

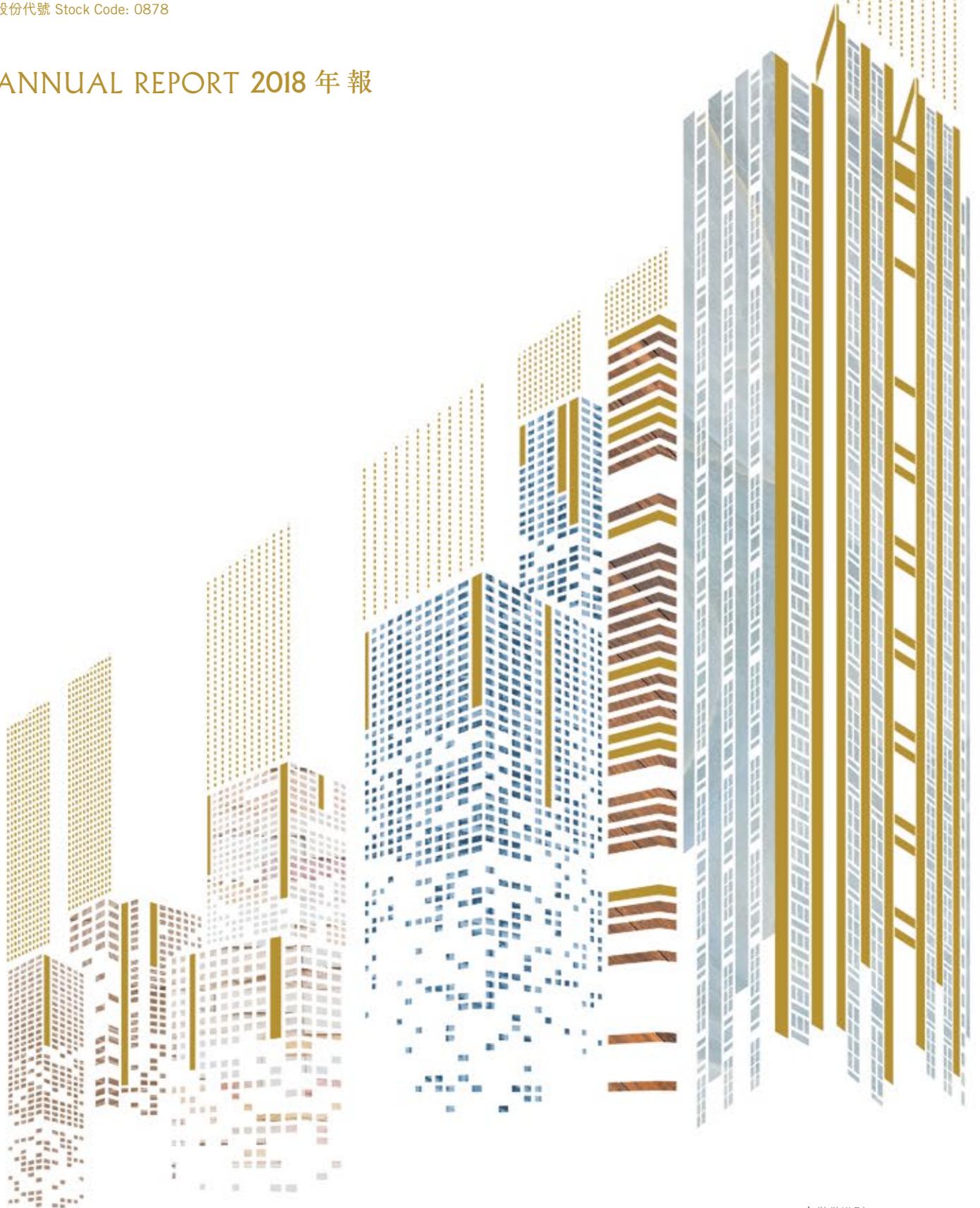


金朝陽集團有限公司\*  
SOUNDWILL HOLDINGS LIMITED

於百慕達註冊成立之有限公司 Incorporated in Bermuda with limited liability

股份代號 Stock Code: 0878

## ANNUAL REPORT 2018 年報



\* 僅供識別 / For identification only

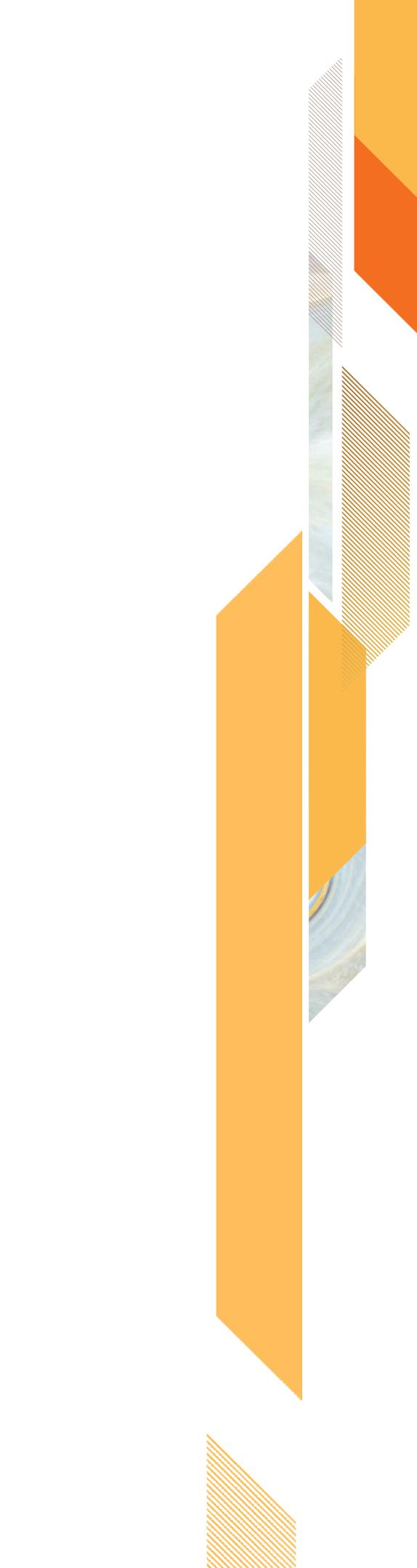


Knutsford  
Terrance




MIDTOWN  
Soundwill Plaza II

Soundwill  
金·朝·陽·中·心  
Plaza



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# CORPORATE INFORMATION

(As of 21 March 2019)

## Directors

### EXECUTIVE DIRECTORS:

FOO Kam Chu Grace (*Chairman*)

CHAN Wai Ling

KONG Siu Man Kenny (resigned with effect from  
29 August 2018)

### INDEPENDENT NON-EXECUTIVE DIRECTORS:

CHAN Kai Nang

PAO Ping Wing

NG Chi Keung

## Company Secretary

TSE Wai Hang (appointed with effect from  
25 January 2019)

TANG So Him (resigned with effect from 25 January 2019)

## External Auditor

Deloitte Touche Tohmatsu  
*Certified Public Accountants*

## Internal Auditor

Crowe (HK) Risk Advisory Limited

## Legal Advisors

Lo, Wong & Tsui  
Conyers Dill & Pearman

## Head Office and Principal Place of Business in Hong Kong

21/F, Soundwill Plaza  
No. 38 Russell Street  
Causeway Bay, Hong Kong

## Registered Office

Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

## Principal Banks

The Hongkong and Shanghai Banking Corporation Limited  
Bank of China (Hong Kong) Limited  
Hang Seng Bank Limited  
DBS Bank (Hong Kong) Limited  
Industrial and Commercial Bank of China (Asia) Limited

## Principal Share Registrar and Transfer Office

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08, Bermuda

## Branch Share Registrar and Transfer Office in Hong Kong

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

## Share Information

### PLACE OF LISTING

The Main Board of The Stock Exchange of  
Hong Kong Limited

### STOCK CODE

878

### BOARD LOT

500 shares

### Website

[www.soundwill.com.hk](http://www.soundwill.com.hk)

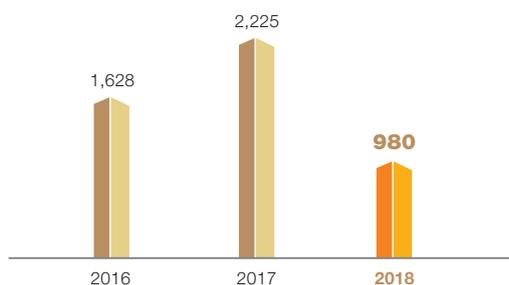
### Investor Relations

E-mail: [sw.ir@soundwill.com.hk](mailto:sw.ir@soundwill.com.hk)

# FINANCIAL HIGHLIGHTS

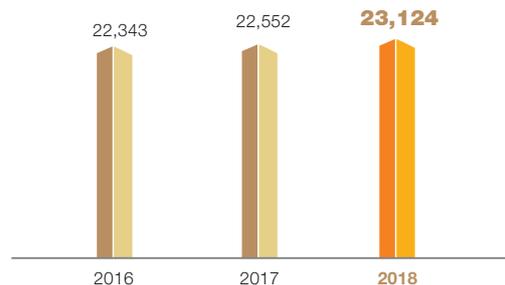
## Group's Revenue

HK\$ million



## Group's Total Asset

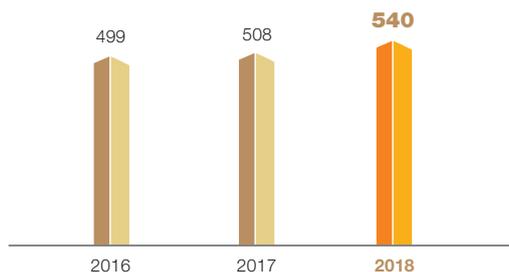
HK\$ million



## Group's Revenue by Segments

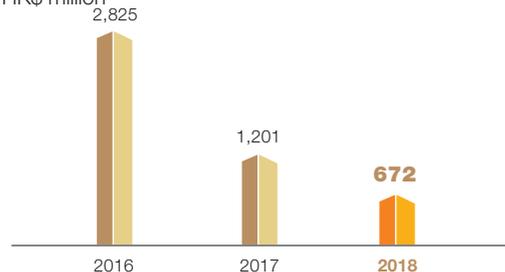
HK\$ million

Property Leasing



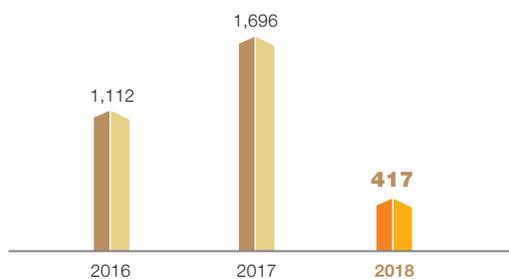
## Profit Attributable to Owners of the Company

HK\$ million

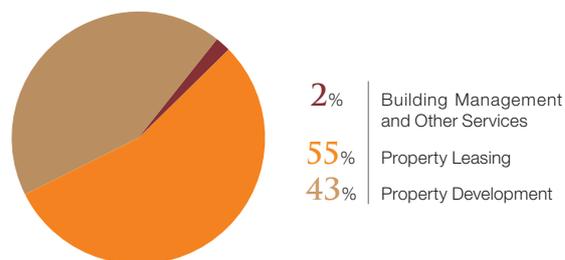


HK\$ million

Property Development

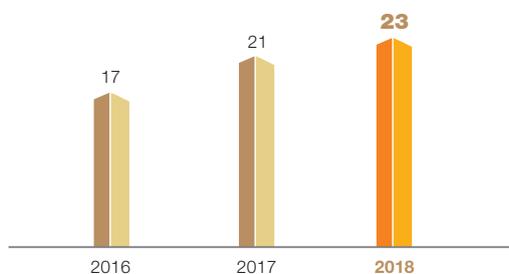


## Group's Revenue Mix in Year 2018



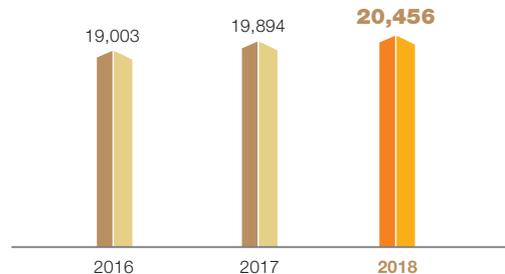
HK\$ million

Building Management and Other Services



## Group's Net Asset Value

HK\$ million

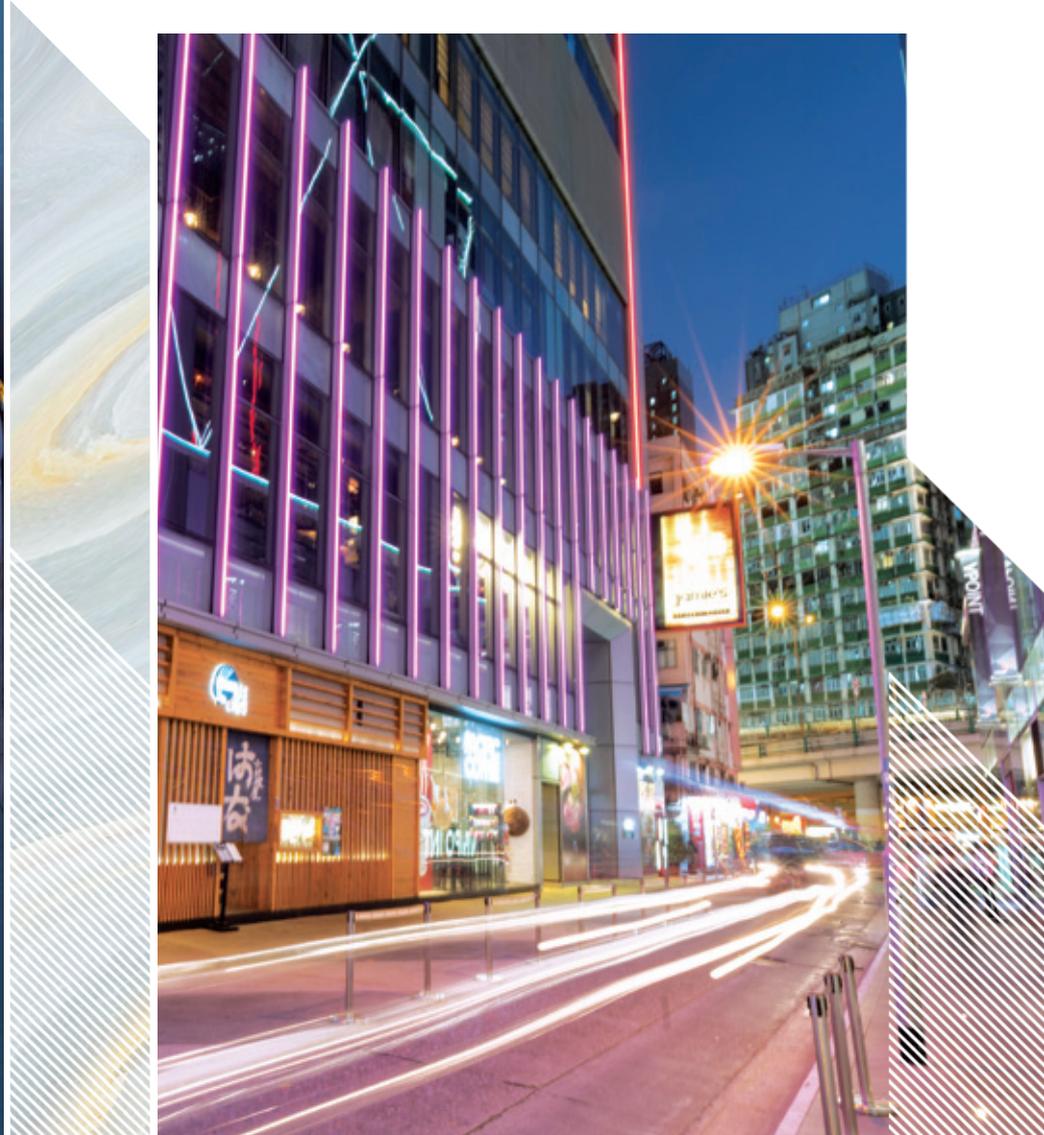


## CHAIRMAN'S STATEMENT

Dear Shareholders,

Since the establishment of Soundwill Holdings Limited, our core vision has always been focused on “operating with heart”. As a result of the dedication, professionalism and hard work of our team, the Group achieved stable performance in 2018 by developing strategies appropriate for the market and maintaining flexibility in an ever-changing business environment.

Over the past year, interest rate trends, the external environment and changes in housing policy affected the Hong Kong property market, which underwent a number of healthy adjustments. At the same time, Hong Kong's stable economic foundation, the keen demand for housing, and the popularity of industrial and commercial properties among Mainland-funded companies give us confidence that the Hong Kong property market will continue to make steady progress. Other factors benefiting the market include recently completed major infrastructure projects such as the High Speed Rail and Hong Kong-Zhuhai-Macao Bridge, as well as the rebound in tourist arrivals. As a result, we expect rents in core districts to stabilise gradually.



## CHAIRMAN'S STATEMENT

### Steady Performance

In response to the rapidly-changing economic environment and shifts in consumer spending, our team adopted a more flexible approach towards managing our tenant portfolio. During the year, the Group prepared a range of exciting activities by taking into account the needs of different customers. These included making use of innovative technology to optimise the services and liaison function of the Soundwill Club through digital channels, which made for a more convenient and pleasant customer experience. Our major properties, including Soundwill Plaza, Soundwill Plaza II — Midtown and 10 Knutsford Terrace, maintained high occupancy rates during the year. To increase our recurring rental income, the Group will expand our investment property portfolio and enhance our urban renewal projects.

### Expansion Opportunities

In 2018, we not only consolidated our existing operations but looked for new opportunities to diversify our development. As the reactivated industrial building revitalisation policy will support the development of new industrial buildings, we will increase our investment in industrial properties. We also launched a mini-storage business as we believe market demand for storage space will rise. This new business, which creates synergy with our property portfolio and a new source of income for the Group, has excellent growth potential, and we are now making good progress with the expansion of our mini-storage branch network.

### Corporate Social Responsibility

Sustainable development and environmental protection are embedded in our corporate culture. Over the years, the Group has participated in a wide range of charitable activities, many of which have been recognised by various organisations. In 2018, we received a number of honours or acknowledgments of our work as a responsible corporate citizen:

- A Caring Company by The Hong Kong Council of Social Service for the seventh consecutive year
- Social Capital Builder Awards by the Community Investment & Inclusion Fund under the Labour and Welfare Bureau
- A Heart-to-Heart Company by the Hong Kong Federation of Youth Groups
- Hong Kong Corporate Citizenship Program awardee by the Hong Kong Productivity Council
- Caring Certificate by the Federation of Hong Kong Industries under the Industry Cares Corporate Social Responsibility Recognition Scheme

### Prospects for the Year Ahead

The year 2019 will be a challenging one, characterised by continuing changes in the international political arena, a sluggish global economy, and cautious market sentiment. While Hong Kong may be susceptible to external factors, Hong Kong's sophisticated financial system and strong capital flows, together with the support of the Central Government for the Guangdong-Hong Kong-Macao Greater Bay Area, will help to restore investor confidence. At Soundwill, we will remain laser-focused on market conditions and make adjustments as needed in response to market changes.

I would like to take this opportunity to express my sincere thanks to our shareholders, the Board and business partners. I would also like to thank all our staff, whose efforts have made possible the continuing success of our business throughout the year. I look forward to working closely with them and our management team and tackling the challenges we face in our ongoing "operating with heart".

**FOO Kam Chu Grace**

*Chairman*

Hong Kong, 21 March 2019

## DIRECTORS' PROFILE

### FOO KAM CHU GRACE

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Aged 75, is the founder of the Group, Chairman and executive director of the Company and a director of certain subsidiaries of the Group. Madam Foo has extensive experience in the property market. She has been engaged in the property business in Hong Kong since early 1970s, particularly specialised in the acquisition of old buildings for redevelopment into commercial or residential buildings. Madam Foo is the mother of Ms. Chan Wai Ling, executive director of the Company. Madam Foo is currently responsible for the overall steering of the Group's management, the Group's overall corporate development direction and provides strategic advice and planning to the Group.

### CHAN WAI LING

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Aged 48, is an executive director of the Company and a director of certain subsidiaries of the Group. She is in charge of the Hong Kong property department and is responsible for the property development and leasing of Hong Kong properties of the Group. She graduated from the University of Toronto, Canada with a bachelor degree in commerce and also obtained a Master of Business Administration Degree from University of Strathclyde, United Kingdom. Before joining the Group in September 1998, she had worked in an international property consultant firm and had operated her own property investment business. She is the daughter of Madam Foo, Chairman and executive director of the Company.

## DIRECTORS' PROFILE

**CHAN KAI NANG**

Aged 73, was appointed as an independent non-executive director of the Company on 11 March 2009, received a Postgraduate Diploma in Management Studies from The University of Hong Kong and Bachelor of Laws from the University of London. Mr. Chan is an associate member of The Chartered Institute of Management Accountants in the United Kingdom and The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants in the United Kingdom. He is also a member of the Chartered Global Management Accountant. Mr. Chan worked for more than 40 years as senior executive in major multinational and local corporations.

Mr. Chan was the executive director of Galaxy Entertainment Group Limited (formerly known as K. Wah Construction Materials Limited ("K. Wah Construction")) (0027.HK) from January 2003 to May 2008 and managing director of K. Wah Construction from April 2003 to May 2008. He served as an adviser of K. Wah Construction from May 2008 until his retirement in June 2014. The shares of the above-named company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Chan was also appointed as independent non-executive director of Prosperity International Holdings (H.K.) Limited (0803.HK), the shares of this company are listed on the Main Board of the Stock Exchange. He formerly was an independent non-executive director of Asian Capital Holdings Limited (now known as ZZ Capital International Limited) (8295.HK) and Steed Oriental (Holdings) Company Limited (8277.HK), shares of both of these companies

are listed on the GEM of the Stock Exchange. He also resigned as an independent non-executive director of FDB Holdings Limited (now known as DAFY Holdings Limited) (1826.HK) on 12 January 2018 and retired as an independent non-executive director of PanAsialum Holdings Company Limited (2078.HK) on 24 January 2018, the shares of both companies are listed on the Main Board of the Stock Exchange.

**PAO PING WING**

Aged 71, was appointed as an independent non-executive director of the Company on 6 November 2009, received a Master of Science degree in Human Settlements Planning and Development from the Asian Institute of Technology in Bangkok, Thailand. Mr. Pao was elected as one of the Ten Outstanding Young Persons of Hong Kong in 1982 and one of the Ten Outstanding Young Persons of the World in 1983. He was also an ex-Urban Councillor. In the past years, he has been actively serving on government policy committees and statutory bodies, especially those of town planning, urban renewal, public housing, culture and arts and environment matters. Mr. Pao is an Honorary Fellow of The Hong Kong Institute of Housing.

He is also an independent non-executive director of several other companies listed on the Main Board of the Stock Exchange including Oriental Press Group Limited (0018.HK), Capital Environment Holdings Limited (3989.HK), Zhuzhou CRRC Times Electric Co., Ltd. (formerly known as Zhuzhou CSR Times Electric Co., Ltd.) (3898.HK), Maoye International Holdings Limited (0848.HK) and Sing Lee Software (Group) Limited (8076.HK), a company listed

on the GEM of the Stock Exchange. He formerly was an independent non-executive director of UDL Holdings Limited (now known as DTXS Silk Road Investment Holdings Company Limited) (0620.HK) and InvesTech Holdings Limited (formerly known as HL Technology Group Limited) (1087.HK), shares of both of these companies are listed on the Main Board of the Stock Exchange. He formerly was also an independent non-executive director of Tonking New Energy Group Holdings Limited (formerly known as JC Group Holdings Limited) (8326.HK), which shares are listed on the GEM of the Stock Exchange.

**NG CHI KEUNG**

Aged 70, was appointed as an independent non-executive director of the Company on 18 March 2011. Mr. Ng holds a Master Degree in Business Administration. Mr. Ng is an associate member of the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants and a fellow of the Institute of Chartered Accountants in England and Wales. He has over 30 years of financial management experience with renowned multinational corporations.

Mr. Ng was the executive director of Fairwood Holdings Limited (0052.HK) which shares are listed on the Main Board of the Stock Exchange for 15 years until his retirement at the end of year 2009, re-designated as non-executive director after his retirement until mid-2017 and re-designated as an independent non-executive director thereafter.

# OPERATIONS REVIEW AND PROSPECTS



## OPERATIONS REVIEW AND PROSPECTS

## Overview

In 2018, the world-wide trade war and the global conflicts between China and the United States led to intensified trade disputes, negative market sentiments and fluctuations in stock and foreign exchange markets. In spite of the rapid changes in external economic conditions, Hong Kong's economic fundamentals remained stable and healthy. The performance of the Hong Kong property market went from one extreme to the other from the first half to the second half of the year, as market sentiments changed to conservative.

Property leasing is the core business of the Group. Our investment property portfolio concentrates in popular tourist areas, including Russell Street in Causeway Bay, one of the most expensive streets for retailers in the world, and Tsim Sha Tsui, the top shopping destination for tourists. Although the retail sector performance slowed down and luxury retailers expanded at a cautious pace, the rebound in tourist arrivals kept rents in core districts at a stable level.

During the year under review, major properties such as Soundwill Plaza, Soundwill Plaza II — Midtown and 10 Knutsford Terrace all maintained high occupancy rates. Through flexible tenant management strategies, enhanced promotional activities and enticing advantages offered to encourage customers to visit and spend again, the Group succeeded in increasing visitor flows and sales. Plans were also put in place to optimise and enhance our investment assets and their competitiveness.

As part of our increased investment in industrial projects, we launched a mini-storage business that creates synergy with our investment property portfolio. In 2018, the mini-storage business expansion was proceeded with smoothly, with branches having coverage across Hong Kong Island, Kowloon and the New Territories. Innovative new features such as pre-installed shelves and storage with specific functions were implemented to existing branches to meet market demand.

The Group also adopted a versatile land reserve strategy in order to increase earnings and to enhance the value of our shareholders' investments. During the year, we disposed of the site at 71–75 Chai Wan Kok Street, Tsuen Wan for HK\$530 million; the resulted financial gain was booked in 2018 and contributed to the year's profits. In the Announcements dated 2 August 2018 and 7 August 2018 published for this transaction, the financial impact was stated to be a loss of about HK\$7,119,600 when the consolidated total asset value (approximately HK\$530,025,953 per management accounts) of the disposed subsidiary was applied, instead of the gain now recorded in the Consolidated Statement of Profit or Loss and Other Comprehensive Income (page 128).

At the same time, the Group remained focused on driving rental income growth, enhancing our investment property portfolio and urban renewal projects, and launching new projects. Sticking to this proven strategy, we were able to maintain a steady cash flow for the Group and to ensure its balanced long-term development.

## Property Portfolio

During the year, the Group actively acquired a number of old properties in various areas of Hong Kong and continued to increase our investment in projects with high appreciation potential. In addition to this, the Group has remained committed to revitalising old districts, upgrading the quality of the buildings and ancillary facilities for the benefit of all new and existing owners. The Group also continued to look for sites with high potential in order to replenish our land reserves at a reasonable cost, and so to increase our earnings.

## Property Assembly

The Group has been capturing business opportunities in the local market through property assembly and the acquisition of old buildings. In this business, the Group acquires land reserves with high appreciation potential at a reasonable cost and retains projects with stronger potential for development.

OPERATIONS REVIEW AND PROSPECTS



| 1. SOUNDWILL PLAZA | 2. 10 KNUTSFORD TERRACE |  
| 3. WARRENWOODS | 4. SOUNDWILL PLAZA II — MIDTOWN

OPERATIONS REVIEW AND PROSPECTS

| 5. PARK HAVEN | 6. THE SHARP |  
| 7. KAI KWONG COMMERCIAL BUILDING | 8. iPLACE



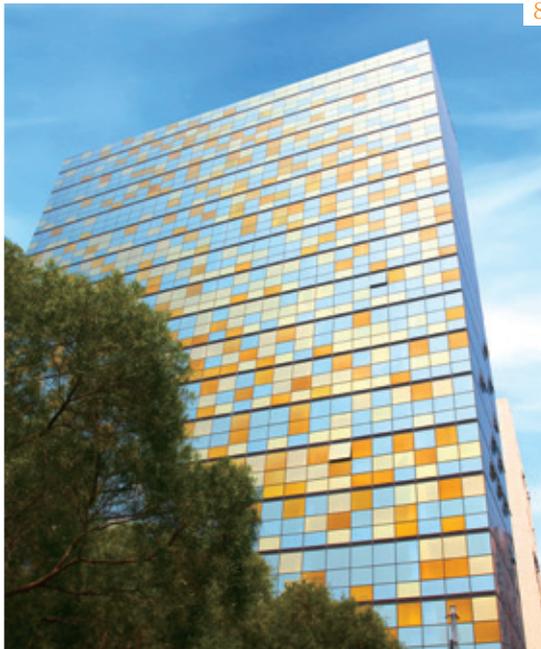
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## OPERATIONS REVIEW AND PROSPECTS

In response to the continuous implementation of property market adjustments and control measures, the pace of the Group's property assembly had noticeably slowed down. Nevertheless, the Group will continue to source quality land sites for acquisition in accordance with our consistent acquisition and development strategy.

### Property Leasing

For the year ended 31 December 2018, this business segment recognised revenue of approximately HK\$540,040,000 (2017: HK\$508,000,000), representing approximately 55% (2017: 23%) of the Group's total revenue for the year.

The Group has relentlessly continued to upgrade the quality of our premises by undertaking regular renovation programmes. The Group constantly reviews our tenant mix in line with the latest trends in consumer spending patterns. With the footfall increased by our marketing and promotional campaigns as well as our Soundwill Club mobile app, the retail tenants of our major premises recorded solid growth in sales performance.

#### **SOUNDWILL PLAZA**

Soundwill Plaza is located in the heart of Causeway Bay on Russell Street, the reputed most expensive street in the world. Supported by high pedestrian flow and convenient transport connections, this premium Grade A commercial building, with a gross floor area of approximately 245,100 square feet, is a centre for international flagship brands, with luxury retail stores occupying the ground floor and first floor. With its wide range of shopping, leisure and beauty options, Soundwill Plaza generated steady returns during the year, making it one of the most stable contributors of income for the Group.

#### **SOUNDWILL PLAZA II – MIDTOWN**

Soundwill Plaza II – Midtown, a 31-storey building located at 1 Tang Lung Street in Causeway Bay, is a popular landmark for food & beverage and leisure activities in Causeway Bay. With a gross floor area of approximately 218,000 square feet, the property reported stable results in both footfall and sales. With the introduction of more trendsetting tenants, the property recorded solid rental income and a high occupancy rate during the year. We also continued to step up our advertising and promotional efforts, which were highly appreciated by our customers and tenants and successfully attracted more pedestrian flows and sales, so that this property can generate satisfactory rental income for the Group and further consolidate our competitive advantages.

#### **10 KNUTSFORD TERRACE**

The 23-storey property, 10 Knutsford Terrace is located at 10–11 Knutsford Terrace, Tsim Sha Tsui, one of the prominent tourist and leisure districts in Hong Kong, with a gross floor area of approximately 114,000 square feet. With the advantages of a convenient central location, it is one of the popular destinations for office workers in the area. The property continued to attract increasing pedestrian flow during the year to maintain stable performance and a high occupancy rate, bringing solid rental income to the Group.

#### **KAI KWONG COMMERCIAL BUILDING**

Kai Kwong Commercial Building is a 21-storey integrated commercial project located at 332–334 Lockhart Road, Wan Chai.

During the year, the Group optimised and expanded our investment property portfolio in Hong Kong. Our investment properties enjoy geographical advantages as they are primarily located in core tourist and retail districts that appeal to a variety of retail tenants. Our versatile mix of tenants will continue to generate impressive returns for the leasing business of the Group.

## OPERATIONS REVIEW AND PROSPECTS

**One Storage Management Company Limited**

One Storage, a subsidiary of the Group, provides high quality storage service to customers through branches in Chai Wan, San Po Kong, Fo Tan, Tuen Mun, Tsing Yi, Kwai Chung and Tsuen Wan. Each offers a high standard of management and professional customer service in a safe and comfortable environment. All One Storage branches come equipped with fire-safety devices that are in strict compliance with the latest fire safety guidelines and have been inspected and approved by the Fire Services Department and the Buildings Department of Hong Kong.

One Storage will continue to innovate by keeping abreast of the latest developments in the industry. In our existing branches, we have added new features such as pre-installed shelves and other storage functions to deliver a more professional storage service. We will also expand our branch network in order to enlarge our market share in this business.

**Property Development**

For the year ended 31 December 2018, this business segment recognised revenue of approximately HK\$417,247,000 (2017: HK\$1,696,130,000), representing approximately 43% (2017: 76%) of the Group's total revenue for the year.

**Residential Project*****JONES HIVE***

Jones Hive, a residential project located at 8 Jones Street, Tai Hang, was jointly developed by the Group and Henderson Land Development Company Limited. This project provides 119 units, which covers a saleable area ranging from 328 to 558 square feet.

**Commercial Projects*****THE SHARP***

Situated at 11–13 Sharp Street East and 1–1A Yiu Wa Street in Causeway Bay, THE SHARP is an integrated commercial property project combining retail, beauty, food & beverage and commercial space. The Group has retained shops from the ground floor to the second floor for leasing, which generated stable rental income for the Group.

***42–44 YIU WA STREET AND 28–29 CANAL ROAD EAST, CAUSEWAY BAY***

This project is located at 42–44 Yiu Wa Street and 28–29 Canal Road East, Causeway Bay, with a gross floor area of approximately 44,000 square feet upon redevelopment.

**Industrial Projects*****iPLACE***

The iPLACE industrial project, located at 301–305 Castle Peak Road, Kwai Chung. The entire project provides 322 workshops in total.

***105–113 TA CHUEN PING STREET, KWAI CHUNG***

This industrial project is located at 105–113 Ta Chuen Ping Street, Kwai Chung, with a gross floor area of approximately 190,000 square feet upon redevelopment.

## OPERATIONS REVIEW AND PROSPECTS

### Real Estate Business in the PRC

For the year ended 31 December 2018, the PRC real estate business segment recognised revenue of approximately HK\$250,966,000 (2017: HK\$237,603,000), representing approximately 26% (2017: 11%) of the Group's total revenue for the year.

During the year under review, economic growth in the PRC resumed, the property market became more rational and transaction prices stabilised.

The Group currently owns a number of real estate projects in the PRC. The Lakeview Bay • Shang Hui Hai An is an integrated project wholly owned by the Group, with villas and high-rise residences located in Gaoyao City, Zhaoqing. During the year, the villas in Phase 1 were nearly sold out and gradually occupied, while the high-rise residences offered in the first-batch of Phase 2 were nearly sold out and delivered. The remaining units are for sale and expected to be delivered by the end of 2019. At the beginning of 2019, we plan to launch apartments and retail space for sale.

In addition, the residential units in Phase I of Yu Ming Du (Shan Shui Xiang Ri), a project located in Doumen District, Zhuhai, were sold out and delivered. The residential units in Phase II are already eligible for delivery, and the residential units in Phase III are planned to be launched in 2019.

### Building Management and Other Services

For the year ended 31 December 2018, the building management and other services segment recognized revenue of approximately HK\$23,111,000 (2017: HK\$20,866,000), representing approximately 2% (2017: 1%) of the Group's total revenue for the year.

The Group's building management and maintenance subsidiaries are engaged in the provision of high quality management, customer and maintenance services in large-scale commercial buildings, as well as small and medium sized estates. By constantly refining the services being provided, these businesses have succeeded in raising overall service standards at our properties. With extensive experience in serving customers, the building management team successfully maintained the quality standards of the indoor environments under their care during the year. They also reduced waste and lowered the carbon footprint of our properties by employing a range of energy-efficient measures.

### The Concierge — a new French-style hotel management service

The Group launched The Concierge, a service modelled on hotel management services in France, at the Park Haven luxury residential project. As part of our approach to building management, The Concierge offers a wide range of value-added concierge, dining and catering, household maintenance, laundry and dry-cleaning services as well as home and car cleaning referral services. Through these premium personal services, we are able to provide a high-quality lifestyle for our tenants.

### Customer Services

The Group offers a comprehensive range of outstanding after-sales services following the delivery of units to their owners. These are provided by a team dedicated to identifying relevant and appropriate services for newly-completed units as they are being occupied. To increase confidence, we provide first hand homeowners of these residential units with warranties covering repair and maintenance for the first two years.

Our handover team also conducts several thorough inspections to ensure the highest level of quality of each property unit upon delivery to the owners. The owners can further enjoy a full range of personal services during the handover period to ensure a smooth transition into their new homes. During this process, we collect opinions of homeowners directly as part of our commitment to provide building management services of the highest standard. The building management subsidiaries of the Group provide excellent building management services through continuous innovation and enhancement of service quality.

## OPERATIONS REVIEW AND PROSPECTS

### Soundwill Club

The Soundwill Club was established by the Group to interact and develop long-term relationships with our customers, retail tenants and visitors to the Group's properties, and provide them with premium services and information on the latest lifestyle trends. To enhance our competitive edge, during the year the Group began using digital technology to launch the Soundwill Club mobile app and online shopping platform to give customers easy access to offers and promotions from the Group's flagship properties. The mobile app also allows customers to download e-coupons and sign up as a member of the Club to earn cash rebates through spending and member referrals. Additionally, we are using customer feedback collected through the Soundwill Club to better understand the needs of our customers and property buyers, as well as enhancing the quality of our products and services.

### Corporate Citizenship

In addition to providing significant returns to shareholders, we remain firmly committed to operating as a socially-responsible company in all of our business operations. We support fund-raising activities, reading programmes and educational events and, through our Soundwill Volunteer Team, provide care for the underprivileged in the community, all of which have a positive impact on society. We also regularly publish an Environmental, Social and Governance Report as well as our key performance indicators.

In recognition of our contributions to the community, we have been honoured as a Caring Company by The Hong Kong Council of Social Service for seven consecutive years. The Group, in conjunction with its member companies and property projects, has also received numerous commendations. During the review period, the Group received the Social Capital Builder Awards and was also recognised as a Happy Company, Heart-to-Heart Company and Corporate Citizen, acknowledging our commitment to social responsibility over the years.

### Prospects

The year 2019 is expected to be more complex and challenging as a result of China-US trade tensions, Brexit uncertainty and the slowdown in global economic growth. All of these factors have affected business sentiment, but with Hong Kong's solid economic fundamentals and active participation in the Belt and Road initiative, we expect that economic growth in Hong Kong will remain stable.

Fluctuations associated with property adjustment and control measures together with changes in interest rates are likely to prevail in the Hong Kong property market during the year ahead. In the leasing market, concerns over the uncertain economic outlook and depreciation of the Renminbi, the drop in demand for leased properties from Mainland-funded enterprises, and cost-saving measures adopted by companies will be the main challenges in the leasing market in core districts. Despite the buoyant labour market and rebound in tourist arrivals, the Group is prudently optimistic about the leasing market in Hong Kong in view of the cautious consumer sentiment.

Based on the solid foundation we have established, our experienced teams and premium investment property portfolio, we believe we are well positioned to capitalise on the opportunities that lie ahead and overcome any challenges we might face. We will remain committed to promoting our business development and maintaining our competitiveness, using creative solutions and our market insights to diversify our operations and enhance the Soundwill brand.

We will also continue our efforts in environmental protection, technological development and community care for the sustainability of our operations, the betterment of society and the interests of our stakeholders.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Financial Highlights

	Year ended 31 December	
	2018 HK\$ million	2017 HK\$ million
Revenue	980	2,225
Profit before income tax expense excluding net fair value (loss)/gain on investment properties/properties transfer	820	774
Net fair value (loss)/gain on investment properties/properties transfer	(101)	529
Profit before income tax expense	719	1,303
Profit attributable to owners of the Company	672	1,201
Basic earnings per share (dollars)	HK\$2.37	HK\$4.24
Dividend per share (dollars)		
— proposed final dividend	HK\$0.20	HK\$0.20
— proposed special dividend	—	—
	At 31 December 2018 HK\$ million	At 31 December 2017 HK\$ million
Total assets	23,124	22,552
Net assets	20,456	19,894
Total borrowings	1,563	1,528
Gearing ratio	8%	8%
Net asset value per share (dollars)	HK\$72.2	HK\$70.2

## Financial Review

### RESULTS OF OPERATIONS

During the year, the Group recorded a revenue of approximately HK\$980,398,000 (2017: HK\$2,224,996,000), representing a decrease as compared with last year. The decrease in revenue was mainly due to the decrease in income recorded from the property development projects.

## MANAGEMENT DISCUSSION AND ANALYSIS

**PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY**

During the year, the Group has recorded a profit attributable to owners of the Company of approximately HK\$671,592,000 (2017: HK\$1,200,781,000), a decrease of 44% as compared with last year. This decrease was mainly due to there being no property development project completed and delivered during the year as compared with the corresponding period in 2017 and the resulted decrease in profits recognised by property development and a net loss on fair value adjustments on investment properties during the year.

**NET ASSETS**

The net assets of the Group as at 31 December 2018 amounted to HK\$20,456,219,000 (2017: HK\$19,893,948,000). Net asset value per share as at 31 December 2018 is HK\$72.2 (2017: HK\$70.2).

**Financial Resources and Liquidity**

As at 31 December 2018, the Group's cash and bank balances (including short-term bank deposits and cash and cash equivalents) amounted to HK\$761,238,000 (2017: HK\$1,146,950,000). Total borrowings of the Group amounted to HK\$1,562,788,000 (2017: HK\$1,528,120,000) as at 31 December 2018.

As at 31 December 2018, the Group's gearing ratio (which was expressed as a percentage of total borrowings over total equity) was 8% (2017: 8%).

The Group mainly operates and invests in Hong Kong and the PRC with most of the transactions denominated and settled in Hong Kong Dollars and Renminbi respectively. Therefore, it is expected that any fluctuation of the foreign currency exchange rate would not have material effect on the operations of the Group. However, as the Group's consolidated financial statements are presented in Hong Kong dollar, the Group's financial position is subject to exchange exposure to the foreign currency. The Group would closely monitor this risk exposure from time to time. During the year, the Group did not engage in any derivative activities or use any financial instruments to hedge its balance sheet exposures.

Acquisition and development of properties are financed partly by internal resources and partly by bank borrowings. Repayment of bank loans are scheduled to match asset lives and project completion dates. Borrowings are denominated in Hong Kong Dollars and bear interest at floating rates.

**Contingent Liabilities**

As at 31 December 2018, the Group provided guarantees amounted to HK\$337,389,000 (2017: HK\$309,431,000) to banks with respect to mortgage loans procured by the purchasers of the Group's properties. Such guarantees will be released by banks upon delivery of the properties to the purchasers and completion of the registration of the mortgage with the relevant mortgage registration authorities or settlement of the outstanding mortgage loan. In the opinion of the Directors, the fair value of the financial guarantee is not significant.

**Employees Remuneration**

The Group had 276 and 79 employees in Hong Kong and PRC respectively as at 31 December 2018 (2017: 285 and 88 employees). Employees were remunerated on the basis of their performance, experience and market practice. Remuneration packages comprise salary, medical insurance, mandatory provident fund and year end discretionary bonus. Total salaries and wages incurred in 2018 were approximately HK\$131,507,000 (2017: HK\$158,206,000) and no share option expenses (2017: Nil) during the year.

# CORPORATE GOVERNANCE REPORT

The board (the “Board”) of directors (the “Directors”) of Soundwill Holdings Limited (the “Company”) and its subsidiaries (the “Group”) is pleased to present this Corporate Governance Report for the year ended 31 December 2018 of the Company.

## Corporate Governance Practices

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The CG Code sets out two levels of recommendations, namely, (a) code provisions that a listed company must either comply with or explain its non-compliance, and (b) recommended best practices that listed companies are encouraged to comply with but need not disclose in the case of non-compliance.

The Company has complied with the applicable code provisions set out in the CG Code during the year ended 31 December 2018 in all other respects except for the following deviations:

### (1) CODE PROVISION A.2.1

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

The roles of the chairman and chief executive officer are neither separated nor performed by two different individuals. Madam Foo Kam Chu Grace is the founder and the Chairman of the Group. She is responsible for the Group’s overall development direction and strategies. The Chairman ensures the Board functions effectively and discharges its responsibilities. There is no chief executive officer appointed and the daily operations of the Group are delegated to other executive directors and various department heads with clearly defined authority policy. The Board is of the view that the current management structure can effectively facilitate the Group’s operation and business development.

### (2) CODE PROVISION A.4.1

Code provision A.4.1 provides that non-executive directors should be appointed for a specific term.

The independent non-executive directors are not appointed for a specific term as they are subject to retirement by rotation at least once every three years and re-election at annual general meetings in accordance with the bye-laws of the Company (the “Bye-Laws”).

## Board of Directors

### RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for overseeing the Group’s businesses, strategic decisions and performance. The management has been delegated the authority and responsibility by the Board for the operations of the Group. In addition, the Board has also delegated various responsibilities to the Board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee. Further details of these committees are set out in this report. The Board is responsible for performing the corporate governance functions set out in code provision D.3.1 of the CG Code.

All Directors shall ensure that they carry out duties in good faith, in compliance with the standards of applicable laws and regulations, and act in the interests of the Company and its shareholders at all times.

## CORPORATE GOVERNANCE REPORT

**BOARD COMPOSITION**

The Board is composed of the following Directors who, unless otherwise indicated, served throughout the year under review and up to the date of this report:

**EXECUTIVE DIRECTORS:**

Madam Foo Kam Chu Grace (*Chairman*)

Ms. Chan Wai Ling

Mr. Kong Siu Man Kenny (resigned with effect from 29 August 2018)

**INDEPENDENT NON-EXECUTIVE DIRECTORS:**

Mr. Chan Kai Nang

Mr. Pao Ping Wing

Mr. Ng Chi Keung

**BOARD MEETINGS AND ATTENDANCE**

During the year, the attendance records of each Director at the Board meetings and general meeting of the Company are as follows:

Directors	Attendance/ Number of Board meetings	Attendance/ Number of general meeting
<i>Executive Directors:</i>		
Madam Foo Kam Chu Grace ( <i>Chairman</i> )	4/4	1/1
Ms. Chan Wai Ling	4/4	1/1
Mr. Kong Siu Man Kenny (resigned with effect from 29 August 2018)	4/4	0/1
<i>Independent Non-Executive Directors:</i>		
Mr. Chan Kai Nang	4/4	1/1
Mr. Pao Ping Wing	4/4	1/1
Mr. Ng Chi Keung	4/4	1/1

The biographical information of the Directors and relevant relationships among the Directors are set out under "Directors' Profile" on pages 6 to 7.

**INDEPENDENT NON-EXECUTIVE DIRECTORS**

During the year, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors, representing one-third of the Board, with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise as required under rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules.

The Company has received written annual confirmation of independence from each independent non-executive director in accordance with rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the independent non-executive directors are independent within the definition of the Listing Rules.

## CORPORATE GOVERNANCE REPORT

## Appointment, Re-election and Removal of Directors

Code provision A.4.1 of the CG Code stipulates that non-executive directors shall be appointed for a specific term and subject to re-election. The Company has deviated from this provision in that the Company's independent non-executive directors are not appointed for a specific term.

In accordance with the Bye-Laws, not less than one-third of the Directors for the time being will retire from office by rotation at each annual general meeting, provided that every director shall be subject to retirement by rotation at least once every three years. Any director appointed to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the following general meeting of the Company and shall then be eligible for re-election at such meeting.

## Access to Information by Directors

In respect of regular Board meetings, and so far as practicable in all other cases, an agenda and accompanying Board papers are sent to all Directors in a timely manner. Notice of at least 14 days is given for a regular Board meeting to give all Directors an opportunity to attend. For all other Board meetings and Board committee meetings, reasonable notice is given.

All Directors are entitled to have access to Board papers, minutes and related materials at all times. During the year, all Directors have been provided with the Group's management information updates to keep them informed of the Group's affairs and facilitate them to discharge their duties under the Listing Rules.

## Chairman and Chief Executive Officer

Currently, Madam Foo Kam Chu Grace is the Chairman of the Group and her responsibilities are clearly defined and set out in writing. No chief executive officer was appointed during the year.

## Board Committees

### AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, namely Mr. Chan Kai Nang, Mr. Pao Ping Wing and Mr. Ng Chi Keung. Mr. Chan Kai Nang and Mr. Ng Chi Keung possess professional accountancy qualifications.

The Audit Committee has specific written terms of reference which are of no less exacting terms than those stipulated in the code provisions. It is responsible for reviewing with management, the accounting principles and practices adopted by the Group and discuss auditing, internal controls, risk management, internal audit and financial reporting including the interim and final results of the Company. It also acts as an important link between the Board and the Company's external and internal auditors in matters within the scope of the external and internal audit of the Group respectively. To enhance their right to access records and to be informed, and to have effective and direct communications with the Board and so to report their findings from time to time, the external and internal auditors would be invited to attend the meetings of the Audit Committee.

During the year, the Audit Committee met five times with attendance shown below. The final results for the year ended 31 December 2017, the interim results for the six months ended 30 June 2018, the internal audit plan and the report from the management on the Company's internal control and risk management have been reviewed by the Audit Committee during the year.

Audit Committee members	Attendance/ Number of meetings
Mr. Chan Kai Nang ( <i>Chairman</i> )	5/5
Mr. Pao Ping Wing	5/5
Mr. Ng Chi Keung	5/5

## CORPORATE GOVERNANCE REPORT

**REMUNERATION COMMITTEE**

The Remuneration Committee comprises three independent non-executive directors, namely Mr. Chan Kai Nang, Mr. Pao Ping Wing and Mr. Ng Chi Keung, and Ms. Chan Wai Ling, an executive director.

Its functions are to make recommendations to the Board on the Company's policy and structure for all Directors' remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. The Remuneration Committee reviews and approves the Directors' remuneration proposals with reference to the Board's corporate goals and objectives, and also determines with delegated responsibility, the remuneration packages of individual executive directors and senior management.

In determining the remuneration levels and packages of the Directors and senior management, the Company took into account of the market practices and trends to reflect on the commitments, duties and responsibilities and performance of the Directors and senior management and their contributions to the Group. Long-term inducements in the form of share options and performance bonuses were also employed.

During the year, the Remuneration Committee held one meeting (attendance as shown below) to review and determine (with the relevant Directors where applicable abstained from voting as far as his/her own remuneration is concerned so that no Director would decide on his/her own remuneration) the remuneration package of individual executive Directors and make recommendations to Board on remuneration of non-executive Directors.

Remuneration Committee members	Attendance/ Number of meetings
Mr. Chan Kai Nang ( <i>Chairman</i> )	1/1
Mr. Pao Ping Wing	1/1
Mr. Ng Chi Keung	1/1
Ms. Chan Wai Ling	1/1

**NOMINATION COMMITTEE**

The Nomination Committee comprises two independent non-executive directors, namely Mr. Chan Kai Nang and Mr. Pao Ping Wing, and Madam Foo Kam Chu Grace, the Chairman and executive director.

The responsibilities of the Nomination Committee include reviewing the structure, size and composition of the Board; identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on selection of individuals nominated for directorship; assessing the independence of independent non-executive directors; making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman; and determining the policy for nomination of Directors.

The Company has adopted a policy for nomination of directors ("Nomination Policy"). The Nomination Policy currently adopted by the Company sets out the guidelines and procedures for the Nomination Committee to identify and evaluate a candidate for nomination and recommendation to the Board for appointment or reappointment of Directors of the Company. There are various factors and criteria, including but not limited to relevant skills, experience, professional expertise and qualification, breadth of relevant knowledge, integrity and reputation, willingness to commit and ability to devote sufficient time and to assume the fiduciary duties and responsibilities, the Nomination Committee will consider when evaluating a candidate with due regard to the requirements of Group, board succession planning, and relevant policies adopted by the Group. The ultimate responsibility for selection and appointment of Directors remains vested with the Board.

## CORPORATE GOVERNANCE REPORT

The procedures for identifying and evaluating a candidate would be conducted by the Nomination Committee through a fair and objective process that complies with all applicable laws and regulations, with liberty for the Nomination Committee to make its own inquiries and verification. The Nomination Committee will make recommendation and proposal to the Board for consideration. The Nomination Committee is required to regularly review the Nomination Policy and to monitor the implementation and effectiveness of the Nomination Policy and report to the Board, and has done so during the year.

A board diversity policy (the “Board Diversity Policy”) has been adopted by the Company. Diversity of Board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. In informing its perspective on diversity, the Company will also take into account aspects based on its own business model and specific needs from time to time.

The Nomination Committee reviews the Board Diversity Policy on an annual basis to ensure its continued effectiveness. During the year, the Nomination Committee has reviewed the structure, size and composition of the Board including the skills, knowledge and experience of Directors as well as role and function of each Director, assessed the independence of independent non-executive directors pursuant to rule 3.13 of the Listing Rules, assessed sufficiency of time spent by Directors on the matters of the Company and in discharging their duties and on the affairs of the Group, and reviewed the training and support to Directors and considered re-election of retiring Directors. The Nomination Committee has provided its assessments, findings and recommendations to the Board for it to make the relevant resolutions.

During the year, the Nomination Committee held one meeting with attendance shown below:

Nomination Committee members	Attendance/ Number of meeting
Madam Foo Kam Chu Grace ( <i>Chairman</i> )	1/1
Mr. Chan Kai Nang	1/1
Mr. Pao Ping Wing	1/1

### Training and Continuous Professional Development of Directors

Every newly appointed Director is ensured to have a proper understanding of the operations and business of the Group and that he/she is fully aware of his/her responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the Company. The Directors are continually updated with legal and regulatory developments, business and market changes and the strategic development of the Group to facilitate the discharge of their responsibilities.

As part of the ongoing process of Directors’ training, the Company Secretary continuously updates all Directors on latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance of the same by all Directors. All Directors are encouraged to attend external forum or training courses on relevant topics which may count towards continuous professional development training.

All Directors confirmed that they have complied with the code provision A.6.5 of the CG Code on Directors’ training. This is to ensure that their contribution to the Board remains informed and relevant. During the year, all Directors have participated in appropriate continuous professional development activities either by attending training courses or by reading materials relevant to the Company’s business and to the Directors’ duties and responsibilities.

## CORPORATE GOVERNANCE REPORT

Directors	Directors' continuous professional development	
	Attending training course(s)	Reading of relevant material(s)
Madam Foo Kam Chu Grace ( <i>Chairman</i> )	N/A	✓
Ms. Chan Wai Ling	N/A	✓
Mr. Chan Kai Nang	✓	✓
Mr. Pao Ping Wing	✓	✓
Mr. Ng Chi Keung	✓	✓

### Company Secretary

Company Secretary advises the Board on all corporate governance matters and facilitates professional development of Directors.

Ms. Tang So Him ("Ms. Tang") was appointed as Company Secretary of the Company on 26 January 2017 and served as Company Secretary throughout the year. Ms. Tang undertook over 15 hours of relevant professional training during 2018. She has ceased to act as Company Secretary on 25 January 2019.

The Company has appointed Mr. Tse Wai Hang ("Mr. Tse") as the Company Secretary on 25 January 2019. Mr. Tse graduated from the University of Hong Kong with a bachelor's degree in laws. He is a qualified solicitor in Hong Kong and has over 20 years working experience in the legal field.

### Code for Securities Transactions of Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiries with all Directors, the Company confirms that all of them have complied with the Model Code throughout the year.

The Company has also adopted the written guidelines on no less exacting terms than the Model Code for those relevant employees (as defined in the CG Code) in respect of their dealings in the securities of the Company in compliance with the Code Provision A.6.4 of the CG Code.

### Auditor's Remuneration

During the year, the fee incurred for audit and non-audit services for the Group are approximately HK\$3,260,000 (2017: HK\$3,059,000) and HK\$750,000 (2017: HK\$600,000) respectively.

### Directors' Responsibility for Financial Statements

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group and presenting a balanced, clear and comprehensive assessment of the Group's performance and prospects. The Directors are not aware of any material events or conditions that may cast doubt upon the Company's ability to continue as a going concern.

## CORPORATE GOVERNANCE REPORT

### **Risk Management and Internal Control**

In order to comply with the applicable code provisions set out in the CG Code, the Board reviewed the effectiveness of risk management and the internal control systems of the Group covering material controls, including financial, operational and compliance controls and risk management functions.

The Board has retained Crowe (HK) Risk Advisory Limited, an independent professional firm, to carry out the Group's internal audit function (the "Internal Auditor") as required by the Stock Exchange and to perform an annual review with a view to making a report to the Board about the evaluation on the effectiveness of the Group's risk management and internal control mechanism for the year ended 31 December 2018.

During the year, the Group has reviewed the internal audit charter which defined the scope and the duties and responsibilities of the internal audit function and its reporting protocol. A Risk Management Working Group (the "RMWG") has coordinated risk management activities and reported to the Board. The Group has evaluated the annual risk assessment which identified respective strategic risks, operational risks, financial risks and compliance risks of the Group. Based on the risk assessment results, an internal audit plan was devised which prioritized the risks identified into annual audit projects. The Group has reviewed by means of formally updating the internal control policies and procedures with the view to ensuring an appropriate internal control system in the Group. An internal audit review for financial year 2018 has been conducted by Internal Auditor. After their review as stipulated in the Internal Auditor's report, the Group has taken further steps to enhance its risk management and internal control systems in response to Internal Auditor's recommendations and to strengthen the implementation of the risk management and internal control systems. No significant or material finding/internal control weakness of the Group was identified for the year ended 31 December 2018.

The Company has established policy on handling and dissemination of inside information in an accurate and secure manner that can avoid possible mishandling of inside information within the Group.

Based on the results of the risk assessments of the RMWG and the Internal Auditor's report, the Board is of the view that the Company has maintained adequate and effective risk management and internal control to safeguard shareholders' investments and assets during the year, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions.

### **Communication with Shareholders and Investor Relations**

The Group believes that effective communication with shareholders is key for improving investor relations and will ultimately assist the investment community in understanding the Group's business performance and strategies. Through regular, comprehensive, and interactive communication, we strive to enhance communication with investors through various communication channels. These include in-person meetings, telephone conferences, overseas roadshows, and project-site visits organised for the community. The Group seeks to establish a trusting and productive relationship with its shareholders and investors. The annual general meeting of the Company was held in May 2018. The Group organised briefings and media interviews for results announcements and maintained regular contact with the media through press releases, announcements, and other promotional materials. The Group is committed to enhancing corporate transparency and providing timely disclosure of information on the Group's developments to help shareholders and investors make informed investment decisions. The Group is dedicated to enhancing corporate governance practices on business growth and strives to attain a balance between corporate governance requirements and performance. The Board believes that sound corporate governance is essential to the success of the Group and will enhance shareholders values. During the year, there was no change in the Company's constitutional documents.

## CORPORATE GOVERNANCE REPORT

## Dividend Policy

The Company has adopted a dividend policy and aims to allow its shareholders to share Company's profits and for the Company to retain adequate reserves for business needs and growth.

The recommendation and declaration of dividends are subject to the discretion of the Board. The Board shall take into account various factors the Board may deem relevant, including but not limited to the Group's actual and expected financial performance, working capital requirements, capital expenditure requirements and commitments, operations and business strategies, liquidity position, retained earnings and distributable reserves, etc., and market conditions and external factors.

The Company is inclined to maintain a stronger liquidity position for its relatively capital intensive site assembly business operation, and makes no assurance that dividend will be paid for any given period or will be paid in any particular amount.

## Shareholders' Rights

### (I) PROCEDURES FOR SHAREHOLDERS TO CONVENE A SPECIAL GENERAL MEETING

A special general meeting shall be convened on the requisition of one or more shareholders of the Company holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company. Such requisition shall be made in writing to the Board or the Company Secretary of the Company at the Company's head office and principal place of business in Hong Kong.

Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitioner(s) may convene such meeting, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed by the Company.

### (II) PROCEDURES FOR WHICH ENQUIRIES MAY BE PUT TO THE BOARD

Shareholders may at any time send their enquiries to the Board in writing at the Company's head office and principal place of business in Hong Kong.

### (III) PROCEDURES FOR PUTTING FORWARD PROPOSALS BY SHAREHOLDERS AT SHAREHOLDERS' MEETING

The number of members necessary for a requisition for putting forward a proposal at a general meeting shall be:

- (a) any number of members representing not less than one-twentieth of the total voting rights of all the members having at the date of the requisition; or
- (b) not less than one hundred members.

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, at the Company's head office and principal place of business in Hong Kong in case of:

- (a) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
- (b) any other requisition, not less than one week before the meeting.

The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with the necessary procedures.



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Corporate Social Responsibility projects and activities organised with participation by the Group:

JANUARY



Soundwill Club X Pacific Coffee Take Coffee, Grounds Home Programme

MARCH



Orbis Walk for Sight 2018



Soundwill Fun Day for Employees and Families

MAY



Smoke Cessation Programme for the Workplace

FEBRUARY



Soundwill Club X Flower Workshop, Flower Giving Activity for Valentine's Day



APRIL



Midtown X YMCA, Toy Donation Campaign



Visit to the Home for the Aged

JUNE



Hong Kong Water Ski Association, Launching Ceremony of Waterfest Hong Kong 2018

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

JULY



Caritas Computer Refurbish Project



SEPTEMBER



Midtown X Greener Action, Mooncake Donation Programme



Little Bean Sprout Family Storytelling Session

AUGUST



Midtown Summer Kid's Magic Workshop



Group Annual Dinner

DECEMBER



Midtown X Color Wander, Secret Candle Christmas Workshop

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

MESSAGE FROM THE CHAIRMAN



## DEAR VALUED STAKEHOLDERS,

On behalf of the board of Directors (the “Board”), I am pleased to present the Group’s 2018 Environmental, Social and Governance (“ESG”) report (the “report”).

During the reporting period, the ESG Committee continued to uphold Soundwill’s core value of “Operating with heart”. The theme of this report, “Building Sustainable Landmarks through Innovative Services, Community Care, and Environmental Protection”, was chosen to highlight our efforts to build sustainability into our landmark buildings. It also reflects our commitment to incorporate sustainability values into our services, our relations with employees, the community and the environment.

Based on our customer-focused, service-oriented principles, we seek to provide an enhanced experience for every customer. Through the launch of Soundwill Club and its associated mobile application, we provide an interactive lifestyle and premium experience for customers.

To ensure our programmes remain relevant in the years ahead, we will engage stakeholders, maintain transparency, set appropriate policies and measure our progress, with a view to making continuous improvements in our sustainability performance.

As our employees are critical to the success of the Group, we make every effort to create a safe and healthy workplace that provides equal opportunities and benefits for all. Indeed, we have been dedicated to being an employer of choice and have received many recognitions and awards from various government departments and nongovernmental organisations (“NGOs”) over the years for our employee welfare initiatives.

With rising concerns about sustainability, the ESG Committee and the Corporate Social Responsibility (“CSR”) Team of the Group have been working together to integrate our sustainability values into our community projects and daily operations. The Group has been honoured as a Caring Company by the Hong Kong Council of Social Service for seven years in a row in recognition of its corporate spirit of caring for society through action.

On behalf of the Board, I would like to express my sincere gratitude to our dedicated employees and management. Working together, I am confident that the Group will continue to create sustainable value for our stakeholders and the community at large.

**Foo Kam Chu Grace**

*Chairman*

Hong Kong, 21 March 2019



ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

## ABOUT THIS REPORT

## Reporting Period, Standard and Scope

This report summarises the ESG related performance, achievements and highlights of Soundwill Holdings Limited and its subsidiaries (the “Group”) from 1 January 2018 to 31 December 2018 (the “reporting period”, or “year”). Details regarding our corporate governance are provided in the Corporate Governance section of the Annual Report.

This report was prepared in accordance with the ESG Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities (the “Listing Rules”) by the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Group adhered to the Materiality, Quantitative, Balance and Consistency principles when reporting on the Group’s performance in the reporting period.

In this report, we cover the operations of the building management and leasing business of the Group’s four iconic landmarks in Hong Kong:

Property	Building Type
Soundwill Plaza	Commercial building (Headquarters)
Soundwill Plaza II – Midtown	Commercial building
Park Haven	Residential building
iPLACE	Industrial building



## OVERVIEW

In line with the Group’s philosophy of “Operating with heart”, our operations focus on five key areas: Customers, Employees, Corporate Governance, Community, and the Environment. During the reporting period, the Group made the following commitments and achievements:

## Customers



- We apply a customer-focused, service-oriented principles in our operations
- We continuously upgrade our services to create premium experiences
- There were no substantiated complaints during the reporting period

## Employees



- We provide equal opportunities for employees and ensure their occupational health and safety
- We encourage employees to participate in training sessions and seminars, train our staff and equip them with professional skills
- We promote work-life balance
- We reduce or eliminate work-related injuries by adhering to all applicable laws and regulations
- We received various recognitions acknowledging our employment practices
- We complied fully with all relevant legislation, with no prosecution for violating related legislation recorded during the reporting period

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Corporate Governance



- We maintain a transparent communication and corporate governance structure
- We report/review any suspected infringements regarding any corrupt or dishonest practices
- We complied fully with all relevant legislation, with no prosecution for violating related legislation recorded during the reporting period

### Community



- We consistently endeavour to fulfil our corporate social responsibilities, enthusiastically participating in a variety of charitable activities to show our care for vulnerable groups
- The CSR Team and Soundwill Volunteer Team actively participates in various community activities
- We were named a Caring Company for the seventh consecutive year and have received numerous other awards and recognitions

### The Environment



- We strive to improve our operational methods and increase efficiency in our consumption of resources in order to reduce the impact of our business on the environment
- To promote environmental awareness, we encourage employees to participate in training programmes and activities related to environmental protection
- We complied fully with all relevant legislation, with no prosecution for violating related legislation recorded during the reporting period

## ESG APPROACH

### Stakeholder Engagement

The Group values every opportunity to communicate with our stakeholders. Accordingly, we have established a variety of effective communication channels to regularly exchange and share information with stakeholders, in order to allow stakeholders to have an in-depth understanding of our ESG related performance and strategies. The communication channels with key stakeholder include the following:

Stakeholder Groups	Communication Channels
<b>Shareholders/Investors</b> 	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Annual meetings</li> <li>• Annual and interim reports, financial statements and announcements</li> <li>• Press releases</li> <li>• Investor relations enquiry hotline and email</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Customer service hotline and email</li> <li>• The Soundwill Club mobile application and social media</li> <li>• Surveys</li> <li>• Direct communication with frontline employees</li> </ul>
<b>Tenants</b> 	<ul style="list-style-type: none"> <li>• Customer service hotline and email</li> <li>• Surveys</li> <li>• Meetings</li> <li>• Direct communication with frontline employees</li> </ul>

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

Stakeholder Groups	Communication Channels
<b>Media</b> 	<ul style="list-style-type: none"> <li>• Press releases</li> <li>• Press Conferences</li> <li>• Media enquiry hotline and email</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Intranet — an internal networking tool</li> <li>• Internal newsletters</li> <li>• Employee Handbook and Code of Conduct</li> <li>• Annual performance reviews</li> <li>• Group activities</li> </ul>
<b>Suppliers/Vendors/Service Providers</b> 	<ul style="list-style-type: none"> <li>• Continuous direct communication</li> <li>• Regular reviews and assessments</li> </ul>
<b>Communities/Non-governmental organisations</b> 	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Social media</li> <li>• Press releases and conferences</li> <li>• Event, activities and exhibitions</li> <li>• Sponsorships and donations</li> </ul>

## ESG APPROACH AND MATERIALITY ASSESSMENT

With assistance from the CSR Team, the cross-department ESG Committee works to incorporate ESG values into the Group's operations.

To raise awareness and promote understanding of our ESG reporting, members of the ESG Committee regularly attend various sustainability related seminars. The Committee also holds regular meetings with different departments to facilitate the implementation of the Group's ESG strategy and action plans. This enables the Group to minimise ESG-related risks, reinforce employee involvement in relevant programmes, and increase the Group's overall ESG performance.

When engaging different stakeholders, we identified a number of key material issues to our business including service quality, the customer/tenant experience, employment practices, community involvement, greenhouse gas ("GHG") emissions and resource management.

The Committee considers these material issues that have been identified and incorporates them into the Group's long-term ESG strategy and management approach. Under the guidance of an external independent sustainability consultant, the ESG Committee integrates these material issues into the Group's ESG policies and initiatives.

## A PREMIUM CUSTOMER EXPERIENCE

### Our Commitment to Customer Satisfaction

The Group attached high importance to the quality of our properties and the related management service. Before a property is formally delivered, numbers round of review and inspections are performed by our professional handover team to ensure that the units are in optimal condition when delivered to the owners. Comprehensive after-sales services and a two-year maintenance warranty are also provided for newly-occupied properties.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The building management services offered by our building management team include the following:



Our stringent quality management and maintenance regime has earned the Group Indoor Air Quality Certifications (Good Class) for both Soundwill Plaza and Park Haven.

We consider opinions from our customers a valuable resource for motivating our improvement. The implementation of our strictly established customer service code and operational procedures to fulfill the commitment of offering quality service. We maintain continuous two-way communication and welcome customer's feedback. All customer's comments are recorded and evaluated regularly, and all complaints are handled in a professional and timely manner. During the reporting period, no substantiated complaints were received.

### A High-Quality Lifestyle

To maintain our market competitiveness, the Group is constantly developing innovative new services and improving the existing ones we offer.

#### Interactive Living with the Soundwill Club

The Soundwill Club was established as an interactive platform for developing long-term relationships with customers, tenants and visitors.

The Soundwill Club launched a mobile application and online shopping platform to give an easy access to the latest offers and promotions of the flagship properties under the Group including Soundwill Plaza and Soundwill Plaza II — Midtown. Soundwill Club members can download e-coupons and accumulate reward points for redeeming prizes. In addition, we collect customer feedback through the Soundwill Club to understand customer's needs in order to further enhance the quality of our products and services.

#### High-end Living: The Concierge

The Group have incorporated a range of luxury services into our building management, including The Concierge at Park Haven. Modelled on hotel services provided in France, The Concierge offers comprehensive services such as room service, catering service, household maintenance, laundry and dry-cleaning service, etc. letting residents to experience a hotel-like lifestyle.

ENVIRONMENTAL, SOCIAL AND  
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## EMPLOYEE AND COMMUNITY CARE

## Developing our Human Capital

Our employees are our most valuable asset, we believe that caring for our employees and helping them reach their full potential are a key element in our people-driven culture and essential for operating a sustainable business.

**An Equal Opportunity Employer**

As an equal opportunity employer, we have established a fair and impartial recruitment policy. Regardless of ethnicity, religion, gender or age, all people enjoy equal employment opportunities and are treated in a fair and impartial manner. The Group's Administration and Human Resources Department (the "HR Department") verified the personal information of all potential candidates to prevent any form of child or unlawful employment.

The Group's basis salaries on the principle of fairness and ensures that wages are in compliance with the local employment laws. Wages in related markets are also referenced to provide competitive remuneration packages. The Group strictly complies with all relevant employment legislation. During the year, no case of prosecution for violating Hong Kong's labour legislation or related laws and regulations was reported.

**Maintaining a Positive Corporate Image**

The Group places great emphasis on the integrity and ethics of all staff. To reinforce ethical behaviour among our employees, we have established internal policies and a Code of Conduct. Any employees with misconduct would be disciplined based on the internal guideline. There was no forced labour in the reporting period. Besides, the Group has zero tolerance for any form of harassment, discrimination or violence and provides a reporting mechanism for handling any complaints received.

Moreover, the Group places great importance on customer privacy and requires all employees to protect customers' confidential data and intellectual property rights. All staff may collect the personal data of customers for internal use only. Customer data are kept strictly confidential and will not be leaked to any unauthorised third-party without the consent of the relevant customers. Furthermore, the Group respects intellectual property rights and follows the relevant laws that the Information Technology Department ("IT Department") will periodically check and monitor computer software to prevent unauthorised installation.

The Group has established a robust system of corporate governance to safeguard the interests of shareholders and other stakeholders. The independent internal audit team performs regular checks, formulates anti-corruption guidelines and conducts reviews. An independent auditor has also been appointed to audit our accounts and ensure their fairness and completeness.

Under the Group's Prevention of Fraud and Corruption policy, employees are prohibited from offering, accepting, paying or authorising bribes, or any other forms of corruption. The comprehensive policies prepared by the board apply to all employees, including the senior management and the Board of Directors.

To help employees report suspected cases of misconduct, we have established a whistleblowing mechanism. All complaints are handled in a prudent manner. If it is found upon investigation that any misconduct is involved, the matter will be referred to the relevant disciplinary body for follow-up action. The Group also encourages staff members to attend seminars held by the Independent Commission Against Corruption ("ICAC") as a means of enhancing their awareness of business ethics.

During the reporting period, no instance of corruption or breach of customer data or intellectual property rights was filed.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Professional Development



Gearing up employees is vital to sustainable growth of the Group. We provide a wide variety of training programmes so that our employees can develop their professional knowledge and skills.

Our building management team also provides training courses, seminars and workshops on topics such as customer service, security and maintenance. In order to maintain the highest professional standards, training is offered both internally and by external specialists.

### Employee Wellbeing



In line with our occupational health and safety objectives, the Group aims to achieve zero injuries in all the workplace. As a Green Cross Group member of the Occupational Safety & Health Council, we promote occupational health and safety to management, employees and contractors through safety training, health talks, safety equipment update and emergency rescue drills.

During the reporting period, we complied with all relevant occupational health and safety laws and regulations, with no work-related fatalities recorded.

We care the physical and mental health of employees, and thus we take pleasure in providing employees with an environment that balance work and family life, and encourage an interactive and comfortable workplace. We instituted a five-day work week so that staff have more time to rest and be with their families, as well as enhancing work efficiency.

### Staff Activities



Various programmes and activities were organised throughout the year to engage employees and enhance their sense of belonging, health and wellbeing that foster communication among our employees and show our appreciation for their contributions.

#### GROUP ANNUAL DINNER



#### SOUNDWILL FUN DAY FOR EMPLOYEES AND FAMILIES



#### RECOGNITION FOR OUTSTANDING PERFORMANCE STAFF



#### SMOKING CESSATION PROGRAMME BY THE LOK SIN TONG BENEVOLENT SOCIETY



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has placed an emphasis on employee care and has received a number of honours and recognitions for our employee care programmes throughout the year.

SMOKING CESSATION PROGRAM IN WORKPLACE



The Lok Sin Tong Benevolent Society

「愛·無煙」  
前線企業員工戒煙計劃

金朝陽集團有限公司  
無煙企業  
SMOKE-FREE COMPANY

GOOD MPF EMPLOYER 

Mandatory Provident Funds Schemes Authority



積金好僱主  
Good MPF Employer

Maxrise Construction Engineering Ltd.  
振昇建築工程有限公司

Good MPF Employer  
「積金好僱主」



The Labour Department



僱主好  
好僱主約章

金朝陽集團有限公司

Soundwill Holdings Limited

Being a Signatory of the Good Employer Charter pledges to adopt employee-oriented good human-resources management practices

勞工處  
Commissioner for Labour  
陳美怡

THE GOOD EMPLOYER CHARTER



友商有良  
Partner Employer Award 嘉許計劃

嘉許企業嘉許狀  
金朝陽集團有限公司



The Hong Kong Chamber of Small and Medium Business



開心工作間 2018

金朝陽集團有限公司

HAPPY 開心企業  
COMPANY

The Hong Kong Productivity Council

PARTNER EMPLOYER AWARD

HAPPINESS AT WORK PROMOTIONAL SCHEME — HAPPY COMPANY

ENVIRONMENTAL, SOCIAL AND  
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## CARE FOR THE COMMUNITY

As a socially responsible company, we actively participate in community service to extend our care to vulnerable groups in the community. During the reporting period, the CSR Team and Soundwill Volunteer Team take part in various community engagement activities to support different sectors and give back to the community.

### FLOWER GIVING ACTIVITY FOR VALENTINE'S DAY AND MOTHER'S DAY



On Valentine's Day and Mother's Day, the Group selected the Flower Workshop of the Hong Kong Federation of Handicapped Youth, a charitable organisation that provides training and job opportunities for the disadvantaged. Flower Workshop was the supplier of roses, which distributed to pedestrians in celebration of these occasions.



### SUPPORTING THE HONG KONG ALZHEIMER'S DISEASE ASSOCIATION

In support of the fight against Alzheimer's, the Group purchased preserved flowers from the Hong Kong Alzheimer's Disease Association and distributed them as gifts in our buildings.



### FOOD ANGEL VOLUNTEER ACTIVITY

The Soundwill Volunteer Team joined Food Angel volunteer activity, a food assistance programme, to prepare and donate food to underprivileged communities.



### LAUNCH CEREMONY OF WAKEFEST HONG KONG 2018



Soundwill Plaza II — Midtown provided a free venue for the opening ceremony and promotion of Wakefest Hong Kong 2018 by the Hong Kong Water Ski Association.



### ORBIS WALK FOR SIGHT 2018

The Soundwill Volunteer Team participated in the Orbis Walk for Sight 2018 to raise money for people suffering from eye diseases.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

VISIT TO A HOME FOR THE AGED



The Soundwill Volunteer Team visited the elderly at the Yi Wo Yuen Aged Sanatorium Centre. During the visit, the team organised fun activities and distributed gifts.



PO LEUNG KUK FLAG DAY

The Soundwill Volunteer Team participated in Flag Day to raise funds and support for Po Leung Kuk's social and education services projects.



MIDTOWN SUMMER KID'S MAGIC WORKSHOP

The Midtown Summer Magic Workshop collaborated with the Outlying Islands Women's Association (the "OIWA") to offer free magic classes for children during the summer break.



LITTLE BEAN SPROUT FAMILY STORYTELLING SESSION



The Soundwill Volunteer Team participated in the Little Bean Sprout Family Storytelling Session – Neighbourhood Development Project hosted by the OIWA, during which the team shared stories, played games and made handicrafts with children in Tung Chung.



ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

Beneficiaries of donation/sponsorship:

Beneficiary Organisations	Name of Activity
<b>Orbis</b>	Orbis Walk for Sight
<b>The China Disabled Persons' Federation</b>	The First National Handicapped Painting and Calligraphy Artist (Hong Kong) Invitational Exhibition
<b>The Outlying Islands Women's Association</b>	General Fund
<b>Po Leung Kuk</b>	Flag Sale Activities for Po Leung Kuk
<b>The Boy's Brigade</b>	Anchor Run
<b>The Community Chest</b>	The Community Chest 50th Anniversary Walk for Millions The Community Chest Dress Casual Day 2018 The Community Chest Skip Lunch Day 2018 The Community Chest Green Day 2018
<b>The Hong Kong Alzheimer's Disease Association</b>	General Fund
<b>Society for the Welfare of the Autistic Persons</b>	General fund



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In addition, we received a number of awards acknowledging our spirit of community care:

CARING COMPANY



The Hong Kong Council of Social Service



HEART TO HEART COMPANY



The Hong Kong Federation of Youth Groups



The Federation of Hong Kong Industries



INDUSTRY CARES



The Hong Kong Productivity Council



The Labour and Welfare Bureau



SOCIAL CAPITAL BUILDER AWARDS

HONG KONG CORPORATE CITIZENSHIP PROGRAM

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ENVIRONMENTAL FOOTPRINT

#### Incorporating Green Principles into our Operations

The Group is proactive in promoting sustainable development and environmental protection. As we move towards integrating more sustainability values into our operations, our ESG Committee has been playing a greater role in addressing the environmental challenges we face.

Throughout the reporting period, we complied with all relevant environmental laws and regulations, while our ESG Committee implemented a range of measures to minimise the impact of its business operations on the environment.

#### Reducing Electricity Consumption and Greenhouse Gas Emissions

The majority of our electricity consumption and corresponding GHG emissions originated in our building management operations. In response, our ESG Committee took steps to reduce these environmental impacts progressively.

We installed more energy-efficient equipment such as replacing existing light fixtures with LEDs, T5 tubes, or energy saving light bulbs at Soundwill Plaza II – Midtown. And a water tank transformer was also installed to lower the amount of electricity used by the water tank. At Park Haven, we provided electric vehicle chargers in the parking lot for building residents who own electrically-powered cars.

The ESG Committee also regularly monitored electricity usage in our offices and buildings. The data collected from this exercise will be used to review our buildings' performance, identify preventive measures and produce electricity savings plans. Other measures included adjusting the operating hours of the lifts, air-conditioning systems and public lighting systems to optimise electricity usage during peak and off-peak hours.

To promote a culture of sustainability within the workplace, the ESG Committee has helped to develop a green office culture with various departments, particularly with regard to reducing electricity consumption. Among other measures, we asked that employees turn off all electronic devices when not in use to prevent electricity wastage.



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Overview of Electricity Consumption and GHG Emission <sup>(Note 1)</sup>			
Electricity Consumption			
Property	Unit	2018	2017
Soundwill Plaza <sup>(Note 2)</sup>	'000 kWh	3,962.12	3,887.89
Soundwill Plaza II — Midtown <sup>(Note 2)</sup>	'000 kWh	1,262.19	1,192.37
Park Haven	'000 kWh	421.10	442.14
iPLACE <sup>(Note 3)</sup>	'000 kWh	366.70	63.97
Total consumption	'000 kWh	6,012.11	5,586.37
Total intensity <sup>(Note 4)</sup>	'000 kWh/Gross Floor Area (m <sup>2</sup> )	0.111	0.103
Greenhouse Gas Emissions <sup>(Note 5)</sup>			
Property	Unit	2018	2017
Soundwill Plaza <sup>(Note 2)</sup>	Tonnes of CO <sub>2</sub> equivalent (tCO <sub>2</sub> e)	3,130.07	3,071.43
Soundwill Plaza II — Midtown <sup>(Note 2)</sup>	tCO <sub>2</sub> e	997.13	941.97
Park Haven	tCO <sub>2</sub> e	332.67	349.29
iPLACE <sup>(Note 3)</sup>	tCO <sub>2</sub> e	187.02	32.62
Total emission	tCO <sub>2</sub> e	4,646.89	4,395.31
Total intensity <sup>(Note 4)</sup>	tCO <sub>2</sub> e/m <sup>2</sup>	0.086	0.081

Note 1: Some of the relevant data in 2017 was modified due to the refinement in the calculation method.

Note 2: The slight increase of electricity consumption and GHG emission at Soundwill Plaza and Soundwill Plaza II — Midtown in 2018 was mainly attributable to the increased occupancy rate.

Note 3: The relevant data for iPLACE in 2017 refers to the figures from January 2017 to May 2017 during the final construction stage. The relative increase in electricity consumption and GHG emission data was mainly due to the handover of new units in 2018. The overall increase in electricity and GHG intensity in 2018 was mainly attributable to the increase in electricity consumption at iPLACE after handover.

Note 4: The gross floor area of the four properties is 54,016 m<sup>2</sup>.

Note 5: The Group generated only Scope 2 GHG emissions, which referred to indirect energy emissions resulting from the generation of purchased electricity and/or gas.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Resource Conservation



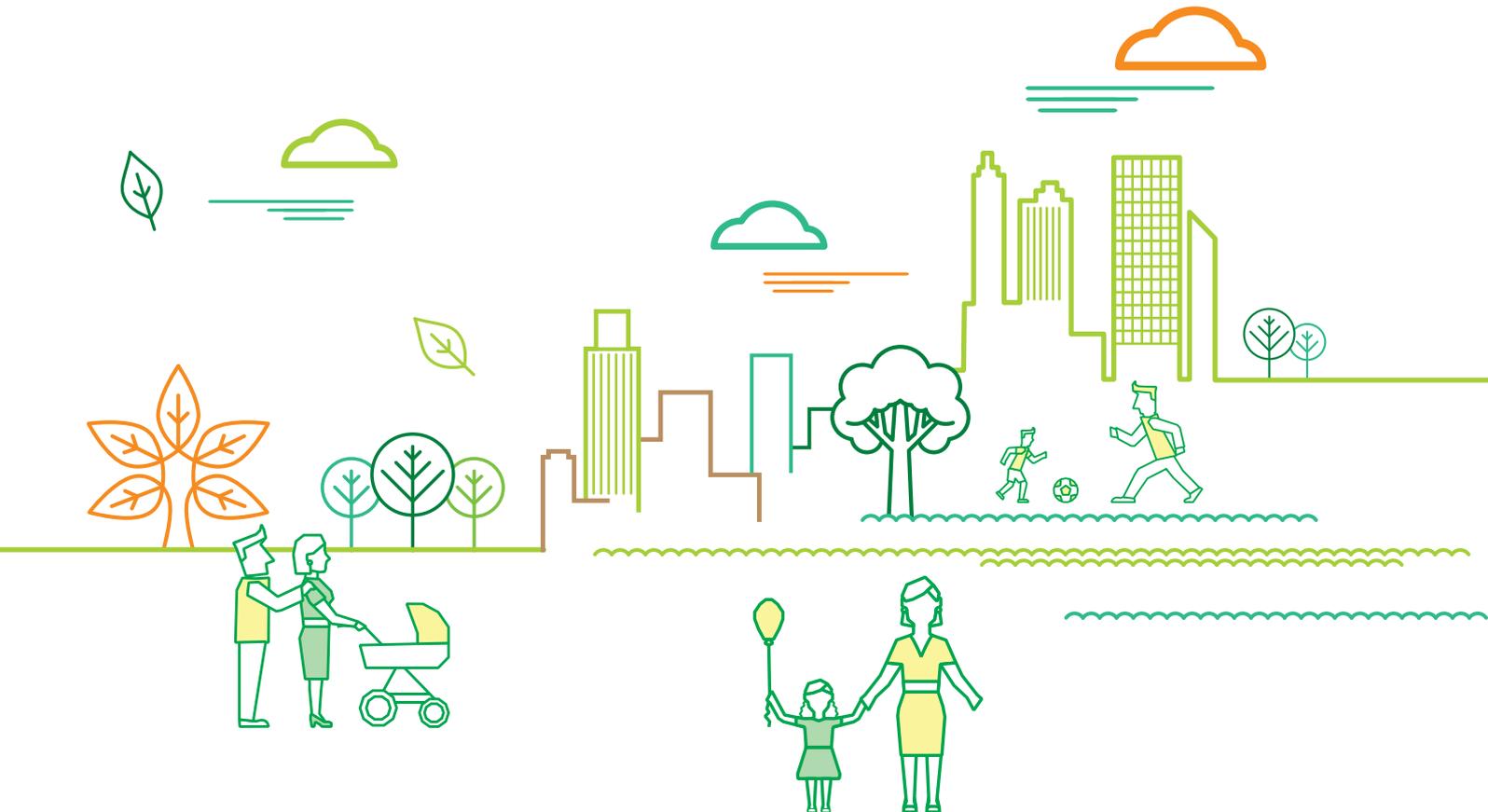
In recognition of the need to reduce our environmental footprint, we optimise our resource consumption and manage waste according to the 4R principles: Responsible procurement, Reducing, Reusing and Recycling.



When procuring office or building management supplies, we consider the environmental and social values of our suppliers. All suppliers are required to comply with all relevant local environmental and social regulations and also to support resource conservation and waste reduction. Additionally, our ESG Committee participated in the Green Procurement Forum organised by the Environmental Protection Department ("EPD") to learn about alternative green office and operational supplies.

Among the green office supplies now in use are Forest Stewardship Council Certified paper, totally degradable plastic umbrella bags and recycled hand paper in our buildings.

To minimise paper waste, we worked with the IT Department and the HR Department to establish a green documentation policy for a paperless office. Under this policy, we are increasing the usage of electronic documentation through the adoption of computer software and systems such as HR-Lite 2.



ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT**Waste Management**

In addition to optimising the use of resources, the Group carefully manages the waste we produce and the water we consume in daily operations.

To improve our recycling systems and reduce waste, our building management business has increased the sorting and recycling of waste in our buildings. In addition to providing collection boxes or recycling services for various recyclables and other waste management measures, waste are collected by designated contractor.



We also participated in a number of recycling programmes organised by the government and non-governmental organisations. In addition to recycling rechargeable batteries, we took part in the Computer & Communication Products Recycling Programme and the Waste Electronic Equipment Recycling Collection Service by the EPD. Used computer equipment was donated to social welfare associations such as the Caritas Computer Workshop.

The ESG Committee also periodically monitored the performance of our recycling schemes and systems to evaluate their efficiency and identify ways we can improve them. We are aiming to achieve even greater results in terms of waste reduction in the years ahead.

**Overview of Waste Disposal and Recycling** (Note 1) (Note 2)

Property	Unit	Disposed	Recycled
Soundwill Plaza	tonnes	220.50	6.76
Soundwill Plaza II — Midtown	tonnes	30.95	6.49
Park Haven	tonnes	38.76	0.26
iPLACE	tonnes	66.60	0.02
Total waste	tonnes	356.81	13.53

Note 1: The Group's building management and leasing businesses did not produce any hazardous waste during the reporting period.

Note 2: Waste is not a material issue to building management and leasing business. Therefore, waste intensity figures were not disclosed.

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**Water Saving**



In effort to increase water efficiency and prevent water leakages, the Group has installed sensor-activated devices and self-closing water taps in our buildings. The Group also conducted regular inspections of the water supply and drainage systems in our buildings to identify any leakages.



**Overview of Water Consumption** <sup>(Note 1)</sup>

Property	Unit	2018	2017
Soundwill Plaza <sup>(Note 2)</sup>	m <sup>3</sup>	29,175.00	28,723.00
Soundwill Plaza II — Midtown	m <sup>3</sup>	6,538.66	9,401.33
Park Haven	m <sup>3</sup>	1,207.06	1,423.02
iPLACE <sup>(Note 3)</sup>	m <sup>3</sup>	7,510.03	259.00
Total consumption	m <sup>3</sup>	44,430.75	39,806.35
Total intensity <sup>(Note 4)</sup>	m <sup>3</sup> /m <sup>2</sup>	0.82	0.74

Note 1: Some of the relevant data in 2017 was modified due to the refinement in the calculation method.

Note 2: The slight increase of water consumption at Soundwill Plaza in 2018 was mainly attributable to the increased occupancy rate.

Note 3: The relevant data for iPLACE in 2017 refers to the figures from January 2017 to May 2017 when it was in the final stage of construction. The relative increase in water consumption data was mainly due to the handover of new units in 2018. The overall increase in water intensity in 2018 was mainly attributable to the increase in water consumption at iPLACE.

Note 4: The gross floor area of the four properties is 54,016 m<sup>2</sup>.

In addition to these measures, the Group has continuously monitored resource consumption, set up preventive measures and educated the public.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GREEN INVOLVEMENT

In efforts to shape a greener future, our ESG Committee and ESG CSR Team have organised and participated in various activities related to sustainability.

TAKE COFFEE GROUNDS HOME PROGRAMME



The Group partnered with Pacific Coffee to hand out free coffee grounds for visitors to take home and reuse. This programme promoted resource conservation by teaching the public to repurpose and reduce waste.

PEACH BLOSSOM TREES RECYCLING PROGRAMME



The Group partnered with a waste management company to give peach blossom trees a second life. Tenants were encouraged to donate their trees after the holiday for reuse as mulch and compost.

TOY DONATION CAMPAIGN



During Children's Day, Soundwill Plaza II — Midtown partnered with the Toy Bank of the Young Men's Christian Association ("YMCA") to donate used toys. The campaign benefited underprivileged families while encouraging young people to adopt a sustainability attitude.

MOONCAKE DONATION PROGRAMME



In support of Greener Action's Mooncake Donation Programme 2018, we set up recycling counters in our building lobbies to collect unopened mooncake packages. This not only reduced food waste but also helped those in need in the community.



CARITAS COMPUTER REFURBISH PROJECT



To reduce electronic waste and promote recycling, we supported the Caritas Computer Refurbish Project by donating more than 70 computers and computer equipment to the Caritas Computer Workshop.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To promote low carbon living, the Group participated in various environmental charter initiatives and campaigns during the reporting period. The building management also joined the 9th No Air Con Night 2018 event organised by Green Sense, the Charter on External Lighting organised by the Environmental Bureau and Earth Hour, a global campaign organised by the World Wide Fund for Nature.

In acknowledgment of the ESG Committee's continuous efforts to integrate sustainability into our operations, the Group received the following environmental awards during the reporting period:



### HONG KONG GREEN ORGANISATION CERTIFICATION — WASTEWI\$E CERTIFICATE



### HONG KONG GREEN ORGANISATION CERTIFICATION — ENERGYWI\$E CERTIFICATE

#### THE WAY AHEAD

For the future, the Group will continue to pursue its mission of becoming a sustainable enterprise as the direction for our development. We have also committed to improving our performance in all aspects of our responsibilities to the environment, society and governance. The Group will look for opportunities to collaborate across all sectors of society, in partnership with other businesses, NGOs and the government, and supporting innovative activities that create greater value for all stakeholders and the betterment of society. At the same time, in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Group will continue to share information on our environmental, social and governance performance with the public.

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## ESG Content Index

Aspect/Description/KPI		Statement/Section	Page No.	
<b>A. Environment</b>				
A1 Emission				
A1	General Disclosure	(a) the policies (b) compliances with relevant laws and regulations that have a significant impact on the issuer	Environmental Footprint The Group has complied with all local environmental laws and regulations relating to its building management and leasing businesses.	40 N/A
A1.1	Types of emissions and respective emissions data		Reducing Electricity Consumption and Greenhouse Gas Emissions	41
A1.2	Greenhouse gas emissions in total and, where appropriate, intensity		Reducing Electricity Consumption and Greenhouse Gas Emissions	41
A1.3	Total hazardous waste produced and, where appropriate, intensity		The Group's building management and leasing businesses did not produce hazardous waste.	N/A
A1.4	Total non-hazardous waste produced and, where appropriate, intensity		Resource Management	42–43
A1.5	Description of measures to mitigate emissions and results achieved		Reducing Electricity Consumption and Greenhouse Gas Emissions	40–41
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved		Resource Management	42–43
A2 Use of Resources				
A2	General Disclosure		Environmental Footprint	40
A2.1	Direct and/or indirect energy consumption by type in total and intensity		Reducing Electricity Consumption and Greenhouse Gas Emissions	41
A2.2	Water consumption in total and intensity		Resource Management	44
A2.3	Description of energy use efficiency initiatives and results achieved		Reducing Electricity Consumption and Greenhouse Gas Emissions	40–41
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved		The Group did not have any issues sourcing water. However, the Group has been actively engaging employees on water conserving practices.	N/A
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced		The Group did not have used any packaging materials.	N/A
A3 The Environment and Natural Resources				
A3	General Disclosure		Environmental Footprint	40
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them		Environmental Footprint	40–46

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Aspect/Description/KPI		Statement/Section		Page No.
<b>B. Social</b>				
<b>B1 Employment</b>				
B1	General Disclosure	(a) the policies (b) compliances with relevant laws and regulations that have a significant impact on the issuer	Developing Human Capital The Group has complied with all local employment laws and regulations related to the building management and leasing businesses.	33–35 N/A
B1.1	Total workforce by gender, employment type, age group and geographical region		Not disclosed	N/A
B1.2	Employee turnover rate by gender, age group and geographical region		Not disclosed	N/A
<b>B2 Health and Safety</b>				
B2	General Disclosure	(a) the policies (b) compliances with relevant laws and regulations that have a significant impact on the issuer	Developing Human Capital The Group has complied with all local occupational health and safety laws and regulations related to the building management and leasing businesses. There was no violation regarding any occupational hazards.	34 N/A
B2.1	Number and rate of work-related fatalities		Developing Human Capital	34
B2.2	Lost days due to work injury.		Not disclosed	N/A
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored		Developing Human Capital	34
<b>B3 Development and Training</b>				
B3	General Disclosure		Developing Human Capital	34
B3.1	Percentage of employees trained by gender and employee category		Not disclosed	N/A
B3.2	Average training hours completed per employee by gender and employee category		Not disclosed	N/A
<b>B4 Labour Standard</b>				
B4	General Disclosure	(a) the policies (b) compliances with relevant laws and regulations that have a significant impact on the issuer	Developing Human Capital The Group has complied with all local labour laws and regulations relating to the building management and leasing businesses. There was no violation regarding the employment of child, forced or other unlawful labour.	33 N/A
B4.1	Description of measures to review employment practices to avoid child and forced labour		Developing Human Capital	33
B4.2	Description of steps taken to eliminate such practices when discovered		Not disclosed	N/A

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Aspect/Description/KPI		Statement/Section	Page No.
<b>B5 Supply Chain Management</b>			
B5	General Disclosure	Resource Management	42
B5.1	Number of suppliers by geographical region	Not disclosed	N/A
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Resource Management	42
<b>B6 Product Responsibility</b>			
B6	General Disclosure	(a) the policies (b) compliances with relevant laws and regulations that have a significant impact on the issuer	A Premium Customer Experience The Group has complied with all relevant local laws and regulations relating to the building management and leasing businesses.
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	The Group did not sell or ship any products.	N/A
B6.2	Number of products and service related complaints received and how they are dealt with.	Our Commitment to Customer Satisfaction	31–32
B6.3	Description of practices relating to observing and protecting intellectual property rights	Developing Human Capital	33
B6.4	Description of quality assurance process and recall procedures.	Our Commitment to Customer Satisfaction	31–32
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Developing Human Capital	33
<b>B7 Anti-Corruption</b>			
B7	General Disclosure	(a) the policies (b) compliances with relevant laws and regulations that have a significant impact on the issuer	Developing Human Capital The Group has complied with all relevant local laws and regulations relating to the building management and leasing businesses. There was no violation or corruption in any form.
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Year and the outcomes of the cases	Developing Human Capital	33
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Developing Human Capital	33
<b>B8 Community Investment</b>			
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# REPORT OF THE DIRECTORS

The board (the “Board”) of directors (the “Directors”) of Soundwill Holdings Limited (the “Company”) are pleased to present their report and the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2018 (the “Consolidated Financial Statements”).

## Business Review

A business review of the Group during 2018 is set out under:

- (1) the Chairman’s Statement on pages 4 to 5;
- (2) the Operations Review and Prospects on pages 8 to 15; and
- (3) the Management Discussion and Analysis on pages 16 to 17.

## Principal Activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries include property development, property leasing and provision of building management services in Hong Kong and property development in the People’s Republic of China (“PRC”). Other particulars of the subsidiaries are set out in note 35 to the Consolidated Financial Statements.

## Results and Dividend

The results of the Group for the year ended 31 December 2018 and the state of the Group’s and the Company’s affairs as at the date are set out in the Consolidated Financial Statements on pages 128 to 288.

The Board recommends a payment of a final dividend of HK\$0.20 (2017: HK\$0.20) per share and no payment of special dividend (2017: Nil) for the year ended 31 December 2018, subject to the approval of the shareholders at the forthcoming annual general meeting to be held on Friday, 24 May 2019. The final dividend will be payable on or about Friday, 14 June 2019 to shareholders whose names appear on the register of members on Friday, 31 May 2019.

## Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group during the year are set out in note 18 to the Consolidated Financial Statements.

## Subsidiaries

Particulars of the Group’s principal subsidiaries are set out in note 35 to the Consolidated Financial Statements.

## Borrowings

Particulars of the borrowings of the Group at the reporting date are set out in note 27 to the Consolidated Financial Statements.

## Share Capital

Details of the movements in share capital of the Company during the year are set out in note 29 to the Consolidated Financial Statements.

## Reserves

Details of the movements in reserves of the Group and the Company during the year are set out in the Consolidated Statement of Changes in Equity on pages 136 to 139 and note 30 to the Consolidated Financial Statements respectively.

## REPORT OF THE DIRECTORS

**Share Option Scheme**

Particulars of the share option scheme, share options granted and movement are set out in note 44 to the Consolidated Financial Statements.

**Equity-Linked Agreements**

Save as disclosed under section headed “Share Option Scheme” of this Report of Directors, no equity-linked agreements were entered into during the year or subsisted at the end of the year.

**Major Properties Held/Major Properties Under Development**

Particulars of the major properties held by the Group and major properties under development of the Group are set out on pages 57 and 58 respectively.

**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 59. This summary does not form part of the Consolidated Financial Statements.

**Directors**

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

**EXECUTIVE DIRECTORS:**

Madam Foo Kam Chu Grace (*Chairman*)

Ms. Chan Wai Ling

Mr. Kong Siu Man Kenny (resigned with effect from 29 August 2018)

**INDEPENDENT NON-EXECUTIVE DIRECTORS:**

Mr. Chan Kai Nang

Mr. Pao Ping Wing

Mr. Ng Chi Keung

Pursuant to the bye-law 87 of the bye-laws of the Company (the “Bye-Laws”), Mr. Pao Ping Wing and Mr. Ng Chi Keung will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to rule 3.13 of the Rules Governing the Listing of Securities (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company considers that all the independent non-executive directors are independent.

**Directors’ Material Interests in Transactions, Arrangements and Contracts**

Saved as disclosed in this report and note 37 “Related Party Transactions” to the Consolidated Financial Statements, no transaction, arrangement or contract of significance to the Group’s business to which a Director of the Company or his/her connected entity had a material interest, whether directly or indirectly were entered into or subsisting during the financial year.

## REPORT OF THE DIRECTORS

**Directors' Service Contracts**

Independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation in accordance with the Bye-Laws.

As at 31 December 2018, no Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

**Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations****1. DIRECTORS' INTERESTS IN THE COMPANY**

As at 31 December 2018, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) which are required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have taken under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

**Long positions in the shares and underlying shares:**

Name of Director	Capacity	Number of ordinary shares interested	Approximate percentage of the Company's total issued shares
Foo Kam Chu Grace	Beneficial owner and Beneficiary of a trust	207,968,130 <sup>(Note 1)</sup>	73.41%
Chan Wai Ling	Beneficiary of a trust	207,871,528 <sup>(Note 2)</sup>	73.37%

*Note 1:* Madam Foo Kam Chu ("Madam Foo") was deemed to be interested in 207,968,130 shares of the Company in aggregate: (i) 96,602 shares of the Company was personally held by Madam Foo; (ii) 205,485,528 shares of the Company was held by Ko Bee Limited ("Ko Bee"), the entire issued share capital of which was held by a discretionary trust (the "Trust"). Madam Foo is a beneficiary of the Trust; and (iii) 2,386,000 shares of the Company was held by Full Match Limited ("Full Match"), a company wholly-owned by Koo Bee.

*Note 2:* Ms. Chan Wai Ling ("Ms. Chan") was deemed to be interested in 207,871,528 shares of the Company. Ms. Chan is a beneficiary of the Trust.

## REPORT OF THE DIRECTORS

**2. DIRECTORS' INTERESTS IN ASSOCIATED CORPORATIONS**

Name of Director	Name of associated corporations	Capacity	Number and class of shares held	Percentage of shareholding
Foo Kam Chu Grace	Ko Bee Limited	Beneficiary of a trust	1 ordinary share	100% <sup>(Note 3)</sup>
Chan Wing Ling	Ko Bee Limited	Beneficiary of a trust	1 ordinary share	100% <sup>(Note 3)</sup>
Foo Kam Chu Grace	Full Match Limited	Interest in controlled corporation and Beneficiary of a trust	1 ordinary share	100% <sup>(Note 3)</sup>
Chan Wing Ling	Full Match Limited	Interest in controlled corporation and Beneficiary of a trust	1 ordinary share	100% <sup>(Note 3)</sup>

*Note 3:* The entire issued share capital of Ko Bee is held by the Trust. The entire issued share capital of Full Match is held by Ko Bee. Madam Foo and Ms. Chan are the beneficiaries of the Trust.

Save as disclosed above, as at 31 December 2018, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have taken under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

**Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company**

As at 31 December 2018, the person(s) other than a Director or chief executive of the Company who have interests or short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, was/were as follows:

**1. LONG POSITIONS IN THE SHARES**

Name of shareholder	Capacity	Number of shares	Approximate percentage of shareholding
Century Pine (PTC) Limited	Trustee of a trust	207,871,528 <sup>(Notes 1&amp;4)</sup>	73.37%
Ko Bee Limited	Beneficial owner and Interest of controlled corporation	207,871,528 <sup>(Notes 1&amp;4)</sup>	73.37%

*Note 4:* Ko Bee is ultimately held under the Trust with Century Pine (PTC) Limited as trustee for Madam Foo and her family members (including Ms. Chan, executive Director of the Company).

## REPORT OF THE DIRECTORS

Save as disclosed above, as at 31 December 2018, the Company had not been notified by any person(s) (other than the Directors and chief executive of the Company, whose interests are set out in the section “Directors’ and Chief Executive’s Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations” above), who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

### Directors’ Right to Acquire Shares and Debentures

Save as disclosed above and note 44 to the Consolidated Financial Statements, at no time during the year ended 31 December 2018 were rights to subscribe for equity or debt securities of the Company granted to any Director or chief executive of the Company or to their spouse or children under 18 years of age as recorded in the register required to be kept under Part XV of the SFO, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable any such persons to acquire any such rights in any other body corporate.

### Directors’ Interests in Competing Business

During the year, no Director had any interests in any business which competed or were likely to compete, either directly or indirectly, with the Group’s business.

### Principal Risks and Uncertainties

The Group is exposed to various risks in its businesses and operations. Through internal control systems and procedures, the Company has taken reasonable steps to ensure that significant risks are monitored and do not adversely affect the Group’s operations and performances. The relevant risks are managed on an ongoing basis. A non-exhaustive list of principal risks and uncertainties facing the Group is set out below:

#### 1. MARKET RISK

The Group’s revenue is principally derived from Hong Kong. The conditions of the economy as a whole and the property market may have significant impact to the Group’s financial results and conditions.

#### 2. COMPLIANCE RISK

The Group’s operations require compliance with local and overseas laws (including those of PRC, Bermuda, Cayman Islands and British Virgin Islands) and regulations, including but not limited to property sale, management and construction as well as companies and securities laws. The Group has constantly monitored its compliance with relevant laws and regulations that have a significant impact on the Group.

#### 3. CONSTRUCTION RISK

The Group also engages in construction business. The Group has to ensure it can timely complete its construction projects under relevant time limits; within cost control and adherence to quality and specifications. Certain factors may adversely affect this operation including shortages of labour, equipment and/or materials; disputes with contractors and subcontractors; unfavourable or adverse weather conditions; accidents and changes in government policies and practices. Occurrence of one or more of these factors may potentially delay completion; result in cost overrun and/or leading to postponement of profit recognition to a subsequent financial year.

## REPORT OF THE DIRECTORS

### Permitted Indemnity

In accordance with the Bye-Law 166(1) provides that, among other, every director and other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices and related matters provided that the indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of them.

In this connection, the Company has arranged Directors' and officers' liability insurance coverage for the Directors and officers of the Company during the year.

### Connected Transaction

During the year, the Group has not entered into any connected transaction. The Company confirmed that it has complied with the disclosure requirement of a connected transaction in accordance with Chapter 14A of the Listing Rules by publication of an announcement.

### Major Customers and Suppliers

During the year, approximately 22% (2017: 18%) of the Group's purchases were attributable to the Group's largest supplier and approximately 44% (2017: 51%) of the Group's purchases were attributable to the Group's five largest suppliers.

During the year, approximately 12% (2017: 5%) of the Group's revenue was attributable to the Group's largest customer and approximately 26% (2017: 10%) of the Group's revenue was attributable to the Group's five largest customers.

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

### Environmental Policies and Performances

The Group remains firmly committed to operating as a socially-responsible company in all of its business operations. In its property development, the Group aims to efficiently use materials and resources. The Group's building management division promotes environmental awareness and takes steps to save energy and ensure efficient use of resources. The Group has formed a task group comprising of staff members from human resources and administration, corporate communications, finance and legal and is in the process of establishing and enhancing its environmental policies, procedures and performances.

## REPORT OF THE DIRECTORS

### Purchase, Sale or Redemption of the Company's Listed Securities

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

### Pre-Emptive Rights

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

### Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of the Company's shares in the market as at the date of this report.

### Auditor

Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants ("Deloitte") will retire and a resolution for their re-appointment as auditor of the Company will be proposed to the 2019 annual general meeting of the Company to re-appoint Deloitte as the auditor of the Company.

### Closure of Register of Members for Annual General Meeting

For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company, the register of members of the Company will be closed from Tuesday, 21 May 2019 to Friday, 24 May 2019 (both dates inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 20 May 2019.

### Closure of Register of Members for Dividend

For determining the entitlement to the proposed final dividend for the year ended 31 December 2018, the register of members of the Company will be closed from Thursday, 30 May 2019 to Friday, 31 May 2019 (both dates inclusive), during which period no transfer of shares will be registered. In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 29 May 2019.

On behalf of the Board

**Foo Kam Chu Grace**

*Chairman*

Hong Kong, 21 March 2019

## MAJOR PROPERTIES HELD AS AT 31 DECEMBER 2018

Location	Approximate gross floor area (sq ft)	Interest attributable to the Group	Land use	Lease term
Soundwill Plaza 38 Russell Street, Causeway Bay, Hong Kong	245,100	100%	Commercial	Long-term lease
Soundwill Plaza II — Midtown 1–29 Tang Lung Street, Causeway Bay, Hong Kong	218,000	100%	Commercial	Long-term lease
10 Knutsford Terrace 10–11 Knutsford Terrace, Tsim Sha Tsui, Hong Kong	114,000	100%	Commercial	Long-term lease
THE SHARP G/F–2/F, 11–13 Sharp Street East and 1–1A Yiu Wa Street, Causeway Bay, Hong Kong	4,500	100%	Commercial	Long-term lease
Kai Kwong Commercial Building 332–334 Lockhart Road, Wan Chai, Hong Kong	33,000	100%	Commercial	Long-term lease

## MAJOR PROPERTIES UNDER DEVELOPMENT AS AT 31 DECEMBER 2018

Location	Approximate gross floor area (sq ft)	Interest attributable to the Group	Project status	Expected completion date
iPLACE 301–305 Castle Peak Road, Kwai Chung, Hong Kong	126,400	100%	Obtained occupation permit	—
Jones Hive 8 Jones Street, Tai Hang, Hong Kong	65,300	20.24%	Obtained occupation permit	—
105–113 Ta Chuen Ping Street, Kwai Chung, Hong Kong	190,000	100%	Construction in progress	2H 2021
尚薈海岸(景湖灣)一期(別墅) 高要市金渡鎮世紀大道旁	119,000	100%	Obtained certificate of final acceptance	—
尚薈海岸(景湖灣)二期(74/75棟) 高要市金渡鎮世紀大道旁	14,400	100%	Obtained certificate of final acceptance	—
尚薈海岸(景湖灣)二期(76/77/78/79棟) & 三期 高要市金渡鎮世紀大道旁	602,176	100%	Construction in progress	2H 2019
譽名都(山水向日)一期(4/5/6棟) 珠海市斗門區新偉中街68號	6,900	100%	Obtained certificate of final acceptance	—
譽名都(山水向日)二期(2/3棟) 珠海市斗門區新偉中街68號	276,514	100%	Obtained certificate of final acceptance	—
譽名都(山水向日)二期(1/7棟) 珠海市斗門區新偉中街68號	309,139	100%	Construction in progress	1H 2019

## FIVE-YEAR FINANCIAL SUMMARY

The following is a summary of the consolidated results and of the consolidated assets and liabilities of Soundwill Holdings Limited and its subsidiaries for the last five financial years, as extracted from the published audited financial statements and restated upon the adoption of the revised/amended Hong Kong Financial Reporting Standards as appropriate. This summary does not form part of the audited consolidated financial statements.

### Consolidated Results

	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000	2015 HK\$'000	2014 HK\$'000
Revenue (from continuing and discontinued operations)	<b>980,398</b>	2,224,996	1,627,921	540,491	2,937,245
Profit before income tax expense	<b>719,268</b>	1,302,770	3,103,193	23,075	1,801,060
Income tax expense	<b>(54,414)</b>	(101,174)	(242,483)	(67,172)	(156,443)
Profit/(Loss) for the year	<b>664,854</b>	1,201,596	2,860,710	(44,097)	1,644,617
Profit/(Loss) for the year attributable to owners of the Company	<b>671,592</b>	1,200,781	2,824,747	(52,604)	1,625,160
Non-controlling interests	<b>(6,738)</b>	815	35,963	8,507	19,457
	<b>664,854</b>	1,201,596	2,860,710	(44,097)	1,644,617

### Consolidated Assets and Liabilities

	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000	2015 HK\$'000	2014 HK\$'000
Non-current assets	<b>20,680,068</b>	19,717,057	17,931,861	15,746,117	16,013,123
Net current assets	<b>388,706</b>	284,777	1,220,208	861,993	744,557
Non-current liabilities	<b>(612,555)</b>	(107,886)	(149,368)	(76,953)	(94,953)
Non-controlling interests	<b>(15,055)</b>	(35,861)	(31,685)	(277,674)	(257,890)
Equity attributable to owners of the Company	<b>20,441,164</b>	19,858,087	18,971,016	16,253,483	16,404,837
Gearing ratio*	<b>8%</b>	8%	9%	13%	13%

\* expressed as a percentage of total borrowing over total equity

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

# Deloitte.

# 德勤

### TO THE SHAREHOLDERS OF SOUNDWILL HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

### 致金朝陽集團有限公司列位股東

*(於百慕達註冊成立之有限公司)*

### Opinion

We have audited the consolidated financial statements of Soundwill Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 128 to 288, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKASs”) 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.

### 意見

本核數師(以下簡稱我們)已審計金朝陽集團有限公司(統稱「貴公司」)及其附屬公司(「貴集團」)載列於第128至288頁的綜合財務報表，包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於二零一八年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港《公司條例》的披露規定妥為編製。

### 意見的基礎

我們已根據香港會計師公會頒佈的香港核數準則(「香港核數準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。我們根據香港會計師公會的專業會計師道德守則(「守則」)獨立於貴集團，並根據守則履行我們其他道德責任。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.

### Key audit matter

#### 關鍵審計事項

#### Valuation of investment properties

#### 投資物業估值

We identified the valuation of investment properties as a key audit matter due to the inherent level of complex and subjective judgements and estimates required in determining the fair values.

The Group's investment property portfolio comprises retail, commercial, industrial and residential properties located in Hong Kong and is stated at fair value of HK\$20,439,237,000, accounting for approximately 88% of the Group's total assets as at 31 December 2018 with a net fair value loss on investment properties of HK\$100,431,000 recognised in the consolidated statement of profit or loss and other comprehensive income for the year then ended as disclosed in note 17 to the consolidated financial statements.

我們識別投資物業估值作為關鍵審計事項，原因是釐定公平值本身的複雜程度，並需作出主觀判斷及估計。

貴集團的投資物業組合包括位於香港的零售、商業、工業及住宅物業，乃按公平值港幣20,439,237,000元列賬，佔貴集團於二零一八年十二月三十一日的總資產約88%，投資物業公平值虧損淨額港幣100,431,000元已於截至該日止年度的綜合損益及其他全面收入表內確認(見綜合財務報表附註17)。

## 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及就此形成意見時處理。我們不會對這些事項提供單獨的意見。

### How our audit addressed the key audit matter

#### 我們在審計中處理關鍵審計事項的方式

Our procedures in relation to the valuation of investment properties included:

- Evaluating the competence, capabilities, and objectivity of the Valuer and obtaining an understanding of the Valuer's scope of work and their terms of engagement;
- Evaluating the appropriateness of the Valuer's valuation approaches to assess if they meet the requirements of the HKFRSs and industry norms;

我們對投資物業估值進行的程序包括：

- 評估估值師的權能、能力及客觀性，並了解估值師的工作範圍及委聘條款；
- 評估估值師之估值方式是否適當，以評估其是否符合香港財務報告準則及行業慣例的規定；

INDEPENDENT AUDITOR'S REPORT  
獨立核數師報告

## Key Audit Matters (Continued)

### Key audit matter (Continued)

#### 關鍵審計事項(續)

#### Valuation of investment properties (Continued)

##### 投資物業估值(續)

The Group's investment properties are measured using the fair value model based on a valuation performed by an independent qualified professional valuer (the "Valuer"). As disclosed in notes 5 and 17 to the consolidated financial statements, in determining the fair values of the Group's completed investment properties, the Valuer has applied income capitalisation method or direct comparison method, as appropriate, for respective properties, which involves, inter-alia, certain estimates, including appropriate capitalisation rates, reversionary rental value and market transactions of comparable properties, as appropriate; whereas, in determining the fair values of the Group's investment properties under re-development, the Valuer has applied residual method which is dependent on the estimated gross development value, estimated cost of development and allowance of profit that duly reflected developer's risk associated with the development.

貴集團的投資物業乃根據獨立合資格專業估值師(「估值師」)進行的估值，採用公平值模式計量。誠如綜合財務報表附註5及17所披露，於釐定 貴集團已落成投資物業之公平值時，估值師已按各物業適用的情況應用收入資本化法或直接比較法，當中涉及(其中包括)適當資本化比率、復歸租值及可比較物業之市場交易(視適用情況而定)之若干估計。於釐定 貴集團之重建投資物業時，估值師已應用剩餘法，該方法取決於估計發展總值、估計發展成本及妥為反映發展商與發展項目相關之風險的溢利撥備。

## 關鍵審計事項(續)

### How our audit addressed the key audit matter (Continued)

#### 我們在審計中處理關鍵審計事項的方式(續)

- Challenging the reasonableness of the key assumptions and appropriateness of valuation models applied based on available market data and our knowledge of the property industry and whether the assumptions and methodologies are consistent with those used in prior year;
- Assessing the reasonableness of key inputs used in the valuation, on a sample basis, by checking to the publicly available information on comparable market transactions, comparing rental income, terms of existing leases to the existing lease summary of the Group and evaluating whether capitalisation rates adopted are comparable to market;
- Evaluating whether the estimated cost of development to completion and the allowance of profit for developer used are comparable to market; and
- Checking arithmetical accuracy of calculations.
- 根據所得市場數據及我們對物業行業的認識，挑戰主要假設的合理性及所應用估值模型的適當性，以及有關假設及方法是否與過往年度所用者相符；
- 透過檢查公開可得的可比較市場交易資料，將租金收入及現有租賃條款與 貴集團現有租賃概要作比較，以及評估所採用的資本化比率是否與市場相若，抽樣評估估值時使用的主要數據輸入是否合理；
- 評估估計發展至完工成本及發展商所用的溢利撥備是否與市場相若；及
- 檢查算術計算是否準確無誤。

INDEPENDENT AUDITOR'S REPORT  
獨立核數師報告

## Key Audit Matters (Continued)

### Key audit matter (Continued)

#### 關鍵審計事項(續)

#### Assessment of the net realisable values of properties for sale 評估待售物業之可變現淨值

We identified the assessment of the net realisable values of the Group's properties for sale (the "PFS") as a key audit matter due to the subjective management judgements and estimates involved in the determination of the net realisable value (the "NRV") of the PFS.

As disclosed in note 20 to the consolidated financial statements, the Group had PFS of HK\$954,855,000 as at 31 December 2018. The Group's assessment of the carrying values of PFS, being the lower of cost and NRV, takes into account the selling price ultimately expected to be realised, the estimated costs to completion of the PFS and costs necessary to make the sale.

The management of the Group determines the estimated selling price of the PFS with reference to prevailing market data on most recent sale transactions of similar properties or market valuation reports available from independent qualified professional valuers, which takes into account the prevailing real estate market conditions.

Based on the management estimation of the NRV of the PFS and after taking into consideration the estimated costs to completion of the PFS and costs necessary to make the sale, no write-down of PFS was considered necessary for the year ended 31 December 2018.

我們識別 貴集團的待售物業(「待售物業」)可變現淨值評估作為關鍵審計事項，原因是釐定待售物業的可變現淨值(「可變現淨值」)時涉及管理層主觀判斷及估計。

誠如綜合財務報表附註20所披露， 貴集團於二零一八年十二月三十一日的待售物業為港幣954,855,000元。 貴集團評估待售物業的賬面值(即成本及可變現淨值兩者中的較低者)時，會考慮最終預期變現的售價、待售物業的估計完工成本及進行銷售所需的成本。

貴集團管理層釐定待售物業的估計售價時，會參考類似物業的最近銷售交易或獨立合資格專業估值師提供的市場估值報告內的當前市場數據，當中會考慮當前房地產市況。

根據管理層對待售物業可變現淨值作出的估計，並經考慮待售物業的估計完工成本及進行銷售所需的成本後，我們認為於截至二零一八年十二月三十一日止年度毋需撇減待售物業。

## 關鍵審計事項(續)

### How our audit addressed the key audit matter (Continued)

#### 我們在審計中處理關鍵審計事項的方式(續)

Our procedures in relation to the assessment of the net realisable values of the PFS included:

- Assessing the reasonableness of the estimated selling price of the PFS estimated by the management or independent qualified professional valuers, on a sample basis, by comparing the estimated selling prices to the market prices achieved in the same projects or comparable properties, based on our knowledge of the Group's business and the real estate industry; and
- Assessing the reasonableness of the estimated cost to completion of the PFS estimated by the management, on a sample basis, by comparing it to the Group's development budget and the actual development cost of similar properties recently completed by the Group and by checking the actual cost incurred to date to construction contracts and other relevant documents.

我們評估待售物業的可變現淨值時進行的程序包括：

- 根據我們對 貴集團業務及房地產行業的認識，透過比較估計售價與同一項目或可比較物業所達到的市價，抽樣評估管理層或獨立合資格專業估值師估計的待售物業估計售價是否合理；及
- 透過比較管理層估計的待售物業估計完工成本與 貴集團的發展預算及 貴集團近期落成的類似物業的實際發展成本，以及檢查建築合約及其他相關文件迄今產生的實際成本，抽樣評估管理層估計的待售物業估計完工成本是否合理。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

### Other Information

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

### Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the directors 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### 其他資料

貴公司董事須對其他資料負責。其他資料包括年報內的所有信息，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。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們須報告該事實。在這方面，我們沒有任何報告。

### 董事及管治層就綜合財務報表須承擔的責任

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

在擬備綜合財務報表時，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。

管治層負責監督 貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT  
獨立核數師報告

### 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 solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, 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.

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.

### 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照百慕達公司法第90條僅向閣下（作為整體）作出包括我們意見的核數師報告，除此之外別無其他目的。我們概不就本報告之內容，向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港核數準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響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。

在根據香港核數準則進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

INDEPENDENT AUDITOR'S REPORT  
獨立核數師報告

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- 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承擔的責任(續)

- 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。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非保留意見。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中肯反映相關交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、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、監督與執行。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 those charged with governance 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 those charged with governance 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 those charged with governance, 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.

The engagement partner on the audit resulting in the independent auditor's report is Chau Chi Ka.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
21 March 2019

**核數師就審計綜合財務報表承擔的責任(續)**

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

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

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

出具本獨立核數師報告之審計項目合夥人為周志嘉。

**德勤•關黃陳方會計師行**  
執業會計師  
香港  
二零一九年三月二十一日

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益及其他全面收入表

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

		Notes 附註	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Revenue	收益			
Revenue from goods and services	貨品及服務收益		440,358	1,716,996
Rental income	租金收入		540,040	508,000
Total revenue	總收益	6	980,398	2,224,996
Cost of sales	銷售成本		(251,303)	(1,213,488)
Gross profit	毛利		729,095	1,011,508
Other income	其他收入	7	47,619	110,152
Selling expenses	銷售費用		(11,935)	(63,672)
Administrative expenses	行政費用		(142,490)	(206,149)
Other gains and losses	其他收益及虧損		—	(2,191)
Gain/(loss) on disposal of subsidiaries	出售附屬公司之收益/ (虧損)	39	235,812	(50,167)
Net fair value (loss)/gain on investment properties/properties transfer	投資物業/物業轉撥 公平值(虧損)/收益淨額	17	(101,018)	528,792
Finance costs	融資成本	9	(37,815)	(25,503)
Profit before income tax expense	除所得稅開支前溢利	10	719,268	1,302,770
Income tax expense	所得稅開支	13	(54,414)	(101,174)
<b>Profit for the year</b>	<b>年內溢利</b>		<b>664,854</b>	<b>1,201,596</b>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
綜合損益及其他全面收入表

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

		Notes 附註	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Other comprehensive (expense)/ income, net of tax</b>	<b>其他全面(開支)/收入， 扣除稅項後</b>	14		
<i>Item that will not be reclassified to profit or loss:</i>	<i>以下項目將不會重新分類到 損益：</i>			
Deficit on revaluation of buildings, net of deferred tax	樓宇重估虧損， 扣除遞延稅項後		(400)	(1,458)
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>以下項目其後可能重新分類 到損益：</i>			
Exchange (loss)/gain on translation of foreign operations	換算海外業務之 匯兌(虧損)/收益		(33,176)	31,079
Other comprehensive (expense)/income for the year, net of tax	年內其他全面(開支)/ 收入，扣除稅項後		(33,576)	29,621
<b>Total comprehensive income for the year</b>	<b>年內總全面收入</b>		<b>631,278</b>	1,231,217
<b>Profit/(loss) for the year attributable to:</b>	<b>應佔年內溢利/(虧損)：</b>			
Owners of the Company	本公司擁有人		671,592	1,200,781
Non-controlling interests	非控股權益		(6,738)	815
			<b>664,854</b>	1,201,596

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 綜合損益及其他全面收入表

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

		Notes 附註	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Total comprehensive income/ (expense) for the year attributable to:</b>	<b>應佔年內總全面收入/ (開支)：</b>			
Owners of the Company	本公司擁有人		<b>639,739</b>	1,227,041
Non-controlling interests	非控股權益		<b>(8,461)</b>	4,176
			<b>631,278</b>	1,231,217
<b>Earnings per share</b>	<b>每股溢利</b>	16		
Basic	基本		<b>HK\$港幣2.37元</b>	HK\$港幣4.24元
Diluted	攤薄		<b>N/A不適用</b>	HK\$港幣4.24元

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Investment properties	投資物業	17	20,439,237	19,497,324
Property, plant and equipment	物業、廠房及設備	18	127,218	107,460
Properties held for development	待發展物業	19	17,305	18,434
Deposits paid for acquisition of properties	收購物業之已付訂金		63,552	56,945
Loan receivables	應收貸款	21	32,756	36,894
Total non-current assets	總非流動資產		20,680,068	19,717,057
<b>Current assets</b>	<b>流動資產</b>			
Properties for sale	待售物業	20	954,855	1,407,876
Trade and other receivables	貿易及其他應收款項	21	141,192	113,804
Financial assets at fair value through profit or loss ("FVTPL")	按公平值計入損益 (「按公平值計入損益」)之 財務資產	22	92,443	—
Structured bank deposits	結構性銀行存款	22	—	106,559
Bank deposits at escrow account	於託管賬戶之銀行存款	23	—	2,231
Restricted bank deposits	受限制銀行存款	24	74,568	57,993
Short-term bank deposits	短期銀行存款	24	575,000	480,055
Cash and cash equivalents	現金及現金等價物	24	186,238	666,895
Assets classified as held for sale	分類為待售之資產	38	2,024,296 420,000	2,835,413 —
Total current assets	總流動資產		2,444,296	2,835,413
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	25	619,975	501,631
Contract liabilities	合約負債	26	154,469	—
Deposits received in advance	預收訂金	26	—	292,733
Borrowings	借貸	27	1,067,765	1,528,120
Provision for income tax	所得稅撥備		213,381	228,152
Total current liabilities	總流動負債		2,055,590	2,550,636
<b>Net current assets</b>	<b>淨流動資產</b>		388,706	284,777

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
綜合財務狀況表

As at 31 December 2018 於二零一八年十二月三十一日

		Notes 附註	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>21,068,774</b>	20,001,834
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Borrowings	借貸	27	<b>495,023</b>	—
Deferred tax liabilities	遞延稅項負債	28	<b>117,532</b>	107,886
Total non-current liabilities	總非流動負債		<b>612,555</b>	107,886
<b>Net assets</b>	<b>淨資產</b>		<b>20,456,219</b>	19,893,948
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人應佔權益</b>			
Share capital	股本	29	<b>28,331</b>	28,331
Reserves	儲備	30	<b>20,412,833</b>	19,829,756
<b>Non-controlling interests</b>	<b>非控股權益</b>	36	<b>20,441,164</b> <b>15,055</b>	19,858,087 35,861
<b>Total equity</b>	<b>權益總額</b>		<b>20,456,219</b>	19,893,948

The consolidated financial statements on pages 128 to 288 are authorised for issue by the board of directors on 21 March 2019 and are signed on behalf by:

第128至288頁之綜合財務報表於二零一九年三月二十一日獲董事會授權刊發，並由以下董事代為簽署：

**Foo Kam Chu Grace**  
**傅金珠**  
Director  
董事

**Chan Wai Ling**  
**陳慧苓**  
Director  
董事

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

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

	Notes 附註	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Operating activities</b>	<b>經營業務</b>		
Profit before income tax expense	除所得稅開支前溢利	<b>719,268</b>	1,302,770
<i>Adjustments for:</i>	<i>就下列各項作出調整：</i>		
Other interest income	其他利息收入	<b>(17,695)</b>	(11,116)
Interest income from financial assets at FVTPL	按公平值計入損益之財務資產之利息收入	<b>(5,232)</b>	—
Interest income from loan receivables	應收貸款利息收入	<b>(1,021)</b>	(721)
Interest expenses	利息支出	<b>37,815</b>	25,503
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>2,987</b>	2,250
Amortisation of properties held for development	待發展物業攤銷	<b>546</b>	413
Impairment loss on trade receivables	貿易應收款項減值虧損	<b>—</b>	2,191
Net fair value loss/(gain) on investment properties/properties transfer	投資物業／物業轉撥公平值虧損／(收益)淨額	<b>101,018</b>	(528,792)
(Gain)/loss on disposal of subsidiaries	出售附屬公司之(收益)／虧損	<b>(235,812)</b>	50,167
Loss on disposal of AFS financial assets	出售可供出售財務資產之虧損	<b>—</b>	10
Operating profit before working capital changes	營運資金轉變前之經營溢利	<b>601,874</b>	842,675
(Increase)/decrease in trade and other receivables	貿易及其他應收款項(增加)／減少	<b>(23,168)</b>	19,972
Decrease in properties for sale	待售物業減少	<b>99,997</b>	936,235
Decrease in bank deposits at escrow account	於託管賬戶之銀行存款減少	<b>2,231</b>	48,890
(Increase)/decrease in restricted bank deposits	受限制銀行存款(增加)／減少	<b>(16,575)</b>	9,954
Increase in trade and other payables	貿易及其他應付款項增加	<b>51,334</b>	13,323
Decrease in contract liabilities	合約負債減少	<b>(138,264)</b>	—
Decrease in deposits received in advance	預收訂金減少	<b>—</b>	(571,724)

## CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

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

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
	Notes 附註		
Net cash generated from operations	業務所得現金淨額	<b>577,429</b>	1,299,325
Income tax paid	已付所得稅	<b>(59,318)</b>	(58,594)
<i>Net cash generated from operating activities</i>	<i>經營業務所得現金淨額</i>	<b>518,111</b>	1,240,731
<b>Investing activities</b>	<b>投資活動</b>		
Placement of structured bank deposits	存放結構性銀行存款	—	(165,934)
Withdrawal of structured bank deposits	提取結構性銀行存款	—	59,375
Purchases of financial assets at FVTPL	購買按公平值計入損益之財務資產	<b>(160,891)</b>	—
Proceed from disposal of financial assets at FVTPL	出售按公平值計入損益之財務資產所得款項	<b>175,007</b>	—
Placement of short-term bank deposits	存放短期銀行存款	<b>(5,669,596)</b>	(1,273,655)
Withdrawal of short-term bank deposits	提取短期銀行存款	<b>5,574,651</b>	1,781,827
Advance to loan receivables	應收貸款墊款	<b>(5,922)</b>	(31,307)
Repayment from loan receivables	應收貸款還款	<b>6,464</b>	806
Additions to property, plant and equipment	增添物業、廠房及設備	<b>(23,563)</b>	(372)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	<b>289</b>	1,067
Deposits paid for acquisitions of properties	收購物業之已付訂金	<b>(63,552)</b>	(56,945)
Payment to acquire investment properties	收購投資物業之付款	<b>(1,146,830)</b>	(1,294,904)
Net cash inflows from disposal of subsidiaries	出售附屬公司之現金流入淨額	<b>524,262</b>	388,247
Purchase of net assets, net of cash acquired	收購淨資產，扣除所得現金	<b>(214,123)</b>	—
Interest received from loan receivables	應收貸款已收利息	<b>1,021</b>	721
Interest received from financial assets at FVTPL	按公平值計入損益之財務資產之已收利息	<b>5,232</b>	—
Other interest received	其他已收利息	<b>17,695</b>	11,116
Deposits received on disposal of subsidiaries	出售附屬公司之已收按金	<b>55,353</b>	—
<i>Net cash used in investing activities</i>	<i>投資活動所用現金淨額</i>	<b>(924,503)</b>	(579,958)

CONSOLIDATED STATEMENT OF CASH FLOWS  
綜合現金流量表

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

	Notes 附註	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Financing activities</b>	<b>融資活動</b>		
Repayments of bank loans	償還銀行貸款	<b>(1,037,332)</b>	(366,100)
Bank loans raised	籌集銀行貸款	<b>1,072,000</b>	200,000
Distributions to non-controlling shareholders of subsidiaries	分派予附屬公司之非控股股東	<b>(12,345)</b>	—
Interest paid	已付利息	<b>(37,815)</b>	(25,503)
Final and special dividends paid	已付末期及特別股息	<b>(56,662)</b>	(339,970)
<i>Net cash used in financing activities</i>	<i>融資活動所用現金淨額</i>	<b>(72,154)</b>	(531,573)
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>現金及現金等價物(減少)/增加</b>	<b>(478,546)</b>	129,200
<b>Cash and cash equivalents as at 1 January</b>	<b>於一月一日之現金及現金等價物</b>	<b>666,895</b>	536,201
<b>Effect of foreign exchange rate changes, net</b>	<b>匯率變動影響，淨額</b>	<b>(2,111)</b>	1,494
<b>Cash and cash equivalents as at 31 December</b>	<b>於十二月三十一日之現金及現金等價物</b>	<b>186,238</b>	666,895

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

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

		Equity attributable to owners of the Company 本公司擁有人應佔權益		
		Share capital 股本 HK\$'000 港幣千元	Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 資本贖回 儲備 HK\$'000 港幣千元
<b>As at 1 January 2018</b>	<b>於二零一八年一月一日</b>	<b>28,331</b>	<b>690,811</b>	<b>295</b>
<b>Profit/(loss) for the year</b>	<b>年內溢利/(虧損)</b>	—	—	—
<b>Other comprehensive expense</b>	<b>其他全面開支</b>			
Item that will not be reclassified to profit or loss:	以下項目將不會重新分類到損益：			
Deficit on revaluation of buildings, net of deferred tax (note 14)	樓宇重估虧損，扣除遞延稅項後 (附註14)	—	—	—
Item that may be reclassified subsequently to profit or loss:	以下項目其後可能重新分類到損益：			
Exchange loss on translation of foreign operations	換算海外業務之匯兌虧損	—	—	—
<b>Total comprehensive (expense)/income for the year</b>	<b>年內總全面(開支)/收入</b>	—	—	—
Proposed final dividends for 2018 (note 15a)	建議二零一八年末期股息 (附註15(a))	—	—	—
Distribution to non-controlling shareholders of a subsidiary (note 36)	分派予附屬公司之非控股股東 (附註36)	—	—	—
Final and special dividend paid for 2017 (note 15(b))	已付二零一七年末期及特別股息 (附註15(b))	—	—	—
<b>As at 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>28,331</b>	<b>690,811</b>	<b>295</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
綜合權益變動表

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

Equity attributable to owners of the Company 本公司擁有人應佔權益							
Asset revaluation reserve 資產重估 儲備 HK\$'000 港幣千元	Retained profits 保留溢利 HK\$'000 港幣千元	Exchange reserve 匯兌儲備 HK\$'000 港幣千元	Special reserve 特別儲備 HK\$'000 港幣千元	Proposed final and special dividends 建議末期及 特別股息 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元	Non- controlling interests 非控股權益 HK\$'000 港幣千元	Total equity 權益總額 HK\$'000 港幣千元
1,088	19,076,488	2,564	1,848	56,662	19,858,087	35,861	19,893,948
—	671,592	—	—	—	671,592	(6,738)	664,854
(400)	—	—	—	—	(400)	—	(400)
—	—	(31,453)	—	—	(31,453)	(1,723)	(33,176)
(400)	671,592	(31,453)	—	—	639,739	(8,461)	631,278
—	(56,662)	—	—	56,662	—	—	—
—	—	—	—	—	—	(12,345)	(12,345)
—	—	—	—	(56,662)	(56,662)	—	(56,662)
688	19,691,418	(28,889)	1,848	56,662	20,441,164	15,055	20,456,219

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
綜合權益變動表

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

		Equity attributable to owners of the Company 本公司擁有人應佔權益		
		Share capital 股本 HK\$'000 港幣千元	Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 資本贖回 儲備 HK\$'000 港幣千元
<b>As at 1 January 2017</b>	<b>於二零一七年一月一日</b>	28,331	690,811	295
<b>Profit for the year</b>	<b>年內溢利</b>	—	—	—
<b>Other comprehensive (expense)/income</b>	<b>其他全面(開支)/收入</b>			
Item that will not be reclassified to profit or loss:	以下項目將不會重新分類到損益：			
Deficit on revaluation of buildings, net of deferred tax (note 14)	樓宇重估虧損，扣除遞延稅項後 (附註14)	—	—	—
Item that may be reclassified subsequently to profit or loss:	以下項目其後可能重新分類到損益：			
Exchange gain on translation of foreign operations	換算海外業務之匯兌收益	—	—	—
<b>Total comprehensive (expense)/income for the year</b>	<b>年內總全面(開支)/收入</b>	—	—	—
Proposed final dividends for 2017 (note 15(a))	建議二零一七年末期股息 (附註15(a))	—	—	—
Lapse of share option	購股權失效	—	—	—
Final and special dividend paid for 2016 (note 15(b))	已付二零一六年末期及特別股息 (附註15(b))	—	—	—
<b>As at 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>	28,331	690,811	295

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
綜合權益變動表

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

Equity attributable to owners of the Company 本公司擁有人應佔權益								
Asset revaluation reserve 資產重估 儲備 HK\$'000 港幣千元	Employee share-based equity reserve 員工股份 權益儲備 HK\$'000 港幣千元	Retained profits 保留溢利 HK\$'000 港幣千元	Exchange reserve 匯兌儲備 HK\$'000 港幣千元	Special reserve 特別儲備 HK\$'000 港幣千元	Proposed final and special dividends 建議末期及 特別股息 HK\$'000 港幣千元	Total	Non- controlling interests 非控股 權益 HK\$'000 港幣千元	Total equity 權益總額 HK\$'000 港幣千元
2,546	21,928	17,910,441	(25,154)	1,848	339,970	18,971,016	31,685	19,002,701
—	—	1,200,781	—	—	—	1,200,781	815	1,201,596
(1,458)	—	—	—	—	—	(1,458)	—	(1,458)
—	—	—	27,718	—	—	27,718	3,361	31,079
(1,458)	—	1,200,781	27,718	—	—	1,227,041	4,176	1,231,217
—	—	(56,662)	—	—	56,662	—	—	—
—	(21,928)	21,928	—	—	—	—	—	—
—	—	—	—	—	(339,970)	(339,970)	—	(339,970)
1,088	—	19,076,488	2,564	1,848	56,662	19,858,087	35,861	19,893,948

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 1. GENERAL INFORMATION

Soundwill Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in Bermuda. The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 35 to the consolidated financial statements. The Company and its subsidiaries (the “Group”) is principally engaged in property development, property leasing and provision of building management services.

The directors of the Company (the “Directors”) consider the Company’s ultimate holding party to be a discretionary trust (the “Trust”), which Madam Foo Kam Chu Grace, the Chairman of the board of Directors, and her family members (including Ms. Chan Wai Ling, executive director of the Company) are the beneficiaries of the Trust.

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

#### 2.1 New and Amendments to HKFRSs that are mandatorily effective for the current year

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

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

### 1. 一般資料

金朝陽集團有限公司(「本公司」)為於百慕達註冊成立與登記之有限公司，本公司註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司股份在香港聯合交易所有限公司(「聯交所」)上市。

本公司主要業務為投資控股，其附屬公司之主要業務載於綜合財務報表附註35。本公司及其附屬公司(「本集團」)主要從事物業發展、物業租賃及提供樓宇管理服務。

本公司董事(「董事」)認為本公司之最終控股方為一項全權信託(「該信託」)，而本公司董事會主席傅金珠女士及其家族成員(包括本公司執行董事陳慧苓小姐)為該信託之受益人。

### 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

#### 2.1 於本年度強制生效之新訂及經修訂香港財務報告準則

本集團在本年度首度應用由香港會計師公會(「香港會計師公會」)頒佈的以下新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	財務工具
香港財務報告準則第15號	來自客戶合約之收益及相關修訂
香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號之修訂	股份支付交易之分類及計量
香港財務報告準則第4號之修訂	應用香港財務報告準則第9號財務工具與香港財務報告準則第4號保險合約
香港會計準則第28號之修訂	作為香港財務報告準則二零一四年至二零一六年週期之年度改進之一部分

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綜合財務報表附註*For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度***2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)****2.1 New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)**

In addition, the Group has applied Amendments to HKFRS 9 “Prepayment Features with Negative Compensation” in advance of the effective date, i.e. 1 January 2019. The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

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

**2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)****2.1 於本年度強制生效之新訂及經修訂香港財務報告準則(續)**

此外，本集團已在生效日期(即二零一九年一月一日)前應用香港財務報告準則第9號之修訂「具有負補償的預付特性」。該等新訂及經修訂香港財務報告準則已根據各準則及修訂之相關過渡條文應用，因而導致下述之會計政策、呈報金額及／或披露資料變動。

除下文所述外，於本年度應用新訂及經修訂香港財務報告準則對本集團本年度及過往年度的財務表現及狀況及／或本綜合財務報表所載的披露事項並無產生重大影響。

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

### 2.1 New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### 2.1.1 HKFRS 15 Revenue from Contracts with Customers

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

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

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 2.1 於本年度強制生效之新訂及經修訂香港財務報告準則(續)

#### 2.1.1 香港財務報告準則第15號「來自客戶合約之收益」

本集團於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號已取代香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，首次應用此準則之累計影響已於首次應用日期(二零一八年一月一日)確認。於首次應用日期之任何差額乃於年初保留溢利(或其他權益部分(視適用情況而定))確認，而並無重列比較資料。此外，根據香港財務報告準則第15號之過渡條文，本集團已選擇僅對於二零一八年一月一日尚未完成之合約追溯應用該準則，並對於首次應用日期前發生之所有合約修訂採用可行的權宜之計，而所有修訂之彙總影響已於首次應用日期反映。因此，若干比較資料未必可供比較，原因是比較資料乃根據香港會計準則第18號「收益」和香港會計準則第11號「建築合約」及相關詮釋編製。

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

### 2.1 New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### 2.1.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

The Group recognises revenue from the following major sources which arise from contracts with customers:

- Sales of completed properties for sale
- Provision of building management service
- Provision of property repairs and maintenance service

Information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 6 and 4 respectively.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 2.1 於本年度強制生效之新訂及經修訂香港財務報告準則(續)

#### 2.1.1 香港財務報告準則第15號「來自客戶合約之收益」(續)

本集團確認來自客戶合約之收益之主要來源如下：

- 銷售已落成待售物業
- 提供樓宇管理服務
- 提供物業維修及保養服務

因應用香港財務報告準則第15號產生之本集團履約責任及會計政策之資料，分別於附註6及4披露。

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

**2.1 New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)**

**2.1.1 HKFRS 15 Revenue from Contracts with Customers (Continued)**

Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

**2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)**

**2.1 於本年度強制生效之新訂及經修訂香港財務報告準則(續)**

**2.1.1 香港財務報告準則第15號「來自客戶合約之收益」(續)**

首次應用香港財務報告準則第15號產生之影響概述

已對於二零一八年一月一日之綜合財務狀況表內確認之金額作出以下修訂。不受有關變動影響之項目並未包括在內。

			Carrying amounts previously reported at 31 December 2017	Reclassification	Carrying amounts under HKFRS 15 at 1 January 2018
			先前於二零一七年十二月三十一日報告之賬面值	重新分類	於二零一八年一月一日根據香港財務報告準則第15號計算之賬面值
		Note	HK\$'000	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元	港幣千元
<b>Current liabilities</b>	<b>流動負債</b>				
Deposits received in advance	預收訂金	(a)	292,733	(292,733)	—
Contract liabilities	合約負債	(a)	—	292,733	292,733

Note:

- a) As at 1 January 2018, advances from customers of HK\$292,733,000 in respect of sales of properties contracts previously presented as deposits received in advance were reclassified to contract liabilities.

附註：

- a) 於二零一八年一月一日，與先前呈列為預收訂金之物業銷售合約有關之來自客戶之墊款港幣292,733,000元，已重新分類為合約負債。

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

### 2.1 New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### 2.1.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

Summary of effects arising from initial application of HKFRS 15 (Continued)

The following tables summarise the impacts of applying HKFRS 15 on the Group's consolidated statement of financial position as at 31 December 2018 and its consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 2.1 於本年度強制生效之新訂及經修訂香港財務報告準則(續)

#### 2.1.1 香港財務報告準則第15號「來自客戶合約之收益」(續)

首次應用香港財務報告準則第15號產生之影響概述(續)

下表就各受影響項目概述應用香港財務報告準則第15號對本集團於二零一八年十二月三十一日之綜合財務狀況表及其本年度綜合現金流量表產生之影響。不受有關變動影響之項目並未包括在內。

對綜合財務狀況表之影響

		As reported	Adjustments	Amounts without application of HKFRS 15
		按報告	調整	未應用香港財務報告準則第15號之金額
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
<b>Current liabilities</b>	<b>流動負債</b>			
Deposits received in advance	預收訂金	—	154,469	154,469
Contract liabilities	合約負債	154,469	(154,469)	—

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

**2.1 New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)**

**2.1.1 HKFRS 15 Revenue from Contracts with Customers (Continued)**

Summary of effects arising from initial application of HKFRS 15 (Continued)

Impact on the consolidated statement of cash flows

**2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)**

**2.1 於本年度強制生效之新訂及經修訂香港財務報告準則(續)**

**2.1.1 香港財務報告準則第15號「來自客戶合約之收益」(續)**

首次應用香港財務報告準則第15號產生之影響概述(續)

對綜合現金流量表之影響

		Amounts without application of HKFRS 15 未應用香港財 務報告準則第 15號之金額
	As reported 按報告 HK\$'000 港幣千元	Adjustments 調整 HK\$'000 港幣千元
		of HKFRS 15 未應用香港財 務報告準則第 15號之金額 HK\$'000 港幣千元
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>	
Decrease in contract liabilities	合約負債減少	138,264
Decrease in deposits received in advance	預收訂金減少	(138,264)
		—
		138,264
		138,264

There is no material impact on the revenue recognition on the timing and amounts of revenue recognised upon the application of HKFRS 15 on 1 January 2018.

於二零一八年一月一日應用香港財務報告準則第15號後確認收益之時間及金額，概無對收益確認產生重大影響。

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

### 2.1 New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### 2.1.2 HKFRS 9 Financial Instruments and the related amendments

In the current year, the Group has applied HKFRS 9 “Financial Instruments”, Amendments to HKFRS 9 “Prepayment Features with Negative Compensation” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and financial guarantee contracts and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 4.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 2.1 於本年度強制生效之新訂及經修訂香港財務報告準則(續)

#### 2.1.2 香港財務報告準則第9號「財務工具」及相關修訂

本集團已於本年度應用香港財務報告準則第9號「財務工具」、香港財務報告準則第9號之修訂「具有負補償的預付特性」及隨之產生對其他香港財務報告準則作出之相關修訂。香港財務報告準則第9號引入以下方面之新規定：1)財務資產及財務負債之分類及計量；2)財務資產及財務擔保合約之預期信貸虧損(「預期信貸虧損」)；及3)一般對沖會計。

本集團已根據香港財務報告準則第9號所載之過渡條文應用香港財務報告準則第9號，即對於二零一八年一月一日(首次應用日期)未取消確認之工具追溯應用分類及計量規定(包括預期信貸虧損模式項下減值)，且並無對於二零一八年一月一日已取消確認之工具應用有關規定。於二零一七年十二月三十一日之賬面值與於二零一八年一月一日之賬面值兩者間之差額乃於年初保留溢利及其他權益部分確認，而並無重列比較資料。

因此，若干比較資料未必可供比較，原因是比較資料乃根據香港會計準則第39號「財務工具：確認及計量」編製。

因應用香港財務報告準則第9號產生之會計政策於附註4披露。

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

### 2.1 New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### 2.1.2 HKFRS 9 Financial Instruments and the related amendments (Continued)

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification of financial assets under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 2.1 於本年度強制生效之新訂及經修訂香港財務報告準則(續)

#### 2.1.2 香港財務報告準則第9號「財務工具」及相關修訂(續)

首次應用香港財務報告準則第9號產生之影響概述

下表說明於首次應用日期(二零一八年一月一日)香港財務報告準則第9號及香港會計準則第39號項下之財務資產之分類。

			Structured bank deposits	Financial assets at FVTPL
			結構性 銀行存款	按公平值 計入損益 之財務資產
	Note 附註		HK\$'000 港幣千元	HK\$'000 港幣千元
Closing balance at 31 December 2017 under HKAS 39	於二零一七年十二月三十一日根據香港會計準則第39號之年終結餘		106,559	—
Effect arising from initial application of HKFRS 9:	首次應用香港財務報告準則第9號產生之影響：			
Reclassification	重新分類	(a)	(106,559)	106,559
Opening balance at 1 January 2018	於二零一八年一月一日之年初結餘		—	106,559

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

### 2.1 New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### 2.1.2 HKFRS 9 Financial Instruments and the related amendments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

- (a) Financial assets at FVTPL and/or designated at FVTPL

At the date of initial application, the Group no longer applied designation as measured at FVTPL for the structured bank deposits. However, the Group continues to measure the structured bank deposits at FVTPL as the contractual terms of structured bank deposits give rise to cash flows that are not solely payments of principal and interest on the principal amount outstanding. As at 1 January 2018, structured bank deposits of HK\$106,559,000 were reclassified to financial assets at FVTPL. There was no impact on the amounts recognised in relation to this structured bank deposits from the application of HKFRS 9.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 2.1 於本年度強制生效之新訂及經修訂香港財務報告準則(續)

#### 2.1.2 香港財務報告準則第9號「財務工具」及相關修訂(續)

首次應用香港財務報告準則第9號產生之影響概述(續)

- (a) 按公平值計入損益及／或指定按公平值計入損益之財務資產

於首次應用日期，本集團不再就結構性銀行存款應用指定按公平值計入損益計量。然而，本集團繼續按公平值計入損益計量結構性銀行存款，原因是結構性銀行存款合約條款所產生之現金流量並非完全用作支付本金及未償還本金利息。於二零一八年一月一日，結構性銀行存款港幣106,559,000元已重新分類為按公平值計入損益之財務資產。應用香港財務報告準則第9號概無影響就結構性銀行存款確認之金額。

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

### 2.1 New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### 2.1.2 HKFRS 9 Financial Instruments and the related amendments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

(b) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables. To measure the ECL, trade receivables are assessed individually for each debtor. Based on the assessment by the management of the Group, the ECL on trade receivables is insignificant as at 1 January 2018.

Loss allowances for other financial assets at amortised cost, mainly comprise of loan receivables, other receivables and deposits, bank deposits at escrow account, restricted bank deposits, short-term bank deposits and cash and cash equivalents and financial guarantee contracts are measured on 12-month ECL basis as there had been no significant increase in credit risk since initial recognition.

For bank deposits at escrow account, restricted bank deposits, short-term bank deposits and cash and cash equivalents, the Group only transacts with reputable banks with high credit ratings assigned by international credit-rating agencies and consider the risk of default is regard as low and 12-month ECL is insignificant as at 1 January 2018.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 2.1 於本年度強制生效之新訂及經修訂香港財務報告準則(續)

#### 2.1.2 香港財務報告準則第9號「財務工具」及相關修訂(續)

首次應用香港財務報告準則第9號產生之影響概述(續)

(b) 預期信貸虧損模式項下減值

本集團應用香港財務報告準則第9號簡化方式計量預期信貸虧損，即就貿易應收款項運用使用期預期信貸虧損。為計量預期信貸虧損，會個別評估各債務人的貿易應收款項。據本集團管理層評估，貿易應收款項於二零一八年一月一日之預期信貸虧損並不重大。

按攤銷成本列賬之其他財務資產之虧損撥備主要包括應收貸款、其他應收款項及訂金、於託管賬戶之銀行存款、受限制銀行存款、短期銀行存款、現金及現金等價物及財務擔保合約，乃按12個月預期信貸虧損計量，原因是其信貸風險自初步確認以來並無顯著加。

就於託管賬戶之銀行存款、受限制銀行存款、短期銀行存款以及現金及現金等價物而言，本集團僅與具信譽並獲國際信貸評級機構給予高信貸評級之銀行進行交易，並認為於二零一八年一月一日之違約風險偏低，12個月預期信貸虧損亦不重大。

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

### 2.1 New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### 2.1.2 HKFRS 9 Financial Instruments and the related amendments (Continued)

Summary of effects arising from initial application of HKFRS 9 (Continued)

##### (b) Impairment under ECL model (Continued)

For other receivables and deposits the management of the Group makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records and past experience with available, reasonable and supportive forward-looking information. Based on assessment by the management of the Group, management of the Group considers that the ECL for other receivables and deposits is insignificant as at 1 January 2018.

For loan receivables, the management of the Group estimates the estimated loss rates of loan receivables based on historical observed default rates over the expected life of the debtors as well as the value of the collateral (i.e. properties pledged) of each loan receivables. Based on assessment by the management of the Group, the management of the Group considers that the ECL for loan receivables is insignificant as the value of collateral is higher than the carrying amount of respective loan receivables.

For outstanding financial guarantees provided to banks for the mortgage loans arranged for the purchasers of the Group's properties of HK\$309,431,000 as at 1 January 2018, the Group considers that the ECL on the financial guarantee contracts is insignificant after the assessment by the management of the Group as at 1 January 2018.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 2.1 於本年度強制生效之新訂及經修訂香港財務報告準則(續)

#### 2.1.2 香港財務報告準則第9號「財務工具」及相關修訂(續)

首次應用香港財務報告準則第9號產生之影響概述(續)

##### (b) 預期信貸虧損模式項下減值(續)

就其他應收款項及訂金而言，本集團管理層會根據歷史結算記錄及過往經驗，加上合理且可作支持之可得前瞻資料，定期對其他應收款項及訂金之可收回程度進行個別評估。據本集團管理層評估，本集團管理層認為其他應收款項及訂金於二零一八年一月一日之預期信貸虧損並不重大。

就應收貸款而言，本集團管理層會根據債務人於預計年期之過往觀察違約比率以及每筆應收貸款之抵押品(即已質押物業)價值，估計應收貸款之預期虧損率。據本集團管理層評估，本集團管理層認為應收貸款之預期信貸虧損並不重大，原因是抵押品價值高於有關應收貸款之賬面值。

就於二零一八年一月一日為本集團物業買家安排之按揭貸款而提供予銀行之未清償財務擔保港幣309,431,000元而言，經本集團管理層評估後，本集團認為財務擔保合約於二零一八年一月一日之預期信貸虧損並不重大。

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

### 2.1 New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

#### 2.1.3 Impacts on opening consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the Group’s accounting policies above, the opening consolidated statement of financial position had to be restated. The following table show the adjustments recognised for each of the line items affected. Line items that were not affected by the changes have not been included.

		As at 31 December 2017 於 二零一七年 十二月 三十一日 (audited) (經審核) HK\$’000 港幣千元	HKFRS 15 香港財務 報告準則 第15號 HK\$’000 港幣千元	HKFRS 9 香港財務 報告準則 第9號 HK\$’000 港幣千元	As at 1 January 2018 於 二零一八年 一月一日 (restated) (經重列) HK\$’000 港幣千元
<b>Current assets</b>	<b>流動資產</b>				
Structured bank deposits	結構性銀行存款	106,559	—	(106,559)	—
Financial assets at FVTPL	按公平值計入損益之 財務資產	—	—	106,559	106,559
<b>Current liabilities</b>	<b>流動負債</b>				
Deposits received in advance	預收訂金	292,733	(292,733)	—	—
Contract liabilities	合約負債	—	292,733	—	292,733

Note: For the purposes of reporting cash flows from operating activities under indirect method for the year ended 31 December 2018, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 January 2018 as disclosed above.

附註：為根據間接方法報告截至二零一八年十二月三十一日止年度經營業務現金流量，已按上文披露之於二零一八年一月一日之年初綜合財務狀況表計算營運資金變動。

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 2.1 於本年度強制生效之新訂及經修訂香港財務報告準則(續)

#### 2.1.3 應用所有新訂準則對年初綜合財務狀況表之影響

因應本集團之上述會計政策變動，年初綜合財務狀況表須予重列。下表列示就各受影響項目確認之調整。不受有關變動影響之項目並未包括在內。

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

### 2.2 New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 16	Leases <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>3</sup>
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>4</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>5</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>1</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle <sup>1</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2019
- <sup>2</sup> Effective for annual periods beginning on or after a date to be determined
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2021
- <sup>4</sup> Effective for business combination for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
- <sup>5</sup> Effective for annual periods beginning on or after 1 January 2020

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 2.2 已頒佈惟尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第16號	租賃 <sup>1</sup>
香港財務報告準則第17號	保險合約 <sup>3</sup>
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅處理的不明確因素 <sup>1</sup>
香港財務報告準則第3號之修訂	業務之定義 <sup>4</sup>
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的資產出售或注入 <sup>2</sup>
香港會計準則第1號及香港會計準則第8號之修訂	重要之定義 <sup>5</sup>
香港會計準則第19號之修訂	計劃修訂、縮減或結算 <sup>1</sup>
香港會計準則第28號之修訂	於聯營公司及合營企業的長期權益 <sup>1</sup>
香港財務報告準則之修訂	二零一五年至二零一七年期之年度改進 <sup>1</sup>

- <sup>1</sup> 於二零一九年一月一日或之後開始的年度期間生效
- <sup>2</sup> 於待定期或之後開始的年度期間生效
- <sup>3</sup> 於二零二一年一月一日或之後開始的年度期間生效
- <sup>4</sup> 適用於收購日期於二零二零年一月一日或之後開始的首個年度期間開始之時或之後的業務合併
- <sup>5</sup> 於二零二零年一月一日或之後開始的年度期間生效

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

### 2.2 New and amendments to HKFRSs in issue but not yet effective (Continued)

Except for the new and amendments to HKFRSs mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

#### **HKFRS 16 Leases**

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 2.2 已頒佈惟尚未生效的新訂及經修訂香港財務報告準則(續)

除下述新訂及經修訂香港財務報告準則外，董事預期，應用所有其他新訂及經修訂香港財務報告準則將不會對可見將來的綜合財務報表造成重大影響。

#### **香港財務報告準則第16號「租賃」**

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入綜合模式。香港財務報告準則第16號生效後，將會取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。此外，香港財務報告準則第16號規定，售後租回交易須按香港財務報告準則第15號之規定確定應否將相關資產轉讓入賬列為銷售。香港財務報告準則第16號亦包括有關分租及租賃修訂之規定。

除短期租賃及低價值資產租賃外，就承租人會計處理移除經營租賃與融資租賃的差異，並以須就承租人的所有租賃確認使用權資產及相應負債的模式替代。

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

### 2.2 New and amendments to HKFRSs in issue but not yet effective (Continued) *HKFRS 16 Leases (Continued)*

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 2.2 已頒佈惟尚未生效的新訂及經修訂香港財務報告準則(續) *香港財務報告準則第16號「租賃」(續)*

使用權資產初步按成本計量，並隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債乃按租賃付款(非當日支付)的現值初步計量。隨後，租賃負債就(其中包括)利息及租賃付款以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前就自用租賃土地及分類為投資物業的租賃土地呈列預付租賃付款為投資現金流量，而其他經營租賃付款則以經營現金流量呈列。應用香港財務報告準則第16號後，有關租賃負債的租賃付款將分配為本金及利息部分，而本集團將以融資現金流量呈列。

除同時適用於出租人之若干規定外，香港財務報告準則第16號大致保留香港會計準則第17號的出租人會計處理規定，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號亦要求廣泛的披露。

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

### 2.2 New and amendments to HKFRSs in issue but not yet effective (Continued) *HKFRS 16 Leases (Continued)*

As at 31 December 2018, the Group has non-cancellable operating lease commitments of HK\$6,807,000 as disclosed in note 31(a). A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits received of HK\$173,362,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

## 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

### 2.2 已頒佈惟尚未生效的新訂及經修訂香港財務報告準則(續) *香港財務報告準則第16號「租賃」(續)*

於二零一八年十二月三十一日，誠如附註31(a)所披露，本集團擁有不可撤銷的經營租賃承擔港幣6,807,000元。初步評估顯示該等安排將符合租賃的定義。應用香港財務報告準則第16號後，除非有關租賃符合低價值或短期租賃之資格，否則本集團將會就所有該等租賃確認使用權資產及對應負債。

此外，本集團目前將已收可退還租金按金港幣173,362,000元，視為香港會計準則第17號所適用的租賃項下的權利及責任。根據香港財務報告準則第16號項下的租賃付款定義，該等按金並非與相關資產使用權有關的付款，因此該等按金的賬面值可調整至攤銷成本。對已付可退還租金按金作出之調整將視作額外租賃付款，並計入使用權資產之賬面值內。對已收可退還租金按金作出之調整將視作預付租賃付款。

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**2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)****2.2 New and amendments to HKFRSs in issue but not yet effective (Continued)**  
**HKFRS 16 Leases (Continued)**

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

**2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)****2.2 已頒佈惟尚未生效的新訂及經修訂香港財務報告準則(續)**  
**香港財務報告準則第16號「租賃」(續)**

應用新規定可能導致上述之計量、呈列及披露變動。本集團擬選擇可行之權宜之計，對先前識別為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「釐定某項安排是否包含租賃」之租賃應用香港財務報告準則第16號，且不會對先前未識別為包含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號之租賃之合約應用此準則。因此，本集團將不會重新評估合約是否屬於或包含在首次應用日期前已存在之租賃。另外，本集團作為承租人，擬選擇就應用香港財務報告準則第16號採用經修訂之追溯方式，並將於年初保留溢利確認首次應用之累計影響，而不會重列比較資料。

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### 3. BASIS OF PREPARATION

#### 3.1 Statement of compliance

The consolidated financial statements on pages 128 to 288 have been prepared in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

#### 3.2 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, investment properties and buildings which are measured at fair values or revalued amounts at the end of the reporting period as set out in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of assets".

### 3. 編製基準

#### 3.1 合規聲明

第128至288頁之綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定而編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則（「上市規則」）所規定之適用披露。

#### 3.2 計量基準

綜合財務報表乃採用歷史成本法編製，惟按下文會計政策所載於報告期末未按公平值或重估金額計量之若干財務工具、投資物業及樓宇除外。

歷史成本一般以交換貨品及服務所給予代價之公平值為基準。

公平值為市場參與者於計量日期在有序交易中出售資產將收取或轉讓負債將支付之價格，不論該價格是否直接可觀察或使用另一項估值技術估計。估計資產或負債之公平值時，本集團考慮市場參與者在計量日期為該資產或負債進行定價時將會考慮之資產或負債特徵。在該等綜合財務報表中計量及／或披露之公平值均按此基礎上釐定，惟在香港財務報告準則第2號「股份支付」範圍內之以股份為基礎之支付交易、香港會計準則第17號「租賃」範圍內之租賃交易及與公平值部分類似但並非公平值之計量（如香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值）除外。

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### 3. BASIS OF PREPARATION (Continued)

#### 3.2 Basis of measurement (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3. 編製基準(續)

#### 3.2 計量基準(續)

計量非財務資產之公平值時，會考慮市場參與者透過按其最高及最佳用途使用資產或透過出售予將按其最高及最佳用途使用資產之其他市場參與者而產生經濟利益之能力。香港財務報告準則第13號下之公平值為離場價格，不論該價格是否可直接觀察或使用其他估值方法估計。

對於按公平值及使用不可觀察數據輸入計量其後期間公平值之估值技術而交易之財務工具及投資物業，估值技術會作校準，以使估值技術結果等同交易價格。

此外，就財務報告而言，公平值計量根據公平值計量之數據輸入可觀察程度及數據輸入對公平值計量之整體重要性分類為第1級、第2級或第3級，載述如下

- 第1級數據輸入是實體於計量日期可為相同資產或負債在活躍市場取得的報價(未作調整)；
- 第2級數據輸入是就資產或負債直接或間接可觀察之數據輸入(不包括第1級內之報價)；及
- 第3級數據輸入是就資產或負債不可觀察之數據輸入。

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### 3. BASIS OF PREPARATION (Continued)

#### 3.2 Basis of measurement (Continued)

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated 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 consolidated financial statements, are disclosed in note 5.

#### 3.3 Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

### 3. 編製基準(續)

#### 3.2 計量基準(續)

編製該等綜合財務報表所採用之主要會計政策在下文概述。

謹請留意編製綜合財務報表曾運用會計估計及假設。雖然該等估計基於管理層對現時事件及行動之最佳理解及判斷，但實際結果最終或會與有關估計有重大出入。涉及高度判斷或複雜性之範圍，或假設及估計對綜合財務報表屬重大之範圍在附註5內披露。

#### 3.3 功能及呈列貨幣

綜合財務報表乃以港幣(「港幣」)呈列，而港幣亦為本公司之功能貨幣。

### 4. 主要會計政策概要

#### 4.1 綜合基準

綜合財務報表包括本公司及由本公司及其附屬公司控制之實體之財務報表。

倘本公司達成以下條件，即取得控制權：

- 有權控制被投資方；
- 對其參與被投資方之浮動回報享有承擔或權利；及
- 能運用對被投資方之權力以影響其所得回報。

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綜合財務報表附註*For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度***4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****4.1 Basis of consolidation (Continued)**

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

**4. 主要會計政策概要(續)****4.1 綜合基準(續)**

倘有事實及情況顯示上列三項控制元素中有一項或多項元素有變，本集團則重新評估其是否對被投資方擁有控制權。

當本集團取得附屬公司之控制權時，附屬公司即開始綜合入賬；當本集團失去對附屬公司之控制權時，附屬公司則不再綜合入賬。具體而言，年內所收購或所出售附屬公司之收入及開支，乃自本集團取得控制權當日起至本集團不再控制附屬公司當日止計入綜合損益及其他全面收入表。

損益及各其他全面收入項目乃歸屬於本公司擁有人及非控股權益。附屬公司之總全面收入乃歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘亦如是。

必要時會對附屬公司之財務報表作出調整，以使其會計政策符合本集團之會計政策。

與本集團成員公司之間交易有關之所有集團內公司間資產及負債、權益、收入、開支及現金流量會於綜合賬目時全數對銷。

於附屬公司之非控股權益與本集團於當中之權益分開呈列，指賦予其持有人權利於清盤時按比例分佔相關附屬公司淨資產之現時擁有權權益。

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.1 Basis of consolidation (Continued)

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

##### ***Acquisition of subsidiary not constituting a business***

When the Group acquires a subsidiary where the underlying assets are not integrated in forming a business, the transaction is accounted for as a purchase of net assets. The cost of the acquisition is allocated to the identifiable assets and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

#### 4. 主要會計政策概要(續)

##### 4.1 綜合基準(續)

倘本集團失去附屬公司之控制權，則取消確認該附屬公司及非控股權益(如有)之資產及負債。收益或虧損會在損益中確認，並按下列兩者之差額計算：(i)所收取代價之公平值與任何保留權益之公平值之總額，與(ii)本公司擁有人應佔該附屬公司之資產(包括商譽)及負債之賬面值。過往就該附屬公司在其他全面收入確認之所有金額，會以猶如本公司已直接出售附屬公司之相關資產或負債之方式入賬(即重新分類至損益或轉撥至適用香港財務報告準則訂明／允許之其他權益類別)。

##### ***收購不構成業務之附屬公司***

當本集團收購一家附屬公司(其相關資產並非合併為業務)，則交易入賬列為購買淨資產。收購成本會分配至可識別資產及所承擔負債，方法是將購買價首先分配至其後按公平值模式計量的投資物業及按相關公平值計量的財務資產／財務負債，然後按其於購買日期的相對公平值，將購買價餘額分配至其他可識別資產及負債。此等交易不會產生商譽或議價購買收益。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.2 Joint arrangements

#### *Interests in joint operations*

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

## 4. 主要會計政策概要(續)

### 4.2 合營安排

#### *於合營業務之權益*

合營業務屬於合營安排，據此，共同控制有關安排之各方有權享有合營安排之資產，並承擔合營安排之負責任。共同控制為各方在合約規限下同意分享安排之控制權，僅於就相關活動作出決定時必須經分享控制權之各方一致同意下始存在共同控制。

當集團實體以合營業務進行其業務，本集團作為合營營運方就有關其於合營業務之權益確認：

- 其資產，包括其分佔任何共同持有之資產；
- 其負債，包括其分佔任何共同產生之負債；
- 其銷售其分佔合營業務產品之收益；
- 其分佔合營業務銷售產品之收益；及
- 其開支，包括其分佔任何共同產生之開支。

本集團根據適用於個別資產、負債、收益及開支之香港財務報告準則，將其於合營業務之權益相關之資產、負債、收益及開支入賬。

當集團實體與合營業務交易而集團實體為合營營運方(如銷售或貢獻資產)，本集團被視為與合營業務之其他各方交易，則交易產生之盈虧只限於合營業務其他各方權益之部分，方可於本集團綜合財務報表內確認。

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.2 Joint arrangements (Continued)

###### *Interests in joint operations (Continued)*

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

##### 4.3 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal, except for financial assets within the scope of HKFRS 9/ HKAS 39 and investment properties which continue to be measured in accordance with the accounting policies as set out in respective sections.

#### 4. 主要會計政策概要(續)

##### 4.2 合營安排(續)

###### *於合營業務之權益(續)*

當集團實體與合營業務交易而集團實體為合營營運方(如購買資產)，本集團不會確認其分佔之盈虧，直至該等資產轉售予第三方為止。

##### 4.3 待售非流動資產

倘非流動資產及出售組別之賬面值將主要透過銷售交易而非持續使用而收回，則分類為待售。僅當資產(或出售組別)在其現況下可以立即出售(僅受制於對該資產(或出售組別)之銷售屬通常及慣常之條款)，並且極有可能出售時，才會被視為滿足此條件。管理層必須致力銷售，預計在分類之日起計一年內，該銷售有資格確認為已完成的銷售。

當本集團致力於涉及失去對附屬公司控制權之銷售計劃時，該附屬公司之所有資產及負債在符合上述準則時分類為待售，而不論本集團會否在銷售後保留其於相關附屬公司之非控股權益。

分類為待售之非流動資產(及出售組別)按其先前賬面值與公平值減出售成本兩者中之較低者計量，惟屬於香港財務報告準則第9號／香港會計準則第39號範圍內之財務資產及投資物業則繼續根據各節所載之會計政策計量。

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Investment properties are properties held either to earn rental income and/or for capital appreciation (including properties under construction or held for future development for such purposes), 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 properties are measured at cost, including directly attributable expenditure, on initial recognition. Subsequent to initial recognition, investment properties are measured at fair value with any change therein recognised in profit or loss.

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

A transfer from properties for sale to investment property should be made when, and only when, there is an evidence (such as inception of the lease) for a change in use. For a transfer to investment property, if the property will be carried at fair value, any difference between the fair value and the carrying amount of the property at the date of transfer is recognised in profit or loss.

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

**4. 主要會計政策概要(續)****4.4 投資物業**

投資物業是指為賺取租金收入及／或資本增值而持有之物業(包括為該等目的之在建或持作未來發展之物業)，而非為於日常業務過程中出售、用作生產或供應貨品或服務或作行政用途而持有之物業。

投資物業於首次確認時乃按成本(包括直接應佔開支)計量。經首次確認後，投資物業按公平值計量，其中任何變動則於損益確認。

在建投資物業產生之建設成本予以資本化為在建投資物業之賬面值一部分。

當及僅當有證據顯示用途改變(例如訂立租賃)時，方應將待售物業轉撥至投資物業。就轉撥至投資物業而言，倘物業將按公平值列賬，該物業於轉撥日期之公平值與賬面值兩者之任何差額乃於損益中確認。

投資物業於出售或當投資物業永久棄置或預期不會自出售獲取任何未來經濟利益時取消確認。取消確認物業時產生之任何盈虧(按淨出售所得款項及物業賬面值之差額計算)於取消確認物業期間在損益確認。

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.5 Property, plant and equipment

Buildings held for own use are stated at revalued amount, being their fair value at the date of the revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase arising on revaluation is recognised in other comprehensive income and accumulated in equity under asset revaluation reserve, unless the carrying amount of that asset has previously suffered a decrease in revaluation. To the extent that any decrease has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase dealt with in other comprehensive income. A decrease in net carrying amount of buildings arising on revaluation is recognised in other comprehensive income to the extent of the revaluation surplus in the asset revaluation reserve relating to the same asset and the remaining decrease is recognised in profit or loss.

Other items of property, plant and equipment, are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

#### 4. 主要會計政策概要(續)

##### 4.5 物業、廠房及設備

持作自用之樓宇按重估金額列賬，即其於重估日期之公平值減任何其後累計折舊及其後累計減值虧損。

重估乃足夠定期性進行，以確保該等資產之賬面值不會與於報告期末採用公平值釐定之數額出現重大差異。

重估產生之任何增值在其他全面收入中確認，並在權益之資產重估儲備中累計，除非有關資產之賬面值之前曾出現重估減值。重估增值計入損益，但以之前曾在損益確認任何減值之數額為限，增值之餘額於其他全面收入中處理。樓宇於重估時產生之賬面淨值減值在其他全面收入中確認，惟以資產重估儲備內有關同一資產之重估盈餘為限，而減值餘額則在損益中確認。

其他物業、廠房及設備項目乃按成本減其後累計折舊及任何累計減值虧損列賬。

物業、廠房及設備之成本包括其購買價及收購項目直接應佔成本。其後成本計入資產之賬面值或於適當時確認為獨立資產，惟前提為有關該項目之未來經濟利益很可能流入本集團及該項目之成本能可靠計算。所有其他成本(如維修及保養)在其產生之財政期間內於損益中確認為開支。

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.5 Property, plant and equipment (Continued)

Depreciation is provided to write off the cost/revalued amount of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leasehold lands	Over the lease period
Buildings	2%
Leasehold improvements	10%–30%
Furniture, fixtures and equipment	10%–20%
Motor vehicles	6%–15%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date with the effect of any changes in estimates being accounted for on a prospective basis.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on disposal is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognised in profit or loss. Any relevant revaluation surplus remaining in equity is transferred directly to retained profits on the disposal of buildings.

##### 4.6 Properties held for development

Properties held for development represent payments for interest in agricultural lands and are amortised on a straight-line basis over the lease terms.

#### 4. 主要會計政策概要(續)

##### 4.5 物業、廠房及設備(續)

折舊按物業、廠房及設備之估計可用期採用直線法按下列年率計算撥備以撇銷其成本／重估金額減剩餘價值：

租賃土地	於租期內
樓宇	2%
租賃物業裝修	10%–30%
傢俬、裝置及設備	10%–20%
汽車	6%–15%

資產之剩餘價值、折舊方法及可用期須於各報告日期進行檢討，並於適當情況下作出調整，而任何估計變動之影響會按未來基準入賬。

倘資產之賬面值高於其估計可收回金額，則資產即時撇減至其可收回金額。

物業、廠房及設備項目會在出售時或預期不會因繼續使用資產而產生未來經濟利益時取消確認。出售之盈虧釐定為出售所得款項淨額與資產賬面值之差額，在損益中確認。出售樓宇時仍在權益中之任何有關重估盈餘直接轉撥往保留溢利。

##### 4.6 待發展物業

待發展物業指就農業用地權益作出之付款，乃於租賃年期內按直線基準攤銷。

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.7 Impairment of other non-financial assets

At the end of the reporting period, the Group reviews the carrying amounts of the non-financial assets to determine whether there is any indication that they have suffered an impairment loss or if any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of non-financial assets are estimated individually, when it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

#### 4. 主要會計政策概要(續)

##### 4.7 其他非財務資產減值

於報告期末，本集團審閱非財務資產之賬面值，以釐定有否任何跡象顯示該等資產已出現減值虧損。如有任何該等跡象，則估計有關資產之可收回金額，以釐定減值虧損(如有)之程度。

非財務資產之可收回金額會個別估計。倘無法個別估計資產之可收回金額，本集團則估計資產所屬現金產生單位之可收回金額。倘可識別分配之合理一致基準，公司資產亦會分配至個別現金產生單位，或以其他方式分配至可識別合理一致基準之最小現金產生單位組別。

可收回金額為公平值減出售成本與使用價值兩者中之較高者。評估使用價值時，會使用可反映市場當前對貨幣時間價值及未調整未來現金流量估計之資產(或現金產生單位)之特有風險所作評估之稅前折現率，將估計未來現金流量折現至其現值。

倘估計資產(或現金產生單位)之可收回金額少於其賬面值，則資產(或現金產生單位)之賬面值將調減至其可收回金額。分配減值虧損時，減值虧損首先分配以調減任何商譽(倘適用)之賬面值，然後按比例根據該單位各資產之賬面值分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零之中的最高者。原應分配至該資產之減值虧損金額會按比例分配至該單位之其他資產。

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綜合財務報表附註*For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度***4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****4.7 Impairment of other non-financial assets (Continued)**

An impairment loss is recognised as an expense immediately, unless the relevant asset (or a cash-generating unit) is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease according to that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

**4.8 Leases**

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that 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, regardless of whether the arrangement takes the legal form of a lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

**4. 主要會計政策概要(續)****4.7 其他非財務資產減值(續)**

減值虧損即時確認為開支，除非有關資產(或現金產生單位)根據其他準則按重估金額列賬，則在該情況下，減值虧損乃根據該準則作為重估減值處理。

倘減值虧損其後撥回，該資產(或現金產生單位)之賬面值增加至其可收回金額之修訂估計，惟所增加之賬面值不得超過該資產(或現金產生單位)於過往年度並無確認減值虧損時原應釐定之賬面值。減值虧損撥回即時於損益確認，除非相關資產根據另一項準則按重估金額列賬，在此情況下，減值虧損撥回則按該準則視作重估增值處理。

**4.8 租賃**

倘本集團決定於協定期限內將特定資產使用權出讓以換取一筆或一連串付款之安排，包括一項交易或連串交易之該項安排則屬於或包括一項租賃。該項決定乃基於安排內容之估值而作出，而不論該項安排是否採取租賃之法律形式。

倘租賃之條款轉讓所有權絕大部分風險及回報予承租人，則租賃分類為融資租賃。所有其他租賃分類為經營租賃。

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.8 Leases (Continued)

###### ***The Group as lessor under operating lease***

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. Other than investment properties measured under fair value model, such costs are recognised as an expense on a straight-line basis over the lease term. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rental payments are recognised as income in the accounting period in which they are earned.

###### ***The Group as lessee under operating lease***

Total rentals payable under operating leases are recognised in profit or loss on a straight-line basis over the term of the relevant lease. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

###### ***Leasehold land***

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

#### 4. 主要會計政策概要(續)

##### 4.8 租賃(續)

###### **本集團作為經營租賃之出租人**

經營租賃之租金收入於有關租賃年期內按直線基準於損益確認。於磋商及安排經營租賃時產生之初次直接成本乃加至租賃資產之賬面值。除按公平值模式計量之投資物業外，該等成本乃於租賃年期內按直線基準確認為開支。所授出之租賃優惠乃於損益中確認為淨應收租賃款項總額之組成部分。或然租金付款於所賺取之會計期間確認為收入。

###### **本集團作為經營租賃之承租人**

經營租賃項下應付租金總額於有關租賃年期內按直線基準於損益確認。所獲得之租賃優惠在損益中確認為淨租賃付款總額之組成部分。

###### **租賃土地**

當本集團就同時包括租賃土地及樓宇元素之物業權益付款時，本集團會根據對各元素所有權附帶之絕大部分風險及回報是否已轉讓予本集團所作出之評估，獨立評估各元素之分類，除非兩項元素均清楚明確屬於經營租賃，在此情況下整項物業則入賬作為經營租賃。具體而言，在初步確認時，整筆代價(包括任何整付預付款項)會按照租賃權益於土地元素及樓宇元素之相對公平值，按比例在租賃土地與樓宇元素之間分配。

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**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****4.9 Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**4. 主要會計政策概要(續)****4.9 財務工具**

財務資產及財務負債乃在集團實體成為工具合約條文之訂約方時確認。所有按一般方式買賣之財務資產乃按交易日基準確認及取消確認。按一般方式買賣指規定於按市場規則或慣例設定之時限內交付資產之財務資產買賣。

自二零一八年一月一日起，財務資產及財務負債初步按公值計量，惟由客戶合約產生之貿易應收款項則根據香港財務報告準則第15號初步計量。因收購或發行財務資產及財務負債(不包括按公平值計入損益之財務資產或財務負債)而直接產生之交易成本，於初步確認時於該等財務資產及財務負債之公平值中計入或扣除(視適用情況而定)。因收購按公平值計入損益之財務資產或財務負債而直接產生之交易成本，乃即時於損益確認。

實際利率法為計算財務資產或財務負債攤銷成本及於有關期間內分配利息收入及利息開支之方法。實際利率為於財務資產或財務負債之預計年期或(如適當)較短期間內，將估計未來現金收入或付款準確貼現至初步確認時之賬面淨值之利率(包括構成實際利率組成部分之所有已付或已收費用及點子、交易成本及其他溢價或折讓)。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 Financial instruments (Continued)

#### 4.9.1 Financial assets

*Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income (“OCI”) if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

## 4. 主要會計政策概要(續)

### 4.9 財務工具(續)

#### 4.9.1 財務資產

*財務資產之分類及其後計量(根據附註2之過渡應用香港財務報告準則第9號後)*

符合以下條件之財務資產其後按攤銷成本計量:

- 財務資產在以收回合約現金流量為目的之業務模式下持有;及
- 合約條款於特定日期產生完全用作支付本金及未償還本金利息之現金流量。

符合以下條件之財務資產其後按公平值計入其他全面收入(「按公平值計入其他全面收入」)計量:

- 財務資產在透過收回合約現金流量及出售達到目的之業務模式下持有;及
- 合約條款於特定日期產生完全用作支付本金及未償還本金利息之現金流量。

所有其他財務資產其後按公平值計入損益計量,惟於首次應用/初步確認財務資產日期,倘該股本投資既非持作買賣亦非收購方在香港財務報告準則第3號「業務合併」適用之業務合併中確認之或然代價,本集團則可不可撤回地選擇於其他全面收入(「其他全面收入」)呈列股本投資公平值之其後變動。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 Financial instruments (Continued)

#### 4.9.1 Financial assets (Continued)

*Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)*

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### *Amortised cost and interest income*

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

#### *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of the reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item.

## 4. 主要會計政策概要(續)

### 4.9 財務工具(續)

#### 4.9.1 財務資產(續)

*財務資產之分類及其後計量(根據附註2之過渡應用香港財務報告準則第9號後)(續)*

另外，本集團可不可撤回地將須按攤銷成本或按公平值計入其他全面收入計量之財務資產指定為按公平值計入損益計量，前提是此方法可消除或大幅減少會計錯配。

#### *攤銷成本及利息收入*

就其後按攤銷成本計量之財務資產而言，利息收入乃採用實際利率法確認。利息收入乃於財務資產之賬面總值應用實際利率計量，惟其後出現信貸減值之財務資產除外(見下文)。就其後出現信貸減值之財務資產而言，利息收入乃自下一報告期起對財務資產之攤銷成本應用實際利率確認。倘出現信貸減值之財務工具之信貸風險有所改善，以致財務資產不再出現信貸減值，則自確定資產不再出現信貸減值後之報告期開始起，對財務資產之賬面總值應用實際利率確認利息收入。

*按公平值計入損益之財務資產*  
倘財務資產不符合按攤銷成本計量或按公平值計入其他全面收入或指定為按公平值計入其他全面收入之準則，則按公平值計入損益計量。

*按公平值計入損益之財務資產*  
於報告期末按公平值計量，並在損益中確認任何公平值收益或虧損。於損益確認之盈虧淨額不包括財務資產所賺取之任何股息或利息，並計入「其他收益及虧損」項目。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 Financial instruments (Continued)

#### 4.9.1 Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)*

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables and deposits, loan receivables, bank deposits at escrow account, restricted bank deposits, short-term bank deposits and cash and cash equivalents) and financial guarantee contracts. The amount of ECL is updated at the end of the reporting period to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for each debtor.

## 4. 主要會計政策概要(續)

### 4.9 財務工具(續)

#### 4.9.1 財務資產(續)

*財務資產之減值(根據附註2之過渡應用香港財務報告準則第9號後)*

本集團就根據香港財務報告準則第9號須減值之財務資產(包括貿易及其他應收款項及訂金、應收貸款、於託管賬戶之銀行存款、受限制銀行存款、短期銀行存款以及現金及現金等價物)及財務擔保合約之預期信貸虧損確認虧損撥備。預期信貸虧損金額乃於報告期末更新，以反映信貸風險自初步確認以來之變動。

使用期預期信貸虧損即指於相關工具之預期年期內因所有可能之違約事件而產生之預期信貸虧損。相反，12個月預期信貸虧損指於各報告期末後12個月內可能發生之違約事件預計產生之部分使用期預期信貸虧損。評估乃根據本集團過往之信貸虧損經驗進行，再就債務人之具體因素、整體經濟狀況以及對於報告日期之當前狀況和未來狀況預測所作之評估而作出調整。

本集團一直就貿易應收款項確認使用期預期信貸虧損。該等資產之預期信貸虧損會就各債務人個別進行評估。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 Financial instruments (Continued)

#### 4.9.1 Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)*

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

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

## 4. 主要會計政策概要(續)

### 4.9 財務工具(續)

#### 4.9.1 財務資產(續)

*財務資產之減值(根據附註2之過渡應用香港財務報告準則第9號後)(續)*

就所有其他工具而言，本集團會計量相等於12個月預期信貸虧損之虧損撥備，除非信貸風險自初步確認以來顯著增加，本集團則確認使用期預期信貸虧損。評估應否確認使用期預期信貸虧損，乃根據自初步確認以來發生之違約可能性或風險是否顯著增加而定。

- (i) 信貸風險顯著增加  
在評估信貸風險是否自初步確認以來顯著增加時，本集團會比較於報告日期財務工具發生違約事件的風險與於初步確認日期財務工具發生違約事件的風險。在作出此評估時，本集團會同時考慮合理可靠的定量及定性資料，包括過往經驗及無需付出不必要成本或努力而可取得的前瞻性資料。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 Financial instruments (Continued)

#### 4.9.1 Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)*

- (i) Significant increase in credit risk (Continued)
- In particular, the following information is taken into account when assessing whether credit risk has increased significantly:
- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
  - significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
  - existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
  - an actual or expected significant deterioration in the operating results of the debtor;
  - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

## 4. 主要會計政策概要(續)

### 4.9 財務工具(續)

#### 4.9.1 財務資產(續)

*財務資產之減值(根據附註2之過渡應用香港財務報告準則第9號後)(續)*

- (i) 信貸風險顯著增加(續)
- 尤其是，評估信貸風險是否顯著增加時會考慮以下資料：
- 財務工具之外部(如有)或內部信貸評級實際或預期會出現重大惡化；
  - 信貸風險之外部市場指標出現重大惡化，例如信貸息差顯著增加、債務人之信貸違約掉期價格；
  - 業務、財務或經濟狀況之現有或預測不利變動，而預期會導致債務人履行其債務責任之能力大減；
  - 債務人之經營業績實際或預期會顯著轉壞；
  - 債務人之監管、經濟或技術環境實際或預期會出現重大不利變動，而導致債務人履行其債務責任之能力大減。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 Financial instruments (Continued)

#### 4.9.1 Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)*

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

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

## 4. 主要會計政策概要(續)

### 4.9 財務工具(續)

#### 4.9.1 財務資產(續)

*財務資產之減值(根據附註2之過渡應用香港財務報告準則第9號後)(續)*

- (i) 信貸風險顯著增加(續)  
不論上述評估結果如何，本集團假設倘合約付款逾期超過30日，則信貸風險自初步確認以來已顯著增加，除非本集團有合理可靠之資料證明信貸風險並無顯著增加，則作別論。

儘管上文所述，倘債務工具於報告日期獲釐定為低信貸風險，本集團則假設該債務工具之信貸風險自初步確認以來並無顯著增加。倘i)債務工具之違約風險偏低；ii)借款人有強大能力於近期內履行其合約現金流量責任；及iii)長期之經濟及業務狀況不利變動可能但不一定會削減借款人履行其合約現金流量責任之能力，該債務工具則釐定為低信貸風險。倘按全球通用定義債務工具之內部或外部信貸評級為「投資級別」，本集團則視該債務工具為低信貸風險。

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.9 Financial instruments (Continued)

###### 4.9.1 Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)*

- (i) Significant increase in credit risk (Continued)  
For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### 4. 主要會計政策概要(續)

##### 4.9 財務工具(續)

###### 4.9.1 財務資產(續)

*財務資產之減值(根據附註2之過渡應用香港財務報告準則第9號後)(續)*

- (i) 信貸風險顯著增加(續)  
就財務擔保合約而言，本集團成為不可撤銷承擔一方之日被視為財務工具減值評估進行初始確認之日。在評估信貸風險自財務擔保合約初步確認以來是否有顯著增加時，本集團會考慮特定債務人違反合約之風險變動。

本集團定期監察用以識別信貸風險是否顯著增加之準則之成效，並會在適用情況下加以修訂，以確保有關準則能夠在有關金額逾期前識別信貸風險是否有顯著增加。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 Financial instruments (Continued)

#### 4.9.1 Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)*

- (ii) Definition of default  
The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.
- (iii) Credit-impaired financial assets  
A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;

## 4. 主要會計政策概要(續)

### 4.9 財務工具(續)

#### 4.9.1 財務資產(續)

*財務資產之減值(根據附註2之過渡應用香港財務報告準則第9號後)(續)*

- (ii) 違約之定義  
本集團認為，當財務資產逾期超過90日，即已發生違約，除非本集團有合理可靠之資料證明有更滯後的違約準則更為合適，則作別論。
- (iii) 信貸減值之財務資產  
當發生對財務資產之估計未來現金流量構成不利影響之一項或多項違約事件，該財務資產即出現信貸減值。財務資產出現信貸減值之證據包括有關以下事件之可觀察數據：
- (a) 發行人或借款人出現重大財務困難；
- (b) 違約，例如拖欠或逾期事件；或

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 Financial instruments (Continued)

#### 4.9.1 Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)*

- (iii) Credit-impaired financial assets (Continued)
  - (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
  - (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
  - (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (iv) Write-off policy  
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

## 4. 主要會計政策概要(續)

### 4.9 財務工具(續)

#### 4.9.1 財務資產(續)

*財務資產之減值(根據附註2之過渡應用香港財務報告準則第9號後)(續)*

- (iii) 信貸減值之財務資產(續)
  - (c) 借款人之放款人基於與借款人財務困難有關之經濟或合約理由，向借款人授出放款人在其他情況下不會考慮之特許；
  - (d) 借款人可能破產或進行其他財務重組；或
  - (e) 該財務資產之活躍市場因財務困難而消失。
- (iv) 撇銷政策  
倘有資料顯示對手方陷入嚴重財務困難且無實際可收回之期望(如對手方已進行清盤或進入破產程序)，或貿易應收款項已逾期超過兩年(以較早發生者為準)，本集團則撇銷財務資產。經考慮法律意見(如適用)後，已撇銷之財務資產仍可能受制於本集團收回程序下之執法活動。撇銷構成取消確認事件。其後的任何收回均在損益確認。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 Financial instruments (Continued)

#### 4.9.1 Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)*

- (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKAS 17 "Leases".

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

## 4. 主要會計政策概要(續)

### 4.9 財務工具(續)

#### 4.9.1 財務資產(續)

*財務資產之減值(根據附註2之過渡應用香港財務報告準則第9號後)(續)*

- (v) 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損率(即違約時虧損大小)及違約時風險敞口之函數。違約概率及違約虧損率之評估乃基於歷史數據按前瞻性資料作調整。預期信貸虧損之估計反映無偏頗的概率加權金額，此乃以發生違約之相關風險作為權重而釐定。

一般而言，預期信貸虧損為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之間的差額(按初步確認時釐定之實際利率貼現)。就應收租賃而言，用於釐定預期信貸虧損之現金流量與根據香港會計準則第17號「租賃」計量應收租賃所用之現金流量貫徹一致。

就財務擔保合約而言，根據擔保工具條款，本集團僅須於債務人違約時作出付款，故預計虧損為補償持有人所產生信貸虧損之預計付款減去本集團預計自持有人、債務人或任何其他方收取之任何金額之現值。

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.9 Financial instruments (Continued)

###### 4.9.1 Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)*

- (v) Measurement and recognition of ECL (Continued)

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

#### 4. 主要會計政策概要(續)

##### 4.9 財務工具(續)

###### 4.9.1 財務資產(續)

*財務資產之減值(根據附註2之過渡應用香港財務報告準則第9號後)(續)*

- (v) 預期信貸虧損之計量及確認(續)

就無法釐定實際利率之財務擔保合約之預期信貸虧損而言，本集團會運用反映市場當前對貨幣時間價值及現金流量之特有風險所作評估之折現率，但僅適用於並以透過調整折現率(而非調整遭折現之現金短欠)計及風險為限。

就財務擔保合約而言，會按根據香港財務報告準則第9號釐定之虧損撥備金額，與初步確認金額減(如適用)擔保期內確認之累計收入金額兩者中之較高者確認虧損撥備。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 Financial instruments (Continued)

#### 4.9.1 Financial assets (Continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)*

- (v) Measurement and recognition of ECL (Continued)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, loan receivables and financial guarantee contracts where the corresponding adjustment is recognised through a loss allowance account.

*Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)*

Financial assets are classified into the following specified categories: financial assets at FVTPL and loans and receivables. The Group classified financial assets on initial recognition, depending on the nature and purpose of the financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

- (i) Loans and receivables  
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and may also incorporate other types of contractual monetary assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

## 4. 主要會計政策概要(續)

### 4.9 財務工具(續)

#### 4.9.1 財務資產(續)

*財務資產之減值(根據附註2之過渡應用香港財務報告準則第9號後)(續)*

- (v) 預期信貸虧損之計量及確認(續)

本集團於損益確認所有財務工具之減值收益或虧損，方法是調整其賬面值，惟貿易應收款項、應收貸款及財務擔保合約之相應調整則透過虧損撥備賬確認。

*財務資產之分類及其後計量(於二零一八年一月一日應用香港財務報告準則第9號前)*

財務資產按以下特定類別分類：按公平值計入損益之財務資產以及貸款及應收款項。本集團在初步確認時，視乎財務資產之性質及目的將財務資產分類。所有按一般方式買賣之財務資產乃按交易日基準確認及取消確認。按一般方式買賣指規定於按市場規則或慣例設定之時限內交付資產之財務資產買賣。

- (i) 貸款及應收款項  
該等資產為非衍生財務資產，有固定或既定之還款規定，且並無在活躍市場報價。該等資產主要透過向客戶(貿易債務人)提供貨品及服務而產生，亦包括其他種類之合約貨幣資產。初步確認後，該等資產使用實際利率法按攤銷成本減任何已識別減值虧損列賬。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 Financial instruments (Continued)

#### 4.9.1 Financial assets (Continued)

*Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)*

- (ii) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL when it is a derivative that is not designated and effective as a hedging instrument; or it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract to be designated as at FVTPL upon initial recognition. Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in the profit or loss excludes any interest earned on the financial assets and is included in “other gains and losses” line item. Fair value is determined in the manner described in note 22.

*Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

## 4. 主要會計政策概要(續)

### 4.9 財務工具(續)

#### 4.9.1 財務資產(續)

*財務資產之分類及其後計量(於二零一八年一月一日應用香港財務報告準則第9號前)(續)*

- (ii) 按公平值計入損益之財務資產

倘財務資產並非獲指定及生效作為對沖工具，或組成包含一項或多項嵌入式衍生工具之合約之一部分，而香港會計準則第39號允許整份合併後之合約於初步確認後指定為按公平值計入損益計量，則分類為按公平值計入損益之財務資產。按公平值計入損益之財務資產乃按公平值列賬，並在損益確認重新計量產生之任何盈虧。於損益確認之盈虧淨額不包括財務資產所賺取之任何利息，並計入「其他收益及虧損」項目。公平值乃按附註22所述之方式釐定。

*財務資產之減值(於二零一八年一月一日應用香港財務報告準則第9號前)*

於各報告期末會評估財務資產(按公平值計入損益者除外)有否任何減值跡象。如有客觀證據證明財務資產之估計未來現金流量因初步確認財務資產後發生之一項或多項事件而受影響，財務資產則被視為出現減值。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 Financial instruments (Continued)

#### 4.9.1 Financial assets (Continued)

*Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)*

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the debtor;
- a breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account.

## 4. 主要會計政策概要(續)

### 4.9 財務工具(續)

#### 4.9.1 財務資產(續)

*財務資產之減值(於二零一八年一月一日應用香港財務報告準則第9號前)(續)*

就貸款及應收款項而言，客觀減值證據可能包括：

- 債務人出現重大財務困難；
- 違約，例如拖欠或無法如期償還利息或本金；或
- 債務人可能破產或進行其他財務重組。

對於按攤銷成本列賬之財務資產，所確認之減值虧損金額為資產賬面值與按財務資產原來實際利率貼現之估計未來現金流量之現值之間的差額。

所有財務資產減值虧損會直接於財務資產賬面值中作出扣減，惟貿易應收款項除外，其賬面值會透過使用撥備賬作出扣減。撥備賬之賬面值變動會於損益內確認。倘貿易應收款項被視為不可收回，則於撥備賬內撇銷。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 Financial instruments (Continued)

#### 4.9.1 Financial assets (Continued)

*Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)*

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### *Cash and cash equivalents*

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term 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 change in value, and form an integral part of the Group's cash management.

#### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## 4. 主要會計政策概要(續)

### 4.9 財務工具(續)

#### 4.9.1 財務資產(續)

*財務資產之減值(於二零一八年一月一日應用香港財務報告準則第9號前)(續)*

倘若有關資產可收回金額增加可客觀地與確認減值後發生之事件有關連，則於其後期間撥回減值虧損，惟資產於撥回減值當日之賬面值不得超過如無確認減值之原有攤銷成本。

#### *現金及現金等價物*

現金及現金等價物包括銀行及手頭現金、銀行活期存款以及原定到期日為三個月或以下隨時可轉換為已知數額現金且價值變動風險不大之短期高流通性投資，乃本集團現金管理之組成部分。

#### *取消確認財務資產*

只有在與財務資產有關之現金流量之合約權利屆滿，或本集團向另一實體轉讓財務資產或該資產所有權之絕大部分風險及回報時，本集團方會取消確認財務資產。倘本集團既無轉讓亦無保留所有權之絕大部分風險及回報，並且繼續控制獲轉讓資產，本集團則確認其於資產之保留權益，並就其或須支付之款項確認相關負債。倘本集團保留獲轉讓財務資產之所有權之絕大部分風險及回報，本集團則繼續確認財務資產，另會就已收所得款項確認有抵押借貸。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 Financial instruments (Continued)

#### 4.9.1 Financial assets (Continued)

##### *Derecognition of financial assets (Continued)*

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

#### 4.9.2 Financial liabilities and equity

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

##### *Financial liabilities at amortised cost*

Financial liabilities including trade and other payables and borrowings are subsequently measured at amortised cost, using the effective interest method.

## 4. 主要會計政策概要(續)

### 4.9 財務工具(續)

#### 4.9.1 財務資產(續)

##### *取消確認財務資產(續)*

取消確認按攤銷成本計量之財務資產時，資產賬面值與已收及應收代價總和之間的差額乃於損益確認。

#### 4.9.2 財務負債及權益

##### *分類為債務或權益*

債務及權益工具乃根據合約安排內容以及財務負債和權益工具之定義，分類為財務負債或權益。

##### *權益工具*

權益工具為證明實體於扣除其所有負債後之剩餘資產權益之任何合約。由本公司發行之權益工具乃按已收所得款項扣除直接發行成本確認。

##### *按攤銷成本列賬之財務負債*

財務負債包括貿易及其他應付款項以及借貸，其後使用實際利率法按攤銷成本計量。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.9 Financial instruments (Continued)

#### 4.9.2 Financial liabilities and equity (Continued)

##### *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 payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9 (since 1 January 2018)/HKAS 37 Provisions, Contingent Liabilities and Contingent Assets (before application of HKFRS 9 on 1 January 2018); and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

##### *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## 4. 主要會計政策概要(續)

### 4.9 財務工具(續)

#### 4.9.2 財務負債及權益(續)

##### *財務擔保合約*

財務擔保合約是要求發行人作出特定付款以補償持有人因特定債務人無法根據債務工具條款支付到期款項所產生之虧損之合約。財務擔保合約負債初步按其公平值計量，其後按以下兩者中之較高者計量：

- 根據香港財務報告準則第9號(自二零一八年一月一日起)/香港會計準則第37號「撥備、或然負債及或然資產」(於二零一八年一月一日應用香港財務報告準則第9號前)釐定之虧損撥備金額；及
- 初步確認金額減(如適用)擔保期內確認之累計攤銷。

##### *取消確認財務負債*

本集團會在並僅會在本集團之責任獲解除、取消或到期時取消確認財務負債。取消確認之財務負債之賬面值與已付及應付代價之間的差額，會在損益中確認。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.10 Inventories

Inventories are initially recognised at cost, and subsequently carried at the lower of cost and net realisable value.

#### **Properties for sale**

The cost of properties for sale comprises the acquisition cost of land, development expenditure, other direct expenses and capitalised borrowing costs (see note 4.13). Cost of properties for sale is determined by apportionment of the total costs attributable to the unsold properties.

Net realisable value represents the estimated selling price less all estimated cost of completion and costs necessary to make the sale.

### 4.11 Revenue recognition

#### **(i) Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)**

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;

## 4. 主要會計政策概要(續)

### 4.10 存貨

存貨初次按成本確認，其後以成本及可變現淨值兩者之較低者列賬。

#### **待售物業**

待售物業之成本包括土地之收購成本、發展開支、其他直接開支及已資本化借貸成本(見附註4.13)。待售物業之成本按未售物業應佔之成本總額分配釐定。

可變現淨值指估計售價減所有估計完工成本及進行銷售所需之成本。

### 4.11 收益確認

#### **(i) 來自客戶合約之收益(根據附註2之過渡應用香港財務報告準則第15號後)**

根據香港財務報告準則第15號，本集團當(或於)履行履約責任時確認收益，亦即在特定履約責任相關之貨品或服務之「控制權」轉移至客戶之時。

履約責任指可明確區分之貨品或服務(或一攬子貨品或服務)或一系列可明確區分而大致相同之貨品或服務。

倘滿足以下其中一項準則，控制權則隨時間推移而轉移，並參照完全履行相關履約責任之進度隨時間推移確認收益：

- 於本集團履約時，客戶同時收取及消耗本集團履約所提供之利益；

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.11 Revenue recognition (Continued)

(i) **Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (Continued)**

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

#### 4. 主要會計政策概要(續)

##### 4.11 收益確認(續)

(i) **來自客戶合約之收益(根據附註2之過渡應用香港財務報告準則第15號後)(續)**

- 本集團之履約建立並提升客戶於本集團履約時控制之資產；或
- 本集團之履約並無建立對本集團有其他用途之資產，而本集團對迄今已完成之履約付款有強制執行權利。

否則，收益於客戶取得可明確區分之貨品或服務之控制權之時間點確認。

合約資產指本集團就已轉讓予客戶之貨品或服務收取代價之權利(尚未成為無條件)，其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價之無條件權利，亦即到期應付該代價前僅須時間推移。

合約負債指本集團就已向客戶收取之代價(或代價金額到期)向客戶轉讓貨品或服務之責任。

與合約有關之合約資產及合約負債乃按淨額基準入賬及呈列。

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.11 Revenue recognition (Continued)

(i) **Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (Continued)**

*Contracts with multiple performance obligations (including allocation of transaction price)*

For contracts that contain more than one performance obligations (i.e. providing financial guarantee to banks with respect to mortgage loans procured by the purchasers of the Group's properties in the contracts on sales of properties), the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

#### 4. 主要會計政策概要(續)

##### 4.11 收益確認(續)

(i) **來自客戶合約之收益(根據附註2之過渡應用香港財務報告準則第15號後)(續)**

*設有多項履約責任之合約(包括分配交易價格)*

就包含多於一項履約責任的合約而言(即在物業銷售合約中就本集團物業買家獲得之按揭貸款而向銀行提供財務擔保)，本集團按照相對獨立售價基準將交易價格分配至各項履約責任。

各履約責任相關之可明確區分貨品或服務之獨立售價，於合約開始時釐定。該價格指本集團會單獨向客戶出售所承諾貨品或服務之價格。倘無法直接觀察獨立售價，本集團會使用適當技術估計，致使最終分配至任何履約責任之交易價格可反映本集團向客戶轉讓所承諾貨品或服務預期有權獲得之代價金額。

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.11 Revenue recognition (Continued)

(i) **Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (Continued)**

*Existence of significant financing component*

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

#### 4. 主要會計政策概要(續)

##### 4.11 收益確認(續)

(i) **來自客戶合約之收益(根據附註2之過渡應用香港財務報告準則第15號後)(續)**

*存在重大融資成分*

於釐定交易價格時，倘(不論以明示或暗示方式)協定之付款時間為客戶或本集團帶來向該客戶轉讓貨品或服務之重大融資利益，則本集團就貨幣時間價值之影響而調整已承諾之代價金額。於該等情況下，合約即含有重大融資成分。不論融資承諾是在合約中明確列明，抑或隱含在合約訂約方協定之付款條款中，均可能存在重大融資成分。

就相關貨品或服務之付款與轉讓期間少於一年之合約而言，本集團應用可行之權宜之計，並不就任何重大融資成分調整交易價格。

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.11 Revenue recognition (Continued)

(i) **Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (Continued)**

*Incremental costs of obtaining a contract*

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (i.e. sales commissions in relation to the sales of properties) as an asset if it expects to recover these costs. 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 assets relate. The asset is subject to impairment review.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

#### 4. 主要會計政策概要(續)

##### 4.11 收益確認(續)

(i) **來自客戶合約之收益(根據附註2之過渡應用香港財務報告準則第15號後)(續)**

*取得合約之增量成本*

取得合約之增量成本指本集團為取得與客戶之合約所產生之該等成本，而有關成本如未取得合約則不會產生。

倘本集團預期可收回該等成本(即有關銷售物業之銷售佣金)，則本集團將有關成本確認為資產。所確認之資產其後按與向客戶轉讓該等資產相關之貨品或服務一致之基準，有系統地於損益內攤銷。有關資產須接受減值檢討。

倘該等成本原應於一年內在損益悉數攤銷，本集團會應用可行之權宜之計，將取得合約之所有增量成本支銷。

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.11 Revenue recognition (Continued)

###### (ii) Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised when it is probable that the economic benefits will flow to the Group; when the revenue and costs, if applicable, can be measured reliably and when specific criteria have been met for each of the Group's activities, as described below.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Contingent rentals are recognised as income in the accounting period in which they are earned. Turnover rent is recognised when the underlying lessee's revenue transaction is recognised.

Revenue from sales of properties in the ordinary course of business is recognised when the respective properties have been completed and delivered to the buyers. Deposits and instalments received from purchasers prior to this stage are included in current liabilities and are not recognised as revenue.

Income from management services, property repairs and maintenance services are recognised in the period when the respective services are rendered.

Interest income is recognised on a time basis on the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### 4. 主要會計政策概要(續)

##### 4.11 收益確認(續)

###### (ii) 收益確認(二零一八年一月一日前)

收益按已收或應收代價之公平值計量。

當本集團可能獲得經濟利益、能可靠計算收益及成本(如適用)及符合下述本集團各項活動之特定條件時，則會確認收益。

經營租賃之租金收入於有關租賃年期內按直線基準確認。或然租金在收取之會計期間確認為收入。營業額租金於相關承租人之收益交易確認時進行確認。

在日常業務過程中銷售物業產生之收益，於有關物業竣工並交付予買家時確認。於此階段前向買家收取之訂金及分期款項列為流動負債，且不會確認為收益。

管理服務、物業維修及保養服務收入於提供有關服務期間確認。

利息收入乃根據未償還本金按適用之實際利率以時間基準確認，實際利率為於財務資產之預計年期將估計未來現金收入準確貼現至該資產初始確認時之賬面淨值之利率。

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In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are translated using exchange rates prevailing at the dates of transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at the foreign exchange rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. 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 retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

In the consolidated financial statements, the financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rate at the reporting date. Income and expenses have been converted into the HK\$ at average rates over the reporting period provided that the exchange rates over that period did not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the exchange reserve in equity. Goodwill and fair value adjustments arising on the acquisition of a foreign operation have been treated as assets and liabilities of the foreign operation and translated into HK\$ at the closing rates (attributed to non-controlling interests as appropriate).

**4. 主要會計政策概要(續)****4.12 外幣**

編製各個別集團實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易採用交易日之當前匯率換算。於報告日期，以外幣計值之貨幣資產及負債乃以該日之當前外幣匯率重新換算。

以公平值列賬且以外幣計值之非貨幣項目，乃按公平值被釐定日期之適用匯率重新換算，並作為公平值收益或虧損之一部分呈報。以外幣計值且以歷史成本計量之非貨幣項目概不重新換算。

因結算貨幣項目及重新換算貨幣項目而產生之匯兌差額，乃於產生期間在損益中確認。

在綜合財務報表中，所呈報貨幣與本集團呈報貨幣不同之海外業務之財務報表已換算為港幣呈列。資產及負債按報告日期結算匯率換算為港幣，而收入及支出則按報告期間之平均匯率換算為港幣，惟前提是該期間的匯率並無重大波動。上述換算所得之任何差額於其他全面收入中確認並另行撥入權益中之匯兌儲備累計。收購海外業務產生之商譽及公平值調整當作海外業務之資產及負債，按收盤匯率換算為港幣(歸屬於非控股權益，視適用情況而定)。

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

##### 4.14 Income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax 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 on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the consolidated financial statements and their corresponding tax bases used in computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

#### 4. 主要會計政策概要(續)

##### 4.13 借貸成本

收購、建設或生產合資格資產(即需一段長時間方達致其擬定用途或出售之資產)直接應佔之借貸成本加入該等資產成本內，直至資產可大致用作擬定用途或出售為止。

尚未用於合資格資產之特定借貸作暫時投資所賺取之投資收入，於合資格資本化之借貸成本中扣除。

所有其他借貸成本於產生期間內在損益確認。

##### 4.14 所得稅

所得稅包括即期稅項及遞延稅項。

即期所得稅資產及／或負債包括有關即期及上一個報告期間(且於報告日期仍未支付者)應付予或應索回稅務當局稅款。有關數額按適用於財務期間之稅率及稅法，基於該年度應課稅溢利計算。所有即期稅項資產或負債之變動在損益中確認，列為所得稅開支之部分。

遞延稅項乃按於報告日期綜合財務報表內資產與負債賬面值與其計算應課稅溢利時使用之相應稅基間之暫時性差額確認。遞延稅項負債一般會就所有應課稅暫時性差額確認。遞延稅項資產乃就所有可扣稅暫時性差額、可結轉稅項虧損以及其他未運用稅項抵免確認，惟以可能有應課稅溢利用作抵銷該等可扣稅暫時性差額、未動用稅項虧損及未動用稅項抵免之情況為限。

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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 investment in subsidiaries and interests in joint operation, 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 assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, based on tax rate (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**4. 主要會計政策概要(續)****4.14 所得稅(續)**

倘於一項交易中自資產及負債之商譽或首次確認(業務合併除外)所產生之暫時性差額並不影響應課稅或會計損益，則不會就此確認遞延稅項資產及負債。

投資附屬公司及合營業務權益所產生之應課稅暫時性差額須確認遞延稅項負債，惟倘本集團可以控制暫時性差額之撥回及暫時性差額不會在可見將來撥回者除外。由有關該等投資及權益之可扣稅暫時性差額產生之遞延稅項資產，僅在可能有足夠應課稅溢利用作抵銷暫時性差額之利益時確認，並預期在可見將來撥回。

遞延稅項資產之賬面值會於報告期末審閱，並在不再可能有足夠應課稅溢利可用以收回全部或部分資產時調減。

遞延稅項根據於報告期末已制定或大致上制定之稅率(及稅法)，按預期於支付負債或變現資產期間所適用稅率計算及不須貼現。

遞延稅項負債及資產之計量，反映於報告期末按照本集團預期收回或結算其資產及負債賬面值之方式所產生之稅務結果。

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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 4.14 Income taxes (Continued)

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### 4. 主要會計政策概要(續)

##### 4.14 所得稅(續)

為計量使用公平值模式計量之投資物業之遞延稅項，會假定該等物業之賬面值可透過出售全數收回，惟該假定被推翻則另作別論。當投資物業可計提折舊，並按目的為隨時間(而非透過出售)消耗投資物業所體現之絕大部分經濟利益之業務模式持有，有關假定則被推翻。倘該假定被推翻，有關投資物業之遞延稅項負債及遞延稅項資產會根據香港會計準則第12號所載之上述一般原則(即根據預期收回物業之方式)計量。

當有即期稅項資產抵銷即期稅項負債之法定強制性權利，以及遞延稅項資產及遞延稅項負債是與同一稅務部門徵收之所得稅相關，而本集團擬按淨額基準結算其即期稅項資產及負債，則會抵銷遞延稅項資產及負債。

即期及遞延稅項乃於損益確認，惟倘即期及遞延稅項與在其他全面收入或直接於權益確認之項目相關，即期及遞延稅項亦會分別在其他全面收入或直接於權益內確認。

倘(及僅倘)出現以下情況，則即期稅項資產及即期稅項負債乃按淨額呈列：

- (a) 本集團有法定強制性權利抵銷已確認金額；及
- (b) 擬按淨額基準結算，或同時變現資產及結算負債。

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## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.15 Employee benefits

#### (i) **Defined contribution retirement plans**

Retirement benefits to employees are provided through defined contribution plans.

Contributions are recognised as an expense in profit or loss when employees have rendered service entitling them to the contributions. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

#### (ii) **Short-term and other long-term employee benefits**

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

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 end of the reporting period.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

## 4. 主要會計政策概要(續)

### 4.15 僱員福利

#### (i) **定額供款退休計劃**

退休福利乃透過定額供款計劃向僱員提供。

當僱員已提供服務而享有供款時，供款則在損益中確認為開支。本集團根據此等計劃之責任限於應付之固定百分比供款。

#### (ii) **短期及其他長期僱員福利**

當僱員已提供服務，短期僱員福利按預期支付之福利之未折現金額確認。除非其他香港財務報告準則規定或允許將福利計入資產成本，否則所有短期僱員福利均確認為開支。

僱員可享有之年假在彼等放假時確認。截至報告期末本公司就僱員提供服務而享有年假之估計負債而計提撥備。

非累積性有薪假期例如病假及產假於放假時方予確認。

就其他長期僱員福利確認之負債，按本集團就僱員截至報告日期所提供服務預期作出之估計未來現金流出之現值計量。任何因服務成本、利息及重新計量而產生之負債賬面值變動乃於損益確認，惟倘其他香港財務報告準則規定或允許計入資產成本則除外。

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## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Critical judgements in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### (i) *Deferred tax arising from fair value changes in investment properties*

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties, the Directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted.

## 5. 關鍵會計判斷及估計不確定因素之主要來源

在應用附註4所述本集團之會計政策期間，董事須對不可隨時從其他來源取得之資產及負債賬面值作出判斷、估計及假設。該等估計乃基於過往經驗及其他視為相關之因素作出。實際結果可能與該等估計不同。

有關估計會持續予以檢討。倘會計估計之修訂僅影響作出修訂之期間，則於修訂估計期間確認有關修訂；倘修訂同時影響當前及未來期間，則於修訂期間及未來期間確認有關修訂。

### 應用會計政策時作出之關鍵判斷

以下是董事在應用本集團之會計政策過程中所作出之關鍵判斷(涉及估計者除外(見下文))，此等判斷對綜合財務報表中確認之金額產生的影響最為重大。

#### (i) *投資物業公平值變動產生的遞延稅項*

為計量使用公平值模式計量之投資物業所產生之遞延稅項，董事已審閱本集團之投資物業組合，並斷定本集團之投資物業並非按目的為隨時間消耗投資物業所體現之絕大部分經濟利益之業務模式持有。因此，在釐定本集團之投資物業遞延稅項時，董事確定全數透過出售收回使用公平值模式計量之投資物業之賬面值這個假定不被推翻。

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## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### Key sources of estimation uncertainty

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

#### (i) *Estimated fair value of investment properties and revalued amount of buildings*

As at the reporting date, the Group's investment properties are stated at fair value and buildings are stated at revalued amount based on the valuation performed by an independent qualified professional valuer. In determining the fair value/revalued amount, the valuer has based its valuation on income capitalisation approach or direct comparison or the residual method, as appropriate for respective investment properties, and valuation on net replacement cost method for buildings, which involves certain estimates, including comparable market transactions, appropriate capitalisation rates and reversionary rental value, estimated gross development value, estimated cost of development and allowance of profit that duly reflected developer's risk associated with the development, as appropriate. In relying on the valuation, management has exercised their judgement and is satisfied that the methods of valuation adopted are appropriate for the relevant property and reflective of current market conditions. As at 31 December 2018, the fair value of Group's investment properties and revalued amount of buildings were HK\$20,439,237,000 and HK\$39,378,000 (2017: HK\$19,497,324,000 and HK\$40,779,000), respectively.

## 5. 關鍵會計判斷及估計不確定因素之主要來源(續)

### 估計不確定因素之主要來源

以下是於報告期末有關未來之主要假設及估計不確定因素之其他主要來源，而具有重大風險導致下一財政年度內之資產及負債賬面值須作出重大調整。

#### (i) *投資物業之估計公平值及樓宇之重估金額*

於報告日期，本集團之投資物業以公平值列賬，樓宇按獨立合資格專業估值師進行之估值以重估金額列賬。於釐定公平值／重估金額時，估值師已按各投資物業適用的情況應用收入資本化法或直接比較法或剩餘法為估值基準，而樓宇則按淨重置成本法估值，當中涉及包括可比較市場交易、適當資本化比率及復歸租值、估計發展總值、估計發展成本及妥為反映發展商與發展項目相關之風險之溢利撥備(視適用情況而定)之若干估計。於依賴估值時，管理層已運用其判斷，並信納所採用的估值方法適合有關物業並反映現時市況。於二零一八年十二月三十一日，本集團之投資物業之公平值及樓宇之重估金額分別為港幣20,439,237,000元及港幣39,378,000元(二零一七年：港幣19,497,324,000元及港幣40,779,000元)。

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**5. CRITICAL ACCOUNTING JUDGEMENTS  
AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY (Continued)**

**Key sources of estimation uncertainty (Continued)**

**(ii) Net realisable values of properties for sale**

Management determines the net realisable values of properties for sale based on the Group's assessment of the selling price ultimately expected to be realised less all estimated cost to completion and cost necessary to make the sale. The estimated selling price of such properties are determined by the management with reference to prevailing market data such as most recent sale transactions of similar properties or market valuation reports available from independent qualified professional valuers. Such valuations are made based on certain assumptions, which are subject to uncertainties and might materially differ from the actual result. In making the judgement, reasonable consideration has been given to the underlying assumptions that are mainly based on market conditions existing at the reporting date. These estimates are regularly compared to actual market data and actual transactions in the market. As at 31 December 2018, the carrying amount of properties for sale was HK\$954,855,000 (2017: HK\$1,407,876,000).

**5. 關鍵會計判斷及估計不確定因素之主要來源(續)**

**估計不確定因素之主要來源(續)**

**(ii) 待售物業之可變現淨值**

管理層根據本集團對最終預期變現售價作出之評估，減去所有估計完工成本及進行銷售所需之成本，釐定待售物業之可變現淨值。管理層釐定該等物業之估計售價時，會參考類似物業之最新銷售交易或獨立合資格專業估值師提供之市場估值報告等現行市場數據。有關估值乃按若干受不確定因素所限之假設而進行，並可能與實際結果有重大差異。於作出判斷時，管理層已合理考慮對主要按於報告日期出現之市況而作出之相關假設。此等估計會定期與實際市場數據及市場上之實際交易作比較。於二零一八年十二月三十一日，待售物業之賬面值為港幣954,855,000元(二零一七年：港幣1,407,876,000元)。

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## 6. REVENUE

An analysis of the Group's revenue from its principal activities and other income is as follows:

### i) Disaggregation of revenue and reconciliation to segment revenue

## 6. 收益

本集團之主要業務之收益及其他收入分析如下：

### i) 收益區隔及分類收益對賬

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Revenue from contracts with customers under HKFRS 15</b>	<b>根據香港財務報告準則第15號來自客戶合約之收益</b>		
<b>Property development*</b>	<b>物業發展*</b>		
— Sales of completed properties for sale	— 已落成待售物業銷售	<b>417,247</b>	1,696,130
<b>Building management and other services*</b>	<b>樓宇管理及其他服務*</b>		
— Property repairs and maintenance service income	— 物業維修及保養服務收入	<b>8,472</b>	6,504
— Building management service income	— 樓宇管理服務收入	<b>14,639</b>	14,362
Revenue from contracts with customers under HKFRS 15	根據香港財務報告準則第15號來自客戶合約之收益	<b>440,358</b>	1,716,996
<b>Property leasing*</b>	<b>物業租賃*</b>		
— Rental and signage rental income	— 租金及廣告位租賃收入	<b>540,040</b>	508,000
<b>Total revenue</b>	<b>總收益</b>	<b>980,398</b>	2,224,996

\* The segment names are defined in the section "Segment information" in note 8.

\* 分類名稱定義見附註8「分類資料」一節。

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## 6. REVENUE (Continued)

### i) Disaggregation of revenue and reconciliation to segment revenue (Continued)

## 6. 收益(續)

### i) 收益區隔及分類收益對賬(續)

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度		Property development segment 物業發展分類 HK\$'000 港幣千元	Building management and other services segment 樓宇管理及 其他服務分類 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
<b>Geographical markets</b>	<b>地區市場</b>			
The People's Republic of China (the "PRC")*	中華人民共和國(「中國」)*	250,966	—	250,966
Hong Kong	香港	166,281	23,111	189,392
		<b>417,247</b>	<b>23,111</b>	<b>440,358</b>
<b>Timing of recognition</b>	<b>確認時間</b>			
A point in time	某時間點	417,247	—	417,247
Over time	隨時間推移	—	23,111	23,111
		<b>417,247</b>	<b>23,111</b>	<b>440,358</b>

\* For reporting purpose, the PRC excludes Hong Kong, Taiwan and Macau

\* 就呈報而言，中國不包括香港、台灣及澳門

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## 6. REVENUE (Continued)

### ii) Performance obligation for contract with customers

#### **Sales of properties**

Revenue from sales of properties is recognised when the respective properties have been completed and delivered to the customers which is a point in time when customers have the ability to direct the use of the properties and obtain substantially all benefits of the properties. Deposits received from customers prior to meeting the aforementioned revenue recognition criteria are regarded as the contract liabilities and included in current liabilities as pre-sale proceeds received on sales of properties in the consolidated statement of financial position.

The Group considers that the pre-sale proceeds received on sales of properties do not contain significant financing component as the contracts where the period between payment and transfer of the associated properties is less than one year, the Group applied the practical expedient of not adjusting the transaction price for any significant financing component.

For the contracts that contain the performance obligation of providing financial guarantee to banks with respect to mortgage loans procured by the purchasers of the Group's properties in the contracts on sales of properties, the Group should allocate the transaction price to the performance obligations between the sales of properties and provision of financial guarantee on a relative stand-alone selling price basis. The Group considers that the impact in the allocation of provision of financial guarantee on a relative stand-alone selling price basis is insignificant during the year ended 31 December 2018 and thus all the revenue recognised from the contracts with customers on sales of properties is then allocated to the revenue from sales of completed properties for sale.

## 6. 收益(續)

### ii) 客戶合約之履約責任

#### **物業銷售**

物業銷售收益乃於相關物業落成並交付予客戶時確認，亦即客戶有能力指揮物業用途並取得物業絕大部分利益之時。在達到上述收益確認條件前向客戶收取之訂金視作合約負債，並在綜合財務狀況表計入流動負債，作為銷售物業收取之預售所得款項。

本集團認為，由於合約中之付款與轉讓相關物業期間不足一年，因此銷售物業收取之預售所得款項不含重大融資成分，而本集團已應用可行之權宜之計，不就任何重大融資成分調整交易價格。

就包含履約責任之合約(即在物業銷售合約中就本集團物業買家獲得之按揭貸款而向銀行提供財務擔保)而言，本集團應按照相對獨立售價，在物業銷售與財務擔保撥備之間分配交易價格。本集團認為，截至二零一八年十二月三十一日止年度按相對獨立售價分配財務擔保撥備之影響並不重大，因此，因銷售物業而確認之所有客戶合約收益，其後已分配至已落成待售物業之銷售收益。

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## 6. REVENUE (Continued)

### ii) Performance obligation for contract with customers (Continued)

#### **Property repairs and maintenance service income/ Building management service income**

Revenue from provision of property repairs and maintenance service and provision of building management service are recognised over time as the customers simultaneously receive and consume the benefits provided by the Group when the Group renders the service.

### iii) Transaction price allocated to the remaining performance obligation for contracts with customers

Contracts for building management services are typically have one to five years non-cancellable term under which the Group bills a fixed amount for a month. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

All other contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

## 6. 收益(續)

### ii) 客戶合約之履約責任(續)

#### **物業維修及保養服務收入／ 樓宇管理服務收入**

提供物業維修及保養服務以及提供樓宇管理服務之收入乃隨時間確認，原因是客戶在本集團提供服務時同時收取及耗用本集團提供之利益。

### iii) 分配至客戶合約之其餘履約責任之交易價格

樓宇管理服務合約一般包括一至五年不可撤銷之條款，據此，本集團會在每個月收取固定金額。本集團已選擇應用可行之權宜之計，按本集團有權開具發票之金額確認收益。據香港財務報告準則第15號所允許，並無披露分配至該等未履行合約之交易價格。

所有其他客戶合約為期一年或以下。誠如香港財務報告準則第15號所允許，概不披露分配至該等未履行合約之交易價格。

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## 7. OTHER INCOME

## 7. 其他收入

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Interest income from financial assets at FVTPL	按公平值計入損益之財務資產之利息收入	5,232	—
Interest income from loan receivables	應收貸款利息收入	1,021	721
Other interest income	其他利息收入	17,695	11,116
Forfeiture of deposits (note)	沒收訂金(附註)	3,756	91,214
Miscellaneous income	雜項收入	19,915	7,101
<b>Total</b>	<b>總額</b>	<b>47,619</b>	<b>110,152</b>

Note: The amount represents forfeiture of deposits of HK\$3,756,000 (2017: HK\$91,214,000) upon the termination of the sale and purchase agreement on sales of properties during the year ended 31 December 2018.

附註：該金額為於截至二零一八年十二月三十一日止年度終止銷售物業之買賣協議時沒收之訂金港幣3,756,000元(二零一七年：港幣91,214,000元)。

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## 8. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resource allocation to the Group's business components and for their review of the performance of those components. During the year ended 31 December 2018, the Group commenced the business in mini-storage by acquisition and rental of industrial buildings in Hong Kong, and it is considered as a new operating and reportable segment by the executive directors. For segment reporting, the mini-storage business have been aggregated with property leasing segment into a single reportable segment because the mini-storage operation represents rental of space to third parties. The business components in the internal financial information reported to the executive directors are determined following the Group's major business lines.

The Group has identified the following operating and reportable segments:

Property development	:	Development of residential, commercial and industrial properties
Property leasing	:	Property rental including signage rental and rental under mini-storage operation
Building management and other services	:	Provision of building management, property repairs and maintenance services

Each of these operating and reportable segments is managed separately as each of the business lines requires different resources as well as operating approaches.

Also, the Group engaged in properties assembly and sales of properties business. There is no project under property assembly business in both years. Thus, this is not constitute a reportable segment during both years.

## 8. 分類資料

本集團根據向執行董事定期呈報之內部財務資料識別其營運分類及編製分類資料，而執行董事根據該等資料決定本集團各業務組成部分之資源分配並檢討該等組成部分之表現。截至二零一八年十二月三十一日止年度，本集團透過收購及租賃香港之工業大廈開展迷你倉業務，而此項業務被執行董事視為全新的營運及可呈報分類。為進行分類報告，迷你倉業務已與物業租賃分類彙整為單一可呈報分類，此乃由於迷你倉業務為向第三方出租空間。向執行董事呈報之內部財務資料之業務組成部分乃根據本集團主要業務線釐定。

本集團已識別下列營運及可呈報分類：

物業發展	:	發展住宅、商業及工業物業
物業租賃	:	物業租賃包括廣告位租賃及迷你倉業務下之租賃
樓宇管理及其他服務	:	提供樓宇管理、物業維修及保養服務

由於各業務需要不同資源及經營方針，故各該等營運及可呈報分類分開管理。

此外，本集團從事物業合併及物業銷售業務。於兩個年度內並無任何物業合併業務項目，因此於兩個年度內並不構成可呈報分類。

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## 8. SEGMENT INFORMATION (Continued)

These operating and reportable segments are monitored and strategic decisions are made on the basis of segment operating results.

### Segment revenue and results

		Property development 物業發展		Property leasing 物業租賃		Building management and other services 樓宇管理及其他服務		Segment total 分類總計	
		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
		<b>Revenue</b>	<b>收益</b>						
External customers	外來客戶	417,247	1,696,130	540,040	508,000	23,111	20,866	980,398	2,224,996
Inter-segments (note)	各分類間(附註)	17	1,381	1,017	453	2,653	3,390	3,687	5,224
<b>Segment revenue</b>	<b>分類收益</b>	<b>417,264</b>	<b>1,697,511</b>	<b>541,057</b>	<b>508,453</b>	<b>25,764</b>	<b>24,256</b>	<b>984,085</b>	<b>2,230,220</b>
<b>Segment profits</b>	<b>分類溢利</b>	<b>155,513</b>	<b>448,844</b>	<b>503,198</b>	<b>462,271</b>	<b>14,056</b>	<b>10,175</b>	<b>672,767</b>	<b>921,290</b>
Certain other income, other gains and losses	若干其他收入、其他收益及虧損							13,955	8,869
Certain administrative expenses	若干行政費用							(64,433)	(80,511)
Gain/(loss) on disposal of subsidiaries	出售附屬公司之收益/(虧損)							235,812	(50,167)
Net fair value (loss)/gain on investment properties/properties transfer	投資物業/物業轉撥公平值(虧損)/收益淨額							(101,018)	528,792
Finance costs	融資成本							(37,815)	(25,503)
Profit before income tax expense	除所得稅開支前溢利							<b>719,268</b>	<b>1,302,770</b>

Note: Inter-segment sales are charged at mutual agreed terms.

The operating and reportable segment results exclude finance costs, net fair value (loss)/gain on investment properties/properties transfer, gain/(loss) on disposal of subsidiaries, certain other income, other gains and losses, certain administrative expenses and income tax expense.

## 8. 分類資料(續)

此等營運及可呈報分類之監控及決策之作出乃基於分類經營業績。

### 分類收益及業績

附註：各分類間銷售按相互協定之條款扣除。

營運及可呈報分類業績不包括融資成本、投資物業/物業轉撥公平值(虧損)/收益淨額、出售附屬公司之收益/(虧損)、若干其他收入、其他收益及虧損、若干行政費用及所得稅開支。

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**8. SEGMENT INFORMATION (Continued)**  
**Segment assets and liabilities**

**8. 分類資料(續)**  
**分類資產及負債**

		Property development 物業發展		Property leasing 物業租賃		Building management and other services 樓宇管理及其他服務		Segment total 分類總計	
		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Segment assets</b>	<b>分類資產</b>	<b>1,288,491</b>	1,829,118	<b>20,699,144</b>	19,701,201	<b>23,933</b>	35,708	<b>22,011,568</b>	21,566,027
Certain property, plant and equipment	若干物業、廠房及設備							<b>2,612</b>	2,612
Short-term bank deposits	短期銀行存款							<b>575,000</b>	480,055
Certain cash and cash equivalents	若干現金及現金等價物							<b>115,184</b>	503,776
Assets classified as held for sale	分類為待售之資產							<b>420,000</b>	—
Total assets	資產總值							<b>23,124,364</b>	22,552,470
<b>Segment liabilities</b>	<b>分類負債</b>	<b>438,405</b>	548,781	<b>253,485</b>	162,462	<b>10,180</b>	9,246	<b>702,070</b>	720,489
Certain other payables	若干其他應付款項							<b>72,374</b>	73,875
Borrowings	借貸							<b>1,562,788</b>	1,528,120
Provision for income tax	所得稅撥備							<b>213,381</b>	228,152
Deferred tax liabilities	遞延稅項負債							<b>117,532</b>	107,886
Total liabilities	負債總額							<b>2,668,145</b>	2,658,522

Segment assets include all assets other than certain property, plant and equipment, short-term bank deposits, certain cash and cash equivalents and assets classified as held for sale.

Segment liabilities comprise all liabilities other than certain other payables, provision for income tax, deferred tax liabilities and borrowings.

分類資產包括所有資產，但不包括若干物業、廠房及設備、短期銀行存款、若干現金及現金等價物以及分類為待售之資產。

分類負債包括所有負債，但不包括若干其他應付款項、所得稅撥備、遞延稅項負債及借貸。

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8. SEGMENT INFORMATION (Continued)  
Other segment information

8. 分類資料(續)  
其他分類資料

		Property development 物業發展		Property leasing 物業租賃		Building management and other services 樓宇管理及其他服務		Segment total 分類總計		Unallocated 未分類		Total 總計	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
<b>Amounts included in the measure of segment profit:</b>	<b>計入分類溢利計量之款額：</b>												
Other interest income	其他利息收入	1,588	2,135	2,711	46	286	66	4,585	2,247	13,110	8,869	17,695	11,116
Interest income from financial assets at FVTPL	按公平值計入損益之財務資產之利息收入	5,232	—	—	—	—	—	5,232	—	—	—	5,232	—
Interest income from loan receivables	應收貸款利息收入	1,021	721	—	—	—	—	1,021	721	—	—	1,021	721
Depreciation	折舊	(139)	(192)	(2,848)	(1,123)	—	(3)	(2,987)	(1,318)	—	(932)	(2,987)	(2,250)
Amortisation of properties held for development	待發展物業攤銷	(546)	(413)	—	—	—	—	(546)	(413)	—	—	(546)	(413)
Impairment loss on trade receivables	貿易應收款項減值虧損	—	—	—	(2,191)	—	—	—	(2,191)	—	—	—	(2,191)
Forfeiture of deposits	沒收訂金	3,756	91,214	—	—	—	—	3,756	91,214	—	—	3,756	91,214
<b>Amounts included in the measure of segment assets:</b>	<b>計入分類資產計量之款額：</b>												
Additions to non-current segment assets during the year	年內增添非流動分類資產	278	—	1,227,060	1,310,107	—	—	1,227,338	1,310,107	—	372	1,227,338	1,310,479

Geographical information

The Group's revenue from external customers and its non-current assets (other than financial instruments) are divided into the following geographical areas:

地區資料

本集團之外來客戶收益及其非流動資產(財務工具除外)分佈以下地區：

		Revenue from external customers 外來客戶收益		Non-current assets 非流動資產	
		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Principal markets</b>	<b>主要市場</b>				
— Hong Kong (domicile)	— 香港(註冊地)	729,432	1,987,393	20,632,663	19,649,965
— the PRC	— 中國	250,966	237,603	14,649	30,198
		980,398	2,224,996	20,647,312	19,680,163

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## 8. SEGMENT INFORMATION (Continued)

The geographical location of customers is based on the location at which the goods/services were delivered/rendered. The geographical location of non-current assets is based on the physical location of the assets.

### Information about major customer

Revenue from customer of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

		Year ended 截至以下日期止年度	
		31/12/2018 二零一八年 十二月三十一日 HK\$'000 港幣千元	31/12/2017 二零一七年 十二月三十一日 HK\$'000 港幣千元
Customer A	客戶A		
— Property leasing	— 物業租賃	119,545	123,360 <sup>1</sup>

<sup>1</sup> The corresponding revenue contributed over 10% of total revenue of property leasing segment.

For the year ended 31 December 2017, the Group did not derive more than 10% of the Group's total revenue from any single customer.

## 8. 分類資料(續)

客戶之所屬地區乃基於提供貨品／服務之地點釐定。非流動資產之地區分類乃基於資產之實際所在地。

### 有關主要客戶之資料

以下為相關年度來自向本集團貢獻超過10%收益總額之客戶之收益：

<sup>1</sup> 相關收益貢獻物業租賃分類之收益總額超過10%。

截至二零一七年十二月三十一日止年度，本集團並未從任何單一客戶獲取超過本集團收益總額之10%。

## 9. FINANCE COSTS

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Interest charges on:	以下各項之利息開支：		
Bank loans	銀行貸款	37,815	25,503

## 9. 融資成本

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## 10. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is arrived at after charging/  
(crediting):

## 10. 除所得稅開支前溢利

除所得稅開支前溢利已扣除/(計入)下列  
各項:

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Amortisation of properties held for development (note 19)	待發展物業攤銷(附註19)	546	413
Auditor's remuneration	核數師酬金	3,260	3,059
Cost of completed properties held for sale recognised as expenses	確認為開支之已落成待售物業成本	246,226	1,206,499
Depreciation of property, plant and equipment (note 18)	物業、廠房及設備折舊(附註18)	2,987	2,250
Employee compensation expense (including Directors' remuneration and defined contribution cost) (note 12)	僱員報酬開支(包括董事酬金及定額供款成本)(附註12)	131,507	158,206
Impairment loss on trade receivables* (note 21)	貿易應收款項減值虧損*(附註21)	—	2,191
Minimum operating lease charges	最低經營租賃支出	1,277	1,115
Gross rental income from investment properties	投資物業租金收入總額	(540,040)	(508,000)
Less: Direct operating expense arising from investment properties that generated rental income	減: 產生租金收入之投資物業所產生之直接經營支出	29,234	38,009
Less: Direct operating expense arising from investment properties that did not generate rental income	減: 未產生租金收入之投資物業所產生之直接經營支出	268	319
		<b>(510,538)</b>	<b>(469,672)</b>

\* Included in other gains and losses

\* 已包括在其他收益及虧損內

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## 11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

### (a) Directors' emoluments

The emoluments paid or payable to the Directors were as follows:

## 11. 董事及高級管理層之酬金

### (a) 董事酬金

已付或應付董事酬金如下：

		Fee	Salaries and allowances	Performance related bonuses	Retirement benefits scheme contributions	Total
		袍金	薪金及津貼	表現相關花紅	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Year ended 31 December 2018</b>	<b>截至二零一八年十二月三十一日止年度</b>					
<b>Executive directors</b>	<b>執行董事</b>					
Madam Foo Kam Chu Grace	傅金珠女士	50	5,520	9,203	18	14,791
Ms. Chan Wai Ling	陳慧苓小姐	50	4,176	8,403	18	12,647
Mr. Kong Siu Man Kenny (resigned on 29 August 2018)	鄭紹民先生(於二零一八年八月二十九日辭任)	33	2,091	—	12	2,136
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Mr. Chan Kai Nang	陳啟能先生	173	—	—	—	173
Mr. Pao Ping Wing	浦炳榮先生	150	—	—	—	150
Mr. Ng Chi Keung	吳志強先生	150	—	—	—	150
		<b>606</b>	<b>11,787</b>	<b>17,606</b>	<b>48</b>	<b>30,047</b>
<b>Year ended 31 December 2017</b>	<b>截至二零一七年十二月三十一日止年度</b>					
<b>Executive directors</b>	<b>執行董事</b>					
Madam Foo Kam Chu Grace	傅金珠女士	50	5,520	15,710	18	21,298
Ms. Chan Wai Ling	陳慧苓小姐	50	4,176	14,910	18	19,154
Mr. Kong Siu Man Kenny	鄭紹民先生	50	3,246	300	18	3,614
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Mr. Chan Kai Nang	陳啟能先生	158	—	—	—	158
Mr. Pao Ping Wing	浦炳榮先生	137	—	—	—	137
Mr. Ng Chi Keung	吳志強先生	137	—	—	—	137
		<b>582</b>	<b>12,942</b>	<b>30,920</b>	<b>54</b>	<b>44,498</b>

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## 11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

### (a) Directors' emoluments (Continued)

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as Directors.

Certain executive Directors are entitled to bonus payments which are determined in accordance with the performance of the Group.

There is no chief executive appointed for both years.

There were no arrangements under which a director waived or agreed to waive any remuneration during the year (2017: nil).

### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included three (2017: three) Directors, whose emoluments are reflected in the analysis presented above. The emoluments paid to the remaining two (2017: two) individuals during the year are as follows:

## 11. 董事及高級管理層之酬金(續)

### (a) 董事酬金(續)

上列執行董事酬金乃就彼等管理本公司及本集團事務之服務而支付。上列獨立非執行董事酬金乃就彼等擔任董事而支付。

若干執行董事有權獲支付按照本集團表現釐定之花紅。

兩個年度內均無委任行政總裁。

年內概無任何安排令董事可據此豁免或同意豁免任何薪酬(二零一七年: 無)。

### (b) 五位最高薪人士

本年度，本集團五位最高薪人士包括三名(二零一七年: 三名)董事，彼等之酬金反映於上述之分析。年內其餘兩名(二零一七年: 兩名)人士之酬金如下：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Basic salaries, bonuses and other benefits	基本薪金、花紅及其他福利	<b>6,781</b>	4,035
Performance-related bonuses	表現相關花紅	<b>8,203</b>	16,934
Pension costs — defined contribution plan	退休金成本— 定額供款計劃	<b>18</b>	36
		<b>15,002</b>	21,005

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**11. DIRECTORS' AND SENIOR  
MANAGEMENT'S EMOLUMENTS  
(Continued)**

**(b) Five highest paid individuals (Continued)**

The emoluments of the remaining two (2017: two) individuals fell within the following bands:

**11. 董事及高級管理層之酬金(續)**

**(b) 五位最高薪人士(續)**

其餘兩名(二零一七年: 兩名)人士之酬金分佈組別如下:

		Number of individuals 人數	
		2018 二零一八年	2017 二零一七年
HK\$2,500,001 – HK\$3,000,000	港幣2,500,001元 – 港幣3,000,000元	—	1
HK\$3,500,001 – HK\$4,000,000	港幣3,500,001元 – 港幣4,000,000元	1	—
HK\$11,000,001 – HK\$11,500,000	港幣11,000,001元 – 港幣11,500,000元	1	—
HK\$18,000,001 – HK\$18,500,000	港幣18,000,001元 – 港幣18,500,000元	—	1

No emoluments were paid by the Group to the Directors or any of five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office and no Director waived or agreed to waive any emoluments during each of the two years ended 31 December 2018 and 2017.

截至二零一八年及二零一七年十二月三十一日止兩個年度各年，本集團概無向董事或五位最高薪人士任何一位支付酬金，作為促使其加入本集團及於加入本集團時之獎金或離職之補償，且概無董事豁免或同意豁免任何酬金。

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**12. EMPLOYEE BENEFIT EXPENSE  
(INCLUDING DIRECTORS' EMOLUMENTS)**

**12. 僱員福利開支(包括董事酬金)**

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Salaries and wages (including Directors' remuneration) and bonus	薪金及工資(包括董事酬金)及花紅	<b>125,646</b>	152,961
Pension costs — defined contribution plans (note)	退休金成本一定額供款計劃(附註)	<b>3,487</b>	2,742
Staff welfare	員工福利	<b>2,374</b>	2,503
		<b>131,507</b>	158,206

Note:

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund ("MPF") Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme.

附註：

本集團根據強制性公積金(「強積金」)計劃條例，為其所有合資格參加強積金計劃之僱員設有定額供款退休福利計劃。供款乃按僱員基本薪金之百分比計算。

本集團於中國經營之附屬公司之僱員須參與當地市政府運作之中央退休金計劃。該等附屬公司須按僱員薪金之若干百分比向中央退休金計劃供款。

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### 13. INCOME TAX EXPENSE

### 13. 所得稅開支

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Hong Kong Profits Tax:	香港利得稅：		
Tax for the year (note (a))	本年度稅項(附註(a))	56,904	106,299
(Over)/under-provision in prior years	過往年度(超額撥備)/ 撥備不足	(39,614)	25,066
		17,290	131,365
PRC Enterprise Income Tax:	中國企業所得稅：		
Tax for the year (note (b))	本年度稅項(附註(b))	19,807	1,901
Under-provision in prior years	過往年度撥備不足	1,188	—
		20,995	1,901
PRC Land Appreciation Tax ("LAT")	中國土地增值稅		
(note (c))	(「土地增值稅」)(附註(c))	6,428	9,360
Deferred tax charge/(credit) (note 28)	遞延稅項支出/(抵免) (附註28)	9,701	(41,452)
		54,414	101,174

Notes:

- (a) 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 will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

附註：

- (a) 香港立法會於二零一八年三月二十一日通過《2017年稅務(修訂)(第7號)條例草案》(「草案」)，推出利得稅兩級制。草案於二零一八年三月二十八日簽訂為法例，並於翌日刊憲。在利得稅兩級制下，合資格集團實體首港幣2百萬元利潤之利得稅率將為8.25%，而超過港幣2百萬元之利潤則按16.5%稅率徵稅。不可按利得稅兩級制課稅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，實行利得稅兩級制所涉及之金額，對綜合財務報表而言並不重大。兩個年度之香港利得稅乃按估計應課稅溢利按稅率16.5%計算。

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**13. INCOME TAX EXPENSE (Continued)**

Notes: (Continued)

(b) For the year ended 31 December 2018, all of the Group's PRC subsidiaries were subject to PRC EIT rate of 25% (2017: 25%).

(c) Under the Provisional Regulations of LAT (《中華人民共和國土地增值稅暫行條例》) effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值稅暫行條例實施細則》) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, being the proceeds of sales of properties less deductible expenditures including borrowing costs and property development expenditures in relation to the gains arising from sales of properties in the PRC effective from 1 January 2004, with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

**13. 所得稅開支(續)**

附註：(續)

(b) 於截至二零一八年十二月三十一日止年度，本集團在中國所有附屬公司按25%（二零一七年：25%）之稅率繳納中國企業所得稅。

(c) 根據於一九九四年一月一日生效之《中華人民共和國土地增值稅暫行條例》及於一九九五年一月二十七日生效之《中華人民共和國土地增值稅暫行條例實施細則》，自二零零四年一月一日起，在中國出售或轉讓國有土地使用權、建築物及其附著物之所有收入，均須按增值額30%至60%之累進稅率繳納土地增值稅。增值額即出售物業所得款項減去可扣稅支出，包括有關在中國出售物業所得收益之借貸成本及物業發展支出。倘普通標準住宅之增值額未超過可扣稅項目總額20%，普通標準住宅之物業銷售則免徵土地增值稅。

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### 13. INCOME TAX EXPENSE (Continued)

Reconciliation between income tax expense and accounting profit at applicable tax rates is as follows:

### 13. 所得稅開支(續)

所得稅開支及會計溢利按合適稅率計算之對賬如下：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Profit before income tax expense</b>	<b>除所得稅開支前溢利</b>	<b>719,268</b>	1,302,770
Tax at Hong Kong Profits Tax rate of 16.5%	按香港利得稅稅率16.5%計算之稅項	<b>118,679</b>	214,957
Tax effect of non-deductible expenses	不獲扣減之費用之稅務影響	<b>20,634</b>	4,998
Tax effect of non-taxable income	毋須課稅之收入之稅務影響	<b>(52,411)</b>	(100,676)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	—	5,079
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	<b>(1,308)</b>	(16,477)
Recognition of tax losses previously not recognised	確認過往未確認之稅項虧損	—	(33,322)
(Over)/under-provision in prior years	過往年度(超額撥備)/撥備不足	<b>(38,426)</b>	25,066
Provision for LAT for the year	年內土地增值稅撥備	<b>6,428</b>	9,360
Tax effect of LAT deductible for PRC EIT	中國企業所得稅之可扣減土地增值稅之稅務影響	<b>(1,061)</b>	(1,544)
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區營運之附屬公司之不同稅率之影響	<b>5,483</b>	1,425
Others	其他	<b>(3,604)</b>	(7,692)
<b>Income tax expense</b>	<b>所得稅開支</b>	<b>54,414</b>	101,174

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#### 14. OTHER COMPREHENSIVE (EXPENSE)/ INCOME, NET OF TAX

The amount of tax relating to each component of other comprehensive (expense)/income can be summarised as follows:

#### 14. 其他全面(開支)/收入，扣除稅項後

有關其他全面(開支)/收入各部分之稅項金額概列如下：

	2018 二零一八年			2017 二零一七年		
	Before tax 除稅前 HK\$'000 港幣千元	Tax 稅項 HK\$'000 港幣千元	Net of tax 除稅後 HK\$'000 港幣千元	Before tax 除稅前 HK\$'000 港幣千元	Tax 稅項 HK\$'000 港幣千元	Net of tax 除稅後 HK\$'000 港幣千元
<i>Item that will not be reclassified to profit or loss:</i> 以下項目將不會重新分類到損益：						
Deficit on revaluation of buildings (notes 18 and 28) 樓宇重估虧損 (附註18及28)	(479)	79	(400)	(1,746)	288	(1,458)
<i>Item that may be reclassified subsequently to profit or loss:</i> 以下項目其後可能重新分類到損益：						
Exchange (loss)/gain on translation of foreign operations 換算海外業務之匯兌 (虧損)/收益	(33,176)	—	(33,176)	31,079	—	31,079
<b>Other comprehensive (expense)/ income 其他全面(開支)/收入</b>	<b>(33,655)</b>	<b>79</b>	<b>(33,576)</b>	<b>29,333</b>	<b>288</b>	<b>29,621</b>

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## 15. DIVIDEND

### (a) Dividend attributable to the year

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Proposed final dividend of HK\$0.20 (2017: HK\$0.20) per share	建議末期股息每股 港幣0.20元(二零一七年： 港幣0.20元)	<b>56,662</b>	56,662

Final dividend of HK\$0.20 (2017: HK\$0.20) per share for the year to shareholders whose names appear on the register of members on 31 May 2019 was proposed by the Directors on 21 March 2019.

The final dividend proposed after the reporting date have not been recognised as a liability at the reporting date.

董事於二零一九年三月二十一日建議向於二零一九年五月三十一日名列於股東名冊之股東派付本年度末期股息每股港幣0.20元(二零一七年：港幣0.20元)。

於報告日期後建議之末期股息並無於報告日期確認為負債。

### (b) Dividend attributable to the previous financial year, approved and paid during the year

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Final dividend in respect of the previous financial year of HK\$0.20 per share (2017: final and special dividend of HK\$0.20 per share and HK\$1.00 per share respectively)	過往財政年度之末期股息 每股港幣0.20元(二零一七 年：末期股息每股港幣 0.20元及特別股息每股港 幣1.00元)	<b>56,662</b>	339,970

## 15. 股息

### (a) 本年度之股息

### (b) 過往財政年度之股息，於年內獲批准及支付

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## 16. EARNINGS PER SHARE

The calculation of the earnings per share of the Company is based on the profit for the year attributable to owners of the Company of HK\$671,592,000 (2017: HK\$1,200,781,000) and the number of ordinary shares of 283,308,635 (2017: 283,308,635) in issue during the year.

The computation of diluted earnings per share does not assume the exercise of the Company's employee share options because the exercise price of these options was higher than the average market price for shares for year ended 31 December 2017. In addition, the employee share options were lapsed in year 2017.

No diluted earnings per share for year ended 31 December 2018 was presented as there were no potential ordinary shares in issue during the year ended 31 December 2018.

## 16. 每股溢利

本公司每股溢利的計算基於年內本公司擁有人應佔年內溢利港幣671,592,000元(二零一七年:港幣1,200,781,000元)及已發行普通股數目283,308,635股(二零一七年:283,308,635股)。

計算每股攤薄溢利時並不假設本公司之僱員購股權獲行使,此乃由於在截至二零一七年十二月三十一日止年度,該等購股權之行使價高於股份平均市價。而且,僱員購股權已於二零一七年內失效。

截至二零一八年十二月三十一日止年度概無呈列每股攤薄溢利,此乃由於截至二零一八年十二月三十一日止年度並無已發行之潛在普通股。

## 17. INVESTMENT PROPERTIES

## 17. 投資物業

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Fair Value</b>	<b>公平值</b>		
As at 1 January	於一月一日	<b>19,497,324</b>	17,794,052
Additions	增添		
— Purchase of units	— 購買單位	<b>1,198,496</b>	1,308,791
— Construction costs	— 建設成本	<b>5,279</b>	1,316
Transfer from properties for sale (note 20)	轉撥自待售物業(附註20)	<b>45,274</b>	301,212
Transfer to assets held for sale (note 38)	轉撥至待售資產(附註38)	<b>(420,000)</b>	—
Disposal of subsidiaries (note 39)	出售附屬公司(附註39)	—	(438,000)
Purchase through acquisition of subsidiaries (note 40)	透過收購附屬公司購買(附註40)	<b>214,052</b>	—
Net fair value (loss)/gain on investment properties	投資物業公平值(虧損)/收益淨額	<b>(100,431)</b>	392,004
Net fair value (loss)/gain on properties transfer	物業轉撥公平值(虧損)/收益淨額	<b>(587)</b>	136,788
Exchange realignment	匯兌調整	<b>(170)</b>	1,161
As at 31 December	於十二月三十一日	<b>20,439,237</b>	19,497,324

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## 17. INVESTMENT PROPERTIES (Continued)

During the year ended 31 December 2017, the Group disposed of investment properties with carrying amount of HK\$438,000,000 through a subsidiary, of which the properties are being transferred from properties for sale with carrying amount of HK\$301,212,000 to investment properties and resulted with a fair value gain of HK\$136,788,000 upon the transfer. Details are set out in note 39(b).

All of the Group's investment properties are measured using the fair value model and are classified and accounted for as investment properties.

The Group's investment properties were revalued at 31 December 2018 and 2017 by an independent qualified professional valuer, Cushman & Wakefield Limited ("C&W"), on market value basis which conforms with The Hong Kong Institute of Surveyors Valuation Standard:

- The completed investment properties (whole block of commercial building) are revalued by adopting income capitalisation method, which involves certain estimates, including capitalisation rates and reversionary rental value;
- The completed investment properties (individual units (including commercial, industrial and residential properties) or ground floor retail properties) are revalued based on direct comparison method, by reference to market transactions of comparable properties; and
- Investment properties under re-development were revalued on the re-development basis by adopting the residual method. The value is based on the re-development potential of the properties as if these properties will be developed and completed in accordance with the existing redevelopment proposal at the date of valuation and is determined by deducting the estimated total cost of the development, including costs of construction, professional fee, finance costs, associated costs and an allowance of profit that duly reflected developer's risk associated with the development from the gross development value.

## 17. 投資物業(續)

截至二零一七年十二月三十一日止年度，本集團透過一間附屬公司出售賬面值港幣438,000,000元之投資物業，該附屬公司賬面值港幣301,212,000元之物業由待售物業轉撥至投資物業，因此於轉撥後產生公平值收益港幣136,788,000元。詳情載於附註39(b)。

本集團所有投資物業皆以公平值模式計量，並分類以及計入投資物業。

本集團之投資物業由獨立合資格專業估值師戴德梁行有限公司(「戴德梁行」)於二零一八年及二零一七年十二月三十一日按與香港測量師學會評估準則相符之市值基準進行重估：

- 已落成投資物業(整幢商業樓宇)採用收入資本化法重估，當中涉及包括資本化比率及復歸租值之若干估計；
- 已落成投資物業(個別單位(包括商業、工業及住宅物業)或地下零售物業)按照直接比較法重估，當中參考可比較物業之市場交易；及
- 重建投資物業採用剩餘法按重建基準重估。價值以物業重建潛力為基準，猶如該等物業於估值日期按照現有重建方案發展及落成一樣，並經自發展總值扣除估計發展總成本(包括建築成本、專業費用、融資成本、相關成本及妥為反映發展商與發展項目相關之風險的溢利撥備)而釐定。

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### 17. INVESTMENT PROPERTIES (Continued)

In determining the fair values of the investment properties, the Group engages an independent qualified professional valuer to perform the valuation. The management works with the independent qualified professional valuer to establish the appropriate valuation techniques and inputs for level 3 fair value measurement. Where there is a material change in the fair value of the investment properties, the causes of the fluctuations will be reported to the Directors.

In relying on these valuations, the management has exercised judgement and are satisfied that the methods of valuation adopted are appropriate and reflective of the current market conditions.

The carrying amount of the Group's investment properties is a level 3 fair value measurement. There were no investment property transfers into or out of level 3 fair value measurement during both years.

### 17. 投資物業(續)

在釐定投資物業之公平值時，本集團委聘獨立合資格專業估值師進行估值。管理層與獨立合資格專業估值師合作，就第3級公平值計量確立適當的估值技術及數據。倘投資物業公平值出現重大變動，則向董事報告波動原因。

於依賴此等估值時，管理層已運用其判斷，並信納所採納之估值方法屬適當並反映現時市況。

本集團投資物業之賬面值為第3級公平值計量。於兩個年度內，並無投資物業轉入或轉出第3級公平值計量。

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**17. INVESTMENT PROPERTIES (Continued)**

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used).

**17. 投資物業(續)**

下表載列有關如何釐定該等投資物業之公平值(特別是所使用的估值技術及數據)之資料。

Investment properties held by the Group in the consolidated statement of financial position	Fair value as at 31 December 2018 於二零一八年十二月三十一日之公平值 HK\$'000 港幣千元	Valuation technique(s)	Significant unobservable input(s)	Range of significant unobservable inputs	Interrelationship between significant unobservable input(s) and fair value measurement
本集團於綜合財務狀況表所持有之投資物業		估值技術	主要不可觀察數據	主要不可觀察數據之範圍	主要不可觀察數據與公平值計量之互相關係
<b>Completed investment properties</b> <b>已落成投資物業</b>					
Completed investment properties (whole block of commercial building)	16,651,000 (2017: 16,460,500)	Income capitalisation method	Reversionary rental value	HK\$21 – HK\$61 (2017: HK\$21 – HK\$59) per month per square foot for upper-level office/ restaurants premises; HK\$80 – HK\$1,277 (2017: HK\$80 – HK\$1,370) per month per square foot for ground floor shops	The higher the reversionary rental value, the higher the fair value
已落成投資物業 (整幢商業樓宇)	16,651,000 (二零一七年: 16,460,500)	收入資本化法	復歸租值	高層辦公室/餐廳場所 每平方呎每月港幣21元至港幣61元(二零一七年: 港幣21元至港幣59元); 地舖每平方呎每月港幣80元至港幣1,277元(二零一七年: 港幣80元至港幣1,370元)	復歸租值越高, 公平值越高
			Capitalisation rate	2.25% – 3.5% (2017: 2.625% – 3.50%)	The higher the capitalisation rate, the lower the fair value
			資本化比率	2.25%至3.5%(二零一七年: 2.625%至3.50%)	資本化比率越高, 公平值越低
Completed investment properties (individual units (including commercial, industrial and residential properties) or ground floor retail properties)	3,333,237 (2017: 2,347,824)	Direct comparison method	Adjustment to price per square foot in relation to quality of properties (e.g. location, size, level and condition with reference to comparables of the properties)	+/-20% (2017: +/-20%)	The higher the quality of properties with reference to comparables, the higher the fair value
已落成投資物業 (個別單位(包括商業、工業及住宅物業)或地下零售物業)	3,333,237 (二零一七年: 2,347,824)	直接比較法	就物業質量(如參照可比較物業之位置、大小、層數及狀況)調整每平方呎價格	+/-20%(二零一七年: +/-20%)	參照可比較物業之質量越高, 公平值越高

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17. INVESTMENT PROPERTIES (Continued)

17. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position	Fair value as at 31 December 2018 於二零一八年十二月三十一日之公平值 HK\$'000 港幣千元	Valuation technique(s)	Significant unobservable input(s)	Range of significant unobservable inputs	Interrelationship between significant unobservable input(s) and fair value measurement
本集團於綜合財務狀況表所持有之投資物業		估值技術	主要不可觀察數據	主要不可觀察數據之範圍	主要不可觀察數據與公平值計量之互相關係
<b>Investment properties under re-development</b>					
<b>重建投資物業</b>					
Other investment properties under re-development	nil (2017: 455,000)	Residual method	Price per square foot	nil (2017: HK\$26,000) per square foot for office premises; nil (2017: HK\$27,000 – HK\$65,000) per square foot for shops	The higher the price per square foot, the higher the fair value
其他重建投資物業	零(二零一七年: 455,000)	剩餘法	每平方米價格	辦公室物業每平方米零元(二零一七年: 港幣26,000元); 商舖每平方米零元(二零一七年: 港幣27,000元至港幣65,000元)	每平方米價格越高, 公平值越高
			Estimated construction and other professional costs to completion	nil (2017: HK\$4,700) per square foot	The higher the estimated construction and other professional costs, the lower the fair value
			估計完成所需建築及其他專業成本	每平方米零元(二零一七年: 港幣4,700元)	估計建築及其他專業成本越高, 公平值越低
			Estimated profit margin required to hold and develop the investment properties to completion	nil (2017: 15%)	The higher the estimated profit margin, the lower the fair value
			持有及發展投資物業至完成所需估計利潤率	零(二零一七年: 15%)	估計利潤率越高, 公平值越低

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17. INVESTMENT PROPERTIES (Continued)

17. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 本集團於綜合財務狀況表所持有之投資物業	Fair value as at 31 December 2018 於二零一八年十二月三十一日之公平值 HK\$'000 港幣千元	Valuation technique(s) 估值技術	Significant unobservable input(s) 主要不可觀察數據	Range of significant unobservable inputs 主要不可觀察數據之範圍	Interrelationship between significant unobservable input(s) and fair value measurement 主要不可觀察數據與公平值計量之互相關係
Investment properties under re-development 重建投資物業	455,000 (2017: 234,000)	Residual method 剩餘法	Price per square foot 每平方米價格	HK\$26,000 per square foot for office premises (2017: HK\$26,000 per square foot for residential premises); HK\$27,000 – HK\$65,000 (2017: HK\$28,000 – HK\$35,000) per square foot for retail properties 辦公室物業每平方米港幣26,000元(二零一七年: 住宅物業每平方米港幣26,000元); 零售物業每平方米港幣27,000元至港幣65,000元(二零一七年: 港幣28,000元至港幣35,000元)	The higher the price per square foot, the higher the fair value 每平方米價格越高, 公平值越高
			Estimated construction and other professional costs to completion 估計完成所需建築及其他專業成本	HK\$4,650 (2017: HK\$3,300) per square foot 每平方米港幣4,650元(二零一七年: 港幣3,300元)	The higher the estimated construction and other professional costs, the lower the fair value 估計建築及其他專業成本越高, 公平值越低
			Estimated profit margin required to hold and develop the investment properties to completion 持有及發展投資物業至完成所需估計利潤率	15% (2017: 10%) 15% (二零一七年: 10%)	The higher estimated profit margin, the lower the fair value 估計利潤率越高, 公平值越低

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## 17. INVESTMENT PROPERTIES (Continued)

There were no changes to the valuation techniques for the investment properties during the year.

The fair value measurement is based on the above investment properties' highest and best use.

As at 31 December 2018, certain investment properties of the Group with total carrying amount of HK\$14,361,450,000 (2017: HK\$13,521,870,000) were pledged to secure bank loans of HK\$1,562,788,000 (2017: HK\$1,528,120,000) (note 27).

## 17. 投資物業(續)

年內投資物業之估值技術並無變動。

公平值計量乃按照上述投資物業之最高及最佳用途。

於二零一八年十二月三十一日，本集團已將賬面總值為港幣14,361,450,000元(二零一七年：港幣13,521,870,000元)之若干投資物業抵押以獲取為數港幣1,562,788,000元(二零一七年：港幣1,528,120,000元)之銀行貸款(附註27)。

## 18. PROPERTY, PLANT AND EQUIPMENT

## 18. 物業、廠房及設備

		Leasehold lands	Buildings	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
		租賃土地	樓宇	租賃 物業裝修	傢俬、裝置 及設備	汽車	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Year ended 31 December 2018</b>	<b>截至二零一八年 十二月三十一日止年度</b>						
Opening net carrying amount	年初賬面淨值	64,254	40,779	100	1,211	1,116	107,460
Additions	增添	—	—	22,127	410	1,026	23,563
Deficit on revaluation (note 14)	重估虧損(附註14)	—	(479)	—	—	—	(479)
Disposals	出售	—	—	—	—	(289)	(289)
Depreciation	折舊	(86)	(922)	(1,631)	(121)	(227)	(2,987)
Exchange realignment	匯兌調整	—	—	—	31	(81)	(50)
Closing net carrying amount	年終賬面淨值	64,168	39,378	20,596	1,531	1,545	127,218
<b>As at 31 December 2018</b>	<b>於二零一八年 十二月三十一日</b>						
Cost/Valuation	成本/估值	65,028	39,378	35,699	13,036	3,873	157,014
Accumulated depreciation	累計折舊	(860)	—	(15,103)	(11,505)	(2,328)	(29,796)
Net carrying amount	賬面淨值	64,168	39,378	20,596	1,531	1,545	127,218
<b>Analysis of cost/valuation</b>	<b>成本/估值分析</b>						
At cost	按成本	65,028	—	35,699	13,036	3,873	117,636
At professional valuation	按專業估值	—	39,378	—	—	—	39,378
		65,028	39,378	35,699	13,036	3,873	157,014

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18. PROPERTY, PLANT AND EQUIPMENT  
(Continued)

18. 物業、廠房及設備(續)

		Leasehold lands	Buildings	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
		租賃土地	樓宇	租賃 物業裝修	傢俬、裝置 及設備	汽車	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Year ended 31 December 2017</b>	<b>截至二零一七年 十二月三十一日止年度</b>						
Opening net carrying amount	年初賬面淨值	64,333	43,379	100	3,262	1,044	112,118
Additions	增添	—	—	—	28	344	372
Deficit on revaluation (note 14)	重估虧損(附註14)	—	(1,746)	—	—	—	(1,746)
Disposals	出售	—	—	—	(1,062)	(5)	(1,067)
Depreciation	折舊	(79)	(854)	—	(1,028)	(289)	(2,250)
Exchange realignment	匯兌調整	—	—	—	11	22	33
Closing net carrying amount	年終賬面淨值	64,254	40,779	100	1,211	1,116	107,460
<b>As at 31 December 2017</b>	<b>於二零一七年 十二月三十一日</b>						
Cost/Valuation	成本/估值	65,027	40,779	13,822	11,820	3,451	134,899
Accumulated depreciation	累計折舊	(773)	—	(13,722)	(10,609)	(2,335)	(27,439)
Net carrying amount	賬面淨值	64,254	40,779	100	1,211	1,116	107,460
<b>Analysis of cost/valuation</b>	<b>成本/估值分析</b>						
At cost	按成本	65,027	—	13,822	11,820	3,451	94,120
At professional valuation	按專業估值	—	40,779	—	—	—	40,779
		65,027	40,779	13,822	11,820	3,451	134,899

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## 18. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 December 2018, the Group's buildings in Hong Kong are stated at valuation of HK\$39,378,000 (2017: HK\$40,779,000). The Group's buildings were revalued by C&W based on net replacement cost method. For the year ended 31 December 2018, a revaluation loss of approximately HK\$479,000 (2017: HK\$1,746,000) had been recognised in asset revaluation reserve.

As at 31 December 2018, leasehold land and buildings of the Group with carrying amount of HK\$102,026,000 (2017: HK\$103,654,000) were pledged to secure bank loans of the Group (note 27).

The fair value of the Group's owner-occupied buildings is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided below.

## 18. 物業、廠房及設備(續)

於二零一八年十二月三十一日，本集團於香港之樓宇以估值港幣39,378,000元(二零一七年：港幣40,779,000元)列賬。本集團之樓宇由戴德梁行按淨重置成本法重估。截至二零一八年十二月三十一日止年度重估虧損約港幣479,000元(二零一七年：港幣1,746,000元)已確認入資產重估儲備。

於二零一八年十二月三十一日，本集團抵押賬面值為港幣102,026,000元(二零一七年：港幣103,654,000元)之租賃土地及樓宇以獲得本集團之銀行貸款(附註27)。

本集團自用樓宇之公平值為第3級經常性公平值計量。年初及年終公平值結餘之對賬載列如下。

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Opening balance (level 3 recurring fair value)	年初結餘(第3級經常性公平值)	40,779	43,379
Depreciation	折舊	(922)	(854)
Deficit on revaluation of properties held for own use	重估持作自用物業之虧損	(479)	(1,746)
Closing balance (level 3 recurring fair value)	年終結餘(第3級經常性公平值)	39,378	40,779

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## 18. PROPERTY, PLANT AND EQUIPMENT (Continued)

In determining the fair values of the buildings, the Group engages an independent qualified professional valuer to perform the valuation. The management works with the independent qualified professional valuer to establish the appropriate valuation techniques and inputs for level 3 fair value measurement. Where there is a material change in the fair value of the investment properties, the causes of the fluctuations will be reported to the Directors.

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

The following table gives information about how the fair values of these buildings are determined (in particular, the valuation techniques and inputs used).

Building held by the Group measured at revaluation model	Fair value as at 31 December 2018 於二零一八年十二月三十一日之公平值 HK\$'000 港幣千元	Valuation technique(s)	Significant unobservable input(s)	Range of significant unobservable inputs	Interrelationship between significant unobservable input(s) and fair value measurement
本集團持有按重估模型計量之樓宇		估值技術	主要不可觀察數據	主要不可觀察數據之範圍	主要不可觀察數據與公平值計量之互相關係
Owner-occupied buildings	39,378 (2017: 40,779)	Net replacement cost	Building replacement cost per square feet	HK\$4,300 per square feet (2017: HK\$4,300) (note)	The higher the building replacement cost per feet with reference to comparables, the higher the fair value
自用樓宇	39,378 (二零一七年: 40,779)	淨重置成本	每平方呎樓宇重置成本	每平方呎港幣4,300元(二零一七年: 港幣4,300元)(附註)	參照可比較物業之每呎樓宇重置成本越高, 公平值越高

Note: Building replacement cost per square feet is determined with reference to market comparables of constructing works, taking into account of use, location and other individual factors such as total floor level and type of structure.

## 18. 物業、廠房及設備(續)

在釐定樓宇公平值時，本集團已委聘獨立合資格專業估值師進行估值。管理層與獨立合資格專業估值師合作就第3級公平值計量制定適當之估值技術及數據。倘投資物業公平值出現重大變動，將會向董事報告波動原因。

公平值計量乃基於上述物業之最高及最佳用途，與其實際用途並無差異。

下表載列有關如何釐定該等樓宇公平值(特別是所使用估值技術及數據)之資料。

附註：每平方呎樓宇重置成本乃參考市場上可比較之建築工程而釐定，當中計及用途、位置以及總樓層及構築物類型等其他個別因素。

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19. PROPERTIES HELD FOR DEVELOPMENT 19. 待發展物業

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Year ended 31 December</b>	<b>截至十二月三十一日止年度</b>		
Opening net carrying amount	年初賬面淨值	<b>18,434</b>	18,026
Amortisation	攤銷	<b>(546)</b>	(413)
Exchange realignment	匯兌調整	<b>(583)</b>	821
Closing net carrying amount	年終賬面淨值	<b>17,305</b>	18,434
<b>As at 31 December</b>	<b>於十二月三十一日</b>		
Cost	成本	<b>22,833</b>	23,625
Accumulated amortisation	累計攤銷	<b>(5,528)</b>	(5,191)
Net carrying amount	賬面淨值	<b>17,305</b>	18,434

Properties held for development represents certain agricultural lands situated in New Territories, Hong Kong and the PRC under operating leases and are amortised on a straight-line basis over the lease terms.

待發展物業指經營租賃下位於香港新界及中國之若干農業用地，乃於租賃年期內按直線基準攤銷。

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## 20. PROPERTIES FOR SALE

## 20. 待售物業

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Carrying amount as at 1 January	於一月一日之賬面值	<b>1,407,876</b>	2,617,495
Additions	增添	<b>146,229</b>	268,801
Disposals	出售	<b>(246,226)</b>	(1,206,449)
Disposal of subsidiaries (note 39)	出售附屬公司(附註39)	<b>(288,450)</b>	—
Transfer to investment properties (note 17)	轉撥至投資物業(附註17)	<b>(45,274)</b>	(301,212)
Exchange realignment	匯兌調整	<b>(19,300)</b>	29,241
Carrying amount as at 31 December	於十二月三十一日之賬面值	<b>954,855</b>	1,407,876

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Completed properties for sale	已落成待售物業	<b>146,898</b>	215,669
Properties under development for sale	待售發展中物業	<b>807,957</b>	1,192,207
Carrying amount as at 31 December	於十二月三十一日之賬面值	<b>954,855</b>	1,407,876

As at 31 December 2018, properties for sale of HK\$544,772,000 (2017: HK\$1,015,113,000) represent the carrying amount of the properties expected to be completed over one year from the end of the reporting period and the remaining carrying amounts represent the properties to be completed within one year from the end of the reporting period.

於二零一八年十二月三十一日，待售物業港幣544,772,000元(二零一七年：港幣1,015,113,000元)為預期將於報告期末起計超過一年竣工之物業之賬面值，其餘賬面值為預期將於報告期末起計一年內竣工之物業之賬面值。

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As at 31 December 2018, included in the completed properties for sale was a joint operation project amounting to HK\$7,217,000 (2017: HK\$17,144,000) to jointly develop a property site for residential purpose located at 1-11 Lai Yin Street and 2-12 Jones Street, Tai Hang, Hong Kong in which the Group has a 20.24% equity interest. In 2014, the Directors determined that the Group's share of the completed units would be put up for sale when completed and, accordingly, reclassified its proportionate share of the interest in this property development from investment properties under construction to properties under development for sale. The Group bears a proportionate share of the joint operation's assets, liabilities, revenue and expenses. The occupation permit was released by the Buildings Department during the year ended 31 December 2016. During the year ended 31 December 2018, the properties for sale under the joint operation started to sell and recorded a revenue of HK\$19,754,000 (2017: HK\$268,357,000) and cost of properties for sale of HK\$12,309,000 (2017: HK\$202,580,000).

**20. 待售物業(續)**

於二零一八年十二月三十一日，已落成待售物業為一項為數港幣7,217,000元(二零一七年：港幣17,144,000元)之合營項目，以共同開發一個位於香港大坑禮賢街1至11號及重士街2至12號作住宅用途之物業地盤，其中本集團擁有20.24%之股權。於二零一四年，董事確定本集團分佔之已落成單位將於建成後放售，因此，本集團將其按比例應佔該物業發展項目權益，由在建投資物業重新分類至待售發展中物業。本集團承擔按比例應佔合營業務之資產、負債、收益及開支。屋宇署於截至二零一六年十二月三十一日止年度內發出入住許可證。於截至二零一八年十二月三十一日止年度內，合營業務下之待售物業開始推售，並錄得收益港幣19,754,000元(二零一七年：港幣268,357,000元)及物業銷售成本港幣12,309,000元(二零一七年：港幣202,580,000元)。

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**21. TRADE AND OTHER RECEIVABLES/LOAN RECEIVABLES**

**21. 貿易及其他應收款項／應收貸款**

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<i>Current assets:</i>	<i>流動資產：</i>		
Trade receivables	貿易應收款項		
— services	— 服務	<b>8,947</b>	7,837
— rental receivables	— 應收租金	<b>13,332</b>	12,604
Total trade receivables	貿易應收款項總額	<b>22,279</b>	20,441
Less: Allowance for credit losses	減：信貸虧損撥備	<b>(244)</b>	(765)
Total trade receivables, net	貿易應收款項總額，淨額	<b>22,035</b>	19,676
Other receivables, utility deposits and prepayment, net of provision for impairment loss	其他應收款項、公共服務按金及預付款項，扣除減值虧損撥備	<b>114,104</b>	92,671
Loan receivables (Note)	應收貸款(附註)	<b>5,053</b>	1,457
		<b>119,157</b>	94,128
Total trade and other receivables categorised as current assets	分類為流動資產之貿易及其他應收款項總額	<b>141,192</b>	113,804
<i>Non-current assets:</i>	<i>非流動資產：</i>		
Loan receivables (Note)	應收貸款(附註)	<b>32,756</b>	36,894
		<b>173,948</b>	150,698

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## 21. TRADE AND OTHER RECEIVABLES/LOAN RECEIVABLES (Continued)

As at 31 December 2018 and 1 January 2018, trade receivables from contracts with customers under HKFRS 15 amounted to HK\$8,947,000 and HK\$7,837,000 respectively.

As at 31 December 2018 and 2017, based on invoice dates, the ageing analysis of the trade receivables, net of allowance for credit losses, was the following:

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
0-30 days	0至30天	<b>8,130</b>	9,144
31-90 days	31至90天	<b>9,385</b>	6,018
91-180 days	91至180天	<b>3,276</b>	1,890
Over 180 days	超過180天	<b>1,244</b>	2,624
Total trade receivables, net		<b>22,035</b>	19,676

Normally, other than those property leasing rental receivables which are secured by rental deposits, the Group does not obtain collateral from other customers.

As at 31 December 2018, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$22,035,000 which are past due as at the reporting date. Out of the past due balances, HK\$4,520,000 has been past due 90 days or more and is not considered as in default as these debtors have a good business relationship with the Group and recurring overdue records of these debtors with satisfactory settlement history.

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

## 21. 貿易及其他應收款項／應收貸款(續)

於二零一八年十二月三十一日及二零一八年一月一日，根據香港財務報告準則第15號來自客戶合約之貿易應收款項分別為港幣8,947,000元及港幣7,837,000元。

於二零一八年及二零一七年十二月三十一日根據發票日期，貿易應收款項扣除信貸虧損撥備後之賬齡分析載列如下：

一般而言，除以租金按金抵押之該等物業租賃應收租金外，本集團不會向其他客戶收取抵押品。

於二零一八年十二月三十一日，本集團之貿易應收款項結餘包括於報告日期已逾期賬面總值港幣22,035,000元之債務人。在逾期結餘中，港幣4,520,000元已逾期90天或以上，而並不視為違約，原因是該等債務人與本集團有良好業務關係，而該等債務人均有令人滿意的清償逾期款項之記錄。

有關貿易應收款項之減值虧損以撥備賬記錄，除非本集團信納收回該筆款項之可能性極低，在該情況下，減值虧損會直接於貿易應收款項中撇銷。

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**21. TRADE AND OTHER RECEIVABLES/LOAN RECEIVABLES (Continued)**

The movements in the allowance for doubtful debts during the year ended 31 December 2017 are as follows:

		HK\$'000 港幣千元
As at 1 January 2017	於二零一七年一月一日	3,185
Add: Impairment loss (note 10)	加：減值虧損(附註10)	2,191
Write-off	撇銷	(4,611)
As at 31 December 2017	於二零一七年十二月三十一日	765

As at 31 December 2017, included in the allowance for doubtful debts are individually impaired trade receivables. The individually impaired trade receivables related to invoices that were outstanding for more than one year and the management assessed that none of these balances are expected to be recovered.

Trade receivables that are not impaired as at 31 December 2017 are as follows:

**21. 貿易及其他應收款項／應收貸款(續)**

於截至二零一七年十二月三十一日止年度，年內呆賬撥備之變動如下：

於二零一七年十二月三十一日，呆賬撥備包括個別貿易應收款項之減值。個別貿易應收款項之減值與被拖欠多於一年之發票而管理層評估預期不可收回該等結餘有關。

於二零一七年十二月三十一日並無減值之貿易應收款項如下：

		2017 二零一七年 HK\$'000 港幣千元
Not past due	未逾期	13,764
Less than 90 days past due	逾期少於90天	2,724
Past due more than 90 days but less than 1 year	逾期多於90天但少於1年	812
Past due more than 1 year	逾期多於1年	2,376
As at 31 December	於十二月三十一日	19,676

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## 21. TRADE AND OTHER RECEIVABLES/LOAN RECEIVABLES (Continued)

Details of impairment assessment of trade receivables, other receivables and deposits for the year ended 31 December 2018 are set out in note 41.2(b).

Note:

As at 31 December 2018, loan receivables included amounts of HK\$4,000,000 (2017: nil) which are secured, interest-bearing at 2.5% per annum (2017: nil) and repayable within 1 year from reporting date. The remaining loan receivables included amounts of HK\$33,809,000 (2017: HK\$38,351,000) which are secured, interest-bearing at HK\$ Best Lending Rate minus 2% to 2.5% per annum (2017: 2% to 2.5% per annum) for the first 36 months from the date of loan drawdown and thereafter at the HK\$ Best Lending Rate. The loans were repayable in 216 to 360 monthly instalments (2017: 216 to 360 monthly instalments) with the final instalment payable in year 2035 to 2048 (2017: year 2035 to 2047). As at 31 December 2018, loan receivables of HK\$12,939,000 (2017: HK\$20,570,000) could be early terminated by the borrowers at the principal and accrued interest after 60 months after drawdown date.

The current portion of HK\$5,053,000 (2017: HK\$1,457,000) which is expected to be recovered within one year and classified as current assets while the balance of HK\$32,756,000 (2017: HK\$36,894,000) classified as non-current assets.

No loan receivables are past due as at 31 December 2018 and 2017. The loan receivables are secured by second mortgage of the properties located in Hong Kong. The Group is not permitted to sell or repledge the properties in the absence of default by the borrower. There has not been any significant changes in the quality of the collateral held for the loans receivables. Details of impairment assessment for the year ended 31 December 2018 are set out in note 41.2(b).

## 21. 貿易及其他應收款項／應收貸款(續)

截至二零一八年十二月三十一日止年度貿易應收款項、其他應收款項及訂金之減值評估詳情載於附註41.2(b)。

附註：

於二零一八年十二月三十一日，應收貸款包括多筆合共港幣4,000,000元(二零一七年：無)之金額，有關金額為有抵押，按2.5厘之年利率計息(二零一七年：無)，並須於報告日期起計一年內償還。其餘應收貸款包括多筆合共港幣33,809,000元(二零一七年：港幣38,351,000元)之金額，有關金額為有抵押，於提用貸款日期起計首36個月按港幣最優惠借貸利率減2厘至2.5厘(二零一七年：2厘至2.5厘)之年利率計息，其後按港幣最優惠借貸利率計息。有關貸款分216至360期(二零一七年：216至360期)每月償還，最後一期還款應於二零三五年至二零四八年支付(二零一七年：二零三五年至二零四七年)。於二零一八年十二月三十一日，應收貸款港幣12,939,000元(二零一七年：港幣20,570,000元)可由借款人於提用日期起計60個月後按本金及應計利息提早終止。

預期於一年內收回之即期部分港幣5,053,000元(二零一七年：港幣1,457,000元)分類為流動資產，餘額港幣32,756,000元(二零一七年：港幣36,894,000元)分類為非流動資產。

於二零一八年及二零一七年十二月三十一日概無逾期應收貸款。應收貸款以位於香港之物業二按作抵押。如借款人並無違約，本集團不可銷售或轉按物業。就應收貸款持有之抵押品之質量並無任何重大變動。截至二零一八年十二月三十一日止年度之減值評估詳情載於附註41.2(b)。

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## 22. STRUCTURED BANK DEPOSITS/ FINANCIAL ASSETS AT FVTPL

Structured bank deposits of HK\$63,977,000 (2017: HK\$106,559,000) are placed with a bank in the PRC and contain embedded derivatives which returns are determined by reference to the return of the underlying portfolio of listed shares invested by the bank and the duration of deposits placed. The deposits could be withdrawn at the Group's discretion and are subject to early termination option of the issuing bank at the price of the principal outstanding plus the return of underlying portfolio of listing shares up to the date of withdrawal/early termination. Annual coupon rate varies from annual rate of 2.81% to 4.20% (2017: 1.93% to 3.80%), depending on the duration of the deposits placed.

Structured bank deposits of HK\$28,466,000 (2017: nil) are placed with a bank in the PRC with maturity of less than three months and certain embedded derivative which return are determined by reference of foreign exchange rate. The deposits are subject to early termination option of the issue bank or by mutual agreement. Annual coupon rate varies from 1.1% to 4.45%, depending on the actual foreign exchange rate.

The structured bank deposits are designated as FVTPL at initial recognition under HKAS 39. Upon application of HKFRS 9, the structured bank deposits are reclassified to financial assets at FVTPL because their contractual cash flows do not represent solely the payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL as at 31 December 2018 and the structured bank deposits as at 31 December 2017 are stated at fair values based on valuation provided by the issuing bank. The fair value measurements are categorised to Level 2.

## 23. BANK DEPOSITS AT ESCROW ACCOUNT

This represented deposits from buyers in connection with pre-sales of properties for sale situated in Hong Kong.

## 22. 結構性銀行存款／按公平值計入損益之財務資產

結構性銀行存款港幣63,977,000元(二零一七年：港幣106,559,000元)存放於中國一間銀行，並包含嵌入式衍生工具，其回報乃參考銀行投資之相關上市股份組合回報及存款年期而釐定。本集團可酌情提取存款，而存款可由發行銀行選擇按截至提取／提前終止日期之未償還本金另加相關上市股份組合回報之價格提前終止。每年票面利率介乎2.81%至4.20% (二零一七年：1.93%至3.80%)不等，視乎存款年期而定。

結構性銀行存款港幣28,466,000元(二零一七年：無)存放於中國一間銀行，到期日少於三個月，並包含若干嵌入式衍生工具，其回報乃參考外匯匯率釐定。有關存款可經雙方協議後由發行銀行選擇提前終止。每年票面利率介乎1.1%至4.45%不等，視乎實際外匯匯率而定。

根據香港會計準則第39號，結構性銀行存款於初步確認時指定為按公平值計入損益。應用香港財務報告準則第9號後，由於結構性銀行存款之合約現金流量並非完全用作支付本金及未償還本金利息，因此結構性銀行存款重新分類為按公平值計入損益之財務資產。

於二零一八年十二月三十一日按公平值計入損益之財務資產及於二零一七年十二月三十一日之結構性銀行存款根據發行銀行提供之估值按公平值列賬。公平值計量分類為第2級。

## 23. 於託管賬戶之銀行存款

此款項指就預售位於香港之待售物業來自買家之按金。

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## 24. RESTRICTED BANK DEPOSITS/SHORT-TERM BANK DEPOSITS/CASH AND CASH EQUIVALENTS

The cash and bank balances of the Group was summarised as follows:

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Restricted bank deposits	受限制銀行存款	<b>74,568</b>	57,993
Short-term bank deposits with original maturity over three months	原到期日超出三個月之短期銀行存款	<b>575,000</b>	480,055
Cash and cash equivalents	現金及現金等價物	<b>186,238</b>	666,895
<b>Total cash and bank balances</b>	<b>現金及銀行結餘總額</b>	<b>835,806</b>	1,204,943

Restricted bank deposits and cash and cash equivalents earn interest at floating rates based on the daily bank deposit rates.

The Group's restricted bank deposits of approximately HK\$74,568,000 (2017: HK\$57,993,000) which was restricted for the purpose of construction related payments.

As at 31 December 2018 and 2017, short-term bank deposits with original maturity over three months were placed up till 1 year depending on the immediate cash requirement of the Group, and earned fixed-rate interest at respective time deposits rates ranging from 2.00% to 2.90% (2017: 0.50% to 1.45%) per annum.

Included in cash and cash equivalents of the Group is HK\$91,685,000 (2017: HK\$81,799,000) of bank balances denominated in Renminbi ("RMB") placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

The Directors considered that the fair value of the cash and cash equivalents is not materially different from their carrying amount.

## 24. 受限制銀行存款／短期銀行存款／現金及現金等價物

本集團之現金及銀行結餘之概要如下：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Restricted bank deposits	受限制銀行存款	<b>74,568</b>	57,993
Short-term bank deposits with original maturity over three months	原到期日超出三個月之短期銀行存款	<b>575,000</b>	480,055
Cash and cash equivalents	現金及現金等價物	<b>186,238</b>	666,895
<b>Total cash and bank balances</b>	<b>現金及銀行結餘總額</b>	<b>835,806</b>	1,204,943

受限制銀行存款以及現金及現金等價物根據每日銀行存款利率按浮動利率賺取利息。

本集團之受限制銀行存款約港幣74,568,000元(二零一七年：港幣57,993,000元)乃限制制作建築工程相關付款之用。

於二零一八年及二零一七年十二月三十一日，原到期日超出三個月之短期銀行存款存放年期長達一年，視乎本集團之即時現金需求而定，並按照各自之定期存款年利率2.00%至2.90%(二零一七年：0.50%至1.45%)賺取固定利率之利息。

計入本集團現金及現金等價物為存放於中國多間銀行的銀行結餘港幣91,685,000元(二零一七年：港幣81,799,000元)之人民幣(「人民幣」)銀行結餘。人民幣並非可自由兌換之貨幣。根據中國之外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准經由授權進行外匯業務之銀行以人民幣兌換外幣。

董事認為，現金及現金等價物之公平值與賬面值並無重大差異。

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## 24. RESTRICTED BANK DEPOSITS/SHORT-TERM BANK DEPOSITS/CASH AND CASH EQUIVALENTS (Continued)

In the course of business, certain bank accounts were opened and held in the name of certain subsidiaries in form of trust on behalf of third parties to whom these subsidiaries provided building management services. As at the reporting date, those bank balances held in form of trust on behalf of third parties and were not recognised in the consolidated financial statements of the Group amounted to HK\$53,707,000 (2017: HK\$44,715,000).

## 24. 受限制銀行存款／短期銀行存款／現金及現金等價物(續)

於業務過程中，若干附屬公司以其名義代第三方(附屬公司向其提供樓宇管理服務之人士)以信託形式開設及持有若干銀行賬戶。於報告日期，該等為數港幣53,707,000元(二零一七年：港幣44,715,000元)之銀行結餘乃以信託形式代第三方持有，並無於本集團之綜合財務報表內確認。

## 25. TRADE AND OTHER PAYABLES

## 25. 貿易及其他應付款項

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Trade payables	貿易應付款項	20,977	24,035
Receipt in advance	預收款項	7,605	4,065
Deposits received on disposal of subsidiaries (note 38)	出售附屬公司之已收按金(附註38)	55,353	—
Rental deposits received	已收租金按金	173,362	164,361
Accruals on construction works	建築工程應計款項	219,827	183,744
Other accrued expenses and other payables	其他應計費用及其他應付款項	142,851	125,426
		<b>619,975</b>	501,631

Trade payables had credit periods ranging from 30 to 60 days. Based on invoice dates, the ageing analysis of trade payables was the following:

貿易應付款項之信貸期介乎30至60天。根據發票日期，貿易應付款項之賬齡分析載列如下：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
0-30 days	0至30天	1,214	22,466
31-60 days	31至60天	106	126
Over 90 days	超過90天	19,657	1,443
Total trade payables	貿易應付款項總額	<b>20,977</b>	24,035

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## 26. DEPOSITS RECEIVED IN ADVANCE/ CONTRACT LIABILITIES

As detailed in note 2, deposits received in advance were reclassified to contract liabilities as at 1 January 2018 upon application of HKFRS 15.

## 26. 預收訂金／合約負債

按附註2詳述，在應用香港財務報告準則第15號後，預收訂金已於二零一八年一月一日重新分類至合約負債。

		31 December 2018 二零一八年 十二月三十一日 HK\$'000 港幣千元	1 January 2018* 二零一八年 一月一日* HK\$'000 港幣千元
Deposits received in advance associated with pre-sale of properties for sale situated in:	有關預售位於下列地點之待售物業之預收訂金：		
— Hong Kong	— 香港	20,436	42,927
— PRC	— 中國	134,033	249,806
		<b>154,469</b>	292,733

\* These amounts in the column are after the adjustment from the application of HKFRS 15.

As at 31 December 2018 and 2017, deposits received in advance received by Group for the disposal of properties are expected to be completed and sold within one year from the end of the reporting period.

\* 欄內之該等金額乃應用香港財務報告準則第15號後調整所得之金額。

本集團於二零一八年及二零一七年十二月三十一日就出售預期於報告期末起計一年內竣工及出售之物業預收訂金。

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## 26. DEPOSITS RECEIVED IN ADVANCE/ CONTRACT LIABILITIES (Continued)

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

## 26. 預收訂金／合約負債(續)

下表列示本年度就結轉合約負債確認之收益金額以及與於過往期間履行之履約責任相關之金額。

		Sales of completed properties for sale For the year ended 31 December 2018 銷售已落成 待售物業 截至二零一八年 十二月三十一 止年度 HK\$'000 港幣千元
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	計入年初合約負債結餘之已確認收益	<b>227,570</b>
Revenue to be recognised from unsatisfied performance obligations	因未履行履約責任將予確認之收益	<b>254,546</b>

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

The Group receives 10% to 30% of the contract amount as deposits from customers when they sign the sale and purchase agreement. However, depending on market conditions, the Group may offer customers a discount compared to the listed sales price, provided that the customers agree to pay the balance of the consideration early while construction is still ongoing. The deposits result in contract liabilities being recognised throughout the property construction period until the customer obtains control of the completed properties for sale.

影響已確認合約負債金額之一般付款條款如下：

本集團在客戶簽署買賣協議時收取合約金額之10%至30%作為客戶訂金。然而，本集團可能視乎市況，按所列售價向客戶提供折扣，前提是客戶同意在建築工程仍在進行期間提早支付代價餘額。該等訂金導致在整段物業建築期間內確認合約負債，直至客戶取得已落成待售物業之控制權為止。

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## 27. BORROWINGS

## 27. 借貸

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Current liabilities	流動負債		
Bank loans — secured	銀行貸款—有抵押	<b>1,067,765</b>	1,528,120
Non-current liabilities	非流動負債		
Bank loans — secured	銀行貸款—有抵押	<b>495,023</b>	—
		<b>1,562,788</b>	1,528,120
Carrying amount of bank loans repayable based on the scheduled repayment dates set out in the loan agreements:	根據貸款協議所載預定還款日期應償還之銀行貸款賬面值：		
Within one year	一年內	<b>371,065</b>	—
More than one year, but not exceeding two years	一年以上但不超過兩年	<b>21,065</b>	—
More than two years, but not exceeding five years	兩年以上但不超過五年	<b>473,958</b>	—
		<b>866,088</b>	—
Carrying amount of bank loans that contain a repayable on demand clause (shown under current liabilities) but repayable based on the scheduled repayment dates set out in the loan agreements:	包括按要求償還條款(列於流動負債)但根據貸款協議所載預定還款日期應償還之銀行貸款賬面值：		
Within one year	一年內	<b>546,800</b>	481,420
More than one year, but not exceeding two years	一年以上但不超過兩年	<b>149,900</b>	896,800
More than two years, but not exceeding five years	兩年以上但不超過五年	—	149,900
		<b>696,700</b>	1,528,120
Total bank loans	銀行貸款總額	<b>1,562,788</b>	1,528,120
Carrying amount of bank loans matured within one year or those contain a repayment on demand clause (shown under current liabilities)	於一年內到期或包括按要求償還條款之銀行貸款之賬面值(列於流動負債)	<b>(1,067,765)</b>	(1,528,120)
Amount shown under non-current liabilities	非流動負債所列金額	<b>495,023</b>	—

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## 27. BORROWINGS (Continued)

As at 31 December 2018 and 2017, bank loans are secured by certain investment properties and property, plant and equipment of the Group with a total carrying value of approximately HK\$14,463,476,000 (2017: HK\$13,625,524,000) as set out in notes 17 and 18 respectively to the consolidated financial statements.

The analysis that shows the remaining contractual maturities of the Group's borrowings is set out in note 41.2(c) to the consolidated financial statements.

The effective interest rates of the Group's borrowings at the reporting date were as follows:

## 27. 借貸(續)

於二零一八年及二零一七年十二月三十一日，銀行貸款乃以本集團賬面總值約港幣14,463,476,000元(二零一七年：港幣13,625,524,000元)之若干投資物業以及物業、廠房及設備作為抵押，分別載於綜合財務報表附註17及18。

顯示本集團借貸之餘下合約到期日之分析載於綜合財務報表附註41.2(c)。

於報告日期本集團借貸之實際利率如下：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Bank loans</b>	<b>銀行貸款</b>		
— HK\$-denominated loans	— 港幣貸款		
		<b>Hong Kong Inter-bank Offered Rate (“HIBOR”)</b>	HIBOR+
		<b>+1.15% p.a. to HIBOR+1.6% p.a.</b>	1.30% p.a. to HIBOR+
		<b>香港銀行同業拆息(「香港同業拆息」)+ 年利率1.15%至香港同業拆息</b>	1.45% p.a.
		<b>+ 年利率1.6%</b>	香港同業拆息+ 年利率1.30%至香港同業拆息+ 年利率1.45%

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## 28. DEFERRED TAXATION

The movement on the deferred tax account is as follows:

## 28. 遞延稅項

遞延稅項賬目之變動如下：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
As at 1 January	於一月一日	<b>107,886</b>	149,368
Deferred taxation charged/(credited) to:	於以下項目扣除／(計入)之 遞延稅項：		
— Profit or loss (note 13)	— 損益(附註13)	<b>9,701</b>	(41,452)
— Acquisition of assets (note 40)	— 收購資產(附註40)	<b>24</b>	—
— Asset revaluation reserve (note 14)	— 資產重估儲備(附註14)	<b>(79)</b>	(288)
Exchange realignment	匯兌調整	<b>—</b>	258
As at 31 December	於十二月三十一日	<b>117,532</b>	107,886

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## 28. DEFERRED TAXATION (Continued)

The followings are the major deferred tax liabilities and assets recognised in the consolidated statement of financial position and the movements during the current and prior years:

## 28. 遞延稅項(續)

以下為於綜合財務狀況表確認之主要遞延稅項負債及資產以及於本年度及過往年度之變動：

		Accelerated tax depreciation 加速 稅項折舊 HK\$'000 港幣千元	Fair value gain (note) 公平值收益 (附註) HK\$'000 港幣千元	Surplus on revaluation of owner- occupied properties 重估自用 物業盈餘 HK\$'000 港幣千元	Tax loss 稅項虧損 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
As at 1 January 2017	於二零一七年一月一日	81,109	61,138	7,121	—	149,368
Charged/(credited) to profit or loss (note 13)	於損益扣除/(計入)(附註13)	5,886	(30,577)	—	(16,761)	(41,452)
Credit to other comprehensive income (note 14)	計入其他全面收入 (附註14)	—	—	(288)	—	(288)
Exchange realignment	匯兌調整	258	—	—	—	258
As at 31 December 2017	於二零一七年十二月三十一日	87,253	30,561	6,833	(16,761)	107,886
Charged/(credited) to profit or loss (note 13)	於損益扣除/(計入)(附註13)	26,793	(15,265)	—	(1,827)	9,701
Credit to other comprehensive income (note 14)	計入其他全面收入 (附註14)	—	—	(79)	—	(79)
Acquisition of assets (note 40)	收購資產(附註40)	24	—	—	—	24
As at 31 December 2018	於二零一八年十二月三十一日	<b>114,070</b>	<b>15,296</b>	<b>6,754</b>	<b>(18,588)</b>	<b>117,532</b>

Note: The amount represented the taxable temporary difference arisen from the fair value gain on properties upon the change of use from the purpose of earning rentals or/and for capitalisation to sale in the ordinary course of business which is then classified as properties for sale.

附註：該金額指將其用途由賺取租金或／及資本化轉為在日常業務過程中銷售之時，因物業之公平值收益而產生之應課稅暫時性差額，其後乃分類為待售物業。

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## 28. DEFERRED TAXATION (Continued)

As at 31 December 2018, the Group has aggregate amount of temporary differences associated with undistributed earnings of the PRC subsidiaries of approximately HK\$95,700,000 (2017: HK\$29,988,000) of which no deferred tax liabilities has been recognised. No deferred tax liabilities have been recognised in respect of these differences because the Group is in a position to control the dividend policies of its subsidiaries and the Directors considered that no dividend will be declared by these subsidiaries in the foreseeable future. Thus, such difference will not be reversed in the foreseeable future.

## 28. 遞延稅項(續)

於二零一八年十二月三十一日，本集團有關中國附屬公司未分派盈利之相關暫時性差額總額約港幣95,700,000元(二零一七年：港幣29,988,000元)並無確認遞延稅項負債。由於本集團能夠控制其附屬公司之股息政策以及董事認為該等附屬公司於可見將來不會宣派股息，故並無就該等差額確認遞延稅項負債。因此，有關差額將不會於可見將來撥回。

## 29. SHARE CAPITAL

## 29. 股本

		2018 二零一八年		2017 二零一七年	
		Number of shares 股份數目	HK\$'000 港幣千元	Number of shares 股份數目	HK\$'000 港幣千元
Authorised: Ordinary shares of HK\$0.10 each	法定： 每股面值港幣0.10元之 普通股	5,000,000,000	500,000	5,000,000,000	500,000
Issued and fully paid: As at 1 January and 31 December	已發行及繳足： 於一月一日及 十二月三十一日	283,308,635	28,331	283,308,635	28,331

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**30. RESERVES**  
The Group

**30. 儲備**  
本集團

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Share premium (note (a))	股份溢價(附註(a))	<b>690,811</b>	690,811
Capital redemption reserve (note (b))	資本贖回儲備(附註(b))	<b>295</b>	295
Asset revaluation reserve	資產重估儲備	<b>688</b>	1,088
Retained profits	保留溢利	<b>19,691,418</b>	19,076,488
Exchange reserve	匯兌儲備	<b>(28,889)</b>	2,564
Special reserve (note (c))	特別儲備(附註(c))	<b>1,848</b>	1,848
Proposed final and special dividends (note 15(a))	建議末期及特別股息 (附註15(a))	<b>56,662</b>	56,662
		<b>20,412,833</b>	19,829,756

Notes:

- (a) Share premium represents the excess of consideration received over the par value of share issued.
- (b) Capital redemption reserve represents the amount equal to the par value of the bought-back shares, and such funds transferred from retained profits.
- (c) The special reserve of the Group represented the difference between the nominal value of the share capital issued by the Company in exchange for the nominal value of the share capital of the subsidiaries pursuant to the Group's re-organisation in 1997.

Details of the movements in the above reserves are set out in the consolidated statement of changes in equity on pages 136 to 139 to the consolidated financial statements.

附註：

- (a) 股份溢價指所收取代價高於已發行股份面值之差額。
- (b) 資本贖回儲備指相等於回購股份面值之款項，該等資金乃轉撥自保留溢利。
- (c) 本集團之特別儲備指根據本集團一九九七年重組本公司已發行股本面值兌換附屬公司股本面值之差額。

上述儲備之變動詳情載於綜合財務報表第136至139頁之綜合權益變動表。

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**30. RESERVES (Continued)**  
The Company

**30. 儲備(續)**  
本公司

		Share premium	Capital redemption reserve	Contributed surplus	Employee share-based equity reserve	Retained profits	Proposed final and special dividends	Total
		股份溢價	贖回儲備	繳納盈餘	員工股份 權益儲備	保留溢利	建議末期及 特別股息	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		(note (a))	(note (b))	(note (c))				
		(附註(a))	(附註(b))	(附註(c))				
As at 1 January 2018	於二零一八年一月一日	690,811	295	1,489,936	21,928	555,165	339,970	3,098,105
Profit for the year	年內溢利	—	—	—	—	980	—	980
Final and special dividend paid for 2016 (note 15(b))	已付二零一六年末期及特別股息(附註15(b))	—	—	—	—	—	(339,970)	(339,970)
Proposed final dividend for 2017 (note 15(a))	建議二零一七年末期股息(附註15(a))	—	—	(56,662)	—	—	56,662	—
Lapse of share options	購股權失效	—	—	—	(21,928)	21,928	—	—
As at 31 December 2017	於二零一七年十二月三十一日	690,811	295	1,433,274	—	578,073	56,662	2,759,115
Profit for the year	年內溢利	—	—	—	—	832	—	832
Final and special dividend paid for 2017 (note 15(b))	已付二零一七年末期及特別股息(附註15(b))	—	—	—	—	—	(56,662)	(56,662)
Proposed final dividend for 2018 (note 15(a))	建議二零一八年末期股息(附註15(a))	—	—	(56,662)	—	—	56,662	—
As at 31 December 2018	於二零一八年十二月三十一日	<b>690,811</b>	<b>295</b>	<b>1,376,612</b>	<b>—</b>	<b>578,905</b>	<b>56,662</b>	<b>2,703,285</b>

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**30. RESERVES (Continued)**  
**The Company (Continued)**

Notes:

- (a) Share premium represents the excess of consideration received over the par value of shares issued.
- (b) Capital redemption reserve represents the amount equal to the par value of the bought-back shares transferred.
- (c) The contributed surplus represents the difference between the nominal value of the Company's shares issued in exchange for all the issued ordinary shares of Lucky Spark Limited (a subsidiary) and the value of the net underlying assets of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution to the shareholders under certain circumstances. However, the Company cannot declare or pay a dividend or make a distribution out of contribution surplus if:
  - (1) it is, or would after the payment be, unable to pay its liabilities as they become due; or
  - (2) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

**30. 儲備(續)**  
**本公司(續)**

附註：

- (a) 股份溢價指所收取代價高於已發行股份面值之差額。
- (b) 資本贖回儲備指相等於已轉撥回購股份面值之款項。
- (c) 繳納盈餘乃指發行以換取Lucky Spark Limited (一家附屬公司)全部已發行普通股之本公司股份面值與所收購附屬公司相關淨資產值之差額。根據百慕達一九八一年公司法(經修訂)，在若干情況下本公司之繳納盈餘可分派予股東。然而，倘發生以下情況，本公司不可從繳納盈餘宣派或支付股息或作出分派：
  - (1) 不能或於支付後不能支付到期繳付之債務；或
  - (2) 其資產之可變現值因此少於其債務、已發行股本及股份溢價賬之總額。

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### 31. COMMITMENTS

#### (a) Operating lease commitments

As at 31 December 2018 and 2017, the total future minimum lease payments under non-cancellable operating leases are payable by the Group as follows:

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Within one year	一年內	2,415	734
More than one year, but not exceeding five years	一年以上但不超過五年	4,392	—
		<b>6,807</b>	734

The Group leases a number of properties under operating leases. Leases are negotiated for fixed terms ranged from one to four years (2017: one year). None of the leases includes contingent rentals.

本集團根據經營租賃租賃多項物業。租賃按一至四年(二零一七年:一年)之固定年期磋商。概無租約包括或然租金。

#### (b) Capital commitments

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Contracted but not provided for:	已訂約惟未撥備:		
– Acquisition of investment properties	– 收購投資物業	54,059	82,655
– Acquisition of properties through acquisition of subsidiaries	– 透過收購附屬公司收購物業	—	185,000
		<b>54,059</b>	267,655

All capital commitments are due in the coming twelve months.

所有資本承擔均於未來十二個月內到期。

### 31. 承擔

#### (a) 經營租賃承擔

於二零一八年及二零一七年十二月三十一日，本集團根據不可撤銷經營租賃於未來應付之最低總租金如下：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Within one year	一年內	2,415	734
More than one year, but not exceeding five years	一年以上但不超過五年	4,392	—
		<b>6,807</b>	734

本集團根據經營租賃租賃多項物業。租賃按一至四年(二零一七年:一年)之固定年期磋商。概無租約包括或然租金。

#### (b) 資本承擔

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Contracted but not provided for:	已訂約惟未撥備:		
– Acquisition of investment properties	– 收購投資物業	54,059	82,655
– Acquisition of properties through acquisition of subsidiaries	– 透過收購附屬公司收購物業	—	185,000
		<b>54,059</b>	267,655

所有資本承擔均於未來十二個月內到期。

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### 32. FUTURE OPERATING LEASE ARRANGEMENTS

As at 31 December 2018 and 2017, the Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of investment properties as follows:

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Within one year	一年內	<b>404,692</b>	337,334
More than one year, but not exceeding five years	一年以上但不超過五年	<b>577,329</b>	260,416
More than five years	五年以上	<b>4,272</b>	—
		<b>986,293</b>	597,750

The Group leases its investment properties (note 17) under operating lease arrangements which run for an initial period of one to six years (2017: one to eight years), with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. The terms of the leases also require the tenants to pay rental deposits. The turnover-related rental income received during the year amounted to HK\$3,028,000 (2017: HK\$3,043,000).

### 33. CONTINGENT LIABILITIES

As at 31 December 2018, the Group provided guarantees amounted to HK\$337,389,000 (2017: HK\$309,431,000) to banks with respect to mortgage loans procured by the purchasers of the Group's properties. Such guarantees will be released by banks upon delivery of the properties to the purchasers and completion of the registration of the mortgage with the relevant mortgage registration authorities or settlement of the outstanding mortgage loan. In the opinion of the Directors, the fair value of the financial guarantee is not significant.

### 32. 未來經營租賃安排

於二零一八年及二零一七年十二月三十一日，本集團根據不可撤銷經營租賃就投資物業未來所收之最低總租金如下：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Within one year	一年內	<b>404,692</b>	337,334
More than one year, but not exceeding five years	一年以上但不超過五年	<b>577,329</b>	260,416
More than five years	五年以上	<b>4,272</b>	—
		<b>986,293</b>	597,750

本集團根據經營租賃安排出租其投資物業（附註17），初始租期一至六年（二零一七年：一至八年），可選擇於到期日或本集團與有關承租人雙方同意之日期續期。租約條款亦規定承租人須繳付租金按金。年內已收營業額相關之租金收入為港幣3,028,000元（二零一七年：港幣3,043,000元）。

### 33. 或然負債

於二零一八年十二月三十一日，本集團就本集團物業買家取得之按揭貸款向銀行提供擔保為數港幣337,389,000元（二零一七年：港幣309,431,000元）。該等擔保將於物業交付予買家並向相關按揭登記機構辦妥按揭登記時或於清償尚欠按揭貸款時由銀行解除。董事認為，財務擔保之公平值並不重大。

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**34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY**      **34. 本公司之財務狀況表**

		Notes 附註	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Interests in subsidiaries	於附屬公司之權益		545,000	545,000
Amounts due from subsidiaries	應收附屬公司之款項		2,186,230	2,241,842
			<b>2,731,230</b>	2,786,842
<b>Current assets</b>	<b>流動資產</b>			
Other receivables	其他應收款項		347	340
Tax recoverable	可收回稅項		362	367
Cash and cash equivalents	現金及現金等價物		165	242
			<b>874</b>	949
<b>Current liabilities</b>	<b>流動負債</b>			
Amount due to a subsidiary	應付附屬公司之款項		25	—
Accrued expenses and other payables	應計費用及其他應付款項		463	345
			<b>488</b>	345
<b>Net current assets</b>	<b>淨流動資產</b>		<b>386</b>	604
<b>Net assets</b>	<b>淨資產</b>		<b>2,731,616</b>	2,787,446
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	29	28,331	28,331
Reserves	儲備	30	2,703,285	2,759,115
<b>Total equity</b>	<b>權益總額</b>		<b>2,731,616</b>	2,787,446

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### 35. INTERESTS IN SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2018 and 2017 are as follows:

### 35. 附屬公司之權益

於二零一八年及二零一七年十二月三十一日之主要附屬公司詳情如下：

Name 公司名稱	Place of incorporation/ operation 註冊成立/營運地區	Particulars of nominal value of issued share capital/registered capital 已發行股本面值/ 註冊資本詳情	Percentage of interest held by the Company 本公司所持權益百分比		Principal activities 主要業務		
			Directly 直接	Indirectly 間接			
			2018 二零一八年	2017 二零一七年		2018 二零一八年	2017 二零一七年
Billion Glory Properties Limited 億潤置業有限公司	Hong Kong 香港	Paid-up capital HK\$1 已繳股本港幣1元	—	—	100%	100%	Property investment 物業投資
Bond Rising Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值美金1元之普通股	—	—	100%	100%	Investment holding 投資控股
Castle Peak Investment Properties Limited 青山道投資地產有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Property development 物業發展
CWK Investment Properties Limited	Hong Kong 香港	Paid-up capital of HK\$1,000 已繳股本港幣1,000元	—	—	—**	100%	Property development 物業發展
Eagle Fund I L.P.	Cayman Islands 開曼群島	Limited partnership with capital commitment of US\$60,000,000 from the partners 有限責任合夥人美金60,000,000元之資本承擔	—	—	—**	#47%	Investment holding 投資控股
Eternal Bonus Group Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值美金1元之普通股	—	—	100%	100%	Investment holding 投資控股
Fortune Together Limited 福聯有限公司	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值美金1元之普通股	—	—	100%	100%	Investment holding 投資控股
Golden Relay Company Limited 崇贊有限公司	Hong Kong 香港	Paid-up capital of HK\$100,000 已繳股本港幣100,000元	—	—	100%	100%	Property investment 物業投資

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35. INTERESTS IN SUBSIDIARIES (Continued) 35. 附屬公司之權益(續)

Name 公司名稱	Place of incorporation/ operation 註冊成立/營運地區	Particulars of nominal value of issued share capital/registered capital 已發行股本面值/ 註冊資本詳情	Percentage of interest held by the Company 本公司所持權益百分比				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
Goldwell Property Management Limited 金衛物業管理有限公司	Hong Kong 香港	Paid-up capital of HK\$100,000 已繳股本港幣100,000元	—	—	100%	100%	Provision of building management service 提供樓宇管理服務
Good Honest Properties Limited 裕誠置業有限公司	Hong Kong 香港	Paid-up capital of HK\$10,000 已繳股本港幣10,000元	—	—	100%	100%	Property investment 物業投資
Grape Trade Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值美金1元之普通股	—	—	100%	100%	Investment holding 投資控股
Harvest Fortune Limited 沛益有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Property investment 物業投資
Keep New Investment Limited 保新投資有限公司	Hong Kong 香港	Paid-up capital of HK\$1,000 已繳股本港幣1,000元	—	—	100%	100%	Property development 物業發展
Lead Properties Limited 領先置業有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Property investment 物業投資
Maxrise Construction Engineering Limited 振昇建築工程有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Provision for construction, repairs and maintenance services 提供建築、維修及保養服務
One Storage Management Company Limited 至尊迷你倉管理有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Mini-storage 迷你倉
Onwell Properties Limited 安卓置業有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Property investment 物業投資
Power Huge Development Limited 威豪發展有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Property investment 物業投資
Sharp Investment Properties Limited 震東投資地產有限公司	Hong Kong 香港	Paid-up capital of HK\$10,000 已繳股本港幣10,000元	—	—	100%	100%	Property development 物業發展

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### 35. INTERESTS IN SUBSIDIARIES (Continued) 35. 附屬公司之權益(續)

Name 公司名稱	Place of incorporation/ operation 註冊成立/營運地區	Particulars of nominal value of issued share capital/registered capital 已發行股本面值/ 註冊資本詳情	Percentage of interest held by the Company 本公司所持權益百分比				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
Sky Luck (China) Limited 天福(中國)有限公司	Hong Kong 香港	Paid-up capital of HK\$10,000 已繳股本港幣10,000元	—	—	100%	100%	Property investment 物業投資
Soundwill (BVI) Limited	British Virgin Islands 英屬維爾京群島	100,001,000 ordinary shares of HK\$1 each 100,001,000股每股面值 港幣1元之普通股	100%	100%	—	—	Investment holding 投資控股
Soundwill Real Estate (China) Limited 金朝陽地產(中國)有限 公司	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值美金1元之 普通股	—	—	100%	100%	Investment holding 投資控股
Soundwill Capital Limited	Cayman Islands 開曼群島	1 ordinary share of US\$1 each 1股每股面值美金1元之 普通股	—	—	100%	100%	General partner of Eagle Fund I L.P. Eagle Fund I L.P.之 普通合夥人
Soundwill-ALPS Asset Management Limited	Cayman Islands 開曼群島	100 ordinary shares of US\$1 each 100股每股面值美金1元之 普通股	—	—	51%	51%	Investment manager of Eagle Fund I L.P. Eagle Fund I L.P.之投 資經理
Tang Lung Investment Properties Limited 登龍投資地產有限公司	Hong Kong 香港	Paid-up capital of HK\$1,000 已繳股本港幣1,000元	—	—	100%	100%	Property investment 物業投資
TCP Investment Properties Limited	Hong Kong 香港	Paid-up capital of HK\$1,000 已繳股本港幣1,000元	—	—	100%	100%	Property development 物業發展
Upper Wealthy Limited 康尚有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Property investment 物業投資
Wise Ease Limited 宜惠有限公司	Hong Kong 香港	Paid-up capital of HK\$10,000 已繳股本港幣10,000元	—	—	100%	100%	Property investment 物業投資
World Firm Limited 寰企有限公司	Hong Kong 香港	Paid-up capital of HK\$200 已繳股本港幣200元	—	—	100%	100%	Property investment 物業投資

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35. INTERESTS IN SUBSIDIARIES (Continued) 35. 附屬公司之權益(續)

Name 公司名稱	Place of incorporation/ operation 註冊成立/營運地區	Particulars of nominal value of issued share capital/registered capital 已發行股本面值/ 註冊資本詳情	Percentage of interest held by the Company 本公司所持權益百分比				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
Year Glory Limited 元威有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Property investment 物業投資
珠海市山水花城物業管理 有限公司*	PRC 中國	Registered capital of RMB25,000,000 註冊資本 人民幣25,000,000元	—	—	51%	51%	Property development 物業發展
肇慶金城房地產發展 有限公司*	PRC 中國	Registered capital of RMB30,000,000 註冊資本 人民幣30,000,000元	—	—	100%	100%	Property development 物業發展
珠海市騰基房產 有限公司*	PRC 中國	Registered capital of RMB23,000,000 註冊資本 人民幣23,000,000元	—	—	100%	100%	Property development 物業發展

Notes:

\* These subsidiaries were established in the PRC as limited liability companies.

# The Group does not hold more than 50% of the voting rights in Eagle Fund I L.P. (the "Fund"), an exempted limited partnership established in Cayman Islands. However, the Group's management considers that the Group has effective control over the Fund due to the fact that (1) the activities of the Fund are governed by the investment committee (the "Investment Committee") and the Group has the rights to appoint majority representatives of the Group to the Investment Committee. The members of the Investment Committee are appointed and may be removed by the general partner of the Fund which is a wholly-owned subsidiary of the Group; and (2) the Group obtains significant benefits as it is entitled to a share of the net realised profits from the Fund as a limited partner and a general partner. The Group will also earn project management fees and management fees for the services provided to the Fund. The Group has determined that it has control and significant benefits derived from the Fund and accordingly has consolidated the Fund as a subsidiary notwithstanding it only has a 47% interests.

\*\* These subsidiaries were disposed/deregistered during the year ended 31 December 2018.

附註:

\* 該等附屬公司於中國成立為有限責任公司。

# 本集團不持有於開曼群島成立之獲豁免有限責任合夥Eagle Fund I L.P. (「Fund」) 50%以上之表決權。然而，本集團管理層認為本集團對Fund有實際控制權，乃由於(1) Fund之活動由投資委員會(「投資委員會」)管理，本集團有權委任投資委員會之本集團大多數代表。投資委員會成員由Fund之普通合夥人(一間本集團全資附屬公司)委任，並可予以移除；及(2)本集團獲得重大利益，有資格獲得Fund作為有限合夥人及普通合夥人之淨實現利潤之份額。本集團亦將為Fund提供之服務收取項目管理費及管理費。本集團已釐定對Fund具有控制權及從Fund獲得重大利益，因此將Fund合併為附屬公司，即使本集團只擁有47%權益。

\*\* 該等附屬公司已於截至二零一八年十二月三十一日止年度內出售/撤銷註冊。

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### 35. INTERESTS IN SUBSIDIARIES (Continued)

The Directors are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length and therefore the above list contains only the particulars of the principal subsidiaries which materially affect the results or assets of the Group.

None of the subsidiaries had issued any debt securities at the end of the year.

### 35. 附屬公司之權益(續)

董事認為載有所有附屬公司詳情之完整列表將會過於冗長，故上表僅載有該等對本集團業績或資產有重大影響力之主要附屬公司詳情。

附屬公司於年末概無發行任何債務證券。

### 36. NON-CONTROLLING INTERESTS

### 36. 非控股權益

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
As at 1 January	於一月一日	<b>35,861</b>	31,685
Distribution	分派	<b>(12,345)</b>	—
Profit for the year	年內溢利	<b>(6,738)</b>	815
Net exchange difference	匯兌差額淨額	<b>(1,723)</b>	3,361
As at 31 December	於十二月三十一日	<b>15,055</b>	35,861

The non-controlling interests of subsidiaries that are not 100% owned by the Group are considered to be immaterial.

非由本集團擁有100%權益之附屬公司之非控股權益被視為不重大。

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### 37. RELATED PARTY TRANSACTIONS

The following transactions with related parties were, in the opinion of the Directors, carried out in the ordinary course of business during the year:

### 37. 關聯人士交易

董事認為，下列於年內與關聯人士進行之交易乃於日常業務過程中進行：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Operating lease charges and management fee in respect of office premises situated in Guangzhou, the PRC (note (a))	位於中國廣州之辦公室物業之經營租賃支出及管理費(附註(a))	<b>738</b>	839
Rental expense for leasing carparking spaces situated in Guangzhou, the PRC (note (b))	租賃位於中國廣州之停車位之租金開支(附註(b))	<b>32</b>	19
Rental income in respect of an office premise (note (c))	有關一個辦公室物業之租金收入(附註(c))	<b>596</b>	594
Management fee in respect of properties for sale (note (d))	待售物業之管理費(附註(d))	<b>667</b>	702
Interest expense on unsecured revolving credit facility (note (e))	無抵押循環貸款融資之利息開支(附註(e))	—	—

Notes:

- (a) A subsidiary of the Company entered into a tenancy agreement with a related company, in which the Chairman and an executive director of the Company have interests, for leasing a number of premises situated in Guangzhou, the PRC for office purpose.

Total operating lease commitment in respect of the tenancy agreement is HK\$158,000 (2017: HK\$657,000).

- (b) For the years ended 31 December 2018 and 2017, a subsidiary of the Company entered into tenancy agreements with a related company, in which a close family member of the Chairman and an executive director of the Company have interests, for leasing three (2017: two) carparking spaces situated in Guangzhou, the PRC.

Total operating lease commitment in respect of the tenancy agreement is HK\$16,000 (2017: HK\$9,000).

附註：

- (a) 本公司一家附屬公司與一家由本公司主席及一名執行董事擁有權益之關連公司簽訂租賃協議，租賃多項位於中國廣州之物業作辦公室用途。

租賃協議之經營租賃承擔總額為港幣158,000元(二零一七年：港幣657,000元)。

- (b) 於截至二零一八年及二零一七年十二月三十一日止年度，本公司一家附屬公司與一家關連公司(本公司主席之近親及執行董事擁有權益)訂立租賃協議，以租賃位於中國廣州之三個(二零一七年：兩個)停車位。

租賃協議之經營租賃承擔總額為港幣16,000元(二零一七年：港幣9,000元)。

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### 37. RELATED PARTY TRANSACTIONS (Continued)

Notes: (Continued)

- (c) For the years ended 31 December 2018 and 2017, a subsidiary of the Company entered into a tenancy agreement with a company, in which the Chairman and her daughters have wholly-owned interest, for leasing an office premise in Soundwill Plaza for the period of three years commencing from 1 September 2015 and expiring on 31 August 2018 at a monthly rental of HK\$49,538. On 1 September 2018, the subsidiary and related company agreed to extend the period of three years commencing on 1 September 2018 and expiring on 31 August 2021 at monthly rental of HK\$50,000.

Total operating lease commitment by the related company in respect of the tenancy agreement is approximately HK\$1,600,000 (2017: HK\$396,000).

- (d) For the years ended 31 December 2018 and 2017, subsidiaries of the Company entered into property management agreements with a related company, in which the Chairman and an executive director of the Company have interests, for managing properties for sale situated in the PRC.
- (e) On 1 May 2017, a related company in which the Chairman and an executive Director of the Company have interests, has agreed to provide an unsecured revolving credit facility for amount of HK\$150,000,000 to a wholly owned subsidiary of the Group with maturity date on 30 April 2018. On 1 May 2018, the subsidiary and related company have agreed to extend the maturity date to 30 April 2019 and revised the interest rate to prime lending rate for loans in Hong Kong dollars from time to time less 2.0% per annum. There was no interest expenses arising from this facility during both years as the unsecured revolving credit facilities were not utilised.

Key management personnel compensation:

### 37. 關聯人士交易(續)

附註：(續)

- (c) 於截至二零一八年及二零一七年十二月三十一日止年度，本公司一家附屬公司與一家公司(本公司主席及其女兒全資擁有權益)訂立租賃協議，由二零一五年九月一日至二零一八年八月三十一日以月租港幣49,538元租賃金朝陽中心一個辦公室物業，為期三年。於二零一八年九月一日，該附屬公司及關連公司同意將年期由二零一八年九月一日起延長三年，至二零二一年八月三十一日屆滿，月租為港幣50,000元。

關連公司就租賃協議之經營租賃承擔總額約為港幣1,600,000元(二零一七年：港幣396,000元)。

- (d) 於截至二零一八年及二零一七年十二月三十一日止年度，本公司附屬公司與一家由本公司主席及一名執行董事擁有權益之關連公司訂立物業管理協議，內容有關管理位於中國之待售物業。
- (e) 於二零一七年五月一日，一家由本公司主席及一名執行董事擁有權益之關連公司已同意向本集團一家全資附屬公司提供無抵押循環貸款融資為數港幣150,000,000元，到期日為二零一八年四月三十日。於二零一八年五月一日，該附屬公司及關連公司已同意將到期日延長至二零一九年四月三十日，並將年利率修訂為不時之港幣貸款最優惠借貸利率減2.0厘。該筆融資於兩個年度並無產生利息開支，此乃由於該筆無抵押循環貸款融資未獲動用。

主要管理人員薪酬：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Basic salaries and other benefits	基本薪金及其他福利	44,510	64,831
Pension costs — defined contribution plans	退休金成本 — 定額供款計劃	66	90
		<b>44,576</b>	64,921

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### 38. ASSETS CLASSIFIED AS HELD FOR SALE

The assets and liabilities related to Lucky Way Holdings Investment Limited (“Lucky Way”), a wholly-owned subsidiary of the Group, have been presented as held for sale following the signing of a sale and purchase agreement with an independent third party to dispose of Lucky Way on 19 July 2018 with a cash consideration of HK\$467,635,000. Lucky Way is an investment holding company and holds the entire issued share capital of a subsidiary which in turn holds a property comprises a work site and a tenement building located in Hong Kong (collectively the “Lucky Way Group”). As at 31 December 2018, the Group received deposits of HK\$55,353,000 from the purchasers and included in “trade and other payable” line item.

The disposal of Lucky Way Group is expected to complete in May 2019.

In accordance with HKFRS 5, the assets relating to the Lucky Way Group have been classified as held for sale in the consolidated statement of financial position. The disposal does not constitute a discontinued operation as it does not represent a major line of business or geographical area of operation.

### 38. 分類為待售之資產

於二零一八年七月十九日與獨立第三方簽署買賣協議以現金代價港幣467,635,000元出售本集團全資附屬公司福昇集團投資有限公司(「福昇」)後，有關福昇之資產及負債已呈列為待售。福昇為投資控股公司，持有一間附屬公司之全部已發行股本，而該附屬公司則持有香港一項物業，該物業包括一個工地及一幢唐樓(統稱「福昇集團」)。於二零一八年十二月三十一日，本集團從買方收到按金港幣55,353,000元，並計入「貿易及其他應付款項」項目中。

福昇集團預期於二零一九年五月出售完成。

根據香港財務報告準則第5號，有關福昇集團之資產已於綜合財務狀況表分類為待售。此出售並非主要業務線或營運地區，因此並不構成已終止經營之業務。

		2018 二零一八年 HK\$'000 港幣千元
Investment properties	投資物業	420,000
Total assets classified as held for sale	分類為待售之總資產	420,000

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### 39. DISPOSAL OF SUBSIDIARIES

- (a) On 2 August 2018, the Group entered into an agreement to dispose of the entire equity interest in a wholly-owned subsidiary, namely Real Benefit Group Limited (“Real Benefit”), to an independent third party at an aggregate cash consideration of HK\$530,100,000. Real Benefit is an investment holding company which in turn held a building situated in Hong Kong (collectively the “Real Benefit Group”). The disposal of Real Benefit Group was completed on 14 September 2018. The net assets of subsidiaries at the date of disposal were as follows:

### 39. 出售附屬公司

- (a) 於二零一八年八月二日，本集團訂立協議向一名獨立第三方出售附屬公司 Real Benefit Group Limited (「Real Benefit」) 之全部股權，總現金代價為港幣530,100,000元。Real Benefit 為投資控股公司，持有位於香港之一幢樓宇(統稱「Real Benefit集團」)。Real Benefit集團之出售已於二零一八年九月十四日完成。附屬公司於出售日期之淨資產如下：

		HK\$'000 港幣千元
Net assets disposed of	出售之淨資產	
Properties held for sale	待售物業	288,450
Amounts due to fellow subsidiaries	應付同系附屬公司款項	(290,368)
		(1,918)
Loan assignment	貸款轉讓	290,368
Direct expenses in relation to disposal of subsidiaries	有關出售附屬公司之直接開支	5,838
Gain on disposal of Real Benefit	出售Real Benefit之收益	235,812
		530,100
Total consideration – satisfied by cash	總代價 – 以現金支付	530,100
Net cash inflow arising from disposal of Real Benefit Group:	出售Real Benefit集團時產生之現金流入淨額：	
Consideration received	已收代價	530,100
Direct expenses	直接開支	(5,838)
		524,262

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### 39. DISPOSAL OF SUBSIDIARIES (Continued)

- (b) On 7 June 2017, the Group entered into an agreement to dispose of the entire equity interest in a wholly-owned subsidiary, namely Honest Merit International Group Limited (“Honest Merit”), to an independent third party at an aggregate cash consideration of HK\$456,061,000. Honest Merit is an investment holding company which in turn held a building situated in Hong Kong (collectively the “Honest Merit Group”). The disposal of Honest Merit Group was completed on 6 July 2017. The net assets of subsidiaries at the date of disposal were as follows:

### 39. 出售附屬公司(續)

- (b) 於二零一七年六月七日，本集團訂立協議向一名獨立第三方出售其全資附屬公司誠利國際集團有限公司(Honest Merit International Group Limited) (「誠利」)之全部股權，總現金代價為港幣456,061,000元。誠利為投資控股公司，持有一幢位於香港之樓宇(統稱「誠利集團」)。誠利集團之出售已於二零一七年七月六日完成。附屬公司於出售日期之淨資產如下：

		HK\$'000 港幣千元
Net assets disposed of	出售之淨資產	
Investment properties (note)	投資物業(附註)	438,000
Deposits paid	已付按金	414
Amounts due to fellow subsidiaries	應付同系附屬公司款項	(301,520)
		136,894
Loan assignment	貸款轉讓	301,520
Direct expenses in relation to disposal of subsidiaries	有關出售附屬公司之直接開支	67,814
Loss on disposal of Honest Merit	出售誠利之虧損	(50,167)
		456,061
Total consideration	總代價	
— satisfied by cash	— 以現金支付	456,061
Net cash inflow arising from disposal of Honest Merit Group:	出售誠利集團時產生之現金流入淨額：	
Consideration received	已收代價	456,061
Direct expenses	直接開支	(67,814)
		388,247

Note: The fair value gain of HK\$136,788,000 is recorded on this property due to the transfer from properties for sale amounting to HK\$301,212,000 to investment properties amounting to HK\$438,000,000 during the year ended 31 December 2017.

附註：截至二零一七年十二月三十一日止年度，由於為數港幣301,212,000元之待售物業轉撥至為數港幣438,000,000元之投資物業，因此該物業錄得公平值收益港幣136,788,000元。

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#### 40. ACQUISITION OF ASSETS

- (a) In January 2018, the Group acquired 100% equity interest in Gigantic Power Limited for a cash consideration of HK\$151,524,000 from an independent third party. The acquisition was made as part of the Group's strategy to invest in investment properties.

The fair values of the identifiable assets and liabilities acquired in the transaction are as follows:

#### 40. 收購資產

- (a) 於二零一八年一月一日，本集團向一名獨立第三方收購 Gigantic Power Limited 之 100% 股權，現金代價為港幣 151,524,000 元。此項收購乃本集團投身投資物業之策略一部分。

在該交易中收購之可識別資產及負債之公平值如下：

		HK\$'000 港幣千元
Investment properties	投資物業	152,023
Trade and other receivables	貿易及其他應收款項	9
Tax recoverable	可收回稅項	141
Trade and other payables	貿易及其他應付款項	(649)
Net assets	淨資產	151,524
Total consideration satisfied by cash	以現金償付之總代價	151,524

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#### 40. ACQUISITION OF ASSETS (Continued)

- (b) In January 2018, the Group also acquired 100% equity interest in Luck Power (Hong Kong) Limited and Luck Power Development Limited for an aggregated cash consideration of HK\$62,599,000 from another independent third party. The acquisition was made as part of the Group's strategy to expand in mini-storage business.

The fair values of the identifiable assets and liabilities acquired in the transactions are as follows:

#### 40. 收購資產(續)

- (b) 於二零一八年一月一日，本集團亦向另一名獨立第三方收購 Luck Power (Hong Kong) Limited 及 Luck Power Development Limited 之100% 股權，總現金代價為港幣62,599,000元。此項收購乃本集團擴展迷你倉業務之策略一部分。

在該交易中收購之可識別資產及負債之公平值如下：

		HK\$'000 港幣千元
Investment properties	投資物業	62,029
Trade and other receivables	貿易及其他應收款項	615
Tax recoverable	可收回稅項	25
Trade and other payables	貿易及其他應付款項	(46)
Deferred tax liabilities	遞延稅項負債	(24)
Net assets	淨資產	62,599
Total consideration satisfied by cash	以現金償付之總代價	62,599

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## 41. FINANCIAL INSTRUMENTS

### 41.1 Summary of financial assets and liabilities by category

The carrying amounts of the Group's financial assets and liabilities as recognised at the reporting dates are categorised as follows:

## 41. 財務工具

### 41.1 按類別劃分之財務資產及負債概要

本集團之財務資產及負債於報告日期確認之賬面值分類如下：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Financial assets</b>	<b>財務資產</b>		
<i>Financial assets at amortised cost</i>	<i>按攤銷成本列賬之財務資產</i>		
<i>(2017: Loans and receivables at amortised cost)</i>	<i>(二零一七年：貸款及應收款項，按攤銷成本)</i>		
— Trade receivables, net	— 貿易應收款項，淨額	<b>22,035</b>	19,676
— Other receivables and deposits, net	— 其他應收款項及訂金，淨額	<b>17,660</b>	18,927
— Loan receivables	— 應收貸款	<b>37,809</b>	38,351
— Bank deposits at escrow account	— 於託管賬戶之銀行存款	—	2,231
— Restricted bank deposits	— 受限制銀行存款	<b>74,568</b>	57,993
— Short-term bank deposits	— 短期銀行存款	<b>575,000</b>	480,055
— Cash and cash equivalents	— 現金及現金等價物	<b>186,238</b>	666,895
Financial assets at FVTPL (2017: Structured bank deposits at FVTPL)	按公平值計入損益之財務資產(二零一七年：結構性銀行存款，按公平值計入損益)	<b>92,443</b>	106,559
		<b>1,005,753</b>	1,390,687
<b>Financial liabilities</b>	<b>財務負債</b>		
<i>At amortised cost</i>	<i>按攤銷成本</i>		
— Trade payables	— 貿易應付款項	<b>(20,977)</b>	(24,035)
— Accrued expenses and other payables	— 應計費用及其他應付款項	<b>(362,678)</b>	(309,170)
— Borrowings, secured	— 借貸，有抵押	<b>(1,562,788)</b>	(1,528,120)
		<b>(1,946,443)</b>	(1,861,325)

The carrying amounts of the Group's financial assets and liabilities carried at amortised cost are not materially different from their fair values as at reporting date.

於報告日期，本集團按攤銷成本列賬之財務資產及負債之賬面值與其公平值並無重大差異。

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## 41. FINANCIAL INSTRUMENTS (Continued)

### 41.2 Financial risk management objectives and policies

The Group is exposed to credit risk, liquidity risk and market risk (foreign currency risk, interest rate risk and other price risk) in the normal course of business. However, the Directors meet periodically to analyse and formulate measures to manage the Group's exposure to the market risk.

Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to the market risk is kept to a minimum level, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The most significant financial risks to which the Group is exposed to are described below.

#### (a) Market risk

##### (i) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on its variable-rate interest bearing borrowings, loan receivables, bank deposits at escrow account, restricted bank deposits and cash and cash equivalents. The Group is also exposed to fair value interest rate risk on fixed-rate short-term bank deposits. The Group currently does not have an interest rate hedging policy. However, the Group closely monitors its loan portfolio and compares the interest rates under loan agreements with existing banks against new offers on borrowing rates from different banks in the loan re-financing and negotiation process.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Group's variable interest rate instruments.

## 41. 財務工具(續)

### 41.2 財務風險管理目標及政策

本集團於日常業務承受信貸風險、流動資金風險及市場風險(外幣風險、利率風險及其他價格風險)。然而，董事定期召開會議分析及制定措施以管理本集團所涉市場風險。

一般而言，本集團就其風險管理引入保守策略。由於本集團所涉市場風險維持於最低水平，故本集團並無採用任何衍生工具及其他工具作對沖之用。本集團並無持有或發行衍生財務工具作買賣用途。本集團所承受之最重要財務風險載列如下。

#### (a) 市場風險

##### (i) 利率風險

利率風險與財務工具之公平值或現金流量因市場利率變動而出現波動之風險有關。本集團因浮息計息借貸、應收貸款、於託管賬戶之銀行存款、受限制銀行存款以及現金及現金等價物而面對現金流量利率風險。本集團亦就定息短期銀行存款而面對公平值利率風險。本集團現時並無利率對沖政策。然而，本集團密切監察其貸款組合，並在貸款再融資及磋商過程中，與現有銀行所訂立貸款協議之融資利率與不同銀行提供之新造借貸利率作出比較。

本集團之現金流量利率風險主要集中於因本集團浮動利率工具產生之香港同業拆息波動。

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## 41. FINANCIAL INSTRUMENTS (Continued)

### 41.2 Financial risk management objectives and policies (Continued)

#### (a) Market risk (Continued)

##### (i) Interest rate risk (Continued)

The policies to manage interest rate risk have been followed by the Group since prior year are considered to be effective.

##### *Interest rate sensitivity analysis*

The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to variable-rate financial instruments at that date. 25 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates. The analysis is performed on the same basis for the year ended 31 December 2017.

The management considered that the Group's exposure to future cash flow risk on variable-rate cash and cash equivalents, restricted bank deposits and bank deposits at escrow account as a result of the changes of market interest rate is insignificant and thus they are not included in the sensitivity analysis.

At at 31 December 2018, it is estimated that a general increase of 25 basis points in interest rates, with all other variable held constant, would decrease the Group's profit after tax and decrease the retained profits by approximately HK\$3,183,000 (2017: HK\$3,110,000). There is no impact on other components of consolidated equity in response to the general increase in interest rates. A decrease of 25 basis points in interest rate would have had the equal but opposite effect on the above financial instruments to the amounts shown above, on the basis that all other variables remain constant. The sensitivity results are mainly attributable to the Group's exposure to interest rates on its variable-rate loan receivables and borrowings.

## 41. 財務工具(續)

### 41.2 財務風險管理目標及政策(續)

#### (a) 市場風險(續)

##### (i) 利率風險(續)

本集團自去年起已依循管理利率風險之政策，且有關政策被視為有效。

##### *利率敏感度分析*

敏感度分析乃假設利率於報告日期產生變動而釐定，並應用於該日之浮動利率財務工具。25個基點之增減指管理層對利率之合理可能變動之評估。於截至二零一七年十二月三十一日止年度已以相同基準作出分析。

管理層認為，本集團未來因市場利率變動而就浮息現金及現金等價物、受限制銀行存款及於託管賬戶之銀行存款面對之現金流量風險並不重大，因此並未包括在敏感度分析內。

於二零一八年十二月三十一日，在所有其他可變數保持不變之情況下，估計利率整體增加25個基點，將減少本集團除稅後溢利及減少保留溢利約港幣3,183,000元(二零一七年：港幣3,110,000元)。利率整體增加對綜合權益之其他組成部分並無影響。假設所有其他可變數保持不變，利率減少25個基點將對上述財務工具造成相同金額但相反之影響。敏感度分析主要歸因於本集團就其浮息應收貸款及借貸而面對之利率風險。

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## 41. FINANCIAL INSTRUMENTS (Continued)

### 41.2 Financial risk management objectives and policies (Continued)

#### (a) Market risk (Continued)

##### (ii) Foreign currency risk

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 mainly operates and invests in Hong Kong and the PRC. No foreign currency risk has been identified for the financial instruments as they were denominated in the same currency as the functional currencies of the group entities to which these transactions relate.

##### (iii) Other price risk

The Group is exposed to other price risk arising from changes in fair value of structure bank deposits which carried at FVTPL.

No sensitivity analysis an other price risk is presented for the financial assets at FVTPL as the Directors consider a reasonable possible change to the fair value of the financial assets at FVTPL will not have a significant effect to the Group's profit or loss.

## 41. 財務工具(續)

### 41.2 財務風險管理目標及政策(續)

#### (a) 市場風險(續)

##### (ii) 外幣風險

外幣風險指由於匯率變動導致財務工具之公平值或未來現金流量波動之風險。本集團主要於香港及中國營運及投資。由於財務工具之貨幣單位與有關交易之本集團實體之功能貨幣相同，故並無識別外幣風險。

##### (iii) 其他價格風險

本集團因按公平值計入損益列賬之結構性銀行存款之公平值變動而面對其他價格風險。

由於董事認為按公平值計入損益之財務資產之公平值之合理可能變動不會對本集團損益產生重大影響，因此並無就按公平值計入損益之財務資產呈列其他價格風險之敏感度分析。

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## 41. FINANCIAL INSTRUMENTS (Continued)

### 41.2 Financial risk management objectives and policies (Continued)

#### (b) Credit risk and impairment assessment

As at 31 December 2018, other than those financial assets whose carrying amounts best represent the maximum exposure to credit risk, the Group's maximum exposure to credit risk which will cause a financial loss to the Group arising from the amount of financial guarantees provided by the Group is disclosed in note 33.

#### *Trade receivables*

Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. The Group assess the potential customer's credit quality customer at new customer acceptance. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2017: incurred loss model) on trade receivables individually.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Review of past due receivables are conducted by the Group bi-weekly. Normally, other than those property leasing rental receivables which are secured by rental deposits, the Group does not obtain collateral from other customers.

## 41. 財務工具(續)

### 41.2 財務風險管理目標及政策(續)

#### (b) 信貸風險及減值評估

於二零一八年十二月三十一日，除了賬面值最能代表最高信貸風險敞口之該等財務資產外，因本集團提供之財務擔保金額導致本集團蒙受財務損失之本集團最高信貸風險敞口於附註33披露。

#### *貿易應收款項*

管理層設有信貸政策，並持續監察此等信貸風險敞口。本集團會在接納新客戶時評估潛在客戶之信貸質素。本集團亦訂有其他監察程序，以確保採取跟進行動收回逾期債務。此外，在應用香港財務報告準則第9號後，本集團根據預期信貸虧損模式對貿易應收款項個別進行減值評估(二零一七年：已產生虧損模式)。

所有要求超過若干信貸金額之客戶進行個別信貸評估。該等評估集中於客戶於到期時繳款之過往歷史紀錄及目前之繳款能力，並考慮客戶之特有資料，以及客戶經營之有關經濟環境。本集團會隔週審閱逾期應收款項。一般而言，除以租金按金抵押之該等物業租賃應收租金外，本集團不會向其他客戶收取抵押品。

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## 41. FINANCIAL INSTRUMENTS (Continued)

### 41.2 Financial risk management objectives and policies (Continued)

#### (b) Credit risk and impairment assessment (Continued)

##### *Loan receivables*

In order to minimise the credit risk, the Directors have delegated a team responsible for determination of credit limits, interest rate offered to customers and collaterals received. Monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under 12-month ECL model upon application of HKFRS 9 (2017: incurred loss model) on balances individually.

The Directors estimate the estimated loss rates of loan receivables based on historical observed default rates over the expected life of the debtors as well as the fair value of the collateral pledged by the customers to the loan receivables. Based on assessment by the Directors, the loss given default is low in view of the fair value of the collaterals and the Directors considers the 12-month ECL for loan receivables is insignificant.

##### *Other receivables and deposits*

Management of the Group makes periodic collective assessment as well as individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information starting from 1 January 2018. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance of other receivables and deposits.

## 41. 財務工具(續)

### 41.2 財務風險管理目標及政策(續)

#### (b) 信貸風險及減值評估(續)

##### *應收貸款*

為盡量減低信貸風險，董事已指派一支團隊，負責釐定信貸額度、提供予客戶之利率以及所收取之抵押品。另設有監察程序，以確保採取跟進行動收回逾期債務。此外，在應用香港財務報告準則第9號後，本集團根據12個月預期信貸虧損模式對結餘個別進行減值評估(二零一七年：已產生虧損模式)。

董事根據債務人於預計年期內之過往已觀察違約率以及客戶就應收貸款質押之抵押品之公平值，估計應收貸款之估計虧損率。根據董事進行之評估，基於抵押品之公平值，違約虧損率屬偏低，而董事認為應收貸款之12個月預期信貸虧損並不重大。

##### *其他應收款項及訂金*

自二零一八年一月一日起，本集團管理層會根據歷史清償記錄、過往經驗以及合理且可作支持之可得前瞻資料，對其他應收款項及訂金之可收回程度進行定期集體評估及個別評估。本集團管理層相信，本集團其他應收款項及訂金之未清償餘額並無重大的固有信貸風險。

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## 41. FINANCIAL INSTRUMENTS (Continued)

### 41.2 Financial risk management objectives and policies (Continued)

#### (b) Credit risk and impairment assessment (Continued)

*Bank deposits at escrow account, restricted bank deposits, short-term bank deposits and cash and cash equivalents*

The credit risk on bank deposits at escrow account, restricted bank deposits, short-term bank deposits and cash and cash equivalents of the Group is limited because the counterparties are banks and financial institutions with high credit ratings assigned by international credit-rating agencies and no history of default in the past. No loss allowance provision for bank deposits at escrow account, restricted bank deposits, short-term bank deposits and cash and cash equivalents was recognised upon application of HKFRS 9. The Group has limited exposure to any single financial institution.

Other than structured bank deposits with a bank, the Group does not have any significant concentration of credit risk.

## 41. 財務工具(續)

### 41.2 財務風險管理目標及政策(續)

#### (b) 信貸風險及減值評估(續)

於託管賬戶之銀行存款、受限制銀行存款、短期銀行存款以及現金及現金等價物

本集團於託管賬戶之銀行存款、受限制銀行存款、短期銀行存款以及現金及現金等價物之信貸風險有限，原因是對手方均為獲國際信貸評級機構給予高信貸評級之銀行及金融機構，過去並無違約記錄。應用香港財務報告準則第9號後，概無就於託管賬戶之銀行存款、受限制銀行存款、短期銀行存款以及現金及現金等價物確認虧損撥備。本集團對任何單一金融機構之敞口有限。

除存放於一間銀行之結構性銀行存款外，本集團並無重大之信貸集中風險。

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## 41. FINANCIAL INSTRUMENTS (Continued)

### 41.2 Financial risk management objectives and policies (Continued)

#### (b) Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 描述	Trade receivables 貿易應收款項	Other financial assets/other items 其他財務資產／其他項目
Low risk 低風險	The counterparty has a low risk default and does not have any past-due amounts 對手方之違約風險偏低，並無任何逾期款項	Lifetime ECL — not credit-impaired 使用期預期信貸虧損 — 無信貸減值	12-months ECL 12個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle after due date 債務人經常在到期日後還款，但往往在到期日後清償	Lifetime ECL — not credit-impaired 使用期預期信貸虧損 — 無信貸減值	12-months ECL 12個月預期信貸虧損
Doubtful 呆賬	There have been significant increase in credit risk since initial recognition through information developed internally or external resources 透過內部產生或外部來源之資料，信貸風險自初步確認以來已顯著增加	Lifetime ECL — not credit-impaired 使用期預期信貸虧損 — 無信貸減值	Lifetime ECL — not credit-impaired 使用期預期信貸虧損 — 無信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產出現信貸減值	Lifetime ECL — credit-impaired 使用期預期信貸虧損 — 有信貸減值	Lifetime ECL — credit-impaired 使用期預期信貸虧損 — 有信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重財務困難，且本集團並無實際可收回之期望	Amount is written off 撇銷款項	Amount is written off 撇銷款項

## 41. 財務工具(續)

### 41.2 財務風險管理目標及政策(續)

#### (b) 信貸風險及減值評估(續)

本集團之內部信貸風險級別評估由以下類別組成：

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## 41. FINANCIAL INSTRUMENTS (Continued)

### 41.2 Financial risk management objectives and policies (Continued)

#### (b) Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

## 41. 財務工具(續)

### 41.2 財務風險管理目標及政策(續)

#### (b) 信貸風險及減值評估(續)

下表詳列本集團須接受預期信貸虧損評估之財務資產之信貸風險敞口：

			External credit rating 外部信貸評級	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月或使用期預期 信貸虧損	Gross carrying amount 賬面總值 HK\$'000 港幣千元
<b>Financial assets at amortised costs</b>	<b>按攤銷成本列賬之財務資產</b>					
Trade receivables	貿易應收款項	21	N/A 不適用	Note 3 附註3	Lifetime ECL 使用期預期信貸虧損	22,035
Loan receivables	應收貸款	21	N/A 不適用	Low risk 低風險	12-month ECL 12個月預期信貸虧損	37,809
Restricted bank deposits	受限制銀行存款	24	A3–A1 B1–Baa1	N/A 不適用 N/A 不適用	12-month ECL 12個月預期信貸虧損 12-month ECL 12個月預期信貸虧損	69,755 4,813
						74,568
Short-term bank deposits	短期銀行存款	24	Aa3–Aa1 A3–A1	N/A 不適用 N/A 不適用	12-month ECL 12個月預期信貸虧損 12-month ECL 12個月預期信貸虧損	325,000 250,000
						575,000
Cash and cash equivalents	現金及現金等價物	24	Aa3–Aa1 A3–A1 B1–Baa1	N/A 不適用 N/A 不適用 N/A 不適用	12-month ECL 12個月預期信貸虧損 12-month ECL 12個月預期信貸虧損 12-month ECL 12個月預期信貸虧損	47,200 131,416 7,622
						186,238
Othe receivables and deposits	其他應收款項及訂金		N/A 不適用	Note 1 附註1	12-month ECL 12個月預期信貸虧損	17,660
<b>Other items</b>	<b>其他項目</b>					
Financial guarantee contracts (Note 2)	財務擔保合約(附註2)	33	N/A 不適用	Low risk 低風險	12-month ECL 12個月預期信貸虧損	337,389

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## 41. FINANCIAL INSTRUMENTS (Continued)

### 41.2 Financial risk management objectives and policies (Continued)

#### (b) Credit risk and impairment assessment (Continued)

Notes:

- For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

## 41. 財務工具(續)

### 41.2 財務風險管理目標及政策(續)

#### (b) 信貸風險及減值評估(續)

附註：

- 為進行內部信貸風險管理，本集團運用逾期資料評估信貸風險自初步確認以來有否顯著增加。

	Not past due/ no fixed repayment terms	Total
Past due	無逾期／無固 逾期 定還款期	總計
HK\$'000	HK\$'000	HK\$'000
港幣千元	港幣千元	港幣千元

Other receivables and deposits	其他應收款項及訂金	—	17,660	17,660
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- For financial guarantee contracts, the gross carrying amount represents the maximum amount the Group has guaranteed under the respective contracts. The fair values of the purchasers' properties are higher than the Group's guaranteed amount to the banks, and thus the Directors considered the loss given default in the financial guarantee contracts is low and the 12-month ECL on financial guarantee contracts is insignificant.
- 就財務擔保合約而言，賬面總值指本集團根據有關合約擔保之最高金額。買方物業之公平值高於本集團向銀行作出之擔保額，因此董事認為財務擔保合約之違約虧損率偏低，而財務擔保合約之12個月預期信貸虧損並不重大。
- For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group assessed the ECL on trade receivables individually on each debtor.
- 就貿易應收款項而言，本集團應用香港財務報告準則第9號中之簡化方法，按使用期預期信貸虧損計量虧損撥備。本集團已就各債務人對貿易應收款項之預期信貸虧損進行個別評估。

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## 41. FINANCIAL INSTRUMENTS (Continued)

### 41.2 Financial risk management objectives and policies (Continued)

#### (b) Credit risk and impairment assessment (Continued)

The estimated loss rate of each debtor is estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

In the opinion of the Directors, the lifetime ECL on trade receivables are considered insignificant.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

## 41. 財務工具(續)

### 41.2 財務風險管理目標及政策(續)

#### (b) 信貸風險及減值評估(續)

各債務人之估計虧損率乃根據債務人於預計年期內之過往已觀察違約率作出估計，並就無需付出不必要成本或努力而可取得的前瞻性資料作出調整。

董事認為，貿易應收款項之使用期預期信貸虧損被視為並不重大。

下表列示根據簡化方式就貿易應收款項確認之使用期預期信貸虧損變動。

**Lifetime ECL (credit-impaired)**  
**使用期預期信貸虧損**  
**(有信貸減值)**  
**HK\$'000**  
**港幣千元**

As at 31 December 2017 under HKAS 39	於二零一七年十二月三十一日根據香港會計準則第39號	765
Changes due to financial instruments recognised as at 1 January:	因於一月一日確認之財務工具而變動：	
— Write-offs	— 撇銷	(521)
As at 31 December 2018	於二零一八年十二月三十一日	<b>244</b>

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## 41. FINANCIAL INSTRUMENTS (Continued)

### 41.2 Financial risk management objectives and policies (Continued)

#### (b) Credit risk and impairment assessment (Continued)

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. The Group has taken legal action against the debtors to recover the amount due and none of the trade receivables that have been written off is subject to enforcement activities.

#### (c) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade payables, accrued expenses and other payables and borrowings, and also in respect of its cash flow management. The Group's objective is to ensure adequate funds to meet commitments associated with its financial liabilities. Cash flows are closely monitored on an ongoing basis. The Group will raise funds from the realisation of its assets if required. The Directors are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future.

## 41. 財務工具(續)

### 41.2 財務風險管理目標及政策(續)

#### (b) 信貸風險及減值評估(續)

如有資料顯示債務人陷入嚴重財務困難且無實際可收回之期望(例如債務人已進行清盤或進入破產程序),或貿易應收款項已逾期超過兩年(以較早發生者為準),本集團則撇銷貿易應收款項。本集團已針對債務人採取法律行動,以追回到期款項,而已撇銷之貿易應收款項概無受制於執法活動。

#### (c) 流動資金風險

流動資金風險指本集團將無法履行與財務負債相關之責任之風險。本集團就結算貿易應付款項、應計費用及其他應付款項及借貸以及就其現金流量管理承受流動資金風險。本集團之目標為確保有足夠資金履行與其財務負債有關之承擔。現金流量持續受密切監察。如有需要,將變現其資產以籌集資金。董事信納本集團於可見將來將能夠全數償還到期財務責任。

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## 41. FINANCIAL INSTRUMENTS (Continued)

### 41.2 Financial risk management objectives and policies (Continued)

#### (c) Liquidity risk (Continued)

The following tables detail the remaining contractual maturities at the reporting date of the Group's financial liabilities, which are 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. Specifically, for term loans which contain a repayment on demand clause which can be exercised at the banks' sole discretion, the analysis shows the cash outflow based on the earliest time band in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

## 41. 財務工具(續)

### 41.2 財務風險管理目標及政策(續)

#### (c) 流動資金風險(續)

下表詳列本集團之財務負債於報告日期之剩餘合約到期詳情，乃根據合約未折現現金流量(包括利用合約利率或(如為浮動利率)其於報告日期之利率計算之利息付款)及本集團可能須支付之最早日期計算。尤其是，就包含可按銀行全權酌情行使之按要求償還條款之有期貨款而言，該分析顯示倘貸款人援引其無條件權利立即催繳貸款，則實體可能須支付之最早時間範圍之現金流出。

		31 December 2018			
		Maturity analysis – Undiscounted cash flows			
		二零一八年十二月三十一日			
		到期情況分析 – 未折現現金流量			
Carrying amount	Total contractual undiscounted cash flow	Total contractual cash flow	Within	More than	
			1 year or on demand	1 year but less than 5 years	
	合約未折現金流量	總額	一年內或於要求時	一年以上但五年以內	
賬面值	總額	總額	於要求時	但五年以內	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
Trade payables	貿易應付款項	20,977	20,977	20,977	–
Accrued expenses and other payables	應計費用及其他應付款項	362,678	362,678	362,678	–
Rental deposits received	已收租金按金	173,362	173,362	97,029	76,333
Bank loans	銀行貸款	1,562,788	1,605,586	1,087,667	517,919
Financial guarantee contracts	財務擔保合約	–	337,389	337,389	–
		2,119,805	2,499,992	1,905,740	594,252

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**41. FINANCIAL INSTRUMENTS (Continued)**

**41.2 Financial risk management objectives and policies (Continued)**

**(c) Liquidity risk (Continued)**

**41. 財務工具(續)**

**41.2 財務風險管理目標及政策(續)**

**(c) 流動資金風險(續)**

31 December 2017

Maturity analysis – Undiscounted cash flows

二零一七年十二月三十一日

到期情況分析 – 未折現現金流量

		Total contractual undiscounted cash flow 合約未折現 現金流量 賬面值 HK\$'000 港幣千元	Within 1 year or on demand 一年內或 於要求時 總額 HK\$'000 港幣千元	More than 1 year but less than 5 years 一年以上 但五年以內 總額 HK\$'000 港幣千元	
Trade payables	貿易應付款項	24,035	24,035	24,035	—
Accrued expenses and other payables	應計費用及其他應付款項	309,170	309,170	309,170	—
Rental deposits received	已收租金按金	164,361	164,361	102,551	61,810
Bank loans, secured, subject to repayment on demand clause	銀行貸款，有抵押， 附有按要求償還條款	1,528,120	1,528,120	1,528,120	—
Financial guarantee contracts	財務擔保合約	—	309,431	309,431	—
		2,025,686	2,335,117	2,273,307	61,810

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## 41. FINANCIAL INSTRUMENTS (Continued)

### 41.2 Financial risk management objectives and policies (Continued)

#### (c) Liquidity risk (Continued)

The table set out below summarises the maturity analysis of the bank loans with a repayment on demand clause amounting to HK\$696,700,000 (2017: HK\$1,528,120,000) based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the “within 1 year or on demand” time band in the maturity analysis shown above. Taking into account the Group’s financial position, the Directors do not consider that it is probable that the banks will exercise its discretion to demand immediate repayment. The Directors believe that such terms will be repaid in accordance with the scheduled repayment dates set out in their loan agreements.

## 41. 財務工具(續)

### 41.2 財務風險管理目標及政策(續)

#### (c) 流動資金風險(續)

下表概述包含按要求償還條款之銀行貸款港幣696,700,000元(二零一七年:港幣1,528,120,000元)按貸款協議所載協定預定還款作出之到期情況分析。該等金額包括按合約利率計算之利息付款。因此,該等金額高於上文所示到期情況分析中「一年內或於要求時」時間範圍內披露之金額。鑒於本集團之財務狀況,董事認為銀行不大可能行使其酌情權要求即時還款。董事相信,該等有期貸款將按貸款協議所載之預定還款日期償還。

**Maturity analysis – Bank loans subject to a repayment on demand clause based on scheduled repayment dates**  
根據預定還款日期作出之到期情況分析 – 附有按要求還款條款之銀行貸款

	Total contractual amount	Within 1 year or on demand	More than 1 year, but not exceeding 2 years	More than 2 years, but not exceeding 5 years
			Contractual cash flow	Contractual cash flow
	合約未折現	一年內或於要求時	一年以上但不超過兩年	兩年以上但不超過五年
	賬面值	賬面值	賬面值	賬面值
	現金流量總額	現金流量總額	現金流量總額	現金流量總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元

As at 31 December 2018	於二零一八年十二月三十一日	696,700	714,442	561,493	152,949	—
As at 31 December 2017	於二零一七年十二月三十一日	1,528,120	1,570,362	504,976	913,265	152,121

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## 42. RECONCILIATION OF ASSETS/LIABILITIES RELATING TO FINANCING ACTIVITIES

The table below details changes in the Group's assets/liabilities relating to financing activities, including both cash and non-cash changes which represents net debt as presented in Note 43. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

## 42. 與融資活動有關之資產／負債對賬

下表詳列本集團與融資活動有關之資產／負債變動，包括現金及非現金變動，即附註43呈列之淨債務。融資活動產生之負債乃過去或日後於本集團綜合現金流量表內分類為融資活動帶來之現金流量之現金流量。

		Restricted bank deposits	Short-term bank deposits	Cash and cash equivalents	Structured bank deposits/ Financial assets at FVTPL 結構性 銀行存款／ 按公平值計入 損益之財務 資產	Amount due to shareholders	Amount due to non- controlling shareholders of subsidiaries 應付附屬公司 非控股 股東款項	Borrowings 借貸	Total 總計
		受限制 銀行存款 HK\$'000 港幣千元	短期 銀行存款 HK\$'000 港幣千元	現金及 現金等價物 HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
As at 1 January 2017	於二零一七年一月一日	(67,947)	(988,227)	(536,201)	—	—	—	1,694,220	101,845
Cash flow, net	現金流量淨額	9,954	508,172	(129,200)	(106,559)	(339,970)	—	(191,603)	(249,206)
Other non-cash changes:	其他非現金變動：								
Finance costs recognised	已確認融資成本	—	—	—	—	—	—	25,503	25,503
Dividends declared	已宣派股息	—	—	—	—	339,970	—	—	339,970
Foreign exchange adjustments	外匯調整	—	—	(1,494)	—	—	—	—	(1,494)
As at 31 December 2017	於二零一七年 十二月三十一日	(57,993)	(480,055)	(666,895)	(106,559)	—	—	1,528,120	216,618
Cash flow, net	現金流量淨額	(16,575)	(94,945)	478,546	14,116	(56,662)	(12,345)	(3,147)	308,988
Other non-cash changes:	其他非現金變動：								
Finance costs recognised	已確認融資成本	—	—	—	—	—	—	37,815	37,815
Dividends declared	已宣派股息	—	—	—	—	56,662	—	—	56,662
Foreign exchange adjustments	外匯調整	—	—	2,111	—	—	—	—	2,111
Distribution to non-controlling shareholders of subsidiaries	分派予附屬公司 非控股股東	—	—	—	—	—	12,345	—	12,345
As at 31 December 2018	於二零一八年 十二月三十一日	(74,568)	(575,000)	(186,238)	(92,443)	—	—	1,562,788	634,539

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### 43. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for other stakeholders.

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 year.

The Group monitors capital on the basis of debt to equity ratio, which is net debt divided by total capital. Net debt is calculated as the sum of the Group's borrowings less cash and cash equivalents and other bank deposits as shown in the consolidated statement of financial position. Total capital is calculated as total equity, as shown in the consolidated statement of financial position. The Group aims to maintain the debt to equity ratio at a manageable level.

### 43. 資本風險管理

本集團資本管理之主要目標為確保本集團持續經營之能力，以繼續為其股東提供回報及為其他持份者提供利益。

本集團鑑於經濟情況變動而管理其資本架構，並對其作出調整。為維持或調整資本架構，本集團可調整向股東派發之股息、向股東發還資本或發行新股。於本年度內並無對目標、政策或程序作出變動。

本集團利用負債對權益比率基準(即淨債務除以總資本)監察資本。淨債務以綜合財務狀況表內本集團借貸之總和減現金及現金等價物及其他銀行存款計算。總資本以綜合財務狀況表所示之權益總額計算。本集團旨在維持負債對權益比率於可管理之水平。

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Borrowings	借貸	<b>1,562,788</b>	1,528,120
— Financial assets at FVTPL/structured bank deposits	— 按公平值計入損益之財務資產／結構性銀行存款	<b>(92,443)</b>	(106,559)
— Restricted bank deposits	— 受限制銀行存款	<b>(74,568)</b>	(57,993)
— Short-term bank deposits	— 短期銀行存款	<b>(575,000)</b>	(480,055)
— Cash and cash equivalents	— 現金及現金等價物	<b>(186,238)</b>	(666,895)
<b>Net debt</b>	<b>淨債務</b>	<b>634,539</b>	216,618
<b>Total equity</b>	<b>權益總額</b>	<b>20,456,219</b>	19,893,948
<b>Net debt to equity ratio</b>	<b>淨負債對權益比率</b>	<b>0.031:1</b>	0.011:1

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#### 44. SHARE-BASED EMPLOYEE COMPENSATION

The Company adopted a new share option scheme (the “2011 Share Option Scheme”) at the annual general meeting held on 19 May 2011 (the “2011 AGM”).

The principal terms of the 2011 Share Option Scheme are set out as follows:

##### Purpose of the 2011 Share Option Scheme

The purpose of this scheme is to encourage the participants to perform their best in achieving the goals of the Company and at the same time allow the participants to enjoy the results of the Company attained through their efforts and contributions.

##### Eligible Participants of the 2011 Share Option Scheme

Eligible participants of the 2011 Share Option Scheme includes (i) any full time employee and director (any existing or proposed executive or non-executive directors) of the Group or any member of the Group and any part-time employee with weekly working hours of 10 hours or above of the Group; (ii) any advisor, consultants or agent to the Group; any provider of goods and/or services to the Group; or any other person who, at the sole discretion of the Board, has contributed or may contribute to the Group; and (iii) any trustee of any trust (whether family or discretionary) whose beneficiaries or objects include any employee or business association of the Group.

##### Total number of securities issuable

The total number of shares which may be issued upon exercise of all share options to be granted under the 2011 Share Option Scheme and any other share option scheme of the Company shall not exceed 10% of the total number of shares in issue as at the adoption date of the 2011 Share Option Scheme provided that the share options lapsed will not be counted for the purpose of calculating such 10% limit.

At the 2011 AGM, the said 10% limit of number of shares available for issue was 25,091,413 shares.

#### 44. 以股份為基礎之僱員報酬

本公司於二零一一年五月十九日舉行之股東週年大會(「二零一一年股東週年大會」)上採納新購股權計劃(「二零一一年購股權計劃」)。

二零一一年購股權計劃之主要條款載列如下：

##### 二零一一年購股權計劃之目的

該計劃旨在鼓勵參與者竭誠達致本公司目標，同時讓參與者分享彼等致力為本公司作出貢獻之成果。

##### 二零一一年購股權計劃之合資格參與者

二零一一年購股權計劃之合資格參與者包括(i)本集團或本集團任何成員公司之任何全職僱員及董事(任何現任或建議之執行或非執行董事)，以及本集團任何每週工時10小時或以上之兼職僱員；(ii)本集團任何顧問、專家顧問或代理、向本集團提供貨物及／或服務之任何供應商、或董事會全權酌情認為已經或可能對本集團作出貢獻之任何其他人士；及(iii)任何信託(家族或全權)之受託人，而該信託之受益人或對象包括本集團之任何僱員或業務聯繫人。

##### 可發行證券總數

根據行使二零一一年購股權計劃及本公司任何其他購股權計劃將予授出之所有購股權而可予發行之股份總數，不得超過於採納二零一一年購股權計劃之日已發行股份總數之10%，但已失效之購股權將不計算在該10%上限以內。

於二零一一年股東週年大會上，上述10%上限可予發行之股份數目為25,091,413股股份。

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#### 44. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

##### Total number of securities issuable (Continued)

Under the 2011 Share Option Scheme, the Company may obtain a fresh approval from its shareholder in general meeting to refresh the above mentioned 10% limit. In such event, the total number of shares in respect of which share options may be granted under the 2011 Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of shares in issue as at the date of such approval provided that share options previously granted under the 2011 Share Option Scheme (including those outstanding, cancelled, lapsed or exercised share options) will not be counted for the purpose of calculating such 10% limit.

The maximum number of shares which may be issued upon exercise of all outstanding share option granted and yet to be granted under the 2011 Share Option Scheme and any other share option schemes of the Company shall not exceed 30% (or such other higher percentages as may be allowed under the Listing Rules) of the total number of shares in issue from time to time.

As at the date of this annual report, the total number of shares available for issue under the 2011 Share Option Scheme was 14,335,413 representing approximately 5.06% of the Company's shares in issue as at that date.

##### Maximum entitlement of each employee/ participant

Unless separately approved by the shareholders of the Company at a general meeting with the particular Participant (as defined in the 2011 Share Option Scheme) and his or her associate (as defined under the Listing Rules) abstaining from voting, the total number of shares issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding options) in any 12 months period shall not exceed 1% of the total number of shares in issue.

#### 44. 以股份為基礎之僱員報酬(續)

##### 可發行證券總數(續)

根據二零一一年購股權計劃，本公司可在股東大會上獲得其股東更新批准以更新上述之10%上限。在該情況下，根據二零一一年購股權計劃及本公司任何其他購股權計劃可予授出之購股權而發行之股份總數，不得超過於該等批准之日已發行股份總數之10%，但根據二零一一年購股權計劃過往已授出之購股權(包括該等尚未行使、已註銷、已失效或已行使之購股權)將不計算在該10%上限以內。

因行使根據二零一一年購股權計劃及本公司任何其他購股權計劃已授出及尚未授出之所有尚未行使購股權而可予發行之股份上限，不得超過不時已發行股份總數之30% (或上市規則准許之該等其他較高百分比)。

於本年報日期，根據二零一一年購股權計劃可予發行之股份總數為14,335,413股，佔於該日本公司已發行股份約5.06%。

##### 各僱員／參與者之配額上限

除非經本公司股東在股東大會上另行批准而有關之參與者(定義見二零一一年購股權計劃)及其聯繫人(定義見上市規則)亦放棄在股東大會上投票外，行使授予各參與者之購股權(包括已行使及尚未行使之購股權)時所發行及將予發行之股份總數，於任何十二個月期間不得超過已發行股份總數之1%。

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#### 44. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

##### Period to take up share options and minimum period to hold before exercise

Under the 2011 Share Option Scheme, the period which the shares must be taken up under a share option and the minimum period, if any, for which a share option must be held before it can be exercised are to be decided by the Directors upon granting the relevant share options. Details of such information (if any) relating to the outstanding share options are set out below.

##### Amount payable to take up share options and time to accept offer

Under the 2011 Share Option Scheme, an offer for the granting of share options shall be accepted within 21 days from the offer date and by way of payment of consideration of HK\$1.00.

##### Exercise price

Under the 2011 Share Option Scheme, the exercise price shall be a price determined by the board of directors and shall be at least the highest of:

- (i) the closing price of the shares quoted on the Stock Exchange on the offer date;
- (ii) a price being the average of the closing prices of the shares as quoted in the Stock Exchange for the 5 trading days immediately preceding the offer date; and
- (iii) the nominal value of the shares.

#### 44. 以股份為基礎之僱員報酬(續)

##### 認購購股權項下股份之時限及行使前 之最短持有購股權時限

根據二零一一年購股權計劃，認購購股權項下股份之時限及行使購股權前必須持有購股權之最短時限(如有)，均由董事在授出有關之購股權時決定。有關尚未行使之購股權之該等資料(如有)之詳情載於下文。

##### 認購購股權之應付款項及接納要約之 時間

根據二零一一年購股權計劃，授出購股權之要約須在要約日起二十一天內以支付港幣1.00元代價之方式接納。

##### 行使價

根據二零一一年購股權計劃，行使價應為董事會所釐定之價格，以至少為以下三項中最高者為準：

- (i) 股份於要約日在聯交所所報之收市價；
- (ii) 緊接要約日前五個交易日股份在聯交所所報之平均收市價；及
- (iii) 股份之面值。

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

#### 44. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

##### Life of the share option scheme

The 2011 Share Option Scheme has a life of 10 years from its adoption date (i.e. 19 May 2011).

On 3 January 2013 (the “Grant Date”), 5,196,000 share options (the “Share Options”) to subscribe for up to a total of 5,196,000 ordinary shares of HK\$0.10 each of the Company were granted to certain eligible individuals, including executive directors, under 2011 Share Option Scheme. The exercise price of the Share Options is HK\$15.76 per share and the vesting schedule of the Share Options are as follows:

- (a) 50% of the options can be exercised at any time after first anniversary of the Grant Date;
- (b) 25% of the options can be exercised at any time after second anniversary of the Grant Date; and
- (c) The remaining 25% of the Options can be exercised at any time after third anniversary of the Grant Date.

The fair value of the Share Options granted during the year ended 31 December 2013 under 2011 Share Option Scheme determined at the Grant Date using Trinomial Option Pricing Model was HK\$23,610,000.

No Share Options were exercised during the year ended 31 December 2017.

During the year ended 31 December 2017, all Share Options were lapsed.

#### 44. 以股份為基礎之僱員報酬(續)

##### 購股權計劃之有效期

二零一一年購股權計劃之有效期由採納日期(即二零一一年五月十九日)起計10年。

於二零一三年一月三日(「授出日期」)，本公司根據二零一一年購股權計劃，將5,196,000份購股權(「購股權」)授予若干合資格人士(包括執行董事)，可據此認購最多合共5,196,000股本公司每股面值港幣0.10元之普通股。購股權之行使價為每股港幣15.76元及購股權歸屬安排如下：

- (a) 50%購股權可於授出日期一週年後任何時間行使；
- (b) 25%購股權可於授出日期二週年後任何時間行使；及
- (c) 餘下25%購股權可於授出日期三週年後任何時間行使。

根據二零一一年購股權計劃，所授出購股權截至二零一三年十二月三十一日止年度利用三項期權定價模型釐定之於授出日期之公平值為港幣23,610,000元。

截至二零一七年十二月三十一日止年度內概無行使購股權。

截至二零一七年十二月三十一日止年度，所有購股權均已失效。



金朝陽集團有限公司\*  
SOUNDWILL HOLDINGS LIMITED

於百慕達註冊成立之有限公司 Incorporated in Bermuda with limited liability  
股份代號 Stock Code : 0878

