



China Uptown Group Company Limited
中國上城集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

股份代號 Stock code: 2330



Annual Report **2020** 年報

Contents

目錄

2	Corporate Information 公司資料
4	Five Years Financial Summary 五年財務概要
5	Management Discussion and Analysis 管理層討論及分析
13	Biographical Details of Directors 董事簡介
17	Corporate Governance Report 企業管治報告
44	Environmental, Social and Governance Report 環境、社會及管治報告
64	Report of Directors 董事會報告
86	Independent Auditor's Report 獨立核數師報告
94	Consolidated Statement of Profit or Loss 綜合損益表
95	Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表
96	Consolidated Statement of Financial Position 綜合財務狀況表
98	Consolidated Statement of Changes in Equity 綜合權益變動表
99	Consolidated Statement of Cash Flows 綜合現金流量表
101	Notes to the Consolidated Financial Statements 綜合財務報表附註
212	Schedule of Properties 物業概覽表

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. LIU Feng (*Chairman*)
Mr. CHEN Xian (*Vice-Chairman*)
Mr. LAU Sai Chung (*Chief Executive Officer*)
Mr. LIU Zhongxiang

Independent Non-Executive Directors

Mr. POON Lai Yin Michael
Mr. CHAR Shik Ngor Stephen
Mr. CHEN Weijiang

AUDIT COMMITTEE

Mr. POON Lai Yin Michael (*Chairman*)
Mr. CHAR Shik Ngor Stephen
Mr. CHEN Weijiang

REMUNERATION COMMITTEE

Mr. CHEN Weijiang (*Chairman*)
Mr. POON Lai Yin Michael
Mr. CHAR Shik Ngor Stephen

NOMINATION COMMITTEE

Mr. CHAR Shik Ngor Stephen (*Chairman*)
Mr. POON Lai Yin Michael
Mr. CHEN Weijiang

COMPANY SECRETARY

Mr. FU Lui

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
DBS Bank (Hong Kong) Limited

LEGAL ADVISOR

Anthony Siu & Co.

董事會

執行董事

劉鋒先生 (*主席*)
陳賢先生 (*副主席*)
劉世忠先生 (*行政總裁*)
劉忠翔先生

獨立非執行董事

潘禮賢先生
查錫我先生
陳偉江先生

審核委員會

潘禮賢先生 (*主席*)
查錫我先生
陳偉江先生

薪酬委員會

陳偉江先生 (*主席*)
潘禮賢先生
查錫我先生

提名委員會

查錫我先生 (*主席*)
潘禮賢先生
陳偉江先生

公司秘書

府磊先生

核數師

德勤•關黃陳方會計師行
註冊公眾利益實體核數師

主要往來銀行

中國建設銀行(亞洲)股份有限公司
星展銀行(香港)有限公司

法律顧問

蕭一峰律師行

Corporate Information 公司資料

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 1501, 15/F
Tower 1, Silvercord
30 Canton Road
Tsimshatsui
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road, P. O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F,
Two Chinachem Exchange Square,
338 King's Road, North Point, Hong Kong

COMPANY WEBSITE

www.chinauptown.com.hk

STOCK CODE

2330

註冊辦事處

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

總辦事處及主要營業地址

香港
九龍
尖沙咀
廣東道30號
新港中心第一期
15樓1501室

主要股份登記及過戶處

Suntera (Cayman) Limited
Royal Bank House – 3rd Floor
24 Shedden Road, P. O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

香港之股份登記及過戶分處

聯合證券登記有限公司
香港北角英皇道338號
華懋交易廣場2期
33樓3301-04室

公司網址

www.chinauptown.com.hk

股份代號

2330

Five Years Financial Summary

五年財務概要

Results	業績	Year ended 31 December 截至十二月三十一日止年度				
		2020 二零二零年	2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年
Revenue (RMB'000)	收益 (人民幣千元)	275,541	804,898	90,251	615,899	479,111
(Loss) profit attributable to owners of the Company (RMB'000)	本公司之擁有人應佔(虧損)溢利 (人民幣千元)	(7,775)	74,184	(34,461)	44,702	4,612
(Losses) earnings per share (RMB cents)*	每股(虧損)盈利 (人民幣分)*					
- Basic	- 基本	(4.26)	40.66	(21.57)	29.37	3.00
- Diluted	- 攤薄	(4.26)	40.66	(21.57)	29.37	N/A不適用

* Based on share consolidation of one new share for ten old shares.

* 根據十股舊股份合併成一股新股份的股份合併計算。

Assets and liabilities	資產及負債	At 31 December 於十二月三十一日				
		2020 二零二零年	2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年
Total assets (RMB'000)	資產總值 (人民幣千元)	1,096,471	1,183,485	1,535,616	1,382,377	1,508,282
Total liabilities (RMB'000)	負債總額 (人民幣千元)	(353,288)	(494,908)	(942,117)	(787,982)	(974,254)
Net asset value (RMB'000)	資產淨值 (人民幣千元)	743,183	688,577	593,499	594,395	534,028
Equity attributable to owners of the parent (RMB'000)	母公司之擁有人應佔權益 (人民幣千元)	685,468	631,426	557,022	556,359	503,906
Non-controlling interests (RMB'000)	非控制性權益 (人民幣千元)	57,715	57,151	36,477	38,036	30,122
Total equity	權益總額	743,183	688,577	593,499	594,395	534,028

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The review of the major business segments of the China Uptown Group Company Limited (the “Company”) and its subsidiaries (the “Group”) during the year ended 31 December 2020 (the “Year”) is as follows:

Property Development and Investment

During the Year, the revenue attributed to the property development and investment business amounted to approximately RMB247,878,000 (2019: RMB756,487,000) representing sales of properties of approximately RMB246,450,000 (2019: RMB754,819,000) and rental income of approximately RMB1,428,000 (2019: RMB1,668,000). The Group operates two property development projects located in Maoming City, Guangdong Province, the People’s Republic of China (the “PRC”). The first Maoming Project has developed into a composite of residential and commercial properties in three phases (the “First Maoming Project”). Majority of commercial and residential properties of Phase 1 and 2 of the First Maoming Project were delivered and recognised as the revenue of the Group in previous years. Phase 3 properties were started to be delivered and recognised as sales in December 2018 and continued during the Year. Approximately 4,000 square meters of commercial properties was leased and classified as investment properties of the Group. Amid the worsen economies in the world as a result of COVID-19 outbreak, during the Year, the fair value of investment properties was decreased by approximately RMB10,518,000 (2019: RMB4,044,000). During the Year, the total area of residential and commercial properties recognised as sales were approximately 14,600 square meters and 1,693 square meters respectively (2019: 87,652 square meters and 887 square meters respectively). 834 units and 217 units (2019: 459 units and 122 units respectively) of car parking spaces for private cars and motorbikes respectively were recognised as sales during the Year. As at 31 December 2020, residential and commercial properties contracted for pre-sale are as follows:

業務回顧

中國上城集團有限公司（「本公司」）及其附屬公司（「本集團」）於截至二零二零年十二月三十一日止年度（「本年度」）之主要業務分部回顧如下：

物業發展及投資

於本年度，物業發展及投資業務應佔之收益約人民幣247,878,000元（二零一九年：人民幣756,487,000元），即物業銷售約人民幣246,450,000元（二零一九年：人民幣754,819,000元）及租金收入約人民幣1,428,000元（二零一九年：人民幣1,668,000元）。本集團於中華人民共和國（「中國」）廣東省茂名市經營兩個物業發展項目。首個茂名項目分三期發展為住宅與商用物業為一體的綜合發展項目（「首個茂名項目」）。首個茂名項目第一期及第二期大部分商用與住宅物業已於過往年度交付及確認為本集團收益。第三期物業於二零一八年十二月開始並於本年度持續交付及確認為銷售。商用物業約4,000平方米已租賃及分類為本集團之投資物業。於本年度，隨著新型冠狀病毒肺炎爆發導致全球經濟惡化，投資物業之公允值減少約人民幣10,518,000元（二零一九年：人民幣4,044,000元）。於本年度，確認為銷售之住宅與商用物業之總面積分別約14,600平方米及1,693平方米（二零一九年：分別87,652平方米及887平方米）。於本年度，確認為銷售之私家車與摩托車之停車位分別為834個及217個（二零一九年：分別459個及122個）。於二零二零年十二月三十一日，已進行訂約預售之住宅與商用物業如下：

Percentage 百分比 (Note) (附註)

Phase 1 & 2 of the First Maoming Project	首個茂名項目第一期及第二期	55%
Phase 3 of the First Maoming Project	首個茂名項目第三期	65%

Note: Refer to the percentage of area of residential and commercial properties contracted for pre-sales over the total unsold area of residential and commercial properties.

附註： 指已訂約預售之住宅與商用物業面積佔未售住宅與商用物業總面積之百分比。

Management Discussion and Analysis

管理層討論及分析

On 27 November 2019, a non-wholly owned subsidiary of the Group successfully won the bid of land use rights of a parcel of land situated at Maoming Jixiang District* (茂名市吉祥小區)(the “Second Maoming Project”) for a consideration of approximately RMB241,512,000 while the transaction was completed in May 2020. Further details are stated in the section “SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS” of this annual report.

The Second Maoming Project will be developed into a composite of residential and commercial properties with the following approximate preliminary planned areas:

Land site area	29,000m ²
Gross saleable area	84,000m ²
Residential areas	59,000m ²
Commercial areas	25,000m ²
Carpark spaces	1,000 units

The above planned preliminary data of the Second Maoming Project may be subjected to further changes and modifications. The pre-sales of the Second Maoming Project are scheduled to begin in late 2021 and properties will be delivered from second half year of 2023 onward.

Trading of raw cane sugar

In 2018, the Group has entered into a master agreement with China Sugar Holdings Limited (“China Sugar”) to purchase raw cane sugar from China Sugar for a period of 34 months ending 31 December 2020. For the Year, revenue from trading of raw cane sugar amounted to approximately RMB27,663,000 (2019: RMB48,411,000). Since the Group is able to obtain a stable supply with competitive price from China Sugar, a segment profit of approximately RMB2,025,000 (2019: RMB947,000) was recorded. The performance of raw cane sugar trading business in the future will be greatly depending on the global recovery from the COVID-19 outbreak. The management of the Group will take precautions to mitigate relevant business risks.

* For identification purpose only

於二零一九年十一月二十七日，本集團之非全資附屬公司以代價約人民幣241,512,000元成功中標一塊位於茂名市吉祥小區之土地之土地使用權（「第二個茂名項目」），有關交易於二零二零年五月完成。進一步詳情載列於本年報之「持有之重大投資、附屬公司之重大收購及出售，以及未來作重大投資或購入資本資產之計劃」一節。

第二個茂名項目將發展為住宅與商用物業為一體的綜合發展項目，其初步概約規劃面積如下：

地盤面積	29,000平方米
總可售面積	84,000平方米
住宅面積	59,000平方米
商用面積	25,000平方米
停車位	1,000個

上述第二個茂名項目之初步規劃數據可予進一步更改及修改。第二個茂名項目計劃於二零二一年末開始預售且物業將於二零二三年下半年起交付。

原蔗糖貿易

於二零一八年，本集團就向中國糖業集團有限公司（「中國糖業」）購買原蔗糖與中國糖業訂立總協議，年期為截至二零二零年十二月三十一日止三十四個月。於本年度，原蔗糖貿易之收益約人民幣27,663,000元（二零一九年：人民幣48,411,000元）。由於本集團能夠以有競爭力之價格從中國糖業獲得穩定供應，因此錄得分部溢利約人民幣2,025,000元（二零一九年：人民幣947,000元）。未來原蔗糖貿易業務之業績將在很大程度上取決於新型冠狀病毒肺炎爆發後全球復甦狀況。本集團管理層將採取預防措施降低相關業務風險。

Management Discussion and Analysis

管理層討論及分析

MARKET OUTLOOK AND PROSPECTS

As the COVID-19 pandemic ravaged the world in 2020, the global economic generally suffered a strong setback. Amid the effective public health measures in the PRC and low COVID-19 cases, the domestic economy including the property market are comparatively stable during 2020. The property market is still a cornerstone of GDP growth that the management expected that the related fiscal and monetary policies shall remain stable in the future. The PRC's macroeconomic policies should seek a balance between growth and stabilisation. The management is cautiously optimistic about Maoming property market because of: i) Easing of the COVID-19 outbreak in Maoming and generally in the PRC due to control measures; ii) Stable monetary and fiscal policies; iii) Continuing urbanisation in Maoming and strong local demands; and iv) Local city transformation and infrastructure development continue in western Guangdong province.

Regarding the First Maoming Project, as more and more residents are moving into the area, sales campaigns in 2021 will be on the remaining commercial properties and carpark spaces. The Group will also reinforce its financial resources and human resources to the Second Maoming Project. The pre-sales of Second Maoming Project are scheduled to be started in late 2021, while management will cautiously review the market to further fine tune the plan and development schedule.

Regarding the trading of raw cane sugar business, due to the outbreak of COVID-19, extra precautions will be put on the commodity price fluctuation of raw cane sugar as it becomes more volatile. The management will further explore trading business of sugar while sufficient risk mitigations can be implemented.

市場展望及前景

由於二零二零年新型冠狀病毒肺炎疫情肆虐全球，全球經濟普遍遭受重創。憑藉中國有效之公共衛生措施及低新型冠狀病毒肺炎病例，二零二零年包括物業市場在內之國內經濟相對穩定。物業市場仍是本地生產總值增長之基石，管理層預期未來相關財政及貨幣政策將會保持穩定。中國的宏觀經濟政策將於增長與穩定之間尋求平衡。管理層對茂名物業市場抱持審慎樂觀態度，原因是：i) 茂名乃至中國整體上的新型冠狀病毒肺炎疫情因控制措施而得到緩解；ii) 貨幣及財政政策穩定；iii) 茂名城鎮化進程持續及當地需求強勁；及iv) 粵西繼續進行城市改造及基建發展。

就首個茂名項目而言，由於遷往該地的居民日益增加，二零二一年之銷售活動將專注於餘下商用物業及停車場。本集團亦會加強第二個茂名項目之財政資源及人力資源。第二個茂名項目計劃於二零二一年後期開始預售，管理層將審慎評估市場以進一步調整有關規劃及開發計劃。

原蔗糖貿易業務方面，由於爆發新型冠狀病毒肺炎疫情，原蔗糖之大宗商品價格更為波動，故將採取額外預防措施。管理層將進一步開拓糖貿易業務，同時實施足夠措施降低風險。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

For the Year, the Group's revenue is amounted to approximately RMB275,541,000 (2019: RMB804,898,000). The loss attributable to owners of the Company was approximately RMB7,775,000 (2019: profit of RMB74,184,000). The decline of the revenue and profit were mainly due to the decreased delivery and sales recognition of properties of phase 3 of the Maoming Project and fair value change on investment properties.

As at 31 December 2020, bank balances and cash were approximately RMB77,848,000 (31.12.2019: RMB63,528,000), restricted bank deposit was approximately RMB22,000 (31.12.2019: RMB896,000) and pledged bank deposits were approximately RMB11,486,000 (31.12.2019: RMB31,285,000). As at 31 December 2020, the total assets of the Group was approximately RMB1,096,471,000 (31.12.2019: RMB1,183,485,000), representing a decrease of approximately 7%. The decrease was mainly due to the delivery of properties of phase 3 of the Maoming Project. As at 31 December 2020, the Group's total secured bank borrowings, bank overdrafts and loan payables amounted to approximately RMB21,609,000 (31.12.2019: RMB16,165,000). As at 31 December 2020, the gearing ratio, expressed as a percentage of total secured bank borrowings, loan payables and bank overdrafts over net assets was approximately 3% (31.12.2019: 2%) and the current ratio was approximately 3.2 (31.12.2019: 2.4).

CAPITAL STRUCTURE

On 16 October 2020, the Company held an extraordinary general meeting and an ordinary resolution was passed, approving the consolidation of every ten (10) issued and unissued ordinary shares of HK\$0.10 each in the share capital of the Company into one (1) consolidated share of HK\$1.00 in the share capital of the Company. The share consolidation became effective on 20 October 2020.

財務回顧

於本年度，本集團的收益約人民幣275,541,000元（二零一九年：人民幣804,898,000元）。本公司擁有人應佔虧損約人民幣7,775,000元（二零一九年：溢利人民幣74,184,000元）。收益及溢利下降主要由於茂名項目第三期物業的交付及銷售確認減少以及投資物業之公允值變動所致。

於二零二零年十二月三十一日，銀行結存及現金約人民幣77,848,000元（二零一九年十二月三十一日：人民幣63,528,000元）、有限制銀行存款約人民幣22,000元（二零一九年十二月三十一日：人民幣896,000元）及已抵押銀行存款約人民幣11,486,000元（二零一九年十二月三十一日：人民幣31,285,000元）。於二零二零年十二月三十一日，本集團的總資產約人民幣1,096,471,000元（二零一九年十二月三十一日：人民幣1,183,485,000元），減少約7%。該減少乃主要由於交付茂名項目第三期的物業所致。於二零二零年十二月三十一日，本集團的有抵押銀行借款總額、銀行透支及應付貸款約人民幣21,609,000元（二零一九年十二月三十一日：人民幣16,165,000元）。於二零二零年十二月三十一日，資產負債率（以有抵押銀行借款總額、應付貸款及銀行透支除以資產淨值之百分比計算）約3%（二零一九年十二月三十一日：2%），而流動比率約3.2（二零一九年十二月三十一日：2.4）。

資本結構

於二零二零年十月十六日，本公司舉行股東特別大會並通過普通決議案，以批准將本公司股本中每十(10)股每股面值港幣0.10元之已發行及未發行普通股合併為本公司股本中一(1)股每股面值港幣1.00元之合併股份。股份合併於二零二零年十月二十日生效。

Management Discussion and Analysis

管理層討論及分析

For details of the share consolidation, please refer to the announcements of the Company dated 2 September 2020, 16 October 2020 and 20 October 2020 and the circular of the Company dated 23 September 2020.

The issued ordinary share capital of the Company as at 31 December 2020 was approximately HK\$254,469,052 divided into 254,469,052 shares of HK\$1.00 each.

FUND RAISING ACTIVITY

Reference is made to the announcement of the Company dated 2 September 2020 and the circular of the Company dated 23 September 2020 in respect of, amongst other things, the subscription of new shares by a connected person under specific mandate. On 2 September 2020, the Company and a connected person entered into a subscription agreement (the “Subscription Agreement”), pursuant to which the Company has conditionally agreed to allot and issue, and the subscriber has conditionally agreed to subscribe for, of 72,000,000 ordinary shares of the Company (the “Subscription Shares”) at HK\$1.00 per share (on the basis that the share consolidation was completed).

The aggregate gross proceeds and the net proceeds (after deduction of the relevant expenses) were approximately HK\$72 million and HK\$71.4 million respectively, (i) of which approximately HK\$17 million as general working capital of the Company and (ii) of which approximately HK\$54.4 million as payment of property project development and construction fee. The Directors consider that the issue of Subscription Shares can provide the Company with access to additional funds to enhance its working capital and strengthen its capital base and financial position for the future development. The terms of the Subscription Agreement were arrived at after arm’s length negotiations between the Company and the subscriber, taking into account the market price of the existing shares. The Directors are of the view that the Subscription Agreement is entered into upon normal commercial terms and, based on the prevailing market conditions, that the Subscription Agreement is fair and reasonable and in the interests of the Company and the shareholders as a whole.

有關股份合併之詳情，請參閱本公司日期為二零二零年九月二日、二零二零年十月十六日及二零二零年十月二十日之公告以及本公司日期為二零二零年九月二十三日之通函。

於二零二零年十二月三十一日，本公司的已發行普通股股本約港幣254,469,052元，分為254,469,052股每股面值港幣1.00元的股份。

集資活動

茲提述本公司日期為二零二零年九月二日之公告及本公司日期為二零二零年九月二十三日之通函，內容有關（其中包括）關連人士根據特別授權認購新股份。於二零二零年九月二日，本公司與關連人士訂立認購協議（「認購協議」），據此，本公司有條件地同意配發及發行而認購人有條件地同意按每股股份港幣1.0元認購72,000,000股本公司普通股（「認購股份」）（以股份合併完成為基準）。

所得款項總額及所得款項淨額（扣除相關開支後）分別為約港幣72,000,000元及港幣71,400,000元，(i)其中約港幣17,000,000元用作本公司之一般營運資金及(ii)其中約港幣54,400,000元用於支付物業項目開發及建築費用。董事認為，發行認購股份有助本公司獲得更多資金，以增加其營運資金並增強其資本基礎及財務狀況，以促進未來發展。認購協議之條款乃由本公司與認購人經公平磋商後釐定，並計及現有股份之市價。董事認為，認購協議乃按一般商業條款根據現行市況訂立，及認購協議屬公平合理，並符合本公司及股東之整體利益。

Management Discussion and Analysis

管理層討論及分析

As at 31 December 2020, none was used as general working capital and approximately HK\$24 million as payment of property of project development. The remaining amount of fund raised not yet utilised are as follows:

於二零二零年十二月三十一日，概無款項用作一般營運資金及約港幣24,000,000元用於支付物業項目開發。尚未動用之已籌集資金餘額如下：

		RMB million 人民幣百萬元
Payment of Second Maoming Project development and construction fee	支付第二個茂名項目開發及建築費用	approximately 30.4 約30.4
General working capitals	一般營運資金	approximately 17.0 約17.0

As at 31 December 2020, unutilised proceeds of approximately HK\$47.4 million were deposited in licensed banks for future use in accordance with the proposed intention. The Group will continue to monitor the progress of the Second Maoming Project and other business and expected that the fund will be used in 2021.

於二零二零年十二月三十一日，未動用所得款項約港幣47,400,000元已存於持牌銀行，以根據擬定計劃作未來用途。本集團將繼續監察第二個茂名項目及其他業務之進展，預期該資金將於二零二一年獲動用。

FOREIGN CURRENCY EXPOSURE

The Group mainly earns revenues and incurs costs in Renminbi, United States dollars and Hong Kong dollars. The Group's monetary assets and liabilities are denominated in Renminbi, United States dollars and Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, the management will monitor foreign exchange exposure closely and consider the use of hedging instruments when the need arises.

外匯風險

本集團賺取的收益及產生的費用主要以人民幣、美元及港幣計算。本集團的貨幣資產及負債均以人民幣、美元及港幣計值。目前本集團並無任何外匯對沖政策。然而，管理層會密切監察外匯風險，並在有需要時考慮使用對沖工具。

CHARGE ON ASSETS

As at 31 December 2020, certain of the Group's leasehold land and buildings with an aggregate carrying values of approximately RMB14,765,000 (2019: RMB16,128,000) were pledged to banks for securing general banking facilities granted to certain subsidiaries of the Company.

資產抵押

於二零二零年十二月三十一日，本集團將總賬面值約人民幣14,765,000元（二零一九年：人民幣16,128,000元）的若干租賃土地及樓宇抵押予銀行，作為本公司若干附屬公司獲授一般銀行信貸之擔保。

Management Discussion and Analysis

管理層討論及分析

As at 31 December 2020, restricted bank deposit of RMB22,000 (2019: RMB896,000) and pledged bank deposits of RMB11,486,000 (2019: RMB31,285,000) of the Group were pledged to obtain the mortgage facilities provided to certain purchasers of the Group's properties for which guarantees were provided by the Group to the banks.

As at 31 December 2020, banking facilities of approximately RMB13,189,000 (2019: RMB1,776,000) were utilised and approximately RMB20,744,000 (2019: RMB8,780,000) were unutilised and available for the Group's future financing.

SEGMENT INFORMATION

The details of segment information are set out in note 4 of notes to the consolidated financial statements of this annual report.

CAPITAL AND OTHER COMMITMENTS

As at 31 December 2020, the Group had commitments for development of properties amounted to RMB369,138,000 (2019: acquisition of a land RMB139,052,000).

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2020, the Group employed 41 (2019: 44) full time employees in Hong Kong and the PRC. Total remuneration of the Group for the Year was approximately RMB15,199,000 (2019: RMB13,764,000). The Group's emolument policies are formulated on the basis of market trends, future plans and the performance of individuals, which will be reviewed periodically. Apart from provident fund scheme and state-managed social welfare scheme, share options will also be awarded to employees according to assessment of individuals' performance.

CONTINGENT LIABILITIES

As at 31 December 2020, the Group's maximum obligation in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to approximately RMB163,165,000 (2019: RMB577,518,000).

於二零二零年十二月三十一日，人民幣22,000元(二零一九年：人民幣896,000元)之有限制銀行存款及人民幣11,486,000元(二零一九年：人民幣31,285,000元)之已抵押銀行存款已作抵押，以獲得提供予本集團物業之若干買家之按揭貸款，而本集團已就該等按揭貸款向銀行提供擔保。

於二零二零年十二月三十一日，約人民幣13,189,000元(二零一九年：人民幣1,776,000元)的銀行信貸已動用及約人民幣20,744,000元(二零一九年：人民幣8,780,000元)未動用並可供用於本集團未來融資。

分部資料

分部資料之詳情載於本年報綜合財務報表附註4。

資本及其他承擔

於二零二零年十二月三十一日，本集團開發物業之承擔金額為人民幣369,138,000元(二零一九年：收購土地人民幣139,052,000元)。

僱員及薪酬政策

於二零二零年十二月三十一日，本集團在香港及中國僱用41位(二零一九年：44位)全職僱員。本集團於本年度之薪酬總額約人民幣15,199,000元(二零一九年：人民幣13,764,000元)。本集團的薪酬政策乃依據市場趨勢、未來計劃及僱員的個人表現而制訂，並定期進行檢討。除提供公積金計劃及國家管理社會福利計劃外，購股權將根據對個別僱員表現的評估向僱員授出，以作獎勵。

或然負債

於二零二零年十二月三十一日，本集團就本集團物業之若干買家獲提供之按揭貸款之最高責任約人民幣163,165,000元(二零一九年：人民幣577,518,000元)。

Management Discussion and Analysis

管理層討論及分析

DIVIDEND

No dividend was declared or proposed during the Year. The Board does not recommend the payment of any dividend for the Year.

PURCHASE, SALE AND REDEMPTION OF SECURITIES

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

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

With reference to the announcements of the Company dated 28 November 2019, 20 January 2020 and 23 January 2020 and the circular of the Company dated 24 January 2020, the Group has started processing the acquisition of land use rights in Maoming.

On 27 November 2019, Maoming Shang Cheng Real Estate Company Limited* (茂名上誠置業有限公司), an indirect non-wholly owned subsidiary of the Company, successfully won the bid of land use rights of a parcel of land situated at JIXIANG-23, Maoming Jixiang District* (茂名市吉祥小區) with a total site area of approximately 29,274.16 square meters offered for a consideration of RMB241,511,900. A deposit of RMB102,460,000 has been transferred before the end of the Year, while a further sum of RMB50,000,000 has been paid in January 2020. The remaining sum of RMB89,051,900 were paid in May 2020 while the land acquisition transaction was completed.

Save as disclosed above, there were no significant investments held as at 31 December 2020 nor material acquisitions and disposals of subsidiaries during the Year and there is no plan for material investments or capital assets as at the date of this annual report.

* For identification purpose only

股息

於本年度，並無宣派或擬派任何股息。董事會不建議派發本年度之任何股息。

購買、出售及贖回證券

於本年度，本公司及其任何附屬公司概無買賣或贖回本公司任何上市證券。

持有之重大投資、附屬公司之重大收購及出售，以及未來作重大投資或購入資本資產之計劃

茲提述本公司日期為二零一九年十一月二十八日、二零二零年一月二十日及二零二零年一月二十三日之公告及本公司日期為二零二零年一月二十四日之通函，本集團於茂名市已開始進行土地使用權收購事項。

於二零一九年十一月二十七日，茂名上誠置業有限公司（本公司之間接非全資附屬公司）以人民幣241,511,900元之代價成功中標一塊位於茂名市吉祥小區JIXIANG-23之土地（總佔地面積約29,274.16平方米）之土地使用權。於年末前，已轉撥按金人民幣102,460,000元，而於二零二零年一月，已另行支付人民幣50,000,000元。餘額人民幣89,051,900元已於二零二零年五月支付，土地收購交易已告完成。

除上文所披露者外，於二零二零年十二月三十一日並無持有重大投資，於本年度內亦無附屬公司之重大收購及出售及於本年報日期並無重大投資或購入資本資產之計劃。

Biographical Details of Directors

董事簡介

EXECUTIVE DIRECTORS

Mr. Liu Feng, aged 51, was appointed as an executive Director and chairman of the Company on 17 August 2012. Mr. Liu Feng has over twenty years' experience in the general management and sugars markets in the PRC. Mr. Liu Feng is Vice Director of Sugar Association of China* (中國糖業協會). Mr. Liu Feng is a founder of an enterprise engaged in the sugar and starch production business in the PRC. Mr. Liu Feng was awarded as a "Distinct Entrepreneur" by China Economic Trading Promotion Agency* (中國經濟貿易促進會) in 2011 and as a "Distinct Non-Government Entrepreneur of China" by China Non-Government Enterprise Directors Association* (中國民營企業家協會) in 2009. He holds an Executive Master Degree of Business Administration from Cheung Kong Graduate School of Business. Mr. Liu Feng is the father of Mr. Liu Zhongxiang, the executive Director.

Mr. Chen Xian, aged 57, was appointed as an executive Director and the vice-chairman of the Company on 12 October 2007 and was re-designated as the chairman of the Company on 30 November 2007. Mr. Chen Xian was re-designated again as the vice-chairman of the Company on 17 August 2012. He is also a director of several subsidiaries of the Company. Mr. Chen Xian is one of the founders of a sizeable property development company in Zhuhai, the PRC and has been a member of the senior management of a subsidiary of that company. Mr. Chen Xian was mainly responsible for the investment and development of real estate projects of such companies. Before joining those companies, Mr. Chen Xian worked as a senior member of certain stated-owned companies and the local authority. He has more than 19 years of extensive experience in the investment and development of real estate projects. He holds a Master Degree of Business Administration from the Asia International Open University (Macau).

執行董事

劉鋒先生，五十一歲，於二零一二年八月十七日獲委任為本公司執行董事兼主席。劉鋒先生於綜合管理方面及中國之糖業市場擁有超逾二十年的經驗。劉鋒先生為中國糖業協會副理事長。劉鋒先生亦為一家在中國從事糖及澱粉生產業務的企業之創辦人。劉鋒先生於二零一一年及二零零九年分別被中國經濟貿易促進會評為「傑出企業家」及被中國民營企業家協會評為「中國優秀民營企業家」。彼持有長江商學院高級管理人員工商管理碩士學位(EMBA)。劉鋒先生為執行董事劉忠翔先生之父親。

陳賢先生，五十七歲，於二零零七年十月十二日獲委任為本公司之執行董事及副主席及於二零零七年十一月三十日調任為本公司主席。陳賢先生於二零一二年八月十七日調任為本公司副主席。彼亦為本公司若干附屬公司之董事。陳賢先生為中國珠海市一所具規模物業發展公司之創辦人之一及曾為該公司附屬公司的高級管理層成員，主要負責該等公司地產項目的投資及開發。於加入該等公司前，陳賢先生曾任若干國有企業及地方政府之高級管理人員。彼在房地產項目的投資及開發方面擁有超逾十九年的豐富經驗。彼持有亞洲(澳門)國際公開大學商業行政學碩士學位。

* For identification purpose only

Biographical Details of Directors 董事簡介

Mr. Lau Sai Chung, aged 65, was appointed as an independent non-executive Director on 15 September 2006 and was re-designated as an executive Director on 30 November 2007. Mr. Lau Sai Chung was also appointed as the chief executive officer of the Company on 30 November 2007. He is currently also a director of several subsidiaries of the Company. Mr. Lau Sai Chung holds a Bachelor degree in Commerce with major in Accounting from the University of Alberta, Canada and has over 20 years' experience in the field of banking and finance both in Hong Kong and North America. Mr. Lau Sai Chung is also a fellow member of the Institute of Canadian Bankers and The Hong Kong Institute of Directors, and a member of The Hong Kong Independent Non-Executive Director Association.

Mr. Liu Zhongxiang, aged 33, was appointed as an executive Director on 30 September 2015. He is currently also a director of several subsidiaries of the Company. Mr. Liu Zhongxiang obtained a diploma of legal secretary from the People's Public Security University of China (中國人民公安大學) in 2009. Mr. Liu Zhongxiang has ten years of experience in diverse businesses, such as construction and sugar production and trading. Mr. Liu Zhongxiang is the son of Mr. Liu Feng, the chairman and the executive Director of the Company.

劉世忠先生，六十五歲，於二零零六年九月十五日獲委任為獨立非執行董事及於二零零七年十一月三十日調任為執行董事。劉世忠先生亦於二零零七年十一月三十日獲委任為本公司的行政總裁。彼現時亦擔任本公司若干附屬公司的董事。劉世忠先生持有加拿大阿爾伯塔大學商學學士學位（主修會計）及於香港及北美洲之銀行及金融方面擁有逾二十年的豐富經驗。劉世忠先生亦是加拿大銀行家學會及香港董事學會的資深會員及香港獨立非執行董事協會會員。

劉忠翔先生，三十三歲，於二零一五年九月三十日獲委任為執行董事。彼現亦為本公司若干附屬公司之董事。劉忠翔先生於二零零九年取得中國人民公安大學法律文憑。劉忠翔先生在建築及製糖及糖業貿易等不同行業中擁有十年經驗。劉忠翔先生為本公司主席兼執行董事劉鋒先生之子。

Biographical Details of Directors

董事簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Poon Lai Yin Michael (“Mr. Poon”), aged 49, was appointed as an independent non-executive Director on 29 November 2006. Mr. Poon is also the chairman of the audit committee, a member of the nomination committee and a member of the remuneration committee of the Company. Mr. Poon is a fellow member of Hong Kong Institute of Certified Public Accountants, a member of CPA Australia and a practicing member of Asset Management Association of China. He holds a bachelor degree in administrative studies from York University in Canada and a master degree in practicing accounting with Monash University in Australia. Mr. Poon worked for an international accounting firm and was responsible for providing business advisory and assurance services for listed companies. He has over 20 years of experience in financial reporting, business advisory, auditing, taxation, accounting, merger and acquisition. Mr. Poon is currently an independent non-executive director of Smartac International Holdings Limited (formerly known as Smartac Group China Holdings Limited) (Stock Code: 395), Teamway International Group Holdings Limited (Stock Code: 1239) and LFG Investment Holdings Limited (Stock Code: 3938), the shares of which are listed on main board of the Stock Exchange since 29 January 2010, 19 March 2019 and 10 September 2019, respectively. Mr. Poon is the executive director and chief financial officer of Huakang Biomedical Holdings Company Limited (Stock Code: 8622) and the independent non-executive director of Niche-Tech Group Limited (Stock Code: 8490), since 3 August 2017 and 28 June 2019, the shares of which are listed on GEM of the Stock Exchange. Mr. Poon was an independent non-executive director of Cityneon Holdings Limited (SGX: 5HJ), from 11 August 2017 to 30 April 2019, the shares of which were listed on the Singapore Exchange Limited and were delisted on 1 February 2019 since it was privatized.

獨立非執行董事

潘禮賢先生(「潘先生」)，四十九歲，於二零零六年十一月二十九日獲委任為獨立非執行董事。潘先生亦為本公司審核委員會主席、提名委員會成員及薪酬委員會成員。潘先生為香港會計師公會資深會員、澳洲會計師公會會員及中國證券投資基金業協會執業會員。彼持有加拿大約克大學(York University)行政學學士學位及澳洲Monash University實務會計碩士學位。潘先生曾任職於某國際會計師事務所，為多間上市公司提供業務顧問及核證服務。彼於財務申報、業務諮詢、審計、稅務、會計、合併及收購方面擁有逾20年經驗。潘先生自二零一零年一月二十九日、二零一九年三月十九日及二零一九年九月十日起分別擔任環球智能控股有限公司(前稱中國智能集團控股有限公司)(股份代號：395，其股份於聯交所主板上市)、Teamway International Group Holdings Limited (股份代號：1239，其股份於聯交所主板上市)及LFG投資控股有限公司(股份代號：3938，其股份於聯交所主板上市)之獨立非執行董事。潘先生自二零一七年八月三日及二零一九年六月二十八日起擔任華康生物醫學控股有限公司(股份代號：8622，其股份於聯交所GEM上市)之執行董事兼財務總監及駿碼科技集團有限公司(股份代號：8490，其股份於聯交所GEM上市)之獨立非執行董事。潘先生自二零一七年八月十一日至二零一九年四月三十日為Cityneon Holdings Limited(新交所：5HJ，其股份於新加坡交易所上市並於二零一九年二月一日因私有化而除牌)之獨立非執行董事。

Biographical Details of Directors 董事簡介

Mr. Char Shik Ngor Stephen (“Mr. Char”), aged 71, was appointed as an independent non-executive Director on 30 September 2015. Mr. Char is also the chairman of the nomination committee, a member of the audit committee and a member of the remuneration committee of the Company. Mr. Char is currently a Barrister-at-Law and was an independent non-executive director of National Investments Fund Limited (Stock Code: 1227), from May 2007 to November 2018, whose shares are listed on the main board of the Stock Exchange. Mr. Char holds a bachelor of laws (Honours) from the University of London and a master degree in Social Sciences from the University of Hong Kong. Mr. Char was also the chief investigator and senior assignment officer of the Independent Commission Against Corruption in Hong Kong from 1976 to 2004 and a chief executive officer of Garner Forest Industries Limited.

Mr. Chen Weijiang, aged 47, was appointed as an independent non-executive Director on 3 January 2020. Mr. Chen Weijiang is also the chairman of the remuneration committee, a member of the audit committee and a member of the nomination committee of the Company. Mr. Chen Weijiang has over twenty years of experience in the sugar markets in the People’s Republic of China. Mr. Chen Weijiang obtained a law degree from the Xi’an Politics Institute of the People’s Liberation Army* (解放軍西安政治學院) and commenced work at the Zhanjiang Hengde Sugar Company Limited* (湛江恒德糖業有限公司) in 1997. From 2007 to 2017, Mr. Chen Weijiang acted as the executive director of Zhanjiang Hengde Sugar Company Limited* (湛江恒德糖業有限公司).

查錫我先生（「查先生」），七十一歲，於二零一五年九月三十日獲委任為獨立非執行董事。查先生亦擔任本公司提名委員會主席、審核委員會成員及薪酬委員會成員。查先生現時為一位大律師，於二零零七年五月至二零一八年十一月擔任國盛投資基金有限公司（股份代號：1227，其股份於聯交所主板上市）獨立非執行董事。查先生持有倫敦大學（榮譽）法學學士及香港大學社會科學碩士學位。查先生於一九七六年至二零零四年期間亦曾任香港廉政公署總調查主任及高級審查主任，亦曾任加林森林工業有限公司行政總裁。

陳偉江先生，四十七歲，於二零二零年一月三日獲委任為獨立非執行董事。陳偉江先生亦擔任本公司薪酬委員會主席、審核委員會成員及提名委員會成員。陳偉江先生於中華人民共和國糖市場擁有逾二十年經驗。陳偉江先生取得解放軍西安政治學院之法律學位並於一九九七年在湛江恒德糖業有限公司開始工作。由二零零七年至二零一七年，陳偉江先生擔任湛江恒德糖業有限公司之執行董事。

* For identification purpose only

Corporate Governance Report

企業管治報告

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions (the "Code Provisions") set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). Throughout the Year, the Company has complied with all the Code Provisions of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY 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 as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, the Company confirms that all Directors have complied with the required standard set out in the Model Code during the Year.

COMPOSITION AND BOARD PRACTICES

The Board is collectively responsible for the oversight of the management of the business and affairs of the Group with the objective of enhancing its corporate value. As at 31 December 2020, the Board consisted of seven Directors, comprising four executive Directors and three independent non-executive Directors. At least one of the independent non-executive Director possess appropriate professional accounting qualifications and financial management expertise, which complies with the requirement of the Listing Rules.

董事會及本公司管理層致力達致高水準之企業管治慣例及程序。

遵守企業管治守則

本公司之企業管治常規乃以香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治守則及企業管治報告（「企業管治守則」）所載原則及守則條文（「守則條文」）為依據。於本年度，本公司已遵守所有企業管治守則之守則條文。

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易之標準守則（「標準守則」），作為其本身有關董事進行證券交易的操守守則。於本年度，向全體董事作出明確查詢後，本公司確認全體董事已遵守標準守則所載之規定標準。

董事會組成及董事會慣例

董事會負責集體監督管理本集團的業務及事宜，旨在提升企業價值。於二零二零年十二月三十一日，董事會由七名董事組成，當中包括四名執行董事及三名獨立非執行董事。至少一名獨立非執行董事具有上市規則規定之適當的專業會計資格及財務管理專長。

Corporate Governance Report

企業管治報告

Executive Directors

Mr. Liu Feng (*Chairman*)
Mr. Chen Xian (*Vice-Chairman*)
Mr. Lau Sai Chung (*Chief Executive Officer*)
Mr. Liu Zhongxiang

Independent Non-executive Directors

Mr. Poon Lai Yin Michael
Mr. Char Shik Ngor Stephen
Mr. Chen Weijiang (appointed on 3 January 2020)
Ms. Li Jiansheng (Resigned on 3 January 2020)

The Directors' biographical information are set out in pages 13 to 16 of this annual report. All executive Directors have given sufficient time and attention to the affairs of the Group. Each executive Director has sufficient experience to hold the position so as to carry out his duties effectively. There is no relationship among the members of the Board except Mr. Liu Feng is the father of Mr. Liu Zhongxiang.

The Board has delegated the executive Directors with authority and responsibility by handling the management functions and operations of the day-to-day business of the Company, while reserving certain key matters for the approval by the Board. The types of decisions to be taken by the Board include annual and interim period financial reporting and control, equity fund raising, declaration of interim dividend and making recommendation of final dividend or other distributions, notifiable transactions under Chapters 14 and 14A of the Listing Rules and making recommendation for capital reorganization or scheme arrangement of the Company.

執行董事

劉鋒先生 (*主席*)
陳賢先生 (*副主席*)
劉世忠先生 (*行政總裁*)
劉忠翔先生

獨立非執行董事

潘禮賢先生
查錫我先生
陳偉江先生 (於二零二零年一月三日獲委任)
李建生女士 (於二零二零年一月三日辭任)

董事履歷詳情載於本年報第13至第16頁。所有執行董事均就本集團事務付出充足時間及心力。每名執行董事均具有其職位所需之足夠經驗，以有效執行彼之職務。除劉鋒先生為劉忠翔先生之父親外，董事會成員之間並無關係。

董事會已將處理本公司一切管理及日常營運工作轉授本公司之執行董事負責，惟若干重要事項仍需經董事會批准。需由董事會作出決定之類別包括年度及中期財務匯報及監控、股本集資、宣派中期股息及建議末期股息或其他分派、根據上市規則第14及14A章須予公佈之交易，以及就本公司之股本重組或計劃安排作出建議。

Corporate Governance Report

企業管治報告

The Board and each Director have separate and independent access to the Company's senior management. A Director who considers a need for independent professional advice in order to perform his/her duties as a Director may convene, or request the secretary of the Company (the "Company Secretary") to convene, a meeting of the Board to approve the seeking of independent legal or other professional advice.

The Company adopts the practice of holding meetings of the Board regularly for at least four times a year at approximately quarterly intervals. Ad-hoc meetings will also be convened if necessary to discuss the overall strategy as well as the operation and financial performance of the Group. Notice of meeting of the Board will be sent to all Directors at least 14 days prior to a regular Board meeting. Reasonable notice will be given to Directors for ad-hoc Board meetings. Directors may participate either in person or through electronic means of communications.

During the Year, four meetings of the Board were held, Directors are provided with relevant information to make informed decisions. The attendance of Directors at the Board meetings and the Board committees' meetings is set out in the table below:

董事會及各董事可自行接觸本公司之高級管理層。董事如認為需要獨立專業意見，以履行其為董事之責任，可召開或要求本公司之秘書（「公司秘書」）召開董事會會議，批准徵求獨立法律或其他專業意見。

本公司採納定期（一年最少四次，約每季一次）舉行董事會會議的措施。倘需要討論整體策略以及本集團的經營及財務表現，亦會召開臨時董事會會議。董事會會議通告將於日常董事會會議舉行前最少十四天送發予所有董事。就臨時董事會會議而言，合理通告亦會發予董事。董事可親身或透過電子通訊方式出席會議。

本年度已舉行四次董事會會議，董事已獲得相關資料以作出知情決定。董事會及董事委員會各董事之會議出席情況載列於下表：

Name of Directors 董事姓名	Board 董事會	Meetings attended/Eligible to attend 出席會議/合資格出席之會議			General Meeting 股東大會
		Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	
Executive Directors	執行董事				
Mr. Liu Feng	劉鋒先生	4/4	-	-	2/2
Mr. Chen Xian	陳賢先生	4/4	-	-	2/2
Mr. Lau Sai Chung	劉世忠先生	4/4	-	-	2/2
Mr. Liu Zhongxiang	劉忠翔先生	4/4	-	-	2/2
Independent Non-executive Directors	獨立非執行董事				
Mr. Poon Lai Yin Michael	潘禮賢先生	4/4	2/2	2/2	2/2
Mr. Char Shik Ngor Stephen	查錫我先生	4/4	2/2	2/2	2/2
Mr. Chen Weijiang (appointed on 3 January 2020)	陳偉江先生 (於二零二零年 一月三日獲委任)	3/3	2/2	2/2	1/2
Ms. Li Jiansheng (resigned on 3 January 2020)	李建生女士 (於二零二零年 一月三日辭任)	0/0	0/0	0/0	0/0

Corporate Governance Report

企業管治報告

Directors' Induction and Continuous Professional Development

All Directors, including independent non-executive Directors, should keep abreast of their collective responsibilities as Directors and of the business and activities of the Group. Each newly appointed Director would receive a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements. The Group also provides briefings and other training to develop and refresh the Directors' knowledge and skills, and update all Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirement to ensure compliance and to enhance their awareness of good corporate governance practices.

During the Year, the Directors participated in the continuous professional developments in relation to regulatory update, the duties and responsibility of the Directors and the business of the Group in the following manner:

董事之入職及持續專業發展

全體董事（包括獨立非執行董事）均須了解彼等作為董事之共同職責，以及本集團之業務及活動。每位新委任之董事均會收到一份全面之入職資料，範圍涵蓋本公司之業務營運、政策及程序以及作為董事之一般、法定及監管責任，以確保董事足夠了解其於上市規則及其他相關監管規定下之責任。本集團亦會提供簡介會及其他培訓，以發展及更新董事之知識及技能，並向全體董事提供有關上市規則及其他適用監管規定之最新發展，以確保董事遵守相關規則及加強董事對良好企業管治常規之認識。

於本年度，董事透過以下方式參與有關監管事宜之最新訊息、董事之職務與職責及本集團業務之持續專業發展活動：

Name of Directors 董事姓名	Attended Seminars or Briefing/Read Materials 參加研討會或 簡介會／閱讀材料
Executive Directors	執行董事
Mr. Liu Feng	劉鋒先生 ✓
Mr. Chen Xian	陳賢先生 ✓
Mr. Lau Sai Chung	劉世忠先生 ✓
Mr. Liu Zhongxiang	劉忠翔先生 ✓
Independent Non-executive Directors	獨立非執行董事
Mr. Poon Lai Yin Michael	潘禮賢先生 ✓
Mr. Char Shik Ngor Stephen	查錫我先生 ✓
Mr. Chen Weijiang (appointed on 3 January 2020)	陳偉江先生 (於二零二零年 一月三日獲委任) ✓
Ms. Li Jiansheng (resigned on 3 January 2020)	李建生女士 (於二零二零年 一月三日辭任) N/A 不適用

Corporate Governance Report

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and chief executive officer of the Company (the “Chief Executive Officer”) are segregated and are currently held by Mr. Liu Feng and Mr. Lau Sai Chung respectively. The Chairman is responsible for the Group’s strategic planning and the management of the operations of the Board, while the Chief Executive Officer takes the lead in the Group’s operations and business development. There is a clear division of responsibilities between the Chairman and Chief Executive Officer which provides a balance of power and authority.

INDEPENDENT NON-EXECUTIVE DIRECTORS

All the independent non-executive Directors are appointed for a term of three years, and subject to re-election on retirement by rotation at the annual general meeting of the Company (the “AGM”) in accordance with the Company’s articles of association (the “Articles”). One of the independent non-executive Director has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules. The Company has received the annual confirmation of independence from each of the independent non-executive Directors as required under Rule 3.13 of the Listing Rules. The Company, based on such confirmations, considers all independent non-executive Directors to be independent.

主席及行政總裁

本公司主席及行政總裁（「行政總裁」）之角色已予區分及現時分別由劉鋒先生及劉世忠先生出任。主席負責本集團之策略規劃及管理董事會運作，而行政總裁則領導本集團之經營及業務發展。主席與行政總裁之間分工清晰，以確保權力及授權分佈均衡。

獨立非執行董事

全體獨立非執行董事任期三年並須根據本公司之章程細則（「細則」）之規定於本公司股東週年大會（「股東週年大會」）上輪值退任及膺選連任。根據上市規則第3.10條，其中一名獨立非執行董事必須具備適當的專業資格，或具備適當的會計或相關財務管理專長。本公司已收到各獨立非執行董事根據上市規則第3.13條發出之週年獨立性確認書。本公司據此等確認書認為全體獨立非執行董事均具備獨立身份。

Corporate Governance Report

企業管治報告

NOMINATION COMMITTEE

The Company established a nomination committee (the "Nomination Committee") with written terms of reference in compliance with the CG Code. On 20 December 2013, the Board adopted a set of the revised terms of reference of the Nomination Committee, which has brought it in line with the new Listing Rules relating to the board diversity with effective from 1 September 2013. The revised terms of reference setting out the Nomination Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange. During the Year and as at the date of this annual report, the Nomination Committee has the following three members:

Independent Non-executive Directors

Mr. Char Shik Ngor Stephen (*Chairman*)
Mr. Poon Lai Yin Michael
Mr. Chen Weijiang (appointed on 3 January 2020)
Ms. Li Jiansheng (resigned on 3 January 2020)

The Nomination Committee has adopted a written nomination procedure specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company.

The principal responsibilities of the Nomination Committee are reviewing and supervising the structure, size and composition of the Board, identifying qualified individuals to become members of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors.

Potential new Directors are identified and submitted to the Nomination Committee for approval. The nomination of Directors should take into consideration the candidate's qualification, ability and potential contribution to the Company. A candidate to be appointed as an independent non-executive Director must also satisfy the independence criteria set out in Rule 3.13 of the Listing Rules. No Director was newly appointed during the Year.

提名委員會

本公司成立提名委員會（「提名委員會」）並遵守企業管治守則訂立書面職權範圍。於二零一三年十二月二十日，董事會採納一系列經修訂之提名委員會職權範圍，其符合自二零一三年九月一日生效之有關董事會成員多元化之新上市規則。載有提名委員會權力、職責及責任之經修訂職權範圍可於本公司網站及聯交所網站查閱。於本年度及於本年報日期，提名委員會現共有以下三名成員：

獨立非執行董事

查錫我先生 (*主席*)
潘禮賢先生
陳偉江先生 (於二零二零年一月三日獲委任)
李建生女士 (於二零二零年一月三日辭任)

提名委員會已採納書面提名程序，列明挑選及建議本公司董事候選人之過程及準則。

提名委員會主要負責檢討及監督董事會之架構、規模及組成，物色合資格人士出任董事會成員，評估獨立非執行董事之獨立性，以及向董事會就委任或重選董事作出推薦建議。

物色到候任新董事後，均須提呈提名委員會審批。提名董事時須考慮候選人之資歷、能力及對本公司之潛在貢獻。獲委任為獨立非執行董事之候選人，亦須符合上市規則第3.13條所載之獨立性準則。於本年度，概無新委任之董事。

Corporate Governance Report

企業管治報告

During the Year, two meetings were held by the Nomination Committee to recommend the re-appointment of the Directors standing for re-election at the AGM, to review the size, structure, composition as well as diversity of the Board, to assess the independence of independent non-executive Directors and to consider the changes of Directors. The Nomination Committee has also reviewed the board diversity policy to ensure its effectiveness and considered that the Group has achieved the objectives of the board diversity policy during the Year.

REMUNERATION COMMITTEE

The Company established a remuneration committee (the "Remuneration Committee") with the written terms of reference in compliance with the CG Code. The terms of reference setting out the Remuneration Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange. The Remuneration Committee has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual executive Directors and senior management. During the Year and as at the date of this annual report, the Remuneration Committee has the following three members:

Independent Non-executive Directors

Mr. Chen Weijiang (*Chairman*)
(appointed on 3 January 2020)
Ms. Li Jiansheng (*Chairman*)
(resigned on 3 January 2020)
Mr. Poon Lai Yin Michael
Mr. Char Shik Ngor Stephen

The principal responsibilities of the Remuneration Committee are making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management, and reviewing and approving the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board from time to time.

於本年度，提名委員會召開兩次會議，藉以建議續聘將於股東週年大會上膺選連任之董事；檢討董事會之規模、架構、組成及多元化、評估獨立非執行董事之獨立性，以及考慮董事之變更。提名委員會亦已檢討董事會成員多元化政策以確保其成效，並認為本集團本年度達致董事會成員多元化政策之目標。

薪酬委員會

本公司成立薪酬委員會（「薪酬委員會」）並遵守企業管治守則訂立書面職權範圍。載有薪酬委員會權力、職責及責任之職權範圍可於本公司網站及聯交所網站查閱。薪酬委員會在其採納之運作模式中擔任董事會之顧問角色，董事會保留最終批准各執行董事及高級管理層人士薪酬待遇之權力。於本年度及於本年報日期，薪酬委員會現共有以下三名成員：

獨立非執行董事

陳偉江先生 (*主席*)
(於二零二零年一月三日獲委任)
李建生女士 (*主席*)
(於二零二零年一月三日辭任)
潘禮賢先生
查錫我先生

薪酬委員會之主要職責為就本公司全體董事及高級管理層之薪酬政策及架構向董事會提供建議，並參考董事會不時決議之企業目標及目的，審閱及批准管理層之薪酬方案。

Corporate Governance Report

企業管治報告

Details of the remuneration of Directors are set out in note 11 to the consolidated financial statements. During the Year, two meetings of Remuneration Committee were held for, inter alia, reviewing the remuneration policy and structure for as well as the remuneration packages of all Directors and the senior management and considering the remuneration packages of all newly appointed Directors. No Director was involved in deciding his/her own remuneration.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the CG Code. On 1 January 2019, the Board adopted a set of the revised terms of reference of the Audit Committee, which has brought it in line with the new requirement of the Listing Rules. The revised terms of reference setting out the Audit Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange. During the Year and as at the date of this annual report, the Audit Committee has the following three members:

Independent Non-executive Directors

Mr. Poon Lai Yin Michael (*Chairman*)
Mr. Char Shik Ngor Stephen
Mr. Chen Weijiang (appointed on 3 January 2020)
Ms. Li Jiansheng (resigned on 3 January 2020)

The principal responsibilities of the Audit Committee include making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the interim and annual reports and accounts of the Group; and supervising the financial reporting process and effectiveness of the risk management and internal control systems of the Group.

The Audit Committee reviewed and made recommendations to the Board for approval of the consolidated financial statements of the Group for the Year, discussed the accounting policies and practices which may affect the Group with the management and auditor of the Company, reviewed the fees charged by the external auditor and reviewed the effectiveness of risk management and internal control systems of the Group.

董事酬金之詳情載列於綜合財務報表附註11。於本年度，薪酬委員會召開了兩次會議，藉以（其中包括）檢討本公司全體董事及高級管理層之薪酬政策、架構、薪酬組合及考慮全體新委任董事之薪酬組合。概無董事參予釐定本身之酬金。

審核委員會

本公司成立審核委員會（「審核委員會」）並遵守企業管治守則訂立書面職權範圍。於二零一九年一月一日，董事會採納審核委員會的一系列職權範圍之修訂，乃遵照上市規則之新規定。載有審核委員會權力、職責及責任之經修訂職權範圍可於本公司網站及聯交所網站查閱。於本年度及於本年報日期，審核委員會現共有以下三名成員：

獨立非執行董事

潘禮賢先生 (*主席*)
查錫我先生
陳偉江先生 (於二零二零年一月三日獲委任)
李建生女士 (於二零二零年一月三日辭任)

審核委員會主要負責就外聘核數師之委任、續聘及罷免向董事會作出建議，並審批外聘核數師之酬金及聘任條款，以及與該核數師之辭任或罷免有關之任何事宜；審閱中期報告、年報及本集團賬目；以及監察財務申報程序及本集團風險管理及內部監控系統之有效性。

審核委員會曾審閱並建議董事會批准本集團本年度綜合財務報表，與本公司之管理層及核數師討論可能對本集團有影響之會計政策及慣例，審閱外聘核數師收取之費用及檢討本集團風險管理及內部監控系統之有效性。

Corporate Governance Report

企業管治報告

During the Year, two meetings were held by the Audit Committee to review and make recommendation to the Board for approval of the audited results of the Group for the year ended 31 December 2019 and the unaudited interim results for the six months ended 30 June 2020, to discuss the accounting policies and practices which may affect the Group with the management of the Company and the Company's auditor, to make recommendation on re-appointment of external auditor for the approval of the shareholders in the AGM, to review the fees charged by the external auditor; and approve the remuneration and terms of engagement of external auditor and to review the effectiveness of risk management and internal control systems and internal audit functions of the Group.

CORPORATE GOVERNANCE FUNCTION

All members of the Board are responsible for performing the corporate governance functions. The terms of reference of corporate governance functions was adopted by the Board on 29 March 2012 and is in compliance with the CG Code. During the Year, the Board has reviewed the policy of the corporate governance and the corporate governance report of the Company.

DIRECTOR'S NOMINATION POLICY

The director's nomination policy of the Company was adopted by the Board and became effective on 1 January 2019 and the Nomination Committee is responsible for execution.

Director Nomination Process

The Nomination Committee utilizes various methods for identifying director candidates, including recommendations from Board members, management, and headhunters. The Nomination Committee may also put forward director candidates who are not nominated by Board members. In addition, the Nomination Committee will consider director candidates properly submitted by shareholders of the Company through formal procedures set out in the Company's Procedures for Shareholders to Propose a Person for Election as a Director.

於本年度，審核委員會召開兩次會議，藉以審閱並建議董事會批准本集團截至二零一九年十二月三十一日止年度之經審核業績及截至二零二零年六月三十日止六個月之未經審核中期業績、與本公司管理層及本公司之核數師討論對本集團有影響之會計政策及實務、建議股東於股東週年大會上批准續聘外聘核數師、審閱外聘核數師支取之費用；及批准委聘核數師之薪酬及委聘條款及檢討本集團之風險管理及內部監控系統及內部審核職能是否有效用。

企業管治職能

董事會全體成員負責執行企業管治職能。企業管治職能之職權範圍已於二零一二年三月二十九日獲董事會採納，並符合企業管治守則。於本年度，董事會已檢討本公司之企業管治政策及企業管治報告。

提名董事的政策

本公司提名董事的政策經董事會採納並於二零一九年一月一日起生效，由提名委員會負責執行。

董事提名程序

提名委員會運用各種方法物色董事人選，當中包括董事會成員、管理層及專業獵頭公司之推薦建議，提名委員會亦可提名未獲董事會成員提名的董事候選人。此外，提名委員會將會考慮由本公司股東經載於本公司股東提名候選董事的程序的正式程序妥善提交之董事人選。

Corporate Governance Report

企業管治報告

For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing director candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

All director candidates, including incumbents and candidates nominated by shareholders of the Company are evaluated by the Nomination Committee based upon the director's qualifications. While director candidates will be evaluated on the same criteria, the Nomination Committee retains the discretion to establish the relative weighting of such criteria, which may vary based on the composition, skill sets, and experiences of the collective Board rather than on the individual candidate.

The Board shall have the final decision on all matters relating to the recommendation of director candidates by the Nomination Committee to stand for election at any general meeting. The Board will take such recommendations under advisement and is responsible for designating the director candidates to be elected at the annual general meeting of the Company and electing directors to fill Board vacancies.

Procedure for Appointment of New Director

Director candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as a Director.

The Nomination Committee shall, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the director candidate, evaluate such director candidate based on the criteria as set out below to determine whether such director candidate is qualified for directorship.

If the process yields one or more desirable director candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company and reference check of each director candidate (where applicable).

如要填補臨時空缺，提名委員會須推薦人選供董事會考慮及批准。如要推薦董事候選人在股東大會上參選，提名委員會須向董事會提名供其考慮及推薦參選。

所有董事候選人（包括現任董事及本公司股東提名之候選人）均由提名委員會基於董事資格進行評估。儘管董事候選人將按相同準則進行評估，但提名委員會保留為該等準則制定相對比重之酌情權，而該比重或會根據董事會整體之組成、技能及經驗而有所變更，而非按個別候選人釐定。

董事會對於提名委員會推薦之董事候選人在任何股東大會上參選的所有事宜有最後決定權。董事會將詳細考慮有關推薦建議，並負責指定將於本公司股東週年大會上獲選舉之董事候選人及挑選董事以填補董事會之空缺。

委任新董事的程序

董事候選人將會被要求按既定格式提交所需的個人資料，以及提交同意書，同意被任命為董事，並同意就其參選董事或與此有關的事情在任何文件或相關網站公開披露其個人資料。

提名委員會應在收到委任新董事的建議及董事候選人的個人資料（或相關詳情）後，依據以下列明的準則評估該董事候選人，以決定該董事候選人是否合資格擔任董事。

如過程涉及一個或多個合意的董事候選人，提名委員會應根據本公司的需要及每位董事候選人的證明審查（如適用）排列他們的優先次序。

Corporate Governance Report

企業管治報告

For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee shall evaluate such director candidate based on the criteria as set out below to determine whether such director candidate is qualified for directorship and where appropriate, the Nomination Committee and/or the Board shall make recommendation to Shareholders in respect of the proposed election of Director at the general meeting (where applicable).

A director candidate is allowed to withdraw his/her candidature at any time before the general meeting by serving a notice in writing to the company secretary of the Company.

Until the issue of the shareholder circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.

Procedure for Re-appointment of Director at General Meeting

The Nomination Committee shall review the overall contribution and service to the Company of the retiring Directors including their attendance of Board meetings and, where applicable, general meetings, and the level of participation and performance on the Board.

The Nomination Committee shall also review and determine whether the retiring Directors continue to meet the criteria as set out below.

The Nomination Committee and/or the Board shall then make recommendation to the Shareholders in respect of the proposed re-election of Directors at the general meeting.

任何經由股東提名就於本公司股東大會上選舉為董事的人士，提名委員會應依據以下列明的準則評估該董事候選人，以決定該董事候選人是否合資格擔任董事，並且，提名委員會及／或董事會應就於股東大會上建議選舉董事向股東提出建議（如適用）。

董事候選人可於股東大會舉行前任何時候向本公司公司秘書發出書面通知退選。

在直至發出股東通函前，被提名人士不可假設其已獲董事會推薦在股東大會上參選。

於股東大會上重選董事的程序

提名委員會應檢討退任董事對本公司的整體貢獻及服務，包括其出席董事會會議及股東大會（如適用）的出席率，以及在董事會的參與程度及表現。

提名委員會亦應檢討及確定退任董事是否仍然符合以下列明的準則。

提名委員會及／或董事會應就於股東大會上建議重選董事向股東提出建議。

Corporate Governance Report

企業管治報告

Director Selection Criteria

The Nomination Committee considers the following qualifications are at a minimum to be required of a director candidate in recommending to the Board potential new Director, or the continued service of existing Director:

- (a) the highest personal and professional ethics and integrity;
- (b) proven achievement and competence in the nominee's field and the ability to exercise sound business judgment;
- (c) qualifications including professional qualifications, skills, knowledge and experience that are complementary to those of the existing Board;
- (d) the ability to assist and support management and make significant contributions to the Company's success;
- (e) the contribution on diversity of the Board and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board;
- (f) an understanding of the fiduciary responsibilities that is required of a member of the Board and the commitment of time and energy necessary to diligently carry out those responsibilities; and
- (g) meet the "independence" criteria as required under the Listing Rules and the composition of the Board is in conformity with the provisions of the Listing Rules from time to time (where applicable).

Other than the foregoing, there are no stated minimum criteria for director candidate, although the Nomination Committee may also consider such other factors as it may deem to be in the best interests of the Company and the shareholders of the Company.

董事甄選準則

提名委員會認為以下為向董事會推薦董事候選人作為潛在新董事或現有董事持續就任所需之最低資格：

- (a) 最高水平之個人及專業操守和誠信；
- (b) 於獲提名人之範疇內具備過往實績及能力，並有能力行使良好之商業判斷；
- (c) 補足現有董事會之資格，包括專業資格、技能、知識及經驗；
- (d) 有能力協助及支援管理層，並為本公司達致成功作出重大貢獻；
- (e) 促進董事會成員多元化及任何由提名委員會所採納以達致董事會成員多元化的可計量目標；
- (f) 明白董事會成員所需承擔之受信責任，以及妥善履行該等責任所需投入之時間及精力；及
- (g) 須達到上市規則所規定之「獨立性」準則，且董事會組成須遵守上市規則不時之條文（如適用）。

除上文所述者外，儘管提名委員會亦可能考慮其可能視為符合本公司及本公司股東最佳利益之其他因素，惟概無明文規定董事候選人需達到之最低標準。

Corporate Governance Report

企業管治報告

BOARD DIVERSITY POLICY

On 20 December 2013, the Company has adopted a board diversity policy (the “Policy”) setting out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service.

The Board will consider setting measurable objectives to implement the Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

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

董事會成員多元化政策

於二零一三年十二月二十日，本公司已採納董事會成員多元化政策（「該政策」），當中列載董事會為達致及維持多元化以提升董事會之有效性而採取之方針。

根據該政策，本公司為尋求達致董事會成員多元化會考慮眾多因素，包括但不限於性別、年齡、文化及教育背景、族群特性、專業經驗、技能、知識及服務年資。

董事會將考慮制定可計量目標以推行該政策，並不時檢討該等目標以確保其合適度及確定達致該等目標之進度。

董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化之裨益。

甄選人選將以一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。最終將按人選之長處及可為董事會作出之貢獻而決定。

Corporate Governance Report

企業管治報告

As at the date of this annual report, the information (including sex, age, educational background, professional experience, term of appointment and designation) of the Board is as follows:

於本年報日期，董事會資料（包括性別、年齡、教育背景、專業經驗、任期及任職）如下：

		No. of Director 董事人數
Age group: 年齡組別：	Below 41 41歲以下	1
	41 to 50 41至50歲	2
	51 to 60 51至60歲	2
	Over 60 60歲以上	2
Gender: 性別：	Male 男	7
	Female 女	0
Educational background: 教育背景：	Hong Kong and Macau 香港及澳門	2
	The PRC 中國	3
	Overseas 海外	2
Length of service (year): 服務年限 (年)：	1-5 1至5年	3
	6-10 6至10年	1
	Over 10 10年以上	3
Designation: 任職：	Executive Director 執行董事	4
	Independent Non-executive Director 獨立非執行董事	3

Corporate Governance Report

企業管治報告

For the purpose of implementation of the Policy, the following measurable objectives were adopted:

1. The Company shall comply with the requirements on board composition under the Listing Rules from time to time.
2. The number of independent non-executive Directors should be not less than three and one-third of the Board.
3. At least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise.
4. At least one Director should be the professional or have intensive experience of the industry on which the business of the Group is.

The Board has achieved the measurable objectives in the Policy.

AUDITOR'S REMUNERATION

The audit works of the Group for the Year were performed by Deloitte Touche Tohmatsu.

就執行該政策而言，已採納以下可計量目標：

1. 本公司應遵守上市規則項下不時之董事會組成之規定。
2. 獨立非執行董事人數應不少於三名及董事會人數之三分之一。
3. 至少一名獨立非執行董事必須具備適當的專業資格或會計或相關的財務管理專長。
4. 至少一名董事應為本集團業務所處行業之專業人士或於該行業擁有豐富經驗。

董事會已實現該政策之可計量目標。

核數師酬金

本集團本年度之核數工作由德勤·關黃陳方會計師行處理。

Corporate Governance Report

企業管治報告

The total fee paid/payable in respect of the statutory audit and non-audit services provided by external auditor is set out in the following table:

外聘核數師所提供之法定核數及非核數服務之已付／應付之費用總數載列於下表：

Services rendered	所提供服務	Fee paid/payable 已付／應付費用	
		For the year ended 31 December 2020 截至二零二零年 十二月三十一日 止年度 HK\$'000 港幣千元	For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 HK\$'000 港幣千元
Deloitte Touche Tohmatsu	德勤•關黃陳方會計師行		
– Audit services	– 核數服務	1,350	1,350
– Non-audit services	– 非核數服務		
Interim review	中期審閱	590	590
– Non-audit services	– 非核數服務		
Assurance – Continuing connected transactions	擔保 – 持續關連交易	–	40
Assurance – Very substantial acquisition	擔保 – 非常重大收購事項	220	–
Total fee paid/payable	已付／應付之費用總數	2,160	1,980

Corporate Governance Report

企業管治報告

COMPANY SECRETARY

The Company Secretary, Mr. Fu Lui, was appointed on 2 July 2010. He is responsible to the Board for ensuring that Board procedures are followed and that the Board is fully briefed on all legislative, regulatory and corporate governance developments and has regarded to them when making decisions. The Company Secretary is also responsible for advising the Board on the Group's compliance with the continuing obligations of the Listing Rules, Codes on Takeovers and Mergers and Share Repurchases, Companies Ordinance, Securities and Futures Ordinance and other applicable laws, rules and regulations. During the Year, Mr. Fu Lui undertook not less than 15 hours of professional training to update his skills and knowledge.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors have acknowledged for the preparation of the consolidated financial statements at the end of the Year which gives a true and fair view of the state of affairs of the Group and of the results and cash flows for the Year. In preparing the consolidated financial statements for the Year, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis. The statement by the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 86 to 93 of this annual report.

公司秘書

公司秘書府磊先生乃於二零一零年七月二日獲委任。其對董事會負責，職責為確保董事會議事規則得到遵守，並確保在一切法律、監管及企業管治發展事宜上，董事會已獲充分知會，並且在作出決定時已考慮該等因素。公司秘書亦負責就本集團是否遵守《上市規則》、《公司收購、合併及股份購回守則》、《公司條例》、《證券及期貨條例》以及其他適用法律、規則及法規之持續責任向董事會提供建議。於本年度，府磊先生已進行不少於15小時之專業培訓，以更新其技能及知識。

董事及核數師對綜合財務報表之責任

董事確認編製年末之綜合財務報表，對本年度本集團事務、業績及現金流量提供真實及公平之意見。在編製本年度之綜合財務報表時，董事已貫徹採用合適之會計政策，作出審慎、公平而合理之判斷及推測，並按持續經營基準編製綜合財務報表。本公司核數師就本集團之綜合財務報表所申報之責任載於本年報第86頁至93頁之獨立核數師報告書。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has the overall responsibility to ensure that sound and effective risk management and internal controls are maintained, while the management of the Company is charged with the responsibility to design and implement an internal control system to manage risks. A sound system of risk management and internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Risk Management and Internal Control Framework of the Group

The Board is responsible for the Group's system of risk management and internal controls and reviewing its effectiveness. The Audit Committee supports the Board in monitoring the Group's risk exposures, the design and operating effectiveness of the underlying risk management and internal control systems. The management of the Company assesses and presents regular reports to the Audit Committee on its own assessments of key risks, the strengths and weaknesses of the overall internal control systems, with action plans to address the weaknesses. External auditor also reports on any control issues identified in the course of its work. Taking these into consideration, the Audit Committee reviews the effectiveness of the Group's system of risk management and internal controls, and reports to the Board on such reviews. Work and findings of the management of the Company are considered by the Board in forming its own view on the effectiveness of the system.

The Group persistently engages independent professional team and internal team in performing internal audit work after considering the independence, flexibility, and overall efficiency.

風險管理及內部監控

董事會負責維持完善有效的風險管理及內部監控，而本公司管理層則負責設計及執行內部監控制度以管理風險。良好的風險管理及內部監控制度旨在管理而非消除未能實現業務目標的風險，且只能針對重大錯誤陳述或遺失提供合理而非絕對的保證。

本集團的風險管理及內部監控架構

董事會負責本集團的風險管理及內部監控制度並檢討其成效。審核委員會協助董事會監察本集團承受的風險水平、有關之風險管理和內部監控系統的設計及運作成效。本公司管理層評估本集團的主要風險、整體內部監控制度並定期向審核委員報告，同時提出應對的行動方案。外聘核數師亦匯報在工作過程中識別的任何監控事宜。經考慮以上各點，審核委員會會檢討公司風險管理及內部監控制度的成效，並向董事會報告檢討結果。董事會考慮本公司管理層的工作及檢討結果後，再就風險管理及內部監控制度的成效得出自己的意見。

本集團持續地外聘獨立專業團隊及內部團隊以進行內部審核工作，以平衡內部審核工作的獨立性、靈活性及整體效益。

Corporate Governance Report

企業管治報告

Risk Management and Internal Control Framework Diagram

風險管理及內部監控架構圖

<p>“Top-down” 「由上而下」</p>	<p>The Board 董事會</p>		
<p>Oversight, identification, assessment and mitigation of risk at corporate level 監督、識別、評估及紓緩企業層面的風險</p>	<ul style="list-style-type: none"> Has overall responsibility for the Group’s risk management and internal control systems 負責集團整體的風險管理及內部監控系統 	<ul style="list-style-type: none"> Sets strategic objectives 訂立策略目標 Reviews the effectiveness of the Group’s risk management and internal control systems 檢討本集團風險管理及內部監控系統的成效 	<ul style="list-style-type: none"> Monitors the nature and extent of risk exposure for the Group’s principal risks 監察本集團主要風險的性質及程度
	<p>Management 管理層</p>	<p>Audit Committee 審核委員會</p>	<p>Internal professionals 公司內部的合資格專才</p> <p>External professionals 外聘之獨立專業團隊</p> <p>External auditor 外聘核數師</p>
	<ul style="list-style-type: none"> Designs, implements and monitors the Group’s risk management and internal control systems 設計、執行及監察本集團的風險管理及內部監控系統 Assesses the Group’s risks and mitigating measures 評估本集團的風險及相應的紓緩措施 	<ul style="list-style-type: none"> Supports the Board in monitoring risk exposure, design and operating effectiveness of the underlying risk management and internal control systems 協助董事會監察風險管理及內部監控系統的設計和運作成效 	<ul style="list-style-type: none"> Supports the Audit Committee in reviewing the effectiveness of the Group’s risk management and internal control systems 協助審核委員會檢討本集團風險管理及內部監控系統的成效
<p>“Bottom-up” 「由下而上」</p>	<p>Operational Level 業務營運層面</p>		
<p>Identification, assessment and mitigation of risk at business unit level and across functional areas 識別、評估及紓緩業務單位及職能範疇的風險</p>	<ul style="list-style-type: none"> Risk identification, assessment and mitigation performed across the business 識別、評估及紓緩業務風險 	<ul style="list-style-type: none"> Risk management process and internal controls practice across business operations and functional areas 在各營運及職能範疇執行風險管理程序及內部監控措施 	

Corporate Governance Report

企業管治報告

Risk Management and Internal Control Systems and Procedures

Control Environment – The Group has been operating under an established and appropriate control environment with reference to principles of “Internal Control and Risk Management – A Basis Framework” issued by the Hong Kong Institute of Certified Public Accountants. Risk management and internal controls cover effective operations, reliable financial reporting and compliance.

Risk Assessment – The Group continues to drive improvements to its risk management process and the quality of risk information generated, while at the same time maintaining a simple and practical approach. We seek to have risk management features embedded within our operations, aiming to have a risk management system that is practised on a day-to-day basis by our operating units.

The Board reviews and understands the risk factors of the Group and operations annually, and the management of the Company continuously monitors the scope and quality of ongoing risk management and internal control systems. The “Top-down” monitoring ensures risk management features embedded within the operations and operated effectively.

Meanwhile, the heads of operation units participate in risk identification from “Bottom-up” so as to identify the Group’s overall risks.

Control Activities – The Group’s core property development business and trading of raw sugar involve well-established business processes. Control activities have traditionally been built on top-level reviews, segregation of duties and physical controls. We have been formalizing and documenting the control processes in policies and procedures. Written policies and procedures with defined limits of delegated authority are in place, which facilitate effective segregation of duties and controls.

風險管理及內部監控系統及程序

監控環境 – 本集團參考香港會計師公會發佈的《內部監控與風險管理的基本架構》中所述之原則，建立一個妥善的監控環境下營運其業務。風險管理及內部監控覆蓋的範疇包括有效的運作、可靠的財務匯報以及適用的法例和規則之遵守。

風險評估 – 本集團持續致力提升風險管理程序和風險資訊質素，同時貫徹簡單切實的風險管理方向。我們致力將風險管理功能融入業務營運，制訂並維持一個可供各業務營運單位日常使用的風險管理系統。

董事會每年檢討及了解本集團及業務之風險因素，及管理層持續監察風險管理及內部監控系統的工作範疇及質素，以「由上而下」的監控確保風險管理功能融入業務營運中和發揮成效。

同時，業務營運單位以「由下而上」方式配合，要求營運單位主管參與識別營運風險，從而釐定本集團的整體風險。

監控工作 – 本集團的核心房地產開業務及原糖貿易已有成熟的營運流程配合運作。有關監控工作傳統上建基於高層審查、職責分工及實質監控等範疇。本集團一直努力將政策和程序的監控過程制度化及以書面記錄。本集團已制訂有關界定權限的書面政策和程序，以便有效劃分職責和控制權。

Corporate Governance Report

企業管治報告

Planning and budgeting processes are one of key control activities of the Group, which have been refined to take into consideration risk factors. All operating units prepare their respective operating plans pursuant to corporate objectives for consideration. In this process, they are required to identify material risks that may impact the achievement of their business objectives. Action items to mitigate the identified risks are developed for implementation as well as for achieving the budget and business objectives. Variance analyses are regularly performed and reported to the management of the Company and the Board. These help identify deficiencies and enable timely remedial actions to be taken.

Capital expenditures monitoring is also significant to the capital-intensive nature of the property business of the Group. Depending on the nature and the size of the projects, detailed analyses of expected capital expenditures are submitted to the heads of operating units, executive Directors or the Board for consideration and approval.

Monitoring Activities – The Board and Audit Committee oversee the process, monitored by internal and external professionals of the Group. The management of the Company has emphasized in its updated reports to the Audit Committee on movements of top risks and appropriate mitigating measures. There is at least one Audit Committee meeting substantially devoted to risks items.

項目規劃及預算制定過程是本集團的主要監控活動之一，並因應考慮風險因素的需要而作出改進。所有營運單位按照公司目標各自製訂營運計劃以供審核。過程中營運單位需要識別對實現業務目標可能有影響的重大風險，並制訂行動來緩解已識別的風險，務求達成預算和業務目標。業務營運單位定期進行差異分析，並向管理層和董事會匯報，以助找出不足之處和適時採取補救措施。

鑑於本集團房地產業務的資本密集性質，監控資本開支亦十分重要。視乎有關開支的性質及規模，有關資本開支需呈交營運單位主管、執行董事或董事會審核及批准。

監察工作 – 由董事會及審核委員會監督，而本集團內部及外聘專材監察。管理層已就最高風險的變化及適當的紓緩措施，加強向審核委員會匯報最新情況。審核委員會會議中，最少其中一次會議主要針對討論風險項目。

Corporate Governance Report

企業管治報告

Procedures and Internal Controls for Handling and Dissemination of Inside Information

In handling and dissemination of inside information, the Group:

- will conduct immediate dissemination once inside information is available and/or respective decision is made, except the inside information falling into the Safe Harbours of Securities and Futures Commission that allow non-disclosure;
- complies with applicable laws, rules and guidelines on disclosure of inside information issued by Securities and Futures Commission;
- decides and implements monitoring procedures regarding dissemination of inside information; and
- communicates with relevant persons about corporate information disclosure practices with respective training.

REVIEW ON EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROLS IN 2020

The Board and the Audit Committee reviewed the risk management and internal control systems of the Company for the Year and such review is conducted annually. The Board opts that during the Year, risk management and internal control systems are effective and sufficient, and no event leads to material impact on Group's financial, operational and compliance controls. Respective reviews cover the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, and the effectiveness of the Group's processes for financial reporting and Listing Rules compliance.

處理及發佈內幕消息的程序和內部監控

在處理及發佈內幕消息方面，本集團：

- 一旦知悉內幕消息及／或在作出有關決定後須即時公佈，除非該等內幕消息屬於證券及期貨條例規定的安全港，無需披露；
- 於處理有關事務時恪守適用法律及法規以及證券及期貨事務監察委員會頒佈的《內幕消息披露指引》；
- 訂立及實施監控向公眾發佈內幕消息的程序；及
- 已向所有相關人員傳達有關企業資料披露政策的執行情況並提供相關培訓。

二零二零年檢討風險管理及內部監控之成效

董事會及審核委員會每年會對公司的風險管理及內部監控制度進行檢討。於本年度，董事會認為風險管理及內部監控制度有效及足夠，亦無發現任何可能對本集團財務監控、運作監控、合規監控以及風險管理功能可能構成重大影響的重要事項。檢討範圍涵蓋本集團會計、內部審計及財務匯報職能的資源、員工資歷及經驗，培訓課程及預算是否充足，以及有關財務報告及遵守上市規則規定之程序。

Corporate Governance Report

企業管治報告

RECOMMENDED BEST PRACTICES

Group's Risk Factors

As a basis of risk management, we should understand the Group's existing risk factors and respective change from time to time. Listed below are the nature of significant risk factors that the Group is facing, whilst the listed factors will not be exclusive:

Risk factors

- The Group may be unable to sell property investment at expected prices or terms due to volatility in the property market of the PRC.
- The Group is required to comply with numerous government rules and new regulations to be promulgated from time to time, and may be affected by tightening measures launched by the PRC government for regulating the real estate industry.
- The business of the Group may be significantly affected if the engaged external construction contractors encounter any problem during development of property given our full reliance on them to conduct all the construction projects.
- Principal revenues and expenses of the Group – Property development business are denominated in Renminbi. Investors may indirectly invest in the assets denominated in Renminbi. If Renminbi weakens against Hong Kong dollars, the asset value of the shares denominated in Hong Kong dollars will decline.
- Implementation fluency and efficiency of exchange control of the PRC will mitigate the ability of the Group's fund transfer.
- COVID-19 outbreak in the PRC may detriment the sale of existing property of the First Maoming Project and development of the Second Maoming Project.
- COVID-19 outbreak in the world may suppress the demand of raw sugar and enhance price volatility.

推薦最佳常規

本集團風險事項

作為風險管理方針的基礎，我們必須了解本集團目前承受的風險狀況，以及這些風險如何隨時間而出現變化。下表闡述本集團數項主要重大風險的性質，惟並不構成已列有所有風險的清單：

風險事項

- 中國的房地產市場的波動，令本集團無法按預期的價格或條款出售房地產投資。
- 本集團須遵守多項政府法規及須受經常出臺的新法規規管，可能因中國政府為調控房地產行業而頒佈的措施受影響。
- 現時依賴外聘建築承包商進行所有建設工程，若開發過程中聘用的外聘建築承包商發生問題，本集團業務將受到重大不利影響。
- 本集團主要收益及開支—房地產開發業務均以人民幣計值，投資者或會間接投資人民幣計值資產。如人民幣對港幣下調，以港幣計值股票的資產值將下降。
- 國內外匯管理的執行流暢度及效率會削弱集團調配資金的能力。
- 國內新型冠狀病毒肺炎疫情或會損害首個茂名項目現有物業的銷售及第二個茂名項目的發展。
- 全球新型冠狀病毒肺炎疫情或會抑制原蔗糖的需求及提升價格波動。

Corporate Governance Report

企業管治報告

COMMUNICATION WITH SHAREHOLDERS

The Board makes its endeavour to maintain an ongoing and transparent communication with all shareholders and, in particular, use general meetings to communicate with shareholders and encourage their participation. A shareholder's communication policy was adopted by the Board on 29 March 2012 aiming at providing the shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. The Company also uses various other means of communication with its shareholders, such as publication of annual and interim reports, announcements, circulars and additional information on the Group's business activities and development on the Company's website: www.chinauptown.com.hk.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company Secretary may be sent by post to the Company's head office and principal place of business at Suite 1501, 15/F., Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

Dividend policy

The dividend policy of the Company (the "Dividend Policy") was adopted by the Board and became effective on 1 January 2019.

The Dividend Policy is to ensure that the Board maintains an appropriate procedure on declaring and recommending the dividend payment of the Company. The Board endeavors to strike a balance between the shareholders' interests and prudent capital management with a sustainable dividend policy.

股東通訊

董事會致力不斷維持與全體股東之間具透明度的通訊，特別是以股東大會與股東溝通及鼓勵參與。股東通訊政策已於二零一二年三月二十九日獲董事會採納，該政策旨在確保股東及潛在投資者可隨時及適時地獲得本公司中肯及易於理解之資料。本公司亦透過各種其他方式與股東通訊，包括刊登年報及中期報告、公佈、通函以及有關本集團業務活動及發展之其他資料於本公司之網站：www.chinauptown.com.hk。

本公司繼續促進投資者關係，並加強與現有股東及潛在投資者溝通。歡迎投資者、利益相關者及公眾人士提供建議。向董事會或公司秘書提出之查詢，可郵寄至本公司之總辦事處及主要營業地點，地址為香港九龍尖沙咀廣東道30號新港中心第一期15樓1501室。

股息政策

本公司股息政策（「股息政策」）經董事會採納並於二零一九年一月一日起生效。

股息政策旨在確保董事會就本公司宣派及建議派付股息維持適當的程序。董事會通過可持續的股息政策，務求於股東利益與審慎資本管理之間取得平衡。

Corporate Governance Report

企業管治報告

The declaration and recommendation of dividends is subject to the decision of the Board after considering the Company's ability to pay dividends, which will depend upon, among other things:

- the Group's financial results;
- the Group's cash flow, liquidity and capital requirements;
- the Group's debt to equity ratios and the debt level;
- the accumulated profits and distributable reserves of the Group;
- the Group's shareholders' interests;
- the Group's current and future business operations, conditions, cycle and strategies;
- the general market conditions;
- the shareholders' and the investors' expectation and industry's norm;
- any restrictions on payment of dividends that may be imposed by the Group's lenders;
- statutory and regulatory restrictions;
- past dividend record; and
- any other factors the Board may deem relevant.

The Board has complete discretion on whether to pay a dividend and the form to pay, subject to any restrictions under the Companies Laws of Cayman Islands and the Articles. Any final dividends declared by the Company must be approved by an ordinary resolution of the shareholders of the Company at an annual general meeting and must not exceed the amount recommended by the Board.

宣派及建議派付股息須待董事會經考慮本公司派付股息之能力後作出決定方可作實，而本公司派付股息之能力將視乎下列各項而定，其中包括：

- 本集團的財務業績；
- 本集團的現金流量、流動資金及資金需求；
- 本集團的負債權益比率及債務水平；
- 本集團的累計溢利和可供分派儲備；
- 本集團的股東權益；
- 本集團現時及未來的業務營運、狀況、週期及策略；
- 一般市場情況；
- 股東及投資者的期望及行業的常規；
- 由本集團的貸款人可能施加的任何股息派發限制；
- 法定及監管限制；
- 過往派息記錄；及
- 董事會可能視為相關之任何其他因素。

董事會可全權酌情決定是否派付股息及派付之形式，惟須遵守開曼群島公司法及細則之任何限制。本公司宣派任何末期股息必須經本公司股東於股東週年大會上以普通決議案予以批准，且不得超過董事會所建議之金額。

Corporate Governance Report

企業管治報告

The Board may also consider declaring special dividends from time to time, in addition to the interim and/or final dividends.

There is no assurance that dividends will be paid in any particular amount for any given period.

SHAREHOLDERS' RIGHT

Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to the Articles, an extraordinary general meeting may be convened by the Board upon requisition by any one or more shareholders holding not less than one-tenth of the paid up capital of the Company and the securities being held carrying the right of voting at any general meetings of the Company. The shareholder shall make a written requisition to the Board or the Company Secretary at the Company's head office and principal place of business at Suite 1501, 15/F., Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal regarding any specified transaction/business and its supporting documents.

Procedures for putting forward Proposals at a General Meeting

A shareholder shall make a written requisition to the Board or the Company Secretary at the Company's head office and principal place of business at Suite 1501, 15/F., Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

除中期及／或末期股息外，董事會亦可不時考慮宣派特別股息。

本公司不能保證將在任何指定期間派付任何特定金額之股息。

股東之權利

股東召開股東特別大會之程序

根據細則，董事會可因應持有不少於本公司繳足股本十分之一且所持證券附有於本公司任何股東大會上投票之權利之任何一名或多名股東之要求召開股東特別大會。股東須向董事會或公司秘書提出書面要求，並將有關要求寄至本公司之總辦事處及主要營業地點（地址為香港九龍尖沙咀廣東道30號新港中心第一期15樓1501室），當中列明股東之持股信息、詳細聯繫方式、有關任何特定交易／業務之建議及其支持文件。

於股東大會上提呈建議之程序

股東須向董事會或公司秘書提出書面要求，並將有關要求寄至本公司之總辦事處及主要營業地點（地址為香港九龍尖沙咀廣東道30號新港中心第一期15樓1501室），當中列明股東之持股信息、詳細聯繫方式、擬於股東大會上提呈之有關任何特定交易／業務之建議及其支持文件。

Corporate Governance Report

企業管治報告

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary at the Company's head office and principal place of business at Suite 1501, 15/F, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong or send email to info@chinauptown.com.hk.

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

CONSTITUTIONAL DOCUMENTS

During the Year, there is no change in the Company's constitutional documents.

向董事會發出股東查詢之程序

股東可隨時以書面方式將其查詢及關注事宜寄往本公司之總辦事處及主要營業地點（地址為香港九龍尖沙咀廣東道30號新港中心第一期15樓1501室）或電郵至 info@chinauptown.com.hk，透過公司秘書轉交予董事會。

股東亦可於本公司之股東大會上向董事會作出查詢。

組織章程文件

於本年度，本公司之組織章程文件並無變化。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THE REPORT

Reporting Guidelines

This is the fifth Environmental, Social and Governance (“ESG”) Report of China Uptown Group Company Limited (“Company”) and its subsidiaries (collectively, the “Group”). The report is prepared in compliance with the ESG Reporting Guide set out in Appendix 27 to the Main Board Listing Rules and Guidance published by the Hong Kong Stock Exchange (the “Listing Rules”).

Reporting Scope and Period

The report covers ESG performance of the office in Hong Kong and property development business in the People’s Republic of China (“PRC”) for the period from 1st January 2020 to 31st December 2020.

Feedback

The Group shall continue to enhance its ESG disclosure in the future. We welcome stakeholders’ feedback on the report and any suggestions in terms of sustainability-related matters. You may share your thoughts at: info@chinauptown.com.hk.

ESG MANAGEMENT APPROACH

Acknowledging the advancement of concern about sustainability around the globe, the Group, as a socially responsible property developer operating in China, incorporates ESG elements into the operation and development of properties. It views the incorporation of ESG related issues in its operations as the foundation of its business model. To move forward and make progress, we unceasingly engage with our internal and external stakeholders, including employees, shareholders, customers, sub-contractors and the local community, and hence encompass the concerned topics in our business operations. Through this comprehensive approach, we believe our long-term viability is shielded as it flourishes sustainably.

關於本報告

報告指引

此乃中國上城集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）的第五份環境、社會及管治（「環境、社會及管治」）報告。本報告乃遵照香港聯交所刊發的主板上市規則及指引（「上市規則」）附錄27所載的環境、社會及管治報告指引編製。

報告範圍及期間

本報告涵蓋香港辦事處及於中華人民共和國（「中國」）物業發展業務於二零二零年一月一日至二零二零年十二月三十一日期間的環境、社會及管治表現。

反饋

本集團日後將繼續完善環境、社會及管治披露。我們歡迎持份者就本報告作出反饋以及就可持續發展相關事宜提出建議。閣下可通過 info@chinauptown.com.hk 與我們分享想法。

環境、社會及管治的管理方針

作為承擔社會責任的中國物業開發商，本集團深知全球對可持續發展關注的增強，並將環境、社會及管治元素融入物業運營及開發過程中。本集團認為將環境、社會及管治相關議題融入運營過程乃業務模式的基礎。為取得進展及進步，我們不斷與內部及外部持份者溝通，包括僱員、股東、客戶、分包商及當地社區，藉此將關注議題納入我們的業務運營。我們認為此全面方針有助實現可持續繁榮發展，保障長期增長能力。

Environmental, Social and Governance Report

環境、社會及管治報告

ENVIRONMENTAL MANAGEMENT

Striving to be a responsible business that abides by governmental initiatives, the Group is dedicated to managing and monitoring its environmental impacts. An ISO 1400-certified Environmental Management System (“EMS”) is in place, led by the senior management and backed by the environmental protection and monitoring team. Environmental technicians of the Group are competent to keep track of its environmental performance.

In addition to internal management, the environmental protection department communicates closely with outsourced contractors and suppliers working on our construction projects. Regular checks are conducted to assess the adopted green practices and implemented mitigation measures for various parameters, including air emissions, waste and noise. Not only safeguarding the environmental performance, but also lessening the potential environmental impacts.

To conform with the relevant national standards through the building design and construction stages, the Group continues to commission a qualified inspection and testing organisation to conduct an environmental impact assessment on noise, air pollutants and sewage.

During the reporting period, the Group was not aware of any non-compliance of relevant laws and regulations¹ that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

環境管理

本集團致力於管理及監察其環境影響，努力成為遵守政府倡議的負責任企業。我們設有經 ISO 1400 認證的環境管理系統（「EMS」），由高級管理層領導，並由環保及監察團隊提供支援。本集團環境技術人員有能力追蹤其環境表現。

除內部管理外，環保部門與參與我們的建築工程的外判承包商及供應商密切溝通。我們開展定期檢查，以評估所採納的綠色實務及所落實的減緩措施的各项參數，包括廢氣排放、廢水及噪音。這不僅能保障環境表現，更能減少潛在環境影響。

為在建築設計及建造階段符合相關國家標準，本集團持續委託合格的檢驗測試機構就噪音、空氣污染物及污水開展環境影響評估。

報告期間內，本集團概不知悉違反任何對本集團造成重大影響的有關空氣及溫室氣體排放、排入水及土地以及產生有害及無害垃圾的相關法律及法規¹。

¹ List of applicable laws and regulations available in Laws and Regulations.

¹ 適用法律法規列表載於法律法規一節。

Environmental, Social and Governance Report

環境、社會及管治報告

Noise

Construction work results in considerable noise being generated and its control is important for the Company. Our contractors are bound to work during the permitted hours only, manage the transportation vehicles effectively, adopt sound insulation and vibration reduction measures and set up greening areas to diminish noise from vehicles.

噪音

建築工程產生噪音較大，本公司重視噪音控制。我們約束分判商僅於允許時間內作業，有效管理交通工具，採取隔音及防震措施及設立綠化地帶以減少汽車造成的嘈音。

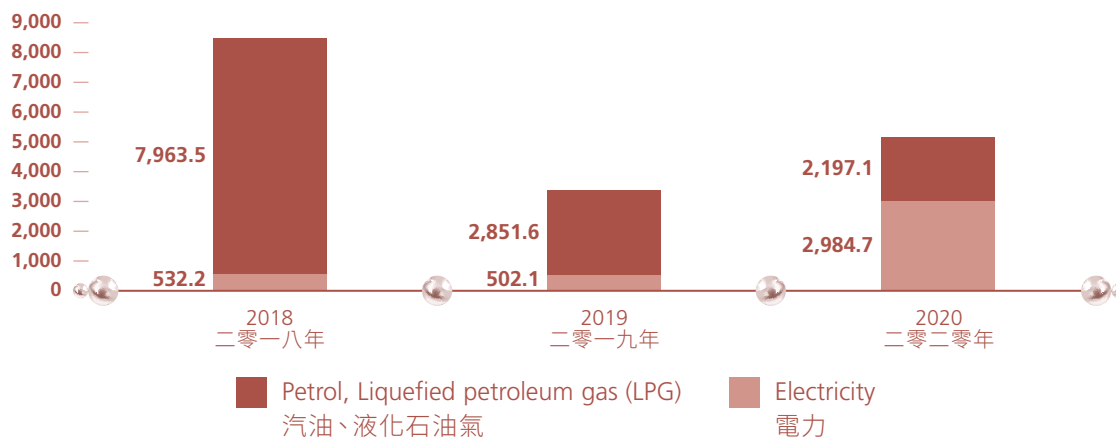
Energy Consumption

Operations of the Group consume petrol and electricity while no Liquefied petroleum gas ("LPG") was used this year. During the reporting period, the Group consumed approximately 5,182 gigajoules ("GJ") of energy, with energy intensity of 2.3 GJ per square metre of floor area².

能源消耗

本集團的業務需消耗汽油及電力，而本年並未使用液化石油氣（「LPG」）。報告期間內，本集團消耗約5,182吉焦能源，能源密度為每平方米建築面積²2.3吉焦。

Total Energy Consumption (GJ)
能源消耗總量(吉焦)



To address the alarming impact of climate change, we strive to optimise the energy efficiency and reduce energy consumption in both office operation and property management. The group has further incorporated various energy conserving initiatives in agreements with service providers in the property development sector, making certain their operations are compliant with our environmental protection policies and guidelines.

為緩解氣候變化導致的令人擔憂的影響，我們致力於優化能源效率及減少辦公室運營及物業管理的能源消耗。本集團進一步將各項節能舉措納入與物業開發行業服務提供商的協議中，確保其業務運營符合我們的環保政策及指引。

² Floor area includes offices of the Group in Hong Kong and the PRC.

² 建築面積包括本集團位於香港及中國的辦公室。

Environmental, Social and Governance Report

環境、社會及管治報告

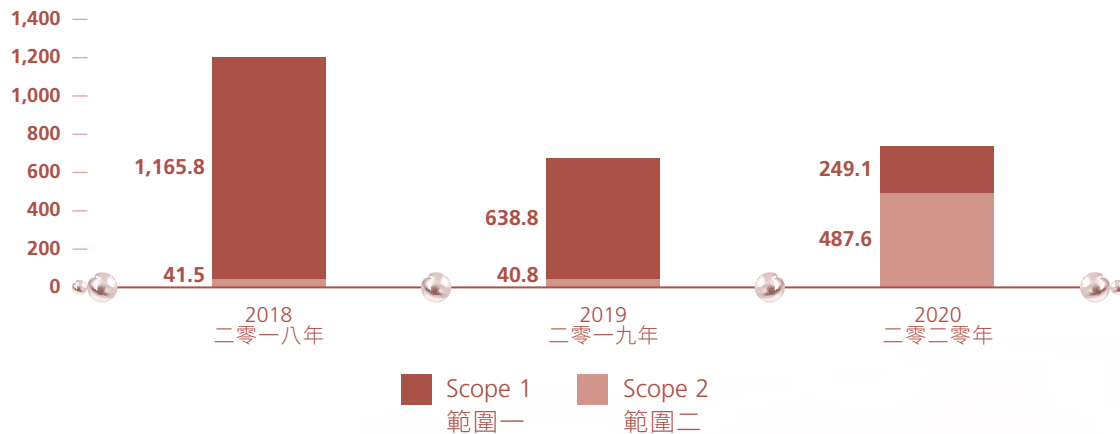
Carbon and Air Emissions

The Group emitted greenhouse gases (“GHG”) directly (Scope 1) and indirectly (Scope 2) during the operations. Direct emissions refer to GHG emissions from combustion of petrol while indirect emissions are from purchased electricity. During the reporting period, the total GHG emissions amounted to 736.7 tons of carbon dioxide equivalent (“tCO₂e”). There were about 249.1 tCO₂e Scope 1 and 487.6 tCO₂e Scope 2 emissions, with emission intensity of 0.3 tCO₂e per square metre of floor area.

碳及廢氣排放

本集團於運營過程中直接（範圍一）及間接（範圍二）排放溫室氣體。直接排放指來自汽油燃燒的溫室氣體排放，而間接排放來自於外購電力。報告期間內，溫室氣體排放總量為736.7噸二氧化碳當量。範圍一排放約為249.1噸二氧化碳當量，範圍二排放約為487.6噸二氧化碳當量，排放密度為每平方米建築面積0.3公噸二氧化碳當量。

Total GHG Emissions (tCO₂e)
溫室氣體排放總量 (噸二氧化碳當量)



Petrol consumption is sourced from increased travel mileage of operating vehicles for site visits, resulting in emissions of approximately 1.38 kg of sulphur oxides (SO_x), 16.06 kg of nitrogen oxides (NO_x) and 1.34 kg of particulate matters (PM) during the reporting period. Sprinklers and protective nets are used at the construction sites to reduce flying dust generated by machinery and vehicles.

汽油消耗來源於營運用車進行實地訪查的行駛里程增加，導致排放量約1.38公斤硫化物(SO_x)、16.06公斤氮氧化物(NO_x)及1.34公斤顆粒物(PM)。我們於建築工地使用灑水裝置及防護網以減少機器及汽車產生的揚塵。

Environmental, Social and Governance Report

環境、社會及管治報告

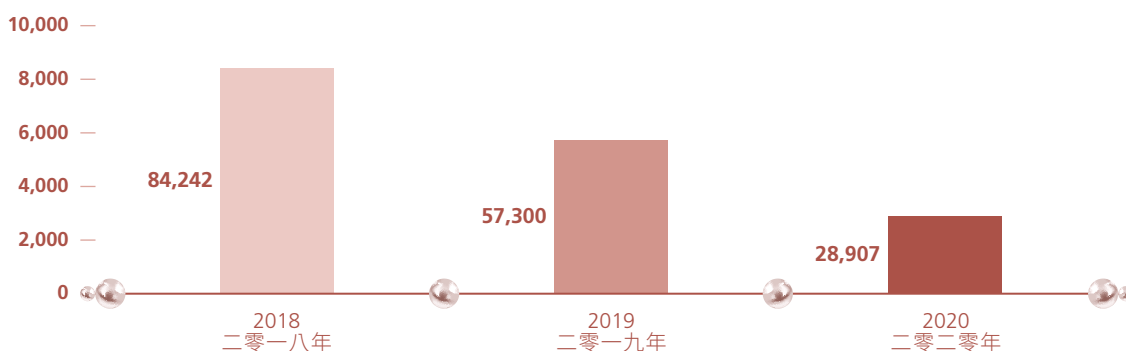
Water Consumption

The Group used 28,907 cubic metres (m³) of municipal water in property development and office operations during the reporting period, and its intensity was about 12.9 m³ per square metre of floor area. There were no issues on sourcing water that is fit for the purpose.

水消耗

報告期間內，本集團於物業開發及辦公室運營過程中使用28,907立方米的市政用水，用水密度約為每平方米建築面積12.9立方米。在求取適用水源上並無任何問題。

Total Water Consumption (m³)
總耗水量 (立方米)



As a water conservation initiative, the Group operates temporary water treatment facilities for filtering and reusing water at construction sites. To this end, all water used for construction projects is treated prior to discharge.

作為一項節水措施，本集團於建築工地運營臨時污水處理設施，以過濾及循環用水。藉此，建設工程的全部用水均經處理後排放。

Environmental, Social and Governance Report

環境、社會及管治報告

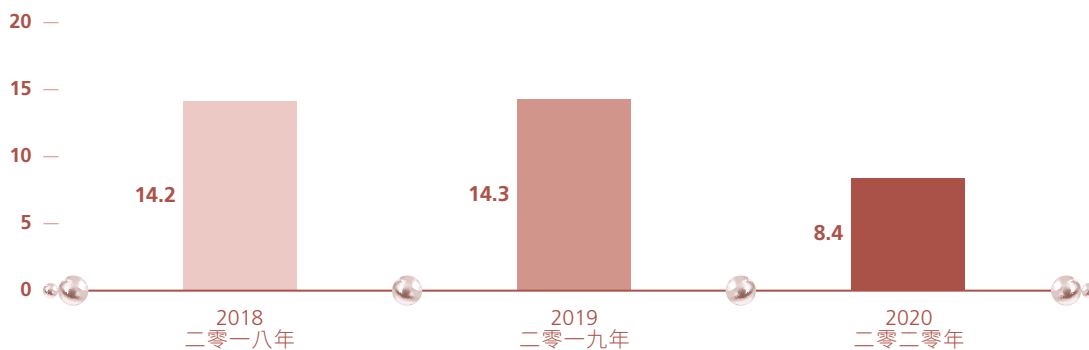
Solid Waste

The Group generated 8.4 tonnes of non-hazardous waste at construction projects during the reporting period.

固體廢棄物

報告期間內，本集團建設工程產生8.4噸無害廢棄物。

Non-hazardous Waste (tonnes)
無害廢棄物 (噸)



To facilitate solid waste reduction, the environmental protection department of the Group has set up a centralised waste collection point to stimulate recycling rate of construction waste and encourage employees to adopt green office measures for paper waste reduction. Operations of the Group do not generate hazardous waste.

為促進固體廢棄物減排，本集團環保部門設立廢物集中收集點，以提高建築廢棄物回收利用率，並鼓勵僱員採用綠色辦公措施以減少紙張廢棄物。本集團之運營並無產生有害廢物。

Environmental, Social and Governance Report

環境、社會及管治報告

OUR PEOPLE & COMMUNITY

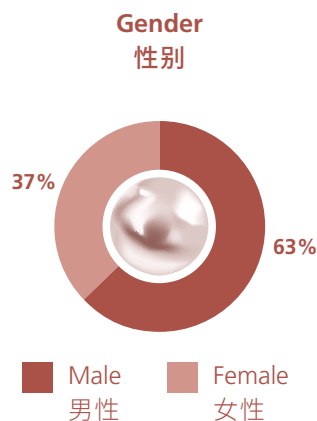
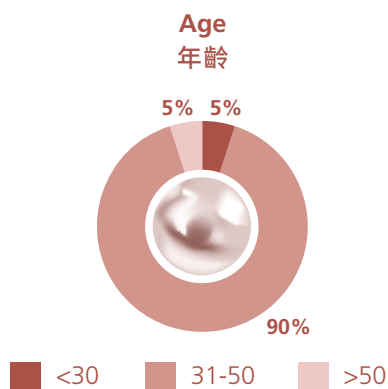
At China Uptown, we believe our success is built upon our employees' dedication and competency. As such, promotion and rewards are offered based solely on employee's expertise, contribution, performance, and experience. As an equal opportunity employer, we strive to nurture a diverse and inclusive work environment where any form of harassment or discrimination is not tolerated. Should there be any discriminatory misconduct, staffs should report to the senior management for further action.

As of 31st December 2020, the Group had a total of 41 employees. The employee composition by geographic region, age, gender and position is shown as below:

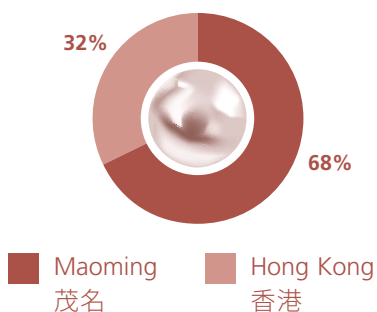
我們的員工及社區

在中國上城，我們深信企業成功建立在僱員的敬業及能力基礎上。因此，我們在授予晉升及獎勵時僅依據僱員的專長、貢獻、業績及經驗。作為平等機會僱主，我們致力於培育多元包容的工作環境，杜絕任何形式的騷擾或歧視。倘出現任何歧視性不當行為，員工應向高級管理層舉報以待採取進一步行動。

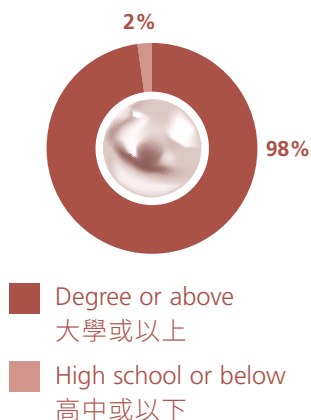
截至二零二零年十二月三十一日，本集團共有41名僱員。按地區、年齡、性別及職位劃分的僱員組成如下所示：



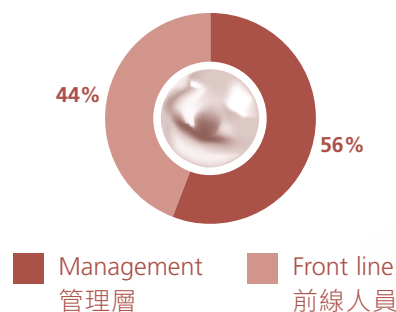
Geographical Distribution
地區分佈



Educational Background
教育背景

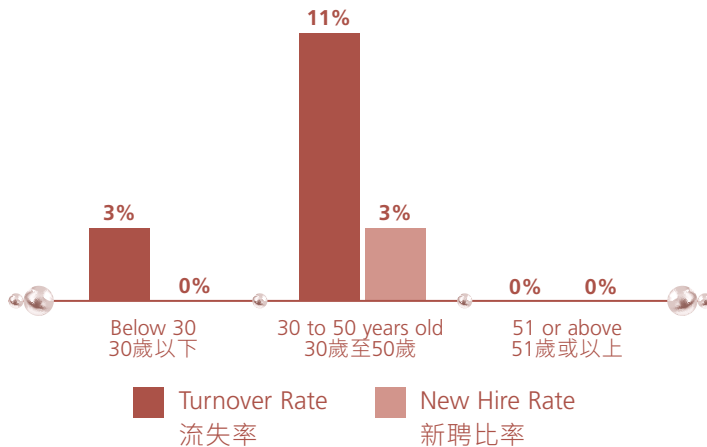


Employee Category
僱員類別

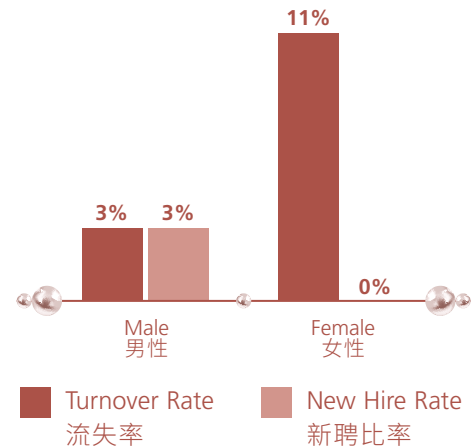


Environmental, Social and Governance Report 環境、社會及管治報告

Turnover and New Hire Rate by Age
按年齡劃分的流失率及新聘比率



Turnover and New Hire Rate by Gender
按性別劃分的流失率及新聘比率



During the reporting period, the Group was not aware of any non-compliance of relevant laws and regulations³ that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare.

The Group is not susceptible to a high risk of child or forced labour. Yet, we do stay vigilant about preventing recruitment of child or forced labour and verify the age of applicants to make sure they are not underage. During the year, we were not aware of any non-compliance with laws and regulations having a significant impact on the Group relating to employment and labour practices; nor did we identify any incidents relating to the use of child or forced labour.

Health and Safety

The Group attaches great importance to occupational health and safety. In order to minimise occupational health and safety risk, we require contractors to strictly comply with our well-defined safety policies at our construction sites, in accordance with relevant laws and regulations⁴.

³ List of applicable laws and regulations available in Laws and Regulations.

⁴ List of applicable laws and regulations available in Laws and Regulations.

報告期間內，本集團並未知悉任何違反有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利並對本集團有重大影響的相關法律法規³。

本集團面臨的童工或強制勞工風險不高。儘管如此，我們仍保持警惕，避免招聘童工或強制勞工，並核驗求職者年齡以確保其並非未成年。年內，我們概不知悉有關就業及勞工實踐對本集團造成重大影響的不符合法律及法規的任何情況，亦未發現有關使用童工或強制勞工的任何事件。

健康及安全

本集團極為重視職業健康與安全。為儘量減少職業健康與安全風險，根據相關法律法規⁴，我們要求建築工地的所有承包商嚴格遵守我們訂明的安全政策。

³ 適用法律法規列表載於法律法規一節。

⁴ 適用法律法規列表載於法律法規一節。

Environmental, Social and Governance Report

環境、社會及管治報告

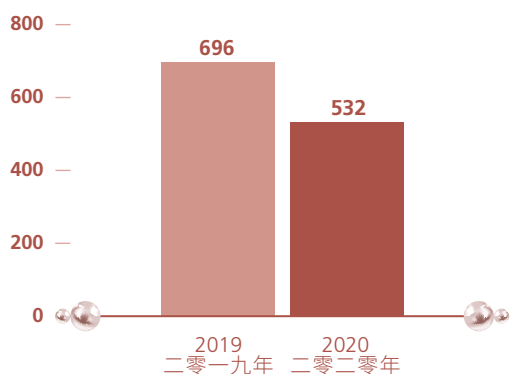
During the construction process, supervisory engineers collaborate with contractors to monitor their performance in respect of adherence to safety practices. Contractors are required to prepare emergency action plans and install necessary equipment and to mitigate any safety hazards. Before construction work commences, contractors are required to submit a safety measures plan to the supervising engineer and the Group for approval.

No work-related fatalities were recorded during the year. To raise safety awareness, we regularly organise safety training for employees. In 2020, a total of 804 person times of safety training was recorded.

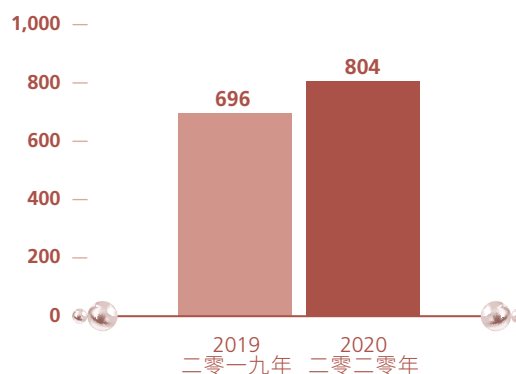
在建築過程中，監理工程師與承包商合作，監察其於遵守安全實務方面的表現。承包商需編製緊急行動方案及安裝必要設備，並規避任何安全隱患。於建築工程開工前，承包商須向監理工程師及本集團提交一份安全措施計劃供審批。

年內，我們並無錄得與工作有關的致命事故。為提高安全意識，我們定期為僱員舉辦安全培訓。於二零二零年，合共錄得804人次安全培訓。

Total safety training hours
安全培訓總時數



Total person times of safety training
安全培訓總人次



The Group was not aware of any non-compliance with laws and regulations⁵ that have a significant impact relating to providing a safe working environment and protection of employees from occupational hazards during the year.

年內，本集團概不知悉具有重大影響的違反有關提供安全工作環境及保護員工免受職業危害的任何法律及法規⁵。

Training and Development

China Uptown spares no effort to help its employees excel and thrive by providing inspiring opportunities for professional development. Various trainings are therefore delivered to employees across all levels, including directors, senior management and frontline staff. On top of organizing mandatory training to update employees about the latest trend in laws and regulations, we continue to explore development opportunities that support them to meet operational needs.

培訓及發展

中國上城提供令人鼓舞的職業發展機會，竭力幫助僱員脫穎而出及取得成功。為此，我們為董事、高級管理層及前線員工等各級僱員提供各種培訓機會。除舉辦強制培訓以使僱員緊跟最新法律法規趨勢外，我們持續拓展有助於滿足其運營需求的發展機會。

⁵ List of applicable laws and regulations available in Laws and Regulations.

⁵ 適用法律法規列表載於法律法規一節。

Environmental, Social and Governance Report

環境、社會及管治報告

Enhancing the capability and competency of our sales team is crucial. As such, we have formulated comprehensive training plans for our sales employees. During the year, professional training focusing on various skills and knowledge as outlined below was provided. We strive to equip employees with a thorough understanding of the market and pave the way to reach sales targets.

提升我們銷售團隊的能力和水平至關重要。因此，我們已為銷售團隊制定全面培訓計劃。年內，我們就下文概述的各種技能及知識提供專業培訓，致力於讓僱員充分了解市場，為實現銷售目標鋪平道路。

Trainings for sales professionals 銷售人員培訓

Personal skills trainings 個人技能培訓	Knowledge trainings 知識培訓	Customers relationship trainings 客戶關係培訓
<ul style="list-style-type: none"> Professional qualities of salesperson Sales mentality Conflicts resolution Sales elite training 銷售人員專業素質 銷售心態 衝突處理 銷售精英培訓 	<ul style="list-style-type: none"> Project and sales management Property delivery Issues on railways around properties 項目及銷售管理 物業交付 物業附近鐵路問題 	<ul style="list-style-type: none"> Sustaining customer relationships Handling disagreements with customers 維持客戶關係 處理與客戶的分歧

In 2020, 46% of male employees and 93% of female employees received training, while 35% of managerial staff and 100% of frontline employees were trained. The average training hours completed per employee was 3.61 hours during the year.

於二零二零年，46%之男性員工及93%之女性員工已接受培訓，而35%之管理層及100%之前線人員已接受培訓。年內，每名員工的平均培訓時數為3.61小時。

Community Involvement

The Group is keen to fulfil its corporate social responsibility and actively participates in community services wherever appropriate and financially feasible. Looking ahead, we would continue to explore opportunities for collaborations with third parties in community contribution.

社區參與

本集團熱心履行企業社會責任，在適當且財力允許的情況下積極參與社區服務。展望未來，我們將繼續拓展與第三方的合作機會，為社區作出貢獻。

OPERATIONAL EXCELLENCE

The Group strives to adopt the best practices in the property development business. We aim at maintaining high standards in provision of goods and services through active supply chain management and product assurance.

卓越運營

本集團致力於在物業開發業務中採納最佳實務，旨在通過積極的供應鏈管理及產品保證，在提供產品及服務時維持高標準。

Environmental, Social and Governance Report

環境、社會及管治報告

Supplier Management

To ensure the delivery of high-quality commodities, the Group has maintained a stable and close relationship with its business partners and customers.

The selection of suppliers and contractors is in accordance with a list of key criteria, including track record, financial strength, quality standards, ESG performance and ethical integrity. To fulfill our commitments in quality control, social and environmental responsibility, internationally recognised certifications such as ISO 9001, ISO 14001 and OHSAS 18001 are also highly valued and considered in the selection process.

The Group continuously engages with its suppliers and contractors and enters into well-defined agreements and contracts to maintain the provision of high-quality goods and services. Terms and conditions listed out in contracts ensure all suppliers meet our standards as expected. We also regularly monitor and evaluate their performance, which is recorded for future screening processes.

Aligning with our corporate values, contractors are required to fulfill corporate responsibility in their operations. Regarding environmental obligations, agreements are made with contractors to minimise construction disturbance and potential risks caused to nearby communities. To maintain occupational safety and quality, provision of worker training and establishment of quality award system are also encouraged, for achieving high standards of contractual requirements.

Product Responsibility

As a responsible property developer, the Group is committed to offering products and services of top-class quality and great user experience. To assure product quality, we enhance performance of our contractors by comprehensive selection and approval processes. Inspection and evaluation of property development quality are based on criteria such as construction standards, hygienic and safety conditions.

供應商管理

為確保交付優質產品，本集團維持與業務夥伴及客戶的穩定緊密關係。

在甄選供應商及承包商時，我們依照關鍵標準列表，包括過往記錄、財務穩健度、質量標準、環境、社會及管治表現以及道德誠信。為兌現我們的質量控制承諾並履行社會及環境責任，在甄選過程中還高度重視及考慮ISO 9001、ISO 14001及OHSAS 18001等獲國際認可的認證。

本集團持續委聘供應商及承包商，並訂立明確的協議及合同，以持續提供優質產品及服務。合約所列條款及條件可確保所有供應商按照預期達到我們的標準。我們亦定期監察及評估其表現，並將其記錄在案以用於未來篩選過程。

遵照我們的企業價值觀，供應商須在其運營中履行企業責任。就環境義務而言，我們與供應商達成協議，盡可能減少對周邊社區造成建築擾亂及潛在風險。為保障職業安全及質量，我們鼓勵提供工人培訓及設立質量獎勵機制，以達至更高水準的合約要求。

產品責任

作為負責任的物業開發商，本集團承諾提供品質一流的產品及服務以及卓越的用戶體驗。為確保產品質量，我們通過全面的甄選及審批流程提升承包商表現。我們根據相關標準檢驗及評估物業開發質量，例如建築標準、衛生及安全狀況。

Environmental, Social and Governance Report

環境、社會及管治報告

Product Assurance

The Group maintains close relationships with our contractors and ensures quality assurance throughout the construction period. Before construction commencement, our contractors establish specialised construction management agencies in charge of on-site operations and conditions. Construction permit and commencement report are obtained upon setting up supervision procedures.

產品保證

本集團與承包商維持緊密關係，確保整個建築過程的質量保證。開工前，我們的承包商成立專門的建築管理機構，負責現場運營及狀況。制定監督程序後，獲得施工許可證及開工報告。

Quality assurance in construction projects 建築工程質量保證



A number of environmental protection, safety and quality control measures are planned and implemented under the supervision of appointed engineers. In case of any recorded defects during the construction, we work with our contractors for taking appropriate actions followed by immediate re-examination. In addition, all national and provincial standards are met upon project completion.

監理工程師負責規劃及實施多項環保、安全及質量控制措施。如在建築過程中記錄任何缺陷，我們與承包商合作採取適當措施，然後立即進行復查。此外，竣工時須滿足所有國家及省級標準。

Environmental, Social and Governance Report

環境、社會及管治報告

Customer Satisfaction

The Group has been enhancing customer satisfaction by continuous ongoing engagement with customers and providing responsive services. We endeavor to disclose all necessary information to assist our customers in making informed purchase decisions. Our customer satisfaction is maintained in cooperation with qualified property management companies. Customers are also encouraged to provide feedback via our communication channels. Looking ahead, we would continue to review our performance and make improvements based on customers' feedback.

Code of Conduct

The Group places great importance on upholding the highest standards of ethics, honesty, openness and accountability in the workplace. Employees at all level are expected to follow stringent code of conduct with integrity, impartiality and honesty.

Information Privacy

Customer information privacy and rights are protected by adhering to relevant laws and regulations⁶. While making every effort for managing information disclosure of property development projects, identity of employees is not to be divulged without their consent, under normal circumstances. During the year, we were not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

客戶滿意度

本集團通過持續與客戶進行溝通及提供迅捷的服務，提升客戶滿意度。我們致力於披露所有必要資料，協助客戶做出知情購買決定。我們與合格物業管理公司合作，保障客戶滿意度。我們亦鼓勵客戶通過我們的溝通渠道提供反饋。未來，我們將繼續審核我們的表現並根據客戶反饋做出改進。

行為準則

本集團高度重視在工作場所維持最高標準的道德、誠信、開放及問責。各級別僱員須遵守嚴格的誠信、公平及誠實行為準則。

資料私隱

我們通過遵守相關法律法規⁶保護客戶資料私隱及權利。除竭力管理物業開發項目的資料披露外，正常情況下未經僱員許可不得洩露其身份。年內，我們並無發現任何不符合健康與安全、廣告、標籤、產品與服務私隱事宜及補救方法的法例及法規而對本集團產生重大影響的情況。

⁶ List of applicable laws and regulations available in Laws and Regulations.

⁶ 適用法律法規列表載於法律法規一節。

Environmental, Social and Governance Report

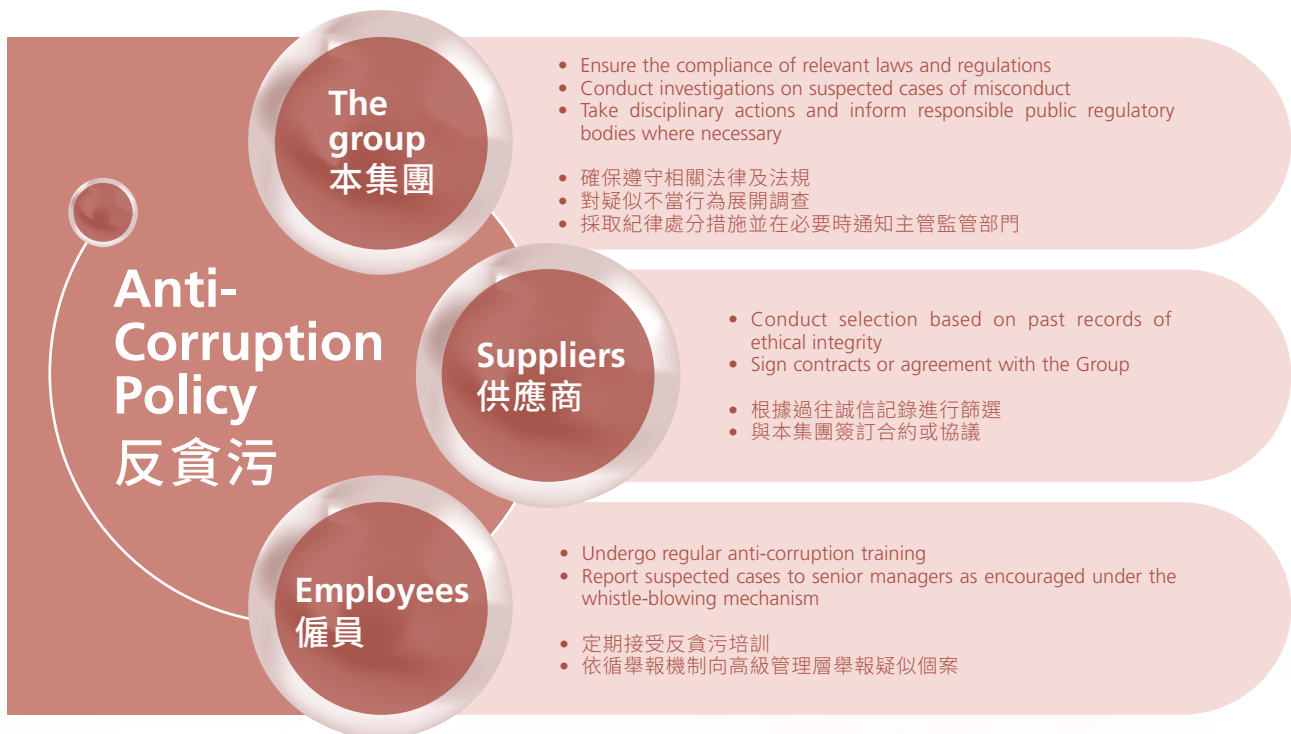
環境、社會及管治報告

Anti-corruption

The Group regards ethical integrity as the foundation of success. In compliance with relevant laws and regulations⁷, we strictly prohibit any form of corruption including improper transfer of benefits and other unethical behaviours from all employees.

反貪污

本集團視道德品格為成功的基石。我們遵守相關法律及法規⁷，嚴禁所有僱員出現任何形式的貪污行為，包括不當利益輸送及其他有違道德的行為。



For prevention of misconduct, employees are encouraged to report any suspected cases of corruption under our whistleblowing mechanism. Disciplinary actions including termination are to be taken in case of malpractice or misconduct offences upon investigations. Offences are also reported appropriate authorities if there is any evidence of criminal activities in breach of legal and regulatory requirements. During the year, the Group was not aware of any breach of laws and regulations that had a significant impact on the Group relating to bribery, extortion, fraud, and money laundering.

為預防不當行為，我們鼓勵僱員透過舉報機制匯報任何疑似貪污個案。調查後如發現觸犯舞弊行為或不當行為的罪行，將採取紀律行動，包括終止僱傭關係。如發現任何違反法律及監管規定的犯罪活動證據，將向適當機關匯報罪行。年內，本集團並不知悉任何違反有關賄賂、勒索、欺詐及洗黑錢的法例及法規而對本集團產生重大影響的情況。

⁷ List of applicable laws and regulations available in Laws and Regulations.

⁷ 適用法律及法規清單載於法律及法規欄目。

Environmental, Social and Governance Report

環境、社會及管治報告

PERFORMANCE DATA SUMMARY

績效數據摘要

		2020 二零二零年	2019 二零一九年
Employee 僱員	Total Headcount 總人數		
	By Geographical Distribution 按地域分佈		
	Maoming 茂名	28	31
	Hong Kong 香港	13	11
	Total 總計	41	44
	By Age 按年齡		
	<30 <30歲	2	5
	31-50 31-50歲	37	36
	>50 >50歲	2	3
	By Gender 按性別		
	Male 男性	26	22
	Female 女性	15	22
	By Educational Background 按教育背景		
	Degree or above 大學或以上	40	36
	High school or below 高中或以下	1	8

Environmental, Social and Governance Report

環境、社會及管治報告

	2020 二零二零年	2019 二零一九年
By Employee Category 按員工類別		
Management 管理層	23	32
Front line 前線	18	12
Employee Turnover Rate 員工流失率		
By Age 按年齡		
<30 <30歲	3%	6%
31-50 31-50歲	11%	23%
>50 >50歲	0%	10%
By Gender 按性別		
Male 男性	3%	92%
Female 女性	11%	5%
Employee New Hire Rate 新員工入職率		
By Age 按年齡		
<30 <30歲	0%	20%
31-50 31-50歲	3%	0%
>50 >50歲	0%	0%

Environmental, Social and Governance Report

環境、社會及管治報告

	2020 二零二零年	2019 二零一九年
By Gender 按性別		
Male 男性	3%	5%
Female 女性	0%	0%
Percentage of Employees Trained 受訓員工百分比		
By Gender 按性別		
Male 男性	46%	18%
Female 女性	93%	56%
By Employee Category 按員工類別		
Management 管理層	35%	16%
Front line 前線	100%	92%
Average training hours 平均培訓時數	3.61	15.8
By Gender 按性別		
Male 男性	2	7
Female 女性	7	25
By Employee Category 按員工類別		
Management 管理層	1	6
Frontline 前線	7	42

Environmental, Social and Governance Report

環境、社會及管治報告

		2020 二零二零年	2019 二零一九年	
Safety 安全	Safety Performance 安全表現			
	Work-related injuries 工傷	0	0	
	Lost days due to work injuries 因工傷損失工作日數	0	0	
	Work related fatalities 與工作有關的致命事故	0	0	
	Training on Occupational Health and Safety 職業健康與安全培訓			
	Total personal-times training 個人培訓總次數	804	696	
	Total training hours 總培訓時數	532	696	
	Environment 環境	Total Resources Consumption 資源消耗總量		
		Electricity (kWh) 電力 (千瓦時)	610,293	792,101
		LPG (kg) 液化石油氣 (千克)	–	1,000
Petrol (litre) 汽油 (公升)		93,646	14,181	
Total energy consumption (GJ) 總能耗 (吉焦)		5,182	3,354	
Total energy intensity (GJ/m ² floor area) 總能量密度 (吉焦/每平方米—建築面積)		2.3	1.5	
Water (m ³) 水 (立方米)		28,907	57,300	
Water intensity (m ³ /m ² floor area) 水密度 (立方米/每平方米—建築面積)		12.9	25.6	

Environmental, Social and Governance Report

環境、社會及管治報告

		2020 二零二零年	2019 二零一九年
	Greenhouse Gases Emissions 溫室氣體排放		
	Total GHG emissions (tCO ₂ e) 總溫室氣體排放 (噸二氧化碳當量)	736.7	674.5
	Scope I (tCO ₂ e) 範圍一 (噸二氧化碳當量)	249.1	40.8
	Scope II (tCO ₂ e) 範圍二 (噸二氧化碳當量)	487.6	633.8 ⁸
	Emission intensity (tCO ₂ e/m ² floor area) 排放密度 (噸二氧化碳當量/每平方米—建築面積)	0.3	0.2
	Air Pollutants from Vehicles 車輛空氣污染物		
	NO _x (kg) 氮氧化物 (千克)	16.06	0.21
	SO _x (kg) 硫氧化物 (千克)	1.04	30.4
	PM (kg) 懸浮顆粒 (千克)	1.34	2.81
	Waste 廢物		
	General waste (Tonnes) 一般廢物 (公噸)	8.4	14.3
	Community 社區		
	Donation (RMB '000) 捐款 (人民幣千元)	0	200

⁸ Scope II greenhouse gases emissions in 2019 is restated due to the update of emission factor.

⁸ 重述二零一九年範圍二溫室氣體排放，乃由於更新排放轉換因子。

Environmental, Social and Governance Report

環境、社會及管治報告

APPLICABLE LAWS AND REGULATIONS

適用法律及法規

Aspect 範圍	Laws and Regulations 法律及法規	Section 章節
Emissions 排放物	<ul style="list-style-type: none"> Environmental Protection Law of the PRC 《中華人民共和國環境保護法》 Law of the PRC on the Prevention and Control of Air Pollution 《中華人民共和國大氣污染防治法》 Law of the PRC on the Prevention and Control of Water Pollution 《中華人民共和國水污染防治法》 Law of the PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes 《中華人民共和國固體廢物污染環境防治法》 Law of the PRC on Environmental Impact Assessment 《中華人民共和國環境影響評價法》 	Environmental Management 環境管理
Use of Resources 資源使用	<ul style="list-style-type: none"> Law of the PRC on Conserving Energy 《中華人民共和國節約能源法》 	Environmental Management 環境管理
Employment 僱傭	<ul style="list-style-type: none"> Labor Law of the PRC 《中華人民共和國勞動法》 Labor Contract Law of the PRC 《中華人民共和國勞動合同法》 Provisions on the Prohibition of Using Child Labor 《禁止使用童工規定》 Hong Kong Employment Ordinance 香港《僱傭條例》 	Our people and Community 我們的員工及社區
Health and Safety 健康與安全	<ul style="list-style-type: none"> Production Safety Law of the PRC 《中華人民共和國安全生產法》 	Health and Safety 健康與安全
Product Responsibility 產品責任	<ul style="list-style-type: none"> Regulations on the Quality Management of Construction Projects 《建設工程質量管理條例》 	Quality Assurance 質量保證
Anti-corruption 反貪污	<ul style="list-style-type: none"> Criminal Law of the PRC 《中華人民共和國刑法》 Prevention of Bribery Ordinance of Hong Kong 香港《防止賄賂條例》 	Anti-corruption 反貪污

Report of Directors

董事會報告

The Directors are pleased to present their report and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are engaged in (i) property development and investment; and (ii) trading of raw sugar. Details of the principal subsidiaries of the Company are set out in note 37 to the consolidated financial statements.

An analysis of the Group's turnover by business segments and geographical segments for the Year is set out in note 6 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The Group's results for the Year are set out in this annual report on pages 94 to 211. The Board does not recommend the payment of any dividend in respect of the Year.

FIVE YEARS FINANCIAL SUMMARY

A summary of the published results, assets and liabilities, and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements is set out on page 4 of this annual report. This summary does not form a part of the audited consolidated financial statements.

BUSINESS REVIEW AND MARKET OUTLOOK AND PROSPECTUS

A review of the business of the Group during the Year and a discussion on the Group's future business development are provided in the Management Discussion and Analysis on pages 5 to 12 of this annual report.

董事謹此欣然提呈本集團本年度之董事會報告及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。本集團之主要業務為(i)物業發展及投資；及(ii)原糖貿易。有關本公司主要附屬公司的詳情載於綜合財務報表附註37。

本集團本年度營業額業務分類及地區分類的分析載於綜合財務報表附註6。

業績及股息

本集團本年度之業績載於本年報第94至211頁。董事會不建議派發任何本年度股息。

五年財務摘要

本集團過去五個財政年度已公佈之業績、資產及負債及非控制性權益概要(節錄自經審核綜合財務報表)載於本年報第4頁。此概要並不構成經審核綜合財務報表之部份。

業務回顧、市場展望及前景

本集團於本年度之業務回顧及本集團未來業務發展之討論載於本年報第5至12頁管理層討論及分析內。

Report of Directors

董事會報告

Principal Risks and Uncertainties

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties including market risk, credit risk, and liquidity risk. The risk management policies and practices of the Group are shown in notes 40 and 41 to the consolidated financial statements.

Environmental Policies and Performance

The Group commits to the long term sustainability of the environment and communities in which it operates. Acting in an environmentally responsible manner, the Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction.

The Group also commits to the principle and practice of recycling and reducing. To help conserve the environment, it implements green office practices such as re-deployment of office furniture as far as possible, encourage use of recycled paper for printing and copying, double-sided printing and copying, reduce energy consumption by switching off idle lightings, air conditioning and electrical appliances. Details for the environmental policies and performance of the Group during the Year are set out on the Environmental, Social and Governance Report on pages 44 to 63.

Compliance with the Relevant Laws and Regulations

As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

主要風險及不確定因素

本集團之財務狀況、經營業績、業務及前景將受眾多風險及不確定因素影響，包括市場風險、信貸風險及流動資金風險。本集團之風險管理政策及實踐呈列於綜合財務報表附註40及41。

環境政策及表現

本集團致力於其經營所在環境及社區之長期可持續性。本集團以對環境負責之方式行事，盡力遵守有關環保之法律及法規，並採取有效措施達致資源有效利用、能源節約及廢物減少。

本集團亦奉行循環利用和節約之原則與實務。為幫助保護環境，本集團實施綠色辦公室行動，如盡可能重新安置淘汰的辦公室傢具、鼓勵使用廢舊紙張打印及複印、提倡雙面打印和複印、以及通過關閉閒置的照明、空調及電器減少能源消耗。本集團於本年度之環境政策及表現之詳情載於第44至63頁之環境、社會及管治報告。

遵守相關法律及法規

就董事會所知，本集團已於各重要方面遵守對本集團業務及經營產生重大影響之相關法律及法規。於本年度，本集團概無嚴重違反或不遵守適用法律及法規。

Report of Directors

董事會報告

Relationship with Suppliers, Customers and other Stakeholders

The Group understands the importance of maintaining a good relationship with its suppliers, customers and other stakeholders to meet its immediate and long-term goals.

During the Year, there were no material and significant dispute between the Group and its suppliers, customers and/or other stakeholders.

PERMITTED INDEMNITY

Pursuant to the memorandum of association of the Company and Articles, the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duties in their offices. Such permitted indemnity provision has been in force throughout the Year. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 15 to the consolidated financial statements.

ORDINARY SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's ordinary share capital and share options are set out in notes 30 and 31 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the sections headed "SHARE OPTION SCHEME" and "CONNECTED TRANSACTION" of this annual report, no equity-linked agreement was entered into by the Company during the Year.

與供應商、客戶及其他持份者的關係

本集團明白與其供應商、客戶及其他持份者維持良好關係，對達成即時及長遠目標極為重要。

於本年度，本集團與其供應商、客戶及／或其他持份者並無發生重大及嚴重糾紛。

獲准許的彌償

根據本公司組織章程大綱及細則、適用法律及法規，每名董事就彼等或彼等任何一人基於其職位履行其職務而產生或蒙受的所有訴訟、費用、收費、損失、損害及開支，均可自本公司的資產及溢利獲得彌償，確保免於就此受損。該等獲准許的彌償條文已於本年度內生效。本公司已就本集團董事及行政人員購買合適的董事及行政人員責任保險。

物業、廠房及設備

本集團於本年度之物業、廠房及設備之變動詳情載於綜合財務報表附註15。

普通股本及購股權

本公司之普通股本及購股權變動詳情載於綜合財務報表附註30及31。

股票掛鈎協議

除本年報「購股權計劃」及「關連交易」兩節所披露者外，本公司於本年度並無訂立任何股票掛鈎協議。

Report of Directors

董事會報告

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles and the laws of the Cayman Islands which would oblige the Company to offer new shares of the Company on a pro rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

RESERVES

Details of movement in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 98 of this annual report.

DISTRIBUTABLE RESERVES

There is no distributable reserves of the Company as at 31 December 2020, including the share premium less the accumulated losses of the Company, available for distribution, calculated in accordance with the provisions of Companies Law of the Cayman Islands (2019: Nil).

Under the laws of the Cayman Islands, the share premium is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The reserves of the Company available for distribution further depend on the dividend distributable by the Company's subsidiaries.

優先購買權

根據細則及開曼群島法例，並無有關優先購買權之規定，以致本公司必須向其現有股東按持股比例發行本公司之新股份。

購買、出售或贖回上市證券

於本年度，本公司或其任何附屬公司概無購入、出售或贖回任何本公司股份。

儲備

本集團於本年度之儲備變動詳情載於本年報第98頁之綜合權益變動表中。

可供分派儲備

於二零二零年十二月三十一日，根據開曼群島公司法之條文計算，本公司並無可供分派之可供分派儲備(包括本公司股份溢價減累計虧損)(二零一九年：無)。

根據開曼群島法例，股份溢價可分配予本公司股東，惟緊隨建議分派股息當日本公司將能償還其於日常業務過程中到期之債務。本公司可供分派之儲備進一步取決於本公司附屬公司可分派之股息。

Report of Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's five largest customers were less than 30% of the Group's total revenue for the Year.

The information in respect of the Group's purchases attributable to the major suppliers during the Year is as follows:

主要客戶及供應商

本集團五大客戶應佔銷售總額少於本集團於本年度之總收益30%。

於本年度，本集團主要供應商應佔採購額詳情如下：

		Percentage of the Group's total purchases 佔本集團 總採購額 百分比
The largest supplier	最大供應商	88%
Five largest suppliers in aggregate	五大供應商總計	99%

Save as disclosed above, during the Year, none of the Directors, their close associates or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the total number of the Company's shares in issue) had any beneficial interest in the five largest customers and suppliers.

除上文所披露者外，於本年度，董事、彼等之緊密聯繫人士或根據董事所知擁有本公司已發行股份總數之5%以上之本公司任何股東概無擁有五大客戶及供應商之任何實益權益。

DIRECTORS

The Directors during the Year and up to the report date are:

Executive Directors

Mr. Liu Feng (*Chairman*)
Mr. Chen Xian (*Vice-Chairman*)
Mr. Lau Sai Chung (*Chief Executive Officer*)
Mr. Liu Zhongxiang

董事

以下為於本年度及截至報告日期之董事：

執行董事

劉鋒先生 (*主席*)
陳賢先生 (*副主席*)
劉世忠先生 (*行政總裁*)
劉忠翔先生

Report of Directors

董事會報告

Independent Non-executive Directors

Mr. Poon Lai Yin Michael
Mr. Char Shik Ngor Stephen
Mr. Chen Weijiang (appointed on 3 January 2020)
Ms. Li Jiansheng (resigned on 3 January 2020)

Mr. Liu Feng, Mr. Lau Sai Chung and Mr. Poon Lai Yin Michael shall retire from office by rotation pursuant to article 87(1) of the Articles, and being eligible, offer themselves for re-election at the forthcoming AGM.

BIOGRAPHIES OF DIRECTORS

Biographical details of the Directors are set out in pages 13 to 16 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company without fixed term. Each of the executive Directors may receive double pay and discretionary bonus, the amount of which will be determined by the Board as its absolute discretion having regard to the operation results of the Company.

Each of the independent non-executive Directors, namely Mr. Poon Lai Yin Michael, Mr. Char Shik Ngor Stephen and Mr. Chen Weijiang, has entered into a letter of appointment with the Company for a term of three years.

No Director proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Other than as disclosed under the section "Continuing Connected Transaction" in this annual report, no Director had a significant beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any its subsidiaries was a party at any time during the Year.

獨立非執行董事

潘禮賢先生
查錫我先生
陳偉江先生 (於二零二零年一月三日獲委任)
李建生女士 (於二零二零年一月三日辭任)

劉鋒先生、劉世忠先生及潘禮賢先生須根據細則第87(1)條於應屆股東週年大會上輪值退任，並合乎資格，願意於應屆股東週年大會上膺選連任。

董事簡歷

董事簡歷詳情載於本年報第13至16頁。

董事服務合約

每位執行董事已與本公司簽訂服務協議並沒有固定任期。各執行董事或可收取雙薪及酬情花紅，有關金額將由董事會全權酌情按本公司之經營業績而釐定。

獨立非執行董事潘禮賢先生、查錫我先生及陳偉江先生各自已與本公司訂立委任函，年期為三年。

本公司並無與擬於應屆股東週年大會上重選連任之董事訂立任何不可由本公司於一年內無償終止 (法定補償除外) 之服務合約。

董事合約權益

除本年報「持續關連交易」一節所披露者外，於本公司或其任何附屬公司於本年度內任何時間訂立與本集團業務有重大關連之任何合約中，董事概無擁有任何直接或間接之重大實益權益。

Report of Directors

董事會報告

INDEPENDENCE CONFIRMATION

The Company has received, from each of the independent non-executive Directors, namely Mr. Poon Lai Yin Michael, Mr. Char Shik Ngor Stephen and Mr. Chen Weijiang, an annual confirmation of their independence pursuant to the Listing Rules and the Company considers all of the independent non-executive Directors are independent.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the highest paid individuals of the Group are set out in note 11 to the consolidated financial statements.

RELATED PARTY TRANSACTIONS

The Directors consider that:

the related party transactions related to the remuneration of directors and other members of key management as disclosed in note 34 to the consolidated financial statements did not fall under the definition of “connected transactions” or “continuing connected transactions” (as the case may be) in Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders’ approval requirements under the Listing Rules; and

the related party transactions related to the purchase of raw cane sugar from China Sugar as disclosed in note 34 to the consolidated financial statements constituted the continuing connected transactions under Chapter 14A of the Listing Rules and accordingly is subject to the reporting, announcement and independent shareholders’ approval requirements under the Listing Rules.

The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

確認獨立性

本公司已接獲各獨立非執行董事（即潘禮賢先生、查錫我先生及陳偉江先生）按照上市規則發出之獨立性年度確認書，而本公司認為全體獨立非執行董事屬獨立人士。

董事及五位最高薪人士酬金

董事及本集團最高薪人士的酬金詳情載於綜合財務報表附註11。

關連方交易

董事認為：

綜合財務報表附註34所披露之有關董事及其他主要管理人員之薪酬之關連方交易不屬於上市規則第14A章之「關連交易」或「持續關連交易」（視乎情況而定），其須遵守上市規則項下之任何申報、公佈或獨立股東批准規定；及

綜合財務報表附註34所披露之有關向中國糖業購買原蔗糖之關連方交易構成上市規則第14A章項下持續關連交易，故須遵守上市規則項下之申報、公佈及獨立股東批准規定。

董事確認，本公司已根據上市規則第14A章遵守披露規定。

Report of Directors

董事會報告

CONNECTED TRANSACTION

On 2 September 2020 (after trading hours), the Company and Ming Hung Fung Company Limited (銘鴻豐有限公司), a company incorporated in Hong Kong with limited liability (the “Subscriber”), entered into the subscription agreement (the “Subscription Agreement”), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 72,000,000 subscription shares (after share consolidation on 20 October 2020) at HK\$1 per subscription share (after share consolidation on 20 October 2020).

Mr. Liu Dong (“Mr. Liu”), who is the 15% shareholder of Maoming Shang Cheng Real Estate Company Limited* (茂名上誠置業有限公司) (a subsidiary company of the Company) (the “Subsidiary”), is the sole director and shareholder of the Subscriber. Therefore, the Subscriber is a connected person of the Company at the subsidiary level according to Rule 14A.07(1) of the Listing Rules. Accordingly, the subscription constitutes a connected transaction of the Company under Chapter 14A.07(1) of the Listing Rules.

Save as disclosed above, there is no other current or prior relationship, negotiation, understanding, agreement or arrangement (verbal or written) between the Company (its connected persons and their respective associates) with any of the Subscriber and Mr. Liu.

Save as the subscription and the very substantial acquisition disclosed in the Company’s circular dated 24 January 2020, the Company has no other business plans with Mr. Liu or the Subscriber.

* For identification purpose only

關連交易

於二零二零年九月二日(交易時段後),本公司與銘鴻豐有限公司(一間於香港註冊成立之有限公司)(「認購人」)訂立認購協議(「認購協議」),據此,本公司有條件地同意配發及發行及認購人有條件地同意按每股認購股份港幣1元(於二零二零年十月二十日股份合併後)認購72,000,000股認購股份(於二零二零年十月二十日股份合併後)。

劉東先生(「劉先生」)為茂名上誠置業有限公司(本公司一間附屬公司)(「附屬公司」)擁有15%權益之股東,且為認購人之唯一董事兼股東。因此,根據上市規則第14A.07(1)條,認購人為附屬公司層級之本公司關連人士。根據上市規則第14A.07(1)章,認購事項因而構成本公司之關連交易。

除上文所披露者外,本公司(其關連人士及彼等各自之聯繫人)與任何認購人及劉先生概無其他現有或過往關係、磋商、共識、協議或安排(口頭或書面)。

除認購事項及本公司日期為二零二零年一月二十四日之通函所披露之非常重大收購事項外,本公司與劉先生或認購人概無其他業務計劃。

Report of Directors 董事會報告

The Board has considered other fund-raising alternatives before resolving to the subscription, including but not limited to bank borrowings and issue of new shares by other means. However, in comparison to the subscription, bank borrowings would result in additional interest burden and higher gearing ratio of the Group. The Group had approached banks in both the PRC and Hong Kong who were either unable to offer the requested facilities, or had offered high interest rates of around 10%-12%. In relation to the issue of new shares by other means such as rights issue or placing, the Group has discussed with several underwriters and was advised that either it would be difficult for them to place the shares of the Company in the current market conditions or they would charge a high commission of approximately 10% of the total proceeds, which would incur significant costs for the Group. In view of the above, although there would be dilution in the interests of the existing shareholders after completion of the subscription, the Board still considered raising funds by way of the subscription to be more cost effective, efficient and beneficial to the Company and the shareholders as a whole as compared to raising funds by any other means.

董事會於決定進行認購事項前已考慮其他集資方案，包括但不限於銀行借款及透過其他方式發行新股。然而，與認購事項相比，銀行借款將導致本集團產生額外利息負擔及提高本集團的資產負債率。本集團已接洽中國及香港的銀行，該等銀行無法提供所需要的融資或提供的利率高達約10%-12%。就透過其他方式（如供股或配售）發行新股而言，本集團已與若干承銷商討論，並獲悉彼等在當前市況下難以配售本公司股份或彼等將收取所得款項總額約10%的高額佣金，此將導致本集團產生大筆費用。鑒於上述，儘管於完成認購事項後現有股東的權益將會攤薄，與透過任何其他方式進行集資相比，董事會仍認為透過認購事項進行集資將對本公司及股東整體而言更具成本效益及更為有效及有利。

Report of Directors 董事會報告

Mr. Liu has operated and invested in various businesses in the PRC which include property construction projects, sales and trading of building materials with major PRC constructors and other private equity investments since 2012. As advised by Mr. Liu, these experiences raised his interests in further investments in the PRC property development business. As advised by the Mr. Liu and Mr. Liu Feng, chairman of the Board, they became acquainted through business gatherings, where Mr. Liu learned more about the Group's business, specifically in relation to property development in tier two and tier three cities in Guangdong. Mr. Liu became increasingly interested in exploring joint investment opportunities with the Group. As such, the Board invited Mr. Liu and another independent third party to form a company, namely Maoming Shang Cheng Real Estate Company Limited* (茂名上誠置業有限公司) for the Land Acquisition. For further details, please refer to the Company's circular dated 24 January 2020. As disclosed in the Company's interim results announcement dated 28 August 2020 for the six months ended 30 June 2020, the Company's amounts due to non-controlling interests is RMB73,700,000, out of which approximately RMB33,000,000 represents Mr. Liu's contribution to the consideration for the Land Acquisition in proportion to his 15% shareholding in the Subsidiary in the form of shareholder's loan which is non-interest bearing and unsecured.

劉先生自二零一二年起於中國經營及投資各種業務，包括物業建設項目、與中國大型承建商進行建築材料銷售及買賣以及其他私募股權投資。誠如劉先生所告知，該等經驗引發其進一步投資中國物業發展業務的興趣。誠如劉先生及董事會主席劉鋒先生所告知，彼等通過商業聚會熟識，而劉先生由此對本集團業務有深入的了解，尤其是有關廣東二三線城市的物業發展。劉先生對與本集團探尋共同投資機會的興趣日益漸增。因此，董事會邀請劉先生及另一獨立第三方就土地收購事項成立公司，即茂名上誠置業有限公司。有關進一步詳情，請參閱本公司日期為二零二零年一月二十四日之通函。誠如本公司日期為二零二零年八月二十八日之截至二零二零年六月三十日止六個月之中期業績公告所披露，本公司應付非控制性權益款項為人民幣73,700,000元，其中約人民幣33,000,000元為劉先生按照其於附屬公司15%持股量以股東貸款（免息及無抵押）的形式對土地收購事項的代價出資。

* For identification purpose only

Report of Directors 董事會報告

As the Group's major assets are property projects in Maoming and Mr. Liu has an optimistic view in the potential of the Maoming property market, Mr. Liu further approached the Group for share investments, which led to subsequent discussion and agreement on the subscription. Aside from the Subscriber, the Board had also approached (i) the existing substantial shareholder of the Company, namely China Sugar Holdings Limited; and (ii) a minority shareholder of the Subsidiary, however neither had imminent plan to subscribe for the Company's shares.

The Directors (including the independent non-executive Directors) consider that the issue of subscription shares can provide the Company with access to additional funds to enhance its working capital and strengthen its capital base and financial position for the future development. The terms of the Subscription Agreement (including the subscription price) were arrived at after arm's length negotiations between the Company and the Subscriber, taking into account the market price of the existing shares. The Directors (including the independent non-executive Directors) are of the view that the Subscription Agreement (including the subscription price) are entered into upon normal commercial terms and, based on the prevailing market conditions, that the Subscription Agreement (including the subscription price) are fair and reasonable and in the interests of the Company and the shareholders as a whole.

For details, please refer to the announcements of the Company dated 2 September 2020, 16 October 2020, 20 October 2020 and 30 December 2020 and the circular of the Company dated 23 September 2020.

由於本集團的主要資產為茂名的物業項目及劉先生看好茂名物業市場的潛力，劉先生就股份投資進一步接洽本集團，由此就認購事項進行後續討論及達成協定。除認購人外，董事會亦接洽(i)本公司現有主要股東，即中國糖業集團有限公司；及(ii)附屬公司的少數股東，然而彼等並無認購本公司股份的即時計劃。

董事(包括獨立非執行董事)認為，發行認購股份有助本公司獲得更多資金，以增加其營運資金並增強其資本基礎及財務狀況，以促進未來發展。認購協議之條款(包括認購價)乃由本公司與認購人經公平磋商後釐定，並計及現有股份之市價。董事(包括獨立非執行董事)認為，認購協議(包括認購價)乃按一般商業條款根據現行市況訂立，及認購協議(包括認購價)屬公平合理，並符合本公司及股東之整體利益。

有關詳情，請參閱本公司日期為二零二零年九月二日、二零二零年十月十六日、二零二零年十月二十日及二零二零年十二月三十日之公告以及本公司日期為二零二零年九月二十三日之通函。

CONTINUING CONNECTED TRANSACTIONS

On 22 January 2018, Techwayson Trading Limited (“Techwayson”), a wholly-owned subsidiary of the Company, entered into the master agreement (the “Master Agreement”) with China Sugar, a substantial shareholder of the Company, for purchase of raw cane sugar from China Sugar. On 14 February 2018, Techwayson and China Sugar entered into a supplement agreement (the “Supplemental Agreement”) to supplement and amend certain terms of the Master Agreement. The Master Agreement dated 22 January 2018 as supplemented and amended by the Supplemental Agreement dated 14 February 2018 (the “Revised Master Agreement”) has been approved by independent shareholders of the Company at the Company’s extraordinary general meeting convened on 21 March 2018.

Pursuant to the Revised Master Agreement, Techwayson agreed to purchase raw cane sugar from China Sugar for a term of thirty four (34) months, from 1 March 2018 to 31 December 2020 (both days inclusive).

Pursuant to the Revised Master Agreement, China Sugar and Techwayson shall enter into specific contract(s), which shall set out the details, including but not limited to the unit price of the raw cane sugar, quality specification, origin, packing, payment terms and destination. Detailed terms and conditions for the continuing connected transaction shall be governed by the specific contract(s) to be entered into between Techwayson and China Sugar pursuant to the Master Agreement.

During the Year, there is no purchases of raw cane sugar by the Group from China Sugar Holdings Limited.

China Sugar is wholly-owned by Mr. Liu Zhongxiang, the executive Director. Accordingly, China Sugar, Mr. Liu Zhongxiang and Mr. Liu Feng are the connected persons to the Company as defined under the Listing Rules and the transaction under the Revised Master Agreement constitutes continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

持續關連交易

於二零一八年一月二十二日，本公司全資附屬公司德維森貿易有限公司（「德維森」）與本公司主要股東中國糖業訂立總協議（「總協議」），以向中國糖業購買原蔗糖。於二零一八年二月十四日，德維森與中國糖業訂立一份補充協議（「補充協議」），以補充及修改總協議之若干條款。日期為二零一八年一月二十二日的總協議（經日期為二零一八年二月十四日的補充協議補充及修訂）（「經修訂總協議」）已獲本公司獨立股東於本公司於二零一八年三月二十一日召開的股東特別大會上批准。

根據經修訂總協議，德維森同意向中國糖業購買原蔗糖，年期為三十四(34)個月，自二零一八年三月一日起至二零二零年十二月三十一日止（包括首尾兩日）。

根據經修訂總協議，中國糖業與德維森應訂立特定合約，其中載列詳情，包括但不限於原蔗糖之單價、質量規格、原產地、包裝、付款條款及目的地。持續關連交易之詳細條款及條件應受德維森與中國糖業根據總協議將訂立之特定合約規管。

於本年度，本集團並無向中國糖業集團有限公司購買原蔗糖。

中國糖業由執行董事劉忠翔先生全資擁有。因此，中國糖業、劉忠翔先生及劉鋒先生為本公司之關連人士（定義見上市規則），而根據上市規則第14A章，經修訂總協議項下之交易構成本公司之持續關連交易。

Report of Directors

董事會報告

In view of the Group's plan to further expand its business in trading of raw cane sugar, the entering into of the Revised Master Agreement between Techwayson and China Sugar will strengthen the existing business and secure the procurement of sugar trading business of the Group and in turn increase the revenue of the Group.

The Directors, including the independent non-executive Directors, have reviewed the said continuing connected transaction and considered that (i) the Revised Master Agreement was entered into in the ordinary business and usual course of business of the Company; (ii) the Revised Master Agreement was entered into on normal commercial terms after arm's length negotiation; and (iii) the terms of the Revised Master Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

For the details, please refer to the (i) announcement dated 22 January 2018 and 14 February 2018; (ii) circular, notice of extraordinary general meeting and proxy form dispatched on 6 March 2018 and (iii) poll results of extraordinary general meeting dated 21 March 2018.

Save as disclosed above, there were no significant related party transactions and connected transactions entered into by the Group.

EMOLUMENT POLICY

The emoluments of the Directors are reviewed by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics, and approved by the Board.

Details of the related party and connected party transactions are set out in note 34 to the consolidated financial statements.

鑑於本集團計劃進一步擴大其原蔗糖貿易之業務，德維森與中國糖業訂立經修訂總協議將鞏固現有業務及確保本集團糖貿易業務之採購並從而提高本集團之收益。

董事（包括獨立非執行董事）已審閱上述持續關連交易，並認為(i)經修訂總協議乃於本公司之正常及日常業務過程中訂立；(ii)經修訂總協議乃按照一般商業條款經公平磋商後訂立；及(iii)經修訂總協議之條款屬公平合理，且符合本公司及其股東之整體利益。

有關詳情，請參閱(i)日期為二零一八年一月二十二日及二零一八年二月十四日的公告；(ii)於二零一八年三月六日寄發的股東特別大會通函、通告及委任代表表格及(iii)日期為二零一八年三月二十一日的股東特別大會投票結果。

除上文所披露者外，本集團概無訂立重大關連方交易及關連交易。

薪酬政策

董事之酬金乃根據本公司之經營業績、個人表現及可比較市場數據由薪酬委員會審議並經董事會批准。

關連人士及關連方交易之詳情於綜合財務報表附註34刊載。

Report of Directors

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2020, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (1) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (2) which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (3) which are required, pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

董事於本公司股份及相關股份的權益及淡倉

於二零二零年十二月三十一日，本公司之董事或主要行政人員於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有(1)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例有關條文被視為或當作擁有之權益或淡倉）；或(2)須記入根據證券及期貨條例第352條須設立的登記冊的權益及淡倉；或(3)根據標準守則而須通知本公司及聯交所之權益及淡倉如下：

Name of Directors 董事姓名	Capacity/Nature of interests 身份／權益性質	Number of ordinary share(s) held 所持普通股數目	Number of underlying shares held pursuant to share options 根據購股權持有的相關股份數目	Approximate percentage of the total number of shares of the Company in issue 佔本公司已發行股份總數的概約百分比
Mr. Liu Zhongxiang 劉忠翔先生	Beneficial owner 實益擁有人	–	1,500,000 (Note 1) (附註1)	0.59
	Interest of a controlled corporation 受控制公司的權益	24,210,526 (Note 2) (附註2)	–	9.51
Mr. Liu Feng 劉鋒先生	Beneficial owner 實益擁有人	–	400,000 (Note 1) (附註1)	0.16
Mr. Chen Xian 陳賢先生	Beneficial owner 實益擁有人	–	1,000,000 (Note 1) (附註1)	0.39

Report of Directors

董事會報告

Name of Directors 董事姓名	Capacity/Nature of interests 身份／權益性質	Number of ordinary share(s) held 所持 普通股數目	Number of underlying shares held pursuant to share options 根據購股權 持有的相關 股份數目	Approximate percentage of the total number of shares of the Company in issue 佔本公司 已發行股份 總數的概約 百分比
Mr. Lau Sai Chung 劉世忠先生	Beneficial owner 實益擁有人	-	800,000 (Note 1) (附註1)	0.31
		14,800	-	0.01
Mr. Poon Lai Yin Michael 潘禮賢先生	Beneficial owner 實益擁有人	-	100,000 (Note 1) (附註1)	0.04
Mr. Char Shak Ngor Stephen 查錫我先生	Beneficial owner 實益擁有人	-	100,000 (Note 1) (附註1)	0.04

Notes:

- These shares of the Company represent the share options granted by the Company on 13 July 2017 under the old share option scheme of the Company and adjusted as a result of the share consolidation on 20 October 2020.
- These shares of the Company are held by China Sugar Holdings Limited which is 100% owned by Mr. Liu Zhongxiang. By virtue of the SFO, Mr. Liu Zhongxiang is deemed to be interested in the shares of the Company held by China Sugar Holdings Limited.

Save as disclosed above, as at 31 December 2020, none of the Directors and chief executive of the Company nor their associates had any interest or short position in shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept under 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

- 該等本公司股份代表本公司於二零一七年七月十三日根據本公司舊購股權計劃授出及因於二零二零年十月二十日之股份合併調整之購股權。
- 該等本公司股份由中國糖業集團有限公司擁有，而中國糖業集團有限公司為劉忠翔先生100%擁有。根據證券及期貨條例，劉忠翔先生被視為擁有中國糖業集團有限公司所持本公司股份之權益。

除上文所披露者外，於二零二零年十二月三十一日，本公司董事及主要行政人員以及彼等的聯繫人士概無於本公司或其相聯法團的股份、相關股份或債券中擁有須記入根據證券及期貨條例第352條規定須存置之登記冊或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

Report of Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2020, so far as was known to the Directors, the following persons (other than the Directors or the chief executive of the Company) has interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of division 2 and 3 of Part XV of the SFO, or which were recorded in the register of substantial shareholder required to be kept by the Company under section 336 of the SFO.

Long position in ordinary shares

Name of substantial shareholders	Capacity/Nature of interests	Number of ordinary share(s) held	Number of underlying shares held pursuant to share options 根據購股權持有的相關股份數目	Approximate percentage of the total number of shares of the Company in issue 佔本公司已發行股份總數的概約百分比
主要股東姓名/名稱	身份/權益性質	所持普通股數目		
Ming Hung Fung Company Limited 銘鴻豐有限公司	Beneficial owner 實益擁有人	72,000,000	–	28.29
Liu Dong 劉東	Interest of a controlled corporation 受控制公司的權益	72,000,000 (Note 1) (附註1)	–	28.29
China Sugar Holdings Limited 中國糖業集團有限公司	Beneficial owner 實益擁有人	24,210,526	–	9.51
Guangdong Nanyue Bank First Direct Branch* 廣東南粵銀行股份有限公司 第一直屬支行	Person having a security interest in shares 擁有股份之擔保權益之人士	24,210,526 (Note 2) (附註2)	–	9.51
Chen Qiang 陳強	Beneficial owner 實益擁有人	14,950,000	–	5.87

* For identification purpose only

主要股東

於二零二零年十二月三十一日，董事獲悉以下人士（除本公司董事或主要行政人員外）於本公司股份或相關股份中擁有權益或淡倉，而根據證券及期貨條例第XV部第2及3分部須向本公司披露，或記入本公司根據證券及期貨條例第336條之規定須存置之主要股東登記冊內。

於普通股之好倉

Name of substantial shareholders	Capacity/Nature of interests	Number of ordinary share(s) held	Number of underlying shares held pursuant to share options 根據購股權持有的相關股份數目	Approximate percentage of the total number of shares of the Company in issue 佔本公司已發行股份總數的概約百分比
主要股東姓名/名稱	身份/權益性質	所持普通股數目		
Ming Hung Fung Company Limited 銘鴻豐有限公司	Beneficial owner 實益擁有人	72,000,000	–	28.29
Liu Dong 劉東	Interest of a controlled corporation 受控制公司的權益	72,000,000 (Note 1) (附註1)	–	28.29
China Sugar Holdings Limited 中國糖業集團有限公司	Beneficial owner 實益擁有人	24,210,526	–	9.51
Guangdong Nanyue Bank First Direct Branch* 廣東南粵銀行股份有限公司 第一直屬支行	Person having a security interest in shares 擁有股份之擔保權益之人士	24,210,526 (Note 2) (附註2)	–	9.51
Chen Qiang 陳強	Beneficial owner 實益擁有人	14,950,000	–	5.87

Report of Directors

董事會報告

Notes:

1. These shares of the Company are held by Ming Hung Fung Company Limited which is 100% owned by Mr. Liu Dong. By virtue of the SFO, Mr. Liu Dong is deemed to be interested in the shares of the Company held by Ming Hung Fung Company Limited.
2. China Sugar Holdings Limited has provided a share charge in respect of the 24,210,526 shares (after share consolidation on 20 October 2020) held by it in favour of Guangdong Nanyue Bank First Direct Branch*.

* For identification purpose only

Save as disclosed above, the Directors and chief executive of the Company are not aware that there is any party who, as at 31 December 2020, had an interest or short position in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The old share option scheme, which was adopted by the Company on 30 November 2009, was terminated and a new share option scheme (the "Share Option Scheme") was adopted by the shareholders of the Company at the annual general meeting of the Company held on 29 May 2019. The Share Option Scheme will remain in force for a period of 10 years commencing from the date of adoption of the Share Option Scheme from 29 May 2019 (the "Date of Adoption") (that is from 29 May 2019 to 28 May 2029). The purpose of the Share Option Scheme is to enable the Company to grant share options to the participants who, in the sole discretion of the Board, have made or may make contribution to the Group or any invested entity as well as to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economics interest in attaining the long term business objectives of the Group.

附註：

1. 該等本公司股份由銘鴻豐有限公司擁有，而銘鴻豐有限公司為劉東先生100%擁有。根據證券及期貨條例，劉東先生被視為擁有銘鴻豐有限公司所持本公司股份之權益。
2. 中國糖業集團有限公司就其持有之24,210,526股股份（於二零二零年十月二十日股份合併後）向廣東南粵銀行股份有限公司第一直屬支行提供股份押記。

除上文所披露者外，於二零二零年十二月三十一日，本公司董事及主要行政人員概不知悉任何人士於本公司股份或相關股份中擁有權益或淡倉，而根據證券及期貨條例第XV部第2及3分部條文須向本公司披露，或記入本公司根據證券及期貨條例第336條之規定須存置之登記冊內。

購股權計劃

本公司於二零零九年十一月三十日採納的舊購股權計劃已終止，而新購股權計劃（「購股權計劃」）已於本公司於二零一九年五月二十九日舉行之股東週年大會上經本公司股東採納。購股權計劃自二零一九年五月二十九日（「採納日期」）採納購股權計劃日期起計十年期間（即二零一九年五月二十九日至二零二九年五月二十八日）內仍為有效。購股權計劃旨在令本公司可向董事會全權酌情認為對本集團或任何被投資實體作出或可能作出貢獻之參與者授予購股權，以及給予獎勵並協助本集團留住現有僱員及招聘額外僱員，並向其提供直接經濟利益，為達致本集團之長遠業務目標而努力。

Report of Directors 董事會報告

The Company may grant to eligible participants (including any directors, non-executive directors, employees, advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group whom the Board considers, in its sole discretion, have contributed or will contribute to the Group) options to subscribe shares in the Company, subject to a maximum of 10% of the total number of shares of the Company in issue as at the adoption date and as at the approval date of refreshment from time to time, excluding for this purpose shares issued on the exercise of options. The subscription price will be determined by the Board and will not be less than the highest of (i) the nominal value of the Company's shares, (ii) the average of the closing price of the shares quoted on the Main Board of the Stock Exchange on the five trading days immediately preceding the grant date and (iii) the closing price of the shares on the grant date.

Upon acceptance of the options, the grantee of the Share Option Scheme shall pay HK\$1.00 to the Company as consideration for the grant. The acceptance of an offer of the grant of the option must be made within 21 days from the date of grant. The exercise period of any option granted under the Share Option Scheme is determined by the Board upon granting the options but in any event must not be more than 10 years commencing on the date of grant.

本公司可向合資格參與者（包括董事會全權酌情認為曾經或將會對本集團作出貢獻之本集團任何成員公司之任何董事、非執行董事、僱員、顧問、諮詢顧問、分銷商、承建商、供應商、代理、客戶、業務夥伴、合營業務夥伴、創辦人及服務供應商）授出購股權以認購本公司股份，惟最多可認購本公司於採納日期及於不時之更新批准日期的已發行股份總數10%（不包括就此目的行使購股權而發行的股份）。認購價將由董事會釐定，其將不會低於下列價值之較高者：(i)本公司股份的面值，(ii)緊接於授出日期前五個交易日於聯交所主板所報股份的平均收市價及(iii)授出日期的股份收市價。

購股權計劃之承授人接納所授購股權時須向本公司支付港幣1.00元作為授出代價。授出購股權之要約必須於授出日期後21日內接納。任何根據購股權計劃授出之購股權之行使期由董事會於授出購股權時釐定，且於任何情況下不得超過自授出日期起計十年。

Report of Directors

董事會報告

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not, in the absence of shareholders' approval, in aggregate exceed 10% of the total number of shares of the Company in issue as at the date of approval of the Share Option Scheme. The Board may seek approval by the shareholders of the Company at general meeting to refresh the 10% limit. However, the total number of shares available for issue under exercise of options which may be granted under the Share Option Scheme in these circumstances must not exceed 10% of the total number of shares of the Company in issue as at the date of approval of the refreshment of the 10% limit.

The total number of shares available for issue under the Share Option Scheme and the old share option scheme of the Company is 24,646,905 shares (after share consolidation on 20 October 2020) of the Company, representing approximately 9.69% of the total number of shares of the Company in issue as at the date of this annual report.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of shares of the Company in issue from time to time and the maximum number of shares in respect of which options may be granted to each eligible participant shall not exceed 1% of the total number of shares of the Company in issue for the time being in any 12-month period up to and including the date of offer of the grant.

During the Year, no share option was lapsed, cancelled and exercised.

於未經股東批准之情況下，於行使根據購股權計劃及本公司任何其他購股權計劃將予授出之所有購股權將可能予以發行之股份數目，合共最多不得超過批准購股權計劃日期本公司已發行股份總數10%。董事會可於股東大會上尋求本公司股東批准更新10%上限。然而，於此情況下，行使根據購股權計劃可能授出之購股權而可予發行之股份總數不得超過於批准更新10%上限日期本公司已發行股份總數的10%。

根據本公司購股權計劃及舊購股權計劃可予發行之股份總數為24,646,905股本公司股份（於二零二零年十月二十日股份合併後），佔於本年報日期本公司已發行股份總數之約9.69%。

根據購股權計劃及本公司任何其他購股權計劃可能授出之購股權所涉及之股份數目，最多不得超逾本公司不時已發行股份總數之30%，而於截至及包括要約授出日期止任何12個月期間可授予各合資格參與者之購股權所涉及之股份數目，最多不可超逾本公司當時已發行股份總數之1%。

於本年度，概無購股權已失效、已註銷及獲行使。

Report of Directors

董事會報告

Details of the share options movements during the Year under the old share option scheme are as follows:

於本年度，舊購股權計劃項下之購股權變動詳情如下：

Name or category of grantees	Date of grant of share options	Exercise Price (HK\$) during 1/1/2020 to 19/10/2020 二零二零年一月一日至二零二零年十月十九日之行使價 (港幣元)	Exercise Price (HK\$) during 20/10/2020 to 31/12/2020 二零二零年十月二十日至二零二零年十二月三十一日之行使價 (港幣元)	Exercise Period	Vesting Period	Number of share options 購股權數目			Balance as at 31/12/2020 於二零二零年十二月三十一日之結餘
						Balance as at 1/1/2020 於二零二零年一月一日之結餘	Granted during the Year 於本年度授出	Adjusted on 20/10/2020 於二零二零年十月二十日調整	
姓名或承授人類別	授出購股權日期			行使期	歸屬期				
Executive Director and beneficial owner of a substantial shareholder of the Company 本公司執行董事及主要股東之實益擁有人									
Liu Zhongxiang 劉忠翔	13/7/2017	0.25	2.50	13/7/2017 – 12/7/2022	N/A 不適用	15,000,000	-	(13,500,000)	1,500,000
Directors 董事									
Liu Feng 劉鋒	13/7/2017	0.25	2.50	13/7/2017 – 12/7/2022	N/A 不適用	4,000,000	-	(3,600,000)	400,000
Chen Xian 陳賢	13/7/2017	0.25	2.50	13/7/2017 – 12/7/2022	N/A 不適用	10,000,000	-	(9,000,000)	1,000,000
Lau Sai Chung 劉世忠	13/7/2017	0.25	2.50	13/7/2017 – 12/7/2022	N/A 不適用	8,000,000	-	(7,200,000)	800,000
Poon Lai Yin Michael 潘禮賢	13/7/2017	0.25	2.50	13/7/2017 – 12/7/2022	N/A 不適用	1,000,000	-	(900,000)	100,000
Char Shak Ngor Stephen 查錫我	13/7/2017	0.25	2.50	13/7/2017 – 12/7/2022	N/A 不適用	1,000,000	-	(900,000)	100,000
Former Director 前任董事									
Li Jiansheng 李建生	13/7/2017	0.25	2.50	13/7/2017 – 12/7/2022	N/A 不適用	1,000,000	-	(900,000)	100,000
Xia Dan Xia Dan	13/7/2017	0.25	2.50	13/7/2017 – 12/7/2022	N/A 不適用	5,000,000	-	(4,500,000)	500,000
Other employees 其他僱員									
In aggregate	13/7/2017	0.25	2.50	13/7/2017 – 12/7/2022	N/A 不適用	19,000,000	-	(17,100,000)	1,900,000
合共									
Total 總計						64,000,000	-	(57,600,000)	6,400,000

Report of Directors

董事會報告

RIGHTS TO ACQUIRE COMPANY'S SECURITIES

Other than as disclosed under the sections "Share Option Scheme" and "Directors' Interests and Short Positions in the Shares and Underlying Shares of the Company" above, at no time during the Year was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company (including their spouses and children under age of 18) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

No Director had interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, during the Year and up to the date of this annual report.

MANAGEMENT CONTRACTS

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

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied throughout the Year with the Code Provisions of CG Code except the deviation of Code Provision E.1.2. Details of the Company's corporate governance practices are set out in the "Corporate Governance Report" section of this annual report.

購買本公司證券的權利

除上文「購股權計劃」及「董事於本公司股份及相關股份的權益及淡倉」等節所披露者外，本公司或其任何附屬公司或其任何同系附屬公司於本年度內任何時間概無參與訂立任何安排，讓董事或本公司主要行政人員（包括彼等配偶及年齡未滿十八歲之子女）擁有任何權利認購本公司或其任何相聯法團（定義見證券及期貨條例）之證券或藉購入本公司或任何其他法人團體之股份或債券而獲取利益。

董事於競爭業務之權益

於本年度及截至本年報日期，根據上市規則，董事概無於與本集團業務直接或間接競爭或可能競爭之業務中擁有權益。

管理合約

於本年度並無訂立或存在任何有關本公司業務之全部或任何重大部份之管理及行政合同。

企業管治

董事認為，本公司於本年度內已遵守企業管治守則之守則條文（除偏離守則條文第E.1.2條外）。本公司之企業管治常規詳情載於本年報「企業管治報告」一節。

Report of Directors

董事會報告

EVENTS AFTER THE REPORTING PERIOD

The Group does not have any material subsequent event after the reporting period and up to the date of this annual report.

PUBLIC FLOAT

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

CHANGES IN INFORMATION OF DIRECTORS

Subsequent to the date of the interim report of the Company for the six months ended 30 June 2020, there has no change in information of the Directors required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules.

AUDITOR

A resolution for the re-appointment of Deloitte Touche Tohmatsu as auditor of the Company will be proposed at the forthcoming AGM.

On Behalf of the Board

Liu Feng
Chairman

Hong Kong, 30 March 2021

報告期後事項

本集團於報告期後直至本年報日期並無任何重大期後事項。

公眾持股量

於本年報日期，根據本公司可以得悉之公開資料所示及根據董事所知，本公司已維持上市規則所規定之充足公眾持股量。

董事資料變動

於本公司截至二零二零年六月三十日止六個月之中期報告日期後，須根據上市規則第13.51B(1)條予以披露的董事資料並無變動。

核數師

本公司將於應屆股東週年大會上提呈一項決議案，以續聘德勤·關黃陳方會計師行為本公司之核數師。

代表董事會

劉鋒
主席

香港，二零二一年三月三十日

Independent Auditor's Report 獨立核數師報告

Deloitte. 德勤

德勤•關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

TO THE MEMBERS OF CHINA UPTOWN GROUP COMPANY LIMITED

中國上城集團有限公司
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Uptown Group Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 94 to 211, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, 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 2020, 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 ("HSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致中國上城集團有限公司全體股東 (於開曼群島註冊成立之有限公司)

意見

本核數師(以下簡稱「我們」)已審核列載於第94至211頁中國上城集團有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表,其中包括於二零二零年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於二零二零年十二月三十一日之綜合財務狀況及其截至該日止年度之綜合財務表現及綜合現金流量,並已按照香港公司條例之披露規定妥為編製。

意見基礎

我們根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核。根據該等準則,我們的責任於本報告核數師就審核綜合財務報表之責任一節中進一步詳述。根據香港會計師公會之專業會計師道德守則(「守則」),我們獨立於貴集團,並已遵循守則履行其他道德責任。我們相信,我們所獲得之審核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 關鍵審核事項

Revenue recognised from sale of properties 就物業銷售確認之收益

We identified revenue recognised from sale of properties as a key audit matter as it is significant to the consolidated statement of profit or loss and there is judgement involved in determining the appropriate point at which to recognise revenue from sales of properties.

由於就物業銷售確認之收益對綜合損益表之重要性及於確定確認物業銷售收益之適當節點時涉及判斷，我們將就物業銷售確認之收益識別為關鍵審核事項。

The Group's revenue from sale of properties for the year ended 31 December 2020 amounted to approximately RMB246 million, representing approximately 89% of the Group's total revenue. As disclosed in note 5 to the consolidated financial statements, revenue from sale of properties is recognised when the development of the relevant properties have been completed and the control of the completed property is transferred to the customer.

截至二零二零年十二月三十一日止年度，貴集團物業銷售之收益為約人民幣246,000,000元，佔貴集團總收益約89%。誠如綜合財務報表附註5所披露，物業銷售之收益於完成發展有關物業且已完工物業之控制權已轉讓予客戶。

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期綜合財務報表中最為重要之事項。該等事項乃於我們審核整體綜合財務報表及達成我們對其的意見時進行處理，而我們不會對該等事項提供單獨的意見。

How the matter was addressed in our audit 如何於審核中處理該事項

Our procedures in relation to revenue recognised from sale of properties included:

我們有關就物業銷售確認之收益之程序包括：

- Obtaining an understanding and evaluating the Group's internal control over the process of revenue recognition of sale of properties; and 了解及評估 貴集團有關就物業銷售確認收益程序之內部監控；及
- Assessing whether the criteria for the delivery of properties have been fulfilled by checking, on a sample basis, to the terms of the sales and purchase agreements, the relevant completion certificate for construction work, as well as the delivery notices issued by the Group to the buyers to assess whether the control of properties is transferred to the buyers. 按抽樣基準評估轉交物業的標準是否已根據買賣協議的條款、建造工程相關完成證書以及 貴集團為評估物業控制權是否已轉讓予買方而向買方發出的交付通知達成。

Independent Auditor's Report

獨立核數師報告

Key audit matter

關鍵審核事項

How the matter was addressed in our audit

如何於審核中處理該事項

Valuation of investment properties

投資物業之估值

We identified the valuation of investment properties as a key audit matter due to significance of the balance to the consolidated financial statements as a whole, combined with significant judgements associated with determining the fair value. As at 31 December 2020, the Group's investment properties in People's Republic of China (the "PRC") amounted to RMB74,400,000. A loss arising from fair value change on investment properties of RMB10,518,000 was recognised in the consolidated statement of profit or loss for the year ended 31 December 2020.

由於投資物業結餘對整體綜合財務報表之重要性及與釐定公允值有關之重大判斷，我們將投資物業之估值識別為關鍵審核事項。於二零二零年十二月三十一日，貴集團於中華人民共和國（「中國」）之投資物業為人民幣74,400,000元。截至二零二零年十二月三十一日止年度，已於綜合損益表內確認投資物業之公允值變動產生之虧損人民幣10,518,000元。

These investment properties are stated at fair value determined based on a valuation carried out by an independent professional property valuer (the "Valuer"). The fair values of investment properties are derived using investment approach. Key sources of estimation uncertainty and details of the valuation technique and key inputs and data used in the valuation are disclosed in notes 4 and 14 to the consolidated financial statements, respectively. The valuation of investment properties is dependent on certain key inputs and data, including term yield, reversionary yield and unit rent.

該等投資物業乃根據獨立專業物業估值師（「估值師」）進行之估值按所釐定公允值列賬。投資物業之公允值使用投資法釐定。估計不明朗因素之主要來源及估值技術詳情以及估值所用之主要輸入值及數據分別披露於綜合財務報表附註4及14。投資物業之估值取決於若干主要輸入值及數據，包括定期收益、復歸收益及單位租金。

Our procedures in relation to valuation of investment properties included:

我們有關投資物業之估值之程序包括：

- Evaluating the competence, capabilities and objectivity of the Valuer;
評估估值師之勝任程度、能力和客觀性；
- Obtaining an understanding from the Valuer about the valuation methodology, the performance of the property markets, significant assumptions adopted, critical judgemental areas on key inputs and data used in the valuation; and
了解估值師的估值方法、物業市場的表現、主要採用的假設及主要輸入數據和用作估值之數據作出關鍵性判斷的地方；及
- Evaluating the reasonableness of the valuation methodology, assumptions, key inputs and data, including term yield, reversionary yield and unit rent, adopted by management and the Valuer to entity-specific information and market data for a selection of investment properties to assess the appropriateness of these judgments and estimations.
評估管理層及估值師對特定實體資料及市場數據所採用的估值方法、假設、主要輸入值及數據（包括定期收益、復歸收益及單位租金）之合理性，以選擇投資物業以評估該等判斷及估計之適當性。

Independent Auditor's Report

獨立核數師報告

Key audit matter

關鍵審核事項

How the matter was addressed in our audit

如何於審核中處理該事項

Valuation of properties held for sale

持作出售物業之估值

We identified the valuation of properties held for sale (the "PFS") as a key audit matter as it is significant to the consolidated financial statements and significant judgements are involved in the determination of the net realisable value (the "NRV") of the PFS.

由於持作出售之物業（「持作出售物業」）之估值對綜合財務報表之重要性及於釐定持作出售物業之可變現淨值（「可變現淨值」）時涉及重大判斷，我們將其識別為關鍵審核事項。

The Group's PFS of approximately RMB603 million are situated in the PRC as at 31 December 2020 as disclosed in note 18 to the consolidated financial statements. The management of the Group determined the NRV of the PFS with reference to the valuation performed by the Valuer and recent sales transactions in nearby locations, rate of new property sales, the legal and regulatory framework and general market conditions.

於二零二零年十二月三十一日，貴集團約人民幣603,000,000元之持作出售物業位於中國（誠如綜合財務報表附註18所披露）。貴集團管理層釐定持作出售物業之可變現淨值時參考估值師進行之估值及周邊近期銷售交易、新物業銷售率、法律及監管框架以及整體市況。

Our procedures in relation to valuation of the PFS included:

我們有關持作出售物業之估值之程序包括：

- Evaluating the competence, capabilities and objectivity of the Valuer; 評估估值師之勝任程度、實力及客觀性；
- Obtaining an understanding from the Valuer about the valuation methodology, the performance of the property markets, significant assumptions adopted, critical judgemental areas on key inputs and data used in the valuation; and 向估值師了解估值方法、物業市場表現、所採納之重大假設、估值所採用之主要輸入值及數據之重大判斷範疇；及
- Assessing the management's estimation of the NRV of the PFS, on a sample basis, by comparing the estimated selling prices of the PFS to the recent sales transactions in the same project and in nearby location, rate of new property sales, the legal and regulatory framework and general market condition, based on our understanding of the Group's business and operation and our research on the PRC real estate industry.

按抽樣基準，通過對比持作出售物業預估售價與相同項目及周邊近期銷售交易、新物業銷售率、法律及監管框架及整體市況，根據我們對貴集團業務及經營的了解以及我們對中國房地產行業的研究，評估管理層對持作出售物業可變現淨值的估計。

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 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.

其他資料

貴公司董事須對其他資料負責。其他資料包括載入年報之資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表作出之意見並不包括其他資料，我們亦不會對其他資料發表任何形式之核證結論。

就我們審核綜合財務報表而言，我們的責任為閱讀其他資料，並於此過程中，考慮其他資料是否與綜合財務報表或我們於審核中所得知的情況有重大抵觸，或似乎有重大錯誤陳述。基於我們已執行之工作，倘我們認為此其他資料有重大錯誤陳述，我們須報告有關事實。就此，我們毋須作出報告。

董事及負責管治者就綜合財務報表須承擔之責任

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之披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實董事認為編製綜合財務報表所必要之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

於編製綜合財務報表時，董事負責評估貴集團持續經營之能力，並在適用情況下披露與持續經營有關的事項，以及採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，或除此之外並無其他實際可行之辦法。

Independent Auditor's Report

獨立核數師報告

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, 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.

負責管治者須負責監督 貴集團之財務申報程序。

核數師就審核綜合財務報表須承擔之責任

我們的目標為合理確定綜合財務報表整體而言是否不存在由於欺詐或錯誤而導致之重大錯誤陳述，並根據我們的協定委聘條款僅向全體股東發出載有我們意見之核數師報告，除此之外別無其他目的。我們不會就本報告內容向任何其他人士負上或承擔任何責任。合理確定屬高層次之核證，惟根據香港審計準則進行之審核工作概不保證總能察覺所存在之重大錯誤陳述。錯誤陳述可因欺詐或錯誤而產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出之經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審核時，我們運用專業判斷，並於整個審核過程中保持專業懷疑態度。我們亦：

- 識別及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之風險、設計及執行審核程序以應對該等風險，以及獲取充足及適當之審核憑證，作為我們意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部控制之情況，因此未能發現因欺詐而導致之重大錯誤陳述的風險高於未能發現因錯誤而導致之重大錯誤陳述的風險。

Independent Auditor's Report

獨立核數師報告

- 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.
- 了解與審核有關的內部控制，以設計適當的審核程序，但並非為對 貴集團內部控制之效能發表意見。
- 評估董事所採用會計政策之合適性及作出會計估計和相關披露之合理性。
- 對董事採用持續經營為會計基礎之恰當性作出結論，並根據所獲得之審核憑證，確定是否存在與事項或情況有關之重大不確定性，從而可能導致對 貴集團之持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，我們須於核數師報告中提請注意綜合財務報表中的相關披露，或倘有關披露不足，則修訂我們之意見。我們的結論乃基於截至核數師報告日期所獲得之審核憑證。然而，未來事項或情況可能導致 貴集團無法持續經營。
- 評估綜合財務報表之整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易及事項。
- 就 貴集團內實體或業務活動之財務資料獲取充足適當之審核憑證，以就綜合財務報表發表意見。我們須負責集團審核之方向、監督及執行。我們須為我們的審核意見承擔全部責任。

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.

我們與負責管治者就（其中包括）審核之計劃範圍、時間安排及重大審核發現進行溝通，該等發現包括我們於審核過程中識別之內部控制之任何重大缺失。

Independent Auditor's Report

獨立核數師報告

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 Chan Tsz Wai.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

30 March 2021

我們亦向負責管治者作出聲明，說明我們已符合有關獨立性之相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性之所有關係及其他事宜，以及相關防範措施（如適用）。

從與負責管治者溝通之事項中，我們釐定對本期間綜合財務報表之審核至關重要之事項，因而構成關鍵審核事項。我們於核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見之情況下，倘合理預期於報告中溝通某事項造成之負面後果超出產生之公眾利益，則我們決定不應於報告中溝通有關事項。

出具本獨立核數師報告之審核項目合夥人為陳子偉。

德勤•關黃陳方會計師行

執業會計師

香港

二零二一年三月三十日

Consolidated Statement of Profit or Loss

綜合損益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		NOTES 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue	收益	5	275,541	804,898
Cost of sales	銷售成本		(226,537)	(624,556)
Gross profit	毛利		49,004	180,342
Other income	其他收入	7	1,055	722
Impairment losses under expected credit loss ("ECL") model on other receivables	其他應收款項預期信貸虧損 (「預期信貸虧損」) 模式項下之 減值虧損		(1,236)	-
Fair value change on investment properties	投資物業之公允值變動	14	(10,518)	(4,044)
Fair value change on financial assets at fair value through profit or loss	按公允值計入損益之財務資產之 公允值變動		2,411	(9)
Selling and marketing expenses	銷售及營銷費用		(2,733)	(5,331)
Administrative expenses	行政費用		(29,861)	(31,618)
Finance costs	財務成本	8	(830)	(1,101)
Profit before taxation	除稅前溢利		7,292	138,961
Income tax expense	所得稅開支	9	(14,503)	(54,603)
(Loss) profit for the year	年內 (虧損) 溢利	10	(7,211)	84,358
(Loss) profit for the year attributable to:	以下應佔年內 (虧損) 溢利：			
Owners of the Company	本公司擁有人		(7,775)	74,184
Non-controlling interests	非控制性權益		564	10,174
			(7,211)	84,358
(Loss) earnings per share (in RMB cents)	每股 (虧損) 盈利 (人民幣分)	13		(Restated) (經重列)
- Basic	- 基本		(4.26)	40.66
- Diluted	- 攤薄		(4.26)	40.66

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
(Loss) profit for the year	年內(虧損)溢利	(7,211)	84,358
Other comprehensive (expense) income	其他全面(開支)收益		
<i>Item that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益之項目：</i>		
Exchange differences arising on translation of functional currency to presentation currency	因將功能貨幣換算為呈列貨幣產生之匯兌差額	(1,249)	2,555
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目：</i>		
Exchange differences arising on translation of financial statements of foreign operations	因換算海外業務之財務報表產生之匯兌差額	2,928	(2,335)
		1,679	220
Total comprehensive (expense) income for the year	年內全面(開支)收益總額	(5,532)	84,578
Total comprehensive (expense) income attributable to:	以下應佔全面(開支)收益總額：		
Owners of the Company	本公司擁有人	(6,096)	74,404
Non-controlling interests	非控制性權益	564	10,174
		(5,532)	84,578

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020 於二零二零年十二月三十一日

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
	NOTES 附註			
Non-current Assets		非流動資產		
Investment properties	14	投資物業	74,400	84,918
Property, plant and equipment	15	物業、廠房及設備	16,643	18,373
Right-of-use assets	16	使用權資產	337	1,573
			91,380	104,864
Current Assets		流動資產		
Inventories	17	存貨	–	22,742
Properties under development	18	在建物業	253,395	–
Properties held for sale	18	持作出售物業	602,714	806,611
Deposits, other receivables and prepayments	19	按金、其他應收款項及預付款項	26,604	118,864
Financial assets at fair value through profit or loss	20	按公允值計入損益之財務資產	6,402	12
Tax recoverable		可收回稅項	26,620	34,683
Restricted bank deposit	21	有限制銀行存款	22	896
Pledged bank deposits	22	已抵押銀行存款	11,486	31,285
Bank balances and cash	22	銀行結存及現金	77,848	63,528
			1,005,091	1,078,621
Current Liabilities		流動負債		
Trade and other payables	23	貿易及其他應付款項	59,088	98,290
Contract liabilities	24	合約負債	74,154	255,620
Loan payables	25	應付貸款	8,420	14,389
Lease liabilities – current portion	26	租賃負債 – 流動部分	340	1,228
Amounts due to non-controlling interests	27	應付非控制性權益款項	85,000	15,994
Amount due to a director	34	應付董事款項	6,624	3,139
Tax payable		應付稅項	72,228	63,489
Bank overdrafts	22	銀行透支	4,039	–
Secured bank borrowings	28	有抵押銀行借款	9,150	1,776
			319,043	453,925
Net Current Assets		流動資產淨值	686,048	624,696
Total Assets Less Current Liabilities		總資產減流動負債	777,428	729,560
Non-current Liabilities		非流動負債		
Lease liabilities – non-current portion	26	租賃負債 – 非流動部分	21	384
Deferred tax liabilities	29	遞延稅項負債	34,224	40,599
			34,245	40,983
Net Assets		資產淨值	743,183	688,577

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020 於二零二零年十二月三十一日

		NOTES 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Capital and Reserves	資本及儲備			
Share capital	股本	30	222,157	161,569
Reserves	儲備		463,311	469,857
Equity attributable to owners of the Company	本公司擁有人應佔權益		685,468	631,426
Non-controlling interests	非控制性權益		57,715	57,151
Total Equity	權益總額		743,183	688,577

The consolidated financial statements on pages 94 to 211 were approved and authorised for issue by the Board of Directors on 30 March 2021 and are signed on its behalf by:

第94至211頁之綜合財務狀況表已於二零二一年三月三十日獲董事會批准及授權刊發並由以下人士代表簽署：

Mr. Liu Feng
劉鋒先生
DIRECTOR
董事

Mr. Lau Sai Chung
劉世忠先生
DIRECTOR
董事

Consolidated Statement of Changes In Equity

綜合權益變動表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		Attributable to owners of the Company 本公司之擁有人應佔					Non-controlling interests		Total
		Share capital	Share premium	Translation reserve	Share options reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
		股本	股份溢價	換算儲備	購股權儲備	累計虧損	小計	非控制性權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日	161,569	578,990	(42,326)	5,481	(146,692)	557,022	36,477	593,499
Profit for the year	年內溢利	-	-	-	-	74,184	74,184	10,174	84,358
Exchange differences arising on translation of functional currency to presentation currency	因將功能貨幣換算為呈列貨幣產生之匯兌差額	-	-	2,555	-	-	2,555	-	2,555
Exchange differences arising on translation of financial statements of foreign operations	因換算海外業務之財務報表產生之匯兌差額	-	-	(2,335)	-	-	(2,335)	-	(2,335)
Total comprehensive income for the year	年內全面收益總額	-	-	220	-	74,184	74,404	10,174	84,578
Capital injection by non-controlling shareholders upon establishment of a non-wholly owned subsidiary (note 37)	非控股股東於成立非全資附屬公司時注資(附註37)	-	-	-	-	-	-	10,500	10,500
At 31 December 2019	於二零一九年十二月三十一日	161,569	578,990	(42,106)	5,481	(72,508)	631,426	57,151	688,577
(Loss) profit for the year	年內(虧損)溢利	-	-	-	-	(7,775)	(7,775)	564	(7,211)
Exchange differences arising on translation of functional currency to presentation currency	因將功能貨幣換算為呈列貨幣產生之匯兌差額	-	-	(1,249)	-	-	(1,249)	-	(1,249)
Exchange differences arising on translation of financial statements of foreign operations	因換算海外業務之財務報表產生之匯兌差額	-	-	2,928	-	-	2,928	-	2,928
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	-	-	1,679	-	(7,775)	(6,096)	564	(5,532)
Issue of new shares	發行新股份	60,588	-	-	-	-	60,588	-	60,588
Transaction costs directly attributable to issue of new shares	發行新股份直接應佔交易成本	-	(450)	-	-	-	(450)	-	(450)
At 31 December 2020	於二零二零年十二月三十一日	222,157	578,540	(40,427)	5,481	(80,283)	685,468	57,715	743,183

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit before taxation	除稅前溢利	7,292	138,961
Adjustments for:	調整項目：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	838	961
Depreciation of right-of-use assets	使用權資產折舊	1,210	810
Impairment losses under ECL model on other receivables	預期信貸虧損模式項下的其他應收款項之減值虧損	1,236	-
Fair value change on financial assets at fair value through profit or loss	按公允值計入損益之財務資產之公允值變動	(2,411)	9
Fair value change on investment properties	投資物業之公允值變動	10,518	4,044
Gain on disposal of a subsidiary	出售附屬公司之收益	(31)	-
Finance costs	財務成本	830	1,101
Interest income	利息收入	(399)	(722)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	19,083	145,164
Decrease (increase) in inventories	存貨減少(增加)	22,742	(22,742)
Decrease in properties held for sale	持作出售物業減少	203,897	504,908
Increase in properties under development	在建物業增加	(150,935)	-
Increase in deposits, other receivables and prepayments	按金、其他應收款項及預付款項增加	(11,503)	(107,547)
Increase in financial assets at fair value through profit or loss	按公允值計入損益之財務資產增加	(4,109)	-
(Decrease) increase in trade and other payables	貿易及其他應付款項(減少)增加	(35,957)	26,666
Decrease in contract liabilities	合約負債減少	(181,466)	(511,338)
Cash (used in) generated from operations	經營(所用)所得現金	(138,248)	35,111
People's Republic of China (the "PRC") Enterprise Income Tax ("EIT") paid	已付中華人民共和國(「中國」)企業所得稅(「企業所得稅」)	(4,056)	(6,753)
PRC Land Appreciation Tax ("LAT") paid	已付中國土地增值稅(「土地增值稅」)	-	(27,774)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	經營活動(所用)所得現金淨額	(142,304)	584
INVESTING ACTIVITIES	投資活動		
Withdrawal of pledged bank deposits	提取已抵押銀行存款	55,450	23,187
Withdrawal of restricted bank deposit	提取有限制銀行存款	874	7,273
Interest received	已收利息	399	515
Net cash inflow on disposal of subsidiary	出售附屬公司現金流入淨額	18	-
Placement of pledged bank deposits	存放已抵押銀行存款	(35,651)	(16,387)
Purchase of property, plant and equipment	購買物業、廠房及設備	(21)	-
Payment for rental deposits	支付租賃按金	-	(179)
NET CASH FROM INVESTING ACTIVITIES	投資活動所得現金淨額	21,069	14,409

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
FINANCING ACTIVITIES	融資活動		
Advance from non-controlling interests	非控制性權益墊款	71,506	15,994
Issue of new shares	發行新股份	60,588	–
New bank borrowings raised	新籌集之銀行借款	17,923	–
Advance from a director	一名董事墊款	10,000	226
Repayment of bank borrowings	償還銀行借款	(9,740)	(10,058)
Repayment to directors	償還董事	(6,340)	–
Repayment of loan	償還貸款	(5,449)	(22,537)
Repayment to non-controlling interests	償還非控制性權益	(2,500)	–
Repayment of lease liabilities, including lease interest	償還租賃負債，包括租賃利息	(1,213)	(840)
Interest paid	已付利息	(771)	(1,043)
Transaction costs directly attributable to issue of new shares	發行新股份直接應佔交易成本	(450)	–
Capital injection by non-controlling shareholders upon establishment of a non-wholly owned subsidiary	非控股股東於成立非全資 附屬公司時注資	–	10,500
New loan raised	新籌集之貸款	–	3,111
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資活動所得(所用)現金淨額	133,554	(4,647)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物之增加淨額	12,319	10,346
Effect of foreign exchange rate changes	匯率變動之影響	(2,038)	760
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於年初之現金及現金等價物	63,528	52,422
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	於年末之現金及現金等價物	73,809	63,528
Represented by:	其中包括：		
Bank balances and cash	銀行結存及現金	77,848	63,528
Bank overdrafts	銀行透支	(4,039)	–
		73,809	63,528

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

1. GENERAL

China Uptown Group Company Limited (“the Company”) is an exempted company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in property development and investment as well as trading of raw cane sugar. The activities of its principal subsidiaries are set out in note 37 to the consolidated financial statements.

The functional currency of the Company is Hong Kong dollar (“HK\$”) while the consolidated financial statements are presented in Renminbi (“RMB”) for consistent presentation as in prior years.

1. 一般資料

中國上城集團有限公司（「本公司」）乃於開曼群島註冊成立之受豁免有限公司及其股份在香港聯合交易所有限公司（「香港聯交所」）主板上市。本公司之註冊辦事處及主要營業地址已於年報中之「公司資料」一節披露。

本公司為投資控股公司。本公司及其附屬公司（統稱為「本集團」）主要從事物業發展及投資以及原蔗糖貿易。其主要附屬公司之業務載於綜合財務報表附註37。

本公司的功能貨幣為港幣（「港幣」），而綜合財務報表乃以人民幣（「人民幣」）呈列，以與過往年度呈列一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂

本年度強制生效之香港財務報告準則之修訂

於本年度，就編製綜合財務報表而言，本集團已首次應用由香港會計師公會（「香港會計師公會」）頒佈之*提述香港財務報告準則概念框架之修訂*及下列香港財務報告準則之修訂，該等修訂於二零二零年一月一日或其後開始之年度期間強制生效：

香港會計準則第1號及香港會計準則第8號之修訂	重大的定義
香港財務報告準則第3號之修訂	業務的定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂	利率基準改革

除下文所述者外，於本年度應用*提述香港財務報告準則概念框架之修訂*及香港財務報告準則之修訂並無對本集團於本年度及過往年度之財務狀況及表現及／或該等綜合財務報表所載披露構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零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)

Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

2.1 Impacts on application of Amendments to HKAS 1 and HKAS 8 Definition of Material

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂（續）

本年度強制生效之香港財務報告準則之修訂（續）

2.1 應用香港會計準則第1號及香港會計準則第8號之修訂重大的定義的影響

本集團已於本年度首次應用香港會計準則第1號及香港會計準則第8號之修訂。該等修訂為重大提供了新定義，訂明「倘合理預期資料遺漏、錯誤或模糊會對通用財務報表（載有特定申報實體之財務資料）之主要使用者基於該等財務報表作出之決定造成影響，則有關資料屬重大」。該等修訂亦闡明，重要性視乎於整份財務報表中資料（單獨而言或與其他資料合計）之性質或篇幅而定。

於本年度應用該等修訂對綜合財務報表並無影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments ⁵
Amendment to HKFRS 16	Covid-19-Related Rent Concessions ⁴
Amendments to HKFRS 3	Reference to the Conceptual Framework ³
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ⁵
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ³
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 ³

- ¹ Effective for annual periods beginning on or after 1 January 2021
- ² Effective for annual periods beginning on or after a date to be determined
- ³ Effective for annual periods beginning on or after 1 January 2022
- ⁴ Effective for annual periods beginning on or after 1 June 2020
- ⁵ Effective for annual periods beginning on or after 1 January 2023

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

已頒佈但尚未生效之新訂香港財務報告準則及其修訂

本集團並無提早應用以下已頒佈但尚未生效之新訂香港財務報告準則及其修訂以及詮釋：

香港財務報告準則第17號	保險合約及相關修訂 ⁵
香港財務報告準則第16號之修訂	新型冠狀病毒肺炎相關租金寬減 ⁴
香港財務報告準則第3號之修訂	提述概念框架 ³
香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂	利率基準改革—第2階段 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 ²
香港會計準則第1號之修訂	負債分類為流動或非流動及對香港詮釋第5號的相關修訂(二零二零年) ⁵
香港會計準則第16號之修訂	物業、廠房及設備—投入擬定用途前的所得款項 ³
香港會計準則第37號之修訂	虧損性合約—履行合約的成本 ³
香港財務報告準則之修訂	香港財務報告準則二零一八年至二零二零年的年度改進 ³

- ¹ 於二零二一年一月一日或之後開始之年度期間生效
- ² 於待定日期或之後開始之年度期間生效
- ³ 於二零二二年一月一日或之後開始之年度期間生效
- ⁴ 於二零二零年六月一日或之後開始之年度期間生效
- ⁵ 於二零二三年一月一日或之後開始之年度期間生效

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零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)

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

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform – Phase 2

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 *Interest Rate Benchmark Reform – Phase 2* relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements and disclosure requirements applying HKFRS 7 *Financial Instruments: Disclosures* to accompany the amendments regarding modifications and hedge accounting.

- **Modification of financial assets, financial liabilities and lease liabilities:** A practical expedient is introduced for modifications required by the reform (modifications required as a direct consequence of the interest rate benchmark reform and made on an economically equivalent basis). These modifications are accounted for by updating the effective interest rate. All other modifications are accounted for using the current HKFRSs requirements. A similar practical expedient is proposed for lessee accounting applying HKFRS 16;
- **Hedge accounting requirements:** Under the amendments, hedge accounting is not discontinued solely because of the interest rate benchmark reform. Hedging relationships (and related documentation) are required to be amended to reflect modifications to the hedged item, hedging instrument and hedged risk. Amended hedging relationships should meet all qualifying criteria to apply hedge accounting, including effectiveness requirements; and

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂（續）

除下文所述新訂香港財務報告準則及其修訂外，本公司董事預期於可見將來應用所有其他新訂香港財務報告準則及其修訂以及詮釋將不會對綜合財務報表造成重大影響。

香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂利率基準改革－第2階段

香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂利率基準改革－第2階段涉及財務資產、財務負債及租賃負債之修訂、特定對沖會計規定及應用香港財務報告準則第7號*財務工具：披露*之披露要求，以符合有關修訂及對沖會計之該等修訂。

- **對財務資產、財務負債及租賃負債之修訂：**就改革所需的修訂（因利率基準改革直接導致並按經濟上相當基準作出之所需修訂）引入可行權宜方法。該等修訂透過更新實際利率入賬。所有其他修訂乃使用現行香港財務報告準則入賬。就應用香港財務報告準則第16號之承租人會計建議相似可行權宜方法；
- **對沖會計規定：**根據該等修訂，對沖會計不僅是因利率基準改革而終止。對沖關係（及相關文件）須予以修訂以反映對對沖項目、對沖工具及對沖風險之修訂。經修訂的對沖關係應符合申請對沖會計之所有資格標準，包括有效性規定；及

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零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)

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform – Phase 2 (Continued)

- **Disclosures:** The amendments require disclosures in order to allow users to understand the nature and extent of risks arising from the interest rate benchmark reform to which the Group is exposed to and how the entity manages those risks as well as the entity’s progress in transitioning from interbank offered rates to alternative benchmark rates, and how the entity is managing this transition.

As at 31 December 2020, the Group has Hong Kong Interbank Offered Rate (“HIBOR”) bank loan which may be subject to interest rate benchmark reform. The Group expects no significant gains or losses should the interest rate benchmark for the loan change resulting from the reform on application of the amendments.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂（續）

香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號之修訂利率基準改革－第2階段（續）

- **披露：**該等修訂要求作出披露，以允許用戶了解本集團所面臨因利率基準改革產生之風險性質及程度，及實體如何管理該等風險以及實體由銀行同業拆息利率過渡至替代基準利率的進展，以及實體如何管理該過渡。

於二零二零年十二月三十一日，本集團有香港銀行同業拆息銀行貸款，可能受利率基準改革之影響。本集團預期倘該貸款之利率基準因應用該等修訂變革有所變動，將不會產生任何重大收益或虧損。

3. 綜合財務報表編製基準及重要會計政策

3.1 綜合財務報表編製基準

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯交所證券上市規則及香港公司條例所規定之適用披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Basis of preparation of consolidated financial statements (Continued)

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial assets at fair value through profit or loss ("FVTPL"), which are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of 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 accounted for in accordance with HKFRS 16 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. 綜合財務報表編製基準及重要會計政策 (續)

3.1 綜合財務報表編製基準 (續)

於批准綜合財務報表時，本公司董事已合理預期本集團有足夠資源於可見將來繼續營運。因此，於編製綜合財務報表時，彼等繼續採用持續經營會計基礎。

除投資物業及按公允值計入損益（「按公允值計入損益」）之財務資產之投資於各報告期末按公允值計量外，綜合財務報表乃根據歷史成本基準編製（如下文所載會計政策所闡釋）。

歷史成本一般以貨品及服務交易代價的公允值為基準。

公允值為市場參與者於計量日進行之有序交易所出售資產可收取或轉讓負債須支付之價格，不論該價格是否可直接觀察或使用另一估值技術估算。於估計資產或負債之公允值時，本集團會考慮市場參與者於計量當日對資產或負債定價時所考慮之資產或負債特徵。該等綜合財務報表中作計量及／或披露目的之公允值以此為基礎確定，惟香港財務報告準則第2號以股份為基礎的付款範圍內的以股份為基礎的支付交易、根據香港財務報告準則第16號入賬之租賃交易及與公允值存在一定相似性但非公允值之計量項目（如香港會計準則第2號存貨的可變現淨值或香港會計準則第36號資產減值的使用價值）除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Basis of preparation of consolidated financial statements (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.

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.

The principal accounting policies are set out below.

3.2 Significant accounting policies

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. 綜合財務報表編製基準及重要會計政策 (續)

3.1 綜合財務報表編製基準 (續)

非財務資產之公允值計量計入市場參與者透過使用其資產之最高及最佳用途或透過將資產出售予將使用其最高及最佳用途之另一名市場參與者而能夠產生經濟利益之能力。

此外，就財務報告目的而言，公允值計量根據公允值計量輸入資料可觀察程度及輸入資料對公允值計量之整體重要性分為第一級、第二級或第三級，內容如下：

- 第一級輸入資料為實體可於計量日獲取之同類資產或負債於活躍市場的未經調整報價；
- 第二級輸入資料乃計入第一級的報價以外的輸入資料，為資產或負債可直接或間接觀察資料；及
- 第三級輸入資料為資產或負債不可直接觀察輸入資料。

主要會計政策載列如下。

3.2 重要會計政策

綜合基準

綜合財務報表綜合計算本公司及受本公司控制之實體及其附屬公司之財務報表。當本公司滿足以下條件時，即視為有控制權：

- 有權控制投資對象；
- 自參與投資對象營運所得浮動回報之承擔或權利；及
- 能夠使用其權力影響回報金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

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 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 owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

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

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

綜合基準 (續)

倘有事實及情形表明上文所列三項控制要素中的一項或多項發生變動，則本集團重新評估其是否有權控制投資對象。

附屬公司綜合始於本集團取得附屬公司控制權時，終於本集團喪失附屬公司控制權時。特別是，年內購入或出售附屬公司之收入及開支（從本集團取得控制之日起至本集團不再控制附屬公司之日）計入綜合損益表。

損益及其他各項全面收益項目歸於本公司擁有人及非控制性權益。附屬公司全面收入總額歸於本公司擁有人及非控制性權益，即使附屬公司的全面收支總額導致非控制性權益產生虧絀結餘。

如有需要，會對附屬公司之財務報表作出調整，致令其會計政策與本集團所採用者一致。

所有與本集團成員公司之間交易相關的集團內資產及負債、權益、收入、開支及現金流量於綜合賬目時悉數抵銷。

於附屬公司之非控制性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資產淨值之現時所有權權益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Revenue from contracts with customers

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;
- the Group’s performance creates or 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.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

來自客戶合約之收益

本集團在(或隨著)達成履約責任時(即特定履約責任的相關貨品或服務的「控制權」轉移至客戶時)確認收益。

履約責任指可區分的貨品或服務(或一批貨品或服務)或一系列大致相同的可區分的貨品或服務。

倘符合以下條件之一，控制權按時間轉移，而收益經參考完成達成相關履約責任的進度隨時間確認：

- 客戶於本集團履約時同時收取及消耗本集團履約所提供的利益；
- 本集團的履約創建或增強客戶於本集團履約時控制的資產；或
- 本集團的履約未創建對本集團具有替代用途的資產，而本集團有強制執行權收取至今已履約部分的款項。

否則，於客戶獲得可區分的貨品或服務控制權時確認收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Revenue from contracts with customers (Continued)

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.

Revenue from sales of properties

For revenue from sales of properties, revenue is recognised at a point in time when control of completed property is transferred to the customer, being at the point that the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

來自客戶合約之收益 (續)

合約負債指本集團就本集團經已自客戶收取的代價 (或到期的代價金額) 而向該客戶轉讓貨品或服務的責任。

物業銷售之收益

就物業銷售之收益而言，收益於已完工物業控制權轉讓予客戶之時點確認，即客戶實質持有已完工物業或獲得已完工物業之合法業權之時點，且本集團現時有權收取付款並很可能收回代價。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Revenue from contracts with customers (Continued)

Revenue from sales of properties (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.

Revenue from trading of raw cane sugar

Revenue from the sale of raw cane sugar is recognised at a point of time when the Group delivers the raw cane sugar to the customer where its performance obligation is satisfied and the customer obtains control of the raw cane sugar.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

來自客戶合約之收益 (續)

物業銷售之收益 (續)

存在重大融資成分

於釐定交易價時，倘向客戶轉移貨品或服務時（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重大融資利益，則本集團就金額時間值的影響而調整已承諾之代價金額。於該等情況下，合約含有重大融資成分。不論於合約中以明示呈列或合約訂約方協定的支付條款暗示融資承諾，合約中均存在重大融資成分。

就相關貨品或服務之支付與轉移期間少於一年的合約而言，本集團就任何重大融資成分應用不調整交易價的實際權宜方法。

來自原蔗糖貿易之收益

來自原蔗糖貿易之收益乃於本集團向客戶交付原蔗糖以滿足履約責任，且客戶取得原蔗糖之控制權時確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Revenue from contracts with customers (Continued)

Revenue from trading of raw cane sugar (Continued)

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

來自客戶合約之收益 (續)

來自原蔗糖貿易之收益 (續)

委託人與代理人

當另一方從事向客戶提供貨品或服務，本集團釐定其承諾之性質是否為提供指定貨品或服務本身之履約義務（即本集團為委託人）或安排由另一方提供該等貨品或服務（即本集團為代理人）。

倘本集團在向客戶轉讓貨品或服務之前控制指定貨品或服務，則本集團為委託人。

倘本集團的履行義務為安排另一方提供指定貨品或服務，則本集團為代理人。在此情況下，在將貨品或服務轉讓予客戶之前，本集團不控制另一方提供的指定貨品或服務。當本集團為代理人時，應就為換取另一方安排提供的指定貨品或服務預期有權取得之任何收費或傭金之金額確認收益。

本集團確認經營租賃的會計政策於下文租賃會計政策說明。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “right-of-use assets” in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

物業、廠房及設備

物業、廠房及設備按成本扣減其後累計折舊及其後累計減值虧損(如有)列入綜合財務狀況表內。

當本集團就於物業的所有權權益(包括租賃土地及樓宇成分)付款時,全部代價於租賃土地及樓宇成分之間按初始確認時的相對公允值的比例分配。倘相關款項能可靠分配,則以經營租賃列賬的租賃土地權益於綜合財務狀況表中列為「使用權資產」。當代價無法在相關租賃土地的非租賃樓宇成分及未分割權益之間可靠分配時,整項物業分類為物業、廠房及設備。

折舊乃採用直線法以撇銷資產成本減其估計可使用年期之剩餘價值確認。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討,而任何估計變動的影響按預期基準入賬。

物業、廠房及設備項目乃於出售後或預期持續使用該資產將不會產生未來經濟利益時取消確認。出售或停止使用一項物業、廠房及設備所產生之損益乃按出售所得款項與資產賬面值之差額計算,並於損益表內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Properties under development and properties held for sale

Properties under development which are intended to be sold upon completion of development and properties for sale are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets, properties under development/properties for sale are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value represents the estimated selling price for the properties less estimated cost to completion and costs necessary to make the sales.

Properties under development for sale are transferred to properties for sale upon completion.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

存貨

存貨按成本及可變現淨值之較低者入賬。存貨成本按先入先出法釐定。可變現淨值乃按存貨之估計售價扣除所有直至完成產生之估計成本及出售所需成本計算。

在建物業及持作銷售物業

擬於建成後出售的在建物業及持作銷售物業被分類為流動資產。除租賃土地部分按照使用權資產之會計政策計量外，在建物業／持作銷售物業以成本及可變現淨值兩者之較低者入賬。成本按特定識別基準釐定，包括分配所產生之有關開發成本及（倘適用）資本化借款成本。可變現淨值指物業估計售價減完成銷售之估計成本及作出銷售之必要成本。

待售在建物業於建成時轉撥至銷售物業。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties, including those held for sale, are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

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

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

投資物業

投資物業乃持作賺取租金及／或實現資本增值的物業。

投資物業初步按成本(包括任何直接應佔開支)計量。於初步確認後,投資物業(包括持作出售投資物業)乃按公允值計量,並就撇除任何預付或應計經營租賃收入作出調整。投資物業公允值變動產生之收益或虧損計入其所產生期間之損益。

投資物業於出售時或當永久停止使用或預期不再帶來未來經濟利益時取消確認。因物業取消確認產生之任何收益或虧損(按出售所得款項淨額與資產賬面值之差額計算)乃於物業取消確認之期內列入損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Leases

Definition of a lease

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

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

租賃

租賃定義

倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約為租賃或包含租賃。

就於首次應用日期或之後訂立或修訂或產生自業務合併的合約而言，本集團根據香港財務報告準則第16號的定義於初始或修訂日期或收購日期（如適用）評估該合約是否為租賃或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

本集團作為承租人

將代價分配至合約組成部分

對於包含一項租賃組成部分及一項或多項額外租賃或非租賃組成部分的合約，本集團根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總和將合約代價分配至各個租賃組成部分。

本集團亦採用可行權宜方法，不將非租賃組成部分從租賃組成部分區分開來，而是將租賃組成部分及任何相關非租賃組成部分作為一項單獨的租賃組成部分進行入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Short-term lease and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of warehouse that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

短期租賃及低價值資產租賃

就租期自開始日期起計為12個月或以內且並無包含購買權的倉庫租賃而言，本集團應用短期租賃確認豁免。此情況同樣適用於低價值資產。本集團將短期租賃及低價值資產租賃的租賃付款，在租賃期內按照直線法或另一系統性方法確認為開支。

使用權資產

使用權資產的成本包括：

- 租賃負債的初始計量金額；
- 於開始日期或之前所作的任何租賃付款，減所得的任何租賃獎勵；
- 本集團產生的任何初始直接成本；及
- 本集團拆除及移除相關資產、修復相關資產所在場地或將相關資產恢復至租賃條款及條件所規定狀態將予產生的估計成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 *Financial Instruments* ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

使用權資產 (續)

使用權資產按成本減任何累計折舊及減值虧損計量，並根據租賃負債的重新計量而進行調整。

倘本集團合理確信在租賃期屆滿時取得相關租賃資產的擁有權，則使用權資產自開始日期起至可使用年期屆滿期間折舊。否則，使用權資產按其估計可使用年期及租期的較短者以直線法折舊。

本集團於綜合財務狀況表內將使用權資產呈列為一項單獨項目。

可退回租金按金

已付可退回租金按金乃根據香港財務報告準則第9號 *金融工具* (「香港財務報告準則第9號」) 列賬及初步按公允值計量。初步確認時之公允值調整被視為額外租賃付款並計入使用權資產成本。

租賃負債

於租賃開始日期，本集團按該日未付的租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘租賃隱含的利率難以釐定，則本集團使用租賃開始日期的增量借款利率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃負債 (續)

租賃付款包括：

- 固定付款 (包括實質性的固定付款) 減任何應收租賃優惠；
- 取決於指數或費率的可變租賃付款額，初步計量時使用開始日期的指數或利率；
- 本集團根據剩餘價值擔保預期應付的金額；
- 本集團合理確定行使購買選擇權的行使價；及
- 倘租期反映本集團行使選擇權終止租賃，則計入終止租賃的罰款。

於開始日期後，租賃負債就應計利息及租賃付款作出調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃負債 (續)

倘出現以下情況，本集團重新計量租賃負債（並就相關使用權資產作出相應調整）：

- 租期有所變動或行使購買選擇權之評估發生變化，在此情況下，相關租賃負債透過使用重新評估日期之經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因進行市場租金調查後市場租金變動／擔保剩餘價值下預期付款變動而出現變動，在此情況下，相關租賃負債使用初始貼現率貼現經修訂租賃付款而重新計量。

本集團於綜合財務狀況表中將租賃負債作為單獨項目呈列。

租賃修改

倘出現以下情況，本集團將租賃修改作為一項單獨租賃進行入賬：

- 該修改透過增加使用一項或多項相關資產之權利擴大租賃範圍；及
- 租賃代價增加，增加的金額相當於範圍擴大對應的單獨價格，加上為反映特定合約的情況而對單獨價格進行的任何適當調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications (Continued)

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃修改 (續)

就未作為一項單獨租賃入賬之租賃修改而言，本集團基於透過使用修改生效日期之經修訂貼現率貼現經修訂租賃付款之經修改租賃之租期重新計量租賃負債。

本集團通過對相關使用權資產進行相應調整，將租約負債的重新計量入賬。當經修改合約包含租約成分以及一個或多個額外租約或非租約成分時，本集團根據租約成分的相對獨立價格及非租約成分的總獨立價格，將經修改合約中的代價分配至每個租約成分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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.

Rental income which are derived from the Group's ordinary course of business is presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

租賃 (續)

本集團作為出租人

租賃分類及計量

本集團為出租人的租賃分類為融資或經營租賃。倘租賃的條款將相關資產擁有權附帶的全部風險及回報大部分轉移至承租人，合約分類為融資租賃。所有其他租賃分類為經營租賃。

經營租賃的租金收入按直線法於有關租賃期內在損益確認。在磋商及安排經營租賃中產生的初始直接成本加至租賃資產的賬面值。除根據公允值模型計量的投資物業外，有關成本於租期內按直線法確認為開支。

於本集團日常業務過程中產生之租金收入呈列為收益。

將代價分配至合約組成部分

當合約包括租賃及非租賃部分時，本集團應用香港財務報告準則第15號將合約的代價分配至租賃及非租賃部分。非租賃部分根據其相對單獨售價與租賃部分進行區分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as lessor (Continued)

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

租賃 (續)

本集團作為出租人 (續)

可退回租金按金

已收可退回租金按金乃根據香港財務報告準則第9號列賬及初步按公允值計量。初步確認時之公允值調整被視為承租人之額外租賃付款。

租賃修改

租賃合約之代價變動(並非原條款及條件)將作為租賃修改入賬,包括透過寬免或減少租金提供之租賃激勵。

本集團自修改生效日期起將經營租賃修改入賬列作新租賃,並把原有租賃之相關任何預付或應計租賃付款視為新租賃之租賃付款部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

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.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. 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 and included in finance costs in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable and such grants are presented as "other income".

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

借款成本

因收購、興建或生產需要長時間籌備方可供其擬定用途或銷售之合資格資產所產生之直接借款成本，計入該等資產之成本中，直至該等資產已大致上可供其擬定用途或銷售。

於相關資產可作其擬定用途或銷售時，任何仍未償還的特定借款計入一般借款組合，以計算一般借款的資本化比率。尚未用於合資格資產之特定借款作短期投資賺取之投資收入，於合資格資本化之借款成本中扣除。

所有其他借款成本於產生期間的損益確認並計入財務成本。

政府補助

直至合理確定本集團將會符合政府補助所附條件及將會收取補助時方確認政府補助。

政府補助與作為彌補已產生開支或損失或向本集團提供並無未來相關成本之即時財務援助之應收收入有關，於應收期內於損益確認，且有關補助呈列為「其他收入」。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") and state-managed retirement benefit schemes are recognised as expenses or capitalised in properties held for sale/properties under development, where appropriate, when employees have rendered services entitling them to the contributions.

Short-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.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at fair value of the equity instruments at the grant date.

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in share options reserve.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

退休福利成本

強制性公積金計劃(「強積金計劃」)及國家管理之退休福利計劃之款額於僱員提供合資格獲取該供款之服務時確認為開支或(如適用)撥入持作出售物業／在建物業。

短期員工福利

短期僱員福利於僱員提供服務時按預期予以支付福利的未貼現金額計量。除非香港財務報告準則規定或准許將福利計入資產之成本，否則所有短期僱員福利均確認為開支。

僱員的累積福利(如工資、薪金、年假及病假)於扣除任何已付款項後確認負債。

以權益結算以股份為基礎的支付交易

付予僱員及提供類似服務之其他人士之以權益結算以股份為基礎的付款乃按股本工具於授出日期之公允值計量。

於已授出購股權即時歸屬時，參考於授出日期已授出購股權之公允值而釐定之已收服務公允值於授出日期悉數確認為開支，並於購股權儲備中作出相應增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before taxation” as reported in the consolidated statement of profit or loss because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

稅項

所得稅開支指即期應付稅項及遞延稅項之總和。

即期應付稅項乃按年內應課稅溢利計算。應課稅溢利與綜合損益表所報「除稅前溢利」不同，乃由於其他年度應課稅或可扣稅收入或開支及毋須課稅或不可扣稅項目所致。本集團之即期稅項負債乃按報告期末已實施或實質上已實施之稅率計算。

遞延稅項指就綜合財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基之暫時差額確認。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於一般可能出現應課稅溢利以抵銷可扣稅之暫時差額時就所有可扣稅暫時差額確認。倘暫時差額源自初步確認商譽或初步確認不影響應課稅溢利或會計溢利之交易（業務合併除外）中其他資產及負債，則不會確認該等遞延稅項資產及負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments 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 each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

稅項 (續)

遞延稅項負債乃按於附屬公司之投資所產生應課稅暫時差額確認，惟若本集團可控制暫時差額之撥回，且暫時差額有可能於可見將來不會撥回之情況除外。從與該等投資相關的可扣除暫時差額產生的遞延稅項資產只有達到一定的程度才可確認，即有足夠的應課稅溢利來抵銷能夠利用暫時差額利益並預期於可預見將來撥回。

遞延稅項資產之賬面值於各報告期末檢討，並於可能不再有足夠應課稅溢利收回該項資產全部或部分之情況下調減。

遞延稅項資產及負債是按預期於償還負債或變現資產期間使用的稅率計算，基於報告期末前已實施或實質上已實施的稅率（及稅法）。

遞延稅項負債和資產的計量反映報告期末按本集團預期收回或結算資產和負債的賬面值而將引致的稅務影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Taxation (Continued)

For the purposes of measuring deferred taxes for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when 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.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

稅項 (續)

就使用公允值模式計量的投資物業的遞延稅項的計量而言，該等物業的賬面值被推定可透過銷售全部收回，除非該推定被駁回。當投資物業可折舊及以目的為消耗投資物業隨著時間所體現之絕大部分經濟利益的業務模式而非透過銷售持有時，該項推定被駁回。

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先釐定稅項扣減是否歸屬於使用權資產或租賃負債。

就稅項扣減由租賃負債產生的租賃交易而言，本集團對整項租賃交易應用香港會計準則第12號*所得稅*規定。與使用權資產及租賃負債相關的暫時性差額會按淨額基準評估。使用權資產折舊超出租賃負債本金部分租賃付款的金額會產生可扣減暫時性差額淨額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Taxation (Continued)

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 to the same entity 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

稅項 (續)

遞延稅項資產及負債於有法定可執行權利以即期稅項資產與即期稅項負債抵銷時，以及於該等遞延稅項資產及負債與同一稅務機關對相同實體所徵收的所得稅有關及本集團擬以淨額基準結清其即期稅項資產及負債時予以抵銷。

即期及遞延稅項在損益內確認，除了涉及在其他全面收益中或直接在權益中確認的項目，在這種情況下，即期及遞延稅項亦分別在其他全面收益中或直接在權益中確認。就因對業務合併進行初始會計處理而產生之即期稅項或遞延稅項而言，稅務影響乃計入業務合併之會計處理中。

外幣

編製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）進行之交易乃按於交易日期當時之匯率確認入賬。於報告期末，以外幣列值之貨幣項目以結算當日之匯率重新換算。按公允值列賬且以外幣列值之非貨幣項目按公允值釐定當日之現行匯率重新換算。以外幣歷史成本計算之非貨幣項目毋須重新換算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Foreign currencies (Continued)

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.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Exchange differences relating to the retranslation of the Group's net assets in HK\$ and United States dollars to the Group's presentation currency (i.e. RMB) are recognised directly in other comprehensive income and accumulated in translation reserve. Such exchange differences accumulated in the translation reserve are not reclassified to profit or loss subsequently.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

外幣 (續)

結清貨幣項目及重新換算貨幣項目之匯兌差額於其產生期間於損益確認。

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按各報告期末適用之匯率換算為本集團之呈列貨幣（即人民幣）。收入及開支項目乃按期間平均匯率換算，惟匯率於該期間波動幅度較大除外（在此情況下，採用交易日適用之匯率）。所產生匯兌差額（如有）均於其他全面收益確認並於匯兌儲備項下之權益中累計。

於出售海外業務（即出售本集團於海外業務之全部權益，或出售涉及喪失於一間包括海外業務之附屬公司之控制權，就本公司擁有人應佔該業務而於權益累計之所有匯兌差額乃重新分類至損益。

本集團以港幣及美元計值之淨資產重新換算為本集團呈列貨幣（即人民幣）相關之匯兌差額直接於其他全面收益中確認，並累計於匯兌儲備中。累計於匯兌儲備之有關匯兌差額隨後並無重新分類至損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. 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. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) 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 FVTPL 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.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

財務工具

當一間集團實體成為有關工具合約條文之訂約方時，即確認財務資產及財務負債。日常買賣乃指須於有關市場規則或慣例設定之時限內交付資產之購買或出售財務資產。

財務資產及財務負債首先以公允值計量。於初步確認時，因收購或發行財務資產及財務負債（按公允值計入損益之財務資產及財務負債除外）產生之直接交易成本將視乎情況加入或扣除自財務資產或財務負債之公允值。因收購按公允值計入損益之財務資產或財務負債產生之直接交易成本即時於損益內確認。

實際利率法是一種計算財務資產或財務負債的攤銷成本及於有關期間攤分利息收入及利息開支的方法。實際利率乃將估計日後現金收入及付款（包括所有支付或收取構成整體實際利率之費用及利率差價、交易成本及其他溢價或折價）按財務資產或財務負債之預期使用年期，或較短期間（倘適用）實際貼現至初步確認之賬面淨值之利率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

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

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

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS 9/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 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.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

財務工具 (續)

財務資產

財務資產之分類及其後計量

符合下列條件之財務資產其後按攤銷成本計量：

- 於目的為收取合約現金流量的業務模式下持有的財務資產；及
- 合約條款令於指定日期產生的現金流量純粹為支付本金及未償還本金的利息。

所有其他財務資產其後按公允值計入損益計量，惟倘一項股本投資並非持作交易用途，亦非於香港財務報告準則第3號業務合併適用的業務合併中收購方所確認的或然代價，於財務資產初始應用香港財務報告準則第9號／初步確認日期，本集團可不可撤銷地選擇在其他全面收益中呈列股本投資公允值的其後變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產之分類及其後計量 (續)

倘財務資產屬下列情況，則為持作交易：

- 購入之主要目的為於近期出售；或
- 初步確認時，是一組已確定之財務工具之一部分，由本集團集合管理，且有一個最近之短期獲利回吐實際格局；或
- 是一個衍生工具，並非指定為和有效之對沖工具。

此外，倘可消除或大幅減少會計錯配，本集團可不可撤銷地指定須按攤銷成本計量的財務資產為按公允值計入損益計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. 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.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產之分類及其後計量 (續)

(i) 攤銷成本及利息收入

其後按攤銷成本計量之財務資產的利息收入乃使用實際利率法予以確認。利息收入乃對一項財務資產總賬面值應用實際利率予以計算，惟其後已出現信貸減值的財務資產除外。就其後已出現信貸減值的財務資產而言，自下一報告期起，利息收入乃對財務資產攤銷成本應用實際利率予以確認。倘出現信貸減值的財務工具的信貸風險好轉，使財務資產不再出現信貸減值，則自釐定資產不再出現信貸減值後之報告期間初起，利息收入乃透過對財務資產總賬面值應用實際利率予以確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Financial assets at FVTPL

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend earned on the financial asset.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產之分類及其後計量 (續)

(ii) 按公允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的標準，則按公允值計入損益計量。

於各報告期末，按公允值計入損益之財務資產按公允值計量，而任何公允值收益或虧損於損益確認。於損益確認之收益或虧損淨額不包括財務資產賺取之任何股息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including other receivables, restricted bank deposit, pledged bank deposits and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date 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 (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments 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.

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

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值

本集團根據預期信貸虧損（「預期信貸虧損」）模式對財務資產（包括其他應收款項、有限制銀行存款、已抵押銀行存款及銀行結存）進行減值評估，該等財務資產根據香港財務報告準則第9號須進行減值評估。預期信貸虧損金額於各報告日期更新，以反映自初步確認以來信貸風險的變動。

全期預期信貸虧損指於相關工具的預期年期內所有可能違約事件將產生的預期信貸虧損。反之，12個月預期信貸虧損（「12個月預期信貸虧損」）指預期於報告日期後12個月內可能發生的違約事件而導致的全期預期信貸虧損的一部分。評估乃按本集團過往信貸虧損經驗進行，並就債務人、整體經濟情況及評估於報告日期的當前情況及對未來情況的預測的特定因素作出調整。

就所有工具而言，本集團計量的虧損撥備相等於12個月預期信貸虧損，除非當信貸風險自初步確認以來大幅增加，在此情況下本集團會確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃基於自初步確認以來出現違約的可能性或風險是否大幅增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting 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.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值 (續)

(i) 信貸風險大幅增加

於評估信貸風險自初步確認以來是否大幅增加時，本集團對財務工具於報告日期就發生違約的風險與財務工具於初步確認日期就發生違約的風險作比較。作出此評估時，本集團會考慮合理有據的定量及定性資料，包括過往經驗及無需付出不必要的成本或精力獲取的前瞻性資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (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; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值 (續)

(i) 信貸風險大幅增加 (續)

具體而言，於評估信貸風險是否已大幅增加時會考慮以下資料：

- 財務工具的外部(如有)或內部信貸評級的實際或預期嚴重惡化；
- 信貸風險的外部市場指標嚴重惡化(如債務人的信貸息差及信貸違約掉期價格大幅增加)；
- 商業、金融或經濟情況目前或預期有不利變動，預期將導致債務人償還債項的能力大幅降低；
- 債務人的經營業績實際或預期嚴重惡化；或
- 債務人的監管、經濟或技術環境有實際或預期重大不利變動，導致債務人償還債項的能力大幅降低。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

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

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.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when 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.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值 (續)

(i) 信貸風險大幅增加 (續)

不論上述評估結果如何，當合約付款已逾期超過30天，則本集團均假定信貸風險自初步確認以來大幅增加，除非本集團擁有合理有據之資料證明情況並非如此，則作別論。

本集團定期監察識別信貸風險是否大幅增加所用標準的有效性，並酌情修訂以確保該標準能夠在款項逾期前識別信貸風險的大幅增加。

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或自外界來源取得的資料顯示債務人不大可能悉數向債權人（包括本集團）還款（未計及本集團所持任何抵押品）時發生。

不論上述情況如何，本集團都認為，違約乃於財務資產逾期超過90天時發生，除非本集團擁有合理有據之資料證明有一項更為滯後之違約標準更為合適，則作別論。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events 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;
- (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.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值 (續)

(iii) 已出現信貸減值的財務資產

財務資產在一項或多項違約事件(對該項財務資產的估計未來現金流量構成不利影響)發生時出現信貸減值。財務資產出現信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行者或借款方陷入重大財務困難；
- (b) 違反合約，例如拖欠或逾期事件；
- (c) 借款方的貸款方因有關借款方財務困難的經濟或合約理由而向借款方給予貸款方在其他情況下不會考慮的優惠；
- (d) 借款方將有可能破產或展開其他債務重組；或
- (e) 該項財務資產的活躍市場因財務困難而消失。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(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 case of other receivables, when the amounts are past due, whichever occurs earlier. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and 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.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值 (續)

(iv) 撇銷政策

當資料顯示交易對方出現重大財務困難及無實際收回可能時(例如交易對方被清盤或已進入破產程序或倘其他應收款項金額逾期時(以較早者為準)),本集團則撇銷財務資產。經考慮法律意見(倘適用)後,遭撇銷的財務資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成終止確認事項。任何其後收回在損益中確認。

(v) 預期信貸虧損之計量及確認

預期信貸虧損的計量為違約概率、違約虧損(即倘發生違約的虧損程度)及違約風險敞口的函數。違約概率及違約虧損的評估乃基於歷史數據及前瞻性資料作出。預期信貸虧損的預估乃無偏概率加權金額,以各自發生違約的風險為權重確定。

一般而言,預期信貸虧損為根據合約應付本集團的所有合約現金流量與本集團預期收取的現金流量之間的差額,並按初步確認時釐定的實際利率貼現。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

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 ECL 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.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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

Except for financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

財務資產減值 (續)

(v) 預期信貸虧損之計量及確認 (續)

就財務擔保合約而言，本集團僅需於債務人違反擔保文據條款之情況下作出付款。因此，預期信貸虧損為補償持有人就所產生之信貸虧損的預期付款現值，扣除本集團預期自持有人、債務人或任何其他人士收取的任何款項。

利息收入按財務資產的總賬面值計算，除非財務資產出現信貸減值，在該情況下，利息收入乃按財務資產的攤銷成本計算。

就財務擔保合約而言，虧損撥備乃以按香港財務報告準則第9號釐定的虧損撥備金額與初步確認的金額減（如適用）於擔保期間確認的累計收入金額的較高者確認。

除財務擔保合約外，本集團藉調整所有財務工具的賬面值於損益中確認其減值收益或虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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.

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.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

財務工具 (續)

財務資產 (續)

終止確認財務資產

本集團僅於資產現金流量之合約權利屆滿時，或將財務資產及其所有權之絕大部分風險及回報轉讓予另一實體時，方會終止確認該等財務資產。

於終止確認按攤銷成本計量之財務資產時，該項資產賬面值與已收及應收代價之間的差額會於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

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, loan payables, amount due to a director and secured bank borrowings are subsequently measured at amortised cost, using the effective interest method.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

財務工具 (續)

財務負債及股本

分類為債務或股本

債務及股本工具乃根據所訂立合約安排之內容及財務負債和股本工具之定義分類為財務負債或股本。

股本工具

股本工具為證明於一間實體之資產經扣除其所有負債後之資產剩餘權益之任何合約。本公司發行之股本工具乃以已收所得款項扣除直接發行成本確認。

按攤銷成本計量之財務負債

財務負債(包括貿易及其他應付款項、應付貸款、應付董事款項及有抵押銀行借款)其後使用實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

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; 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.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

財務工具 (續)

財務負債及股本 (續)

財務擔保合約

財務擔保合約為合約發行者根據某項債務工具之條款，因某特定債務人於到期日未能償還款項而須支付特定款項以補償合約持有者招致損失的一項合約。財務擔保合約負債初步以其公允值計量。其後續以下列較高者計量：

- 根據香港財務報告準則第9號釐定的虧損撥備的金額；及
- 初步確認金額減去於擔保期間確認的累計攤銷（如適用）。

終止確認財務負債

本集團會並僅會於責任免除、撤銷或屆滿時，終止確認財務負債。終止確認的財務負債的賬面值與已付及應付代價之間的差額會於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Impairment of property, plant and equipment and right-of-use assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

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 cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

物業、廠房及設備以及使用權資產減值

本集團於各報告期末檢討其物業、廠房及設備以及使用權資產之賬面值，以釐定該等資產是否已出現減值虧損跡象。倘出現有關跡象，則會估計相關資產之可收回金額，以釐定減值虧損(如有)程度。

物業、廠房及設備以及使用權資產之可收回金額乃個別估計，倘無法估計個別資產之可收回金額，本集團估計該資產所屬現金產生單位之可收回金額。

於測試現金產生單位減值時，倘可設立合理及一貫之分配基準，企業資產會分配至相關現金產生單位，否則會分配至可合理地及按一貫分配基準而設立之最小現金產生單位中。就企業資產所屬之現金產生單位或現金產生單位組別釐定可收回金額，並與相關現金產生單位或現金產生單位組別之賬面值進行比較。

可收回金額是公允值減去出售成本與使用價值兩者中之較高者。在評估使用價值時，估計未來現金流量乃以可反映當時市場對貨幣時間價值及資產(或現金產生單位)特有風險評估(估計未來現金流量尚未就此作出調整)的除稅前貼現率貼現至現值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Significant accounting policies (Continued)

Impairment of property, plant and equipment and right-of-use assets (Continued)

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 cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. 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 or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit or group of cash generating units) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

3. 綜合財務報表編製基準及重要會計政策 (續)

3.2 重要會計政策 (續)

物業、廠房及設備以及使用權資產減值 (續)

倘某項資產(或現金產生單位)之可收回金額估計低於其賬面值,則該項資產(或現金產生單位)之賬面值須減低至其可收回金額。就未能按合理及一貫之基準分配至現金產生單位的企業資產或部分企業資產,本集團會比較一組現金產生單位賬面值(包括已分配至該組現金產生單位的企業資產或部分企業資產的賬面值)與該組現金產生單位的可收回金額。資產的賬面值不低於其公允值減去出售成本(如可計量)、其使用價值(如可釐定)和零。原已分配予該資產的減值虧損金額按比例分配至該單位內的其他資產或一組現金產生單位。減值虧損即時於損益確認。

倘減值虧損隨後撥回,則該項資產(或現金產生單位或現金產生單位組別)之賬面值乃增至其可收回金額之經修訂估計,惟已增加之賬面值不得超過於過往年度資產(或現金產生單位或現金產生單位組別)並無確認任何減值虧損時釐定之賬面值。減值虧損撥回即時於損益內確認為收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3.2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an 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 judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimations, that the directors have been in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities 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 measuring the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group's investment properties are situated in the PRC and the deferred taxes on changes in fair value of investment properties are recognised taking into account PRC LAT and PRC EIT payable upon sales of those investment properties.

4. 關鍵會計判斷及估計不明朗因素的主要來源

於應用本集團的會計政策（如附註3.2所述）時，董事須對未能即時自其他來源取得的資產及負債賬面值作出判斷、估計及假設。估計及有關假設乃以過往經驗及被視為相關的其他因素為基礎。實際結果可能會與該等估計有所不同。

估計及相關假設乃按持續基準審閱。會計估計的修訂乃於估計被修訂的期間（倘修訂僅影響該期間），或於修訂期間及未來期間（倘修訂影響本期間及未來期間）確認。

於應用會計政策時作出之關鍵判斷

以下為關鍵判斷，惟涉及董事於應用本集團會計政策過程中所作出且對綜合財務報表內確認之金額具有最重大影響之估計之判斷除外。

投資物業之遞延稅項

就計量由使用公允值模型計量之投資物業所產生的遞延稅項負債而言，董事已檢討本集團的投資物業組合及斷定本集團並無投資物業以隨時間流逝耗盡大體上包含在投資物業內的所有經濟得益為商業目的。因此，於計量本集團投資物業之遞延稅項時，董事認為，以公允值模式計量的投資物業之賬面值可透過出售悉數收回之假設並未被推翻。本集團之投資物業位於中國，而該等投資物業之公允值變動之遞延稅項乃經計及出售該等投資物業時應付之中國土地增值稅及中國企業所得稅確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENT 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 may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value of investment properties

Investment properties are stated at fair value based on the valuations performed by an independent professional property valuer.

In determining the fair value of the Group's investment properties which are situated in the PRC, the valuer used direct comparison approach by making reference to comparable sales evidences as available in the relevant market to reflect current market conditions for the year ended 31 December 2019.

For the year ended 31 December 2020, the valuer has adopted the investment approach for all properties that are currently held for earning rental income and capital appreciation.

4. 關鍵會計判斷及估計不明朗因素的主要來源 (續)

估計不明朗因素的主要來源

以下為有關未來之主要假設及於報告期末估計不明朗因素之其他主要來源，可能有重大風險導致下個財政年度內之資產及負債之賬面值作出重大調整。

投資物業之公允值

投資物業乃根據獨立專業物業估值師進行之估值按公允值列賬。

於釐定本集團位於中國之投資物業之公允值時，估值師使用直接比較法並參考相關市場上可用之可比較銷售證據，以反映截至二零一九年十二月三十一日止年度之當前市況。

截至二零二零年十二月三十一日止年度，估值師就當前持作賺取租金收入及資本升值用途之所有物業採用投資法。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Fair value of investment properties (Continued)

In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Changes to the assumptions, including the potential risk of possession of proper legal title, changes in governmental policy direction and/or mortgage requirements, or other unexpected incidents would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss.

The Group uses valuation techniques that include inputs and data that are not based on observable market data, such as term yield, reversionary yield and unit rent, to estimate the fair value of investment properties. Detailed information about the valuation techniques, inputs and data and key assumptions used in the determination of the fair value of investment properties are set out in note 14.

As at 31 December 2020, the carrying amount of the Group's investment properties was RMB74,400,000 (2019: RMB84,918,000).

4. 關鍵會計判斷及估計不明朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

投資物業之公允值 (續)

於倚賴估值報告時，本公司董事已作出判斷並信納估值方法反映當前市況。假設的變化，包括擁有正式合法業權之潛在風險、政府政策方向及／或抵押要求變化或其他突發事件，將導致本集團投資物業之公允值發生變化，並對綜合損益表中報告之損益金額進行相應調整。

本集團使用包括並未基於定期收益、復歸收益及單位租金等可觀察市場數據得到的輸入值及數據的估值技術，估計投資物業公允值。有關用於釐定投資物業公允值之估值技術、輸入值及數據以及主要假設之詳細資料載於附註14。

於二零二零年十二月三十一日，本集團投資物業之賬面值為人民幣74,400,000元（二零一九年：人民幣84,918,000元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

PRC LAT

The Group is subject to PRC LAT in the PRC. The provision of the PRC LAT is based on the management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual PRC LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its PRC LAT calculation with the tax authorities for its property development projects. The final outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the period in which such tax is finalised with local tax authorities.

Estimated net realisable value of properties under development

In determining whether allowances should be made to the Group's properties under development, the directors of the Company make reference to the valuation performed by an independent professional property valuer and take into consideration the current market environment and the estimated market value prices (i.e. the estimated selling price less estimated costs to sell) less estimated costs to completion of the properties. An allowance is made if the estimated market value is less than the carrying amount. If the actual net realisable value of properties under development is less than expected as a result of a change in market condition and/or significant variation in the budgeted development cost, material provision for impairment losses may result. At 31 December 2020, the carrying amount of properties under development was RMB253,395,000 (2019: Nil). No impairment has been provided for both years.

4. 關鍵會計判斷及估計不明朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

中國土地增值稅

本集團須支付中國土地增值稅。中國土地增值稅之撥備乃基於管理層根據相關中國稅務法律及法規之規定之理解所作出之最佳估計。實際中國土地增值稅項負債需待物業發展項目完成後由稅務當局決定。本集團尚未向稅務當局落實其物業發展項目之中國土地增值稅計算。最後結果可能與最初記錄金額有所不同，且該等差異將影響向本地稅務當局落實有關稅項期間之所得稅開支及相關所得稅撥備。

在建物業之估計可變現淨值

於釐定是否須對本集團在建物業計提撥備時，本公司董事乃參考獨立專業物業估值師進行之估值並計及當前市況及估計市價（即估計售價減估計銷售成本）減物業竣工之估計成本。倘估計市價低於賬面值，則計提撥備。倘在建物業之實際可變現淨值由於市況變化及／或預算開發成本大幅波動而低於預期，則或會作出重大減值虧損撥備。於二零二零年十二月三十一日，在建物業之賬面值為人民幣253,395,000元（二零一九年：無）。該兩個年度內概無計提減值撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Estimated net realisable value of properties held for sale

The management of the Group determines the net realisable value of properties held for sale by using prevailing market data such as most recent sales transactions and internal estimates of cost based on quotes from contractors. These estimates require judgement as to the anticipated sale prices by reference to the valuation performed by an independent professional property valuer and recent sales transactions in the same project and in nearby location, rate of new property sales, the legal and regulatory framework and general market conditions. If the actual net realisable value of properties held for sale is less than expected as a result of changes in market conditions, material provision for impairment losses may result. At 31 December 2020, the carrying amount of properties held for sale was RMB602,714,000 (2019: RMB806,611,000). No impairment has been provided for both years.

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

An analysis of the Group's revenue arising from the PRC and Hong Kong for the year is as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Arising from the PRC	源自中國		
Sales of properties	物業銷售		
– a point in time	一時點	246,450	754,819
Rental income	租金收入	1,428	1,668
Arising from Hong Kong	源自香港		
Trading of raw cane sugar	原蔗糖貿易		
– a point in time	一時點	27,663	48,411
		275,541	804,898

4. 關鍵會計判斷及估計不明朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

持作出售物業之估計可變現淨值

本集團管理層透過使用最近銷售交易等當前市場數據及基於承建商報價所作之內部成本估計，釐定持作出售物業之可變現淨值。該等估計須透過參考獨立專業物業估值師進行之估值及相同項目及周邊、新物業銷售率、法律及監管框架及整體市況判斷預期售價。倘持作出售物業之實際可變現淨值由於市況變化而低於預期，則或會作出重大減值虧損撥備。於二零二零年十二月三十一日，持作出售物業之賬面值為人民幣602,714,000元（二零一九年：人民幣806,611,000元）。該兩個年度內概無計提減值撥備。

5. 收益

(i) 客戶合約收益分拆

本集團年內來自中國及香港之收益分析如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers

- (a) For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on standardised specifications with no alternative use. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedents, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of control of the relevant properties to customers. Revenue from sales of properties is therefore recognised at a point in time when the development of the relevant properties have been completed and the control of the property is transferred to the customer.

In general, the Group receives 30% of the contract value as receipt in advance from customers when they sign the sale and purchase agreement and remaining 70% of the contract value would be received through the banks by releasing the mortgages to the customers in two to three months after the agreement signing date. Such advance payment schemes result in contract liabilities being recognised throughout the property construction period for the full amount of the contract price.

- (b) For trading of raw cane sugar to third party customers, revenue is recognised when control of the goods has been transferred, being at the point the customer obtains the control of the goods. Payment of the transaction price is due according to the payment terms agreed on the sales contracts.

5. 收益 (續)

(ii) 客戶合約之履約責任

- (a) 就物業銷售與客戶訂立的合約而言，合約中規定的相關物業乃基於標準化要求，並無其他替代用途。經考慮相關合約條款、法律環境及相關法律先例，本集團認為，在轉讓相關物業之控制權予客戶前，本集團並無收取付款的可強制執行權利。因此，物業銷售的收益於相關物業開發已竣工且物業控制權已轉讓予客戶的時點確認。

通常在簽訂買賣協議時，本集團自客戶收取合約價值的30%作為預收款項，而餘下合約價值的70%將於協議簽訂日期後兩至三個月透過銀行向客戶發放按揭貸款收取。該預先付款計劃導致於整個物業建設期確認有關合約價格全款的合約負債。

- (b) 就與第三方客戶之原蔗糖貿易而言，收益於貨品控制權轉讓時（即客戶取得貨品控制權的時點）確認。交易價按銷售合約協定的付款條款到期支付。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

5. REVENUE (Continued)

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2020 and the expected timing of recognising revenue are as follows:

5. 收益 (續)

(iii) 分配至客戶合約之餘下履約責任的交易價

於二零二零年十二月三十一日，分配至餘下履約責任的交易價（未清償或部分未清償）及預期確認收益時間如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within one year	於一年內		
– Sales of properties	– 物業銷售	74,154	235,620
– Trading of raw cane sugar	– 原蔗糖貿易	–	27,116
		74,154	262,736

(iv) Leases

(iv) 租賃

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
For operating leases with respect to investment properties:	就有關投資物業的經營租賃而言：		
Lease payments that are fixed	固定租賃付款	1,428	1,668

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

6. SEGMENT INFORMATION

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e. the executive directors of the Company) (the “CODM”) in order to allocate resources to the segments and assess their performance.

The Group’s operating segments under HKFRS 8 *Operating Segments* are identified as the follows:

- Property development and investment: this segment primarily develops and sells office premises, commercial, residential properties and car parking spaces. This segment also generates rental income from investment properties and achieves gain from the appreciation in the properties’ values in the long term. All the Group’s activities in this segment are carried out in the PRC.
- Trading of raw cane sugar: this segment trades raw cane sugar on a worldwide basis.

Property development and investment and trading of raw cane sugar also represent the Group’s reportable segments.

6. 分部資料

本集團根據主要營運決策者（「主要營運決策者」，即本公司執行董事）定期審閱以向分部分配資源及評估其表現之有關本集團分部之內部報告確定其經營分部。

根據香港財務報告準則第8號經營分部，本集團之經營分部識別如下：

- 物業發展及投資：該分部主要發展及銷售辦公室物業、商業、住宅物業及停車位。該分部亦自投資物業產生租金收入及自物業長期增值取得收益。本集團該分部之所有活動均於中國開展。
- 原蔗糖貿易：該分部於全球範圍進行原蔗糖貿易。

物業發展及投資以及原蔗糖貿易亦為本集團之可報告分部。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segment.

For the year ended 31 December 2020

		Property development and investment 物業發展及投資 RMB'000 人民幣千元	Trading of raw cane sugar 原蔗糖貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue	收益	247,878	27,663	275,541
Segment profit	分部溢利	22,769	2,025	24,794
Other income	其他收入			922
Fair value change on financial assets at FVTPL	按公允值計入損益之 財務資產之公允值變動			2,411
Finance costs	財務成本			(662)
Unallocated corporate expenses	未分配公司開支			(20,173)
Profit before taxation	除稅前溢利			7,292

6. 分部資料 (續)

(a) 分部收益及業績

本集團收益及業績之分析按經營及可報告分部呈列如下。

截至二零二零年十二月三十一日止年度

截至二零一九年十二月三十一日止年度

		Property development and investment 物業發展及投資 RMB'000 人民幣千元	Trading of raw cane sugar 原蔗糖貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue	收益	756,487	48,411	804,898
Segment profit	分部溢利	155,459	947	156,406
Other income	其他收入			515
Fair value change on financial asset at FVTPL	按公允值計入損益之 財務資產之公允值變動			(9)
Finance costs	財務成本			(1,101)
Unallocated corporate expenses	未分配公司開支			(16,850)
Profit before taxation	除稅前溢利			138,961

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

(a) Segment revenues and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3.2. Segment profit represents the profit of each segment without allocation of certain other income, fair value change on financial assets at FVTPL, certain finance costs and unallocated corporate expenses (i.e. central administration costs and directors' emoluments). This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

6. 分部資料 (續)

(a) 分部收益及業績 (續)

經營分部之會計政策與附註3.2所述本集團會計政策相同。分部溢利指各分部未分配若干其他收入、按公允值計入損益之財務資產之公允值變動、若干財務成本及未分配公司開支(即中央行政費用及董事酬金)之溢利。此乃報告予主要經營決策者用於資源分配及業績評估的措施。

(b) 分部資產及負債

本集團資產及負債之分析按報告及經營分部呈列如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Segment assets	分部資產		
– Property development and investment	– 物業發展及投資	1,072,849	1,094,298
– Trading of raw cane sugar	– 原蔗糖貿易	802	68,898
Unallocated corporate assets	未分配企業資產		
– Financial assets at FVTPL	– 按公允值計入損益之財務資產	6,402	12
– Bank balances and cash	– 銀行結存及現金	1,242	1,372
– Others	– 其他	15,176	18,905
Consolidated total assets	綜合資產總值	1,096,471	1,183,485
Segment liabilities	分部負債		
– Property development and investment	– 物業發展及投資	(328,330)	(397,994)
– Trading of raw cane sugar	– 原蔗糖貿易	(712)	(76,135)
Unallocated corporate liabilities	未分配企業負債		
– Loan payables	– 應付貸款	(8,420)	(11,277)
– Amount due to a director	– 應付董事款項	–	(3,139)
– Tax payable	– 應付稅項	(227)	–
– Secured bank borrowings	– 有抵押銀行借款	(9,150)	(1,776)
– Bank overdrafts	– 銀行透支	(4,039)	–
– Others	– 其他	(2,410)	(4,587)
Consolidated total liabilities	綜合負債總值	(353,288)	(494,908)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

(b) Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to segments assets other than certain deposits, other receivables and prepayments, financial assets at FVTPL, certain bank balances and cash and certain other assets; and
- all liabilities are allocated to segments liabilities other than certain other payables, loan payables, amount due to a director, certain tax payable, secured bank borrowings, bank overdrafts and certain other liabilities.

(c) Other segment information

2020

6. 分部資料 (續)

(b) 分部資產及負債 (續)

為監控分部之間的分部表現和分配資源的目的：

- 除若干按金、其他應收款項及預付款項、按公允值計入損益之財務資產、若干銀行結存及現金以及若干其他資產外，所有資產均分配至分部資產；及
- 除若干其他應付款項、應付貸款、應付董事款項、若干應付稅項、有抵押銀行借款、銀行透支及若干其他負債外，所有負債均分配至分部負債。

(c) 其他分部資料

二零二零年

		Property development and investment 物業發展及投資 RMB'000 人民幣千元	Trading of raw cane sugar 原蔗糖貿易 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Consolidated 合併 RMB'000 人民幣千元
<i>Amounts included in the measure of segment profit or loss:</i>	<i>計量分部損益時已計入之款項：</i>				
Impairment losses under ECL model on other receivables	其他應收款項預期信貸虧損模式項下之減值虧損	1,236	-	-	1,236
Fair value change on investment properties	投資物業之公允值變動	10,518	-	-	10,518
Finance costs	財務成本	-	168	662	830
Depreciation of property, plant and equipment	物業、廠房及設備折舊	385	-	453	838
Depreciation of right-of-use assets	使用權資產折舊	-	1,205	5	1,210
<i>Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:</i>	<i>定期向主要經營決策者提供但不計入計量分部損益的款項：</i>				
Fair value change on financial assets at FVTPL	按公允值計入損益之財務資產之公允值變動	-	-	(2,411)	(2,411)
Bank interest income	銀行利息收入	(259)	(7)	-	(266)
Other income	其他收入	-	(133)	(656)	(789)
Income tax expense	所得稅開支	14,263	-	240	14,503

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

(c) Other segment information (Continued)

2019

6. 分部資料 (續)

(c) 其他分部資料 (續)

二零一九年

		Property development and investment 物業發展及投資 RMB'000 人民幣千元	Trading of raw cane sugar 原蔗糖貿易 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Consolidated 合併 RMB'000 人民幣千元
<i>Amounts included in the measure of segment profit or loss:</i>	<i>計量分部損益時已計入之款項：</i>				
Fair value change on investment properties	投資物業之公允值變動	4,044	-	-	4,044
Finance costs	財務成本	-	-	1,011	1,011
Depreciation of property, plant and equipment	物業、廠房及設備折舊	514	-	447	961
Depreciation of right-of-use assets	使用權資產折舊	793	-	17	810
<i>Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:</i>	<i>定期向主要經營決策者提供但 不計入計量分部損益的款項：</i>				
Fair value change on financial asset at FVTPL	按公允值計入損益之 財務資產之公允值變動	-	-	9	9
Bank interest income	銀行利息收入	(305)	-	(210)	(515)
Other income	其他收入	-	(194)	(13)	(207)
Income tax expense	所得稅開支	54,603	-	-	54,603

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

(d) Geographical information

For the years ended 31 December 2020 and 2019, all of the Group's revenue and assets were derived from customers and operations based in the PRC including Hong Kong (by country of domicile) and accordingly, no further analysis of the Group's geographical information is disclosed.

(e) Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

6. 分部資料 (續)

(d) 地理資料

截至二零二零年及二零一九年十二月三十一日止年度，由於本集團全部收益及資產均來自位於中國（包括香港）（按所在國家劃分）之客戶及營運，故並無進一步披露本集團之地理資料分析。

(e) 主要客戶資料

於相應年度來自對本集團總收益貢獻超過10%的客戶之收益如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Customer A (Note)	客戶A (附註)	27,663	-

Note: Amount represented revenue generated from trading of raw cane sugar to this customer during the year ended 31 December 2020 and this customer did not contribute any revenue of the Group in the year ended 31 December 2019.

附註：該金額指於截至二零二零年十二月三十一日止年度與該客戶進行原蔗糖貿易產生之收益且該客戶於截至二零一九年十二月三十一日止年度並無為本集團貢獻任何收益。

7. OTHER INCOME

7. 其他收入

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Gain on disposal of a subsidiary	出售附屬公司之收益	31	-
Bank interest income	銀行利息收入	266	515
Government grant (Note)	政府補助 (附註)	625	-
Other interest income	其他利息收入	133	207
		1,055	722

Note: During the current year, the Group received and recognised government grants of Hong Kong Dollar ("HK\$") 702,000 (equivalent to RMB625,000) in accordance with the Employment Support Scheme provided by the Hong Kong government.

附註：於本年度，本集團根據香港政府提供之保就業計劃已收取並確認政府補助港幣（「港幣」）702,000元（相當於人民幣625,000元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

8. FINANCE COSTS

8. 財務成本

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Interest expenses on	利息開支		
– bank borrowings	– 銀行借款	225	514
– loan payable	– 應付貸款	534	529
– lease liabilities	– 租賃負債	59	58
– bank overdrafts	– 銀行透支	12	–
Total borrowing costs	總借款成本	830	1,101

9. INCOME TAX EXPENSE

9. 所得稅開支

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current tax	即期稅項		
Hong Kong	香港	240	–
PRC EIT	中國企業所得稅	12,575	49,449
PRC LAT	中國土地增值稅	8,063	20,396
		20,878	69,845
Deferred taxation (note 29)	遞延稅項 (附註29)		
Current year	本年度	(6,375)	(15,242)
		14,503	54,603

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

9. INCOME TAX EXPENSE (Continued)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity 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%.

No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2019 as the Group's assessable profits were wholly absorbed by tax losses brought forward.

Provision for Hong Kong Profits Tax has been made for the year ended 31 December 2020 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%.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The provision of PRC LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. PRC LAT has been provided at progressive rates ranging from 30% to 60% on the appreciation of land value, with certain allowable exemptions and deductions.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

9. 所得稅開支 (續)

於二零一八年三月二十一日，香港立法會通過二零一七年稅務(修訂)(第7號)條例草案(「條例草案」)，其引入兩級利得稅率制度。條例草案於二零一八年三月二十八日簽署成為法律並於翌日刊登憲報。根據兩級利得稅率制度，合資格集團實體首港幣2,000,000元溢利將按8.25%徵稅，而超過港幣2,000,000元溢利將按16.5%徵稅。未符合兩級利得稅率制度之集團實體溢利將繼續以統一稅率16.5%徵稅。

由於本集團應課稅溢利由結轉稅項虧損全數抵銷，故截至二零一九年十二月三十一日止年度並無就香港利得稅作出撥備。

截至二零二零年十二月三十一日止年度已根據兩級利得稅率制度就香港利得稅作出撥備，合資格集團實體首港幣2,000,000元溢利將按8.25%徵稅，而超過港幣2,000,000元溢利將按16.5%徵稅。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，於兩個年度內，中國附屬公司的稅率均為25%。

中國土地增值稅撥備是按有關中國稅務法律及法規所載之規定作出估計。中國土地增值稅已就土地增值價值按30%至60%的遞增稅率作出撥備(附帶若干許可的豁免及減免)。

根據中國企業所得稅法，自二零零八年一月一日起，中國附屬公司須就其賺取之溢利所宣派之股息繳納預扣稅。綜合財務報表並未就中國附屬公司累計溢利引致之暫時差額作出遞延稅項撥備，概因本集團能夠控制撥回暫時差額之時間，而暫時差額可能不會於可預見將來撥回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

9. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

9. 所得稅開支 (續)

於年內之稅項開支與綜合損益表中的除稅前溢利之對賬如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	7,292	138,961
Tax at the domestic income tax rate of 25% (2019: 25%) (Note)	按本地所得稅稅率25% (二零一九年：25%) 計算之稅項 (附註)	1,823	34,740
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	4,584	2,462
Tax effect of income not taxable for tax purpose	非課稅收入之稅務影響	(107)	-
Provision of PRC LAT for the year	年內中國土地增值稅撥備	8,063	20,396
Tax effect of PRC LAT deductible for PRC EIT	可就中國企業所得稅扣減中國土地增值稅之稅務影響	(2,016)	(5,099)
Utilisation of tax losses previously not recognised	動用過往未確認之稅項虧損	(1,245)	(226)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司不同稅率之影響	3,548	2,330
Income tax at concessionary rate	按優惠稅率計算之所得稅	(147)	-
Income tax expense	所得稅開支	14,503	54,603

Note: The domestic income tax rate (which is PRC EIT rate) in the jurisdiction where the operation of the Group is substantially based is used.

附註：動用本集團經營業務所在司法權區之本地所得稅稅率 (即中國企業所得稅率)。

Details of deferred taxation are set out in note 29.

遞延稅項詳情載於附註29。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

10. (LOSS) PROFIT FOR THE YEAR

(Loss) profit for the year has been arrived at after charging (crediting):

10. 年內(虧損)溢利

年內(虧損)溢利已扣除(計入)以下各項：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Directors' remuneration (note 11a)	董事薪酬(附註11a)	7,592	7,946
Other staff costs	其他員工成本	6,746	4,920
Retirement benefits scheme contributions	退休福利計劃供款	861	898
		15,199	13,764
Auditor's remuneration	核數師酬金	1,201	1,190
Cost of properties held for sale recognised as expenses (included in cost of sales)	確認為開支的持作出售物業成本(計入銷售成本)	203,896	578,228
Cost of raw cane sugar recognised as expenses (included in cost of sales)	確認為開支的原蔗糖成本(計入銷售成本)	22,641	46,328
Net foreign exchange loss (gain)	匯兌虧損(收益)淨額	1,054	(12)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	838	961
Depreciation of right-of-use assets	使用權資產折舊	1,210	810
Expense related to a short-term lease	短期租賃相關開支	20	20
Expense related to lease of a low-value asset	低價值資產租賃相關開支	-	6

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executive's emoluments

The emoluments paid or payable to each of the eight (2019: seven) directors and the chief executive were as follows:

11. 董事、主要行政人員及僱員酬金

(a) 董事及主要行政人員酬金

已向或應向八位(二零一九年:七位)董事及主要行政人員支付之酬金如下：

		Executive directors 執行董事				Independent non-executive directors 獨立非執行董事				Total 總計
		Mr. CHEN Xian 陳賢先生 RMB'000 人民幣千元	Mr. LAU Sai Chung 劉世忠先生 RMB'000 人民幣千元 (note v) (附註v)	Mr. LIU Feng 劉鋒先生 RMB'000 人民幣千元	Mr. LIU Zhongxiang 劉忠翔先生 RMB'000 人民幣千元	Mr. POON Lai Yin, Michael 潘禮賢先生 RMB'000 人民幣千元	Mr. CHAR Shik Ngor, Stephen 查錫我先生 RMB'000 人民幣千元	Mr. CHEN Weijiang 陳偉江先生 RMB'000 人民幣千元 (note iii) (附註iii)	Ms. LI Jiansheng 李建生女士 RMB'000 人民幣千元 (note iv) (附註iv)	
For the year ended 31 December 2020	截至二零二零年十二月三十一日止年度									
Directors' fees	董事袍金	-	-	-	-	152	152	152	-	456
Salaries and allowances	薪金及津貼	1,993	1,804	2,307	832	-	-	-	-	6,936
Retirement benefits scheme contributions	退休福利計劃供款	1,993	1,804	2,307	832	152	152	152	-	7,392
		50	50	50	50	-	-	-	-	200
Total	總計	2,043	1,854	2,357	882	152	152	152	-	7,592

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' and chief executive's emoluments (Continued)

	Executive directors 執行董事				Independent non-executive directors 獨立非執行董事			Total 總計
	Mr. CHEN Xian 陳賢先生 RMB'000 人民幣千元	Mr. LAU Sai Chung 劉世忠先生 RMB'000 人民幣千元 (note v) (附註v)	Mr. LIU Feng 劉鋒先生 RMB'000 人民幣千元	Mr. LIU Zhongxiang 劉忠翔先生 RMB'000 人民幣千元	Mr. POON Lai Yin, Michael 潘禮賢先生 RMB'000 人民幣千元	Mr. CHAR Shik Ngor, Stephen 查錫我先生 RMB'000 人民幣千元	Ms. LI Jiangsheng 李建生女士 RMB'000 人民幣千元 (note iv) (附註iv)	
For the year ended 31 December 2019 截至二零一九年十二月三十一日 止年度								
Directors' fees 董事袍金	-	-	-	-	159	159	477	
Salaries and allowances 薪金及津貼	1,930	1,741	2,225	802	-	-	6,698	
Discretionary bonus 酌情花紅	161	145	186	67	-	-	559	
	2,091	1,886	2,411	869	159	159	7,734	
Retirement benefits scheme contributions 退休福利計劃供款	53	53	53	53	-	-	212	
Total 總計	2,144	1,939	2,464	922	159	159	7,946	

Notes:

- (i) 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 of the Company.
- (ii) The discretionary bonus was determined with reference to the prevailing market conditions, corporate and individual responsibility and performance during the year ended 31 December 2019.
- (iii) Mr. Chen Weijiang was appointed as an independent non-executive director of the Company on 3 January 2020.
- (iv) Ms. Li Jiangsheng resigned as an independent non-executive director of the Company on 3 January 2020.
- (v) Mr. Lau Sai Chung is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.
- (vi) Neither the chief executive nor any of the directors waived or agreed to waive any emoluments paid by the Group during the years ended 31 December 2020 and 2019.

附註：

- (i) 上文所示執行董事之酬金乃與彼等於本公司及本集團之事務管理服務有關。上文所示獨立非執行董事之酬金乃與彼等擔任本公司董事之服務有關。
- (ii) 該酌情花紅乃經參考截至二零一九年十二月三十一日止年度之現行市況、企業及個人責任及表現而釐定。
- (iii) 陳偉江先生於二零二零年一月三日獲委任為本公司獨立非執行董事。
- (iv) 李建生女士於二零二零年一月三日辭任本公司獨立非執行董事。
- (v) 劉世忠先生亦為本公司行政總裁，以上所披露之酬金包括其作為行政總裁所提供服務之酬金。
- (vi) 截至二零二零年及二零一九年十二月三十一日止年度，概無主要行政人員或任何董事放棄或同意放棄本集團所支付之任何酬金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Employees' emoluments

Of the five individuals with highest emoluments in the Group, four (2019: four) were directors and the chief executive of the Company whose emoluments are set out above. The emoluments of the remaining one (2019: one) individual were as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	1,003	967
Retirement benefits scheme contributions	退休福利計劃供款	50	53
Discretionary bonus	酌情花紅	-	81
		1,053	1,101

Emoluments of the five individuals with highest emoluments including directors were within the following bands:

		Number of individuals (including directors and chief executive) 員工數目(包括董事及 主要行政人員)	
		2020 二零二零年	2019 二零一九年
Nil to HK\$1,000,000	零至港幣1,000,000元	-	-
HK\$1,000,001 to HK\$1,500,000	港幣1,000,001元至 港幣1,500,000元	2	2
HK\$1,500,001 to HK\$2,000,000	港幣1,500,001元至 港幣2,000,000元	-	-
HK\$2,000,001 to HK\$2,500,000	港幣2,000,001元至 港幣2,500,000元	2	2
HK\$2,500,001 to HK\$3,000,000	港幣2,500,001元至 港幣3,000,000元	1	1
		5	5

11. 董事、主要行政人員及僱員酬金 (續)

(b) 僱員酬金

本集團五名最高酬金個別人士中，四名(二零一九年：四名)為本公司之董事及主要行政人員，彼等之酬金已於上文列載。剩餘一名(二零一九年：一名)個別人士之酬金如下：

五名最高酬金個別人士(包括董事)之酬金介乎以下範圍內：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(c) No emolument have been paid by the Group to the directors and the chief executive of the Company or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 31 December 2020 and 2019.

12. DIVIDEND

No dividends were declared and proposed by the Company during the years ended 31 December 2020 and 2019, nor has any dividend been proposed since the end of the reporting period.

13. (LOSS) EARNINGS PER SHARE

The calculations of the basic and dilutive (loss) earnings per share attributable to owners of the Company is based on the following data:

11. 董事、主要行政人員及僱員酬金 (續)

(c) 截至二零二零年及二零一九年十二月三十一日止年度，本集團概無向本公司董事及主要行政人員或五名最高酬金個別人士支付酬金作為吸引加入或加入本集團時之獎金或作為離職補償。

12. 股息

於截至二零二零年及二零一九年十二月三十一日止年度，本公司概無宣派及擬派任何股息，並自報告期末起亦無擬派任何股息。

13. 每股(虧損)盈利

本公司擁有人應佔每股基本及攤薄(虧損)盈利乃根據以下數據計算：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
(Loss) earnings	(虧損) 盈利		
(Loss) earnings for the purposes of basic and diluted (loss) earnings per share	就計算每股基本及攤薄(虧損)盈利而言之(虧損)盈利		
– (loss) profit for the year attributable to owners of the Company	– 本公司擁有人應佔年內(虧損)溢利	(7,775)	74,184
			(Restated) (經重列)
Number of shares	股份數目		
Weighted average number of share for the purposes of basic and diluted (loss) earnings per share	就計算每股基本及攤薄(虧損)盈利而言之股份加權平均數	182,666,312	182,469,052

The weighted average number of ordinary shares for the purposes of basic and diluted (loss) earnings per share for both years presented has been adjusted for the share consolidation effected on 20 October 2020.

The computation of diluted (loss) earnings per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for both years.

就計算兩個年度呈列的每股基本及攤薄(虧損)盈利而言之普通股加權平均數已就二零二零年十月二十日生效之股份合併進行調整。

計算每股攤薄(虧損)盈利時並無假設本公司之購股權獲行使，原因為該等購股權之行使價高於股份於兩個年度之平均市價。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

14. INVESTMENT PROPERTIES

The Group leases out retail stores under operating leases with rentals receivable monthly. The leases typically run for an initial period of 3 to 5 years, with unilateral rights to extend the lease beyond initial period held by lessees only. Majority of the lease contracts contain market review clauses in the event the lessee exercises the option to extend.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of the group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

14. 投資物業

本集團根據經營租賃租出零售店舖並每月收取租金。本集團一般按3至5年的初始期間經營租賃，而承租人方擁有初始期間後延長租賃的單方面權利。倘承租人行使延長選擇，大部分租賃合約載有市場檢討條款。

由於所有租賃均以集團實體的相關功能貨幣計值，故本集團並無因租賃安排而面臨外幣風險。租賃合約並無載有剩餘價值擔保及／或承租人於租賃期結束時購買物業的選擇。

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
FAIR VALUE	公允值		
At 1 January	於一月一日	84,918	88,962
Decrease in fair value recognised in profit or loss	於損益確認之公允值減少	(10,518)	(4,044)
At 31 December	於十二月三十一日	74,400	84,918

The fair values of the Group's investment properties of RMB74,400,000 as at 31 December 2020 (2019: RMB84,918,000) have been arrived at on a basis of valuation carried out by Norton Appraisals Holdings Limited (2019: Vigers Appraisal & Consulting Limited), an independent professional property valuer not connected with the Group.

本集團投資物業於二零二零年十二月三十一日之公允值人民幣74,400,000元(二零一九年：人民幣84,918,000元)乃基於與本集團並無關連之獨立專業物業估值師Norton Appraisals Holdings Limited(二零一九年：威格斯資產評估顧問有限公司)進行之估值達致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

14. INVESTMENT PROPERTIES (Continued)

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuer to perform the valuation. Management works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs and data to the model. Management reports the valuation report and findings to directors semi-yearly to explain the cause of fluctuations in the fair value of the assets.

For the year ended 31 December 2019, the independent property valuer adopted direct comparison approach by making reference to comparable sales evidences as available in the relevant market to reflect current market conditions as of the end of the reporting period to arrive the valuation of investment properties.

For the year ended 31 December 2020, the independent property valuer adopted the investment approach for the properties which are currently held for earning rental income and capital appreciation. The directors of the Company decided to change the valuation techniques from direct comparison approach to investment approach as they are of the view that the adoption of these valuation techniques can improve the relevance to the existing conditions of investment properties held by the Group after the renewal of the majority of tenancy agreements in the current year and give a fairer presentation of the results and the financial position of the Group.

14. 投資物業 (續)

於估計資產之公允值時，本集團採用可取得之市場可觀察數據。倘並無可用之第一級輸入數據，則本集團委聘第三方合資格估值師進行估值。管理層與合資格外部估值師緊密合作，以確立合適之估值技術及模型之輸入值及數據。管理層每半年向董事匯報估值報告及結果，以解釋資產公允值波動之原因。

截至二零一九年十二月三十一日止年度，獨立物業估值師採納直接比較法並參考相關市場上可用之可比較銷售證據，以反映直至報告期末之現行市況以達致投資物業之估值。

截至二零二零年十二月三十一日止年度，獨立物業估值師就當前持作賺取租金收入及資本增值之物業採用投資法。本公司董事決定將估值技術由直接比較法變更為投資法，原因是彼等認為於本年度重續大部分租賃協議後，採用該等估值技術可改善本集團持有之投資物業現況相關性，並更公平地呈列本集團之業績及財務狀況。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

14. INVESTMENT PROPERTIES (Continued)

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use. The fair values of certain investment properties have been adjusted to exclude prepaid or accrued operating lease income to avoid double counting.

For the year ended 31 December 2019, the key inputs and data used in valuing the investment properties by the independent property valuer under the aforesaid approach was market observable transactions of similar properties. A significant increase in the market transaction price used would result in a significant increase in fair value measurement of the investment properties, and vice versa.

For the year ended 31 December 2020, the fair values of the investment properties were determined by the independent property valuer by reference to capitalised income to be derived from the tenancies and the reversionary income potential of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the same locations and conditions.

The following tables give information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs and data used), as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs and data to the fair value measurements is observable.

14. 投資物業 (續)

於估計投資物業之公允值時，投資物業之最高及最佳用途為其當前用途。若干投資物業之公允值已經調整，以排除預付或應計之經營租賃收入，避免雙重計算。

截至二零一九年十二月三十一日止年度，獨立物業估值師根據前述方法對投資物業進行估值時使用之主要輸入值及數據為類似物業之市場可觀察交易。所用市場交易價格顯著增加將導致投資物業之公允值計量大幅增加，反之亦然。

截至二零二零年十二月三十一日止年度，投資物業之公允值乃由獨立物業估值師參考將由租賃產生的資本化收入及物業復歸收入潛力或（如適用）參考有關處於相同位置及條件的類似物業之交易價格的市場證據而釐定。

下表列示有關如何釐定該等投資物業公允值之資料（尤其是估值技術及所用輸入值及數據）以及根據公允值計量所用輸入值及數據的可觀察程度分類之公允值計量所屬公允值等級（第一級至第三級）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

14. INVESTMENT PROPERTIES (Continued)

As at 31 December 2020

Category	Fair value	Fair value hierarchy	Valuation techniques and key inputs and data	Significant unobservable inputs (relationship of unobservable inputs to fair value)	Range (weighted average)	Sensitivity
類別	公允值 RMB'000 人民幣千元	公允值等級	估值技術及主要輸入值及數據	重大不可觀察輸入值(不可觀察輸入值與公允值之關係)	範圍 (加權平均值)	敏感度
Retail shops in the PRC 於中國之零售店	74,400	Level 3 第三級	Investment approach – income capitalisation of the net income and made provisions for reversionary income potential 投資法—淨收入的收入資本化及就復歸收入潛力作出撥備	<ol style="list-style-type: none"> Term yield (the higher the term yield, the lower the fair value) 定期收益(定期收益越高,則公允值越低) Reversionary yield (the higher the reversionary yield, the lower the fair value) 復歸收益(復歸收益越高,則公允值越低) Unit rent (RMB/square per meter per month) (the higher the unit rent, the higher the fair value) 單位租金(每月人民幣元/平方米)(單位租金越高,則公允值越高) 	3.35% 5.0% RMB人民幣43元	A slight increase in term yield would result in significant decrease in fair value, and vice versa. 定期收益略增將導致公允值大幅減少,反之亦然。 A slight increase in reversionary yield would result in significant decrease in fair value, and vice versa. 復歸收益略增將導致公允值大幅減少,反之亦然。 A significant increase in unit rent would result in significant increase in fair value and vice versa. 單位租金大幅增加將導致公允值大幅增加,反之亦然。

As at 31 December 2019

Category	Fair value	Fair value hierarchy	Valuation techniques and key inputs and data	Significant unobservable inputs (relationship of unobservable inputs to fair value)	Fair value per square meter	Sensitivity
類別	公允值 RMB'000 人民幣千元	公允值等級	估值技術及主要輸入值及數據	重大不可觀察輸入值(不可觀察輸入值與公允值之關係)	公允值/平方米	敏感度
Retail shops in the PRC 於中國之零售店	84,918	Level 3 第三級	Direct comparison method – based on market observable transactions of similar properties and adjusted to reflect the conditions of the subject property 直接比較法—基於類似物業之市場可觀察交易並予以調整以反映標的物業之條件	Adjusted transaction price 經調整交易價	RMB 人民幣 21,000元	The higher the adjusted transaction price, the higher the fair value and vice versa. 經調整交易價越高,則公允值越高,反之亦然。

There were no transfers into or out of Level 3 during the years ended 31 December 2020 and 2019.

截至二零二零年及二零一九年十二月三十一日止年度,概無轉入或轉出第三級。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Leasehold land and buildings 租賃土地及 樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃裝修 RMB'000 人民幣千元	Equipment 設備 RMB'000 人民幣千元	Furniture 傢俱 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
COST	成本						
At 1 January 2019	於二零一九年一月一日	21,082	911	1,663	171	2,991	26,818
Exchange realignment	匯兌調整	373	16	45	1	-	435
At 31 December 2019	於二零一九年 十二月三十一日	21,455	927	1,708	172	2,991	27,253
Exchange realignment	匯兌調整	(1,246)	(54)	(43)	(5)	-	(1,348)
Additions	添置	-	-	21	-	-	21
At 31 December 2020	於二零二零年 十二月三十一日	20,209	873	1,686	167	2,991	25,926
ACCUMULATED DEPRECIATION	累計折舊						
At 1 January 2019	於二零一九年一月一日	4,790	911	1,155	171	740	7,767
Exchange realignment	匯兌調整	90	16	45	1	-	152
Provided for the year	年內撥備	447	-	215	-	299	961
At 31 December 2019	於二零一九年 十二月三十一日	5,327	927	1,415	172	1,039	8,880
Exchange realignment	匯兌調整	(334)	(54)	(42)	(5)	-	(435)
Provided for the year	年內撥備	451	-	88	-	299	838
At 31 December 2020	於二零二零年 十二月三十一日	5,444	873	1,461	167	1,338	9,283
CARRYING VALUES	賬面值						
At 31 December 2020	於二零二零年 十二月三十一日	14,765	-	225	-	1,653	16,643
At 31 December 2019	於二零一九年 十二月三十一日	16,128	-	293	-	1,952	18,373

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT

(Continued)

Notes:

- (a) The above items of property, plant and equipment are depreciated on a straight-line basis, after taking into account their estimated residual values, at the following useful lives or rates per annum:

Leasehold land and buildings	Over the shorter of the term of the lease or 50 years
Leasehold improvements	Over the shorter of the term of the leases or 5 years
Equipment	18% to 25%
Furniture	18% to 25%
Motor vehicles	10%

- (b) The leasehold land and buildings are situated in Hong Kong.
- (c) Leasehold land and buildings with an aggregate carrying value of RMB14,765,000 (2019: RMB16,128,000) have been pledged to secure general banking facilities granted to the Group.

15. 物業、廠房及設備 (續)

附註：

- (a) 以上物業、廠房及設備項目乃經計及其估計剩餘價值後按以下可使用年期或年率以直線法折舊：

租賃土地及樓宇	按租賃期或50年 (以較短者為準)
租賃裝修	按租賃期或5年 (以較短者為準)
設備	18%至25%
傢俱	18%至25%
汽車	10%

- (b) 租賃土地及樓宇均位於香港。
- (c) 租賃土地及樓宇之總賬面值人民幣14,765,000元(二零一九年：人民幣16,128,000元)已作為授予本集團一般銀行信貸之抵押。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

16. RIGHT-OF-USE ASSETS

16. 使用權資產

		Leased properties 租賃物業 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2019	於二零一九年十二月三十一日			
Carrying amount	賬面值	1,550	23	1,573
At 31 December 2020	於二零二零年十二月三十一日			
Carrying amount	賬面值	320	17	337
For the year ended 31 December 2019	截至二零一九年十二月三十一日止年度			
Depreciation charge	折舊費用	793	17	810
For the year ended 31 December 2020	截至二零二零年十二月三十一日止年度			
Depreciation charge	折舊費用	1,205	5	1,210

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Expense relating to short-term lease and other lease with lease term end within 12 months of the date of initial application of HKFRS 16	短期租賃及租期於香港財務報告準則第16號初始應用日期起計12個月內結束之其他租賃相關開支	20	20
Expense relating to lease of low-value assets excluding short-term of low-value assets	低價值資產(不包括短期低價值資產)租賃相關開支	-	6
Total cash outflow for leases	租賃現金流出總額	1,233	866
Addition to right-of-use assets	添置使用權資產	-	2,395

The leased properties and office equipment are depreciated over the term of the relevant lease using the straight-line method.

During the years ended 31 December 2020 and 2019, the Group leases a staff quarter, car parking spaces and a copier for its operations. Lease contracts are entered into for original fixed terms ranging from 1 to 5 years. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

租賃物業及辦公室設備使用直線法按相關租期折舊。

截至二零二零年及二零一九年十二月三十一日止年度，本集團就其營運租賃員工宿舍、停車位及影印機。租賃合約乃按介乎1至5年之原固定年期訂立。租賃條款按個別基準磋商，並載有各種不同條款及條件。於釐定租賃條款及評估不可撤回期間的長度時，本集團應用合約的定義並釐定合約可強制執行的期間。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

16. RIGHT-OF-USE ASSETS (Continued)

Restrictions or covenants on leases

In addition, lease liabilities of RMB361,000 (2019: RMB1,612,000) are recognised with related right-of-use assets of RMB337,000 (2019: RMB1,573,000) as at 31 December 2020. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets cannot be used as security for borrowing purposes.

17. INVENTORIES

Raw cane sugar	原蔗糖	–	22,742
----------------	-----	---	--------

18. PROPERTIES UNDER DEVELOPMENT/ PROPERTIES HELD FOR SALE

Properties under development are classified as current assets as the construction period of the relevant property development project is expected to be completed in the normal operating cycle.

Properties under development substantially represent the cost of the land situated at JIXIANG-23, Maoming Jixiang District* (茂名市吉祥小區) in the PRC (the "PRC Land"). As at 31 December 2020, properties under development were not scheduled for completion within twelve months from the end of the reporting period.

Properties held for sale are situated on leasehold land in the PRC. All the properties held for sale are stated at cost.

16. 使用權資產 (續)

租賃限制或契諾

此外，於二零二零年十二月三十一日，為數人民幣361,000元（二零一九年：人民幣1,612,000元）之租賃負債乃按相關使用權資產人民幣337,000元（二零一九年：人民幣1,573,000元）確認。除出租人所持租賃資產的抵押品權益外，租賃協議並無施加任何契諾。租賃資產不得用作借款之抵押品。

17. 存貨

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Raw cane sugar	–	22,742

18. 在建物業／持作出售物業

由於預期相關物業開發項目之建設期將於正常營運週期內完成，故在建物業按流動資產分類。

在建物業主要指位於中國茂名市吉祥小區JIXIANG-23之土地（「中國土地」）。於二零二零年十二月三十一日，在建物業未計劃於自報告期間末起計十二個月內完工。

持作出售物業乃位於中國之租賃土地。所有持作出售物業均以成本列賬。

* The English name is for identification purpose only

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

19. DEPOSITS, OTHER RECEIVABLES AND PREPAYMENTS

19. 按金、其他應收款項及預付款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Other receivables (Note 1)	其他應收款項 (附註1)	24,914	14,759
Less: impairment losses recognised	減：已確認減值虧損	(1,647)	(448)
		23,267	14,311
Deposits paid for acquisition of land use rights (Note 2)	收購土地使用權支付的按金 (附註2)	-	102,460
Deposits and prepayments	按金及預付款項	3,337	2,093
		26,604	118,864

Notes:

附註：

- It includes loan receivables of RMB10,675,000 extended to the buyers of properties. The amounts are interest-free, unsecured and repayable within twelve months.
- It represented deposits of RMB102,460,000 placed at Maoming City Public Resources Trading Center* (茂名市公共資源交易中心) in respect of an acquisition of land use rights of the PRC Land, which is used for property development in the next few years. Such deposits were utilised upon settlement of the remaining contract sum and transferred to properties under development during the current year.

- 包括向物業買方授予之應收貸款人民幣10,675,000元。該款項為免息、無抵押及須於十二個月內償還。
- 指就收購位於中國土地之土地使用權於茂名市公共資源交易中心存放的按金人民幣102,460,000元，未來數年會用於物業發展。於本年度，有關按金已於清償餘下合約金額後動用並轉撥至在建物業。

* The English name is for identification purpose only

Movements in impairment losses for other receivables are set out as below:

其他應收款項之減值虧損變動載列如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At 1 January	於一月一日	448	429
Exchange difference	匯兌差額	(37)	19
Impairment losses recognised under ECL model	預期信貸虧損模式項下已確認之減值虧損	1,236	-
At 31 December	於十二月三十一日	1,647	448

Details of impairment assessment of other receivables are set out in note 41.

其他應收款項之減值估值詳情載於附註41。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

20.按公允值計入損益之財務資產

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Listed securities held for trading:	持作交易之上市證券：		
– Equity securities listed in Hong Kong	– 於香港上市之股本證券	6,402	12

21. RESTRICTED BANK DEPOSIT

The restricted bank deposit represents a guarantee deposit for the construction of project required to be placed in a designated bank account by the PRC Construction Bureau of Maoming City. The amount will be released upon the bank receiving the certificate of property ownership.

Restricted bank deposit carries interest at a market rate of 2.25% (2019: 2.25%) per annum.

22. PLEDGED BANK DEPOSITS, BANK BALANCES AND CASH AND BANK OVERDRAFTS

Pledged bank deposits amounting to RMB11,486,000 (2019: RMB31,285,000) have been pledged to guarantee the mortgage loans granted by the banks to the customers of the Group and are therefore classified as current assets.

The pledged bank deposits carry interest at a market rate of 0.30% (2019: 0.30%) per annum.

Bank balances carry interest at market rates which ranged from 0.01% to 0.30% (2019: 0.01% to 0.30%) per annum.

Bank overdrafts carry interest at overnight HIBOR plus 3%, effectively at 3.04%, per annum (2019: N/A).

21. 有限制銀行存款

有限制銀行存款指須存入中國茂名市建設局指定銀行賬戶內用於工程建設之保證金。該金額將於銀行收取物業所有權證後解除。

有限制銀行存款按市場年利率2.25%（二零一九年：2.25%）計息。

22. 已抵押銀行存款、銀行結存及現金以及銀行透支

為數人民幣11,486,000元（二零一九年：人民幣31,285,000元）之已抵押銀行存款已作抵押，以擔保銀行向本集團客戶授出之按揭貸款，因此分類為流動資產。

已抵押銀行存款按市場年利率0.30%（二零一九年：0.30%）計息。

銀行結存按市場年利率0.01%至0.30%（二零一九年：0.01%至0.30%）計息。

銀行透支按隔夜香港銀行同業拆息加年利率3%（實際為3.04%）計息（二零一九年：不適用）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

23. TRADE AND OTHER PAYABLES

23. 貿易及其他應付款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Trade payables	貿易應付款項	388	32,485
Receipts in advance (Note)	預收款項(附註)	-	20,919
Value-added tax payable	應付增值稅	41,910	34,750
Other tax payables	其他應付稅項	3,241	2,257
Other payables and accrued charges	其他應付款項及應計費用	13,549	7,879
		59,088	98,290

Note: It represented the receipts in advance from one customer which the sale contract was concluded after the end of the corresponding reporting period.

附註：指銷售合約於相應報告期末後訂立之預收一名客戶款項。

Credit periods granted to the Group by suppliers range from 0 to 180 days.

供應商給予本集團0至180天之信貸期。

The following is an aging analysis of trade payables, presented based on the invoice date at the end of the reporting period:

於報告期末之貿易應付款項按發票日期呈列之賬齡分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 90 days	90天以內	388	32,105
91 – 365 days	91至365天	-	29
Over 365 days	超過365天	-	351
		388	32,485

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

24. CONTRACT LIABILITIES

24. 合約負債

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Receipts in advance for sales of properties	銷售物業預收款項	74,154	235,620
Receipts in advance for trading of raw cane sugar	原蔗糖貿易預收款項	-	20,000
		74,154	255,620

As at 1 January 2019, contract liabilities amounted to RMB766,958,000.

於二零一九年一月一日，合約負債為人民幣766,958,000元。

Contract liabilities are expected to be settled within the Group's normal operating cycle.

預期合約負債將於本集團之正常經營週期內清償。

Revenue recognised during the years ended 31 December 2020 and 2019 that was included in the contract liabilities balance at 1 January 2020 and 2019 amounted to RMB161,466,000 and RMB645,611,000 respectively.

計入於二零二零年及二零一九年一月一日的合約負債結餘的截至二零二零年及二零一九年十二月三十一日止年度已確認收益分別為人民幣161,466,000元及人民幣645,611,000元。

25. LOAN PAYABLES

25. 應付貸款

Loan payables comprise:

應付貸款包括：

- (i) Loan payable to an independent third party amounted to RMB8,420,000 (2019: RMB8,940,000) which is unsecured, interest-bearing at 6% per annum and repayable on 30 April 2021.
- (ii) As at 31 December 2019, loan payable to China Sugar Holdings Limited, a shareholder of the Company, controlled by a director of the Company of RMB5,449,000 which was unsecured, interest-free and repayable on demand.

- (i) 應付一名獨立第三方貸款人民幣8,420,000元(二零一九年：人民幣8,940,000元)，該款項為無抵押，按年利率6%計息，並須於二零二一年四月三十日償還。
- (ii) 於二零一九年十二月三十一日，應付本公司一名董事控制之本公司股東中國糖業集團有限公司貸款為人民幣5,449,000元，該款項為無抵押、免息及須按要求償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

26. LEASE LIABILITIES

26. 租賃負債

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Lease liabilities payable:	應付租賃負債：		
Within one year	一年內	340	1,228
Within a period of more than one year but not more than two years	一年後但不超過兩年期間	21	361
Within a period of more than two years but not more than five years	兩年後但不超過五年期間	-	23
		361	1,612
Less: Amount due for settlement with 12 months shown under current liabilities	減：於12個月內到期清償的款項 (於流動負債項下列賬)	(340)	(1,228)
Amount due for settlement after 12 months shown under non-current liabilities	於12個月後到期清償的款項 (於非流動負債項下列賬)	21	384

The weighted average incremental borrowing rates applied to lease liabilities is 5.83% (2019: 5.83%).

租賃負債適用之加權平均增量借款利率為5.83% (二零一九年：5.83%)。

Lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

按相關集團實體功能貨幣以外的貨幣計值之租賃責任載列如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
As at 31 December	於十二月三十一日	361	1,612

27. AMOUNTS DUE TO NON-CONTROLLING INTERESTS

The amounts represent the advances from the non-controlling interests in respect of acquisition of the PRC Land which are unsecured, interest-free and have no fixed repayment term.

27. 應付非控制性權益款項

該等款項指有關收購中國土地之非控制性權益墊款，為無抵押、免息，且並無固定還款期。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

28. SECURED BANK BORROWINGS

28. 有抵押銀行借款

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Secured bank loans	有抵押銀行貸款		
– Variable-rate borrowings	– 浮動利率借款	9,150	1,776
Carrying amount repayable within one year*	應於一年內償還之賬面值*	–	–
Carrying amount of bank loans that contain a repayable on demand clause (show under current liabilities) but repayable*:	載有須按要求償還條款但須於以下日期償還之銀行貸款之賬面值* (於流動負債項下列賬):		
– within one year	– 一年內	865	1,241
– within a period of more than one year but not exceeding two years	– 一年後但不超過兩年期間	893	535
– within a period of more than two years but not exceeding five years	– 兩年後但不超過五年期間	2,806	–
– within a period of more than five years	– 五年後期間	4,586	–
Amount shown under current liabilities	於流動負債項下列賬之金額	9,150	1,776

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

* 該等到期款項乃根據貸款協議所載之計劃償還日期計算。

The Group's variable-rate borrowings carry interest at 3-month HIBOR plus 1.75% per annum (2019: 3-month HIBOR plus 2% per annum).

本集團之浮動利率借款乃按三個月香港銀行同業拆息加年利率1.75% (二零一九年: 三個月香港銀行同業拆息加年利率2%) 計息。

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

本集團實際借款利率 (其亦相當於合約利率) 範圍如下:

		Year ended 31 December 截至十二月三十一日止年度	
		2020 二零二零年	2019 二零一九年
Effective interest rate	實際利率		
– Variable-rate borrowings	– 浮動利率借款	2.30%至2.38%	3.56%至5.12%

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

29. DEFERRED TAXATION

29. 遞延稅項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Deferred tax liabilities	遞延稅項負債	34,224	40,599

The following are the major deferred tax liabilities recognised and movements thereof during the current and prior reporting periods:

於本期及過往報告期間，已確認的主要遞延稅項負債及其變動如下：

		PRC LAT provision 中國土地 增值稅撥備 RMB'000 人民幣千元	Fair value adjustments arising from properties held for sale 持作 出售物業之 公允值調整 RMB'000 人民幣千元	Change in fair value of investment properties 投資物業之 公允值 變動 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	1,374	(40,402)	(16,813)	(55,841)
Credit to profit or loss	於損益計入	351	13,980	911	15,242
At 31 December 2019	於二零一九年十二月三十一日	1,725	(26,422)	(15,902)	(40,599)
(Charge) credit to profit or loss	於損益 (扣除) 計入	(1,362)	5,371	2,366	6,375
At 31 December 2020	於二零二零年十二月三十一日	363	(21,051)	(13,536)	(34,224)

At 31 December 2020, the Group had unused tax losses of RMB30,115,000 (2019: RMB35,096,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses as at 31 December 2020 (2019: Nil) due to the unpredictability of future profit streams. Losses may be carried forward indefinitely.

於二零二零年十二月三十一日，本集團有未動用稅項虧損人民幣30,115,000元（二零一九年：人民幣35,096,000元）可用作抵銷未來溢利。於二零二零年十二月三十一日，由於未來溢利來源之不可預知性，並無就該等虧損確認遞延稅項資產（二零一九年：無）。虧損可無限定期結轉。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

30. SHARE CAPITAL

30. 股本

		Number of shares 股數	HK\$'000 港幣千元	Equivalent to 相當於 RMB'000 人民幣千元
Ordinary shares of HK\$1 (2019: HK\$0.10) each	每股港幣1元 (二零一九年：港幣0.10元) 之普通股			
Authorised:	法定：			
At 1 January 2019 and 31 December 2019	於二零一九年一月一日及 二零一九年十二月三十一日	3,000,000,000	300,000	281,070
Share consolidation (Note 1)	股份合併 (附註1)	(2,700,000,000)	-	-
At 31 December 2020	於二零二零年十二月三十一日	300,000,000	300,000	281,070
Issued and fully paid:	發行及已繳足：			
At 1 January 2019 and 31 December 2019	於二零一九年一月一日及 二零一九年十二月三十一日	1,824,690,520	182,469	161,569
Share consolidation (Note 1)	股份合併 (附註1)	(1,642,221,468)	-	-
Issue of new shares (Note 2)	發行新股份 (附註2)	72,000,000	72,000	60,588
At 31 December 2020	於二零二零年十二月三十一日	254,469,052	254,469	222,157

Notes:

附註：

- On 16 October 2020, the Company held an extraordinary general meeting and approved the consolidation of every ten issued and unissued ordinary shares of HK\$0.10 each in the share capital of the Company into one consolidated share of HK\$1.00 in the share capital of the Company. The share consolidation became effective on 20 October 2020.
- On 2 September 2020, arrangements were made for a private placement to an independent private investor of 72,000,000 ordinary shares of HK\$1.00 each in the Company at a price of HK\$1 per ordinary share after share consolidation (as mentioned above) representing a premium of approximately 51.51% to the closing market price of the Company's ordinary shares on 29 December 2020. The placing was completed on 30 December 2020. The proceeds were used to pay part of property project development and construction fee and to provide additional working capital for the Company.

These new shares were approved to issue at the extraordinary general meeting of the Company held on 16 October 2020 and rank pari passu with other shares in issue in all respects.

- 於二零二零年十月十六日，本公司舉行股東特別大會並批准將本公司股本中每十股每股面值港幣0.10元之已發行及未發行普通股合併為本公司股本中一股每股面值港幣1.00元之合併股份。股份合併於二零二零年十月二十日開始生效。
- 於二零二零年九月二日，本公司於上述股份合併後作出安排，向獨立私人投資者私人配售72,000,000股本公司每股面值港幣1.00元之普通股，價格為每股普通股港幣1元，較本公司普通股於二零二零年十二月二十九日之收市價溢價約51.51%。配售事項已於二零二零年十二月三十日完成。所得款項已用於支付物業項目開發部分款項及建築費，並為本公司提供額外營運資金。

於二零二零年十月十六日舉行之本公司股東特別大會上，該等新股份已獲准發行，並與其他已發行股份在各方面享有同等地位。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

31. SHARE OPTION SCHEME

A share option scheme was adopted by the Company on 30 November 2009 (the "Scheme").

The Company may grant to eligible participants (including any directors, non-executive directors, employees, advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group whom the board of directors consider, in its sole discretion, have contributed or will contribute to the Group) options to subscribe for shares in the Company, subject to a maximum of 10% of the issued share capital of the Company as at the adoption date and as at the approval date of refreshment from time to time, excluding for this purpose shares issued on the exercise of options. The subscription price will be determined by the Company's board of directors and will not be less than the highest of (i) the nominal value of the Company's shares, (ii) the average of the closing price of the shares quoted on the Hong Kong Stock Exchange on the five trading days immediately preceding the grant date and (iii) the closing price of the shares on the grant date.

On 13 July 2017, the Company granted a total of 64,000,000 share options to subscribe for 64,000,000 ordinary shares of HK\$0.10 each of the Company to certain eligible individuals without vesting conditions.

As at 31 December 2020 and 2019, the number of share granted and remained outstanding under the Scheme is 64,000,000. No share option has been exercised under the Scheme during the years ended 31 December 2020 and 2019.

31. 購股權計劃

本公司已於二零零九年十一月三十日採納一項購股權計劃（「該計劃」）。

本公司可向合資格參與者（包括董事會全權酌情認為曾經或將會對本集團作出貢獻之本集團任何成員公司之任何董事、非執行董事、僱員、顧問、諮詢顧問、分銷商、承建商、供應商、代理、客戶、業務夥伴、合營業務夥伴、創辦人及服務供應商）授出購股權以認購本公司股份，惟最多可認購本公司於購股權計劃採納日期及於不時更新之批准日期的已發行股本之10%（不包括就此目的行使購股權而發行的股份）。認購價將由本公司董事會釐定，其將不會低於下列價值之較高者：(i)本公司股份的面值，(ii)緊接於購股權授出日期前五個交易日於香港聯交所所報股份的平均收市價，及(iii)購股權授出日期的收市價。

於二零一七年七月十三日，本公司授出合共64,000,000份購股權予若干名合資格人士，以認購64,000,000股本公司每股面值港幣0.10元之普通股，並無歸屬條件。

於二零二零年及二零一九年十二月三十一日，根據該計劃已授出但仍未行使之購股權數目為64,000,000份。截至二零二零年及二零一九年十二月三十一日止年度，該計劃項下並無購股權獲行使。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

31. SHARE OPTION SCHEME (Continued)

Movements of the Company's share options held by directors and employees during the year are as follows:

31. 購股權計劃 (續)

年內，董事及僱員持有之本公司購股權之變動如下：

Category of participants	Date of grant	Number of share options 購股權數目 Outstanding at 1 January 2019, 31 December 2019 and 2020 於二零一九年 一月一日以及 二零一九年及 二零二零年 十二月三十一日 尚未行使	Exercise period	Exercise price per share
參與者類別	授出日期		行使期	每股行使價 HK\$ 港幣元
Directors 董事	13 July 2017 二零一七年七月十三日	45,000,000	13 July 2017 to 12 July 2022 二零一七年 七月十三日至 二零二二年 七月十二日	0.25
Employees 僱員	13 July 2017 二零一七年七月十三日	19,000,000	13 July 2017 to 12 July 2022 二零一七年 七月十三日至 二零二二年 七月十二日	0.25
		64,000,000		

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

32. RETIREMENT BENEFITS SCHEME

Hong Kong

The Group operates the MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for its Hong Kong employees. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, each of the subsidiaries (the "Employer") in Hong Kong and its employees makes monthly mandatory contributions to the scheme at 5% of the employee's earnings as defined under the Mandatory Provident Fund Legislation. The mandatory contributions from each of the Employer and employees are subject to a cap of HK\$1,500 per month. During the year ended 31 December 2020, a total contribution of RMB989,000 (2019: RMB956,000) was made by the Group in respect of this scheme.

The PRC, other than Hong Kong

As stipulated by rules and regulations in the PRC, the PRC subsidiaries are required to contribute to a state-managed retirement plan for all its employees at a certain percentage of the basic salaries of its employees. The state-managed retirement plan is responsible for the entire pension obligations payable to all retired employees. Under the state-managed retirement plan, the Group has no further obligations for the actual pension payments or post-retirement benefits beyond the annual contributions. During the year ended 31 December 2020, a total contribution of approximately RMB72,000 (2019: RMB154,000) was made by the Group in respect of this scheme.

32. 退休福利計劃

香港

本集團安排香港僱員參與由香港強制性公積金計劃條例規定的強積金計劃。強積金計劃屬於界定供款計劃，由獨立受託人管理。根據強積金計劃，各香港附屬公司（「僱主」）及其僱員每月均按有關僱員之5%之收入（定義見強制性公積金法例）作出強制性供款。僱主及僱員之強制性供款以每月港幣1,500元為限。截至二零二零年十二月三十一日止年度，本集團就此計劃作出總供款人民幣989,000元（二零一九年：人民幣956,000元）。

中國，除香港外

根據中國的條例及法規規定，中國附屬公司須向為所有僱員而設置之國家退休福利計劃作出供款。供款額為僱員基本薪金的若干百分比。國家退休福利計劃負責向所有退休僱員支付所有退休金。在這個國家退休福利計劃之下，本集團除每年供款外不須對其他實際退休金支出或退休後福利作出任何進一步承擔。截至二零二零年十二月三十一日止年度，本集團就此計劃作出總供款約人民幣72,000元（二零一九年：人民幣154,000元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

33. PLEDGE OF ASSETS

At the end of the reporting period, certain assets of the Group were pledged to secure banking facilities granted to the Group and to obtain the mortgage facilities provided to certain purchasers of the Group's properties for which guarantees were provided by the Group to the banks as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<i>For banking facilities</i>	<i>就銀行信貸而言</i>		
Leasehold land and buildings	租賃土地及樓宇	14,765	16,128
<i>For mortgage facilities</i>	<i>就按揭融資而言</i>		
Restricted bank deposit	有限制銀行存款	22	896
Pledged bank deposits	已抵押銀行存款	11,486	31,285
		11,508	32,181

34. RELATED AND CONNECTED PARTY DISCLOSURES

The remuneration of directors and other members of key management during the years ended 31 December 2020 and 2019 are as follows:

Compensation of key management personnel

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries and other benefits in kind	薪金及其他實物利益	8,395	8,782
Retirement benefit scheme contributions	退休福利計劃供款	250	265
		8,645	9,047

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

33. 抵押資產

於報告期末，本集團之若干資產已作為授予本集團銀行信貸之抵押及取得向本集團物業若干買方提供之按揭融資（並由本集團向銀行提供擔保）如下：

34. 關連方及關連人士披露

截至二零二零年及二零一九年十二月三十一日止年度，董事及其他主要管理層成員之酬金如下：

主要管理層成員之薪酬

董事及主要管理人員之薪酬由薪酬委員會根據個人表現及市場趨勢釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

34. RELATED AND CONNECTED PARTY DISCLOSURES (Continued)

Related party transactions and balance

Other than the disclosures in notes 11, 25 and 27, and the amount due to a director disclosed on the consolidated statement of financial position which is denominated in HK\$, unsecured, interest-free and repayable on demand, there were no other significant related party balances or transactions.

Continuing connected transaction and balances

During the year ended 31 December 2019, the Group purchased raw cane sugar from China Sugar Holdings Limited, a shareholder of the Company, amounted to USD9,500,000 (equivalent to RMB65,619,000) (2020: Nil). As at 31 December 2019, trade payables amounted to RMB32,105,000 and loan payables amounted to RMB5,449,000 respectively, which are unsecured, interest-free and repayable on demand are set out in notes 23 and 25 respectively.

35. COMMITMENTS

Operating leasing arrangements

The Group as lessor

Property rental income earned during the year was RMB1,428,000 (2019: RMB1,668,000). The properties held had committed leases mainly running for the three to five years.

Undiscounted lease payments receivable on leases are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within one year	一年內	2,986	1,582
In the second year	第二年	1,748	1,302
In the third year	第三年	657	390
In the fourth year	第四年	160	31
In the fifth year	第五年	53	23
After five years	五年後	-	2
		5,604	3,330

34. 關連方及關連人士披露 (續)

關連方交易及結餘

除附註11、25及27所披露者及於綜合財務狀況表披露以港幣計值且無抵押、免息及須按要求償還之應付董事款項外，概無任何其他重大關連方結餘或交易。

持續關連交易及結餘

截至二零一九年十二月三十一日止年度，本集團向本公司股東中國糖業集團有限公司購買原蔗糖，金額為9,500,000美元（相當於人民幣65,619,000元）（二零二零年：無）。於二零一九年十二月三十一日，金額分別為人民幣32,105,000元及人民幣5,449,000元的貿易應付款項及應付貸款為無抵押、免息及按要求償還，分別載於附註23及25。

35. 承擔

經營租賃安排

本集團作為出租人

於年內賺取之物業租金收入為人民幣1,428,000元（二零一九年：人民幣1,668,000元）。所持物業之租期主要介乎三至五年。

租賃應收未貼現租賃付款如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

35. COMMITMENTS (Continued)

Other commitments

At the end of the reporting period, the Group has the following capital commitments for development of properties (2019: acquisition of the PRC Land):

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Contracted for but not provided in the consolidated financial statements	已訂約但未有在綜合財務報表計提撥備	369,138	139,052

36. CONTINGENT LIABILITIES

As at 31 December 2020, the Group's maximum obligations in respect of the mortgage facilities provided to certain purchasers of the Group's properties amounted to RMB163,165,000 (2019: RMB577,518,000).

At the end of the reporting period, the Group provided guarantees in respect of the mortgage facilities granted by certain banks to certain purchasers of the Group's properties and pledged its bank deposits and properties to the relevant banks. Pursuant to the terms of the guarantees, upon default on mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owned by the defaulted purchasers to the banks.

35. 承擔 (續)

其他承擔

於報告期末，本集團開發物業（二零一九年：收購中國土地）之資本承擔如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Contracted for but not provided in the consolidated financial statements	已訂約但未有在綜合財務報表計提撥備	369,138	139,052

36. 或然負債

於二零二零年十二月三十一日，本集團就本集團物業之若干買家獲提供之按揭貸款之最高責任約人民幣163,165,000元（二零一九年：人民幣577,518,000元）。

於報告期末，本集團就若干銀行向本集團物業之若干買家授出之按揭貸款提供擔保，並向有關銀行抵押其銀行存款及物業。根據擔保條款，倘該等買家未能償還按揭款項，則本集團負責償還違約買家欠付銀行之未償還按揭本金連同應計利息及罰款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

36. CONTINGENT LIABILITIES (Continued)

Under the above arrangement, the bank deposits were pledged to the banks as securities on the mortgage loans. Upon default on mortgage payments by these purchasers, the banks are entitled to take over the bank deposits and legal titles of properties and can realise the pledged properties through open auction, or the banks transfer the pledged properties to the Group, then the Group sell the properties through open auction. The Group is obliged to repay the banks for the shortfall if bank deposits and the proceeds from selling the properties through the auction cannot cover the outstanding mortgage principals together with the accrued interest and penalties.

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans, and ends upon the earlier of (i) the issuance of real estate ownership certificates to purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties; and (ii) the settlement of mortgage loans between the mortgage banks and the purchasers.

In the opinion of the directors, the fair values of these financial guarantee contracts of the Group are insignificant at initial recognition and the directors consider that the possibility of default of the parties involved is remote; accordingly, no value has been recognised at the inception of these guarantee contracts and at the end of the each reporting period.

The Company engaged an independent professional valuer, Norton Appraisals Holdings Limited to assess the fair values of the financial guarantees of the Group and the directors of the Company concluded that the effect is insignificant, and accordingly, no provision for guarantee has been recognised in the consolidated financial statements.

36. 或然負債 (續)

根據以上安排，有關銀行存款已作為按揭貸款之擔保抵押予銀行。倘該等買家未能償還按揭款項，則銀行有權接收銀行存款及物業的法定業權，並可透過公開拍賣變現抵押物業，或銀行將抵押物業轉讓予本集團，繼而經本集團透過公開拍賣銷售該等物業。倘銀行存款及拍賣銷售物業所得款項無法補足未償還之按揭本金連同應計利息及罰款，則本集團須向銀行償還差額。

本集團之擔保期自授出有關按揭貸款日期開始，至以下各項中較早時間為止：(i)向買家發出房地產所有權證，一般於買家擁有相關物業後一至兩年內發出；及(ii)結清按揭銀行與買家之間的按揭貸款。

董事認為，本集團該等財務擔保合約之公允值於初步確認時微不足道，且董事認為訂約各方違約之可能性極小，因此，概無價值於訂立該等擔保合約時及於各報告期末確認。

本公司委任獨立專業估值師Norton Appraisals Holdings Limited評估本集團財務擔保之公允值，且本公司董事認為影響並不重大，因此概無於綜合財務報表確認擔保撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the principal subsidiaries at 31 December 2020 and 2019 are as follows:

Name of subsidiary 附屬公司名稱	Place of establishment/ incorporation/ operation 成立/ 註冊成立/ 營業地點	Class of shares held 持有股份類別	Issued and fully paid capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion ownership interest held by the Company 本公司所持擁有權權益比例				Principal activities 主營業務
				2020 二零二零年		2019 二零一九年		
				Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Techwayson Management Limited 德維森管理有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$10,000 港幣10,000元	100%	–	100%	–	Provision of management services 提供管理服務
Techwayson Trading Limited 德維森貿易有限公司	Hong Kong 香港	Ordinary shares 普通股	HK\$10,000 港幣10,000元	100%	–	100%	–	Trading of raw cane sugar 原蔗糖貿易
Maoming Huada Real Estate Development Limited** ("Maoming Huada") 茂名市華大房地產開發有限公司# (「茂名華大」)	The PRC 中國	Contributed capital 繳入資本	RMB50,000,000 人民幣50,000,000元	–	90%	–	90%	Development of real estate in the PRC 於中國發展房地產
Maoming Shang Cheng Real Estate Company Limited** ("Maoming Shang Cheng") (Note) 茂名上誠置業有限公司# (「茂名上誠」)(附註)	The PRC 中國	Contributed capital 繳入資本	RMB30,000,000 人民幣30,000,000元	–	65%	–	65%	Development of real estate in the PRC 於中國發展房地產

* The English name is for identification purpose only

These companies were established in the PRC as non-wholly sino-foreign owned enterprises.

Note: On 27 November 2019, a non-wholly owned subsidiary, Maoming Shang Cheng, was established by a wholly owned subsidiary, 深圳前海上海城供應鏈管理有限公司, together with two independent third parties, with a total capital injection of RMB30,000,000 contributed by all parties and such subsidiary was established set up for the purpose of acquiring the PRC Land for property development.

37. 本公司主要附屬公司之詳情

於二零二零年及二零一九年十二月三十一日之主要附屬公司詳細資料如下：

* 英文名稱僅供識別。

該等公司為於中國成立之中外合資企業。

附註：於二零一九年十一月二十七日，全資附屬公司深圳前海上海城供應鏈管理有限公司連同兩名獨立第三方成立非全資附屬公司茂名上誠，各方注資總額為人民幣30,000,000元。該附屬公司乃就收購中國土地作物業發展而成立。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Continued)

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during the year.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong and the PRC. The principal activities of these subsidiaries are summarised as follows:

Principal activities 主營業務	Principal place of business 主要營業地點	Number of subsidiaries 附屬公司數目	
		2020 二零二零年	2019 二零一九年
Investment holding 投資控股	Hong Kong 香港	2	2
Investment holding 投資控股	The British Virgin Islands 英屬處女群島	1	1
Investment holding 投資控股	The PRC 中國	5	5
		8	8
Inactive 無業務	Hong Kong 香港	1	2
Inactive 無業務	The British Virgin Islands 英屬處女群島	1	1
Inactive 無業務	Cambodia 柬埔寨	1	1
Inactive 無業務	The PRC 中國	4	4
		7	8
		15	16

37. 本公司主要附屬公司之詳情 (續)

上表呈列本公司董事認為主要影響本集團業績或資產之本集團附屬公司。本公司董事認為列出所有附屬公司資料將令篇幅過於冗長。

概無任何附屬公司在本年結或在年內任何時間有任何未償還債務證券。

於報告期末，本公司有對本集團而言不屬重要之其他附屬公司。該等附屬公司多數於香港及中國經營。該等附屬公司之主要業務概述如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

38. NON-CONTROLLING INTERESTS

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立及主營業務地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控制性權益所持擁有權益及表決權比例		Profit (loss) allocated to non-controlling interests 分配予非控制性權益之溢利(虧損)		Accumulated non-controlling interest 累計非控制性權益	
		2020 二零二零年	2019 二零一九年	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Maoming Huada 茂名華大	The PRC 中國	10%	10%	851	10,172	47,500	46,649
Maoming Shang Cheng 茂名上誠	The PRC 中國	35%	35%	(287)	2	10,215	10,502
				564	10,174	57,715	57,151

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests as set out below.

38. 非控制性權益

下表列示有重大非控制性權益之本集團非全資附屬公司之詳細資料：

有重大非控制性權益之本集團附屬公司之財務資料摘要載列如下。

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Maoming Huada	茂名華大		
Current assets	流動資產	550,653	721,472
Non-current assets	非流動資產	76,249	87,150
Current liabilities	流動負債	(117,678)	(301,534)
Non-current liabilities	非流動負債	(34,224)	(40,599)
Equity attributable to owners of the Company	本公司擁有人應佔權益	427,500	419,840
Equity attributable to non-controlling interests	非控制性權益應佔權益	47,500	46,649

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

38. NON-CONTROLLING INTERESTS

(Continued)

38. 非控制性權益 (續)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue	收益	247,878	756,487
Profit and total comprehensive income for the year	年內溢利及全面收益總額	8,511	101,724
Profit and total comprehensive income for the year attributable to owners of the Company	本公司擁有人應佔年內溢利及全面收益總額	7,660	91,552
Profit and total comprehensive income for the year attributable to non-controlling interests	非控制性權益應佔年內溢利及全面收益總額	851	10,172
Profit and total comprehensive income for the year	年內溢利及全面收益總額	8,511	101,724
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Net cash outflow in operating activities	經營活動所用現金流出淨額	(12,378)	(58,495)
Net cash inflow from investing activities	投資活動所得現金流入淨額	20,672	14,378
Net cash outflow in financing activities	融資活動所用現金流出淨額	(6,000)	-
Net cash inflow (outflow)	現金流入(流出)淨額	2,294	(44,117)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

38. NON-CONTROLLING INTERESTS

(Continued)

38. 非控制性權益 (續)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Maoming Shang Cheng	茂名上誠		
Current assets	流動資產	279,597	111,531
Non-current assets	非流動資產	19	-
Current liabilities	流動負債	(250,434)	(81,538)
Equity attributable to owners of the Company	本公司擁有人應佔權益	18,967	19,491
Equity attributable to non-controlling interests	非控制性權益應佔權益	10,215	10,502
<hr/>			
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue	收益	-	-
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(811)	(7)
Loss and total comprehensive expense for the year attributable to owners of the Company	本公司擁有人應佔年內虧損及全面開支總額	(524)	(5)
Loss and total comprehensive expense for the year attributable to non-controlling interests	非控制性權益應佔年內虧損及全面開支總額	(287)	(2)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(811)	(7)
<hr/>			
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Net cash outflow in operating activities	經營活動所用現金流出淨額	(56,114)	(102,428)
Net cash inflow from investing activities	投資活動所得現金流入淨額	110	-
Net cash inflow from financing activities	融資活動所得現金流入淨額	71,506	111,499
Net cash inflow	現金流入淨額	15,502	9,071

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

39. 本公司財務狀況表

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司之權益	1,009,623	1,009,623
Amounts due from subsidiaries	應收附屬公司款項	60,625	-
		1,070,248	1,009,623
Current assets	流動資產		
Other receivables	其他應收款項	171	490
Bank balances and cash	銀行結存及現金	760	788
		931	1,278
Current liabilities	流動負債		
Other payables	其他應付款項	2,138	2,150
Amount due to a director	應付董事款項	-	2,913
Loan payables	應付貸款	8,420	11,277
		10,558	16,340
Net current liabilities	流動負債淨額	(9,627)	(15,062)
Total assets less current liabilities	總資產減流動負債	1,060,621	994,561
Non-current liability	非流動負債		
Amounts due to subsidiaries	應付附屬公司款項	822,599	850,499
Net assets	資產淨值	238,022	144,062
Capital and reserves	資本及儲備		
Ordinary share capital	普通股股本	222,157	161,569
Reserves	儲備	15,865	(17,507)
Total equity	權益總額	238,022	144,062

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

The movements in reserves are as follows:

		Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 繳入盈餘 RMB'000 人民幣千元 (Note) (附註)	Share options reserve 購股權儲備 RMB'000 人民幣千元	Translation reserve 匯兌儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	578,990	67,614	5,481	(43,726)	(592,368)	15,991
Loss for the year	年內虧損	-	-	-	-	(18,513)	(18,513)
Exchange difference arising on translation of functional currency to presentation currency	將功能貨幣換算為呈列貨幣而產生之匯兌差額	-	-	-	(14,985)	-	(14,985)
Total comprehensive expense for the year	年內全面開支總額	-	-	-	(14,985)	(18,513)	(33,498)
At 31 December 2019	於二零一九年十二月三十一日	578,990	67,614	5,481	(58,711)	(610,881)	(17,507)
Loss for the year	年內虧損	-	-	-	-	(17,440)	(17,440)
Exchange difference arising on translation of functional currency to presentation currency	將功能貨幣換算為呈列貨幣而產生之匯兌差額	-	-	-	51,262	-	51,262
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	-	-	-	51,262	(17,440)	33,822
Transaction costs directly attributable to issue of new shares	發行新股份直接應佔交易成本	(450)	-	-	-	-	(450)
At 31 December 2020	於二零二零年十二月三十一日	578,540	67,614	5,481	(7,449)	(628,321)	15,865

Note: Contributed surplus of the Company represents the difference between the nominal value of the ordinary shares issued by the Company and the net asset value of subsidiaries acquired through an exchange of shares pursuant to the group reorganisation in 2001.

39. 本公司財務狀況表 (續)

儲備變動如下：

		Share premium 股份溢價 RMB'000 人民幣千元	Contributed surplus 繳入盈餘 RMB'000 人民幣千元 (Note) (附註)	Share options reserve 購股權儲備 RMB'000 人民幣千元	Translation reserve 匯兌儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	578,990	67,614	5,481	(43,726)	(592,368)	15,991
Loss for the year	年內虧損	-	-	-	-	(18,513)	(18,513)
Exchange difference arising on translation of functional currency to presentation currency	將功能貨幣換算為呈列貨幣而產生之匯兌差額	-	-	-	(14,985)	-	(14,985)
Total comprehensive expense for the year	年內全面開支總額	-	-	-	(14,985)	(18,513)	(33,498)
At 31 December 2019	於二零一九年十二月三十一日	578,990	67,614	5,481	(58,711)	(610,881)	(17,507)
Loss for the year	年內虧損	-	-	-	-	(17,440)	(17,440)
Exchange difference arising on translation of functional currency to presentation currency	將功能貨幣換算為呈列貨幣而產生之匯兌差額	-	-	-	51,262	-	51,262
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	-	-	-	51,262	(17,440)	33,822
Transaction costs directly attributable to issue of new shares	發行新股份直接應佔交易成本	(450)	-	-	-	-	(450)
At 31 December 2020	於二零二零年十二月三十一日	578,540	67,614	5,481	(7,449)	(628,321)	15,865

附註：本公司繳入盈餘指本公司已發行普通股之面值與根據於二零零一年之集團重組交換股份所獲得附屬公司之資產淨值兩者之差額。

40. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which include loan payables, lease liabilities, amounts due to non-controlling interests, amount due to a director and secured bank borrowings, and equity attributable to owners of the Company, comprising issued share capital and reserves.

40. 資本風險管理

本集團管理其資本，以確保本集團的實體能夠持續經營，同時透過優化債務及股權平衡最大限度地提高股東回報。本集團之整體策略與去年維持不變。

本集團的資本架構包括債務（包括應付貸款、租賃負債、應付非控制性權益款項、應付董事款項及有抵押銀行借款）及本公司擁有人應佔權益（包括已發行股本及儲備）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

40. CAPITAL RISK MANAGEMENT

(Continued)

The directors review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associate with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

41. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Financial assets	財務資產		
FVTPL	按公允值計入損益		
Mandatorily measured at FVTPL	強制按公允值計入損益計量		
– Held-for-trading	– 持作交易	6,402	12
Financial assets at amortised cost	按攤銷成本計量之財務資產	112,623	109,800
		119,025	109,812
Financial liabilities	財務負債		
At amortised cost	按攤銷成本	124,336	93,616

(b) Financial risk management objectives and policies

The Group's major financial instruments include other receivables, financial assets at FVTPL, restricted bank deposit, pledged bank deposits, bank balances and cash, trade and other payables, loan payables, amount due to a director, amounts due to non-controlling interests, secured bank borrowings and bank overdrafts. Details of the financial instruments are disclosed in respective notes. The risks associated with the Group's financial instruments include market risk (interest rate risk and equity price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

40. 資本風險管理 (續)

董事定期檢討資本架構。作為該檢討之一部分，董事考慮資本成本及與各類資本有關之風險。根據董事之推薦意見，本集團將透過派付股息、新股發行及股份購回以及發行新債務或贖回現有債務平衡其整體資本架構。

41. 財務工具

(a) 財務工具類別

(b) 財務風險管理目標及政策

本集團之主要財務工具包括其他應收款項、按公允值計入損益之財務資產、有限制銀行存款、已抵押銀行存款、銀行結存及現金、貿易及其他應付款項、應付貸款、應付董事款項、應付非控制性權益款項、有抵押銀行借款及銀行透支。財務工具之詳情於各相關附註披露。有關本集團財務工具之風險包括市場風險（利率風險及股本價格風險）、信貸風險及流動資金風險。如何減輕該等風險之政策載列如下。管理層會管控該等風險承擔，確保適時有效地實施適當措施。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to loan payables and lease liabilities. The Group's loan payables carry fixed contractual interest rates while the lease liabilities carry fixed incremental borrowing rates, and therefore expose the Group to fair value interest rate risk. The carrying values of the loan payables and lease liabilities which are classified as financial liabilities at amortised cost are affected by the change in market interest rate. The Group is also exposed to cash flow interest rate risk in relation to restricted bank deposit, pledged bank deposits, bank balances, variable-rate bank borrowings and bank overdrafts. Interest rate risk is managed by the management on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. Interest rate risk on bank deposits is considered immaterial and therefore has been excluded from the sensitivity analysis below.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank borrowings and bank overdrafts at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2019: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel. Restricted bank deposit, pledged bank deposits and bank balances are excluded from sensitivity analysis as the directors of the Company consider that the exposure of cash flow interest rate risk arising from them is insignificant.

If the interest rates had been 50 basis points (2019: 50 basis points) higher or lower and all other variables were held constant, the Group's profit for the year would decrease/increase by RMB56,000 (2019: RMB7,000).

41. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險

利率風險

本集團就應付貸款及租賃負債面對公允價值利率風險。本集團的應付貸款按固定合約利率計息，而租賃負債則按固定增量借款利率計息，故本集團面對公允價值利率風險。分類為按攤銷成本計量之財務負債的應付貸款及租賃負債之賬面值受市場利率變動影響。本集團亦因有限制銀行存款、已抵押銀行存款、銀行結存、浮動利率銀行借款及銀行透支面臨現金流量利率風險。管理層按持續基準管理利率風險，主要目的為限制利息開支淨額受利率不利變動影響的程度。由於銀行存款的利率風險不大，因此並未包括在下列敏感度分析內。

利率敏感度分析

以下的敏感度分析是對於報告期末之浮動利率銀行借款及銀行透支的利率風險而作出。分析乃假設於報告期末未償還財務工具於整年度仍未償還而編製。向主要管理人員就利率風險進行內部匯報時，採用增加或減少50個基點（二零一九年：50個基點）。敏感度分析不包括有限制銀行存款、已抵押銀行存款及銀行結存，原因是本公司董事認為有關款項產生的現金流量利率風險不大。

倘利率上升或下跌50個基點（二零一九年：50個基點），而所有其他可變因數維持不變，本集團年度溢利將相應下跌／上升人民幣56,000元（二零一九年：人民幣7,000元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Other price risk

The Group is exposed to equity price risk arising from equity investments measured at FVTPL which are quoted in The Stock Exchange of Hong Kong Limited, the management will monitor the price movements and take appropriate actions when it is required.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period. If the prices of the respective equity investments had been 10% (2019: 10%) higher/lower, the post-tax profit for the year ended 31 December 2020 would increase/decrease by RMB535,000 (2019: RMB1,000) as a result of the changes in fair value.

Credit risk and impairment assessment

As at 31 December 2020, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model under application of HKFRS 9 on other receivables individually. In this regard, the directors consider that the Group's credit risk is significantly reduced.

41. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

其他價格風險

本集團面臨的股本價格風險來自按公允值計入損益計量之股本投資(於香港聯合交易所有限公司報價)。管理層將監控價格變化,並於需要時採取適當行動。

以下的敏感度分析根據於報告期末面臨的股本價格風險釐定。倘相關股本投資價格上升/下跌10%(二零一九年:10%),截至二零二零年十二月三十一日止年度的除稅後溢利將因公允值變動而增加/減少人民幣535,000元(二零一九年:人民幣1,000元)。

信貸風險及減值評估

於二零二零年十二月三十一日,由於交易對方未能履行責任,本集團面對因於綜合財務狀況表中列示之相關已確認財務資產賬面值而產生將對本集團造成財務損失之最大信貸風險。

為減低信貸風險,本集團管理層已成立專責隊伍負責釐定信貸限額、信貸批核及其他監控程序,以確保採取跟進行動追回逾期欠款。此外,於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就其他應收款項進行個別減值評估。就此,董事認為可大幅減低本集團的信貸風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

41. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

本集團的內部信貸風險級別評估包括以下分類：

Internal credit rating 內部信貸評級	Description 描述	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 of default and does not have any past-due amounts 交易對方的違約風險較低，且並無任何逾期款項	12-month ECL 12個月預期信貸虧損
Medium risk 中等風險	There have been significant increases in credit risk since initial recognition and had past-due amounts but have been settled subsequently 自初步確認起，信貸風險已大幅增加，且擁有逾期款項，但已於其後清償	Lifetime ECL – not credit-impaired 全期預期信貸虧損—未出現信貸減值
High risk 高風險	There is evidence indicating the asset is credit-impaired 有證據表明資產已出現信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損—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 有證據表明債務人陷入嚴重財務困難，而本集團日後實際上無法收回款項	Amount is written off 金額已撇銷

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's other receivables, restricted bank deposit, pledged bank deposits and bank balances which are subject to ECL assessment:

		Notes	External credit rating 外界信貸評級	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月或全期預期信貸虧損	Gross carrying amount 總賬面值	
		附註				2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<i>Financial assets at amortised cost</i>	<i>按攤銷成本計量之財務資產</i>						
Bank balances	銀行結存	22	A1-Ba1	N/A 不適用	12-month ECL 12個月預期信貸虧損	77,830	63,507
Restricted bank deposit	有限制銀行存款	21	A2	N/A 不適用	12-month ECL 12個月預期信貸虧損	22	896
Pledged bank deposits	已抵押銀行存款	22	A1-A2	N/A 不適用	12-month ECL 12個月預期信貸虧損	11,486	31,285
Other receivables	其他應收款項	19	N/A 不適用	Low risk 低風險	12-month ECL 12個月預期信貸虧損	23,840	14,311
				Medium risk 中等風險	lifetime ECL (not credit-impaired) 全期預期信貸虧損 (未出現信貸減值)	663	-
				High risk 高風險	lifetime ECL (credit-impaired) 全期預期信貸虧損 (信貸減值)	411	448
<i>Other items</i>	<i>其他項目</i>						
Financial guarantee contracts (Note)	財務擔保合約 (附註)	36	N/A 不適用	Low risk 低風險	12-month ECL 12個月預期信貸虧損	163,165	577,518

Note: For financial guarantee contracts, the gross carrying amount represents the maximum amount the Group has guaranteed under the respective contracts.

41. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

下表詳述本集團其他應收款項、有限制銀行存款、已抵押銀行存款及銀行結存 (均需進行預期信貸虧損評估) 所面臨之信貸風險：

附註：就財務擔保合約而言，總賬面值指本集團根據各合約已擔保的最高金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Bank balances, restricted bank deposit and pledged bank deposits

The credit risks on bank balances, restricted bank deposit and pledged bank deposits are limited because counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Other receivables

For other receivables under 12-month ECL and under lifetime ECL (not credit-impaired), the directors of the Company make periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The other receivables mainly represent loan receivables, the advance payment of project cost and advance payment to staff for business purpose which are not past due and with settlement during the year. For the year ended 31 December 2020, the directors of the Company believe that there is an increase in credit risk of these amounts due to greater financial uncertainty triggered by the Coronavirus pandemic, a further impairment of RMB1,236,000 was made. For the year ended 31 December 2019, the directors of the Company believe that there was no significant increase in credit risk of these amounts since initial recognition. The Group assessed the ECL for other receivables as insignificant and thus no loss allowance was recognised.

41. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

銀行結存、有限制銀行存款及已抵押銀行存款

由於交易對方為獲得國際信貸評級機構評定為高信貸評級的銀行，因此有關銀行結存、有限制銀行存款及已抵押銀行存款的信貸風險有限。

其他應收款項

就12個月預期信貸虧損及全期預期信貸虧損（未出現信貸減值）項下的其他應收款項而言，本公司董事根據過往結算記錄、過往經驗，以及合理且可靠之定量及定性前瞻性資料對其他應收款項之可收回程度逐項進行定期評估。其他應收款項主要指應收貸款、項目成本預付款項及就業務預付員工款項，並無逾期，並於年內結算。截至二零二零年十二月三十一日止年度，本公司董事認為冠狀病毒疫情觸發更大財務不確定性導致該等款項之信貸風險增加，進一步減值人民幣1,236,000元。截至二零一九年十二月三十一日止年度，本公司董事認為自初始確認以來該等款項的信貸風險並無顯著增加。本集團評定其他應收款項的預期信貸虧損為並不重大，因此並無確認虧損撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables (Continued)

For other receivables under lifetime ECL (credit-impaired) which are past due more than five years and considered as default and irrecoverable. The directors of the Company believe that other receivables are credit-impaired and the loss allowance was recognised before 1 January 2019. For the years ended 31 December 2020 and 2019, the Group did not reclassify any other receivables from 12-month ECL to lifetime ECL (credit-impaired) as there is no evidence concluding the other receivables as default and irrecoverable and thus no further loss allowance was recognised under lifetime ECL (credit-impaired).

Financial guarantee contracts

The credit risk of financial guarantee contracts are limited as any default on mortgage payments by the purchasers, the banks are entitled to take over the bank deposits and legal titles of properties and can realise the pledged properties through open auction, or the banks transfer the pledged properties to the Group, then the Group sell the properties through open auction. The directors of the Company believe that there are no significant increase in credit risk of these amounts since initial recognition. For the years ended 31 December 2020 and 2019, the Group assessed the ECL for financial guarantee contracts as insignificant and thus no loss allowance was recognised.

41. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

其他應收款項 (續)

就全期預期信貸虧損(信貸減值)項下的其他應收款項而言,該等其他應收款項已逾期超過五年,且視為違約及不可收回。本公司董事認為,於二零一九年一月一日之前,其他應收款項出現信貸減值,虧損撥備亦予以確認。截至二零二零年及二零一九年十二月三十一日止年度,由於並無證據顯示其他應收款項違約及不可收回,本集團並無將任何其他應收款項由12個月預期信貸虧損項重新分類為全期預期信貸虧損(信貸減值),因此並無進一步確認全期預期信貸虧損(信貸減值)項下的虧損撥備。

財務擔保合約

由於倘買方出現任何按揭付款違約,銀行有權接收銀行存款及物業的法定業權,並可透過公開拍賣變現抵押物業,或銀行將抵押物業轉讓予本集團,繼而經本集團透過公開拍賣銷售該等物業,故財務擔保合約的信貸風險有限。本公司董事認為,該等款項自初步確認以來並無重大信貸風險增加。截至二零二零年及二零一九年十二月三十一日止年度,本集團評定財務擔保合約的預期信貸虧損為並不重大,因此並無確認虧損撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The following table shows the movements in 12-month ECL and lifetime ECL that has been recognised for other receivables under the general approach.

Other receivables

		12-month ECL 12個月預期 信貸虧損 RMB'000 人民幣千元	Lifetime ECL 全期預期信貸虧損 (not credit- impaired) (未出現信貸 減值) RMB'000 人民幣千元	(credit- impaired) (信貸減值) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	-	-	429	429
Exchange adjustments	匯兌調整	-	-	19	19
At 31 December 2019	於二零一九年 十二月三十一日	-	-	448	448
Exchange adjustments	匯兌調整	-	-	(37)	(37)
Impairment losses recognised	已確認減值虧損	1,098	138	-	1,236
At 31 December 2020	於二零二零年 十二月三十一日	1,098	138	411	1,647

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

41. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

下表載列根據一般方法確認為其他應收款項的12個月預期信貸虧損及全期預期信貸虧損之變動。

其他應收款項

流動資金風險

在管理流動資金風險時，本集團監察及維持管理層認為足夠的現金及現金等價物水平，以為本集團的經營提供資金，並減輕現金流量波動的影響。管理層監察銀行借款的使用及確保符合貸款契約。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity risk analysis

The following table details the Group's contractual maturity for their non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rates, the undiscounted amount is derived from the interest rate at the end of the reporting period.

41. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金風險分析

下表詳列本集團非衍生財務負債的合約到期情況。該等列表根據本集團可被要求還款的最早日期按財務負債未貼現現金流量計算而製成。其他非衍生財務負債的到期日乃根據所協定還款年期而定。

下表載有利息及本金現金流量。於利息流量為浮動息率的前提下，未貼現金額乃以報告期末的利率計算。

		Weighted average interest rate	On demand or less than 3 months	3 months to 1 year	1 year to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amount at 31 December 2020 於二零二零年 十二月三十一日 之賬面值
		加權平均利率 %	按要求或 少於三個月 RMB'000 人民幣千元	三個月至一年 RMB'000 人民幣千元	一年至兩年 RMB'000 人民幣千元	兩年至五年 RMB'000 人民幣千元	未貼現現金 流量總額 RMB'000 人民幣千元	RMB'000 人民幣千元
Non-derivative financial liabilities	非衍生財務負債							
Trade and other payables	貿易及其他應付款項	N/A不適用	11,103	-	-	-	11,103	11,103
Amounts due to a director	應付董事款項	N/A不適用	6,624	-	-	-	6,624	6,624
Amounts due to non-controlling interests	應付非控制性權益款項	N/A不適用	85,000	-	-	-	85,000	85,000
Bank overdrafts	銀行透支	3.04	4,039	-	-	-	4,039	4,039
Secured bank borrowings	有抵押銀行借款							
- variable rate	- 浮動利率	2.30	9,150	-	-	-	9,150	9,150
Loan payables	應付貸款	6.00	-	8,673	-	-	8,673	8,420
Lease liabilities	租賃負債	5.83	255	91	9	14	369	361
Financial guarantee contracts	財務擔保合約	N/A不適用	163,165	-	-	-	163,165	-
			279,336	8,764	9	14	288,123	124,697

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity risk analysis (Continued)

	Weighted average interest rate	On demand or less than 3 months	3 months to 1 year	1 year to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amount at 31 December 2019
	加權平均利率 %	按要 求或 少於 三個月 RMB'000 人民幣千元	三個月至一年 RMB'000 人民幣千元	一年至兩年 RMB'000 人民幣千元	兩年至五年 RMB'000 人民幣千元	未貼現現金 流量總額 RMB'000 人民幣千元	於二零一九年 十二月三十一日 之賬面值 RMB'000 人民幣千元
Non-derivative financial liabilities	非衍生財務負債						
Trade and other payables		N/A不適用	58,318	-	-	58,318	58,318
Amount due to a director		N/A不適用	3,139	-	-	3,139	3,139
Amounts due to non-controlling interests		N/A不適用	15,994	-	-	15,994	15,994
Secured bank borrowings							
- variable rate	4.00	1,776	-	-	-	1,776	1,776
Loan payables	3.70	5,450	9,207	-	-	14,657	14,389
Lease liabilities	5.83	333	956	386	25	1,700	1,612
Financial guarantee contracts	N/A不適用	577,518	-	-	-	577,518	-
		662,528	10,163	386	25	673,102	95,228

Bank borrowings with a repayment on demand clause are included in the "on demand or less than 3 months" time band in the above maturity analysis. As at 31 December 2020 and 2019, the aggregate undiscounted principal amounts of these bank borrowings amounted to RMB9,150,000 and RMB1,776,000 respectively. Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repaid ten years (2019: two years) after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

41. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金風險分析 (續)

具有可按要求償還條款之銀行借款均計入上述到期日分析「按要求或少於三個月」之時間範圍內。於二零二零年及二零一九年十二月三十一日，銀行借款之未貼現本金額分別合共為人民幣9,150,000元及人民幣1,776,000元。計及本集團之財務狀況後，董事不相信銀行可能行使其要求即時還款之酌情權。本公司董事相信，該等銀行借款將於報告日期後十年（二零一九年：兩年）內根據貸款協議所載預定還款日期償還，其詳情載於下表：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity risk analysis (Continued)

		Weighted average interest rate	Within 1 year	1 year to 2 years			Over 5 years	Total undiscounted cash flows	Carrying amount at 31 December 2020
				1 year to 2 years	2 to 5 years	Over 5 years			
		加權平均利率 %	一年內 RMB'000 人民幣千元	一年至兩年 RMB'000 人民幣千元	兩年至五年 RMB'000 人民幣千元	五年以上 RMB'000 人民幣千元	未貼現現金流量總額 RMB'000 人民幣千元	於二零二零年十二月三十一日之賬面值 RMB'000 人民幣千元	
Non-derivative financial liabilities	非衍生財務負債								
Secured bank borrowings – variable rate	有抵押銀行借款 – 浮動利率	2.30	1,065	1,065	3,195	4,791	10,116	9,150	
		Weighted average interest rate	Within 1 year	1 year to 2 years	2 years to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at 31 December 2019	
		加權平均利率 %	一年內 RMB'000 人民幣千元	一年至兩年 RMB'000 人民幣千元	兩年至五年 RMB'000 人民幣千元	五年以上 RMB'000 人民幣千元	未貼現現金流量總額 RMB'000 人民幣千元	於二零一九年十二月三十一日之賬面值 RMB'000 人民幣千元	
Non-derivative financial liabilities	非衍生財務負債								
Secured bank borrowings – variable rate	有抵押銀行借款 – 浮動利率	4.00	1,295	540	–	–	1,835	1,776	

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

41. 財務工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金風險分析 (續)

上述財務擔保合約所包含的金額為本集團根據安排就全數擔保金額(倘擔保之交易對方申索該金額)可能被要求償付的最高金額。根據於報告期末之預測,本集團認為有可能無需根據有關安排支付任何款項。然而,此估計可能有所改變,取決於交易對方因其持有之已擔保財務應收款項遭受信貸虧損而根據擔保申索之可能性。

倘浮動利率的變動與報告期末釐定的估計利率不同,則上述浮動利率工具所包含的金額可予變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

41. FINANCIAL INSTRUMENTS (Continued)

(c) Fair values

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on a discounted cash flow analysis using prices from observable current market transactions. The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair values.

(d) Fair value measurements of financial instruments

One of the Group's financial assets is measured at fair value at the end of the reporting period. The following table provides an analysis of financial instrument that is measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2020	於二零二零年十二月三十一日				
Financial assets at FVTPL	按公允值計入損益之財務資產	6,402	-	-	6,402
As at 31 December 2019	於二零一九年十二月三十一日				
Financial asset at FVTPL	按公允值計入損益之財務資產	12	-	-	12

There were no transfers between Levels 1 and 2 during both years. The fair value of the financial assets at FVTPL is from quoted bid prices in an active market.

41. 財務工具 (續)

(c) 公允值

財務資產及財務負債的公允值乃根據公認的定價模式按現時可觀察的市場交易之價格以貼現現金流量分析釐訂。董事認為，於綜合財務報表內確認的財務資產及財務負債賬面值與其公允值相若。

(d) 財務工具之公允值計量

本集團之其中一項財務資產於報告期末按公允值計量。下表載列財務工具之分析，其乃於初步確認後按公允值計量並根據可觀察公允值列入第一級至第三級。

於兩個年度，第一級與第二級之間並無轉撥。按公允值計入損益之財務資產之公允值來自於活躍市場所報買入值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

42. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

42. 融資活動所產生負債之對賬

下表詳列本集團融資活動所產生負債之變動，包括現金及非現金變動。融資活動所產生負債指現金流已經或未來現金流將會於本集團綜合現金流量表分類為融資活動現金流量之負債。

		Lease liabilities	Loan payables	Amounts due to non-controlling interests	Amount due to a director	Borrowings	Interest payable (included in other payables)	Total
		租賃負債	應付貸款	應付非控制性權益款項	應付董事款項	借款	應付利息 (計入其他應付款項)	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日	-	33,225	-	2,862	11,776	88	47,951
Financing cash flows	融資現金流量	(840)	(19,426)	15,994	226	(10,058)	(1,043)	(15,147)
Foreign exchange translation	匯率換算	(1)	590	-	51	58	(34)	664
Interest expenses	利息開支	58	-	-	-	-	1,043	1,101
New lease entered	新訂租賃	2,395	-	-	-	-	-	2,395
At 31 December 2019	於二零一九年十二月三十一日	1,612	14,389	15,994	3,139	1,776	54	36,964
Financing cash flows	融資現金流量	(1,213)	(5,449)	69,006	3,660	8,183	(771)	73,416
Foreign exchange translation	匯率換算	(97)	(520)	-	(175)	(809)	(3)	(1,604)
Interest expenses	利息開支	59	-	-	-	-	771	830
At 31 December 2020	於二零二零年十二月三十一日	361	8,420	85,000	6,624	9,150	51	109,606

Schedule of Properties

物業概覽表

At 31 December 2020 於二零二零年十二月三十一日

A. PROPERTIES IN THE PRC

A. 位於中國之物業

Location 地點	Usage 用途	Area 面積	Lease term 租賃期	Group's interest 本集團 應佔權益	Stage of development & Classification 開發階段及 分類	Date of Completion 完工日期
Portion of Maoming Project, Zhanqian 7th Road, Yuehua East District, Maoming 茂名市站前七路 粵華東小區 茂名項目之部分	Commercial 商業	Gross floor area – approximately 4,000 sq. m. 總建築面積— 約4,000平方米	Medium to long term 中期至長期	90%	Completed, investment properties 已完成， 投資物業	2016 二零一六年
Zhanqian 7th Road, Yuehua East District, Maoming 茂名市站前七路 粵華東小區	Commercial and residential complex 商業及住宅綜合體	Gross floor area – approximately* 245,000 sq. m. 總建築面積— 約*245,000平方米	Medium to long term 中期至長期	90%	Completed, properties held for sale 已完工，持作出 售物業	2016/2018 二零一六年/ 二零一八年
JIXIANG-23, Jixiang District, Maoming 茂名市吉祥小區JIXIANG-23	Commercial and residential complex 商業及住宅綜合體	Gross floor area – approximately* 118,000 sq. m. 總建築面積— 約*118,000平方米	Medium to long term 中期至長期	65%	Under-development 開發中	N/A 不適用

* Including sold and unsold portion.

* 包括已售及未售部分。

B. PROPERTIES IN HONG KONG

B. 位於香港之物業

Location 地點	Usage 用途	Approximate saleable area 概約可出售面積	Lease term 租賃期	Group's interest 本集團 應佔權益
Suite 1501, 15th Floor, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon. 九龍尖沙咀廣東道30號新港中心一期15樓1501室	Office premises – Own use 寫字樓物業—自用	242 sq.m. 242平方米	Medium 中期	100%



China Uptown Group Company Limited
中國上城集團有限公司