用權，乃按租賃資產之公允價值或該等資產之最低應付租賃款之現值兩者之較低者計入物業、廠房及設備內，而相應之負債在扣除融資費用後，則列作融資租賃之債務。

根據融資租賃協議所持資產之其後會計處理，與可資比較之收購資產所應用者一致。相應之融資租賃負債將按租金付款減融資費用減少。

租金付款內含之融資費用於租賃期自損益賬扣除，使各會計期間之融資費用佔責任餘額之比率大致相同。

(iii) *作為承租人之經營租賃費用*

倘本集團以經營租賃持有資產使用權，則租賃費用將於租賃期間按直線法從損益中扣除，惟倘有另一種更能反映租賃資產衍生之利益模式之基準除外。已收取之租金優惠乃於損益賬內確認為應付累計租賃款項淨額之組成部分。或然租金於產生之會計期間計入損益賬。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16B Leases (accounting policies applied until 31 December 2018) (Continued)

(iv) *Assets leased out under operating leases as the lessor*

Assets leased out under operating leases are measured and presented according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the rental income.

Rental income receivable from operating leases is recognised in profit or loss on a straight-line basis over the periods covered by the lease term, except where an alternative basis is more representative of the time pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable.

2.17 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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 of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. 主要會計政策概要(續)

2.16B 租賃(於2018年12月31日前應用之會計政策)(續)

(iv) *作為出租人根據經營租賃租出之資產*

根據經營租賃租出之資產按資產性質計量及呈列。磋商及安排經營租賃產生之初期直接成本計入所出租資產之賬面值，並於租期內按租金收入之相同基準確認為開支。

根據經營租賃應收租金收入於租期所涉及期間按直線法於損益賬中確認，惟倘有另一基準能更清晰顯示自使用出租資產取得之利益時間模式則作別論。授出之租賃優惠於損益賬確認為應收租金淨額總和之一部分。

2.17 撥備及或然負債

倘本集團因過往事件而須承擔現有法定或推定責任，而履行該責任時有可能須耗用經濟利益，且涉及該責任之金額可作可靠估計，則確認有關撥備。若貨幣之時間價值屬重大，則撥備按履行該責任預計所需開支之現值列賬。

所有撥備於各報告日期檢討並調整以反映現時之最佳估計。

倘經濟利益流出之可能性較低，或無法對有關數額作出可靠估計，便會作為或然負債披露，惟經濟利益流出之可能性極低則除外。倘本集團之責任須視乎某宗或多宗本集團並不能完全控制之未來不確定事件是否發生才能確定是否存在，亦會披露為或然負債，惟經濟利益流出之可能性極低則除外。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Provisions and contingent liabilities (Continued)

Contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition, unless the fair value cannot be measured reliably, and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

2.18 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.19 Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

2. 主要會計政策概要(續)

2.17 撥備及或然負債(續)

或然負債乃於將購買價分配至在業務合併中所購入資產及負債之過程中確認。除非公允價值未能可靠計量，否則或然負債應於收購日期按公允價值初步予以計量，並在其後按上述類似條文中將予確認之金額與最初確認之金額減任何累計攤銷(如適用)兩者之較高者計量。

2.18 股本

普通股乃分類為權益。股本採用已發行股份之面值釐定。任何與發行股份相關之交易成本，於屬股本交易之直接應佔遞增成本情況下，自股份溢價(減任何相關所得稅利益)中扣除。

2.19 收益確認

來自客戶合約收益乃於向客戶轉移貨品之控制權或服務時按反映本集團預期就該等貨品或服務有權換取之代價金額確認，不包括代表第三方收回之金額。收益不包括增值稅或其他銷售稅，並經扣除任何貿易折扣。

視乎合約條款及適用於合約之法律，貨品之控制權或服務可能隨時間或在某個時間點轉移。倘本集團於履約過程中滿足下列條件，則貨品之控制權或服務乃隨時間轉移：

- 本集團履約所帶來之一切利益同時由客戶接收及消耗；
- 於本集團履約時創建或強化由客戶控制之資產；或
- 並無產生對本集團有替代用途之資產，且本集團可強制執行其權利以收回迄今已完成履約部分之款項。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Revenue recognition (Continued)

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

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

(i) *Sale of properties*

Revenue arising from the sale of properties developed for sale in the ordinary course of business is recognised when legal assignment is completed, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the statement of financial position under contract liabilities defined below.

When residential properties are marketed by the Group while the property is still under construction, the Group may offer a discount compared to the listed sales price, provided the customer agrees to pay the balance of the consideration early. In such cases, if the advance payments are regarded as providing a significant financing benefit to the Group, interest expense arising from the adjustment of time value of money will be accrued by the Group during the period between the payment date and the completion date of legal assignment. This accrual increases the balance of the contract liability during the period of construction, and therefore increases the amount of revenue recognised when control of the completed property is transferred to the customer. The interest is expensed as accrued unless it is eligible to be capitalised under HKAS 23, Borrowing costs, in accordance with the policies set out in note 2.23.

2. 主要會計政策概要(續)

2.19 收益確認(續)

倘貨品之控制權或服務隨時間轉移，參照在整個合約期間已完成履約義務之進度確認收益。否則，收益於客戶獲得貨品控制權或服務之某個時間點確認。

倘合約包括為客戶提供超過一年有關就向客戶轉移貨品或服務撥付資金之重大利益之融資部分，則收益按應收款項現值計量，並使用本集團與客戶之單獨融資交易所反映於交易開始時之貼現率貼現。倘合約包括為本集團提供重大融資利益之融資部分，則根據該合約確認之收益包括按實際利率法計算之合約負債所產生利息開支。就自付款至轉移承諾貨品或服務期間為一年或以內之合約而言，則採用香港財務報告準則第15號之實際可行權宜情況，不會就重大融資部分之影響調整交易價。

(i) *銷售物業*

在日常業務中銷售待售物業產生之收益於法定轉讓完成時(當客戶有能力直接使用物業並獲得該物業的所有剩餘利益之某個時點時)確認。收益確認日期前就已出售物業所收到之按金及分期款項包括在財務狀況表內合約負債(定義見下文)。

當集團推廣在建住宅物業時，與上市售價相比，集團可提供折扣，惟客戶須同意提早支付代價結餘。在有關情況下，倘預付款項被視為向集團提供重大財務利益，集團應計將於支付日期至法定轉讓完成日期期間調整貨幣時間價值產生之利息開支。此項應計費用增加在建期間的合約負債結餘，因此，於已竣工物業的控制權轉移至客戶時增加已確認的收益。根據附註2.23所載政策，除非根據香港會計準則第23號，借貸成本合資格資本化，否則該利息按應計開支支銷。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Revenue recognition (Continued)

- (ii) *Cinema ticketing income*

Ticket income from the sale of tickets owned and controlled by the Group is recognised over the period when the corresponding movie presented to the ticket holders.
- (iii) *Advertising revenue*

Advertising revenue are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. When services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised over the specified period of time unless there is evidence that some other method better represents the stage of completion.
- (iv) *Sales of personal care and fragrance products*

The Group sells personal care and fragrance products through chain of retail stores and e-commerce platforms. Revenue from the sale of goods is recognised when a group entity sells and has delivered a product to the customer and the Group received sales and acceptance confirmations, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Payment of the transaction price is due immediately when the customer purchases the goods.
- (v) *Enterprise cloud service revenue*

Revenue from enterprise cloud services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. When services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period of time unless there is evidence that some other method better represents the stage of completion.

2. 主要會計政策概要(續)

2.19 收益確認(續)

- (ii) *影院票房收入*

銷售本集團擁有及控制之售票所得售票收入，於相關電影提呈予戲票持有人期間確認。
- (iii) *廣告收益*

廣告收益於提供服務之會計期間內參照按實質提供服務與將提供服務總計之比例評估之特定交易完成時間確認。倘服務乃於一段指定時期內透過不確定數量行動進行，除非有證據顯示有其他更佳方法表示完成階段，否則收益於該等指定時期確認。
- (iv) *個人護理及香水產品銷售*

本集團透過連鎖零售店舖及電子商務平台銷售個人護理及香水產品。貨物銷售收益於集團實體向客戶銷售及已向客戶交付產品，而本集團已收到銷售及驗收確認，且不存在會影響客戶接收產品之未履行義務時得以確認。當客戶購買貨物時，交易價格之款項須立即支付。
- (v) *企業雲服務收入*

企業雲服務收入於提供服務之會計期間，參考特定交易根據實際提供之服務佔所提供總服務之比例評估之完成階段確認。倘服務乃於一段指定時期內透過不確定數量行動進行，除非有證據顯示有其他更佳方法表示完成階段，否則收益按直線法於該等指定時期確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Revenue recognition (Continued)

(vi) *Other revenue*

Sales of food and beverages, merchandise and souvenir are recognised when goods are delivered. Interest income is recognised on a time-proportion basis using the effective interest method. Dividend income is recognised when the right to receive payment is established.

Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the considerations (including advances received from customers) exceeds the revenue recognised to date under the output method then the Group recognises a contract liability for the difference.

Contract costs

The Group recognises an asset from the costs incurred to fulfil a contract when those costs meet all of the following criteria:

- (a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relate. The asset is subject to impairment review.

2. 主要會計政策概要(續)

2.19 收益確認(續)

(vi) *其他收入*

食品及飲料、商品及紀念品銷售於貨品交付時確認。利息收入乃採用實際利率法按時間比例基準確認。股息收入於收款權利確立時確認。

合約資產及負債

合約資產指本集團就向客戶換取本集團已轉讓的商品或服務收取代價的權利(尚未成為無條件)。相反，應收款項指本集團收取代價的無條件權利，即只需待時間過去代價即須到期支付。

合約負債指本集團因已自客戶收取代價(或到期收取的代價)，而須向客戶轉讓商品或服務的責任。

先前確認為合約資產的任何金額在向客戶開具發票時重新分類至應收貿易款項。倘代價(包括自客戶收取之墊款)超過根據輸出法確認迄今收益，本集團則就差異確認合約負債。

合約成本

本集團僅在成本符合以下所有標準的情況下方始將履行合約所產生的成本確認為資產：

- (a) 成本直接與實體可明確識別之合約或預期合約有關；
- (b) 成本產生或提升將用於履行(或持續履行)未來履約責任之本集團資源；及
- (c) 預計成本將可收回。

已確認資產其後應按與成本有關轉移至客戶的貨品或服務一致的系統基準攤銷至損益。該資產需要進行減值評估。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate. Government grants relating to the purchase of assets are included in liabilities as deferred government grants in the statement of financial position and are recognised in profit or loss on a straight-line basis over the expected lives of the related assets.

Government grants relating to income is presented in gross under "Other operating income" in profit or loss.

2.21 Impairment of non-financial assets

Goodwill arising on an acquisition of subsidiary, other intangible assets, property, plant and equipment, prepaid land lease payments under operating leases, non-current portion of deposits and, interests in subsidiaries, associates and joint ventures are subject to impairment testing.

Goodwill and other intangible assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, 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 assessment of time value of money and the risk specific to the asset.

2. 主要會計政策概要(續)

2.20 政府撥款

當合理確保將收取撥款且本集團將遵守全部附帶條件，來自政府之撥款按其公允價值確認。政府撥款會遞延處理且於需要與彼等擬補償之成本作出配對期間於損益確認。關於購買資產之政府撥款於財務狀況報表內計入負債，列為遞延政府撥款，並以直線法於有關資產之估計年期於損益確認。

關於收入之政府撥款之總額於損益賬呈列為「其他經營收入」。

2.21 非金融資產減值

收購附屬公司產生之商譽、其他無形資產、物業、廠房及設備、經營租賃下之預付土地租賃費、按金之非流動部分以及於附屬公司、聯營公司及合營企業之權益須進行減值測試。

不論是否有任何減值跡象，商譽及無限使用年期或該等尚未可供使用之其他無形資產均須最少每年進行一次減值測試。所有其他資產於有任何跡象顯示資產賬面值可能無法收回時進行減值檢測。

當資產之賬面值高於其可收回金額時，高出金額作為減值虧損被立即確認為開支。可收回金額為公允價值（反映市場情況）減去銷售成本與使用價值之較高者。評估使用價值時，以除稅前貼現率計算預計未來現金流量之現值，而該貼現率反映當時市場對貨幣時值之評估及該項資產之特有風險。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Impairment of non-financial assets (Continued)

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level. Goodwill in particular is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. 主要會計政策概要(續)

2.21 非金融資產減值(續)

就評估減值而言，若一項資產所產生之現金流入不能獨立於其他資產所產生現金流入，可收回金額則以能獨立產生現金流入之最細資產類別(即現金產生單位)釐定。因此，部分資產個別進行減值測試，部分則在現金產生單位層次進行測試。特別是商譽，會被分配至預期可從相關業務合併之協同效應中獲益，及代表集團內為內部管理目的而監控商譽之最低單位之現金產生單位。

就已分配商譽之現金產生單位確認之減值虧損初步計入商譽之賬面值。除資產賬面值將不會調減至低於其個別公允價值減銷售成本或使用價值(如可釐定)外，任何剩餘減值虧損按比例自該現金產生單位之其他資產扣除。

商譽之減值虧損不可於往後期間撥回。就其他資產而言，倘用以釐定資產可收回金額之估計出現有利變動，減值虧損予以撥回，惟資產之賬面值不得超過倘並無確認減值虧損原應釐定之賬面值(經扣除折舊或攤銷)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Employee benefits

(i) *Short-term employee benefits*

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

(ii) *Retirement benefits*

The Group operates several staff retirement schemes for employees in Hong Kong and Mainland China, the People's Republic of China (the "PRC"), comprising defined contribution pension schemes and a Mandatory Provident Fund ("MPF") scheme. The assets of these schemes are held separately from those of the Group in independently administered funds. The retirement schemes are generally funded by payments from employees and by the relevant subsidiaries of the Group.

The subsidiaries operating in Mainland China are required to participate in the defined contribution retirement scheme for their employees, organised by the relevant local government authorities. They are required to make contributions to the retirement schemes at a rate of 10% to 22% (depending on the locations of the subsidiaries) of basic salaries of their employees and there are no other further obligations to the Group.

Before 1 December 2000, the Group operated a defined contribution retirement scheme (the "ORSO Scheme") in Hong Kong for all qualified employees. The rate of contribution payable by the Group was 5% of the individual employees' monthly basic salaries. The Group's contributions under the ORSO Scheme were reduced by contributions forfeited by those employees who left the scheme prior to vesting fully in the contributions. There are no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

2. 主要會計政策概要(續)

2.22 僱員福利

(i) *短期僱員福利*

僱員應享年假乃於應計予僱員時確認，並就截至報告日期止僱員提供服務所享有之年假之估計負債提撥準備。

病假及產假等非累計補假僅於休假時方予確認。

(ii) *退休福利*

本集團為香港及中華人民共和國(「中國」)內地之僱員提供數項員工退休計劃，包括界定供款退休金計劃及強制性公積金(「強積金」)計劃。該等計劃之資產與本集團之資產分開保管，由獨立管理基金持有。退休計劃之資金一般來自僱員及本集團有關附屬公司之供款。

於中國內地經營之附屬公司須為彼等之僱員參與由有關地方政府機關統籌之界定供款退休計劃，並須按其僱員之基本薪金之10%至22%(取決於附屬公司所在地)向退休計劃作出供款，而本集團並無其他進一步責任。

於2000年12月1日前，本集團為其所有合資格僱員於香港設立一個界定供款退休金計劃(「職業退休計劃」)。本集團應付供款之比率為每位個別僱員每月基本薪金之5%。本集團根據職業退休計劃作出之供款，可以因僱員於可享有供款所得全部權益前退出該計劃而沒收之供款扣減。於支付定額供款後，本集團並無任何須支付進一步供款之法定或推定責任。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Employee benefits (Continued)

(ii) Retirement benefits (Continued)

The Mandatory Provident Fund Schemes Authority has approved the ORSO Scheme as a Mandatory Provident Fund Exempted Occupational Retirement Scheme under the Mandatory Provident Fund Schemes Ordinance (the "MPF Schemes Ordinance"). With effect from 1 December 2000, the MPF Scheme was also set up under the MPF Schemes Ordinance for existing staff who opt for this scheme and eligible staff recruited on or after that date. When the underlying staff elects the MPF Scheme, pension scheme benefits attributed to the staff under the ORSO Scheme remain unchanged in the MPF Scheme. Under the MPF Scheme, eligible employees are required to contribute 5% of their monthly basic salaries whereas the Group's monthly contribution will be 5% of the relevant employee's basic salaries with a maximum monthly contribution of HK\$1,500 (2018: HK\$1,500). There are no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short term nature.

2. 主要會計政策概要(續)

2.22 僱員福利(續)

(ii) 退休福利(續)

強制性公積金計劃管理局根據強制性公積金計劃條例(「強積金條例」)批准職業退休計劃為強積金獲豁免職業退休計劃。由2000年12月1日起，本集團亦根據強積金條例設立強積金計劃。強積金計劃乃為選擇參與該計劃之現有員工及於該日或之後聘用之合資格員工而設。當相關員工選用強積金計劃，根據職業退休計劃屬於員工之職業退休計劃利益於強積金計劃中維持不變。根據強積金計劃，合資格僱員須按其每月基本薪金5%供款，而本集團之每月供款將為有關僱員基本薪金之5%，每月供款上限為1,500港元(2018年：1,500港元)。於支付固定供款後，本集團並無任何須支付進一步供款之法定或推定責任。

界定供款退休金計劃之供款於僱員提供服務時在損益賬中確認為開支。負債及資產可能於繳付不足或預繳時確認，並因其通常屬短期性質而計入流動負債或流動資產。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Employee benefits (Continued)

(iii) Share-based employee compensation

Share option

The Group operates equity-settled share-based compensation plans for remuneration of its employees.

Where share options are awarded to employees and others providing similar services, the fair value of the services received is measured by reference to the fair value of the options at the date of grant. Such fair value is recognised in profit or loss over the vesting period with a corresponding increase in the share option reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all non-market vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

Restricted share award scheme

The Group operates a restricted share award scheme (the "Restricted Share Award Scheme") and restricted shares may be granted under the Restricted Share Award Scheme for remuneration of its employees and directors (the "Restricted Shares").

All services received in exchange for the grant of any Restricted Shares are measured at fair value. These are indirectly determined by reference to the fair value of the Restricted Shares granted. Its value is appraised at the grant date and excludes the impact of any service and non-market performance vesting condition (for example, profitability and sales growth targets, if any).

2. 主要會計政策概要(續)

2.22 僱員福利(續)

(iii) 以股份支付之僱員報酬

購股權

本集團就其僱員薪酬設有以權益結算以股份支付之補償計劃。

倘購股權乃授予僱員及其他提供類似服務之人士，則所接收服務之公允價值乃參照購股權獲授出日期之公允價值計量。有關公允價值於歸屬期內於損益賬確認，並於權益內之購股權儲備作出相應增加。當中會考慮非市場歸屬條件，透過調整預期於各報告期末歸屬之股本工具數目，使最終於歸屬期內確認之累計金額以最終歸屬之購股權數目為基準。計算所授出購股權之公允價值時會考慮市場歸屬條件。只要所有非市場歸屬條件達成，不論是否達成市場歸屬條件，亦會作出扣賬。累計開支不會因無法達致市場歸屬條件而調整。

倘購股權之條款及條件於歸屬前獲修改，則緊接修改前及緊隨修改後計量之購股權公允價值之增幅亦會於餘下歸屬期內於損益賬確認。

限制性股份獎勵計劃

本集團設有限制性股份獎勵計劃(「限制性股份獎勵計劃」)，並可能根據限制性股份獎勵計劃向其僱員及董事授出限制性股份(「限制性股份」)作為報酬。

所有就換取授出任何限制性股份而獲取之服務乃按公允價值計量，並經參考已授出限制性股份之公允價值間接釐定。其價值於授出日期評定，且不計及任何服務及非市場表現歸屬條件(例如，盈利能力及銷售增長目標(如有))之影響。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Employee benefits (Continued)

(iii) Share-based employee compensation (Continued)

Restricted share award scheme (Continued)

All services received is ultimately recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when Restricted Shares granted vest immediately unless the expense qualifies for the recognition as asset, with a corresponding increase in "Share-based Payments Reserve" within equity. If service or non-market performance conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of Restricted Shares expected to vest. Non-market performance and service conditions are included in assumptions about the number of Restricted Shares that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of Restricted Shares expected to vest differs from previous estimates. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payments reserve.

Where a grant of Restricted Shares is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the grant is recognized immediately. This includes any grant where non-vesting conditions within the control of either the Group or the employee are not met.

The Restricted Shares awarded under the Restricted Share Award Scheme are issued by a subsidiary of the Company to custodian at nil consideration. When the Restricted Shares are transferred to the awardees upon vesting, the related service costs of Restricted Shares vested are debited to the "Share-based Payments Reserve" and credit to "Share Capital". Where the Restricted Shares held for employee share-based payments reserve are revoked and the revoked shares are disposed of, the related proceed is transferred to "Share Capital".

2.23 Capitalisation of borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying asset which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalized. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. 主要會計政策概要(續)

2.22 僱員福利(續)

(iii) 以股份支付之僱員報酬(續)

限制性股份獎勵計劃(續)

除非有關開支符合資格確認為資產，否則所有獲取之服務最終於歸屬期(若歸屬條件適用)於損益賬確認為開支，或於已授出限制性股份即時歸屬時於授出日期悉數確認為開支，並在權益之「以股份支付之儲備」作相應增加。倘服務或非市場表現歸屬條件適用，則開支會於歸屬期按照預期歸屬之限制性股份數目最佳可得估計確認。於假設預期歸屬之限制性股份數目時計及非市場表現及服務條件。倘有任何跡象顯示預期歸屬之限制性股份數目與過往之估計不同，則會於其後修訂估計。修訂原有估計之影響(如有)於損益賬確認，致使累計開支反映經修訂之估計，並相應調整以股份支付之儲備。

倘註銷授出限制性股份，則被視為猶如其已於註銷日期歸屬，並即時確認尚未就授出確認之任何開支。此包括在受本集團或僱員控制之非歸屬條件並無達致之情況下作出之任何授出。

本公司一間附屬公司無償向託管人發行限制性股份獎勵計劃項下限制性股份。倘限制性股份於歸屬時轉撥至承授人，則所歸屬限制性股份相關服務成本自「以股份支付之儲備」扣除並計入「股本」。倘就僱員以股份支付之儲備持有之限制性股份遭撤回且遭撤回股份被出售，則相關所得款項轉撥至「股本」。

2.23 借貸成本撥充資本

需要相當長時間方可作擬定用途或可供銷售的收購、興建或生產合資格資產而產生之借貸成本撥作該等資產的部分成本。特定借貸在用作該等資產開支前暫作投資所賺取之收入自撥充資本之借貸成本中扣除。所有其他借貸成本於其發生期間之損益確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Accounting for income taxes

Income tax for the year comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of income tax expense in profit or loss.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly to equity.

2. 主要會計政策概要(續)

2.24 所得稅之會計處理方法

年內所得稅包括即期及遞延稅項。

即期所得稅資產及／或負債包括現行或過往呈報期間與財務機關有關而於報告日期尚未支付之應付責任或應收申索。該等金額乃根據年內應課稅溢利按相關財政期間適用之稅率及稅法計算。即期稅項資產或負債之所有變動於損益賬確認為所得稅開支一部分。

本集團乃就資產及負債在財務申報上之賬面值與稅務上之相應金額兩者間之暫時差額確認遞延稅項。除商譽及不足以影響會計溢利或應課稅溢利之已確認資產及負債外，遞延稅項負債會就所有應課稅暫時差額確認。遞延稅項資產乃在可能有應課稅溢利可用於抵銷可扣稅暫時差額之情況下確認。

倘因商譽或因初步確認(並非業務合併)某項不影響應課稅或會計溢利或虧損之交易之資產及負債而產生暫時差額，則遞延稅項資產及負債不予確認。

就投資於附屬公司、聯營公司及合營企業產生之應課稅暫時差額確認為遞延稅項負債，惟倘若本集團能夠控制該暫時差額之撥回，以及有關暫時差額不大可能於可見未來撥回則另作別論。

遞延稅項乃按預期於負債清償或資產變賣期間適用之稅率計算(不作貼現)，惟有關稅率必須為於報告日期已頒行或實質上已頒行之稅率。

遞延稅項資產或負債之變動於損益賬確認，或倘與於其他全面收益扣除或計入其他全面收益或直接自權益扣除或計入權益之項目有關，則於其他全面收益或權益確認。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Segment reporting

The Group identifies operating segments and prepare segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following five reportable segments:

- (a) Enterprise cloud services
- (b) Property development
- (c) Culture and media services
- (d) News media business
- (e) Innovative business

Information about other business activities and operating segments that are not reportable are combined and disclosed in "all other segments". All other segments included trading of securities and property management.

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Certain corporate income and expenses are not allocated to the operating segments as they are not included in the measure of segment's profit or loss that is used by the chief operating decision maker for assessment of segment performance.

2. 主要會計政策概要(續)

2.25 分部報告

本集團根據就執行董事作出有關向本集團各業務環節分配資源之決策及審閱該等環節表現向彼等報告之一般內部財務資料，釐定經營分部，並編製分部資料。向執行董事報告之內部財務資料所載業務環節下列按本集團主要產品及服務釐定。

本集團已定出以下五項可呈報分部：

- (a) 企業雲服務
- (b) 房地產開發
- (c) 文化與傳播服務
- (d) 新聞傳播業務
- (e) 創意商業

有關其他未能呈報業務活動及經營分部之資料已加以合併，於「所有其他分部」披露。所有其他分部包括證券買賣及物業管理。

由於各項產品及服務所需資源及推廣方針有所不同，各經營分部獨立管理。分部間交易之定價乃參考類似訂單向外部人士收取之價格。若干企業收益及開支不會分配至經營分部，因其不包括在主要營運決策者評估分部表現所使用之分部損益之計量內。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Segment reporting (Continued)

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

- Certain depreciation and amortisation
- Certain bank and other interest income
- Certain finance costs
- Income tax expense
- Corporate income and expenses which are not directly attributable to the business activities or any operating segment

are not included in arriving at the operating results of the operating segment.

Segment assets include all assets directly attributable to the operating segments. Certain financial assets at FVOCI, amounts due from related parties, pledged and restricted bank deposits and other corporate assets are not allocated to any operating segment.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include certain provision for tax, bank and other borrowings and amount due to a director.

No asymmetrical allocations have been applied to reportable segments.

2. 主要會計政策概要(續)

2.25 分部報告(續)

本集團根據香港財務報告準則第8號就報告分部業績採用之計量政策與根據香港財務報告準則於財務報表所採用者相同，惟：

- 若干折舊及攤銷
- 若干銀行及其他利息收入
- 若干融資成本
- 所得稅開支
- 並非直接歸入業務活動或任何經營分部之企業收益及開支

於計算經營分部之經營業績時並不包括在內。

分部資產包括直接歸屬於經營分部之所有資產。若干按公允價值於其他全面收益處理之金融資產、應收關連方款項、已抵押及受限制銀行存款及其他公司資產並無分配至任何經營分部。

分部負債不包括並非直接歸入任何經營分部之業務活動之企業負債，且不會分配至分部。此等項目包括若干稅項撥備、銀行及其他借貸以及欠一名董事之款項。

並無對可呈報分部採用非對稱之分配。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Related parties

- (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 key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (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 the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of 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 Group or to the Group's parent.

2. 主要會計政策概要(續)

2.26 關連方

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本公司母公司之主要管理層成員。
- (b) 倘符合下列任何條件，即實體與本集團有關連：
 - (i) 該實體與本公司屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
 - (ii) 一間實體為另一實體之聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
 - (iii) 兩間實體均為同一第三方之合營企業。
 - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃。
 - (vi) 實體受(a)所識別人士控制或受共同控制。
 - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)主要管理層成員。
 - (viii) 向本集團或本集團之母公司提供主要管理層成員服務之實體或其所屬集團之任何成員公司。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

3. ADOPTION OF NEW/AMENDED HKFRSs

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019

In the current year, the Group has applied for the first time the following new/amended HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2019:

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

The impact on the adoption of HKFRS 16 has been summarised below. The other new or amended HKFRSs that are effective from 1 January 2019 did not have any material impact on the Group's accounting policies.

2. 主要會計政策概要(續)

2.26 關連方(續)

某一人士之近親指預期可影響該人士與實體進行買賣或於買賣時受該人士影響之有關家族成員，並包括：

- (i) 該名人士之子女及配偶或家庭夥伴；
- (ii) 該名人士之配偶或家庭夥伴之子女；及
- (iii) 該名人士或該名人士之配偶或家庭夥伴之受養人。

3. 採納新訂／經修訂香港財務報告準則

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效

於本年度，本集團已首次應用以下由香港會計師公會頒佈與本集團於2019年1月1日開始之年度期間之財務報表有關及生效之新訂／經修訂香港財務報告準則：

香港財務報告準則第16號	租賃
香港(國際財務報告詮釋委員會)－詮釋第23號	所得稅處理之不確定性
香港財務報告準則第9號之修訂	具負補償特性之提早還款
香港會計準則第19號之修訂	計劃修訂、縮減或結算
香港會計準則第28號之修訂	於聯營公司及合營企業之長期權益
香港財務報告準則2015年至2017年週期年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂

採納香港財務報告準則第16號之影響概述如下。自2019年1月1日起生效之其他新訂或經修訂香港財務報告準則對本集團之會計政策並無任何重大影響。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019 (Continued)

- (i) *Impact on the adoption of HKFRS 16*
- (i) Changes in accounting treatment for lease
HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17 Leases (“HKAS 17”), HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease (“HK(IFRIC)-Int 4”), HK(SIC)-Int 15 Operating Leases-Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. From a lessee’s perspective, almost all leases are recognised in the statement of financial position as right-of-use assets and lease liabilities, with the narrow exception to this principle for leases which the underlying assets are of low-value or are determined as short-term leases. From a lessor’s perspective, the accounting treatment is substantially unchanged from HKAS 17. For details of HKFRS 16 regarding its new definition of a lease, its impact on the Group’s accounting policies and the transition method adopted by the Group as allowed under HKFRS 16, please refer to section (ii) to (v) of this note.

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效(續)

- (i) *採納香港財務報告準則第16號之影響*
- (i) 租賃會計處理變動
香港財務報告準則第16號為租賃會計的會計處理方式帶來重大變動，主要為承租人之會計處理。其取代香港會計準則第17號「租賃」(「香港會計準則第17號」)、香港(國際財務報告詮釋委員會)－詮釋第4號「釐定安排是否包括租賃」(「香港(國際財務報告詮釋委員會)－詮釋第4號」)、香港(準則詮釋委員會)－詮釋第15號「經營租賃－優惠」及香港(準則詮釋委員會)－詮釋第27號「評估涉及租賃法律形式交易的内容」。就承租人角度而言，幾乎所有租賃均於財務狀況報表中確認為使用權資產及租賃負債，此原則之少數例外為相關資產屬低價值之租賃或釐定為短期租賃之租賃。就出租人角度而言，與香港會計準則第17號相比，會計處理方式大致上維持不變。有關香港財務報告準則第16號有關其對租賃的新定義、其對本集團會計政策之影響及本集團按香港財務報告準則第16號所准許而採納之過渡方法之詳情，請參閱本附註第(ii)至(v)節。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019 (Continued)

(i) *Impact on the adoption of HKFRS 16 (Continued)*

(i) Changes in accounting treatment for lease (Continued)

The Group has applied HKFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying HKFRS 16 as an adjustment to the opening balance of retained profits and non-controlling interests at the date of initial application. The comparative information presented in 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The following tables summarise the impact of transition to HKFRS 16 in the consolidated statement of financial position as of 31 December 2018 to that of 1 January 2019 (increase/(decrease)):

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效(續)

(i) *採納香港財務報告準則第16號之影響(續)*

(i) 租賃會計處理變動(續)

本集團以累計影響法應用香港財務報告準則第16號，並於首次應用日期將首次應用香港財務報告準則第16號之所有累計影響確認為保留溢利及非控股權益期初結餘之調整。按香港財務報告準則第16號之過渡條文所准許，2018年所呈列比較資料並未重列，並繼續根據香港會計準則第17號及相關詮釋呈報。

下表概述過渡至香港財務報告準則第16號對2018年12月31日至2019年1月1日綜合財務狀況報表之影響(增加／(減少))：

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019 (Continued)

- (i) *Impact on the adoption of HKFRS 16 (Continued)*
- (ii) Changes in accounting treatment for lease (Continued)

Impact on consolidated statement of financial position as at 1 January 2019

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效(續)

- (i) 採納香港財務報告準則第16號之影響(續)
- (ii) 租賃會計處理變動(續)

對於2019年1月1日之綜合財務狀況報表之影響

		HK\$'000 千港元
Non-current assets		
Property, plant and equipment — right-of-use assets	非流動資產 物業、廠房及設備 — 使用權資產	5,025,820
Property, plant and equipment — equipment	物業、廠房及設備 — 設備	(141,189)
Prepaid land lease payments under operating leases	經營租賃下之預付土地租賃費	(22,860)
Deferred tax assets	遞延稅項資產	228,815
		5,090,586
Current assets		
Deposits, prepayments and other receivables	流動資產 按金、預付款項及其他應收款項	(42,244)
		(42,244)
Current liabilities		
Other payables and accruals	流動負債 其他應付款項及應計費用	(197,319)
Lease liabilities	租賃負債	334,277
Finance lease liabilities	融資租賃負債	(42,078)
		94,880
Non-current liabilities		
Lease liabilities	非流動負債 租賃負債	5,687,918
Finance lease liabilities	融資租賃負債	(48,012)
		5,639,906
Net assets		(686,444)
Equity		
Retained profits	權益 保留溢利	(604,006)
Non-controlling interests	非控股權益	(82,438)
		(686,444)

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019 (Continued)

- (i) *Impact on the adoption of HKFRS 16 (Continued)*
- (ii) Changes in accounting treatment for lease (Continued)

The following reconciliation explains how the operating lease commitments disclosed by applying HKAS 17 as at 31 December 2018 could be reconciled to the lease liabilities at the date of initial application of HKFRS 16 recognised in the consolidated statement of financial position as at 1 January 2019:

Reconciliation of operating lease commitments to lease liabilities

		HK\$'000 千港元
Operating lease commitments as at 31 December 2018	於2018年12月31日之經營租賃承擔	13,363,397
Less: Short-term leases for which lease terms end within 31 December 2019	減：租賃期於2019年12月31日內結束之短期租賃	(174,386)
Less: Lease contracted for but not yet commenced on 1 January 2019	減：已訂約但尚未於2019年1月1日開始之租賃	(3,718,049)
Less: Future interest expenses	減：未來利息開支	(3,635,619)
Add: Leases included in extension option which the Group considers reasonably certain to exercise	加：計入本集團認為合理確定行使延期選擇權之租賃	96,762
Add: Finance lease liabilities as at 31 December 2018	加：於2018年12月31日之融資租賃負債	90,090
Total lease liabilities as at 1 January 2019	於2019年1月1日之租賃負債總額	6,022,195

The lessee's weighted average incremental borrowing rates applied to the lease liabilities recognised in the consolidated statement of financial position as at 1 January 2019 are ranged from 5.16% to 8.96%.

以下對賬闡釋於2018年12月31日應用香港會計準則第17號披露之經營租賃承擔如何與於2019年1月1日之綜合財務狀況報表中確認於首次應用香港財務報告準則第16號日期之租賃負債進行對賬：

經營租賃承擔與租賃負債之對賬

於2019年1月1日之綜合財務狀況報表內計算租賃負債所應用承租人加權平均增量借貸利率範圍介乎5.16%至8.96%。

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效(續)

- (i) *採納香港財務報告準則第16號之影響(續)*
- (ii) 租賃會計處理變動(續)

以下對賬闡釋於2018年12月31日應用香港會計準則第17號披露之經營租賃承擔如何與於2019年1月1日之綜合財務狀況報表中確認於首次應用香港財務報告準則第16號日期之租賃負債進行對賬：

經營租賃承擔與租賃負債之對賬

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019 (Continued)

(i) *Impact on the adoption of HKFRS 16 (Continued)*

- (ii) The new definition of a lease
Under HKFRS 16, a lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time when the customer, throughout the period of use, has both: (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and (b) the right to direct the use of the identified asset.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee apply the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group has elected not to separate non-lease components and account for all each lease component and any associated non-lease components as a single lease component for all leases.

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效(續)

(i) *採納香港財務報告準則第16號之影響(續)*

- (ii) 租賃的新定義
根據香港財務報告準則第16號，租賃被定義為以代價獲得資產(相關資產)於一段時間內的使用權的一項合約或合約的一部分。當客戶於整個使用期間同時：(a) 有權獲取使用已識別資產帶來的絕大部分經濟利益；及(b) 有權指示已識別資產的用途時，合約附帶權利可於一段時間內控制已識別資產的用途。

就含有租賃成分以及一項或多項額外租賃或非租賃成分的合約而言，承租人須將合約代價分配至各租賃成分，基準是租賃成分的相對獨立價格及非租賃成分的總獨立價格，除非承租人應用實際權宜方法使承租人可以按相關資產類別選擇不從租賃成分中區分非租賃成分，而是將各租賃成分及任何相關非租賃成分入賬列作單一租賃成分。

本集團已選擇不區分非租賃成分並就本集團為承租人的所有租賃將所有各租賃成分及任何相關非租賃成分入賬列作單一租賃成分。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019 (Continued)

(i) *Impact on the adoption of HKFRS 16 (Continued)*

(iii) Accounting as a lessee

Under HKAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a lease asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the statement of financial position of the lessee.

Under HKFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but HKFRS 16 provides accounting policy choices for an entity to choose not to capitalise (i) leases which are short-term leases; and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

The Group recognised a right-of-use asset and a lease liability at the commencement date of a lease.

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效(續)

(i) *採納香港財務報告準則第16號之影響(續)*

(iii) 作為承租人的會計處理
根據香港會計準則第17號，承租人須根據租賃資產擁有權隨附風險及回報與出租人或承租人的相關程度將租賃分類為經營租賃或融資租賃。倘租賃釐定為經營租賃，承租人將於租賃期內將經營租賃項下的租賃付款確認為一項開支。租賃項下的資產將不會於承租人的財務狀況報表內確認。

根據香港財務報告準則第16號，所有租賃(不論為經營租賃或融資租賃)須於財務狀況報表資本化為使用權資產及租賃負債，惟香港財務報告準則第16號為實體提供會計政策選擇，可選擇不將(i)屬短期租賃的租賃；及／或(ii)相關資產為低價值的租賃進行資本化。本集團已選擇不就低價值資產以及於開始日期租賃期少於12個月的租賃確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租賃期內按直線法支銷。

本集團於租賃開始當日確認使用權資產及租賃負債。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019 (Continued)

(i) *Impact on the adoption of HKFRS 16 (Continued)*

(iii) Accounting as a lessee (Continued)

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. For right-of-use asset that meets the definition of an investment property, it is carried at fair value and for right-of-use asset that meets the definition of a leasehold land and buildings held for own use, they are carried at depreciated cost. The right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease terms.

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效(續)

(i) *採納香港財務報告準則第16號之影響(續)*

(iii) 作為承租人的會計處理(續)

使用權資產

使用權資產應按成本確認並將包括：(i) 初步計量租賃負債的金額(見下文有關租賃負債入賬的會計政策)；(ii) 於開始日期或之前作出的任何租賃付款減已收取的任何租賃獎勵；(iii) 承租人產生的任何初始直接成本；及(iv) 承租人根據租賃條款及條件規定的情況下分解及移除相關資產時將產生的估計成本，惟該等成本乃為生產存貨而產生則除外。本集團採用成本模式計量使用權資產。根據成本模式，本集團按成本減任何累計折舊及任何減值虧損計量使用權資產，並就租賃負債的任何重新計量作出調整。就符合投資物業定義之使用權資產而言，其按公允價值列賬，而就符合持作自用之租賃土地及樓宇定義之使用權資產而言，其按折舊成本列賬。使用權資產按估計可使用年期或租賃期(以較短者為準)以直線法折舊。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019 (Continued)

(i) *Impact on the adoption of HKFRS 16 (Continued)*

(iii) Accounting as a lessee (Continued)

Right-of-use asset (Continued)

For the Group, leasehold land and buildings that were held to earn rental or for capital appreciation purpose would continue to be accounted for under HKAS 40 and would be carried at fair value. The adoption of HKFRS 16 therefore does not have any material impact on these right-of-use assets. Other than the above right-of-use assets, the Group also has leased a number of properties under tenancy agreements which the Group exercises its judgement and determines that it is a separate class of asset apart from the leasehold land and buildings which is held for own use. As a result, the right-of-use assets arising from the properties under tenancy agreements are carried at depreciated cost.

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效(續)

(i) *採納香港財務報告準則第16號之影響(續)*

(iii) 作為承租人的會計處理(續)

使用權資產(續)

就本集團而言，為賺取租金或資本增值目的而持有之租賃土地及樓宇將繼續根據香港會計準則第40號入賬，並按公允價值列賬。因此，採納香港財務報告準則第16號對此等使用權資產並無任何重大影響。除上述使用權資產外，本集團亦已根據租賃協議租賃多個物業，而本集團對有關租賃作出判斷，並確定其為持作自用之租賃土地及樓宇以外之個別資產類別。因此，租賃協議項下物業所產生之使用權資產按折舊成本列賬。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019 (Continued)

(i) *Impact on the adoption of HKFRS 16 (Continued)*

(iii) Accounting as a lessee (Continued)

Lease liability

The lease liability should be recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group shall use the lessee's incremental borrowing rate.

The following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, a lessee shall measure the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效(續)

(i) *採納香港財務報告準則第16號之影響(續)*

(iii) 作為承租人的會計處理(續)

租賃負債

租賃負債應按並非於租賃開始日期支付之租賃付款的現值確認。租賃付款將採用租賃暗含的利率貼現(倘該利率可輕易釐定)。倘該利率無法輕易釐定，本集團將採用承租人的增量借貸利率。

下列並非於租賃開始日期支付的租賃期內就使用相關資產權利支付的款項被視為租賃付款：(i) 固定付款減任何應收租賃獎勵；(ii) 初步按開始日期之指數或利率計量的浮動租賃付款(取決於指數或利率)；(iii) 承租人根據剩餘價值擔保預期將支付的款項；(iv) 倘承租人合理確定行使購買選擇權，該選擇權的行使價；及(v) 倘租賃期反映承租人行使選擇權終止租賃，終止租賃的罰款付款。

於開始日期後，承租人將透過下列方式計量租賃負債：(i) 增加賬面值以反映租賃負債的利息；(ii) 減少賬面值以反映作出的租賃付款；及(iii) 重新計量賬面值以反映任何重估或租賃修改，如指數或利率變動導致日後租賃付款變動、租賃期變動、實質固定租賃付款變動或購買相關資產的評估變動。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019 (Continued)

- (i) *Impact on the adoption of HKFRS 16 (Continued)*
- (iv) Accounting as a lessor
The Group has leased out its investment properties to a number of tenants. As the accounting under HKFRS 16 for a lessor is substantially unchanged from the requirements under HKAS 17, the adoption of HKFRS 16 does not have material impact on these consolidated financial statements.
- (v) Transition
As mentioned above, the Group has applied HKFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying HKFRS 16 as an adjustment to the opening balance of retained profits and non-controlling interests at the date of initial application (1 January 2019). The comparative information presented in 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The Group has recognised the lease liabilities at the date of 1 January 2019 for leases previously classified as operating leases by applying HKAS 17 and measured those lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2019.

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效(續)

- (i) *採納香港財務報告準則第16號之影響(續)*
- (iv) 作為出租人的會計處理
本集團已將其投資物業出租予多名租戶。由於根據香港財務報告準則第16號作為出租人的會計處理與香港會計準則第17號的規定大致相同，採納香港財務報告準則第16號對此等綜合財務報表並無重大影響。
- (v) 過渡
誠如上文所述，本集團已採用累計影響法應用香港財務報告準則第16號，並將首次應用香港財務報告準則第16號的所有累積影響確認為於首次應用日期(2019年1月1日)保留溢利及非控股權益期初結餘的調整。按香港財務報告準則第16號之過渡條文所准許，2018年所呈列比較資料並未重列，並繼續根據香港會計準則第17號及相關詮釋呈報。

本集團已於2019年1月1日就先前應用香港會計準則第17號分類為經營租賃的租賃確認租賃負債並按餘下租賃付款的現值(採用於2019年1月1日的承租人增量借貸利率貼現)計量該等租賃負債。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019 (Continued)

- (i) *Impact on the adoption of HKFRS 16 (Continued)*
- (v) *Transition (Continued)*
The Group has elected to recognise all the right-of-use assets at 1 January 2019 for leases previously classified as operating leases under HKAS 17 on a lease-by-lease basis, to measure at either: (i) as if HKFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application; and (ii) equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. For all these right-of-use assets, the Group has applied HKAS 36, Impairment of Assets, at 1 January 2019 to assess if there was any impairment on that date.

The Group has also applied the following practical expedients: (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; (ii) applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with terms that will end within 12 months of the date of initial application (1 January 2019) and accounted for those leases as short-term leases; (iii) exclude the initial direct costs from the measurement of the right-of-use asset at 1 January 2019; (iv) used hindsight in determining the lease terms if the contracts contain options to extend or terminate the leases; and (v) not to separate non-lease components and account for all each lease component and any associated non-lease components as a single lease component for all leases.

In addition, the Group has also applied the practical expedients such that: (i) HKFRS 16 is applied to all of the Group's lease contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4; and (ii) not to apply HKFRS 16 to contracts that were not previously identified as containing a lease under HKAS 17 and HK(IFRIC)-Int 4.

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效(續)

- (i) *採納香港財務報告準則第16號之影響(續)*
- (v) *過渡(續)*
本集團已選擇於2019年1月1日就先前根據香港會計準則第17號分類為經營租賃的租賃按個別租賃基準確認所有使用權資產，並按照以下方式計量：(i) 猶如香港財務報告準則第16號自開始日期起已經應用，惟採用首次應用日期的承租人增量借貸利率進行貼現；及(ii) 相等於租賃負債，經有關緊接首次應用日期前於財務狀況報表確認之租賃之任何預付或應計租賃付款金額作出調整。就所有該等使用權資產而言，本集團已於2019年1月1日應用香港會計準則第36號「資產減值」以評估該日是否有任何減值。

本集團亦已應用下列實際權宜方法：(i) 就具有合理相似特徵的租賃組合應用單一貼現率；(ii) 應用將於首次應用日期(2019年1月1日)起計12個月內結束之使用權資產及租賃負債之豁免，並將該等租賃確認為短期租賃；(iii) 不包括於2019年1月1日計量使用權資產產生的初步直接成本；(iv) 倘合約載有延長或終止租賃的選擇權，則於事後釐定租賃期；及(v) 並無分開非租賃組成部分，並將所有租賃組成部分及任何相關非租賃組成部分作為所有租賃之單一租賃組成部分入賬。

此外，本集團亦已應用實際權宜方法以便：(i) 將香港財務報告準則第16號應用於本集團先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號識別為租賃的所有租賃合約；及(ii) 並無將香港財務報告準則第16號應用於先前並無根據香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號識別為含有租賃的合約。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019 (Continued)

- (i) *Impact on the adoption of HKFRS 16 (Continued)*
- (v) *Transition (Continued)*
The Group has also leased certain projection equipment which previously were classified as finance leases under HKAS 17. As the Group has elected to adopt the cumulative effect method over the adoption of HKFRS 16, for those finance leases under HKAS 17, the right-of-use assets and the corresponding lease liabilities at 1 January 2019 were the carrying amount of the lease assets and lease liabilities under HKAS 17 immediately before that date. For those leases, the Group has accounted for the right-of-use assets and the lease liabilities by applying HKFRS 16 from 1 January 2019.
- (ii) *Amendments to HKAS 19 — Plan Amendments, Curtailment or Settlement*
The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company should use updated actuarial assumptions to determine its current service cost and net interest for the period. Additionally, the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income.
- (iii) *Amendments to HKFRS 9 — Prepayment Features with Negative Compensation*
The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at FVOCI if specified conditions are met — instead of at FVTPL.

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效(續)

- (i) *採納香港財務報告準則第16號之影響(續)*
- (v) *過渡(續)*
本集團亦已承租其先前根據香港會計準則第17號分類為融資租賃的若干放映設備。由於本集團就採納香港財務報告準則第16號選擇採用累計影響法，故就該等於香港會計準則第17號項下之融資租賃而言，於2019年1月1日之使用權資產及相應租賃負債為於緊接該日前香港會計準則第17號項下租賃資產及租賃負債的賬面值。就該等租賃而言，本集團自2019年1月1日起應用香港財務報告準則第16號將使用權資產及租賃負債入賬。
- (ii) *香港會計準則第19號之修訂 — 計劃修訂、縮減或結算*
有關修訂澄清修訂、縮減或結清定額福利計劃時，公司應使用更新精算假設釐定其當期服務成本及期內淨利息。此外，在計算該計劃之任何結算收益或虧損時，不考慮資產上限成本之影響，並在其他全面收益中單獨處理。
- (iii) *香港財務報告準則第9號之修訂 — 具負補償特性之提早還款*
修訂澄清，在符合特定條件之情況下，附帶負補償之預付金融資產可按攤銷成本計量或按公允價值於其他全面收益處理，而非按公允價值於損益賬處理。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019 (Continued)

(iv) *HK(IFRIC)-Int 23 — Uncertainty over Income Tax Treatments*

The interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

(v) *Amendments to HKAS 28 — Long-term Interests in Associates and Joint Ventures*

The amendments clarify that HKFRS 9 applies to long-term interests (“LTI”) in associates or joint ventures which form part of the net investment in the associates or joint ventures and stipulates that HKFRS 9 is applied to these LTI before the impairment losses guidance within HKAS 28.

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效(續)

(iv) 香港(國際財務報告詮釋委員會)－詮釋第23號－所得稅處理之不確定性

詮釋針對香港會計準則第12號「所得稅」之規定，就如何反映所得稅會計處理之不確定性影響提供指引。根據詮釋，實體須根據何種方法更能有效預測不確定性之解決方案，釐定單獨或一併考慮各項不確定稅務處理。實體亦須假設稅務機關會核查其有權核查之金額，並在核查時全面知悉所有相關資料。倘實體釐定稅務機關可能會接受不確定稅務處理，則實體須按與其稅務申報一致之方式計量即期及遞延稅項，否則，釐定稅項所涉之不確定性須採用「最可能金額」或「預期價值」兩種方法中更能有效預測不確定性解決方案之方法反映。

(v) 香港會計準則第28號之修訂 — 於聯營公司及合營企業之長期權益

修訂澄清，香港財務報告準則第9號適用於聯營公司或合營企業之長期權益(「長期權益」)，而該等權益構成聯營公司或合營企業淨投資之一部分，並訂明於頒佈香港會計準則第28號減值虧損指引前，香港財務報告準則第9號適用於該等長期權益。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019 (Continued)

- (vi) *Annual Improvements to HKFRSs 2015–2017 Cycle — Amendments to HKFRS 3, Business Combinations*

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 3 which clarify that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

- (vii) *Annual Improvements to HKFRSs 2015–2017 Cycle — Amendments to HKFRS 11, Joint Arrangements*

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 11 which clarify that when a party that participates in, but does not have joint control of, a joint operation which is a business and subsequently obtains joint control of the joint operation, the previously held equity interest should not be remeasured to its acquisition date fair value.

- (viii) *Annual Improvements to HKFRSs 2015–2017 Cycle — Amendments to HKAS 12, Income Taxes*

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效(續)

- (vi) *香港財務報告準則2015年至2017年週期年度改進 — 香港財務報告準則第3號業務合併之修訂*

年度改進過程項下頒佈之修訂對多項準則目前尚不明確之部分作出小幅之非緊急修訂。其中包括香港財務報告準則第3號之修訂，澄清當業務之共同營運者取得共同營運之控制權，則屬分階段達致之業務合併，故過往持有之股權應重新計量為其收購當日之公允價值。

- (vii) *香港財務報告準則2015年至2017年週期年度改進 — 香港財務報告準則第11號合同安排之修訂*

年度改進過程項下頒佈之修訂對多項準則目前尚不明確之部分作出小幅之非緊急修訂。其中包括香港財務報告準則第11號之修訂，澄清當參與但並非控制屬一項業務之共同營運且其後取得共同營運之共同控制權時，過往持有之股權不應重新計量為其收購當日之公允價值。

- (viii) *香港財務報告準則2015年至2017年週期年度改進 — 香港會計準則第12號所得稅之修訂*

年度改進過程項下頒佈之修訂對多項準則目前尚不明確之部分作出小幅之非緊急修訂。其中包括香港會計準則第12號之修訂，澄清股息之所有所得稅後果按與產生可分派溢利之交易貫徹一致之方式於損益賬或其他全面收益確認或直接於權益確認。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.1 Adoption of new/revised HKFRSs — effective on 1 January 2019 (Continued)

(ix) *Annual Improvements to HKFRSs 2015–2017 Cycle — Amendments to HKAS 23, Borrowing Costs*

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23 which clarify that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

3.2 Impact of new/amended HKFRSs which are issued but not yet effective

The following new/amended HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 3	Definition of a Business ¹
Amendments to HKAS 1 and HKAS 8	Definition of Material ¹
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²

¹ Effective for annual periods beginning on or after 1 January 2020

² The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

3. 採納新訂／經修訂香港財務報告準則(續)

3.1 採納新訂／經修訂香港財務報告準則 — 自2019年1月1日起生效(續)

(ix) *香港財務報告準則2015年至2017年週期年度改進 — 香港會計準則第23號借貸成本之修訂*
年度改進過程項下頒佈之修訂對多項準則目前尚不明確之部分作出小幅之非緊急修訂。其中包括香港會計準則第23號之修訂，澄清就獲得合資格資產而特定作出之借貸，倘於相關合資格資產可供按其擬定用途使用或出售後仍維持未動用，則成為實體一般借取之資金其中一部分，故此計入一般組別。

3.2 已頒佈但尚未生效之新訂／經修訂香港財務報告準則之影響

下列可能與本集團綜合財務報表有關之新訂／經修訂香港財務報告準則已經頒佈，惟尚未生效亦未經本集團提早採納。本集團目前擬於該等變動生效當日應用該等變動。

香港財務報告準則第3號之修訂	業務之定義 ¹
香港會計準則第1號及香港會計準則第8號之修訂	重大之定義 ¹
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂	利率基準改革 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間之資產出售或注資 ²

¹ 於2020年1月1日或之後開始之年度期間生效

² 該等修訂原擬於2016年1月1日或之後開始之期間生效。生效日期現已遞延／移除。提早應用該等修訂仍獲准許。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.2 Impact of new/amended HKFRSs which are issued but not yet effective (Continued)

Amendments to HKFRS 3 — Definition of a Business

The amendments clarify that a business must include, as a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs, together with providing extensive guidance on what is meant by a “substantive process”.

Additionally, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs, whilst narrowing the definition of “outputs” and a “business” to focus on returns from selling goods and services to customers, rather than on cost reductions.

An optional concentration test has also been added that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Amendments to HKAS 1 and HKAS 8 — Definition of Material

The amendments clarify the definition and explanation of “material”, aligning the definition across all HKFRS Standards and the Conceptual Framework, and incorporating supporting requirements in HKAS 1 into the definition.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 — Interest Rate Benchmark Reform

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

3. 採納新訂／經修訂香港財務報告準則(續)

3.2 已頒佈但尚未生效之新訂／經修訂香港財務報告準則之影響(續)

香港財務報告準則第3號之修訂 — 業務之定義

修訂澄清一項業務必須至少包括投入及實質流程以共同為創造產出之能力作出重大貢獻，並提供有關何謂「實質流程」之詳細指引。

此外，有關修訂取消市場參與者是否有能力取代任何缺失之投入或過程及持續產出之評估，同時收窄「產出」及「業務」之定義範圍，重點關注向客戶銷售商品及服務所得之回報而非降低成本。

有關修訂亦加入選擇性之集中度測試，允許簡化所收購之一組活動及資產是否並非業務之評估。

香港會計準則第1號及香港會計準則第8號之修訂 — 重大之定義

該等修訂澄清「重大」之定義及解釋，與所有香港財務報告準則及概念框架之定義相同，且將香港會計準則第1號之支持性規定納入定義。

香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂 — 利率基準改革

有關修訂修改部分特定對沖會計規定，以就利率基準改革產生之不確定因素潛在影響提供寬免。此外，有關修訂要求公司向投資者提供有關受該等不確定因素直接影響之對沖關係之額外資料。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.2 Impact of new/amended HKFRSs which are issued but not yet effective (Continued)

Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

The directors anticipate that the application of other new and amendments to HKFRSs will have no material impact on the Group's consolidated financial performance and positions and/or the disclosures to the consolidated financial statements of the Group.

3. 採納新訂／經修訂香港財務報告準則(續)

3.2 已頒佈但尚未生效之新訂／經修訂香港財務報告準則之影響(續)

香港財務報告準則第10號及香港會計準則第28號之修訂 — 投資者與其聯營公司或合營企業之間之資產出售或注資

澄清實體向其聯營公司或合營企業進行資產出售或注資時，將予確認之收益或虧損程度。當交易涉及一項業務，則須確認全數收益或虧損；反之，當交易涉及不構成一項業務之資產，則僅須就不相關投資者於合營企業或聯營公司之權益確認收益或虧損。

董事預期，應用其他新訂或經修訂香港財務報告準則將不會對本集團綜合財務業績及狀況及／或本集團綜合財務報表之披露資料構成重大影響。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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:

Depreciation and amortisation

The Group depreciates and amortises property, plant and equipment and intangible assets other than goodwill on a straight-line basis over the estimated useful life, and after taking into account their estimated residual values, 2.5% to 33-1/3% per annum and 10% to 50% per annum, respectively, commencing from the date on which the assets are available for use. The estimated useful life reflects the directors' estimate of the periods that the Group intend to derive future economic benefits from the use of the Group's property, plant and equipment and intangible assets other than goodwill.

Impairment of trade receivables, deposits and other receivables

The Group makes provision for impairment of trade receivables, deposits and other receivables based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's historical default information, existing market conditions as well as forward-looking estimates at the end of reporting period.

As at 31 December 2019, accumulated impairment loss of trade receivables, deposits and other receivables amounted to approximately HK\$88,033,000 and HK\$181,151,000 respectively (2018: HK\$81,467,000 and HK\$141,886,000 respectively).

4. 重要會計估計及判斷

估計及判斷須根據過往經驗及其他因素(包括有關情況下相信為合理之未來事件預期)作出，並會持續進行評估。

4.1 重要會計估計及假設

本集團就未來作出估計及假設。顧名思義，由此得出之會計估計將甚少等同相關實際結果。下文論述具有重大風險導致下個財政年度內資產及負債之賬面值須作重大調整之估計及假設：

折舊及攤銷

本集團對物業、廠房及設備以及不包括商譽之無形資產，按估計可使用年期以直線法進行折舊及攤銷，並於經計及其估計剩餘價值後，由該資產可供使用當日起分別按2.5%至33-1/3%及10%至50%之年率折舊及攤銷。估計可使用年期反映董事對本集團擬自使用本集團物業、廠房及設備及不包括商譽之無形資產而獲得未來經濟利益之期間之估計。

應收貿易款項、按金及其他應收款項之減值

本集團根據有關違約風險及預期虧損率之假設就應收貿易款項、按金及其他應收款項作出減值撥備。本集團根據本集團過往違約資料、現行市況及報告期末之前瞻性估計，在作出該等假設及選擇減值計算之輸入數據時作出判斷。

於2019年12月31日，應收貿易款項、按金及其他應收款項之累計減值虧損分別約88,033,000港元及181,151,000港元(2018年：分別為81,467,000港元及141,886,000港元)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

Net realisable value of completed properties held for sale and properties under development

Management determines the net realisable value of completed properties held for sale and properties under development by using prevailing market data such as most recent sale transactions, anticipated costs to completion and valuation reports provided by independent qualified professional valuers.

Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2.21. The recoverable amounts of CGUs units have been determined based on value in use calculations. These calculations require the use of estimates about future cash flows and discount rates. In the process of estimating expected future cash flows management makes assumptions about future revenues and profits. These assumptions relate to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amount of goodwill within the next financial year. Determining the appropriate discount rate involves estimating the appropriate adjustment for market risk and for asset specific risk factors. Details of the estimates of the recoverable amounts of CGUs containing goodwill are disclosed in note 21.

Impairment of assets other than goodwill

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Indefinite life intangible assets are tested for impairment annually and at other times when such indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows.

4. 重要會計估計及判斷(續)

4.1 重要會計估計及假設(續)

已落成待售物業以及發展中物業之可變現淨值

管理層利用當時之市場數據，如最近銷售交易、估計落成成本及獨立合資格專業估值師提供之估值報告釐定已落成待售物業及發展中物業之可變現淨值。

商譽減值

本集團根據附註2.21所載會計政策，每年檢測商譽是否已減值。現金產生單位之可收回金額乃根據使用價值計算方法釐定。該等計算方法需估計未來現金流及貼現率。於估計未來現金流之過程中，管理層就未來收益及溢利作出假設。該等假設與未來事項及情況有關。實際結果可能存在差異，且可能對下個財政年度內商譽之賬面值帶來重大調整。釐定合適貼現率涉及對市場風險及資產特定風險因素作出合適調整。估計包括商譽之現金產生單位之可收回款項詳情於附註21披露。

不包括商譽之資產減值

本集團於各報告日期評估所有非金融資產是否有任何減值跡象。具無限年期之無形資產須每年及於存在該跡象之其他時間進行減值測試。其他非金融資產於有跡象顯示賬面值可能無法收回時測試減值。管理層計算使用價值時，須估計資產或現金產生單位之預期未來現金流量，並選用合適之貼現率以計算現金流量之現值。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

Impairment of interests in associates

Management assesses impairment of interests in associates at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Business value calculations performed in assessing recoverable amounts incorporate a number of key estimates and assumptions about future events, which are subject to uncertainty and might materially differ from the actual results. In making these key estimates and judgements, the management takes into consideration assumptions that are mainly based on market condition existing at the reporting dates and appropriate market and discount rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

Current tax and deferred tax

The Group is subject to income taxes in the PRC. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises taxes based on estimates of the likely outcome with reference to current tax laws and practices. 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.

Deferred tax assets relating to certain temporary differences and tax losses will be recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and taxation in the periods in which such estimate is changed.

4. 重要會計估計及判斷(續)

4.1 重要會計估計及假設(續)

於聯營公司之權益減值

管理層於各報告日期透過評估本集團可能出現資產減值之特定情況評估於聯營公司之權益減值。倘存在導致減值之因素，則會釐定資產之可收回金額。評估可收回金額時計算之商業價值時，會納入多項有關未來事件之主要估計及假設，有關未來事件涉及不確定因素，並可能與實際結果極為不同。作出此等主要估計及判斷時，管理層考慮主要基於報告日期當時之市況及適當市場及貼現率之假設。本集團會定期將此等估計與實際市場數據及本集團訂立之實際交易作比較。

即期稅項及遞延稅項

本集團須繳納中國所得稅。釐定稅項撥備金額及支付相關稅項之時間須作出重大判斷。一般業務過程中有大量交易及計算無法確切釐定最終稅額。本集團參考現行稅法及慣例，根據估計可能出現之結果確認稅項。若該等事項最終之稅項與最初記錄之金額不同，其差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。

管理層認為可能存在可用暫時差額或稅項虧損予以抵銷之未來應課稅溢利時，則確認與暫時差額及稅項虧損相關之遞延稅項資產。當預期與原有估計者不同，該等差額將影響於該等估計出現變動期間之遞延稅項資產及稅項之確認。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Critical judgements in applying the Group's accounting policies

Current tax and deferred tax (Continued)

The Group is subject to land appreciation tax ("LAT") in the PRC. However, the implementation and settlement of this tax varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its LAT calculation and payments with any local tax authorities in the PRC. Accordingly, significant judgement is required in determining the amount of the land appreciation and its related LAT. The Group recognised LAT based on management's best estimates according to their understanding on the tax rules.

The deferred tax impact of the fair value change in investment properties is calculated at the normal enterprise income tax rate in the PRC. The Group rebutted the presumption that the investment properties are recovered through sale, as the Group intended to earn rental income throughout the economic life of the investment properties.

Going concern

These consolidated financial statements have been prepared on a going concern basis which assumes the realisation of assets and satisfaction of liabilities in the ordinary course of business notwithstanding that the Group had net current liabilities of approximately HK\$9,571,949,000 as at 31 December 2019 (31 December 2018: net current assets of approximately HK\$980,945,000). The Board of the Company considers that the Group will have sufficient resources to satisfy its future working capital and other financing requirements in the next twelve months based on that the Group is in the progress of renewing or replacing certain other borrowings which will be due in the next twelve months, and that with certain right-of-use assets, buildings, other property, plant and equipment, properties under development and completed properties held for sale, investment properties and pledged bank deposits amounting to approximately HK\$15,083,273,000 (31 December 2018: HK\$11,997,194,000) in total being pledged for existing credit facilities, the Board considers that the Group will be able to renew or replace the existing facilities upon expiry.

In view of the above, the Board is of the view that the Group will have sufficient financial resources to satisfy its future working capital and other financing requirements for at least the next twelve months from the reporting date. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

4. 重要會計估計及判斷(續)

4.2 應用本集團會計政策時作出之重要判斷

即期稅項及遞延稅項(續)

本集團須繳納中國土地增值稅(「土地增值稅」)。然而，中國城市不同稅收管轄區對土地增值稅之執行及結算不盡相同，而本集團尚未與中國任何地方稅務機關落實其土地增值稅之計算及付款方法。因此，須作出重大判斷以釐定土地增值額及其相關土地增值稅。本集團根據管理層以其對稅務規則之理解所作最佳估計確認土地增值稅。

投資物業公允價值變動之遞延稅項影響乃按中國正常企業所得稅率計算。本集團駁回透過銷售收回投資物業之假設，原因為本集團擬於投資物業整個經濟年期賺取租金收入。

持續經營

儘管本集團於2019年12月31日錄得流動負債淨額約9,571,949,000港元(2018年12月31日：流動資產淨值約980,945,000港元)，惟此等綜合財務報表已按持續經營基準編製，即假設可於日常業務過程中變現資產及償還負債。本公司董事會認為本集團將在未來十二個月內具備充足資源滿足其未來營運資金及其他融資需求，此乃基於本集團現正重續或替換將於未來十二個月到期之若干其他借貸，加上就現有信貸融資已抵押總值約15,083,273,000港元(2018年12月31日：11,997,194,000港元)之若干使用權資產、樓宇、其他物業、廠房及設備、發展中物業及已落成待售物業、投資物業以及已抵押銀行存款，故董事會認為本集團於到期時可重續或替換現有融資。

基於上文所述，董事會認為本集團將具備充足財務資源滿足其自報告日期起計未來最少十二個月之未來營運資金及其他融資需求。因此，此等綜合財務報表已按持續經營基準編製。

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For the year ended 31 December 2019 截至2019年12月31日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Critical judgements in applying the Group's accounting policies (Continued)

Research and development activities

Careful judgement by the Group's management is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the best information available at each reporting date. In addition, all internal activities related to the research and development of new software products are continuously monitored by the Group's management.

Control through contractual arrangement

Notwithstanding the lack of equity ownership in 北京新網數碼信息技術有限公司 (Beijing Xinnet Cyber Information Company Limited) ("Xinnet") and its existing subsidiaries (collectively as "Xinnet Group"), the Group is able to control, recognise and receive the economic benefits of the business of Xinnet Group as the Group (1) shall have the requisite power and unrestricted rights, acting as a principal, to control and manage all aspects, at its sole decision and its own benefit, over Xinnet Group by virtue of the power of attorney; and (2) shall have right to assume the profits of Xinnet Group under the management and technology services agreement. In view of the foregoing reasons, the Group has determined that it has the practical ability to unilaterally direct the relevant activities of the Xinnet Group and significant benefits derived from Xinnet Group and therefore has consolidated the Xinnet Group as subsidiaries.

4. 重要會計估計及判斷(續)

4.2 應用本集團會計政策時作出之重要判斷(續)

研究及開發活動

本集團管理層於決定開發成本是否符合確認條件時會作出審慎判斷。由於在作出確認時，任何產品開發能否成功獲得經濟效益屬未知之數，且於未來可能遇到技術問題，故必須作出審慎判斷。判斷乃根據於各報告日期可取得之最佳資料作出。此外，本集團管理層不斷監察所有關於研究及開發新軟件產品之內部活動。

透過架構安排之控制權

儘管未能取得北京新網數碼信息技術有限公司(「新網」)及其現有附屬公司(統稱「新網集團」)股本擁有權，本集團有權控制、確認及接收新網集團經營業務所得經濟利益，原因為本集團(1)獲授權委託書賦予所需權力及不受限制權利，作為一位主理人，可於各方面全權及以其利益作決定控制及管理新網集團；及(2)有權根據管理及技術服務協議接收新網集團利潤。基於上述原因，本集團確定，其擁有實際權力單方面指引新網集團之相關活動及新網集團產生之重大利益，故已將新網集團列作附屬公司綜合入賬。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

5. REVENUE AND OTHER OPERATING INCOME

(a) Revenue

The Group's revenue represents revenue from its principal activities as set out below:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Sales of properties and car parks	物業及車位銷售	3,257,219	9,818,655
Enterprise cloud services	企業雲服務	957,367	997,865
Property management services	物業管理服務	64,940	65,546
Sales of decoration materials and decoration services	裝飾材料銷售及裝飾服務	43,783	89,672
Film distribution services	電影發行服務	495	12,106
Cinema ticketing income	影院票房收入	3,609,343	3,785,438
Sales of food and beverages	食品及飲料銷售	493,488	524,272
Cinema advertising income	影院廣告收入	273,612	302,332
Sales and leases of projection equipment	放映設備銷售及租賃	5,192	18,773
Digital media technology services	數碼媒體科技服務	270,716	288,582
Publication of magazines and advertising income	出版雜誌及廣告收入	89,581	54,321
Sales of botanic-based personal care and fragrance products	草本個人護理及香水產品銷售	238,328	829,533
Innovative catering and fitness services	創新餐飲及健身服務	17,148	2,356
		9,321,212	16,789,451

All the Group's revenue is derived from contracts with customers.

The following table provides information about trade receivables and contract liabilities from contracts with customers:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Trade receivables	應收貿易款項	487,245	539,564
Contract liabilities	合約負債	9,411,830	4,337,189

The contract liabilities mainly related to the advance consideration received from customers. Approximately HK\$3,038,303,000 of the contract liabilities as at 31 December 2018 has been recognised as revenue for the year ended 31 December 2019 (2018: HK\$4,548,681,000) from performance obligations satisfied in the current year due to the changes in the estimate stage of completion of certain contract obligations.

5. 收益及其他經營收入

(a) 收益

本集團之收益指來自其主要業務之下列各項收益：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Sales of properties and car parks	物業及車位銷售	3,257,219	9,818,655
Enterprise cloud services	企業雲服務	957,367	997,865
Property management services	物業管理服務	64,940	65,546
Sales of decoration materials and decoration services	裝飾材料銷售及裝飾服務	43,783	89,672
Film distribution services	電影發行服務	495	12,106
Cinema ticketing income	影院票房收入	3,609,343	3,785,438
Sales of food and beverages	食品及飲料銷售	493,488	524,272
Cinema advertising income	影院廣告收入	273,612	302,332
Sales and leases of projection equipment	放映設備銷售及租賃	5,192	18,773
Digital media technology services	數碼媒體科技服務	270,716	288,582
Publication of magazines and advertising income	出版雜誌及廣告收入	89,581	54,321
Sales of botanic-based personal care and fragrance products	草本個人護理及香水產品銷售	238,328	829,533
Innovative catering and fitness services	創新餐飲及健身服務	17,148	2,356
		9,321,212	16,789,451

本集團所有收益來自客戶合約。

下表載列有關來自客戶合約的應收貿易款項及合約負債的資料：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Trade receivables	應收貿易款項	487,245	539,564
Contract liabilities	合約負債	9,411,830	4,337,189

合約負債主要關於自客戶收取之預付代價。由於若干合約責任完成的估計階段有所變動，於2018年12月31日，合約負債約3,038,303,000港元已確認為截至2019年12月31日止年度之來自本年度符合履約責任之收益(2018年：4,548,681,000港元)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

5. REVENUE AND OTHER OPERATING INCOME (Continued)

(b) Other operating income

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Bank interest income	銀行利息收入	147,232	168,308
Other interest income	其他利息收入	46,900	63,609
Interest income on financial assets at amortised cost	按攤銷成本計量之金融資產利息收入	194,132	231,917
Gain on fair value change on financial assets at FVTPL, net	按公允價值於損益賬處理之金融資產公允價值變動收益淨額	4,723	-
Gain on trading of financial assets at FVTPL	買賣按公允價值於損益賬處理之金融資產收益	11,286	21,895
Exchange gain	匯兌收益	-	36,297
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	17,486	326
Rental income	租金收入	48,913	31,706
Government grants*	政府撥款*	129,418	117,602
Dividend income	股息收入	960	5,731
Sundry income	雜項收入	312,833	232,842
		719,751	678,316

* Government grants have been received from the PRC governmental bodies in the form of the subsidies to cinema operations and subsidies to the development of IT business in the PRC. The purpose of the subsidy is to encourage innovation by granting financial assistance to commercial entities who operate cinemas and have research and development projects that meet certain criteria. There are no unfulfilled conditions or contingencies attaching to these grants.

* 主要自中國政府機關收取之政府撥款乃以補貼形式發放予於中國之影院經營及資助IT業務發展。發放補貼旨在透過向經營影院以及擁有研究及開發項目且符合一定標準之商業機構給予財務資助，藉以推動創新。該等撥款並無附帶未達成條件或是或然責任。

6. SEGMENT INFORMATION

The executive directors have identified the Group's five (2018: five) product and service lines as operating segments as further described in note 2.25.

These operating segments are monitored, and strategic decisions are made on the basis of adjusted segment operating results.

As further explained in note 3.1(i)(v), the Group has adopted cumulative effect approach on the adoption of HKFRS 16. As a result, right-of-use assets and lease liabilities under HKFRS 16 have been recognised but comparative information is not restated.

6. 分部資料

執行董事已識別本集團五項(2018年：五項)產品及服務為經營分部，並於附註2.25詳述。

該等經營分部受到監控，並按經調整分部經營業績基準作出戰略決定。

誠如附註3.1(i)(v)進一步所述，本集團已就採納香港財務報告準則第16號選擇採用累計影響法。因此，香港財務報告準則第16號項下之使用權資產及租賃負債已獲確認，惟比較資料並未重列。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

6. SEGMENT INFORMATION (Continued)

The segment results for the years ended 31 December 2019 and 2018 are as follows:

6. 分部資料(續)

截至2019年及2018年12月31日止年度之分部業績如下：

		2019						
		Enterprise cloud services	Property development	Culture and media services	News media business	Innovative business	All other segments	Total
		企業雲服務	房地產開發	文化與傳播服務	新聞傳播業務	創意商業	所有其他分部	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue	收益							
From external customers	來自對外客戶	957,367	3,301,002	4,652,846	89,581	255,476	64,940	9,321,212
From inter-segments	來自分部間	6,200	-	32,924	-	-	40,220	79,344
Reportable and all other segments revenue	可呈報及所有其他分部收益	963,567	3,301,002	4,685,770	89,581	255,476	105,160	9,400,556
Reportable and all other segments (loss)/profit before income tax	可呈報及所有其他分部所得稅前(虧損)/溢利	(67,998)	2,762,710	(868,766)	(387,933)	(382,328)	(26,057)	1,029,628
Bank interest income	銀行利息收入	361	120,819	5,047	14	511	2,591	129,343
Other interest income	其他利息收入	-	933	-	-	-	-	933
Interest income on financial assets at amortised cost	按攤銷成本計量之金融資產利息收入	361	121,752	5,047	14	511	2,591	130,276
Finance costs	融資成本	(4,466)	(422,035)	(756,278)	(77)	(28,677)	(1,858)	(1,213,391)
Depreciation and amortisation	折舊及攤銷	(76,595)	(56,114)	(1,290,703)	(12,792)	(73,858)	(1,868)	(1,511,930)
(Loss)/Gain on disposal of property, plant and equipment	出售物業、廠房及設備之(虧損)/收益	(192)	(219)	(7,602)	-	17,486	-	9,473
Share of results of associates	應佔聯營公司業績	(5,466)	(9,228)	(4,298)	-	-	-	(18,992)
Share of results of joint ventures	應佔合營企業業績	-	-	249	-	-	-	249
Fair value change on financial liability at FVTPL	按公允價值於損益賬處理之金融負債公允價值變動	-	-	21,476	-	-	-	21,476
Provision of impairment of goodwill	商譽減值撥備	-	-	(32,174)	-	(23,595)	-	(55,769)
Provision of impairment of intangible assets other than goodwill	不包括商譽之無形資產減值撥備	(1,507)	-	-	-	-	-	(1,507)
Write-off of intangible assets other than goodwill	不包括商譽之無形資產撇銷	-	-	-	-	(38,557)	-	(38,557)
Income tax (expenses)/credit	所得稅(開支)/抵免	(561)	(1,515,034)	69,495	39	2,978	(2,803)	(1,445,886)
Reportable and all other segments assets	可呈報及所有其他分部資產	619,960	29,502,303	15,784,639	92,331	1,261,182	312,393	47,572,808
Interests in associates	於聯營公司之權益	26,947	28,551	46,903	-	-	-	102,401
Interests in joint ventures	於合營企業之權益	-	-	28,498	-	-	-	28,498
Additions to non-current segment assets during the year	年內添置非流動分部資產	59,171	4,129,596	894,775	7,861	34,974	2,600	5,128,977
Reportable and all other segments liabilities	可呈報及所有其他分部負債	(455,019)	(23,509,852)	(11,215,989)	(36,143)	(767,978)	(52,541)	(36,037,522)

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

6. SEGMENT INFORMATION (Continued)

6. 分部資料(續)

		2018						Total
		Enterprise cloud services	Property development	Culture and media services	News media business	Innovative business	All other segments	
		企業雲服務	房地產開發	文化與傳播服務	新聞傳播業務	創意商業	其他分部	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue	收益							
From external customers	來自對外客戶	997,865	9,908,327	4,931,503	54,321	831,889	65,546	16,789,451
From inter-segments	來自分部間	14,585	-	57,503	167,707	-	42,503	282,298
Reportable and all other segments revenue	可呈報及所有其他分部收益	1,012,450	9,908,327	4,989,006	222,028	831,889	108,049	17,071,749
Reportable and all other segments (loss)/profit before income tax	可呈報及所有其他分部所得稅前(虧損)/溢利	(125,085)	6,018,298	(660,407)	(385,939)	(1,047,753)	(65,396)	3,733,718
Bank interest income	銀行利息收入	361	110,009	3,969	11	348	4,074	118,772
Other interest income	其他利息收入	293	1,041	18,083	-	-	-	19,417
Interest income on financial assets at amortised cost	按攤銷成本計量之金融資產利息收入	654	111,050	22,052	11	348	4,074	138,189
Finance costs	融資成本	(1,370)	(628,837)	(268,041)	-	(21,109)	(3,712)	(923,069)
Depreciation and amortisation	折舊及攤銷	(57,448)	(30,500)	(1,036,057)	(16,099)	(99,418)	(1,706)	(1,241,228)
Gain on disposal of non-current assets held-for-sale	出售持作出售非流動資產之收益	-	-	-	-	19,649	-	19,649
Gain/(Loss) on disposal of property, plant and equipment	出售物業、廠房及設備之收益/(虧損)	14	(37)	(556)	-	(9,072)	-	(9,651)
Share of results of associates	應佔聯營公司業績	(6,815)	(859)	19,947	-	-	-	12,273
Share of results of joint ventures	應佔合營企業業績	-	-	466	-	-	-	466
Fair value change on financial liability at FVTPL	按公允價值於損益賬處理之金融負債公允價值變動	-	-	65,432	-	-	-	65,432
Provision for impairment of goodwill	商譽減值撥備	-	-	(23,356)	-	(157,480)	-	(180,836)
Provision for impairment of intangible assets other than goodwill	不包括商譽之無形資產減值撥備	(3,620)	-	(2,460)	-	(19,858)	-	(25,938)
Write-off of intangible assets other than goodwill	不包括商譽之無形資產撇銷	(1,356)	-	-	-	(68,971)	-	(70,327)
Income tax (expenses)/credit	所得稅(開支)/抵免	(3,648)	(2,413,120)	(24,595)	-	5,439	(246)	(2,436,170)
Reportable and all other segments assets	可呈報及所有其他分部資產	502,754	25,408,671	10,970,795	80,277	1,523,799	355,114	38,841,410
Interests in associates	於聯營公司之權益	35,002	43,911	55,413	-	-	-	134,326
Interests in joint ventures	於合營企業之權益	-	-	30,688	-	-	-	30,688
Additions to non-current segment assets during the year	年內添置非流動分部資產	57,574	55,068	644,048	8,921	128,039	5,499	899,149
Reportable and all other segments liabilities	可呈報及所有其他分部負債	(352,225)	(14,765,569)	(6,203,916)	(22,539)	(909,853)	(99,264)	(22,353,366)

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

6. SEGMENT INFORMATION (Continued)

The totals presented for the Group's operating segments are reconciled to the Group's key financial figures as presented in the financial statements as follows:

6. 分部資料(續)

本集團經營分部呈報之總額與本集團於財務報表呈列之主要財務數字對賬如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Reportable segments revenue	可呈報分部收益	9,295,396	16,963,700
All other segments revenue	所有其他分部收益	105,160	108,049
Elimination of inter-segments revenue	分部間收益對銷	(79,344)	(282,298)
Group revenue	本集團收益	9,321,212	16,789,451
Reportable segments results before income tax	所得稅前可呈報分部業績	1,055,685	3,799,114
All other segments results before income tax	所得稅前所有其他分部業績	(26,057)	(65,396)
Bank interest income	銀行利息收入	17,889	49,536
Other interest income	其他利息收入	45,967	44,192
Interest income on financial assets at amortised cost	按攤銷成本計量之金融資產利息收入	63,856	93,728
Finance costs	融資成本	(155,326)	(172,871)
Depreciation and amortisation	折舊及攤銷	(20,724)	(5,000)
Unallocated corporate expenses	未分配企業開支	(108,591)	(225,394)
Profit before income tax	所得稅前溢利	808,843	3,424,181
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Reportable segments assets	可呈報分部資產	47,260,415	38,486,296
All other segments assets	所有其他分部資產	312,393	355,114
Amounts due from related parties	應收關連方款項	442,836	430,711
Financial assets at FVOCI	按公允價值於其他全面收益處理之金融資產	226,705	186,742
Pledged and restricted bank deposits	已抵押及受限制銀行存款	1,909,041	759,386
Other financial and corporate assets	其他金融及企業資產	733,232	1,007,964
Group assets	本集團資產	50,884,622	41,226,213

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

6. SEGMENT INFORMATION (Continued)

6. 分部資料(續)

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Reportable segments liabilities	可呈報分部負債	35,984,981	22,254,102
All other segments liabilities	所有其他分部負債	52,541	99,264
Amount due to a director	欠一名董事款項	12,552	65,132
Provision for tax	稅項撥備	168,442	161,585
Bank and other borrowings	銀行及其他借貸	9,284,811	11,609,529
Other corporate liabilities	其他企業負債	86,966	81,262
Group liabilities	本集團負債	45,590,293	34,270,874

Revenue is disaggregated by primary geographical markets and timing of revenue recognition as follows:

收益乃按主要地域市場及收益確認時間劃分如下：

		For the year ended 31 December 2019 截至2019年12月31日止年度						
		Enterprise cloud services	Property development	Culture and media services	News media services	Innovative business	All other segments	Total
		企業雲服務	房地產開發	與傳播服務	新聞 傳播業務	創意商業	所有 其他分部	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Primary geographical markets	主要地域市場							
Mainland China	中國內地	957,349	3,301,002	4,652,845	-	35,093	64,940	9,011,229
Hong Kong	香港	18	-	1	89,581	14,319	-	103,919
North America	北美	-	-	-	-	145,907	-	145,907
Europe	歐洲	-	-	-	-	37,334	-	37,334
Australia	澳洲	-	-	-	-	9,056	-	9,056
Others	其他	-	-	-	-	13,767	-	13,767
Total	總計	957,367	3,301,002	4,652,846	89,581	255,476	64,940	9,321,212
Timing of revenue recognition	收益確認時間							
At a point in time	於某一時間點	23,047	3,292,938	498,680	882	255,476	-	4,071,023
Transferred over time	隨時間轉移	934,320	8,064	4,154,166	88,699	-	64,940	5,250,189
Total	總計	957,367	3,301,002	4,652,846	89,581	255,476	64,940	9,321,212

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

6. SEGMENT INFORMATION (Continued)

6. 分部資料(續)

		For the year ended 31 December 2018 截至2018年12月31日止年度						
		Enterprise cloud services	Property development	Culture and media services	News media business	Innovative business	All other segments	Total
		企業雲服務	房地產開發	與傳播服務	傳播業務	創意商業	其他分部	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Primary geographical markets	主要地域市場							
Mainland China	中國內地	997,764	9,908,327	4,931,503	-	21,182	65,546	15,924,322
Hong Kong	香港	101	-	-	54,071	90,941	-	145,113
North America	北美	-	-	-	250	425,534	-	425,784
Europe	歐洲	-	-	-	-	120,860	-	120,860
Australia	澳洲	-	-	-	-	73,356	-	73,356
Others	其他	-	-	-	-	100,016	-	100,016
Total	總計	997,865	9,908,327	4,931,503	54,321	831,889	65,546	16,789,451
Timing of revenue recognition	收益確認時間							
At a point in time	於某一時間點	38,495	9,908,327	543,045	1,827	831,889	-	11,323,583
Transferred over time	隨時間轉移	959,370	-	4,388,458	52,494	-	65,546	5,465,868
Total	總計	997,865	9,908,327	4,931,503	54,321	831,889	65,546	16,789,451

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For the year ended 31 December 2019 截至2019年12月31日止年度

6. SEGMENT INFORMATION (Continued)

Non-current assets (other than deferred tax assets, financial instruments, amounts due from related parties and pledged and restricted bank deposits) are divided into the following geographical areas:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Mainland China	中國內地	19,716,143	11,688,168
Hong Kong	香港	216,152	154,545
North America	北美	499,793	522,569
Europe	歐洲	147,231	133,627
Australia	澳洲	31,709	50,805
Others	其他	159,103	179,812
Total	總計	20,770,131	12,729,526

The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the non-current assets is based on the physical and operating location of the assets. The Company is an investment holding company incorporated in Bermuda where the Group does not have any activities, the Group has the majority of its operations and workforce in Mainland China, and therefore, Mainland China is considered as the Group's country of domicile for the purpose of the disclosures as required by HKFRS 8 "Operating Segments".

During the years ended 31 December 2019 and 2018, the Group did not derive more than 10% of the Group's total revenue from any single customer.

7. FINANCE COSTS

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Interest on bank and other borrowings	銀行及其他借貸之利息	1,166,009	1,466,564
Interest on convertible and exchangeable bonds	可換股及可交換債券之利息	158,807	65,361
Interest on lease liabilities	租賃負債之利息	520,743	-
Interest on financing component in contracts with customers	與客戶合約融資組成部分之利息	182,758	206,448
Interest on finance leases liabilities	融資租賃負債之利息	-	8,529
Total finance costs on financial liabilities at amortised cost	按攤銷成本計量之金融負債 融資成本總額	2,028,317	1,746,902
Less: Amount capitalised to properties under development*	減：就發展中物業資本化之金額*	(659,600)	(650,962)
		1,368,717	1,095,940

* The finance costs above are capitalised at a rate of 6.06% to 7.13% (2018: 4.99% to 7.13%) per annum.

6. 分部資料(續)

非流動資產(除遞延稅項資產、金融工具、應收關連方款項及已抵押及受限制銀行存款外)按以下地域劃分：

客戶之地區位置乃按提供服務或商品付運之地點劃分。非流動資產之地區位置乃按資產之實際及經營地點劃分。本公司為於百慕達註冊成立之投資控股公司，本集團於當地並無任何業務，本集團大部分業務及員工均位於中國內地，因此，就作出香港財務報告準則第8號「經營分部」之披露而言，本集團視中國內地為本集團之所在國家。

截至2019年及2018年12月31日止年度，本集團並無自任何單一客戶取得超過本集團總收益10%之收入。

7. 融資成本

* 上述融資成本乃按年率6.06%至7.13%(2018年：4.99%至7.13%)資本化。

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8. PROFIT BEFORE INCOME TAX

8. 所得稅前溢利

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Profit before income tax is arrived at after charging/(crediting):	所得稅前溢利已扣除/(計入)以下各項：		
Amortisation of intangible assets other than goodwill*	不包括商譽之無形資產攤銷*	144,271	150,953
Auditors' remuneration	核數師薪酬		
— Audit service	— 審核服務	10,858	16,027
— Other service	— 其他服務	1,269	1,828
Cost of sales of properties and car parks	物業及車位銷售成本	1,586,526	3,138,198
Cost of provision of enterprise cloud services	提供企業雲服務成本	164,332	158,095
Cost of provision of property management services	提供物業管理服務成本	83,404	69,354
Cost of sales of decoration materials and decoration services	裝飾材料銷售及裝飾服務成本	49,452	76,812
Cost of provision of film distribution services	提供電影發行服務成本	982	14,441
Cost of cinema ticketing	影院票房成本	1,520,063	1,577,852
Cost of sales of food and beverages	食品及飲料銷售成本	149,572	155,893
Cost of cinema advertising	影院廣告成本	5,877	4,572
Cost of sales and leases of projection equipment	放映設備銷售及租賃成本	2,909	15,950
Cost of digital media technology services	數碼媒體科技服務成本	63,557	58,438
Cost of publication of magazines and advertising	出版雜誌及廣告成本	313,622	303,253
Cost of sales of botanic-based personal care and fragrance products	草本個人護理及香水產品銷售成本	190,719	488,955
Cost of innovative catering and fitness services	創新餐飲及健身服務成本	7,822	1,043
Cost of sales and services provided	銷售及提供服務之成本	4,138,837	6,062,856
Depreciation of property, plant and equipment — owned assets*	物業、廠房及設備折舊 — 自置資產*	843,601	1,072,679
Depreciation of property, plant and equipment — leased assets*	物業、廠房及設備折舊 — 租賃資產*	—	22,072
Depreciation of property, plant and equipment — right-of-use assets*	物業、廠房及設備折舊 — 使用權資產*	544,782	—
(Gain)/Loss on fair value change on financial assets at FVTPL	按公允價值於損益賬處理之金融資產公允價值變動之(收益)/虧損		
— Listed equity investments	— 上市股本投資	(4,835)	34,170
— Derivatives	— 衍生工具	112	(112)
Gain on fair value change on financial liabilities at FVTPL	按公允價值於損益賬處理之金融負債公允價值變動之收益		
— Derivatives	— 衍生工具	(24,342)	(59,997)
Loss on disposal of property, plant and equipment*	出售物業、廠房及設備之虧損*	8,013	9,960
Write-off of property, plant and equipment*	物業、廠房及設備撇銷*	21,464	61,012
Write-off of intangible assets other than goodwill*	不包括商譽之無形資產撇銷*	38,557	70,327
Write-off of inventories*	存貨撇銷*	2,406	81,318
Minimum lease payments	最低租賃付款	—	999,260
Contingent rentals	或然租金	—	20,826
Operating lease recognised as expenses	經營租賃確認為開支	—	1,020,086
Operating lease charges on prepaid land lease*	預付土地租賃之經營租賃費用*	—	524
Interests on lease liabilities	租賃負債利息	520,743	—
Short-term lease expenses	短期租賃費用	55,456	—
Variable lease payments	可變租賃付款	21,489	—
Direct operating expenses arising from investment properties that generated rental income during the year	年內產生租金收入之投資物業產生之直接營運開支	4,875	3,676
Direct operating expenses arising from investment properties that did not generate rental income during the year	年內未產生租金收入之投資物業產生之直接營運開支	623	—

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For the year ended 31 December 2019 截至2019年12月31日止年度

8. PROFIT BEFORE INCOME TAX (Continued)

8. 所得稅前溢利(續)

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Provision for impairment of trade receivables	應收貿易款項減值撥備	7,122	4,303
Provision for impairment of deposits and other receivables	按金及其他應收款項減值撥備	39,080	33,112
ECLs on financial assets	金融資產之預期信貸虧損	46,202	37,415
Provision for impairment of intangible assets other than goodwill*	不包括商譽之無形資產減值撥備*	1,507	25,938
Provision for impairment of property, plant and equipment*	物業、廠房及設備減值撥備*	15,968	43,185
Provision for impairment of goodwill*	商譽減值撥備*	55,769	180,836
Research and development expenses*	研究及開發開支*	96,923	84,495

* included in other operating expenses

* 計入其他經營開支

9. INCOME TAX EXPENSE

9. 所得稅開支

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
The income tax expense comprises:	所得稅開支包括：		
Current tax	即期稅項		
— Hong Kong Profits Tax Charge for the year	— 香港利得稅 年內支出	1,000	10,532
— PRC Enterprise Income Tax ("EIT") Charge for the year	— 中國企業所得稅(「企業所得稅」) 年內支出	406,215	1,362,498
Under/(Over)-provision in respect of prior years	以往年度撥備不足/ (超額撥備)	1,468	(243)
— Taxation for other jurisdictions Charge for the year	— 其他司法權區之稅項 年內支出	592	423
— PRC LAT Charge for the year	— 中國土地增值稅 年內支出	511,443	1,608,312
		920,718	2,981,522
Deferred tax	遞延稅項		
— Charge/(Credit) for the year	— 年內扣除/(計入)	529,551	(531,686)
		1,450,269	2,449,836

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9. INCOME TAX EXPENSE (Continued)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity is taxed at 8.25%, and profits above HK\$2 million is taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors considered the amount involved upon implementation of the two-tiered profits tax rates is insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

PRC EIT has been provided on the estimated assessable profits of subsidiaries operating in Mainland China at 25% (2018: 25%), unless preferential rates are applicable in the cities where the subsidiaries are located.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

PRC LAT is levied at progressive rates from 30% to 60% (2018: 30% to 60%) on the estimated appreciation of land value, being the proceeds of sales of properties less deductible expenditure including cost of land use rights and development and construction expenditure.

Reconciliation between income tax expense and accounting profit at applicable tax rates is as follows:

9. 所得稅開支(續)

於2018年3月21日，香港立法會通過2017年稅務(修訂)(第7號)條例草案(「條例草案」)，引入兩級制利得稅率制度。條例草案於2018年3月28日簽署成為法律並於翌日刊登憲報。根據兩級制利得稅率制度，合資格集團實體首200萬港元溢利將按8.25%之稅率徵稅，而超過200萬港元之溢利則按16.5%之稅率徵稅。不符合兩級制利得稅率制度資格之集團實體之溢利將繼續按16.5%之劃一稅率徵稅。

董事認為，兩級制利得稅率實施後所涉及之金額對綜合財務報表而言並不重大。於該兩個年度，香港利得稅均按估計應課稅溢利之16.5%計算。

除非附屬公司所在城市設有優惠稅率，否則於中國內地經營之附屬公司估計應課稅溢利，已按25%(2018年：25%)之稅率作出中國企業所得稅撥備。

於其他司法權區所產生稅項乃按相關司法權區之現行稅率計算。

中國土地增值稅乃就土地價值之估計增值(即出售物業所得款項減可扣稅開支，包括土地使用權成本以及開發及建築成本)按介乎30%至60%(2018年：30%至60%)之累進稅率計算。

按適用稅率計算之所得稅開支與會計溢利之對賬如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Profit before income tax	所得稅前溢利	808,843	3,424,181
Tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	按有關稅務司法權區溢利適用之稅率計算之稅前溢利之稅項	285,439	1,085,100
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	240,456	362,522
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(58,247)	(234,247)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	293,067	417,647
Utilisation of tax loss previously not recognised	動用以往未確認稅務虧損之稅務影響	(23,268)	(28,863)
Tax effect of PRC LAT	中國土地增值稅之稅務影響	(127,861)	(402,078)
Tax effect of temporary differences not recognised	未確認暫時差額之稅務影響	(94,149)	(358,314)
Withholding tax on undistributed profits	未分派溢利之預扣稅	421,921	-
PRC LAT	中國土地增值稅	511,443	1,608,312
Under/(Over)-provision in respect of prior years	以往年度撥備不足/(超額撥備)	1,468	(243)
Income tax expense	所得稅開支	1,450,269	2,449,836

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10. DIVIDEND

The directors of the Company have resolved not to recommend the declaration of any final dividend for the year ended 31 December 2019 (2018: 0.15 HK cents per ordinary share, in an aggregate amount of approximately HK\$102,968,000).

11. (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share (2018: earnings per share) is based on the loss attributable to the owners of the Company of HK\$561,415,000 (2018: profit attributable to the owners of the Company of HK\$1,140,854,000) and on 68,645,535,794 (2018: 68,645,535,794) ordinary shares in issue during the year.

The calculation of diluted (loss)/earnings per share is based on the (loss)/profit for the year attributable to the owners of the Company and adjusted for the effect of dilutive potential ordinary shares arising from adjustment to the share of loss of a subsidiary based on dilution of its loss per share. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, which is the same as the basic (loss)/earnings per share calculation.

The calculation of basic and diluted (loss)/earnings per share are based on:

10. 股息

本公司董事已議決不建議宣派截至2019年12月31日止年度之任何末期股息(2018年：每股普通股0.15港仙，合共金額約102,968,000港元)。

11. 每股(虧損)/盈利

每股基本虧損(2018年：每股盈利)乃按本公司擁有人應佔虧損561,415,000港元(2018年：本公司擁有人應佔溢利1,140,854,000港元)及年內已發行普通股68,645,535,794股(2018年：68,645,535,794股)計算。

每股攤薄(虧損)/盈利乃按本公司擁有人應佔年內(虧損)/溢利計算，並根據其每股虧損攤薄調整所分佔一間附屬公司之虧損產生之潛在普通股攤薄影響。計算所用普通股加權平均數即用作計算每股基本(虧損)/盈利之年內已發行普通股數目。

每股基本及攤薄(虧損)/盈利乃根據以下方式計算：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
(Loss)/Earnings (Loss)/Profit attributable to owners of the Company, used in the basic (loss)/earnings per share calculation	(虧損)/盈利 本公司擁有人應佔(虧損)/溢利 (用於計算每股基本(虧損)/盈利)	(561,415)	1,140,854
Effect of dilutive potential ordinary shares arising from adjustment to the share of loss of a subsidiary based on dilution of its loss per share*	根據其每股虧損攤薄調整所分佔一間附屬公司之虧損產生之潛在普通股攤薄影響*	-	(19,454)
(Loss)/Earnings for the purpose of diluted (loss)/earnings per share	就計算每股攤薄(虧損)/盈利而言之(虧損)/盈利	(561,415)	1,121,400

* Amount represented the increase in the Group's proportionate interest in the loss of a subsidiary of HK\$nil (2018: HK\$19,454,000) assuming all dilutive outstanding shares of a subsidiary were converted for ordinary shares at the beginning of the year.

* 指假設一間附屬公司所有攤薄未償還股份於年初兌換成普通股，本集團於一間附屬公司虧損之按比例權益增加零港元(2018年：19,454,000港元)。

Diluted loss per share for the year ended 31 December 2019 was the same as the basic loss per share as the convertible and exchangeable bonds had an anti-dilutive effect on the basic loss per share.

截至2019年12月31日止年度之每股攤薄虧損與每股基本虧損相同，乃由於可換股及可交換債券對每股基本虧損有反攤薄影響。

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12. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

12. 僱員福利開支(包括董事酬金)

		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Directors' fee (note 45(a))	董事袍金(附註45(a))	750	732
Wages and salaries	工資及薪金	1,916,447	2,166,706
Pension costs — defined contribution plans	退休金成本 — 定額供款計劃	129,242	139,502
Staff welfare	員工福利	143,721	172,203
Share-based payments expenses (note 34)	以股份支付之開支(附註34)	2,135	178
Other employee benefits (note 33)	其他僱員福利(附註33)	30,458	41,193
Total employee benefit expenses	僱員福利開支總額	2,222,753	2,520,514

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Buildings	Leasehold improvements, furniture, fixtures and equipment	Motor vehicles and yachts	Freehold land	Right-of-use assets	Total
		樓宇	租賃物業裝修、傢俬、裝置及設備	汽車及遊艇	永久業權土地	使用權資產	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於2018年1月1日						
Cost	成本	1,088,420	7,346,928	48,329	49,467	-	8,533,144
Accumulated depreciation	累計折舊	(169,409)	(2,340,231)	(29,117)	-	-	(2,538,757)
Accumulated impairment	累計減值	-	(130,580)	-	-	-	(130,580)
Net carrying amount	賬面淨值	919,011	4,876,117	19,212	49,467	-	5,863,807
Year ended 31 December 2018	截至2018年12月31日止年度						
Opening net carrying amount	期初賬面淨值	919,011	4,876,117	19,212	49,467	-	5,863,807
Additions	添置	35,580	722,100	3,396	-	-	761,076
Acquisition of subsidiaries	收購附屬公司	-	80,435	-	-	-	80,435
Disposal	出售	-	(9,960)	-	-	-	(9,960)
Write-off	撇銷	-	(61,004)	(8)	-	-	(61,012)
Depreciation	折舊	(55,924)	(1,033,153)	(5,674)	-	-	(1,094,751)
Provision for impairment	減值撥備	-	(43,011)	(174)	-	-	(43,185)
Exchange differences	匯兌差額	(47,171)	(229,960)	(1,024)	(861)	-	(279,016)
Closing net carrying amount	期終賬面淨值	851,496	4,301,564	15,728	48,606	-	5,217,394
At 31 December 2018	於2018年12月31日						
Cost	成本	1,063,990	7,464,525	49,175	48,606	-	8,626,296
Accumulated depreciation	累計折舊	(212,494)	(2,997,727)	(33,279)	-	-	(3,243,500)
Accumulated impairment	累計減值	-	(165,234)	(168)	-	-	(165,402)
Net carrying amount	賬面淨值	851,496	4,301,564	15,728	48,606	-	5,217,394
Year ended 31 December 2019	截至2019年12月31日止年度						
At 31 December 2018, as originally presented	於2018年12月31日，按原先呈列	851,496	4,301,564	15,728	48,606	-	5,217,394
Initial adoption of HKFRS 16 (note 3.1)	首次採納香港財務報告準則第16號(附註3.1)	-	(141,189)	-	-	5,025,820	4,884,631
Restated balance as at 1 January 2019	於2019年1月1日之經重列結餘	851,496	4,160,375	15,728	48,606	5,025,820	10,102,025
Additions	添置	11,701	399,254	666	-	471,116	882,737
Acquisition of assets	收購資產	-	2	-	-	-	2
Disposal	出售	(22,638)	(17,138)	(319)	(8,445)	-	(48,540)
Write-off	撇銷	(168)	(21,296)	-	-	-	(21,464)
Depreciation	折舊	(55,329)	(783,141)	(5,131)	-	(544,782)	(1,388,383)
Provision for impairment	減值撥備	-	(15,968)	-	-	-	(15,968)
Exchange differences	匯兌差額	(14,707)	(27,171)	(348)	(2,595)	(83,259)	(128,080)
Closing net carrying amount	期終賬面淨值	770,355	3,694,917	10,596	37,566	4,868,895	9,382,329
At 31 December 2019	於2019年12月31日						
Cost	成本	1,015,067	7,253,844	45,099	37,566	5,525,975	13,877,551
Accumulated depreciation	累計折舊	(244,712)	(3,377,725)	(34,335)	-	(657,080)	(4,313,852)
Accumulated impairment	累計減值	-	(181,202)	(168)	-	-	(181,370)
Net carrying amount	賬面淨值	770,355	3,694,917	10,596	37,566	4,868,895	9,382,329

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13. PROPERTY, PLANT AND EQUIPMENT (Continued)

At the end of the year, the Group reassessed retailing stores and cinemas with poor operating and financial performance, and made a provision for impairment of approximately HK\$15,968,000 (2018: HK\$43,185,000) for certain property, plant and equipment after the assessment.

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

Right-of-use assets		Properties lease contracts	Equipment	Prepaid land lease payments	Total
使用權資產		物業租賃合約	設備	預付土地租賃費	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2019	於2019年1月1日	4,861,771	141,189	22,860	5,025,820
Additions	添置	273,173	197,943	-	471,116
Depreciation	折舊	(514,214)	(30,255)	(313)	(544,782)
Exchange difference	匯兌差額	(77,373)	(5,649)	(237)	(83,259)
At 31 December 2019	於2019年12月31日	4,543,357	303,228	22,310	4,868,895

As at 31 December 2018, the net carrying amount of the Group's property, plant and equipment includes an amount of HK\$141,189,000 in respect of assets held under finance leases.

14. INVESTMENT PROPERTIES

		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Fair value	公允價值		
At 1 January	於1月1日	757,669	112,448
Transfer from completed properties held for sale	已落成待售物業撥入	2,302,099	335,736
Fair value change	公允價值變動	1,751,377	315,371
Exchange differences	匯兌差額	(23,669)	(5,886)
At 31 December	於12月31日	4,787,476	757,669

The fair value of the Group's investment properties at 31 December 2019 and 2018 have been arrived at on market value basis carried out by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Management has reviewed the independent property valuation and compared it with its own assumptions, with reference to comparable sales transaction data where such information is available, and has concluded that the independent property valuation of the Group's investment property portfolio is reasonable.

13. 物業、廠房及設備(續)

於年末，本集團重新評估營運及財務表現欠佳之零售店及影院，並於評估後就若干物業、廠房及設備作出減值撥備約15,968,000港元(2018年：43,185,000港元)。

年內，本集團使用權資產之賬面值及變動如下：

於2018年12月31日，本集團物業、廠房及設備之賬面淨值包括融資租賃下持有之資產141,189,000港元。

14. 投資物業

本集團投資物業於2019年及2018年12月31日之公允價值乃由獨立估值師按市值基準進行，該獨立估值師持有認可相關專業資格，近期亦有評估投資物業所在地點及類別之經驗。

管理層已審閱獨立物業估值，並將之與其自有假設作比較，當中經參考可資比較銷售交易數據(倘可獲得有關資料)，認為本集團投資物業組合之獨立物業估值合理。

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14. INVESTMENT PROPERTIES (Continued)

Fair value hierarchy

The Group's investment properties are measured at fair value. These investment properties are completed commercial properties in Mainland China. In 2019 and 2018, there were no transfers between different levels within the fair value hierarchy:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Fair value hierarchy	公允價值層級		
Level 3	第3層	4,787,476	757,669
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Fair value — level 3	公允價值 — 第3層		
At 1 January	於1月1日	757,669	112,448
Transfer from completed properties held for sale	已落成待售物業撥入	2,302,099	335,736
Fair value change	公允價值變動	1,751,377	315,371
Exchange differences	匯兌差額	(23,669)	(5,886)
At 31 December	於12月31日	4,787,476	757,669

Valuation processes and techniques underlying management's estimate of fair value:

The valuation of the Group's completed investment property portfolio is derived by capitalising the rental income derived from existing tenancies with due provision for reversionary income potential and by making reference to recent comparable sales transactions available in the relevant property market.

The fair values of the Group's investment properties are sensitive to changes in both observable and unobservable inputs. If estimated rental income increase, the fair values increase. If the expected vacancy rates increase, the fair values decreased. The opposite is true for decreases in these inputs.

The Group reviews the valuations performed by the independent valuer for financial reporting purposes. Discussions of valuation processes and results are held between management and the independent valuer at least once every half year, in line with the Group's half year reporting dates.

14. 投資物業(續)

公允價值層級

本集團之投資物業按公允價值計量。該等投資物業為中國內地之已落成商業物業。於2019年及2018年，公允價值層級不同層級之間並無轉撥：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
管理層估算公允價值所採用估值程序及方法：			
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
本集團已落成投資物業組合的估值是將現有租約所得租金收入資本化，並為約滿後新訂租金之潛在收入變化作出適當備付，以及參考相關物業市場近期可資比較買賣交易而得出。			
本集團投資物業之公允價值會同時受到可觀察及不可觀察輸入數據之變化所影響。倘估計租金收入上升，公允價值將會上升。倘預期空置率增加，公允價值將會減少。如該等輸入數據下降，情況則相反。			
本集團會審核獨立估值師為財務報告用途而進行之估值。為配合本集團之半年度報告，管理層與獨立估值師最少每半年就估值程序及結果進行商討。			

管理層估算公允價值所採用估值程序及方法：

本集團已落成投資物業組合的估值是將現有租約所得租金收入資本化，並為約滿後新訂租金之潛在收入變化作出適當備付，以及參考相關物業市場近期可資比較買賣交易而得出。

本集團投資物業之公允價值會同時受到可觀察及不可觀察輸入數據之變化所影響。倘估計租金收入上升，公允價值將會上升。倘預期空置率增加，公允價值將會減少。如該等輸入數據下降，情況則相反。

本集團會審核獨立估值師為財務報告用途而進行之估值。為配合本集團之半年度報告，管理層與獨立估值師最少每半年就估值程序及結果進行商討。

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14. INVESTMENT PROPERTIES (Continued)

Information about fair value measurements using significant unobservable inputs (Level 3):

14. 投資物業(續)

關於使用重要不可觀察輸入數據(第3層)進行公允價值計量之資料:

	Valuation technique(s) 估值方法	Significant unobservable inputs 重要不可觀察輸入數據	Range 範圍
At 31 December 2019 於2019年12月31日 Commercial properties in Shenzhen, the PRC 中國深圳商業物業	Direct comparison approach 直接比較法	Estimated market price (per square meter) 估計市價(每平方米)	RMB50,000 to RMB180,000 人民幣 50,000 元 至人民幣 180,000 元
	Income approach 收入法	Estimated rental income (per square meter per month) 估計租金收入(每月每平方米)	RMB225 to RMB450 人民幣 225 元 至人民幣 450 元
		Expected vacancy rate 預期空置率	4%–22%
		Rental growth rate 租金增長率	0%
		Discount rate 貼現率	4%–5%
Commercial properties in Guangzhou, the PRC 中國廣州商業物業	Direct comparison approach 直接比較法	Estimated market price (per square meter) 估計市價(每平方米)	RMB10,000 to RMB29,000 人民幣 10,000 元 至人民幣 29,000 元
	Income approach 收入法	Estimated rental income (per square meter per month) 估計租金收入(每月每平方米)	RMB102 to RMB129 人民幣 102 元 至人民幣 129 元
		Expected vacancy rate 預期空置率	7%
		Rental growth rate 租金增長率	0%
		Discount rate 貼現率	6%

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For the year ended 31 December 2019 截至2019年12月31日止年度

14. INVESTMENT PROPERTIES (Continued)

Information about fair value measurements using significant unobservable inputs (Level 3) (Continued):

	Valuation technique(s) 估值方法	Significant unobservable inputs 重要不可觀察輸入數據	Range 範圍
At 31 December 2018 於2018年12月31日			
Commercial properties in Shenzhen, the PRC 中國深圳商業物業	Direct comparison approach 直接比較法	Estimated market price (per square meter) 估計市價(每平方米)	RMB107,000 to RMB145,000 人民幣107,000元至人民幣145,000元
	Income approach 收入法	Estimated rental income (per square meter per month) 估計租金收入(每月每平方米)	RMB420 to RMB465 人民幣420元至人民幣465元
		Expected vacancy rate 預期空置率	4%
		Rental growth rate 租金增長率	3%
		Discount rate 貼現率	6%

Fair value is determined by a weighted average result of the direct comparison approach and the income approach. Under the direct comparison approach, fair value is estimated with reference to the recent transactions for similar commercial units in the proximity with adjustments for the differences in transaction dates, building age, floor area etc. Under the income approach, fair value is estimated by the discounted cash flow method, based on the estimated rental value of the commercial units. The valuation takes account of expected vacancy rates and rental growth rates of the commercial units. The discount rates have been adjusted for the condition and location of the buildings.

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

Certain investment properties are pledged to banks to secure mortgage loans and general banking facilities granted to the Group (note 48(c)).

公允價值乃按直接比較法及收入法之加權平均結果釐定。根據直接比較法，公允價值乃參照鄰近類似商業單位之近期交易估計，並就交易日期、樓齡及建築面積等差異作出調整。根據收入法，公允價值乃基於商業單位之估計租金價值按折讓現金流方法估計。估值計及商業單位之預期空置率及租金增長率。貼現率已就樓宇情況及位置作出調整。

公允價值計量乃依據上述物業之最高及最佳且與其實際用途並無差別之用途得出。

若干投資物業質押予銀行，作為本集團獲授按揭貸款及一般銀行融資之抵押(附註48(c))。

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15. PREPAID LAND LEASE PAYMENTS UNDER OPERATING LEASES

The Group's interests in leasehold land/land use rights represent prepaid operating lease payments and their carrying amounts are analysed as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
At 1 January	於1月1日	22,860	24,606
Effect on adoption of HKFRS 16 (note 3.1)	採納香港財務報告準則第16號之影響(附註3.1)	(22,860)	-
At 1 January (Restated)	於1月1日(經重列)	-	24,606
Amortisation	攤銷	-	(524)
Exchange differences	匯兌差額	-	(1,222)
At 31 December	於12月31日	-	22,860

16. INTERESTS IN SUBSIDIARIES

Except for Sino-i Technology Limited ("Sino-i") which is a listed public limited company, all other subsidiaries of the Group are private limited company. Particulars of the principal subsidiaries at 31 December 2019 are as follows:

Name 名稱	Country/Place of incorporation/ establishment and operations 註冊成立/成立及 經營國家/地點	Particulars of issued and paid-up share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of equity interest held by the Company		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
China Enterprise ASP Limited 中國企業網控股有限公司	Hong Kong 香港	Paid-up share capital of HK\$14,037,400 繳足股本14,037,400港元	-	59.11%	Investment holding 投資控股
Dadi Cinema (HK) Limited 大地影院(香港)有限公司	Hong Kong 香港	Paid-up share capital of HK\$7,500 繳足股本7,500港元	-	100%	Investment holding, film distribution and production 投資控股、電影發行及製作
Dadi Media Limited 大地傳播有限公司	Hong Kong 香港	Paid-up share capital of HK\$2 繳足股本2港元	-	59.11%	Investment holding 投資控股
Dadi Media (HK) Limited 大地傳播(香港)有限公司	Hong Kong 香港	Paid-up share capital of HK\$1 繳足股本1港元	100%	-	Investment holding 投資控股
Dadi News Media (HK) Limited 大地傳媒(香港)有限公司	Hong Kong 香港	Paid-up share capital of HK\$1 繳足股本1港元	100%	-	Investment holding 投資控股
Duowei Media (HK) Limited 多維傳媒(香港)有限公司	Hong Kong 香港	Paid-up share capital of HK\$1 繳足股本1港元	-	100%	News media 新聞傳播

15. 經營租賃下之預付土地租賃費

本集團於租賃土地/土地使用權之權益指預付經營租賃費，其賬面值分析如下：

16. 於附屬公司之權益

除中國數碼信息有限公司(「中國數碼」)為上市公眾有限公司外，本集團所有其他附屬公司均為私人有限公司。於2019年12月31日之主要附屬公司詳情如下：

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16. INTERESTS IN SUBSIDIARIES (Continued)

16. 於附屬公司之權益(續)

Name 名稱	Country/Place of incorporation/ establishment and operations 註冊成立/成立及 經營國家/地點	Particulars of issued and paid-up share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of equity interest held by the Company		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Goalrise Investments Limited Goalrise Investments Limited	British Virgin Islands ("BVI") 英屬維爾京群島 (「英屬維爾京群島」)	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	100%	–	Trading of securities 證券買賣
Hongkong New Media Interactive Advertising Co., Limited 香港新米迪互動廣告有限公司	Hong Kong 香港	Paid-up share capital of HK\$100 繳足股本100港元	–	59.11%	Investment holding and information technology business 投資控股及資訊科技業務
Liu Wan Development (BVI) Company Limited 六灣開發 (BVI) 有限公司	BVI 英屬維爾京群島	215,000,000 ordinary shares of US\$1 each 215,000,000股每股面值 1美元之普通股	–	100%	Investment holding 投資控股
Liu Wan Investment Company Limited 六灣投資有限公司	Hong Kong 香港	Paid-up share capital of US\$2 繳足股本2美元	–	100%	Investment holding 投資控股
Nan Hai Development Limited 南海發展有限公司	Hong Kong 香港	Paid-up share capital of HK\$3,000,000,002 繳足股本3,000,000,002港元	100%	–	Investment holding 投資控股
Robina Profits Limited Robina Profits Limited	BVI 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	–	59.11%	Investment holding 投資控股
Sino-i 中國數碼	Hong Kong 香港	Paid-up share capital of HK\$240,596,986 繳足股本240,596,986港元	–	59.11%	Investment holding 投資控股
View Power Investments Limited View Power Investments Limited	BVI 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	100%	–	Investment holding 投資控股
HK01 Company Limited 香港01有限公司	Hong Kong 香港	Paid-up share capital of HK\$1 繳足股本1港元	–	100%	News media 新聞傳播
Wise Advance Investments Limited Wise Advance Investments Limited	BVI 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	100%	–	Investment holding 投資控股

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16. INTERESTS IN SUBSIDIARIES (Continued)

16. 於附屬公司之權益(續)

Name 名稱	Country/Place of incorporation/ establishment and operations 註冊成立/成立及 經營國家/地點	Particulars of issued and paid-up share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of equity interest held by the Company		Principal activities 主要業務
			本公司所持股權百分比 Directly 直接	Indirectly 間接	
中企動力科技股份有限公司("CE Dongli") (note a)	PRC	RMB242,369,720	-	59.11%	Information technology business
中企動力科技股份有限公司(「中企動力」) (附註a)	中國	人民幣242,369,720元			資訊科技業務
數碼慧谷置業管理股份有限公司 (note a)	PRC	RMB689,171,334	-	92.36%	Property development
數碼慧谷置業管理股份有限公司(附註a)	中國	人民幣689,171,334元			房地產開發
北京新米迪廣告有限公司 (note b)	PRC	RMB21,000,000	-	59.11%	Information technology business
北京新米迪廣告有限公司(附註b)	中國	人民幣21,000,000元			資訊科技業務
Xinnet (note b)	PRC	RMB45,000,000	-	N/A*	Information technology business
新網(附註b)	中國	人民幣45,000,000元		不適用*	資訊科技業務
深圳市半島城邦物業管理有限公司 (note b)	PRC	RMB10,000,000	-	100%	Property management
深圳市半島城邦物業管理有限公司(附註b)	中國	人民幣10,000,000元			物業管理
深圳半島城邦置業有限公司 (note b)	PRC	RMB18,000,000	-	100%	Property development
深圳半島城邦置業有限公司(附註b)	中國	人民幣18,000,000元			房地產開發
深圳半島城邦房地產開發有限公司 (note c)	PRC	RMB110,000,000	-	100%	Investment holding and property development
深圳半島城邦房地產開發有限公司(附註c)	中國	人民幣110,000,000元			投資控股及房地產開發
深圳市海諾誠裝飾工程有限公司 (note b)	PRC	RMB10,000,000	-	100%	Decoration services
深圳市海諾誠裝飾工程有限公司(附註b)	中國	人民幣10,000,000元			裝飾服務
天津美智瀚辰貿易有限公司 (note b)	PRC	RMB25,000,000	-	100%	Sales of decoration materials
天津美智瀚辰貿易有限公司(附註b)	中國	人民幣25,000,000元			裝飾材料銷售
廣東大地影院建設有限公司 (note b, d)	PRC	RMB2,346,427,999	-	95.16%	Operation of digital cinemas
廣東大地影院建設有限公司(附註b, d)	中國	人民幣2,346,427,999元			數碼影院經營
廣東自由人影城管理有限公司 (note b)	PRC	RMB10,000,000	-	95.16%	Operation of digital cinemas
廣東自由人影城管理有限公司(附註b)	中國	人民幣10,000,000元			數碼影院經營

* controlled through contractual arrangement with effective interests of 59.11%.

* 透過合約安排控制，實際權益為59.11%。

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For the year ended 31 December 2019 截至2019年12月31日止年度

16. INTERESTS IN SUBSIDIARIES (Continued)

16. 於附屬公司之權益(續)

Name 名稱	Country/Place of incorporation/ establishment and operations 註冊成立/成立及 經營國家/地點	Particulars of issued and paid-up share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of equity interest held by the Company 本公司所持股權百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
大地影院發展有限公司 (note b) 大地影院發展有限公司(附註b)	PRC 中國	RMB214,000,000 人民幣214,000,000元	-	95.16%	Operation of digital cinemas 數碼影院經營
陝西大地影院建設有限公司 (note b) 陝西大地影院建設有限公司(附註b)	PRC 中國	RMB30,000,000 人民幣30,000,000元	-	95.16%	Operation of digital cinemas 數碼影院經營
大地時代電影文化傳播(北京) 有限公司 (note b) 大地時代電影文化傳播(北京) 有限公司(附註b)	PRC 中國	RMB40,000,000 人民幣40,000,000元	-	100%	Investment holding 投資控股
大地時代電影發行(北京)有限公司 (note b) 大地時代電影發行(北京)有限公司(附註b)	PRC 中國	RMB1,000,000 人民幣1,000,000元	-	100%	Investment holding and film distribution 投資控股及電影發行
時代廣告(北京)有限公司 (note b) 時代廣告(北京)有限公司(附註b)	PRC 中國	RMB10,000,000 人民幣10,000,000元	-	100%	Providing advertising services 提供廣告服務
數碼辰星科技發展(北京)有限公司 (note b) 數碼辰星科技發展(北京)有限公司(附註b)	PRC 中國	RMB150,000,000 人民幣150,000,000元	-	100%	Trading of movie projectors and providing digital media technology services 買賣電影放映機及 提供數碼媒體科技服務
重慶煥揚影院管理有限公司 (note b) 重慶煥揚影院管理有限公司(附註b)	PRC 中國	RMB19,000,000 人民幣19,000,000元	-	95.16%	Operation of digital cinemas 數碼影院經營
重慶嘉裕影視傳媒有限公司 (note b) 重慶嘉裕影視傳媒有限公司(附註b)	PRC 中國	RMB21,000,000 人民幣21,000,000元	-	95.16%	Operation of digital cinemas 數碼影院經營
重慶雄都影院有限公司 (note b) 重慶雄都影院有限公司(附註b)	PRC 中國	RMB18,000,000 人民幣18,000,000元	-	95.16%	Operation of digital cinemas 數碼影院經營
福建中瑞文化投資有限責任公司 (note b) 福建中瑞文化投資有限責任公司(附註b)	PRC 中國	RMB30,000,000 人民幣30,000,000元	-	95.16%	Investment holding 投資控股
福建中瑞國際影視有限公司 (note b) 福建中瑞國際影視有限公司(附註b)	PRC 中國	RMB31,700,000 人民幣31,700,000元	-	95.16%	Investment holding and operation of digital cinemas 投資控股及數碼影院經營

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For the year ended 31 December 2019 截至2019年12月31日止年度

16. INTERESTS IN SUBSIDIARIES (Continued)

16. 於附屬公司之權益(續)

Name 名稱	Country/Place of incorporation/ establishment and operations 註冊成立/成立及 經營國家/地點	Particulars of issued and paid-up share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Percentage of equity interest held by the Company		Principal activities 主要業務
			本公司所持股權百分比 Directly 直接	Indirectly 間接	
浙江視博影業有限公司 (note b)	PRC	RMB100,000,000	-	95.16%	Investment holding and operation of digital cinemas
浙江視博影業有限公司(附註b)	中國	人民幣100,000,000元			投資控股及數碼影院經營
Listar Properties Limited	BVI	20,000,000 ordinary shares of US\$1 each	-	100%	Investment holding
Listar Properties Limited	英屬維爾京群島	20,000,000 股每股面值1美元之普通股			投資控股
廣州東鏡新城房地產有限公司("東鏡") (note c)	PRC	US\$42,000,000	-	100%	Property development
廣州東鏡新城房地產有限公司(「東鏡」) (附註c)	中國	42,000,000 美元			房地產開發
CE Holdings Limited ("Crabtree & Evelyn")	BVI	114,249,495 ordinary shares of US\$1 each	-	70%	Investment holding
CE Holdings Limited (「Crabtree & Evelyn」)	英屬維爾京群島	114,249,495 股每股面值1美元之普通股			投資控股
Crabtree & Evelyn, Ltd.	United States of America	494,068 shares of common stock 420,677 shares of preferred stock of US\$100 each issued and fully paid, respectively	-	70%	Manufacturing, retailing and distribution of toiletries
Crabtree & Evelyn, Ltd.	美利堅合眾國	494,068 股普通股 420,677 股每股面值100美元之已發行及繳足優先股			製造、零售及分銷盥洗用品
Crabtree & Evelyn (Overseas) Limited	The United Kingdom	100,000 ordinary shares of £1 each 4,705,500 redeemable preference shares of £0.10 each 19,000,000 redeemable preference shares of £1 each	-	70%	Retailing and distribution of toiletries
Crabtree & Evelyn (Overseas) Limited	英國	100,000 股每股面值1英鎊之普通股 4,705,500 股每股面值0.10英鎊之可贖回優先股 19,000,000 股每股面值1英鎊之可贖回優先股			零售及分銷盥洗用品
Crabtree & Evelyn (Hong Kong) Limited	Hong Kong	Paid-up share capital of HK\$1,000,000	-	70%	Retailing and distribution of toiletries
Crabtree & Evelyn (Hong Kong) Limited	香港	繳足股本1,000,000 港元			零售及分銷盥洗用品

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For the year ended 31 December 2019 截至2019年12月31日止年度

16. INTERESTS IN SUBSIDIARIES (Continued)

16. 於附屬公司之權益(續)

Name 名稱	Country/Place of incorporation/ establishment and operations 註冊成立/成立及 經營國家/地點	Particulars of issued and paid-up share capital/ registered capital/ 已發行及繳足股本/ 註冊資本詳情	Percentage of equity interest held by the Company		Principal activities 主要業務
			本公司所持股權百分比 Directly 直接	Indirectly 間接	
City Entertainment Corporation Limited 橙天嘉禾影城有限公司	Hong Kong 香港	Paid-up share capital of HK\$1,170,000,000 繳足股本1,170,000,000港元	-	100%	Investment holding 投資控股
大地影院(集團)有限公司 (note c) 大地影院(集團)有限公司(附註c)	PRC 中國	RMB648,000,000 人民幣648,000,000元	-	99.64%	Investment holding 投資控股
上海星濠影城有限公司 (note b) 上海星濠影城有限公司(附註b)	PRC 中國	RMB15,000,000 人民幣15,000,000元	-	99.64%	Operation of digital cinemas 數碼影院經營
北京橙天嘉禾祥雲影城管理有限公司 (note b) 北京橙天嘉禾祥雲影城管理有限公司 (附註b)	PRC 中國	RMB1,000,000 人民幣1,000,000元	-	99.64%	Investment holding and operation of digital cinemas 投資控股及數碼影院經營
Amber Treasure Ventures Limited Amber Treasure Ventures Limited	BVI 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	100%	-	Debt issue 債務發行
Top Yield Ventures Limited 豐得創投有限公司	BVI 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值 1美元之普通股	100%	-	Debt issue 債務發行

The above table lists out the subsidiaries of the Company as at 31 December 2019 which, in the opinion of the directors, principally affected the Group's results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes:

- (a) These subsidiaries are registered as joint stock limited company under the law of PRC.
- (b) These subsidiaries are registered as limited liability company under the law of PRC.
- (c) These subsidiaries are registered as Sino-foreign co-operative joint venture under the law of PRC.
- (d) On 24 December 2019, the Group entered into capital injection agreement of RMB1,200,000,000 to 廣東大地影院建設有限公司 (the "Agreement"), and the Group's effective equity interest in 廣東大地影院建設有限公司 increased from 90.10% to 95.16% upon completion of the Agreement. Up to 31 December 2019, the capital injection of RMB673,669,558 was completed. Immediately after the capital injection the share of consolidated net assets of 廣東大地影院建設有限公司 and its subsidiaries by the non-controlling interests increased by approximately HK\$35,799,000 as result of the premium in the capital injection.

Except for the two credit enhanced notes and a senior note as set out in note 29(c) and 29(d), the subsidiaries had not issued any debt securities during the year.

上表列出本公司於2019年12月31日之附屬公司，而董事認為該等附屬公司對本集團本年度業績構成主要影響或構成本集團資產淨值之重大部分。董事認為，提供其他附屬公司之詳情會導致資料過於冗長。

附註：

- (a) 該等附屬公司根據中國法律註冊為股份有限公司。
- (b) 該等附屬公司根據中國法律註冊為有限責任公司。
- (c) 該等附屬公司根據中國法律註冊為中外合作合資企業。
- (d) 於2019年12月24日，本集團訂立增資協議對廣東大地影院建設有限公司作出人民幣1,200,000,000元的增資（「協議」），協議完成後本集團對廣東大地影院建設有限公司所持實際股權的百分比由90.10%增加至95.16%。截至2019年12月31日，人民幣673,669,558元的增資已完成。由於增資中的溢價部分，緊隨增資後，非控股權益佔廣東大地影院建設有限公司及其附屬公司的綜合資產淨值增加了約35,799,000港元。

除附註29(c)及附註29(d)所載二批信用增強票據及一批優先票據外，於年內，附屬公司並無發行任何債務證券。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

17. INTERESTS IN ASSOCIATES

17. 於聯營公司之權益

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Share of net assets other than goodwill	應佔不包括商譽之資產淨值	81,360	112,037
Goodwill	商譽	21,041	22,289
Balance at 31 December	於12月31日之結餘	102,401	134,326

Particulars of the associates at 31 December 2019 and 31 December 2018 are as follows:

於2019年12月31日及2018年12月31日之聯營公司詳情如下：

Name 名稱	Country/Place of incorporation/ establishment and operations 註冊成立/成立及經營國家/地點	Particulars of issued and paid-up share capital/ registered capital 已發行及繳足股本/註冊資本詳情	Percentage of equity interest held by the Company 本公司所持股權百分比		Principal activities 主要業務
			2019	2018	
Genius Reward Company Limited *	Hong Kong	Paid-up share capital of HK\$200	29.56%	29.56%	Inactive
Genius Reward Company Limited*	香港	繳足股本200港元			暫無業務
五洲電影發行有限公司("Wuzhou") *	PRC	RMB50,000,000	22.5%	22.5%	Film distribution
五洲電影發行有限公司("五洲")*	中國	人民幣50,000,000元			電影發行
北京東方大地影視投資管理有限公司 *	PRC	RMB5,000,000	47.5%	47.5%	Investment holding and management
北京東方大地影視投資管理有限公司 *	中國	人民幣5,000,000元			投資控股及管理
北京東方大地文化產業發展中心(有限合夥)("Dongfangdadi")	PRC	RMB120,000,000	40.36%	40.36%	Consultation, film production and project management
北京東方大地文化產業發展中心(有限合夥)("東方大地")	中國	人民幣120,000,000元			顧問、電影製作及項目管理
Emperor Dadi Film Distribution Limited *	Hong Kong	Paid-up share capital of HK\$2	50%	50%	Film distribution
英皇大地電影發行有限公司 *	香港	繳足股本2港元			電影發行
深圳天基絲路航天產業發展有限公司 *	PRC	RMB500,000,000	33%	33%	Inactive
深圳天基絲路航天產業發展有限公司 *	中國	人民幣500,000,000元			暫無業務

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

17. INTERESTS IN ASSOCIATES (Continued)

17. 於聯營公司之權益(續)

Name 名稱	Country/Place of incorporation/ establishment and operations 註冊成立/成立及 經營國家/地點	Particulars of issued and paid-up share capital/ registered capital 已發行及繳足 股本/註冊資本詳情	Percentage of equity interest held by the Company		Principal activities 主要業務
			2019 本公司所持股權百分比	2018	
華影天下(天津)電影發行 有限責任公司*(note a)	PRC	RMB100,000,000	12%	12%	Film distribution
華影天下(天津)電影發行 有限責任公司*(附註a)	中國	人民幣100,000,000元			電影發行
惠州太東橙天嘉禾影城有限公司*	PRC	RMB1,000,000	39.86%	39.71%	Operating of digital cinemas
惠州太東橙天嘉禾影城有限公司*	中國	人民幣1,000,000元			數碼影院經營
成都阿商信息技術有限公司* (note a)	PRC	RMB1,977,429	17.73%	17.73%	Information technology business
成都阿商信息技術有限公司* (附註a)	中國	人民幣1,977,429元			資訊科技業務
好哇網(成都)信息技術股份 有限公司*(note a)	PRC	RMB5,000,000	5.91%	5.91%	Information technology business
好哇網(成都)信息技術股份 有限公司*(附註a)	中國	人民幣5,000,000元			資訊科技業務
北京易企賣科技有限公司*	PRC	RMB93,255	29.56%	29.56%	Information technology business
北京易企賣科技有限公司*	中國	人民幣93,255元			資訊科技業務

* unlisted limited liability company

* 非上市有限責任公司

Note:

附註:

(a) The Group's equity interest in these companies are less than 20%. However, articles of association of these companies allow the Group to appoint directors to the board of these companies. The directors of the Company therefore consider they have power to exercise significant influence over these companies' financial and operational matters. As such, the Group has accounted for these companies as interests in associates.

(a) 本集團於該等公司之股權少於20%。然而，該等公司之組織章程細則允許本集團委任該等公司之董事會之董事，故本公司董事認為，彼等有權對該等公司之財務及經營事項行使重大影響力。因此，本集團將該等公司入賬列作於聯營公司之權益。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

17. INTERESTS IN ASSOCIATES (Continued)

The summarised financial information of the Group's material associates extracted from their management accounts, adjusted for fair value adjustments made at the time of acquisition and for differences in accounting policies, if any, are as follows:

17. 於聯營公司之權益(續)

有關本集團主要聯營公司並就收購時所作公允價值調整及會計政策差異而作出調整後(如有)之財務資料概要(摘錄自其管理賬目)如下:

		Dongfangdadi 東方大地		Wuzhou 五洲	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Summarised statement of financial position:	財務狀況報表概要:				
Non-current assets	非流動資產	-	-	514	798
Current assets	流動資產	75,125	128,853	180,171	578,594
Current liabilities	流動負債	-	-	(83,136)	(481,666)
Non-current liabilities	非流動負債	-	-	-	-
Summarised statement of comprehensive income:	全面收益報表概要:				
Revenue	收益	-	-	84,703	1,720,675
(Loss)/Profit for the year	年內(虧損)/溢利	(29,143)	(3,434)	1,645	63,487
Other comprehensive income for the year	年內其他全面收益	(1,592)	(7,112)	(1,822)	(13,004)
Total comprehensive income for the year	年內全面收益總額	(30,735)	(10,546)	(177)	50,483
Dividends payable to shareholders	應付股東股息	-	-	-	(113,927)
Investment withdrawal of shareholders	股東撤回投資	(22,993)	-	-	-
Dividend received from an associate	已收一間聯營公司股息	-	-	29,631	-
Reconciled to the Group's interests in the associates:	本集團於聯營公司之權益之對賬:				
Gross amounts of net assets of the associates	聯營公司資產淨值毛額	75,125	128,853	97,549	97,726
Group's effective interest	本集團實際權益	40.36%	40.36%	22.50%	22.50%
Group's share of net assets of the associates	本集團應佔聯營公司資產淨值	30,320	52,005	21,948	21,988
Carrying amount in the consolidated financial statements	於綜合財務報表之賬面值	30,320	52,005	21,948	21,988

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For the year ended 31 December 2019 截至2019年12月31日止年度

17. INTERESTS IN ASSOCIATES (Continued)

The summarised financial information of the Group's immaterial associates (in aggregate) extracted from their management accounts, adjusted for fair value adjustments made at the time of acquisition and for differences in accounting policies, are as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Summarised statement of comprehensive income:	全面收益報表概要：		
Loss for the year	年內虧損	(6,317)	(2,557)
Other comprehensive income for the year	年內其他全面收益	(101)	(484)
Total comprehensive income for the year	年內全面收益總額	(6,418)	(3,041)

Note:

The Group has discontinued recognition of its share of losses of five (2018: four) associates. The amount of unrecognised share of losses of the associates for the year and accumulated unrecognised share of losses of the associates amounted to HK\$779,000 (2018: HK\$333,000) and HK\$6,011,000 (2018: HK\$5,232,000) respectively.

17. 於聯營公司之權益(續)

有關本集團非主要聯營公司(合計)並就收購時所作公允價值調整及會計政策差異而作出調整後之財務資料概要(摘錄自其管理賬目)如下：

附註：

本集團終止確認其應佔五間(2018年：四間)聯營公司虧損。年內未確認應佔聯營公司虧損之金額及未確認應佔聯營公司虧損之累計金額分別為779,000港元(2018年：333,000港元)及6,011,000港元(2018年：5,232,000港元)。

18. INTERESTS IN JOINT VENTURES

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Share of net assets other than goodwill	應佔不包含商譽之資產淨值	28,498	30,688

In July 2017, the Group completed the acquisition of City Entertainment Corporation Limited, which holds 49% equity interest and voting right in 常州幸福藍海橙天嘉禾影城有限公司("常州幸福"). 常州幸福 is a separate structured vehicle incorporated and operating in PRC. The primary activity of the joint venture is cinema operation.

In August 2018, the Group set up SC Dadi Entertainment Corporation ("SC Dadi"), with a third party. The Group holds 50% equity interest and voting right in SC Dadi, which is a separate structured vehicle incorporated and operating in Japan. The primary activity of the joint venture is animation production.

18. 於合營企業之權益

於2017年7月，本集團完成收購橙天嘉禾影城有限公司。橙天嘉禾影城有限公司於常州幸福藍海橙天嘉禾影城有限公司(「常州幸福」)持有49%股權及投票權。常州幸福為於中國註冊成立及營運之獨立結構實體。合營企業之主要業務為影院營運。

於2018年8月，本集團與一名第三方成立 SC Dadi Entertainment Corporation (「SC Dadi」)。本集團於 SC Dadi 持有 50% 股權及投票權，SC Dadi 為於日本註冊成立及營運之獨立結構實體。合營企業之主要業務為動畫製作。

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18. INTERESTS IN JOINT VENTURES (Continued)

The summarised financial information of the Group's joint ventures extracted from their management accounts, adjusted for differences in accounting policies, are as follows:

18. 於合營企業之權益(續)

有關本集團合營企業並就會計政策差異而作出調整後之財務資料概要(摘錄自其管理賬目)如下:

		常州幸福		SC Dadi	
		2019	2018	2019	2018
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Summarised statement of financial position:	財務狀況報表概要:				
Non-current assets	非流動資產	4,067	5,403	-	-
Current assets	流動資產	10,531	17,453	49,138	49,551
Current liabilities	流動負債	(5,533)	(10,663)	(964)	-
Non-current liabilities	非流動負債	(63)	(128)	-	-
Included in the above amounts are:	計入上述款項為:				
Cash and cash equivalents	現金及等同現金項目	8,692	14,118	49,074	49,551
Summarised statement of comprehensive income:	全面收益報表概要:				
Revenue	收益	20,248	23,859	216	-
Profit/(Loss) for the year	年內溢利/(虧損)	1,916	1,652	(1,381)	(687)
Other comprehensive income for the year	年內其他全面收益	(440)	(634)	4	434
Total comprehensive income for the year	年內全面收益總額	1,476	1,018	(1,377)	(253)
Dividends paid to shareholders	已付股東股息	(4,540)	-	-	-
Dividends received from a joint venture	已收一間合營企業股息	2,225	-	-	-
Included in the above amounts are:	計入上述款項為:				
Depreciation and amortisation	折舊及攤銷	(1,207)	(1,283)	-	-
Administrative expenses	行政開支	(707)	(736)	(1,434)	(689)
Interest income	利息收入	92	85	-	-
Income tax expense	所得稅開支	(149)	(777)	-	-
Reconciled to the Group's interests in the joint ventures:	與本集團於合營企業之權益對賬:				
Gross amounts of net assets of the joint ventures	合營企業資產淨值毛額	9,002	12,065	48,174	49,551
Group's effective interest	本集團實際權益	49%	49%	50%	50%
Group's share of net assets of the joint ventures	本集團應佔合營企業資產淨值	4,411	5,912	24,087	24,776
Carrying amount in the consolidated financial statements	於綜合財務報表之賬面值	4,411	5,912	24,087	24,776

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19. NON-CURRENT ASSETS HELD-FOR-SALE

In November 2016, the Group decided to cease the running of a warehouse of the Group's botanic-based personal care and fragrance product business located in Wales due to geographical relocation. The Group has actively marketed the freehold land and premises of the warehouse which meets the classification definition of HKFRS 5 as held-for-sale. The operation of the warehouse was ceased on 31 March 2017 and the Group sold the freehold land and premises of the warehouse on 29 March 2018 at a cash consideration of HK\$34,667,000 and a gain of approximately HK\$19,649,000 was recognised in profit or loss for 2018.

19. 持作出售之非流動資產

於2016年11月，由於地域配置，本集團決定終止營運本集團位於威爾士之草本個人護理及香水產品業務之倉庫。本集團積極推銷倉庫所在永久業權土地及物業，並符合香港財務報告準則第5號之分類定義，可分類為持作出售。倉庫於2017年3月31日終止營運，且本集團已於2018年3月29日以現金代價34,667,000港元出售倉庫所在永久業權土地及物業，獲得收益約19,649,000港元，於2018年之損益賬確認。

20. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

20. 按金、預付款項及其他應收款項

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Deposits and prepayments	按金及預付款項	2,704,876	2,366,424
Other receivables	其他應收款項	1,476,506	1,469,195
		4,181,382	3,835,619
Less: Provision for impairment of other receivables	減：其他應收款項減值撥備	(181,151)	(141,886)
		4,000,231	3,693,733
Less: Non-current portion	減：非流動部分		
Long term rental deposits	長期租賃之按金	(344,969)	(385,936)
Guarantee deposits and other receivables	保證按金及其他應收款項	(191,691)	(334,347)
Deposits for purchase of property, plant and equipment	購進物業、廠房及設備之訂金	(50,351)	(49,857)
		(587,011)	(770,140)
		3,413,220	2,923,593

The Group recognised impairment loss based on the accounting policy stated in note 2.12. Further details on the Group's credit policy and credit risk arising from deposits and other receivables are set out in note 52.4.

本集團按附註2.12所述會計政策確認減值虧損。有關本集團信貸政策以及按金及其他應收款項所產生信貸風險之進一步詳情，載於附註52.4。

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21. INTANGIBLE ASSETS

21. 無形資產

		Computer software	Development cost	Goodwill	Licenses, brand names and franchise right	Others	Total
		電腦軟件	開發成本	商譽	牌照、品牌名稱及特許經營權	其他	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於2018年1月1日						
Cost	成本	401,459	192,653	5,316,862	1,039,187	97,192	7,047,353
Accumulated amortisation	累計攤銷	(311,502)	(115,150)	–	(56,326)	(3,841)	(486,819)
Accumulated impairment	累計減值	(184)	(5,742)	(116,525)	–	–	(122,451)
Net carrying amount	賬面淨值	89,773	71,761	5,200,337	982,861	93,351	6,438,083
Year ended 31 December 2018	截至2018年12月31日止年度						
Opening net carrying amount	期初賬面淨值	89,773	71,761	5,200,337	982,861	93,351	6,438,083
Additions	添置	17,577	27,086	–	24,995	161,574	231,232
Acquisition of subsidiaries	收購附屬公司	–	–	485,400	2,359	2,371	490,130
Provision for impairment	減值撥備	–	(3,620)	(180,836)	(17,821)	(4,497)	(206,774)
Amortisation charge for the year	年內攤銷支出	(23,257)	(17,801)	–	(83,109)	(26,786)	(150,953)
Write-off	撇銷	(110)	(1,246)	–	(4,389)	(64,582)	(70,327)
Exchange differences	匯兌差額	(2,209)	(3,887)	(166,934)	(33,255)	(8,374)	(214,659)
Closing net carrying amount at 31 December 2018	於2018年12月31日之期終賬面淨值	81,774	72,293	5,337,967	871,641	153,057	6,516,732
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日						
Cost	成本	139,602	117,637	5,634,472	1,028,187	252,350	7,172,248
Accumulated amortisation	累計攤銷	(57,644)	(36,413)	–	(139,378)	(94,961)	(328,396)
Accumulated impairment	累計減值	(184)	(8,931)	(296,505)	(17,168)	(4,332)	(327,120)
Net carrying amount	賬面淨值	81,774	72,293	5,337,967	871,641	153,057	6,516,732
Year ended 31 December 2019	截至2019年12月31日止年度						
Opening net carrying amount	期初賬面淨值	81,774	72,293	5,337,967	871,641	153,057	6,516,732
Additions	添置	76,223	144,687	–	713	5,812	227,435
Acquisition of assets	收購資產	2,501	–	–	–	–	2,501
Provision for impairment	減值撥備	(698)	(809)	(55,769)	–	–	(57,276)
Amortisation charge for the year	年內攤銷支出	(20,390)	(19,083)	–	(81,952)	(22,846)	(144,271)
Write-off	撇銷	(20,404)	–	–	–	(18,153)	(38,557)
Exchange differences	匯兌差額	(4,998)	(3,249)	(63,433)	(8,093)	(7,715)	(87,488)
Closing net carrying amount at 31 December 2019	於2019年12月31日之期終賬面淨值	114,008	193,839	5,218,765	782,309	110,155	6,419,076
At 31 December 2019	於2019年12月31日						
Cost	成本	212,459	257,927	5,570,130	1,017,545	250,093	7,308,154
Accumulated amortisation	累計攤銷	(97,580)	(54,527)	–	(218,068)	(135,606)	(505,781)
Accumulated impairment	累計減值	(871)	(9,561)	(351,365)	(17,168)	(4,332)	(383,297)
Net carrying amount	賬面淨值	114,008	193,839	5,218,765	782,309	110,155	6,419,076

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For the year ended 31 December 2019 截至2019年12月31日止年度

21. INTANGIBLE ASSETS (Continued)

For the purpose of the annual impairment test, the carrying amount of goodwill is allocated to the following CGUs:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Property development	房地產開發	1,529,824	1,529,887
Innovative business — Retailing	創意商業 — 零售	493,039	520,767
Enterprise cloud services	企業雲服務	75,766	76,883
Culture and media services — Cinema business	文化與傳播服務 — 影院業務	3,120,136	3,210,430
Net carrying amount at 31 December	於12月31日之賬面淨值	5,218,765	5,337,967

The recoverable amounts for the CGUs of “Enterprise cloud services” and “Culture and media services” were determined based on value in use calculations, covering a detailed five-year financial budgets which was approved by management, cash flows for certain CGUs are extrapolated using an estimated weighted average growth rate stated below, which does not exceed the long-term growth rate for the business in which the CGU operates.

The key assumptions used for value in use calculations for the year are as follows:

		Enterprise cloud services 企業雲服務		Culture and media services — cinema business 文化與傳播服務 — 影院業務	
		2019	2018	2019	2018
Revenue growth rates	收益增長率	6%–11%	8%–12%	(48)%–120%	3%–70%
Growth rates used to extrapolate cashflows beyond the budgeted years	用作推斷預算期間以外現金流量之增長率	0%	0%	3%	3%
Pre-tax discount rates	除稅前貼現率	15%–19%	12%–18%	13%	13%–17%

The budgeted gross margin and net profit margin were determined by the management for each individual CGU based on past performance and its expectations for market development.

The growth rate used for each of the above CGU is determined by reference to the average growth rate for the corresponding industry to which the CGU belongs.

21. 無形資產(續)

就年度減值測試而言，商譽之賬面值分配至下列現金產生單位：

「企業雲服務」及「文化與傳播服務」之現金產生單位之可收回金額根據使用價值方法計算，當中涵蓋經管理層批准之五年詳細財政預算，若干現金產生單位之現金流量乃使用下列估計加權平均增長率推斷，並無超逾現金產生單位所經營業務之長期增長率。

用於計算該年度使用價值之主要假設如下：

預算邊際毛利及邊際純利乃由管理層按過往表現及其對市場發展之預期就各個個別現金產生單位釐定。

以上各現金產生單位採用之增長率乃參考該等現金產生單位所屬相應行業之平均增長率釐定。

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21. INTANGIBLE ASSETS (Continued)

The discount rates used are pre-tax and reflect specific risks relating to the relevant CGU.

Based on the assessment, impairment loss on goodwill from the CGU of culture and media services amounted to HK\$32,174,000 was recognised during the year ended 31 December 2019 (2018: HK\$23,356,000).

The recoverable amounts for the CGU of "Property development" of 東鏡 was determined based on value in use calculations, covering a detailed five-year financial budgets which was approved by management, cash flows for CGU are extrapolated using projection of future cash flows generated from the sales of properties less cost to completion prepared from the financial budgets.

Below are the key assumptions used for the discounted cash flow calculation:

		Property development 房地產開發	
		2019	2018
Estimated market price (per square meter)	估計市價(每平方米)	RMB26,000 人民幣 26,000 元	RMB20,000 人民幣 20,000 元
Pre-tax discount rate	除稅前貼現率	19%	26%

The estimated market price was determined by the management based on the market information at location nearby the construction project.

The discount rates used are pre-tax and reflect the cost of capital of the property development segment.

Based on the assessment, no impairment loss on goodwill was recognised to profit or loss during the year ended 31 December 2019 and 2018.

21. 無形資產(續)

所用貼現率為除稅前並反映與相關現金產生單位有關之特定風險。

基於有關評估，截至2019年12月31日止年度，就文化與傳播服務之現金產生單位確認商譽減值虧損32,174,000港元(2018年：23,356,000港元)。

東鏡之「房地產開發」現金產生單位之可收回金額根據使用價值方法計算，當中涵蓋經管理層批准之五年詳細財政預算，現金產生單位之現金流量乃使用預測銷售物業所得現金流量減財政預算所編製落成成本推斷。

下列為用於計算貼現現金流量之主要假設：

估計市價乃由管理層基於建設項目鄰近地區之市場資料釐定。

所用貼現率為除稅前並反映房地產開發分部之資本成本。

基於有關評估，截至2019年及2018年12月31日止年度，概無於損益賬確認商譽減值虧損。

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21. INTANGIBLE ASSETS (Continued)

The recoverable amounts for the CGU of “Innovative business — Retailing” were determined based on value in use calculation, covering a detailed eight-year financial budgets which was approved by management, cash flows for geographical location within the CGU are extrapolated using an estimated weighted average growth rate stated below, which does not exceed the long-term growth rate for the business in which the CGU operates.

The key assumptions used for value in use calculations for the year are as follows:

		Innovative business 創意商業	
		2019	2018
Revenue growth rate	收益增長率	3%–75%	2%–73%
Growth rate used to extrapolate cashflows beyond the budgeted years	用作推斷預算年度以外現金流量之增長率	2%	2%
Pre-tax discount rate	除稅前貼現率	16%–20%	16%–26%

Based on the assessment, an impairment loss on goodwill of HK\$23,595,000 (2018: HK\$157,480,000) was recognised to profit or loss during the year.

Apart from the considerations described in determining the value in use calculation of the CGUs above, the Group’s management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

22. INVENTORIES

		2019 HK\$’000 千港元	2018 HK\$’000 千港元
Property development	房地產開發		
Properties under development	發展中物業	9,464,650	11,873,023
Completed properties held for sale	已落成待售物業	2,012,050	2,060,481
		11,476,700	13,933,504
Other operations	其他業務		
Food and beverages	食品及飲料	64,984	57,230
Botanic-based personal care and fragrance products	草本個人護理及香水產品	72,645	123,178
Projection equipment	放映設備	109,377	116,088
Others	其他	190,016	129,683
		11,913,722	14,359,683

All the above inventories are stated at the lower of cost and net realisable value.

21. 無形資產(續)

「創意商業 — 零售」現金產生單位之可收回金額根據使用價值方法計算，當中涵蓋管理層批准之八年詳細財政預算，現金產生單位所在地理位置之現金流量乃使用下列估計加權平均增長率推斷，並無超逾現金產生單位所經營業務之長期增長率。

用於計算該年度使用價值之主要假設如下：

		Innovative business 創意商業	
		2019	2018
Revenue growth rate	收益增長率	3%–75%	2%–73%
Growth rate used to extrapolate cashflows beyond the budgeted years	用作推斷預算年度以外現金流量之增長率	2%	2%
Pre-tax discount rate	除稅前貼現率	16%–20%	16%–26%

基於有關評估，年內於損益賬確認商譽減值虧損23,595,000港元(2018年：157,480,000港元)。

除上文就計算現金產生單位使用價值所述考慮因素外，本集團管理層目前並不知悉有任何其他可能出現之變動以致須更改其主要估計。

22. 存貨

		2019 HK\$’000 千港元	2018 HK\$’000 千港元
Property development	房地產開發		
Properties under development	發展中物業	9,464,650	11,873,023
Completed properties held for sale	已落成待售物業	2,012,050	2,060,481
		11,476,700	13,933,504
Other operations	其他業務		
Food and beverages	食品及飲料	64,984	57,230
Botanic-based personal care and fragrance products	草本個人護理及香水產品	72,645	123,178
Projection equipment	放映設備	109,377	116,088
Others	其他	190,016	129,683
		11,913,722	14,359,683

以上所有存貨均按成本與可變現淨值兩者中之較低者列賬。

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23. FINANCIAL ASSETS AT FVOCI

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Unlisted equity investments (note)	非上市股本投資(附註)	226,381	192,112
Unlisted debt investments	非上市債務投資	324	324
		226,705	192,436

Note: These financial assets are equity investments in a financial institution which were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature. Cash dividend of approximately HK\$960,000 (2018: HK\$5,731,000) has been received, and no transfer of the cumulative gain within equity for the years ended 31 December 2019 and 2018.

23. 按公允價值於其他全面收益處理之金融資產

附註：此等金融資產為於金融機構之股本投資，由於本集團認為此等投資具有戰略性質，故不可撤銷地指定為按公允價值於其他全面收益處理。截至2019年及2018年12月31日止年度，已收現金股息約為960,000港元(2018年：5,731,000港元)，亦無在權益內轉移累計收益。

24. TRADE RECEIVABLES

Based on the invoice dates, the aging analysis of the trade receivables is as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
0-90 days	0至90日	291,859	331,166
91-180 days	91至180日	86,917	110,863
181-270 days	181至270日	22,816	26,088
271-360 days	271至360日	22,273	22,884
Over 360 days	超過360日	151,413	130,030
Trade receivables, gross	應收貿易款項毛額	575,278	621,031
Less: Provision for impairment of receivables	減：應收款項減值撥備	(88,033)	(81,467)
Trade receivables, net	應收貿易款項淨額	487,245	539,564
Less: Long term trade receivables	減：長期應收貿易款項	(1,079)	(764)
Current portion of trade receivables	應收貿易款項之即期部分	486,166	538,800

24. 應收貿易款項

應收貿易款項按發票日期作出之賬齡分析如下：

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For the year ended 31 December 2019 截至2019年12月31日止年度

24. TRADE RECEIVABLES (Continued)

Trade receivables are due on presentation of invoices.

The long term trade receivables represent the outstanding balances receivable from customers who have granted a settlement schedule of 36 months from the Group. The current portion and non-current portion of the receivables were HK\$967,000 and HK\$1,079,000 respectively (2018: HK\$1,855,000 and HK\$764,000 respectively). All the remaining amounts are short term and hence the carrying values of the Group's trade receivables are considered to be a reasonable approximation of fair value.

The Group recognised impairment loss based on the accounting policy stated in note 2.12. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 52.4.

25. CASH AND CASH EQUIVALENTS, PLEDGED AND RESTRICTED BANK DEPOSITS

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Cash and bank balances	現金及銀行結存	11,720,620	8,297,573
Less: Pledged and restricted bank deposits presented as non-current assets	減：列作非流動資產之已抵押及受限制銀行存款	(2,647,222)	(3,755,612)
Less: Pledged and restricted bank deposits presented as current assets	減：列作流動資產之已抵押及受限制銀行存款	(8,330,343)	(3,207,363)
Cash and cash equivalents as stated in the consolidated statement of financial position	綜合財務狀況報表所示之現金及等同現金項目	743,055	1,334,598

Included in bank and cash balance of the Group is an aggregate amount of approximately HK\$11,306,786,000 (2018: HK\$7,529,467,000), which represented Renminbi ("RMB") deposits placed with banks in Mainland China.

RMB is not freely convertible into foreign currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks which are authorised to conduct foreign exchange business.

Pledged and restricted bank deposits earn interests at floating rates based on daily bank deposit rates or fixed-rates ranging from 2.00% to 3.80% per annum (2018: 2.10% to 3.30% per annum).

Restricted bank deposits represented the pre-sales proceeds received by the Group relating to the property development business. The restricted deposits are monitored by local government. The restriction will be released upon the completion of the related pre-sale properties.

24. 應收貿易款項(續)

應收貿易款項於出示發票時到期。

長期應收貿易款項指應收獲本集團授予36個月之還款時間表之客戶之未償還結餘。有關應收款項之即期部分及非即期部分分別為967,000港元及1,079,000港元(2018年：分別為1,855,000港元及764,000港元)。所有餘額為短期應收貿易款項，故本集團應收貿易款項之賬面值被合理視為與公允價值相若。

本集團根據附註2.12所述之會計政策確認減值虧損。本集團之信貸政策及應收貿易款項產生之信貸風險之進一步詳情載於附註52.4。

25. 現金及等同現金項目、已抵押及受限制銀行存款

本集團銀行及現金結存包括總額約11,306,786,000港元(2018年：7,529,467,000港元)之款項，為本集團存於中國內地銀行之人民幣(「人民幣」)存款。

人民幣不得自由兌換為外幣，根據中國之外匯管制法規以及結匯、售匯及付匯管理規定，本集團獲准透過獲認可進行外匯業務之銀行將人民幣兌換為外幣。

已抵押及受限制銀行存款按根據每日銀行存款利率之浮動利率或按固定利率賺取利息，介乎年利率2.00%至3.80%(2018年：年利率2.10%至3.30%)。

受限制銀行存款指本集團就房地產開發業務收取之預售所得款項。受限制存款由地方政府監管。有關限制將於相關預售物業竣工時解除。

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26. TRADE PAYABLES

Based on the invoice dates, the aging analysis of the trade payables is as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
0-90 days	0至90日	2,124,165	1,636,391
91-180 days	91至180日	84,548	89,254
181-270 days	181至270日	736,933	51,998
271-360 days	271至360日	90,765	26,970
Over 360 days	超過360日	96,673	90,102
Trade payables	應付貿易款項	3,133,084	1,894,715
Less: Long term trade payables	減：長期應付貿易款項	(212)	(409)
Current portion of trade payables	應付貿易款項之即期部分	3,132,872	1,894,306

The long term trade payable represents the outstanding balance payable to a supplier who has granted a settlement schedule of 36 months to the Group. The current portion and long term portion of this payable were HK\$358,000 and HK\$212,000 respectively (2018: HK\$10,607,000 and HK\$409,000 respectively). All the remaining amounts are short term and hence the carrying values of the Group's trade payables are considered to be a reasonable approximation of fair value.

26. 應付貿易款項

應付貿易款項按發票日期作出之賬齡分析如下：

長期應付貿易款項指應付一名供應商之未償還結餘，該名供應商授予本集團36個月之結算期。該應付款項之即期部分及長期部分分別為358,000港元及212,000港元(2018年：分別為10,607,000港元及409,000港元)。所有餘額均屬短期性質，因此，本集團之應付貿易款項賬面值被視為公允價值之合理約數。

27. OTHER PAYABLES AND ACCRUALS

All amounts are short term and hence the carrying values of the Group's other payables and accruals are considered to be a reasonable approximation of fair value.

27. 其他應付款項及應計費用

所有金額均屬短期性質，因此，本集團其他應付款項及應計費用賬面值視為公允價值之合理約數。

28. AMOUNT(S) DUE FROM/(TO) A DIRECTOR/ ASSOCIATES/JOINT VENTURES

(a) Amount due to a director

The amount due to a director is unsecured, interest-free and repayable on demand.

(b) Amounts due from/(to) associates

The amounts due from/(to) associates are unsecured, interest-free and repayable on demand.

(c) Amounts due from joint ventures

The amounts due from joint ventures are unsecured, interest-free and repayable on demand.

28. 應收／(欠)一名董事／聯營公司／合營企業之款項

(a) 欠一名董事款項

欠一名董事款項為無抵押、免息及須按要求償還。

(b) 應收／(欠)聯營公司款項

應收／(欠)聯營公司款項為無抵押、免息及須按要求償還。

(c) 應收合營企業款項

應收合營企業款項為無抵押、免息及須按要求償還。

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29. BANK AND OTHER BORROWINGS

29. 銀行及其他借貸

		Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Bank loans	銀行貸款			
— Secured	— 有抵押	(a)	11,181,891	9,793,929
— Unsecured	— 無抵押	(a)	52,841	294,560
Other borrowings	其他借貸			
— Secured	— 有抵押	(a),(b),(c)	7,618,302	7,689,558
— Unsecured	— 無抵押	(a),(d)	—	940,958
			18,853,034	18,719,005

At 31 December 2019, the bank and other borrowings of the Group are repayable as follows:

於2019年12月31日，本集團之銀行及其他借貸須於以下年期償還：

			2019 HK\$'000 千港元	2018 HK\$'000 千港元
On demand or within one year	按要求或一年內		15,173,454	6,805,091
In the second year	第二年		2,993,841	8,195,413
In the third to fifth years	第三至五年		685,739	3,718,501
Wholly repayable within five years	五年內悉數償還		18,853,034	18,719,005
Less: Portion due on demand or within one year under current liabilities	減：計入流動負債按要求或一年內到期之部分		(15,173,454)	(6,805,091)
Portion due over one year under non-current liabilities	計入非流動負債於超過一年到期之部分		3,679,580	11,913,914

There was no default event occurred during the years ended 31 December 2019 and 2018.

截至2019年及2018年12月31日止年度並無發生違約事件。

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For the year ended 31 December 2019 截至2019年12月31日止年度

29. BANK AND OTHER BORROWINGS (Continued)

At 31 December 2019, the carrying amounts of the borrowings are denominated in the following currencies:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
RMB	人民幣	6,594,753	5,722,351
USD	美元	8,389,008	10,592,662
HK\$	港元	3,848,480	2,403,787
AUD	澳元	-	205
TWD	新台幣	20,793	-
		18,853,034	18,719,005

Notes:

- (a) At 31 December 2019, bank and other borrowings amounted to HK\$8,227,143,000 (2018: HK\$8,200,718,000) carry interest at floating rates ranging from 2.70% to 8.56% per annum (2018: 3.32% to 7.13% per annum). The remaining balances carry interest at fixed rates ranging from 3.00% to 10.90% per annum (2018: 3.00% to 9.75% per annum). The carrying amounts of bank and other borrowings approximate their fair values.
- (b) Included in other borrowings of HK\$416,076,000 (2018: HK\$650,738,000) is amount due to financial institutions regarding ten (2018: thirteen) sales and leaseback arrangements for property, plant and equipment. The transactions are classified as loan financing and corresponding property, plant and equipment of HK\$645,147,000 (2018: HK\$778,128,000) are pledged under this arrangement.
- (c) On 25 May 2017, a direct wholly-owned subsidiary of the Company issued a three-year credit enhanced note of US\$500,000,000 (equivalent to approximately HK\$3,885,350,000) at par with a coupon rate of 3.00% per annum. The effective interest rate is 3.41% per annum.
- On 21 July 2017, a direct wholly-owned subsidiary of the Company issued a three-year credit enhanced note of US\$400,000,000 (equivalent to approximately HK\$3,124,121,000) at par with a coupon rate of 3.15% per annum. The effective interest rate is 3.54% per annum.
- (d) On 17 May 2018, a direct wholly-owned subsidiary of the Company issued a one-year senior note of US\$120,000,000 (equivalent to approximately HK\$941,676,000) with a coupon rate of 9.75% per annum which was due and repaid on 23 May 2019. The effective interest rate was 12.12% per annum.

29. 銀行及其他借貸(續)

於2019年12月31日，借貸之賬面值按下列貨幣計值：

附註：

- (a) 於2019年12月31日，為數8,227,143,000港元(2018年：8,200,718,000港元)之銀行及其他借貸按浮動年利率介乎2.70%至8.56%(2018年：3.32%至7.13%)計息。餘額按固定年利率介乎3.00%至10.90%(2018年：3.00%至9.75%)計息。銀行及其他借貸之賬面值與其公允價值相若。
- (b) 其他借貸中包括就十項(2018年：十三項)有關物業、廠房及設備之售後租回安排欠財務機構為數416,076,000港元(2018年：650,738,000港元)之款項。該等交易按貸款融資分類，為數645,147,000港元(2018年：778,128,000港元)之相應物業、廠房及設備根據此項安排抵押。
- (c) 於2017年5月25日，本公司之直接全資附屬公司發行500,000,000美元(相當於約3,885,350,000港元)票面年利率3.00%之三年期信用增強票據。實際年利率為3.41%。
- 於2017年7月21日，本公司之直接全資附屬公司發行400,000,000美元(相當於約3,124,121,000港元)票面年利率3.15%之三年期信用增強票據。實際年利率為3.54%。
- (d) 於2018年5月17日，本公司之直接全資附屬公司發行120,000,000美元(相當於約941,676,000港元)票面年利率為9.75%之一年期優先票據，已於2019年5月23日到期及償還。實際年利率為12.12%。

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30. LEASE LIABILITIES / FINANCE LEASE LIABILITIES

HKFRS 16 was adopted on 1 January 2019 without restatement of comparative figures. For an explanation of the transitional requirements that were applied as at 1 January 2019, see note 3.1. The accounting policies applied subsequent to the date of initial application, 1 January 2019, as disclosed in note 2.16A.

The movement of the Group's lease liabilities during the year ended 31 December 2019 is as follows:

30. 租賃負債／融資租賃負債

香港財務報告準則第16號於2019年1月1日獲採納，而並無重列比較數字。有關於2019年1月1日所採用過渡規定之解釋，請參閱附註3.1。於首次應用日期2019年1月1日後應用之會計政策於附註2.16A披露。

截至2019年12月31日止年度，本集團租賃負債之變動載列如下：

		Properties lease contracts 物業租賃合約 HK\$'000 千港元	Equipment 設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於2019年1月1日	-	-	-
Effect on initial adoption of HKFRS 16	首次採納香港財務報告準則第16號之影響	5,932,105	90,090	6,022,195
At 1 January 2019 (restated)	於2019年1月1日(經重列)	5,932,105	90,090	6,022,195
Additions	添置	273,172	197,944	471,116
Interest expenses	利息開支	503,559	17,184	520,743
Lease payments	租賃付款	(818,196)	(90,071)	(908,267)
Exchange differences	匯兌差額	(55,357)	(3,589)	(58,946)
As at 31 December 2019	於2019年12月31日	5,835,283	211,558	6,046,841

(a) The analysis of expense items in relation to lease recognised in profit or loss is as follows:

(a) 與於損益確認之租賃有關之開支項目分析如下：

	2019 HK\$'000 千港元
Depreciation charge of right-of-use assets by class of underlying asset	313
Prepaid land lease payments	514,214
Properties lease contracts	30,255
Equipment	544,782

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For the year ended 31 December 2019 截至2019年12月31日止年度

30. LEASE LIABILITIES / FINANCE LEASE LIABILITIES (Continued)

- (a) The analysis of expense items in relation to lease recognised in profit or loss is as follows (Continued):

		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Interest on lease liabilities (note 7)	租賃負債利息(附註7)	520,743	-
Expense relating to short-term leases and other leases with remaining lease term ending on or before 31 December 2019	與短期租賃及餘下租賃於2019年12月31日或之前結束之其他租賃有關之開支	55,456	-
Variable lease payments	可變租賃付款	21,489	-
Total minimum lease payments for leases previously classified as operating leases under HKAS 17	過往根據香港會計準則第17號分類為經營租賃之租賃之最低租賃付款總額	-	1,020,086

The Group has obtained the right to use on cinemas, offices and store premises through tenancy agreements. The leases typically run for an initial period of 1 to 20 years. Some leases are contracted but not yet commenced. The Group assesses at lease commencement date as at the asset is available to use. Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the leases contracts are not yet commenced or the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities. The potential exposure to the future lease payments contracted but not yet commenced or under extension options not included in lease liabilities (undiscounted) amounted to approximately HK\$3,816,373,000.

30. 租賃負債／融資租賃負債(續)

- (a) 與於損益確認之租賃有關之開支項目分析如下(續)：

本集團已透過租賃協議獲得影院、辦公室及店舖物業使用權。租賃一般初步為期1至20年。部分租賃已訂約但尚未開始。本集團於資產可使用日期確認租賃開始日期。部分租賃包括於合約期末後重續租賃以延長租期之選擇權。在切實可行之情況下，本集團力求納入本集團可行使之續租選擇權，以增添營運靈活彈性。本集團於租賃開始日期評估是否合理確定將行使續租選擇權。倘租賃合約尚未開始，或本集團無法合理確定行使續租選擇權，則續租期間之未來租賃付款不會計入租賃負債之計量。並無計入租賃負債(未貼現)之尚未開始租賃合約或續租選擇權項下未來租賃付款之潛在風險約為3,816,373,000港元。

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For the year ended 31 December 2019 截至2019年12月31日止年度

30. LEASE LIABILITIES / FINANCE LEASE LIABILITIES (Continued)

(b) Future lease payments are due as follows:

30. 租賃負債／融資租賃負債(續)

(b) 日後租賃付款到期情況如下：

		Minimum lease payments 最低租賃付款 HK\$'000 千港元	Interest 利息 HK\$'000 千港元	Present value 現值 HK\$'000 千港元
As at 31 December 2019	於2019年12月31日			
Not later than one year	不超過一年	935,444	(496,044)	439,400
Later than one year and not later than two years	一年後但不超過兩年	933,011	(464,611)	468,400
Later than two years and not later than five years	兩年後但不超過五年	2,526,020	(1,134,134)	1,391,886
Later than five years	五年以後	5,107,984	(1,360,829)	3,747,155
		9,502,459	(3,455,618)	6,046,841
As at 1 January 2019 (restated)	於2019年1月1日(經重列)			
Not later than one year	不超過一年	837,935	(503,658)	334,277
Later than one year and not later than two years	一年後但不超過兩年	855,444	(471,165)	384,279
Later than two years and not later than five years	兩年後但不超過五年	2,464,577	(1,200,678)	1,263,899
Later than five years	五年以後	5,499,858	(1,460,118)	4,039,740
		9,657,814	(3,635,619)	6,022,195

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30. LEASE LIABILITIES / FINANCE LEASE LIABILITIES (Continued)

(b) Future lease payments are due as follows (Continued):

		Minimum lease payments 最低租賃付款 HK\$'000 千港元	Interest 利息 HK\$'000 千港元	Present value 現值 HK\$'000 千港元
As at 31 December 2018	於2018年12月31日			
Not later than one year	不超過一年	45,960	(3,882)	42,078
Later than one year and not later than two years	一年後但不超過兩年	28,245	(2,353)	25,892
Later than two years and not later than five years	兩年後但不超過五年	22,972	(852)	22,120
		97,177	(7,087)	90,090

Note: The Group has initially applied HKFRS 16 using the cumulative effect approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. These liabilities have been aggregated with the brought forward balances relating to leases previously classified as finance leases. Comparative information as at 31 December 2018 has not been restated and relates solely to leases previously classified as finance leases. See note 3.1 for further details about transition.

附註：本集團已使用累計影響法首次應用香港財務報告準則第16號，並調整2019年1月1日之期初結餘以確認與過往根據香港會計準則第17號分類為經營租賃之租賃有關之租賃負債。該等負債已與過往分類為融資租賃之租賃相關之結轉結餘合計。於2018年12月31日之比較資料並未重列，僅與過往分類為融資租賃之租賃有關。有關過渡之進一步詳情，請參閱附註3.1。

(c) The present value of finance lease liabilities was as follows:

		2018 HK\$'000 千港元
Due within one year, included under current liabilities	一年內到期，計入流動負債	42,078
Due within second year, included under non-current liabilities	第二年內到期，計入非流動負債	25,892
Due in the third to fifth years, included under non-current liabilities	第三至五年內到期，計入非流動負債	22,120
		90,090

(c) 融資租賃負債之現值如下：

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30. LEASE LIABILITIES / FINANCE LEASE LIABILITIES (Continued)

- (c) The present value of finance lease liabilities is as follows (Continued):

As at 31 December 2018, the Group has entered into leases for certain items of cinema equipment, office equipment and motor vehicles with remaining lease terms of one to three years. Interest rate under the leases is fixed at 3.3% to 10.7% per annum. The lease did not have options to renew or any contingent rental provisions. Under the lease terms, the Group had the option to purchase the leased asset at a price that is expected to be sufficiently lower than the fair value of the leased asset at the end of the leases.

The above lease liabilities are secured by the underlying assets where the lessor has the rights to revert in event of default. The carrying amount of these lease liabilities are denominated in Hong Kong dollars and Renminbi and approximates their fair values.

- (d) Operating leases — lessee

As at 31 December 2018, the Group leases a number of properties under operating leases. The leases run for an initial period of one to twenty years, with options to renew the lease terms at the expiry dates or at days as mutually agreed between the Group and the respective landlords. In addition, the Group paid additional rental expenses in respect of certain operating leases which are dependent on the level of revenue achieved by particular properties.

The Group's total future minimum lease payments under non-cancellable operating lease are payable as follows:

		2018 HK\$'000 千港元
Land and buildings	土地及樓宇	
Within one year	一年內	1,036,848
In the second to fifth years	於第二至第五年	4,149,112
Over five years	五年以上	8,177,437
		13,363,397

- (e) Operating leases — lessor

The Group leases out a number of properties. The leases run for an initial period of one to fifteen years (2018: one to fifteen years), with options for the lessees to renew the lease terms at the expiry dates or at days as mutually agreed between the Group and the lessees. Some of the leases contains contingent rental arrangement which the level of rental depends on the revenue achieved by the lessees.

30. 租賃負債／融資租賃負債(續)

- (c) 融資租賃負債之現值如下(續)：

於2018年12月31日，本集團已就影院設備、辦公室設備及汽車若干項目訂立餘下租期為一至三年之租賃。該等租賃之年利率固定為3.3%至10.7%。該租約並無續期選擇權或任何或然租金條文。根據租賃條款，本集團有權以預期遠低於租約結束時租賃資產公允價值之價格購買租賃資產。

上述租賃負債以相關資產作抵押，出租人有權在發生違約事件時收回出租項目。該等租賃負債之賬面值以港元及人民幣計值，與其公允價值相若。

- (d) 經營租賃 — 承租人

於2018年12月31日，本集團根據經營租賃租用多項物業。租約初步為期一至二十年，並有權於租賃到期日或本集團與各業主相互協定之日期重續租約。此外，本集團就若干經營租賃支付額外租金，金額視乎特定物業所得收入而定。

本集團根據不可撤銷經營租賃應付之未來最低租賃付款總額如下：

- (e) 經營租賃 — 出租人

本集團出租多項物業。租約初步為期一至十五年(2018年：一至十五年)，而承租人有權於租賃到期日或本集團與承租人相互協定之日期重續租約。部分租約包含或然租金安排，或然租金金額視乎承租人的收入而定。

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30. LEASE LIABILITIES / FINANCE LEASE LIABILITIES (Continued)

- (e) Operating leases — lessor (Continued)
During the year ended 31 December 2019, the Group's rental income was approximately HK\$48,913,000 (2018: HK\$31,706,000).

The Group's total future minimum rent receivables under non-cancellable operating leases are as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Land and buildings	土地及樓宇		
Within one year	一年內	21,945	22,199
In the second year	於第二年	12,043	307
In the third year	於第三年	12,886	257
In the fourth year	於第四年	11,444	529
In the fifth year	於第五年	8,407	545
Over five years	五年以上	30,920	5,038
Total	總計	97,645	28,875

31. CONVERTIBLE AND EXCHANGEABLE BONDS

On 15 June 2016 ("Issue Date"), an indirect wholly-owned subsidiary of the Company ("the Issuer"), issued an aggregate of RMB1,000,000,000 convertible and exchangeable bonds (the "Bonds") which carry interest at 1.95% per annum with a maturity date of two years from the Issue Date ("Maturity Date"). Interest rate will be adjusted to 5.5% per annum upon redemption of the Bonds and the adjusted interests rate applied retrospectively for the whole life of the Bonds.

The conversion price is initially RMB266,667 per share, subject to adjustments for certain specified dilutive and other events, including the adjustment by reference to the box office revenue. The Bonds are secured by the shares of the Issuer and the Bond holder can convert the Bonds into Issuer's shares representing approximately 4.76% of the enlarged issued share capital of the Issuer or exchanged into 100% of a direct wholly-owned subsidiary of the Issuer.

Immediately prior to the closing of a fully underwritten registered public offering by an Issuer group company on an internationally recognised stock exchange (the "Qualified IPO") in respect of the Issuer, unless previously converted, exchanged or redeemed, the outstanding Bonds shall be automatically exchanged into 100% of the issued share capital of a subsidiary of the Issuer credited as fully paid, at any time between the Issue Date up to the close of business on the date falling on the third anniversary of the Issue Date (the "Exchange Period").

The holder of the Bonds shall have the right at its sole option to require the Issuer to redeem all of its Bonds outstanding at an amount which yields an internal rate of return of 5.50% per annum on the subscription amount paid by the holder following the Maturity Date, or in case of certain early redemption events happen.

30. 租賃負債／融資租賃負債(續)

- (e) 經營租賃 — 出租人(續)
截至2019年12月31日止年度，本集團之租賃收入約48,913,000港元(2018年：31,706,000港元)。

本集團根據不可撤銷經營租賃應收之未來最低租賃收款總額如下：

31. 可換股及可交換債券

於2016年6月15日(「發行日期」)，本公司一間間接全資附屬公司(「發行人」)發行總額為人民幣1,000,000,000元之可換股及可交換債券(「債券」)，按年利率1.95%計息，自發行日期起計兩年(「到期日」)到期。年利率將於贖回債券時調整至每年5.5%，而經調整利率將追溯應用至債券整個年期。

兌換價初步為每股人民幣266,667元，可就若干特定攤薄及其他事件作出調整，包括經參考票房收益作出調整。債券由發行人股份作抵押，而債券持有人可將債券兌換為發行人股份(相當於發行人經擴大已發行股本約4.76%)，或可交換為發行人一間直接全資附屬公司之100%權益。

於緊接有關發行人之發行人集團公司於國際認可證券交易所進行之全面包銷註冊公開發售(「合資格首次公開發售」)結束前，除非先前已兌換、交換或贖回，否則未償還債券將自發行日期起直至發行日期第三週年之日營業時間結束為止任何時間(「交換期」)自動交換為發行人一間附屬公司入賬列作繳足已發行股本之100%。

於到期日後或發生若干提早贖回事件，債券持有人可全權決定要求發行人贖回其全部未償還債券，價格為持有人所支付認購額產生之每年5.50%內部回報率之金額。

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31. CONVERTIBLE AND EXCHANGEABLE BONDS (Continued)

The holder of the Bonds was granted a put option to request the Company to purchase the Bonds at a price that will yield an internal rate of return of 5.50% per annum on the subscription amount paid by the holder for the Bonds for a period of 90 days after the occurrence of an event of default or other events related to the application of a Qualified IPO (details of the Bonds are disclosed in the circular dated 23 June 2016 issued by the Company).

Up to 31 December 2019, the Group had redeemed the entire Bonds in full, and the interest of the Bonds was adjusted to yield an internal rate of return of 5.50% per annum.

The related interest expense of the liability component of the Bonds for the year ended 31 December 2019 amounted to HK\$158,807,000 (2018: HK\$65,361,000), which was calculated using the effective interest method with an effective interest rate of 19.61% (2018: 10.23%) per annum.

The movements in the components of the Bonds during the year ended 31 December 2019 are set out below:

31. 可換股及可交換債券(續)

於違約事件或其他與合資格首次公開發售申請有關之事件發生後90日期間，債券持有人獲予認沽期權，可要求本公司購入債券，價格為將為就債券持有人所支付認購額產生之每年5.50%內部回報率之金額（債券詳情於本公司所刊發日期為2016年6月23日之通函披露）。

截至2019年12月31日，本集團已全面贖回全部債券，債券之利率調整至產生內部回報率每年5.50%。

截至2019年12月31日止年度，債券負債部分之相關利息開支為158,807,000港元（2018年：65,361,000港元），乃採用實際利率法按實際年利率19.61%（2018年：10.23%）計算。

截至2019年12月31日止年度，債券各部分之變動載列如下：

		Liability component 負債部分 HK\$'000 千港元	Embedded derivatives 嵌入式衍生工具 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於2018年1月1日	1,172,381	86,908	1,259,289
Change in fair value of financial liability at FVTPL	按公允價值於損益賬處理之金融負債公允價值變動	-	(65,432)	(65,432)
Interest expense	利息開支	65,361	-	65,361
Interest paid	已付利息	(24,375)	-	(24,375)
Exchange differences	匯兌差額	(62,646)	-	(62,646)
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	1,150,721	21,476	1,172,197
Change in fair value of financial liability at FVTPL	按公允價值於損益賬處理之金融負債公允價值變動	-	(21,476)	(21,476)
Interest expense	利息開支	158,807	-	158,807
Redemption	贖回	(1,282,410)	-	(1,282,410)
Exchange differences	匯兌差額	(27,118)	-	(27,118)
At 31 December 2019	於2019年12月31日	-	-	-

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32. FINANCIAL LIABILITIES AT FVTPL

32. 按公允價值於損益賬處理之金融負債

		Embedded derivatives (note (a)) 嵌入式 衍生工具 (附註(a)) HK\$'000 千港元	Others (note (b)) 其他 (附註(b)) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於2018年1月1日	86,908	–	86,908
Change in fair value	公允價值變動	(65,432)	5,435	(59,997)
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	21,476	5,435	26,911
Change in fair value	公允價值變動	(21,476)	(2,866)	(24,342)
At 31 December 2019	於2019年12月31日	–	2,569	2,569

Notes:

- (a) Embedded derivatives
At 31 December 2019 and 2018, the amounts represent the fair value of the conversion option embedded in the Bonds as disclosed in note 31 to the consolidated financial statements. The conversion option lapsed following the maturity of the Bonds. The fair value change of the embedded derivatives of the Bonds for the year ended 31 December 2019 of HK\$21,476,000 (2018: HK\$65,432,000) was recognised as "fair value change of financial liabilities at FVTPL" in the consolidated income statement.
- (b) Others
The amount represents the fair value of liability component of a foreign currency and interest rate swap contract, which is not matured within 12 months from the end of reporting period. The asset component of the swap contract was recognised as "Financial assets at FVTPL" in the consolidated financial statements. The fair value of interest rate swap is calculated as the present value of the estimated future cash flows based on deserved yield curve. The fair value of forward exchange contract is determined based on the forward exchange rate at reporting date.

附註：

- (a) 嵌入式衍生工具
於2019年及2018年12月31日，有關金額指綜合財務報表附註31所披露債券之嵌入式兌換期權之公允價值。兌換期權於債券到期後失效。截至2019年12月31日止年度，債券之嵌入式衍生工具公允價值變動21,476,000港元（2018年：65,432,000港元）於綜合收益表確認為「按公允價值於損益賬處理之金融負債公允價值變動」。
- (b) 其他
有關款項指並非於報告期末起計12個月到期之外幣及利率掉期合約負債部分之公允價值。掉期合約之資產部分於綜合財務報表確認為「按公允價值於損益賬處理之金融資產」。利率掉期之公允價值乃根據可觀察利率曲線計作估計未來現金流量之現值。遠期匯率合約之公允價值乃根據報告日期之遠期匯率釐定。

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33. OTHER EMPLOYEE BENEFITS

In December 2017, CE Dongli, an indirectly subsidiary of the Company, implemented a scheme (the "Scheme") to incentivise the senior management personnel of CE Dongli (the "CE Senior Management"). The Scheme lasts for a period of 5 years up to 31 December 2021. Pursuant to the Scheme, the Group will effectively grant a total of 15,996,402 units of right to receive profit-share and bonus reward (the "Bonus Reward") to CE Senior Management. The recipients of such Bonus Reward have the rights to exercise at the price of RMB1 for each unit of Bonus Reward in return for one unit of equity interest in CE Dongli (the "CE interests"). Upon the exercising of all units of Bonus Reward, the CE Senior Management will in substance indirectly holding a total of approximately 6.6% of the CE Interests. Within one year after the expiry date of the Scheme (i.e. 31 December 2022), it is mandatory for the Group to buy back all of the CE Interests from the CE Senior Management (the "Buy-back") and there is no choice for the Group or the CE Senior Management to opt for alternative equity settlement. The Buy-back will be made at the pre-determined prices, depending on various performance conditions including CE Dongli's audited and approved revenue and net profit margin and on various pre-determined buy-back dates before the expiry of the Scheme.

As at 31 December 2019, a total of 15,996,402 (2018: 9,716,300) units of Bonus Reward were granted to the CE Senior Management and 7,304,000 (2018: 3,951,800) units of the Bonus Reward were exercised. With reference to the probability of meeting the performance conditions set out in the Scheme, the Group estimated a provision for the Buy-back amounting to approximately RMB26,836,000 (equivalent to approximately HK\$30,458,000 for the year ended 31 December 2019 (2018: approximately RMB34,850,000 (equivalent to approximately HK\$41,193,000))).

As at 31 December 2019, a total provision of approximately RMB25,458,000 (equivalent to approximately HK\$28,451,000) (2018: approximately RMB14,862,000 (equivalent to approximately HK\$16,923,000)) and RMB32,667,000 (equivalent to approximately HK\$36,508,000) (2018: approximately RMB23,940,000 (equivalent to approximately HK\$27,260,000)) was recognised under the current liabilities and non-current liabilities respectively in the consolidated statement of financial position.

33. 其他僱員福利

於2017年12月，本公司間接附屬公司中企動力實施一項計劃（「該計劃」）以激勵中企動力之高級管理人員（「中企高級管理人員」）。該計劃直至2021年12月31日為止為期5年。根據該計劃，本集團將向中企高級管理人員實際授出合共15,996,402個收取溢利分享及花紅獎勵（「花紅獎勵」）之權利單位。獲授該等花紅獎勵人士有權按人民幣1元行使各花紅獎勵單位以換取中企動力一單位權益（「中企權益」）。於所有花紅獎勵獲行使後，中企高級管理層將實質上間接持有合共約6.6%中企權益。於計劃屆滿日期後一年（即2022年12月31日）內，本集團須向中企高級管理人員購回所有中企權益（「購回」），且本集團或中企高級管理人員均不得選擇其他權益結算方式。購回將按預設價格進行，取決於各項績效條件包括中企動力之經審核及經批准收益及淨利潤率及取決於該計劃屆滿前之各個預定購回日期。

於2019年12月31日，中企高級管理人員獲授合共15,996,402個（2018年：9,716,300個）花紅獎勵單位，其中7,304,000個（2018年：3,951,800個）花紅獎勵單位已獲行使。參考達成該計劃所載績效條件之可能性，本集團估計截至2019年12月31日止年度之購回撥備約為人民幣26,836,000元（相當於約30,458,000港元）（2018年：約人民幣34,850,000元（相當於約41,193,000港元））。

於2019年12月31日，於綜合財務狀況報表內之流動負債及非流動負債分別確認撥備總額約人民幣25,458,000元（相當於約28,451,000港元）（2018年：約人民幣14,862,000元（相當於約16,923,000港元））及人民幣32,667,000元（相當於約36,508,000港元）（2018年：約人民幣23,940,000元（相當於約27,260,000港元））。

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34. RESTRICTED SHARE AWARD SCHEME

On 9 October 2018, Sino-i, a non-wholly owned subsidiary of the Company, adopted the Restricted Share Award Scheme to recognise the contributions by Sino-i group's personnel and to provide them with incentives in order to retain them for the continual operation and development of the Sino-i group.

On 19 December 2018, a total of 1,806,000,000 Restricted Shares were approved to issue to the custodian and held for selected participants. The Restricted Shares of Sino-i will be vested only after satisfactory completion of performance-based targets. The Restricted Share Award Scheme is subject to the administration of the board of Sino-i in accordance with the Restricted Share Award Scheme. As at 31 December 2019, 1,806,000,000 (2018: 1,806,000,000) shares were held by the custodian for the Restricted Share Award Scheme.

The board of Sino-i shall not make any further grant of the Restricted Shares which will result in the total number of shares granted by the board of Sino-i under the Restricted Share Award Scheme to exceed 2,462,000,000 shares. Unless terminated earlier by the board of Sino-i, the Restricted Share Award Scheme shall be valid and effective for a term of 10 years from the date of its adoption.

Movements in the number of share held for the Restricted Share Award Scheme and the Restricted Shares of Sino-i are as follows:

34. 限制性股份獎勵計劃

於2018年10月9日，本公司之非全資附屬公司中國數碼採納限制性股份獎勵計劃，以肯定中國數碼集團之若干人員所作貢獻及向彼等提供獎勵，以留聘彼等協助中國數碼集團持續營運及發展。

於2018年12月19日，合共1,806,000,000股限制性股份獲批准發行予託管人並就有關獲選參與者持有。中國數碼之限制性股份僅於以績效為基礎之目標獲滿意完成後方會歸屬。限制性股份獎勵計劃須由中國數碼董事會根據限制性股份獎勵計劃管理。於2019年12月31日，1,806,000,000股（2018年：1,806,000,000股）股份由託管人就限制性股份獎勵計劃持有。

倘任何進一步授出限制性股份會導致中國數碼董事會根據限制性股份獎勵計劃授出之股份總數超過2,462,000,000股，則中國數碼董事會不得作出有關授出。除非由中國數碼董事會提早終止，否則，限制性股份獎勵計劃將自採納日期起計為期十年有效及生效。

就限制性股份獎勵計劃持有之股份及中國數碼之限制性股份數目變動如下：

		Number of shares held for Restricted Share Award Scheme	Number of Restricted Shares
		就限制性股份 獎勵計劃持有 之股份數目 '000 千股	限制性 股份數目 '000 千股
At 1 January 2018	於2018年1月1日	-	-
Granted (note (a))	授出(附註(a))	-	1,806,000
Allotted to custodian (note (b))	配發予託管人(附註(b))	1,806,000	-
At 31 December 2018 and 31 December 2019	於2018年12月31日及 2019年12月31日	1,806,000	1,806,000

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34. RESTRICTED SHARE AWARD SCHEME (Continued)

Notes:

- (a) On 19 December 2018, the grant of 1,806,000,000 shares of Sino-i to be awarded to selected participants under the Restricted Share Award Scheme was approved by the independent shareholders of Sino-i and the shares would be transferred to the selected participants by the custodian at HK\$nil consideration upon satisfaction of its respective vesting conditions. As at the grant date, the fair value of each of the Restricted Share was HK\$0.055.
- (b) During the year ended 31 December 2018, 1,806,000,000 shares of Sino-i were allotted to the custodian of the Restricted Share Award Scheme at HK\$nil consideration.

During the year ended 31 December 2019, approximately HK\$2,135,000 (2018: approximately HK\$178,000) was recognised as share-based payments expense included in the profit or loss.

35. PROVISION FOR WARRANTY

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
At 1 January	於1月1日	3,886	3,917
Additional provision	額外撥備	-	401
Utilisation during the year	年內動用	(1,258)	(222)
Exchange differences	匯兌差額	(53)	(210)
At 31 December	於12月31日	2,575	3,886

The Group provides one to three years warranty for its movie projection equipment, under which faulty products are repaired or replaced. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

附註：

- (a) 於2018年12月19日，中國數碼獨立股東批准授出1,806,000,000股中國數碼股份，以供根據限制性股份獎勵計劃獎勵獲選參與者，而有關股份可於其各自歸屬條件獲達成後由託管人無償轉讓予獲選參與者。於授出日期，各限制性股份之公允價值為0.055港元。
- (b) 截至2018年12月31日止年度，1,806,000,000股中國數碼股份獲無償配發予限制性股份獎勵計劃之託管人。

截至2019年12月31日止年度，約2,135,000港元(2018年：約178,000港元)款項確認為計入損益賬之以股份支付之開支。

35. 保修撥備

本集團為影院放映設備提供一至三年保修，故障產品可維修或更換。保修撥備金額乃根據銷售量以及維修及退貨水平之過往經驗估計。估計基準乃按持續基準審閱並於適當時作出修訂。

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36. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

		Tax loss	Provision of PRCLAT	ECLs	Financing component	Lease liabilities	Others	Total
		稅項虧損	中國土地 增值稅撥備	信貸虧損	融資部分	租賃負債	其他	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於2018年1月1日	547	506,738	-	-	-	89,700	596,985
Effect on adoption of HKFRS 9	採納香港財務報告 準則第9號之影響	-	-	34,784	-	-	-	34,784
Effect on adoption of HKFRS 15	採納香港財務報告 準則第15號之影響	-	-	-	32,392	-	-	32,392
At 1 January 2018 (restated)	於2018年1月1日(經重列)	547	506,738	34,784	32,392	-	89,700	664,161
Deferred tax (charged)/credited to the income statement (note 9)	於收益表(扣除)/計入 遞延稅項(附註9)	(547)	330,196	4,778	18,102	-	(61,051)	291,478
Exchange differences	匯兌差額	-	(31,491)	-	-	-	6,643	(24,848)
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	-	805,443	39,562	50,494	-	35,292	930,791
Effect on adoption of HKFRS 16 (note 3.1)	採納香港財務報告準則 第16號之影響(附註3.1)	-	-	-	-	228,815	-	228,815
At 1 January 2019 (restated)	於2019年1月1日(經重列)	-	805,443	39,562	50,494	228,815	35,292	1,159,606
Deferred tax (charged)/credited to the income statement (note 9)	於收益表(扣除)/計入 遞延稅項(附註9)	-	115,410	3,969	(2,422)	63,723	10,909	191,589
Exchange differences	匯兌差額	-	(14,234)	-	-	(1,269)	3,097	(12,406)
Gross deferred tax assets at 31 December 2019	於2019年12月31日之 遞延稅項資產毛額	-	906,619	43,531	48,072	291,269	49,298	1,338,789

At 31 December 2019, the amount of unused tax losses for which no deferred tax assets is recognised in the consolidated statement of financial position is as follows:

36. 遞延稅項

年內遞延稅項資產及負債變動如下：

遞延稅項資產

		Tax loss	Provision of PRCLAT	ECLs	Financing component	Lease liabilities	Others	Total
		稅項虧損	中國土地 增值稅撥備	信貸虧損	融資部分	租賃負債	其他	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於2018年1月1日	547	506,738	-	-	-	89,700	596,985
Effect on adoption of HKFRS 9	採納香港財務報告 準則第9號之影響	-	-	34,784	-	-	-	34,784
Effect on adoption of HKFRS 15	採納香港財務報告 準則第15號之影響	-	-	-	32,392	-	-	32,392
At 1 January 2018 (restated)	於2018年1月1日(經重列)	547	506,738	34,784	32,392	-	89,700	664,161
Deferred tax (charged)/credited to the income statement (note 9)	於收益表(扣除)/計入 遞延稅項(附註9)	(547)	330,196	4,778	18,102	-	(61,051)	291,478
Exchange differences	匯兌差額	-	(31,491)	-	-	-	6,643	(24,848)
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	-	805,443	39,562	50,494	-	35,292	930,791
Effect on adoption of HKFRS 16 (note 3.1)	採納香港財務報告準則 第16號之影響(附註3.1)	-	-	-	-	228,815	-	228,815
At 1 January 2019 (restated)	於2019年1月1日(經重列)	-	805,443	39,562	50,494	228,815	35,292	1,159,606
Deferred tax (charged)/credited to the income statement (note 9)	於收益表(扣除)/計入 遞延稅項(附註9)	-	115,410	3,969	(2,422)	63,723	10,909	191,589
Exchange differences	匯兌差額	-	(14,234)	-	-	(1,269)	3,097	(12,406)
Gross deferred tax assets at 31 December 2019	於2019年12月31日之 遞延稅項資產毛額	-	906,619	43,531	48,072	291,269	49,298	1,338,789

於2019年12月31日，未於綜合財務狀況報表確認為遞延稅項資產之未動用稅項虧損金額如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Temporary differences attributable to:	以下項目應佔之暫時差額：		
— unused tax losses	— 未動用稅項之虧損	5,005,853	3,746,107

Deferred tax asset in respect of these tax losses has not been recognised in the financial statements due to the unpredictability of future profit streams against which the tax losses can be utilised. The tax losses of the subsidiaries operating in Mainland China amounted to HK\$2,225,992,000 (2018: HK\$1,777,561,000) can be carried forward for five years while tax losses of the subsidiaries operating in Hong Kong and certain jurisdictions amounted to HK\$1,754,629,000 (2018: HK\$992,803,000) can be carried forward indefinitely under the current tax legislation. Tax losses of the subsidiaries operated in other jurisdictions amounted to HK\$1,025,232,000 (2018: HK\$975,743,000) can be carried forward up to twenty years.

因無法預計可用以抵銷稅項虧損之日後溢利來源，故並無在財務報表中確認該等稅項虧損之遞延稅項資產。於中國內地營運之附屬公司稅項虧損2,225,992,000港元(2018年：1,777,561,000港元)可結轉五年，而根據現行稅法，於香港及若干司法權區營運之附屬公司稅項虧損1,754,629,000港元(2018年：992,803,000港元)可無限期結轉。於其他司法權區營運之附屬公司稅項虧損為1,025,232,000港元(2018年：975,743,000港元)可結轉最多二十年。

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36. DEFERRED TAX (Continued)

Deferred tax liabilities

		Fair value adjustments arising from acquisition of subsidiaries	Fair value adjustments on investment properties	Withholding tax on the distributable profits of subsidiaries	Temporary difference on receipt in advance	Temporary difference on contract liabilities	Total
		收購附屬公司產生之公允價值調整	投資物業之公允價值調整	附屬公司可分派溢利之預扣稅	預收款項之暫時差額	合約負債之暫時差額	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於2018年1月1日	970,483	46,334	-	21,341	-	1,038,158
Effect on adoption of HKFRS 15	採納香港財務報告準則第15號之影響	-	-	-	(21,341)	21,341	-
At 1 January 2018 (restated)	於2018年1月1日(經重列)	970,483	46,334	-	-	21,341	1,038,158
Acquisition of subsidiaries	收購附屬公司	625	-	-	-	-	625
Deferred tax (credited)/charged to the income statement (note 9)	於收益表(計入)/扣除遞延稅項(附註9)	(316,677)	76,469	-	-	-	(240,208)
Exchange differences	匯兌差額	(10,542)	-	-	-	(1,108)	(11,650)
At 31 December 2018 and 1 January 2019	於2018年12月31日及2019年1月1日	643,889	122,803	-	-	20,233	786,925
Deferred tax charged/(credited) to the income statement (note 9)	於收益表扣除/(計入)遞延稅項(附註9)	(137,755)	436,975	421,920	-	-	721,140
Exchange differences	匯兌差額	(2,934)	(6,439)	(6,935)	-	(375)	(16,683)
Gross deferred tax liabilities at 31 December 2019	於2019年12月31日之遞延稅項負債毛額	503,200	553,339	414,985	-	19,858	1,491,382

The Group is also subject to withholding tax at the rate of 5% (2018: 5%) and 10% (2018: 10%) on the distributions of profits generated from the Group's major PRC subsidiaries which are directly owned by the Group's subsidiaries incorporated in Hong Kong and BVI respectively.

As at 31 December 2019, other than the amount recognised in the consolidated financial statements, deferred tax has not been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of certain of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such unremitted earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately HK\$593,554,000 at 31 December 2019 (2018: HK\$8,856,514,000).

本集團亦須就分派本集團主要中國附屬公司所得溢利分別按5%(2018年:5%)及10%(2018年:10%)繳交預扣稅。該等中國附屬公司由本集團分別於香港及英屬維爾京群島註冊成立之附屬公司直接擁有。

於2019年12月31日,除於綜合財務報表確認之金額外,並無就本集團於中國內地成立之若干附屬公司須繳納預扣稅之未匯出盈利確認預扣稅之遞延稅項。董事認為,此等附屬公司不大可能在可見未來分配此等未匯出盈利。於2019年12月31日,與未確認遞延稅項負債之中國內地附屬公司投資有關之暫時差額合共約為593,554,000港元(2018年:8,856,514,000港元)。

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37. SHARE CAPITAL

		Number of ordinary shares of HK\$0.01 each 每股面值0.01港元 之普通股數目	HK\$'000 千港元
Authorised:	法定：		
At 1 January 2018, 31 December 2018 and 31 December 2019	於2018年1月1日、 2018年12月31日及 2019年12月31日	500,000,000,000	5,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2018, 31 December 2018 and 31 December 2019	於2018年1月1日、 2018年12月31日及 2019年12月31日	68,645,535,794	686,455

38. SHARE OPTION SCHEME

The Company operates a share option scheme.

Under the ordinary resolution passed at the annual general meeting on 28 May 2012, the Board of the Company adopted a new share option scheme and simultaneously terminated the share option scheme adopted on 29 August 2002. Under the new scheme, share options may be granted to directors, employees of the Group and those who have contributed or will contribute to the Group at any time within ten years after its adoption at the discretion of the Board of the Company.

There are no outstanding share options at 31 December 2019 (2018: Nil).

37. 股本

38. 購股權計劃

本公司推行一項購股權計劃。

根據於2012年5月28日之股東周年大會上通過之普通決議案，本公司董事會採納新購股權計劃，並同時終止於2002年8月29日採納之購股權計劃。根據新計劃，本公司董事會可在採納後十年內隨時酌情授出購股權予本集團之董事、僱員以及曾為或將為本集團作出貢獻之人士。

於2019年12月31日並無任何未行使之購股權(2018年：無)。

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39. RESERVES

Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 133 to 134 of the financial statements.

Notes:

- (a) Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less the amount of expenses incurred in connection with the issue of the shares. According to the annual general meeting held on 30 May 2018, the Company has decided to reduce the share premium account amounting to approximately HK\$965,900,000, and the amount arising from the reduction has been transferred to the contributed surplus account.
- (b) Capital reserve of the Group mainly represented the reserves arising from capital reduction pursuant to a special resolution passed on 30 April 2002 and the amount previously recognised in share option reserve arising from the exercise of share options and capital reserve arising from acquisition of subsidiaries.
- (c) General reserve of the Group mainly represented the statutory reserves of subsidiaries of the Company established in Mainland China. These subsidiaries are required to transfer 10% of their profit after tax calculated in accordance with the PRC accounting regulations to the statutory reserve until the reserve reaches 50% of their respective capital upon which any further appropriation will be at the directors' recommendation. Such reserve may be used to reduce any losses incurred by the subsidiaries or be capitalised as paid-up capital of the subsidiaries.
- (d) FVOCI reserve represents fair value reserve comprises the cumulative net charge in the fair value of equity investment designated at FVOCI under HKFRS 9 that are held at the end of the year.
- (e) Share-based payments reserve represents cumulative expenses recognised on the granting of Restricted Share Award Scheme to the employees over the vesting period.
- (f) Exchange differences arising from the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. HK\$) are recognised directly in other comprehensive income and accumulated in the exchange reserve. The reserve is dealt with in accordance with the accounting policy of foreign currencies set out in note 2.6.

39. 儲備

集團

本年度及過往年度本集團儲備金額及其變動載於財務報表第133至134頁之綜合權益變動表。

附註：

- (a) 股份溢價為已收所得款項超出本公司按溢價發行之股份面值之部分，扣除就發行股份產生之開支金額。根據於2018年5月30日舉行之股東周年大會，本公司決定削減股份溢價賬約965,900,000港元，削減金額已轉撥至繳入盈餘賬。
- (b) 本集團資本儲備主要指根據於2002年4月30日通過之特別決議案削減股本產生之儲備，因行使購股權而先於購股權儲備中確認之金額，以及收購附屬公司所產生之資本儲備。
- (c) 本集團一般儲備主要指本公司於中國內地成立之附屬公司之法定儲備。該等公司須將按中國會計規則計算之除稅後溢利10%撥為法定儲備，直至該儲備達至相關資本之50%為止，其後之任何進一步轉撥可由董事酌情建議作出。該儲備可用以減低附屬公司產生之虧損或資本化作為附屬公司之實繳股本。
- (d) 按公允價值於其他全面收益處理之儲備指包括根據香港財務報告準則第9號指定為按公允價值於其他全面收益處理之權益投資公允價值累計淨變動並於年末持有之公允價值儲備。
- (e) 以股份支付之儲備指於歸屬期間向僱員授予限制性股份獎勵計劃確認之累計開支。
- (f) 匯兌差額於將本集團海外業務之資產淨值由其功能貨幣換算為本集團之呈列貨幣（即港元）時產生，乃直接於其他全面收益中確認並於匯兌儲備累計。有關儲備乃根據附註2.6所載外幣之會計政策處理。

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39. RESERVES (Continued)

Company

		Share premium (note a)	Contributed surplus (note b)	Capital reserve (note c)	FVOCI reserve (note d) 按公允價值 於其他全面 收益處理 之儲備 (附註d)	Accumulated loss 累計 虧損	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於2018年1月1日	965,911	1,971,857	7,480	-	(1,684,980)	1,260,268
Effect on adoption of HKFRS 9	採納香港財務報告準則 第9號之影響	-	-	-	(1,580)	-	(1,580)
At 1 January 2018 (restated)	於2018年1月1日(經重列)	965,911	1,971,857	7,480	(1,580)	(1,684,980)	1,258,688
Profit for the year	年內溢利	-	-	-	-	288,274	288,274
Other comprehensive income	其他全面收益	-	-	-	4,950	-	4,950
Reduction of share premium	減少股份溢價	(965,900)	965,900	-	-	-	-
Dividend relating to 2017	2017年相關股息	-	-	-	-	(157,885)	(157,885)
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	11	2,937,757	7,480	3,370	(1,554,591)	1,394,027
Profit for the year	年內溢利	-	-	-	-	21,927	21,927
Other comprehensive income	其他全面收益	-	-	-	39,963	-	39,963
Dividend relating to 2018 (note 10)	2018年相關股息 (附註10)	-	-	-	-	(102,968)	(102,968)
At 31 December 2019	於2019年12月31日	11	2,937,757	7,480	43,333	(1,635,632)	1,352,949

Notes:

- (a) Share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less the amount of expenses incurred in connection with the issue of the shares.
- (b) Contributed surplus of the Company includes the difference between the aggregate net asset value of the subsidiaries acquired and the nominal amount of the Company's shares issued for the acquisition and the reserves arising from capital reduction pursuant to a special resolution passed on 30 April 2002. Under the Bermuda Companies Act, the contributed surplus is distributable to the shareholders under certain circumstances. According to the annual general meeting held on 30 May 2018, the Company has decided to reduce the share premium account amounting to approximately HK\$965,900,000, and the amount arising from the reduction has been transferred to the contributed surplus account.
- (c) Capital reserve of the Company represents the amount of equity-settled share-based compensation previously recognised transferred from the share options reserve when the share options are exercised.
- (d) FVOCI reserve represents fair value reserve comprises the cumulative net change in the fair value of equity investment designated at FVOCI under HKFRS 9 that are held at the end of the reporting period.

附註：

- (a) 股份溢價為已收所得款項超出本公司按溢價發行之股份面值之部分，扣除就發行股份產生之開支金額。
- (b) 本公司之繳入盈餘包括所收購附屬公司之資產淨值總額與為收購而發行之本公司股份面值間之差額以及根據2002年4月30日通過之特別決議案削減股本產生之儲備。根據百慕達公司法，繳入盈餘於若干情況下可分派予股東。根據於2018年5月30日舉行之股東周年大會，本公司決定削減股份溢價賬約965,900,000港元，削減金額已轉撥至繳入盈餘賬。
- (c) 本公司之資本儲備指早前已確認之權益結算以股份支付酬金，乃於行使購股權時轉撥自購股權儲備。
- (d) 按公允價值於其他全面收益處理之儲備指包括根據香港財務報告準則第9號指定為按公允價值於其他全面收益處理之權益投資公允價值累計淨變動並於報告期末持有之公允價值儲備。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

40. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

40. 控股公司之財務狀況報表

	Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		572	–
Interests in subsidiaries	16	3,000,000	3,000,000
Financial assets at FVOCI		226,381	186,418
Financial assets at FVTPL		–	112
		3,226,953	3,186,530
Current assets			
Amounts due from subsidiaries		4,457,663	6,938,348
Deposits, prepayments and other receivables		59,793	95,898
Pledged and restricted bank deposits		58,412	57,009
Cash and cash equivalents		18,880	73,024
		4,594,748	7,164,279
Current liabilities			
Other payables and accruals		15,503	14,936
Provision for tax		583	594
Loan from subsidiaries		–	1,127,112
Amount due to a director		–	76,993
Amounts due to subsidiaries		2,647,881	3,756,910
Bank and other borrowings		1,573,470	3,288,347
		4,237,437	8,264,892
Net current assets/(liabilities)		357,311	(1,100,613)
Total assets less current liabilities		3,584,264	2,085,917
Non-current liabilities			
Loan from subsidiaries		1,012,693	–
Financial liability assets at FVTPL		2,569	5,435
Bank and other borrowings		529,598	–
		1,544,860	5,435
Net assets		2,039,404	2,080,482
EQUITY			
Share capital	37	686,455	686,455
Reserves	39	1,352,949	1,394,027
Total equity		2,039,404	2,080,482

On behalf of the Board

代表董事會

Yu Pun Hoi
于品海
Director
董事

Liu Rong
劉榮
Director
董事

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

41. NON-CONTROLLING INTERESTS

Sino-i, a 59.11% owned subsidiary of the Company, and Crabtree & Evelyn, a 70% owned subsidiary of the Company, has material non-controlling interests ("NCI"). The NCI of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial.

Summarised financial information in relation to the NCI of Sino-i, before intra-group eliminations, is presented below:

		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Non-current assets	非流動資產	1,695,596	624,680
Current assets	流動資產	420,862	1,468,180
Current liabilities	流動負債	(616,189)	(529,357)
Non-current liabilities	非流動負債	(61,159)	(31,735)
Net assets	資產淨值	1,439,110	1,531,768
Accumulated NCI	累計非控股權益	588,452	622,001
Revenue	收益	963,567	1,012,450
Profit for the year	年內溢利	22,367	375,812
Total comprehensive income for the year	年內全面收益總額	17,136	296,146
Profit allocated to NCI	分配予非控股權益之溢利	9,239	152,700
Dividend paid to NCI	已付非控股權益股息	(38,912)	(198,118)
Cash flows generated from operating activities	經營活動所得現金流量	37,456	62,599
Cash flows generated from investing activities	投資活動所得現金流量	208,715	510,557
Cash flows used in financing activities	融資活動所用現金流量	(119,287)	(701,172)
Net cash inflows/(outflows)	現金流入/(流出)淨額	126,884	(128,016)

41. 非控股權益

本公司擁有59.11%權益之附屬公司中國數碼及本公司擁有70%權益之附屬公司Crabtree & Evelyn擁有重大非控股權益(「非控股權益」)。本集團非全資擁有之所有其他附屬公司之非控股權益被視為並不重大。

進行集團內抵銷前有關中國數碼非控股權益之財務資料概要呈列如下：

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

41. NON-CONTROLLING INTERESTS (Continued)

Summarised financial information in relation to the NCI of Crabtree & Evelyn, before intra-group eliminations, is presented below:

41. 非控股權益(續)

進行集團內抵銷前有關Crabtree & Evelyn非控股權益之財務資料概要呈列如下：

		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Non-current assets	非流動資產	522,607	572,440
Current assets	流動資產	181,399	388,812
Current liabilities	流動負債	(1,647,760)	(1,683,450)
Non-current liabilities	非流動負債	(77,938)	(5,578)
Net assets	資產淨值	(1,021,692)	(727,776)
Accumulated NCI	累計非控股權益	(91,916)	(12,293)
Revenue	收益	237,420	829,533
Loss for the year	年內虧損	(263,892)	(833,267)
Total comprehensive income for the year	年內全面收益總額	(293,916)	(788,917)
Loss allocated to NCI	分配予非控股權益之虧損	(79,623)	(251,132)
Dividend paid to NCI	已付非控股權益股息	-	-
Cash flows used in operating activities	經營活動所用現金流量	(180,426)	(382,635)
Cash flows used in investing activities	投資活動所用現金流量	(24,694)	(110,317)
Cash flows generated from financing activities	融資活動所得現金流量	132,551	445,742
Net cash outflows	現金流出淨額	(72,569)	(47,210)

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

41. NON-CONTROLLING INTERESTS (Continued)

During the year ended 31 December 2019, there was no material acquisition of non-controlling interest.

During the year ended 31 December 2018, the Group's material acquisition of non-controlling interest is set out as follow:

On 14 March 2018, 大地影院發展有限公司, an indirect 90.1% owned subsidiary of the Company, acquired the remaining 20% equity interest in 內蒙古大地影院管理有限公司 at a cash consideration of RMB2,010,000 (equivalent to approximately HK\$2,513,000). 內蒙古大地影院管理有限公司 was an indirect 72.1% owned subsidiary of the Company right before the completion of the transaction and became an indirect 90.1% owned subsidiary of the Company upon completion of the transaction.

The following summarised the effect of the changes in the Group's ownership interest in 內蒙古大地影院管理有限公司 on the equity attributable to owners of the Company:

		2018 HK\$'000 千港元
Carrying amount of non-controlling interests acquired	所收購非控股權益之賬面值	2,424
Consideration paid to non-controlling interests	已付非控股權益之代價	(2,513)
Excess of consideration paid recognised within equity	於權益中確認超逾已付代價之款額	(89)

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31 December 2019, certain non-current deposits and other receivables of the Group amounting to approximately HK\$25,754,000 (2018: HK\$22,226,000) were transferred to property, plant and equipment.

The Group entered into lease (2018: finance lease) arrangements in respect of certain assets with a total capital value of approximately HK\$471,116,000 (2018: HK\$64,320,000) at the inception of the lease.

41. 非控股權益(續)

截至2019年12月31日止年度，並無重大非控股權益收購事項。

截至2018年12月31日止年度，本集團之非控股權益重大收購事項載列如下：

於2018年3月14日，本公司擁有90.1%權益之間接附屬公司大地影院發展有限公司收購於內蒙古大地影院管理有限公司餘下20%股權，現金代價為人民幣2,010,000元(相當於約2,513,000港元)。內蒙古大地影院管理有限公司於交易完成前為本公司擁有72.1%權益之間接附屬公司，於交易完成後則成為本公司擁有90.1%權益之間接附屬公司。

本集團於內蒙古大地影院管理有限公司之所有權變動對本公司擁有人應佔權益之影響概述如下：

42. 綜合現金流量報表附註

(a) 主要非現金交易

截至2019年12月31日止年度，本集團約25,754,000港元(2018年：22,226,000港元)之若干非流動訂金及其他應收款項撥入物業、廠房及設備。

本集團就若干資產訂立租賃(2018年：融資租賃)安排，於租賃開始時資本總值約為471,116,000港元(2018年：64,320,000港元)。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

42. 綜合現金流量報表附註(續)

(b) Reconciliation of liabilities arising from financing activities:

(b) 融資活動所產生負債之對賬：

		Bank and other borrowings (note 29)	Finance lease liabilities (note 30)	Convertible and exchangeable bonds (note 31)	Amount due to a director (note 28(a))	Lease liabilities (note 30)	Total
		銀行及其他借貸 (附註29)	融資租賃負債 (附註30)	可換股及可交換債券 (附註31)	欠一名董事款項 (附註28(a))	租賃負債 (附註30)	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2019	於2019年1月1日	18,719,005	90,090	1,150,721	65,132	-	20,024,948
Initial adoption of HKFRS 16 (note 3.1)	首次採納香港財務報告準則第16號(附註3.1)	-	(90,090)	-	-	6,022,195	5,932,105
At 1 January 2019 (restated)	於2019年1月1日(經重列)	18,719,005	-	1,150,721	65,132	6,022,195	25,957,053
Changes from financing cash flows:	融資現金流量變動：						
Proceeds from bank and other borrowings	銀行及其他借貸所得款項	7,148,057	-	-	-	-	7,148,057
Repayments of bank and other borrowings	償還銀行及其他借貸	(6,834,944)	-	-	-	-	(6,834,944)
Redemption of convertible and exchangeable bonds	贖回可換股及可交換債券	-	-	(1,282,410)	-	-	(1,282,410)
Lease payments	租賃付款	-	-	-	-	(908,267)	(908,267)
Repayment to a director	向一名董事還款	-	-	-	(52,170)	-	(52,170)
Interest paid	已付利息	(1,151,954)	-	-	-	-	(1,151,954)
Total changes from financing cash flows	融資現金流量變動總額	(838,841)	-	(1,282,410)	(52,170)	(908,267)	(3,081,688)
Exchange differences	匯兌差額	(193,139)	-	(27,118)	(410)	(58,946)	(279,613)
Other changes:	其他變動：						
Interest expenses	利息開支	506,409	-	158,807	-	520,743	1,185,959
Capitalised borrowing costs	撥充資本之借貸成本	659,600	-	-	-	-	659,600
Additions	新增	-	-	-	-	471,116	471,116
Total other changes	其他變動總額	1,166,009	-	158,807	-	991,859	2,316,675
At 31 December 2019	於2019年12月31日	18,853,034	-	-	12,552	6,046,841	24,912,427

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

42. 綜合現金流量報表附註(續)

(b) Reconciliation of liabilities arising from financing activities (Continued):

(b) 融資活動所產生負債之對賬(續):

		Bank and other borrowings (note 29) 銀行及 其他借貸 (附註29) HK\$'000 千港元	Finance lease liabilities (note 30) 融資 租賃負債 (附註30) HK\$'000 千港元	Convertible and exchangeable bonds (note 31) 可換股及 可交換債券 (附註31) HK\$'000 千港元	Amount due to a director (note 28(a)) 欠一名 董事款項 (附註28(a)) HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於2018年1月1日	22,896,454	87,173	1,172,381	9,878	24,165,886
Changes from financing cash flows:	融資現金流量變動:					
Proceeds from bank and other borrowings	銀行及其他借貸所得款項	5,366,418	-	-	-	5,366,418
Repayment of bank and other borrowings	償還銀行及其他借貸	(9,147,899)	-	-	-	(9,147,899)
Repayment of capital element of finance lease liabilities	償還融資租賃負債本金部分	-	(56,584)	-	-	(56,584)
Repayment of interest element of finance lease liabilities	償還融資租賃負債利息部分	-	(8,529)	-	-	(8,529)
Advance from a director	來自一名董事之墊款	-	-	-	53,215	53,215
Interest paid	已付利息	(1,455,255)	-	(24,375)	-	(1,479,630)
Total changes from financing cash flows	融資現金流量變動總額	(5,236,736)	(65,113)	(24,375)	53,215	(5,273,009)
Exchange differences	匯兌差額	(407,277)	(4,819)	(62,646)	2,039	(472,703)
Other changes:	其他變動:					
Interest expenses	利息開支	815,602	-	65,361	-	880,963
Capitalised borrowing costs	撥充資本之借貸成本	650,962	-	-	-	650,962
New finance leases	新增融資租賃	-	64,320	-	-	64,320
Finance charges on obligations under finance leases	融資租賃項下責任之融資開支	-	8,529	-	-	8,529
Total other changes	其他變動總額	1,466,564	72,849	65,361	-	1,604,774
At 31 December 2018	於2018年12月31日	18,719,005	90,090	1,150,721	65,132	20,024,948

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

43. BUSINESS COMBINATIONS

- (a) During the year ended 31 December 2019, there was no business combination.
- (b) During the year ended 31 December 2018, the Group acquired equity interest of certain companies owned by independent third parties.

The Group's material business combination for the year ended 31 December 2018 is detailed as follows:

During the year ended 31 December 2018, 廣東自由人影城管理有限公司, an indirect non-wholly owned subsidiary of the Company, acquired 100% equity interest in 浙江視博影業有限公司 ("浙江視博"), which is a company incorporated in the PRC. 浙江視博 and its subsidiaries are principally engaged in cinema operation in Zhejiang. The Group aims to expand its presence in Zhejiang through this acquisition. The acquisition was completed on 9 July 2018 (the "浙江視博 Acquisition Date").

The fair value of the identifiable assets and liabilities of 浙江視博 as at the 浙江視博 Acquisition Date were as follows:

43. 業務合併

- (a) 截至2019年12月31日止年度，並無任何業務合併。
- (b) 截至2018年12月31日止年度，本集團收購多間由獨立第三方擁有之公司之股權。

截至2018年12月31日止年度，本集團主要業務合併之詳情如下：

截至2018年12月31日止年度，本公司之間接非全資附屬公司廣東自由人影城管理有限公司收購浙江視博影業有限公司（「浙江視博」）100%股權，該公司為一間於中國註冊成立之公司。浙江視博及其附屬公司主要在浙江從事影院業務。本集團旨在透過此項收購擴大在浙江的市場份額。收購事項已於2018年7月9日（「浙江視博收購日期」）完成。

於浙江視博收購日期，浙江視博已識別資產及負債之公允價值如下：

		Fair value 公允價值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	80,430
Intangible assets	無形資產	2,229
Inventories	存貨	15,553
Trade receivables (note (b))	應收貿易款項(附註(b))	10,062
Deposits, prepayments and other receivables (note (b))	按金、預付款項及其他應收款項(附註(b))	5,819
Cash and cash equivalents	現金及等同現金項目	18,693
Trade payables	應付貿易款項	(5,623)
Other payables and accruals	其他應付款項及應計費用	(8,242)
Contract liabilities	合約負債	(19,250)
Total identifiable net assets at fair value	按公允價值計算可識別資產淨額之總值	99,671
Goodwill (note (a))	商譽(附註(a))	472,367
Fair value of consideration	代價之公允價值	572,038
Purchase consideration	購買代價	(572,038)
Add: Consideration payables	加：應付代價	223,845
Add: Cash and cash equivalents in subsidiaries acquired	加：收購附屬公司之現金及等同現金項目	18,693
Net cash outflows in acquisition	收購之現金流出淨額	(329,500)

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

43. BUSINESS COMBINATIONS (Continued)

(b) (Continued)

Notes:

- (a) The goodwill of HK\$472,367,000 arising from the acquisition of 浙江視博, which is not deductible for tax purposes, represents the synergetic effect by enabling the Group to expand its cinema coverage in a more efficient and cost-effective manner by taking the advantages of 浙江視博's existing customer network in Zhejiang.
- (b) The fair value and the gross amount of trade receivables and other receivables amounted to HK\$10,062,000 and HK\$5,819,000 respectively. None of these receivables was impaired and it was expected that the full contractual amounts could be collected.
- (c) The Group incurred transaction costs of HK\$286,000 for the acquisition which have been expensed and recognised as administrative expense in profit or loss for the year ended 31 December 2018.
- (d) 浙江視博 contributed revenue of HK\$57,003,000 and net loss of HK\$7,011,000 to the Group since the 浙江視博 Acquisition Date to 31 December 2018. Had the acquisition occurred on 1 January 2018, consolidated revenue and consolidated profit for the year ended 31 December 2018 would have been HK\$16,864,039,000 and HK\$969,131,000 respectively.

44. RETIREMENT BENEFIT PLANS

Defined contribution retirement plans

The Group operates a MPF scheme and an ORSO scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group in funds under the control of the trustees.

Under the ORSO scheme, contribution of 5% of the employee's monthly salaries are made by the employees and by the Group. The Group's contributions may be reduced by contributions forfeited by those employees who leave the schemes prior to vesting fully in the contributions. The Group also participates in the MPF schemes, which are available to all employees not joining the ORSO scheme in Hong Kong. Monthly contributions to the MPF scheme are made equal to 5% (2018: 5%), or a fixed sum of the employee's relevant income in accordance with the local legislative requirements.

Subsidiaries operating in Mainland China are required to participate in a defined contribution retirement benefit plan organised by the relevant government authorities whereby the subsidiaries are required to make contributions at the rate of 10%–22% (2018: 10%–22%) of the eligible employees' salary rate to the scheme. The Group has accrued for the required contributions which are remitted to the respective local government authorities when the contributions become due. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the Schemes. Forfeited contributions could not be used by the Group to reduce the existing level of contributions.

43. 業務合併(續)

(b) (續)

附註：

- (a) 收購浙江視博產生之商譽472,367,000港元不可扣稅，指讓本集團借助浙江視博在浙江之現有客戶網絡，以更其效率及成本效益之方式為擴展影院覆蓋範圍所產生之協同效益。
- (b) 應收貿易款項及其他應收款項之公允價值及總額分別為10,062,000港元及5,819,000港元。該等應收款項概無減值，預期合約金額將可全數收回。
- (c) 本集團就收購事項產生之交易成本286,000港元已支銷，並於截至2018年12月31日止年度之損益賬確認為行政開支。
- (d) 自浙江視博收購日期至2018年12月31日止，浙江視博為本集團帶來收益及虧損淨額分別為57,003,000港元及7,011,000港元。倘收購事項於2018年1月1日產生，截至2018年12月31日止年度綜合收益及綜合溢利分別為16,864,039,000港元及969,131,000港元。

44. 退休福利計劃

定額供款退休計劃

本集團為其於香港所有合資格僱員設立強積金計劃及職業退休計劃。該等計劃之資產與本集團資產分開，並由信託人控制之基金持有。

根據職業退休計劃，僱員及本集團僱員作出相當於僱員月薪5%之供款。本集團作出之供款，可以因僱員於可享有供款所得全部權益前退出該計劃而沒收之供款扣減。本集團亦參與強積金計劃，供所有未參加職業退休計劃之香港僱員參與。根據本地立法規定，強積金計劃之每月供款相當於僱員相關收入之5% (2018年：5%) 或其中固定金額。

於中國內地經營之附屬公司均須參與由有關政府機關設立之定額供款退休福利計劃。其中，附屬公司須按合資格僱員薪金之10%至22% (2018年：10%至22%) 向計劃作出供款。本集團已累計所需供款，於有關供款到期時向相關地方政府當局匯款。地方政府當局負責應付計劃所涵蓋退休僱員之退休金責任。本集團不可使用已沒收之供款扣減現有供款水平。

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For the year ended 31 December 2019 截至2019年12月31日止年度

44. RETIREMENT BENEFIT PLANS (Continued)

Defined contribution retirement plans (Continued)

The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total cost charged to the consolidated income statement of HK\$129,242,000 (2018: HK\$139,502,000) represents contributions payable to the schemes by the Group at the rates specified in the rules of the schemes.

45. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

Directors' emoluments and fees are disclosed as follows:

44. 退休福利計劃(續)

定額供款退休計劃(續)

本集團就退休福利計劃之唯一責任為作出指定供款。

自綜合收益表中扣除之總成本為129,242,000港元(2018年: 139,502,000港元), 即本集團按該等計劃之規則列明之比率須向計劃作出之供款。

45. 董事薪酬及高級管理層酬金

(a) 董事酬金

董事酬金及袍金披露如下:

		Basic salaries, housing, other allowances and benefits in kind 基本薪金、 住房、 其他津貼 及實物利益	Discretionary bonus 酌情 花紅	Pension scheme contributions 退休金 計劃供款	Total 總計
	Fees 袍金	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2019	2019年				
Executive directors	執行董事				
YU Pun Hoi	于品海	-	360	-	378
LIU Rong	劉榮	-	723	-	738
Non-executive directors	非執行董事				
LAM Bing Kwan	林秉軍	120	-	-	120
LUNG King Cheong ¹	龍景昌 ¹	50	-	-	50
Independent non-executive directors	獨立非執行董事				
LAU Yip Leung	劉業良	120	-	-	120
XIAO Sui Ning	肖遂寧	270	-	-	270
HO Yeung Nang	何養能	190	-	-	190
		750	1,083	-	1,866

1. Retired as non-executive director with effect from 30 May 2019.

1. 自2019年5月30日起退任非執行董事。

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For the year ended 31 December 2019 截至2019年12月31日止年度

45. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

		Fees	Basic salaries, housing, other allowances and benefits in kind 基本薪金、 住房、 其他津貼 及實物利益	Discretionary bonus 酌情 花紅	Pension scheme contributions 退休金 計劃供款	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2018	2018年					
Executive directors	執行董事					
YU Pun Hoi	于品海	-	360	-	18	378
LIU Rong	劉榮	-	799	-	39	838
LUNG King Cheong ¹	龍景昌 ¹	-	572	-	4	576
Non-executive directors	非執行董事					
LAM Bing Kwan	林秉軍	120	-	-	-	120
LUNG King Cheong ¹	龍景昌 ¹	90	-	-	-	90
Independent non-executive directors	獨立非執行董事					
LAU Yip Leung	劉業良	120	-	-	-	120
XIAO Sui Ning	肖遂寧	282	-	-	-	282
HO Yeung Nang	何養能	120	-	-	-	120
		732	1,731	-	61	2,524

1. Re-designated as a non-executive director of the Company with effect from 1 April 2018.

45. 董事薪酬及高級管理層酬金 (續)

(a) 董事酬金 (續)

1. 自2018年4月1日起調任本公司非執行董事。

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For the year ended 31 December 2019 截至2019年12月31日止年度

45. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(b) Five highest paid individuals

None of the director (2018: none) was included in the five highest paid individuals of the Group for the year, details of whose emoluments are set out above. The emoluments of the five (2018: five) employees are as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Basic salaries, other allowances and benefits in kind	基本薪金、其他津貼及實物利益	6,383	7,255
Discretionary bonus	酌情花紅	-	-
Pension contributions	退休金供款	90	79
		6,473	7,334

The emoluments of the five highest paid individuals, other than directors, fell within the following bands:

Emolument bands	酬金範圍	Number of highest paid individuals 最高薪人士數目	
		2019	2018
HK\$1,000,001–HK\$1,500,000	1,000,001 港元至 1,500,000 港元	4	4
HK\$1,500,001–HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1	1

During the years ended 31 December 2019 and 31 December 2018, no emoluments were paid to any of the Company's directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

None of the directors have waived or agreed to waive any emoluments in respect of the years ended 31 December 2019 and 2018.

(c) Senior management

The emoluments paid or payable to members of senior management were within the following bands:

Emolument bands	酬金範圍	Number of individuals 人數	
		2019	2018
Nil–HK\$1,000,000	零至 1,000,000 港元	4	3
HK\$1,000,001–HK\$2,000,000	1,000,001 港元至 2,000,000 港元	-	1

45. 董事薪酬及高級管理層酬金 (續)

(b) 五名最高薪人士

本年度，並無董事(2018年：無)屬本集團五名最高薪酬人士，彼等之酬金詳情已載於上文。五名(2018年：五名)僱員之酬金如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Basic salaries, other allowances and benefits in kind	基本薪金、其他津貼及實物利益	6,383	7,255
Discretionary bonus	酌情花紅	-	-
Pension contributions	退休金供款	90	79
		6,473	7,334

五名最高薪人士(董事除外)之酬金介乎下列範圍：

Emolument bands	酬金範圍	Number of highest paid individuals 最高薪人士數目	
		2019	2018
HK\$1,000,001–HK\$1,500,000	1,000,001 港元至 1,500,000 港元	4	4
HK\$1,500,001–HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1	1

截至2019年12月31日及2018年12月31日止年度，並無向本公司董事或五名最高薪人士支付任何酬金，以吸引彼等加盟或於加盟本集團時支付或作為離職補償。

概無董事放棄或同意放棄截至2019年及2018年12月31日止年度之酬金。

(c) 高級管理層

已付或應付高級管理層成員之酬金介乎下列範圍：

Emolument bands	酬金範圍	Number of individuals 人數	
		2019	2018
Nil–HK\$1,000,000	零至 1,000,000 港元	4	3
HK\$1,000,001–HK\$2,000,000	1,000,001 港元至 2,000,000 港元	-	1

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46. CAPITAL COMMITMENTS

At 31 December 2019, the Group had outstanding commitments as follows:

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Contracted but not provided for in respect of: 已訂約但未撥備：		
— renovation work 一翻新工程	16,606	31,119
— properties under development 一發展中物業	444,299	134,954
— expansion of cinema business 一擴充影院業務	64,964	97,551
	525,869	263,624

47. CONTINGENT LIABILITIES

Guarantees given in connection with credit facilities granted to:

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
An associate 一間聯營公司	21,124	20,350

In February 1993, a Group's associate borrowed a loan of US\$5 million from a Filipino bank namely Banco de Oro Unibank (formerly known as Equitable PCI Bank Inc and then as Banco de Oro-EPCI Inc.) ("Banco Unibank"). The loan was secured by a guarantee executed by the Group ("Banco Unibank Guarantee"), and by share mortgage of 74,889,892 shares (the "Philippines shares") of Acesite (Philippines) Hotel Corporation Inc. ("Acesite Phils."). Due to the claim made by the Group against Banco Unibank is still pending, the Group is not able to obtain updated indebtedness information from Banco Unibank. Given the foregoing limitation, it is estimated that the outstanding balance of the total indebtedness owing to Banco Unibank was approximately US\$2,699,000 (equivalent to approximately HK\$21,124,000) (2018: US\$2,599,000 (equivalent to approximately HK\$20,350,000)) by reference to the unaudited financial statements of the associate as at 31 December 2019.

46. 資本承擔

於2019年12月31日，本集團有下列未支付承擔：

47. 或然負債

就下列各方所獲授信貸融資之擔保：

於1993年2月，本集團聯營公司向菲律賓銀行 Banco de Oro Unibank (前稱 Equitable PCI Bank Inc，其後稱為 Banco de Oro-EPCI Inc.) (「Banco Unibank」) 借取貸款 5,000,000 美元。本集團就該貸款提供擔保 (「Banco Unibank 保證」)，並以 Acesite (Philippines) Hotel Corporation Inc. (「Acesite Phils.」) 之 74,889,892 股股份 (「菲律賓股份」) 作出之股份押記作抵押。由於本集團對 Banco Unibank 提出之申索仍然待決，本集團無法取得 Banco Unibank 之最新債務資料。鑑於上述限制，參考聯營公司於 2019 年 12 月 31 日之未經審核財務報表，估計 Banco Unibank 債項總額之未償還結餘約為 2,699,000 美元 (相當於約 21,124,000 港元) (2018 年：2,599,000 美元 (相當於約 20,350,000 港元))。

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48. CREDIT FACILITIES

As at 31 December 2019 and 31 December 2018, the Group's credit facilities were secured by the following:

- (a) charge over certain right-of-use assets (note 13) (31 December 2018: certain interest in prepaid land lease payments under operating leases (note 15)) with a net carrying value of approximately HK\$20,502,000 (2018: approximately HK\$11,008,000);
- (b) charge over certain buildings (note 13) with total net carrying value of approximately HK\$615,487,000 (2018: approximately HK\$662,343,000);
- (c) charge over certain investment properties (note 14), properties under development and completed properties held for sale (note 22) with a total carrying value of approximately HK\$5,885,673,000 (2018: approximately HK\$4,197,003,000);
- (d) charge over certain financial assets at FVTPL with a net carrying value of approximately HK\$180,000 (2018: approximately HK\$212,000);
- (e) pledge of certain bank deposits (note 25) of approximately HK\$7,916,464,000 (2018: approximately HK\$6,348,712,000), of which approximately HK\$4,104,166,000 (2018: approximately HK\$2,593,411,000) were for standby letters of credit issued by banks for a total amount of US\$219,050,000 (2018: US\$153,950,000), RMB2,067,997,000 (2018: RMB1,142,727,000) and HK\$nil (2018: HK\$50,000,000) respectively;
- (f) personal guarantee given by directors;
- (g) charge over certain property, plant and equipment (note 13), other than certain right-of-use assets and buildings disclosed in note 48(a) and 48(b), of approximately HK\$645,147,000 (2018: approximately HK\$778,128,000); and
- (h) pledge of various share mortgages of certain subsidiaries, bank accounts charges and corporate guarantee of the Company.

48. 信貸融資

於2019年12月31日及2018年12月31日，本集團之信貸融資以下列各項作抵押：

- (a) 押記賬面淨值約為20,502,000港元(2018年：約11,008,000港元)之若干使用權資產(附註13)(2018年12月31日：若干經營租賃項下之預付土地租賃費之權益(附註15))；
- (b) 押記賬面淨值合共約為615,487,000港元(2018年：約662,343,000港元)之若干樓宇(附註13)；
- (c) 押記賬面淨值合共約為5,885,673,000港元(2018年：約4,197,003,000港元)之若干投資物業(附註14)、發展中物業及已落成待售物業(附註22)；
- (d) 押記賬面淨值約為180,000港元(2018年：約212,000港元)之若干按公允價值於損益賬處理之金融資產；
- (e) 抵押若干銀行存款(附註25)約7,916,464,000港元(2018年：約6,348,712,000港元)，其中約4,104,166,000港元(2018年：約2,593,411,000港元)為銀行發出為數合共219,050,000美元(2018年：153,950,000美元)、人民幣2,067,997,000元(2018年：人民幣1,142,727,000元)及零港元(2018年：50,000,000港元)之備用信用狀；
- (f) 董事給予之個人擔保；
- (g) 押記若干物業、廠房及設備(附註13)(附註48(a)及48(b)所披露之若干使用權資產及樓宇除外)為數約645,147,000港元(2018年：約778,128,000港元)；及
- (h) 多間附屬公司之股份抵押、銀行賬戶抵押及本公司之公司擔保作抵押。

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49. PENDING LITIGATIONS

True Vision Limited ("True Vision") (a wholly-owned subsidiary of the Company) and the Company entered into a sale and purchase agreement dated 25 January 2017 (the "Agreement") with Giant Harvest Limited ("GHL") and Orange Sky Golden Harvest Entertainment (Holdings) Limited ("Orange Sky"). Pursuant to the terms of the Agreement, True Vision agreed to acquire the entire equity interests in City Entertainment Corporation Limited ("OSGH"). Disputes arising from the Agreement have led to the following legal proceedings:

- a. According to the terms of the Agreement, the consideration for the above-mentioned acquisition was to be adjusted based on certain figures to be derived from a closing audit. The parties were not able to agree on the amount of adjustment. GHL commenced legal proceedings on 4 September 2018 to claim for the release of US\$37,383,975 out of US\$44,528,223 True Vision had placed on escrow on completion of the acquisition of OS GH. The amount of US\$44,528,223 placed in escrow far exceeds US\$37,383,975 being the amount claimed by GHL and Orange Sky.
- b. As GHL did not procure the extension of lease of cinema space in a mall in Shenzhen nor did it enter into any contract for substitute cinemas in accordance with the terms of the Agreement, GHL is, according to the Agreement, required to pay RMB380,000,000 to True Vision. True Vision commenced proceedings against GHL and Orange Sky on 31 October 2018 for their failure to compensate True Vision in the amount of RMB380,000,000; and
- c. True Vision commenced proceedings against GHL and Orange Sky on 8 November 2018 for the recovery of, amongst other things, RMB82,145,795.38 as a result of breach of certain representations, warranties and undertakings that GHL had provided True Vision pursuant to the terms of the Agreement.

The Group, after discussion with legal advisors considered that it would not incur a material outflow of resources as a result of the above matter.

49. 待決訴訟

美視角有限公司(「美視角」)(本公司全資附屬公司)及本公司與鉅滿有限公司(「鉅滿」)及橙天嘉禾娛樂(集團)有限公司(「橙天」)訂立日期為2017年1月25日之買賣協議(「該協議」)。根據該協議條款，美視角同意收購橙天嘉禾影城有限公司(「橙天嘉禾影城」)全部股權。該協議產生之糾紛導致出現下列法律訴訟：

- a. 根據該協議條款，上述收購之代價根據交割審計將得出之若干數據作出調整。訂約方無法同意有關調整金額。鉅滿於2018年9月4日展開法律訴訟，要求在美視角就完成收購橙天嘉禾影城已存入託管代理之款項44,528,223美元中發放37,383,975美元。已存入託管代理之款項(即44,528,223美元)遠超鉅滿及橙天索償之款項37,383,975美元；
- b. 由於鉅滿並無促使延長在深圳購物商場的影院場所租約，亦無根據該協議條款就替代影院訂立任何合約，根據該協議條款，鉅滿須向美視角支付人民幣380,000,000元。美視角就鉅滿及橙天並無向美視角賠償人民幣380,000,000元而於2018年10月31日向鉅滿及橙天提出起訴；及
- c. 由於鉅滿違反根據該協議條款向美視角作出的若干聲明、保證及承諾，美視角於2018年11月8日向鉅滿及橙天提出起訴，以收回(其中包括)人民幣82,145,795.38元。

與法律顧問討論後，本集團認為，上述事項不會導致產生重大資源流出。

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50. RELATED PARTY TRANSACTIONS

- (a) The remuneration of the directors of the Company and other members of the key management during the year is disclosed in note 45(a).
- (b) During the year, the Group entered into the following transactions with related parties:

50. 關連方交易

- (a) 年內，本公司董事及主要管理層其他成員之薪酬於附註45(a)披露。
- (b) 年內，本集團與關連方訂有以下交易：

		Transaction amounts	Balance owed/ (owing)
		交易金額	被結欠/ (結欠)結餘
		2019	2019
		HK\$'000	HK\$'000
		千港元	千港元
Amount in relation to provision of motion pictures, less the distributor fees by: A company controlled by a director	由以下公司提供影片之相關款項，減發行人費用： 受一名董事控制之公司	(24,733)	(214,499)
Sales of projection equipment to: A company controlled by a director	向以下公司銷售放映設備： 受一名董事控制之公司	-	45
Advance from: A non-controlling shareholder of a subsidiary	來自以下人士之墊款： 一間附屬公司之非控股股東	-	(12,093)
Loan to: A company controlled by a director A partnership joint controlled by a director	向以下公司提供之貸款： 受一名董事控制之公司 受一名董事共同控制之合夥企業	- -	223,514 165,959
Interest income on loan to: A company controlled by a director	向以下公司提供貸款之利息收入： 受一名董事控制之公司	20,429	53,364
Rental income from: Companies controlled by a director	來自以下公司之租金收入： 受一名董事控制之公司	1,178	200
Management services income from: Companies controlled by a director	來自以下公司之管理服務收入： 受一名董事控制之公司	2,440	463
Digital media technology services income from: Companies controlled by a director	來自以下公司之數碼媒體科技服務收入： 受一名董事控制之公司	867	922
Advertising income from: A company controlled by a director	來自以下公司之廣告收入： 受一名董事控制之公司	-	1,241
Selling expenses paid to: Companies controlled by a director	向以下公司支付銷售開支： 受一名董事控制之公司	(2,797)	(2,919)
Digital media technology services promotion by: A company controlled by a director	由以下公司提供推廣數碼媒體科技服務： 受一名董事控制之公司	(2,484)	(2,593)

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For the year ended 31 December 2019 截至2019年12月31日止年度

50. RELATED PARTY TRANSACTIONS (Continued) 50. 關連方交易(續)

(b) (Continued)

(b) (續)

		Transaction amounts 交易金額 2018 HK\$'000 千港元	Balance owed/ (owing) 被結欠/ (結欠)結餘 2018 HK\$'000 千港元
Amount in relation to provision of motion pictures, less the distributor fees by: A company controlled by a director	由以下公司提供影片之 相關款項，減發行人費用： 受一名董事控制之公司	(24,822)	(166,456)
Sales of projection equipment to: A company controlled by a director	向以下公司銷售放映設備： 受一名董事控制之公司	–	130
Advance from: A non-controlling shareholder of a subsidiary	來自以下人士之墊款： 一間附屬公司之非控股股東	–	(12,159)
Loan to: A company controlled by a director A partnership jointly controlled by a director	向以下公司提供之貸款： 受一名董事控制之公司 受一名董事共同控制之 合夥企業	– 175,532	227,739 169,096
Interest income on loan to: A company controlled by a director	向以下公司提供貸款之 利息收入： 受一名董事控制之公司	21,277	33,876
Rental income from: Companies controlled by a director	來自以下公司之租金收入： 受一名董事控制之公司	1,396	103
Information service income from: A company controlled by a director	來自以下公司之信息 服務收入： 受一名董事控制之公司	260	(156)
Advertising income from: A company controlled by a director	來自以下公司之廣告收入： 受一名董事控制之公司	1,239	1,265
Provision of information services by: A company controlled by a director	由以下公司提供信息服務： 受一名董事控制之公司	(184)	(188)
Provision of advertising services by: A company controlled by a director	由以下公司提供廣告服務： 受一名董事控制之公司	(611)	–
Film investment income from: A company controlled by a director	來自以下公司之電影 投資收入： 受一名董事控制之公司	94	506

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

50. RELATED PARTY TRANSACTIONS (Continued)

(b) (Continued)

The terms of above transactions are within normal trade credit terms and above balances owed/(owing) related parties are unsecured, interest-free and repayable on demand, except for the loan to a company controlled by a director, Ms. Liu Rong, of RMB200,000,000 (equivalent to approximately HK\$223,514,000) which is unsecured, due on 10 May 2020 and carries interest rate at 9.00% per annum and the loan to a partnership jointly controlled by a director, Ms. Liu Rong, of RMB148,500,000 (equivalent to approximately HK\$165,959,000) which is secured, interest-free, and due on 25 February 2023. The maximum outstanding balance during the year ended 31 December 2019 is equal to the balance as at 31 December 2019 (During the year ended 31 December 2018: approximately HK\$430,711,000).

The Group has not made any provision for bad or doubtful debts in respect of related party debtors nor has any guarantee been given or received during the year ended 31 December 2019 regarding related party transactions.

Except as disclosed above and elsewhere in these consolidated financial statements, there was no material related party transaction carried out during the year.

50. 關連方交易(續)

(b) (續)

上述交易之條款屬正常貿易信貸條款，而上述被結欠／(結欠)關連方結餘為無抵押、免息及須按要求償還，惟為數人民幣200,000,000元(相當於約223,514,000港元)為向由一名董事劉榮女士控制之公司之貸款(有關貸款為無抵押、於2020年5月10日到期並按9.00%年利率計息)及為數人民幣148,500,000元(相當於約165,959,000港元)為向由一名董事劉榮女士共同控制之合夥企業之貸款(有關貸款為有抵押、免息及於2023年2月25日到期)。截至2019年12月31日止年度最高未償還結餘相當於2019年12月31日結餘(截至2018年12月31日止年度：約430,711,000港元)。

本集團並無就關連公司債務人之呆壞賬作出任何撥備，亦無就關連公司交易於截至2019年12月31日止年度作出或獲得任何擔保。

除此等綜合財務報表其他地方所披露外，年內概無進行重大關連方交易。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

51. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and liabilities:

51. 按類別劃分之金融資產及金融負債概要

於綜合財務狀況報表呈列之賬面值與以下金融資產及負債類別有關：

		2019 Carrying amount 賬面值 HK\$'000 千港元	2019 Fair value 公允價值 HK\$'000 千港元	2018 Carrying amount 賬面值 HK\$'000 千港元	2018 Fair value 公允價值 HK\$'000 千港元
Financial assets measured at FVTPL	按公允價值於損益賬處理之金融資產				
— Listed equity investments	— 上市股本投資	6,560	6,560	82,481	82,481
— Derivatives	— 衍生工具	-	-	112	112
Financial assets measured at FVOCI	按公允價值於其他全面收益處理之金融資產				
— Unlisted equity investments	— 非上市股本投資	226,381	226,381	192,112	192,112
— Unlisted debt investments	— 非上市債務投資	324	324	324	324
Financial assets measured at amortised cost	按攤銷成本計量之金融資產				
— Cash and cash equivalents	— 現金及等同現金項目	743,055	743,055	1,334,598	1,334,598
— Pledged and restricted bank deposits	— 已抵押及受限制銀行存款	10,977,565	10,977,565	6,962,975	6,962,975
— Trade receivables	— 應收貿易款項	487,245	487,245	539,564	539,564
— Deposits and other receivables	— 按金及其他應收款項	2,207,109	2,207,109	2,168,201	2,168,201
— Amounts due from associates	— 應收聯營公司款項	24,426	24,426	15,129	15,129
— Amounts due from joint ventures	— 應收合營企業款項	836	836	2,327	2,327
— Amounts due from related parties	— 應收關連方款項	445,708	445,708	432,715	432,715
		15,119,209	15,119,209	11,730,538	11,730,538
Financial liabilities measured at FVTPL	按公允價值於損益賬處理之金融負債				
— Derivatives	— 衍生工具	2,569	2,569	26,911	26,911
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債				
— Trade payables	— 應付貿易款項	3,133,084	3,133,084	1,894,715	1,894,715
— Other payables and accruals	— 其他應付款項及應計費用	1,655,660	1,655,660	2,091,610	2,091,610
— Amount due to a director	— 欠一名董事款項	12,552	12,552	65,132	65,132
— Amounts due to associates	— 欠聯營公司款項	5,180	5,180	5,492	5,492
— Amounts due to related parties	— 欠關連方款項	232,104	232,104	178,959	178,959
— Bank and other borrowings	— 銀行及其他借貸	18,853,034	18,853,034	18,719,005	18,719,005
— Finance lease liabilities	— 融資租賃負債	-	-	90,090	90,090
— Lease liabilities	— 租賃負債	6,046,841	6,046,841	-	-
— Convertible and exchangeable bonds	— 可換股及可交換債券	-	-	1,150,721	1,150,721
— Other employee benefits	— 其他僱員福利	64,959	64,959	44,183	44,183
		30,005,983	30,005,983	24,266,818	24,266,818

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

51. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

(a) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, pledged and restricted bank deposits, trade receivables, deposits and other receivables, amounts due from associates, amounts due from joint ventures, amounts due from related parties, trade payables, other payables and accruals, finance lease liabilities, lease liabilities, other employee benefits, convertible and exchangeable bonds, bank and other borrowings, amount due to a director, amounts due to associates and amounts due to related parties.

Due to their short term nature, the carrying value of pledged and restricted bank deposits and cash and cash equivalents, trade receivables, deposits and other receivables, amounts due from/(to) associates, amounts due from joint ventures, amounts due from/(to) related parties, convertible and exchangeable bonds, amount due to a director, trade payables and other payables and accruals approximates fair value.

The fair value of long term trade receivables, trade payables, lease liabilities and finance lease liabilities approximated their carrying values as the impact of discounting were immaterial.

The carrying amounts of the bank and other borrowings approximated their fair values as these borrowings are mainly floating-rate borrowings.

(b) Financial instruments measured at fair value

The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 2 and level 3 financial instruments, as well as the relationship between key observable inputs and fair value are set out below.

51. 按類別劃分之金融資產及金融負債概要(續)

(a) 並非按公允價值計量之金融工具

並非按公允價值計量之金融工具包括現金及等同現金項目、已抵押及受限制銀行存款、應收貿易款項、按金及其他應收款項、應收聯營公司款項、應收合營企業款項、應收關連方款項、應付貿易款項、其他應付款項及應計費用、融資租賃負債、租賃負債、其他僱員福利、可換股及可交換債券、銀行及其他借貸、欠一名董事款項、欠聯營公司款項及欠關連方款項。

由於到期日較短，故已抵押及受限制銀行存款以及現金及等同現金項目、應收貿易款項、按金及其他應收款項、應收/(欠)聯營公司款項、應收合營企業款項、應收/(欠)關連方款項、可換股及可交換債券、欠一名董事款項、應付貿易款項以及其他應付款項及應計費用之賬面值與公允價值相若。

長期應收貿易款項、應付貿易款項、租賃負債及融資租賃負債之公允價值與其賬面值相若，原因為貼現影響並不重大。

銀行及其他借貸之賬面值與其公允價值相若，原因為該等借貸主要為浮息借貸。

(b) 按公允價值計量之金融工具

具備標準條款及條件以及於活躍流通市場買賣之金融資產及負債之公允價值乃參考市場報價而釐定。

下文載列於釐定第二層及第三層金融工具之公允價值計量時所運用估值技術及重大而無法觀察之輸入資料，以及主要可觀察輸入資料與公允價值之間的關係。

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For the year ended 31 December 2019 截至2019年12月31日止年度

51. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

(b) Financial instruments measured at fair value (Continued)

Information about level 2 fair value measurements

The fair value of interest rate swap is calculated as the present value of the estimated future cash flows based on observed yield curves.

The fair value of exchange rate swap is determined based on the forward exchange rate at the reporting date.

Information about level 3 fair value measurements

The fair value of the financial liability at FVTPL (i.e. the derivatives) of the Bonds was determined using the binomial model, and the inputs into the models include conversion price, risk free rate, discount rate and volatility.

The gain on fair value change of the embedded derivatives of the Bonds for the year ended 31 December 2019 of HK\$21,476,000 (for the year ended 31 December 2018: HK\$65,432,000) was recognised as "Fair value change on financial liabilities at fair value through profit or loss" in the consolidated income statement. As at 31 December 2019, there was no financial instrument measured at fair value of level 3 (31 December 2018: financial assets of HK\$5,694,000 and financial liabilities of HK\$21,476,000 were measured at fair value of level 3).

There were no changes in valuation techniques during the year.

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3:	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

51. 按類別劃分之金融資產及金融負債概要(續)

(b) 按公允價值計量之金融工具(續)

有關第二層公允價值計量之資料

利率掉期之公允價值乃根據可觀察利率曲線計作估計未來現金流量之現值。

利率掉期之公允價值乃根據報告日期之遠期匯率釐定。

有關第三層公允價值計量之資料

債券之按公允價值於損益賬處理之金融負債(即衍生工具)公允價值乃採用二項式估值模式釐定,該模式之輸入數據包括兌換價、無風險利率、貼現率及波幅。

截至2019年12月31日止年度,債券之嵌入式衍生工具公允價值變動收益21,476,000港元(截至2018年12月31日止年度:65,432,000港元)於綜合收益表確認為「按公允價值於損益賬處理之金融負債公允價值變動」。於2019年12月31日,並無按第3層公允價值計量之金融工具(2018年12月31日:5,694,000港元之金融資產及21,476,000港元之金融負債按第3層公允價值計量)。

年內估值方法並無任何變動。

下表提供按公允價值層級劃分之按公允價值列賬之金融工具分析:

第1層:	相同資產或負債於活躍市場之報價(未經調整);
第2層:	就資產或負債而直接(即價格)或間接(即從價格推算)可觀察之輸入數據(不包括第1層所包含之報價);及
第3層:	並非根據可觀察市場數據而得出之資產或負債輸入數據(無法觀察輸入數據)。

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51. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

51. 按類別劃分之金融資產及金融負債概要(續)

(b) Financial instruments measured at fair value (Continued)

The financial assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

(b) 按公允價值計量之金融工具(續)

於綜合財務狀況報表內按公允價值計量之金融資產及負債劃分為以下公允價值層級：

		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2019	於2019年12月31日				
Assets	資產				
Financial assets at fair value	按公允價值列賬之金融資產				
— Listed equity investments	— 上市股本投資	6,560	—	—	6,560
— Unlisted equity investments	— 非上市股本投資	—	226,381	—	226,381
— Unlisted debt investments	— 非上市債務投資	—	324	—	324
Total fair value	公允價值總額	6,560	226,705	—	233,265
Liabilities	負債				
Financial liabilities at fair value	按公允價值列賬之金融負債				
— Derivatives	— 衍生工具	—	2,569	—	2,569
Total fair value	公允價值總額	—	2,569	—	2,569
As at 31 December 2018	於2018年12月31日				
Assets	資產				
Financial assets at fair value	按公允價值列賬之金融資產				
— Listed equity investments	— 上市股本投資	82,481	—	—	82,481
— Derivatives	— 衍生工具	—	112	—	112
— Unlisted equity investments	— 非上市股本投資	—	186,418	5,694	192,112
— Unlisted debt investments	— 非上市債務投資	—	324	—	324
Total fair value	公允價值總額	82,481	186,854	5,694	275,029
Liabilities	負債				
Financial liabilities at fair value	按公允價值列賬之金融負債				
— Derivatives	— 衍生工具	—	5,435	21,476	26,911
Total fair value	公允價值總額	—	5,435	21,476	26,911

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

51. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

(b) Financial instruments measured at fair value (Continued)

During the year ended 31 December 2019, there have been no significant transfers between level 1, 2 and 3 in the reporting period (2018: no significant transfers). The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

51. 按類別劃分之金融資產及金融負債概要(續)

(b) 按公允價值計量之金融工具(續)

截至2019年12月31日止年度，第1層、第2層及第3層之間於報告期間並無重大轉撥(2018年：並無重大轉撥)。用於計量公允價值之方法及估值技術與過往報告期間相比並無變動。

按重大不可觀察輸入數據(第3層)計算之按公允價值列賬之金融工具之對賬如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Financial assets at FVOCI	按公允價值於其他全面收益處理之金融資產		
— Unlisted equity investments	— 非上市股本投資		
At 1 January	於1月1日	5,694	4,357
Addition	添置	—	1,337
Disposal	出售	(5,694)	—
At 31 December	於12月31日	—	5,694
Financial liabilities at FVTPL	按公允價值於損益賬處理之金融負債		
— Embedded derivatives	— 嵌入式衍生工具		
At 1 January	於1月1日	21,476	86,908
Change in fair value	公允價值變動	(21,476)	(65,432)
At 31 December	於12月31日	—	21,476

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

52. FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including currency risk, interest risk and other price risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the Board. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets. Long term financial investments are managed to generate lasting returns with acceptable risk levels.

It is not the Group's policy to actively engage in the trading of financial instruments for speculative purposes. The Board from time to time identifies ways to access financial markets and monitors the Group's financial risk exposures.

52.1 Foreign currency risk

Transactions in foreign currencies and the Group's risk management policies

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to some of its borrowings which is denominated in United States Dollars (US\$) whereas the Group's major operations and cash flows are in Renminbi. The exposure to foreign exchange risk is shown as below.

The policy to manage foreign currency risk has been followed by the Group since prior years and is considered to be effective.

Summary of exposure

US\$ denominated financial assets and liabilities, translated into Hong Kong dollars at the closing rates, are as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Cash and cash equivalents and pledged and restricted bank deposits	現金及等同現金項目以及已抵押及受限制銀行存款	288,472	488,408
Trade receivables	應收貿易款項	196	13
Other receivables	其他應收款項	390,796	402,315
Trade payables	應付貿易款項	(100)	(100)
Other payables	其他應付款項	(30,575)	(32,092)
Bank and other borrowings	銀行及其他借貸	(8,389,008)	(10,592,662)
		(7,740,219)	(9,734,118)

52. 財務風險管理

本集團於日常業務及投資活動中使用金融工具而承擔財務風險。財務風險包括市場風險(包括貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。

財務風險管理由本集團總部與董事會緊密合作統籌。管理財務風險之整體目標旨在藉盡量降低本集團於金融市場之風險，從而確保本集團短期至中期之現金流。長期金融投資之管理為在可接受風險水平下帶來持續回報。

本集團之政策並非積極參與金融工具買賣投機。董事會不時物色進入金融市場之方法，並監察本集團之財務風險。

52.1 貨幣風險

以外幣交易及本集團之風險管理政策

貨幣風險指金融工具之公允價值或未來現金流量因匯率變動而出現波動之風險。本集團承受以美元(美元)計值之部分借貸之風險，而本集團主要營運及現金流量則以人民幣計值。本集團所承受之外幣風險載列如下。

本集團一直沿用過往年度之外幣風險管理政策，並認為其具有成效。

風險概要

以美元列值之金融資產及負債以收市匯率換算為港元，載列如下：

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For the year ended 31 December 2019 截至2019年12月31日止年度

52. FINANCIAL RISK MANAGEMENT (Continued)

52.1 Foreign currency risk (Continued)

Sensitivity analysis

The following table illustrate the sensitivity of the Group's loss for the year (2018: profit for the year) and equity in regards to a 0.5% (2018: 0.5%) strengthening/(weakening) of US\$ against RMB at the reporting date and that all other variables in particular interest rates remain constant.

		2019			2018		
		Changes in foreign exchange rates 外幣匯率 變動	(Increase)/ Decrease in loss for the year 年內虧損 HK\$'000 千港元	(Decrease)/ Increase in equity 權益 增加 HK\$'000 千港元	Changes in foreign exchange rates 外幣匯率 變動	(Decrease)/ Increase in profit for the year 年內溢利 HK\$'000 千港元	(Decrease)/ Increase in equity 權益 增加 HK\$'000 千港元
US\$/RMB	美元/人民幣	+0.5%	(38,701)	(38,701)	+0.5%	(48,668)	(48,668)
		-0.5%	38,701	38,701	-0.5%	48,668	48,668

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the group entities; exposure to currency risk for both derivative and non-derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the group entities' profit for the year and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2018.

52. 財務風險管理(續)

52.1 貨幣風險(續)

敏感度分析

下表說明美元兌人民幣於報告日期升值/(貶值)0.5%(2018年:0.5%)而所有其他變數(特別是利率)維持不變之情況對本集團年內虧損(2018年:年內溢利)及權益之敏感度。

敏感度分析乃假設外幣匯率於報告期末有所變動並適用於各集團實體;就於該日存在之衍生金融工具及非衍生金融工具面對貨幣風險以及所有其他變數(特別是利率)維持不變而釐定。

所述變動指管理層對外幣匯率於截至下一年度報告日期止期間之合理可能變動之評估。上表所呈列分析結果乃對各集團實體以就呈列而將各自功能貨幣按報告期末適用之匯率換算為港元計量之年內溢利及權益之影響彙總。有關分析乃按2018年之相同基準進行。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

52. FINANCIAL RISK MANAGEMENT (Continued)

52.2 Cash flow interest rate risk

The Group is exposed to interest rate risk through the impact of interest rate changes on interest bearing bank and other borrowings, cash and cash equivalents, pledged and restricted bank deposits carrying interests at variable rates. Bank and other borrowings, cash and cash equivalents, pledged and restricted bank deposits carried at variable rates expose the Group to cash flow interest rate risk. The Group will review whether bank and other borrowings bearing fixed or floating rates should be drawn from time to time with reference to the trend of changes in interest rates. The interest rates and repayment terms of bank and other borrowings, cash and cash equivalents and pledged and restricted bank deposits of the Group are disclosed in the financial statements. The Group currently does not have an interest rate hedging policy. However, the directors monitor interest rate change exposure and will consider hedging significant interest rate exchange exposure should the need arise.

Cash flow interest rate risk sensitivity

At 31 December 2019, the Group was exposed to changes in market interest rates through its bank and other borrowings, cash and cash equivalents and pledged and restricted bank deposits, which are subject to variable interest rates. The following table illustrates the sensitivity of the loss for the year (2018: profit for the year) and equity to a change in interest rates of +50 basis points and -50 basis points (2018: +50 basis points and -50 basis points), with effect from the beginning of the year. The calculations are based on the Group's bank and other borrowings and bank balance held at each reporting date. All other variables are held constant.

52. 財務風險管理(續)

52.2 現金流量利率風險

本集團就以浮動利率計息之銀行及其他借貸、現金及等同現金項目、已抵押及受限制銀行存款之利率變動承擔利率風險。按浮動利率計息之銀行及其他借貸、現金及等同現金項目以及已抵押及受限制銀行存款令本集團承擔現金流量利率風險。本集團將參考利率轉變走勢不時檢討提取按定息或浮息計息之銀行及其他借貸。本集團之銀行及其他借貸、現金及等同現金項目及已抵押及受限制銀行存款之利率及還款條款於財務報表披露。本集團現時並無利率對沖政策。然而，董事監控利率變動風險，並將於有需要時考慮對沖重大利率匯兌風險。

現金流量利率風險敏感度

於2019年12月31日，本集團因按浮動利率計息之銀行及其他借貸、現金及等同現金項目以及已抵押及受限制銀行存款而承擔市場利率變動之風險。下表闡述自年初起計，年內虧損(2018年：年內溢利)及權益對利率變動+50個基點及-50個基點(2018年：+50個基點及-50個基點)之敏感度，此乃根據本集團於各報告日期持有之銀行及其他借貸以及銀行結餘計算。所有其他變數維持不變。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

52. FINANCIAL RISK MANAGEMENT (Continued)

52.2 Cash flow interest rate risk (Continued)

		2019		
		(Increase)/		
Changes in basis points		Decrease	(Decrease)/	
		in loss for the year	Increase	
		年內虧損	權益	
		增加)/減少	(減少)/增加	
		HK\$'000	HK\$'000	
		千港元	千港元	
Interest rate	利率	+50	(12,290)	(12,290)
		-50	12,290	12,290

52.3 Other price risk

Other price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). The Group is exposed to change in market prices in respect of its investments in listed equity securities classified as financial assets at FVTPL.

To manage its market price risk arising from these investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Board. The Group's listed investments are listed on the Stock Exchange of Hong Kong, Shenzhen and Shanghai, Mainland China. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the index and other industry indicators, as well as the Group's liquidity needs. Investments held in the available for sale portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

The policies to manage other price risk have been followed by the Group since prior years and are considered to be effective.

Equity price sensitivity

For listed equity securities, an average volatility of 12.0% has been observed in 2019 (2018: 16.0%). The following table illustrates the sensitivity of the Group's loss for the year (2018: profit for the year) and equity in regards to 12.0% (2018: 16.0%) volatility in respect of listed equity securities classified as held for trading.

52. 財務風險管理(續)

52.2 現金流量利率風險(續)

		2018		
		(Decrease)/		
Changes in basis points		Increase	(Decrease)/	
		in profit for the year	Increase	
		年內溢利	權益	
		減少)/增加	(減少)/增加	
		HK\$'000	HK\$'000	
		千港元	千港元	
		+50	(12,901)	(12,901)
		-50	12,901	12,901

52.3 其他價格風險

其他價格風險指金融工具之公允價值或未來現金流量因市場價格變動(利率及匯率變動除外)而出現波動之風險。本集團就其分類為按公允價值於損益賬處理之金融資產之上市股本證券投資承擔市場價格變動風險。

為管理該等投資產生之市場價格風險，本集團分散其投資組合。分散投資組合乃按照董事會所定限制作出。集團之上市投資乃於香港聯合交易所以及中國內地深圳及上海證券交易所上市。買入或賣出證券之決定乃根據每日監察個別證券對指數或其他市場指標之表現及本集團之流動現金需要作出。於可供出售投資組合中持有之投資乃按其長期增長潛力選取，並定期監察其表現是否符合預期。

本集團一直沿用過往年度其他價格風險管理政策，認為其具有成效。

股價敏感度

就上市股本證券而言，於2019年觀察得出之平均波幅為12.0%(2018年：16.0%)。下表說明分類為持作買賣之上市股本證券12.0%(2018年：16.0%)波幅對本集團之年內虧損(2018年：年內溢利)及權益之敏感度。

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For the year ended 31 December 2019 截至2019年12月31日止年度

52. FINANCIAL RISK MANAGEMENT (Continued)

52. 財務風險管理(續)

52.3 Other price risk (Continued)

52.3 其他價格風險(續)

Equity price sensitivity (Continued)

股價敏感度(續)

	2019			2018		
	Changes in equity price 股本價格 變動	Decrease/ (Increase) in loss for the year 年內虧損 減少/(增加) HK\$'000 千港元	Increase/ (Decrease) in equity 權益 增加/(減少) HK\$'000 千港元	Changes in equity price 股本價格 變動	Increase/ (Decrease) in profit for the year 年內溢利 增加/(減少) HK\$'000 千港元	Increase/ (Decrease) in equity 權益 增加/(減少) HK\$'000 千港元
Listed equity securities 上市股本證券	+12.0%	766	766	+16.0%	13,228	13,228
	-12.0%	(766)	(766)	-16.0%	(13,228)	(13,228)

The assumed volatilities of listed securities represent the management's assessment of a reasonably possible change in these security price over the next twelve-month period.

上市證券之假設波幅指管理層對該等證券價格於未來十二個月期間之合理可能變動之評估。

52.4 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's credit risk on cash and cash equivalents and pledged bank deposits is limited because the counterparties are banks with good reputation.

Exposure to credit risk

As at reporting period end, the Group's maximum exposure to credit risk is the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group's principal financial assets are trade receivables, deposits and other receivables, cash and cash equivalents and pledged and restricted bank deposits. The amounts presented in the consolidated statement of financial position are net of loss allowance.

52.4 信貸風險

信貸風險指交易對手方不履行其合約責任導致本集團產生財務虧損之風險。本集團僅與高信貸評級之交易對手方交易，藉以將信貸風險減至最低。

本集團就現金及等同現金項目以及已抵押銀行存款之信貸風險有限，原因為交易對手方為信譽良好之銀行。

所面對信貸風險

於報告期末，本集團所面對最大信貸風險為於綜合財務狀況報表內呈列之相關已確認金融資產之賬面值。本集團之主要金融資產為應收貿易款項、按金及其他應收款項、現金及等同現金項目以及已抵押及受限制銀行存款。於綜合財務狀況報表內呈列之金額已扣除虧損撥備。

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財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

52. FINANCIAL RISK MANAGEMENT (Continued)

52.4 Credit risk (Continued)

Exposure to credit risk (Continued)

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its trading records to rate its major customers and other debtors. The Group's current credit risk framework comprises the following categories:

Category 類別	Description 描述	Basis for recognising ECL 確認預期信貸虧損的基準
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Trade receivables: lifetime ECL — not credit-impaired Other financial assets and other items: 12-month ECL
良好	交易對手方的違約風險較低及並無任何逾期款項。	應收貿易款項：全期預期信貸虧損—並未發生信貸減值 其他金融資產及其他項目：12個月預期信貸虧損
Doubtful	Amount is more than 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL — not credit-impaired
呆滯	有關款項逾期超過30日或自初步確認以來信貸風險顯著增加。	全期預期信貸虧損—並未發生信貸減值
In default	Amount is more than 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL — credit-impaired
違約	有關款項逾期超過90日或有證據顯示資產出現信貸減值。	全期預期信貸虧損—發生信貸減值
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off
撇銷	有證據顯示債務人陷入嚴重財務困難且本集團不認為日後可收回有關款項。	撇銷有關金額

52. 財務風險管理(續)

52.4 信貸風險(續)

所面對信貸風險(續)

本集團制定及設有其信貸風險評級，以根據有關違約風險程度將所面對風險分類。本集團使用其交易記錄為其主要客戶及其他債務人評級。本集團現行信貸風險框架包括以下類別：

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For the year ended 31 December 2019 截至2019年12月31日止年度

52. FINANCIAL RISK MANAGEMENT (Continued)

52. 財務風險管理(續)

52.4 Credit risk (Continued)

52.4 信貸風險(續)

Exposure to credit risk (Continued)

所面對信貸風險(續)

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

下表詳列本集團金融資產及其他項目之信貸質素以及按信貸風險評級劃分之最大信貸風險：

Group	Notes	Internal credit rating	12-month/ Lifetime ECL 12個月/全期 預期信貸虧損	Gross carrying amount Loss allowance	Net carrying amount	
本集團	附註	內部信貸評級		賬面總值 HK\$'000 千港元	虧損撥備 HK\$'000 千港元	賬面淨值 HK\$'000 千港元
Trade receivables 應收貿易款項	24	Performing/Doubtful 良好/呆滯	Lifetime ECL 全期預期信貸虧損	575,278	(88,033)	487,245
Deposits and other receivables 按金及其他應收 款項	20	Performing/Doubtful 良好/呆滯	12-month/Lifetime ECL 12個月/全期 預期信貸虧損	2,388,260	(181,151)	2,207,109

The following tables provide information about the Group's exposure to credit risk and ECLs for trade receivables and deposits and other receivables:

下表提供有關本集團應收貿易款項以及按金及其他應收款項之信貸風險及預期信貸虧損之資料：

Trade receivables

應收貿易款項

		0-90 days	91-180 days	181-270 days	271-360 days	Overdue for	Total
		past due	past due	past due	past due	more than	
		逾期0至	逾期91至	逾期181至	逾期271至	逾期超過	總計
		90日	180日	270日	360日	360日	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
As at 31 December 2019	於2019年12月31日						
Gross carrying amount	賬面總值	291,859	86,917	22,816	22,273	151,413	575,278
Less: Individually assessed	減：個別評估	-	-	-	-	(68,489)	(68,489)
Carrying amount under collective measurement	集體計量之賬面值	291,859	86,917	22,816	22,273	82,924	506,789
ECL rate (%)	預期信貸虧損率(%)	0.1%	1%	3%	5%	20%	
ECL allowance for collectively measurement	集體計量之預期信貸虧損撥備	(292)	(869)	(684)	(1,114)	(16,585)	(19,544)
Individually assessed loss allowance	個別評估虧損撥備	-	-	-	-	(68,489)	(68,489)
Total loss allowance	虧損撥備總額	(292)	(869)	(684)	(1,114)	(85,074)	(88,033)

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For the year ended 31 December 2019 截至2019年12月31日止年度

52. FINANCIAL RISK MANAGEMENT (Continued)

52.4 Credit risk (Continued)

Trade receivables (Continued)

		0-90 days past due 逾期0至 90日 HK\$'000 千港元	91-180 days past due 逾期91至 180日 HK\$'000 千港元	181-270 days past due 逾期181至 270日 HK\$'000 千港元	271-360 days past due 逾期271至 360日 HK\$'000 千港元	Overdue for more than 360 days 逾期超過 360日 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2018	於2018年12月31日						
Gross carrying amount	賬面總值	331,166	110,863	26,088	22,884	130,030	621,031
Less: Individually assessed	減：個別評估	-	-	-	-	(65,118)	(65,118)
Carrying amount under collective measurement	集體計量之賬面值	331,166	110,863	26,088	22,884	64,912	555,913
ECL rate (%)	預期信貸虧損率(%)	0.1%	1%	3%	5%	20%	
ECL allowance for collectively measurement	集體計量之預期信貸虧損撥備	(331)	(1,109)	(783)	(1,144)	(12,982)	(16,349)
Individually assessed loss allowance	個別評估虧損撥備	-	-	-	-	(65,118)	(65,118)
Total loss allowance	虧損撥備總額	(331)	(1,109)	(783)	(1,144)	(78,100)	(81,467)

ECL rates are based on actual loss experience over the past 5 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

預期信貸虧損率乃根據過去5年之實際虧損經驗得出。有關比率予以調整，以反映在收集歷史數據期間之經濟狀況、現行狀況及本集團對應收款預期年期之經濟狀況看法之間的差異。

年內應收貿易款項之虧損撥備賬變動如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
At 1 January	於1月1日	81,467	82,106
Provision of impairment	減值撥備	7,122	4,303
Write-back of impairment during the year	年內減值撤回	-	(3,670)
Exchange differences	匯兌差額	(556)	(1,272)
At 31 December	於12月31日	88,033	81,467

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

52. FINANCIAL RISK MANAGEMENT (Continued)

52. 財務風險管理(續)

52.4 Credit risk (Continued)

52.4 信貸風險(續)

Deposits and other receivables

按金及其他應收款項

		12-month ECL	Lifetime ECL collectively measured	Lifetime ECL individually measured	Total
		12個月預期 信貸虧損	全期預期 信貸虧損 集體計量	全期預期 信貸虧損 個別計量	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
As at 31 December 2019	於2019年12月31日				
Gross carrying amount	賬面總值	437,831	1,517,363	433,066	2,388,260
Less: Allowance for impairment loss	減：減值虧損撥備	(4,619)	(151,737)	(24,795)	(181,151)
Net carrying amount	賬面淨值	433,212	1,365,626	408,271	2,207,109
		12-month ECL	Lifetime ECL collectively measured	Lifetime ECL individually measured	Total
		12個月預期 信貸虧損	全期預期 信貸虧損 集體計量	全期預期 信貸虧損 個別計量	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
As at 31 December 2018	於2018年12月31日				
Gross carrying amount	賬面總值	522,550	983,960	803,577	2,310,087
Less: Allowance for impairment loss	減：減值虧損撥備	(7,812)	(112,396)	(21,678)	(141,886)
Net carrying amount	賬面淨值	514,738	871,564	781,899	2,168,201

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

52. FINANCIAL RISK MANAGEMENT (Continued)

52.4 Credit risk (Continued)

Allowance for deposits and other receivables

		12-month ECL	Lifetime ECL collectively measured	Lifetime ECL individually measured	Total
		12個月預期 信貸虧損	全期預期 信貸虧損 集體計量	全期預期 信貸虧損 個別計量	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2018	於2018年1月1日	9,878	53,525	51,173	114,576
Transfer to lifetime ECL	撥至全期預期信貸 虧損	(9,497)	35,881	(26,384)	–
Provision for impairment	減值撥備	7,518	23,462	2,132	33,112
Financial assets derecognition	終止確認之金融資產	–	–	(579)	(579)
Write-off	撇銷	–	–	(4,212)	(4,212)
Exchange differences	匯兌差額	(87)	(472)	(452)	(1,011)
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	7,812	112,396	21,678	141,886
Transfer to lifetime ECL	撥至全期預期信貸 虧損	(4,981)	4,981	–	–
Provision for impairment	減值撥備	1,778	34,213	3,089	39,080
Exchange differences	匯兌差額	10	147	28	185
At 31 December 2019	於2019年12月31日	4,619	151,737	24,795	181,151

52. 財務風險管理(續)

52.4 信貸風險(續)

按金及其他應收款項撥備

52.5 Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's Board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

52.5 流動資金風險

本集團內個別經營實體負責其本身之現金管理，包括現金盈餘之短期投資及為應付預期現金需求之新增貸款，惟有關管理須於借貸超出機關之若干預定水平時經本公司董事會批准後方可作實。本集團之政策為定期監察其流動資金需要及是否符合借貸契諾，從而確保其維持充足現金儲備應付短期及長期流動資金需要。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

52. FINANCIAL RISK MANAGEMENT (Continued)

52. 財務風險管理(續)

52.5 Liquidity risk (Continued)

52.5 流動資金風險(續)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative and derivative financial liabilities, based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay.

下表列示本集團非衍生金融負債及衍生金融負債於報告期末之剩餘合約到期情況，此乃根據合約未貼現現金流量(包括按訂約利率或若為浮息按報告日期之即期利率計算之利息付款)及本集團可能須付款之最早日期得出。

Specifically, for bank and other borrowings which contain a repayment on demand clause which can be exercised at the lender's sole discretion, the analysis shows the cash outflow based on the earliest period in which the Group can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for other bank borrowings is prepared based on the scheduled repayment dates.

具體而言，就包含可由貸款人全權酌情決定行使之須按要求還款條款之銀行及其他借貸而言，分析按本集團可能須付款之最早期限(即倘貸款人援引其無條件權利要求即時償還貸款)顯示現金流出。有關其他銀行借貸之到期情況分析乃按預定還款日期編製。

		Carrying amount	Total contractual undiscounted cash flow	On demand or within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years
	賬面值	未貼現合約現金流量總額	按要求或一年內	超過一年但少於兩年	超過兩年但少於五年	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
As at 31 December 2019	於2019年12月31日					
Non-derivatives:	非衍生工具:					
Trade payables	應付貿易款項	3,133,084	3,133,511	3,133,274	237	-
Other payables and accruals	其他應付款項及應計費用	1,655,660	1,655,660	1,655,660	-	-
Amount due to a director	欠一名董事款項	12,552	12,552	12,552	-	-
Amounts due to associates	欠聯營公司款項	5,180	5,180	5,180	-	-
Amounts due to related parties	欠關連方款項	232,104	232,104	232,104	-	-
Bank and other borrowings	銀行及其他借貸	18,853,034	19,443,266	15,586,591	3,137,655	719,020
Other employee benefits	其他僱員福利	64,959	69,499	29,295	21,562	18,642
Lease liabilities	租賃負債	6,046,841	9,502,459	935,444	933,011	7,634,004
		30,003,414	34,054,231	21,590,100	4,092,465	8,371,666
Financial guarantee issued	已發出財務擔保					
Maximum amount guaranteed	最高擔保金額	-	21,124	21,124	-	-
Derivatives:	衍生工具:					
Financial liabilities at FVTPL	按公允價值於損益賬處理之金融負債	2,569	2,569	-	-	2,569

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

52. FINANCIAL RISK MANAGEMENT (Continued)

52. 財務風險管理(續)

52.5 Liquidity risk (Continued)

52.5 流動資金風險(續)

		Carrying amount	Total contractual undiscounted cash flow 未貼現合約 現金流量總額	On demand or within 1 year 按要求或 一年內	More than 1 year but less than 2 years 超過一年 但少於兩年	More than 2 years but less than 5 years 超過兩年 但少於五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 31 December 2018	於2018年12月31日					
Non-derivatives:	非衍生工具：					
Trade payables	應付貿易款項	1,894,715	1,894,784	1,894,375	409	-
Other payables and accruals	其他應付款項及應計費用	2,091,610	2,091,610	2,091,610	-	-
Amount due to a director	欠一名董事款項	65,132	65,132	65,132	-	-
Amounts due to associates	欠聯營公司款項	5,492	5,492	5,492	-	-
Amounts due to related parties	欠關連方款項	178,959	178,959	178,959	-	-
Bank and other borrowings	銀行及其他借貸	18,719,005	20,166,664	7,564,403	8,588,815	4,013,446
Convertible and exchangeable bonds	可換股及可交換債券	1,150,721	1,150,721	1,150,721	-	-
Other employee benefits	其他僱員福利	44,183	47,567	17,420	12,920	17,227
Finance lease liabilities	融資租賃負債	90,090	97,177	45,960	28,245	22,972
		24,239,907	25,698,106	13,014,072	8,630,389	4,053,645
Financial guarantee issued	已發出財務擔保					
Maximum amount guaranteed	最高擔保金額	-	20,350	20,350	-	-
Derivatives:	衍生工具：					
Financial liabilities at FVTPL	按公允價值於損益賬 處理之金融負債	26,911	26,911	21,476	-	5,435

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

52. FINANCIAL RISK MANAGEMENT (Continued)

52.5 Liquidity risk (Continued)

Taking into account the Group's financial position, the directors of the Company do not consider it is probable that the lenders will exercise its discretion to demand immediate repayment. The directors of the Company believe that such term loans will be repaid in accordance with the scheduled payment dates set out in the agreements which are summarised in the table below:

		Carrying amount	Total contractual undiscounted cash flow 未貼現合約 現金流量總額	On demand or within 1 year 按要求或 一年內	More than 1 year but less than 2 years 超過一年 但少於兩年	More than 2 years but less than 5 years 超過兩年 但少於五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 31 December 2019	於2019年12月31日	18,853,034	19,640,974	12,569,852	5,114,000	1,957,122
As at 31 December 2018	於2018年12月31日	19,869,726	21,399,498	8,087,518	9,298,534	4,013,446

53. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the current and previous years.

52. 財務風險管理(續)

52.5 流動資金風險(續)

考慮到本集團之財務狀況，本公司董事認為貸款人不大可能行使其酌情權要求即時還款。本公司董事相信，該等定期貸款將按照有關協議所載預定付款日期償還，有關概要載於下表：

53. 資本管理

本集團資本管理之主要目標為保持強勁信貸評級及穩健資本比率，以支持業務發展及提高股東價值。

本集團管理其資本結構，並因應經濟狀況之轉變作出調整。為維持或調整資本結構，本集團可能調整應付股東股息、向股東給予資本回報或發行新股。本集團於本年度及過往年度之資本管理目標、政策或程序並無變動。

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2019 截至2019年12月31日止年度

53. CAPITAL MANAGEMENT (Continued)

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt is calculated as the sum of bank and other borrowings, finance lease liabilities and convertible and exchangeable bonds less the sum of pledged and restricted bank deposits and cash and cash equivalents as shown in the consolidated statement of financial position. The Group aims to maintain the gearing ratio at a reasonable level. The gearing ratios as at the reporting date are as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Current liabilities	流動負債		
Bank and other borrowings	銀行及其他借貸	15,173,454	6,805,091
Finance lease liabilities	融資租賃負債	-	42,078
Convertible and exchangeable bonds	可換股及可交換債券	-	1,150,721
Non-current liabilities	非流動負債		
Bank and other borrowings	銀行及其他借貸	3,679,580	11,913,914
Finance lease liabilities	融資租賃負債	-	48,012
Total debt	債務總額	18,853,034	19,959,816
Less: Pledged and restricted bank deposits Cash and cash equivalents	減：已抵押及受限制銀行存款 現金及等同現金項目	(10,977,565) (743,055)	(6,962,975) (1,334,598)
Net debt	債務淨額	7,132,414	11,662,243
Total equity	權益總額	5,294,329	6,955,339
Total equity and net debt	權益總額及債務淨額	12,426,743	18,617,582
Gearing ratio	資產負債比率	57.40%	62.64%

54. EVENT AFTER REPORTING DATE

Since the outbreak of Coronavirus Disease 2019 ("COVID-19") in January 2020, COVID-19 has brought about certain adverse impacts on the Group's operations, in particular cinema operation. The COVID-19 has caused suspension of public entertainment in February which lead to the drop of box office revenue in the PRC. The outbreak is considered and accounted for as a non-adjusting event after the reporting date. Subject to the development of COVID-19 subsequent to the date of the financial statements, further changes in economic conditions for the Group may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of these financial statements. It is not practicable to estimate the full financial effect of the coronavirus outbreak on the Group's business as at the date when the financial statements are authorised to issue.

53. 資本管理(續)

本集團使用資產負債比率監控資本，即債務淨額除以總權益加債務淨額。債務淨額乃以於綜合財務狀況報表所示銀行及其他借貸、融資租賃負債以及可換股及可交換債券之總和減已抵押及受限制銀行存款以及現金及等同現金項目之總和計算。本集團之目標為維持資本負債比率於合理水平。於報告日期之資本負債比率如下：

54. 報告日期後事項

自2020年1月爆發2019年冠狀病毒疫情(「COVID-19」)以來，COVID-19已對本集團的業務，尤其是影院業務產生了不利影響。COVID-19造成2月份的公共娛樂活動暫停，導致中國整體的票房收入下降。疫情爆發被視作一項報告日期後非調整事項。視乎財務報表日期後COVID-19的發展，本集團的經濟狀況及財務業績可能有更進一步變化及影響，受影響程度於本報告日尚無法估計。而在授權發佈財務報表日，本集團認為評估冠狀病毒爆發對本集團業務產生的全部財務影響尚不可行。

List of Properties

物業一覽表

PROPERTIES UNDER DEVELOPMENT

發展中物業

Location		Interest attributable to the Group in percentage 本集團應佔權益百分比	Floor area on completion in sq.m. (approx.) 落成時樓面面積 (概約平方米)	Type of development 發展項目類別	Expected year of completion 估計完成年份	Stage of development 發展階段
物業地點						
Reclaimed site located at Liu Wan, Shekou, Shenzhen, Guangdong Province, the PRC	中國廣東省深圳蛇口六灣之填海土地	100	327,122	Residential 住宅	2024 2024年	Construction in progress 在建工程
A residential development located at Guanghua Gonglu, Huadu District, Guangdong Province, the PRC	中國廣東省花都區廣花公路之住宅物業發展	100	565,248	Residential 住宅	2024 2024年	Construction in progress 在建工程

INVESTMENT PROPERTIES

投資物業

Location		Interest attributable to the Group in percentage 本集團應佔權益百分比	Floor area in sq.m. (approx.) 樓面面積 (概約平方米)	Type of development 發展項目類別
物業地點				
A commercial development located at Liu Wan, Shekou, Shenzhen, Guangdong Province, the PRC	中國廣東省深圳蛇口六灣之商業發展	100	47,721	Shopping arcade/hotel/recreational facilities 商場/酒店/娛樂設施
A commercial development located at Guanghua Gonglu, Huadu District, Guangdong Province, the PRC	中國廣東省花都區廣花公路之商業發展	100	36,225	Shopping arcade/recreational facilities 商場/娛樂設施

Five-Year Financial Summary

五年財政摘要

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out as follows:

本集團過去五個財政年度之業績及資產與負債之摘要載列如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元	2017 HK\$'000 千港元	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Revenue	收益	9,321,212	16,789,451	15,900,885	9,050,870	4,200,117
(Loss)/Profit for the year attributable to:	以下人士應佔年內(虧損)/溢利：					
Owners of the Company	本公司擁有人	(561,415)	1,140,854	1,708,027	1,359,553	238,875
Non-controlling interests	非控股權益	(80,011)	(166,509)	(105,592)	(81,161)	16,555
(Loss)/Profit for the year	年內(虧損)/溢利	(641,426)	974,345	1,602,435	1,278,392	255,430
Total assets	總資產	50,884,622	41,226,213	46,893,049	32,747,051	17,469,258
Total liabilities	總負債	(45,590,293)	(34,270,874)	(39,697,799)	(27,541,052)	(13,552,693)
Net assets	資產淨值	5,294,329	6,955,339	7,195,250	5,205,999	3,916,565

Stock Code 股份代碼:680
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