



SHIFANG HOLDING LIMITED
十方控股有限公司

(incorporated in the Cayman Islands and re-domiciled and continued in Bermuda with limited liability)

(於開曼群島註冊成立並遷冊至百慕達及於百慕達存續的有限公司)

Stock Code 股份代號: 1831

Annual Report
2019 年報

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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr. Chen Zhi (*Chairman & Chief Executive Officer*)

Mr. Yu Shi Quan

Mr. Siuming Tsui (*Chief Executive Officer*)

(Resigned as on 9 October 2019)

Non-executive Directors

Mr. Chen Wei Dong

Ms. Chen Min

Independent non-executive Directors

Mr. Zhou Chang Ren

Mr. Wong Heung Ming, Henry

Mr. Cai Jian Quan

COMPANY SECRETARY

Ms. Chan Ching Yi

AUTHORISED REPRESENTATIVES

Mr. Chen Zhi

Ms. Chan Ching Yi

AUDIT COMMITTEE

Mr. Wong Heung Ming, Henry (*Chairman*)

Mr. Zhou Chang Ren

Mr. Cai Jian Quan

REMUNERATION COMMITTEE

Mr. Zhou Chang Ren (*Chairman*)

Mr. Chen Zhi (Appointed as on 9 October 2019)

Mr. Wong Heung Ming, Henry

Mr. Siuming Tsui (Resigned as on 9 October 2019)

董事

執行董事

陳志先生 (*主席兼行政總裁*)

余詩權先生

徐小明先生 (*行政總裁*)

(於二零一九年十月九日辭任)

非執行董事

陳偉東先生

陳敏女士

獨立非執行董事

周昌仁先生

黃向明先生

蔡建權先生

公司秘書

陳靜儀女士

授權代表

陳志先生

陳靜儀女士

審核委員會

黃向明先生 (*主席*)

周昌仁先生

蔡建權先生

薪酬委員會

周昌仁先生 (*主席*)

陳志先生 (於二零一九年十月九日獲委任)

黃向明先生

徐小明先生 (於二零一九年十月九日辭任)

CORPORATE INFORMATION

公司資料

NOMINATION COMMITTEE

Mr. Cai Jian Quan (*Chairman*)
Mr. Chen Zhi (Appointed as on 9 October 2019)
Mr. Wong Heung Ming, Henry
Mr. Siuming Tsui (Resigned as on 9 October 2019)

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM 11
Bermuda

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

6/F, Hua Fu Mansion
No. 121 Gutian Road
Gulou District
Fuzhou, Fujian Province, PRC

PLACE OF BUSINESS IN HONG KONG

Room 2103, 21/F., "Port 33"
No. 33 Tseuk Luk Street, San Po Kong
Kowloon, Hong Kong

LEGAL ADVISORS

As to Hong Kong law:

Cheung & Choy
Jeffrey Mak Law Firm

As to PRC law:

Beijing P.H. Law Firm

As to Bermuda law:

Conyers, Dill & Pearman

提名委員會

蔡建權先生 (主席)
陳志先生 (於二零一九年十月九日獲委任)
黃向明先生
徐小明先生 (於二零一九年十月九日辭任)

註冊辦事處

Clarendon House, 2 Church Street
Hamilton HM 11
Bermuda

總部及中國主要營業地點

中國福建省福州市
鼓樓區
古田路121號
華福大廈6樓

香港營業地點

香港九龍
新蒲崗爵祿街33號
「Port 33」21樓2103室

法律顧問

關於香港法律:

張世文蔡敏律師事務所
麥振興律師事務所

關於中國法律:

北京市普華律師事務所

關於百慕達法律:

康德明律師事務所

CORPORATE INFORMATION

公司資料

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

China Construction Bank Co., Limited
China Merchants Bank Co., Limited

STOCK CODE

01831

COMPANY WEBSITE

<http://www.shifangholding.com>

獨立核數師

羅兵咸永道會計師事務所
註冊會計師
註冊公眾利益實體核數師

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

主要往來銀行

中國建設銀行股份有限公司
招商銀行股份有限公司

股份代號

01831

公司網址

<http://www.shifangholding.com>

FINANCIAL HIGHLIGHTS AND SUMMARY

財務摘要及概要

RESULTS

業績

		For the year ended 31 December 截至十二月三十一日止年度				
		2019	2018	2017	2016	2015
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		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
Revenues	收入	122,374	55,016	43,428	57,759	66,972
Gross profit/(loss)	毛利/(毛損)	21,044	18,495	11,956	9,725	(5,849)
Operating loss	經營虧損	(121,284)	(156,578)	(58,999)	(44,461)	(159,294)
(Loss)/profit attributable to:	以下各項應佔 (虧損)/溢利:					
(i) Owners of the Company	(i) 本公司所有者	(139,165)	(164,403)	(56,493)	(57,129)	(163,792)
(ii) Non-controlling interests	(ii) 非控股權益	(4,358)	(194)	162	737	(3,388)
Loss per share – Basic (RMB)	每股虧損 — 基本 (人民幣)	(0.2028)	(0.3161)*	(0.1560)*	(0.1756)*	(0.7020)*

* Prior years' loss per share was retrospectively adjusted after the capital reorganisation as discussed in the "Directors' Report".

* 過往年度之每股虧損於「董事會報告」所討論之股本重組後作出追溯調整。

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				
		2019	2018	2017	2016	2015
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		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
Total assets	總資產	465,158	477,201	312,323	367,427	227,070
Total debt	總債項	169,124	177,061	9,113	11,350	13,579
Total liabilities	總負債	350,043	289,239	64,716	67,508	81,352
Equity attributable to:	以下各項應佔權益:					
(i) Owners of the Company	(i) 本公司所有者	106,907	175,282	239,638	294,227	140,763
(ii) Non-controlling interests	(ii) 非控股權益	8,208	12,680	7,969	5,692	4,955

FINANCIAL HIGHLIGHTS AND SUMMARY

財務摘要及概要

FINANCIAL RATIOS

財務比率

For the year ended 31 December
截至十二月三十一日止年度

		2019	2018	2017	2016	2015
		二零一九年	二零一八年	二零一七年	二零一六年	二零一五年
		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
Gross profits margins:	毛利率：					
(i) Overall	(i) 整體	17.2%	33.6%	27.7%	16.8%	(8.7%)
(ii) Newspaper advertising	(ii) 報紙廣告	45.4%	57.1%	40.9%	(5.4%)	(25.1%)
(iii) Marketing, consulting and printing services	(iii) 營銷、諮詢及印刷服務	25.6%	30.7%	24.9%	26.2%	7.9%
(iv) Online services	(iv) 網絡服務	-	-	-	-	80.3%
(v) Sales of agricultural products	(v) 銷售農產品	12.5%	0.5%	-	-	-
(vi) Others	(vi) 其他	37.5%	100%	-	-	-
Operating margins	經營利潤率	(99.1%)	(284.7%)	(135.9%)	(77.0%)	(237.9%)
Net margins	淨利潤率	(117.2%)	(299.3%)	(129.7%)	(97.6%)	(249.6%)
Return on equity ⁽¹⁾	股本回報率 ⁽¹⁾	(124.7%)	(87.6%)	(22.8%)	(18.8%)	(114.7%)
Return on assets ⁽²⁾	資產回報率 ⁽²⁾	(30.8%)	(34.5%)	(18.0%)	(15.3%)	(73.6%)
Trade receivables turnover (days)	貿易應收款項周轉率(日)	26	46	54	52	148
Trade payables turnover (days)	貿易應付款項周轉率(日)	55	404	609	464	241
Gearing ratio	資產負債比率	36.4%	37.1%	2.9%	3.1%	6.0%

Notes:

附註：

⁽¹⁾ Return on equity is calculated based on loss for the year divided by total equity.

⁽¹⁾ 股本回報率按年內虧損除以權益總額計算。

⁽²⁾ Return on assets is calculated based on loss for the year divided by total assets.

⁽²⁾ 資產回報率按年內虧損除以總資產計算。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

INDUSTRY REVIEW

In 2019 (the "Review Period"), the Chinese economy maintained an overall stable development trend. However, global economic and trade growth were slowing down, and there have been a growing source of volatility and risks across the world. According to the National Bureau of Statistics of China, China's annual gross domestic product (GDP) was RMB99,086.5 billion, which represented a year-on-year growth of 6.1% (in terms of comparable price) and was within the expected range of 6-6.5%. The GDP grew 6.4%, 6.2%, 6.0% and 6.0% in the first, second, third and fourth quarter, respectively. In terms of industry sectors, the value-added of the primary, secondary and tertiary industries amounted to RMB7,046.7 billion, RMB38,616.5 billion and RMB53,423.3 billion, representing year-on-year growth of 3.1%, 5.7% and 6.9%, respectively.

The changing and worrying economic environment dampened advertisers' confidence in 2019, which translated into correction in China's advertising market. In the first three quarters of 2019, China's advertisement market declined by 8.0%, with traditional advertising decreasing by 11.4%. Advertising revenue on TV decreased by 10.8%, and advertising length fell by 15.2%. Advertising revenue on radio declined by 10.7%, with advertising length decreasing by 14.7%. Advertising revenue on newspaper and magazine decreased by 27.4% and 7.0%, respectively. Revenue of traditional outdoor advertising decreased by 19.8%, and advertising area decreased by 20.4%. Advertising revenue on TVs in elevators increased by 2.8%. Advertising revenue on posters in elevators increased by 4.5%. Advertising revenue on videos in cinemas increased by 3.6%. Internet advertising revenue decreased by 4.2%.

行業回顧

二零一九年（「回顧期」）國民經濟繼續保持了總體平穩、穩中有進發展態勢。同時也要看到，當前世界經濟貿易增長放緩，動盪源和風險點增多。根據中國國家統計局的數據顯示，全年國內生產總值人民幣990,865億元，按可比價格計算，比上年增長6.1%，符合6%-6.5%的預期目標。分季度看，一季度同比增長6.4%，二季度增長6.2%，三季度增長6.0%，四季度增長6.0%。分產業看，第一產業增加值人民幣70,467億元，比上年增長3.1%；第二產業增加值人民幣386,165億元，增長5.7%；第三產業增加值人民幣534,233億元，增長6.9%。

受經濟環境「穩中有變變中有憂」的影響，廣告商對二零一九年整體經濟市場的信心有所波動，致使中國廣告市場重新進入調整期。二零一九年前三季度中國廣告市場整體下降8.0%，其中，傳統廣告市場下降11.4%。電視廣告刊例收入減少10.8%，廣告時長減少15.2%。廣播廣告刊例收入減少10.7%，廣告時長減少14.7%。報紙和雜誌的廣告刊例收入分別下降27.4%、7.0%。傳統戶外廣告刊例收入減少19.8%，廣告面積減少20.4%。電梯電視廣告刊例收入增加2.8%。電梯海報廣告刊例收入增加4.5%。影院視頻廣告刊例收入增加3.6%。互聯網廣告刊例收入減少4.2%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

During the Review Period, Chinese film industry, as major component of China's culture and entertainment industries, maintained steady development trend. According to data from China Film Administration, during 2019, China recorded a box office of RMB64,266 million, representing a year-on-year growth of 5.4%. The box office of domestically-produced films was RMB41,175 million, representing a year-on-year growth of 8.65% and accounting for 64.07% of total box office. The total viewership in cities reached 1,727 million, representing a slight growth from the previous year. 9,708 new film screens were installed in 2019, making the total screen number of 69,787. China further solidified its global leading position in terms of the number of film screens. Related statistics showed that China's film viewership increased to 1,716 million in 2018 from 440 million in 2012, representing a compound annual growth rate (CAGR) of 25.5%. Domestic box office increased to RMB64,270 million in 2019 from RMB17,070 million in 2012, representing a CAGR of 20.85%. Against the backdrop of a rapid economic development, China's film industry also grew quickly. In terms of box office, China is now the world's second largest film market, only second to the US. Moreover, China has the most film screens in the world.

BUSINESS REVIEW

For the twelve months ended 31 December 2019, the Group recorded revenue of RMB122.4 million from its principal business (2018: RMB55.0 million). The gross profit was RMB21.0 million (2018: RMB18.5 million). During the year, the gross profit margin decreased from 33.6% in 2018 to 17.2% in 2019, principally due to the lower gross profit margin of the sales of agricultural products. The net loss after taxation was reduced to approximately RMB143.5 million (2018: RMB164.6 million).

於回顧期內，作為國家的文娛產業巨頭之一的中國電影產業正呈現平穩發展態勢。據國家電影局資料，二零一九年全國電影總票房人民幣642.66億元，同比增長5.4%，其中國產電影總票房人民幣411.75億元，同比增長8.65%，市場佔比64.07%。城市院線觀影人次17.27億，較去年略有增長。二零一九年新增銀幕9,708塊，全國銀幕總數達到69,787塊。銀幕總數全球領先的地位更加鞏固。統計資料顯示，我國電影票房市場近年來保持高速增長的態勢，觀影人次從二零一二年的4.4億，增長到二零一八年的17.16億，年均複合增長率達到25.5%。國內電影票房從二零一二年的人民幣170.7億元增長到二零一九年人民幣642.7億元，年均複合增長率達到20.85%。中國電影產業在國民經濟新的發展形勢下實現了快速增長。以電影票房收入衡量，我國電影市場已經成為僅次於美國的全球第二大電影市場，銀幕總數居全球領先的地位。

業務回顧

截至二零一九年十二月三十一日止十二個月，本集團主營業務錄得收入人民幣122.4百萬元（二零一八年：人民幣55.0百萬元）。毛利為人民幣21.0百萬元（二零一八年：人民幣18.5百萬元）。年內，毛利率由二零一八年的33.6%減至二零一九年的17.2%，此乃主要由於銷售農產品的毛利率較低所致。除稅後虧損淨額收窄至約為人民幣143.5百萬元（二零一八年：人民幣164.6百萬元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Newspaper Advertising

The business environment remained challenging in the print media market as the market was hit by new online media. With the competition from new media and the Internet, the daily circulation and the number of printed pages of Southeast Express operated by the Group remained unsatisfactory, resulting in a decrease of the advertising revenue from the newspaper to RMB4.4 million for 2019 (2018: RMB7.0 million).

報紙廣告

紙媒市場持續受網絡新媒體衝擊，營商環境持續嚴峻。在新媒體和互聯網帶來的競爭壓力下，本集團旗下《東南快報》的每日發行量和出版版數仍欠理想，間接導致報紙廣告的二零一九年收入減至人民幣4.4百萬元（二零一八年：人民幣7.0百萬元）。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Marketing, Consulting and Printing Services

In 2019, many cities in China continued to adopt policies to stabilize property price. Amidst such macro-operating environment and the consequential reduction of marketing budget by property developers.

The Group's revenue from marketing and printing services decreased from RMB44.3 million in 2018 to RMB28.2 million in 2019, while the gross profit margin decreased to 25.6% (2018: 30.7%).

Internet and Other Services

During the Review Period, the Group was still in the process of market research, in order to formulate the business model of www.dnkb.com.cn and www.duk.cn. Accordingly, the Internet services segment has not contributed any revenue to the Group.

營銷、諮詢及印刷服務

於二零一九年，中國諸多城市繼續採取政策穩定房地產價格。在該宏觀經營環境下，物業開發商不斷削減營銷預算。

本集團營銷及印刷服務所得收入由二零一八年的人民幣44.3百萬元減至二零一九年的人民幣28.2百萬元，而毛利率下降為25.6%（二零一八年：30.7%）。

網絡及其他服務

回顧期內，本集團仍在進行市場調查，以制定以東快網(www.dnkb.com.cn)及讀客網(www.duk.cn)的業務模式。因此，網絡服務分類並未為本集團貢獻任何收入。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Tourism and integrated developments segment

Distinctive town development is one of the strategic emerging sectors that create new economic growth momentum amid the downward pressure on China's economy in 2019. A new round of large-scale distinctive town construction and investment activities were seen in 2019. The Group has entered into a framework agreement with the government of Yongtai County, Fuzhou City, Fujian Province. According to the agreement, the Group intended to establish an investment fund to support the development of "Yongtai Kungfu Distinctive Town", a film and cultural entertainment project named by Yongtai government. During the Reporting Period, the Group has engaged in development, construction, management and operation of commercial activities such as tourism, sightseeing, resort, culture, sports and entertainment. The first phase of Longmen Canyon Scenic Area has completed most of its construction work during the year. The first phase of "Yongtai Kungfu Distinctive Town" featuring a 60-Chinese mu eco-friendly greenhouse farm and ecologic forests with a total area of over 10,000 Chinese mu. The phase will develop into a full-chain ecological production center that integrates seed production, plantation, processing and sales of agricultural products.

旅游及綜合發展分類

二零一九年，在宏觀經濟面臨較大下行風險的背景下，特色小鎮開發與投資又將肩負起引領國家戰略性新興產業發展，尋找經濟增長新動能的使命。二零一九年會迎來特色小鎮開發與投資的一個新高潮。本集團與福建省福州市永泰縣政府訂立框架協議，擬成立投資基金，為發展經永泰政府定名為「永泰功夫小鎮」的影視文娛項目提供支持。報告期內，本公司涵蓋開發、建設、管理及運營旅遊、觀光、渡假、文化、體育及娛樂等商業活動，第一期龍門峽谷景區已於今年完成大多數景區工程量。「永泰功夫小鎮」一期工程以60畝環保溫室農場及一萬多畝的生態林為特色。該期工程將打造一個集農產品育苗、種植、加工、銷售為一體的全鏈條生態生產中心。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

To further develop our eco-agricultural business, during the year, the Company has commenced a cooperation project in Yongfu County, Longyan City, Fujian Province. Under this cooperation project, qualified cultivators joined the Company's cooperatives to form an eco-agricultural demonstration base. Cultivators under the cooperation will be responsible for growing the agricultural products, and the Company will be responsible for sourcing seeds, soil, fertilizers, auxiliary materials and other productive materials them. Moreover, the Company will provide all-round technical guidance and latest industrial information to cultivators under the cooperation. The Company will procure the agricultural products that cultivators produced and sell such products through various marketing channels. During the year, the Company has established an O2O website, mobile app and WeChat mini programme to promote online and offline sales of these agricultural products.

FINANCIAL REVIEW

Revenue

Total revenue increased by 122.5% from RMB55.0 million for the year ended 31 December 2018 to RMB122.4 million for the year ended 31 December 2019, primarily due to the increased revenue from the sales of agricultural products. Revenue from the sales of agricultural products in 2019 was RMB87.3 million (2018: RMB2.9 million). Revenue from newspaper advertising decreased from RMB7.0 million for the year ended 31 December 2018 to RMB4.4 million for the year ended 31 December 2019. Revenue from marketing and consulting services decreased from RMB39.5 million for the year ended 31 December 2018 to RMB23.8 million for the year ended 31 December 2019. Revenue from printing services decreased slightly from RMB4.8 million for the year ended 31 December 2018 to RMB4.4 million for the year ended 31 December 2019.

為進一步發展我們的生態農業業務，本公司已於年內在福建省龍巖市永福鎮開始合作項目。根據該合作項目，符合條件的種植戶加入本公司合作，共建生態農業示範基地。加入合作的種植戶將負責種植農產品，本公司將負責為彼等採購種子、土壤、肥料、輔料等生產材料。同時，本公司將為合作的種植戶提供全方位的技術指導和最新產業資訊。本公司將採購種植戶生產的農產品，並透過多種營銷渠道銷售該等產品。年內，本公司亦成立O2O網、手機APP及微信小程序，促進該等農產品的線上及線下銷售。

財務回顧

收入

總收入由截至二零一八年十二月三十一日止年度的人民幣55.0百萬元增加122.5%至截至二零一九年十二月三十一日止年度的人民幣122.4百萬元，主要因為銷售農產品所得收入增加所致。二零一九年，銷售農產品所得收入為人民幣87.3百萬元（二零一八年：人民幣2.9百萬元）。報紙廣告收入由截至二零一八年十二月三十一日止年度的人民幣7.0百萬元減至截至二零一九年十二月三十一日止年度的人民幣4.4百萬元。營銷及諮詢服務收入則由截至二零一八年十二月三十一日止年度的人民幣39.5百萬元減至截至二零一九年十二月三十一日止年度的人民幣23.8百萬元。印刷服務收入由截至二零一八年十二月三十一日止年度的人民幣4.8百萬元略減至截至二零一九年十二月三十一日止年度的人民幣4.4百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Gross profit and gross profit margin

Gross profit increased by 13.5% from RMB18.5 million for the year ended 31 December 2018 to RMB21.0 million for the year ended 31 December 2019. Gross profit margin decreased from 33.6% in 2018 to 17.2% in 2019, which was primarily attributable to the lower gross profit margin of the sales of agricultural products.

Other income

Other income decreased by 66.7% from RMB0.9 million for the year ended 31 December 2018 to RMB0.3 million for the year ended 31 December 2019, mainly due to the decrease in customer compensation income of RMB0.5 million which is an one-off item for the year ended 31 December 2018.

Selling and marketing expenses

Selling and marketing expenses increased by 258.8% from RMB3.4 million for the year ended 31 December 2018 to RMB12.2 million for the year ended 31 December 2019, mainly due to the increased selling and marketing expenses of the sales of agricultural products.

General and administrative expenses

General and administrative expenses decreased by 28.3% from RMB88.6 million for the year ended 31 December 2018 to RMB63.5 million for the year ended 31 December 2019, mainly due to (i) decrease in provision for an onerous operating lease for the year ended 31 December 2018; and (ii) decrease in foreign exchange loss from RMB6.3 million to foreign exchange gain of RMB3.6 million.

毛利及毛利率

毛利由截至二零一八年十二月三十一日止年度的人民幣18.5百萬元增加13.5%至截至二零一九年十二月三十一日止年度的人民幣21.0百萬元。毛利率由二零一八年的33.6%減至二零一九年的17.2%，主要是由於銷售農產品的毛利率較低所致。

其他收入

其他收入由截至二零一八年十二月三十一日止年度的人民幣0.9百萬元減少66.7%至截至二零一九年十二月三十一日止年度的人民幣0.3百萬元，主要是由於截至二零一八年十二月三十一日止年度屬一次性項目的客戶補償收入減少人民幣0.5百萬元所致。

銷售及營銷開支

銷售及營銷開支由截至二零一八年十二月三十一日止年度的人民幣3.4百萬元增加258.8%至截至二零一九年十二月三十一日止年度的人民幣12.2百萬元，主要是由於銷售農產品的銷售及營銷開支增加所致。

一般及行政開支

一般及行政開支由截至二零一八年十二月三十一日止年度的人民幣88.6百萬元減少28.3%至截至二零一九年十二月三十一日止年度的人民幣63.5百萬元，主要是由於(i)截至二零一八年十二月三十一日止年度虧損性經營租賃撥備減少；及(ii)匯兌虧損減少人民幣6.3百萬元至匯兌收益人民幣3.6百萬元所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Loss before income tax

As a result of the non-recurrence in 2019 of the one-off fair value loss on financial assets at fair value through profit or loss for the year ended 31 December 2018, but partially offset by the effect of (a) increase in selling and marketing expenses; (b) higher finance costs; and (c) provision for impairment on goodwill, loss before income tax for the year ended 31 December 2019 was RMB148.6 million, representing a decrease of 9.3% as compared to loss before income tax of RMB163.9 million for the year ended 31 December 2018.

Loss for the year

The Group recorded a net loss for the year of RMB143.5 million for the year ended 31 December 2019, mainly attributable to decrease in one-off fair value loss on financial assets at fair value through profit or loss for the year ended 31 December 2018, offset by the effect of (a) increase in selling and marketing expenses; (b) higher finance costs; and (c) provision for impairment on goodwill. Loss for the year ended 31 December 2019 was RMB143.5 million, representing a decrease of 12.8% as compared to loss of RMB164.6 million for the year ended 31 December 2018.

Loss attributable to non-controlling interests

As a result of the above factors, loss attributable to non-controlling interests increased from RMB0.2 million for the year ended 31 December 2018 to RMB4.4 million for the year ended 31 December 2019.

除所得稅前虧損

由於二零一九年並未再次產生截至二零一八年十二月三十一日止年度之公允值經損益表入賬的金融資產的一次性公允值虧損，但部分由以下各項之影響所抵銷：(a)銷售及營銷開支增加；(b)財務成本增加；及(c)商譽減值撥備。於截至二零一九年十二月三十一日止年度錄得除所得稅前虧損人民幣148.6百萬元，較截至二零一八年十二月三十一日止年度的除所得稅前虧損人民幣163.9百萬元減少9.3%。

年內虧損

於截至二零一九年十二月三十一日止年度，本集團錄得年內虧損淨額人民幣143.5百萬元，主要是由於截至二零一八年十二月三十一日止年度公允值經損益表入賬的金融資產的一次性公允值虧損減少，由以下各項之影響所抵銷：(a)銷售及營銷開支增加；(b)財務成本增加；及(c)商譽減值撥備。於截至二零一九年十二月三十一日止年度錄得年內虧損人民幣143.5百萬元，較截至二零一八年十二月三十一日止年度的年內虧損人民幣164.6百萬元減少12.8%。

非控股權益應佔虧損

由於上述因素，非控股權益應佔虧損由截至二零一八年十二月三十一日止年度的人民幣0.2百萬元增至截至二零一九年十二月三十一日止年度的人民幣4.4百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Loss attributable to owners of the Company

As a result of the above factors, loss attributable to owners of the Company decreased from RMB164.4 million for the year ended 31 December 2018 to RMB139.2 million for the year ended 31 December 2019.

Liquidity and capital resources

As at 31 December 2019, the Group had total assets of approximately RMB465.2 million (2018: RMB477.2 million) and total borrowings of approximately RMB169.1 million (2018: RMB177.1 million), representing a gearing ratio, defined as total borrowings over total assets, of approximately 36.4% (2018: 37.1%).

The Group had net current liabilities of approximately RMB20.0 million (2018: net current assets of RMB17.7 million), calculated from the current assets of approximately RMB67.7 million (2018: RMB86.5 million) and current liabilities of approximately RMB87.7 million (2018: RMB68.8 million), representing a current ratio of approximately 0.8 (2018: 1.3).

As at 31 December 2019, the Group had cash and bank balances of approximately RMB10.9 million, including restricted cash of RMB1.1 million (2018: RMB33.9 million).

本公司所有者應佔虧損

由於上述因素，本公司所有者應佔虧損由截至二零一八年十二月三十一日止年度的人民幣164.4百萬元減至截至二零一九年十二月三十一日止年度的人民幣139.2百萬元。

流動資金及資本資源

於二零一九年十二月三十一日，本集團擁有總資產約人民幣465.2百萬元（二零一八年：人民幣477.2百萬元）及借款總額約人民幣169.1百萬元（二零一八年：人民幣177.1百萬元），即資產負債比率（指借款總額除以總資產）約為36.4%（二零一八年：37.1%）。

本集團擁有流動負債淨額約人民幣20.0百萬元（二零一八年：流動資產淨額人民幣17.7百萬元），按流動資產約人民幣67.7百萬元（二零一八年：人民幣86.5百萬元）除以流動負債約人民幣87.7百萬元（二零一八年：人民幣68.8百萬元）計算，則流動比率約為0.8（二零一八年：1.3）。

於二零一九年十二月三十一日，本集團現金及銀行結餘約為人民幣10.9百萬元（包括受限制現金人民幣1.1百萬元）（二零一八年：人民幣33.9百萬元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Going concern

During year ended 31 December 2019, the Group reported a net loss of RMB143,523,000 and had a net cash outflow from operating activities of RMB26,269,000. As at 31 December 2019, the Group's current liabilities exceeds its current assets by RMB20,068,000 while it had cash and cash equivalents of approximately RMB9,753,000. In early 2020, after the rapid outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak"), a series of precautionary and control measures have been and continued to be implemented across mainland China, including postponement of work resumption after the Chinese New Year holiday in some regions, certain level of restrictions and controls over the travelling of people and traffic arrangements, quarantine of certain residents, heightening of hygiene and epidemic prevention requirements and encouraged social distancing, etc. Such precautionary and control measures is causing short-term disruption to the Group's tourism and integrated developments, whereas the Group's advertising and marketing related services are also affected by the poor consumer sentiment caused by the epidemic. If the present situation in respect of the COVID-19 outbreak continues and the restrictions and control measures are prolonged, the Group's operation performance and cash flow may be further negatively affected.

The above situations indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group to continue as a going concern.

In order to improve the Group's financial position, the directors of the Company have been implementing various measures as set out in Note 2.1 to the consolidated financial statements, including the commencement of commercial operations of projects to generate income and operating cashflows, obtaining and negotiations of bank facilities, alternative financing including equity or project finance, cost-control measures, expedition in debt collection and sales and deference of capital expenditure.

持續經營

截至二零一九年十二月三十一日止年度，本集團錄得虧損淨額人民幣143,523,000元及經營活動現金流出淨額人民幣26,269,000元。於二零一九年十二月三十一日，本集團之流動負債超出其流動資產人民幣20,068,000元，而其擁有現金及現金等值項目約人民幣9,753,000元。於二零二零年快速初爆發二零一九年新型冠狀病毒（「COVID-19爆發」）後，中國大陸已經及繼續於全國落實一系列防控措施，包括部分地區延長中國新年假期後的復工日期、對人員出行及交通運輸安排實施若干程度的限制及管控、隔離部分居民、提高衛生及防疫要求及鼓勵社交隔離。該等防控措施導致本集團的旅遊及綜合發展業務短期中斷，而本集團的廣告及營銷相關服務亦受到疫情導致的疲弱消費者情緒所影響。倘當前COVID-19爆發的局勢延續以及限制及管控措施延長期限，本集團的經營表現及現金流量均可能進一步受到負面影響。

上述狀況表明存在重大不確定因素可能導致本集團能否持續經營嚴重成疑。

為改善本集團之財務狀況，本公司董事已執行合併財務報表附註2.1所載的多項措施，包括開始項目的商業營運以產生收入及經營現金流量、取得及磋商銀行融資、尋找替代融資（包括股權或項目融資、成本控制措施、加速收債及銷售以及延緩支付資本開支）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The Directors, after making due enquiries and considering the basis of management's projections described above and after taking into account the reasonably possible changes in the operation performance, believe there will be sufficient financial resources available to the Group at least in the coming twelve months to meet its financial obligations as and when they fall due.

Cash flows used in operating activities

For the year ended 31 December 2019, net cash used in operating activities amounted to RMB26.3 million, primarily attributable to the net loss for the year amounted to RMB143.5 million and partially offset by non-cash items, which primarily included (i) provision for impairment of goodwill amounted to RMB66.1 million; (ii) finance costs of RMB26.0 million; and (iii) depreciation and amortisation of RMB13.6 million.

Cash flows used in investing activities

For the year ended 31 December 2019, net cash used in investing activities amounted to RMB23.8 million, resulted primarily from payment for property, plant and equipment of RMB29.2 million.

Cash flows generated from financing activities

For the year ended 31 December 2019, net cash generated from financing activities amounted to RMB25.9 million, mainly attributable to the net proceeds from issuance of convertible bonds.

Capital expenditures

Capital expenditures incurred during the year are mainly for the purchase or construction costs related to properties, plant and equipment. Capital expenditures were RMB39.6 million and RMB31.0 million for the years ended 31 December 2018 and 2019, respectively.

經詳細查詢，考慮到上述管理層進行預測的基準，並計及營運表現的合理可能變動後，董事相信本集團將具備足夠財務資源供其未來最少十二個月使用，以履行其到期的財務責任。

經營活動所用現金流量

截至二零一九年十二月三十一日止年度，經營活動所用現金淨額為人民幣26.3百萬元，主要是由於年內虧損淨額人民幣143.5百萬元，其中部分由非現金項目所抵銷，有關項目主要包括(i)商譽減值撥備人民幣66.1百萬元；(ii)財務成本人民幣26.0百萬元；及(iii)折舊及攤銷人民幣13.6百萬元。

投資活動所用現金流量

截至二零一九年十二月三十一日止年度，投資活動所用現金淨額為人民幣23.8百萬元，主要是來自物業、廠房及設備付款人民幣29.2百萬元。

融資活動所得現金流量

截至二零一九年十二月三十一日止年度，融資活動所得現金淨額為人民幣25.9百萬元，主要是由於發行可換股債券所得款項淨額所致。

資本支出

年內產生的資本支出主要用於物業、廠房及設備的購買或建造成本。截至二零一八年及二零一九年十二月三十一日止年度的資本支出分別為人民幣39.6百萬元及人民幣31.0百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Trade receivables – net

The aging analysis of the Group's trade receivables based on invoice dates is set out in Note 14 to the consolidated financial statements.

Trade receivables increased by 21.5% from RMB7.9 million as at 31 December 2018 to RMB9.6 million as at 31 December 2019. Such increase was mainly attributable to more revenue generated during the year in general and particularly near year end.

Properties held for sale

As at 31 December 2019, properties held for sale amounted to approximately RMB25.4 million (2018: RMB24.6 million). The properties in the PRC were received in exchange of advertising services to real estate developers in the PRC. The Group's intention is to sell these properties and, accordingly, such rights are recognised as properties held for sale upon the completion of the advertising sales transaction if the related properties are ready to be sold.

Management assessed the fair value less costs to sell of the properties with reference to their market value. For the year ended 31 December 2019, the management compared the carrying amount and fair value less costs to sell of the properties and have not made any further provision for impairment (2018: provision for impairment of RMB4.3 million).

Trade payables

The aging analysis of the Group's trade payables based on invoice dates is set out in Note 20 to the consolidated financial statements. Trade payables increased from approximately RMB4.6 million as at 31 December 2018 to RMB8.1 million as at 31 December 2019. Trade payables turnover days decreased from 404 days for the year ended 31 December 2018 to 55 days for the year ended 31 December 2019 due to significant increase of purchases in sales of agricultural products.

貿易應收款項－淨額

本集團基於發票日期的貿易應收款項賬齡分析載列於合併財務報表附註14。

貿易應收款項由二零一八年十二月三十一日之人民幣7.9百萬元增加21.5%至二零一九年十二月三十一日之人民幣9.6百萬元。有關增加主要是由於年內且尤其是臨近年末產生的收益增加所致。

持作出售物業

於二零一九年十二月三十一日，持作出售物業約為人民幣25.4百萬元（二零一八年：人民幣24.6百萬元）。中國物業乃向中國房地產開發商提供廣告服務交換所得。本集團的意向為銷售該等物業，因此，若相關物業可供出售，則有關權利會於廣告銷售交易完成時確認為持作出售物業。

管理層參照物業市值評估其公允值減去銷售成本。於截至二零一九年十二月三十一日止年度，管理層已比較物業的賬面值與公允值減銷售成本，且並未作出進一步減值撥備（二零一八年：減值撥備人民幣4.3百萬元）。

貿易應付款項

本集團基於發票日期的貿易應付款項賬齡分析載於合併財務報表附註20。貿易應付款項由二零一八年十二月三十一日之約人民幣4.6百萬元增至二零一九年十二月三十一日之人民幣8.1百萬元。貿易應付款項周轉日數由截至二零一八年十二月三十一日止年度的404日減至截至二零一九年十二月三十一日止年度的55日，此乃由於農產品銷購大幅增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Indebtedness

Indebtedness consists of obligations to lenders, including commercial banks and certain related parties and companies, and lease obligations to landlords.

During the year ended 31 December 2015, the Group obtained mortgage loans amounting to RMB15,470,000 to finance the Group's acquisition of properties. Transaction costs directly attributable to mortgage loans amounted to RMB35,000. The mortgage loans were drawn on 27 February 2015 and a further prepayment of RMB15,470,000 was made by the Group to Xiamen Information Group Ltd. for the properties. The mortgage loans are secured by the ownership rights of the properties and the personal guarantees of Zheng Bai Ling and Zhang Hui, a key management and the spouse of a key management of a subsidiary of the Group respectively. Total consideration for the properties is RMB22,164,000, of which the initial down payment of RMB6,694,000 was paid by the Group during the year ended 31 December 2014.

As at 31 December 2019, the mortgage loans were classified as current liabilities due to the related loan agreements containing a repayment on demand clause which gives the bank unconditional right to call the loans at any time. The mortgage terms are 7 years and are denominated in RMB. The mortgage loans are carried at quarterly adjusted floating interest of 1.15 times the benchmark loan interest as prescribed by the People's Bank of China for loans of a similar length. The effective interest rate for the year was 7.31% (2018: 7.15%) per annum.

During the year ended 31 December 2018, the Group obtained a loan amounting to RMB1,500,000 from a third party. The balance is unsecured, carries an interest rate at 6.0% per annum with a term of 2 years, and is repayable on demand. The balance is denominated in RMB. As at 31 December 2019, the loan was classified as current liabilities due to the related loan agreements containing a repayment on demand clause which gives debtor the unconditional right to call the loans at any time.

債項

債項包括欠貸款人（包括商業銀行、若干關連人士及公司以及向業主承擔的租賃責任）的債項。

於截至二零一五年十二月三十一日止年度，本集團取得按揭貸款人民幣15,470,000元，為本集團收購物業融資。按揭貸款直接應佔的交易成本為人民幣35,000元。該等按揭貸款已於二零一五年二月二十七日提取，而本集團已就該等物業向廈門信息集團有限公司進一步預付人民幣15,470,000元的款項。按揭貸款以該等物業的所有權以及本集團一間附屬公司的主要管理人員鄭柏齡和主要管理人員的配偶張輝提供的個人擔保作抵押。該等物業的總代價為人民幣22,164,000元，本集團已於截至二零一四年十二月三十一日止年度支付首期款項人民幣6,694,000元。

於二零一九年十二月三十一日，由於該等按揭貸款的相關貸款協議載有應要求償還條款，賦予銀行無條件權利隨時追收貸款，故該等按揭貸款分類為流動負債。按揭年期為7年，以人民幣計值。該等按揭貸款按浮息計息，有關利息為中國人民銀行就類似年期貸款規定的基準貸款利率的1.15倍，每季調整。年內實際年利率為7.31厘（二零一八年：7.15厘）。

截至二零一八年十二月三十一日止年度，本集團取得為數人民幣1,500,000元之第三方貸款。該結餘為無抵押，按年利率6.0厘計息，為期兩年，須按要求償還。該結餘以人民幣計值。於二零一九年十二月三十一日，由於該貸款的相關貸款協議載有應要求償還條款，賦予債務人無條件隨時收回該貸款的權利，故該貸款分類為流動負債。

MANAGEMENT DISCUSSION AND ANALYSIS

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On 23 April 2019, the 3% per annum convertible bonds in the principal amount of RMB215,750,000 were issued by the Company to TopBig International Development Limited (“TopBig International”), a company wholly-owned by Mr. Chen Zhi, the Chairman, the Chief Executive Officer, an Executive Director and a shareholder of the Company. The convertible bond has a term of 3 years. The effective interest rate for the period is 11.5% per annum. As at 31 December 2019, the outstanding principal amount of the convertible bond was approximately RMB177,309,000.

Gearing ratio, being the proportion of the Group’s total borrowings to total assets, decreased from 37.1% for the year ended 31 December 2018 to 36.4% for the year ended 31 December 2019.

On 12 March 2020, the Group obtained a revolving bank borrowing facility of RMB5,900,000 that is available for drawdown for a period from 6 April 2020 to 20 March 2021. The amounts drawn under this facility will be repayable a year from the date of drawdown.

The Group is in negotiation with a bank to obtain a RMB50 million long term project finance facilities to fund the Group’s working capital and capital investment for one of the Group’s tourism and integrated development projects. Such borrowing facility is expected to be secured by the Group’s properties and properties-held-for-sale with carrying amount of approximately RMB23,790,000 and RMB20,421,000, respectively, as at 31 December 2019. Based on the communication with the Bank, the Directors are confident that such borrowing facilities will be approved by the bank by May 2020.

於二零一九年四月二十三日，本公司向昇平國際發展有限公司（「昇平國際」）（本公司主席、行政總裁兼執行董事及股東陳志先生全資擁有之公司）發行本金額為人民幣215,750,000元的按年利率3厘計息的可換股債券。可換股債券的年期為三年。期內的實際年利率為11.5厘。於二零一九年十二月三十一日，可換股債券尚未償還本金額約為人民幣177,309,000元。

於截至二零一九年十二月三十一日止年度，資本負債比率（以本集團借款總額相對總資產的比例計算）由截至二零一八年十二月三十一日止年度的37.1%減至36.4%。

於二零二零年三月十二日，本集團成功取得循環銀行借款融資人民幣5,900,000元，可供提取期間為二零二零年四月六日至二零二一年三月二十日。該融資項下可提取的金額將自提取日期起計一年內償還。

本集團正在與銀行磋商取得人民幣50,000,000元的長期項目融資，為本集團其中一個旅遊及綜合發展項目的營運資金及資本投資提供資金。該借款融資預期以本集團於二零一九年十二月三十一日賬面值分別約為人民幣23,790,000元及人民幣20,421,000元的物業及持作出售物業作抵押。根據與銀行的溝通，董事相信該借款融資將於二零二零年五月獲得銀行批准。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Commitments

(a) Operating lease commitments – as a lessee

The Group leases various land and properties under non-cancellable operating lease agreements. The operating lease commitment as at 31 December 2019 presented below represents the future aggregate minimum lease payments for the leases with lease terms less than one year and low value leases. The remaining leases have been recorded as lease liabilities as at 31 December 2019 under newly adopted accounting standard IFRS 16 (Note 2.2). The operating lease commitment as at 31 December 2018 presented below represents the future aggregate minimum lease payments under all non-cancellable operating leases.

Not later than 1 year	一年以下
Later than 1 year and not later than 5 years	一年以上及五年以下

Provision for an onerous operating lease of RMB2,902,000 as at 31 December 2018 is made for the abovementioned operating lease commitments. Provision for the onerous operating lease contract has been adjusted to set-off the carrying amount of right-of-use asset upon adoption of IFRS 16 on 1 January 2019.

承擔

(a) 經營租賃承擔－作為承租人

本集團根據不可撤銷經營租賃協議，租賃各類土地及物業。下文所示二零一九年十二月三十一日之經營租賃承擔指租賃期低於一年的租賃及低價值租賃之日後最低租賃付款總額。根據新近採納的會計準則國際財務報告準則第16號，餘下租賃已於二零一九年十二月三十一日入賬列作租賃負債（附註2.2）。下文所示二零一八年十二月三十一日之經營租賃承擔指所有不可撤銷經營租賃項下之日後最低租賃付款總額。

As at 31 December

於十二月三十一日

2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
51	5,232
-	3,870
51	9,102

於二零一八年十二月三十一日，本集團就上述經營租賃承擔作出虧損性經營租賃撥備人民幣2,902,000元。虧損性經營租賃合約撥備已作調整，以抵銷於二零一九年一月一日採納國際財務報告準則第16號時使用權資產之賬面值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

(b) Operating lease commitments – as a lessor

The future aggregate minimum lease receipts under non-cancellable operating leases are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Not later than 1 year	一年以下	2,000	2,000
Later than 1 year and not later than 5 years	一年以上及五年以下	4,000	6,000
		6,000	8,000

(b) 經營租賃承擔－作為出租人

不可撤銷經營租賃的日後最低租賃付款總額如下：

(c) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	4,266	7,930

(c) 資本承擔

於報告期末已訂約但未確認為負債之重大資本開支如下：

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Contingent liabilities

The Group follows the guidance of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” to determine when should contingent liabilities be recognised, which requires significant judgement.

A contingent liability will be disclosed when a possible obligation has arisen, but its existence has to be confirmed by future events outside the Group’s control, or when it is not possible to calculate the amount. Realisation of any contingent liabilities not currently recognised or disclosed could have a material impact on the Group’s financial position.

As at 31 December 2019 and 2018, the Group had no material contingent liabilities.

Human resources

As at 31 December 2019, the Group had 257 full-time employees (2018: 236). Total staff costs including directors’ remuneration for the year ended 31 December 2019 were RMB44.3 million (2018: RMB46.1 million).

The remuneration of the directors is evaluated by the remuneration committee, which also makes recommendations to the Board. In addition, the remuneration committee reviews the performance, and determines the remuneration structure, of the Group’s senior management.

The Company operates an employee share option scheme, the purpose of which is to incentivise or reward eligible individuals who provide services to the Company for their contributions and their continuing efforts to promote the interests of the Company, and for other purposes as the Board may approve from time to time.

或有負債

本集團遵照國際會計準則第37號「撥備、或有負債及或有資產」的指引釐定應何時確認或有負債，而確認時須作出重大判斷。

當有可能產生義務，惟其存在與否須透過非本集團所能控制的未來事件確定，或當不可能計算義務所涉金額，即會披露或有負債。任何目前未有確認或披露的或有負債一旦實現，均可能對本集團的財務狀況造成重大影響。

於二零一九年及二零一八年十二月三十一日，本集團並無重大或有負債。

人力資源

於二零一九年十二月三十一日，本集團擁有257名（二零一八年：236名）全職僱員。截至二零一九年十二月三十一日止年度的員工成本總額（包括董事薪酬）為人民幣44.3百萬元（二零一八年：人民幣46.1百萬元）。

薪酬委員會負責評估董事薪酬，並向董事會提供推薦意見。此外，薪酬委員會亦會檢討本集團高級管理層的表現及制訂彼等的薪酬結構。

本公司營辦一項僱員購股權計劃，藉以鼓勵或獎賞為本公司提供服務的合資格人士對本公司作出貢獻及努力不懈地促進本公司利益，以及董事會可能不時批准的其他原因。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

PROSPECTS

In 2019, the world saw escalating trade tension and the slowing down of growth in all major economies. Chinese economy is shifting from the stage of “rapid development” to the stage of “quality-oriented development”. Moreover, the supply-side structural reform was further advanced, and the economic structure is optimized and upgraded. Economic activities were operating within the reasonable range, creating good market environment for industrial development. The ongoing economic reform and supportive policies for innovation and market-oriented competition have provided new growth momentum and eased the downward pressure on China’s economy.

2020 will be the last year in China’s 13th five-year plan. It’s also the year that China plans to complete the building of a moderately prosperous society and secure the decisive victory against poverty. In the beginning of 2020, the whole country joined together to fight the COVID-19 epidemic. As a socially-responsible company, we responded quickly at the earliest opportunity and took various measures to contain the spread of the virus to protect our staff and customers and to minimize the impact of the epidemic on our business operations.

A series of regulatory policies for the film industry were launched in the past two years. This caused Chinese film industry to shift from a high-growth stage to a stage where priority is given to quality contents, right direction and good culture. Overall, Chinese consumers’ rising demand for cultural entertainment will support the long-term growth of film industry, but we believe the growth mode of the industry will become more quality-oriented.

In addition, the rise of webcast and online TV dramas will continuously add value to the film and television culture industry. The Group will continue to identify small and medium-sized development and investment opportunities with the view to capitalising on its rich experience in advertising, marketing and media industry in China and seizing the opportunities in the film industry of Mainland China through proactively rolling out quality productions in due course.

前景

二零一九年，國際經貿摩擦升級，全球主要經濟體增長動力減弱，增速放緩。中國經濟由高速發展轉向高質量發展，深化供給側改革，經濟結構持續優化升級，始終運行在合理區間，為行業發展提供了良好的市場環境。相信推動經濟結構改革，轉型升級強化發展基礎，支持創新和市場競爭能夠創造新的增長勢頭，從而抵禦中國經濟下行壓力。

二零二零年是決勝全面建成小康社會、打贏精準扶貧攻堅戰、實現「十三五」規劃的收官之年。甫一開年，新型冠狀病毒肺炎疫情襲來，舉國戰「疫」。二零二零年初，面對新型冠狀病毒肺炎疫情，公司第一時間快速響應，多手段、多渠道全力抗擊疫情，保護員工及客戶安全，積極踐行企業社會責任，並將疫情對公司經營影響降到最低。

中國影視產業自過去兩年間一系列相關的監管政策出臺後，從超高速發展時期進入一個「抓內容、講導向、重文化」的良性發展週期。總體來看，居民不斷提升的文娛消費需求仍將支撐電影長期市場空間，但行業的增長模式要從粗放式發展轉向高質量發展。

此外，網絡直播及網絡電視劇的崛起，將持續為影視文化產業增值。為此，本集團將繼續物色中小型的發展及投資機遇，並計劃憑藉其在國內廣告、營銷及媒體行業方面的豐富經驗，把握內地電影產業的機遇，並適時主動推出優質的製作。

MANAGEMENT DISCUSSION AND ANALYSIS

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In support of the 13th Five-Year Plan of the state and the central government's plan to build 1,000 "distinctive towns" in China by 2020 to promote the integrated development of the primary, secondary and tertiary industries in rural areas, the Group actively leverages its experience and resources in the advertising, film, culture and media industries to develop integrated projects on the theme of film or media. The Group has been seeking locations with unique environmental elements for developing integrated projects with industry positioning, cultural heritage, tourism features, entertainment and community functions such as health and wellness, so as to form synergies with existing businesses.

Supreme Glory Limited, which was acquired by the Group last May, owned an eco-cultural tourism project located in Hebei Town, Fangshan District, Beijing. The project, covering a measurable usable area of approximately 4,022 Chinese mu (equivalent to approximately 2,681,347 square meters) and with beautiful natural sceneries, has a 50-year lease which expires in December 2058. The Group intends to develop the project into a unique natural and cultural scenic spot integrating media, resort, and eco-cultural tourism.

To further consolidate the Group's integrated project development business, broaden its revenue sources and reduce its reliance on the print media business, the Group has entered into a framework agreement with the government of Yongtai County, Fuzhou City, Fujian Province. According to the agreement, the Group intended to establish an investment fund to support the development of "Yongtai Kungfu Distinctive Town", a film and cultural entertainment project named by Yongtai government. "Yongtai Kungfu Distinctive Town" covers an area of 15.6 square kilometers. Under this project, the Group aims to reestablish the Longchuan-Longmen Canyon Scenic Area as a 4A scenic spot. The Group has the 40-years' exclusive operation right of the project covering the development, construction, management and operation of commercial activities such as tourism, sightseeing, resort, culture, sports and entertainment. The first phase of the project will be completed in 2020.

為響應國家十三五規劃，以及中央政府計劃於二零二零年前在中國建設1,000個「特色小鎮」，以推動農村地區第一、第二及第三產業綜合發展的舉措，本集團積極利用其於廣告、電影、文化及媒體行業的經驗及資源開發以電影或媒體為主題的綜合項目。本集團一直致力透過尋求具備特色環境因素的區域，打造具有產業定位、文化內涵、旅遊特徵、娛樂和一定社區功能如養生等的綜合開發項目，為現有業務產生協同效應。

本集團去年五月完成收購的卓耀有限公司擁有北京房山區河北鎮依託自然美景及媒體的生態文化旅遊項目，該項目可計量實用面積約為4,022畝（相當於約2,681,347平方米），現時租約授予本集團為期五十年，直至二零五八年十二月止。本集團將發展該項目成為一個集媒體、度假村及生態文化旅遊為一體的獨特自然文化景點。

為進一步鞏固本集團的綜合項目開發業務、拓闊其收入來源及降低其對印刷媒體業務的依賴，本集團與福建省福州市永泰縣政府訂立框架協議，並有意成立投資基金，為發展經永泰政府定名為「永泰功夫小鎮」的影視文娛項目提供支持。「永泰功夫小鎮」面積達15.6平方公里，本集團計劃將龍村—龍門峽谷風景區重新建設為4A級景區。本集團擁有該項目40年獨家經營權，涵蓋開發、建設、管理及運營旅遊、觀光、渡假、文化、體育及娛樂等商業活動，第一期景區建設將於二零二零竣工。

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Leveraging the Group's rich experience in marketing, distribution management and consultancy, we are actively developing a marketing service ecosystem. We used the outdoor advertising screen as the portal and analyzed the advertising conversion rate using big data technologies, in order to provide marketing services with high precision. In the meanwhile, the Group has launched a smart mobile app that uses blockchain technology and delivers information, e-commerce, advertising and constancy services. We believe this app will help us grab market opportunities.

Looking ahead, the Group will proactively explore and expand business opportunities for investment, production, management and content distribution of films and TV dramas. Leveraging the Group's track record and experience in advertising, marketing and integrated project development, the Group will continue to strive to find suitable industry partners and investment and production projects, and continuously promote the management of film and television projects to capture opportunities arising from the growing market of China's film and television culture industry, as well as the complementary integration between and upgrade of online and offline activities in the era of new media.

此外，憑藉本集團在營銷、分銷管理及諮詢方面累積的豐富經驗，我們正積極建設營銷服務生態鏈系統，以戶外廣告屏作為接入口，運用大數據分析廣告轉換率，提供更精準的行銷服務平台。與此同時，本集團已正式推出智能手機APP，應用區塊鏈技術，提供結合信息、電商、廣告及諮詢服務，積極把握市場機遇。

展望未來，本集團將繼續積極挖掘和拓展電影、電視劇投資、製作、管理和內容分發的業務機遇。結合本集團在廣告、營銷及綜合項目開發等方面的往績及經驗，本集團將繼續努力不懈，尋求合適的業內合作夥伴及投資製作項目，持續推動管理影視項目，以把握中國影視文化產業不斷壯大的市場規模及在新媒體時代線上線下互補轉型升級的發展機遇。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. Chen Zhi, aged 54, is an executive Director. He is a qualified accountant as conferred by the Ministry of Finance. Mr. Chen was a cadre of the Fuzhou Minhou Tax Bureau from 1982 to 1989 (during which he was granted leave from 1985 to 1988 to pursue his studies at Fujian Radio and Television University), deputy section chief of the Fuzhou Economic and Technology Development Area Tax Bureau from 1989 to 1993, and subsequently the section chief from 1993 to 2002. He joined our Group in 2003 and pioneered our distinctive business model of cooperating with newspaper partners to provide integrated print media services to advertisers, undertook the main decision-making role in the management of our overall operations and oversaw the strategic development of our Group. He was appointed as the chairman, chief executive officer and an executive Director of our Company on 9 December 2009, resigned as the chief executive officer of the Company on 29 January 2016 and resigned as the chairman of the Company on 25 February 2016. On 9 October 2019, Mr. Chen Zhi was appointed as the chairman and chief executive officer of the Company. Mr. Chen has accumulated more than ten years of relevant experience from developing the business of our Group and possesses a deep understanding of the PRC print media and advertising industries. Mr. Chen graduated from Fujian Radio and Television University in 1988 with a diploma in financial economics. Mr. Chen is one of our controlling shareholders. He is also a director of TopBig International Development Limited ("TopBig International"). Mr. Chen is the brother of Ms. Chen Min, a non-executive Director of the Company.

執行董事

陳志先生，54歲，執行董事。彼為財政部認可的合資格會計師。陳先生於一九八二年至一九八九年（期間曾於一九八五年至一九八八年獲批准離職前往福建廣播電視大學深造）為福州閩候稅務局的一名幹部，於一九八九年至一九九三年為福州經濟技術開發區稅務局的副科長，其後於一九九三年至二零零二年擔任科長。彼於二零零三年加入本集團，並開創本公司獨樹一幟的業務模式（即與報章合夥人合作，向廣告客戶提供綜合印刷媒體服務），在本公司整體經營管理中擔當主要決策角色及監督本集團的策略開發。彼於二零零九年十二月九日獲委任為本公司的主席、首席執行官兼執行董事，於二零一六年一月二十九日辭任本公司的首席執行官，並於二零一六年二月二十五日辭任本公司的主席。於二零一九年十月九日，陳志先生獲委任為本公司主席兼行政總裁。陳先生於發展本集團業務方面積逾十年相關經驗，諳熟中國印刷媒體及廣告行業。陳先生於一九八八年畢業於福建廣播電視大學，獲經濟財政學文憑。陳先生為本公司控股股東之一。彼亦為昇平國際發展有限公司（「昇平國際」）的董事。陳先生為本公司非執行董事陳敏女士的胞兄。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理層履歷

Mr. Yu Shi Quan, aged 44, is an executive Director and the chief financial officer. He is a qualified accountant as conferred by the Ministry of Finance. Mr. Yu was an accountant at Fujian Lan Tian Tax Accounting Co., Ltd. from 1996 to 1997, the finance director of Fujian Huanyu Investment Development Co., Ltd from 1997 to 1998 and the finance director of Fujian ShiFang Investment Co. Ltd. ("Fujian ShiFang") from 1998 to 2000. He joined our Group in 2000 and was head of finance of Fujian ShiFang until 2008 when he became the head of finance of Olympia Media, and, subsequently, vice president of finance of China TopReach Inc. in 2009, and was appointed as Director of our Company on 20 December 2011. He graduated from Fujian Radio and Television University in 1996 with a diploma in finance and accounting. Mr. Yu has gained significant management experience from his work with the overall financial operations of our Group and was appointed as the chief financial officer of the Group on 9 June 2014.

余詩權先生，44歲，執行董事兼首席財務官。彼為財政部認可的合資格會計師。余先生一九九六年至一九九七年於福建藍天稅務師事務所有限公司任會計師，一九九七年至一九九八年於福建省環宇投資發展有限公司擔任財務總監，而一九九八年至二零零零年於福建十方投資有限公司（「福建十方」）擔任財務總監。彼於二零零零年加入本集團，出任福建十方的財務總監，直至彼於二零零八年成為奧海傳媒的財務總監止，其後於二零零九年擔任中國天瑞控股有限公司的財務副總裁，並於二零一一年十二月二十日獲委任為本公司董事。彼於一九九六年畢業於福建廣播電視大學，獲財務及會計文憑。余先生在本集團的整體財務運營工作中積累了豐富的管理經驗，並於二零一四年六月九日獲委任為本集團首席財務官。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理層履歷

NON-EXECUTIVE DIRECTORS

Mr. Chen Wei Dong, aged 49, is a non-executive Director. He was appointed as our Director on 1 April 2015. He is currently served as the managing director of Xiamen Siruite Business Consulting Co., Ltd. (廈門斯銳特商務諮詢有限公司), a position with effective since January 1 2014. From January 2010 to October 2017, he served as the managing director of Shenzhen China Science & Kingwin Venture Capital Co., Ltd. He served as the deputy director of business of Shenzhen China Science & Merchants Capital Management Group Co., Ltd., from January 2003 to December 2009. From March 1996 to December 2012, Mr. Chen held the position as an assistant general manager of 廈門華閩包裝有限公司 (Xiamen Huamin Packaging Co., Ltd.). From December 2013 to November 2018, He has served as the general manager of China Science & Kingwin Investment Management Limited. In addition, he also had approximately six years of experience working in the Local Taxation Bureau of Pingyu County, Henan Province. Mr. Chen received his Bachelor's degree from the College of Online Education (now known as College of Continuing Education) of the Xiamen University in China in 2006, and has been enrolled in the Executive Master of Business Administration programme of School of Management of the Xiamen University since September 2009.

非執行董事

陳偉東先生，49歲，非執行董事。彼於二零一五年四月一日獲委任為董事。彼現任廈門斯銳特商務諮詢有限公司的董事經理，自二零一四年一月起擔任此職位。彼於二零一零年一月至二零一七年十月任深圳市中科宏易創業投資管理有限公司董事總經理。彼於二零零三年一月至二零零九年十二月期間擔任深圳市中科招商創業投資管理有限公司業務副總監。彼於一九九六年三月至二零一二年十二月，陳先生出任廈門華閩包裝有限公司的助理總經理。於二零一三年十二月至二零一八年十一月任深圳市中科宏易創業投資有限公司的總經理。此外，彼亦於河南省平輿縣地方稅務局任職約六年。陳先生於二零零六年自中國廈門大學網絡教育學院（現稱遠程教育學院）取得學士學位，並自二零零九年九月起參與廈門大學管理學院工商管理碩士課程學習。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理層履歷

Ms. Chen Min, aged 49, is a non-executive Director. She graduated from the Faculty of Arts, Fujian Normal University with a bachelor's degree in arts in June 1993 and a master's degree in arts specialising in contemporary Chinese drama in June 2002. She also obtained a doctorate degree in arts specialising in theatrical aesthetics from the Central Academy of Drama in June 2006. Ms. Chen had taken up various academic teaching posts at the College of Chinese Language and Literature Fujian Normal University between September 1993 and May 2007 and has been an associate professor of drama literature at the Central Academy of Drama since May 2007. Ms. Chen has also served as a secretary and a member of council of the China Branch of The International Association of Theatre Critics and a member of the expert panel of academic degrees and graduate education of the Ministry of Education of the PRC since May 2007. She was appointed as our Director on 20 December 2011. Ms. Chen is the sister of Mr. Chen Zhi, an executive Director of the Company.

陳敏女士，49歲，非執行董事。彼於一九九三年六月畢業於福建師範大學文學院，持有漢語言文學學士學位，並於二零零二年六月取得中國現代戲劇方面碩士學位。彼亦於二零零六年六月獲中央戲劇學院戲劇文學系戲劇美學方面博士學位。陳女士曾於一九九三年九月至二零零七年五月期間於福建師範大學中國語言文學院承擔多個專業任教職務，並自二零零七年五月起在中央戲劇學院擔任戲劇文學系教授、博士生導師。陳女士亦自二零零七年五月起任職國際戲劇評論家協會中國分會秘書長、理事及中國教育部學位及研究生教育專家組成員。彼於二零一一年十二月二十日獲委任為本公司董事。陳女士為本公司執行董事陳志先生的胞妹。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理層履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhou Chang Ren, aged 72, is an independent non-executive Director. He was appointed as our Director on 8 November 2010, and is a qualified senior economist as conferred by the Fujian Provincial Department of Personnel. Mr. Zhou was appointed as the chairman of the Qingliu Country Party Committee in 1990. He was engaged in the newspaper industry in the PRC and held several positions including the deputy bureau chief and editorial board member of Fujian Daily from 1996 to 2002, and the general manager, senior economist and Party Committee deputy secretary of the Fujian Daily Newspaper Group from 2002 to 2008. In addition, Mr. Zhou was the vice chairman, and later chairman, of the Fujian Province Newspaper Industry Association during the same periods, before retiring in 2008. He graduated from Fujian Provincial Party School of the CPC in 1986 with a diploma in politics. Mr. Zhou has extensive print media experience and expertise with particular knowledge of the Fujian newspaper industry.

Mr. Wong Heung Ming Henry, aged 50, is an independent non-executive Director. He was appointed as our Director on 8 November 2010. Mr. Wong took some senior positions, by serving as the finance directors and the internal audit director, for some multinationals, including United States and Hong Kong listed companies engaged in fast-moving consumables, real estates, shopping malls operation and media industry. Prior to that, Mr. Wong had worked for two international accounting firms, Deloitte Touche Tohmatsu and PricewaterhouseCoopers. Mr. Wong graduated from City University in Hong Kong in 1993 with a bachelor's degree in accountancy and also obtained a master's degree in electronic commerce from the Open University of Hong Kong in 2003. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants as well as a certified internal auditor. Mr. Wong has accumulated more than 26 years in financing, internal controls and corporate governance experience. Mr. Wong is also an independent non-executive director of Raffles Interior Limited (stock code: 1376), a company listed on the Stock Exchange..

獨立非執行董事

周昌仁先生，72歲，獨立非執行董事。彼於二零一零年十一月八日獲委任為本公司董事，並獲福建省人事廳認可具有高級經濟師資格。周先生於一九九零年獲委任為中共清流縣黨委書記。他曾從事於中國的報紙行業，並擔任多種職務，包括於一九九六年至二零零二年為《福建日報》副社長及編委委員，以及於二零零二年至二零零八年為福建日報報業集團總經理、高級經濟師及黨委副書記。此外，周先生曾於同期在福建省報業協會先為副主席後升任為主席，直至二零零八年退休。彼於一九八六年畢業於中共福建省委黨校，獲政治學文憑。周先生擁有豐富的印刷媒體經驗及專業知識，諳熟福建的報紙行業。

黃向明先生，50歲，獨立非執行董事。彼於二零一零年十一月八日獲委任為本公司董事。黃先生曾於經營快消品、房地產、百貨及媒體等跨國、美國及香港上市公司任職財務總監及內審總監等高管職位。在此之前，黃先生於德勤及普華永道兩家國際會計事務所工作。黃先生於一九九三年畢業於香港城市大學，並獲取會計學學士學位，而二零零三年亦於香港公開大學兼讀並取得其電子商務碩士學位。彼目前為英國特許公認會計師公會及香港會計師公會資深會員及註冊內部審計師。黃先生積累逾二十六年豐富的財務、內部控制及企業管治等方面的經驗。黃先生亦為聯交所上市公司Raffles Interior Limited (股份代號：1376)的獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理層履歷

Mr. Cai Jian Quan, aged 57, is an independent non-executive Director. He was appointed as our Director on 20 December 2011. He graduated from the Anhui University of Finance Economics with a bachelor's degree in financial accounting in July 1984. Mr. Cai was a finance manager of the finance department of Shanghai Baihuo Headquarters Watches and Glasses Branch between July 1984 and June 1992. He was the general manager of the sales department of Shenyin & Wanguo Securities Co. Ltd. between June 1992 and June 2002. He has also been the chairman of the board of directors of Shanghai Guantong Investment Co. Ltd. since September 2002.

COMPANY SECRETARY

Ms. Chan Ching Yi, aged 45, is our company secretary. She is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. Ms. Chan holds a bachelor's degree in accountancy and has accumulated more than 20 years of financial and auditing experience. She is currently the company secretary of Xinjiang Tianye Water Saving Irrigation System Company Limited (stock code: 840), a company listed on the Main Board of the Stock Exchange. Ms. Chan joined our Group in August 2010.

蔡建權先生，57歲，獨立非執行董事。彼於二零一一年十二月二十日獲委任為本公司董事。彼於一九八四年七月畢業於安徽財經大學，持有財務會計學學士學位。蔡先生自一九八四年七月至一九九二年六月為上海百貨總公司鐘錶眼鏡分公司財務部的財務經理。彼自一九九二年六月至二零零二年六月為申銀萬國證券股份有限公司的營業部總經理。彼自二零零二年九月以來亦一直為上海冠通投資有限公司的董事會主席。

公司秘書

陳靜儀女士，45歲，本公司的公司秘書。彼為香港會計師公會會員及英國特許公認會計師公會資深會員。陳女士持有會計學學士學位，並積累了逾二十年財務及審計經驗。彼目前為聯交所主板上市公司新疆天業節水灌溉股份有限公司（股份代號：840）的公司秘書。陳女士於二零一零年八月加入本集團。

DIRECTORS' REPORT

董事報告

The directors (the "Directors") of ShiFang Holding Limited (the "Company") present their report and the audited financial statements of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the business of publishing and advertising (the "Publishing and Advertising Businesses") in the People's Republic of China (the "PRC"). The Group has been focusing on restructuring its publishing and advertising businesses by consolidating with cultural media and film media businesses in PRC, and diversifying into tourism and integrated developments.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of comprehensive income on pages 97 to 98.

The Directors did not recommend the payment of any final dividend for the year ended 31 December 2019 and proposed that loss for the year be retained.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development and possible risks and uncertainties that the Group may be facing are provided in the "Management Discussion and Analysis" section of this annual report.

The financial risk management objectives and policies of the Group are set out in note 3 to the consolidated financial statements. Particulars of important events affecting the Group that have occurred since the end of the financial year ended 31 December 2019 are set out in note 37 to the consolidated financial statements.

十方控股有限公司（「本公司」）董事（「董事」）謹此提呈彼等的報告，以及本公司及其附屬公司（統稱「本集團」）截至二零一九年十二月三十一日止年度的經審核財務報表。

主要業務

本公司為一間投資控股公司，而其附屬公司主要於中華人民共和國（「中國」）從事出版及廣告業務。本集團一直專注於透過整合中國文化傳媒及電影媒體業務，重組其出版及廣告業務，並跨界旅遊，整合發展。

業績及分配

本集團截至二零一八年十二月三十一日止年度的業績載於第97至98頁的合併全面收益表。

董事不建議派付截至二零一九年十二月三十一日止年度任何末期股息，並建議保留年內虧損。

業務回顧

本集團年內業務審視以及對本集團業務未來發展及可能面對的風險及不明朗因素的討論載於本年報「管理層討論與分析」一節。

本集團的財務風險管理目標及政策載於合併財務報表附註3。於截至二零一九年十二月三十一日止財政年度終結後發生的、對本集團有影響的重大事件的詳情載於合併財務報表附註37。

DIRECTORS' REPORT 董事報告

An analysis of the Group's performance during the year using financial key performance indicators is set out in the "Financial Highlights and Summary" section on pages 5 to 6 of this annual report.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 12 June 2020 to 17 June 2020, both days inclusive, during which no transfer of shares will be registered. To determine eligibility to attend and vote at the forthcoming annual general meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 11 June 2020.

CAPITAL REORGANISATION AND CHANGE OF BOARD LOT SIZE

According to the special resolution numbered 3 as set out in the notice of the EGM dated 1 February 2019 and as approved by Shareholders at the EGM held on 25 February 2019, all conditions precedent to the Capital Reorganisation have been fulfilled, the Capital Reorganisation became effective from 9:00 a.m. (Hong Kong time) on the 21st day (if it is not a business day in Hong Kong, the immediately following business day in Hong Kong) after the effective date of the Change of Domicile in Hong Kong time. As the Change of Domicile took effect on Tuesday, 19 March 2019 (Hong Kong time), the Capital Reorganisation took effect from 9:00 a.m. (Hong Kong time) on Wednesday, 10 April 2019.

Upon the Capital Reorganisation becoming effective on 10 April 2019 (Hong Kong time), the board lot size for trading in the Shares will be changed from 1,000 Existing Shares to 10,000 New Shares each.

對本集團年內表現運用財務關鍵表現指標進行的分析載於本年報第5至6頁「財務摘要及概要」一節。

暫停辦理股東登記手續

本公司將於二零二零年六月十二日至二零二零年六月十七日（包括首尾兩天）暫停辦理股東登記手續，期間不會受理股份過戶登記。為釐定出席本公司應屆股東週年大會並於會上投票的資格，所有過戶文件連同有關股票最遲須於二零二零年六月十一日下午四時三十分送達本公司的香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心54樓）以作登記。

股本重組及更改每手買賣單位

根據股東於二零一九年二月二十五日舉行的股東特別大會批准的日期為二零一九年二月一日股東特別大會通告所載第三項特殊決議案，所有股本重組先決條件已獲達成，股本重組自遷冊生效日期（香港時間）後第21日（倘該日其並非香港的營業日，則於緊隨其後之香港營業日）上午九時正（香港時間）起生效。由於遷冊於二零一九年三月十九日（星期二）（香港時間）生效，股本重組於二零一九年四月十日（星期三）上午九時正（香港時間）生效。

於股本重組於二零一九年四月十日（香港時間）生效後，股份之每手買賣單位將由1,000股現有股份更改為10,000股新股份。

FUND RAISING ACTIVITIES

Convertible Bonds Subscription

On 24 January 2019, the Company entered into the convertible bond subscription agreement with TopBig International Development Limited ("TopBig International"), a wholly owned company by Mr. Chen Zhi, the Executive Director and a shareholder of the Company, pursuant to which the Company conditionally agreed to issue, and TopBig International conditionally agreed to subscribe for, the 3% convertible bonds (the "Convertible Bonds") in the aggregate principal amount of HK\$250,000,000 (equivalent to RMB215,750,000).

The initial conversion price of the Convertible Bonds is HK\$0.24 per conversion share (equivalent to HK\$0.06 per share prior to the Capital Reorganisation), subject to adjustment. The Convertible Bond matures at the day falling on the third anniversary of the date of issue of the convertible bonds and the conversion period covers the period commencing on the date of issue of the Convertible Bonds and ending on maturity date.

Assuming full conversion of the Convertible Bonds at the initial conversion price of HK\$0.24 per conversion share, the Convertible Bonds will be convertible into up to 1,041,666,666 shares (on the basis of consolidated shares after the Capital Reorganisation becoming effective).

集資活動

可換股債券認購事項

於二零一九年一月二十四日，本公司與昇平國際發展有限公司（「昇平國際」）（由本公司執行董事及股東陳志先生全資擁有）訂立可換股債券認購協議，據此，本公司有條件同意發行而昇平國際有條件同意認購本金總額為250,000,000港元（相當於人民幣215,750,000元）的按利率3厘計息的可換股債券（「可換股債券」）。

可換股債券的初步換股價為每股換股股份0.24港元（相當於股本重組前每股0.06港元）（可予調整）。可換股債券到期日為發行可換股債券當日起計滿三週年當日到期，而可換股期間涵蓋發行可換股債券當日起至到期日止期間。

假設可換股債券按初步換股價每股換股股份0.24港元獲悉數轉換，可換股債券將轉換為最多1,041,666,666股股份（以股本重組生效後之合併股份為基準）。

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The gross and net proceeds from the subscription was approximately HK\$250 million and HK\$245 million respectively. At the time of subscription, it was the intention of the Company to apply the net proceeds from the subscription as to: (a) approximately HK\$104 million for repaying the principal and accrued interest on the HK\$100 million loan facility previously granted by TopBig International; (b) approximately HK\$107.1 million for early redemption of the promissory notes issued as consideration for the Supreme Glory acquisition and the accrued interest thereon; and (c) approximately HK\$33.9 million for the Group's general expenses such as salaries, rental expenses and professional fees. As at 31 December 2019, all proceeds from the subscription were utilized as intended.

The Convertible Bonds and the new Shares to be issued upon conversion of the Convertible Bonds shall be allotted and issued by the Company pursuant to the specific mandate granted by the independent shareholders of the Company to the Directors at an extraordinary general meeting of the Company held on 8 March 2019.

Conversion of convertible bonds

Based on the conversion price of HK\$0.24 per Share, 185,600,000 Shares (the "Conversion Shares") were allotted and issued by the Company to TopBig International on 21 May 2019 (the "Partial Conversion"). As a result of the Partial Conversion, the issued share capital of the Company has increased from 571,999,030 Shares to 757,599,030 Shares. The Conversion Shares rank pari passu with all the existing Shares in issue as at the date of allotment and among themselves in all respects. The 185,600,000 Conversion Shares represent: (a) approximately 32.45% of the issued share capital immediately before the Partial Conversion; and (b) approximately 24.50% of the issued share capital as enlarged by the Partial Conversion.

認購事項所得款項總額及淨額分別約為250百萬港元及245百萬港元。於認購事項之時，本公司擬將認購事項所得款項淨額：(a)約104百萬港元用於償還昇平國際為數100百萬港元之貸款融資的本金及應計利息；(b)約107.1百萬港元用於提早贖回所發出之承兌票據作為收購卓耀的代價並支付其應計利息；及(c)約33.9百萬港元用於本集團的一般開支，如薪金、租金開支及專業費用。截至二零一九年十二月三十一日，所有認購事項所得款項已悉數按原定用途使用。

可換股債券及可換股債券獲轉換後將予發行之新股份將由本公司根據其獨立股東於本公司在二零一九年三月八日舉行之股東特別大會上向董事授出之特別授權配發及發行。

轉換可換股債券

本公司已於二零一九年五月二十一日按每股股份0.24港元的換股價向昇平國際配發及發行185,600,000股股份（「可換股股份」）（「部分轉換」）。因應該部分轉換，本公司的已發行股本已由571,999,030股股份增至757,599,030股股份。可換股股份與配發日期的所有現有已發行股份及彼此之間在各方面享有同等地位。185,600,000股可換股股份相當於(a)緊接該部分轉換前的已發行股本約32.45%；及(b)經該部分轉換擴大的已發行股本約24.50%。

PROPERTY, PLANT AND EQUIPMENT

During the year of 2019, the Group had acquired property, plant and equipment of approximately RMB31 million.

Details of these and other movements in the property, plant and equipment of the Group during the year of 2019 are set out in note 7 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 16 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association or the bye-laws of the Company (the "Articles" or the "Bye-laws"), or the laws of the Cayman Islands or Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 38 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

物業、廠房及設備

於二零一九年度，本集團收購約人民幣31百萬元物業、廠房及設備。

上述及二零一九年度其他有關本集團物業、廠房及設備的變動詳情載於合併財務報表附註7。

股本

本公司股本於年內的變動詳情載於合併財務報表附註16。

優先購買權

本公司組織章程細則或公司細則（「細則」或「公司細則」）或開曼群島或百慕達法律並無任何規定本公司須向現有股東按比例發售新股份的優先購買權的條文。

購買、贖回或出售本公司上市證券

年內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

儲備

本公司及本集團儲備於年內的變動詳情分別載於合併財務報表附註38及合併權益變動表。

DIRECTORS' REPORT

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DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company has no reserve available for distribution to the Shareholders.

DONATIONS

No charitable and other donations have been made by the Group during the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year of 2019, the aggregate sales attributable to the Group's five largest customers comprised approximately 21.8% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 5.3% of the Group's total sales.

The aggregate purchases during the year of 2019 attributable to the Group's five largest suppliers were approximately 31.7% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 8.9% of the Group's total purchases.

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 Company's issued shares) had any interest in the Group's five largest suppliers and customers.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in the PRC. The Group's establishment and operations accordingly shall comply with relevant laws and regulations in the PRC. During the Year, the Group has complied, to the best knowledge of the Directors, with the relevant laws and regulations that have a significant impact on the Group.

可供分派儲備

於二零一九年十二月三十一日，本公司並無可供分派予股東的儲備。

捐款

本集團年內並無作出慈善及其他捐款。

主要客戶及供應商

於二零一九年度，本集團五大客戶應佔銷售總額佔本集團總銷售額約21.8%，而本集團最大客戶應佔銷售額佔本集團總銷售額約5.3%。

於二零一九年度，本集團五大供應商應佔購貨總額佔本集團總購貨額約31.7%，而本集團最大供應商應佔購貨額佔本集團總購貨額約8.9%。

概無任何董事、彼等緊密聯繫人或本公司任何股東（據董事所深知，擁有本公司逾5%已發行股份之股東）於本集團五大供應商及客戶中擁有任何權益。

遵守法律及法規

本集團的業務主要由本公司的中國附屬公司進行，因此本集團的成立及業務應符合中國相關法律及法規。據董事所深知，本集團於年內已符合對本集團有重大影響的相關法律及法規。

DIRECTORS

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

Executive directors:

Mr. Chen Zhi, Chairman and chief executive officer
(appointed as a Director on 9 December 2009)

Mr. Yu Shi Quan
(appointed on 20 December 2011)

Mr. Siuming Tsui, chief executive officer
(appointed as a Director on 6 December 2015
and resigned on 9 October 2019)

Non-executive directors:

Mr. Chen Wei Dong
(appointed on 1 April 2015)

Ms. Chen Min
(appointed on 20 December 2011)

Independent non-executive directors:

Mr. Zhou Chang Ren
(appointed on 8 November 2010)

Mr. Wong Heung Ming, Henry
(appointed on 8 November 2010)

Mr. Cai Jian Quan
(appointed on 20 December 2011)

In accordance with the Bye-laws, one-third of the Directors will retire and, being eligible, offer themselves for re-election, at the forthcoming annual general meeting of the Company. Moreover, the Directors appointed during the year will hold office until the forthcoming annual general meeting of the Company and will be eligible for re-election.

董事

年內及直至本報告日期的董事如下：

執行董事：

陳志先生（主席兼行政總裁）
（於二零零九年十二月九日獲委任為董事）

余詩權先生
（於二零一一年十二月二十日獲委任）

徐小明先生（行政總裁）
（於二零一五年十二月六日獲委任為董事
及於二零一九年十月九日辭任）

非執行董事：

陳偉東先生
（於二零一五年四月一日獲委任）

陳敏女士
（於二零一一年十二月二十日獲委任）

獨立非執行董事：

周昌仁先生
（於二零一零年十一月八日獲委任）

黃向明先生
（於二零一零年十一月八日獲委任）

蔡建權先生
（於二零一一年十二月二十日獲委任）

按照公司細則，三分一的董事將於本公司應屆股東週年大會上退任，並符合資格且願意於會上膺選連任。此外，於年內獲委任的董事，其任期直至本公司應屆股東週年大會為止，並符合資格於會上膺選連任。

DIRECTORS' REPORT 董事報告

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 27 to 32.

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION OF INDEPENDENCE

The Company has received, from each of its independent non-executive Directors, namely Mr. Zhou Chang Ren, Mr. Wong Heung Ming, Henry, and Mr. Cai Jian Quan a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of its independent non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors and the non-executive Director has entered into a service contract with the Company for a term of three years, which may be terminated by not less than six months' notice (for executive Directors) or one month's notice (for non-executive Directors) in writing served by either party on the other. Each of the independent non-executive Director has been appointed by the Company for a term of three years and shall be terminable by either party by giving not less than one month prior notice in writing.

During the year, none of the Directors had a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事及高級管理層履歷

本集團董事及高級管理層履歷詳情載於第27至32頁。

獨立非執行董事的獨立身份確認書

本公司已接獲獨立非執行董事周昌仁先生、黃向明先生及蔡建權先生各自根據上市規則第3.13條發出的獨立身份確認書。本公司認為其全部獨立非執行董事均為獨立人士。

董事服務合約

各執行董事及非執行董事已與本公司訂立服務合約，為期三年，可由任何一方向另一方發出不少於六個月（就執行董事而言）或不少於一個月（就非執行董事而言）的書面通知而終止。本公司委任的各獨立非執行董事的任期為三年，有關任命可由任何一方發出不少於一個月的事先書面通知而終止。

年內，各董事概無與本公司訂有任何不可由本公司於一年內免付賠償（法定賠償除外）而終止的服務合約。

REMUNERATION POLICY

The remuneration policy for the Directors and senior management members of the Group was based on their individual performance as well as market trends and practices. In addition, each of the executive Directors and the non-executive Directors is entitled to a discretionary bonus provided that the aggregate amount of the bonuses payable to all the executive Directors at the sole and absolute discretion of the Company. Details of the remuneration of the Directors are set out in note 39 to the consolidated financial statements.

The emoluments paid to the senior management (excluding the Directors) during the year ended 31 December 2019 were within the following bands:

薪酬政策

董事及本集團高級管理層成員的薪酬政策乃依照個人表現以及市場趨勢與慣例制訂。此外，各執行董事及非執行董事均有權獲得酌情花紅，惟應支付予所有執行董事的花紅總額由本公司全權酌情決定。董事薪酬詳情載於合併財務報表附註39。

於截至二零一九年十二月三十一日止年度，已付高級管理層（董事除外）的酬金介乎下列幅度：

		Number of Senior Management 高級 管理層人數
Nil to HK\$500,000	0港元至500,000港元	–
HK\$500,001 to HK\$1,000,000	500,001港元至1,000,000港元	2
Total:	總計：	<u>2</u>

DIRECTORS' RIGHTS TO ACQUIRE SHARES IN OR DEBT SECURITIES OF THE COMPANY

Other than the pre-IPO share option scheme of the Company (the "Pre-IPO Share Option Scheme") adopted by written resolutions of its shareholders on 26 February 2010 and the post-IPO share option scheme of the Company (the "Post-IPO Share Option Scheme") adopted by the written resolutions of its shareholders on 8 November 2010, at no time during the year of 2019 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

董事購入本公司股份或債務證券的權利

除經本公司股東於二零一零年二月二十六日以書面決議案方式採納的本公司首次公開發售前購股權計劃（「首次公開發售前購股權計劃」），以及經本公司股東於二零一零年十一月八日以書面決議案方式採納的本公司首次公開發售後購股權計劃（「首次公開發售後購股權計劃」）外，於二零一九年度，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體的股份或債務證券（包括債券）而獲益。

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DIRECTORS' INTERESTS IN CONTRACTS

Save and except the Convertible Bonds held by TopBig International (a wholly owned company by Mr. Chen Zhi), no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors held any interests in any competing business against the Company or any of its jointly controlled entities and subsidiaries for the year ended 31 December 2019.

POST-IPO SHARE OPTION SCHEME

Pursuant to the resolutions in writing passed by the shareholders of the Company on 8 November 2010, the Company adopted the Post-IPO Share Option Scheme. The purpose of the Post-IPO Share Option Scheme is to provide incentive or reward to (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; (ii) any Directors (whether executive or non-executive, including any independent non-executive Directors) of the Company or any of its subsidiaries; or (iii) any advisors, consultants, suppliers, customers and agents to the Company or any subsidiaries (each an "Eligible Person").

The Board may, at any time within 10 years after the date of approval of the Post-IPO Share Option Scheme, make an offer to grant options to any Eligible Person. The Scheme will remain in force for a period of 10 years commencing on 8 November 2010 up to 7 November 2020. The subscription price for shares granted pursuant to the Post-IPO Share Option Scheme shall be determined by the Board in its absolute discretion and shall be at least the highest of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer;

董事於合約中的權益

除由昇平國際(陳志先生全資擁有之公司)持有之可換股債券外,董事概無於本公司或其任何控股公司、附屬公司或同系附屬公司於年內訂立而對本集團業務而言屬重大的任何合約中直接或間接擁有重大權益。

董事於競爭業務中的權益

截至二零一九年十二月三十一日止年度,董事概無於任何與本公司或其任何共同控制實體及附屬公司競爭的業務中擁有權益。

首次公開發售後購股權計劃

根據本公司股東於二零一零年十一月八日通過的書面決議案,本公司採納首次公開發售後購股權計劃。首次公開發售後購股權計劃旨在獎勵或回饋(i)本公司或其任何附屬公司的任何全職或兼職僱員、行政人員或高級職員;(ii)本公司或其任何附屬公司的任何董事(執行或非執行董事,包括獨立非執行董事);或(iii)本公司或任何附屬公司的任何顧問、諮詢人士、供應商、客戶及代理(各為「合資格人士」)。

董事會可於首次公開發售後購股權計劃獲批准當日後十年內隨時向任何合資格人士提呈授出購股權。該計劃之有效期為10年,由二零一零年十一月八日起計,直至二零二零年十一月七日止。根據首次公開發售後購股權計劃授出的股份認購價由董事會全權酌情釐定,且不得低於下列各項的最高者:

- (i) 股份於提呈授出購股權當日在聯交所每日報價表所報的正式收市價;

- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which such offer is made; or
- (iii) the nominal value of a Share.

The total number of Shares in respect of which options may be granted under the Post-IPO Share Option Scheme is not permitted to exceed 10% of the total number of Shares in issue as at the Listing Date, i.e. 73,216,512 shares (prior to the Capital Reorganisation), without prior approval from the shareholders of the Company. The maximum number of Shares which may be issued upon exercise of all outstanding options granted, and yet to be exercised, under the Post-IPO Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the issued share capital of the Company from time to time. The total number of Shares issued and to be issued upon exercise of all options granted under the Post-IPO Share Option Scheme to each Eligible Person (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of issued shares of the Company. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company. In addition, if shares issued and to be issued upon exercise of all options granted under the Post-IPO Share Option Scheme (including options exercised, cancelled and outstanding) to a participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their associates, in any 12-month period (i) represent in aggregate more than 0.1% of the total number of shares in issue, and (ii) have an aggregate value, based on the closing price of the shares of the Company at the date of each grant, in excess of HK\$5,000,000, the proposed grant of option must be approved by the shareholders of the Company in a general meeting.

- (ii) 股份於緊接提呈授出購股權當日前五個營業日在聯交所每日報價表所報的平均正式收市價；或
- (iii) 股份的面值。

如未經本公司股東事先批准，根據首次公開發售後購股權計劃可授出的購股權涉及的股份總數不得超過於上市日期已發行股份總數的10%（即73,216,512股股份（於股本重組之前））。行使根據首次公開發售後購股權計劃及本公司任何其他購股權計劃授出但尚待行使的所有未行使購股權而可發行的股份數目上限，不得超過本公司不時已發行股本的30%。於任何十二個月期間行使根據首次公開發售後購股權計劃授予每名合資格人士的所有購股權（包括已行使、已註銷及未行使的購股權）而發行及將予發行的股份總數，不得超過本公司已發行股份總數的1%。凡進一步授出超過此上限的購股權均須經股東於股東大會上批准。

凡向本公司董事、最高行政人員或主要股東或彼等任何聯繫人授出購股權，均須經本公司獨立非執行董事預先批准。此外，倘在任何十二個月期間內，於根據首次公開發售後購股權計劃向參與者（屬本公司主要股東或獨立非執行董事）或彼等任何聯繫人授出的所有購股權（包括已行使、已註銷及未行使的購股權）獲行使後發行及將予發行的股份(i)合共超過已發行股份總數0.1%，及(ii)按於每個授出日期本公司股份收市價計算的總值超過5,000,000港元，則建議授出購股權須經本公司股東於股東大會上批准。

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The amount payable on acceptance of an option is RMB1.00. The exercise period of any option granted under the Post-IPO Share Option Scheme shall not be longer than 10 years from the date of grant of the relevant option. There is no minimum period for which an option must be held before the exercise of the option except otherwise imposed by the Board.

Up to 31 December 2019, no share option had been granted under the Post-IPO Share Option Scheme. As at the date of this report, the number of shares available under the Post-IPO Share Option Scheme is 18,304,128 Shares (as adjusted by the Capital Reorganisation), representing approximately 2.4% of the total number of shares of the Company in issue.

CONVERTIBLE BONDS SUBSCRIPTION

On 24 January 2019, the Company entered into the convertible bond subscription agreement with TopBig International Development Limited ("TopBig International"), a wholly owned company by Mr. Chen Zhi, the Executive Director and a shareholder of the Company, pursuant to which the Company conditionally agreed to issue, and TopBig International conditionally agreed to subscribe for, the 3% convertible bonds (the "Convertible Bonds") in the aggregate principal amount of HK\$250,000,000 (equivalent to RMB215,750,000).

The initial conversion price of the Convertible Bonds is HK\$0.24 per conversion share (equivalent to HK\$0.06 per share prior to the Capital Reorganisation), subject to adjustment. The Convertible Bond matures at the day falling on the third anniversary of the date of issue of the convertible bonds and the conversion period covers the period commencing on the date of issue of the Convertible Bonds and ending on maturity date.

Assuming full conversion of the Convertible Bonds at the initial conversion price of HK\$0.24 per conversion share, the Convertible Bonds will be convertible into up to 1,041,666,666 shares (on the basis of consolidated shares after the Capital Reorganisation becoming effective).

於接納購股權時應付的金額為人民幣1.00元。根據首次公開發售後購股權計劃授出的任何購股權的行使期不得超過相關購股權授出當日起計十年。購股權於獲行使前並無必須持有的最短期限，惟董事會另有施加者則作別論。

截至二零一九年十二月三十一日，並無根據首次公開發售後購股權計劃授出任何購股權。於本報告日期，首次公開發售後購股權計劃下可予發行之股份數目為18,304,128股（經股本重組予以調整），相當於本公司已發行股份總數約2.4%。

可換股債券認購事項

於二零一九年一月二十四日，本公司與昇平國際發展有限公司（「昇平國際」）（由本公司執行董事及股東陳志先生全資擁有）訂立可換股債券認購協議，據此，本公司有條件同意發行而昇平國際有條件同意認購本金總額為250,000,000港元（相當於人民幣215,750,000元）的按利率3厘計息的可換股債券（「可換股債券」）。

可換股債券的初步換股價為每股換股股份0.24港元（相當於股本重組前每股0.06港元）（可予調整）。可換股債券到期日為發行可換股債券當日起計滿三週年當日到期，而可換股期間涵蓋發行可換股債券當日起至到期日止期間。

假設可換股債券按初步換股價每股換股股份0.24港元獲悉數轉換，可換股債券將轉換為最多1,041,666,666股股份（以股本重組生效後之合併股份為基準）。

The Convertible Bonds and the new Shares to be issued upon conversion of the Convertible Bonds (The "Conversion Shares") shall be allotted and issued by the Company pursuant to the specific mandate granted by the independent shareholders of the Company to the Directors at an extraordinary general meeting of the Company held on 8 March 2019.

可換股債券及可換股債券獲轉換後將予發行之新股（「可換股股份」）將由本公司根據其獨立股東於本公司在二零一九年三月八日舉行之股東特別大會上向董事授出之特別授權配發及發行。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

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

(i) Long position in the Company

Name of Director 董事姓名	Capacity/Nature of Interest 身份／權益性質	Number of Shares 股份數目	Approximate percentage of interest 權益概約百分比
Mr. Chen Zhi 陳志先生	Interest in controlled corporation and beneficial owner 於受控制法團的權益及實益所有者	1,083,265,340 (Note 1) (附註1)	142.98%
Mr. Yu Shi Quan 余詩權先生	Beneficial Owner 實益所有者	223,049	0.03%

董事於股份及相關股份的權益及淡倉

於二零一九年十二月三十一日，董事於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股本及相關股份（「股份」）中擁有記錄於根據證券及期貨條例第352條本公司須存置的登記冊，或根據上市發行人董事進行證券交易的標準守則已知會本公司及聯交所的權益及淡倉載列如下：

(i) 於本公司的好倉

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Notes:

- (1) Mr. Chen Zhi (an executive director of the Company) was deemed to be interested in 1,083,265,340 Shares and underlying Shares, comprising (i) 1,758,164 Shares directly held by him; (ii) 225,440,510 Shares held by TopBig International Development Limited ("TopBig International"), a controlled corporation which is wholly-owned by Mr. Chen Zhi; and (iii) 856,066,666 underlying Shares attributable to the conversion right attaching to convertible bonds issued by the Company held by TopBig International.
- (2) The percentage interests are calculated on the basis of 757,599,030 issued Shares of the Company as at 31 December 2019.

附註：

- (1) 本公司執行董事陳志先生被視為於1,083,265,340股股份及相關股份中擁有權益，包括(i)由其直接持有的1,758,164股股份；(ii)由其全資擁有的受控制法團昇平國際發展有限公司（「昇平國際」）所持有的225,440,510股股份；及(iii)昇平國際持有的本公司發行的可換股債券隨附之轉換權利應佔856,066,666股相關股份。
- (2) 百分比權益乃基於本公司於二零一九年十二月三十一日757,599,030股已發行股份計算。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, the following persons (other than Directors or chief executives of the Company) had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in Shares:

主要股東於股份及相關股份的權益

於二零一九年十二月三十一日，以下人士（董事或本公司最高行政人員除外）擁有記錄於根據證券及期貨條例第336條本公司須存置的登記冊的股份及相關股份權益或淡倉：

於股份的好倉：

Name 董事姓名	Capacity/Nature of Interest 身份／權益性質	Number of Shares 股份數目	Approximate percentage of interest 權益概約百分比
TopBig International 昇平國際	Beneficial Owner (Note 1) 實益所有者（附註1）	1,081,507,176	142.75%
Shi Jianxiang 施建祥	Beneficial Owner 實益所有者	46,712,500	6.17%
Chen Rong 陳榕	Interest of controlled corporation (Note 2) 於受控制法團的權益（附註2）	39,335,004	5.19%
Happy Day Development Ltd. Happy Day Development Ltd.	Beneficial owner (Note 2) 實益擁有人（附註2）	39,335,004	5.19%

Notes:

- (1) TopBig International is a controlled corporation wholly-owned by Mr. Chen Zhi, an executive Director. TopBig International was deemed to be interested in 1,081,507,176 Shares and underlying Shares, comprising (i) 225,440,510 Shares held by TopBig International; and (ii) 856,066,666 underlying Shares attributable to the conversion right attaching to convertible bonds issued by the Company held by TopBig International..
- (2) Based on disclosure of interest filings, Happy Day Development Ltd. is a controlled corporation wholly-owned by Chen Rong.
- (3) The percentage interests are calculated on the basis of 757,599,030 issued Shares of the Company as at 31 December 2019.

Save as disclosed herein, the Company has not been notified of any other person (other than a Director or a chief executive of the Company) who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 31 December 2019.

CONTINUING CONNECTED TRANSACTIONS

The Company has entered into the transactions set out below which will be regarded as continuing connected transactions under the Listing Rules and subject to the disclosure requirements under Chapter 14A of the Listing Rules. Unless otherwise defined, capitalised terms below has the same meanings as those defined in the Prospectus.

附註：

- (1) 昇平國際為由執行董事陳志先生全資擁有之受控制法團。昇平國際被視為於1,081,507,176股股份及相關股份中擁有權益，包括(i)昇平國際持有之225,440,510股股份；及(ii)昇平國際持有的本公司發行的可換股債券隨附之轉換權利應佔856,066,666股相關股份。
- (2) 根據權益備案披露，Happy Day Development Ltd.為一間由陳榕全資擁有的受控制法團。
- (3) 百分比權益乃基於本公司於二零一九年十二月三十一日之757,599,030股已發行股份計算。

除本文所披露者外，於二零一九年十二月三十一日，本公司並無獲知會有任何其他人士（董事或本公司最高行政人員除外）擁有記錄於根據證券及期貨條例第336條本公司須存置的登記冊的本公司股份及相關股份權益或淡倉。

持續關連交易

本公司已訂立下文所載根據上市規則將被視為持續關連交易並須遵守上市規則第十四A章下的披露規定的交易。除非另有界定，否則下文的專有詞彙具有招股章程所界定的相同涵義。

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The Structure Contracts

Background

Fuzhou ShiFangCe Culture Media Co., Ltd. (“Original WFOE”), which was a wholly-owned subsidiary of the Company prior to 24 December 2015, entered into (a) structured contracts (the “Internet Structured Contracts”) to enable the Group to capture the economic benefits of and obtain the effective control over Beijing BaiChuanDuKe Science and Technology Co., Ltd. (“Internet Opco” or “Beijing BaiChuanDuKe”) and its subsidiaries (collectively, the “Internet Opco Group”); and (b) structured contracts (the “Publishing Structured Contracts”) to enable the Group to capture the economic benefits of and obtain the effective control over Beijing HongXinTu Culture Communication Co., Ltd (“Publishing Opco” or “Beijing HongXinTu”) and its subsidiaries (collectively, the “Publishing Opco Group”).

Pursuant to the Catalogue of Industries for Guiding Foreign Investment jointly promulgated by the National Development and Reform Commission of the PRC and the Ministry of Commerce of the PRC, foreign investors are (i) prohibited from investing in news websites and online publication services; and (ii) restricted from investing in more than 50% controlling stake in value-added telecommunication and printing of publications. At the time of the entering into of the Internet Structured Contracts and the Publishing Structured Contracts, the Company could not directly acquire the equity interest in Internet Opco and the controlling equity interest in Publishing Opco. Therefore, the Company entered into the Internet Structured Contracts and the Publishing Structured Contracts to capture the economic benefits of and obtain the effective control over the Internet Opco and the Publishing Opco.

架構合約

背景

福州十方策文化傳媒有限公司（「原外商獨資企業」，於二零一五年十二月二十四日前為本公司的全資附屬公司）訂立(a)多項架構合約（「互聯網架構合約」），讓本集團可獲得北京百傳讀客科技有限公司（「互聯網營運公司」或「北京百傳讀客」）及其附屬公司（統稱「互聯網營運公司集團」）的經濟利益及取得其實際控制權；及(b)多項架構合約（「出版架構合約」），以讓本集團可獲得北京鴻馨圖文化傳播有限公司（「出版營運公司」或「北京鴻馨圖」）及其附屬公司（統稱「出版營運公司集團」）的經濟利益及取得其實際控制權。

依據由中國國家發展和改革委員會及中國商務部聯合頒佈的《外商投資產業指導目錄》，外國投資者(i)被禁止投資於新聞網站及網絡出版服務；及(ii)被限制不得投資於增值電訊業務及出版物印刷的控股權超過50%。於訂立互聯網架構合約及出版架構合約之時，本公司不能直接收購互聯網營運公司的股權及出版營運公司的控股股權。因此，本公司訂立互聯網架構合約及出版架構合約以讓本集團可獲得互聯網營運公司及出版營運公司的經濟利益及取得其實際控制權。

On 17 December 2015, in anticipation of the imminent disposal of Original WFOE by the Group to an independent third party, the Internet Structured Contracts were novated from Original WFOE to another wholly-owned subsidiary of the Company, Fuzhou DingCe Culture Communication Co. Ltd. ("New WFOE" or "Fuzhou DingCe"). With the disposal by the Group of its equity interests in Original WFOE, the Group ceased to be interested in the Publishing Structured Contracts or the Publishing Opco Group. With the novation of the Internet Structured Contracts to New WFOE, the Group continues to consolidate the financial results of the Internet Opco Group through the contractual arrangements under the Internet Structured Contracts.

Internet Opco and Internet Opco Shareholders

Internet Opco is a limited liability company established under the laws of the PRC with a registered capital of RMB1 million and principally engaged in value-added telecommunication business, news websites, online publication services and printing of publications. Internet Opco Group holds a Permit for Internet Publication (互聯網出版許可證), an Operation Permit for Value-added Telecommunication Business (增值電信業務經營許可證) and an Operation Permit for News Publication Printing (新聞出版物印刷經營許可證).

The registered capital of Internet Opco is registered as to 60% in the name of Zheng Bo Ling ("Zheng") and 40% in the name of Xu Kai Ning ("Xu", and together with Zheng, collectively the "Internet Opco Shareholders").

於二零一五年十二月十七日，鑑於本集團即將向獨立第三方出售原外商獨資企業，互聯網架構合約由本公司另一全資附屬公司福州鼎策文化傳播有限公司（「新外商獨資企業」或「福州鼎策」）代替原外商獨資企業承擔。隨著本集團出售其於原外商獨資企業的股權，本集團不再擁有出版架構合約或出版營運公司集團的權益。鑑於互聯網架構合約改由新外商獨資企業承擔，本集團繼續透過互聯網架構合約下的合約安排，將互聯網營運公司集團的財務業績合併入賬。

互聯網營運公司及互聯網營運公司股東

互聯網營運公司為根據中國法律成立的有限責任公司，註冊資本為人民幣1百萬元，主要從事增值電信業務、新聞網站、網絡出版服務和出版物印刷業務。互聯網營運公司集團持有互聯網出版許可證、增值電信業務經營許可證及新聞出版物印刷經營許可證。

互聯網營運公司的註冊資本中，60%以鄭柏齡（「鄭」）的名義註冊，而40%以許開寧（「許」）的名義註冊。鄭及許統稱為「互聯網營運公司股東」。

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Reasons for the entering into of the Internet Structured Contracts

The principal reasons for the entering into of the Internet Structured Contracts were (a) to establish a contractual position which allows the economic benefits of the businesses and operations of the Internet Opco Group to flow to the Group; (b) through the control of the right of nomination of directors of Internet Opco, to monitor, supervise and effectively control the business, operations and financial policies of the Internet Opco Group which in turn ensure due implementation of the Internet Structured Contracts; (c) to prevent any possible leakage of assets to the Internet Opco Shareholders; and (d) to enable the Group to acquire the equity interest of the Internet Opco at an agreed price, which was fixed as a matter of relatively nominal sums and being the lowest prices permissible under PRC law.

Save for the foreign investment restrictions described above, the contractual arrangements under the Internet Structured Contracts are not related to any other regulations or requirements.

Key terms of the Internet Structured Contracts

In the summary table below, we set out the current status and the key terms of the Internet Structured Contracts:

Loan Agreement 貸款協議

Date: 17 December 2015

日期：二零一五年十二月十七日

Parties: New Wfoe (as lender), Zheng and Xu (as borrowers)

訂約方：新外商獨資企業（作為貸款人），鄭及許（作為借款人）

Loan sum: RMB600,000 (for Zheng) and RMB400,000 (for Xu)

貸款額：人民幣600,000元（鄭）及人民幣400,000元（許）

Term: 10 years, automatically renewable for successive periods of 5 years unless terminated by notice by New Wfoe

年期：10年，除非被新外商獨資企業發出通知終止，否則自動續期每次5年

訂立互聯網架構合約的理由

訂立互聯網架構合約的主要理由乃(a)確立一個合約地位，使互聯網營運公司集團業務及營運的經濟利益得以流入本集團；(b)透過控制互聯網營運公司董事的提名權，監控、監察及實際控制互聯網營運公司集團的業務、營運及財務政策，進而確保妥為實行互聯網架構合約；(c)防止有任何資產可能洩漏予互聯網營運公司股東的情況；及(d)使本集團可按協定價格（按相對名義款額釐定，即中國法律下允許的最低價格）購入互聯網營運公司的股權。

除上述外商投資限制外，互聯網架構合約下的合約安排與任何其他規例或規定無關。

互聯網架構合約的主要條款

下表概列互聯網架構合約目前狀況及主要條款：

No early repayment: Each of Zheng and Xu is not permitted to repay any loan without prior written consent of New Wfoe.

不得提早還款：鄭及許均不得在未經新外商獨資企業事先書面同意下償還任何貸款。

**Equity Pledge
Agreement**
股權質押協議

Date: 17 December 2015

日期：二零一五年十二月十七日

Parties: Zheng and Xu (as pledgors), New Wfoe (as pledgee), Internet Opco

訂約方：鄭及許（作為質押人），新外商獨資企業（作為承押人），互聯網營運公司

Pledged assets: 60% equity interest in Internet Opco (by Zheng), 40% equity interest in Internet Opco (by Xu)

質押資產：互聯網營運公司60%股權（由鄭質押），互聯網營運公司40%股權（由許質押）

Guaranteed obligations: To guarantee the repayment of the loans under the Loan Agreement and the payment of the service fees under the Service Agreement.

擔保責任：擔保償還貸款協議下的貸款及支付服務協議下的服務費。

Dividends: Pursuant to the Equity Pledge Agreement, New Wfoe is entitled to all of the benefits arising from the pledged equity interests including dividends.

股息：依據股權質押協議，新外商獨資企業有權取得所有已質押股權產生的利益（包括股息）。

**Voting Right Proxy
Agreement**
投票權代表委任協議

Date: 17 December 2015

日期：二零一五年十二月十七日

Parties: Zheng and Xu (as appointers), New Wfoe (as appointee), Internet Opco

訂約方：鄭及許（作為委任人），新外商獨資企業（作為獲委任人），互聯網營運公司

DIRECTORS' REPORT

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Power granted: Each of Zheng and Xu granted to New Wfoe and its designee(s) the power to exercise all relevant voting rights in Internet Opco including but not limited to those relating to: (i) the amendment of company constitution; (ii) the appointment, election or dismissal of the directors, supervisors or senior management; (iii) the transfer or disposal of all or part of the equity interest in Internet Opco; (iv) the increase or reduction of capital, other capital reorganization, dissolution or liquidation of Internet Opco; and (v) the right to inspect all documents and information of Internet Opco.

所授權力：鄭及許各自向新外商獨資企業及其指派者授出行使互聯網營運公司所有相關投票權的權力，包括但不限於與以下項目相關者：(i)修訂公司章程；(ii)委任、選舉或辭退董事、監事或高級管理層；(iii)轉讓或處置互聯網營運公司所有或部分股權；(iv)增加或削減互聯網營運公司的資本、其他股本重組、解散或清盤；及(v)查核互聯網營運公司所有文件及資料的權利。

Restriction on equity transfer: None of Zheng nor Xu may transfer all or any part of their equity interest in Internet Opco without the prior written consent of New Wfoe.

股權轉讓限制：鄭及許均不得在未經新外商獨資企業事先書面同意下轉讓彼等於互聯網營運公司的全部或任何部分股權。

Exclusive Purchase Option Agreement 獨家選擇購買權協議

Date: 17 December 2015

日期：二零一五年十二月十七日

Parties: Zheng and Xu (as grantors), New Wfoe (as grantee), Internet Opco
訂約方：鄭及許（作為授權人），新外商獨資企業（作為承授人），互聯網營運公司

Option: Each of Zheng and Xu irrevocably granted to New Wfoe or its designee(s) an exclusive option to purchase, at any time if and when permitted under PRC laws, all or part of their equity interests in Internet Opco at the agreed price, being the higher of (i) RMB1 million; and (ii) the lowest price permissible under PRC laws.

選擇權：鄭及許各自不可撤回地向新外商獨資企業或其指派者授出獨家選擇購買權，以於中國法律允許的任何時間內按協定價格（即(i)人民幣1百萬元；及(ii)中國法律下允許的最低價格兩者中的較高者）購買彼等於互聯網營運公司的全部或任何部分股權。

Service Agreement 服務協議

Date: 17 December 2015

日期：二零一五年十二月十七日

Parties: New Wfoe (as consultant) and Internet Opco (as appointer)
訂約方：新外商獨資企業（作為顧問）及互聯網營運公司（作為委任人）

Term: 10 years, automatically renewable for successive periods of 5 years unless terminated by notice by New Wfoe

年期：10年，除非被新外商獨資企業發出通知終止，否則自動續期每次5年

Scope of services: New Wfoe agreed to provide to Internet Opco consulting services including (i) market research; (ii) business development and market consultation; (iii) consulting services in respect of labor matters; (iv) construction and maintenance of information networks and network security; (v) technical support for software and technology; and (vi) other services in relation to its business operations.

服務範圍：新外商獨資企業同意向互聯網營運公司提供諮詢服務，包括(i)市場研究；(ii)業務發展及市場諮詢；(iii)有關勞務的諮詢服務；(iv)建設及維護資訊網絡及網絡安全；(v)軟件及科技技術支援；及(vi)有關互聯網營運公司業務經營的其他服務。

Service fees: The service fees are according to the nature of the service content and time spent based on market price.

服務費：服務費按照服務內容性質及所費時間依照市價計算。

Unwinding of the Structured Contracts

The Internet Structured Contract has not been unwound up to the date of this report. The Company does not intend to unwind any Internet Structured Contract unless and until the foreign investment restriction relating to ownership of the equity interest in Internet Opco is lifted. When the foreign investment restriction is lifted, the Company intends to exercise its exclusive purchase right under the Exclusive Purchase Option Agreement to acquire the entire equity interest in Internet Opco, so that the Company can control the Internet Opco Group through the direct shareholding relationship rather than through the Internet Structured Contracts.

撤銷架構合約

截至本報告日期，互聯網架構合約並未被撤銷。除非及直至與互聯網營運公司股權的擁有權有關的外商投資限制被撤銷，否則本公司無意撤銷互聯網架構合約。倘若外商投資限制被撤銷，本公司有意行使其於獨家選擇購買權協議下的獨家選擇購買權，收購互聯網營運公司的全部股權，致使本公司能夠透過直接持股關係而非互聯網架構合約控制互聯網營運公司集團。

DIRECTORS' REPORT

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Accounting policies and financial information

The consolidated financial statements include the financial information of the Company, its subsidiaries, and structured entity where the Company is deemed the primary beneficiary. Fuzhou DingCe (a wholly owned subsidiary of the Company) entered into the Internet Structured Contracts with Beijing BaiChuanDuKe, whereby Fuzhou DingCe provides consulting services to Beijing BaiChuanDuKe and is entitled to (1) receive a substantial portion of the economic benefits from Beijing BaiChuanDuKe; (2) exercise effective control over Beijing BaiChuanDuKe, and (3) have an exclusive option to purchase all or part of the equity interests in Beijing BaiChuanDuKe when and to the extent permitted by the PRC laws. By virtue of the contractual arrangements under the Internet Structured Contracts, Beijing BaiChuanDuKe is a structured entity and deemed as a subsidiary of the Company under the requirements of IFRS 10 "Consolidated financial statements".

When assessing whether to combine a structured entity, the Group evaluates a range of factors, including whether (1) the activities of the structured entity are being conducted on behalf of the Group according to its specific business needs so that the Group obtains the benefits from the structured entity's operations, (2) the Group has decision-making powers to obtain the majority of the benefits, (3) the Group obtains the majority of the benefits of the activities of the structured entity, and (4) the Group retains the majority of the residual ownership risks related to the assets in order to obtain the benefits from its activities. The Group consolidates a structured entity if an assessment of the relevant factors indicates that it controls the structured entity. Based on the contractual arrangements under the Internet Structured Contracts, the Company consolidated the results, assets and liabilities of Beijing BaiChuanDuKe in the consolidated financial statements of the Group.

會計政策及財務資料

合併財務報表包括本公司、其附屬公司及本公司被視為首要受益人的結構性實體的財務資料。本公司全資附屬公司福州鼎策與北京百傳讀客訂立互聯網架構合約，據此，福州鼎策向北京百傳讀客提供諮詢服務，並有權(1)收取來自北京百傳讀客的絕大部分經濟利益；(2)對北京百傳讀客實施有效控制；及(3)擁有在中國法律允許的時間及範圍內購買北京百傳讀客全部或部分股權的獨家選擇權。憑藉互聯網架構合約下的合約安排，北京百傳讀客為結構性實體，且根據國際財務報告準則第10號「合併財務報表」的規定，北京百傳讀客被視為本公司的附屬公司。

當評估是否將結構性實體合併入賬時，本集團會評估多項因素，包括(1)結構性實體業務活動是否根據其特殊業務需要代表本集團進行，而本集團因此從結構性實體業務中獲利；(2)本集團是否擁有獲得大多數利益的決策權；(3)本集團是否獲得結構性實體業務活動的大多數利益；及(4)本集團是否保留大多數與資產有關的餘下擁有權風險以從其業務活動中獲利。倘評估相關因素後顯示其控制結構性實體，則本集團會將結構性實體合併入賬。基於互聯網架構合約下的合約安排，本公司將北京百傳讀客的業績、資產及負債於本集團的合併財務報表合併入賬。

PRC laws strictly prohibits foreign investment in, and ownership of, companies engaging in news websites and online publication services, and place significant restrictions on foreign investment in, and ownership of, companies engaging in the value-added telecommunication business (Chinese parties as controlling shareholders) and printing of publications (Chinese parties as controlling shareholders). The Company is considered as a foreign-invested enterprise, and is required to comply with the PRC laws and regulations applicable to foreign-invested enterprises. Due to such restrictions, the Company are not permitted to have and does not have direct ownership of any interest in Beijing BaiChuanDuKe as Beijing BaiChuanDuKe, together with its subsidiaries, holds a Permit for Internet Publication (互聯網出版許可證), an Operation Permit for Value-added Telecommunication Business (增值電信業務經營許可證) and an Operation Permit for News Publication Printing (新聞出版物印刷經營許可證). Instead, the Company conducts the above operations in China principally through contractual arrangements among its subsidiary Fuzhou DingCe on the one hand, and Beijing BaiChuanDuKe and its shareholders, on the other. These contractual arrangements permit the financial results of Beijing BaiChuanDuKe to be consolidated with and effectively all of the economic benefits of its business to be transferred to Fuzhou DingCe. The contractual arrangement is not related to any regulations other than the restriction on foreign investment.

中國法律嚴格禁止外商投資及擁有從事新聞網站、網絡出版服務公司，亦嚴格限制外商投資及擁有從事增值電信業務（中方控股）及出版物印刷（中方控股）公司。本公司被視為外商投資企業，須遵守適用於外商投資企業的中國法律法規。由於該等限制，而北京百傳讀客及其附屬公司持有互聯網出版許可證、增值電信業務經營許可證及新聞出版物印刷經營許可證，故本公司不得亦並無直接擁有北京百傳讀客的任何權益。因此，本公司主要透過附屬公司福州鼎策作為一方與北京百傳讀客以及其股東作為另一方訂立合約安排在中國經營上述業務。該等合約安排使得北京百傳讀客的財務業績與福州鼎策合併，並且實際上其業務的所有的經濟利益均能由此轉移至福州鼎策。合約安排並非與外資進入限制以外的規定相關。

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For the year ended 31 December 2019, revenue generated from the printing and online services businesses through Beijing BaiChuanDuKe was RMB4.4 million and nil (2018: RMB4.8 million and nil) respectively, which accounted for 3.6% and 0% of total revenue (2018: 8.7% and 0%) of the total revenue; and the assets of Beijing BaiChuanDuke and the relevant businesses amounted to RMB25.7 million (2018: RMB30.7 million). As Beijing BaiChuanDuke and the relevant businesses have not contributed any significant profit to the Group in the past, Beijing BaiChuanDuke and the relevant businesses were insignificant to the Group respectively, of total revenue. The Company relied on and expects to continue to rely on contractual arrangements with Beijing BaiChuanDuKe and its shareholders to operate the printing and online services business components in China. The PRC legal advisor has advised the Company that the contractual arrangements are in compliance with and enforceable under the relevant PRC laws. However, there exist uncertainties regarding the interpretation and application of PRC laws and regulations regarding the performance and enforcement of such contractual arrangements. As such, there can be no assurance that the relevant PRC regulatory authorities will not, in the future, determine that the contractual arrangements are in breach of applicable PRC laws. If the contractual arrangements are found to be in breach of any existing or future PRC laws, the relevant PRC regulatory authorities would have broad discretion in dealing with such violations, including revoking the business and operating licenses held by Beijing BaiChuanDuKe, restricting or prohibiting any transactions between the Company and Beijing BaiChuanDuKe, imposing penalties or other requirements with which the Company may not be able to comply, or requiring the Company to restructure the relevant ownership, control or operating structure of the Company or its business. The imposition of any of these penalties or requirements could result in a material and adverse effect on its business, and could even result in us being required to cease the printing and online services businesses completely.

截至二零一九年十二月三十一日止年度，透過北京百傳讀客進行的印刷及網絡服務業務所得收入分別為人民幣4.4百萬元及無（二零一八年：人民幣4.8百萬元及無），分別佔收入總額的3.6%及0%（二零一八年：8.7%及0%）；北京百傳讀客及相關業務的資產為人民幣25.7百萬元（二零一八年：人民幣30.7百萬元）。由於過往北京百傳讀客及相關業務對集團並未有重大盈利的貢獻，北京百傳讀客及相關業務對本集團的重要性低。本公司一貫依賴並預期將繼續依賴與北京百傳讀客以及其股東訂立的合約安排，以經營在中國的印刷及網絡服務業務部分。中國法律顧問告知本公司，合約安排符合相關中國法律，可根據相關中國法律強制執行。然而，中國法律法規有關履行及強制執行相關合約安排的詮釋及應用方面存在不確定因素。因此，無法保證中國有關監管機關日後不會認定該等合約安排違反有關適用中國法律。倘若合約安排被發現違反中國的任何現行法律或日後通過的法律，則相關中國監管機關處理有關違法情況時將擁有高度自由裁量權，包括吊銷北京百傳讀客所持有的營業及經營執照、限制或禁止本公司與北京百傳讀客進行任何交易、徵收罰款或施加本公司可能無法遵守的其他要求，或要求本公司重組本公司或其業務的相關擁有權、控制權或經營架構。該等懲罰或要求可能對本公司的業務構成重大不利影響，甚至可能導致本公司須完全中止印刷及網絡服務業務。

In addition to the possibility of administrative penalties or other requirements being imposed upon us due to the relationships with Beijing BaiChuanDuKe and its shareholders, the Company may not be able to effectively enforce such contractual relationships in a cost-effective manner or at all. Under the current contractual arrangements, if Beijing BaiChuanDuKe or any of their shareholders fails to perform their respective obligations under these contractual arrangements, or are required to incur substantial costs to do so, the Company may be forced to incur substantial costs and resources to enforce such arrangements or to rely on PRC law to obtain remedies, including specific performance or damages, and we may not be successful in obtaining such remedies or obtaining such remedies might be cost prohibitive. In the event the Company is unable to enforce these contractual arrangements, its business, financial condition and results of operations may be materially and adversely affected.

Fuzhou ShiFang Printing Co., Ltd., Kunming HanDing Printing Technology Consulting Co., Ltd. and Guizhou ShiFang Printing Co., Ltd, which are subsidiaries of Beijing BaiChuanDuKe, currently hold Operation Permits for News Publication Printing (新聞出版物印刷經營許可證). Xiamen DuKe Information Science & Technology Co., Ltd., a subsidiary of Beijing BaiChuanDuKe, currently holds a Permit for Internet Publication (互聯網出版許可證) and a Operation Permit for Value-added Telecommunication Business (增值電信業務經營許可證) for the operation of www.duk.cn. Pursuant to the Catalogue of Industries for Guiding Foreign Investment (外商投資產業指導目錄) jointly promulgated by NDRC and MOFCOM, news websites and online publication services are classified as industries in which foreign investors are prohibited from investing, and value-added telecommunication business (Chinese parties as controlling shareholders) and printing of publications (Chinese parties as controlling shareholders) is classified as an industry in which foreign investors are restricted from investing. These views have been confirmed by our PRC legal advisor.

除本公司可能因與北京百傳讀客及其股東的關係而被處以行政處分或施加其他要求外，本公司亦可能無法以符合成本效益的方式有效強制執行該等合約關係，或根本無法強制執行合約關係。根據現行合約安排，倘北京百傳讀客或其任何股東無法履行各自於該等合約安排下的責任，或須支付巨額成本方能履行有關責任，則本公司可能被迫付出巨額成本及資源以強制執行有關安排或依賴中國法律獲得補救措施，包括尋求特定的履約或損害賠償，而本公司未必能成功獲得該類補救措施，或本公司可能須付出高昂成本方可獲得該類補救措施。倘本公司無法強制執行該等合約安排，則本公司的業務、財務狀況及營運業績可能受到重大不利影響。

福州十方印務有限公司、昆明漢鼎印刷技術諮詢有限公司及貴州十方印務有限公司（為北京百傳讀客的附屬公司）目前持有新聞出版物印刷經營許可證。廈門讀客信息科技有限公司（為北京百傳讀客的附屬公司）目前持有經營讀客網（www.duk.cn）的互聯網出版許可證和增值電信業務經營許可證。依據國家發改委及商務部共同頒佈的《外商投資產業指導目錄》，新聞網站、網絡出版服務是外國投資者被禁止投資的產業，而增值電信業務（中方控股）及出版物印刷（中方控股）是限制外商投資經營的產業。此等意見已獲中國法律顧問確認。

DIRECTORS' REPORT

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The Directors believe that the Company's structure whereby Beijing BaiChuanDuKe's financial results are consolidated into the Company's financial statements as if it was a wholly-owned subsidiary and the flow of economic benefits from its business to the Company, places the Group in a special position in relation to the connected transactions rules. Accordingly, notwithstanding that the transactions contemplated under the Structure Contracts technically constitute continuing connected transactions for the purposes of Chapter 14A of the Listing Rules, the Directors consider that it would be unduly burdensome and impracticable and would impose unnecessary administrative costs on us to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules in respect of these continuing connected transactions.

Pursuant to the Listing Rules, in relation to the transactions regarding Beijing BaiChuanDuKe, the Company has applied for and the Stock Exchange has granted a waiver from strict compliance with the reporting, announcement, independent shareholders' approval, annual cap and agreements with fixed term of no more than three years requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions under the Structure Contracts for so long as the Shares are listed on the Stock Exchange.

In accordance with the relevant Structured Contracts, no dividends or other distributions has been made by Beijing BaiChuanDuKe to their shareholders.

The independent non-executive Directors have reviewed the Structure Contracts and the above continuing connected transactions. In the opinion of the independent non-executive Directors:

- (i) the continuing connected transactions carried out during the year are in the ordinary and usual course of business of the Group and have been entered into in accordance with the relevant provisions of the Structure Contracts so that the revenue generated by Beijing BaiChuanDuKe and the subsidiaries of the Company have been mainly retained by the Group;

董事相信本公司的架構（據此，北京百傳讀客的財務業績將於本公司的財務報表內合併入賬，猶如其為本公司的全資附屬公司，且其業務的經濟利益流入本公司），使本集團處於關連交易規則的特殊位置。因此，儘管根據架構合約擬進行的交易技術上構成上市規則第十四A章項下的持續關連交易，惟董事認為就該等持續關連交易嚴格遵守上市規則第十四A章所載的規定會構成不必要的繁重負擔及不可行，並會為本公司帶來不必要的行政費用。

依據上市規則，本公司已就有關北京百傳讀客的交易向聯交所申請於股份在聯交所上市期間豁免嚴格遵守上市規則第十四A章下有關架構合約下的持續關連交易的申報、公告、獨立股東批准、年度上限及協議固定年期不得超過三年的規定，並已獲聯交所批准。

按照相關架構合約，北京百傳讀客並無向其股東派發股息或作出其他分派。

獨立非執行董事已審閱架構合約及上述持續關連交易。獨立非執行董事認為：

- (i) 年內進行的持續關連交易乃於本集團日常及一般業務過程中訂立，並遵照架構合約有關規定而訂立，故北京百傳讀客與本公司的附屬公司產生的收入主要撥歸本集團；

- (ii) the continuing connected transactions were entered into either (a) on normal commercial terms; or (b) where there is no available comparison, on terms that are no less favourable to the Group than terms to or from independent third parties;
 - (iii) no dividends or other distributions have been made by Beijing BaiChuanDuKe to their shareholders; and
 - (iv) any new Structure Contracts entered into, renewed or reproduced between Beijing BaiChuanDuKe and the Company during the relevant financial period are fair and reasonable, or advantageous, so far as the Company are concerned and in the interests of our shareholders as a whole.
- (ii) 持續關連交易乃(a)按正常商業條款;或(b)(倘無條款可作比較)按不遜於本集團給予或來自獨立第三方的條款訂立;
 - (iii) 北京百傳讀客並無向其股東派發股息或作出其他分派;及
 - (iv) 於有關財政期間內,北京百傳讀客與本公司訂立、續簽或重訂的任何新架構合約對本公司而言是公平合理或有利,且符合股東整體利益。

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged PricewaterhouseCoopers, the auditor of the Company, to report on the continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. PricewaterhouseCoopers has reported the results and their work to the Board, confirming that the transaction has received the approval of the Directors, has been entered into in accordance with the relevant Structured Contracts and that no dividends or other distributions has been made by Beijing BaiChuanDuKe to its Shareholders.

依據上市規則第14A.56條,董事會已委聘本公司核數師羅兵咸永道會計師事務所根據香港會計師公會頒佈的香港鑒證業務準則第3000號(修訂)「歷史財務資料審計或審閱以外的鑒證業務」,並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團的持續關連交易作出報告。羅兵咸永道會計師事務所已向董事會匯報有關結果及彼等的工作,並確認交易已獲董事批准,已根據相關架構合約進行以及北京百傳讀客概無向其股東派發股息或作出其他分派。

DIRECTORS' REPORT

董事報告

CONNECTED TRANSACTIONS

On 24 January 2019, the Company entered into the convertible bond subscription agreement with TopBig International (a wholly owned company by Mr. Chen Zhi, the Executive Director and a shareholder of the Company), pursuant to which the Company conditionally agreed to issue, and TopBig International conditionally agreed to subscribe for, the 3% Convertible Bonds in the aggregate principal amount of HK\$250,000,000 (equivalent to RMB215,750,000). The subscription was completed on 23 April 2019. Details of the subscription of the Convertible Bonds were set out in the section headed "Fund Raising Activities" of this report.

Other than disclosed above, there was no other transaction which needs to be disclosed as connected transaction in accordance with the requirements of the Listing Rules during the twelve months ended 31 December 2019.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

RELATIONSHIP WITH STAKEHOLDER

The Group is committed to operate in a sustainable manner while balancing the interests of its various stakeholders including customers, suppliers and employees. Through regular stakeholder engagement via different channels, the stakeholders are encouraged to give their opinions regarding the environmental, social and governance policies of the Group.

This includes providing quality services to customers, developing effective and mutual beneficial working relationships with its suppliers, and offering competitive remuneration package with safety working environments to employees.

關連交易

於二零一九年一月二十四日，本公司與昇平國際（由本公司執行董事及股東陳志先生全資擁有）訂立可換股債券認購協議，據此，本公司有條件同意發行而昇平國際有條件同意認購本金總額為250,000,000港元（相當於人民幣215,750,000元）的按利率3厘計息的可換股債券。認購事項已於二零一九年四月二十三日完成。認購可換股債券的詳情載於本報告「集資活動」一節。

除上文所披露者外，於截至二零一九年十二月三十一日止十二個月，並無其他交易須按照上市規則規定披露為關連交易。

公眾持股量充足程度

依照本公司可公開獲得的資料及就董事所知，於本報告日期，本公司已發行股本總額最少25%由公眾人士持有。

與持份者的關係

本集團致力以可持續方式經營，同時平衡各持份者（包括客戶、供應商及僱員）的利益。本集團透過定期從不同渠道接觸持份者，鼓勵彼等就本集團的環境、社會及管治政策提供意見。

此等舉措包括為客戶提供優質服務，與供應商建立有效率且互惠互利的合作關係，以及為僱員提供具競爭力的薪酬待遇及安全的工作環境。

DIRECTORS' REPORT 董事報告

The details of environmental, social and governance policies and performance of the Group will be disclosed in a standalone Environmental, Social and Governance Report, which is available on the Company's website (www.shifangholding.com) and on the website of the Stock Exchange (www.hkexnews.hk).

AUDITOR

The consolidated financial statements have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

ON BEHALF OF THE BOARD

Chen Zhi

Executive Director (Chairman and Chief Executive Officer)

Hong Kong
7 May 2020

本集團環境、社會及管治的政策及表現詳情將於本集團的獨立環境、社會及管治報告中披露，而該報告可於本公司網站 (www.shifangholding.com) 及聯交所網站 (www.hkexnews.hk) 閱覽。

核數師

羅兵咸永道會計師事務所已審核合併財務報表。羅兵咸永道會計師事務所將於本公司應屆股東週年大會上任滿告退，惟合資格並願意於會上獲續聘。

代表董事會

執行董事 (主席兼行政總裁)

陳志

香港
二零二零年五月七日

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE CODE

The Company recognises the importance and value of achieving high standards of corporate governance practices. The Board believes that good corporate governance is an essential element in maintaining and promoting shareholder value and investor confidence.

The Company has adopted the principles and complied with the former and revised code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as its own code of corporate governance since the date of the listing of the shares of the Company on the Main Board of the Stock Exchange on 3 December, 2010, which shall also be revised from time to time in accordance with the Listing Rules. Save as disclosed below, the Board considers the Company has complied with the code provisions as set out in the CG Code.

Apart from the corporate governance aspect, which will be further discussed in this report below, the Company has prepared and published its first environmental, social and governance report (the “ESG Report”) in accordance with the Environmental, Social and Governance Reporting Guide contained in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”), which sets out information regarding the year from 1 January to 31 December 2019, which is available on the Company’s website (www.shifangholding.com) and on the website of the Stock Exchange (www.hkexnews.hk).

Set out below the corporate governance principles and the practices adopted and observed by the Company during the year ended 31 December 2019.

企業管治守則

本公司深明達致高水平企業管治常規的重要性及價值。董事會相信良好企業管治乃維持及提升股東價值與投資者信心的要素。

自本公司股份於聯交所主板上市日期二零一零年十二月三日起，本公司一直採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載先前及經修訂企業管治守則（「企業管治守則」）的原則，並遵守該守則的守則條文，作為本身的企業管治守則，而本公司亦須按照上市規則不時修訂此守則。除下文所披露者外，董事會認為本公司已遵守企業管治守則所載的守則條文。

除將於本報告下文進一步討論的企業管治層面外，本公司已按照香港聯合交易所有限公司證券上市規則（「上市規則」）附錄二十七所載的環境、社會及管治報告指引編製及刊發其首份環境、社會及管治報告，當中載有關於二零一九年一月一日至十二月三十一日年度的資料。環境、社會及管治報告可於本公司網站（www.shifangholding.com）及聯交所網站（www.hkexnews.hk）閱覽。

下文載列本公司於截至二零一九年十二月三十一日止年度採納及遵循的企業管治原則及常規。

CORPORATE GOVERNANCE REPORT

企業管治報告

Code Provision A.2.1

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year under review, the position of chairman was vacated before 9 October 2019, while Mr. Chen Zhi was appointed as the Chairman and the CEO of the Company on 9 October 2019.

The Board met regularly to consider and review the major and appropriate issues which may affect the operations of the Company arising from the overlap of chairman and CEO and/or the vacancy of chairmanship. As such, the Board considers that the sufficient measures had been taken, and that either the overlap of chairman and CEO and/or the vacancy of chairmanship should not impair the balance of power and authority between the Board and the management.

THE BOARD

The Board provides effective and responsible leadership for the Company in setting the strategic decision and overseeing the Company's overall operations. The Board meets regularly and each Director has to make decisions objectively in the best interests of the Company and its shareholders.

Board Composition

At the date of this report, the Board comprises 7 Directors, of which two are executive Directors, two are non-executive Directors and three are independent non-executive Directors. The Composition of the Board is well balanced with each Director having extensive knowledge, experience and expertise relevant to the business operations and development of the Group. The biographies of all Directors are set out on pages 27 to 32 of this annual report. Ms. Chen Min is the sister of Mr. Chen Zhi. Save as disclosed in this annual report, none of the Directors has any other financial, business, family or other material or relevant relationships among members of the Board.

守則條文A.2.1

根據企業管治守則的守則條文A.2.1，主席與行政總裁的角色應有區分，並不應由一人同時兼任。於回顧年度，主席職位於二零一九年十月九日之前一直空缺，陳志先生於二零一九年十月九日獲委任為本公司主席兼行政總裁。

董事會定期舉行會議，考慮及審議主席及首席執行官角色重疊及／或主席職位懸空可能影響本公司經營的重大及合適議題。因此，董事會認為已採取足夠措施，且主席及首席執行官角色重疊及／或主席職位懸空不會使董事會與管理層之間的權力及授權失衡。

董事會

董事會負責有效領導本公司，制訂策略及監督本公司整體營運。董事會定期舉行會議，各董事須以本公司及其股東的最佳利益為依歸，客觀地作出決策。

董事會組成

於本報告日期，董事會成員包括七名董事，兩名為執行董事，兩名為非執行董事，其餘三名為獨立非執行董事。董事會的組成均衡，各董事均具備與本集團業務營運及發展相關的豐富知識、經驗及專長。各董事的履歷載於本年報第27至32頁。陳敏女士為陳志先生的胞妹。除本年報所披露者外，概無董事與董事會成員擁有任何其他財務、業務、家族或其他重大或相關關係。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company has adopted the Board Diversity Policy in March 2014. The policy sets out the approach to achieve diversity on the Board of the Company which includes but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional experience. The Nomination Committee made an annual review on the structure, size and composition of the Board and where appropriate, made recommendations on changes to the Board that are relevant to the Company's business growth.

Chairman and Chief Executive Officer

Under Code provision A.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. During the year under review, the position of chairman was vacated before 9 October 2019, while Mr. Chen Zhi was appointed as the Chairman and the CEO of the Company on 9 October 2019.

The Board met regularly to consider and review the major and appropriate issues which may affect the operations of the Company arising from the overlap of Chairman and CEO and/ or the vacancy of chairmanship. As such, the Board considers that the sufficient measures had been taken and that either the overlap of chairman and CEO and/ or the vacancy of chairmanship should not impair the balance of power and authority between the Board and the management.

本公司已於二零一四年三月採納董事會多元政策，制訂實現本公司董事會多元化的方針，包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識及地區經驗。提名委員會將每年檢討董事會的架構、規模及組成，並在適當時候就本公司的業務發展提供改變董事會的推薦建議。

主席及行政總裁

根據企業管治守則的守則條文A.2.1，主席與行政總裁的角色應有區分，並不應由一人同時兼任。於回顧年度，主席職位於二零一九年十月九日之前一直空缺，陳志先生於二零一九年十月九日獲委任為本公司主席兼行政總裁。

董事會定期舉行會議，考慮及審議主席及行政總裁角色重疊及/ 或主席職位懸空可能影響本公司經營的重大及合適議題。因此，董事會認為已採取足夠措施，且主席及行政總裁角色重疊及/ 或主席職位懸空應不會使董事會與管理層之間的權力及授權失衡。

CORPORATE GOVERNANCE REPORT

企業管治報告

Independent Non-executive Directors

In compliance with Rule 3.10(1) of the Listing Rules, the Company has appointed three independent non-executive Directors representing more than one-third of the Board. The Company has received from each of its independent non-executive Directors the written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Board, based on such confirmation, considers all independent non-executive Directors independent.

Board Proceedings

The Company will hold at least four board meetings at approximately quarterly intervals and will also meet at such other times when necessary. Formal agenda of all Board meetings are distributed to the Directors for comments and approval, generally, at least 14 days before the meetings. Adequate time and sufficient resources will be provided to all Directors to discharge their duties at which the Directors actively participate and hold informed discussions. All minutes of Board meetings will be recorded in sufficient detail the matters considered by the Board and decisions reached.

獨立非執行董事

本公司已遵守上市規則第3.10(1)條，委任三名獨立非執行董事，佔董事會人數三分之一以上。本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性發出的書面確認。基於有關確認，董事會認為全體獨立非執行董事均屬獨立人士。

董事會程序

本公司將最少舉行四次董事會會議，約每季舉行一次，有需要時亦會於其他時間舉行會議。所有董事會會議的正式議程一般於會議前最少十四日分發予董事，以供發表意見及批准。各董事將獲賦予足夠時間及充足資源履行其職務，而董事須積極參與並於知情情況下進行討論。董事會會議所有會議紀錄將充分詳細記錄董事會審議的議題及作出的決策。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year, the Board convened 3 shareholders' general meetings, 6 board meetings, 4 Audit Committee meetings, 1 Remuneration Committee meeting and 1 Nomination Committee meeting respectively. The attendance of individual Directors at general meetings and meetings of the Board, Audit Committee, Remuneration Committee and Nomination Committee is as follows:

年內，董事會分別曾召開三次股東大會、六次董事會會議、四次審核委員會會議、一次薪酬委員會會議及一次提名委員會會議。個別董事於股東大會以及董事會、審核委員會、薪酬委員會及提名委員會各會議的出席率如下：

	Shareholders' general meeting 股東大會	Meeting attended/held 出席/舉行會議次數				
		Board 董事會	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					
Chen Zhi (Chief Executive Officer) (appointed as Chief Executive Officer of 9 October 2019)	陳志 (行政總裁) (於二零一九年十月九日獲委任為行政總裁)	3	6	N/A不適用	N/A不適用	N/A不適用
Yu Shi Quan (Chief Financial Officer)	余詩權 (首席財務官)	3	6	N/A不適用	N/A不適用	N/A不適用
Siuming Tsui (Chief Executive Officer) (resigned on 9 October 2019)	徐小明 (行政總裁) (於二零一九年十月九日辭任)	3	5	N/A不適用	1	1
Non-executive Directors	非執行董事					
Chen Wei Dong	陳偉東	0	6	N/A不適用	N/A不適用	N/A不適用
Chen Min	陳敏	0	6	N/A不適用	N/A不適用	N/A不適用
Independent Non-executive Directors	獨立非執行董事					
Wong Heung Ming, Henry	黃向明	3	6	4	1	1
Zhou Chang Ren	周昌仁	0	6	4	1	N/A不適用
Cai Jian Quan	蔡建權	0	6	4	N/A不適用	1

All the Directors have access to relevant and timely information. They also have access to the advice and services of the company secretary of the Company, who is responsible for providing the Directors with Board papers and related materials. Where queries are raised by the Directors, prompt and full responses will be given if possible.

所有董事可獲得相關及適時的資料。彼等亦可獲得本公司的公司秘書提供的意見及服務，公司秘書負責向董事提供董事會文件及有關材料。倘董事提出問題，本公司會在可能情況下儘快作出詳盡回應。

Should a potential conflict of interest involving a substantial shareholder of the Company or a Director arise, the matter will be discussed in a physical Board meeting, as opposed to being dealt with by a written resolution. Independent Non-Executive Directors with no conflict of interest will be present at meetings dealing with such conflict issues.

倘出現涉及本公司主要股東或董事的潛在利益衝突，有關事宜將於實際董事會會議上討論，而不會透過提呈書面決議案處理。並無涉及利益衝突的獨立非執行董事將會出席會議，處理有關衝突事宜。

CORPORATE GOVERNANCE REPORT

企業管治報告

Independent Non-Executive Directors are identified in all corporate communications containing the names of the Directors. An updated list of the Directors identifying the Independent Non-Executive Directors and the roles and functions of the Directors is maintained on the website of the Company and the website of the Stock Exchange.

Roles and responsibilities of the Board

The Board is collectively responsible for promoting the success and interest of the Group through its leadership and supervision. The principal tasks of the Board are to:

- (i) provide entrepreneurial leadership for the Company with a framework of prudent and effective controls which enables risks to be assessed and managed;
- (ii) set the Company's strategic aims, ensuring that the necessary financial and human resources are in place for the Company to meet its objectives and review its management performance; and
- (iii) set the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.

The Directors, after making due enquiries and considering the basis of management's projections and after taking into account the reasonably possible changes in the operation performance, believe that there will be sufficient financial resources available to the Group at least in the coming twelve months to meet its financial obligations as and when they fall due. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements set out in the audited financial statements on pages 95 to 248 of this annual report on a going concern basis.

所有載有董事姓名的公司通訊均會列出獨立非執行董事的身份。列有獨立非執行董事身份以及董事角色及職能的最新董事名單載於本公司網站及聯交所網站。

董事會的角色及責任

董事會通過領導及監督，集體負責推動本集團的成功及增進其利益。董事會的主要工作為：

- (i) 以審慎有效的監控架構為本公司提供企業領導，令風險得以評估及管理；
- (ii) 制定本公司的策略目標，確保所需財務及人力資源配置得宜，令本公司可達成其目標及檢討其管理層的表現；及
- (iii) 訂定本公司的價值及標準，確保可了解及履行其對股東及其他人士的責任。

經詳細查詢及考慮管理層預測基準，計及營運表現可能合理出現的變動後，董事相信本集團將具備足夠財務資源供其未來最少十二個月使用，以履行其到期的財務責任。因此，董事認為按持續經營基準編製本年報第95頁至248頁之經審核財務報表所載合併財務報表乃屬適當。

CORPORATE GOVERNANCE REPORT

企業管治報告

Skills, knowledge, experience and attributes of Directors

All Directors of the Board served in office during the year. Every Director commits to give sufficient time and attention to the affairs of the Company. The Directors also demonstrate their understanding and commit to high standards of corporate governance. The Executive Director brings his perspectives to the Board through his deep understanding of the Group's business. The Non-Executive Directors and the Independent Non-Executive Directors contribute their own skills and experience, understanding of local and global economies, and knowledge of capital markets to the Group's business. The Company is responsible for arranging and funding suitable continuous professional development programmes for all Directors to hone and refresh their knowledge and skills.

Induction and training

Each newly appointed Director, executive or non-executive, is required to undertake an induction program to ensure that he has a proper understanding of his duties and responsibilities. The induction program includes an overview of the Group's business operation and governance policies, the Board meetings' procedures, matters reserved to the Board, an introduction of the Board committees, the Directors' responsibilities and duties, relevant regulatory requirements, review(s) of minutes of the Board and Board committees in the past 12 months, and briefings with senior officers of the Group and site visits (if necessary).

董事技能、知識、經驗及特性

董事會所有董事於年內在任。各董事承諾投放足夠時間及注意力處理本公司事務。董事亦表明了解並致力維持高水平的企業管治。執行董事透過對本集團業務的深入了解將其視野帶入董事會。非執行董事及獨立非執行董事則因應本身的技能及經驗、對本地及全球經濟的了解以及對資本市場的認識，為本集團業務作出貢獻。本公司有責任為所有董事安排及出資提供合適的持續專業發展課程，以增進及更新彼等的知識及技能。

就職與培訓

各新任執行或非執行董事須參與就職計劃，以確保對其職責及責任有正確理解。就職計劃包括本集團業務營運及管治政策概覽、董事會會議程序、保留予董事會決策的事項、董事委員會簡介、董事責任及職責、有關監管規定、過往十二個月董事會及董事委員會的會議紀錄回顧以及本集團高級管理人員簡報與實地考察（如有需要）。

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Pursuant to the Code Provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure their contribution to the Board remains informed and relevant. During the year, all Directors had participated in appropriate continuous professional development activities by ways of attending training and/or reading materials relevant to the Company's business or to the Directors' duties and responsibilities. In addition, all Directors have been updated on the latest development regarding the Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. A summary of training received by Directors for the year ended 31 December 2019 according to the records provided by the Directors is as follow:

根據企業管治守則的守則條文A.6.5，所有董事應參與持續專業發展，發展並更新其知識及技能，以確保其在具備全面資訊及切合所需的情況下對董事會作出貢獻。本年度內，所有董事已透過參加培訓及／或閱讀有關本公司業務或董事職責及責任的材料參與適當的持續專業發展活動。此外，所有董事已獲提供關於上市規則及其他適用監管規定的最新發展資料，以確保遵守及提升彼等對良好企業管治常規的認知。按照董事提供的紀錄，董事於截至二零一九年十二月三十一日止年度接受的培訓概要如下：

Training on corporate governance, regulatory development and other relevant topics
有關企業管治、監管發展及其他相關課題的培訓

Director	董事	
Executive:	執行：	
Chen Zhi (CEO) (appointed as CEO on 9 October 2019)	陳志 (行政總裁) (於二零一九年十月九日獲委任為行政總裁)	✓
Yu Shi Quan	余詩權	✓
Siuming Tsui (CEO) (resigned on 9 October 2019)	徐小明 (行政總裁) (於二零一九年十月九日辭任)	✓
Non-executive:	非執行：	
Chen Wei Dong	陳偉東	✓
Chen Min	陳敏	✓
Independent Non-executive:	獨立非執行：	
Wong Heung Ming, Henry	黃向明	✓
Zhon Chang Ren	周昌仁	✓
Cai Jian Quan	蔡建權	✓

CORPORATE GOVERNANCE REPORT

企業管治報告

Directors' and officers' liability insurance and indemnity

The Company has arranged appropriate liability insurance to indemnify its Directors and officers in respect of legal actions against the Directors. Throughout 2019 no claim had been made against the Directors and the officers of the Company.

Appointment and Re-election of Directors

Each of the executive Directors and non-executive Directors has entered into a service contract with the Company for a term of three years, which may be terminated by not less than six months' notice (for executive Directors) or one month's notice (for non-executive Directors) in writing served by either party on the other. The independent non-executive Directors have been appointed for a term of three years and shall be terminable by either party giving not less than one month prior notice in writing. The Directors have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next annual general meeting of our Company and shall then be eligible for re-election at that meeting. In accordance with the Articles or Bye-laws of the Company, at every annual general meeting of the Company, one-third of the Directors for the time being or, if the number is not three or a multiple of three, then the number nearest to, but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

董事及高級職員的責任保險及彌償保證

本公司已安排適當責任保險，以就針對董事的法律訴訟向董事及高級職員作出彌償保證。於二零一九年全年，並無任何人士向本公司董事及高級職員提出索償。

委任及重選董事

各執行董事及非執行董事已與本公司訂立服務合約，為期三年，可由任何一方向另一方發出不少於六個月（就執行董事而言）或不少於一個月（就非執行董事而言）的書面通知而終止。獨立非執行董事委任年期為三年，可由任何一方發出不少於一個月的事先書面通知而終止。董事有權隨時及不時委任任何人士出任董事，以填補臨時空缺或出任新增的董事職位。按上述方式委任的董事，任期將於本公司下屆股東週年大會舉行時屆滿，屆時符合資格可於會上重選連任。根據本公司細則或公司細則，於本公司每年的股東週年大會上，三分之一在任董事，或倘董事人數並非三位或三的倍數，則最接近但不少於三分之一的董事須輪席告退，惟每名董事（包括按特定任期獲委任的董事）均須最少每三年輪席告退一次。

CORPORATE GOVERNANCE REPORT

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Relationships and associations among the Directors

Ms. Chen Min is the sister of Mr. Chen Zhi. Save as disclosed, there was no relationship between members of the Board (including financial, business, family or other material/relevant relationship(s)).

Company secretary

The company secretary of the Company (the “Company Secretary”) is responsible for keeping detailed minutes of each meeting of the Board or the Board committees including any dissenting views expressed by the Directors, which should be made available to all Directors for inspection. She is also responsible for ensuring that the Board procedures comply with all applicable laws, rules and regulations and advising the Board on corporate governance matters. All agenda, relevant materials and document are required to be sent out at least 3 days prior to the intended dates of the Board meetings or meetings of the Board committees. It is the responsibility of the Company Secretary to send the draft minutes of the meetings of the Board or the Board committees to all Directors for comments within a reasonable time after the aforesaid meetings. Final versions of minutes of meetings of the Board or the Board committees are also required to be sent to all Directors for record. All Directors have access to the advice and services of the Company Secretary to ensure that the Board procedures and all applicable laws are followed.

Moreover, the Company Secretary is responsible for keeping all Directors updated on the Listing Rules, regulatory requirements, as well as internal codes of conduct of the Company.

During the Year, the Company Secretary had confirmed that she had taken no less than 15 hours of relevant professional training.

董事間之關係及聯繫

陳敏女士為陳志先生的胞妹。除已披露者外，董事會成員間並無任何關係（包括財務、業務、家族或其他重大／相關關係）。

公司秘書

本公司的公司秘書（「公司秘書」）負責保存各董事會會議或董事委員會會議的詳細會議紀錄，當中包括董事發表的任何相反意見。有關會議紀錄應可供全體董事查閱。彼亦負責確保董事會程序符合所有適用法律、規則及規例，以及就企業管治事宜向董事會提供意見。所有會議議程、有關資料及文件至少須於董事會或董事委員會會議預定舉行日期前3天發出。公司秘書有責任於上述會議結束後，在合理時間內將董事會或董事委員會會議的會議紀錄初稿提交予全體董事，讓董事給予意見，而董事會或董事委員會會議紀錄定稿亦須交予全體董事備存。所有董事可取得公司秘書的意見及享用其提供的服務，以確保董事會程序及所有適用法律得以遵循。

再者，公司秘書有責任讓全體董事得悉有關上市規則、監管規定及本公司內部行為守則的最新資訊。

於本年度內，公司秘書確認已參加不少於15個小時的相關專業培訓。

CORPORATE GOVERNANCE REPORT

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Model Code for Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by the Directors of Listed Issuers (the "Model Code") as set forth in Appendix 10 to the Listing Rules as its own code of conduct for dealing in securities by the directors of the Company. Specific enquiries have been made with all the incumbent directors of the Company and all of them confirmed and declared that they have complied with the required standards as set out in the Model Code during the year ended to 31 December 2019.

BOARD COMMITTEES

Audit Committee

The audit committee of the Company (the "Audit Committee") has been established on 8 November 2010 with written terms of reference in compliance with the CG Code. The Audit Committee comprises three members, all being independent non-executive Directors, namely Mr. Wong Heung Ming, Henry (Chairman), Mr. Zhou Chang Ren and Mr. Cai Jianquan.

The primary duties of the Audit Committee are:

- To make recommendations to the Board on (i) the appointment, reappointment and removal of the external auditors; (ii) the audit fee and terms of engagement of the external auditors; and (iii) any questions of resignation or dismissal of that auditor
- To review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards

董事進行證券交易的標準守則

本公司採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」），作為本公司董事進行證券交易的行為守則。在向本公司全體董事作出具體查詢後，彼等全部確認及聲明彼等於上市日期至截至二零一九年十二月三十一日止年度期間一直遵守標準守則所載的規定標準。

董事委員會

審核委員會

本公司於二零一零年十一月八日成立審核委員會，並制訂符合企業管治守則的書面職權範圍。審核委員會包括三名成員，即黃向明先生（主席）、周昌仁先生及蔡建權先生，全部均為獨立非執行董事。

審核委員會的主要職責為：

- 就(i)委任、重新委任及撤換外部核數師；(ii)外部核數師的核數費用及委聘條款；及(iii)任何有關核數師辭任或解聘的問題向董事會提出建議
- 按照適用準則，檢討及監察外部核數師的獨立及客觀性，以及核數程序的成效

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- To monitor the integrity of the financial statements of the Company and the Company's annual report and accounts, interim report and quarterly financial highlights, and reviewing significant financial reporting judgements contained in those reports
 - To review the adequacy and monitor the effectiveness of the Company's financial reporting system, internal control and risk management systems.
 - To review the financial reporting system, risk management and internal control system.
- 監察本公司財務報表、本公司年報及賬目、中期報告及季度財務摘要的完整性，並審閱該等報告所載就財務報告作出的重大判斷
 - 檢討本公司財務報告制度、內部監控及風險管理制度是否全面，並監察其成效。
 - 檢討財務報告制度、風險管理及內部監控制度。

The Audit Committee has reviewed with the management in conjunction with the external auditor, the annual results and annual report of the Group for the year ended 31 December 2019, including the accounting policies and practice adopted by the Group.

審核委員會已會同外部核數師與管理層審閱本集團截至二零一九年十二月三十一日止年度的年度業績及年報，包括本集團採納的會計政策及慣例。

During the year ended 31 December 2019, the Audit Committee had performed their primary duties to review and supervise the financial reporting process and the internal control procedures of the Company. The Audit Committee has also held meeting with the Company's external auditor, Messrs. PricewaterhouseCoopers ("PwC") without the presence of executive Directors and management, to discuss matters arising from the auditing and report to the Board on material issues, if any, and make recommendations to the Board.

於截至二零一九年十二月三十一日止年度，審核委員會已履行其主要職責，檢討及監督本公司的財務報告程序及內部監控程序。審核委員會亦在執行董事及管理層避席的情況下，與本公司外部核數師羅兵咸永道會計師事務所舉行會議，討論因核數而產生的事項，並向董事會匯報重大事宜（如有），以及向董事會提供推薦意見。

The Audit Committee is provided with sufficient resources to perform its duties. Latest terms of reference of the Audit Committee can be viewed on the website of the Company and the website of the Stock Exchange.

本公司已向審核委員會提供足夠資源，供其履行職責。審核委員會的最新職權範圍可在本公司網站及聯交所網站查閱。

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Remuneration Committee

The remuneration committee of the Company (the "Remuneration Committee") has been established on 8 November 2010 with written terms of reference in compliance with the CG Code. The Remuneration Committee comprises three members, namely Mr. Zhou Chang Ren (Chairman), Mr. Chen Zhi and Mr. Wong Heung Ming, Henry, the majority of which being independent non-executive Directors. The primary duties of the Remuneration Committee are to evaluate and make recommendations to the Board regarding the remuneration packages to the Directors and senior management which will be determined by reference to the performance of the individual and the Company as well as market trends and practices.

The Remuneration Committee is provided with sufficient resources to perform its duties. The current duties and responsibilities of the Remuneration Committee are more specifically set out in its latest terms of reference, details of which can be viewed on the website of the Company and the website of the Stock Exchange.

The following is a summary of work performed by the Remuneration Committee during the year:

- (a) formulating and recommending the policy and structure of the remuneration of the Directors and senior officers of the Group to the Board;
- (b) assessing individual performance of the Directors and senior officers of the Group;
- (c) reviewing specific remuneration packages of the Directors and senior officers of the Group with reference to the Board's corporate goals and objectives as well as individual performances; and
- (d) reviewing and making recommendations to the Board on compensation-related issues.

薪酬委員會

本公司於二零一零年十一月八日成立薪酬委員會，並制訂符合企業管治守則的書面職權範圍。薪酬委員會包括三名成員，即周昌仁先生（主席）、陳志先生及黃向明先生，大部分為獨立非執行董事。薪酬委員會的主要職責為評估董事及高級管理層的薪酬組合，並就此向董事會提供推薦意見。有關薪酬將參照個人及本公司表現以及市場趨勢及慣例釐定。

本公司已向薪酬委員會提供足夠資源，供其履行職責。薪酬委員會現時的職責及責任於其最新職權範圍有更具體描述，詳情可在本公司網站及聯交所網站查閱。

於年內，薪酬委員會已進行的工作概列如下：

- (a) 制訂本集團董事及高級職員的薪酬政策及架構，並向董事會提供建議；
- (b) 評估本集團董事及高級職員的個別表現；
- (c) 參照董事會的企業目標及目的以及個別表現，檢討本集團董事及高級職員的特定薪酬待遇；及
- (d) 檢討有關薪酬相關問題，並向董事會提供建議。

Nomination Committee

The nomination committee of the Company (the “Nomination Committee”) has been established on 8 November 2010 with written terms of reference in compliance with the CG Code. The Nomination Committee currently comprises three members, namely Mr. Cai Jian Quan (Chairman), Mr. Chen Zhi, and Mr. Wong Heung Ming, the majority of which being independent non-executive Directors. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors. The Nomination Committee selects and recommends the candidates for directorship shall base on the criterion including professional knowledge, competence, experience, independence and integrity.

The Nomination Committee is provided with sufficient resources to perform its duties. The current duties and responsibilities of the Nomination Committee are more specifically set out in its latest terms of reference, details of which can be viewed on the website of the Company and the website of the Stock Exchange.

The Company has adopted the Board Diversity Policy in March 2014. The policy sets out the approach to achieve diversity on the Board of the Company which include but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional experience. The Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board that are relevant to the Company’s business growth.

提名委員會

本公司於二零一零年十一月八日成立提名委員會，並制訂符合企業管治守則的書面職權範圍。提名委員會現時包括三名成員，即蔡建權先生（主席）、陳志先生及黃向明先生，大部分為獨立非執行董事。提名委員會的主要職責為就委任或重新委任董事及董事繼任計劃向董事會提供推薦意見。提名委員會根據專業知識、勝任能力、經驗、獨立性及誠信等準則挑選及推薦董事人選。

本公司已向提名委員會提供足夠資源，供其履行職責。提名委員會現時的職責及責任於其最新職權範圍有更具體描述，詳情可在本公司網站及聯交所網站查閱。

本公司已於二零一四年三月採納董事會多元政策，制定實現本公司董事會多元化的方針，包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識及地區經驗。提名委員會將每年檢討董事會的架構、規模及組成，並在適當時候就本公司的業務發展提供改變董事會的推薦建議。

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The following is a summary of the work performed by the Nomination Committee during the year:

- (a) reviewing and evaluating the composition of the Board with reference to certain criteria. These criteria included qualifications required under the Listing Rules or any other relevant laws regarding characteristics and skills of the Directors, professional ethics and integrity, appropriate professional knowledge and industry experience, as well as ability to devote sufficient time to the work of the Board and its committees and to participate in all Board meetings and shareholders' meetings;
- (b) reviewing and recommending the re-appointment of the retiring Directors for re-election at the previous general meeting; and
- (c) assessing independence of the Independent Non-Executive Directors.

During the year ended 31 December 2019, the Nomination Committee had performed their primary duties to review and make recommendations to the Board on the structure, size and composition of the Board, including its diversity, based on a range of perspectives with reference to the Company's business model and requirements, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional experience. The Nomination Committee considered that the current composition of the Board is balanced in terms of diversity and is able to meet the objectives of the Board.

於年內，提名委員會已進行的工作概列如下：

- (a) 參照若干準則檢討及評價董事會組成。該等準則包括上市規則或任何其他相關法例規定須具備的資格，包括董事個性及技能、專業操守及誠信、適合的專業知識及行業經驗、能否付出足夠時間參與董事會及其委員會的工作以及參與所有董事會會議及股東大會；
- (b) 檢討續聘於之前股東大會上膺選連任的退任董事，並提供建議；及
- (c) 評估獨立非執行董事的獨立性。

於截至二零一九年十二月三十一日止年度，提名委員會已履行其主要職責，參照本公司的業務模式及需要及從多個角度（包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識及地區經驗）檢討董事會的架構、規模及組成（包括其多元性），並就此向董事會提供推薦建議。提名委員會認為，董事會目前之組成在多元性方面誠屬均衡，並夠達到董事會的目標。

ACCOUNTABILITY AND AUDIT

Directors' and Auditor's Responsibilities for the Financial Statements

The Directors acknowledge their responsibility for preparing the Company's financial statements for the year ended 31 December 2019 which reflect true and fair view of the financial position of the Company and the Group and in compliance with relevant law and disclosure provisions of the Listing Rules. The Board is responsible for presenting a balanced, clear and comprehensible assessment extends to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules.

The Group appointed PwC as the Group's external auditor. The statement by PwC regarding their reporting responsibility to the shareholders on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 82 to 94 of this annual report.

During the year ended 31 December 2019, the remuneration paid or payable to PwC for audit services and non-audit services amounted to RMB4,197,000 (2018: RMB3,437,000) and nil (2018: RMB1,142,000) respectively.

問責及核數

董事及核數師就財務報表的責任

董事清楚彼等須負責編製本公司截至二零一九年十二月三十一日止年度的財務報表，而財務報表須真實及公平地反映本公司及本集團的財務狀況，及符合相關法例及上市規則的披露規定。董事會負責平衡、清晰及全面地呈列年報及中期報告、其他股價敏感公告及上市規則規定的其他財務披露事項。

本集團已委任羅兵咸永道會計師事務所為本集團外部核數師。羅兵咸永道會計師事務所就其向股東報告本集團合併財務報表的責任發出的聲明載於本年報第82至94頁的獨立核數師報告內。

於截至二零一九年十二月三十一日止年度，就審核服務及非審核服務而已付或應付羅兵咸永道會計師事務所的酬金分別為人民幣4,197,000元（二零一八年：人民幣3,437,000元）及人民幣零元（二零一八年：人民幣1,142,000元）。

CORPORATE GOVERNANCE REPORT

企業管治報告

Internal Control and Risk Management

The Board is responsible for maintaining sound and effective risk management and internal control systems, and for reviewing their design, operational adequacy, and effectiveness on an ongoing basis to safeguard the shareholders' investment and the assets of the Group. During the year ended 31 December 2019, the Board has reviewed the effectiveness of the risk management and internal control systems of the Group through the Audit Committee. The Board engaged an internal audit team which carries out the analysis and independent assessment of the adequacy and effectiveness of the Company's risk management and internal control systems and reports to the Board. Review of the Group's internal controls cover major financial, operational and compliance controls as well as risk management functions of different systems has been done on a systematic basis based on the risk assessments of the operations and controls. The scope of review for the year had been determined and approved by the Audit Committee. Saved as disclosed below, no major issues but areas for improvement have been identified. The Board and the Audit Committee considered that the key areas of the Group's internal control systems are reasonably implemented.

The Company recognises that the overlap of chairman and CEO and/or the vacancy of chairmanship may affect the operations of the Company. The Board has met regularly to consider and review the major and appropriate issues. As such, the Board considers that the sufficient measures had been taken and the overlap of chairman and CEO and/or the vacancy of chairmanship should not impair the balance of power and authority between the Board and the management.

內部監控及風險管理

董事會負責維持穩健而有效的風險管理及內部監控制度，且不斷檢討其設計、運作充份性及效益，以保障股東的投資及本集團資產。於截至二零一九年十二月三十一日止年度，董事會已透過審核委員會檢討本集團風險管理及內部監控制度的成效。董事會亦已委聘一支內部審核團隊，就本公司風險管理及內部監控系統是否充足及有效進行分析及獨立評估，並向董事會匯報。本集團的內部監控檢討涵蓋主要的財務、營運及合規監控，而不同系統之風險管理職能已基於對營運及監控作出之風險評估按有系統基準履行。年度檢討範圍已由審核委員會釐定及批准。除下文所披露者外，撇除確認需予改進之處，並無發現重大問題。董事會及審核委員會認為，本集團已合理實施內部監控系統的主要部分。

本公司確認，主席及行政總裁角色重疊及／主席職位懸空或會影響本公司營運。董事會定期舉行會議，考慮及審議重大及合適議題。因此，董事會認為已採取足夠措施，不會因主席及行政總裁角色重疊及／或主席職位懸空而使董事會與管理層之間的權力及授權失衡。

CORPORATE GOVERNANCE REPORT

企業管治報告

Corporate governance functions

The Board is responsible for performing the following corporate governance duties as required under the CG Code:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of the Directors and senior officers of the Group;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the codes of conduct applicable to employees and the Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

During the year, the Board considered the following corporate governance matters:

- (i) review of the compliance with the CG Code; and
- (ii) review of the effectiveness of the internal controls and risk management systems of the Group through the Audit Committee.

INVESTORS AND SHAREHOLDERS RELATIONS

The Board recognises the importance of effective communication with shareholders and continues to act in the best interests of the Company and its shareholders. The Company keeps shareholders and investors informed of its business performance and strategies by adopting a transparent and timely disclosure policy which complies with the Listing Rules and provides all shareholders equal access to such information. The Company also publishes all documents on the Company's website at www.shifangholding.com.

企業管治職能

董事會有責任根據企業管治守則履行下列企業管治職責：

- (a) 制定及檢討本公司的企業管治政策及常規；
- (b) 檢討及監察本集團董事及高級職員的培訓及持續專業發展；
- (c) 檢討及監察本公司遵守法定及監管規定的政策及常規；
- (d) 制定、檢討及監察適用於僱員及董事的行為守則；及
- (e) 檢討本公司有否遵守企業管治守則，以及審閱本企業管治報告內的披露資料。

於年內，董事會已考慮以下企業管治事宜：

- (i) 檢討有否遵守企業管治守則；及
- (ii) 透過審核委員會檢討本集團的內部監控及風險管理系統的成效。

投資者及股東關係

董事會了解與股東有效溝通的重要性，繼續以本公司及其股東的最佳利益為依歸行事。本公司透過採納符合上市規則、具透明度及適時的披露政策，讓股東及投資者清楚其業務表現及策略，並為所有股東提供取得該等資料的平等途徑。本公司亦於本公司網站 (www.shifangholding.com) 登載所有文件。

CORPORATE GOVERNANCE REPORT

企業管治報告

The annual general meeting of the Company (the “AGM”) also provides a forum for the Board to dialogue and interact with the Shareholders directly. The Directors and the committee members are available to answer questions during the AGM.

Notice of AGM, annual report, financial statements and related papers were posted to shareholders of the Company for their consideration at least 20 clear business days prior to the AGM. AGM proceedings of the Company are continually reviewed in the light of corporate governance best practices.

Set out below is a summary of certain rights of the shareholders of the Company as required to be disclosed pursuant to the mandatory disclosure requirements under Paragraph O of the CG Code which is effective from 1 April 2012.

(a) Convening of general meeting on requisition by shareholders

General meetings shall also be convened on the written requisition of any one or more members of the Company to the Board or the Secretary of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionist(s) held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company.

本公司股東週年大會（「股東週年大會」）亦為董事會提供與股東直接對話及互動的平台。董事及委員會成員均會出席股東週年大會解答提問。

股東週年大會通告、年報、財務報表及有關文件已於股東週年大會舉行前最少20個完整營業日寄予本公司股東，供彼等省覽。本公司股東週年大會程序會根據企業管治最佳常規持續檢討。

以下載有根據由二零一二年四月一日起生效的企業管治守則第O段的強制性披露規定須予披露的本公司股東若干權利概要。

(a) 應股東要求召開股東大會

股東大會亦須在一名或以上本公司董事會成員或秘書向本公司於香港的主要辦事處或（倘本公司並無主要辦事處）登記辦事處送達書面要求的情況下召開，書面要求須列明大會目的，並由提出要求的人士簽署，惟提出要求的人士於遞交要求當日須持有有權於本公司股東大會上投票的本公司繳足股本不少於十分一。股東大會亦可在任何一名屬認可結算所的本公司股東（或其代名人）向本公司於香港的主要辦事處或（倘本公司並無主要辦事處）登記辦事處送達書面要求的情況下召開，書面要求須列明大會目的，並由提出要求的人士簽署，惟提出要求的人士於遞交要求當日須持有有權於本公司股東大會上投票的本公司繳足股本不少於十分一。

CORPORATE GOVERNANCE REPORT

企業管治報告

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within further 2 months of the deposit of such requisites, the requisitioner(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

(b) Procedures for putting forward proposals at a Shareholders' meeting

There are no provisions allowing Shareholders to put forward new resolutions at the general meetings under the Bermuda Companies Act 1981 or the bye-laws of the Company. However, Shareholders who wish to put forward a resolution may request the Company to convene an special general meeting following the procedures set out above.

Detailed procedures for shareholders to propose a person for election as a Director are available on the Company's website.

(c) Enquiries to the Board

Shareholders may put forward enquiries to the Board in writing to the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the enquiries.

Constitutional documents

During the year, there had been no significant change in the Company's constitutional documents. The New Memorandum of Continuance and Bye-Laws was adopted conditionally at an Extraordinary General Meeting held at 25 February 2019 with effect from the date of continuance of the Company under the laws of Bermuda.

倘董事會未有於提交要求日期後21天內正式召開須於其後提交該要求日期的2個月內舉行的大會，提出要求的人士或當中持有彼等總投票權過半的任何人士可自行以與董事會召開大會同樣的方式（盡可能相近）召開股東大會，惟如此召開的大會不可遲於提交要求當日起三個月後召開，而提出要求的人士因董事會未能完成有關要求而產生的所有合理開支，將由本公司向彼等作出補償。

(b) 於股東大會上提呈議案的程序

百慕達一九八一年公司法或本公司之公司細則並無容許股東於股東大會上提呈新決議案的條文。然而，股東如欲提呈決議案，可按上文所載程序要求本公司召開股東特別大會。

股東提名任何人士參選董事的詳細程序可於本公司網站查閱。

(c) 向董事會查詢

股東可以書面形式向董事會作出查詢，有關查詢應送遞至本公司於香港的主要辦事處或（倘本公司並無主要辦事處）登記辦事處，並列明查詢事項。

憲章文件

於年內，本公司的憲章文件並無重大變動。新存續章程及公司細則已於二零一九年二月二十五日舉行之股東特別大會上獲有條件採納，自本公司根據百慕達法律存續日期起生效。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the Shareholders of ShiFang Holding Limited

(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of ShiFang Holding Limited (the "Company") and its subsidiaries (the "Group") set out on pages 95 to 248, which comprise:

- the consolidated balance sheet as at 31 December 2019;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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

羅兵咸永道

致十方控股有限公司股東

(於開曼群島註冊成立及於百慕達存續的有限公司)

意見

我們已審計的內容

十方控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第95至248頁的合併財務報表,包括:

- 於二零一九年十二月三十一日的合併資產負債表;
- 截至該日止年度的合併全面收益表;
- 截至該日止年度的合併權益變動表;
- 截至該日止年度的合併現金流量表;及
- 合併財務報表附註,包括主要會計政策概要。

我們的意見

我們認為,該等合併財務報表已根據《國際財務報告準則》真實而中肯地反映了貴集團於二零一九年十二月三十一日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量,並已遵照香港《公司條例》的披露規定妥為擬備。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2.1 to the consolidated financial statements, which indicates that the Group incurred a net loss of RMB143,523,000 and a net cash used in operating activities of RMB26,269,000 during the year ended 31 December 2019, while the Group’s current liabilities exceeded its current assets by RMB20,068,000 as at the same date. These conditions, along with other matters as described in Note 2.1 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

意見的基礎

我們已根據《國際審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據國際會計師專業操守理事會頒佈的《專業會計師道德守則》（以下簡稱「道德守則」），我們獨立於 貴集團，並已履行道德守則中的其他專業道德責任。

與持續經營有關的重大不確定性

我們籲請關注合併財務報表附註2.1， 貴集團在截至二零一九年十二月三十一日止年度內產生淨虧損人民幣143,523,000元及經營活動現金流出淨額人民幣26,269,000元，而於同日 貴集團的流動負債超出其流動資產人民幣20,068,000元。該等事件或情況連同其他事項，如合併財務報表附註2.1所載，表明存在重大不確定性，其可能會對 貴集團持續經營的能力構成重大疑慮。我們的意見未有就此事項作出修訂。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters identified in our audit are summarised as follows:

- Impairment assessment of goodwill and other intangible assets
- Valuation of the Group's properties held for sale

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的，我們不會對該等事項提供單獨的意見。除了與持續經營有關的重大不確定性部分所述的事項外，我們已確定以下事項為需要在報告中溝通的關鍵審計事項。

我們在審計中識別的關鍵審計事項概述如下：

- 商譽及其他無形資產減值評估
- 貴集團持作出售物業的計價

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Impairment assessment of goodwill and other intangible assets
商譽及其他無形資產減值評估

Refer to note 2.9 (Accounting policies), note 4(a) (Critical accounting estimates and assumptions) and note 8 (Intangible assets) to the consolidated financial statements. 請參閱合併財務報表附註2.9(會計政策)、附註4(a)(關鍵會計估計及假設)及附註8(無形資產)。

As at 31 December 2019, the carrying amounts of goodwill and other intangible assets were approximately RMB70,013,000 and RMB212,394,000, respectively before the provision for impairment.

於二零一九年十二月三十一日，商譽及其他無形資產於扣除減值撥備前的賬面值分別約為人民幣70,013,000元及人民幣212,394,000元。

The Group tests annually or whenever events or changes in circumstances indicate an indicator of impairment of goodwill. For other intangible assets, impairment test is performed whenever events or changes in circumstances indicate an indicator of impairment.

貴集團每年檢測商譽減值，或於某些事件或情況變動顯示商譽減值時進行。就其他無形資產而言，於某些事件或情況變動顯示減值時進行減值測試。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

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

我們涉及管理層減值評估的程序包括：

- (i) Evaluating the independent external valuer's objectivity, capability and competency to perform the valuation;
(i) 評估獨立外部估值師是否客觀、有能力及勝任進行估值；
- (ii) Evaluating management's assessment on identification of CGU;
(ii) 評估管理層針對識別現金產生單位作出之評估；
- (iii) Assessing the appropriateness of valuation methodology adopted and the reasonableness of key assumptions used in determining the recoverable amount with the involvement of our internal valuation expert;
(iii) 我們的內部估值專家參與評估釐定可收回金額所採納估值方法的適當性及所使用主要假設的合理性；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Impairment assessment of goodwill and other intangible assets (Continued)

商譽及其他無形資產減值評估(續)

The Group has performed impairment assessments to compare the recoverable amounts of the cash generating units ("CGUs") to which these assets belong, based on discounted cash flow projections using fair value less costs of disposal ("FVLCD") or value in use ("VIU") calculations, to their carrying amounts. The key assumptions used in the valuation included, adjusted land unit rate, discount rate, revenue generated from operation, revenue growth rate and terminal growth rate. Based on the impairment tests performed, impairment charge of RMB66,058,000 was recognised against goodwill for the year ended 31 December 2019.

貴集團基於折現現金流量預測，使用公允值減出售成本或使用價值計算的方法，比較該等資產所歸屬之現金產生單位的可收回價值與其賬面值，藉此進行減值評估。估值所用主要假設包括經調整土地單位價格、折現率、經營產生之收益、收益增長率及永久增長率。基於所進行之減值測試，截至二零一九年十二月三十一日止年度確認商譽減值費用人民幣66,058,000元。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- (iv) Considering the appropriateness of the valuation methodologies used based on our industry knowledge and relevant market practice;
- (iv) 基於我們的行業知識及相關市場慣例，考慮所用估值方法是否適當；
- (v) Assessing the reasonableness of key assumptions used in the valuation by comparing assumptions such as adjusted land unit rate, discount rate, revenue generated from operation, revenue growth rate and terminal growth rate against the approved budget, latest development of projects, relevant market data and industry information; and
- (v) 通過對比經調整土地單位價格、貼現率、經營產生之收益、收益增長率及永久增長率等該等假設與經批准預算、項目的近期發展狀況、相關市場數據及行業資料，評估估值所用主要假設是否合理；及
- (vi) Considering management's sensitivity analysis with respect to variations of key assumptions adopted, to evaluate the extent to which reasonably possible changes, both individually and in aggregate, would result in material changes in the assessment on impairment.
- (vi) 考慮管理層有關所採納主要假設變動的敏感度分析，以評估在合理可行範圍內的可能變動（個別及合計）可能對減值評估造成的重大變動。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Impairment assessment of goodwill and other intangible assets (Continued)

商譽及其他無形資產減值評估(續)

We focused on this area due to the significant management judgment involved to determine the assumptions used in the impairment assessment.

我們關注此範疇是鑒於減值評估時所用假設涉及重大管理層判斷。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Based on the above, we found management's judgments and assumptions involved in the impairment assessment were supported by available evidence.

基於上文所述，我們發現管理層評估減值涉及的判斷及假設有可得憑證支持。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Valuation of the Group's properties held for sale

貴集團持作出售物業的估價

Refer to note 2.10 (Accounting policies), note 4(d) (Critical accounting estimates and assumptions) and note 12 (Properties held for sale) to the consolidated financial statements

請參閱合併財務報表附註2.10(會計政策)、附註4(d)(關鍵會計估計及假設)及附註12(持作出售物業)

The Group owns certain properties held for sale which are stated at the lower of carrying amount and fair value less costs to sell. The net carrying value of the Group's properties held for sale was RMB25,386,000 as at 31 December 2019. 貴集團擁有若干持作出售物業，該等物業按賬面值與公允值減出售成本較低者列賬。貴集團持作出售物業於二零一九年十二月三十一日的賬面淨值為人民幣25,386,000元。

Management engaged an independent external valuer to appraise the value of the properties held for sale using the direct market comparable approach and income approach. Management assessed the appropriateness of methodologies and assumptions underlying the valuations performed by the independent external valuer.

管理層委聘獨立外部估值師利用直接市場比較法及收入法評估持作出售物業的價值。管理層已評估獨立外部估值師進行估值時的相關方法及假設是否合適。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our procedures in relation to management's judgement and estimates used to determine the fair value less costs to sell of the Group's properties held for sale included:

我們就管理層用以釐定貴集團持作出售物業的公允值減出售成本的管理層判斷及估計所用程序包括：

- (i) evaluating the independent external valuer's objectivity, capability and competency to perform the valuation;
- (i) 評價獨立外部估值師是否客觀、有能力及勝任進行估值；
- (ii) considering the appropriateness of the valuation methodologies used by the independent external valuer with reference to the nature and purposes of the Group's properties and relevant market practice;
- (ii) 參照貴集團物業之性質及用途以及相關市場慣例，考慮獨立外部估值師所用估值方法是否合適；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Valuation of the Group's properties held for sale (Continued)
貴集團持作出售物業的估價(續)

We focused on this area due to the significant management judgement and estimates used to determine the fair value less costs to sell and, consequentially, the provision for loss for the Group's properties held for sale.

我們關注此範疇是鑑於釐定 貴集團持作出售物業的公允值減出售成本及因此得出的虧損撥備時須運用重大管理層判斷及估計。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- (iii) discussing with management the appropriateness of the selection criteria of comparable properties and the adjusting factors used in the independent external valuer's valuation under market comparable approach having regard to the location, size and nature of the properties;
- (iii) 與管理層討論可比較物業的挑選準則及獨立外部估值師根據市場比較法就物業位置、大小及性質所用的調整因素是否合適；
- (iv) Assessing the reasonableness of key assumptions used in the valuation under income approach, including expected rental income, growth rate and discount rate, based on our knowledge of the business and industry and comparing with relevant market data;
- (iv) 根據我們對有關業務及行業的知識，評估根據收入法進行估值時所用的關鍵假設（包括預期租金收入、增長率及折現率）是否合理，並與相關市場數據進行比較；

Based on the above, we found management's judgments and assumptions involved in the impairment assessment were supported by available evidence.

基於上文所述，我們發現減值評估所涉及的管理層判斷及估計有可得憑證支持。

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 all of the information included in the annual report other than 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.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括合併財務報表及我們的核數師報告。

我們對合併財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE 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 IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee are responsible for overseeing the Group's financial reporting process.

董事及審核委員會就合併財務報表須承擔的責任

貴公司董事須負責根據《國際財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會須負責監督 貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, 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 ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《國際審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《國際審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- 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.
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 this independent auditor's report is Leung Chi Hang, Benson.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 7 May 2020

我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

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

出具本獨立核數師報告的審計專案合夥人是梁志恒。

羅兵咸永道會計師事務所
執業會計師

香港，二零二零年五月七日

CONSOLIDATED BALANCE SHEET

合併資產負債表

AS AT 31 DECEMBER 2019
於二零一九年十二月三十一日

	Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
ASSETS			
Non-current assets			
Property, plant and equipment	7	90,212	67,426
Right-of-use assets	24	7,280	–
Intangible assets	8	216,349	283,912
Interests in an associate		–	1,635
Prepayments, deposits and other receivables	9	83,638	37,689
		397,479	390,662
Current assets			
Biological assets	10	239	–
Inventories	11	774	1,420
Properties held for sale	12	25,386	24,622
Financial assets at fair value through profit or loss	13	6,165	6,173
Trade receivables – net	14	9,561	7,858
Contract assets – net	5	3,744	2,173
Prepayments, deposits and other receivables	9	9,845	9,593
Amounts due from related parties	35(c)	1,114	820
Restricted cash		1,098	–
Cash and cash equivalents	15	9,753	33,880
		67,679	86,539
Total assets		465,158	477,201
EQUITY			
Equity attributable to owners of the Company			
Share capital	16	6,402	191,994
Share premium	16	36,376	851,682
Other reserves	17	183,903	53,914
Accumulated deficits		(119,774)	(922,308)
		106,907	175,282
Non-controlling interests	18(a)	8,208	12,680
Total equity		115,115	187,962

CONSOLIDATED BALANCE SHEET

合併資產負債表

AS AT 31 DECEMBER 2019
於二零一九年十二月三十一日

		Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	24	9,215	–
Other payables	其他應付款項	20	52,000	–
Promissory notes	承兌票據	22	–	81,552
Convertible bonds	可換股債券	23	150,669	–
Deferred income tax liabilities	遞延所得稅負債	19	50,412	51,723
Loans from a related party	關聯方借款	35(c)	–	87,132
			262,296	220,407
Current liabilities	流動負債			
Trade payables	貿易應付款項	20	8,106	4,597
Other payables and accrued expenses	其他應付款項及應計開支	20	41,100	34,046
Financial guarantees	財務擔保		1,518	–
Lease liabilities	租賃負債	24	3,010	–
Borrowings	借款	21	6,230	8,377
Current income tax liabilities	即期所得稅負債		17,310	21,184
Amounts due to related parties	應付關連人士款項	35(c)	10,473	628
			87,747	68,832
Total liabilities	總負債		350,043	289,239
Total equity and liabilities	權益及負債總額		465,158	477,201

Approved and authorised for issue by the Board of Directors on 7 May 2020 and signed on behalf of the Board by:

經董事會於二零二零年五月七日批准並授權刊發，並由下列董事代表董事會簽署：

Chen Zhi

陳志

Director

董事

Yu Shi Quan

余詩權

Director

董事

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

上述合併資產負債表須與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

合併全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2019
截至二零一九年十二月三十一日止年度

		Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue	收入	5	122,374	55,016
Cost of sales	銷售成本	26	(101,330)	(36,521)
Gross profit	毛利		21,044	18,495
Selling and marketing expenses	銷售及營銷開支	26	(12,209)	(3,439)
General and administrative expenses	一般及行政開支	26	(63,521)	(88,635)
Net fair value loss on financial assets at fair value through profit or loss	公允值經損益表入賬的金融資產的公允值虧損淨額		(8)	(84,498)
Net change in provision for impairment of financial and contract assets	金融及合約資產減值撥備變動淨額	26	(786)	582
Provision for impairment on goodwill	商譽減值撥備		(66,058)	–
Other income	其他收入	25	336	917
Other loss – net	其他虧損 – 淨額	25	(82)	–
Operating loss	經營虧損		(121,284)	(156,578)
Finance income	財務收入	29	62	111
Finance costs	財務成本	29	(26,032)	(7,260)
Finance costs – net	財務成本 – 淨額	29	(25,970)	(7,149)
Share of losses of an associate	應佔聯營公司虧損		(1,366)	(165)
Loss before income tax	除所得稅前虧損		(148,620)	(163,892)
Income tax credit/(expense)	所得稅抵免/(開支)	30	5,097	(705)
Loss for the year	年內虧損		(143,523)	(164,597)
Loss attributable to:	下列項目應佔虧損:			
– Owners of the Company	– 本公司所有者		(139,165)	(164,403)
– Non-controlling interests	– 非控股權益		(4,358)	(194)
			(143,523)	(164,597)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

合併全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2019
截至二零一九年十二月三十一日止年度

	Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Other comprehensive loss			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		(1,392)	(2,571)
Other comprehensive loss for the year		<u>(1,392)</u>	<u>(2,571)</u>
Loss and total comprehensive loss for the year		<u>(144,915)</u>	<u>(167,168)</u>
Loss and total comprehensive loss attributable to:			
– Owners of the Company		(140,557)	(166,974)
– Non-controlling interests		(4,358)	(194)
		<u>(144,915)</u>	<u>(167,168)</u>
Loss per share for loss attributable to owners of the Company			
– Basic (RMB per share)	31	(0.2028)	(0.3161)
– Diluted (RMB per share)	31	(0.2028)	(0.3161)

* The loss per share was retrospectively adjusted after the capital reorganisation as disclosed in Note 31.

* 誠如附註31所披露，每股虧損已於股本重組後作追溯調整。

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述合併全面收益表須與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

合併權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2019
截至二零一九年十二月三十一日止年度

		Attributable to owners of the Company 本公司所有者應佔											
	Note	Share Capital	Share premium	Convertible bonds reserve	Capital redemption reserve	Capital reserves	Contributed surplus	Exchange reserves	Statutory Reserves	Accumulated deficits	Total	Non-controlling interests	Total equity
	附註	股本	股份溢價	可換股債券儲備	股本贖回儲備	資本儲備	實繳盈餘	匯兌儲備	法定儲備	累計虧絀	總計	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2019	於二零一九年一月一日的結餘	191,994	851,682	-	997	41,297	-	(1,362)	12,982	(922,308)	175,282	12,680	187,962
Changes in accounting policy	會計政策變更	-	-	-	-	-	-	(28)	-	(287)	(315)	(114)	(429)
Restated total equity as at 1 January 2019	於二零一九年一月一日的經重述總權益	191,994	851,682	-	997	41,297	-	(1,390)	12,982	(922,595)	174,967	12,566	187,533
Comprehensive income	全面收益												
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(139,165)	(139,165)	(4,358)	(143,523)
Other comprehensive income	其他全面收益												
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	(1,392)	-	-	(1,392)	-	(1,392)
Total comprehensive income	全面收益總額	-	-	-	-	-	-	(1,392)	-	(139,165)	(140,557)	(4,358)	(144,915)
Transactions with owners	與擁有人的交易												
Cancellation of share premium	註銷股份溢價	-	(851,682)	-	-	-	851,682	-	-	-	-	-	-
Capital reorganisation	股本重組	(187,194)	-	-	-	-	(754,792)	-	-	941,986	-	-	-
Equity component of convertible bonds issued, net of transaction costs	已發行可換股債券之權益部分，扣除交易成本	-	-	42,003	-	-	-	-	-	-	42,003	-	42,003
Conversion of convertible bonds	轉換可換股債券	1,602	36,376	(7,484)	-	-	-	-	-	-	30,494	-	30,494
Total transactions with owners	與擁有人的交易總額	(185,592)	(815,306)	34,519	-	-	96,890	-	-	941,986	72,497	-	72,497
Balance at 31 December 2019	於二零一九年十二月三十一日的結餘	6,402	36,376	34,519	997	41,297	96,890	(2,782)	12,982	(119,774)	106,907	8,208	115,115

		Attributable to owners of the Company 本公司所有者應佔										
	Note	Share Capital	Share premium	Available-for-sale financial asset fair value reserve	Capital redemption reserve	Capital reserves	Exchange reserves	Statutory Reserves	Accumulated deficits	Total	Non-controlling interests	Total equity
	附註	股本	股份溢價	公允價值儲備	股本贖回儲備	資本儲備	匯兌儲備	法定儲備	累計虧絀	總計	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2018	於二零一八年一月一日的結餘	123,919	816,907	(7,063)	997	41,297	1,209	12,464	(750,092)	239,638	7,969	247,607
Changes in accounting policies	會計政策變更	-	-	7,063	-	-	-	-	(7,295)	(232)	-	(232)
Restated total equity as at 1 January 2018	於二零一八年一月一日的經重述總權益	123,919	816,907	-	997	41,297	1,209	12,464	(757,387)	239,406	7,969	247,375
Comprehensive income	全面收益											
Loss for the year	年內虧損	-	-	-	-	-	-	-	(164,403)	(164,403)	(194)	(164,597)
Other comprehensive income	其他全面收益											
Currency translation differences	貨幣換算差額	-	-	-	-	-	(2,571)	-	-	(2,571)	-	(2,571)
Total comprehensive income	全面收益總額	-	-	-	-	-	(2,571)	-	(164,403)	(166,974)	(194)	(167,168)
Transactions with owners	與擁有人的交易											
Appropriation to statutory reserves	轉撥至法定儲備	-	-	-	-	-	-	518	(518)	-	-	-
Issuance of ordinary shares	發行普通股	23,461	9,792	-	-	-	-	-	-	33,253	-	33,253
Issuance of ordinary shares as consideration for acquisition of subsidiaries, net of cash acquired	發行普通股作為收購附屬公司之代價，扣除所收現金	44,614	24,983	-	-	-	-	-	-	69,597	-	69,597
Capital injection from non-controlling shareholders of a subsidiary	來自一間附屬公司非控股股東的注資	-	-	-	-	-	-	-	-	-	4,005	4,005
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	-	-	-	-	-	-	900	900
Total transactions with owners	與擁有人的交易總額	68,075	34,775	-	-	-	-	518	(518)	102,850	4,905	107,755
Balance at 31 December 2018	於二零一八年十二月三十一日的結餘	191,994	851,682	-	997	41,297	(1,362)	12,982	(922,308)	175,282	12,680	187,962

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述合併權益變動表須與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF CASH FLOWS

合併現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2019
截至二零一九年十二月三十一日止年度

	Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash flows from operating activities			
Cash used in operations	33(a)	(25,910)	(57,423)
Interest received	29	62	111
Interest paid		(333)	(459)
Income tax paid		(88)	(520)
Net cash used in operating activities		(26,269)	(58,291)
Cash flows from investing activities			
Prepayment for acquisition of a subsidiary		-	(3,000)
Payments for property, plant and equipment		(29,239)	(21,767)
Additions of intangible assets	8	(8)	(12)
Return of deposit for township development	9(i)	5,000	-
Proceeds from disposal of property, plant and equipment	33(b)	487	11
Payment for acquisition of subsidiaries, net of cash acquired		-	(55,551)
Investment in an associate		-	(1,800)
Acquisition of assets through acquisition of a subsidiary		-	(4,100)
Net cash used in investing activities		(23,760)	(86,219)
Cash flows from financing activities			
Capital injection from non-controlling shareholders of a subsidiary		-	4,005
Repayment of bank borrowings		(2,237)	(2,236)
Net proceeds from issuance of convertible bonds		33,510	-
Principal payment of lease liabilities		(7,944)	-
Net proceeds from issuance of ordinary shares		-	33,253
Drawdown of loans from a related party		2,564	80,113
Proceeds from other borrowing		-	1,500
Net cash generated from financing activities		25,893	116,635
Net decrease in cash and cash equivalents		(24,136)	(27,875)
Cash and cash equivalents at beginning of the year	15	33,880	60,178
Exchange gains on cash and cash equivalent		9	1,577
Cash and cash equivalents at end of the year	15	9,753	33,880

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

上述合併現金流量表須與隨附附註一併閱讀。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

1 GENERAL INFORMATION

ShiFang Holding Limited (the “Company”) is an investment holding company and its subsidiaries (together, the “Group”) are principally engaged in the business of publishing and advertising (the “Publishing and Advertising Businesses”) in the People’s Republic of China (the “PRC”). The Group has been focusing on restructuring its publishing and advertising businesses by consolidating with cultural media and film media businesses in PRC and diversifying into tourism and integrated developments.

The Company was incorporated in the Cayman Islands on 9 December 2009 as an exempted company with limited liability under the Companies Law (2009 Revision as amended, supplemented or otherwise modified) of the Cayman Islands.

The Company announced on 18 January 2019 that the Company proposed to change the domicile of the Company from the Cayman Islands to Bermuda by way of discontinuation in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The change has been effective on 18 March 2019 (Bermuda time).

The address of its registered office has been changed from PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands to Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda after the change of domicile.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in thousands of units of Renminbi (RMB’000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 7 May 2020.

1 一般資料

十方控股有限公司（「本公司」）為一間投資控股公司，而其附屬公司（統稱「本集團」）主要於中華人民共和國（「中國」）從事出版及廣告業務（「出版及廣告業務」）。本集團一直專注於透過整合中國文化傳媒及電影媒體業務，重組其出版及廣告業務，並跨界旅遊及綜合發展。

本公司於二零零九年十二月九日在開曼群島根據開曼群島公司法（二零零九年修訂版，經修訂、補充或以其他方式修改）註冊成立為獲豁免有限公司。

本公司於二零一九年一月十八日宣佈，本公司建議透過撤銷於開曼群島的註冊及根據百慕達法例以獲豁免公司的形式存續，將本公司由開曼群島遷冊至百慕達。該變更自二零一九年三月十八日（百慕達時間）生效。

於遷冊後，本公司註冊辦事處地址自 PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands 變更為 Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司股份於香港聯合交易所有限公司主板上市。

除另有說明者外，本合併財務報表以人民幣千元呈列。本合併財務報表已於二零二零年五月七日獲董事會批准刊發。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of ShiFang Holding Limited have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRS”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared on a historical cost basis, except for below:

- financial assets at fair value through profit or loss – measured at fair value; and
- biological assets – measured at fair value less costs to sell.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 重大會計政策概要

2.1 編製基準

十方控股有限公司的合併財務報表已按照所有適用國際財務報告準則及香港《公司條例》(第622章)的披露規定編製。合併財務報表乃根據歷史成本基準編製，惟以下各項除外：

- 公允值經損益表入賬的金融資產—按公允值計量；及
- 生物資產—按公允值減出售成本計量。

編製符合國際財務報告準則的合併財務報表需要採用若干關鍵會計估計。管理層亦須在採用本集團會計政策的過程中作出判斷。涉及高度判斷或極為複雜的範疇，或涉及對合併財務報表屬重大的假設及估計的範疇於附註4披露。下文載列編製此等合併財務報表時所應用的主要會計政策。除另有說明者外，該等政策已於所有呈報年度貫徹應用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Going concern

During year ended 31 December 2019, the Group reported a net loss of RMB143,523,000 and had a net cash outflow from operating activities of RMB26,269,000. As at 31 December 2019, the Group's current liabilities exceeds its current assets by RMB20,068,000 while it had cash and cash equivalents of approximately RMB9,753,000.

In early 2020, after the rapid outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak"), a series of precautionary and control measures have been and continued to be implemented across mainland China, including postponement of work resumption after the Chinese New Year holiday in some regions, certain level of restrictions and controls over the travelling of people and traffic arrangements, quarantine of certain residents, heightening of hygiene and epidemic prevention requirements and encouraged social distancing, etc. Such precautionary and control measures is causing short-term disruption to the Group's tourism and integrated developments, whereas the Group's advertising and marketing related services are also affected by the poor consumer sentiment caused by the epidemic. If the present situation in respect of the COVID-19 outbreak continues and the restrictions and control measures are prolonged, the Group's operation performance and cash flow may be further negatively affected.

The above conditions indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group to continue as a going concern.

2 重大會計政策概要 (續)

2.1 編製基準 (續)

持續經營

截至二零一九年十二月三十一日止年度，本集團錄得虧損淨額人民幣143,523,000元及經營活動現金流出淨額人民幣26,269,000元。於二零一九年十二月三十一日，本集團之流動負債超出其流動資產人民幣20,068,000元，而其擁有現金及現金等值項目約人民幣9,753,000元。

於二零二零年初快速爆發二零一九年新型冠狀病毒（「COVID-19爆發」）後，中國大陸已經及繼續於全國落實一系列防控措施，包括部分地區延長中國新年假期後的復工日期、對人員出行及交通運輸安排實施若干程度的限制及管控、隔離部分居民、提高衛生及防疫要求及鼓勵社交隔離。該等防控措施導致本集團的旅遊及綜合發展業務短期中斷，而本集團的廣告及營銷相關服務亦受到疫情導致的疲弱消費者情緒所影響。倘當前COVID-19爆發的局勢延續以及限制及管控措施延長期限，本集團的經營表現及現金流量均可能進一步受到負面影響。

上述情況表明存在重大不確定因素可能導致本集團能否持續經營嚴重成疑。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Going concern (Continued)

The directors of the Company have assessed the appropriateness of adopting the going concern basis for the preparation of the consolidated financial statements for the year ended 31 December 2019. In order to improve the Group's financial position, the directors of the Company have been implementing various measures as follows:

- (i) The Group has been diversifying its business to the tourism and integrated development operations in order to strengthen the Group's operating income and reduce its reliance on the declining printed media business as it is suffering from the competition of new online media. The Group is closely monitoring the impact of the COVID-19 outbreak on the progress of the Group's various projects in the tourism and integrated developments segment and despite there were some delay in the preparation work, the Group anticipates the projects will be ready for commercial operation according to the planned schedule. The Group will commence the commercial operations of its projects when the mainland tourist market condition and customer sentiment resume to normal. The Directors are confident that the Group would be able to commence the commercial operations of its projects in the tourism and integrated developments segment in 2020 which will start generating income and operating cashflows to the Group.

2 重大會計政策概要 (續)

2.1 編製基準 (續)

持續經營 (續)

本公司董事已評估就編製截至二零一九年十二月三十一日止年度合併財務報表採納持續經營基準的適當性。為改善本集團之財務狀況，本公司董事已實施以下若干措施：

- (i) 本集團跨界旅遊及綜合發展業務，以期增加本集團的經營收入，減輕對受到新網絡媒體競爭衝擊而不斷下滑的印刷媒體業務的依賴。本集團密切監控COVID-19爆發對本集團旅遊及綜合發展分類的若干項目進程的影響，儘管籌備工作有所延遲，本集團預期該等項目將按規劃時間表投入商業營運。本集團將於中國大陸旅遊市場狀況及消費者情緒恢復如常時開始其項目的商業營運。董事相信本集團能於二零二零年開始其旅遊及綜合發展分類項目的商業營運，將開始為本集團產生收益及經營現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Going concern (Continued)

- (ii) Subsequent to 31 December 2019, the Group has successfully obtained a revolving bank borrowing facility of RMB5,900,000 that is available for drawdown during the period from 6 April 2020 to 20 March 2021. The amounts drawn under this facility will be repayable a year from the date of drawdown;
- (iii) The Group is in negotiation with a bank to obtain a RMB50 million long term project finance facilities to fund the Group's working capital and capital investment for one of the Group's tourism and integrated development projects. Such borrowing facility is expected to be secured by the Group's properties and properties-held-for-sale with carrying amount of approximately RMB23,790,000 and RMB20,421,000, respectively, as at 31 December 2019. Based on the communication with the Bank, the Directors are confident that such borrowing facilities will be approved by the bank in the second half of 2020;
- (iv) The Group is in discussion with a placing agent to issue new shares of the Company to raise approximately HK\$18,000,000 to finance the Group's working capital needs and this share placement is targeted to complete by June 2020;
- (v) The Group has obtained a written confirmation from a director and his related parties which confirm that they will not demand the Group for repayment of the amount due by the Group of RMB9,966,000 for the next twelve months from 31 December 2019;

2 重大會計政策概要 (續)

2.1 編製基準 (續)

持續經營 (續)

- (ii) 於二零一九年十二月三十一日後，本集團成功取得循環銀行借款融資人民幣5,900,000元，可供提取期間為二零二零年四月六日至二零二一年三月二十日。該融資項下可提取的金額將自提取日期起計一年內償還；
- (iii) 本集團正在與銀行磋商取得人民幣50,000,000元的長期項目融資，為本集團其中一個旅遊及綜合發展項目的營運資金及資本投資提供資金。該借款融資預期以本集團於二零一九年十二月三十一日賬面值分別約為人民幣23,790,000元及人民幣20,421,000元的物業及持作出售物業作抵押。根據與銀行的溝通，董事相信該借款融資將於二零二零年下半年獲得銀行批准；
- (iv) 本集團正與配售代理討論發行本公司新股份，以籌資約18,000,000港元為本集團的營運資金需求提供資金，且該股份配售計劃於二零二零年六月前完成；
- (v) 本集團已取得一名董事及其關連人士發出之確認書，確認彼等將無需本集團償還本集團於自二零一九年十二月三十一日起計未來十二個月到期應還的金額人民幣9,966,000元；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Going concern (Continued)

- (vi) The Group will continue to take initiatives to implement cost control measures, including adjustment to management remuneration and streamlining administrative costs; and

- (vii) The Group will continue its efforts to implement measures to strengthen its working capital position, including expediting collection of outstanding trade receivables, expediting the sales of properties-held-for-sale, deferring discretionary capital expenditures, and seeking equity or project finance for the tourism and integrated development projects, where necessary.

The directors, after making due enquiries and considering the basis of management's projections described above and after taking into account the reasonably possible changes in the operation performance, believe there will be sufficient financial resources available to the Group at least in the coming twelve months to meet its financial obligations as and when they fall due. Accordingly, the directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2 重大會計政策概要 (續)

2.1 編製基準 (續)

持續經營 (續)

- (vi) 本集團將繼續主動採取措施實施成本管控措施，包括調整管理層薪酬及精簡行政成本；及

- (vii) 本集團將繼續努力實施多項措施提升其營運資金狀況，包括加速收回未償還貿易應收款項、推進持作出售物業的銷售、延緩支付酌情資本開支及尋求旅遊及綜合發展項目的股權或項目融資（倘需）。

經詳細查詢，考慮到上述管理層進行預測的基準，並計及營運表現的合理可能變動後，董事相信本集團將具備足夠財務資源供其未來最少十二個月使用，以履行其到期的財務責任。因此，董事認為按持續經營基準編製合併財務報表乃屬適當。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Going concern (Continued)

Notwithstanding the above, material uncertainty exists as to whether management of the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through achieving the above plans and measures:

- (i) Successful implementation of measures to address the disruptions caused by the COVID-19 outbreak so as to complete the preparation work and commence the commercial operation of the projects of the Group's tourism and integrated development projects as planned. Successful implementation of business plan for these project to improve the Group's operating results and generate cash inflow;
- (ii) Successful in securing the project bank borrowings of RMB50 million from the bank in the second half of 2020;
- (iii) Successful in completing the placement of the Company's shares to raise approximately HK\$18,000,000 by June 2020;
- (iv) Successful implementation of measures to control operating cost, expedite collection from customers and generate cash inflow from the sales of property held for sale to improve the Group's cash flow position; and
- (v) Obtaining additional sources of financing as and when needed.

2 重大會計政策概要 (續)

2.1 編製基準 (續)

持續經營 (續)

儘管出現上述情況，本集團管理層是否能實現上述計劃及措施存在重大不確定因素。本集團能否持續經營取決於本集團透過實現上述計劃及措施取得充足融資及經營現金流量的能力：

- (i) 成功實施措施解決COVID-19爆發引起的中斷，以按計劃完成本集團旅遊及綜合發展項目的籌備工作及開始該等項目的商業營運。成功實施該等項目的業務計劃可提升本集團的營運業績及帶來現金流入；
- (ii) 於二零二零年下半年成功自銀行取得項目銀行借款人民幣50百萬元；
- (iii) 於二零二零年六月前成功完成配售本公司股份，以籌資約18,000,000港元；
- (iv) 成功實施措施控制經營成本、加速向客戶的收款進程及銷售持作出售物業產生現金流入，以改善本集團的現金流量狀況；及
- (v) 於需要時獲得更多的融資來源。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Going concern (Continued)

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

(i) Amendments to standards effective in 2019

IFRS 16	Leases
Annual improvements project	Annual Improvements 2015-2017 Cycle
IFRIC 23	Uncertainty over income tax treatment
Amendments to IFRS 9	Prepayment features with negative compensation
Amendments to IAS 28	Long-term interests in associates and joint ventures
Amendments to IAS 19	Defined benefit plan amendment, curtailment or settlement

The Group had to change its accounting policies and make certain retrospective adjustments on the opening consolidated balance sheet on 1 January 2019 following the adoption of IFRS 16. The adoption of other amendments to standards did not have any material impact on the consolidated financial statements for the current year or any prior years.

2 重大會計政策概要 (續)

2.1 編製基準 (續)

持續經營 (續)

倘本集團無法按持續經營基準持續經營，則需要作出調整，以撇減本集團資產的賬面值至其可收回金額，以為日後可能產生的任何負債提供撥備，並將非流動資產及非流動負債分別重新分類至流動資產及流動負債。該等調整的影響尚未於合併財務報表內反映。

(i) 於二零一九年生效之準則修訂本

國際財務報告準則第16號	租賃
年度改進項目	二零一五年至二零一七年週期的年度改進
國際財務報告詮釋委員會第23號	所得稅處理的不確定性
國際財務報告準則第9號的修訂本	具有負補償之提前付款特徵
國際會計準則第28號的修訂本	於聯營公司及合營企業之長期權益
國際會計準則第19號的修訂本	界定福利計劃修訂、縮減或結算

於採納國際財務報告準則第16號後，本集團須更改其會計政策，並對二零一九年一月一日之年初合併資產負債表作出追溯調整。採納該等準則的其他修訂本並未對本年度或任何過往年度的合併財務報表產生任何重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

- (ii) New standards, amendments to standards and interpretations that are not yet effective and have not been early adopted by the Group

Amendments to IFRS 3	Definition of a business ¹
Amendments to IAS 1 and IAS 8	Definition of material ¹
Conceptual framework for financial reporting 2018	Revised conceptual framework for financial reporting ¹
IFRS 7, IFRS 9 and IAS 39	Interest rate benchmark reform – amendment to IFRS 7, IFRS 9 and IAS 39 ¹
IFRS 17	Insurance contract ²
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture ³

¹ Effective for annual periods beginning on or after 1 January 2020

² Effective for annual periods beginning on or after 1 January 2021

³ Effective date to be determined

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2020 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group.

2 重大會計政策概要 (續)

2.1 編製基準 (續)

- (ii) 尚未生效且本集團並無提早採納之新準則、準則修訂本及詮釋

國際財務報告準則第3號的修訂本	業務的定義 ¹
國際會計準則第1號及國際會計準則第8號的修訂本	重大的定義 ¹
二零一八年財務報告概念框架	經修訂財務報告概念框架 ¹
國際財務報告準則第7號、國際財務報告準則第9號及國際會計準則第39號	利率基準變革 – 國際財務報告準則第7號、國際財務報告準則第9號及國際會計準則第39號的修訂本 ¹
國際財務報告準則第17號	保險合約 ²
國際財務報告準則第10號及國際會計準則第28號的修訂本	投資者與其聯營公司或合營企業之間出售或注入資產 ³

¹ 於二零二零年一月一日或之後開始的年度期間生效

² 於二零二一年一月一日或之後開始的年度期間生效

³ 尚未釐定生效日期

多項新準則、準則修訂本及詮釋於二零二零年一月一日或之後開始的年度期間生效，且於編製該等合併財務報表時尚未採用。該等新準則、準則修訂本及詮釋預期不會對本集團的合併財務報表產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

This note explains the impact of the adoption of IFRS 16, "Leases" on the Group's consolidated financial statements.

The Group has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 2.28.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.8%.

2 重大會計政策概要 (續)

2.2 會計政策變動

本附註闡釋採納國際財務報告準則第16號「租賃」對本集團合併財務報表之影響。

本集團已自二零一九年一月一日起追溯採納國際財務報告準則第16號，根據該準則中特定過渡條文，本集團並未重列二零一八年報告期的比較數字。因此，有關新租賃規則產生的重新分類及調整於二零一九年一月一日的年初合併資產負債表中確認。新會計政策於附註2.28披露。

於採納國際財務報告準則第16號後，本集團已就過往根據國際會計準則第17號租賃原則分類為「經營租賃」的租賃確認租賃負債。該等負債按餘下租賃付款的現值計量，並使用截至二零一九年一月一日的承租人增量借款利率貼現。於二零一九年一月一日應用於租賃負債的加權平均承租人增量借款利率範圍為4.8%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(i) Practical expedients applied

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

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- reliance on previous assessments on whether leases are onerous
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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

2 重大會計政策概要 (續)

2.2 會計政策變動 (續)

(i) 所採用的實務權宜法

於首次應用國際財務報告準則第16號時，本集團已採用準則允許之以下實務權宜法：

- 對具有合理相似特徵的租賃組合採用單一貼現率
- 將餘下租期於二零一九年一月一日起計少於12個月的經營租賃入賬作為短期租賃
- 依賴過往對租賃是否屬虧損性的評估
- 於首次應用日期計量使用權資產時剔除初步直接成本；及
- 當合約包含延長或終止租約的選擇權時，以後見之明確定租期。

本集團亦已選擇不重新評估在首次應用日期合約是否為或包含租賃。相反，對於在過渡日期之前訂立的合約，本集團依賴其採用國際會計準則第17號及國際財務報告詮釋委員會詮釋第4號確定安排是否包含租賃作出的評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(ii) Measurement of lease liabilities

2 重大會計政策概要 (續)

2.2 會計政策變動 (續)

(ii) 計量租賃負債

		RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露之經營租賃承擔	9,102
Discounted using the lessee's incremental borrowing rate at the date of initial application	於首次應用日期使用承租人增量借款利率貼現	(439)
(Less): short-term leases recognised on a straight-line basis	(減): 按直線法確認之短期租賃	(392)
(Less): low-value leases recognised on a straight-line basis	(減): 按直線法確認之低價值租賃	(46)
Add: adjustments as a result of a different treatment of termination options	加: 因對終止選擇權進行不同處理作出之調整	6,251
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認之租賃負債	14,476
Of which are:	其中:	
Current lease liabilities	即期租賃負債	5,372
Non-current lease liabilities	非即期租賃負債	9,104
		14,476

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(ii) Measurement of lease liabilities (Continued)

The recognised right-of-use assets are solely related to rented land and properties. The associated right-of-use assets were measured on a retrospective basis as if the new rules had always been applied. The right-of-use assets at 1 January 2019 have been adjusted for the amount of provision for onerous leases recognised in the consolidated balance sheet immediately before the adoption of IFRS 16 on 1 January 2019.

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- right-of-use assets – increase by RMB10,679,000
- lease liabilities – increase by RMB14,476,000
- other payable – decrease by RMB3,368,000
- exchange reserve – decrease by RMB28,000
- non-controlling interests – decrease by RMB114,000

The net impact on accumulated deficits on 1 January 2019 was an increase of RMB287,000.

Loss per share decreased by RMB0.0006 for the year ended 31 December 2019 as a result of the adoption of IFRS 16.

2 重大會計政策概要 (續)

2.2 會計政策變動 (續)

(ii) 計量租賃負債 (續)

已確認使用權資產僅與租賃土地及物業相關。相關使用權資產按追溯基準計量，猶如該等資產始終採用新準則。於二零一九年一月一日之使用權資產已就緊隨二零一九年一月一日採納國際財務報告準則第16號前於合併資產負債表內確認之虧損性租賃撥備金額作出調整。

於二零一九年一月一日，會計政策變動影響下列資產負債表內的項目：

- 使用權資產—增加人民幣10,679,000元
- 租賃負債—增加人民幣14,476,000元
- 其他應付款項—減少人民幣3,368,000元
- 匯兌儲備—減少人民幣28,000元
- 非控股權益—減少人民幣114,000元

對二零一九年一月一日累計虧絀之淨影響為增加人民幣287,000元。

因採納國際財務報告準則第16號，截至二零一九年十二月三十一日止年度每股虧損減少人民幣0.0006元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(iii) The Group's leasing activities and how these are accounted for

The Group leases various land and properties as offices. Rental contracts are typically made for fixed periods of 1 to 41 years but may have termination options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the year ended 31 December 2018, the Group's leases were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and the corresponding liabilities at the date at which the respective leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

2 重大會計政策概要 (續)

2.2 會計政策變動 (續)

(iii) 本集團的租賃活動及其會計處理方式

本集團租賃多幅土地及物業作辦公室用途。租賃合約的固定期限通常為1至41年，但可能有下文所述之終止選擇權。租賃條款按個別基準進行磋商，包含多項不同的條款及條件。租賃協議並無強加任何契諾，惟租賃資產不得就借款用途用作抵押。

直至二零一八年十二月三十一日止年度，本集團的租賃分類為經營租賃。根據經營租賃支付的款項（扣除已收出租人的任何優惠）以直線法於租期內自損益扣除。

自二零一九年一月一日起，租賃在各租賃資產可供本集團使用之日確認為使用權資產及相應負債。每筆租賃付款乃分配至負債及財務成本。財務成本於租期內自損益扣除，以計算出各期間負債結餘的固定週期利率。使用權資產乃以直線法按資產的可使用年期與租期兩者之中較短者折舊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(iii) The Group's leasing activities and how these are accounted for (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

2 重大會計政策概要 (續)

2.2 會計政策變動 (續)

(iii) 本集團的租賃活動及其會計處理方式 (續)

租賃產生的資產及負債初步以現值基準計量。租賃負債包括以下租賃付款之現值淨額：

- 定額付款 (包括實質定額付款)，扣減任何應收租賃優惠
- 基於某項指數或比率的可變租賃付款
- 承租人預期根據剩餘價值擔保應付的金額
- 購買選擇權的行使價，惟承租人合理確定行使該選擇權；及
- 倘租期反映承租人行使終止選擇權時，有關終止租賃的罰款。

租賃付款採用租賃所隱含的利率予以貼現。倘無法釐定該利率，則使用承租人的增量借款利率，即承租人在類似條款及條件的類似經濟環境中借入獲得類似價值資產所需資金所必須支付的利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(iii) The Group's leasing activities and how these are accounted for (Continued)

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The termination options held are exercisable only by the Group and not by the respective lessor.

(iv) Estimates

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 31 December 2018.

2 重大會計政策概要 (續)

2.2 會計政策變動 (續)

(iii) 本集團的租賃活動及其會計處理方式 (續)

與短期租賃及低價值資產租賃相關的付款以直線法於損益中確認為開支。短期租賃指租賃期為12個月或少於12個月的租賃。

本集團的多項租賃包括終止選擇權。該等條款乃用於就管理合約令經營靈活性最大化。所持終止選擇權僅可由本集團而非各出租人行使。

(iv) 估計

管理層於編製合併財務報表時需要作出判斷、估計及假設，而此等判斷、估計及假設會影響會計政策的應用以及資產負債及收支的已呈報金額。實際結果可能有別於此等估計。

於編製本合併財務報表時，管理層就應用本集團會計政策作出的重大判斷及估計不確定性的主要來源與截至二零一八年十二月三十一日止年度的合併財務報表所應用者相同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principal of consolidation

(a) Subsidiaries

Consolidation

Subsidiaries are all entities (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

2 重大會計政策概要 (續)

2.3 合併入賬原則

(a) 附屬公司

合併入賬

附屬公司為受本集團控制的實體(包括結構性實體)。當本集團因參與實體的營運而承擔可變回報的風險或享有可變回報的權利，並有能力透過其對該實體的權力影響有關回報時，本集團即控制該實體。附屬公司自控制權轉讓予本集團當日起合併入賬，並自該項控制權終止當日起終止合併入賬。

集團內公司間交易、結餘及集團內公司間交易未變現收益均會抵銷。未變現虧損亦會抵銷，惟該交易有證據顯示已轉讓資產出現減值則除外。附屬公司的會計政策已在有需要時作出調整，以確保與本集團所採納有關政策一致。

附屬公司業績及權益中的非控股權益分別於合併全面收益表、合併權益變動表及合併資產負債表中單獨呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principal of consolidation (Continued)

(a) Subsidiaries (Continued)

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 重大會計政策概要 (續)

2.3 合併入賬原則 (續)

(a) 附屬公司 (續)

出售附屬公司

本集團失去控制權時，於實體的任何保留權益將按失去控制權當日的公允值重新計量，有關賬面金額變動在損益賬內確認。就其後入賬列作聯營公司、合資企業或金融資產的保留權益，其公允值為初始賬面金額。此外，先前於其他全面收益內確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。這意味著先前在其他全面收益內確認的金額重新分類至損益賬。

獨立財務報表

於附屬公司的投資乃以成本減減值的方法記賬。成本包括投資的直接應佔成本。附屬公司的業績由公司按已收及應收股息入賬。

當收到於附屬公司的投資的股息，而股息超過附屬公司在宣派股息期間的全面收益總額，或倘獨立財務報表的投資賬面金額超過被投資方淨資產（包括商譽）在合併財務報表的賬面金額，則必須對有關投資進行減值測試。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principal of consolidation (Continued)

(b) Structured entity

The consolidated financial statements include the financial statements of the Company, its subsidiaries, and structured entity where the Company is deemed the primary beneficiary. Fuzhou DingCe Culture, one of the Company's wholly-owned subsidiaries, entered into contractual agreements with Beijing BaiChuanDuKe (the "Structural Agreements"), where Fuzhou DingCe Culture provides consulting services to Beijing BaiChuanDuKe, and is entitled to (1) receive a substantial portion of the economic benefits from Beijing BaiChuanDuKe; (2) exercise effective control over Beijing BaiChuanDuKe, and (3) have an exclusive option to purchase all or part of the equity interests in Beijing BaiChuanDuKe when and to the extent permitted by the PRC laws. By virtue of the contractual arrangements, Beijing BaiChuanDuKe is a structured entity and deemed as subsidiary of the Company under the requirements of IFRS 10 "Consolidated financial statements".

2 重大會計政策概要 (續)

2.3 合併入賬原則 (續)

(b) 結構性實體

合併財務報表包括本公司、其附屬公司及本公司被視為首要受益人的結構性實體的財務報表。本公司全資附屬公司福州鼎策文化與北京百傳讀客訂立合約性協議（「架構協議」），據此，福州鼎策文化向北京百傳讀客提供諮詢服務，並有權(1)收取來自北京百傳讀客的絕大部分經濟利益；(2)對北京百傳讀客實施有效控制；及(3)擁有在中國法律允許的時間及範圍內購買北京百傳讀客全部或部分股權的獨家選擇權。憑藉該等合約安排，北京百傳讀客為結構性實體，且根據國際財務報告準則第10號「合併財務報表」的規定被視為本公司的附屬公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principal of consolidation (Continued)

(b) Structured entity (Continued)

When assessing whether to combine a structured entity, the Group evaluates a range of factors, including whether (1) the activities of the structured entity are being conducted on behalf of the Group according to its specific business needs so that the Group obtains the benefits from the structured entity's operations, (2) the Group has decision-making powers to obtain the majority of the benefits, (3) the Group obtains the majority of the benefits of the activities of the structured entity, and (4) the Group retains the majority of the residual ownership risks related to the assets in order to obtain the benefits from its activities. The Group consolidates a structured entity if an assessment of the relevant factors indicates that it controls the structured entity.

Based on the contractual arrangements, the Company consolidated Beijing BaiChuanDuKe's results, assets and liabilities in its consolidated financial statements.

2 重大會計政策概要 (續)

2.3 合併入賬原則 (續)

(b) 結構性實體 (續)

當評估是否將結構性實體合併入賬時，本集團會評估多項因素，包括(1)結構性實體業務活動是否根據其特殊業務需要代表本集團進行，而本集團因此從結構性實體業務中獲利；(2)本集團是否擁有獲得大多數利益的決策權；(3)本集團是否獲得結構性實體業務活動的大多數利益；及(4)本集團是否保留大多數與資產有關的餘下擁有權風險以從其業務活動中獲利。倘評估相關因素後顯示其控制結構性實體，則本集團會將結構性實體合併入賬。

基於該等合約安排，本公司將北京百傳讀客的業績、資產及負債於十方控股有限公司的合併財務報表合併入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principal of consolidation (Continued)

(c) Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2 重大會計政策概要 (續)

2.3 合併入賬原則 (續)

(c) 聯營公司

聯營公司指本集團對其有重大影響力而無控制權的實體，通常附帶有20%至50%投票權的股權。於聯營公司的投資以權益會計法入賬。根據權益法，投資初步按成本確認，並調高或調低賬面金額以確認投資者於收購日期後應佔的被投資方損益。在收購聯營公司的擁有權權益時，該聯營公司的成本與本集團應佔該聯營公司可識別資產及負債的公允淨值的任何差額會入賬列為商譽。

倘於聯營公司的擁有權權益減少，而重大影響力獲保留，則先前於其他全面收益內確認的金額僅有一定比例部分重新分類至損益賬（視情況而定）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principal of consolidation (Continued)

(c) Associates (Continued)

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of losses of associates' for using equity method in the consolidated statement of comprehensive income.

2 重大會計政策概要 (續)

2.3 合併入賬原則 (續)

(c) 聯營公司 (續)

本集團應佔的收購後溢利或虧損於合併全面收益表內確認，應佔收購後其他全面收益的變動則於其他全面收益內確認，而投資賬面金額會作相應調整。當本集團應佔聯營公司虧損等於或超過其佔聯營公司的權益（包括任何其他無抵押應收款項）時，本集團不再確認進一步虧損，除非本集團須承擔法定或推定負債或代聯營公司支付款項。

本集團在每個報告日期釐定於聯營公司的投資是否存在客觀減值證據。倘存在減值證據，則本集團會按聯營公司可收回金額與其賬面值差額計算減值金額，並使用權益法於合併全面收益表「應佔聯營公司虧損」確認有關金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principal of consolidation (Continued)

(c) Associates (Continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognised in the consolidated statement of comprehensive income.

2.4 Business combination

The Group applies acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

2 重大會計政策概要 (續)

2.3 合併入賬原則 (續)

(c) 聯營公司 (續)

本集團與其聯營公司之間的上游及下游交易產生的溢利及虧損於本集團的財務報表內確認，惟僅以聯營公司中的非關連投資者權益為限。未變現虧損已對銷，除非有關交易有證據顯示所轉讓資產出現減值。聯營公司的會計政策已作必要更改，以確保與本集團所採納政策貫徹一致。

攤薄於聯營公司的股權所產生的收益或虧損於合併全面收益表內確認。

2.4 業務合併

本集團應用收購法為業務合併入賬。就收購一間附屬公司所轉讓之代價為所轉讓資產、欠付被收購方前擁有人之負債及本集團所發行股權之公允值。所轉讓代價包括因或然代價安排產生之任何資產或負債之公允值。於業務合併時所收購之可識別資產及所承擔之負債及或有負債，初步按收購日期之公允值計量。

收購相關成本於產生時支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Business combination (Continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

Intra-group transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2 重大會計政策概要 (續)

2.4 業務合併 (續)

所轉讓代價、被收購方之任何非控制性權益金額及任何先前於被收購方之股權於收購日期之公允值超逾所收購可識別淨資產公允值之差額，乃入賬列作商譽。就溢價購買而言，倘轉讓代價、已確認非控股權益及先前持有的權益總額低於所收購附屬公司資產淨值的公允值，其差額將直接於合併全面收益表內確認。

集團內公司間之交易、結餘、收入及開支均會予以對銷。於資產確認的集團內公司間交易所產生的溢利及虧損亦會予以對銷。附屬公司之會計政策已於必要時作出改變，以確保與本集團所採納之政策保持一致。附屬公司所呈報之金額已於必要是作出改變，以符合本集團之會計政策。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors (the “Board”) that makes strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statements of comprehensive income.

2 重大會計政策概要 (續)

2.5 分類報告

經營分類按與向首席營運決策人(「首席營運決策人」)作內部呈報者一致的方式呈報。首席營運決策人負責分配資源及評核經營分類的表現，被認定為負責作出策略決定的董事會(「董事會」)。

2.6 外幣換算

(a) 功能及呈列貨幣

本集團旗下各實體財務報表計入的項目，均以該實體經營所在主要經濟環境的通行貨幣(「功能貨幣」)計量。合併財務報表以人民幣呈列，而人民幣為本公司功能貨幣及本集團呈列貨幣。

(b) 交易及結餘

外幣交易均按交易當日或倘有關項目經重計則按估值當日的匯率換算為功能貨幣。因結算該等交易及按年終匯率換算以外幣列值的貨幣資產和負債而產生的外匯收益及虧損均在合併全面收益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

All foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'general and administrative expenses'.

(c) Group companies

The results and financial positions of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

2 重大會計政策概要 (續)

2.6 外幣換算 (續)

(b) 交易及結餘 (續)

所有外匯收益及虧損均於合併全面收益表的「一般及行政開支」內呈列。

(c) 集團公司

功能貨幣有別於呈列貨幣的海外經營實體(並不涉及嚴重通脹經濟地區的貨幣)的業績及財務狀況,按下述方式換算為呈列貨幣:

- (i) 各資產負債表內呈列的資產與負債以該資產負債表結算日的收市匯率換算;
- (ii) 各全面收益表內的收入及支出乃按平均匯率換算,惟倘該平均值並非交易日通行匯率累計影響的合理約數,則收入及支出按交易日的匯率換算;及
- (iii) 所產生的所有匯兌差額均於其他全面收益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation (Continued)

(c) Group companies (Continued)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

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

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

2 重大會計政策概要 (續)

2.6 外幣換算 (續)

(c) 集團公司 (續)

於綜合賬目時，因換算海外實體投資淨額而產生的匯兌差額乃計入其他全面收益。當出售海外業務時，相關匯兌差額作為出售的部分收益或虧損重新分類為損益。

因收購海外實體而產生的商譽及公允值調整，均視作為該海外實體的資產及負債處理，並以收市匯率換算。

2.7 物業、廠房及設備

物業、廠房及設備按過往成本減累計折舊及累計減值虧損入賬。過往成本包括收購項目直接應佔的開支。

當項目相關的未來經濟利益可能會流入本集團及能可靠地計算項目成本時，其後成本方會視適用情況計入資產賬面金額或確認為獨立資產。替代部分的賬面金額會終止確認。所有其他維修及保養於產生財政期間自合併全面收益表扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Property, plant and equipment (Continued)

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	40 years
樓宇	40年
Leasehold improvements	5 – 10 years or the remaining term of any non-renewable lease, whichever is shorter
租賃物業裝修	5至10年或不可重續租賃的餘下年期(以較短者為準)
Machinery	5 – 10 years
機器	5至10年
Fixture, furniture and equipment	5 years
裝置、傢俬及設備	5年
Motor vehicles	5 – 10 years
汽車	5至10年
Exhibition animals	5 years
展覽動物	5年
Bearer plants	15 – 25 years
生產性植物	15至25年

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

The Group's golden camellia trees qualify as bearer plants under the definition in IAS 41 "Agriculture" and are therefore accounted for under the rules for plant and equipment. Golden camellia trees are classified as immature until the produce can be commercially harvested. At that point they are reclassified and depreciation commences. Immature golden camellia trees are measured at accumulated cost.

2 重大會計政策概要(續)

2.7 物業、廠房及設備(續)

物業、廠房及設備的折舊以直線法計算，按估計可使用年期將成本分攤至其剩餘價值。有關年期如下：

資產的剩餘價值及可使用年期在各報告期末進行審閱，並在適當時作出調整。

本集團的金花茶樹合資格為國際會計準則第41號「農業」所界定的生產性植物，因此按廠房及設備規則入賬。金花茶樹於能產生商業收成前分類為未成熟的生產性植物。其後會被重新分類及開始計提折舊。未成熟金花茶樹按累計成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Property, plant and equipment (Continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'General and administrative expenses' in the consolidated statement of comprehensive income.

2.8 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

2 重大會計政策概要 (續)

2.7 物業、廠房及設備 (續)

倘資產的賬面金額超過其估計可收回金額，則資產的賬面金額即時撇減至其估計可收回金額（附註 2.9）。

出售產生的收益及虧損乃透過比較所得款項與賬面金額而釐定，並於合併全面收益表的「一般及行政開支」內確認。

2.8 無形資產

商譽

收購附屬公司所產生的商譽，指所轉讓代價、於被收購方的任何非控股權益金額及於被收購方的任何先前股權的收購日公允值超出所收購可識別淨資產的公允值的差額。

就減值測試而言，因業務合併獲得的商譽會分配至預期將受惠於合併的協同效應的各個或各組現金產生單位。獲分配商譽的各單位或各組單位指實體內為內部管理目的而對商譽進行監督的最低層面。商譽按經營分類層面監督。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets (Continued)

Goodwill (Continued)

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Trademarks and licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of seven years.

Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate over the expected life of the customer relationship of three years.

2 重大會計政策概要 (續)

2.8 無形資產 (續)

商譽 (續)

商譽會每年進行減值檢討，或當有事件出現或情況轉變顯示可能出現減值時，作出更頻密檢討。包括商譽在內的現金產生單位的賬面值與可收回金額作比較，可收回金額為使用價值與公允值減去銷售成本後的數額兩者的較高者。任何減值即時確認為開支，且其後不會撥回。

商標及特許權

分開購入的商標及特許權按歷史成本列示。經業務合併購入的商標及特許權按於收購當日的公允值確認。商標及特許權有限定可使用年限，並按成本減累計攤銷列賬。攤銷利用直線法將商標及特許權的成本於其估計可使用年限七年攤分計算。

合約客戶關係

經業務合併獲得的合約客戶關係按收購當日的公允值確認。合約客戶關係具有有限定可使用年限，並按成本減累計攤銷列賬。攤銷利用直線法於客戶關係的預計年期三年攤分計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets (Continued)

Computer software and web site

Costs associated with maintaining computer software program and web site are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique computer software and web site controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the computer software and web site so that they will be available for use;
- Management intends to complete the computer software and web site, and use or sell them;
- There is an ability to use or sell the computer software and web site;
- It can be demonstrated how the computer software and web site will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the computer software and web site are available; and
- The expenditure attributable to the computer software and web site during their development can be reliably measured.

2 重大會計政策概要 (續)

2.8 無形資產 (續)

電腦軟件及網站

有關維護電腦軟件程式及網站的成本在產生時確認為開支。直接歸屬於設計及測試由本集團控制的可識別及獨特電腦軟件及網站的開發成本，會於符合以下標準時確認為無形資產：

- 於完成電腦軟件及網站使其可供使用方面，屬技術上可行者；
- 管理層有完成該電腦軟件及網站並使用或將其出售的意圖；
- 有使用或出售該電腦軟件及網站的能力；
- 能顯示該電腦軟件及網站將可能產生未來經濟利益；
- 有足夠的技術、財務及其他資源完成開發及使用或出售該電腦軟件及網站；及
- 能可靠地計量開發該電腦軟件及網站應佔的支出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets (Continued)

Computer software and web site (Continued)

Directly attributable costs that are capitalised as part of the computer software and web site cost include the software development employee costs. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Remaining computer software and web site costs recognised as assets are amortised over their estimated useful lives and the terms of validity granted by corresponding authorities, which are three years.

Right to a land lease

Right to a land lease represents the operating lease with favourable terms relative to market terms as acquired in a business combination that is recognised at fair value at the acquisition date. The right to a land lease has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected useful life of 41 years.

Township operation right

Township operation right represents a 40-years' exclusive operation right to develop, construct, manage and operate commercial activities in the operation site. The township operation right are shown at historical cost. It has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected useful life of 40 years.

2 重大會計政策概要 (續)

2.8 無形資產 (續)

電腦軟件及網站 (續)

資本化為電腦軟件及網站成本一部分的直接應佔成本包括參與軟件開發的僱員成本。其他不符合該等標準的開發支出於產生時確認為開支。先前確認為開支的開發成本不會在後續期間確認為資產。

確認為資產的餘下電腦軟件及網站成本於其估計可使用年期及相關機關授予的三年有效期攤銷。

土地租賃權

土地租賃權指因業務合併獲得的經營租賃(享有較市場條款有利的條款)，乃按於收購日期的公允值確認。土地租賃權有限定可使用年限，並按成本減累計攤銷列賬。攤銷利用直線法於預期可使用年限41年攤分計算。

小鎮項目經營權

小鎮項目經營權指以於經營選址內進行開發、建設、管理及商業運營活動的40年獨家經營權。小鎮項目經營權按歷史成本呈列。其擁有限定可使用年期，並按成本減累計攤銷列賬。攤銷利用直線法於預期使用年限40年攤分計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets (Continued)

Township operation right (Continued)

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised as an expense as incurred.

2.9 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 重大會計政策概要 (續)

2.8 無形資產 (續)

小鎮項目經營權 (續)

已資本化的無形資產其後開支僅於與其有關之特定資產所附帶日後經濟利益增加時方予撥充資本。所有其他支出均於產生時確認為開支。

2.9 非金融資產減值

可使用年限不受限定的商譽及無形資產或尚未可供使用的無形資產毋須攤銷，但每年須就減值進行測試。須攤銷的資產會於出現顯示賬面金額可能無法收回的事件或情況轉變時檢討有否減值。當資產賬面金額高於可收回金額時，會將差額確認為減值虧損。可收回金額即資產公允值扣除銷售成本後的數額與使用價值兩者的較高者。為評估減值，資產按獨立可識別現金流量的最低級別（現金產生單位）分類。商譽以外的非金融資產若出現減值，則須於各報告日期評估其能否撥回減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Properties held for sale

Properties are classified as properties held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

2.11 Biological assets

Biological assets are measured at fair value less cost to sell, see Note 10 for further information on determining the fair value.

Costs to sell include the incremental selling costs, including commission and estimated costs of transport to the market but excludes finance costs and income taxes.

The golden camellia trees are bearer plants and are therefore presented and accounted for as property, plant, and equipment (Note 7). However, the golden camellia flowers growing on the trees is accounted for as biological assets until the point of harvest. Harvested golden camellia are transferred to inventory at fair value less costs to sell when harvested.

Changes in fair value of golden camellia flowers on trees are recognised in the consolidated statement of comprehensive income.

Farming costs such as labour costs and fertiliser costs are expensed as incurred.

2 重大會計政策概要 (續)

2.10 持作出售物業

當物業的賬面金額將主要透過一項出售交易收回而該項出售被視為極有可能，則分類為持作出售物業。倘該等物業的賬面金額將主要透過一項出售交易而非持續使用而收回，則該等物業按賬面金額與公允值減去銷售成本後的數額兩者的較低者列賬。

2.11 生物資產

生物資產按公允值減銷售成本計量，有關釐定其公允值之進一步詳情見附註10。

銷售成本包括遞增銷售成本，包括佣金及市場運輸估計成本，但不包括財務成本及所得稅。

金花茶樹為生產性植物，因此按物業、廠房及設備呈列及列賬（附註7）。然而，正在樹上生長的金花茶於收成前按生物資產列賬。收成後的金花茶於收成時按公允值減銷售成本轉化至存貨。

金花茶樹之公允值變動於合併全面收益表內確認。

勞工成本及肥料費等農業成本於產生時支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2 重大會計政策概要 (續)

2.12 投資及其他金融資產

分類

本集團按以下計量類別分類其金融資產：

- 其後按公允值計量之金融資產（經其他全面收益或經損益表呈列），及
- 按攤銷成本計量之金融資產

該分類取決於主體管理金融資產的業務模式以及該資產的合同現金流量特徵。

就按公允值計量的資產而言，其收益及虧損於損益或其他全面收益內列賬。對於並非持作買賣的權益工具投資，則取決於本集團是否不可撤回地選擇於初始確認時列作公允值經其他全面收益入賬的權益投資。

本集團於且僅於其管理該等資產之業務模式變動時重新分類其債務投資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

2 重大會計政策概要 (續)

2.12 投資及其他金融資產 (續)

計量

於初始確認時，本集團的金融資產按公允值計量，另加（倘屬並非公允值經損益表入賬的金融資產）收購該金融資產產生的直接交易成本。公允值經損益表入賬的金融資產的交易成本於損益內列作開支。

對於包含嵌入式衍生工具的金融資產，會全面考慮其現金流量是否僅代表對本金和利息的支付。

債務工具

債務工具的后續計量取決於本集團管理資產的業務模式及資產的現金流量特徵。本集團將其債務工具分類為三種計量類別：

- 攤銷成本：倘為收取合約現金流量而持有的資產的現金流量僅為本金及利息付款，則該等資產按攤銷成本計量。該等金融資產的利息收入採用實際利率法計入財務收入。終止確認時產生的任何收益或虧損直接於損益中確認，並於其他虧損內呈列。減值虧損於全面收益表內作為單獨項目列示。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other losses. Interest income from these financial assets is included in finance income using the effective interest rate method. Net foreign exchange gains and losses are presented in general and administrative expenses and impairment expenses are presented as separate line item in the consolidated statement of comprehensive income.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other losses in the period in which it arises.

2 重大會計政策概要 (續)

2.12 投資及其他金融資產 (續)

債務工具 (續)

- 公允值經其他全面收益入賬：倘為收取合約現金流量及出售金融資產而持有的資產的現金流量僅為本金及利息付款，則該等資產按公允值經其他全面收益入賬計量。賬面值變動乃透過其他全面收益確認，惟就確認減值收益或虧損，利息收入及外匯收益及虧損於損益確認。終止確認金融資產時，先前於其他全面收益確認的累計收益或虧損將自權益重新分類至損益並於其他虧損中確認。來自該等金融資產的利息收入採用實際利率法計入財務收入。外匯收益及虧損淨額於合併全面收益表內作為一般及行政開支呈列，而減值開支則作為單獨項目呈列。
- 公允值經損益表入賬：不符合攤銷成本或公允值經其他全面收益入賬標準的資產按公允值經損益表入賬計量。其後公允值經損益表入賬的債務投資產生的收益或虧損於損益內確認並於其產生期間的其他虧損以淨值列示。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other financial assets at amortised cost, the Group measures the impairment as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2 重大會計政策概要 (續)

2.12 投資及其他金融資產 (續)

減值

本集團按前瞻性基準評估與其以攤銷成本列賬的債務工具相關的預期信貸虧損。所應用的減值方法取決於信貸風險是否顯著增加。

就貿易應收款項及合約資產而言，本集團採用國際財務報告準則第9號所允許的簡化方法，該方法規定預期信貸虧損將自初始確認應收款項起確認。

按攤銷成本列賬之其他金融資產而言，本集團按12個月預期信貸虧損或全期預期信貸虧損計量減值，視乎信貸風險自初始確認後是否有大幅增加而定。倘應收款項之信貸風險自初始確認起大幅增加，減值乃按全期預期信貸虧損計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

Impairment (Continued)

(a) *Assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

2 重大會計政策概要 (續)

2.12 投資及其他金融資產 (續)

減值 (續)

(a) *按攤銷成本列賬的資產*

本集團於各報告期末評估是否有客觀證據表明一項或一組金融資產出現減值。僅於有客觀證據顯示因資產在初始確認後發生一項或多項事件(「虧損事件」)而出現減值,並能夠可靠地估計虧損事件對一項或一組金融資產估計未來現金流量構成的影響時,該項或該組金融資產方會減值並產生減值虧損。

本集團用以釐定是否有客觀證據顯示出現減值虧損的標準包括:

- 債務人有重大財務困難;
- 違反合約,如拖欠或欠繳利息或本金款項;
- 因與借款人的財政困難相關的經濟或法律原因,本集團給予借款人在一般情況下貸款人不會考慮的優惠條件;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

Impairment (Continued)

(a) Assets carried at amortised cost (Continued)

- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio; and
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

2 重大會計政策概要 (續)

2.12 投資及其他金融資產 (續)

減值 (續)

(a) 按攤銷成本列賬的資產 (續)

- 借款人有可能破產或進行其他財務重組；
- 財政困難導致該金融資產的活躍市場消失；或
- 顯示金融資產組合所產生估計未來現金流量自該等資產獲初始確認起有可量度減幅（即使未能於組合內個別金融資產內識別有關減幅）的可觀察數據，包括：
 - (i) 組合內借款人的還款狀況有不利轉變；及
 - (ii) 與組合內資產逾期還款相關的國家或地區經濟狀況。

本集團首先評估是否存在減值的客觀證據。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

Impairment (Continued)

(a) *Assets carried at amortised cost (Continued)*

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

2 重大會計政策概要 (續)

2.12 投資及其他金融資產 (續)

減值 (續)

(a) *按攤銷成本列賬的資產 (續)*

虧損金額按資產賬面金額與按金融資產原實際利率折現的估計未來現金流量現值 (不包括尚未產生的未來信貸虧損) 之間的差額計量。資產賬面金額會予以削減，而虧損金額會於合併全面收益表內確認。倘貸款按浮動利率計息，則計量任何減值虧損的折現率為根據合約釐定的當前實際利率。在實際運作上，本集團可能以可觀察市價釐定的工具公允值為基準計量減值。

倘減值虧損金額在往後期間減少，減幅亦可與確認減值後發生的事件有客觀關連 (例如債務人信貸評級改善)，則於合併全面收益表內確認撥回過往已確認的減值虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.14 Financial guarantees

Financial guarantee are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

2 重大會計政策概要 (續)

2.13 抵銷金融工具

當有可依法執行抵銷已確認金額的權利，並有意按淨額基準結算或同一時間變現資產及清償負債時，金融資產及負債予以抵銷，淨額於資產負債表內呈列。可合法強制執行的權利不得視未來事件而定，必須於正常業務過程中及本公司或交易對手違約、無力償債或破產的事件中可強制執行。

2.14 財務擔保

財務擔保於發出擔保時確認為金融負債。負債初步按公允值計量，其後按以下兩者中之較高者計量：

- 根據國際財務報告準則第9號金融工具項下之預期信貸虧損釐定的金額；及
- 首次確認的金額減根據國際財務報告準則第15號客戶合約收益原則確認的累計收入金額（如適用）。

財務擔保公允值按債務工具下的合約付款與在無擔保下須作出的付款之間的現金流量差額的現值，或就承擔責任而須向第三方支付估計金額釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Financial guarantees (Continued)

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods comprises of newsprint paper and printing consumables. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.16 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See Note 14 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's impairment policies.

2 重大會計政策概要 (續)

2.14 財務擔保 (續)

倘按無償方式就聯營公司的貸款或其他應付款項作出擔保，則公允值按出資入賬，並確認為部分投資成本。

2.15 存貨

存貨按成本與可變現淨值兩者的較低者入賬。成本按加權平均法釐定。製成品的成本包括新聞紙及印刷耗材。可變現淨值指日常業務過程中的估計售價減適用可變銷售開支。

2.16 貿易及其他應收款項

貿易應收款項為在日常業務過程中就已提供服務應收客戶的款項。倘貿易及其他應收款項預期可於一年或以內（或倘時間更長，則在業務的正常營運週期）收回，會分類為流動資產，否則以非流動資產呈列。

貿易及其他應收款項初步按公允值確認，其後採用實際利率法按攤銷成本並扣除減值撥備計量。有關本集團貿易應收款項的會計處理之進一步資料及有關本集團減值政策說明，請分別參閱附註14及附註3.1(b)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less.

2.18 Restricted cash

Bank deposits which are restricted to use are classified as "restricted cash". Restricted cash are excluded from cash and cash equivalents in the consolidated statement of cash flows.

2.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.20 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 重大會計政策概要 (續)

2.17 現金及現金等值項目

在合併現金流量表內，現金及現金等值項目包括手頭現金及原定於三個月或以內到期的銀行活期存款。

2.18 受限制現金

用途受限的銀行存款分類為「受限制現金」。於合併現金流量表內，現金及現金等值項目不包括受限制現金。

2.19 股本

普通股歸類為權益。直接歸屬於發行新股或購股權的遞增成本在權益內列為所得款項的扣減項目（扣除稅項）。

2.20 貿易應付款項

貿易應付款項為在日常業務過程中自供應商取得貨品或服務的付款責任。倘貿易應付款項於一年或以內（或倘時間更長，則在業務的正常營運週期）到期，會分類為流動負債，否則以非流動負債呈列。

貿易應付款項初步按公允值確認，隨後採用實際利率法按攤銷成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 重大會計政策概要 (續)

2.21 即期及遞延所得稅

期內稅項開支包括即期及遞延稅項。稅項乃在合併全面收益表內確認，惟涉及已於其他全面收益內確認或直接於權益內確認的項目則除外。在此情況下，有關稅項亦會分別於其他全面收益內或直接於權益內確認。

(a) 即期所得稅

即期所得稅支出乃按照本公司的附屬公司及聯營公司經營所在及產生應課稅收入的國家於結算日已頒佈或已大致頒佈的稅法計算。管理層定期就適用稅務條例出現須待詮釋的情況評估其採取的報稅立場。管理層會基於預期將向稅務機關繳付的金額於適當時作出撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Current and deferred income tax (Continued)

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2 重大會計政策概要 (續)

2.21 即期及遞延所得稅 (續)

(b) 遞延所得稅

內在差異

遞延所得稅乃以負債方法按照資產負債的稅基與於合併財務報表內兩者賬面金額之間所產生的暫時差額確認。然而，倘遞延稅項負債因商譽經初步確認而產生，則不確認遞延稅項負債，倘遞延所得稅因一宗交易（而非業務合併）中的資產或負債經初始確認而產生（而該項交易當時並無對會計或應課稅溢利或虧損構成影響），則不會將遞延所得稅入賬。遞延所得稅乃以於結算日已頒佈或已大致頒佈、並預期會於有關遞延所得稅資產變現時或於遞延所得稅負債清償時應用的稅率（及稅法）釐定。

遞延所得稅資產僅於可能有未來應課稅溢利以供用於抵銷暫時差額時確認。

外在差異

遞延所得稅負債乃根據於附屬公司的投資所產生的應課稅暫時差額作撥備，惟對於撥回暫時差額的時間由本集團控制，並於可見將來不大可能撥回暫時差額的遞延所得稅負債則另作別論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Current and deferred income tax (Continued)

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.22 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current accrual and other payables in the consolidated balance sheet.

(b) Pension obligations

Full time employees of the PRC entities participate in a government mandated multiemployer defined contribution plan pursuant to which certain pension benefits, medical care, unemployment insurance, employee housing fund and other welfare benefits are provided to employees. Chinese labor regulations require the Company to accrue for these benefits based on certain percentages of the employees' salaries. Management believes full time employees who have passed the probation period are entitled to such benefits.

2 重大會計政策概要 (續)

2.21 即期及遞延所得稅 (續)

(c) 抵銷

當享有可依法執行的權利以即期稅項資產抵銷即期稅項負債，以及當遞延所得稅資產及負債乃關於同一稅務機關對有意按淨額基準結清即期所得稅資產及負債結餘的應課稅實體或不同應課稅實體所徵收的所得稅，遞延所得稅資產及負債會互相抵銷。

2.22 僱員福利

(a) 短期責任

工資及薪金責任（包括預期在僱員提供相關服務期限結束後十二個月內全部結算之非貨幣福利及累計病假）乃就直至報告日期之僱員服務於其他應付賬款確認，並按預期於結清責任時支付之金額計算。負債乃於合併資產負債表中呈列為即期應計費用及其他應付款項。

(b) 退休金責任

中國實體的全職僱員參與政府強制性多邊僱主界定供款計劃，據此，僱員享有若干退休金福利、醫療福利、失業保險、僱員住房津貼及其他福利。中國勞工法規規定本公司根據僱員薪金的若干比例計付該等福利。管理層認為，通過試用期的全職僱員有權享有該等福利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Employee benefits (Continued)

(b) Pension obligations (Continued)

The Group contributes to Mandatory Provident Fund Scheme (“MPF”) for eligible employees in Hong Kong. The assets of the MPF are held in a separate trustee administered fund. The Company’s contributions to the MPF are expensed as incurred.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Bonus plans

The Group recognises a liability and an expense for bonuses, based on performance and takes into consideration the profit attributable to the Company’s shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2 重大會計政策概要 (續)

2.22 僱員福利 (續)

(b) 退休金責任 (續)

本集團為香港合資格僱員提供強制性公積金計劃(「強制性公積金計劃」)。強制性公積金計劃資產由一獨立信託管理基金持有。本公司強制性公積金計劃供款為應計費用。

支付供款後，本集團再無其他付款責任。供款在到期時確認為僱員福利開支，並扣除在供款完全歸屬前離開計劃的僱員被沒收的供款。預付供款確認為資產，以可獲得現金退款或可從未來付款扣除者為限。

(c) 花紅計劃

本集團就按業績計算並計及本公司股東應佔溢利在作出若干調整後的花紅確認負債及開支。本集團於有合約責任或過往慣例產生推定責任時確認撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.24 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

2 重大會計政策概要 (續)

2.23 撥備

當本集團因過去事件而須承擔現有法律或推定責任，而履行該責任很有可能導致資源流出，且能夠可靠地估計金額的情況下，便會確認撥備。本集團不會就日後經營虧損確認撥備。

倘出現多項類似責任，履行責任時導致資源流出的可能性乃考慮責任整體類別釐定。即使同類責任中任何一項可能導致資源流出的機會不大，仍會確認撥備。

撥備乃按採用稅前比率計算預期須就履行責任支付開支的現值計量，有關比率反映市場當時對貨幣時間價值及該責任的特定風險的評估。因時間流逝而產生的撥備增加確認為利息開支。

2.24 借款

借款於扣除所產生的交易成本後，初步按公允值確認，其後按攤銷成本列賬；所得款項（扣除交易成本）與贖回價值之間的任何差額，於借款期內以實際利息法於合併全面收益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Borrowings (Continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated statement of comprehensive income as other income or finance costs.

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

2 重大會計政策概要 (續)

2.24 借款 (續)

在貸款融資將可能部分或全部提取的情況下，就設立融資支付的費用乃確認為貸款的交易成本。在此情況下，該費用將遞延至提取貸款為止。在並無跡象顯示將可能部分或全部提取該融資的情況下，該費用會撥充資本作為流動資金服務的預付款項，並於有關融資期間內攤銷。

當合約內規定的責任被解除、取消或屆滿，借款即從合併資產負債表剔除。已消除或轉移至另一方的金融負債的賬面金額與已付代價（包括已轉移的非現金資產或所承擔的負債）之間的差額，在合併全面收益表內確認為其他收入或財務成本。

除非本集團擁有無條件權利可將負債的償還日期遞延至報告期末後至少十二個月，否則借款乃分類為流動負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Convertible bond

The fair value of the liability portion of a convertible bond is determined using a market interest rate for a non-convertible bond with similar terms. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion, early redemption or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity or derivative liability according to the conversion feature embedded. Any directly attributable transaction costs are allocated to the liability and equity or derivative liability component in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a convertible bond is measured at amortised cost using the effective interest method. The equity component of a convertible bond is not re-measured subsequent to initial recognition except on conversion or expiry.

2.26 Revenue recognition

The Group determined when to recognise revenue and how much revenue to recognise through a 5-step approach: (i) identify the contract(s) with customer; (ii) identify separate performance obligations in a contract; (iii) determine the transaction price; (iv) allocate transaction price to performance obligations; and (v) recognise revenue when performance obligation is satisfied.

2 重大會計政策概要 (續)

2.25 可換股債券

可換股債券負債部分的公允值按具有類似年期的非可換股債券的市場利率釐定。該金額按攤餘成本基準入賬為負債，直至債券轉換、提早贖回或到期時終止。剩餘的所得款項分配至換股權，並根據嵌入的換股權特徵，確認為及計入股東權益或衍生負債。任何直接應佔交易成本按其初始賬面值的比例分配至負債及權益或衍生負債組成部分。

於初步確認後，可換股債券的負債部分乃使用實際利率法按攤銷成本計量。可換股債券的權益部分毋須於初步確認後重新計量，惟於轉換或屆滿時除外。

2.26 收益確認

本集團透過五個步驟釐定確定收益的時間及確認收益的金額：(i)與客戶確定合約；(ii)確定合約中獨立的履約責任；(iii)釐定交易價格；(iv)將交易價格分配至履約責任；及(v)於履約責任達成時確認收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

(i) Newspaper advertising

The Group renders services for the creation, production and placement of advertising materials through certain newspaper publishers. Revenue from providing the advertising services are recognised at a point in time when the services are rendered.

The Group's role in the provision of services on newspaper advertising is that of a principal. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction. Hence, revenue from newspaper advertising services is recognised on a gross basis when services are rendered.

(ii) Marketing and consulting services

Revenue from marketing services comprised of (i) revenue from provision of marketing planning and consulting services and (ii) commission from sale of properties.

Revenue from marketing planning and consulting services is recognised over time when the services are rendered. Revenue are recognised over the respective contract terms.

2 重大會計政策概要 (續)

2.26 收益確認 (續)

(i) 報紙廣告

本集團透過若干報紙出版商提供創設、製作及投放廣告材料的服務。提供廣告服務的收益於提供服務時確認。

本集團在提供報紙廣告服務方面的身份極為重要。在釐定收益或收益成本的最佳呈列基準時，本集團會審閱其與業務夥伴所訂立協議的法律形式及內容，以釐定各方在交易中的身份。因此，來自報紙廣告服務的收益於提供服務時按總額基準確認。

(ii) 營銷及諮詢服務

來自營銷服務的收益包括(i)提供營銷規劃及諮詢服務的收益及(ii)銷售物業所得佣金。

來自營銷規劃及諮詢服務的收益於提供服務時確認。收益於各合約期內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

(ii) Marketing and consulting services (Continued)

Commission from sale of properties is recognised at a point in time when the services are rendered and the customer (i.e. property developer) has entered into the sales and purchase agreement with the buyer.

Customers are invoiced based on the payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(iii) Printing services

Printing revenue is recognised at a point in time when printing services are rendered and the legal title of the newspaper is transferred to the customers.

(iv) Sales of agricultural products

Revenue from the sales of agricultural products is recognised at a point in time when control of the goods has transferred to the customer, generally on delivery of the goods to the customer. Delivery occurs when the goods have been placed at the customer's disposal (generally at the seller's premises), the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contracts, the acceptance provision have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

2 重大會計政策概要 (續)

2.26 收益確認 (續)

(ii) 營銷及諮詢服務 (續)

銷售物業所得佣金於提供服務時確認，且客戶（即物業開發商）已與買家訂立買賣協議。

本集團按付款進度向客戶開具發票。倘本公司所提供的服務超過付款，則確認合約資產。倘付款超過所提供的服務，則確認合約負債。

(iii) 印刷服務

印刷收益於提供印刷服務時確認，而報紙的合法所有權已轉讓予客戶。

(iv) 銷售農產品

銷售農產品的收益於貨品控制權轉讓至客戶時確認，通常為向客戶交付貨品時。交付於貨品存放至客戶出售點（通常為賣方之物業內）、報廢及虧損之風險已轉讓至客戶、客戶根據銷售合約接受貨品、接受條文失效或本集團有客觀證據表明所有接受標準已獲達成時落實。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

(v) Others

Other revenue mainly includes rental income and other miscellaneous income. Rental income are recognised on a straight-line basis over the respective lease terms. Other miscellaneous income are recognised at a point in time when the respective control on goods or services are transferred to the customers.

2.27 Government grants

Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to expenses are shown separately as other income.

2.28 Leases

Accounting policy applied before 1 January 2019

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

2 重大會計政策概要 (續)

2.26 收益確認 (續)

(v) 其他

其他收益主要包括租金收入及其他雜項收入。租金收入於各租賃期按直線法確認。其他雜項收入於貨品或服務的各項控制權轉交至客戶時確認。

2.27 政府補助

倘能合理保證將取得政府補助及本集團將符合所有附帶條件，則該等政府補助將按公允值確認。

為配合擬補償的成本，政府補助會於必要期間內遞延處理並於合併全面收益表內確認。與開支相關的政府補助獨立呈列為其他收入。

2.28 租賃

於二零一九年一月一日前適用之會計政策

如租賃擁有權的絕大部分風險和報酬由出租方保留，則租賃列為經營租賃。根據經營租賃支付的款項在扣除自出租方收取的任何獎勵金後，於租期內按直線基準自合併全面收益表扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.28 Leases (Continued)

Accounting policy applied before 1 January 2019 (Continued)

Lease income from operating leases where the Group is a lessor is recognised in revenue on a straight-line basis over the lease term. The respective leased assets are included in the consolidated balance sheet based on their nature.

Accounting policy applied since 1 January 2019

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The Group leases properties and land as lessee. Rental contracts are typically made for fixed periods of 1 to 41 years but may have termination options.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

2 重大會計政策概要 (續)

2.28 租賃 (續)

於二零一九年一月一日前適用之會計政策 (續)

本集團作為出租方的經營租賃所得租金收入於租期內按直線法在收益內確認。各租賃資產按其性質計入合併資產負債表。

自二零一九年一月一日起適用之會計政策

自二零一九年一月一日起，租賃在各租賃資產可供本集團使用之日確認為使用權資產及相應負債。

本集團作為承租人租賃多幅物業及土地。租賃合約的固定期限通常為1至41年，但可能有終止選擇權。

每筆租賃付款乃分配至負債及財務成本。財務成本於租期內自損益扣除，以計算出各期間負債結餘的固定週期利率。使用權資產乃以直線法按資產的可使用年期與租期兩者之中較短者折舊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.28 Leases (Continued)

Accounting policy applied since 1 January 2019 (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- 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 that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 重大會計政策概要 (續)

2.28 租賃 (續)

自二零一九年一月一日起適用之會計政策 (續)

租賃產生的資產及負債初步以現值基準計量。租賃負債包括以下租賃付款之現值淨額：

- 定額付款 (包括實質定額付款)，扣減任何應收租賃優惠
- 本集團預期根據剩餘價值擔保應付的金額
- 購買選擇權的行使價，惟本集團合理確定行使該選擇權；及
- 倘租期反映本集團行使終止選擇權時，有關終止租賃的罰款。

租賃付款採用租賃所隱含的利率予以貼現。倘無法釐定該利率此情況普遍存在於本集團租賃中，則使用承租人的增量借款利率，即承租人在類似條款及條件的類似經濟環境中借入獲得類似價值資產所需資金所必須支付的利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.28 Leases (Continued)

Accounting policy applied since 1 January 2019 (Continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The useful life used for the asset's depreciation purpose are:

Rented land and properties	Remaining lease term
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2.29 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2 重大會計政策概要 (續)

2.28 租賃 (續)

自二零一九年一月一日起適用之會計政策 (續)

使用權資產按以下各項之成本計量：

- 初步計量租賃負債之金額
- 於開始日期或之前作出之任何租賃付款減任何已收租賃優惠
- 任何初步直接成本；及

使用權資產通常按直線基準以資產可使用年期與租期內的較短者折舊。用作資產折舊目的之可使用年期為：

租賃土地及物業	餘下租期
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2.29 股息分派

向本公司股東分派的股息在股息獲本公司股東或董事 (如適用) 批准的期間內於本集團的財務報表內確認為負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.30 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated statement of comprehensive income in the period in which they are incurred.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group has not used any derivative financial instruments to hedge its risk exposures.

2 重大會計政策概要 (續)

2.30 借貸成本

收購、建造或生產合資格資產 (指需要用上大量時間準備就緒作擬定用途或出售的資產) 直接應佔的一般及特定借貸成本乃計入該等資產的成本, 直至該等資產大致上已準備就緒作擬定用途或出售為止。

特定借款用於合資格資產之前作為短暫投資所賺取的投資收入, 自合資格撥充資本的借款成本扣除。

所有其他借款成本於產生期間於合併全面收益表內確認。

3 財務風險管理

3.1 財務風險因素

本集團的業務承受多項財務風險: 市場風險 (包括貨幣風險、公允值利率風險及現金流量利率風險)、信貸風險及流動資金風險。本集團的整體風險管理計劃集中於金融市場的不可預測事項, 並尋求盡量減低對本集團財務表現的潛在不利影響。本集團並無採用任何衍生金融工具對沖其所面對的風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk

(i) Foreign exchange risk and other payables

The Group operates principally in the PRC. Majority of recognised assets and liabilities are denominated in RMB and majority of transactions are settled in RMB. Foreign exchange risk mainly arises from cash and cash equivalents, deposits and other receivables balance and other payables denominated in Hong Kong dollar ("HKD"). The Group does not hold or issue any derivative financial instruments to manage its exposure to foreign currency risk.

As at 31 December 2019, if HKD had weakened/strengthened by 5% against RMB with all other variables held constant, post-tax loss for the year would have been RMB337,000 lower/higher (2018: RMB8,329,000 lower/higher), mainly as a result of foreign exchange gains/losses on translation of HKD denominated cash and cash equivalents, deposits and other receivables balance and other payables.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險

(i) 外匯風險及其他應付款項

本集團主要在中國經營業務。已確認的大部分資產及負債均以人民幣列值，且大部分交易均以人民幣結算。外匯風險主要來自以港元計值的現金及現金等值項目、按金及其他應收款項結餘及其他應付款項。本集團並無持有或發行任何衍生金融工具，以管理其所面對的外幣風險。

於二零一九年十二月三十一日，倘港元兌人民幣貶值／升值5%，而所有其他變數維持不變，則年內稅後虧損將增加／減少人民幣337,000元（二零一八年：增加／減少人民幣8,329,000元），主要是由於換算以港元計值的現金及現金等值項目、按金及其他應收款項結餘及其他應付款項產生的匯兌收益／虧損所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from bank borrowings and other borrowing and bank deposits. Bank borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by bank deposits held at variable rates.

Other borrowing carries a fixed rate interest which expose the Group to fair value interest rate risk.

The sensitivity analysis below has been determined based on the exposure to interest rate risk on its variable rate bank borrowings and bank deposits at the balance sheet date and prepared assuming the amount of bank borrowings and bank deposits outstanding at each balance sheet date was outstanding for the whole year.

At 31 December 2019, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's post-tax loss for the year ended 31 December 2019, would have been RMB46,000 higher/lower (2018: RMB52,000 higher/lower), mainly as a result of higher/lower interest expense on the bank borrowings.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 現金流量及公允值利率風險

本集團的利率風險來自銀行借款及其他借款以及銀行存款。按浮息取得的銀行借款使本集團面對現金流量利率風險，部分風險被按浮息持有的銀行存款所抵銷。

其他借款採用固定利率，使本集團面對公允值利率風險。

下列敏感度分析乃根據於結算日浮息銀行借款及銀行存款的利率風險釐定，並假設於各結算日現有銀行借款及銀行存款金額於全年內存置而編製。

於二零一九年十二月三十一日，倘利率上升／下降100個基點，而所有其他變數維持不變，本集團截至二零一九年十二月三十一日止年度的稅後虧損將增加／減少人民幣46,000元（二零一八年：增加／減少人民幣52,000元），主要是由於銀行借款利息開支增加／減少所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

The carrying amounts of financial assets at fair value through profit or loss, trade receivables, deposits and other receivables, amounts due from related parties, restricted cash, and bank balances included in the consolidated financial statements represent the Group's maximum exposure to credit risk in relation to its financial assets. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem.

The credit risk of the Group mainly arises from cash and cash equivalents, restricted cash, trade receivables, contract assets, other financial assets at amortised cost (including deposits and other receivables and amount due from related parties) and financial assets at fair value through profit or loss.

(i) Cash and cash equivalents

Management considers the Group has limited credit risk with its banks which are leading and reputable and are assessed as having low credit risk. Majority of bank balances are deposited with reputable banks. The Group has not incurred significant loss from non-performance by these parties in the past and management does not expect so in the future.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

本集團就金融資產面臨之最高信貸風險乃指合併財務報表所載公允值經損益表入賬之金融資產、貿易應收款項、按金及其他應收款項、應收關連人士款項、受限制現金及銀行結餘之賬面值。本集團管理信貸風險措施的目標乃為控制就收回款項而可能承擔的潛在風險。

本集團的信貸風險主要來自現金及現金等值項目、受限制現金、貿易應收款項、合約資產、按攤銷成本計量之其他金融資產(包括按金及其他應收款項及應收關連人士款項)及公允值經損益表入賬之金融資產。

(i) 現金及現金等值項目

管理層認為本集團面臨的銀行信貸風險有限，原因為該等銀行均為領先且信譽良好的銀行，被評估為信貸風險較低。大部分銀行結餘存於信譽良好的銀行。本集團過往未曾因該等人士違約而招致重大損失，且管理層預期日後亦不會遭受重大損失。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Trade receivables and contract assets

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permit the use of lifetime expected loss provision for trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are determined based on historical credit losses and also incorporated forward-looking information.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 貿易應收款項及合約資產

本集團僅與認可及信譽良好之第三方進行買賣。本集團之政策為所有有意按信貸條款進行買賣之客戶均須接受信貸審核程序。此外，本集團持續監控應收款項結餘，故此本集團面臨的壞賬風險並不重大。

本集團按國際財務報告準則第9號之規定使用簡化法對預期信貸虧損作出撥備，該方法允許就貿易應收款項及合約資產使用全期預期虧損撥備。

為計量預期信貸虧損，貿易應收款項及合約資產已按分估信貸風險特點及逾期天數分組。預期信貸虧損率按歷史信貸虧損釐定，亦載有前瞻性資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Trade receivables and contract assets (Continued)

As at 31 December 2019, the balance of loss allowance in respect of these trade receivables was RMB3,163,000 (2018: RMB2,474,000) based on expected credit loss rates up to 100% (2018:100%) applied on different groupings.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporated forward looking information. The Group has identified the GDP of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on the expected changes in this forward-looking factor.

When trade receivables is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(ii) 貿易應收款項及合約資產 (續)

於二零一九年十二月三十一日，按最高預期信貸率100%（二零一八年：100%）適用於不同組群之該等貿易應收款項虧損撥備結餘為人民幣3,163,000元（二零一八年：人民幣2,474,000元）。

為計量預期信貸虧損，貿易應收款項及合約資產已按共享信貸風險特徵及逾期天數分組。預期信貸虧損亦載有前瞻性資料。本集團已將其出售貨品及服務國家的GDP確定為最為相關因素，並就此按該類前瞻性因素的預期變動調整歷史虧損比率。

當貿易應收款項無法收回時，則以貿易應收款項虧損撥備撇銷。其後收回的先前撇銷金額計入同一項目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Other financial assets at amortised cost

For other financial assets at amortised costs, the Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

Management makes periodic collective assessments as well as individual assessment on the recoverability of the balances based on historical settlement records, past experience and forward-looking information.

To assess whether there is a significant increase in credit risk, the Group compares the risk of default as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtors' ability to meet its obligations
- actual or expected significant changes in the operating results of debtors

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(iii) 按攤銷成本列賬之其他金融資產

就按攤銷成本列賬之其他金融資產而言，本集團於初步確認資產時考慮違約的可能性及於各報告期間信貸風險是否持續大幅增加。

管理層按歷史結算記錄、過往經驗及前瞻性資料，定期對結餘的可收回性進行共同評估及個別評估。

為評估信貸風險是否有大幅增加，本集團比較於報告日期發生違約的風險及於初始確認日期發生違約的風險。本集團會考慮可獲取得合理及有據的前瞻性資料。尤其納入以下指標：

- 業務、財務或經濟狀況的實際或預期重大不利變動，預期引起債務人履行其責任的能力出現重大變動
- 債務人的經營業績產生實際或預期重大變動

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(iii) Other financial assets at amortised cost (Continued)

- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the expected performance and behaviour of debtors, including changes in the payment status of the debtor in the Group and changes in the operating results of the debtor

Other financial assets at amortised cost have low risk of default and it is not expected any losses from non-performance by the counterparties. As at 31 December 2019, the Group assessed that there is no significant increase in credit risk for these balances from the end of previous reporting date and the expected credit loss rate for these financial assets is immaterial under 12 months expected credit losses model.

(iv) Financial assets at fair value through profit or loss

The Group is also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(iii) 按攤銷成本列賬之其他 金融資產 (續)

- 同一債務人其他金融工具的信貸風險出現重大變動
- 債務人的預期表現及行為的重大變動，包括債務人於本集團的付款狀況的變動及債務人經營業績的變動

按攤銷成本列賬之其他金融資產違約風險較低，且預期並無交易對手未履約產生的任何虧損。於二零一九年十二月三十一日，本集團評估該等結餘自上一報告日期結束起信貸風險並無重大增加，而該等金融資產的預期信貸虧損率於12個月的預期信貸虧損模式項下並不重大。

(iv) 公允值經損益表入賬之 金融資產

本集團亦就公允值經損益表入賬計量之債務投資承擔信貸風險。於報告期末之最高風險為該等投資之賬面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements for maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet its liquidity requirements in the short and longer term. The Group invests surplus cash in time deposits and money market deposits with appropriate maturities. The Group reported net loss of RMB143,523,000 and operating cash outflow of RMB26,269,000 during the year ended 31 December 2019. As at the same date, the Group held cash and cash equivalent of RMB9,753,000 (2018: RMB33,880,000) (Note 15), trade receivables of RMB9,561,000 (2018: RMB7,858,000) (Note 14) that are expected to readily generate cash inflows for managing liquidity risk and to fund the Group's operations.

As at 31 December 2019, the Group has mortgage loans with a repayable on demand clause amounted to RMB4,640,000 (2018: RMB6,877,000). Details of the bank borrowings are disclosed in Note 21(i).

As at 31 December 2019, the Group has an other borrowing amounted to RMB1,590,000 (2018: RMB1,500,000). The balance is unsecured, carries an interest rate at 6% per annum with a term of 2 years, and is repayable on demand.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險

本集團的政策是定期監察即期及預期流動資金需求，以維持充足的現金，並透過足夠的承諾信貸融資額，滿足短期及長期的流動資金需求。本集團將現金盈餘投資於附有合適到期日的定期存款及貨幣市場存款。於截至二零一九年十二月三十一日止年度，本集團錄得虧損淨額人民幣143,523,000元及經營現金流出人民幣26,269,000元。同日，本集團持有現金及現金等值項目人民幣9,753,000元（二零一八年：人民幣33,880,000元）（附註15）以及貿易應收款項人民幣9,561,000元（二零一八年：人民幣7,858,000元）（附註14）預計可為管理流動資金風險帶來現金流入及為本集團營運提供資金。

於二零一九年十二月三十一日，本集團有按要求還款的按揭貸款人民幣4,640,000元（二零一八年：人民幣6,877,000元）。銀行借款詳情於附註21(i)披露。

於二零一九年十二月三十一日，本集團有其他借款人民幣1,590,000元（二零一八年：人民幣1,500,000元）。有關結餘為無抵押，按年利率6厘計息，為期兩年，及須按要求償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant. Specifically, for bank and other borrowing which contain a repayment on demand clause which can be exercised at the discretion of the counterparties, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

下表乃根據由結算日至合約到期日止剩餘期間，將本集團的金融負債劃分為相關到期日組別的分析。表中披露的金額為合約未折現現金流。由於折現的影響不大，於12個月內到期的結餘相等於其賬面結餘。具體而言，對於載有對方可酌情行使的應要求償還條款的銀行及其他借款，以下分析所現現金流出量乃以實體可能被要求付款的最早期限為基礎。

		Less than 1 year 一年以內 RMB'000 人民幣千元	1-2 years 一至兩年 RMB'000 人民幣千元	2-5 years 兩至五年 RMB'000 人民幣千元	More than 5 years 五年以上 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					
Trade and other payables	貿易及其他應付款項	31,236	-	52,000	-	83,236
Bank borrowings	銀行借款	4,660	-	-	-	4,660
Other borrowing	其他借款	1,654	-	-	-	1,654
Amounts due to related parties	應付關連人士款項	10,473	-	-	-	10,473
Convertible bonds	可換股債券	-	182,628	-	-	182,628
Financial guarantees (maximum amount guaranteed)	財務擔保 (最高擔保金額)	5,430	2,800	9,330	-	17,560
Lease liabilities	租賃負債	2,865	2,775	3,038	7,368	16,046
		<u>56,318</u>	<u>188,203</u>	<u>64,368</u>	<u>7,368</u>	<u>316,257</u>
At 31 December 2018	於二零一八年 十二月三十一日					
Trade and other payables	貿易及其他應付款項	18,768	-	-	-	18,768
Bank borrowings	銀行借款	6,896	-	-	-	6,896
Other borrowing	其他借款	1,500	-	-	-	1,500
Promissory notes	承兌票據	4,819	4,819	89,310	-	98,948
Loans from a related party	關聯方借款	-	93,491	-	-	93,491
Amounts due to related parties	應付關連人士款項	628	-	-	-	628
		<u>32,611</u>	<u>98,310</u>	<u>89,310</u>	<u>-</u>	<u>220,231</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The Group's undrawn borrowing facilities were as follows:

Fixed rate – expiring within one year	固定利率 – 於一年內屆滿
Floating rate – expiring within one year	浮動利率 – 於一年內屆滿

On 6 April 2020, the Group obtained a revolving banking facility with a facility limit of RMB5,900,000 and is available for drawdown for a period up to 20 March 2021.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

本集團尚未提取借款融資如下：

As at 31 December 2019 於二零一九年 十二月 三十一日 RMB'000 人民幣千元	As at 31 December 2018 於二零一八年 十二月 三十一日 RMB'000 人民幣千元
–	2,629
–	100,000
–	102,629

於二零二零年四月六日，本集團取得循環銀行融資授信額度人民幣5,900,000元，該融資可二零二一年三月二十日前提取。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total assets, as shown in the consolidated balance sheet.

During the year, the Group's strategy, which was unchanged from 2018, was to maintain the gearing ratio below 40%. Gearing ratio as at 31 December 2019 is 36.4% (2018: 37.1%).

3 財務風險管理 (續)

3.2 資本風險管理

在資本管理上，本集團的目標為保障本集團以持續經營基準繼續營運的能力，務求為股東提供回報及為其他持份者帶來利益，以及維持最有效的資本架構以減省資金成本。

為維持或調整資本架構，本集團或會調整派付予股東的股息額、發行新股或出售資產以削減債項。

本集團根據資產負債比率監察資本。該比率按合併資產負債表所示的借款總額除以總資產計算。

本集團於年內的策略是將資產負債比率維持在40%以下，與二零一八年相同。於二零一九年十二月三十一日的資產負債比率為36.4% (二零一八年：37.1%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Financial instruments by category

3 財務風險管理 (續)

3.3 按類別劃分的金融工具

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Assets as per balance sheet	資產負債表所列的資產		
Financial assets at fair value through profit or loss	公允值經損益表入賬的金融資產	6,165	6,173
Other financial assets at amortised cost:	按攤銷成本列賬的其他金融資產：		
Trade receivables, deposits and other receivables	貿易應收款項、按金及其他應收款項	69,560	17,608
Amount due from related parties	應收關連人士款項	1,114	820
Restricted cash	受限制現金	1,098	-
Cash and cash equivalents	現金及現金等值項目	9,753	33,880
Total	總計	87,690	58,481

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Liabilities as per balance sheet	資產負債表所列的負債		
Carried at amortised cost:	按攤銷成本列賬：		
Trade and other payables	貿易及其他應付款項	78,407	18,768
Borrowings	借款	6,230	8,377
Promissory notes	承兌票據	-	81,552
Loans from a related party	關聯方借款	-	87,132
Amounts due to related parties	應付關連人士款項	10,473	628
Convertible bonds	可換股債券	150,669	-
Financial guarantees	財務擔保	1,518	-
Lease liabilities	租賃負債	12,225	-
Total	總計	259,522	196,457

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.4 Fair value estimation

The carrying amounts of the following financial assets and financial liabilities approximate their fair values as all of them are short-term in nature: cash and cash equivalents, restricted cash, trade and other receivables, amounts due from related parties, trade and other payables, bank and other borrowings, amounts due to related parties, financial guarantees, lease liabilities and convertible bonds. The fair value of other financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments, unless the discounting effect is insignificant.

As at 31 December 2019 and 31 December 2018, there are certain financial assets at fair value through profit or loss measured at value in use using discounted cash flow method which approximate their fair values. See Note 13 for disclosures relevant to financial assets at fair value through profit or loss.

As at 31 December 2019 and 31 December 2018, there are certain properties held for sale measured at fair value less cost to sell using direct market comparable approach and income approach which are approximate to their fair values. See Note 12 for disclosures relevant to properties held for sale.

As at 31 December 2019, there are certain biological assets measured at fair value less cost to sell using discounted cash flow model which approximate to their fair values. See Note 10 for disclosures relevant to biological assets.

3 財務風險管理 (續)

3.4 公允值估計

以下金融資產及金融負債的賬面金額與其公允值相若，此乃由於該等項目均屬短期性質所致：現金及現金等值項目、受限制現金、貿易及其他應收款項、應收關連人士款項、貿易及其他應付款項、銀行及其他借款、應付關連人士款項、財務擔保、租賃負債及可換股債券。就披露而言，其他金融負債的公允值按未來合約現金流量以本集團類似金融工具適用的現行市場利率貼現估計，惟貼現影響並不重大。

於二零一九年十二月三十一日及於二零一八年十二月三十一日，若干公允值經損益表入賬之金融資產使用貼現現金流量法按與其公允值相若的使用價值計量。有關公允值經損益表入賬之金融資產之披露，請參閱附註13。

於二零一九年十二月三十一日及二零一八年十二月三十一日，若干持作出售物業採用直接市場比較法及收益法按公允值減銷售成本計量，與其公允值相若。持作出售物業的相關披露見附註12。

於二零一九年十二月三十一日，若干生物資產採用貼現現金流量模式按公允值減銷售成本計量，與其公允值相若。生物資產的相關披露見附註10。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.5 Offsetting financial assets and financial liabilities

No disclosure of the offsetting of financial assets and financial liabilities is made as there is no netting arrangement in place during the year.

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of assets

The Group follows the guidance of IAS 36 "Impairment of Assets" to determine when assets are impaired, which requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the recoverable amount of assets is less than their carrying balance, including factors such as the industry performance and changes in operational and financing cash flows. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (a CGU). The recoverable amount of the CGU has been determined higher of value in use or fair value less cost of disposal. These calculations require the use of estimates, including operating results, income and expenses of the business, future economic conditions on growth rates and future returns.

3 財務風險管理 (續)

3.5 抵銷金融資產及金融負債

由於年內並無淨額結算安排，因此並無作出抵銷金融資產及金融負債的披露。

4 關鍵會計估計及假設

本集團持續根據過往經驗及其他因素（包括對相信日後在若干情況下屬合理的若干事件的期望）衡量估計及判斷。

本集團對未來作出估計及假設。顧名思義，所得會計估計甚少等同相關實際結果。下文指出具有重大風險導致須就下個財政年度的資產和負債賬面金額作出重大調整的估計和假設。

(a) 資產減值

本集團遵從國際會計準則第36號「資產減值」的指引，以釐定資產何時出現減值（須作出重大判斷）。在作出此項判斷時，本集團評估（其中包括）資產的可收回金額少於賬面餘額的持續期間及程度，包括行業表現以及營運及融資現金流量變動等因素。就評估減值而言，資產按可獨立識別現金流量的最低水平（現金產生單位）分組。現金產生單位的可收回金額乃根據公允值減出售成本計算方法釐定。該等計算須使用估計，包括經營業績、業務的收入及開支、增長率等未來經濟狀況及未來回報。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (Continued)

(a) Impairment of assets (Continued)

Management of the Group has performed goodwill impairment review annually on 31 December 2019. Details of goodwill impairment review are disclosed in Note 8.

Changes in the key assumptions on which the recoverable amount of the assets is based could significantly affect the Group's financial position and results of operations.

(b) Valuation of biological assets

The biological assets are stated at fair values less cost to sell. This requires an independent valuer's valuation of the fair value of the biological assets based on management's estimates and assumptions. Changes in the underlying key assumptions of the valuation could impact the fair value of the assets. Further details are disclosed in Note 10.

(c) Valuation of financial assets at fair value through profit or loss

The Group owns an investment in a movie income right and a network drama which have been classified as financial assets at fair value through profit or loss. The management performed an assessment on the fair value of the balance based on discounted cash flow model which required significant estimates, including the streams of income which the Group is entitled, determination of appropriate discount rate and expected timing of settlement. Where the expectation is different from the original estimate, such difference will impact the carrying value of the financial assets at fair value in the period in which such estimate has been changed.

4 關鍵會計估計及假設 (續)

(a) 資產減值 (續)

本集團管理層於二零一九年十二月三十一日對商譽進行年度減值檢討。有關商譽減值檢討之詳情於附註8內披露。

資產可收回金額所依據的主要假設的變動可對本集團的財務狀況及經營業績造成重大影響。

(b) 生物資產估值

生物資產估值按公允值減出售成本列賬。此乃需要獨立估值師基於管理層的估計及假設對生物資產之公允值評估。估值的相關主要假設變動可能對資產的公允值產生影響。有關詳情於附註10內披露。

(c) 公允值經損益表入賬之金融資產估值

本集團擁有一項電影收益權及一項網絡劇收益權的投資，該等投資被歸類為公允值經損益表入賬之金融資產。管理層按貼現現金流量模式評估結餘的公允值，此乃需要重大估計，包括本集團有權享有的收入來源、釐定合適的貼現率及預期結算時間。倘預期有別於原本估計，該差異將影響有關估計變動期間按公允值列賬之金融資產之賬面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (Continued)

(d) Valuation of properties held for sale

The Group owns certain properties held for sale which are stated at the lower of carrying amount and fair value less costs to sell. In absence of current price in an active market for similar properties which is the best evidence of fair value, the management determined the amount within a range of reasonable fair values estimates. In making its estimates, the management considers information from the valuations of properties performed by external professional valuer by (i) direct market comparable approach, including the assumptions of the adjusting factors regarding to the location, size and nature of the properties; and (ii) income approach, including the assumptions of the expected rent income, growth rate and discount rate to determine the fair value. Had the Group used different inputs or assumptions, the fair value of the properties would be different and thus caused impact to the consolidated income statement. Details of the valuation of properties held for sale are disclosed in Note 12.

(e) Impairment of trade and other receivables and contract assets

The Group recognises impairment provisions based on expected credit losses model. The model involves the assessment on the probability of default on the balances based on historical settlement records, past experience and forward-looking information. Impairment is determined by evaluating a range of possible outcomes. The identification of probability of default requires the use of judgement and estimates. Details of key assumptions and inputs used are disclosed in Note 3.1.

4 關鍵會計估計及假設 (續)

(d) 持作出售物業的估值

本集團擁有若干持作出售物業，按賬面值與公允值減出售成本的較低者列賬。類似物業於活躍市場的現價是公允值的最佳證據，倘無有關現價，管理層將於若干合理估計公允值範圍內釐定金額。於作出估計時，管理層考慮外部專業估值師所進行的物業估值資料，以釐定公允值，包括(i)直接市場比較法，當中包括有關物業位置、面積及性質的調整因素假設；及(ii)收入法，當中包括預期租金收入、增長率及折現率等假設。倘本集團使用不同輸入數據或假設，則物業的公允值將有所不同，因而影響合併收益表。持作出售物業估值詳情於附註12內披露。

(e) 貿易及其他應收款項以及合約資產之減值

本集團按預期信貸虧損模式確認減值撥備。該模式涉及按歷史結算記錄、過往經驗及前瞻性資料評估結餘違約的可能性。減值透過評估各類可能結果釐定。確定違約可能性需要使用判斷及估計。有關所用主要假設及輸入數據之詳情乃於附註3.1內披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (Continued)

(f) Income taxes

The Group is principally subject to income taxes in the PRC. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax provision and deferred income tax assets and liabilities in the period in which such determination is made.

5 REVENUE

Revenue from external customers are mainly derived from the provision of newspaper advertising services to advertisers in the PRC, the provision of marketing and consulting services, printing services and sales of agricultural products. The total sales amount of the Group's five largest customers is RMB26,713,000 for the year ended 31 December 2019 (2018: RMB18,642,000). An analysis of the Group's revenue for the year is as follows:

4 關鍵會計估計及假設 (續)

(f) 所得稅

本集團主要須在中國繳納所得稅。釐定所得稅撥備時須作出重大判斷。在日常業務過程中有許多交易及計算會導致難以明確作出最終的稅務釐定。倘有關事項最終的稅務結果與最初記入的金額不同，則該等差額會影響作出釐定期間的即期所得稅撥備以及遞延所得稅資產及負債。

5 收入

來自外部客戶的收入主要源於向中國廣告客戶提供報紙廣告服務，以及提供營銷、諮詢服務、印刷服務及銷售農產品。截至二零一九年十二月三十一日止年度，本集團五大客戶所佔銷售總額為人民幣26,713,000元（二零一八年：人民幣18,642,000元）。本集團年內收入分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Newspaper advertising	報紙廣告	4,376	6,952
Marketing and consulting services	營銷及諮詢服務	23,813	39,498
Printing services	印刷服務	4,408	4,765
Sales of agricultural products	銷售農產品	87,265	2,892
Others	其他	2,512	909
		122,374	55,016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

5 REVENUE (Continued)

5 收入 (續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Timing of revenue recognition	收益確認時間		
– At a point in time	– 某個時點	115,225	39,912
– Over time	– 隨時間	5,149	14,195
– Under IFRS16	– 根據國際財務報告準則 第16號	2,000	909
		122,374	55,016

During the year ended 31 December 2019 and 2018, no customer of the Group accounted for more than 10% of the Group's revenue.

於截至二零一九年及二零一八年十二月三十一日止年度，概無來自本集團的客戶的收入超過本集團收入的10%。

Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

與客戶合約相關之資產及負債

本集團已確認以下與客戶合約相關之資產及負債：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Contract assets (Note (i))	合約資產 (附註(i))	3,891	2,224
Less: Provision for impairment (Note (ii))	減：減值撥備 (附註(ii))	(147)	(51)
Contract assets – net	合約資產 – 淨額	3,744	2,173
Contract liabilities (Note (iii) and Note 20)	合約負債 (附註(iii)及附註20)	6,717	5,649
Total contract liabilities	合約負債總額	6,717	5,649

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

5 REVENUE (Continued)

Assets and liabilities related to contracts with customers (Continued)

Notes:

- (i) Contract assets represent the Group's right to consideration in the exchange for services that the Group has transferred to customer. The contract assets are transferred to trade receivables when the right to bill the customer has established and receipt of the consideration is conditional only on the passage of time.
- (ii) The Group expects that contract assets have the same risk characteristics as trade receivables.

The Group applies the simplified approach to provide for expected credit losses (Note 3.1(b)). As at 31 December 2019, a provision of RMB147,000 (2018: RMB51,000) was made against the gross amount of contract assets. The impairment of contract assets is disclosed in Note 2.12.

- (iii) Contract liabilities represent receipts in advance of non-refundable payments made by customers.

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue, which was included in the contract liability balance at the beginning of the year, recognised during the year relates to carried-forward contract liabilities.

Revenue recognised that was included in the contract liability balance at the beginning of the year

計入年初合約負債結餘之
已確認收入

5 收入 (續)

與客戶合約相關之資產及負債 (續)

附註：

- (i) 合約資產指本集團對於換取其轉讓予客戶服務交換代價的權利。當向客戶收款的權利已確立且代價項僅隨時間流逝而收取，合約資產便轉至貿易應收款項。
- (ii) 本集團預期合約資產與貿易應收款項具有相同風險特徵。

本集團使用簡化法對預期信貸虧損作出撥備(附註3.1(b))。於二零一九年十二月三十一日，就合約資產總額作出為數人民幣147,000元(二零一八年：人民幣51,000元)的撥備。合約資產減值於附註2.12披露。

- (iii) 合約負債指先於客戶作出不可退還付款前收取的款項。

就合約負債確認的收入

下表列示年內所確認與結轉合約負債相關的收入金額(已計入年初合約負債結餘)。

2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
521	1,092

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

5 REVENUE (Continued)

Assets and liabilities related to contracts with customers (Continued)

Notes: (Continued)

(iv) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations resulting from newspaper advertising services contracts:

Newspaper advertising services	報紙廣告服務
--------------------------------	--------

Management expects the above unsatisfied (or partially satisfied) contracts will be recognised as revenue during the next reporting period.

5 收入 (續)

與客戶合約相關之資產及負債 (續)

附註：(續)

(iv) 尚未履行之履約責任

下表列示報紙廣告服務合約產生之尚未履行履約責任：

2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
6,717	5,649

管理層預期上述尚未履行 (或部分履行) 的合約將於下一報告期間內確認為收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

6 SEGMENT INFORMATION

(a) Description of segments and principal activities

The Executive Directors have been identified as the CODM. Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

During the year, the Group adjusted its organisation structure into two business segments, namely (i) Publishing and advertising segment and (ii) Tourism and integrated developments segment. The comparative information has been restated accordingly.

The Executive Directors assess the performance of the operating segments based on a measure of earnings before interest, other income, other loss and income tax. This measurement basis excludes the effects of non-recurring expenditure from operating segments. Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group. No analysis of segment assets and liabilities is regularly provided to the Executive Directors.

As the CODM considers most of the Group's consolidated revenue and results are attributable to the market in the PRC and the Group's consolidated assets are substantially located in the PRC, no geographical information is presented.

6 分類資料

(a) 分類及主要業務說明

執行董事被認為首席營運決策人。管理層已根據首席營運決策人為分配資源及評估表現而審閱的資料釐定經營分類。

年內，本集團將其組織架構調整為兩個業務分類，即(i)出版及廣告分類；及(ii)旅遊及綜合發展分類。比較資料已作相應重述。

執行董事根據除利息、其他收入、其他虧損及所得稅前之盈利計量評估經營分類之表現。該計量基準剔除經營分類的非經常性開支影響。利息收入及財務成本未分配至該等分類，原因為該類活動由管理本集團現金狀況的中央財資部門進行。並未定期向執行董事提供有關分類資產及負債之分析。

首席營運決策人認為本集團大部分合併收益及業績來自中國市場，且本集團合併資產大致位於中國，故並無呈報地區資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

6 SEGMENT INFORMATION (Continued)

(b) Segment revenue and segment results

As at 31 December 2019, the Executive Directors considered the nature of the Group's business and determined that the Group has two reportable operating segments as follows:

- (i) Publishing and advertising segment, which mainly included provision of the advertising services, marketing and consulting services, and printing services.
- (ii) Tourism and integrated developments segment, which mainly included provision of tourism and integrated services through its media, resort and eco-tourism integrated development projects and the sale of agricultural products, including the Beijing Shihua Caves Niaoyulin Project, Yongtai Distinctive Town and Cooperation Project in Yongfu Town.

6 分類資料 (續)

(b) 分類收入及分類業績

於二零一九年十二月三十一日，執行董事考慮本集團的業務性質後，確定本集團擁有以下兩個呈報經營分類：

- (i) 出版及廣告分類，主要包括提供廣告服務、營銷及諮詢服務以及印刷服務。
- (ii) 旅遊及綜合發展分類，主要包括透過其媒體、度假村及生態旅遊綜合發展項目提供旅遊及整合服務以及銷售農產品，包括北京石花洞鳥語林項目、永泰功夫小鎮項目及永福鎮合作項目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

6 SEGMENT INFORMATION (Continued)

(b) Segment revenue and segment results (Continued)

The table below shows the segment results and other segment items provided to the Executive Directors for the reportable segments for the year ended 31 December 2019.

6 分類資料 (續)

(b) 分類收入及分類業績 (續)

下表列示截至二零一九年十二月三十一日止年度就呈報分類提供予執行董事之分類業績及其他分類項目。

		Tourism and integrated developments 旅遊及 綜合發展 RMB'000 人民幣千元	Publishing and advertising 出版及廣告 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue from external customers	來自外部客戶的分類收益	91,267	31,107	122,374
Timing of revenue recognition	收益確認時間			
At a point in time	某個時點	87,509	27,716	115,225
Over time	隨時間	1,758	3,391	5,149
Under IFRS16	根據國際財務報告準則第16號	2,000	-	2,000
Share of losses of an associate	應佔聯營公司虧損	-	(1,366)	(1,366)
Segment results	分類業績	(85,167)	(37,737)	(122,904)
Other income	其他收入			336
Other loss	其他虧損			(82)
Finance costs – net	財務成本–淨額			(25,970)
Loss before income tax	除所得稅前虧損			(148,620)
Income tax credit	所得稅抵免			5,097
Loss for the year	年內虧損			(143,523)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

6 SEGMENT INFORMATION (Continued)

The table below shows the segment results and other segment items provided to the Executive Directors for the reportable segments for the year ended 31 December 2018.

6 分類資料 (續)

下表列示截至二零一八年十二月三十一日止年度就呈報分類提供予執行董事之分類業績及其他分類項目。

		Tourism and integrated developments 旅遊及 綜合發展 RMB'000 人民幣千元	Publishing and advertising 出版及廣告 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue from external customers	來自外部客戶的分類收益	9,280	45,736	55,016
Timing of revenue recognition	收益確認時間			
At a point in time	某個時點	3,801	37,020	40,821
Over time	隨時間	5,479	8,716	14,195
Share of losses of an associate	應佔聯營公司虧損	-	(165)	(165)
Segment results	分類業績	(16,514)	(141,146)	(157,660)
Other income	其他收入			917
Finance costs – net	財務成本–淨額			(7,149)
Loss before income tax	除所得稅前虧損			(163,892)
Income tax expense	所得稅開支			(705)
Loss for the year	年內虧損			(164,597)

The accounting policies of the reportable segments are the same as the Group's accounting policies.

呈報分類的會計政策與本集團的會計政策相同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT

7 物業、廠房及設備

		Land and buildings	Construction in progress	Leasehold improvement 租賃物業 裝修	Machinery 機器	Fixture, furniture and equipment 傢私及設備 裝置、	Motor vehicles 汽車	Exhibition animals 展覽動物	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日								
Cost	成本	4,681	–	8,104	32,123	8,770	6,720	–	60,398
Accumulated depreciation	累計折舊	(234)	–	(4,636)	(27,912)	(6,158)	(5,021)	–	(43,961)
Accumulated impairment losses	累計減值虧損	–	–	–	(1,730)	–	–	–	(1,730)
Net carrying amount	賬面淨額	4,447	–	3,468	2,481	2,612	1,699	–	14,707
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度								
Opening net carrying amount	年初賬面淨額	4,447	–	3,468	2,481	2,612	1,699	–	14,707
Acquisition of subsidiaries	收購附屬公司	16,900	–	–	–	–	–	–	16,900
Acquisition of assets through acquisition of a subsidiary	透過收購一間附屬公司 收購資產	–	–	–	–	707	–	4,293	5,000
Additions	添置	24,567	7,597	1,737	–	452	220	–	34,573
Transfer	轉讓	3,418	–	–	–	–	–	–	3,418
Disposals	出售	–	–	–	–	(11)	–	–	(11)
Depreciation (Note 26)	折舊(附註26)	(675)	–	(1,732)	(679)	(455)	(600)	(143)	(4,284)
Impairment	減值	–	–	(1,227)	(1,802)	–	–	–	(3,029)
Currency translation differences	貨幣換算差額	–	–	83	–	52	17	–	152
Closing net carrying amount	年末賬面淨額	48,657	7,597	2,329	–	3,357	1,336	4,150	67,426
At 31 December 2018	於二零一八年十二月三十一日								
Cost	成本	49,565	7,597	10,071	32,123	9,675	6,970	4,293	120,294
Accumulated depreciation	累計折舊	(908)	–	(6,515)	(28,591)	(6,318)	(5,634)	(143)	(48,109)
Accumulated impairment losses	累計減值虧損	–	–	(1,227)	(3,532)	–	–	–	(4,759)
Net carrying amount	賬面淨額	48,657	7,597	2,329	–	3,357	1,336	4,150	67,426

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT (Continued)

7 物業、廠房及設備 (續)

		Land and buildings	Construction in progress	Leasehold improvement 租賃物業 裝修	Machinery 機器	Fixture, furniture and equipment 裝置、傢私 及設備	Motor vehicles 汽車	Exhibition animals 展覽動物	Mature bearer plants 成熟 產花果植物	Immature bearer plants 未成熟 產花果植物	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Year ended 31 December 2019	截至二零一九年 十二月三十一日止年度										
Opening net carrying amount	年初賬面淨額	48,657	7,597	2,329	-	3,357	1,336	4,150	-	-	67,426
Additions	添置	-	12,177	2,101	-	911	187	-	5,585	10,048	31,009
Transfer	轉讓	-	(4,363)	4,363	-	-	-	-	-	-	-
Disposals	出售	-	-	(604)	-	(25)	-	-	-	-	(629)
Depreciation (Note 26)	折舊(附註26)	(1,499)	-	(1,514)	-	(834)	(591)	(859)	(137)	-	(5,434)
Impairment	減值	-	-	(969)	-	(966)	(273)	-	-	-	(2,208)
Currency translation differences	貨幣換算差額	-	-	32	-	11	5	-	-	-	48
Closing net carrying amount	年末賬面淨額	<u>47,158</u>	<u>15,411</u>	<u>5,738</u>	<u>-</u>	<u>2,454</u>	<u>664</u>	<u>3,291</u>	<u>5,448</u>	<u>10,048</u>	<u>90,212</u>
At 31 December 2019	於二零一九年 十二月三十一日										
Cost	成本	49,565	15,411	10,777	32,123	10,589	7,171	4,293	5,585	10,048	145,562
Accumulated depreciation	累計折舊	(2,407)	-	(4,070)	(28,591)	(7,169)	(6,234)	(1,002)	(137)	-	(49,610)
Accumulated impairment losses	累計減值虧損	-	-	(969)	(3,532)	(966)	(273)	-	-	-	(5,740)
Net carrying amount	賬面淨額	<u>47,158</u>	<u>15,411</u>	<u>5,738</u>	<u>-</u>	<u>2,454</u>	<u>664</u>	<u>3,291</u>	<u>5,448</u>	<u>10,048</u>	<u>90,212</u>

During the year ended 31 December 2018, certain buildings with net book value of RMB3,418,000 were transferred from properties held for sale.

於截至二零一八年十二月三十一日止年度，賬面淨額人民幣3,418,000元的若干樓宇已從持作出售物業中轉出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation of the Group's property, plant and equipment has been charged to the consolidated statement of comprehensive income as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cost of sales	銷售成本	137	1,192
General and administrative expenses	一般及行政開支	5,297	3,092
Total	總計	<u>5,434</u>	<u>4,284</u>

The Group recognised an impairment charge reflecting the aggregate difference totaling RMB2,208,000 (2018: RMB3,029,000) for these property, plant and equipment. These impairment charges for the year ended 31 December 2019 were recorded in the Group's consolidated statement of comprehensive income within "General and administrative expenses" (Note 26).

7 物業、廠房及設備（續）

本集團的物業、廠房及設備折舊已按下列方式於合併全面收益表扣除：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cost of sales	銷售成本	137	1,192
General and administrative expenses	一般及行政開支	5,297	3,092
Total	總計	<u>5,434</u>	<u>4,284</u>

本集團就該等物業、廠房及設備確認反映總累計差額的減值開支人民幣2,208,000元（二零一八年：人民幣3,029,000元）。截至二零一九年十二月三十一日止年度，該等減值開支計入本集團合併全面收益表的「一般及行政開支」內（附註26）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

8 INTANGIBLE ASSETS

8 無形資產

		Computer software	Non-compete agreement	Goodwill	Customer relationships	Trademark	Web site	Right to a land lease	Township operation right	Total
		電腦軟件	不競爭協議	商譽	客戶關係	商標	網站	土地租賃權	小鎮項目經營權	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日									
Cost	成本	3,127	11,500	12,573	14,500	9,400	8,476	-	-	59,576
Accumulated amortisation	累計攤銷	(2,665)	(11,500)	-	(14,500)	(6,655)	(8,476)	-	-	(43,796)
Accumulated impairment losses	累計減值虧損	(410)	-	(12,573)	-	(2,265)	-	-	-	(15,248)
Net carrying amount	賬面淨額	52	-	-	-	480	-	-	-	532
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度									
Opening net carrying amount	期初賬面淨額	52	-	-	-	480	-	-	-	532
Additions	添置	12	-	-	-	-	-	-	28,000	28,012
Acquisition of subsidiaries	收購附屬公司	-	-	66,058	-	-	-	193,439	-	259,497
Amortisation (Note 26)	攤銷(附註26)	(7)	-	-	-	(480)	-	(3,171)	(471)	(4,129)
Closing net carrying amount	年末賬面淨額	57	-	66,058	-	-	-	190,268	27,529	283,912
At 31 December 2018	於二零一八年十二月三十一日									
Cost	成本	3,139	11,500	78,631	14,500	9,400	8,476	193,439	28,000	347,085
Accumulated amortisation	累計攤銷	(2,672)	(11,500)	-	(14,500)	(7,135)	(8,476)	(3,171)	(471)	(47,925)
Accumulated impairment losses	累計減值虧損	(410)	-	(12,573)	-	(2,265)	-	-	-	(15,248)
Net carrying amount	賬面淨額	57	-	66,058	-	-	-	190,268	27,529	283,912
		Computer software	Non-compete agreement	Goodwill	Customer relationships	Trademark	Web site	Right to a land lease	Township operation right	Total
		電腦軟件	不競爭協議	商譽	客戶關係	商標	網站	土地租賃權	小鎮項目經營權	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度									
Opening net carrying amount	年初賬面淨額	57	-	66,058	-	-	-	190,268	27,529	283,912
Additions	添置	8	-	-	-	-	-	-	-	8
Acquisition of subsidiaries	收購附屬公司	-	-	3,955	-	-	-	-	-	3,955
Amortisation (Note 26)	攤銷(附註26)	(6)	-	-	-	-	-	(4,757)	(705)	(5,468)
Impairment	減值	-	-	(66,058)	-	-	-	-	-	(66,058)
Closing net carrying amount	年末賬面淨額	59	-	3,955	-	-	-	185,511	26,824	216,349
At 31 December 2019	於二零一九年十二月三十一日									
Cost	成本	3,146	11,500	82,586	14,500	9,400	8,476	193,439	28,000	351,047
Accumulated amortisation	累計攤銷	(2,676)	(11,500)	-	(14,500)	(7,135)	(8,476)	(7,928)	(1,176)	(53,391)
Accumulated impairment losses	累計減值虧損	(411)	-	(78,631)	-	(2,265)	-	-	-	(81,307)
Net carrying amount	賬面淨額	59	-	3,955	-	-	-	185,511	26,824	216,349

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

8 INTANGIBLE ASSETS (Continued)

The amortisation of intangible assets has been charged to “General and administrative expenses” in the consolidated statement of comprehensive income.

For the purpose of impairment testing, goodwill has been allocated to the cash generating units as summarised below:

8 無形資產 (續)

無形資產攤銷已於合併全面收益表的「一般及行政開支」內扣除。

就減值測試而言，商譽已分配至下述現金產生單位：

		Opening 年初 HK\$ 港元	Acquisition of subsidiaries 收購附屬公司 RMB'000 人民幣千元	Impairment 減值 RMB'000 人民幣千元	Closing 年末 RMB'000 人民幣千元
Year ended 31 December 2019	截至二零一九年 十二月三十一日止年度				
Beijing Shihua Caves Niaoyulin Project (Note (i))	北京石花洞鳥語林項目 (附註(i))	66,058	-	(66,058)	-
Cooperative project in Yongfu Town (Note (ii))	永福鎮合作項目 (附註(ii))	-	3,955	-	3,955
		<u>66,058</u>	<u>3,955</u>	<u>(66,058)</u>	<u>3,955</u>
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度				
Beijing Shihua Caves Niaoyulin Project (Note (i))	北京石花洞鳥語林項目 (附註(i))	-	66,058	-	66,058

(i) Beijing Shihua Caves Niaoyulin Project

During the year ended 31 December 2018 and 2019, the basis of determining the recoverable amount of the cash generating unit (“CGU”) and the major underlying assumptions are summarised below:

(i) 北京石花洞鳥語林項目

截至二零一八年及二零一九年十二月三十一日止年度，釐定現金產生單位（「現金產生單位」）可收回金額的基準及主要相關假設於下文概述：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

8 INTANGIBLE ASSETS (Continued)

(i) Beijing Shihua Caves Niaoyulin Project (Continued)

The recoverable amount was determined based on estimating the higher of the CGU's value in use and its fair value less cost of disposal.

As at 31 December 2019, the recoverable amount was determined based on fair value less cost of disposal method. That calculation uses the asset-based approach, which the key assumption includes the adjusted land unit rate.

As at 31 December 2018, the recoverable amount was determined based on fair value less cost of disposal method. That calculation uses cash flow projections based on financial budgets approved by the Directors covering a 5-year period, and at a post-tax discount rate of 14.16%. The cash flows beyond the 5-year period are extrapolated using a constant growth rate of 3% per annum.

The recoverable amount was determined based on level 2 in the fair value hierarchy for the year ended 31 December 2019, while for the year ended 31 December 2018, the recoverable amount was determined based on level 3 in the fair value hierarchy. Change in valuation technique is due to delay in timeline and changes in market condition, resulting in a higher recoverable amount using the asset-based approach than the calculation based on the discounted cash flow projections.

8 無形資產 (續)

(i) 北京石花洞鳥語林項目 (續)

可收回金額按現金產生單位之使用價值與其公允值減出售成本兩者中之較高者估計。

於二零一九年十二月三十一日，可收回金額按公允值減出售成本法釐定。該計算使用資產基礎法，其主要假設包括經調整土地單位價格。

於二零一八年十二月三十一日，可收回金額已按公允值減出售成本法釐定。有關計算乃使用基於董事批准的財務預算的五年期現金流量預測，其按除稅後貼現率14.16%計算。超過五年期的現金流量使用固定年增長率3%推算。

截至二零一九年十二月三十一日止年度，可收回金額按公允值架構等級中的第二級釐定，而截至二零一八年十二月三十一日止年度可收回金額按公允值架構等級中的第三級釐定。估值技術變動乃歸因於截止時間延遲及市況變動，導致使用資產基礎計算法的可收回金額高於基於貼現現金流量預測計算之可收回金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

8 INTANGIBLE ASSETS (Continued)

(i) Beijing Shihua Caves Niaoyulin Project (Continued)

As at 31 December 2019, due to delay in timeline and changes in market condition, management of the Group has revised its business plan for this CGU and determined that the provision for impairment of goodwill amounted to RMB66,058,000 (2018: Nil). The entire goodwill arising from the acquisition of Supreme Glory Limited had been impaired as at 31 December 2019.

Management has performed sensitivity analysis for business of Beijing Shihua Caves Niaoyulin Project by adjusting the adjusted land unit rate 5% more than or less than the based estimate. Based on the sensitivity analysis, should adjusted land unit rate increase or reduce by 5% over the base case, the recoverable amount of the CGU would be approximately RMB7,800,000 higher or RMB6,253,000 lower than the current estimate amount.

(ii) Cooperative project in Yongfu Town

During the year ended 31 December 2019, goodwill amounting to RMB3,955,000 was recognised as a result of acquisition of Zhang Ping Nong Bo Hui New Specialized Farmers' Cooperative. Goodwill has been allocated to the CGU that operates the cooperative project in Yongfu Town for the purpose of impairment testing.

As at 31 December 2019, management of the Group determined that there were no impairment of the CGU to which the goodwill has been allocated.

8 無形資產 (續)

(i) 北京石花洞鳥語林項目 (續)

於二零一九年十二月三十一日，由於時間表延遲及市況變動，本集團管理層已修改該現金產生單位的業務計劃，並釐定商譽減值撥備人民幣66,058,000元（二零一八年：無）。收購卓耀有限公司產生的全部商譽已於二零一九年十二月三十一日減值。

管理層已對北京石花洞鳥語林項目的業務進行敏感度分析，方式為調整經調整土地單位價格高於或低於基礎估計5%。基於敏感度分析，倘經調整土地單位價格較基礎價格上漲或下跌5%，則現金產生單位的可收回金額將高於或低於當前估計金額約人民幣7,800,000元或人民幣6,253,000元。

(ii) 永福縣合作項目

截至二零一九年十二月三十一日止年度，因收購漳平農博匯現代農業專業合作社確認商譽人民幣3,955,000元。就減值測試而言，商譽已分配至經營永福縣合作項目的現金產生單位。

於二零一九年十二月三十一日，本集團管理層確定概無已分配商譽的現金產生單位出現減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

9 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

9 預付款項、按金及其他應收款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Non-current portion			
	非流動部分		
Prepayment for township development (Note (i))	小鎮開發項目的預付款項 (附註(i))	17,000	22,000
Prepayment for property, plant and equipment	物業、廠房及設備預付款項	9,991	11,761
Prepayment for acquisition of a subsidiary	收購一間附屬公司預付款項	-	3,000
Other prepayment	其他預付款項	4,209	-
Deposits for marketing and promotion contracts (Note (ii))	營銷及市場推廣合約的按金 (附註(ii))	52,000	-
Rental deposits	租金按金	438	428
Other deposits	其他按金	-	500
		83,638	37,689
Current portion			
	流動部分		
Prepayments	預付款項	3,284	772
Rental deposit	租金按金	500	4,120
Deposits and other receivables	按金及其他應收款項	6,061	4,701
		9,845	9,593

The carrying amounts of the Group's prepayments, deposits and other receivables are denominated in the following currencies:

本集團的預付款項、按金及其他應收款項的賬面值以下列貨幣計值：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
RMB	人民幣	93,045	43,405
HK\$	港元	438	3,877
		93,483	47,282

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

9 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

(i) Prepayment for township development

Pursuant to the framework agreement entered into by the Group with Yongtai Government on 15 September 2017, Yongtai Government agreed to form a long-term strategic cooperation with the Group regarding the development and operation of the Township Project. Under the framework agreement, the Group shall pay a deposit of RMB50,000,000 to Yongtai Government, which was intended to be utilised for participating in open tender auctions to be organised by the Yongtai Government for land use rights, assets, grant of lease and/or operation rights circulation within the project site.

During the year ended 31 December 2017, the Group entered into an operation right agreement with the Yongtai Government for the acquisition of a 40-years' exclusive operation right to develop, construct, manage and operate commercial activities such as tourism, sightseeing, resort, culture, sports and entertainment in the operation site at a consideration of RMB28,000,000. The consideration of RMB28,000,000 was deducted from the RMB50,000,000 refundable deposit placed by the Group with Yongtai Government under the framework agreement. The prepayment of RMB28,000,000 had been utilised upon completion of the acquisition on 19 April 2018.

As at 31 December 2019, the remaining amount of RMB17,000,000 (2018:RMB22,000,000) is intended to be utilised for township development and is classified as a prepayment for township development.

9 預付款項、按金及其他應收款項 (續)

(i) 小鎮項目開發的預付款項

根據本集團與永泰縣政府於二零一七年九月十五日訂立之框架協議，永泰政府同意就開發及經營小鎮項目與本集團訂立長期策略性合作關係。根據框架協議，本集團將向永泰政府支付按金人民幣50,000,000元，擬用於參與永泰政府將舉辦的就項目選址內的土地使用權、資產、租賃授予及／或經營權流轉的公開招標拍賣。

截至二零一七年十二月三十一日止年度，本集團與永泰政府訂立一項經營權協議，內容有關收購40年獨家經營權，以於經營選址內進行包括旅遊、觀光、度假村、文化、體育及娛樂在內的開發、建設、管理及商業運營活動，代價為人民幣28,000,000元。代價人民幣28,000,000元應自本集團根據框架協議向永泰政府已支付的可退還按金人民幣50,000,000元中扣除。預付款項人民幣28,000,000元其後於收購事項在二零一八年四月十九日完成後動用。

於二零一九年十二月三十一日，餘下按金人民幣17,000,000元（二零一八年：人民幣22,000,000元）擬用於小鎮項目開發，並歸類為小鎮開發項目的預付款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

9 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

(ii) Deposits for marketing and promotion contracts

As at 31 December 2019, deposits for marketing and promotion contracts represent cash paid by the Group to a property developer in the PRC in relation to exclusive marketing and promotion services agreements between the Group and the property developer. Pursuant to the agreements, the Group has obtained rights as the sole marketing and promotion services provider for two real estate development projects owned by the property developer for terms of 3 years over the selling period of the real estate development projects. These deposits will, amongst other terms and conditions, be repayable to the Group after the Group meet the sales target as stated in the agreements.

10 BIOLOGICAL ASSETS

Biological assets comprise golden camellia flowers growing on trees.

At 1 January	於一月一日
Changes in fair value due to biological transformation	由於生物轉化導致之公允值變動
At 31 December	於十二月三十一日

As at 31 December 2019 there were approximately 120,000 of golden camellia trees plantations. During the year ended 31 December 2019, the Group has not harvested any of these flowers.

9 預付款項、按金及其他應收款項 (續)

(ii) 營銷及市場推廣合約的按金

於二零一九年十二月三十一日，營銷及市場推廣合約的按金指本集團就本集團與物業開發商訂立之獨家營銷及市場推廣服務協議向中國一名物業開發商支付的現金。根據該等協議，本集團就物業開發商所擁有的兩個房地產開發項目獲得作為房地產開發項目銷售期間的唯一營銷及市場推廣服務提供商的權利，為期三年。於本集團達到該等協議所列明的銷售目標後，該等按金將（以及根據其他條款及條件）償還予本集團。

10 生物資產

生物資產包括正在樹上生長的金花茶。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	-	-
Changes in fair value due to biological transformation	由於生物轉化導致之公允值變動	<u>239</u>	-
At 31 December	於十二月三十一日	<u>239</u>	-

截至二零一九年十二月三十一日，約有120,000株金花茶樹。截至二零一九年十二月三十一日止年度，本集團尚未收成該等花茶。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

10 BIOLOGICAL ASSETS (Continued)

The Group's biological assets as at 31 December 2019 were valued by APAC Asset Valuation and Consulting Limited, an independent professionally qualified valuer who holds a recognised relevant professional qualification.

The fair value of golden camellia flowers is determined using a discounted cash flow model based on the expected flower yield by certain management estimates and judgments after allowing for harvesting costs, and other costs yet to be incurred in getting the flowers for sale. Estimates and judgement in determining the fair value of the golden camellia growing on trees include the volume and stages of maturity of the golden camellia flowers, expected selling price and the discount rates.

The biological assets were classified as Level 3 under the fair value hierarchy. There were no transfer between any levels during the year.

The Group's management reviewed the valuations performed by the independent valuer for financial reporting purposes. The management reported directly to the directors. Discussions of valuation processes and results were held between management and the valuer.

The management and the directors verified major inputs to the independent valuation reports and held discussion with the independent valuer on the valuation basis, processes and results.

10 生物資產 (續)

持有相關認可專業資格的獨立專業合資格估值師亞太資產評估及顧問有限公司已對本集團截至二零一九年十二月三十一日之生物資產進行估值。

金花茶的公允值基於若干管理層計入收穫成本及收花用作銷售時將予產生的其他成本作出的撥備後作出的估計及判斷給出的預期花茶收益率，使用貼現現金流量模式釐定。釐定正在樹上生長的金花茶公允值時作出的估計及判斷包括金花茶的數量及成熟階段、預期售價及貼現率。

生物資產分類為公允值架構等級的第三級。年內任何層級間並無轉撥。

就財務報告目的而言，本集團管理層已審閱獨立估值師進行的估值。管理層直接向董事報告。管理層與估值師對估值程序及結果進行討論。

管理層及董事證實獨立估值師報告的主要輸入數據並與獨立估值師討論估值基準、程序及結果。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

11 INVENTORIES

11 存貨

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Newsprint and printing consumables	新聞紙及印刷消耗品	774	1,420

The cost of inventories recognised as expense and included in "Cost of sales" amounted to RMB2,819,000 (2018: RMB3,621,000).

確認為開支並納入「銷售成本」的存貨成本為人民幣2,819,000元（二零一八年：人民幣3,621,000元）。

12 PROPERTIES HELD FOR SALE

12 持作出售物業

The Group's properties held for sale includes the following:

本集團的持作出售物業包括以下項目：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Properties held for sale	持作出售物業	25,386	24,622

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

12 PROPERTIES HELD FOR SALE (CONTINUED)

The properties in the PRC were received in exchange of advertising services to real estate developers in the PRC. The Group's intention is to sell these properties and, accordingly, such rights are recognised as properties held for sale upon the completion of the advertising sales transaction if the related properties are ready to be sold.

Management assessed the fair value less costs to sell of the properties with reference to their market value with the assistance of an independent property valuer. Valuation methodologies used in the valuation included direct market comparable approach and income approach which are within Level 2 and Level 3 of the fair value hierarchy respectively. For direct market comparable approach, observable inputs other than quoted prices within Level 1 included market price of comparable properties adjusted having regard to the location, size and nature of the properties (Level 2). For income approach, unobservable inputs included expected rent income, growth rate and discount rate (Level 3). There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year. For the year ended 31 December 2019, the management compared the carrying amount and fair value less costs to sell of the properties and considered no further impairment provision is necessary (2018: RMB4,252,000) (Note 26).

Cash flows associated with the disposal of properties held for sale are presented under "Operating activities" in the consolidated statement of cash flows. The gain or loss on disposal and impairment loss of properties held for sale are recorded in "General and administrative expenses" in the consolidated statement of comprehensive income.

12 持作出售物業 (續)

中國物業乃於向中國房地產開發商交換廣告服務時取得。本集團的目的為銷售該等物業，因此，若相關物業可供出售，則有關權利於完成廣告銷售交易時確認為持作出售物業。

管理層參照物業的市值評估其公允值減去銷售成本。評估所用的估值方法包括直接市場比較法及收益法，乃分別屬於公允價值架構等級的第二及第三級。就直接市場比較法而言，可觀察輸入數據（第一級內的報價除外）包括可資比較物業的市價，當中已就物業地點、大小及性質作出調整（第二級）。就收益法而言，不可觀察輸入數據包括預期租賃收入、增長率及折現率（第三級）。就經常性公允值計量而言，年內第一級、第二級及第三級之間並無轉撥。於截至二零一九年十二月三十一日止年度，管理層已比較物業的賬面值與公允值減銷售成本，認為毋須作出進一步減值撥備（二零一八年：人民幣4,252,000元）（附註26）。

有關出售持作出售物業的現金流量於合併現金流量表「經營活動」下呈列。出售持作出售物業的收益或虧損及持作出售物業的減值虧損在合併全面收益表的「一般及行政開支」內記錄。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

13 公允價值經損益表入賬的金融資產

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Investment in a network drama	一項網絡劇收益權的投資	6,165	6,173

On 8 May 2018, the Group acquired an investment in a network drama through the acquisition of subsidiaries. Pursuant to the investment agreement on 22 May 2017, a wholly-owned subsidiary of Supreme Glory Limited acquired 20% of the income right in a network drama for a consideration of RMB6,000,000.

The fair value estimation of the investment was based on the cash flows discounted using a rate based on the market interest rate and risk premium specific to the investment. Significant unobservable inputs involved in the fair value measurement included the expected timing of settlement and discount rate, which are within level 3 of the fair value hierarchy. There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year ended 31 December 2019.

For the year ended 31 December 2019, a fair value loss of RMB8,000 relating to the financial assets at fair value through profit or loss was recognised in the consolidated statement of comprehensive income (2018: a fair value gain of RMB228,000).

於二零一八年五月八日，本集團透過收購附屬公司取得網絡劇投資。根據日期為二零一七年五月二十二日之投資協議，卓耀有限公司的全資附屬公司收購一部網絡劇收益權的20%，代價為人民幣6,000,000元。

該投資的公允價值乃按以市場利率及該投資的特定風險溢價計算的利率折現的現金流量估計。公允價值計量涉及的重大不可觀察輸入數據包括預期收回時期及折現率，屬於公允價值架構等級的第三級。截至二零一九年十二月三十一日止年度，經常性公允價值計量之任何第一級、第二級及第三級之間並無轉撥。

截至二零一九年十二月三十一日止年度，有關公允價值經損益表入賬的金融資產的公允價值虧損人民幣8,000元於合併全面收益表內確認（二零一八年：公允價值收益人民幣228,000元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

14 TRADE RECEIVABLES – NET

14 貿易應收款項－淨額

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	12,724	10,331
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備	(3,163)	(2,473)
Trade receivables – net	貿易應收款項－淨額	<u>9,561</u>	<u>7,858</u>

The payment terms with customers are mainly cash on delivery and on credit. The credit periods range from 30 days to 365 days after the end of the month in which the relevant sales occurred. Aging analysis of the Group's trade receivables based on invoice date was as follows:

客戶主要按貨到付現及以記賬方式付款。信貸期介乎作出相關銷售當月結束後30日至365日不等。本集團的貿易應收款項根據發票日期的賬齡分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
1 – 30 days	1至30日	8,486	3,942
31 – 60 days	31至60日	112	780
61 – 90 days	61至90日	84	470
91 – 180 days	91至180日	118	954
181 – 365 days	181至365日	1,068	1,800
Over 1 year	一年以上	2,856	2,385
		<u>12,724</u>	<u>10,331</u>
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備	(3,163)	(2,473)
Trade receivables – net	貿易應收款項－淨額	<u>9,561</u>	<u>7,858</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

14 TRADE RECEIVABLES – NET (Continued)

The carrying amounts of the Group's trade receivables are denominated in RMB.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Note 3.1(b) provides for details about the calculation of the allowance.

As at 31 December 2019, trade receivables of RMB3,163,000 (2018: RMB2,473,000) were impaired and provided for. For the year ended 31 December 2019, the amounts of the provision charged to the consolidated statement of comprehensive income were RMB690,000 (2018: adjustment to provision recognised as a gain in the consolidated statement of comprehensive income of RMB607,000).

Due to the short-term nature of the current receivables, their carrying amounts are considered to be the same as their fair value.

During the year ended 31 December 2019, trade receivables of RMB2,191,000 (2018: RMB10,878,000) were directly written-off to the consolidated statement of comprehensive income.

14 貿易應收款項－淨額（續）

本集團貿易應收款項的賬面值以人民幣計值。

本集團採用國際財務報告準則第9號的簡化方法計量預期信貸虧損，就所有貿易應收款項及合約資產使用全期預期虧損撥備。有關撥備計算之詳情載於附註3.1(b)。

於二零一九年十二月三十一日，貿易應收款項人民幣3,163,000元（二零一八年：人民幣2,473,000元）已減值及計提撥備。截至二零一九年十二月三十一日止年度，於合併全面收益表扣除的撥備金額為人民幣690,000元（二零一八年：於合併全面收益表內確認為收益之撥備調整為人民幣607,000元）。

由於當前應收款項的短期性質，其賬面值被視作與其公允值相同。

截至二零一九年十二月三十一日止年度，為數人民幣2,191,000元（二零一八年：人民幣10,878,000元）之貿易應收款項直接於合併全面收益表撇銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

14 TRADE RECEIVABLES – NET (Continued)

Movements on the Group's provision for impairment on trade receivables are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	2,473	13,752
Changes in accounting policies	會計政策變動	–	206
Net change in provision for impairment of trade receivables	貿易應收款項減值撥備變動淨額	(690)	(607)
Receivables written off	應收款項撇銷	–	(10,878)
At 31 December	於十二月三十一日	3,163	2,473

The provision for/(reversal of provision for) impairment of trade receivables have been included in "General and administrative expenses" in the consolidated statement of comprehensive income.

The Group does not hold any collateral as security.

14 貿易應收款項－淨額（續）

本集團貿易應收款項減值撥備的變動如下：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	2,473	13,752
Changes in accounting policies	–	206
Net change in provision for impairment of trade receivables	(690)	(607)
Receivables written off	–	(10,878)
At 31 December	3,163	2,473

貿易應收款項減值撥備／（撥備撥回）已計入合併全面收益表的「一般及行政開支」內。

本集團並無持有任何抵押品作擔保。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

15 CASH AND BANK BALANCES

The Group's cash and cash equivalents are denominated in the following currencies:

Cash at bank and on hand: 銀行及手頭現金：
 Denominated in RMB 以人民幣計值
 Denominated in HKD 以港元計值
 Denominated in USD 以美元計值

Maximum exposure to credit risk 最高信貸風險

Cash at bank earns interest at floating rates based on daily bank deposits rate. The carrying amounts of the cash at bank approximate their fair values.

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

15 現金及銀行結餘

本集團的現金及現金等值項目乃以下列貨幣計值：

2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
9,253	16,036
493	2,372
7	15,472
9,753	33,880
9,708	33,751

銀行現金按基於銀行每日存款利率的浮動利率計息。銀行現金的賬面值與其公允值相若。

將以人民幣計值的結餘兌換為外幣以及將有關以外幣計值的銀行結餘及現金匯出中國須遵守中國政府頒佈的相關外匯管制規則及規例。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

16 SHARE CAPITAL

16 股本

		Number of ordinary shares 普通股數目	Nominal value of ordinary shares 普通股面值 HK\$ 港元	Equivalent nominal value of ordinary shares 普通股等值面值 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Authorised:	法定:					
Ordinary shares of HK\$0.1 each at 1 January 2019 and 31 December 2018 (Note (a))	於二零一九年一月一日及 二零一八年十二月三十一日 每股面值0.1港元之普通股 (附註(a))	10,000,000,000	0.1			
Capital Reorganisation (Note (b))	股本重組(附註(b))	<u>90,000,000,000</u>	(0.09)			
Ordinary shares of HK\$0.01 each at 31 December 2019	於二零一九年十二月三十一日之 每股面值0.01港元之普通股	<u>100,000,000,000</u>	0.01			
Issued:	已發行:					
Ordinary shares at 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日的普通股	2,287,996,121	228,799,612	191,994	851,682	1,043,676
Cancellation of share premium account (Note (b))	註銷股份溢價賬(附註(b))	-	-	-	(851,682)	(851,682)
Capital Reorganisation (Note (b))	股本重組(附註(b))	(1,715,997,091)	(223,079,622)	(187,194)	-	(187,194)
Issuance of shares upon conversion of convertible bonds (Note (c))	於轉換可換股債券時發行股份 (附註(c))	<u>185,600,000</u>	<u>1,856,000</u>	<u>1,602</u>	<u>36,376</u>	<u>37,978</u>
At 31 December 2019	於二零一九年十二月三十一日	<u>757,599,030</u>	<u>7,575,990</u>	<u>6,402</u>	<u>36,376</u>	<u>42,778</u>

Notes:

附註:

(a) Prior to 19 April 2018, the Company had an authorised share capital of HK\$200 million divided into 2,000,000,000 shares of HK\$0.1 each. The Company's shareholders approved the increase in the authorised share capital of the Company from HK\$200,000,000 divided into 2,000,000,000 shares to HK\$1,000,000,000 divided into 10,000,000,000 shares by creation of additional 8,000,000,000 shares through an extraordinary general meeting on 19 April 2018.

(a) 於二零一八年四月十九日前，本公司之法定股本為200,000,000港元，分為2,000,000,000股每股面值0.1港元的股份。本公司股東批准其法定股本自200,000,000港元（分為2,000,000,000股股份）增至1,000,000,000港元（分為10,000,000,000股股份），方式為透過二零一八年四月十九日的股東特別大會增發8,000,000,000股股份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

16 SHARE CAPITAL (Continued)

Notes: (Continued)

(b) On 1 February 2019, the Board of Directors proposed the cancellation of share premium account and to implement a capital reorganisation (“Capital Reorganisation”) which involves:

- (i) the share consolidation of every four issued and unissued existing shares of HK\$0.10 each into one consolidated share of HK\$0.40 each;
- (ii) the capital reduction such that the nominal value of each issued consolidated share be reduced from HK\$0.40 to HK\$0.01; and
- (iii) the share subdivision of each unissued consolidated share of HK\$0.40 each into forty new shares of HK\$0.01 each.

The effective date of the Capital Reorganisation was 10 April 2019 after fulfilment of all precedent conditions. The credits arising from cancellation of share premium account and any credit arising as a result of the cancellation of any fraction in the issued share capital of the Company arising from the share consolidation are designated as the contributed surplus. Upon the cancellation of share premium account and the Capital Reorganisation become effective, the contributed surplus has been applied by the Board to set off against the accumulated deficits of the Group in full.

(c) On 21 May 2019, the convertible bonds in the principal amount of HK\$44,544,000 (equivalent to RMB38,441,000) at the conversion price of HK\$0.24 were exercised. As a result, 185,600,000 new shares were issued and allotted.

16 股本 (續)

附註：(續)

(b) 於二零一九年二月一日，董事會建議註銷股份溢價賬及進行股本重組（「股本重組」），當中涉及：

- (i) 股份合併，以每四股每股面值0.10港元的已發行及未發行現有股份合併為一股每股面值0.40港元的合併股份；
- (ii) 股本削減，以致每股已發行合併股份的面值由0.40港元削減至0.01港元；及
- (iii) 股份分拆，以每股面值0.40港元的未發行合併股份分拆為四十股每股面值0.01港元的新股份。

於達成所有先決條件後，股本重組的生效日期為二零一九年四月十日。註銷股份溢價賬的進賬額及因註銷本公司已發行股本內因股份合併產生的任何碎股產生的進賬額指定為實繳盈餘。於註銷股份溢價賬及股本重組生效後，董事會已應用實繳盈餘來悉數抵銷本公司的累積虧絀。

(c) 於二零一九年五月二十一日，本金額為44,544,000港元（相當於人民幣38,441,000元）的可換股債券按換股價0.24港元獲行使，據此發行及配發185,600,000股新股份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

17 RESERVES

The details of movement in the Group's reserves are set out in the consolidated statement of changes in equity on page 99:

(a) Capital redemption reserve

The capital redemption reserve relates to the redemption and cancellation of the Company's own shares.

(b) Capital reserves

Capital reserves primarily represent capital contributions to certain subsidiaries of the Group and the differences between the consideration and proportionate carrying value of the subsidiary disposed of where the Group still retains control of the subsidiary.

(c) Statutory reserves

The statutory reserves represent reserves of the PRC incorporated companies which are set aside for future development purpose in accordance with the regulations in the PRC. The allocation is based on certain percentages of these companies' profit for the year, as reported in their statutory financial statements.

Pursuant to the PRC regulations and the companies' respective Articles of Association, each of the Group companies is required to transfer 10% of its profit for the year, as determined under the PRC Accounting Regulations, to a statutory common reserve fund until the fund balance exceeds 50% of the Group company's registered capital. The statutory common reserve fund can be used to make good previous years' losses, if any, and to issue new shares to shareholders in proportion to their existing shareholdings or to increase the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

17 儲備

本集團儲備的變動詳情載於第99頁的合併權益變動表：

(a) 股本贖回儲備

股本贖回儲備與本公司贖回及註銷本身股份有關。

(b) 資本儲備

資本儲備主要指向本集團若干附屬公司出資及代價與所出售附屬公司（本集團仍保留其控制權）比例賬面值之間的差額。

(c) 法定儲備

法定儲備指中國註冊成立公司就未來發展目的根據中國法規設立的儲備。法定儲備乃基於該等公司在法定財務報表內所報的年內溢利的若干百分比進行劃撥。

根據中國法規及公司各自的組織章程細則，本集團旗下各公司須將按中國會計法規所釐定的年內溢利的10%撥入法定公積金，直至該公積金結餘超過本集團該旗下公司註冊資本的50%。法定公積金可用於彌補以往年度虧損（如有），亦可按現有持股比例發行新股予股東或增加股東現時所持股份的面值，惟發行後的結餘不可少於註冊資本的25%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

17 RESERVES (Continued)

(c) Statutory reserves (Continued)

Each of the Group companies is also permitted to transfer a certain percentage of its profit for the year as determined under the PRC Accounting Regulations, to a discretionary common reserve fund. The transfer to this reserve is subject to approval at shareholders' meetings.

(d) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 4.

(e) Contributed surplus

The contributed surplus represents the difference between the share premium amounts and the accumulated deficits of the Group pursuant to the cancellation of share premium account and the capital reorganization effected on 10 April 2019.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

17 儲備 (續)

(c) 法定儲備 (續)

本集團旗下各公司亦可將按中國會計法規所釐定的年內溢利的若干百分比撥入任意公積金。該項撥款須經股東大會批准。

(d) 匯兌儲備

匯兌儲備包括換算海外業務財務報表所產生的一切匯兌差額。儲備乃根據附註4所載會計政策處理。

(e) 實繳盈餘

實繳盈餘指股份溢價賬與本集團根據二零一九年四月十日進行之股份溢價賬註銷及股本重組產生之累計虧絀之間的差額。

根據百慕達一九八一年《公司法》(經修訂)，本公司之實繳盈餘賬可供分派。然而，倘出現下列情況，則本公司不可宣派或支付股息，亦不得從實繳盈餘中作出分派：

- (i) 公司無力(或於派付後將會無力)償還到期之負債；或
- (ii) 公司資產之可變現值將少於其負債、已發行股本及股份溢價賬之總和。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

17 RESERVES (Continued)

(f) Convertible bonds reserve

Convertible bonds reserve represents the value of the conversion rights related to convertible bonds of the Company, details of which are shown in Note 23. The reserve will be transferred to share capital and share premium accounts upon the conversion of convertible bonds.

18 SUBSIDIARIES

The following is a list of principal subsidiaries of the Company as at 31 December 2019:

17 儲備 (續)

(f) 可換股債券儲備

可換股債券儲備指有關本公司可換股債券儲備之換股權價值，有關詳情載於附註23。儲備將於可換股債券轉換時撥入股本及股份溢價賬。

18 附屬公司

下表載列本公司於二零一九年十二月三十一日的主要附屬公司：

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及法人類別	Principal activities 主要業務	Issued or registered/ paid up capital 已發行或註冊/實繳股本	Effective interest held as at 31 December 於十二月三十一日持有的實際權益	
				2019 二零一九年	2018 二零一八年
Directly owned subsidiary: 直接擁有附屬公司：					
Dragon Soar Ltd. 龍翔有限公司	The British Virgin Islands, Limited liability company 英屬處女群島，有限責任公司	Investment holding 投資控股	USD1 1美元	100%	100%
Ysolde Group Limited 十方優良集團有限公司	Samoa, Limited liability company 薩摩亞，有限責任公司	Investment holding 投資控股	USD50,000 50,000美元	100%	100%
Graceful Universe Holdings Limited 雅宙控股有限公司	The British Virgin Islands, Limited liability company 英屬處女群島，有限責任公司	Investment holding 投資控股	USD1 1美元	100%	100%
ShiFang Expert Company Limited 十方俊才有限公司	Hong Kong, Limited liability company 香港，有限責任公司	Human resources 人力資源	HKD1 1港元	100%	100%
Glory Peace Limited 榮泰有限公司	Samoa, Limited liability company 薩摩亞，有限責任公司	Investment holding 投資控股	USD1 1美元	100%	100%
Supreme Glory Limited 卓耀有限公司	Samoa, Limited liability company 薩摩亞，有限責任公司	Investment holding 投資控股	USD43,521 43,521美元	100%	100%
Indirectly owned subsidiaries: 間接擁有附屬公司：					
Fuzhou DingCe Culture Communication Co. Ltd. 福州鼎策文化傳播有限公司	Fuzhou, the PRC, Limited liability company 中國福州，有限責任公司	Provision of full-line advertising agency services 提供全方位廣告代理服務	USD200,000 200,000美元	100%	100%
Fuzhou ShiFang Printing Co., Ltd. 福州十方印務有限公司	Fuzhou, the PRC, Limited liability company 中國福州，有限責任公司	Provision of printing services 提供印刷服務	RMB10,000,000 人民幣10,000,000元	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

18 SUBSIDIARIES (Continued)

18 附屬公司 (續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及法人類別	Principal activities 主要業務	Issued or registered/ paid up capital 已發行或註冊/實繳股本	Effective interest held as at 31 December 於十二月三十一日持有的實際權益	
				2019 二零一九年	2018 二零一八年
Indirectly owned subsidiary: (Continued) 間接擁有附屬公司：(續)					
Fuzhou ShiFangYuan Advertisement Co., Ltd. 福建十方源廣告有限公司	Fuzhou, the PRC, Limited liability company 中國福州·有限責任公司	Provision of full-line advertising agency services 提供全方位廣告 代理服務	RMB5,000,000 人民幣5,000,000元	100%	100%
Fujian DaFang Advertisement Co., Ltd. 福建大方廣告有限公司	Fuzhou, the PRC, Limited liability company 中國福州·有限責任公司	Provision of full-line advertising services 提供全方位廣告服務	RMB5,000,000 人民幣5,000,000元	100%	100%
Kunming HanDing Printing Technology Consulting Co., Ltd. 昆明漢鼎印刷技術諮詢有限公司	Kunming, the PRC, Limited liability company 中國昆明·有限責任公司	Provision of publishing and printing services 提供出版及印刷服務	RMB10,000,000 人民幣10,000,000元	100%	100%
Xiamen DuKe Information Science & Technology Co., Ltd. ("Xiamen Duke") 廈門讀客信息科技(「廈門讀客」)有限公司	Xiamen, the PRC, Limited liability company 中國廈門·有限責任公司	Provision of technology promotion and consultancy services 提供技術推廣及 諮詢服務	RMB11,000,000 人民幣11,000,000元	100%	100%
Fujian HaoBang Real Estate Consulting & Agency Co. Ltd. 福建好邦房產策劃代理有限公司	Fuzhou, the PRC, Limited liability company 中國福州·有限責任公司	Property marketing & agency services 物業營銷及代理服務	RMB10,000,000 人民幣10,000,000元	51%	51%
Fujian FangKe Network Technology Corporation Ltd. 福建房客網絡科技股份有限公司	Fuzhou, the PRC, Limited liability company 中國福州·有限責任公司	Provision of full-line advertising services & Property marketing 提供全方位廣告服務 及物業營銷	RMB50,000,000 人民幣50,000,000元	51%	51%
Fujian ShiFang KaiTai Advertisement Technology Co., Ltd. 福建十方開泰傳媒科技(「廈門讀客」)有限公司	Fuzhou, the PRC, Limited liability company 中國福州·有限責任公司	Provision of technology promotion and consultancy services 提供技術推廣及 諮詢服務	RMB10,000,000 人民幣10,000,000元	100%	100%
Tian Pu Commercial Management Co., Ltd. 香港添鋪商業管理有限公司	Hong Kong, Limited liability company 香港·有限責任公司	Investment holding 投資控股	HKD100 100港元	51%	51%
Fujian Tian Pu Commercial Management Co., Ltd. 福建省添鋪商業管理有限公司	Fuzhou, the PRC, Limited liability company 中國福州·有限責任公司	Property marketing & agency services 物業營銷及代理服務	RMB10,000,000 人民幣10,000,000元	51%	51%
Fujian ShiFang Real Estate Investment Consulting Co., Ltd. 福建省十方地產投資顧問有限公司	Fuzhou, the PRC, Limited liability company 中國福州·有限責任公司	Property investment consultancy services 物業投資諮詢服務	RMB50,000,000 人民幣50,000,000元	51%	51%
Ningbo Expert Culture Communication Co., Ltd. 寧波才俊文化傳播有限公司	Ningbo, the PRC, Limited liability company 中國寧波·有限責任公司	Human resources 人力資源	HKD7,000,000 7,000,000港元	- (Note a) (附註a)	100% (Note a) (附註a)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

18 SUBSIDIARIES (Continued)

18 附屬公司 (續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及法人類別	Principal activities 主要業務	Issued or registered/ paid up capital 已發行或註冊/實繳股本	Effective interest held as at 31 December 於十二月三十一日持有的實際權益	
				2019 二零一九年	2018 二零一八年
Indirectly owned subsidiary: (Continued) 間接擁有附屬公司：(續)					
Fuzhou Kungfu Town Scenic Area Development Co., Ltd. 福州功夫小鎮景區開發有限公司	Fuzhou, the PRC, Limited liability company 中國福州·有限責任公司	Tourism and entertainment 旅遊及娛樂	USD25,000,000 25,000,000美元	100%	100%
Beijing Fanxing Travel Co., Ltd. 北京繁星旅遊有限公司	Beijing, the PRC, Limited liability company 中國北京·有限責任公司	Tourism and entertainment 旅遊及娛樂	RMB5,000,000 人民幣5,000,000元	100%	100%
Zhangpingshi Lianchuang Nongye Fazhan Co., Ltd. 漳平市聯創農業發展有限公司	Fuzhou, the PRC, Limited liability company 中國福州·有限責任公司	Tourism and entertainment 旅遊及娛樂	RMB10,000,000 人民幣10,000,000元	60%	60%
Fuzhou Niaoyulin Youle Co., Ltd. 福州鳥語林遊樂有限公司	Fuzhou, the PRC, Limited liability company 中國福州·有限責任公司	Tourism and entertainment 旅遊及娛樂	RMB5,000,000 人民幣5,000,000元	82%	82%
Special purpose entity: 特殊目的實體：					
Beijing BaiChuanDuKe Science and Technology Co., Ltd. 北京百傳讀容科技有限公司	Beijing, the PRC, Limited liability company 中國北京·有限責任公司	Provision of technology promotion and consultancy services 提供技術推廣及諮詢服務	RMB1,000,000 人民幣1,000,000元	100%	100%

Note a: The subsidiary was deregistered on 4 December 2019.

附註a：該附屬公司於二零一九年十二月四日註銷登記。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

18 SUBSIDIARIES (Continued)

(a) Material non-controlling interests

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
By subsidiaries:	按附屬公司：		
Fujian Fangke Network Technology Co. Ltd (“Fujian Fangke”)	福建房客網絡科技股份有限公司（「福建房客」）	12,411	14,868
Others	其他	(4,203)	(2,188)
		8,208	12,680

Summarised financial information on a subsidiary with material non-controlling interests
Set out below are the summarised financial information for a subsidiary that has non-controlling interests that are material to the Group.

Summarised balance sheets for Fujian Fangke

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current:	流動：		
Assets	資產	27,608	28,951
Liabilities	負債	(3,205)	(4,030)
Net current assets	流動資產淨值	24,403	24,921
Non-current:	非流動：		
Assets	資產	55,795	5,423
Liabilities	負債	(52,000)	-
Net assets	資產淨值	28,198	30,344

18 附屬公司（續）

(a) 重大非控股權益

擁有重大非控股權益的附屬公司的財務資料概要

下文載列擁有對本集團而言屬重大的非控股權益的各附屬公司的財務資料概要。

福建房客的資產負債表概要

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

18 SUBSIDIARIES (Continued)

(a) Material non-controlling interests (Continued)

Summarised statements of comprehensive income
for Fujian Fangke

18 附屬公司 (續)

(a) 重大非控股權益 (續)

福建房客的全面收益表概要

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue	收益	20,236	29,929
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(1,965)	1,287
Income tax expense	所得稅開支	-	(335)
(Loss)/profit for the year	年內(虧損)/溢利	(1,965)	952
Other comprehensive income	其他全面收益	-	-
Total comprehensive (loss)/income	全面(虧損)/收益總額	<u>(1,965)</u>	<u>952</u>
Total comprehensive (loss)/income allocated to non-controlling interests	分配至非控股權益的 全面(虧損)/收益總額	(963)	466
Dividends paid to non-controlling interests	已付非控股權益的股息	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

18 SUBSIDIARIES (Continued)

(a) Material non-controlling interests (Continued)

Summarised cash flow statements for Fujian Fangke

18 附屬公司 (續)

(a) 重大非控股權益 (續)

福建房客的現金流量表概要

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash flows from operating activities	經營活動所得現金流量		
Cash generated from/(used in) operations	經營業務所得/(所用)現金	2,711	(2,896)
Interest received	已收利息	39	44
Income tax paid	已付所得稅	(71)	(588)
Net cash generated from/(used in) operating activities	經營活動所得/(所用)現金淨額	2,679	(3,440)
Net cash generated from/(used in) investing activities	投資活動所得/(所用)現金淨額	487	(73)
Net cash used in financing activities	融資活動所用現金淨額	-	-
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目增加/(減少)淨額	3,166	(3,513)
Cash and cash equivalents at beginning of year	年初的現金及現金等值項目	3,334	6,847
Cash and cash equivalents at end of year	年末的現金及現金等值項目	6,500	3,334

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

19 DEFERRED INCOME TAX

The analysis of deferred income tax liabilities is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Deferred income tax liabilities	遞延所得稅負債		
– to be reversed after more than 12 months	– 將於超過12個月後撥回	49,101	50,861
– to be reversed within 12 months	– 將於12個月內撥回	1,311	862
		50,412	51,723

19 遞延所得稅

遞延所得稅負債的分析如下：

The movements on the deferred income tax liabilities are as follows:

遞延所得稅負債變動如下：

		Intangible assets 無形資產	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At 1 January	於一月一日	51,723	120
Acquisition of subsidiaries	收購附屬公司	–	52,571
Recognised in the consolidated statement of comprehensive income (Note 30)	於合併全面收益表內確認 (附註30)	(1,311)	(968)
At 31 December	於十二月三十一日	50,412	51,723

No deferred income tax asset has been recognised in respect of estimated tax losses of RMB93,778,000 as at 31 December 2019 (2018: RMB108,285,000) as it is not probable that the relevant subsidiaries of the Group will generate taxable profit to utilise the tax losses in the foreseeable future. Such tax losses have an expiry period of five years.

於二零一九年十二月三十一日，由於本集團相關附屬公司並不可能會產生應課稅溢利以於可見將來利用稅項虧損，因此並無就人民幣93,778,000元（二零一八年：人民幣108,285,000元）的估計稅項虧損確認遞延所得稅資產。該等稅項虧損的屆滿期間為五年。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

20 TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

20 貿易應付款項、其他應付款項及應計開支

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade payables	貿易應付款項	8,106	4,597
Other payables and accrued expenses:	其他應付款項及應計開支：		
Accrued utility expenses and other liabilities	應計公共設施開支 及其他負債	7,707	3,026
Accrued salaries and welfare	應計薪金及福利	7,954	7,436
Value added tax and other taxes payable	增值稅及其他應付稅項	3,277	3,886
Other payables	其他應付款項	66,128	9,830
Deposits from customers	來自客戶的按金	1,317	1,317
Contract liabilities (Note 5)	合約負債(附註5)	6,717	5,649
Provision for an onerous operating lease	虧損性經營租賃撥備	-	2,902
		93,100	34,046
Less: Non-current portion	減：非即期部分		
Other payables	其他應付款項	(52,000)	-
		41,100	34,046
		49,206	38,643

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

20 TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (Continued)

Payment terms granted by suppliers are mainly cash on delivery and on credit. The credit periods range from 30 days to 365 days after end of the month in which the relevant purchase occurred.

The aging analysis of the trade payables based on the invoice date is as follows:

20 貿易應付款項、其他應付款項及應計開支(續)

供應商給予的付款條款主要為貨到付現及以記賬方式付款。信貸期由作出相關採購當月結束起計介乎30日至365日不等。

貿易應付款項根據發票日期的賬齡分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
1 – 30 days	1至30日	4,031	641
31 – 90 days	31至90日	390	406
Over 90 days	90日以上	3,685	3,550
		8,106	4,597

The carrying amounts of the Group's trade payables are all denominated in RMB.

本集團貿易應付款項的賬面值全部以人民幣計值。

21 BORROWINGS

21 借款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Secured bank borrowings	有擔保銀行借款		
– current (Note (i))	– 即期(附註(i))	4,640	6,877
Other borrowing – current (Note (ii))	其他借款 – 即期(附註(ii))	1,590	1,500
		6,230	8,377

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

21 BORROWINGS (Continued)

Note (i):

The maturity of the bank borrowings based on scheduled repayment dates set out in the loan agreements and excluding the repayment on demand clause is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 1 year	一年內	2,229	2,229
Between 1 and 2 years	一至兩年	2,230	2,230
Between 2 and 5 years	兩至五年	181	2,418
		4,640	6,877

As at 31 December 2019, the mortgage loans were classified as current liabilities due to the related loan agreements containing a repayment on demand clause which gives the bank unconditional right to call the loans at any time.

The mortgage loans are secured by the ownership rights of the properties and the personal guarantee of Zheng Bai Ling and Zhang Hui, a key management and the spouse of a key management of a subsidiary of the Group.

The mortgage terms are 7 years and are denominated in RMB. The mortgage loans are carried at quarterly adjusted floating interest rate of 1.15 times the benchmark loan interest rate as prescribed by the People's Bank of China for loans of a similar length. The effective interest rate for the year is 7.31% (2018: 7.15%) per annum.

Note (ii):

As at 31 December 2019 and 2018, the balance is unsecured, carries an interest rate at 6% per annum with a term of 2 years, and is repayable on demand. The balance is denominated in RMB.

21 借款 (續)

附註(i):

按照貸款協議所載預定還款日期，並撇除應要求償還條款，上述銀行借款的到期日如下：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within 1 year	2,229	2,229
Between 1 and 2 years	2,230	2,230
Between 2 and 5 years	181	2,418
	4,640	6,877

於二零一九年十二月三十一日，由於該等按揭貸款的相關貸款協議載有應要求償還條款，賦予銀行無條件權利隨時追收貸款，故該等按揭貸款分類為流動負債。

按揭貸款以該物業的所有權以及本集團一間附屬公司的主要管理人員鄭柏齡和主要管理人員的配偶張輝提供的個人擔保作抵押。

按揭年期為7年，以人民幣計值。該等按揭貸款按浮息計息，有關利息為中國人民銀行就類似年期貸款規定的基準貸款利率的1.15倍，每季調整。年內實際年利率為7.31厘（二零一八年：7.15厘）。

附註(ii):

於二零一九年及二零一八年十二月三十一日，結餘為無抵押，按年利率6厘計息，為期兩年，須按要求償還。結餘以人民幣計值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

22 PROMISSORY NOTES

On 8 May 2018, promissory notes with principal amount of HK\$100,000,000 was issued by the Company, which carries interest at 5.5% per annum and repayable on the third anniversary of the date of issue, to the sellers of Supreme Glory Limited to satisfy part of the consideration for the acquisition. The fair value of the promissory notes amounted to approximately HK\$88,740,000 (equivalent to approximately RMB71,982,000) on 8 May 2018 and was estimated by discounted cash flow model. The fair value estimates are based on discounted rate of 9.1% to 10.2% (depending on the time to the expected coupon or principal payment) with reference to yield-to-maturity of similar bonds in the market which is a level 3 fair value measurement in the fair value hierarchy.

During the year ended 31 December 2019, interest payable of approximately RMB2,523,000 was charged to “finance costs” (31 December 2018: RMB5,096,000). The promissory notes has been early redeemed upon the issuance of the convertible bonds on 23 April 2019 (Note 23).

The carrying amounts of the promissory notes are as follows:

22 承兌票據

於二零一八年五月八日，本公司發行本金額為100,000,000港元之承兌票據，其按5.5厘的年利率計息，並須於發行日期起計三週年屆滿時向卓耀有限公司賣方償付，以支付收購事項之部分代價。承兌票據於二零一八年五月八日之公允值約為88,740,000港元（相等於約人民幣71,982,000元）及按折現現金流模式予以估計。公允值估計乃基於9.1%至10.2%（視乎支付預期息率或本金的時間）的折現率，並參考市場上類似債券之到期收益率，其屬於公允值架構等級的第三級公允值計量。

截至二零一九年十二月三十一日止年度，為數約人民幣2,523,000元之應付利息計入「財務成本」（二零一八年十二月三十一日：人民幣5,096,000元）。承兌票據已於二零一九年四月二十三日發行可換股債券後獲提早贖回（附註23）。

承兌票據的賬面值如下：

	As at 31 December 2019	As at 31 December 2018
	於二零一九年 十二月 三十一日	於二零一八年 十二月 三十一日
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Promissory notes	-	81,552
	承兌票據	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

23 CONVERTIBLE BONDS

On 24 January 2019, the Company entered into the convertible bond subscription agreement with TopBig International Development Limited (the “Subscriber”), a company wholly-owned by Mr. Chen Zhi, an Executive Director and a shareholder of the Company, pursuant to which the Company conditionally agreed to issue, and the Subscriber conditionally agreed to subscribe for, 3% per annum convertible bonds (the “Convertible Bonds”) in the aggregate principal amount of HK\$250,000,000 (equivalent to RMB215,750,000).

The initial conversion price of the Convertible Bonds is HK\$0.24 per conversion share. The Convertible Bonds matures at the day falling on the third anniversary of the date of issue of the Convertible Bonds and the conversion period covers the period commencing on the date of issue of the Convertible Bonds and ending on the maturity date.

On 23 April 2019, the Convertible Bonds were issued. The initial value of the liability component was calculated using a market interest rate for an equivalent non-convertible bond of the Company.

23 可換股債券

於二零一九年一月二十四日，本公司與昇平國際發展有限公司（「認購人」）（由本公司執行董事及股東陳志先生全資擁有）訂立可換股債券認購協議。據此，本公司有條件同意發行而認購人有條件同意認購本金總額為250,000,000港元（相當於人民幣215,750,000元）的按年利率3厘計息的可換股債券（「可換股債券」）。

可換股債券的初步換股價為每股換股股份0.24港元。可換股債券到期日為發行可換股債券當日起計滿三週年當日到期，而可換股期間涵蓋發行可換股債券當日起至到期日止期間。

可換股債券於二零一九年四月二十三日發行。負債部分的初始價值採用本公司等同非可換股債券的市場利率計算得出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

23 CONVERTIBLE BONDS (Continued)

The convertible bonds are presented as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Face value of the convertible bonds on the issue date	可換股債券於發行日期的面值	215,750	—
Less: Transactions costs	減：交易成本	(4,095)	—
Less: Equity component	減：權益部分	(42,003)	—
Liability component on initial recognition	初步確認的負債部分	169,652	—
Interest accrued (note (a))	應計利息（附註(a)）	11,511	—
Conversion during the year (note (b))	年內轉換（附註(b)）	(30,494)	—
Non-current liability	非流動負債	150,669	—

Notes:

- (a) Interest expense is calculated by applying the effective interest rate of 11.5% per annum to the liability component.
- (b) The Subscriber partially converted the convertible bonds in the aggregate principal amount of RMB38,441,000 during the year ended 31 December 2019 (Note 16).

23 可換股債券（續）

可換股債券呈列如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Face value of the convertible bonds on the issue date	可換股債券於發行日期的面值	215,750	—
Less: Transactions costs	減：交易成本	(4,095)	—
Less: Equity component	減：權益部分	(42,003)	—
Liability component on initial recognition	初步確認的負債部分	169,652	—
Interest accrued (note (a))	應計利息（附註(a)）	11,511	—
Conversion during the year (note (b))	年內轉換（附註(b)）	(30,494)	—
Non-current liability	非流動負債	150,669	—

附註：

- (a) 利息開支乃透過對負債部分採用11.5厘的實際年利率計算得出。
- (b) 截至二零一九年十二月三十一日止年度，認購人部分轉換本金總額為人民幣38,441,000元的可換股債券（附註16）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

24 LEASE

- (i) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet show the following amounts relating to leases:

24 租賃

- (i) 於合併資產負債表確認之款項

合併資產負債表呈列以下有關租賃之款項：

		As at 31 December 2019 於二零一九年 十二月 三十一日 RMB'000 人民幣千元	As at 1 January 2019 於二零一九年 一月一日 RMB'000 人民幣千元
Right-of-use assets	使用權資產		
Buildings	樓宇	2,608	8,745
Lands	土地	4,672	1,934
		<u>7,280</u>	<u>10,679</u>
Lease liabilities	租賃負債		
Current	即期	3,010	5,372
Non-current	非即期	9,215	9,104
		<u>12,225</u>	<u>14,476</u>

Additions to the right-of-use assets for the year ended 31 December 2019 were RMB5,029,000.

截至二零一九年十二月三十一日止年度使用權資產增加人民幣5,029,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

24 LEASE (Continued)

(i) Amounts recognised in the consolidated balance sheet (Continued)

The Group recognised an impairment charge reflecting the aggregate difference totaling RMB5,734,000 (2018: Nil) for the right-of-use assets. These impairment charges for the year ended 31 December 2019 were recorded in the Group's consolidated statement of comprehensive income within "General and administrative expenses" (Note 26).

(ii) Amounts recognised in the consolidated statements of comprehensive income

The consolidated statements of comprehensive income shows the following amounts relating to leases:

24 租賃 (續)

(i) 於合併資產負債表確認之款項 (續)

本集團就使用權資產確認反映累計總差額的減值開支人民幣5,734,000元(二零一八年:零)。截至二零一九年十二月三十一日止年度該等減值開支計入本集團合併全面收益表的「一般及行政開支」內(附註26)。

(ii) 於合併全面收益表內確認之款項

合併全面收益表呈列以下有關租賃之款項:

		2019 二零一九年 RMB'000 人民幣千元
Depreciation charge of right-of-use assets	使用權資產折舊開支	
Buildings	樓宇	2,492
Land	土地	229
		<u>2,721</u>
Interest expense (included in finance costs)	租賃開支(計入財務成本)	<u>621</u>

The total cash outflow for leases during the year ended 31 December 2019 was RMB7,944,000.

截至二零一九年十二月三十一日止年度租賃之現金流出總額為人民幣7,944,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

25 OTHER INCOME AND OTHER LOSS – NET

25 其他收入及其他虧損－淨額

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Other income:	其他收入：		
Compensation income	補償收入	–	472
Government grants (Note a)	政府補助(附註a)	273	339
Sundry income	雜項收入	63	106
		<u>336</u>	<u>917</u>
Other gain/(loss):	其他收益／(虧損)：		
Fair value gain on biological asset	生物資產之公允值收益	239	–
Other losses	其他虧損	(321)	–
		<u>(82)</u>	<u>–</u>

Note

- (a) The Group obtained and recognised as income government grants of RMB273,000 (2018: RMB339,000) from the Fujian government authority for the year ended 31 December 2019.

附註

- (a) 截至二零一九年十二月三十一日止年度，本集團已確認從福建政府機關收取的政府補助人民幣273,000元(二零一八年：人民幣339,000元)為收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

26 EXPENSES BY NATURE

Loss before income tax is stated after charging/(crediting) the following:

26 按性質劃分的開支

除所得稅前虧損經扣除／（計入）以下項目後入賬：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cost of newspaper advertising	報紙廣告成本		
– Media costs	– 媒體成本	2,391	2,879
Cost of printing services:	印刷服務成本：		
– Raw materials	– 原材料	2,819	3,621
– Other costs	– 其他成本	519	507
Cost of sales of agricultural products	銷售農產品成本	76,372	2,878
Depreciation of property, plant and equipment (Note 7)	物業、廠房及設備折舊（附註7）	5,434	4,284
Depreciation of right-of-use assets (Note 24)	使用權資產折舊（附註24）	2,721	–
Amortisation (Note 8)	攤銷（附註8）	5,468	4,129
Auditor's remuneration	核數師酬金		
– Audit services	– 審核服務	4,147	3,437
– Non-audit services	– 非審核服務	–	1,142
Marketing expenses	營銷開支	10,839	–
Operating lease charges in respect of land and buildings	有關土地及樓宇的經營租賃收費	222	8,403
Net loss on disposal of property, plant and equipment (Note 33(b))	出售物業、廠房及設備虧損淨額（附註33(b)）	142	–
Gain on disposals of properties held for sale	出售持作出售物業的收益	–	(193)
Net change in provision for impairment of trade receivables (Note 13)	貿易應收款項減值撥備變動淨額（附註13）	690	(607)
Provision for impairment of goodwill (Note 8)	商譽減值撥備（附註8）	66,058	–
Provision for impairment of financial guarantee	財務擔保減值撥備	1,026	–
Provision for impairment of contract assets	合約資產減值撥備	96	25
Provision for impairment of property, plant and equipment (Note 7)	物業、廠房及設備減值撥備（附註7）	2,208	3,029
Provision for impairment of right-of-use assets	使用權資產減值撥備	5,734	–
Provision for an onerous operating lease	虧損性經營租賃撥備	–	8,958
Provision for impairment of properties held for sale (Note 12)	持作出售物業減值撥備（附註12）	–	4,252
Legal and professional fee	法律及專業費用	2,595	13,266
Write-off of trade receivables	貿易應收款項撇銷	2,191	–
Write-off of other receivables	其他應收款項撇銷	236	–
Net foreign exchange (gains)/losses	外匯（收益）／虧損淨額	(3,560)	6,328
Employee benefit expenses (including directors' emoluments) (Note 27)	僱員福利開支（包括董事酬金）（附註27）	44,274	46,099
Business tax	營業稅	287	1,471

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

27 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

27 僱員福利開支（包括董事酬金）

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries and other allowances	薪金及其他補貼	41,243	43,512
Defined contribution plan	界定供款計劃	26	128
Social security costs	社保費用	1,773	1,559
Retirement scheme contribution	退休計劃供款	1,232	900
		44,274	46,099

(a) Five highest paid individuals

For the year ended 31 December 2019, the five individuals whose emoluments were the highest in the Group included 3 directors (2018: 3 directors), whose emoluments were reflected in the analysis presented above and Note 39. The emoluments paid/payable to the remaining 2 (2018: 2 individuals) individuals during the year ended 31 December 2019 were as follows:

(a) 五名最高薪人士

截至二零一九年十二月三十一日止年度，本集團五名最高薪人士包括三名（二零一八年：三名）董事，彼等的酬金在上文及附註39所呈列的分析中反映。於截至二零一九年十二月三十一日止年度，已付／應付餘下兩名（二零一八年：兩名）人士的酬金如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries and other allowances	薪金及其他補貼	1,260	1,111
Defined contribution plan	界定供款計劃	37	23
		1,297	1,134

For the year ended 31 December 2019, no remuneration was paid by the Group to the 2 (2018: 2) highest paid employees as an inducement to join or upon joining the Group or as Compensation for loss of office (2018: Nil).

截至二零一九年十二月三十一日止年度，本集團概未向兩名（二零一八年：兩名）最高薪人士支付酬金，作為加入本集團或於加入本集團後之獎勵或作為離職補償（二零一八年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

27 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

(a) Five highest paid individuals (Continued)

For the years ended 31 December 2019 and 2018, the emoluments of the highest paid individuals of the Group fall within the following bands:

27 僱員福利開支（包括董事酬金）（續）

(a) 五名最高薪人士（續）

截至二零一九年及二零一八年十二月三十一日止年度，本集團最高薪人士的酬金介乎下列幅度：

		Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
Nil to HK\$500,000	0港元至500,000港元	–	1
HK\$500,001 to HK\$1,000,000	500,001港元至 1,000,000港元	2	1
		<u>2</u>	<u>2</u>

28 RETIREMENT BENEFITS SCHEME

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

The total contributions incurred in this connection for the year ended 31 December 2019 were approximately RMB1,232,000 (2018: RMB900,000). No forfeited contributions are available to reduce the contribution payable by the Group in the future years.

28 退休福利計劃

本集團在中國成立的附屬公司的僱員為地方市政府所營辦的中央退休金計劃的成員。有關附屬公司須按僱員基本薪金及工資的若干百分比向中央退休金計劃供款，以撥付退休福利。地方市政府承諾承擔有關附屬公司的所有現有及未來退休僱員的退休福利責任。有關附屬公司就中央退休金計劃的唯一責任乃根據計劃作出所規定的供款。

截至二零一九年十二月三十一日止年度，就此產生的供款總額約為人民幣1,232,000元（二零一八年：人民幣900,000元）。概無沒收供款可用作減少未來年度本集團應付供款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

29 FINANCE COSTS – NET

29 財務成本－淨額

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Finance income:	財務收入：		
Interest income on short-term bank deposits	短期銀行存款的利息收入	62	111
Finance costs:	財務成本：		
Interest expense on bank borrowings	銀行借款之利息開支	(333)	(459)
Interest expense on lease liabilities	租賃負債之利息開支	(621)	–
Interest expense on promissory notes	承兌票據之利息開支	(2,523)	(5,096)
Interest expense on loans from a related party	關聯方借款之利息開支	(1,297)	(2,061)
Loss on early redemption of promissory notes	提早贖回承兌票據的虧損	(9,632)	–
Interest expense on convertible bond	可換股債券利息開支	(11,511)	–
Other	其他	(115)	–
Less: amounts capitalised on qualifying assets	減：就合資格資產撥充 資本的金額	–	356
Total finance costs	財務成本總額	(26,032)	(7,260)
Finance costs – net	財務成本－淨額	(25,970)	(7,149)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

30 INCOME TAX (CREDIT)/EXPENSE

30 所得稅(抵免)/開支

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current income tax expense	即期所得稅開支		
Mainland China enterprise income tax	中國大陸企業所得稅		
– Current tax expense	– 即期稅項開支	6	1,673
– Overprovision in prior years	– 於過往年度超額撥備	(3,792)	–
		(3,786)	1,673
Deferred income tax credit	遞延所得稅抵免	(1,311)	(968)
		(5,097)	705

The Group has no assessable income arising in or derived from Hong Kong during the years ended 31 December 2019 and 2018.

本集團於截至二零一九年及二零一八年十二月三十一日止年度並未於香港產生或獲得應課稅收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

30 INCOME TAX (CREDIT)/EXPENSE (Continued)

The taxation on the Group's loss before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities in the respective jurisdictions as follows:

30 所得稅（抵免）／開支（續）

本集團除所得稅前虧損的稅項與採用適用於各個司法權區的合併實體溢利的加權平均稅率所計算理論金額之間的差額如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Loss before income tax	除所得稅前虧損	(148,620)	(163,892)
Tax calculated at domestic rates applicable to profits of the entities in the respective jurisdictions	按適用於各個司法權區實體溢利的地方稅率計算的稅項	(27,259)	(29,149)
Tax effects of:	以下項目的稅項影響：		
Income not subject to tax	毋須繳稅收入	(1,024)	(5)
Expenses not deductible for tax purposes	不可扣稅開支	20,540	25,268
Tax losses for which no deferred income tax asset was recognised	未確認遞延所得稅資產的稅項虧損	6,683	4,853
Utilisation of previously unrecognised tax losses	動用之前未確認的稅項虧損	(245)	(262)
Overprovision in prior years	過往年度超額撥備	(3,792)	-
		(5,097)	705

The weighted average applicable tax rate was 18.3% (2018: 17.8%). The increase is mainly caused by less operation for subsidiaries in Hong Kong which were entitled to lower applicable tax rate.

加權平均適用稅率為18.3%（二零一八年：17.8%）。稅率上漲主要由於有權享有較低適用稅率的香港附屬公司的業務減少所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

31 LOSS PER SHARE

(a) Basic

Basic loss per share for the years is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

		2019 二零一九年	2018 二零一八年
Loss attributable to owners of the Company (RMB'000)	本公司所有者應佔虧損 (人民幣千元)	<u>(139,165)</u>	<u>(164,403)</u>
Weight average number of shares in issue, including bonus element (thousands)	已發行股份加權平均數 (包括紅利元素) (千股)	<u>686,214</u>	<u>520,041</u>
Basic loss per share (RMB per share)	每股基本虧損 (每股人民幣)	<u><u>(0.2028)</u></u>	<u><u>(0.3161)</u></u>

The Capital Reorganisation has been effective on 10 April 2019 (Note 16) after fulfilment of all precedent conditions. Upon completion of the Capital Reorganisation (including the four-to-one share consolidation), the weighted average number of shares in issue has been adjusted for the effect of share consolidation. The calculation of basic and diluted loss per share for all periods presented has also been adjusted retrospectively.

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares during the year ended 31 December 2019 (2018: same).

32 DIVIDEND

No dividend has been declared by the Company since its incorporation.

31 每股虧損

(a) 基本

年內的每股基本虧損乃按本公司所有者應佔虧損除以年內已發行普通股加權平均數計算。

於達成所有先決條件後，股本重組於二零一九年四月十日生效（附註16）。於股本重組（包括每四股合併為一股之股份合併）完成後，已發行股份加權平均數已作調整，以反映股份合併。所呈列之所有期間之每股基本及攤薄虧損計算亦已作追溯調整。

(b) 攤薄

每股攤薄虧損乃按調整發行在外普通股的加權平均數以假設所有具潛在攤薄影響的普通股獲兌換計算。截至二零一九年十二月三十一日止年度，本公司並無具潛在攤薄影響的普通股（二零一八年：相同）。

32 股息

本公司自註冊成立以來概無宣派任何股息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

33 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Cash used in operations

33 現金流量表附註

(a) 經營業務所用現金

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Note 附註			
Loss before income tax		除所得稅前虧損	(148,620)	(163,892)
Adjustments for:		就下列各項作出調整：		
Depreciation for property, plant and equipment	7	物業、廠房及設備折舊	5,434	4,284
Depreciation for right-of-use assets	24	使用權資產折舊	2,721	–
Amortisation for intangible assets	8	無形資產攤銷	5,468	4,129
Net loss on disposal of property, plant and equipment	26	出售物業、廠房及設備的虧損淨額	142	–
Net gain on disposal of properties held for sale	26	出售持作出售物業的收益淨額	–	(193)
Net change in provision for impairment of trade receivables	26	貿易應收款項減值撥備變動淨額	690	(607)
Net written off on other receivables	26	其他應收款項撇銷淨額	236	–
Provision for impairment of contract assets	26	合約資產減值撥備	96	25
Provision for impairment of goodwill	26	商譽減值撥備	66,058	–
Provision for impairment of properties held for sale	26	持作出售物業減值撥備	–	4,252
Provision for impairment of property, plant and equipment	26	物業、廠房及設備減值撥備	2,208	3,029
Provision for impairment of right-of-use assets	26	使用權資產減值撥備	5,734	–
Provision for an onerous operating lease	26	虧損性經營租賃撥備	–	8,958
Foreign exchange (gains)/ losses on operating activities	26	經營活動的外匯 (收益)/虧損	(3,560)	6,328
Finance income	29	財務收入	(62)	(111)
Finance costs	29	財務成本	26,032	7,260
Fair value gain on biological assets	25	生物資產的公允值收益	(239)	–
Write-off of trade receivables	26	貿易應收款項撇銷	2,191	–
Net fair value loss on financial assets at fair value through profit or loss		公允值經損益表入賬的金融資產的公允值虧損淨額	8	84,498
Share of losses of an associate		應佔聯營公司虧損	1,366	165

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

33 NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

(a) Cash used in operations (Continued)

	Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Changes in working capital:	營運資金變動：		
– Trade receivables	– 貿易應收款項	(4,584)	31
– Contract assets	– 合約資產	(1,667)	(1,224)
– Inventories	– 存貨	646	(196)
– Prepayments, deposits and other receivables	– 預付款項、按金及其他應收款項	(56,568)	(2,400)
– Amounts due from related parties	– 應收關連人士款項	(294)	(80)
– Trade payables	– 貿易應付款項	3,509	84
– Other payables and accrued expenses	– 其他應付款項及應計開支	56,274	(5,397)
– Financial guarantee contracts	– 財務擔保合約	1,026	–
– Amounts due to related parties	– 應付關連人士款項	9,845	(6,366)
Cash used in operations	經營業務所用現金	(25,910)	(57,423)

(b) Disposal of property, plant and equipment

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Net carrying amount (Note 7)	賬面淨額 (附註7)	629	11
Net loss on disposal of property, plant and equipment (Note 26)	出售物業、廠房及設備的虧損淨額 (附註26)	(142)	–
Cash consideration from disposal of property, plant and equipment	出售物業、廠房及設備的現金代價	487	11

33 現金流量表附註 (續)

(a) 經營業務所用現金 (續)

(b) 出售物業、廠房及設備

合併現金流量表中出售物業、廠房及設備的所得款項包括：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

33 NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

(c) Non-cash transactions

For the year ended 31 December 2019, the principal non-cash transaction are:

- Utilisation of prepayment of RMB1,770,000 for acquisition of property, plant and equipment (Note 9)
- Utilisation of prepayment of RMB3,000,000 for acquisition of a subsidiary (Note 9)
- Issuance of convertible bonds has been partially set-off with loans from a related party of RMB89,740,000 and promissory notes of RMB92,500,000 (Note 23)
- Addition of right-of-use assets of RMB5,029,000 (Note 24)

33 現金流量表附註 (續)

(c) 非現金交易

截至二零一九年十二月三十一日止年度，主要非現金交易為：

- 動用收購物業、廠房及設備的預付款項人民幣1,770,000元 (附註9)
- 動用收購一間附屬公司的預付款項人民幣3,000,000元 (附註9)
- 發行可換股債券已被關聯方借款人民幣89,740,000元以及承兌票據人民幣92,500,000元予以部分抵銷 (附註23)
- 增加使用權資產人民幣5,029,000元 (附註24)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

33 NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

(d) Net debt reconciliation

The following section sets out an analysis of net debt and the movements in net debt for each of the years presented.

33 現金流量表附註（續）

(d) 債務淨額對賬

以下載列債務淨額分析及各呈列年度債務淨額的變動。

Net debt	債務淨額	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash and cash equivalents (Note 15)	現金及現金等值項目 (附註15)	9,753	33,880
Bank borrowings	銀行借款	(4,640)	(6,877)
Other borrowing	其他借款	(1,590)	(1,500)
Promissory notes	承兌票據	-	(81,552)
Loans from a related party	關聯方借款	-	(87,132)
Convertible bonds	可換股債券	(150,669)	-
Lease liabilities	租賃負債	(12,225)	-
Net debt	債務淨額	<u>(159,371)</u>	<u>(143,181)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

33 NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

(d) Net debt reconciliation (Continued)

33 現金流量表附註 (續)

(d) 債務淨額對賬 (續)

		Cash and cash equivalents	Bank borrowing	Other borrowing	Promissory notes	Loans from a related party	Convertible bond	Lease liabilities	Total
		現金及現金等值項目	銀行借款	其他借款	承兌票據	關聯方借款	可換股債券	租賃負債	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
Net debt as at 1 January 2018	於二零一八年一月一日的債務淨額	60,178	(9,113)	-	-	-	-	-	51,065
Cash flows	現金流量	(27,875)	2,236	(1,500)	(70,598)	(80,113)	-	-	(177,850)
Foreign exchange adjustments	外匯調整	1,577	-	-	(5,858)	(4,958)	-	-	(9,239)
Other non-cash movements	其他非現金變動	-	-	-	(5,096)	(2,061)	-	-	(7,157)
Net debt as at 31 December 2018	於二零一八年十二月三十一日的債務淨額	<u>33,880</u>	<u>(6,877)</u>	<u>(1,500)</u>	<u>(81,552)</u>	<u>(87,132)</u>	<u>-</u>	<u>-</u>	<u>(143,181)</u>
Net debt as at 1 January 2019	於二零一九年一月一日的債務淨額	33,880	(6,877)	(1,500)	(81,552)	(87,132)	-	-	(143,181)
Cash flows	現金流量	(24,136)	2,237	-	-	(2,564)	(33,510)	7,944	(50,029)
Non-cash movements:	非現金變動:								
Initial adoption of IFRS16 (Note 2.2)	初步採納國際財務報告準則第16號(附註2.2)	-	-	-	-	-	-	(14,476)	(14,476)
Foreign exchange adjustments	外匯調整	9	-	-	1,207	1,277	-	(43)	2,450
Other non-cash movements	其他非現金變動	-	-	(90)	80,345	88,419	(117,159)	(5,650)	45,865
Net debt as at 31 December 2019	於二零一九年十二月三十一日的債務淨額	<u>9,753</u>	<u>(4,640)</u>	<u>(1,590)</u>	<u>-</u>	<u>-</u>	<u>(150,669)</u>	<u>(12,225)</u>	<u>(159,371)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

34 COMMITMENTS

(a) Operating Lease commitments – as a lessee

The Group leases various land and properties under non-cancellable operating lease agreements. The operating lease commitment as at 31 December 2019 presented below represents the future aggregate minimum lease payments for the leases with lease terms less than one year and low value leases. The remaining leases have been recorded as lease liabilities as at 31 December 2019 under newly adopted accounting standard IFRS 16 (Note 2.2). The operating lease commitment as at 31 December 2018 presented below represents the future aggregate minimum lease payments under all non-cancellable operating leases.

Not later than 1 year	一年以下
Later than 1 year and not later than 5 years	一年以上及五年以下

Provision for an onerous operating lease of RMB2,902,000 (Note 20) as at 31 December 2018 is made for the abovementioned operating lease commitments. Provision for the onerous operating lease contract has been adjusted to set-off the carrying amount of right-of-use asset upon adoption of IFRS 16 on 1 January 2019.

34 承擔

(a) 經營租賃承擔—作為承租人

本集團根據不可撤銷經營租賃協議，租賃各類土地及物業。下文所示二零一九年十二月三十一日之經營租賃承擔指租賃期低於一年的租賃及低價值租賃之日後最低租賃付款總額。根據新近採納的會計準則國際財務報告準則第16號，餘下租賃已於二零一九年十二月三十一日入賬列作租賃負債（附註2.2）。下文所示二零一八年十二月三十一日之經營租賃承擔指所有不可撤銷經營租賃項下之日後最低租賃付款總額。

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	51	5,232
	–	3,870
	51	9,102

於二零一八年十二月三十一日，本集團就上述經營租賃承擔作出虧損性經營租賃撥備人民幣2,902,000元（附註20）。虧損性經營租賃合約撥備已作調整，以抵銷於二零一九年一月一日採納國際財務報告準則第16號時使用權資產之賬面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

34 COMMITMENTS (Continued)

(b) Operating lease commitments – as a lessor

The future aggregate minimum lease receipts under non-cancellable operating leases are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Not later than 1 year	一年以下	2,000	2,000
Later than 1 year and not later than 5 years	一年以上及五年以下	4,000	6,000
		6,000	8,000

(c) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	4,266	7,930

34 承擔 (續)

(b) 經營租賃承擔—作為出租人

不可撤銷經營租賃的日後最低租賃付款總額如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Not later than 1 year	一年以下	2,000	2,000
Later than 1 year and not later than 5 years	一年以上及五年以下	4,000	6,000
		6,000	8,000

(c) 資本承擔

於報告期末已訂約但未確認為負債之重大資本開支如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	4,266	7,930

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

35 RELATED-PARTY TRANSACTIONS

For the purposes of these consolidated financial statements, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties.

35 關連人士交易

就該等合併財務報表而言，倘某人士有能力在本集團作出財務及經營決策時直接或間接對本集團施加重大影響（反之亦然），該人士即被認為與本集團有關連。關連人士可以為個人（即主要管理人員、主要股東及／或彼等的近親）或其他實體。倘本集團的關連人士為個人，則關連人士亦包括受到關連人士重大影響的實體。倘有關實體受到共同控制，亦被認為是關連人士。

本公司董事認為，該等關連人士交易乃於日常業務過程中按照本集團與各關連人士相互磋商的條款進行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

35 RELATED-PARTY TRANSACTIONS (Continued)

(a) The directors of the Company are of the view that the following companies/individuals were related parties that had transactions or balances with the Group during the year ended 31 December 2019:

Name 名稱／姓名	Relationship with the Group 與本集團的關係
Mr. Chen Zhi 陳志先生	Executive director of the Company/Chief Executive Officer ("CEO") of the Group (Note a) 本公司執行董事／本集團行政總裁 (附註a)
Mr. Tsui Yiu Ming, Siuming 徐耀明 (別名: 徐小明) 先生	Former Executive director of the Company/ Former Chief Executive Officer ("Former CEO") of the Group (Note b) 本公司前執行董事／本集團前行政總裁 (附註b)
Ms. Zheng Shou Ling 鄭守齡女士	Spouse of the Executive director of the Company/ Chief Executive Office of the Group 本公司執行董事／本集團行政總裁的配偶
Fujian ShiFang Digital Technology Co., Ltd 福建十方數碼技術有限公司	Controlled by the Executive director of the Group 由本集團執行董事控制
Fujian Lanting Network Technology Holding Limited Company 福建蘭庭網路科技股份有限公司	A significant shareholder of a subsidiary of the Group 本集團一間附屬公司的主要股東
TopBig International Development Limited 昇平國際發展有限公司	A company controlled by the Executive Director of the Company 由本公司執行董事控制的一間公司
Mr. Yu Shi Quan 余詩權先生	Executive director of the Company/Chief Financial Officer of the Group 本公司執行董事／本集團首席財務官
Mr. Chen Wei Dong 陳偉東先生	Non-executive director of the Company 本公司非執行董事
Ms. Chen Min 陳敏女士	Non-executive director of the Company 本公司非執行董事

35 關連人士交易 (續)

(a) 本公司董事認為，以下公司／個人為於截至二零一九年十二月三十一日止年度內與本集團進行交易或存有結餘的關連人士：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

35 RELATED-PARTY TRANSACTIONS (Continued)

- (a) The directors of the Company are of the view that the following companies/individuals were related parties that had transactions or balances with the Group during the year ended 31 December 2019: (Continued)

Name 名稱／姓名	Relationship with the Group 與本集團的關係
Liaoning Baixin Media Company Limited 遼寧百信傳媒有限公司	A significant shareholder of a subsidiary of the Group 本集團一間附屬公司的主要股東
Ms. Chan Ching Yi 陳靜儀女士	Key management of the Group 本集團主要管理人員
Ms. Chen Xiao Min 陳小敏女士	Key management of the Group 本集團主要管理人員
Mr. Zheng Bo Ling 鄭柏齡先生	Key management of the Group 本集團主要管理人員
Mr. Cai Jian Quan 蔡建權先生	Independent non-executive director of the Company 本公司獨立非執行董事
Mr. Zhou Chang Ren 周昌仁先生	Independent non-executive director of the Company 本公司獨立非執行董事
Mr. Wong Heung Ming, Henry 黃向明先生	Independent non-executive director of the Company 本公司獨立非執行董事
Mr. Chen Ye 陳曄先生	Son of Mr Chen Zhi, Executive director of the Company/ Chief Executive Officer of the Group 本公司執行董事／本集團行政總裁陳志先生之子

The above names of certain related parties companies represented the best effort by management of the Company in translating their Chinese names as they do not have official English names.

Notes:

- (a) Appointed as CEO of the Company on 9 October 2019
- (b) Resigned as CEO of the Company on 9 October 2019

35 關連人士交易（續）

- (a) 本公司董事認為，以下公司／個人為於截至二零一九年十二月三十一日止年度內與本集團進行交易或存有結餘的關連人士：（續）

上列若干關連人士／公司的英文名稱由本公司管理層以其中文名稱盡力翻譯而提供，原因是有關人士／公司並無正式英文名稱。

附註：

- (a) 於二零一九年十月九日獲委任為本公司行政總裁
- (b) 於二零一九年十月九日辭任本公司行政總裁一職

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

35 RELATED-PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties:

In addition to those disclosed elsewhere in the financial statements, the following transactions were undertaken by the Group with related parties during the year ended 31 December 2019:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Key management compensation	主要管理人員薪酬	8,038	7,990
Lease payment to a related party	向一位關連人士的租賃開支	465	465
		8,503	8,455

(c) Balances with related parties

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Amounts due from related parties	應收關連人士款項		
– non-trade	– 非貿易		
A non-controlling shareholder of a subsidiary of the Group	本集團附屬公司的非控股股東	–	470
Key management of the Group	本集團主要管理人員	1,114	300
Directors of the Group	本集團董事	–	50
		1,114	820

35 關連人士交易 (續)

(b) 與關連人士進行的交易：

除財務報表其他部分所披露者外，本集團於截至二零一九年十二月三十一日止年度與關連人士進行以下交易：

(c) 與關連人士存有的結餘

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

35 RELATED-PARTY TRANSACTIONS (Continued)

(c) Balances with related parties (Continued)

As at 31 December 2019 and 2018, the balances are unsecured, interest-free and are repayable on demand.

35 關連人士交易（續）

(c) 與關連人士存有的結餘（續）

於二零一九年及二零一八年十二月三十一日，結餘為無抵押、免息及須應要求償還。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Amounts due to directors:	應付董事款項：		
Mr. Chen Zhi	陳志先生	3,631	9
Mr. Tsui Yiu Ming Siuming	徐耀明先生	-	263
Mr. Yu Shi Quan	余詩權先生	1,376	-
Ms. Chen Min	陳敏女士	30	-
Mr. Wong Heung Ming, Henry	黃向明先生	30	-
Mr. Cai Jian Quan	蔡建權先生	30	-
Mr. Zhou Chang Ren	周昌仁先生	30	-
Mr. Chen Wei Dong	陳偉東先生	30	-
		5,157	272
Amounts due to related parties:	應付關連人士款項：		
Liaoning Baixin Media Company Limited	遼寧百信傳媒有限公司	127	127
Ms. Zheng Shou Ling	鄭守齡女士	229	229
Fujian Lanting Network Technology Holding Limited Company	福建蘭庭網路科技股份有限公司	1,030	-
Mr. Chen Ye	陳擘先生	3,930	-
		10,473	628

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

35 RELATED-PARTY TRANSACTIONS (Continued)

(c) Balances with related parties (Continued)

The balance due to a non-controlling shareholder is unsecured, interest-free, with no fixed repayment term and repayable upon mutual agreement between the Group and the directors and related parties.

Loan from a related party – non-trade (non-current portion)

A company controlled by Mr. Chen Zhi

關聯方借款－非貿易
(非即期部分)
由陳志先生控制的一間公司

The balances are unsecured, carried interest rate at 5% per annum, and are repayable in two years from the drawdown date. The loans has been fully repaid on 23 April 2019 upon issuance of the convertible bonds.

As disclosed in note 23, as at 31 December 2019, the carrying amount of the liability portion of the Convertible Bonds issued to Top Big International Development Limited, a company controlled by Mr. Chen Zhi, is RMB150,669,000 (2018: Nil) with an outstanding principal amount of RMB177,309,000 (2018: Nil).

36 CONTINGENT LIABILITIES

The Group follows the guidance of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” to determine when should contingent liabilities be recognised, which requires significant judgement.

A contingent liability will be disclosed when a possible obligation has arisen, but its existence has to be confirmed by future events outside the Group’s control, or when it is not possible to calculate the amount. Realisation of any contingent liabilities not currently recognised or disclosed could have a material impact on the Group’s financial position.

35 關連人士交易 (續)

(c) 與關連人士存有的結餘 (續)

應付一名非控股股東的結餘為無抵押、免息及並無固定還款期，並須按本集團與董事及關連人士的相互協議償還。

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Loan from a related party – non-trade (non-current portion)		
A company controlled by Mr. Chen Zhi	-	87,132

該等結餘為無抵押，按年利率5%計息，須自提取日期起計兩年內償還。該貸款已於二零一九年四月二十三日發行可換股債券時獲悉數償還。

誠如附註23所披露，於二零一九年十二月三十一日，向陳志先生控制的公司昇平國際發展有限公司發行的可換股債券之負債部分之賬面值為人民幣150,669,000元（二零一八年：無），而尚未償還本金額為人民幣177,309,000元（二零一八年：無）。

36 或有負債

本集團遵照國際會計準則第37號「撥備、或有負債及或有資產」的指引釐定應何時確認或有負債，而確認時須作出重大判斷。

當有可能產生義務，惟其存在與否須透過非本集團所能控制的未來事件確定；或當不可能計算義務所涉金額，即會披露或有負債。任何目前未有確認或披露的或有負債一旦實現，均可能對本集團的財務狀況造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

36 CONTINGENT LIABILITIES (Continued)

The Group reviews for any significant outstanding litigations in order to assess the need for provisions. Among the factors considered are the nature of the litigation, legal processes and potential level of damages, the opinions and views of the legal counsel, and the management's intentions to respond to the litigations. To the extent the estimates and judgements do not reflect the actual outcome, this could materially affect the results for the year and the financial position.

As at 31 December 2019 and 2018, the Group had no material contingent liabilities.

37 SUBSEQUENT EVENTS

In early 2020, after the rapid outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak"), a series of precautionary and control measures have been and continued to be implemented across mainland China, including postponement of work resumption after the Chinese New Year holiday in some regions, certain level of restrictions and controls over the travelling of people and traffic arrangements, quarantine of certain residents, heightening of hygiene and epidemic prevention requirements and encouraged social distancing, etc. Such precautionary and control measures is causing short-term disruption to the Group's tourism and integrated developments, whereas the Group's advertising and marketing related services is also affected by the poor consumer sentiment caused by the epidemic. If the present situation in respect of the COVID-19 outbreak continued and the restrictions and control measures are prolonged, the Group's operation performance and cash flow may be negatively affected.

36 或有負債 (續)

本集團會審閱任何重大的待決訴訟，以評估是否有需要計提撥備。所考慮的因素包括訴訟的性質、損害賠償的法律程序及潛在水平、法律顧問的意見及見解以及管理層對回應訴訟的意向。倘估計及判決不能反映實際結果，則可能嚴重影響年內業績及財務狀況。

於二零一九年及二零一八年十二月三十一日，本集團並無重大或然負債。

37 報告期後事項

於二零二零年初，於二零一九年新型冠狀病毒快速爆發（「COVID-19爆發」）後，中國大陸已經開始及繼續於全國落實一系列防控措施，包括延長部分地區於中國新年假期後的復工日期、對人員出行及交通運輸安排實施若干程度的限制及管控、隔離部分居民、提高衛生及防疫要求及鼓勵社交隔離。該等防控措施導致本集團的旅遊及綜合發展業務短期中斷，而本集團的廣告及營銷相關服務亦受到疫情導致的疲弱消費者情緒之影響。倘當前COVID-19爆發的局勢延續以及限制及管控措施延長期限，本集團的經營表現及現金流量均可能受到負面影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

38 本公司的資產負債表及儲備變動

		Note	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		附註		
ASSETS	資產			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資	18	137,417	223,340
			137,417	223,340
Current assets	流動資產			
Prepayments and other receivables	預付款項及其他			
	應收款項		192	118
Amounts due from subsidiaries	應收附屬公司款項		142,847	110,932
Amount due from a director	應收一名董事款項		–	50
Cash and cash equivalents	現金及現金等值項目		33	1,795
			143,072	112,895
Total assets	總資產		280,489	336,235
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本		6,402	191,994
Share premium	股份溢價		36,376	851,682
Other reserves	其他儲備	a	189,799	–
Accumulated deficits	累計虧絀	a	(117,035)	(879,128)
Total equity	權益總額		115,542	164,548

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

38 本公司的資產負債表及儲備變動(續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Note 附註		
LIABILITIES			
Non-current liabilities	非流動負債		
Convertible bonds	可換股債券	150,669	–
Promissory notes	承兌票據	–	81,552
Loans from a related party	關聯方借款	–	87,132
Lease liabilities	租賃負債	3,074	–
		153,743	168,684
Current liabilities	流動負債		
Other payables	其他應付款項	7,661	2,635
Amounts due to directors	應付董事款項	2,273	–
Amounts due to subsidiaries	應付附屬公司款項	3	139
Amounts due to related parties	應付關連人士款項	259	229
Lease liabilities	租賃負債	1,008	–
		11,204	3,003
Total liabilities	總負債	164,947	171,687
Total equity and liabilities	權益及負債總額	280,489	336,235

The balance sheet of the Company was approved by the Board of Directors on 7 May 2020 and was signed on its behalf:

本公司的資產負債表經董事會於二零二零年五月七日批准，並由下列董事代表董事會簽署：

Chen Zhi
陳志

Director
董事

Yu Shi Quan
余詩權

Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

38 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Note a: Reserve movement of the Company

38 本公司的資產負債表及儲備變動(續)

附註a：本公司的儲備變動

		Accumulated deficits	Other reserves
		累計虧絀	其他儲備
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	(724,456)	(7,063)
Changes in accounting policies	會計政策變動	<u>(7,063)</u>	<u>7,063</u>
Restated equity as at 1 January 2018	於二零一八年一月一日 經重列權益	(731,519)	-
Loss for the year	年內虧損	<u>(147,609)</u>	<u>-</u>
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	(879,128)	-
Change in accounting policy (Note 2.2(b))	會計政策之變動(附註2.2(b))	<u>(192)</u>	<u>-</u>
Restated equity as at 1 January 2019	於二零一九年一月一日 經重列權益	(879,320)	-
Loss for the year	年內虧損	(121,311)	-
Capital reorganisation	股本重組	883,596	155,281
Equity component of convertible bonds issued, net of transaction costs	已發行可換股債券之權益部分， 扣除交易成本	-	42,002
Conversion of convertible bonds	轉換可換股債券	<u>-</u>	<u>(7,484)</u>
At 31 December 2019	於二零一九年十二月三十一日	<u><u>(117,035)</u></u>	<u><u>189,799</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

合併財務報表附註

39 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

39 董事利益及權益 (香港《公司條例》(第622章)第383條·公司(披露董事利益資料)規例(第622G章)及香港上市規則規定的披露)

(A) Directors' and chief executive's emoluments

The remuneration of every directors and the chief executive is set out below:

(A) 董事及行政總裁的酬金

各董事及行政總裁的薪酬載列如下:

For the year ended 31 December 2019:

截至二零一九年十二月三十一日止年度:

Emoluments paid or receivable in respect of a person's services as a director, whether of the company or its subsidiary undertaking:
就個人擔任(不論是本公司或其附屬公司)董事所提供的服務已付或應收的酬金:

Name	姓名	Fees RMB'000 人民幣千元	Salary RMB'000 人民幣千元	Discretionary bonuses RMB'000 人民幣千元	Housing allowance RMB'000 人民幣千元	Estimated money value of other benefits RMB'000 人民幣千元	Employer's contribution to a retirement benefit scheme RMB'000 人民幣千元	Remunerations paid or receivable in respect of office as director RMB'000 人民幣千元	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the company or its subsidiary undertaking RMB'000 人民幣千元	Total RMB'000 人民幣千元
Executive directors										
Mr. Chen Zhi (CEO, Note a)	陳志先生 (行政總裁·附註a)	180	1,620	-	-	-	-	-	-	1,800
Mr. Yu Shiquan	余詩權先生	180	720	36	-	-	11	-	-	947
Mr. Tsui Yiu Ming Siuming (Former CEO, Note b)	徐耀明(別名:徐小明) 先生(前行政總裁·附註b)	157	2,203	-	-	-	118	-	-	2,478
Non-executive directors										
Mr. Chen Wei Dong	陳偉東先生	120	-	-	-	-	-	-	-	120
Ms. Chen Min	陳敏女士	120	-	-	-	-	-	-	-	120
Independent and non-executive directors										
Mr. Zhou Chang Ren	周昌仁先生	120	-	-	-	-	-	-	-	120
Mr. Wong Heung Ming, Henry	黃向明先生	120	-	-	-	-	-	-	-	120
Mr. Cai Jianquan	蔡建權先生	120	-	-	-	-	-	-	-	120

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合併財務報表附註

39 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(A) Directors' and chief executive's emoluments (Continued)

For the year ended 31 December 2018:

39 董事利益及權益 (香港《公司條例》(第622章)第383條、公司(披露董事利益資料)規例(第622G章)及香港上市規則規定的披露) (續)

(A) 董事及行政總裁的酬金 (續)

截至二零一八年十二月三十一日止年度：

Emoluments paid or receivable in respect of a person's services as a director, whether of the company or its subsidiary undertaking:
就個人擔任(不論是本公司或其附屬公司)董事所提供的服務已付或應收的酬金：

Name	姓名	Fees	Salary	Discretionary bonuses	Housing allowance	Estimated money value of other benefits	Employer's contribution to a retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as director	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the company or its subsidiary undertaking	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Executive directors		執行董事								
Mr. Chen Zhi (CEO, Note a)	陳志先生 (行政總裁, 附註a)	180	1,620	-	-	-	-	-	-	1,800
Mr. Yu Shiquan	余詩權先生	180	720	-	-	36	8	-	-	944
Mr. Tsui Yiu Ming Siuming (Former CEO, Note b)	徐耀明(別名: 徐小明) 先生(前行政總裁, 附註b)	217	2,817	-	-	-	165	-	-	3,199
Non-executive directors		非執行董事								
Mr. Chen Wei Dong	陳偉東先生	120	-	-	-	-	-	-	-	120
Ms. Chen Min	陳敏女士	120	-	-	-	-	-	-	-	120
Independent and non-executive directors		獨立非執行董事								
Mr. Zhou Chang Ren	周昌仁先生	120	-	-	-	-	-	-	-	120
Mr. Wong Heung Ming, Henry	黃向明先生	120	-	-	-	-	-	-	-	120
Mr. Cai Jianquan	蔡建權先生	120	-	-	-	-	-	-	-	120

Notes:

附註：

(a) Appointed as CEO of the Company on 9 October 2019

(a) 於二零一九年十月九日獲委任為本公司行政總裁

(b) Resigned as CEO of the Company on 9 October 2019

(b) 於二零一九年十月九日辭任本公司行政總裁一職

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合併財務報表附註

39 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(B) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year (2018: Nil).

(C) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year (2018: Nil).

(D) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2019, the Company did not pay consideration to any third parties for making available directors' services (2018: Nil).

(E) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

Save as disclosed in note 35, there is no other loans, quasi-loans and other dealing arrangements in favour of directors, bodies corporate controlled by and entities connected with all directors of the Company as at 31 December 2019 (2018: Nil).

39 董事利益及權益 (香港《公司條例》(第622章)第383條·公司(披露董事利益資料)規例(第622G章)及香港上市規則規定的披露)(續)

(B) 董事退休福利

年內，概無董事已收取或將收取任何退休福利(二零一八年：無)。

(C) 董事終止僱傭福利

年內，概無董事已收取或將收取任何終止僱傭福利(二零一八年：無)。

(D) 就提供董事服務向第三方支付代價

於截至二零一九年十二月三十一日止年度，本公司概無就提供董事服務向任何第三方支付代價(二零一八年：無)。

(E) 有關以董事、受該等董事控制的法人團體及該等董事的關連實體為受益人的貸款、準貸款及其他交易的資料

除附註35所披露者外，於二零一九年十二月三十一日，概無有關以董事、受本公司所有董事控制的法人團體及本公司所有董事的關連實體為受益人的其他貸款、準貸款及其他交易安排(二零一八年：無)。

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39 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(F) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in note 35, there is no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

During the year ended 31 December 2019, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2018: Nil).

During the year ended 31 December 2019 there was no arrangement under which a director waived or agreed to waive any emoluments during the year (2018: same).

39 董事利益及權益（香港《公司條例》（第622章）第383條、公司（披露董事利益資料）規例（第622G章）及香港上市規則規定的披露）（續）

(F) 董事於交易、安排或合約的重大權益

除附註35所披露者外，於年末或年內任何時間並無任何由本公司就本集團業務訂立而本公司董事直接或間接擁有重大權益的重大交易、安排或合約存續。

截至二零一九年十二月三十一日止年度，本集團概未向任何董事支付酬金，作為加入本集團或於加入本集團後的獎勵或作為離職補償（二零一八年：無）。

截至二零一九年十二月三十一日止年度，概無董事於年內放棄或同意放棄任何酬金的安排（二零一八年：相同）。

