

ANNUAL REPORT 2020
二零二零年年報



ALLIED GROUP LIMITED

聯合集團有限公司

(Stock Code 股份代號：373)

Contents

	Page
Corporate Information	3
Chairman's Statement	4
Review of Operations	6
Profile of Directors and Senior Management	26
Corporate Governance Report	29
Directors' Report	44
Independent Auditor's Report	107
Consolidated Statement of Profit or Loss	117
Consolidated Statement of Profit or Loss and Other Comprehensive Income	118
Consolidated Statement of Financial Position	120
Consolidated Statement of Changes in Equity	123
Consolidated Statement of Cash Flows	125
Notes to the Consolidated Financial Statements	129
Financial Summary	358
Particulars of Major Properties	359

BOARD OF DIRECTORS

Arthur George Dew
Chairman and Non-Executive Director

Lee Seng Hui
Chief Executive and Executive Director

Edwin Lo King Yau
Executive Director

Mak Pak Hung
Executive Director

Lee Su Hwei
Non-Executive Director

David Craig Bartlett
Independent Non-Executive Director

Alan Stephen Jones
Independent Non-Executive Director

Lisa Yang Lai Sum
Independent Non-Executive Director

Kelvin Chau Kwok Wing
Independent Non-Executive Director

EXECUTIVE COMMITTEE

Lee Seng Hui *Chairman*
Edwin Lo King Yau

AUDIT COMMITTEE

Alan Stephen Jones *Chairman*
Arthur George Dew
David Craig Bartlett
Lisa Yang Lai Sum
Kelvin Chau Kwok Wing

REMUNERATION COMMITTEE

David Craig Bartlett *Chairman*
Arthur George Dew
Alan Stephen Jones
Lisa Yang Lai Sum
Kelvin Chau Kwok Wing

NOMINATION COMMITTEE

Arthur George Dew *Chairman*
David Craig Bartlett
Alan Stephen Jones
Lisa Yang Lai Sum
Kelvin Chau Kwok Wing

BANKERS

Bank of China (Hong Kong) Limited
China CITIC Bank International Limited
Fubon Bank (Hong Kong) Limited
OCBC Wing Hang Bank Limited
Public Bank (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited
Taipei Fubon Commercial Bank Co., Ltd
The Bank of East Asia, Limited

REGISTERED OFFICE

22nd Floor
Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong
Tel : 2519 2288
Fax : 2598 5518 / 2598 0419
E-mail : webmaster@alliedgroup.com.hk

SHARE REGISTRAR

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716
17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

COMPANY SECRETARY

Lau Tung Ni

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

SOLICITORS

Fred Kan & Co.
P. C. Woo & Co.
Woo Kwan Lee & Lo

STOCK CODE

373

WEBSITES

<http://www.alliedgroup.com.hk>
<http://www.irasia.com/listco/hk/alliedgroup/index.htm>

Chairman's Statement

I am pleased to present to shareholders of Allied Group Limited ("Company") the annual results of the Company and its subsidiaries (collectively the "Group") for the year 2020. The performance of the Group is satisfactory despite various challenges encountered in this year.

FINANCIAL RESULTS

For the year ended 31st December, 2020, the Group's revenue was HK\$4,844.6 million (2019: HK\$5,278.7 million). Profit attributable to the owners of the Company was HK\$2,037.1 million in 2020 (2019: HK\$2,530.7 million), a decrease of HK\$493.6 million. Earnings per share amounted to HK\$0.58 (2019: HK\$0.72 which has been adjusted for the effect of the share subdivision (the "Share Subdivision") of every one (1) share be subdivided into twenty (20) subdivided shares of the Company effective on 7th September, 2020).

DIVIDEND

The Board has declared a second interim dividend of HK11.75 cents per share (in lieu of a final dividend) for the year ended 31st December, 2020 (2019: HK11.75 cents*) payable on or around Monday, 24th May, 2021 to the shareholders of the Company ("Shareholders") whose names appear on the register of members of the Company on Tuesday, 11th May, 2021, making a total dividend for the year 2020 of HK12.5 cents per share (2019: HK12.5 cents*).

* The respective dividend per share has been adjusted for the effect of the Share Subdivision.

CLOSURE OF REGISTER OF MEMBERS

(1) For determining the entitlement to the second interim dividend

- Latest time to lodge transfer documents for registration with the Company's share registrar At 4:30 p.m.
on Thursday, 6th May, 2021
- Closure of the register of members of the Company Friday, 7th May, 2021
to Tuesday, 11th May, 2021
(both days inclusive)

(2) For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company scheduled to be held on Wednesday, 26th May, 2021 ("2021 AGM")

- Latest time to lodge transfer documents for registration with the Company's share registrar At 4:30 p.m.
on Thursday, 20th May, 2021
- Closure of the register of members of the Company Friday, 21st May, 2021
to Wednesday, 26th May, 2021
(both days inclusive)

During the above closure periods, no transfer of shares of the Company will be registered. In order for a Shareholder to qualify for the second interim dividend (in lieu of a final dividend) and be eligible to attend and vote at the 2021 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than the aforementioned latest time.

FUTURE PROSPECTS

The "Review of Operations" by the Chief Executive, which immediately follows this statement, incorporates the Group's business outlook for the future.

APPRECIATION

We have maintained our momentum in 2020. The Group expects there will be various challenges arising from economic and geopolitical issues as well as uncertainties caused by the COVID-19 pandemic in 2021. We believe that with its prudent strategy, and the loyalty, dedication and professionalism of its staff, the Group is well prepared to meet the challenges.

I would like to express the Group's appreciation for the efforts of our staff and look forward to their continued support. I would like to thank my fellow Directors, our professional advisors and our Shareholders for their support during the year.

Arthur George Dew
Chairman

Hong Kong, 24th March, 2021

INTRODUCTION

The Company is primarily an investment holding company, with a stated strategy of focusing its management and financial resources on its core businesses of property investment and development and financial services together with property management and elderly care services. The Company's interests in property investment and development in Hong Kong and overseas and in mainland China are mainly held through its certain property holding subsidiaries, the Company's associate Tian An China Investments Company Limited ("TACI") and TACI's subsidiary Asiasec Properties Limited ("Asiasec"). The Company's financial services business is mainly conducted through its 72.74% holding in Sun Hung Kai & Co. Limited ("SHK") as well as SHK's effective 62.74% holding in United Asia Finance Limited ("UAF"). SHK Hong Kong Industries Limited ("SHK IND"), a 74.98% subsidiary of the Company, is engaged in investments in listed and unlisted securities. APAC Resources Limited ("APAC"), being an associate of the Company, is engaged in commodity trading, resources investment and principal investment and financial services business. The Company's property management and elderly care services businesses are mainly conducted through its indirect wholly-owned subsidiary, Allied Services Hong Kong Limited ("Allied Services").

FINANCIAL HIGHLIGHTS

	2020 HK\$ Million	2019 HK\$ Million
Revenue	4,844.6	5,278.7
Profit for the year attributable to owners of the Company	2,037.1	2,530.7
Equity attributable to owners of the Company	37,019.4	28,106.2
Return on equity attributable to owners of the Company	5.5%	9.0%
Earnings per share		
– Basic	HK\$0.58	HK\$0.72*
– Diluted	HK\$0.58	HK\$0.72*
	At 31st December, 2020	At 31st December, 2019
Net asset value per share attributable to owners of the Company	HK\$10.53	HK\$8.00*
Gearing ratio	31.7%	37.3%

* The basic and diluted earnings per share and net asset value per share attributable to owners of the Company of 2019 has been adjusted for the effect of the share subdivision ("Share Subdivision") of every one (1) share be subdivided into twenty (20) subdivided shares of the Company effective on 7th September, 2020.

FINANCIAL REVIEW

Financial Results

The revenue of the Group for the year was HK\$4,844.6 million (2019: HK\$5,278.7 million). The decrease is mainly due to lower interest income arising from the Group's loan businesses and lower revenues from hotel operations as well as property management businesses.

The profit attributable to the owners of the Company for the year was HK\$2,037.1 million (2019: HK\$2,530.7 million), a decrease of HK\$493.6 million or 19.5%.

The decrease in profit attributable to the owners of the Company was primarily a mixed result of:

- lower contributions from associates TACI and APAC;
- decrease in fair value of investment properties of the Group;
- loss contributed by joint venture, Allied Kajima Limited ("AKL");
- increase in profit contribution from SHK and SHK IND; and
- a non-recurring one-off gain of HK\$388.6 million was recognised in 2019 arising from the disposal of Yu Ming Investment Management Limited.

Earnings per share

Basic earnings per share amounted to HK\$0.58 (2019: HK\$0.72).

Major Corporate Events

Privatisation of Allied Properties (H.K.) Limited ("Allied Properties")

The privatisation ("Privatisation") of Allied Properties became effective on 25th November, 2020 and the listing of Allied Properties on The Stock Exchange of Hong Kong Limited ("Stock Exchange") was withdrawn on 27th November, 2020. The Privatisation enhanced the net asset value per share of the Company as the total price of the Privatisation of HK\$1.92 per share of Allied Properties, comprising the scheme consideration and special dividend, represented a discount to the net asset value per share of Allied Properties. Upon completion, a gain of HK\$6,593.4 million arising from the Privatisation was recognised directly in equity.

Share Subdivision of the Company

As announced by the Company on 22nd July, 2020, the proposal to implement the share subdivision of the shares of the Company ("Shares") on the basis that every one (1) issued share be subdivided into twenty (20) subdivided shares was made by the Board of Directors of the Company with a view to improve the liquidity in trading of Shares, thereby attracting more investors and widening the shareholder base. The Share Subdivision became effective on 7th September, 2020 and the total number of shares in issue of the Company increased from 175,754,118 to 3,515,082,360 accordingly.

FINANCIAL REVIEW (CONT'D)

Major Corporate Events (Cont'd)

Disposal of the remaining 30% interests in Sun Hung Kai Financial Group Limited ("SHKFGL")

On 17th November, 2020, SHK exercised the put right to require Everbright Securities Financial Holdings Limited to buy the remaining 30% shareholding in SHKFGL held by SHK at the consideration of (i) HK\$1,257,106,447 in cash; and (ii) HK\$1,156,000,000 in SHKFGL preference shares.

Proposed privatisation of SHK IND ("Proposed Privatisation")

The Proposed Privatisation of SHK IND, an approximately 74.978% owned subsidiary of the Company, is, subject to court approval, expected to be completed in May 2021. The completion of the Proposed Privatisation if completed will enhance the net asset value per share of the Company as the acquisition is at a discount to the consolidated net asset value of SHK IND.

Capital Management and Treasury Policy

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debts (which include bank and other borrowings and notes/paper payable) and equity attributable to owners of the Company comprising issued share capital and reserves. The Group's management reviews the capital structure on an ongoing basis using gearing ratio, which is the net debt comprising the Group's bank and other borrowings and notes/paper payable less short-term pledged bank deposits and bank balances, bank deposits and cash and cash equivalents divided by equity attributable to owners of the Company.

In addition, the Group's treasury policy is to ensure that funding requirements for capital commitments, investments and operations of the Group can be fulfilled and liquidity can be managed to ensure that fund inflows are matched against all maturing repayment obligations to achieve maximum harmony on cash flow management. The credit facilities of the Group are reviewed from time to time and new credit facilities will be obtained or renewed. The Group manages its liquidity position to ensure a prudent and adequate liquidity ratio. This is achieved by a transparent and collective monitoring approach across the Group involving the management of the relevant group companies.

Financial Resources, Liquidity and Capital Structure

The 4.75% US dollar denominated notes ("4.75% Notes") are listed on the Stock Exchange. The nominal value of the 4.75% Notes was US\$249.8 million or equivalent to HK\$1,936.4 million (2019: US\$249.8 million or equivalent to HK\$1,944.9 million) at the reporting date.

The 4.65% US dollar denominated notes ("4.65% Notes") are listed on the Stock Exchange. The nominal value of the 4.65% Notes after eliminating the intra-group holdings was US\$442.3 million or equivalent to HK\$3,428.7 million (2019: US\$442.7 million or equivalent to HK\$3,447.0 million) at the reporting date.

During the year, US\$0.4 million and US\$0.7 million in the principal amount of 4.65% Notes were purchased by SHK at consideration of US\$0.4 million and US\$0.7 million respectively by way of private arrangement. The repurchased 4.65% Notes were cancelled as to US\$0.4 million on 26th May, 2020 and as to US\$0.7 million on 17th August, 2020.

FINANCIAL REVIEW (CONT'D)**Financial Resources, Liquidity and Capital Structure (Cont'd)**

The 5.75% US dollar denominated notes ("5.75% Notes") are listed on the Stock Exchange. The nominal value of the 5.75% Notes after eliminating the intra-group holdings was US\$301.0 million or equivalent to HK\$2,333.3 million (2019: US\$301.0 million or equivalent to HK\$2,343.9 million) at the reporting date.

At the end of the reporting period, the equity attributable to owners of the Company amounted to HK\$37,019.4 million, representing an increase of HK\$8,913.2 million or approximately 31.7% from 2019. The Group maintained a strong cash and bank balance position and had cash and bank balances of approximately HK\$7,902.6 million as at 31st December, 2020 (2019: HK\$7,032.9 million). The Group's bank and other borrowings and notes/paper payable totalling HK\$19,640.0 million (2019: HK\$17,528.9 million) of which the portion due on demand or within one year was HK\$11,384.8 million (2019: HK\$7,261.6 million) and the remaining long-term portion was HK\$8,255.2 million (2019: HK\$10,267.3 million). The liquidity of the Group as evidenced by the current ratio (current assets/current liabilities) was 2.01 times (2019: 2.76 times). The Group's gearing ratio (net bank and other borrowings and notes/paper payable/equity attributable to the owners of the Company) was 31.7% (2019: 37.3%).

	2020 HK\$ Million	2019 HK\$ Million
Bank loans are repayable as follows:		
On demand or within one year	4,121.3	4,473.6
More than one year but not exceeding two years	1,770.2	1,488.4
More than two years but not exceeding five years	679.2	1,081.7
Bank loans with a repayment on demand clause are repayable as follows:		
Within one year	5,003.5	1,775.6
More than one year but not exceeding two years	–	446.0
	11,574.2	9,265.3
Other borrowings are repayable as follows:		
On demand or within one year	250.0	–
Over five years	64.7	62.1
	314.7	62.1
US dollar denominated notes are repayable as follows:		
Within one year	2,010.0	133.8
More than one year but not exceeding five years	5,741.1	7,635.1
HK dollar denominated notes/paper are repayable within one year	–	432.6
	7,751.1	8,201.5
	19,640.0	17,528.9

FINANCIAL REVIEW (CONT'D)

Financial Resources, Liquidity and Capital Structure (Cont'd)

Other than the US dollar denominated notes and HK dollar denominated notes/paper, most of the bank and other borrowings of the Group are charged at floating interest rates. There are no known seasonal factors in the Group's borrowing profile.

At the end of the reporting period, the Group had HK\$11,888.9 million (2019: HK\$9,327.4 million) in bank and other borrowings, which were denominated in HK dollars, Australian dollars, British pounds, Renminbi and US dollars. The Group had HK\$7,902.6 million (2019: HK\$7,032.9 million) in bank deposits, bank balances and cash, which were mainly denominated in HK dollars, Australian dollars, British pounds, Renminbi and US dollars.

The banking facilities of the Group are reviewed from time to time and new banking facilities will be obtained or renewed to meet the funding requirements for capital commitments, investments and operations of the Group.

Material Acquisitions and Disposals

Acquisition of a listed associate, Dragon Mining Limited ("Dragon Mining")

During the year, Allied Properties Resources Limited, which became an indirect wholly-owned subsidiary of the Company after the completion of the Privatisation of Allied Properties, acquired additional 6,393,872 shares in Dragon Mining from the market at a consideration of HK\$12.2 million resulting in increase in beneficial interest in Dragon Mining to 22.96% as compared with the shareholding of 18.35% as at 31st December, 2019. As a result, Dragon Mining became a listed associate of the Group.

Acquisition of additional interest in a listed associate, APAC

During the year, Allied Properties Investments (1) Company Limited, which became an indirect wholly-owned subsidiary of the Company after the completion of the Privatisation of Allied Properties, acquired additional 24,320,000 shares in APAC from the market at a consideration of HK\$22.1 million. As a result, the Group's beneficial interest in APAC increased from 37.56% as at 31st December, 2019 to 39.56% as at 31st December, 2020.

The details of (i) the Privatisation of Allied Properties, (ii) the disposal of the remaining 30% interests in SHKFGL, (iii) the Proposed Privatisation of SHK IND and (iv) the acquisition of additional shares in SHK are set out in the section headed "Major Corporate Events" of the Financial Review of this report and note 51 to the consolidated financial statements.

Save as disclosed above, there were no material acquisitions or disposals of subsidiaries, associates or joint ventures during the year and up to the date of this Annual Report.

Segment Information

Detailed segmental information in respect of the revenue and profit or loss is shown in note 6 to the consolidated financial statements.

FINANCIAL REVIEW (CONT'D)

Risk of Foreign Exchange Fluctuation

The Group is required to maintain foreign currency exposure to cater for its recurring operating activities and present and potential investment activities, meaning it will be subject to reasonable exchange rate exposure. However, the Group will closely monitor this risk exposure as required.

The Group's foreign exchange risk primarily arises from currency exposures originating from proprietary trading positions, private equity investments, loan and advances and bank and other borrowings denominated in foreign currencies, mainly in Australian dollars, British pounds, Euro, Canadian dollars, Japanese yen, Malaysian ringgit, New Taiwan dollars, Renminbi and Thai baht. Foreign exchange risk is managed and monitored by senior management of the relevant group companies. The risk arises from open currency positions is subject to management approved limits and are monitored and reported daily. As the majority of the Group's assets and investments were dominated in HK dollars and US dollars, the risk exposure was relatively low. Should the Group consider that its exposure to foreign currency risk justifies hedging, the Group may use forward or hedging contracts to reduce the risks.

Other Financial Liabilities

Details of other financial liabilities are set out in note 45 to the consolidated financial statements.

Pledge of Assets

Details of pledge of assets are set out in note 48 to the consolidated financial statements.

Events after the Reporting Date

Details regarding events after the reporting date are set out in note 51 to the consolidated financial statements.

OPERATIONAL REVIEW

Financial Services

Investment and Finance

- The profit attributable to owners of SHK was HK\$2,547.7 million (2019: HK\$2,085.2 million).
- SHK's investment management division reported a pre-tax profit of HK\$2,126.4 million (2019: HK\$1,290.8 million). The overall investment portfolio was impacted in the first half of 2020, but saw a significant improvement in the second half. Focus on diversification and underlying asset quality yielded strong returns.
- SHK's specialty finance business, which provides tailored funding solutions to corporates, investment funds and high net worth individuals, reported a pre-tax loss of HK\$132.3 million (2019: pre-tax profit of HK\$66.7 million). The loss was attributable to a prudent increase of impairment provisions.
- Sun Hung Kai Credit Limited contributed a pre-tax profit of HK\$112.7 million (2019: HK\$121.4 million). Its gross loan balance was HK\$3.1 billion at the end of 2020 (at 31st December, 2019: HK\$3.6 billion).

Consumer Finance

- Profit attributable to owners of UAF for the year amounted to HK\$1,002.1 million (2019: HK\$1,057.8 million).
- The business of UAF in Mainland China suffered in the first half of the year as Chinese government implemented domestic lockdowns to control the spread of the COVID-19 pandemic. With near full re-opening of economy in the second half, business activities of UAF in mainland China have almost fully rebounded to pre-pandemic levels. UAF is exploring cooperation with existing partners and sourcing new business partners to grow its customer base.
- While the COVID-19 pandemic affected business activities of UAF in Hong Kong in the first half year, the results in the second half recorded satisfactory improvement due to Government's measures including the employment support scheme which reduced the impact of the pandemic on the job market and the wider economy.
- At the end of the reporting period, the consolidated consumer finance gross loan balance amounted to HK\$11.3 billion (at 31st December, 2019: HK\$11.1 billion).
- There were 26 UAF branches in mainland China and 48 branches in Hong Kong at the end of the reporting period.

OPERATIONAL REVIEW (CONT'D)

Properties

Hong Kong

- Rental income from the Group's Hong Kong property portfolio remained at a steady level when compared to 2019. Focus has been on maintaining the leasing momentum on renewal, rent review and new lettings during the year.
- There was a net decrease of HK\$218.7 million in the value of the property portfolio of the Group, including investment properties owned by SHK (2019: net increase in value of HK\$132.7 million).
- During the year, the hotel division experienced decreased average room rates and significant drop in occupancies as a result of the COVID-19. The hotel division reported a loss for the year as compared with a profit in 2019.
- AKL, the Group's 50% joint venture, holding various properties including Allied Kajima Building, Novotel Century Hong Kong hotel, Sofitel Philippine Plaza Hotel and the Wanchai Jaffe Road hotel redevelopment, reported a loss for the year as compared with a profit in 2019. The loss for the current year was mainly due to the decrease in fair value of its property portfolio and operating loss reported from its hotel operations, the performance of which was negatively affected by the outbreak of the COVID-19. The internal fitting-out work on the Jaffe Road hotel site is progressing well.

Mainland PRC

- The profit attributable to the owners of TACI was HK\$618.0 million (2019: HK\$1,345.9 million).
- The decrease in profit of TACI was mainly due to a decrease in the share of results of its joint ventures and a decrease in fair value of its investment properties.
- TACI's rental income decreased by 7% as compared with 2019.
- TACI has a total of 19 cyberparks over 12 cities. TACI concentrates on developing new cyberparks and urban renewal projects in regions where TACI has ample manpower and marketing resources.
- Phase 2 Part 3 of TACI's urban renewal project, Tian An Cloud Park, in Huawei New City Area in the Longgang District of Shenzhen, was completed in the first half of 2020. The entire Phase 2 which comprises approximately 599,400 m² gross floor area is now completed and ready for sale or lease. While the sale and leasing of offices remains challenging, sale and rental of apartments has been brisk.
- TACI has acquired new residential projects in Jiangsu and Zhejiang Provinces and TACI expects that these projects will contribute good returns in the coming years.
- Asiasec, the listed subsidiary of TACI, reported a loss attributable to its shareholders of HK\$56.7 million (2019: profit of HK\$58.0 million).

OPERATIONAL REVIEW (CONT'D)

Allied Services

- Allied Services which engages in the businesses of property management and elderly care services reported a profit of HK\$45.0 million for the year (2019: HK\$29.1 million). Allied Services benefited from the receipt of subsidies provided by the Government's employment support scheme during the year.

Investments

SHK IND

- SHK IND reported a net profit attributable to its owners of HK\$133.5 million (2019: HK\$14.5 million), an increase of HK\$119.0 million mainly due to higher net investment gains as compared with 2019.

APAC

- At the end of 2020, the Group held a 39.56% interest in APAC. Share of profit from APAC for the year was HK\$270.4 million (2019: HK\$302.2 million).

ENVIRONMENTAL POLICY AND PERFORMANCE

We believe that the responsibility of delivering long-term, sustainable value to our shareholders also comes with a responsibility to recognise that the choices we make will have an impact on the communities where we carry on our business. This mindset drives our increasing focus on environmental, social and governance ("ESG") issues. Not merely a matter of regulatory compliance, but we are committed to do our part for the sustainable development of society and believe that our efforts on ESG issues magnify the Company's value in the places we operate.

We have adopted a sustainability policy (the "Policy") (enacted in 2016) that covers our principles in environmental and social issues. We strive to follow these principles and directives of the Policy in the areas of environmental impact, energy usage, talent retention, workplace and benefits enhancement, supply chain management, data privacy, business integrity and community engagement. Overall stewardship and direction of sustainability issues is provided by the board of directors of the Company, with the ESG initiatives implemented by management of various businesses.

ENVIRONMENTAL POLICY AND PERFORMANCE (CONT'D)

The Group's Policy encompasses our general approach towards environmental issues. We endeavor at a minimum to:

- Observe relevant laws and regulations and aim to go beyond minimum requirements.
- Directly prevent or minimise pollutants and greenhouse gas emissions, discharges into water and onto land, and generation of hazardous and non-hazardous waste.
- Make efficient use of resources, including energy, water and other raw materials.
- Minimise the impact of the Group's activities on the environment and natural resources.
- Engage our staff, customers and partners to promote sustainable business practices and constantly re-assess our processes to improve our environmental sustainability performance.

For further information about the environmental policies and performance of the Group during the year, please refer to the "Environmental, Social and Governance Report" to be separately released on the website of the Stock Exchange and the website of the Company in the "ESG Reports" section under "Investor Relations" at the web addresses set out in the "Corporate Information" on page 3 of this Annual Report.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Employees

The total number of headcount of the Group as at 31st December, 2020 was 3,415 (2019: 3,562). The net decrease in headcount is mainly a result of the ongoing branch consolidation of UAF in mainland China, as the business migrated further online and its continuous effort in driving cost efficiency. Total staff cost, including Directors' emoluments, amounted to HK\$1,177.9 million (2019: HK\$1,092.7 million). The Group reviews remuneration packages from time to time. In addition to salary payments, other staff benefits include contributions to employee provident funds, medical subsidies and a discretionary bonus scheme. The Group recognises the importance of continuing professional education and development, and appropriate courses are arranged on a periodical basis as well as subsidies are granted to employees who take job-related courses.

Customers and Suppliers

The Group values mutually-beneficial and long-standing relationships with its customers and suppliers. The Group is dedicated to bringing value to its customers through quality products and services. The Group works with a range of business suppliers across the businesses of the Group. In general, suppliers are selected based on their pricing, suitability, delivery time as well as general reputation and experience of suppliers.

COVID-19 PANDEMIC RESPONSE

From early 2020 the Group took steps to protect the health and safety of our workforce, their families, local suppliers and neighbouring communities while ensuring a safe environment for operations to continue as usual. For example:

- measures to maximise social distancing and staff protection within the offices;
- meetings held off-site or by conference calls or video conference as far as possible;
- cancellation of all non-essential travel;
- flexible and remote working plans for employees;
- restrictions on office access and temperature screening;
- self-isolation following travel, development of symptoms, or interaction with a confirmed case of the COVID-19 and requirement to undergo a coronavirus test as and when necessary at the Company's cost; and
- increased inventory of face mask, hand sanitiser and hygiene supplies and increased focus on cleaning and sanitation.

RISK MANAGEMENT

The Risk Management Framework and Process

The Group adopts a comprehensive risk management framework. Risk management policies and procedures are regularly reviewed and updated to react to changes in market and the Group's business strategy. The relevant management or committee, reporting to the relevant board of the Group, acts to oversee the respective Group's risk management and monitors internal control systems. The relevant management or committee considers the principal risks by identifying the nature and extent of significant risks and ensures critical judgments and decisions on risk control are taken. The internal control framework and strategy are reviewed by the relevant management or committee and initiatives are actioned through each tier of the Group to examine the effectiveness of our risk identification and risk control methods. Internal audit is carried out continuously to examine risk management and internal control.

RISK MANAGEMENT (CONT'D)

Lines of Defense

The Group operates a “three lines of defense” framework for managing and identifying risks.

- The first line of defense is the business functions and their respective line managers, who own and manage risk and controls across the processes they operate.
- Line management is supplemented by overseeing functions, such as risk management, operations, finance and accounting, legal, compliance and company secretarial, which constitute the second line of defense.
- Internal audit is the third line of defense and provides independent assurance over the design and operation of controls established by the first and second lines to manage risk.

Risk Management Process

The risk management process is made of three stages: risk assessment, risk mitigation and risk monitoring. Where required, the risk management process and the development of counter measures will involve consultation with the relevant board, management and committee of the Group and other relevant stakeholders.

Identifying Principal and Emerging Risks

The principal risks are identified by considering an array of aspects such as business strategy, financial position, the operating environment of the Group and external risk factors including economic conditions and major regulations and government policies. Relevant risks identified by our peers, individual research reports and market standards are considered to determine our principal risks. The principal risks of the Group are reviewed and updated by the relevant management or committee annually, with a focus on identifying those risks that could threaten the business development, operational and financial performance, the Group's relevant treasury management and the liquidity and credit management.

Emerging risks affiliated to principal risks are also monitored regularly to assess any potential impact on the Group and to determine whether any actions are required. Emerging risks include those related to regulatory and legislative changes, macroeconomic and political changes and other factors.

RISK MANAGEMENT (CONT'D)

Principal Risks of the Group

In 2020, the Group identified the following principal risks and major risk control initiatives were carried out as set out below.

Strategic and Business Risks

The strategic and business risks are the risk of failing to deliver on our strategic objectives resulting in a negative impact on financial performance and profitability.

External environment		
Impact	Key Controls	Emerging Risks/ Risk Movements in the Current Year
Since early 2020, the outbreak of the COVID-19 has impacted the business environment, particularly in certain sectors, e.g. retail and hospitality.	Deep management expertise. In first half of 2020, we strategically reduced our risk exposure across our businesses and were well-positioned as the environment improved during the second half.	The risk exposure fluctuated during the year and continues in 2021.
Lowering economic growth of China and Hong Kong could have an adverse impact on the profitability of businesses.	Continuous monitoring of the economic situation and credit risk. Conservative lending policy.	The ongoing Sino-US trade war had some impact on the business environment in Hong Kong and mainland China, however the credit quality of our loans was largely unaffected.
Tightened regulations by authorities on consumer finance may impact the Group's consumer finance business.	Ongoing monitoring of the regulatory environment.	The risk exposure was unchanged during the year.
Failure to deliver the Group's business strategy		
Impact	Key Controls	Emerging Risks/ Risk Movements in the Current Year
SHK group has been transforming its business since 2015. The failure to execute strategy may result in the Group underperforming targets.	The Group maintains a disciplined approach to strategy rollout.	This risk level was stable in 2020 though some business and approval processes were delayed or prolonged due to the COVID-19. SHK group made significant progress with launching its funds management business and since the end of the year have made further progress.
Limited growth opportunities and competition in lending impacts the Company's performance.	Deep management expertise and understanding of markets.	The risk had no material movement in the year. Management continues to observe market developments such as virtual banks in Hong Kong.

RISK MANAGEMENT (CONT'D)**Principal Risks of the Group (Cont'd)***Financial Risks (Market, Credit and Liquidity Risks)*

Financial risks are the risk of an adverse impact on the Group due to market fluctuation, counterparty failure or having insufficient resources to meet financial obligation.

Adverse market fluctuations

Impact	Key Controls	Emerging Risks/ Risk Movements in the Current Year
Volatility in macroeconomic and microeconomic factors leads to changes in the mark-to-market value of investment assets.	Disciplined investment process and risk management monitoring controls.	Financial markets were volatile, particularly in the first half of 2020. Our strategy of maintaining liquidity reserves positioned us well during times of volatility and allowed us to capitalise on opportunities in the second half of the year.
Volatility in interest rates potentially narrows the interest spreads of the Group's financing business and reduces its profitability.	Manage diversified funding sources and ability to reprice assets.	Market rates fluctuated during the year. We maintained diverse funding sources and were able to reprice assets to preserve interest spreads.

Exchange rate risk

Impact	Key Controls	Emerging Risks/ Risk Movements in the Current Year
Volatility in currencies leads to changes in value of the Group's assets and liabilities and, to the extent that these are unhedged, may impact on the financial performance of the Group.	Robust hedging thresholds and monitoring.	The risk had no movements in the year. Except for UAF China, as the majority of the Group's assets and investments were dominated in HK dollars and US dollars, the risk exposure was relatively low. Exposure to other currencies, except RMB, are largely hedged.

RISK MANAGEMENT (CONT'D)**Principal Risks of the Group (Cont'd)***Financial Risks (Market, Credit and Liquidity Risks) (Cont'd)*

Failed counterparty		
Impact	Key Controls	Emerging Risks/ Risk Movements in the Current Year
The Group's financing businesses relies on the credit quality of borrowers. Credit deterioration jeopardises the Group's profitability.	Conduct careful credit management and approval policies. Where appropriate, use credit data bases and technology.	Since 2020, the coronavirus outbreak has disrupted markets and certain borrowers. Consumer finance and mortgage loans were resilient and credit deterioration was manageable. In specialty finance, additional provisions were recorded as a result of the impact of a deterioration in credit quality, particularly of borrowers in the hospitality sector.
The Group uses derivatives to hedge risks. By entering into these derivatives, the Group is exposed to counterparty credit risk.	The Group deals with high credit quality counterparties and manages exposures within limits.	The risk exposure was unchanged during the year.

Failure to meet the Group's financial obligations		
Impact	Key Controls	Emerging Risks/ Risk Movements in the Current Year
A failure to manage assets and liabilities could result in the Group failing to meet its payment obligations as they fall due.	The relevant treasury manages a variety of funding sources and maintains appropriate levels of liquid assets as a liquidity buffer.	The Group refinanced and extended maturity of credit facilities.
Potential lack of liquidity in the Group's investments portfolio.	The liquidity and expected realisation of investments is continuously monitored. Prior to making new investments, the Group carefully considers the monetisation plans for existing investments.	During the year, the Group received significant distributions from investments and this trend is expected to continue in 2021. The Group maintains a substantial portfolio of cash and liquid assets.

RISK MANAGEMENT (CONT'D)**Principal Risks of the Group (Cont'd)***Operational Risks*

Operational risks are the risk of loss or missed opportunity, resulting from a regulatory or legislative failure or inadequate or failed internal processes, people or systems.

Unplanned departure of key persons

Impact	Key Controls	Emerging Risks/ Risk Movements in the Current Year
Loss of a key employee to the Group could impair the Group's ability to deliver its strategic objectives as planned if that role is not filled in a timely manner.	Key roles are identified, and backup plans are in place. The Group is focused on improving human resources management to offer an attractive working environment and benefits to key staff.	The risk exposure was unchanged during the year.

Regulatory or legislative failing

Impact	Key Controls	Emerging Risks/ Risk Movements in the Current Year
Adverse regulatory change could impact the ability of the Group to deliver its strategy such as deploying capital, raising new funds.	Closely monitor the changes on regulatory and governmental policies.	The risk exposure was unchanged during the year.

Failure of internal control process

Impact	Key Controls	Emerging Risks/ Risk Movements in the Current Year
Failure of internal control procedures.	Clear segregation of duties and responsibilities; conduct reviews and internal audit regularly.	The risk exposure was unchanged during the year.

RISK MANAGEMENT (CONT'D)**Principal Risks of the Group (Cont'd)***Operational Risks (Cont'd)***Technology resilience and innovation**

Impact	Key Controls	Emerging Risks/ Risk Movements in the Current Year
Failure to manage technology or data resulting in system outage or confidential information leak.	Regularly monitor systems and data. Test system security and continually upgrade system.	The Group upgraded infrastructure and cyber security during the year.

Failure of key business process

Impact	Key Controls	Emerging Risks/ Risk Movements in the Current Year
Failure of business processes resulting in significant business disruption, financial or reputational damage.	Contingency planning and testing.	The Group improved its contingency planning and upgraded infrastructure during the year. The Group continued to operate through the restrictions caused by the COVID-19 with no meaningful impact.

Financial misstatement

Impact	Key Controls	Emerging Risks/ Risk Movements in the Current Year
Failure to maintain adequate processes and internal controls over financial reporting and related disclosure which could result in losses, regulatory penalties or other claims.	Control processes are in place to ensure that financial reporting processes are identified, documented and monitored. The effectiveness of controls is monitored by management and internal audit with oversight from the relevant management or committee.	The risk exposure was unchanged during the year.

The Group acknowledges that no regulatory and governmental policy changes during the year brought to the Group's attention had a high probability of impairing business operations, financial and investment performance as well as business plans.

RELEVANT LAWS AND REGULATIONS

The Group is committed to comply with laws and regulations that govern our businesses. As the Company is incorporated in Hong Kong, we are under the jurisdiction of Hong Kong. As a listed company, we abide by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and Securities and Futures Ordinance of Hong Kong Law.

The relevant boards of directors and committees may make recommendations to the Group in relation to relevant codes and practice guides in pursuing business integrity and the results are reviewed regularly. A variety of training on regulations and compliance matters are also provided internally or through professional institutions.

With establishing the fund management business, the Group strengthened our compliance framework to protect the interests of investors. In the first quarter of 2021, approval-in-principle for the licensed fund management platform was received from regulators. Additional third-party compliance consultants and fund administrators were contracted to conduct extensive compliance work for the funds.

Our loan businesses in Hong Kong are governed by the Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong. The lending businesses in the PRC are operated in accordance with the regional guidelines announced by the provincial governments under the Guiding Opinions of the China Banking Regulatory Commission and the People’s Bank of China on the Pilot Operation of Small Loan Companies as well as the Special Rectification Documents of their special working group on cash loans, online small loans and P2P loans including “Notice on Regulating and Rectifying the Cash Loan Business”, “Notice on the Implementation Plan for the Special Rectification of the Risks of the Online Small Loan Business for Companies that Print and Distribute Small Loan (Online Loan Rectification Letter [2017] No. 56)” and “Notice on the Special Rectification Work for the P2P Network Lending Risks (Online Loan Rectification Letter [2017] No. 57)”.

Our rental businesses are governed by the Landlord and Tenant (Consolidation) Ordinance, Chapter 7 of the Laws of Hong Kong.

Our property management businesses and elderly care services businesses are governed by the Building Management Ordinance, Chapter 344 of the Laws of Hong Kong and Residential Care Homes (Elderly Persons) Ordinance, Chapter 459 of the Laws of Hong Kong respectively.

SIGNIFICANT INVESTMENT

As at 31st December, 2020, the Group held 733,269,096 (2019: 733,269,096) shares in TACI, representing 48.86% (2019: 48.86%) interests in TACI at an investment cost of HK\$3,027.8 million (2019: HK\$3,027.8 million). The results, assets and liabilities of TACI are accounted for using equity method in the consolidated financial statements of the Group. The carrying amount of the interests in TACI as at 31st December, 2020 amounted to HK\$11,895.0 million (2019: HK\$11,206.9 million), representing 16.9% (2019: 16.3%) of the Group's total assets and constituting a significant investment of the Group according to the Listing Rules. The market value of the investments in TACI as at 31st December, 2020 is HK\$3,395.0 million (2019: HK\$2,544.4 million), representing 4.8% (2019: 3.7%) of the Group's total assets.

TACI is engaged in property investment and development and property management businesses in mainland PRC, while its listed subsidiary, Asiasec is principally engaged in property investment and property management businesses in Hong Kong. The Group's interests in property investment and development in mainland PRC is mainly held through its investment in TACI and the Group's investments strategy for the investment in TACI is for long term strategic purpose.

The profit attributable to owners of TACI for the year was HK\$618.0 million (2019: HK\$1,345.9 million). The Group's share of profits of TACI for the year is HK\$302.0 million (2019: HK\$655.0 million). During the period, the Group received dividends of HK\$146.7 million (2019: HK\$146.7 million) from TACI. Further details of interests in TACI are set out in note 23 to the consolidated financial statements.

A detailed discussion of the performance of TACI is set out in the paragraph headed "Mainland PRC" under the section of "Properties" of the Operational Review of this report.

LONG TERM CORPORATE STRATEGIES

The Group is engaged in its businesses of investment, structured finance, consumer finance, property and related businesses, elderly care services and other investments. The Group's policy has been to adopt the following long term strategies:

1. To maintain the organic growth of its core businesses;
2. To maintain a balance between the demands of short term returns and long term capital appreciation; and
3. To seek investment opportunities that assist in strengthening and broadening its earnings base.

BUSINESS OUTLOOK

The outbreak of COVID-19 in 2020 and the ongoing tension between USA and China negatively impacted certain sectors of the Group's businesses. At present, the COVID-19 pandemic has yet to come under control around the world and the relations between USA and China are expected to remain tense leading to uncertainty on both the local and global economies.

With further volatility of the markets expected, SHK is committed to diligence and focus across its investments. SHK will carefully manage risk, maintain diversified funding sources and liquidity to provide financial stability and enable its business development.

The business environment of UAF remains challenging in 2021. UAF believes that with its experienced management, UAF will strive to deliver a satisfactory result.

While the US Federal Reserve's quantitative easing and the lowering of interest rates have provided some relief to the Hong Kong property market, the local property market will continue to suffer from the impact of the COVID-19 pandemic. We expect decreasing rental income due to increased vacancy rates for the hotel, commercial and retail sectors in 2021.

The monetary policies of China's central bank in response to the COVID-19 pandemic have been well received by the PRC property market, especially the residential sector.

There is no doubt that 2021 will remain challenging. The development of COVID-19 vaccines and the successful rollout of the vaccination programs should see a return to normalcy in 2022. With the Group's solid financial position and diversified income streams, the Board will continue to adopt a prudent approach in implementing the Group's stated strategies for the benefit of the Group and all its shareholders.

APPRECIATION

The Board would like to thank all the staff for their effort and contribution in 2020, and would like to express appreciation to the Shareholders for their continued support.

Lee Seng Hui
Chief Executive

Hong Kong, 24th March, 2021

ARTHUR GEORGE DEW

Mr. Arthur George Dew, aged 79, Chairman of the Company since January 2007, was appointed an Independent Non-Executive Director of the Company in December 1995 and re-designated as a Non-Executive Director of the Company in July 2002. Mr. Dew is also a director of a subsidiary of the Company. He graduated from the Law School of the University of Sydney, Australia, and was admitted as a solicitor and later as a barrister of the Supreme Court of New South Wales, Australia. He is currently a non-practising barrister. He has a broad range of corporate and business experience and has served as a director, and in some instances chairman of the board of directors, of a number of public companies listed in Australia, Hong Kong and elsewhere. He is also the chairman and a non-executive director of each of APAC Resources Limited (“APAC”) and Dragon Mining Limited (“Dragon Mining”), and a non-executive director of each of SHK Hong Kong Industries Limited (“SHK IND”) and Tian An Australia Limited (“Tian An Australia”). He is also the non-executive chairman and a non-executive director of Tanami Gold NL (“Tanami Gold”). Tian An Australia and Tanami Gold are companies listed on the Australian Securities Exchange. Mr. Dew retired from the positions of the chairman and a non-executive director of Allied Properties (H.K.) Limited (“APL”, a company previously listed on The Stock Exchange of Hong Kong Limited until 26th November, 2020) in December 2020.

LEE SENG HUI

Mr. Lee Seng Hui, aged 52, Chief Executive of the Company since January 1998, was appointed a Non-Executive Director of the Company in July 1992 and became an Executive Director of the Company in December 1993. Save as disclosed herein, Mr. Lee is also a director of a subsidiary of the Company. He graduated from the Law School of the University of Sydney with Honours. Previously, he worked with Baker & McKenzie and N M Rothschild & Sons (Hong Kong) Limited. Mr. Lee is the chairman and a non-executive director of Tian An China Investments Company Limited (“TACI”) and a non-executive director of APAC. He is a non-executive chairman of Mount Gibson Iron Limited (“Mount Gibson”), a company listed on the Australian Securities Exchange. Mr. Lee was the chief executive and an executive director of APL between June 2010 and December 2020. He is a brother of Ms. Lee Su Hwei (a Non-Executive Director of the Company).

EDWIN LO KING YAU

Mr. Edwin Lo King Yau, aged 60, was appointed an Executive Director of the Company in May 2000. Mr. Lo is also director of certain subsidiaries of the Company. He holds a Master’s Degree in Applied Finance from Macquarie University, Australia and is a Chartered Secretary and a Chartered Governance Professional. He had served various executive roles in several companies in Hong Kong including as company secretary for public listed companies. He is also an executive director of each of TACI and Asiasec Properties Limited (“Asiasec”).

MAK PAK HUNG

Mr. Mak Pak Hung, aged 74, was appointed an Executive Director of the Company in January 2006. He holds a Bachelor of Arts Honours Degree in Economics from the University of Hong Kong and a Master of Business Administration Degree from the University of Western Ontario, Canada. Formerly, Mr. Mak was the Chief Financial Officer of Sun Hung Kai & Co. Limited (“SHK”). Prior to joining SHK, Mr. Mak was with A.S. Watson & Company Limited, a subsidiary company of CK Hutchison Holdings Limited (formerly known as Hutchison Whampoa Limited), as Chief Operating Officer and Group Finance Director. Before that, he was the Managing Director of Canadian Imperial Bank of Commerce for Hong Kong and China and has also held senior positions with Manufacturers Hanover Trust Co. and Citibank N.A., with extensive experience in banking and finance.

LEE SU HWEI

Ms. Lee Su Hwei, aged 50, was appointed a Non-Executive Director of the Company in May 2000. She holds a Bachelor of Economics Degree from the University of Sydney and has experience as an investment analyst and in the securities industry generally in Hong Kong and the region. She is the sister of Mr. Lee Seng Hui (the Chief Executive and Executive Director of the Company).

DAVID CRAIG BARTLETT

Mr. David Craig Bartlett, aged 55, was appointed an Independent Non-Executive Director of the Company in December 1999. He graduated with honours in law from Exeter University in the United Kingdom in 1988 and subsequently qualified as a solicitor in England & Wales, the Republic of Ireland and the Hong Kong Special Administrative Region. A former partner of the international law firm Clyde & Co., he regularly acted for and advised the Company and its subsidiaries before leaving private practice for a career in industry. Now based primarily in England, Mr. Bartlett is also an independent non-executive director of SHK. He retired from the position of independent non-executive director of APL in December 2020.

ALAN STEPHEN JONES

Mr. Alan Stephen Jones, aged 78, was appointed an Independent Non-Executive Director of the Company in January 2006. Mr. Jones, a chartered accountant, has extensive experience in management, administration, accounting, property development, carpark management, finance and trading, and has been involved in successful mergers and acquisitions of a number of public companies in Australia and internationally. Mr. Jones is an independent non-executive director of SHK. He is also an independent non-executive director of Mount Gibson, a company listed on the Australian Securities Exchange, and a non-executive chairman of Air Change International Limited, a company listed on the National Stock Exchange of Australia Limited. He is also a non-executive director of Mulpha Australia Limited. He retired from the position of independent non-executive director of APL in December 2020.

LISA YANG LAI SUM

Ms. Lisa Yang Lai Sum, aged 54, was appointed an Independent Non-Executive Director of the Company in November 2013. She graduated from the University of Sydney with a Bachelor's Degree in Law and Economics and is also qualified as a solicitor in Australia and England. She is a practising solicitor in Hong Kong and a consultant of ONC Lawyers. Ms. Yang is also an independent non-executive director of each of TACI, Asiasec and China Medical & HealthCare Group Limited.

KELVIN CHAU KWOK WING

Mr. Kelvin Chau Kwok Wing, aged 58, was appointed an Independent Non-Executive Director of the Company in June 2020. He is a senior adviser to Rothschild & Co, the global financial advisory firm. Mr. Chau joined N M Rothschild & Sons (Hong Kong) Limited in 1987 and has been a banker with the group throughout his career, most recently as the Chairman of Rothschild & Co's Hong Kong operations. He has extensive experience in corporate mergers and acquisitions, capital markets and wealth management. Mr. Chau graduated from University of Buckingham, United Kingdom, with a Bachelor of Laws degree, and is a Fellow of The Hong Kong Institute of Directors.

KENNETH LI CHI KONG

Mr. Kenneth Li Chi Kong, aged 67, joined the Company in January 1996 and is General Consultant of the Company since July 2018, when he retired from the position of the Group Financial Controller. Mr. Li graduated from the University of Edinburgh in Scotland, United Kingdom with a Bachelor's Degree of Science and obtained a Post-graduate Diploma in Accounting from Heriot-Watt University in Edinburgh. He is a member of the Institute of Chartered Accountants of Scotland and a fellow of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in finance and accounting. Prior to joining the Group, Mr. Li worked for two major audit firms and acted as the group financial controller for several listed companies in Hong Kong. He was appointed as the chairman and a non-executive director of Da Yu Financial Holdings Limited in July 2019. Mr. Li retired from the respective positions of financial controller and non-executive director of APL in July 2018 and December 2020 respectively.

MARK WONG TAI CHUN

Mr. Mark Wong Tai Chun, aged 56, took up the post of director of investment of the Company in September 2007. Mr. Wong is also director of certain subsidiaries of the Company. He has a Master's Degree in Business Administration and is a fellow of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, The Chartered Governance Institute and The Hong Kong Institute of Chartered Secretaries. Mr. Wong was the financial controller of other listed companies in Hong Kong. He is also an executive director of SHK IND and an alternate director to Mr. Arthur George Dew in APAC, Tanami Gold, Dragon Mining and Tian An Australia. Tanami Gold and Tian An Australia are companies listed on the Australian Securities Exchange. He is also a director of APL.

KELVIN LAM KAM WING

Mr. Kelvin Lam Kam Wing, aged 54, is the Group Financial Controller of the Company since July 2019. Mr. Lam is also director of certain subsidiaries of the Company. He obtained a Master's Degree in Business Administration from The Chinese University of Hong Kong in 1999 and is a fellow of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Before Mr. Lam joined the Group in 1992, he had worked in an international accounting firm for four years.

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The board of directors of the Company (“Board”) believes that good corporate governance is essential to the success of the Company and to the enhancement of shareholders’ value.

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

In the light of the Corporate Governance Code and Corporate Governance Report (“CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), the Board has reviewed the corporate governance practices of the Company with the adoption of the various enhanced procedures which are detailed in this report. The Company has applied the principles of, and complied with, the applicable code provisions of the CG Code during the year ended 31st December, 2020, except for certain deviations as specified with considered reasons for such deviations as explained below. The Board will review the current practices at least annually, and make appropriate changes if considered necessary.

THE BOARD

The Board currently comprises nine directors (“Directors”) in total, with three Executive Directors, two Non-Executive Directors (“NEDs”) and four Independent Non-Executive Directors (“INEDs”). The composition of the Board during the year and up to the date of this report is set out as follows:

Executive Directors:

Lee Seng Hui (*Chief Executive*)
Edwin Lo King Yau
Mak Pak Hung

Non-Executive Directors:

Arthur George Dew (*Chairman*)
Lee Su Hwei

Independent Non-Executive Directors:

David Craig Bartlett
Alan Stephen Jones
Lisa Yang Lai Sum
Kelvin Chau Kwok Wing
(*appointed on 22nd June, 2020*)

The brief biographical details of the Directors are set out in the Profile of Directors and Senior Management on pages 26 to 28. Other than that Mr. Lee Seng Hui, the Chief Executive and an Executive Director of the Company, is a brother of Ms. Lee Su Hwei, a NED of the Company, there are no family or other material relationships among members of the Board.

THE BOARD (CONT'D)

Board Process

During the year, the NEDs (a majority of whom are independent) provided the Company and its subsidiaries (collectively "Group") with a wide range of expertise and experience. Their active participation in the Board and committee meetings brought independent judgment on issues relating to the Group's strategy, performance and management process, taking into account the interests of all shareholders of the Company ("Shareholders").

Throughout the year and up to the date of this report, the Company has had at least three INEDs representing not less than one-third of the Board. At least one of the INEDs has the appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Board has received from each INED an annual confirmation of his/her independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results and other ad hoc matters which need to be dealt with. During the year, six Board meetings were held and the individual attendance records of each Director at the meetings of the Board, Remuneration Committee, Audit Committee and general meetings during the year ended 31st December, 2020 are set out below:

Name of Directors	Number of meetings attended/held			
	Board	Remuneration Committee	Audit Committee	General Meetings
Executive Directors:				
Lee Seng Hui (<i>Chief Executive</i>)	6/6			1/2
Edwin Lo King Yau	6/6			2/2
Mak Pak Hung	6/6			2/2
Non-Executive Directors:				
Arthur George Dew (<i>Chairman</i>)	6/6	1/1	2/2	2/2
Lee Su Hwei	5/6			2/2
Independent Non-Executive Directors:				
David Craig Bartlett	5/6	1/1	2/2	0/2
Alan Stephen Jones	6/6	1/1	2/2	2/2
Lisa Yang Lai Sum	6/6	1/1	2/2	2/2
Kelvin Chau Kwok Wing (<i>appointed on 22nd June, 2020</i>)	3/3		1/1	1/1

THE BOARD (CONT'D)

Board Process (Cont'd)

The Board has reserved for its decision or consideration matters covering mainly the Group's overall strategy, annual operating budget, annual and interim results, approval of Directors' appointment or re-appointment (based on the recommendations made by the Nomination Committee), material contracts and transactions, corporate governance as well as other significant policy and financial matters. The Board has delegated the day-to-day responsibility to the executive management under the instruction/supervision of the Executive Committee which has its specific written terms of reference. The respective functions of the Board and management of the Company have been formalised and set out in writing and will be reviewed and updated by the Board from time to time to ensure that they are consistent with the existing rules and regulations.

Regular Board meetings each year are scheduled in advance to facilitate maximum attendance of Directors. At least 14 days' notice of a Board meeting is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The company secretary of the Company ("Company Secretary") assists the Chairman of the Board in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least 3 days before the intended date of a regular Board meeting (and so far as practicable for such other Board meetings). Draft minutes of each Board meeting are circulated to all Directors for their comment before being tabled at the following Board meeting for approval. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

According to the current Board practice, if a substantial Shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by the Board at a duly convened Board meeting. The articles of association of the Company ("Articles of Association") also stipulate that save for the exceptions as provided therein, a Director shall abstain from voting on any Board resolution and not be counted in the quorum at meetings for approving any contract or arrangement in which such Director or any of his/her close associates has a material interest.

Every Director is entitled to have access to Board papers and related materials and has access to the advice and services of the Company Secretary. The Board and each Director also have separate and independent access to the Company's senior management. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices. In addition, a written procedure has been established since June 2005 to enable the Directors, in discharge of their duties, to seek independent professional advice in appropriate circumstances at a reasonable cost to be borne by the Company.

THE BOARD (CONT'D)

Directors' Continuous Professional Development

For continuous professional development, in addition to Directors' attendance at meetings and review of papers and circulars sent by the management of the Company, Directors participated in the activities including the following:

Participation in Continuous Professional Development Activities

Name of Directors	Reading Regulatory Updates	Attending trainings/ briefings/seminars/ conferences relevant to the Directors' duties
Executive Directors:		
Lee Seng Hui (<i>Chief Executive</i>)	✓	✓
Edwin Lo King Yau	✓	✓
Mak Pak Hung	✓	✓
Non-Executive Directors:		
Arthur George Dew (<i>Chairman</i>)	✓	✓
Lee Su Hwei	✓	✓
Independent Non-Executive Directors:		
David Craig Bartlett	✓	✓
Alan Stephen Jones	✓	✓
Lisa Yang Lai Sum	✓	✓
Kelvin Chau Kwok Wing (<i>appointed on 22nd June, 2020</i>)	✓	✓

Board Diversity

The Company has adopted the Board Diversity Policy in November 2013 which sets out the objectives and principles regarding board diversity for the purpose of achieving the Company's strategic objectives of balanced diversity at the Board as far as practicable. Board appointments will be based on merit and candidates will be considered against measurable objectives, taking into account the Company's business and needs.

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

ROLES OF CHAIRMAN AND CHIEF EXECUTIVE

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Arthur George Dew, being the Chairman of the Board, is primarily responsible for the leadership of the Board, ensuring that (i) all significant policy issues are discussed by the Board in a timely and constructive manner; (ii) all Directors are properly briefed on issues arising at Board meetings; and (iii) the Directors receive accurate, timely and clear information. The functions of the chief executive are performed by Mr. Lee Seng Hui, the Chief Executive of the Company, who is responsible for the day-to-day management of the Group's business. Their responsibilities are clearly segregated and have been set out in writing and approved by the Board in June 2005, and subsequently updated in April 2012 and November 2018 for the relevant amendments to the revised CG Code effective on 1st January, 2019.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The terms of reference of the Nomination Committee include the nomination procedure specifying the process and criteria for the selection and recommendation of candidates for directorship of the Company.

Every newly appointed Director will receive an induction package from the Company Secretary on the first occasion of his/her appointment. This induction package is a comprehensive, formal and tailored induction on the responsibilities and on-going obligations to be observed by a director pursuant to the Companies Ordinance, Listing Rules and Securities and Futures Ordinance. In addition, this induction package includes materials briefly describing the operations and business of the Company, the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board. Directors will be continuously updated on any major developments of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

All NEDs (including INEDs) of the Company were appointed for a specific term, but subject to the relevant provisions of the Articles of Association or any other applicable laws whereby the Directors shall vacate or retire from their office but eligible for re-election. Except Mr. Kelvin Chau Kwok Wing who was newly appointed for a specific term commencing on 22nd June, 2020 and continue until 31st December, 2022, the term of appointment of the remaining NEDs (including INEDs) has been renewed for further two years commencing from 1st January, 2021.

According to the Articles of Association, at each annual general meeting of the Company ("AGM"), one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. Further, any Director appointed by the Board to fill a casual vacancy shall hold office only until the next following general meeting of the Company whilst for those appointed as an addition to the Board shall hold office until the next following AGM and in both cases, those Directors shall then be eligible for re-election at the relevant meeting. Every Director shall be subject to retirement by rotation at least once every three years.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing corporate governance duties and has adopted the written terms of reference on its corporate governance functions in April 2012.

The duties of the Board in respect of the corporate governance functions include:

- (i) developing and reviewing the Company's policies and practices on corporate governance;
- (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

In 2020 and up to the date of this report, the Board has performed the corporate governance duties in accordance with its terms of reference.

BOARD COMMITTEES

The Board has established various committees, including a Nomination Committee, a Remuneration Committee, an Audit Committee and an Executive Committee, each of which has its specific written terms of reference. Copies of minutes of all meetings and resolutions of the committees, which are kept by the Company Secretary, are circulated to all Board members and the committees are required to report back to the Board on their decision and recommendations where appropriate. The procedures and arrangements for a Board meeting, as mentioned in the section headed "The Board" of this report, have been adopted for the committee meetings so far as practicable.

Nomination Committee

The Nomination Committee has been established since March 2012 and is chaired by the Chairman of the Board and comprises a majority of INEDs. Currently, the Nomination Committee consists of five members, including Mr. Arthur George Dew (Chairman of the Nomination Committee), being a NED, Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Ms. Lisa Yang Lai Sum and Mr. Kelvin Chau Kwok Wing, all being the INEDs. The Nomination Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary. The major roles and functions of the Nomination Committee are included in its terms of reference, which are available on the websites of The Stock Exchange of Hong Kong Limited ("Stock Exchange") and the Company.

BOARD COMMITTEES (CONT'D)

Nomination Committee (Cont'd)

The Nomination Committee has formulated and set out the nomination policy ("Nomination Policy") in its terms of reference. The objective of the Nomination Policy is to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. To ensure changes to the Board composition can be managed without undue disruption, a formal, considered and transparent procedure is in place for selection, appointment and re-appointment of Directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new Director (to be an additional Director or fill a casual vacancy as and when it arises) or any re-appointment of Directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee.

The criteria to be applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities. Further details of the selection criteria and the procedure are set out in the terms of reference of the Nomination Committee which are available on the websites of the Stock Exchange and the Company.

The Nomination Committee will meet as and when necessary in accordance with its terms of reference and may also deal with matters by way of circulation. In 2020, no Nomination Committee meeting was held while the Nomination Committee dealt with matters by way of circulation. In 2020 and up to the date of this report, the Nomination Committee performed the works as summarised below:

- (i) reviewed and recommended for the Board's approval the proposed resolution for re-election of the retiring Directors at 2020 AGM and 2021 AGM;
- (ii) reviewed and recommended for the Board's approval the appointment of a new INED;
- (iii) reviewed the structure, size, composition and diversity of the Board and assessed the independence of each INED; and
- (iv) reviewed and recommended for the Board's approval the renewal of the term of appointment of re-appointing NEDs (including the INEDs) for two years commenced from 1st January, 2021.

BOARD COMMITTEES (CONT'D)

Remuneration Committee

The Remuneration Committee has been established for more than 10 years and currently consists of five members, including Mr. David Craig Bartlett (Chairman of the Remuneration Committee), Mr. Arthur George Dew, being a NED, Mr. Alan Stephen Jones, Ms. Lisa Yang Lai Sum and Mr. Kelvin Chau Kwok Wing, all being the INEDs. The Remuneration Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary. The major roles and functions of the Remuneration Committee are included in its terms of reference, which are available on the websites of the Stock Exchange and the Company.

The Remuneration Committee shall meet at least once a year in accordance with its terms of reference. One Remuneration Committee meeting was held in 2020 and the attendance of each member is set out in the section headed "The Board" of this report.

In addition to the Remuneration Committee meeting, the Remuneration Committee also dealt with matters by way of circulation during 2020. In 2020 and up to the date of this report, the Remuneration Committee performed the works as summarised below:

- (i) reviewed and recommended for the Board's approval the renewal of a tenancy agreement for provision of an accommodation to the Chief Executive whereby the monthly rental payable by the Company decreased by HK\$2,000 effective from 15th February, 2020;
- (ii) reviewed the existing policy and structure for the remuneration of Directors;
- (iii) reviewed the existing remuneration packages of the Executive Directors, the General Consultant, the Director of Investment and the Group Financial Controller;
- (iv) reviewed the existing remuneration of the NEDs (including the INEDs);
- (v) reviewed and recommended for the Board's approval the remuneration of a new INED and the re-appointing General Consultant, and the terms and conditions of the extension of appointment of an Executive Director;
- (vi) reviewed and recommended for the Board's approval the bonus for the year ended 31st December, 2019 and the remuneration for the year 2020 of the Executive Directors, the Chairman, the General Consultant, the Director of Investment and the Group Financial Controller; and
- (vii) reviewed and recommended for the Board's approval the remuneration and the renewal of term of appointment of the re-appointing NEDs (including the INEDs).

The remuneration payable to Directors will depend on their respective contractual terms under their employment contracts or service contracts as approved by the Board on the recommendation of the Remuneration Committee. Details of the Directors' remuneration are set out in note 10 to the consolidated financial statements whereas detailed changes in the emoluments of certain Director during the interim period and up to the date of the Interim Report were also disclosed in the Interim Report of the Company dated 26th August, 2020. Details of the emolument policy of the Group are also set out in the "Emolument Policy" section contained in the Directors' Report on page 53.

BOARD COMMITTEES (CONT'D)

Audit Committee

The Audit Committee has been established for more than 10 years and currently consists of five NEDs, four of whom are INEDs. To retain independence and objectivity, the Audit Committee is chaired by an INED with appropriate professional qualifications or accounting or related financial management expertise. The current members of the Audit Committee are Mr. Alan Stephen Jones (Chairman of the Audit Committee), being an INED, Mr. Arthur George Dew, being a NED, Mr. David Craig Bartlett, Ms. Lisa Yang Lai Sum and Mr. Kelvin Chau Kwok Wing, all being INEDs. The Audit Committee is provided with sufficient resources to discharge its duties and has access to independent professional advice according to the Company's policy if considered necessary. The major roles and functions of the Audit Committee are included in its terms of reference, which are available on the websites of the Stock Exchange and the Company.

The terms of reference of the Audit Committee are revised from time to time to comply with the code provision C.3.3 of the CG Code, but with deviations from the code provision of the audit committee's responsibility to:

- (i) implement policy on the engagement of the external auditors to supply non-audit services;
- (ii) ensure the management has performed its duty to have effective risk management and internal control systems; and
- (iii) ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the listed company.

The Board considers that the Audit Committee shall recommend (as opposed to implement under the code provision) the policy on the engagement of the external auditors to supply non-audit services for the following reasons:

- (i) it is proper and appropriate for the Board and its committees to develop policy and make appropriate recommendations;
- (ii) the proper and appropriate mechanism for implementation of such policy and recommendations is through the Executive Directors and management; and
- (iii) INEDs are not in an effective position to implement policy and follow up the same on a day-to-day basis.

BOARD COMMITTEES (CONT'D)

Audit Committee (Cont'd)

Further, the Board considers that the Audit Committee only possesses the effective ability to scrutinise (as opposed to ensure under the code provision) whether management has performed its duty to have effective risk management and internal control systems. The Audit Committee is not equipped to ensure that the same is in place as this would involve day-to-day supervision and the employment of permanent experts. The Audit Committee is not in a position either to ensure co-ordination between the internal and external auditors but it can promote the same. Similarly, the Audit Committee is not in a position to ensure that the internal audit function is adequately resourced but it can check whether it is adequately resourced.

The Audit Committee shall meet at least twice a year in accordance with its terms of reference. Two Audit Committee meetings were held in 2020 and the attendance of each member is set out in the section headed "The Board" of this report.

In addition to the Audit Committee meetings, the Audit Committee also dealt with matters by way of circulation during 2020. In 2020 and up to the date of this report, the Audit Committee performed the works as summarised below:

- (i) reviewed and approved the audit scope and fees proposed by the external auditor;
- (ii) reviewed the reports of findings/independent review report from the external auditor and the management's response in relation to the final audit for the year ended 31st December, 2019, the interim results review for the six months ended 30th June, 2020 and the final audit for the year ended 31st December, 2020 of the Group;
- (iii) reviewed and recommended for the Board's approval the financial reports for the year ended 31st December, 2019, for the six months ended 30th June, 2020 and for the year ended 31st December, 2020 together with the relevant management representation letters and announcements;
- (iv) reviewed the Group Internal Audit Reports prepared by the Internal Audit Department ("IAD");
- (v) reviewed and recommended for the Board's annual review the report on substantiation of the resources, qualifications and experience of staff of the Group's accounting, internal audit and financial reporting functions, and their training programmes and budget;
- (vi) reviewed and recommended for the Board's annual review the Related Party Transaction Policies and Procedures, Procedures for the Identification and Monitoring of Connected Transactions, Whistle Blower Policy, Policy on the Disclosure of Inside Information, Manual of Company Management Authority, Policy on Risk Management, Compliance and Internal Control Procedures and Dividend Policy; and
- (vii) reviewed and recommended for the Board's annual review the Group's risk management and internal control systems.

BOARD COMMITTEES (CONT'D)

Executive Committee

The Executive Committee has been established since January 1993 and currently consists of two Executive Directors, being Messrs. Lee Seng Hui (Chairman of the Executive Committee) and Edwin Lo King Yau. The Executive Committee is vested with all the general powers of management and control of the activities of the Group as are vested in the Board, save for those matters which are reserved for the Board's decision and approval pursuant to the written terms of reference of the Executive Committee. The terms of reference of the Executive Committee were revised in November 2007 following the adoption of the Whistle Blower Policy by the Company.

The Executive Committee will meet as and when necessary to discuss the operating affairs of the Group and may also deal with matters by way of circulation. The Executive Committee is mainly responsible for undertaking and supervising the day-to-day management and is empowered:

- (i) to formulate and implement policies for the business activities, internal control and administration of the Group; and
- (ii) to plan and decide on strategies to be adopted for the business activities of the Group within the overall strategy of the Group as determined by the Board.

COMPANY SECRETARY

Ms. Lau Tung Ni is the Company Secretary of the Company. All Directors have access to the advice and services of the Company Secretary. The Company Secretary reports to the Chairman on board governance matters, and is responsible for ensuring that Board procedures are followed and for facilitating communications among Directors as well as with the Shareholders and management.

Ms. Lau is a fellow member of The Chartered Governance Institute and The Hong Kong Institute of Chartered Secretaries. During 2020, Ms. Lau undertook over 15 hours of relevant professional training to update her skills and knowledge.

CODES FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code.

The Company has also adopted the Model Code as the Code for Securities Transactions by Relevant Employees to regulate dealings in securities of the Company by certain employees of the Company or any of its subsidiaries who are considered to be likely in possession of inside information in relation to the Company or its securities.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibility for preparing, with the support from the Accounts Department, the consolidated financial statements of the Group. In preparing the consolidated financial statements for the year ended 31st December, 2020, the accounting principles generally accepted in Hong Kong have been adopted and the requirements of the Hong Kong Financial Reporting Standards (which also include Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance were complied with. The Directors believe that they have selected suitable accounting policies and applied them consistently, and made judgments and estimates that are prudent and reasonable and have ensured that the consolidated financial statements are prepared on a going concern basis.

The reporting responsibilities of the Company's external auditor, Deloitte Touche Tohmatsu, are set out in the Independent Auditor's Report on pages 107 to 116.

Risk Management and Internal Control

The Board has the responsibility to review annually the effectiveness of the Group's risk management and internal control systems covering all material controls, including financial, operational and compliance controls. In 2020, the Board, through the Audit Committee, had reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting, internal audit and financial reporting functions, and their training programmes and budget.

The Group's risk management culture is critical to the effectiveness of the risk management framework. The principal risks are determined through a consideration of the strategy, external risk factors, the operating environment of the Group including risks identified by our peers, and an analysis of individual processes and procedures.

The review of the Group's principal risks focuses on identifying those risks that could threaten the business model, future performance, capital or liquidity of the business. In identifying these risks, consideration is given to external developments, regulatory expectations and market standards. Our focus also includes strategic and business risk, financial risk and operational risk.

Emerging risks are regularly considered by the Group to assess any potential impact on the Group and to determine whether any actions are required. Emerging risks include those related to regulatory/legislative change and macroeconomic and political change, which in the current year have included social unrest in Hong Kong, Sino-US trade war and the COVID-19.

The Group's risk management and internal control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss; to manage rather than completely eliminate the risk of system failure; and to assist in the achievement of the Group's agreed objectives and goals. They have a key role in the management of risks that are significant to the fulfilment of business objectives. In addition, they should provide a basis for the maintenance of proper accounting records and assist in the compliance with relevant laws and regulations.

Systems and procedures are put in place to identify, evaluate and manage the risks of different businesses and activities. The annual assessment is performed through the completion by the relevant business units and department heads of their respective responsibility statements as co-ordinated by the IAD. The result and findings are reported by the management to the Chairman of Executive Committee who puts forward the same to the Audit Committee and the Board for review on the effectiveness of the risk management and internal control systems, which have been considered effective and adequate.

ACCOUNTABILITY AND AUDIT (CONT'D)

Risk Management and Internal Control (Cont'd)

The Company's principal subsidiaries are managed under independent systems of risk management and internal controls. These subsidiaries have provided appropriate assurance to the Company on their compliance with the CG Code regarding risk management and internal control systems in general to the Company.

A discussion of the policies and procedures on the management of each of the major types of risk which the Group is facing is included in note 43 to the consolidated financial statements and under the "Risk Management" section contained in the Review of Operations on pages 16 to 22.

Internal Audit

The Head of Internal Audit reports to the Chairman of the Board and the Audit Committee. The IAD generally carries out the analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems.

The Group Internal Audit Plan was prepared by the IAD and issued to the Audit Committee and the Board for review.

Policy on Disclosure of Inside Information

The Board has adopted the Policy on the Disclosure of Inside Information ("Policy") effective on 1st January, 2013 with respect to the procedures and internal controls for the handling and dissemination of inside information. The Policy sets out guidelines and procedures to the directors of the Company and relevant officers of the Group to ensure inside information of the Group is to be disseminated to the public on an equal basis and in timely manner. Directors and relevant officers in possession of potential inside information and/or inside information are required to take reasonable measures to ensure that proper safeguards are in place to preserve strict confidentiality of inside information and to ensure that its recipients recognise their obligations to maintain the information confidential. The Policy shall be updated and revised as and when necessary in light of changes in circumstances and changes in the Listing Rules, Part XIVA of the Securities and Futures Ordinance and relevant statutory and regulatory requirements from time to time.

External Auditors' Remuneration

During the year, the remuneration paid to the Group's external auditors is set out as follows:

Services rendered for the Group	HK\$ Million
Audit services	8.1
Non-audit services	
– Taxation services	0.7
– Other professional services	2.7
	<hr/>
Total	<u>11.5</u>

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good communication with Shareholders. Information in relation to the Group is disseminated to Shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. Such published documents together with the latest corporate information and news are also made available on the website of the Company.

The Company's AGM is a valuable forum for the Board to communicate directly with Shareholders. The Chairman actively participates at the AGM and personally chairs the meeting to answer any questions from Shareholders. The chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee or in their absence, another member of the respective committees or failing that their respective duly appointed delegate, are also available to answer questions at the AGM. The chairman of any independent board committee formed as necessary or pursuant to the Listing Rules (or if no such chairman is appointed, at least a member of the independent board committee) will also be available to answer questions at any general meeting of Shareholders to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

During the year, the 2020 AGM and an extraordinary general meeting of the Company ("EGM") were held on 3rd June, 2020 and 3rd September, 2020 respectively. The attendance records of the Directors at the general meetings are set out in the section headed "The Board" of this report.

Separate resolutions are proposed at the general meetings for each substantial issue, including the re-election of retiring Directors.

The notice to Shareholders is to be sent in the case of AGM at least 20 clear business days before the meeting and to be sent at least 10 clear business days in case of all other general meetings. An explanation of the detailed procedures of conducting a poll is provided to the Shareholders at the commencement of the meeting. The Chairman answers questions from Shareholders regarding voting by way of a poll. The poll results are published in the manner prescribed under the requirements of the Listing Rules.

Shareholder(s) representing at least 5% of the total voting rights of all Shareholders having a right to vote at general meetings as at the date of deposit of the requisition can request the Directors to convene an EGM by sending a written request to the registered office of the Company ("Registered Office"). Such requisition must state the general nature of the business to be dealt with at the EGM and must be authenticated by the person or persons making it. Besides, Shareholders may make a proposal ("Proposal") at a Shareholders' meeting by submitting it in written form to the Board at the Registered Office in accordance with the Companies Ordinance and the Articles of Association where applicable. The Proposal shall be in the form of a proposed resolution, which shall clearly and concisely set out the Proposal for discussion and be relevant to the Company's business scope.

The Board established a shareholders' communication policy in April 2012, and subsequently updated in December 2015. A Shareholder may serve an enquiry to the Board at the Registered Office for the attention of the Board in written form, which shall state the nature of the enquiry and the reason for making the enquiry. In addition, Shareholders can contact Computershare Hong Kong Investor Services Limited, the share registrar of the Company, for any questions about their shareholdings.

DIVIDEND POLICY

The Board has adopted the Dividend Policy since 2018. The Company's Dividend Policy aims at providing reasonable and sustainable returns to its shareholders whilst maintaining a position of financial stability which allows the Company to take advantage of any investment and expansion opportunities that may arise from time to time.

The Board may declare or propose dividends on an annual basis and/or may declare interim dividends or special dividends. Proposal or declaration of dividends by the Board is subject to consideration of the Company's and the Group's operating results, accumulated and future earnings, gearing, liquidity position, capital commitment requirement and future expansion plan as well as general economic conditions and external factors that may have impact on the financial performance and position of the Company and the Group. In addition, as the Company is a holding company, the Board will also consider the dividends received from its subsidiaries and associates as the ability to pay dividends by the Company is dependent on the dividends received from those subsidiaries and associates.

The Board will regularly review the dividend policy and will amend and/or modify the dividend policy if necessary.

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code of the Stock Exchange but also about promoting and developing an ethical and healthy corporate culture. We will continue to review and, where appropriate, improve our current practices on the basis of our experience, regulatory changes and developments. Any views and suggestions from our Shareholders to promote and improve our transparency are also welcome.

On behalf of the Board

Arthur George Dew
Chairman

Hong Kong, 24th March, 2021

The board of directors of the Company ("Board") presents its annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively "Group") for the year ended 31st December, 2020.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company acts as an investment holding company and provides corporate management services. The principal activities of its principal subsidiaries, associates and joint venture at 31st December, 2020 are set out in notes 55, 56 and 57 to the consolidated financial statements respectively. The business review of the Group for the year ended 31st December, 2020, as well as further discussion and analysis as required by Schedule 5 to the Hong Kong Companies Ordinance ("Companies Ordinance"), are set out in the section headed "Review of Operations" on pages 6 to 25 and the section headed "Communication with Shareholders" under "Corporate Governance Report" on page 42 of this Annual Report, and also the "Environmental, Social and Governance Report" ("ESG Report") to be separately released on the website of The Stock Exchange of Hong Kong Limited ("Stock Exchange") and the website of the Company in the "ESG Reports" section under "Investor Relations", the discussions of which form part of this directors' report.

To access the online version of the ESG Report, please refer to the website addresses set out in the "Corporate Information" on page 3 of this Annual Report.

RESULTS AND APPROPRIATIONS

The results of the Group are set out in the consolidated statement of profit or loss on page 117 and in the accompanying notes to the consolidated financial statements.

The Board has declared a second interim dividend of HK11.75 cents per share (in lieu of a final dividend) for the year ended 31st December, 2020 (2019: HK11.75 cents*) payable on or around Monday, 24th May, 2021 to the shareholders of the Company ("Shareholders") whose names appear on the register of members of the Company on Tuesday, 11th May, 2021, making a total dividend for the year 2020 of HK12.5 cents per share (2019: HK12.5 cents*). Details are set out in note 16 to the consolidated financial statements.

* The respective dividend per share has been adjusted for the effect of the share subdivision of every one (1) share be subdivided into twenty (20) subdivided shares of the Company effective on 7th September, 2020.

INVESTMENT PROPERTIES

The Group's investment properties were revalued on 31st December, 2020 at HK\$9,789.1 million. The net decrease in fair value of HK\$219.6 million attributable to investment properties has been debited to the consolidated statement of profit or loss.

Details of the changes in the investment properties of the Group during the year are set out in note 17 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the changes in property, plant and equipment of the Group during the year are set out in note 18 to the consolidated financial statements.

INTERESTS IN ASSOCIATES

During the year, the Group's interest in Tian An China Investments Company Limited ("TACI") remained at 48.86%. In view of the provisions of Hong Kong Financial Reporting Standard 10 "Consolidated Financial Statements", the Group has considered whether TACI is a subsidiary when preparing its consolidated financial statements for the year ended 31st December, 2020 and has concluded that it does not have unilateral ability to direct the relevant activities of TACI based on the facts and circumstances as detailed in note 23 to the consolidated financial statements. Accordingly, the Group continues to account for its interest in TACI as an associate.

PROPERTIES

Particulars of major properties of the Group at 31st December, 2020 are set out on pages 359 to 364.

SHARE CAPITAL AND SHARES ISSUED

Details of movement in the share capital of the Company during the year are set out in note 35 to the consolidated financial statements.

DEBENTURES

The Group had the following debentures in issue as at 31st December, 2020:

- US\$249,768,000 4.75% Guaranteed Notes due May 2021 ("2021 Notes") under the US\$3,000,000,000 Guaranteed Medium Term Note Programme ("MTN Programme"). The 2021 Notes were listed on the Stock Exchange in June 2016 (stock code: 5654). The issuer of this programme is Sun Hung Kai & Co. (BVI) Limited ("SHK BVI", a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of Sun Hung Kai & Co. Limited ("SHK")).
- US\$444,089,000 4.65% Guaranteed Notes due September 2022 ("2022 Notes") issued by SHK BVI under the MTN Programme. The 2022 Notes were listed on the Stock Exchange in September 2017 (stock code: 5267).
- US\$350,000,000 5.75% Guaranteed Notes due November 2024 ("2024 Notes") issued by SHK BVI under the MTN Programme. The 2024 Notes were listed on the Stock Exchange in November 2019 (stock code: 40065).

For further details of the abovementioned issued Guaranteed Notes, please refer to note 39 to the consolidated financial statements. The Group has not issued any debentures during the year.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

DIRECTORS

The directors of the Company ("Directors") during the year and up to the date of this report were:

Executive Directors:

Lee Seng Hui
Edwin Lo King Yau
Mak Pak Hung

Non-Executive Directors:

Arthur George Dew
Lee Su Hwei

Independent Non-Executive Directors:

David Craig Bartlett
Alan Stephen Jones
Lisa Yang Lai Sum
Kelvin Chau Kwok Wing (*appointed on 22nd June, 2020*)

In accordance with Article 105(A) of the articles of association of the Company ("Articles of Association"), Mr. Arthur George Dew, Mr. Lee Seng Hui and Mr. Edwin Lo King Yau shall retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company ("AGM").

In accordance with Article 96 of the Articles of Association, Mr. Kelvin Chau Kwok Wing shall hold office until the forthcoming AGM and, being eligible, offer himself for re-election.

A list of names of all the directors who have served on the boards of the Company's subsidiaries during the year and up to the date of this report are available on the website of the Company under the "Corporate Governance" section.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming AGM has an unexpired service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

TERMS OF OFFICE FOR THE NON-EXECUTIVE DIRECTORS

Except Mr. Kelvin Chau Kwok Wing who was newly appointed for a specific term commencing on 22nd June, 2020 and continue until 31st December, 2022, all the remaining Non-Executive Directors (including the Independent Non-Executive Directors ("INEDs")) were appointed for a specific term of two years which shall continue until 31st December, 2022. All such Directors are subject to the relevant provisions of the Articles of Association or any other applicable laws whereby the Directors shall vacate or retire from their office.

DIRECTORS' INTERESTS

At 31st December, 2020, Mr. Lee Seng Hui and Ms. Lee Su Hwei, Directors, had the following interests in the shares or underlying shares of the Company and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register required to be kept under Section 352 of the SFO:

Name of Directors	Name of companies	Number of shares interested	Approximate % of the total number of issued shares	Nature of interests
Lee Seng Hui	the Company	2,635,105,180	74.96%	Personal interests (held as beneficial owner) in 458,420 shares and other interests in 2,634,646,760 shares (Note 1)
Lee Su Hwei	the Company	2,634,646,760	74.95%	Other interests (Note 1)

Notes:

1. Mr. Lee Seng Hui and Ms. Lee Su Hwei are two of the trustees of Lee and Lee Trust, being a discretionary trust which indirectly held 2,634,646,760 shares of the Company.
2. All interests stated above represent long positions.
3. The calculation is based on the total number of 3,515,082,360 shares in issue as at 31st December, 2020.

Save as disclosed above, at 31st December, 2020, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year and up to the date of this report, the following Directors are considered to have interests in the businesses listed below which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules as set out below:

- (i) Messrs. Arthur George Dew and Lee Seng Hui were directors of Allied Properties (H.K.) Limited ("APL", a company previously listed on the Stock Exchange until 26th November, 2020) until 31st December, 2020 which, through certain of its subsidiaries and a close associate, is partly engaged in the business of money lending and is partly involved in the investment and trading in securities in the resources and related industries and financial instruments;

DIRECTORS' INTERESTS IN COMPETING BUSINESSES (CONT'D)

- (ii) Mr. Lee Seng Hui and Ms. Lee Su Hwei are two of the trustees of Lee and Lee Trust which is a deemed substantial shareholder of each of APL, SHK, SHK Hong Kong Industries Limited ("SHK IND"), TACI, Asiasec Properties Limited ("Asiasec"), Tian An Australia Limited ("Tian An Australia"), APAC Resources Limited ("APAC"), Tanami Gold NL ("Tanami Gold"), Mount Gibson Iron Limited ("Mount Gibson") and Dragon Mining Limited ("Dragon Mining") which, through their subsidiaries and/or a close associate, are partly engaged in the businesses as follows:
- APL, through a subsidiary, is partly engaged in the business of money lending;
 - APL, through certain of its subsidiaries and a close associate, is partly involved in the investment and trading in securities in the resources and related industries and financial instruments;
 - SHK, through certain of its subsidiaries, is partly engaged in the businesses of money lending and property investment;
 - SHK IND, through certain of its subsidiaries, is partly involved in the trading in securities and investment in financial instruments;
 - TACI, through certain of its subsidiaries, is partly engaged in the businesses of money lending, property development and investment and property management;
 - Asiasec, through certain of its subsidiaries, is partly engaged in the businesses of money lending, property investment and property management;
 - Tian An Australia, through certain of its subsidiaries, is partly engaged in property development;
 - APAC, through certain of its subsidiaries, is partly engaged in the business of money lending and is partly involved in the investment and trading in listed securities in the resources and related industries;
 - Tanami Gold, through certain of its subsidiaries, is involved in the exploration for, and mining and processing gold ores and is partly involved in the investment and trading in listed securities in the resources and related industries;
 - Mount Gibson, through certain of its subsidiaries, is partly involved in the investment and trading in listed securities in the resources and related industries; and
 - Dragon Mining, through certain of its subsidiaries, is involved in the exploration for, and mining and processing gold ores and is partly involved in the investment and trading in listed securities in the resources and related industries;
- (iii) Mr. Lee Seng Hui is a director of Allied Kajima Limited which, through certain of its subsidiaries, is partly engaged in the businesses of property rental and hospitality related activities;
- (iv) Mr. Lee Seng Hui is a director of a non-wholly owned subsidiary of SHK which is engaged in the business of money lending;
- (v) Messrs. Lee Seng Hui and Edwin Lo King Yau are directors of TACI which, through certain of its subsidiaries, is partly engaged in the businesses of money lending, property development and investment and property management;

DIRECTORS' INTERESTS IN COMPETING BUSINESSES (CONT'D)

- (vi) Mr. Edwin Lo King Yau is a director of Asiasec which, through certain of its subsidiaries, is partly engaged in the businesses of money lending, property investment and property management;
- (vii) Messrs. Arthur George Dew and Lee Seng Hui are directors of APAC which, through certain of its subsidiaries, is partly engaged in the business of money lending and is partly involved in the investment and trading in listed securities in the resources and related industries;
- (viii) Mr. Lee Seng Hui is a director of Mount Gibson which, through certain of its subsidiaries, is partly involved in the investment and trading in listed securities in the resources and related industries;
- (ix) Mr. Arthur George Dew is a director of SHK IND which, through certain of its subsidiaries, is partly involved in the trading in securities and investment in financial instruments;
- (x) Mr. Arthur George Dew is a director of Tian An Australia which, through certain of its subsidiaries, is partly engaged in property development; and
- (xi) Mr. Arthur George Dew is a director of each of Tanami Gold and Dragon Mining. Tanami Gold and Dragon Mining, through certain of their subsidiaries, are involved in the exploration for, and mining and processing gold ores and are partly involved in the investment and trading in listed securities in the resources and related industries.

Although the above-mentioned Directors have competing interests in other companies by virtue of their respective common directorship or shareholding, they will fulfil their fiduciary duties in order to ensure that they will act in the best interests of the Shareholders and the Company as a whole at all times. Hence, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

- (A) As disclosed in the announcement of the Company dated 20th April, 2020, the circular of the Company dated 8th June, 2020 and the scheme document dated 19th June, 2020, a facility agreement dated 9th April, 2020 ("1st Facility Agreement") was entered into between Mr. Lee Seng Hui ("Mr. Lee", the Chief Executive and an Executive Director of the Company) as lender and Sunhill Investments Limited ("Sunhill", a direct wholly-owned subsidiary of the Company) as borrower, pursuant to which an unsecured and interest-free one-year term loan facility of up to HK\$250,000,000 was granted by Mr. Lee to Sunhill for the exclusive purpose of partially financing the scheme consideration payable by Sunhill under the proposal for the privatisation of APL by way of a scheme of arrangement under section 673 of the Companies Ordinance; and
- (B) As disclosed in the announcement of the Company dated 18th December, 2020 and the scheme document dated 11th February, 2021, a facility agreement dated 11th December, 2020 (together with the 1st Facility Agreement, "Facility Agreements") was entered into between Mr. Lee as lender and Bright Clear Limited ("Bright Clear", an indirect wholly-owned subsidiary of the Company) as borrower, pursuant to which, an unsecured and interest-free loan facility of HK\$218,000,000, if required, shall be granted by Mr. Lee to Bright Clear for the exclusive purpose of financing the scheme consideration payable by Bright Clear under the proposal for the privatisation of SHK IND by way of a scheme of arrangement under section 673 of the Companies Ordinance in the form of a takeover offer.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS (CONT'D)

Save for the Facility Agreements disclosed above, no other transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which the Directors or an entity connected with the Directors had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year. For information only:

- (a) a tenancy agreement dated 30th September, 2019 ("Tenancy Agreement I") was entered into between San Pack Properties Limited ("San Pack", a non-wholly owned subsidiary of the Company as at the date of the Tenancy Agreement I, which became a wholly-owned subsidiary of the Company with effect from 25th November, 2020) as the landlord and San Tai Distribution Company Limited ("San Tai", a company of which Mr. Edwin Lo King Yau ("Mr. Lo", an Executive Director of the Company) can exercise more than 50% of the voting rights at the general meetings) as the tenant for a term of three years from 1st October, 2019 to 30th September, 2022; and
- (b) a tenancy agreement dated 30th September, 2019 ("Tenancy Agreement II", together with Tenancy Agreement I, "Tenancy Agreements") was entered into between San Pack as the landlord and China Pacific Group Limited ("China Pacific", a company of which Mr. Lo can exercise more than 50% of the voting rights at the general meetings) as the tenant for a term of three years from 1st October, 2019 to 30th September, 2022.

The total rental of approximately HK\$16.9 million pursuant to the Tenancy Agreements during the year ended 31st December, 2020 are considered insignificant in relation to the Group's business.

Subsequent to the year ended 31st December, 2020, on 10th February, 2021, a company beneficially owned as to 65% by Mr. Lo was disposed of by Mr. Lo to independent third parties, of which China Pacific and San Tai are subsidiaries of that company.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

Save for employment contracts, no other contracts, relating to the management and/or administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

PERMITTED INDEMNITY PROVISION

The Articles of Association provides that every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. In addition, the Company has maintained appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

To the best of Directors' knowledge, at 31st December, 2020, the following Shareholders had interests in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of Shareholders	Number of shares interested	Approximate % of the total number of issued shares	Notes
Cashplus Management Limited ("Cashplus")	1,117,233,760	31.78%	–
Zealous Developments Limited ("Zealous")	1,117,233,760	31.78%	1, 2
Minty Hongkong Limited ("Minty")	1,517,413,000	43.16%	–
Lee and Lee Trust	2,634,646,760	74.95%	3, 4
Vigor Online Offshore Limited ("Vigor")	220,993,100	6.29%	–
China Spirit Limited ("China Spirit")	220,993,100	6.29%	5, 6
Chong Sok Un ("Ms. Chong")	303,033,100	8.62%	7

Notes:

- This represents the same interest of Cashplus in 1,117,233,760 shares.
- Cashplus is a wholly-owned subsidiary of Zealous. Zealous was therefore deemed to have an interest in the shares in which Cashplus was interested.
- Minty and Zealous are wholly-owned by the trustees of Lee and Lee Trust, being a discretionary trust.
- Mr. Lee Seng Hui and Ms. Lee Su Hwei, both Directors, together with Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust, and were therefore deemed to have an interest in the shares in which Minty and Zealous were interested.
- This represents the same interest of Vigor in 220,993,100 shares.
- Vigor is a wholly-owned subsidiary of China Spirit. China Spirit was therefore deemed to have an interest in the shares in which Vigor was interested.
- The interests include the holding of: (i) an interest in 220,993,100 shares held by Vigor, a wholly-owned subsidiary of China Spirit; (ii) an interest in 2,040,000 shares held by Pricewell Investments Limited ("Pricewell"); and (iii) an interest in 80,000,000 shares held by Powerwin Consultants Limited ("Powerwin"). Powerwin is 99.99% owned by Ms. Chong and 0.01% owned by Bilistyle Investments Ltd ("Bilistyle Investments"). Ms. Chong owned the entire issued share capital of China Spirit, Pricewell and Bilistyle Investments respectively and was therefore deemed to have an interest in the shares in which China Spirit, Pricewell, Bilistyle Investments and Powerwin were interested.
- All interests stated above represent long positions.
- The calculation is based on the total number of 3,515,082,360 shares in issue as at 31st December, 2020.

CONTINUING CONNECTED TRANSACTIONS

As disclosed in the announcement of the Company dated 30th September, 2019, among other things:

- (i) on 30th September, 2019, the Tenancy Agreement I was entered into between San Pack as the landlord and San Tai as the tenant in relation to the renewal of the leasing of certain industrial premises and parking spaces at Allied Cargo Centre for a term of three years from 1st October, 2019 to 30th September, 2022 (both days inclusive) at a monthly rental of HK\$1,156,960 from 1st October, 2019 to 31st December, 2019 and HK\$1,301,580 from 1st January, 2020 to 30th September, 2022, inclusive of management fees but exclusive of rates (in respect of the industrial premises) and HK\$10,800, inclusive of management fees but exclusive of rates (in respect of the parking spaces); and
- (ii) on 30th September, 2019, the Tenancy Agreement II was entered into between San Pack as the landlord and China Pacific as the tenant in relation to the renewal of the leasing of certain industrial premises at Allied Cargo Centre for a term of three years from 1st October, 2019 to 30th September, 2022 (both days inclusive) at a monthly rental of HK\$105,144 from 1st October, 2019 to 31st December, 2019 and HK\$121,320 from 1st January, 2020 to 30th September, 2022, inclusive of management fees but exclusive of rates.

Allied Cargo Centre is held by San Pack for property investment purposes. The relevant monthly rental were arrived at after arm's length negotiation between San Pack and San Tai/China Pacific (as the case may be) with reference to the prevailing market conditions and rental levels of similar properties in the vicinity of the leased premises.

The annual caps for the transactions under the Tenancy Agreement I and the Tenancy Agreement II for each of the four financial years ending 31st December, 2022 were set out below. The aggregate amount of rental fee for the year ended 31st December, 2020 was HK\$16,923,604.

	Annual cap for the year ended 31st December, 2019 HK\$	Annual cap for the year ended 31st December, 2020 HK\$	Annual cap for the year ending 31st December, 2021 HK\$	Annual cap for the year ending 31st December, 2022 HK\$
Tenancy Agreement I	3,900,985	15,603,940	15,603,940	11,702,955
Tenancy Agreement II	359,916	1,439,664	1,439,664	1,079,748
Total	4,260,901	17,043,604	17,043,604	12,782,703

Subsequent to the obtaining of 65% beneficial interests in a target company ("Target Company") on 23rd December, 2016 by Mr. Lo, of which China Pacific and San Tai are subsidiaries of the Target Company, China Pacific and San Tai became connected persons of the Company within the meaning of the Listing Rules. As such, the transactions contemplated under the Tenancy Agreement I and Tenancy Agreement II (collectively "Continuing Connected Transactions") between San Pack and China Pacific/San Tai (as the case may be) constituted continuing connected transactions of the Company under Rule 14A.31 of the Listing Rules, which are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirements under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS (CONT'D)

Pursuant to Rule 14A.55 of the Listing Rules, the INEDs have reviewed the Continuing Connected Transactions and have confirmed that the Continuing Connected Transactions were entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the relevant agreements governing them on terms that were fair and reasonable and in the interests of the Shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to perform a review in respect of the above Continuing Connected Transactions and the auditor has reported its conclusion to the Board, confirming the matters set out in Rule 14A.56 of the Listing Rules.

Subsequent to the year ended 31st December, 2020, upon completion of the disposal of his 65% beneficial interests in the Target Company by Mr. Lo on 10th February, 2021, the transactions contemplated under the Tenancy Agreement I and the Tenancy Agreement II ceased to be continuing connected transactions for the Company.

EMOLUMENT POLICY

Details of the Directors' and senior management's emoluments and of the five highest paid individuals in the Group are set out in note 10 to the consolidated financial statements.

The emolument policy of the employees of the Group is set up by the Executive Committee on the basis of their merit, qualifications and competence.

The emoluments payable to Directors will depend on their respective contractual terms under their employment contracts or service contracts as approved by the Board on the recommendation of the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers accounted for less than 30% of the total turnover for the year. Also, the aggregate purchases attributable to the Group's five largest suppliers taken together were less than 30% of the Group's total purchases for the year.

None of the Directors, their close associates or any Shareholders, which to the knowledge of the Directors owned more than 5% of the Company's total number of issued shares, had a beneficial interest in any of the Group's five largest suppliers and customers.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year ended 31st December, 2020.

DONATIONS

The Group made charitable donations of HK\$6.8 million during the year.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 29 to 43.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITOR

A resolution will be submitted to the AGM to re-appoint Deloitte Touche Tohmatsu as the auditor of the Company.

On behalf of the Board

Arthur George Dew
Chairman

Hong Kong, 24th March, 2021

Deloitte.

德勤

TO THE MEMBERS OF ALLIED GROUP LIMITED
(incorporated in Hong Kong with limited liability)

致聯合集團有限公司各股東
(於香港註冊成立之有限公司)

OPINION

意見

We have audited the consolidated financial statements of Allied Group Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 117 to 357, which comprise the consolidated statement of financial position as at 31st December, 2020, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

本核數師(以下簡稱「吾等」)已審核列載於第117頁至第357頁聯合集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零二零年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st December, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

吾等認為,綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實及公平地反映貴集團於二零二零年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港公司條例妥為編製。

BASIS FOR OPINION

意見的基礎

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

吾等已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審核。吾等就該等準則下承擔的責任在本報告「核數師就審核綜合財務報表須承擔的責任」部分中闡述。根據香港會計師公會的《專業會計師道德守則》(「守則」),吾等獨立於貴集團,並已履行守則中的其他專業道德責任。吾等相信,吾等所獲得的審核憑證能充足及適當地為吾等的審核意見提供基礎。

KEY AUDIT MATTERS

關鍵審核事項

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.

關鍵審核事項是根據吾等的專業判斷,認為對本期綜合財務報表的審核最為重要的事項。這些事項是在吾等審核整體綜合財務報表及出具意見時進行處理的。吾等不會對這些事項提供單獨的意見。

KEY AUDIT MATTERS (CONT'D)

關鍵審核事項(續)

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

Valuation of investment properties situated in Hong Kong

香港投資物業之估值

We identified the valuation of investment properties situated in Hong Kong as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole and level of judgment and estimations in determining their respective fair values.

Approximately 95% of the investment properties represent residential properties, car parking spaces, commercial properties and a godown located in Hong Kong. The carrying amount of investment properties situated in Hong Kong was HK\$9,258.0 million as at 31st December, 2020 with a decrease in fair value of HK\$208.1 million recognised in the consolidated statement of profit or loss for the year then ended.

All of the Group's investment properties are held at fair value based on valuations performed by independent qualified professional valuers not connected with the Group (the "Valuers").

Details of the valuation methodology and key inputs used in the valuations are disclosed in note 17 to the consolidated financial statements. The valuations are dependent on certain key inputs that involve management judgment and estimations, including term yield, reversionary yield and reversionary rental for investment properties. A table showing the relationship of significant unobservable inputs to fair value is also disclosed in this note.

由於香港投資物業估值之結餘對綜合財務報表整體而言屬重大，吾等將投資物業之估值以及於釐定彼等各自公平價值時涉及之判斷及估計水平視為關鍵審核事項。

約95%之香港投資物業指位於香港之住宅物業、車位、商業物業及貨倉。該等香港投資物業於二零二零年十二月三十一日之賬面值為9,258.0百萬港元，公平價值減少208.1百萬港元乃於截至該日止年度的綜合損益表內確認。

貴集團之全部投資物業根據與 貴集團概無關連之獨立專業合資格估值師(「估值師」)進行之估值按公平價值持有。

有關估值所用估值方法及主要輸入數據詳情於綜合財務報表附註17內披露。估值取決於涉及管理層判斷及估計之若干關鍵輸入數據(包括投資物業之年期收益率、復歸收益率及復歸租金)。載列重大不可觀察輸入數據與公平價值之關係之列表亦於本附註內披露。

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

- Evaluating the competence, capabilities and objectivity of the Valuers;
- Understanding the Valuers' valuation methodology, the performance of the property markets, significant assumptions adopted, critical judgment on key inputs and data used in the valuations;
- Assessing the reasonableness of the key inputs and source data used in the valuations by management and the Valuers by comparing them, on a sample basis, to publicly available information of similar comparable properties; and
- Re-performing the sensitivity analysis on the key inputs to evaluate the magnitude of their impact on the fair values.

吾等就有關評估香港投資物業所執行之程序包括：

- 評估估值師之勝任能力、專業能力及客觀性；
- 對估值師的估值方法、物業市場表現、所採用的假設、關鍵輸入數據與用作估值之數據作出的重要判斷進行了解；
- 以抽樣為基礎，通過與類似可資比較物業的公開資料進行比較，評估管理層與估值師於估值中所用關鍵輸入數據及原始數據的合理性；及
- 重新對關鍵輸入數據進行敏感度分析，以評估彼等對公平價值之影響幅度。

KEY AUDIT MATTERS (CONT'D)

關鍵審核事項(續)

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

Impairment assessment of interest in an associate – Tian An China Investments Company Limited (“TACI”)

於聯營公司天安中國投資有限公司(「天安」)之權益之減值評估

We identified the impairment assessment of interest in TACI as a key audit matter due to the significance of the amount to the consolidated financial statements as a whole and the level of judgment and estimations (as stated in note 4 to the consolidated financial statements) in determining the estimated recoverable amount of the interest in TACI.

As at 31st December, 2020, management conducted impairment assessment to ensure that the carrying amount of the interest in TACI is lower than its estimated recoverable amount.

The estimated recoverable amount of TACI has been determined with reference to the value in use, which is inherently subjective being dependent on the inputs that require management judgment and assumptions about the discounted expected future cash flows of TACI.

As disclosed in note 23 to the consolidated financial statements, the net carrying amount of the interest in TACI is HK\$11,895.0 million. Management has concluded that there is no impairment in respect of the Group's interest in TACI as its value in use is higher than its carrying amount at 31st December, 2020.

吾等確認於天安之權益之減值評估為一項關鍵審核事項乃由於金額對綜合財務報表整體而言屬重大以及於釐定於天安之權益之估計可收回金額時涉及判斷及估計水平(如綜合財務報表附註4所述)。

於二零二零年十二月三十一日，管理層進行了減值評估，以確保於天安之權益之賬面淨值低於其估計可收回金額。

天安的估計可收回金額乃參考其使用價值釐定，帶有主觀性即取決於須管理層對天安的折現預期未來現金流量作出判斷及假設的輸入數據。

誠如綜合財務報表附註23所披露，於天安及新鴻基金融集團之權益的賬面淨值分別為11,895.0百萬港元。管理層的結論為 貴集團於天安之權益並無減值，原因是於二零二零年十二月三十一日，其使用價值高於其賬面值。

Our procedures in relation to the impairment assessment of interest in TACI included:

- Obtaining an understanding of the process over the annual impairment assessment including the Group's assessment of indicators of impairment, preparation of the cash flow forecast, setting of reasonable and supportable assumptions and inputs to the model used to estimate the recoverable amount;
- Evaluating the appropriateness of the valuation methodology and the model used by management with the assistance of our internal valuation specialists;
- Assessing the reasonableness of key assumptions and inputs (e.g. cash flows, discount rate) used by management based on our knowledge of the business and industry, with the assistance of our internal valuation specialists; and
- Testing the mathematical accuracy of the discounted cash flow calculation.

吾等就有關於天安之權益之減值評估所執行之程序包括：

- 了解進行年度減值評估的程序，包括 貴集團對減值指標的評估、現金流預測的編製、合理及具支持性假設的設定及輸入模式用於評估可收回金額的輸入數據；
- 在內部估值專家的協助下，評估管理層所使用的估值方法及模型的適當性；
- 根據吾等對業務及行業的知識，在內部估值專家協助下評估管理層所用主要假設及輸入數據(例如現金流量、貼現率)是否合理；及
- 測試折現現金流量計算的算術準確度。

KEY AUDIT MATTERS (CONT'D)

關鍵審核事項(續)

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

Impairment of loans and advances to consumer finance customers, mortgage loans and term loans (loss allowance for expected credit losses ("ECL"))

消費金融客戶貸款及墊款、按揭貸款以及有期貸款之減值(預期信貸虧損(「預期信貸虧損」)之虧損撥備)

We identified the ECL for impairment of loans and advances to consumer finance customers, mortgage loans and term loans as a key audit matter due to significant management judgments involved.

As disclosed in notes 26, 27 and 29 to the consolidated financial statements, the Group has loans and advances to consumer finance customers of HK\$10,563.7 million, after recognising an impairment allowance of HK\$754.3 million, mortgage loans of HK\$3,013.7 million, after recognising an impairment allowance of HK\$47.4 million and term loans of HK\$2,311.1 million, after recognising an impairment allowance of HK\$698.9 million, as at 31st December, 2020.

吾等確認消費金融客戶貸款及墊款、按揭貸款以及有期貸款減值之預期信貸虧損為一項關鍵審核事項乃由於涉及重大管理層判斷。

誠如綜合財務報表附註26、27及29所披露，於二零二零年十二月三十一日，貴集團的消費金融客戶貸款及墊款經確認減值撥備10,563.7百萬港元後為754.3百萬港元、按揭貸款經確認減值撥備3,013.7百萬港元後為47.4百萬港元，而有期貸款經確認減值撥備2,311.1百萬港元後為698.9百萬港元。

Our procedures in relation to the impairment of loans and advances to consumer finance customers, mortgage loans and term loans included:

- Understanding the approach applied in the determination of ECL for loans and advances to consumer finance customers, mortgage loans and term loans;
- Understanding the key controls over the way in which management estimates ECL for loans and advances to consumer finance customers, mortgage loans and term loans;
- Testing the integrity of information used by management to develop the ECL model on a sample basis, by comparing individual items in the analysis with the relevant loan agreements and other supporting documents;

吾等就消費金融客戶貸款及墊款、按揭貸款以及有期貸款之減值所執行之程序包括：

- 了解釐定消費金融客戶貸款及墊款、按揭貸款及有期貸款的預期信貸虧損所採用的方法；
- 了解管理層估計消費金融客戶貸款及墊款、按揭貸款及有期貸款之預期信貸虧損的主要控制事項；
- 將分析中的個別項目與相關貸款協議及其他佐證文件作比較，藉此抽樣測試管理層制訂預期信貸虧損模式時所用資料的完整性；

KEY AUDIT MATTERS (CONT'D)

關鍵審核事項(續)

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

Impairment of loans and advances to consumer finance customers, mortgage loans and term loans (loss allowance for expected credit losses ("ECL")) (Cont'd)

消費金融客戶貸款及墊款、按揭貸款以及有期貸款之減值(預期信貸虧損(「預期信貸虧損」)之虧損撥備)(續)

At each reporting date, management assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. Management considers reasonably supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

In assessing the lifetime ECL on credit-impaired financial assets classified as stage 3, the Group performs an assessment based on the Group's historical credit loss experience, adjusted for factors specific to the borrowers, general economic conditions, the current conditions at the reporting date and forward-looking analysis. The Group also reviews the amount and timing of future cash flows, guarantees and the value of the collateral received from the customers in measuring impairment. The methodology and assumptions used for estimating the impairment amount are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

- Challenging management's basis and judgment used in determining the appropriateness of grouping of the loans and advances to consumer finance customers into different categories, the inputs and assumptions applied in the ECL model, including probability of default, loss given default, the Group's historical loss experience and forward-looking information, with the assistance of our internal specialists;
- Assessing the appropriateness of inputs and assumptions applied in the determination of ECL for term loans and mortgage loans, including probability of default, loss given default and forward-looking information;
- Reviewing the Group's historical loss experience;
- Assessing the reasonableness and appropriateness of management's judgments on staging criteria for determining if a significant increase in credit risk has occurred and the basis for classification of exposures into one of the three stages required by HKFRS 9 Financial Instruments by examining loan exposures on a sample basis to evaluate if there has been timely identification of significant increase in credit risk and appropriate classification of loan exposures into one of the three stages required by HKFRS 9;
- Testing the mathematical accuracy of the calculation of ECL on a sample basis;
- For loans and advances to consumer finance customers, mortgage loans and term loans classified at stage 3, we examined underlying documentation supporting the value of collateral, if any, and management's key estimations used in the individual impairment assessment for loans and advances to consumer finance customers, mortgage loans and term loans on a sample basis; and
- Evaluating the disclosures regarding the impairment of loans and advances to consumer finance customers, mortgage loans and term loans in notes 26, 27, 29 and 43 to the consolidated financial statements.

KEY AUDIT MATTERS (CONT'D)

關鍵審核事項(續)

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

Impairment of loans and advances to consumer finance customers, mortgage loans and term loans (loss allowance for expected credit losses ("ECL")) (Cont'd)**消費金融客戶貸款及墊款、按揭貸款以及有期貸款之減值(預期信貸虧損(「預期信貸虧損」)之虧損撥備)(續)**

於各結算日，管理層評估信貸風險是否自首次確認以來顯著增加，方式為比較結算日及首次確認日期之間的預期年內發生違約的風險。管理層就此考慮相關及無須過多成本或精力即可獲得的合理可作依據的資料，包括定量及定性資料，亦包括前瞻性分析。

評估分為第三階段的信貸減值金融資產全期預期信貸虧損時，貴集團根據貴集團的過往信貸虧損經驗進行評估，並根據借款人的特定因素、一般經濟狀況、於結算日的現況及前瞻性分析作出調整。貴集團在計量減值時亦會檢討未來現金流的金額及時間、擔保及從客戶獲得的抵押品價值。定期審閱估計減值金額所採用的方法及假設，以縮減估計虧損與實際虧損經驗兩者之間的任何差異。

- 在內部專家的協助下，質疑用於釐定其將消費金融客戶貸款及墊款歸類為不同類別、預期信貸虧損模式所用的輸入數據及假設(包括違約概率、違約損失率、貴集團過往虧損經驗及前瞻性資料)是否合適時所用的基準及判斷；
- 評估釐定有期貸款按揭貸款預期信貸虧損所用的輸入數據及假設是否合適，包括違約概率、違約損失率及前瞻性資料；
- 審閱貴集團過往的虧損經驗；
- 評估管理層就釐定信貸風險有否顯著增加的分階段標準所作的判斷及按香港財務報告準則第9號金融工具的規定將風險分類為三個階段其中之一的基準之合理性及合適性，並抽樣檢查貸款風險，以評估是否有按照香港財務報告準則第9號的規定，及時識別信貸風險是否重大增加並適當地將貸款風險分類為三個階段其中之一；
- 抽樣測試預期信貸虧損計算結果是否準確；
- 就分類為第三階段的消費金融客戶貸款及墊款、按揭貸款及有期貸款而言，我們已抽樣檢查佐證抵押品(如有)價值的相關文件，以及管理層就消費金融客戶貸款及墊款、按揭貸款及有期貸款個別減值評估所用的主要估計；及
- 評估附註26、27、29及43中有關消費金融客戶貸款及墊款、按揭貸款及有期貸款減值的披露。

KEY AUDIT MATTERS (CONT'D)

關鍵審核事項(續)

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

吾等之審核如何處理關鍵審核事項

Valuation of financial instruments classified as Level 3 under fair value hierarchy

分類為公平價值等級第三級之金融工具之估值

We identified the valuation of financial instruments classified as Level 3 under the fair value hierarchy ("Level 3 financial instruments") as a key audit matter due to the complexity involved in valuing the instruments and the significance of the judgments and estimates made by management. In particular, the determination of unobservable inputs is considerably more subjective given the lack of availability of market-based data.

At 31st December, 2020, HK\$12,414.9 million of the Group's total financial assets (including financial assets at fair value through other comprehensive income of HK\$77.4 million and financial assets at fair value through profit or loss of HK\$12,337.5 million) and HK\$62.4 million of the Group's total financial liabilities carried at fair value were classified as Level 3 under fair value hierarchy.

These mainly include unlisted convertible preferred and ordinary shares, unlisted preference shares issued by an unlisted company, unlisted overseas equity securities with a put right and unlisted overseas investment funds and other investments at fair value through profit or loss with carrying amount at 31st December, 2020 of HK\$134.5 million, HK\$1,174.0 million, HK\$635.7 million, HK\$9,636.4 million and HK\$756.9 million, respectively.

吾等確認分類為第三級金融工具(「第三級金融工具」)之估值為一項關鍵審核事項乃由於對該等工具進行估值涉及的複雜程度及管理層所作的重大判斷及估計。尤其是，由於缺少市場數據，決定不可觀察輸入數據相較而言極具主觀性。

於二零二零年十二月三十一日，貴集團的總金融資產12,414.9百萬港元(包括透過其他全面收益按公平價值處理之金融資產77.4百萬港元及透過損益賬按公平價值處理之金融資產12,337.5百萬港元)，及貴集團按公平價值列賬的總金融負債62.4百萬港元按公平價值等級分類為第三級。

其中主要包括非上市之可換股優先及普通股、一間非上市公司發行之非上市之優先股、認沽權之非上市海外股本證券及非上市海外投資基金及透過損益賬按公平價值處理之其他投資，其於二零二零年十二月三十一日之賬面值分別為134.5百萬港元、1,174.0百萬港元、635.7百萬港元、9,636.4百萬港元及756.9百萬港元。

Our procedures in relation to the valuation of Level 3 financial instruments included:

- Obtaining an understanding of the valuation methodologies and the processes performed by management with respect to the valuation of Level 3 financial instruments;
- For a sample of financial instruments, performing the following procedures, with the assistance of our internal valuation specialists, as appropriate:
 - Evaluating the appropriateness of the methodologies and valuation techniques used by management for Level 3 financial instruments;
 - Assessing the reasonableness and relevance of key assumptions and inputs based on our industry knowledge; and
 - Checking the mathematical accuracy of the fair value calculations;
- In respect of the unlisted overseas investment funds, checking the net asset value against financial information provided by the fund managers or fund administrators on a sample basis, as appropriate; and
- Assessing the adequacy of the Group's fair value disclosures including the valuation techniques, fair value hierarchy and other related disclosures in note 25 to the consolidated financial statements.

吾等就有關第三級之金融工具之估值所執行之程序包括：

- 了解管理層就第三級金融工具之估值所執行之估值方法及流程；
- 就金融工具樣本而言，在吾等之內部估值專家協助下執行以下程序(視情況而定)：
 - 評估管理層就第三級金融工具所採用的方法及估值方法的適當性；
 - 根據吾等之行業知識評估主要假設及輸入數據的合理性及相關性；及
 - 檢查公平價值的計算精確性；
- 就非上市海外投資基金而言，將資產淨值與基金經理或基金管理人(如適用)提供的財務資料抽樣進行核對；及
- 評估貴集團於綜合財務報表附註25的公平價值披露(包括估值技巧、公平價值等級及其他相關披露)是否準確。

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

其他信息

貴公司董事須對其他信息承擔責任。其他信息包括年報中所包含的信息，但不包括綜合財務報表及吾等就此發出的核數師報告。

吾等對綜合財務報表作出的意見並不涵蓋其他信息，且吾等不對其他信息發表任何形式的鑒證結論。

就審核綜合財務報表而言，吾等的責任是閱讀其他信息，從而考慮其他信息是否與綜合財務報表或吾等在審核過程中獲悉的信息存在重大不符，或似乎存在重大錯誤陳述。基於吾等已執行的工作，如果吾等認為其他信息存在重大錯誤陳述，吾等須報告此事實。在這方面，吾等沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例編製綜合財務報表，以令綜合財務報表作出真實而公允的反映，及落實其認為編製綜合財務報表所必要的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)，且除非董事有意將 貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用持續經營會計基準。

治理層須負責監督 貴集團的財務報告過程。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審核綜合財務報表須承擔的責任

吾等的目標乃對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告，並按照香港公司條例第405條僅向閣下(作為整體)報告，除此之外本報告別無其他目的。吾等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。合理保證為高水平的保證，但不能保證按照香港審計準則進行的審核總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審核的過程中，吾等運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足及適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部監控，以設計在有關情況下屬適當的審核程序，但目的並非對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基準的適當性作出結論，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則修訂吾等的意見。吾等的結論乃基於直至核數師報告日期止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營業務。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- 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.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Keung To Wai, David.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
24th March, 2021

核數師就審核綜合財務報表須承擔的責任(續)

- 評估綜合財務報表的整體列報方式、結構及內容，包括披露，以及綜合財務報表是否公平反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足適當的審核憑證，以便對綜合財務報表發表意見。吾等負責 貴集團審核的方向、監督及執行。吾等為審核意見承擔全部責任。

除其他事項外，吾等與治理層溝通審核的計劃範圍及時間以及重大審核發現等，其中包括吾等在審核中識別出內部監控的任何重大不足之處。

吾等亦向治理層提交聲明，表明吾等已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響吾等獨立性的所有關係及其他事項以及在適用的情況下採取消除威脅的行動或應用防範措施。

從與治理層溝通的事項中，吾等確定該等對本期綜合財務報表的審核最為重要的事項，因而構成關鍵審核事項。吾等在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於吾等之報告中註明某事項造成的負面後果超過產生的公眾利益，則吾等決定不應在報告中註明該事項。

出具本獨立核數師報告的審核項目合夥人為姜道蔚。

德勤•關黃陳方會計師行
執業會計師

香港
二零二一年三月二十四日

Consolidated Statement of Profit or Loss

for the year ended 31st December, 2020

綜合損益表

截至二零二零年十二月三十一日止年度

117

		Notes 附註	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Revenue	收入	5 & 6		
Interest income	利息收入		4,115.0	4,404.9
Other revenue	其他收入		729.6	873.8
			4,844.6	5,278.7
Other income	其他收入		120.5	428.4
Total income	總收入		4,965.1	5,707.1
Cost of sales and other direct costs	銷售成本及其他直接成本		(528.0)	(623.1)
Brokerage and commission expenses	經紀費及佣金費用		(47.2)	(43.9)
Selling and marketing expenses	銷售及市場推廣費用		(119.9)	(147.3)
Administrative expenses	行政費用		(1,596.7)	(1,521.8)
Changes in values of properties	物業價值變動	7	(218.7)	132.7
Net gain on financial assets and liabilities at fair value through profit or loss	透過損益賬按公平價值處理之金融資產及負債收益淨額	8	2,697.9	1,841.2
Net exchange gain	匯兌收益淨額		69.0	78.6
Net impairment losses on financial instruments	金融工具之減值虧損淨額	9	(1,088.8)	(1,064.0)
Other operating expenses	其他經營費用		(150.7)	(251.8)
Finance costs	融資成本	12	(542.5)	(481.9)
Share of results of associates	應佔聯營公司業績		618.1	1,006.5
Share of results of joint ventures	應佔合營公司業績		(115.1)	93.5
Profit before taxation	除稅前溢利	13	3,942.5	4,725.8
Taxation	稅項	14	(286.2)	(241.8)
Profit for the year	本年度溢利		3,656.3	4,484.0
Attributable to:	應佔方：			
Owners of the Company	本公司股東		2,037.1	2,530.7
Non-controlling interests	非控股權益		1,619.2	1,953.3
			3,656.3	4,484.0
			HK\$ 港元	HK\$ 港元 (Restated) (經重列)
Earnings per share	每股盈利	15		
Basic	基本		0.58	0.72
Diluted	攤薄		0.58	0.72

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Profit for the year	本年度溢利	3,656.3	4,484.0
Other comprehensive income (expenses):	其他全面收益(費用)：		
<i>Items that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益賬之項目：</i>		
Fair value (loss) gain on investments in equity instruments at fair value through other comprehensive income	透過其他全面收益按公平價值處理之權益工具投資之公平價值之(虧損)收益	(4.7)	0.6
Gain on revaluation of properties	重估物業的收益	24.8	-
Share of other comprehensive income (expenses) of associates	應佔聯營公司其他全面收益(費用)	541.7	(323.3)
Share of other comprehensive expenses of joint ventures	應佔合營公司其他全面費用	(0.8)	(0.8)
		561.0	(323.5)
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益賬之項目：</i>		
Investments in financial assets at fair value through other comprehensive income	透過其他全面收益按公平價值處理之金融資產投資		
- Net fair value changes during the year	- 本年度公平價值變動淨額	(0.8)	2.2
- Reclassification adjustment for realisation upon disposal/redemption	- 因出售/贖回時變現而重新分類調整	(0.4)	0.3
		(1.2)	2.5

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
<i>Items that may be reclassified subsequently to profit or loss: (Cont'd)</i>	<i>其後可能重新分類至損益賬之項目：(續)</i>		
Exchange differences arising on translation of foreign operations	折算海外業務賬項而產生之匯兌差額	315.9	(119.2)
Share of other comprehensive income of associates	應佔聯營公司其他全面收益	101.1	3.9
Share of other comprehensive income (expenses) of joint ventures	應佔合營公司其他全面收益(費用)	24.2	(1.1)
		440.0	(113.9)
Other comprehensive income (expenses) for the year, net of tax	本年度其他全面收益(費用)，已扣除稅項	1,001.0	(437.4)
Total comprehensive income for the year	本年度全面收益總額	4,657.3	4,046.6
Attributable to:	應佔方：		
Owners of the Company	本公司股東	2,708.8	2,256.9
Non-controlling interests	非控股權益	1,948.5	1,789.7
		4,657.3	4,046.6

Consolidated Statement of Financial Position

at 31st December, 2020

綜合財務狀況表

於二零二零年十二月三十一日

			2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Non-current assets	非流動資產			
Investment properties	投資物業	17	9,789.1	9,972.7
Property, plant and equipment	物業、廠房及設備	18	1,223.7	1,071.2
Right-of-use assets	使用權資產	19	292.7	212.3
Net investments in finance lease	融資租賃投資淨額		1.4	6.2
Goodwill	商譽	20	132.9	132.9
Intangible assets	無形資產	21	43.7	32.5
Interests in associates	於聯營公司之權益	23	13,820.5	13,738.9
Interests in joint ventures	於合營公司之權益	24	3,661.8	3,753.6
Financial assets at fair value through other comprehensive income	透過其他全面收益按公平價值處理之金融資產	25	209.3	363.5
Amounts due from associates	聯營公司欠款	31	320.4	284.7
Loans and advances to consumer finance customers	消費金融客戶貸款及墊款	26	3,088.9	2,770.5
Mortgage loans	按揭貸款	27	1,192.9	1,270.7
Deferred tax assets	遞延稅項資產	28	794.9	788.7
Financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產	25	9,504.6	8,020.0
Term loans	有期貸款	29	554.5	84.0
Trade receivables, prepayments and other receivables	應收貿易款項、預付款項及其他應收款項	30	17.3	39.8
			44,648.6	42,542.2
Current assets	流動資產			
Other inventories	其他存貨		0.1	0.2
Financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產	25	5,426.7	5,151.6
Loans and advances to consumer finance customers	消費金融客戶貸款及墊款	26	7,474.8	7,643.0
Mortgage loans	按揭貸款	27	1,820.8	2,356.2
Term loans	有期貸款	29	1,756.6	2,812.9
Trade receivables, prepayments and other receivables	應收貿易款項、預付款項及其他應收款項	30	496.7	571.7
Amounts due from brokers	經紀欠款		399.3	462.1
Amounts due from associates	聯營公司欠款	31	245.8	242.1
Amounts due from joint ventures	合營公司欠款	31	5.4	8.8
Financial assets at fair value through other comprehensive income	透過其他全面收益按公平價值處理之金融資產	25	147.0	8.0
Tax recoverable	可收回稅項		5.2	4.4
Tax reserve certificates	儲稅券		7.1	7.1
Short-term pledged bank deposits and bank balances	短期抵押銀行存款及銀行結餘	32	-	33.2
Bank deposits	銀行存款	32	12.3	68.1
Cash and cash equivalents	現金及現金等價物	32	7,890.3	6,931.6
			25,688.1	26,301.0

at 31st December, 2020

於二零二零年十二月三十一日

			2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	Notes 附註			
Current liabilities		流動負債		
Trade payables, other payables and accruals		應付貿易款項、其他應付 款項及應計款項	33	698.4
Financial assets sold under repurchase agreements		回購協議下出售之 金融資產	34	-
Financial liabilities at fair value through profit or loss		透過損益賬按公平價值處 理之金融負債	25	172.8
Amounts due to associates		欠聯營公司款項		5.8
Amounts due to joint ventures		欠合營公司款項		0.1
Tax payable		應付稅項		149.8
Bank and other borrowings due within one year		一年內到期之銀行及其他 借貸	38	9,374.8
Notes/paper payable		應付票據	39	2,010.0
Lease liabilities		租賃負債	40	107.9
Provisions		撥備	41	261.8
				12,781.4
Net current assets		流動資產淨值		12,906.7
Total assets less current liabilities		總資產減流動負債		57,555.3
				9,546.1
				16,754.9
				59,297.1

at 31st December, 2020

於二零二零年十二月三十一日

		Notes 附註	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Capital and reserves	股本及儲備			
Share capital	股本	35	2,221.7	2,221.7
Reserves	儲備	37	34,797.7	25,884.5
Equity attributable to owners of the Company	本公司股東應佔權益		37,019.4	28,106.2
Shares held for employee ownership scheme	為僱員股份擁有計劃持有股份		(18.8)	(22.5)
Employee share-based compensation reserve	以股份支付之僱員酬金儲備		9.0	8.3
Share of net assets of subsidiaries	應佔附屬公司淨資產		11,955.8	20,698.0
Non-controlling interests	非控股權益		11,946.0	20,683.8
Total equity	權益總額		48,965.4	48,790.0
Non-current liabilities	非流動負債			
Bank and other borrowings due after one year	一年後到期之銀行及其他借貸	38	2,514.1	2,632.2
Notes/paper payable	應付票據	39	5,741.1	7,635.1
Lease liabilities	租賃負債	40	175.2	77.1
Deferred tax liabilities	遞延稅項負債	28	157.0	157.8
Provisions	撥備	41	2.5	4.9
			8,589.9	10,507.1
			57,555.3	59,297.1

The consolidated financial statements on pages 117 to 357 were approved and authorised for issue by the Board of Directors on 24th March, 2021, and are signed on its behalf by:

第117頁至第357頁之綜合財務報表經董事會於二零二一年三月二十四日批准及授權刊發，並由下列董事代表簽署：

Arthur George Dew
狄亞法
DIRECTOR
董事

Edwin Lo King Yau
勞景祐
DIRECTOR
董事

Consolidated Statement of Changes in Equity

for the year ended 31st December, 2020

綜合權益變動表

截至二零二零年十二月三十一日止年度

	Attributable to owners of the Company 本公司股東應佔				Non-controlling interests 非控股權益				Total equity 權益總額 HK\$ Million 百萬元					
	Share capital 股本 HK\$ Million 百萬元	Property revaluation reserve 物業 重估儲備 HK\$ Million 百萬元	Investment revaluation reserve 投資 重估儲備 HK\$ Million 百萬元	Translation reserve 匯兌儲備 HK\$ Million 百萬元	Non- distributable reserve 非派發 儲備 HK\$ Million 百萬元	Capital and other reserves 資本及 其他儲備 HK\$ Million 百萬元	Accumulated profits 累計溢利 HK\$ Million 百萬元	Dividend reserve 股息儲備 HK\$ Million 百萬元		Total 計 HK\$ Million 百萬元				
At 1st January, 2019	2,221.7	245.0	(107.3)	(162.2)	55.2	(1.4)	23,568.6	413.0	26,232.6	(29.7)	10.5	20,448.5	20,429.3	46,661.9
Profit for the year	-	-	-	-	-	-	2,530.7	-	2,530.7	-	-	1,953.3	1,953.3	4,484.0
Other comprehensive expenses for the year (note 36)	-	-	(17.4)	(255.9)	-	(0.5)	-	-	(273.8)	-	-	(163.6)	(163.6)	(437.4)
Total comprehensive (expenses) income for the year	-	-	(17.4)	(255.9)	-	(0.5)	2,530.7	-	2,256.9	-	-	1,789.7	1,789.7	4,046.6
Transfer to (from) accumulated profits	-	-	(8.9)	-	-	3.4	5.5	-	-	-	-	-	-	-
Share of reserve movements of associates	-	-	-	(14.8)	-	0.6	14.6	-	0.4	-	-	0.5	0.5	0.9
Increase in shareholding in an associate due to share repurchased and cancelled by the associate	-	-	-	-	-	28.7	-	-	28.7	-	-	9.4	9.4	38.1
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	51.5	-	51.5	-	-	(91.4)	(91.4)	(39.9)
Amounts paid for shares repurchased and cancelled by a subsidiary	-	-	-	-	-	-	24.5	-	24.5	-	-	(57.5)	(57.5)	(33.0)
Purchase of shares held for the employee ownership scheme of a subsidiary	-	-	-	-	-	-	-	-	-	(4.7)	-	-	(4.7)	(4.7)
Recognition of equity-settled share-based payments of a subsidiary	-	-	-	-	-	-	-	-	-	-	9.7	-	9.7	9.7
Vesting of shares of the employee ownership scheme of a subsidiary	-	-	-	-	-	-	-	-	-	11.9	(11.9)	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(7.7)	(7.7)	(7.7)
Dividend distribution to non-controlling interests	-	-	-	-	-	-	(49.1)	-	(49.1)	-	-	(711.2)	(711.2)	(711.2)
Capital redemption of non-controlling interests	-	-	-	-	-	-	0.1	-	0.1	-	-	0.1	0.1	0.2
Unclaimed dividends forfeited by a subsidiary	-	-	-	-	-	-	(26.4)	26.4	(439.4)	-	-	-	-	(439.4)
Interim dividend declared	-	-	-	-	-	-	(413.0)	413.0	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Second interim dividend declared	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31st December, 2019	2,221.7	245.0	(133.6)	(432.9)	55.2	30.8	25,707.0	413.0	28,106.2	(22.5)	8.3	20,698.0	20,683.8	48,790.0

二零一九年十二月三十一日

Consolidated Statement of Changes in Equity (Cont'd)

綜合權益變動表(續)

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

	Attributable to owners of the Company 本公司股東應佔					Non-controlling interests 非控股權益					Total equity 權益總額 HK\$ Million 百萬元			
	Share capital 股本 HK\$ Million 百萬元	Property realization reserve 物業 重估儲備 HK\$ Million 百萬元	Investment realization reserve 投資 重估儲備 HK\$ Million 百萬元	Translation reserve 匯兌儲備 HK\$ Million 百萬元	Non- distributable reserve 非分派發 儲備 HK\$ Million 百萬元	Capital and other reserves 資本及 其他儲備 HK\$ Million 百萬元	Accumulated profits 累計溢利 HK\$ Million 百萬元	Dividend reserve 股息儲備 HK\$ Million 百萬元	Total 總計 HK\$ Million 百萬元	Shares held for employee ownership scheme 為僱員股份 擁有計劃 持有股份 HK\$ Million 百萬元		Employee shares-based compensation reserve 以股份 支付之僱員 酬金儲備 HK\$ Million 百萬元	Share of net assets of subsidiaries 附屬公司 淨資產 HK\$ Million 百萬元	Total 總計 HK\$ Million 百萬元
At 1st January, 2020	2,221.7	245.0	(133.6)	(432.9)	55.2	30.8	25,707.0	413.0	28,106.2	(22.5)	8.3	20,698.0	20,683.8	48,790.0
Profit for the year	-	-	-	-	-	-	2,037.1	-	2,037.1	-	-	1,619.2	1,619.2	3,656.3
Other comprehensive income (expenses) for the year (note 36)	-	15.6	(41.4)	698.0	-	(0.5)	-	-	671.7	-	-	329.3	329.3	1,001.0
Total comprehensive income (expenses) for the year	-	15.6	(41.4)	698.0	-	(0.5)	2,037.1	-	2,708.8	-	-	1,948.5	1,948.5	4,657.3
Transfer from accumulated profits	-	-	-	-	-	4.4	(4.4)	-	-	-	-	-	-	-
Share of reserve movements of associates	-	-	(3.0)	10.6	-	(17.0)	(0.5)	-	(9.9)	-	-	(8.6)	(8.6)	(18.5)
Privatisation of a listed subsidiary	-	-	-	-	-	-	6,593.4	-	6,593.4	-	-	(9,863.7)	(9,863.7)	(3,270.3)
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	4.1	-	4.1	-	-	(6.7)	(6.7)	(2.6)
Amounts paid for shares repurchased and cancelled by a subsidiary	-	-	-	-	-	-	56.9	-	56.9	-	-	(109.9)	(109.9)	(53.0)
Purchase of shares held for the employee ownership scheme of a subsidiary	-	-	-	-	-	-	-	-	-	(3.0)	-	-	(3.0)	(3.0)
Recognition of equity-settled share-based payments of a subsidiary	-	-	-	-	-	-	-	-	-	-	7.4	-	7.4	7.4
Vesting of shares of the employee ownership scheme of a subsidiary	-	-	-	-	-	-	-	-	-	-	(6.7)	-	(6.7)	-
Transfer to accumulated profits on reclassification from financial assets at fair value through other comprehensive income to interest in an associate	-	-	(2.9)	-	-	-	2.2	-	(0.7)	-	-	0.7	0.7	-
Dividend distribution to non-controlling interests	-	-	-	-	-	-	(26.4)	26.4	-	-	-	(702.5)	(702.5)	(702.5)
Interim dividend declared	-	-	-	-	-	-	(439.4)	(439.4)	-	-	-	-	-	(439.4)
Dividend paid	-	-	-	-	-	-	413.0	413.0	-	-	-	-	-	-
Second interim dividend declared	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31st December, 2020	2,221.7	260.6	(180.9)	275.7	55.2	17.7	33,956.4	413.0	37,019.4	(18.8)	9.0	11,955.8	11,946.0	48,964.4

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Operating activities	經營業務		
Profit for the year	本年度溢利	3,656.3	4,484.0
Adjustments for:	調整項目：		
Net impairment losses on financial instruments	金融工具之 減值虧損淨額	1,310.8	1,259.4
Finance costs	融資成本	806.0	778.4
Taxation	稅項	286.2	241.8
Net decrease (increase) in fair value of investment properties	投資物業之公平價值減少 (增加)淨額	219.6	(134.4)
Depreciation of right-of-use assets	使用權資產折舊	141.7	113.5
Share of results of joint ventures	應佔合營公司業績	115.1	(93.5)
Depreciation of property, plant and equipment	物業、廠房及 設備折舊	75.4	72.5
Interest expense of lease liabilities	租賃負債利息費用	8.0	8.0
Expenses recognised for employee ownership scheme of Sun Hung Kai & Co. Limited ("SHK")	就新鴻基有限公司 (「新鴻基」)之僱員股份 擁有計劃確認之費用	7.4	9.7
Impairment loss on interest in an associate	於一間聯營公司之權益之 減值虧損	3.2	135.9
Amortisation of intangible assets	無形資產攤銷	1.9	1.9
Net loss on disposal/write-off of property, plant and equipment	出售／撇銷物業、廠房及 設備之虧損淨額	0.6	0.8
Net fair value gain on financial assets and liabilities at fair value through profit or loss	透過損益賬按公平價值處理 之金融資產及負債之公平 價值收益淨額	(2,697.9)	(1,841.2)
Share of results of associates	應佔聯營公司業績	(618.1)	(1,006.5)
Net exchange gain	匯兌收益淨額	(69.0)	(78.6)
Realised gain on disposal/redemption of financial assets at fair value through other comprehensive income	出售／贖回透過其他全面收 益按公平價值處理之 金融資產之已變現收益	(1.8)	-
Gain on disposal of subsidiaries	出售附屬公司之收益	(1.2)	(388.8)
Impairment loss (reversed) recognised for hotel property	(撥回)確認酒店物業之 減值虧損	(0.9)	1.7
Gain on disposal of an investment property	出售一項投資物業之收益	-	(1.6)
Operating cash flows before movements in working capital	未計營運資金變動前之 經營業務現金流量	3,243.3	3,563.0

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Operating activities (Cont'd)	經營業務(續)		
Decrease in mortgage loans	按揭貸款減少	591.1	212.3
Net changes in financial assets and financial liabilities at fair value through profit or loss	透過損益賬按公平價值處理之金融資產及金融負債變動淨額	350.7	671.9
Decrease in term loans	有期貸款減少	250.1	1,420.3
Increase in trade payables, other payables and accruals	應付貿易款項、其他應付款項及應計款項增加	214.6	77.5
Increase in provisions	撥備增加	102.3	44.5
Decrease in amounts due from brokers	經紀欠款減少	96.1	54.4
Decrease in amounts due from associates	聯營公司欠款減少	5.2	37.9
Decrease in other inventories	其他存貨減少	0.1	0.1
Increase in amounts due to associates	欠聯營公司款項增加	0.1	0.2
Increase in loans and advances to consumer finance customers	消費金融客戶貸款及墊款增加	(904.2)	(1,691.7)
Decrease in financial assets sold under repurchase agreements	回購協議下出售之金融資產減少	(386.2)	(830.3)
Increase in trade receivables, prepayments and other receivables	應收貿易款項、預付款項及其他應收款項增加	(63.7)	(109.7)
Decrease in contract liabilities	合約負債減少	-	(1.3)
Cash from operations	經營所產生之現金	3,499.5	3,449.1
Taxation paid	已付稅項	(477.6)	(160.8)
Tax reserve certificates	儲稅券	-	(7.1)
Total interest paid	已付總利息	(729.5)	(714.2)
Net cash from operating activities	經營業務所產生之現金淨額	2,292.4	2,567.0

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Investing activities	投資業務		
Proceeds on disposal of long-term financial assets as at fair value through profit or loss	出售透過損益賬按公平價值處理之長期金融資產所得款項	2,365.1	787.9
Proceeds on disposal of an associate	出售一間聯營公司所得款項	1,257.1	-
Dividends received from associates	來自聯營公司之股息	289.4	290.8
Proceeds on disposal of financial assets at fair value through other comprehensive income	出售透過其他全面收益按公平價值處理之金融資產所得款項	115.7	29.4
Withdrawal of fixed deposits with banks	提取銀行定期存款	68.2	549.5
Amounts repaid by associates	聯營公司還款	61.5	209.2
Withdrawal (placement) of short-term pledged bank deposits	提取(存入)短期抵押銀行存款	33.2	(13.2)
Rental receipt from net investments in finance lease	自融資租賃投資淨額所收取租金	6.3	3.8
Amounts repaid by joint ventures	合營公司還款	3.4	1.0
Refund (payment) of deposits of right-of-use assets	退還(支付)使用權資產按金	0.7	(3.2)
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	0.6	0.7
Purchase of long-term financial assets at fair value through profit or loss	購入透過損益賬按公平價值處理之長期金融資產	(2,703.9)	(791.7)
Amounts advanced to associates	墊款予聯營公司	(119.5)	(214.0)
Additions to investment properties	添置投資物業	(101.1)	(54.6)
Purchase of financial assets at fair value through other comprehensive income	購入透過其他全面收益按公平價值處理之金融資產	(77.2)	(105.4)
Purchase of property, plant and equipment	購入物業、廠房及設備	(54.7)	(60.4)
Acquisition of additional interests in associates	收購於聯營公司之額外權益	(30.8)	(182.6)
Purchase of intangible assets	購入無形資產	(12.0)	(5.0)
Placement of fixed deposits with banks	存入銀行定期存款	(11.6)	(265.6)
Prepaid rental for right-of-use assets	使用權資產預付租金	(2.1)	(13.4)
Proceeds on disposal of subsidiaries	出售附屬公司所得款項	-	389.4
Proceeds on disposal of an investment property	出售一項投資物業所得款項	-	5.3
Capital injection to a joint venture	向一間合營公司注資	-	(207.0)
Net cash from investing activities	投資業務所產生之現金淨額	1,088.3	350.9

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	Note 附註		
Financing activities	融資業務		
New bank and other borrowings raised	籌集所得新造銀行及其他借貸	22,484.1	22,539.1
Repayment of bank and other borrowings	償還銀行及其他借貸	(19,913.9)	(22,786.9)
Privatisation of a listed subsidiary	一間上市附屬公司私有化	(3,270.3)	-
Dividends by subsidiaries to non-controlling interests	附屬公司分派股息予非控股權益	(702.5)	(711.2)
Dividends paid to equity shareholders	已付權益股東股息	(439.4)	(439.4)
Repayment of notes/paper	償還票據	(434.3)	(1,498.7)
Lease payments	租賃付款	(145.0)	(108.2)
Amounts paid for shares repurchased and cancelled by a subsidiary	一間附屬公司購回及註銷股份之已付款項	(53.0)	(33.0)
Amount repaid to a joint venture	向一間合營公司還款	(40.0)	-
Payment of deposits for shares buyback of non-controlling interests by a subsidiary	一間附屬公司支付非控股權益股份購回按金	(35.5)	-
Redemption of notes/paper	贖回票據	(3.1)	(1,355.4)
Purchase of shares for employee ownership scheme of SHK	就新鴻基僱員股份擁有計劃收購股份	(3.0)	(4.7)
Acquisition of additional interest in a subsidiary	收購一間附屬公司之額外權益	(2.6)	(39.9)
Proceeds from issue of notes/paper	發行票據所得款項	-	3,605.9
Capital redemption of non-controlling interests	非控股權益之資本贖回	-	(731.5)
Net cash used in financing activities	融資業務所用之現金淨額	(2,558.5)	(1,563.9)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	822.2	1,354.0
Effect of foreign exchange rate changes	匯率變動之影響	136.5	(51.5)
Cash and cash equivalents at the beginning of the year	於年初之現金及現金等價物	6,931.6	5,629.1
Cash and cash equivalents at the end of the year	於年末之現金及現金等價物	7,890.3	6,931.6

1. GENERAL

Allied Group Limited (“Company”) is a public limited company incorporated in the Hong Kong Special Administrative Region (“Hong Kong”) and its shares are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The ultimate controlling party of the Company is the trustees of Lee and Lee Trust. The address of the principal place of business of the trustees of Lee and Lee Trust is c/o 24th Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong. The address of the registered office and principal place of business of the Company is 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.

The consolidated financial statements of the Company and its subsidiaries (“Group”) are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company.

The Company acts as an investment holding company and provides corporate management services. The principal activities of its principal subsidiaries, associates and joint ventures are set out in notes 55, 56 and 57 respectively.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**Amendments to HKFRSs that are mandatorily effective for the current year**

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

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

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

1. 一般資料

聯合集團有限公司(「本公司」)為一間在香港特別行政區(「香港」)註冊成立之公眾有限公司，其股份在香港聯合交易所有限公司(「聯交所」)上市。本公司之最終控制方為Lee and Lee Trust之受託人，Lee and Lee Trust之受託人之主要營業地點之地址為香港灣仔告士打道138號聯合鹿島大廈24樓。本公司註冊辦事處及主要營業地點地址為香港灣仔告士打道138號聯合鹿島大廈22樓。

本公司及其附屬公司(「本集團」)之綜合財務報表以港元(「港元」)呈列，與本公司之功能貨幣相同。

本公司為一間控股投資公司，提供公司管理服務，其主要附屬公司、聯營公司及合營公司之主要業務分別載於附註55、56及57。

2. 應用新訂及經修訂的香港財務報告準則(「香港財務報告準則」)**於本年度強制生效的經修訂的香港財務報告準則**

本集團於本年度首次應用香港財務報告準則中對概念框架的提述的修訂及下列由香港會計師公會(「香港會計師公會」)頒佈之經修訂的香港財務報告準則，其對編製於二零二零年一月一日或之後開始的年度期間的綜合財務報表強制生效：

香港會計準則第1號及香港會計準則第8號修訂本	重大性之定義
香港財務報告準則第3號修訂本	業務之定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號修訂本	利率指標改革

於本年度應用香港財務報告準則中對概念框架的提述的修訂及經修訂的香港財務報告準則對本集團本年度及過往年度財務狀況及表現及／或於該等綜合財務報表所載的披露資料無重大影響。

for the year ended 31st December, 2020

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

New and Amendments to HKFRSs in issue but not yet effective

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

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

¹ Effective for annual periods beginning on or after 1st January, 2023.

² Effective for annual periods beginning on or after 1st January, 2022.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1st June, 2020.

⁵ Effective for annual periods beginning on or after 1st January, 2021.

The directors of the Company do not anticipate that the application of any of the new and amendments to HKFRSs will have a material impact on the consolidated financial statements in the foreseeable future.

截至二零二零年十二月三十一日止年度

2. 應用新訂及經修訂的香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提前應用以下已發行但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第17號	保險合約及相關修訂 ¹
香港財務報告準則第16號修訂本	新冠病毒相關租金減免 ⁴
香港財務報告準則第3號修訂本	對概念框架之提述 ²
香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號修訂本	利率指標改革 – 第二階段 ⁵
香港財務報告準則第10號及香港會計準則第28號修訂本	投資者與其聯營公司或合營企業之間出售或注入資產 ³
香港會計準則第1號修訂本	將負債分類為流動或非流動以及香港詮釋第5號(二零二零年)的有關修訂 ¹
香港會計準則第16號修訂本	物業、廠房及設備 – 擬定用途前之所得款項 ²
香港會計準則第37號修訂本	有償合約 – 履行合約之成本 ²
香港財務報告準則修訂本	對香港財務報告準則二零一八年至二零二零年的年度改進 ²

¹ 於二零二三年一月一日或之後開始的年度期間生效。

² 於二零二二年一月一日或之後開始的年度期間生效。

³ 於待定期限或之後開始的年度期間生效。

⁴ 於二零二零年六月一日或之後開始的年度期間生效。

⁵ 於二零二一年一月一日或之後開始的年度期間生效。

本公司董事預期，應用任何新訂及經修訂香港財務報告準則將不會於可見未來對綜合財務報表造成重大影響。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

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

3. 綜合財務報表之編製基準及主要會計政策

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance ("Companies Ordinance") (Cap. 622).

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

The consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies set out below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

3.1 綜合財務報表之編製基準

綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則編製。就編製綜合財務報表而言，倘資料可合理預期會影響主要用戶作出的決定，則有關資料視為重大。此外，綜合財務報表載列聯交所證券上市規則(「上市規則」)及香港公司條例(「公司條例」)(第622章)規定之適用披露內容。

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

綜合財務報表乃按歷史成本基準編製，惟下列主要會計政策所說明於各報告期末按公平價值計量的若干物業及金融工具除外。

歷史成本一般根據就交易貨品及服務所付代價之公平價值。

公平價值是指市場參與者之間在計量日進行的有序交易中出售一項資產所收取的價格或轉移一項負債所支付的價格，無論該價格是直接觀察到的結果還是採用其他估值方法作出的估計。在對資產或負債的公平價值作出估計時，本集團考慮了市場參與者在計量日為該資產或負債進行定價時將會考慮的那些特徵。在本綜合財務報表中計量和/或披露目的之公平價值均在此基礎上予以確定，但香港財務報告準則第2號「以股份付款」範圍內的以股份為基礎的支付交易、根據香港財務報告準則第16號「租賃」入賬的租賃交易、以及與公平價值類似但並非公平價值的計量(例如，香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值)除外。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of preparation of consolidated financial statements (Cont'd)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

3.2 Significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

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

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.1 綜合財務報表之編製基準(續)

非金融資產公平價值之計量乃經參考市場參與者可從使用該資產得到之最高及最佳效用，或把該資產售予另一可從使用該資產得到最高及最佳效用之市場參與者所產生之經濟效益。

對於按公平價值進行交易的金融工具及投資物業以及將於隨後期間使用不可觀察輸入數據計量公平價值的估值技術，有關估值技術將予以調整，以使首次確認時的估值技術結果等於交易價格。

此外，就財務呈報而言，公平價值計量根據公平價值計量之輸入數據之可觀察程度及輸入數據對公平價值計量整體而言之重要性分為第一、第二或第三級，現闡述如下：

- 第一級輸入數據為實體可於計量日獲得的相同資產或負債於活躍市場的報價(未經調整)；
- 第二級輸入數據為可就資產或負債直接或間接觀察的輸入數據，惟第一級所包括的報價除外；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

3.2 主要會計政策

綜合基準

綜合財務報表包括本公司及受本公司控制之公司(包括結構性實體)及其附屬公司之財務報表。倘本公司符合以下情況，則取得控制權：

- 有權控制被投資方；
- 因其參與被投資方業務而獲得或有權獲得可變回報；及
- 有能力以其權力影響其回報。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Basis of consolidation (Cont'd)

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

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

When the Group is an investor of a fund in which the Group also acts as a fund manager, the Group will determine whether it is a principal or an agent for the purpose of assessing whether the Group controls the relevant fund.

An agent is a party primarily engaged to act on behalf and for the benefit of another party or parties (the principal(s)) and therefore does not control the investee when it exercises its decision-making authority. In determining whether the Group is an agent to the fund, the Group would assess:

- the scope of its decision-making authority over the investee;
- the rights held by other parties;
- the remuneration to which it is entitled in accordance with the remuneration agreements; and
- the decision maker's exposure to variability of returns from other interests that it holds in the investee.

3.2 主要會計政策(續)

綜合基準(續)

倘事項及狀況顯示上文列示三項控制元素之一項或多項有變，本集團會重新評估其是否控制投資對象。

倘本集團於投資對象之投票權未能佔大多數，但只要投票權足以賦予本集團實際能力可單方面掌控投資對象之相關業務時，本公司即對投資對象擁有權力。

倘本集團為基金的投資者，同時亦為該基金的管理人，本集團會釐定其為基金的主事人或代理人，以便評估本集團是否控制相關基金。

代理人指主要獲委聘代表及為另一方或多方(主事人)利益而行之人士，因此其行使決策權時並無控制投資對象。釐定本集團是否為基金代理人時，本集團將評估：

- 其對投資對象之決策權範圍；
- 其他人士持有之權利；
- 根據薪酬協議有權享有之報酬；及
- 決策者承擔來自所持投資對象其他權益之回報變化風險。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Basis of consolidation (Cont'd)

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

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

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

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

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

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

綜合基準(續)

本集團於取得附屬公司之控制權時開始將附屬公司綜合入賬，並於失去附屬公司之控制權時終止綜合入賬。具體而言，年內收購或出售附屬公司的收入及開支，自本集團取得附屬公司控制權之日起直至本集團終止控制該附屬公司之日止，於綜合損益及其他全面收益表內列賬。

損益及其他全面收益的各部分歸屬於本公司股東及非控股權益。即使導致非控股權益出現虧絀結餘，附屬公司的全面收益總額仍歸屬於本公司股東及非控股權益。

如有需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團之會計政策一致。

與本集團成員公司之間交易有關之所有本集團內成員間資產及負債、權益、收入、費用及現金流均於綜合賬目時全數對銷。

於附屬公司的非控股權益與本集團所佔的權益分開列賬，代表賦予其持有人權利於清盤時按比例分佔相關附屬公司淨資產的現時擁有權權益。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Basis of consolidation (Cont'd)

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.2 主要會計政策(續)

綜合基準(續)

本集團於現有附屬公司權益之變動

倘本集團於附屬公司之權益出現變動，但並無導致本集團失去對該等附屬公司之控制權，則入賬列作權益交易。本集團之相關權益部分與非控股權益之賬面值均予以調整，以反映彼等於附屬公司之相關權益之變動。

非控股權益之調整款額與已付或已收代價之公平價值兩者間之任何差額，均直接於權益確認並歸屬於本公司股東。

倘本集團失去一間附屬公司之控制權，則該附屬公司之資產及負債以及非控股權益(如有)會被終止確認。於損益內確認收益或虧損，並按(i)所收取代價之公平價值及任何保留權益之公平價值之總額及(ii)本公司股東應佔附屬公司之資產(包括商譽)及負債之賬面值之差額計算。所有有關該附屬公司過往於其他全面收益確認之款額，將按猶如本集團已直接出售有關附屬公司之相關資產或負債入賬(即按適用香港財務報告準則之規定/許可重新分類至損益或轉撥至另一個權益類別)。於失去控制權當日於前附屬公司保留之任何投資之公平價值將根據香港財務報告準則第9號「金融工具」於其後入賬時被列作首次確認之公平價值，或(如適用)於首次確認時於聯營公司或合營公司之投資成本。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Framework for the Preparation and Presentation of Financial Statements* (replaced by the *Conceptual Framework for Financial Reporting* issued in October 2010).

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

資產收購

當本集團收購一組並不構成一項業務之資產及負債，本集團透過先將購買價按其各自之公平價值分配至其後根據公平價值模式計量之投資物業及金融資產／金融負債，以識別及確認所收購之個別可識別資產及所承擔負債，而餘下之購買價結餘其後按於購買日期之相關公平價值，分配至其他個別可識別資產及負債。有關交易並不產生商譽或議價購買收益。

業務合併

業務收購採用收購法列賬。業務合併中之轉讓代價按公平價值計量，而公平價值乃按於收購日本集團所轉讓之資產、本集團向被收購公司原股東產生之負債及本集團於交換被收購公司之控制權發行之股權之公平價值之總額計算。收購相關費用一般於產生時在損益確認。

除若干確認豁免外，所收購之可識別資產及所承擔之負債必須符合編製及呈列財務報表之框架(被於二零一零年十月頒佈之財務報告概念框架所取代)中資產及負債之定義。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Business combinations (Cont'd)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment transactions of the acquiree are measured in accordance with HKFRS 2 at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low-value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

3.2 主要會計政策(續)

業務合併(續)

所收購之可識別資產及所承擔之負債乃於收購日期按公平價值確認，惟以下情況除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債分別按香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與被收購公司以股份支付安排之有關之負債或權益工具，或本集團訂立以取代被收購公司之以股份支付安排之以股份支付安排之有關之負債或權益工具，乃於收購日期按香港財務報告準則第2號計量(見下文會計政策)；
- 按照香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售之資產(或出售組別)按照該準則計量；及
- 租賃負債按剩餘租賃付款(定義見香港財務報告準則第16號)的現值確認及計量，猶如收購的租賃於收購日期為新租賃，惟(a)租賃期限於收購日期12個月內結束；或(b)相關資產為低價值的租賃除外。使用權資產按與相關租賃負債相同的金額確認及計量，並進行調整以反映與市場條件相比租賃的有利或不利條款。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Business combinations (Cont'd)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

業務合併(續)

商譽按所轉讓之代價、任何非控股權益於被收購公司中所佔金額、及收購公司以往持有之被收購公司股權之公平價值(如有)之總和，減所收購可識別資產及所承擔負債於收購日期之淨值後，所超出之差額計量。倘經過評估後，所收購可識別資產與所承擔負債之淨額高於轉讓之代價、任何非控股權益於被收購公司中所佔金額以及收購公司以往持有之被收購公司股權之公平價值(如有)之總和，則差額即時於損益賬內確認為議價收購收益。

屬現時擁有權權益且持有人有權於清盤時按比例分佔有關附屬公司淨資產之非控股權益，初步按非控股權益應佔被收購公司可識別淨資產之已確認金額比例或按公平價值計量。計量基準可按每項交易而選擇。其他種類之非控股權益乃按其公平價值計量。

倘本集團於業務合併中轉讓之代價包括因或然代價安排而引致之資產或負債，則有關或然代價會按收購日期之公平價值計量，並會包括於業務合併中轉讓之代價之一部分。倘合資格作出計量期調整之或然代價公平價值有變，則有關變動會作追溯調整，而商譽或議價收購收益亦會作出相應調整。計量期調整指因於「計量期間」(自收購日期起計不得超過一年)內取得有關於收購日期已存在之事實及情況之額外資料而產生之調整。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Business combinations (Cont'd)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKFRS 9, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

3.2 主要會計政策(續)

業務合併(續)

其後是否將不合資格作出計量期調整之或然代價公平價值之變動入賬，則視乎或然代價之分類方式而定。被分類為權益之或然代價不會於往後之結算日重新計量，而其後償付之款項則於權益內入賬。被分類為資產或負債之或然代價於往後之結算日按照香港財務報告準則第9號或香港會計準則第37號「撥備、或然負債及或然資產」(視適用情況而定)重新計量，相應之收益或虧損則於損益賬內確認。

當業務合併以分階段完成，本集團以往所持被收購公司之股權會按收購日期(即本集團取得控制權當日)之公平價值重新計量，而所產生之收益或虧損(如有)則於損益賬或其他全面收益(如適用)內確認。就被收購公司權益在收購日期前於其他全面收益中所確認及根據香港財務報告準則第9號計量之數額會按猶如本集團直接出售先前所持有股權之相同基準入賬。

倘業務合併未能於進行合併之報告期結束前完成初步入賬，則本集團會呈報未完成入賬之項目之臨時金額。該等臨時金額會於計量期(見上文)內，或確認額外資產或負債時追溯調整，以反映所取得有關於收購日期已存在之事實及情況(如已知)，並會影響於當日確認之金額之新資料。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Interests in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture and its shares of post-acquisition movements in reserves is recognised in reserves. Where necessary, adjustments are made to bring the accounting policies of associates and joint ventures in conformity with the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

於聯營公司及合營公司之權益

聯營公司指本集團可對其發揮重大影響力之實體。重大影響力指有權參與被投資公司財務及營運決策，但並非控制或共同控制該等政策之權力。

合營公司指一項聯合安排，對安排擁有共同控制權之訂約方據此對聯合安排之資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有的控制，共同控制僅在當相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

聯營公司及合營公司之業績、資產及負債乃以會計權益法列入綜合財務報表。供權益會計之用的聯營公司及合營公司的財務報表乃以與本集團就類似情況下同類交易及事件所使用會計政策貫徹一致的會計政策編製。根據權益法，於聯營公司或合營公司之投資初步按成本於綜合財務狀況表確認，其後就確認本集團應佔該聯營公司或合營公司之損益及其他全面收益作出調整及其應佔收購後儲備變動於儲備中確認。如有需要，可調整聯營公司及合營公司之會計政策，使之與本集團一致。倘本集團應佔聯營公司或合營公司虧損超出本集團於該聯營公司或合營公司之權益(包括實際構成本集團於該聯營公司或合營公司之淨投資一部分之任何長期權益)，則本集團即終止確認其應佔進一步虧損，惟倘本集團產生法律或推定責任或須代表聯營公司或合營公司付款，方確認額外虧損。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Interests in associates and joint ventures (Cont'd)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3.2 主要會計政策(續)

於聯營公司及合營公司之權益(續)

於被投資方成為聯營公司或合營公司當日，對聯營公司或合營公司之投資採用權益法入賬。於收購聯營公司或合營公司之投資時，投資成本超過本集團應佔投資對象之可識別資產及負債公平價值淨額之任何差額均確認為商譽。有關商譽乃計入投資之賬面值。倘於重新評估後，本集團所佔可識別資產及負債之公平價值淨額高於投資成本，則會於收購投資之期間即時在損益確認。

本集團評估是否有客觀證據表示聯營公司或合營公司之權益可能已減值。如有任何客觀證據存在，投資之全部賬面值(包括商譽)會根據香港會計準則第36號作為一項獨立資產，透過比較其可收回金額(使用價值與公平價值減出售成本兩者間之較高者)及其賬面值作減值測試。任何已確認之減值虧損不會分配至任何構成投資賬面值一部分之資產(包括商譽)。根據香港會計準則第36號，任何減值虧損之撥回於投資可收回金額其後增加時確認。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Interests in associates and joint ventures (Cont'd)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

於聯營公司及合營公司之權益(續)

當本集團不再對聯營公司擁有重大影響力或於合營公司擁有共同控制權時，則按出售於該被投資公司的全部權益入賬，所產生的收益或虧損於損益中確認。當本集團保留於前聯營公司或合營公司之權益，且保留權益為屬於香港財務報告準則第9號範圍之金融資產時，則本集團於當日按公平價值計量保留權益，而公平價值則被視為首次確認時之公平價值。該聯營公司或合營公司之賬面值與任何保留權益之公平價值及任何出售該聯營公司或合營公司之相關權益所得款項之間的差額，在釐定出售該聯營公司或合營公司之收益或虧損時計算在內。此外，倘該聯營公司或合營公司直接出售相關資產或負債，則本集團可能需要按相同基準計入有關該聯營公司或合營公司的以往於其他全面收益確認的所有金額。因此，倘聯營公司或合營公司以往於其他全面收益確認的損益重新分類為出售相關資產或負債的損益，則本集團將於出售／出售部分相關聯營公司或合營公司時將收益或虧損由權益重新分類至損益(列作重新分類調整)。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Interests in associates and joint ventures (Cont'd)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where the Group's interest in an associate increases, whether directly or indirectly, the impact of the change should be accounted for as an incremental purchase of the associate and recognised at cost. When the Group's interest in an associate increase due to a decrease in the investee's issued shares, the Group's share of the fair value of the investee's identifiable assets and liabilities attributable to the increase in the shareholding of the investee, is recognised in equity.

When a group entity transacts with an associate or a joint venture of the Group, including disposal of subsidiary to an associate or a joint venture, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3.2 主要會計政策(續)

於聯營公司及合營公司之權益(續)

當於聯營公司之投資成為於合營公司之投資，或於合營公司之投資成為於聯營公司之投資時，本集團繼續使用權益法。出現該等擁有權權益變動後不會重新計量公平價值。

倘本集團減少其於聯營公司或合營公司之擁有權權益，但本集團繼續使用權益法，則本集團於出售有關資產或負債時會將該收益或虧損重新分類至損益之情況下，會將先前就該等擁有權權益減少而於其他全面收益確認之收益或虧損按比例重新分類至損益。

倘本集團於聯營公司之權益增加(不論為直接或間接)，有關變數之影響應入賬為聯營公司增額收購，並按成本確認。倘本集團於一間聯營公司之權益因被投資公司之已發行股份減少而增加，則本集團應佔於被投資公司股權增加之分佔該被投資公司可識別資產及負債之公平價值於權益內確認。

倘集團實體與本集團之聯營公司或合營公司進行交易，包括出售附屬公司予聯營公司或合營公司，與該聯營公司或合營公司交易所產生之損益僅會在有關聯營公司或合營公司之權益與本集團無關之情況下，方會於綜合財務報表中確認。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Goodwill

Goodwill arising on acquisitions prior to 1st January, 2005

Goodwill arising on an acquisition of a subsidiary, an associate or a joint venture for which the agreement date is before 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary, associate or joint venture at the date of acquisition.

For previously capitalised goodwill arising on acquisitions after 1st January, 2001, the Group has discontinued amortisation from 1st January, 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired.

Goodwill arising on acquisitions on or after 1st January, 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

商譽

於二零零五年一月一日之前因收購產生之商譽

收購一間附屬公司、聯營公司或合營公司(協議日期為於二零零五年一月一日之前)產生之商譽,指收購成本超逾本集團於收購日期應佔相關附屬公司、聯營公司或合營公司之可識別資產及負債公平價值之權益之差額。

對於二零零一年一月一日後因收購產生之原先已資本化商譽,本集團自二零零五年一月一日起不再繼續攤銷,而有關商譽每年及有跡象顯示商譽有關之現金產生單位有可能出現減值時進行減值測試。

於二零零五年一月一日或之後因收購產生之商譽

收購一間附屬公司(協議日期為於二零零五年一月一日或之後)產生之商譽,指收購成本超逾本集團於收購日期應佔相關附屬公司之可識別資產、負債及或然負債之公平價值之權益之差額。該等商譽乃按成本減累計減值虧損(如有)列賬。

就減值測試而言,商譽會分配至預期可從合併之協同效益中獲益之各本集團現金產生單位(或現金產生單位組別),表示為內部管理目的而監察商譽之最低級別且不大於營運分部。

獲分配商譽之現金產生單位(或現金產生單位組別)會每年及於有跡象可能減值時更頻密作減值測試。就一個報告期間因收購而產生之商譽,獲分配商譽之現金產生單位(或現金產生單位組別)會於該報告期末前作減值測試。倘可收回金額低於單位賬面值,減值虧損會首先分配至該單位以減低商譽之賬面值,然後再根據該單位(或現金產生單位組別)內各項資產之賬面值按比例分配至該單位之其他資產。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Goodwill (Cont'd)

Goodwill arising on acquisitions on or after 1st January, 2005 (Cont'd)

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

3.2 主要會計政策(續)

商譽(續)

於二零零五年一月一日或之後因收購產生之商譽(續)

於出售相關現金產生單位或現金產生單位組別中任何現金產生單位時，商譽的應佔金額計入釐定的出售損益金額。當本集團出售現金產生單位(或現金產生單位組別中的一個現金產生單位)內的業務時，所出售商譽金額按所出售業務(或現金產生單位)與所保留現金產生單位(或現金產生單位組別)部分的相對價值計量。

來自客戶之合約收入

當(或於)滿足履約義務時，本集團確認收入，即於特定履約義務的相關商品或服務的「控制權」轉讓予客戶時確認。

履約義務指明確的商品或服務(或一組商品或服務)或一連串大致相同並明確的商品或服務。

控制權隨時間轉移，而倘滿足以下其中一項標準，則收入乃參照完全滿足相關履約義務的進展情況而隨時間確認：

- 隨本集團履約，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團之履約創建或強化一資產，該資產於本集團履約之時即由客戶控制；或
- 本集團的履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約之款項具有可執行之權利。

否則，收入於客戶獲得明確的商品或服務控制權的時間點確認。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Revenue from contracts with customers (Cont'd)

Income from hotel operations, provision of property management services and elderly care services are recognised as a performance obligation satisfied over time as the customers simultaneously receive and consume the benefits provided by the Group's performance as the Group performs. Regarding hotel operations, the Group generally receives an advance payment in full before it provides services or receives settlement after it provides services. For the provision of property management services, the Group bills its customers in advance or in arrear according to the terms of the contract with customers. For elderly care services, the Group generally bills its customers in advance before it provides the relevant services to the customers.

Advisory fee income from providing specified financial advisory services is recognised at a point in time when the services for the transactions are completed under the terms of each engagement and the revenue can be measured reliably. Advisory fee income from provision of services under retainers is recognised over time based on contractual terms specified in the underlying agreements as the customer simultaneously receives and consumes benefits provided by the Group's performance as the Group performs and revenue can be measured reliably.

Commission based and other services are recognised at a point in time when the services for the transactions are completed under the term of each engagement and the revenue can be measured reliably.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

來自客戶之合約收入(續)

來自酒店業務、提供物業管理服務及護老服務之收入隨時間確認為已履行之履約責任，因為客戶同時取得並耗用本集團履約所提供之利益。就酒店業務而言，本集團一般在提供服務前悉數收取預付款項或在提供服務後取得結付款項。就提供物業管理服務而言，本集團根據客戶合約條款預先或期末向客戶發出賬單。就護老服務而言，本集團一般在向客戶提供相關服務前預先向客戶發出賬單。

提供特定金融顧問服務之顧問費收入於根據各自委聘條款完成就交易提供之服務且收入能夠可靠計量之時間點確認。提供長期服務之有關顧問費收入按相關協議訂明之合約期隨時間確認，因為客戶同時可獲得及享用本集團履約所提供之利益，且收入亦能可靠地計量。

佣金及其他服務於根據各自委聘條款完成就交易提供的服務且收入能夠可靠計量之時間點確認。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Revenue from contracts with customers (Cont'd)

The Group's revenue and other income recognition policies are as follows:

3.2 主要會計政策(續)

來自客戶之合約收入(續)

本集團的收入及其他收入確認政策如下：

Rental income from properties under operating leases, including rentals invoiced in advance, is recognised on a straight-line basis over the terms of the relevant leases.

經營租約之物業租金收入(包括提前開出發票之租金)乃以直線法於相關租賃期內確認。

Income from the provision of services, including elderly care services, is recognised upon the provision of the relevant services or on a time basis over the terms of the service contracts.

提供服務(包括護老服務)之收入於提供相關服務時或於服務合約期內按時間基準確認。

Revenue from hotel operations is recognised when services are provided.

酒店業務收入於提供服務時確認。

Interest income from financial assets is recognised on a time basis. For details, please refer to accounting policies on financial assets.

金融資產之利息收入乃按時間基準確認。詳情見金融資產之會計政策。

Dividend income from investments is recognised when the owners' right to receive payment has been established.

來自投資之股息收入於股東收取付款之權利建立時確認。

Other service income is recognised at a point in time when the services are rendered in accordance with contract terms.

其他服務收入根據合約條款提供服務之時予以確認。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Hong Kong dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates/joint ventures.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

外幣

各個集團公司之個別財務報表乃以有關公司營運所在主要經濟環境之貨幣(其功能貨幣)呈列。就綜合財務報表而言,各公司之業績及財務狀況以本公司之功能貨幣港元呈列,而港元亦為綜合財務報表之呈列貨幣。

在編製各個別集團公司之財務報表時,以公司功能貨幣以外之貨幣(外幣)進行的交易按交易當日之匯率確認。於報告期末,以外幣計值之貨幣項目按該日適用之匯率重新換算。以外幣計值按公平價值列賬之非貨幣項目按釐定公平價值之日期之匯率重新換算。以外幣之歷史成本計值之非貨幣項目不會重新換算。

結算貨幣項目及換算貨幣項目產生之匯兌差額於產生期間在損益確認,惟對於既無計劃結算且結算可能性亦不大(因此構成海外業務淨投資之一部分)之應收或應付海外業務之貨幣項目,其匯兌差額初步於其他全面收益確認,並於出售或部份出售本集團於聯營公司/合營公司之權益時由權益重新分類至損益。

就呈列綜合財務報表而言,本集團業務之資產及負債乃按各報告期末之適用匯率換算至本集團之呈列貨幣(即港元),而收入及支出項目乃按期間之平均匯率進行換算,除非匯率於該期間出現大幅波動則作別論,於此情況下,則採用於交易當日之匯率換算。所產生之匯兌差額(如有)乃於其他全面收益確認,並於權益下以匯兌儲備累計(於適當時撥作非控股權益)。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Foreign currencies (Cont'd)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable asset acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in the other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.2 主要會計政策(續)

外幣(續)

出售海外業務時(即出售本集團於海外業務之全部權益、或出售涉及失去包括海外業務之附屬公司之控制權、或出售包括海外業務之合營安排或聯營公司之部份權益(其保留權益成為一項金融資產)),本公司股東就該業務應佔之所有於權益累計之匯兌差額乃重新分類至損益。

因收購海外業務產生之商譽及所收購可識別資產之公平價值調整,乃視作海外業務之資產及負債處理及按報告期末之現行匯率重新換算。所產生之匯兌差額於其他全面收益內確認。

借貸成本

與收購、建造或生產合資格資產(即需用較長期間才可作擬定用途或銷售的資產)直接有關之借貸成本加入至該等資產之成本,直至該等資產絕大部分已達致可作擬定用途或銷售為止。

任何於相關資產準備作擬定用途或銷售後仍未償還的具體借貸,將計入用以計算一般借貸資本化比率之一般借貸組合內。特定借貸於撥作合資格資產之支出前用作短暫投資所賺取之投資收入,會從合資格撥作資本之借貸成本中扣除。

所有其他借貸成本乃於產生之期間在損益確認。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

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

Employee benefits

The contributions payable to the Group's retirement benefit schemes and the mandatory provident fund scheme are charged to the consolidated statement of profit or loss as an expense when employees have rendered service entitling them to the contribution.

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

政府補助

政府補助於可合理確定本集團將符合有關附帶條件及將會收取有關補助時方予確認。

政府補助於本集團確認補助擬用作補償的相關成本為支出之期間，有系統地於損益確認。

有關收入之政府補助如作為已產生開支或虧損之賠償或為向本集團提供直接財務資助而應收取且不帶未來相關成本，則在其應收取期間於損益確認。有關撥款於「其他收入」項下呈列。

僱員福利

應付予本集團之退休福利計劃及強制性公積金計劃供款於僱員提供使其有權獲得供款之服務時作為開支在綜合損益表內扣除。

短期僱員福利按預期於僱員提供服務時支付之福利之未折現金額確認。所有短期僱員福利確認為支出，除非另一項香港財務報告準則規定或允許將該福利計入資產成本。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Employee benefits (Cont'd)

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

The Group recognises a liability and an expense for bonuses and profit-sharing, where appropriate, based on approved formulas that take into consideration the profit attributable to the Group after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

For shares of SHK ("Awarded Shares") granted under the employee ownership scheme of SHK, the fair value of the employee services received is determined by reference to the fair value of Awarded Shares granted at the grant date and is expensed on a straight-line basis over the vesting period based on Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (employee share-based compensation reserve). At the end of each reporting period, the Group revises its estimates of the number of Awarded Shares that are expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the employee share-based compensation reserve.

Where the Awarded Shares are purchased under the employee ownership scheme of SHK, the consideration paid, including any directly attributable incremental costs, is presented as "Shares held for employee ownership scheme" included in the non-controlling interests. When the Awarded Shares are transferred to the awardees upon vesting, the related costs of the Awarded Shares are eliminated against the employee share-based compensation reserve.

3.2 主要會計政策(續)

僱員福利(續)

僱員應得之福利(例如工資及薪金、年假及病假)於扣除已支付之任何金額後確認為負債。

本集團按照認可計算方法就花紅及分攤溢利確認負債及開支(如適用)，該計算方法已考慮本集團應佔溢利並作出若干調整。於出現合約責任或過往慣例引致推定責任時，本集團即確認撥備。

根據新鴻基僱員股份擁有計劃授出的新鴻基股份(「獎授股份」)，釐訂來自僱員服務的公平價值是參照獎授股份於授予日的公平價值。該公平價值根據本集團對最終歸屬之權益工具之估計，以直線攤分法於歸屬期支銷，並對應增加權益(以股份支付之僱員酬金儲備)。於每個報告期末，本集團根據就所有相關非市場歸屬條件的評估重訂獎授股份於歸屬時的預期股數所作的估計，重訂原來估計的任何影響是於損益確認，致使累計開支反映重訂估計，並相應調整以股份支付之僱員酬金儲備。

就新鴻基僱員股份擁有計劃而購入的獎授股份所付出之代價(包括直接應佔增值成本)，乃呈列為計入非控股權益的「為僱員股份擁有計劃持有股份」。當獎授股份於歸屬期期滿時轉讓予授予人，與獎授股份有關的成本乃與以股份支付的僱員酬金儲備對銷。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Taxation

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利因其他年度的應課稅之收入或可扣稅之開支及毋須課稅或不可扣稅項目與綜合損益表中所報「除稅前溢利」不同。本集團之即期稅項負債乃按報告期末已頒佈或實際頒佈之稅率計算。

遞延稅項乃以綜合財務報表資產及負債賬面值與計算應課稅溢利所用相應稅基間之臨時差額確認。遞延稅項負債一般會就所有應課稅臨時差額確認。遞延稅項資產則一般於有可能以可扣稅臨時差額抵銷之應課稅溢利之情況下，就該可抵銷部分之所有可扣稅臨時差額予以確認。若於一項交易中，因首次確認(不包括業務合併)資產及負債而引致既不影響應課稅溢利亦不影響會計溢利之臨時差額，則不會確認該等遞延稅項資產及負債。此外，若臨時差額乃源自首次確認商譽，則不會確認遞延稅項負債。

遞延稅項負債乃按於附屬公司之投資及聯營公司及合營公司之權益產生之應課稅臨時差額而確認，惟若本集團有能力控制臨時差額之撥回及臨時差額不會於可預見之未來撥回之情況除外。與有關投資及權益相關之可扣稅臨時差額產生之遞延稅項資產，僅在可能有足夠應課稅溢利以動用臨時差額利益及預期於可見將來撥回時確認。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Taxation (Cont'd)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

3.2 主要會計政策(續)

稅項(續)

遞延稅項資產之賬面值於報告期末作檢討，並在不再有可能會有足夠應課稅溢利收回全部或部分資產價值時作調減。

遞延稅項資產及負債乃按預期於償還負債或變現資產之期間按報告期末已頒佈或實際頒佈之稅率(及稅法)計算。

遞延稅項負債及資產之計算結果反映本集團於報告期末預期就收回或償付資產及負債賬面值可能引致之稅務後果。

為使用公平價值模式計量之投資物業計算遞延稅項時，該等物業之賬面值乃推斷為完全透過銷售收回，除非有關推斷被駁回。倘投資物業為可折舊且其商業模式之目標為隨時間消耗大部分含於該等投資物業經濟利益，而非透過銷售獲利，有關推斷會被駁回，惟永久業權土地通常假設透過銷售收回全部除外。

倘有合法可強制執行權利將即期稅項資產及即期稅項負債抵銷，且兩者與同一稅務機構向同一應課稅實體徵收之所得稅有關，則可抵銷遞延稅項資產及負債。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Taxation (Cont'd)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Investment properties

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

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

稅項(續)

即期及遞延稅項於損益賬確認，惟與其他全面收益或直接於權益確認之項目相關者除外，於該情況下，即期及遞延稅項亦分別於其他全面收益或直接於權益中確認。對業務合併進行初步會計處理中產生即期稅項或遞延稅項時，稅務影響納入業務合併會計處理。

於評估所得稅處理是否存在任何不確定性時，本集團認為相關評估稅務機關是否很可能接受單個集團實體在納稅申報表中採用或計劃採用的存在不確定性所得稅處理。若結論為可能，則主體必須基於與納稅申報表中所得稅處理相一致的方式確定即期和遞延所得稅。若結論為不太可能，則各項不確定性的影響需通過最可能發生的金額或期望值反映出來。

投資物業

投資物業指為收取租金及／或資本增值而持有之物業。

投資物業初步乃按成本(包括任何直接應佔開支)計量。於首次確認後，投資物業乃按其公平價值計量，並作出調整以撇除任何預付或應計經營租賃收入。

因投資物業公平價值變動產生之收益或虧損計入產生期間之損益。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Investment properties (Cont'd)

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

Transfers to, or from, investment property are made in the following circumstances:

- commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- end of owner-occupation, for a transfer from owner-occupied property to investment property; and
- commencement of an operating lease to another party, for a transfer from inventories to investment properties.

For a transfer from investment property carried at fair value to owner-occupied property, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

For a transfer from owner-occupied property to investment property, the entity treats any difference at that date between the carrying amount of the property and its fair value in the same way as a revaluation surplus. The excess of the fair value of the property (including the relevant leasehold land classified as right-of-assets) at the date of transfer over the carrying amount of the property is credited to other comprehensive income and accumulated in property revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case the increase is credited to the consolidated statement of profit or loss to the extent of the decrease previously charged to consolidated statement of profit or loss. The excess of the carrying amount of the property at the date of transfer over the fair value of the property is recognised in consolidated statement of profit or loss to the extent it exceeds the balance, if any, on the revaluation reserve relating to a previously revaluation of the same asset. On subsequent disposal or retirement of the investment property, the revaluation surplus included in equity may be transferred to accumulated profits. The transfer from revaluation surplus to accumulated profits is not made through profit or loss.

3.2 主要會計政策(續)

投資物業(續)

投資物業於出售時或當投資物業被永久撤銷使用時及出售該資產預期不會產生任何未來經濟利益時終止確認。物業終止確認時產生之任何收益或虧損按該資產之出售所得款項淨額與資產賬面值間之差額計算，並於該物業終止確認之期間計入損益。

投資物業在下列情況下轉入或轉出：

- 對於投資物業轉入業主佔用物業，為業主佔用開始時；
- 對於業主佔用物業轉入投資物業，為業主佔用結束時；及
- 對於存貨轉入投資物業，為與另外一方之經營租約開始時。

對於按公平價值計值之投資物業轉入業主佔用物業，對物業進行其後會計處理之視作成本乃使用之變動日期之公平價值。

對於業主佔用物業轉入投資物業，有關項目應以與計算重估盈餘相同的方法計算該物業(包括分類為使用權資產的有關租賃土地)於轉撥當日之賬面值與其公平價值之差額。該物業於轉撥當日之公平價值超出其賬面值之差額會計入其他全面收益，並於物業重估儲備累計，惟倘先前確認為開支的同一資產將重估減值逆轉為增值，則有關增幅會計入綜合損益表，惟以先前於綜合損益表扣除的減幅為限。該物業於轉撥當日之賬面值超出其公平價值之金額會於綜合損益表中確認，惟確認金額需扣除有關先前就同一資產重估的重估儲備結餘(如有)。隨後於出售或廢棄投資物業時，列入權益之重估盈餘可以轉入累計溢利。重估盈餘並不透過損益賬轉入累計溢利。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated at cost in the consolidated statement of financial position, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation commences when the assets are ready for their intended use.

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

Depreciation rate is at the following per annum:

Hotel property	shorter of the estimated useful life and the remaining lease term of land
Leasehold land and buildings	shorter of the estimated useful life and the remaining lease term of land
Leasehold improvements	20%
Furniture, fixtures and equipment	10% to 50%
Motor vehicles and vessels	16 $\frac{2}{3}$ % to 20%

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

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備為持作用於生產或供應貨品及服務或作行政用途的有形資產。物業、廠房及設備乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。成本包括使資產達到能夠按照管理層擬定的方式開展經營所必要的位置及條件而直接產生的任何成本。折舊於資產準備好作其擬定用途時開始。

折舊按估計可使用年期以直線法撇銷各資產成本減其剩餘價值。估計可使用年期、剩餘價值及折舊法於各報告期末進行檢討。估計任何變動之影響按未來適用基準入賬。

折舊按以下年率計算：

酒店物業	於估計可使用年期或土地租約之剩餘期限中之較短者
租賃土地及樓宇	於估計可使用年期或土地租約之剩餘期限中之較短者
租賃樓宇裝修	20%
傢具、裝置及設備	10%至50%
汽車及汽船	16 $\frac{2}{3}$ %至20%

物業、廠房及設備項目於出售後或預計持續使用該資產並無未來經濟利益產生時終止確認。出售或廢棄物業、廠房及設備項目所產生的收益或虧損按銷售所得款項及資產賬面值之差額計算，並於損益確認。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

3.2 主要會計政策(續)

Leases

Definition of a lease

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

租賃

租賃的定義

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

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

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

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

根據可行權宜方法，當本集團合理預期對財務報表的影響與組合內單一租賃的區別不大時，具有類似特徵的租賃按組合基準入賬。

The Group as a lessee

Allocation of consideration to components of a contract

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

本集團作為承租人

分配代價予合約組成部分

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

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

非租賃組成部分與租賃組成部分區分及應用其他適用準則入賬。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Leases (Cont'd)

The Group as a lessee (Cont'd)

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use asset includes:

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

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

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

租賃(續)

本集團作為承租人(續)

短期租賃及低價值資產租賃

對於租期自開始日期起計為12個月或以內且並無包含購買選擇權的辦公室物業、門店及招牌租賃，本集團應用短期租賃確認豁免。本集團亦對低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款按直線基準於租期內確認為費用。

使用權資產

使用權資產的成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團於拆解及搬遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況而產生的成本估計。

使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作調整。

使用權資產按直線基準於其估計可使用年期與租期(以較短者為準)內計提折舊。

本集團於綜合財務狀況表內將使用權資產呈列為單獨項目。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Leases (Cont'd)

The Group as a lessee (Cont'd)

Refundable rental deposits

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

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease.

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

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

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

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

3.2 主要會計政策(續)

租賃(續)

本集團作為承租人(續)

可退還租賃按金

已付可退還租賃按金根據香港財務報告準則第9號入賬，並初步按公平價值計量。於首次確認時對公平價值的調整被視為額外租賃付款，並計入使用權資產成本。

租賃負債

於租賃開始日期，本集團按該日未付的租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘租賃隱含利率不易釐定，本集團使用租賃開始日期的遞增借貸利率計算。

租賃付款包括：

- 固定付款(包括實質性的固定付款)減任何應收租賃優惠；及
- 倘租期反映本集團會行使選擇權終止租賃，則計入終止租賃的罰款。

於開始日期後，租賃負債就應計利息及租賃付款作出調整。

倘出現以下情況，本集團重新計量租賃負債(並就相關使用權資產作出相應調整)：

- 租期有所變動或行使購買選擇權的評估發生變化，在該情況下，相關租賃負債於重新評估當日透過使用經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因市場租金調查下市場租金變動而出現變動，在此情況下，相關租賃負債使用初始貼現率貼現經修訂租賃付款重新計量。

本集團將租賃負債於綜合財務狀況表中呈列為一個獨立項目。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Leases (Cont'd)

The Group as a lessee (Cont'd)

Lease modifications

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

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

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

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

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

租賃(續)

本集團作為承租人(續)

租賃的修改

倘出現以下情況，本集團將租賃的修改作為一項單獨的租賃進行入賬：

- 該項修改通過增加使用一項或多項相關資產的權利擴大租賃範圍；及
- 調增租賃的代價，增加的金額相當於範圍擴大對應的單獨價格，加上按照特定合約的實際情況對單獨價格進行的任何適當調整。

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

本集團通過對相關使用權資產作出相應調整，將租賃負債的重新計量入賬。如經修訂合約包含一項租賃組成部分及一項或多項額外的租賃或非租賃組成部分，本集團根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總和將經修訂合約代價分配至各個租賃組成部分。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Leases (Cont'd)

The Group as a lessor

Classification and measurement of leases

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

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

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

Allocation of consideration to components of a contract

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

3.2 主要會計政策(續)

租賃(續)

本集團作為出租人

租賃的分類及計量

本集團作為出租人的租賃分類為融資租賃或經營租賃。當租賃的條款實質上將與相關資產所有權相關的所有風險及報酬轉讓給承租人時，該項合同被歸類為融資租賃。所有其他租賃應歸類為經營租賃。

根據融資租賃應收承租人的款項於開始日期確認為應收款項，其金額等於租賃淨投資，並使用各個租賃中隱含的利率計量。初始直接成本(製造商或經銷商承租人產生者除外)包括在租賃淨投資的初始計量中。利息收入被分配至會計期間，以反映本集團有關租賃的未償還淨投資的固定定期收益率。

經營租賃的租金收入在相關租賃期限內按照直線法確認為損益。磋商及安排經營租賃時產生的初始直接成本計入租賃資產的賬面值，有關成本於租賃期內按直線法確認為開支(惟根據公平價值模式計量的投資物業除外)。

自本集團日常業務過程所得之租賃收入呈列為其他收入。

將代價分配至合約組成部分

當合約包括租賃及非租賃部分，本集團應用香港財務報告準則第15號「來自客戶之合約收入」，將合約中的代價分配予租賃及非租賃組成部分。非租賃組成部分根據其相對單獨售價與租賃組成部分區分。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Leases (Cont'd)

The Group as a lessor (Cont'd)

Refundable rental deposits

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

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or an operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Lease modification

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

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

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

租賃(續)

本集團作為出租人(續)

可退還租賃按金

已收可退還租賃按金根據香港財務報告準則第9號入賬，並初步按公平價值計量。於首次確認時對公平價值的調整被視為承租人的額外租賃付款。

轉租

當本集團為中間出租人時，其就原租約及轉租入賬為兩份獨立合約。轉租乃參考原租約之使用權資產(非參考相關資產)分類為融資或經營租賃。

租賃的修改

不屬於原有條款及條件一部分的租賃合約的代價變動作為租賃修訂入賬，包括透過免租或減租所提供的租賃優惠。

本集團將經營租賃的修改作為從該修改生效日期開始的新租賃入賬，將與原租賃有關的任何預付或應計租賃付款視為新租賃的部分租賃付款。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

3.2 主要會計政策(續)

Intangible assets

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

無形資產

於業務合併中收購的無形資產
於業務合併中收購的無形資產與商譽分開確認，首次按收購日期的公平價值(視為其成本)確認。

Intangible assets acquired separately

獨立收購無形資產

(i) Club memberships

Represents the right to use the facilities of various clubs with management considering that the club memberships do not have a finite useful life.

(i) 會所會籍

包括使用不同會所設施之權利資格且管理層認為，會所會籍並不具有固定可使用年期。

(ii) Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method.

(ii) 電腦軟件

購入之電腦軟件許可權按購入軟件及使其投入使用所涉及之成本進行資本化。該等成本以直線法攤銷。

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Useful lives are also examined on an annual basis and adjustments where applicable are made on a prospective basis. Intangible assets with indefinite lives are carried at cost less any subsequent accumulated impairment losses and are tested for impairment annually by comparing their recoverable amount with their carrying amount.

首次確認後，有固定可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損列賬。有固定可使用年期的無形資產攤銷乃於預計可使用年期內按直線法撥備。可使用年期會每年檢討，並於適合時按未來適用基準調整。無固定可使用年期的無形資產按成本減任何其後累計減值虧損列賬，並每年對可收回金額與賬面值進行比較以測試減值。

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

無形資產於出售時或預期使用或出售有關資產並不會帶來未來經濟利益時終止確認。終止確認無形資產所產生之收益或虧損為出售所得款項淨額與資產之賬面值之差額，並於終止確認資產時於損益確認。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill
At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

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

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

物業、廠房及設備、使用權資產及無形資產(商譽除外)之減值
於報告期末，本集團審閱其可使用年期有限之物業、廠房及設備、使用權資產及無形資產之賬面值，以確定是否有任何跡象顯示該等資產出現減值虧損。倘出現有關跡象，則會估計相關資產之可收回金額，以釐定減值虧損(如有)之程度。無固定可使用年期之無形資產及尚未可供使用之無形資產最少每年及當有跡象顯示可能出現減值時進行減值測試。

物業、廠房及設備、使用權資產及無形資產之可收回金額乃單個進行估計。當無法單個估計某項資產可收回金額時，本集團估算該項資產所屬現金產生單位之可收回金額。

對現金產生單位進行減值測試時，當可建立合理和一致的分配基礎時，將企業資產分配至相關現金產生單位，或另行分配至可建立合理及一致的分配基準的最小現金產生單位組別。企業資產所屬的現金產生單位或現金產生單位組別確定可收回金額，並與相關現金產生單位或現金產生組別的賬面值進行比較。

可收回金額指公平價值減出售成本與使用價值兩者中之較高者。評估使用價值時，採用除稅前貼現率將估計未來現金流量折現至其現值，該貼現率反映目前市場對貨幣時間價值及資產(或現金產生單位)特定風險之評估，而當中並未對估計未來現金流量作出調整。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Cont'd)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.2 主要會計政策(續)

物業、廠房及設備、使用權資產及無形資產(商譽除外)之減值(續)

倘估計資產(或現金產生單位)之可收回金額將少於其賬面值,則資產(或現金產生單位)之賬面值將調減至其可收回金額。於分配減值虧損時,首先分配減值虧損以減少任何商譽的賬面值(如適用),然後按比例根據該單位或現金產生單位組別各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公平價值減出售成本(如可計量)、其使用價值(如可釐定)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位或現金產生單位組別的其他資產。減值虧損會即時於損益確認,惟相關資產按另一準則項下的重估價值列賬除外,於有關情況下,減值虧損被視為該準則項下的重估減幅。

如其後撥回減值虧損,有關資產(或現金產生單位或現金產生單位組別)之賬面值將增加至重訂之估計可收回金額,但增加後之賬面值不得超過倘若該資產(或現金產生單位或現金產生單位組別)於過往年度從未有減值虧損之賬面值。減值虧損撥回即時於損益確認。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Financial instruments

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

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

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

Interest and dividend income which are derived from the Group's ordinary course of business are presented as revenue.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

金融工具

當集團實體成為文據之合約條文之訂約方時，則確認金融資產及金融負債。所有以正常方式買賣的金融資產按交易日基準確認及終止確認。以正常方式買賣指於市場規定或慣例設定之期限內進行資產交付的金融資產買賣。

金融資產及金融負債初始按公平價值計算，惟源自客戶合約的應收貿易款項(初步根據香港財務報告準則第15號計量)除外。因收購或發行金融資產或金融負債(透過損益賬按公平價值處理(「透過損益賬按公平價值處理」)之金融資產或金融負債除外)而直接應佔之交易成本，於首次確認時按適用情況加入或扣自該項金融資產或金融負債之公平價值。因收購透過損益賬按公平價值處理之金融資產或金融負債而直接應佔之交易成本即時於損益確認。

實際利息法是計算金融資產或金融負債攤銷成本及分配於相關期間內利息收入及利息開支之方法。實際利率為於金融資產或金融負債的預期可使用年期(如適用)較短期間內可準確切折現估計未來現金收入及支出(包括所支付或收取能構成整體實際利率的所有費用及基點、交易成本及其他溢價或折讓)至首次確認賬面淨值的利率。

自本集團日常業務過程所得之利息及股息收入呈列為收入。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

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

3.2 主要會計政策(續)

金融工具(續)

金融資產

金融資產的分類及其後計量

符合以下條件的金融資產其後按攤銷成本計量：

- 金融資產於目的為收取合約現金流量為目的商業模式內而持有；及
- 合約條款於特定日期產生僅為支付本金及未償還本金之利息的現金流量。

符合以下條件的金融資產其後透過其他全面收益按公平價值處理(「透過其他全面收益按公平價值處理」)計量：

- 金融資產以銷售及收取合約現金流量為目的之商業模式內而持有；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

所有其他金融資產其後透過損益賬按公平價值計量，惟在首次確認金融資產之日，倘該股本投資並非持作交易，亦非由於收購方在香港財務報告準則第3號「業務合併」所適用的業務合併中確認的或然代價，本集團可不可撤銷地選擇於其他全面收益(「其他全面收益」)呈列股本投資的其後公平價值變動。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Classification and subsequent measurement of financial assets (Cont'd)

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term;
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

倘符合下列條件，則將金融資產歸類為持作交易：

- 所收購的金融資產主要用於短期內出售；
- 於首次確認時，該金融工具是作為本集團整合管理的已識別金融工具組合的一部分，且有近期實現短線套利模式；或
- 該金融資產為衍生工具，但非指定為有效對沖工具。

此外，本集團可不可撤銷地指定須按攤銷成本計量或透過其他全面收益按公平價值處理的金融資產為透過損益賬按公平價值處理(倘若此舉可消除或顯著減少會計錯配)。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Classification and subsequent measurement of financial assets (Cont'd)

(i) Amortised cost and interest income

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

(ii) Debt securities classified as at FVTOCI

Subsequent changes in the carrying amounts for debt securities classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt securities are recognised in OCI and accumulated under the heading of investment revaluation reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt securities. When these debt securities are derecognised, the cumulative gains or losses previously recognised in OCI are reclassified to profit or loss.

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

(i) 攤銷成本及利息收入

就其後按攤銷成本計量之金融資產，利息收入使用實際利息法確認。就金融工具，利息收入使用實際利率按金融資產賬面總值計算，惟其後已信貸減值之金融資產除外(見下文)。就其後已信貸減值之金融資產，利息收入乃自下一個報告期間起使用實際利率按金融資產的攤銷成本扣除預期信貸虧損(「預期信貸虧損」)撥備確認。倘信貸減值金融工具的信貸風險改善，金融資產不再信貸減值，則利息收入自釐定資產不再信貸減值後的報告期初起使用實際利率按金融資產的賬面總值確認。

(ii) 分類為透過其他全面收益按公平價值處理之債務證券

因使用實際利息法計算利息收入並產生外幣匯兌收益及虧損而導致分類為透過其他全面收益按公平價值處理之債務證券之賬面值其後變動於損益確認。該等債務證券賬面值的所有其他變動於其他全面收益確認，並於投資重估儲備項下累計。減值撥備於損益確認，並對其他全面收益作出相應調整，而毋須削減該等債務證券的賬面值。當該等債務證券終止確認時，先前於其他全面收益確認的累計收益或虧損重新分類至損益。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Classification and subsequent measurement of financial assets (Cont'd)

(iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other revenue" line item in profit or loss.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

(iii) 指定為透過其他全面收益按公平價值處理之權益工具
指定為透過其他全面收益按公平價值處理之權益工具所投資其後按公平價值計量，其公平價值變動產生的收益及虧損於其他全面收益確認及於投資重估儲備累計，且毋須進行減值評估。累計收益或虧損於出售股本投資時將不會重新分類至損益，並將轉撥至累計溢利。

當本集團確立收取股息的權利時，該等權益工具投資的股息於損益中確認，除非股息明確代表收回部分投資成本。股息計入損益內「其他收入」項目內。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Classification and subsequent measurement of financial assets (Cont'd)

(iv) Financial assets at FVTPL

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

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

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under an ECL model on financial assets (including debt securities included in financial assets at FVTOCI, trade and other receivables, short-term pledged bank deposits and bank balances, bank deposits, cash and cash equivalents, loans and advances to consumer finance customers, mortgage loans, term loans, amounts due from brokers, amounts due from associates and amounts due from joint ventures) and other items (loan commitments and financial guarantee contracts) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

(iv) 透過損益賬按公平價值處理之金融資產

金融資產如不符合按攤銷成本計量或透過其他全面收益按公平價值處理的方式計量或指定為透過其他全面收益按公平價值處理的條件，則透過損益賬按公平價值處理的方式計量。

於各報告期末，透過損益賬按公平價值處理之金融資產按公平價值計量，而任何公平價值收益或虧損於損益中確認。於損益確認的收益或虧損淨額不包括就金融資產所賺取的任何股息或利息，並計入損益內「透過損益賬按公平價值處理之金融資產及負債收益淨額」項目內。

金融資產及其他項目之減值須根據香港財務報告準則第9號進行減值評估

本集團根據預期信貸虧損模式對根據香港財務報告準則第9號進行減值的金融資產(包括計入透過其他全面收益按公平價值處理之金融資產之債務證券、貿易及其他應收款項、短期抵押銀行存款及銀行結餘、銀行存款、現金及現金等價物、消費金融客戶貸款及墊款、按揭貸款、有期貸款、經紀欠款、聯營公司欠款及合營公司欠款)及其他項目(貸款承擔及財務擔保合約)進行減值評估。預期信貸虧損金額於各結算日更新，以反映信貸風險自首次確認以來的變動。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Cont'd)

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

The Group always recognises lifetime ECL for trade receivables.

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

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產及其他項目之減值須根據香港財務報告準則第9號進行減值評估(續)

全期預期信貸虧損指於相關工具預期年期內發生所有可能的違約事件而導致的預期信貸虧損。相反，12個月預期信貸虧損則指預期於結算日後十二個月內可能發生的違約事件而導致的部分全期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗進行，並根據債務人特定因素、一般經濟狀況及於結算日對當前狀況及未來狀況預測的評估而作出調整。

本集團一直就應收貿易款項確認全期預期信貸虧損。

就所有其他工具，本集團應用一般方法並計量與12個月預期信貸虧損等額的虧損撥備，除非信貸風險自首次確認以來已顯著增加，在該情況下，本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損，乃基於自首次確認起出現違約的可能性或風險是否顯著增加。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Cont'd)

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

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in (1) regulatory, economic or technological environments; (2) business or financial conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- financial re-organisation/restructuring entered by the debtors.

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產及其他項目之減值須根據香港財務報告準則第9號進行減值評估(續)

- (i) 信貸風險顯著增加
於評估信貸風險是否自首次確認以來已顯著增加時，本集團比較金融工具於結算日出現違約的風險與該金融工具於首次確認日期出現違約的風險。作此評估時，本集團均會考慮合理可作為依據的定量及定性資料，包括過往經驗及無需過多成本或精力即可得的前瞻性資料。

尤其是，評估信貸風險是否顯著增加時會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期重大惡化；
- 信貸風險的外界市場指標的重大惡化，例如信貸息差、債務人的信貸違約掉期價大幅增加；
- 預期將導致債務人履行其債務責任的能力大幅下降的(1)監管、經濟或技術環境；(2)業務或財務狀況的現有或預測不利變動；
- 債務人經營業績的實際或預期重大惡化；或
- 債務人進行財務重組／重整。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Cont'd)

(i) Significant increase in credit risk (Cont'd)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due (except for term loans where a longer period of "past due" has been applied by the management in view of the nature of the operation of the business and practice in managing the credit risk), unless the Group has reasonably supportable information that demonstrates otherwise.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產及其他項目之減值須根據香港財務報告準則第9號進行減值評估(續)

(i) 信貸風險顯著增加(續)

不論上述評估結果如何，本集團假設當合約付款逾期超過30日時，信貸風險已自首次確認以來顯著增加(惟管理層鑑於業務營運性質及管理信貸風險常規而應用更長「逾期」期間的有期貸款除外)，除非本集團有合理可作為依據的資料顯示並非如此則作別論。

就貸款承擔及財務擔保合約而言，本集團訂立不可撤銷承諾之日期被視為評估金融工具減值之首次確認日期。在評估自首次確認貸款承擔以來信貸風險是否顯著增加時，本集團考慮與貸款承擔相關的貸款出現違約之風險變動；就財務擔保合約而言，本集團考慮指定債務人之違約風險變動。

本集團定期監控用於識別信貸風險是否顯著增加的標準是否有效及適時修訂該等標準，以確保有關標準能於款項逾期前識別信貸風險的顯著增加。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Cont'd)

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產及其他項目之減值須根據香港財務報告準則第9號進行減值評估(續)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

(ii) 違約之定義

就內部信貸風險管理而言，本集團於內部制定或自外部來源取得的資料顯示債務人不可能悉數(不計及本集團所持任何抵押品)償還其債權人(包括本集團)時視作發生違約事件。

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due (except for term loans where a longer period of "past due" has been applied by the management in view of the nature of the operation of the business and practice in managing the credit risk), unless the Group has reasonably supportable information to demonstrate that a more lagging default criterion is more appropriate. In particular, the following qualitative indicators are taken into account in determining the risk of a default occurring:

除上述者外，本集團認為，倘金融資產逾期超過90日(惟管理層鑑於業務營運性質及管理信貸風險常規而應用更長「逾期」期間的有期貸款除外)，則違約已經發生，惟本集團擁有合理可作為依據資料顯示一項更滯後的違約標準更為合適，則另作別論。具體而言，於釐定發生違約的風險時，已考慮以下定性指標：

- probable bankruptcy entered by the borrowers; and
- death of the debtor.

- 借款人可能破產；及
- 債務人身故。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Cont'd)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lenders of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower concessions that the lenders would not otherwise consider;
- (d) probable bankruptcy or other financial reorganisation entered by the borrower; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產及其他項目之減值須根據香港財務報告準則第9號進行減值評估(續)

(iii) 信貸減值金融資產

當發生一項或多項對金融資產估計未來現金流量有不利影響之違約事件時，金融資產出現信貸減值。金融資產信貸減值之證據包括以下可觀察事件：

- (a) 發行人或借款人陷入重大財務困難；
- (b) 違反合約，如違約或逾期事件；
- (c) 借款人之放款人因與借款人出現財務困難有關之經濟或合約理由而給予借款人在一般情況下放款人不予考慮之優惠條件；
- (d) 借款人有可能破產或進行其他財務重組；或
- (e) 由於財務困難致使金融資產之活躍市場消失。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Cont'd)

(iv) Write-off policy

The Group writes off the gross carrying amount of a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss with such amounts shown with "Net impairment losses on financial instruments".

(v) Measurement and recognition of ECL

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

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition for financial assets.

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

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產及其他項目之減值須根據香港財務報告準則第9號進行減值評估(續)

(iv) 撇銷政策

當有資料顯示對手方處於嚴重財務困難，且並無合理預期收回時(例如對手方進入破產程序)，則本集團會撇銷金融資產的賬面總值。已撇銷的金融資產仍可能需要根據本集團的收回程序進行法律行動，惟需於適當時候聽取法律意見。撇銷構成終止確認事件。任何其後收回於損益確認，有關金額於「金融工具之減值虧損淨額」列示。

(v) 計量及確認預期信貸虧損

計量預期信貸虧損乃違約概率、違約損失率程度(即倘發生違約的損失程度)及違約風險的函數。違約概率及違約損失率程度的評估根據歷史數據及前瞻性資料。預期信貸虧損的估算反映以各自發生違約的風險作加權的公正及概率加權金額。

一般而言，預期信貸虧損乃根據合約應付本集團的所有合約現金流與本集團預期將收取的所有現金流量間的差額估計，並按金融資產首次確認時釐定的實際利率貼現。

就財務擔保合約而言，由於根據擔保工具條款，本集團僅須於債務人違約時作出付款。預計損失為償還持有人所產生信貸虧損的預計款項之現值減本集團預計自持有人、債務人或任何其他方收取的任何金額。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Cont'd)

- (v) Measurement and recognition of ECL (Cont'd)
For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitments draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

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

ECL for certain loans and advances to consumer finance customers are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產及其他項目之減值須根據香港財務報告準則第9號進行減值評估(續)

- (v) 計量及確認預期信貸虧損(續)
就未提用貸款承擔而言，預期信貸虧損為貸款承擔持有人提取貸款時本集團應付合約現金流與倘貸款被提取時本集團預期所收取之現金流量的差額現值。

就財務擔保合約或貸款承擔之預期信貸虧損而言，由於實際利率無法釐定，本集團將應用反映貨幣時間價值及現金流特有風險的目前市場評估的貼現率，惟僅在透過調整貼現率而非調整貼現現金差額的方式計及風險的情況下，方應用有關貼現率。

若干消費金融客戶貸款及墊款之預期信貸虧損按組合基準考慮，並考慮到逾期資料及相關信貸資料，如前瞻性宏觀經濟資料。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Cont'd)

(v) Measurement and recognition of ECL (Cont'd)
For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- past-due status;
- nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in debt securities that are measured at FVTOCI, loan commitments and financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of term loans, trade and other receivables, loans and advances to consumer finance customers and mortgage loans where the corresponding adjustment is recognised through a loss allowance account.

For investments in debt securities that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the investment revaluation reserve without reducing the carrying amount of these debt securities.

For loan commitments and financial guarantee contracts, the loss allowances are recognised as provisions.

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產及其他項目之減值須根據香港財務報告準則第9號進行減值評估(續)

(v) 計量及確認預期信貸虧損(續)
為進行組合評估，本集團於制定分組時考慮到以下特點：

- 逾期狀況；
- 債務人的性質、規模及行業；及
- 可用的外部信貸評級。

管理層定期檢討分組，以確保各組別的組成成份繼續擁有類似的信貸風險特徵。

利息收入乃按金融資產之賬面總值計算，除非金融資產已經信貸減值，在該情況下，利息收入乃按金融資產之攤銷成本計算。

除透過其他全面收益按公平價值處理計量之債務證券之投資、貸款承擔及財務擔保合約外，本集團透過調整全部金融工具之賬面值於損益確認其減值收益或虧損，惟有期貸款、貿易及其他應收款項、消費金融客戶貸款及墊款及按揭貸款之相關調整乃透過虧損撥備賬目確認。

就透過其他全面收益按公平價值處理計量之債務證券之投資而言，虧損撥備於其他全面收益確認，並於投資重估儲備累計，而毋須削減該等債務證券之賬面值。

就貸款承擔及財務擔保合約而言，虧損撥備乃確認為撥備。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt security classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated profits.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

終止確認金融資產

只有當資產現金流量的合約權利屆滿時，或轉讓該金融資產及轉移其所有權的絕大部分風險及回報至另一實體時，本集團方會終止確認金融資產。若本集團既無轉移亦無保留已轉讓資產所有權的絕大部分風險及回報，並繼續控制所轉讓資產，本集團將確認於該資產之保留權益及可能須支付之相關負債。若本集團仍保留已轉讓金融資產的所有權的絕大部分風險及回報，則將繼續確認該金融資產，並就已收所得款項確認有抵押借貸。

當終止確認按攤銷成本計量的金融資產時，該資產賬面值、所收及應收代價之差額於損益中確認。

當終止確認分類為透過其他全面收益按公平價值處理之債務證券中的投資時，先前於透過其他全面收益按公平價值處理儲備內積存的累計收益或虧損重新分類至損益。

當終止確認本集團於選擇於首次確認時以透過其他全面收益按公平價值處理的權益工具投資時，先前於投資重估儲備內積存的累計收益或虧損不會重新分類至損益，而是轉撥至累計溢利。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Modification of financial assets

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

3.2 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的修改

倘合約現金流量重新磋商或以其他方式修訂，則產生金融資產的修改。

When the contractual terms of a financial asset are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If a qualitative assessment is not conclusive, the Group considers the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset, after reducing gross carrying amount that has been written off.

當金融資產的合約條款被修訂時，本集團會考慮所有相關事實及情況(包括定性因素)，評估經修訂的條款是否導致對原有條款有重大修訂。倘定性評估並無定論，且根據新條款的現金流量(包括任何已付費用減任何已收費用，並使用原實際利率貼現)的貼現值與原金融資產剩餘現金流量的貼現值經扣減已撇銷的賬面總值後相差至少10%，則本集團認為該等條款有重大差異。

For non-substantial modifications of financial assets that do not result in derecognition, the carrying amount of the relevant financial assets will be calculated at the present value of the modified contractual cash flows discounted at the financial assets' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial assets and are amortised over the remaining term. Any adjustment to the carrying amount of the financial asset is recognised in profit or loss at the date of modification.

就不會導致金融資產終止確認的非重大修改而言，相關金融資產的賬面值將以經修訂合約現金流量的現值計算，按金融資產的原始實際利率貼現。產生的交易成本或費用按經修訂金融資產的賬面值調整，並於餘下期間攤銷。金融資產賬面值的任何調整於修改日期在損益確認。

Fair value measurement principles

Fair values of quoted investments are based on quoted prices. For unlisted securities or financial assets without an active market, the Group establishes the fair value by using appropriate valuation techniques including the use of recent arm's length transactions, reference to other investments that are substantially the same, discounted cash flow analysis and option pricing models.

公平價值計量原則

掛牌投資之公平價值以市場報價為準。對於沒有活躍市場之非上市證券或金融資產，本集團以適當之估值方法確定其公平價值，包括採用近期之正常交易，參考其他大致相同之投資、現金流量折現分析、及期權定價模式等。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

金融工具(續)

金融負債及權益工具

分類為債務或權益

債項及權益工具乃根據合同安排之性質以及金融負債及權益工具之定義分類為金融負債或權益。

金融負債

所有金融負債其後使用實際利息法按攤銷成本計量或透過損益賬按公平價值處理。

透過損益賬按公平價值處理之金融負債

當金融負債(i)為香港財務報告準則第3號適用之業務合併中收購方之或然代價，(ii)持作買賣或(iii)指定為透過損益賬按公平價值處理，則分類為透過損益賬按公平價值處理。

倘發生下列情況，則金融負債為持作交易：

- 該金融負債主要用於在不久期限購回；或
- 該金融負債是於首次確認時作為本集團整合管理的已識別金融工具組合的一部分，且有近期實現短線套利模式；或
- 該金融負債為衍生工具，惟不包括財務擔保合約或指定為有效對沖工具的衍生工具。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity instruments (Cont'd)

Financial liabilities at FVTPL (Cont'd)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated profits upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities including bank and other borrowings, trade and other payables, financial assets sold under repurchase agreements, amounts due to associates, amounts due to joint ventures and notes/paper payable are subsequently measured at amortised cost, using the effective interest method.

3.2 主要會計政策(續)

金融工具(續)

金融負債及權益工具(續)

透過損益賬按公平價值處理之金融負債(續)

倘發生下列情況，則持作交易用途之金融負債或業務合併中收購方之或然代價除外之金融負債可於首次確認時指定為透過損益賬按公平價值處理之金融負債：

- 該指定消除或大幅減少可能另外產生之計量或確認不一致；或
- 金融負債構成金融資產或金融負債或兩者之組別之一部分，並根據本集團之已定風險管理或投資策略按公平價值基準管理及評估其表現，該組別之資料按該基準內部提供；或
- 其構成包括一個或以上嵌入式衍生工具之合約之一部分，香港財務報告準則第9號允許全部合併合約指定為透過損益賬按公平價值處理。

就指定為透過損益賬按公平價值處理之金融負債而言，因金融負債的信貸風險變動而造成的金融負債公平價值變動金額，於其他全面收益確認，除非於其他全面收益確認負債信貸風險變動的影響將造成或擴大損益的會計錯配則除外。因金融負債信貸風險而造成的公平價值變動如於其他全面收益確認，其後不會重新分類至損益，而是於終止確認金融負債時轉撥至累計溢利。

按攤銷成本列賬之金融負債

金融負債(包括銀行及其他借款、貿易及其他應付款項、回購協議下出售之金融資產、欠聯營公司款項、欠合營公司款項及應付票據)其後使用實際利息法按攤銷成本計量。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity instruments (Cont'd)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee are measured initially at their fair value. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Financial assets sold under repurchase agreements

Financial assets sold under repurchase agreements continue to be recognised, (i.e. the repurchase agreements do not result in a derecognition of the financial assets), and are recorded as “financial assets at FVTPL”. Financial assets sold subject to agreements with a commitment to repurchase at a specific future date are not derecognised in the consolidated statement of financial position. The proceeds from selling such assets are presented as “financial assets sold under repurchase agreements” in the consolidated statement of financial position. Financial assets sold under repurchase agreements are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

金融工具(續)

金融負債及權益工具(續)

財務擔保合約

財務擔保合約乃規定發行人須支付特定款項以補償持有人因特定債務人未能按照債務工具之原有或經修訂條款於到期時支付款項所蒙受損失之合約。財務擔保初步以公平價值計量。其後，按以下列較高者計量：

- 根據香港財務報告準則第9號釐定虧損撥備金額；及
- 首次確認金額減(如適用)擔保期內累計攤銷後的金額。

回購協議下出售之金融資產

回購協議下出售之金融資產繼續予以確認(即並無導致終止確認金融資產的回購協議)，並按「透過損益賬按公平價值處理之金融資產」列賬。根據附帶於特定未來日子回購承諾的協議出售之金融資產不會於綜合財務狀況表內終止確認。銷售有關資產的所得款項於綜合財務狀況表內列作「回購協議下出售之金融資產」。回購協議下出售之金融資產初步按公平價值計量及其後使用實際利息法按攤銷成本計量。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity instruments (Cont'd)

Derecognition/modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3.2 主要會計政策(續)

Financial instruments (續)

金融負債及權益工具(續)

金融負債的終止確認/修改

當且僅當本集團之責任獲解除、取消或到期時，本集團方終止確認金融負債。已終止確認金融負債賬面值與已付及應付代價之間的差額於損益確認。

當金融負債的合約條款被修訂時，本集團會考慮所有相關事實及情況(包括定性因素)，評估經修訂的條款是否導致對原有條款的重大修改。倘定性評估並無定論，則本集團認為，倘根據新條款現金流量經折貼現值(包括任何已付費用減任何已收並使用原實際利率法貼現之任何費用)與原有金融負債剩餘現金流量經貼現值相差至少10%以上，則有關條款屬重大差別。因此，該條款修訂入賬為終止確認，任何已產生的成本或費用確認為終止確認的收益或虧損的一部分。當差別少於10%時，該交換或修訂被視為非重大修訂。

權益工具

權益工具指能證明於實體扣除其所有負債後之資產中擁有之剩餘權益之任何合約。本公司發行之權益工具按已收所得款項減直接發行成本而確認。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity instruments (Cont'd)

Equity instruments (Cont'd)

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Repurchased shares that are not subsequently cancelled are classified as treasury shares and presented as a deduction from total equity.

Dividend distribution to the Company's owners is recognised as a liability in the period in which the dividends are approved by the directors or shareholders of the Company as appropriate.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of HKFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

金融工具(續)

金融負債及權益工具(續)

權益工具(續)

購回本公司權益工具直接於權益確認及扣除。於購回、銷售、發行或註銷本公司權益工具時並無於損益確認盈虧。購回但其後並無註銷之股份歸類為庫存股份，入賬從總權益扣除。

派發予本公司擁有人之股息於適當的情況下獲得本公司董事或股東批准期間確認為負債。

衍生金融工具

衍生工具於衍生工具合約訂立當日初步按公平價值確認，其後於報告期末按公平價值重新計量，因而產生之收益或虧損即時於損益確認，除非該衍生工具被指定為有效的對沖工具則作別論，在此情況下，其在損益確認之時間將取決於對沖關係之性質。

嵌入式衍生工具

嵌入混合合約(包含香港財務報告準則第9號界定範圍內的主金融資產)的衍生工具，不會視為單獨的衍生工具。整個混合合約整體分類及其後按攤銷成本或公平價值計量(如適用)。

當非衍生工具主合約(並非香港財務報告準則第9號界定範圍內的金融資產)之嵌入式衍生工具符合衍生工具之定義，其風險及特徵與主合約之風險及特徵並無密切關連，且主合約並非以透過損益賬按公平價值處理計量時，該等衍生工具作為獨立衍生工具處理。

一般而言，於單一工具內與主合約分開之多項嵌入式衍生工具作為單一複合嵌入式衍生工具處理，除非該等衍生工具涉及不同風險，且各自可隨時分割及獨立。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 Significant accounting policies (Cont'd)

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.2 主要會計政策(續)

抵銷金融資產及金融負債

僅當本集團目前有合法可強制執行權利抵銷已確認金額；且擬以淨額基準結算或同時變現資產及清償負債，金融資產與金融負債方可抵銷，淨額於綜合財務狀況表呈列。

Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, if it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

撥備及或然負債

當本集團因過去事件導致現時有法律或推定責任，同時本集團有可能需要支付該責任，且該責任可以可靠地估計時，則對此確認為撥備。

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

確認撥備之金額乃經計及有關責任之風險及不確定因素後，於報告期末履行現時責任所需代價作出之最佳估計。當撥備按履行現時責任估計所需之現金流量計量時，其賬面值為有關現金流量之現值(倘貨幣時間價值之影響重大)。

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

或然負債指因過往事件而可能引起之責任，該等責任須視乎日後有否發生或不發生一項或多項並非本集團所能完全控制之事件方可確實。或然負債亦包括因過去事件引起，惟因未必有需要流出經濟資源或無法可靠計算該責任之數額而不予確認之現有責任。

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements as "Other Financial Liabilities". When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

或然負債不會確認，惟會列為「其他金融負債」於綜合財務報表附註披露。倘資源流出之可能性有變而很可能導致資源流出，則或然負債將確認為撥備。

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

存貨

存貨按成本與可變現淨值兩者中較低者入賬。存貨成本按加權平均法釐定。可變現淨值指存貨的估計售價減去估計完成的所有成本以及進行銷售所需的成本。

for the year ended 31st December, 2020

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Significant accounting policies (Cont'd)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and short-term time deposits. Cash and cash equivalents are assessed for expected credit losses in accordance with the above accounting policy "Financial Instruments – Measurement and recognition of ECL".

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the consolidated financial statements, the Group has made accounting related estimates based on assumptions about current and, for some estimates, future economic and market conditions and in particular has assumed that the current market conditions as a result of the COVID-19 pandemic is not a long-term norm. Although our estimates and assumptions contemplate current and, as applicable, expected future conditions that the Group considers are relevant and reasonable, including but not limited to the potential impacts to our operations arising from the COVID-19 pandemic and different monetary, fiscal and government policy responses aimed at reviving the economies, it is reasonably possible that actual conditions could differ from our expectations. In particular, a number of estimates have been and will continue to be affected by the ongoing COVID-19 outbreak. The severity, magnitude and duration, as well as the economic consequences of the COVID-19 pandemic, are uncertain, rapidly changing and currently impossible to predict. As a result, our accounting estimates and assumptions may change over time in response to the way in which market conditions develop. In addition, actual results could differ significantly from those estimates and assumptions.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are set out as follows.

Estimate of fair value of investment properties

At the end of the reporting period, investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value, the valuer has based on a method of valuation which involves certain estimates. In relying on the valuation report, the management has exercised their judgment and is satisfied that the assumptions used in valuation are reflective of the current market conditions. Changes to these estimation, assumptions and key inputs would result in changes in the fair values of the Group's investment properties and the corresponding adjustments would be recognised in profit or loss. Note 17 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of investment properties.

截至二零二零年十二月三十一日止年度

3. 綜合財務報表之編製基準及主要會計政策(續)

3.2 主要會計政策(續)

現金及現金等價物

現金及現金等價物包括手頭現金、銀行結餘及短期定期存款。現金及現金等價物根據上述會計政策「金融工具－計量及確認預期信貸虧損」作預期信貸虧損評估。

4. 估計不確定因素之主要來源

編製綜合財務報表時，本集團已基於對目前、未來(就某些估計)的經濟及市場狀況之假設(尤其是假設因新冠病毒疫情而引致之當前市場狀況並非長期常態)而作出與會計相關之估計。儘管我們的估計及假設已考慮目前及(如適用)本集團認為屬相關及合理之預期未來狀況，包括但不限於因新冠病毒疫情及為復甦經濟而推行之不同貨幣、財政及政府政策對我們業務的潛在影響，但實際情況可能合理有別於我們的預期。尤其是，多項估計已經並將會繼續受到新冠病毒持續爆發所影響。新冠病毒疫情的嚴重程度、幅度及持續時間與其帶來的經濟後果仍不明確，瞬息萬變且不可能於目前預測。因此，我們的會計估計與假設可能因應市場狀況之發展而改變。此外，實際結果可能與該等估計及假設大相逕庭。

於報告期末，就有關日後及其他估計不明朗因素主要來源作出的主要假設存在重大風險，導致下個財政年度內資產及負債的賬面值出現重大調整，於下文有所述及。

投資物業之公平價值估計

於報告期末，投資物業按獨立專業估值師所評估的公平價值列賬。估值師決定公平價值時乃根據包含若干估計的估值方法進行，管理層倚賴估值報告時已作出判斷及信納估值所用的假設乃反映市場現況。這些估計、假設和主要輸入的變化將導致本集團投資物業的公平價值發生變化，相應的調整將在損益中確認。附註17載有釐定投資物業公平價值所使用估值技術、輸入數據及主要假設的詳細資料。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

4. 估計不確定因素之主要來源(續)

Recoverable amounts of associates

- (i) In determining the recoverable amount of Tian An China Investments Company Limited (“TACI”), a listed associate included in note 23 (Note (i)), management used appropriate assumptions to estimate the value in use based on discounted future cash flows of the associate. Where those assumptions and/or future cash flows are different from expected, impairment may arise.
- (ii) In determining the recoverable amount of APAC Resources Limited (“APAC”), a listed associate included in note 23 (Note (i)), management used the fair value less costs of disposal based on the market value of APAC’s interest in its associates plus its other assets and liabilities, and assessed if any impairment may arise.

聯營公司之可收回金額

- (i) 在釐定於附註23(註解(i))所包括之一間上市聯營公司天安中國投資有限公司(「天安」)之可收回金額時，管理層利用恰當的假設按聯營公司之折現未來現金流對使用價值作出估計。該等假設及／或未來現金流與預期有所出入時，減值可能產生。
- (ii) 在釐定於附註23(註解(i))所包括之一間上市聯營公司亞太資源有限公司(「亞太資源」)之可收回金額時，管理層使用按亞太資源於其聯營公司之權益的市值加亞太資源其他資產及負債所得之公平價值減出售成本，及評估是否可能產生減值。

Impairment allowances on loans and advances to consumer finance customers

The ECL for loans and advances to consumer finance customers is assessed individually and/or collectively for the balances which were individually insignificant. The grouping are based on ageing of different consumer finance loan products that have similar loss patterns. In determining the impairment allowances on loans and advances to consumer finance customers, the estimates would include:

- the Company’s internal credit risk categories, which assigns probabilities of default to the individual categories;
- the grouping of debtors;
- the selection of forward-looking factors and the relative weightings of forward-looking scenarios; and
- the amounts and timing of future cash flows, guarantees and collateral values when determining impairment allowances.

消費金融客戶貸款及墊款之減值撥備

消費金融客戶貸款及墊款之預期信貸虧損單獨評估及／或(若個別餘額不重大)組合評估。分組乃基於具有類似虧損模式的不同消費金融貸款產品的賬齡。釐定消費金融客戶貸款及墊款減值撥備時，所作估計包括：

- 本公司的內部信貸風險分類，指定各類別的違約率；
- 債務人分組；
- 選擇前瞻性因素及前瞻性場景的相對權重；及
- 釐定減值撥備有關的未來現金流量的金額及時間、擔保以及抵押品價值。

for the year ended 31st December, 2020

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Impairment allowances on loans and advances to consumer finance customers (Cont'd)

The provision of ECL is sensitive to changes in estimates and these estimates would include the amount and timing of future cash flows, guarantees and collateral values when determining impairment allowances. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Group considers reasonably supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis. Details of ECL are set out in note 43(b). The information about the ECL and the Group's loans and advances to consumer finance customers are disclosed in note 26.

Impairment allowances on term loans and mortgage loans

In determining impairment allowances on term loans and mortgage loans, the measurement of ECL requires estimation of the amounts and timing of future cash flows and the assessment of whether have been a significant increase in credit risk.

The estimations and assumptions include:

- the selection of inputs which the Group used in the ECL model including loss given default and probability of default;
- the selection of forward-looking factors and the relative weightings of forward-looking scenarios; and
- the amounts and timing of future cash flows, guarantees and value of the collaterals received from the customers.

The provision of ECL is sensitive to changes in estimates. The estimates would include the amounts and timing of future cash flows, guarantees and collateral values when determining impairment allowances. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Group considers reasonably supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis. Details of ECL are set out in note 43(b). The information about the ECL and the Group's mortgage loans and term loans are disclosed in notes 27 and 29.

截至二零二零年十二月三十一日止年度

4. 估計不確定因素之主要來源(續)

消費金融客戶貸款及墊款之減值撥備(續)

預期信貸虧損的撥備會受估計變動所影響及釐定減值撥備的該等估計包括未來現金流、保證及抵押品價值的金額及時間。該等估計受多項因素影響，其變動可造成不同撥備水平。本集團就此考慮相關及無需過多成本或精力即可獲得的合理可作依據的資料。這包括定量及定性資料，亦包括前瞻性分析。預期信貸虧損的詳情載於附註43(b)。有關預期信貸虧損及本集團消費金融客戶貸款及墊款的資料於附註26披露。

有期貸款及按揭貸款之減值撥備

釐定有期貸款及按揭貸款之減值撥備時，計量預期信貸虧損需估計未來現金流量的金額及時間，評估信貸風險有否顯著增加。

估計及假設包括：

- 選擇本集團在預期信貸虧損模式中使用的輸入數據(包括違約損失率及違約概率)；
- 選擇前瞻性因素及前瞻性場景的相對權重；及
- 未來現金流量的金額及時間、擔保以及自客戶收取的抵押品價值。

預期信貸虧損的撥備會受估計變動所影響。釐定減值撥備的估計包括未來現金流、保證及抵押品價值的金額及時間。該等估計受多項因素影響，其變動可造成不同撥備水平。本集團就此考慮相關及無需過多成本或精力即可獲得的合理可作依據的資料。這包括定量及定性資料，亦包括前瞻性分析。預期信貸虧損的詳情載於附註43(b)。有關預期信貸虧損及集團按揭貸款及有期貸款的資料於附註27及29披露。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

4. 估計不確定因素之主要來源(續)

Estimated impairment of goodwill and intangible assets with indefinite useful lives

The Group conducts tests for impairment of goodwill and intangible assets with indefinite useful lives annually in accordance with the relevant accounting standards. Determining whether the goodwill and the intangible assets are impaired requires an estimation of the fair value less costs to sell or value in use on the basis of data available to the Group. Where future cash flows are less than expected, an impairment loss may arise. Furthermore, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainties in the current year due to uncertainty on how the COVID-19 pandemic may progress and evolve and volatility in financial markets, including potential disruptions of the Group's financing and investing business. The information about the impairment testing on goodwill with indefinite useful lives are disclosed in note 22.

商譽及無固定可使用年期之無形資產之估計減值

本集團根據相關會計準則，每年對商譽及無固定可使用年期之無形資產進行減值測試。在釐定商譽及無形資產是否減值時，要求根據本集團可得到之資料對公平價值減出售成本或使用價值作出估計。倘未來現金流量低於預期，則可能產生減值虧損。此外，由於新冠病毒疫情的發展及演變存在不確定性，加上金融市場波動，故估計現金流量及折現率存在更多不明朗因素，包括對本集團融資及投資業務的潛在干擾。有關無固定可使用年期之商譽之減值測試資料於附註22披露。

Deferred tax

Estimating the amount for recognition of deferred tax assets arising from tax losses and other deductible temporary differences requires a process that involves forecasting future years' taxable income and assessing the Group's ability to utilise tax benefits through future earnings. Where the actual future profits generated are more or less than expected, a recognition or reversal of the deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition or reversal takes place. While the current financial models indicate that the recognised tax losses and deductible temporary differences can be utilised in the future, any changes in assumptions, estimates and tax regulations can affect the recoverability of this deferred tax asset.

遞延稅項

估計因稅項虧損及其他可扣稅臨時差額產生之確認遞延稅項資產金額需要經過涉及預測未來數年之應課稅收入及評估本集團透過未來盈利利用稅項利益之能力之過程。倘產生之實際未來溢利高於或低於預期，則可能產生遞延稅項資產確認或撥回，並將於確認或撥回發生之期間在損益確認。倘現有財務模式顯示已確認稅項虧損及可扣稅臨時性差額可於未來動用，則任何假設、估計及稅務規例之變動可能影響該遞延稅項資產之可收回性。

for the year ended 31st December, 2020

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Fair value of derivatives and financial instruments

As at 31st December, 2020, a significant amount of the Group's financial assets, including unlisted preferred and ordinary shares, unlisted preference shares issued by an unlisted company, unlisted overseas equity securities with a put right and unlisted overseas investment funds with carrying amounts at 31st December, 2020 of HK\$134.5 million, HK\$1,174.0 million, HK\$635.7 million and HK\$9,636.4 million (2019: HK\$110.3 million, Nil, HK\$778.7 million and HK\$6,292.7 million), respectively are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Whilst the Group considers these valuations are the best estimates, the ongoing COVID-19 pandemic has resulted in greater market volatility and may cause further disruptions to the investees'/ issuers' businesses, which have led to higher degree of uncertainties in respect of the valuations in the current year. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. Details of the fair value measurements of these derivatives and financial instruments are disclosed in note 25.

截至二零二零年十二月三十一日止年度

4. 估計不確定因素之主要來源(續)

衍生工具及金融工具之公平價值

於二零二零年十二月三十一日，本集團大量金融資產(包括非上市優先股及普通股、一間非上市公司發行之非上市優先股、含認沽權之非上市海外股本證券及非上市海外投資基金，其於二零二零年十二月三十一日之賬面值分別為134.5百萬港元、1,174.0百萬港元、635.7百萬港元及9,636.4百萬港元(二零一九年：110.3百萬港元、零、778.7百萬港元及6,292.7百萬港元))按公平價值計量，而其公平價值乃根據重大不可觀察輸入數據使用估值技術釐定。在確定相關估值技術及其相關輸入數據時需要作出判斷和估計。雖然本集團認為該等估值為最佳估計，但新冠病毒疫情持續導致市場波動加劇，可能令被投資方/發行人的業務進一步中斷，這會導致本年度估值的不確定性增加。與該等因素有關之假設如有變化，或會導致該等工具之公平價值須作出重大調整。衍生工具及金融工具之公平價值計量詳情於附註25披露。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

5. REVENUE

Revenue represents the amounts received and receivable that are derived from the provision of consumer finance, property rental, hotel operations and property management services, provision of consultancy and other services, interest and dividend income, income from advisory services, income from term loan financing and elderly care services. An analysis of the Group's revenue for the year is as follows:

5. 收入

收入代表來自提供消費金融、物業租賃、酒店業務及物業管理服務、提供顧問及其他服務、利息及股息收入、顧問服務收入、有期貨款融資收入及護老服務收入已收及應收之款項。以下為本集團年度收入之分析：

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Contracts with customers	客戶之合約		
Hotel operations	酒店業務	20.1	54.0
Management services	管理服務	252.3	296.1
Advisory and service income, commission income and others	顧問及服務收入、 佣金收入及其他	49.1	147.4
Elderly care services	護老服務	113.6	107.1
		435.1	604.6
Interest income on loans and advances to consumer finance customers	消費金融客戶貸款及 墊款之利息收入	3,309.6	3,480.7
Interest income received from term loans and others	來自自有期貸款及 其他來源之利息收入	805.4	924.2
Property rental	物業租賃	230.0	229.7
Dividend income	股息收入	59.0	37.9
Distribution from perpetual securities	分派自永續證券	5.5	1.6
		4,409.5	4,674.1
		4,844.6	5,278.7

Revenue from contracts with customers of HK\$435.1 million (2019: HK\$604.6 million) for the year ended 31st December, 2020 comprises HK\$49.9 million (2019: HK\$130.3 million) recognised at a point in time and HK\$385.2 million (2019: HK\$474.3 million) recognised overtime.

截至二零二零年十二月三十一日止年度來自客戶之合約收入435.1百萬港元(二零一九年：604.6百萬港元)包括於某時間點確認之49.9百萬港元(二零一九年：130.3百萬港元)及於一段時間確認之385.2百萬港元(二零一九年：474.3百萬港元)。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

5. REVENUE (CONT'D)

Revenue from contracts with customers are included in the segment revenue as follows:

5. 收入(續)

來自客戶之合約收入計入分部收入，列示如下：

		2020 二零二零年					
		Investment and finance 投資及金融 HK\$ Million 百萬港元	Consumer finance 消費金融 HK\$ Million 百萬港元	Property development and investment 物業發展及投資 HK\$ Million 百萬港元	Property management and elderly care services 物業管理及護老服務 HK\$ Million 百萬港元	Corporate and other operations 企業及其他業務 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
Hotel operations	酒店業務	-	-	20.1	-	-	20.1
Management services	管理服務	-	-	6.8	192.6	52.9	252.3
Advisory and service income, commission income and others	顧問及服務收入、佣金收入及其他	30.7	18.4	-	-	-	49.1
Elderly care services	護老服務	-	-	-	113.6	-	113.6
Revenue from contracts with customers	來自客戶之合約收入	30.7	18.4	26.9	306.2	52.9	435.1
		2019 二零一九年					
		Investment and finance 投資及金融 HK\$ Million 百萬港元	Consumer finance 消費金融 HK\$ Million 百萬港元	Property development and investment 物業發展及投資 HK\$ Million 百萬港元	Property management and elderly care services 物業管理及護老服務 HK\$ Million 百萬港元	Corporate and other operations 企業及其他業務 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
Hotel operations	酒店業務	-	-	54.0	-	-	54.0
Management services	管理服務	0.4	-	10.3	231.2	54.2	296.1
Advisory and service income, commission income and others	顧問及服務收入、佣金收入及其他	126.9	20.5	-	-	-	147.4
Elderly care services	護老服務	-	-	-	107.1	-	107.1
Revenue from contracts with customers	來自客戶之合約收入	127.3	20.5	64.3	338.3	54.2	604.6

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

6. SEGMENTAL INFORMATION

The operating business organised and managed in each segment represents a strategic business unit that offers different products and services for the purpose of resource allocation and assessment of segment performance by the Executive Directors of the Company. The Group has the following reportable and operating segments:

- Investment and finance – investment and provision of mortgage loan and term loan financing.
- Consumer finance – provision of consumer, SME and other financing.
- Property development and investment – property development, property rental and hotel operations managed by third parties.
- Property management and elderly care services – provision of property management, cleaning and security guarding services in Hong Kong and elderly care services.
- Corporate and other operations – including corporate revenue and expenses and results of unallocated operations.

Inter-segment transactions have been entered into on terms agreed by the parties concerned.

The COVID-19 pandemic has impacted almost all aspects of our business, particularly consumer finance, specialty finance and investment management of SHK included in the investment and finance segment. In addition, the results of the property development and investment segment and share of results of an associate of the Company, TACI, were also impacted.

6. 分部資料

各分部所組織及管理的業務營運，乃代表提供不同產品及服務以供本公司執行董事分配資源及評估分部表現的策略性業務單位。本集團之可報告及營運分部如下：

- 投資及金融 – 投資及提供按揭貸款以及有期貸款融資。
- 消費金融 – 提供消費、中小企及其他金融信貸。
- 物業發展及投資 – 物業發展、物業租賃以及由第三方管理之酒店業務。
- 物業管理及護老服務 – 於香港提供物業管理、清潔及護衛服務及護老服務。
- 企業及其他業務 – 包括企業收入及開支以及未分配業務業績。

分部間之交易乃按有關訂約各方所議定之條款訂立。

新冠病毒疫情對業務各方面造成了影響，尤其是消費金融分部、計入投資及金融分部的新鴻基的專業融資及投資管理業務。此外，物業發展及投資分部的業績及應佔一間聯營公司天安的業績亦受影響。

for the year ended 31st December, 2020

6. SEGMENTAL INFORMATION (CONT'D)

(i) Consumer finance

The consumer finance business segment experienced reduced profitability in 2020 as the interest income decreased by 5%. Although businesses picked up in second half of the year, the overall increase in loan portfolio could not lead to a full year return, particular in the Mainland China business for 2020. The economic outlook in 2021 is uncertain and operating in competitive environment for consumer finance business remains challenging. United Asia Finance Limited ("UAF") continues to bear the uncertainties embedded with prolonged impact from the COVID-19, progress in rolling out of mass vaccination, continued rebound in the China economy, and the course of Sino-US trade tension in wake of the new US administration. In determining the ECL allowance at 31st December, 2020, and in order to adequately capture the risks inherent in this uncertain environment, management has prepared three forward-looking economic scenarios where the weightings of downside scenarios in relation to Hong Kong and the People's Republic of China ("PRC") economy have been increased.

(ii) Specialty finance

The specialty finance of SHK suffered from a loss in 2020 as a result of an increase in net impairment losses by 88% compared with 2019, reflecting the impact on the economy from various factors including the COVID-19 and political conflicts between PRC and the United States. In order to better reflect the possible future changes in economic activity as a result of the COVID-19, the probability of default used in assessing ECL by management was derived from a regression between GDP growth and historical bad debt ratio. Management concluded that sufficient and adequate ECL was made as at 31st December, 2020.

截至二零二零年十二月三十一日止年度

6. 分部資料(續)

(i) 消費金融

消費金融業務分項的盈利能力於二零二零年有所下降，是由於利息收入減少5%。儘管下半年業務有所回升，但貸款組合的總體增長無法帶來全年回報，尤其是二零二零年的中國內地業務。二零二一年經濟前景不明朗，消費金融業務的經營及競爭環境依然充滿挑戰。亞洲聯合財務有限公司(「亞洲聯合財務」)繼續應對充滿變數的新冠病毒長期影響、大規模疫苗接種的進展、中國經濟持續反彈，及美國新政府上台後中美貿易緊張局勢的走向。於釐定二零二零年十二月三十一日預期信貸虧損時，為充分掌握不確定環境中的固有風險，管理層設定了三種前瞻性經濟情境，而出現香港及中華人民共和國(「中國」)經濟下行情境的機會有所增加。

(ii) 專業融資

二零二零年新鴻基的專業融資錄得虧損，乃由於與二零一九年相比減值虧損淨額增加88%，反映各種因素對經濟的影響，包括新冠病毒及中美政治糾紛。為更能反映因新冠病毒導致未來經濟活動的變化，管理層於評估預期信貸虧損中使用的違約率乃源自本地生產總值增長與歷史壞賬率的迴歸。管理層認為，於二零二零年十二月三十一日已作出充分及充足預期信貸虧損。

6. SEGMENTAL INFORMATION (CONT'D)**(iii) Investment management**

For investment management of SHK, the net gain on financial assets and liabilities and interest income increased by 50% in 2020 compared to 2019. The volatility in financial markets and global economic conditions caused by the pandemic have to date had insignificant impact on the fair value of Level 3 investments. The business invests in Level 3 assets with a focus on private equity funds, direct investments and co-investments. Management obtains latest available fund valuations issued by fund managers or engages independent professionals to prepare valuations where necessary. Management concluded that the fair value of the financial instruments in investment management are properly recorded as at 31st December, 2020.

(iv) Property development and investment segment

The performance of the property development and investment segment was affected because there was a net decrease in fair value of the investment properties portfolio of the Group for the year.

(v) Share of results of TACI

There was a decrease in share of results of TACI for the year mainly due to a decrease in fair value of its investment properties and decrease in share of profit of its joint ventures.

6. 分部資料(續)**(iii) 投資管理**

就新鴻基的投資管理而言，與二零一九年相比，金融資產及負債收益淨額以及利息收入於二零二零年增加50%。金融市場波動及迄今疫情造成的全球經濟狀況對第三級投資公平價值的影響不重大。本分項業務投資於第三級資產，重點為私募股權基金、直接投資及跟投項目。管理層獲得基金經理發出的最新基金估值或委聘獨立專業人士編製估值(倘必要)。管理層認為，於二零二零年十二月三十一日，投資管理金融工具的公平價值乃合適。

(iv) 物業發展及投資分部

本集團於年內投資物業組合之公平價值減少淨額引致物業發展及投資分部的表現受到影響。

(v) 應佔天安的業績

年內應佔天安業績減少，主要是由於其投資物業的公平價值減少及應佔合營公司溢利減少所致。

for the year ended 31st December, 2020

6. SEGMENTAL INFORMATION (CONT'D)

Segment results represent the results earned by each strategic business unit without allocation of impairment loss on interest in an associate, finance costs, share of results of associates and share of results of joint ventures.

(i) Segment revenue and results

Analysis of the Group's revenue and results is as follows:

截至二零二零年十二月三十一日止年度

6. 分部資料(續)

分部業績指各策略性業務單位所賺取業績，並無分配於一間聯營公司之權益之減值虧損、融資成本、應佔聯營公司業績及應佔合營公司業績。

(i) 分部收入及業績

本集團之收入及業績分析如下：

		2020 二零二零年					
		Investment and finance 投資及金融 HK\$ Million 百萬港元	Consumer finance 消費金融 HK\$ Million 百萬港元	Property development and investment 物業發展及 投資 HK\$ Million 百萬港元	Property management and elderly care services 物業管理及 護老服務 HK\$ Million 百萬港元	Corporate and other operations 企業及 其他業務 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
Segment revenue	分部收入	923.8	3,331.0	247.1	309.9	141.5	4,953.3
Less: inter-segment revenue	減：分部間之收入	(4.1)	-	(18.3)	(2.8)	(83.5)	(108.7)
Segment revenue from external customers	來自外部客戶之 分部收入	919.7	3,331.0	228.8	307.1	58.0	4,844.6
Segment results	分部業績	2,669.0	1,238.5	58.0	46.3	(26.6)	3,985.2
Impairment loss on interest in an associate	於一間聯營公司之權益之 減值虧損						(3.2)
Finance costs	融資成本						(542.5)
Share of results of associates	應佔聯營公司業績						618.1
Share of results of joint ventures	應佔合營公司業績	(0.2)	-	(114.9)	-	-	(115.1)
Profit before taxation	除稅前溢利						3,942.5
Taxation	稅項						(286.2)
Profit for the year	本年度溢利						3,656.3

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

6. SEGMENTAL INFORMATION (CONT'D)

6. 分部資料(續)

(i) Segment revenue and results (Cont'd)

(i) 分部收入及業績(續)

		2019 二零一九年					
		Investment and finance 投資及金融 HK\$ Million 百萬港元	Consumer finance 消費金融 HK\$ Million 百萬港元	Property development and investment 物業發展及 投資 HK\$ Million 百萬港元	Property management and elderly care services 物業管理及 護老服務 HK\$ Million 百萬港元	Corporate and other operations 企業及 其他業務 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
Segment revenue	分部收入	1,109.5	3,504.7	287.2	342.1	132.1	5,375.6
Less: inter-segment revenue	減：分部間之收入	(3.2)	-	(18.5)	(3.0)	(72.2)	(96.9)
Segment revenue from external customers	來自外部客戶之 分部收入	1,106.3	3,504.7	268.7	339.1	59.9	5,278.7
Segment results	分部業績	2,632.4	1,276.0	334.5	32.6	(31.9)	4,243.6
Impairment loss on interest in an associate	於一間聯營公司之權益之 減值虧損						(135.9)
Finance costs	融資成本						(481.9)
Share of results of associates	應佔聯營公司業績						1,006.5
Share of results of joint ventures	應佔合營公司業績	1.9	-	91.6	-	-	93.5
Profit before taxation	除稅前溢利						4,725.8
Taxation	稅項						(241.8)
Profit for the year	本年度溢利						4,484.0

for the year ended 31st December, 2020

6. SEGMENTAL INFORMATION (CONT'D)

(ii) Segment assets and liabilities

Segment assets	分部資產
Interests in associates	於聯營公司之權益
Interests in joint ventures	於合營公司之權益
Deferred tax assets	遞延稅項資產
Amounts due from associates	聯營公司欠款
Amounts due from joint ventures	合營公司欠款
Tax recoverable	可收回稅項
Tax reserve certificates	儲稅券
Total assets	資產總額
Segment liabilities	分部負債
Amounts due to associates	欠聯營公司款項
Amounts due to joint ventures	欠合營公司款項
Tax payable	應付稅項
Unallocated bank and other borrowings	未分配銀行及其他借貸
Notes/paper payable	應付票據
Deferred tax liabilities	遞延稅項負債
Total liabilities	負債總額

截至二零二零年十二月三十一日止年度

6. 分部資料(續)

(ii) 分部資產及負債

		2020 二零二零年					
Investment and finance	Consumer finance	Property development and investment	Property management and elderly care services	Corporate and other operations		Total	
投資及金融	消費金融	物業發展及投資	物業管理及 護理服務	企業及 其他業務		總額	
HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	
百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	
28,658.1	13,112.4	9,341.6	216.6	146.9		51,475.6	
466.4	-	3,195.4	-	-		13,820.5	
						3,661.8	
						794.9	
						566.2	
-	-	5.4	-	-		5.4	
						5.2	
						7.1	
						70,336.7	
811.4	6,696.8	99.7	83.6	12.4		7,703.9	
						5.8	
-	-	-	0.1	-		0.1	
						149.8	
						5,603.6	
						7,751.1	
						157.0	
						21,371.3	

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

6. SEGMENTAL INFORMATION (CONT'D)

6. 分部資料(續)

(ii) Segment assets and liabilities (Cont'd)

(ii) 分部資產及負債(續)

		2019 二零一九年					
		Investment and finance 投資及金融 HK\$ Million 百萬港元	Consumer finance 消費金融 HK\$ Million 百萬港元	Property development and investment 物業發展及 投資 HK\$ Million 百萬港元	Property management and elderly care services 物業管理及 護理服務 HK\$ Million 百萬港元	Corporate and other operations 企業及 其他業務 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
Segment assets	分部資產	26,623.5	13,085.6	9,397.1	246.4	662.3	50,014.9
Interests in associates	於聯營公司之權益						13,738.9
Interests in joint ventures	於合營公司之權益	445.5	-	3,308.1	-	-	3,753.6
Deferred tax assets	遞延稅項資產						788.7
Amounts due from associates	聯營公司欠款						526.8
Amounts due from joint ventures	合營公司欠款	-	-	8.8	-	-	8.8
Tax recoverable	可收回稅項						4.4
Tax reserve certificates	儲稅券						7.1
Total assets	資產總額						68,843.2
Segment liabilities	分部負債	1,371.2	6,804.8	88.7	115.6	25.2	8,405.5
Amounts due to associates	欠聯營公司款項						5.7
Amounts due to joint ventures	欠合營公司款項	-	-	40.0	0.1	-	40.1
Tax payable	應付稅項						368.1
Unallocated bank and other borrowings	未分配銀行及 其他借貸						2,874.5
Notes/paper payable	應付票據						8,201.5
Deferred tax liabilities	遞延稅項負債						157.8
Total liabilities	負債總額						20,053.2

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

6. SEGMENTAL INFORMATION (CONT'D)

(iii) The geographical information of revenue and non-current assets are disclosed as follows:

Revenue from external customers by location of operations	按營運地點劃分的 外部客戶所得收入
Hong Kong	香港
Mainland China	中國內地
Others	其他

No revenue arising from transactions with a single external customer amounted to 10% or more of the Group's revenue for the year.

6. 分部資料(續)

(iii) 收入及非流動資產之地域資料披露如下：

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	4,084.6	4,396.7
	753.0	878.3
	7.0	3.7
	4,844.6	5,278.7

年內，概無來自單一外部客戶之交易收入佔本集團收入的10%或以上。

Non-current assets other than financial assets and deferred tax assets by location of assets	按資產位置劃分之 金融資產及遞延稅項資產 以外的非流動資產
Hong Kong	香港
Mainland China	中國內地
Others	其他

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	27,225.0	27,293.3
	752.5	711.2
	988.3	915.8
	28,965.8	28,920.3

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

6. SEGMENTAL INFORMATION (CONT'D)

6. 分部資料(續)

(iv) Other segment information

(iv) 其他分部資料

		2020 二零二零年					
		Investment and finance 投資及金融 HK\$ Million 百萬港元	Consumer finance 消費金融 HK\$ Million 百萬港元	Property development and investment 物業發展及投資 HK\$ Million 百萬港元	Property management and elderly care services 物業管理及 護老服務 HK\$ Million 百萬港元	Corporate and other operations 企業及 其他業務 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
Included in segment results/ segment assets	計入分部業績/ 分部資產						
Depreciation and amortisation	折舊及攤銷	26.9	120.1	24.7	34.7	12.6	219.0
Impairment losses on hotel property reversed	撥回酒店物業之 減值虧損	-	-	(0.9)	-	-	(0.9)
Net decrease in fair value of investment properties	投資物業之 公平價值減少淨額	(163.3)	-	(56.3)	-	-	(219.6)
Net impairment losses recognised (reversed) on financial instruments	確認(撥回) 金融工具之 減值虧損淨額	317.4	769.2	3.0	(0.8)	-	1,088.8
Capital expenditure	資本開支	193.3	31.6	17.1	3.7	5.9	251.6

		2019 二零一九年					
		Investment and finance 投資及金融 HK\$ Million 百萬港元	Consumer finance 消費金融 HK\$ Million 百萬港元	Property development and investment 物業發展及 投資 HK\$ Million 百萬港元	Property management and elderly care services 物業管理及 護老服務 HK\$ Million 百萬港元	Corporate and other operations 企業及 其他業務 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
Included in segment results/ segment assets	計入分部業績/ 分部資產						
Depreciation and amortisation	折舊及攤銷	16.0	116.9	24.1	22.0	8.9	187.9
Impairment losses on hotel property recognised	確認酒店物業之 減值虧損	-	-	1.7	-	-	1.7
Net (decrease) increase in fair value of investment properties	投資物業之 公平價值(減少) 增加淨額	(42.0)	(0.2)	176.6	-	-	134.4
Net impairment losses recognised on financial instruments	確認金融工具之 減值虧損淨額	259.1	803.9	0.4	0.6	-	1,064.0
Capital expenditure	資本開支	8.3	10.6	92.3	1.6	7.2	120.0

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

7. CHANGES IN VALUES OF PROPERTIES**7. 物業價值變動**

		2020	2019
		二零二零年	二零一九年
		HK\$ Million	HK\$ Million
		百萬港元	百萬港元
Changes in values of properties comprise:	物業價值變動包括：		
Net (decrease) increase in fair value of investment properties	投資物業之公平價值(減少)增加淨額	(219.6)	134.4
Impairment loss reversed (recognised) for hotel property	撥回(確認)酒店物業之減值虧損	0.9	(1.7)
		(218.7)	132.7

The reversal and recognition of impairment loss was based on the lower of cost and value in use for hotel property. The value in use was determined based on independent professional valuations at 31st December, 2020.

撥回及確認之減值虧損乃基於酒店物業之成本及使用價值兩者中之較低者計算。使用價值乃根據二零二零年十二月三十一日之獨立專業估值釐定。

8. NET GAIN ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**8. 透過損益賬按公平價值處理之金融資產及負債收益淨額**

The following is an analysis of the net gain on financial assets and liabilities at FVTPL:

透過損益賬按公平價值處理之金融資產及負債收益淨額分析如下：

		2020	2019
		二零二零年	二零一九年
		HK\$ Million	HK\$ Million
		百萬港元	百萬港元
Net realised and unrealised (loss) gain on financial assets and liabilities Held for trading Financial assets at FVTPL	金融資產及負債已變現及未變現(虧損)收益淨額持作交易用途透過損益賬按公平價值處理之金融資產	(22.7)	648.2
		2,720.6	1,193.0
		2,697.9	1,841.2

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

9. NET IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

9. 金融工具之減值虧損淨額

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Loans and advances to consumer finance customers	消費金融客戶貸款及墊款		
Net impairment losses	減值虧損淨額	991.1	999.2
Recoveries of amounts previously written off	已收回先前撇銷的款項	(221.7)	(195.1)
		769.4	804.1
Mortgage loans	按揭貸款		
Net impairment losses	減值虧損淨額	25.7	12.0
Term loans	有期貸款		
Net impairment losses	減值虧損淨額	334.4	197.3
Amounts due from associates	聯營公司欠款		
Net impairment losses	減值虧損淨額	2.1	0.4
Trade and other receivables	貿易及其他應收款項		
Net (reversal) recognition of impairment losses	減值虧損(撥回)確認淨額	(42.4)	48.6
Recoveries of amounts previously written off	已收回先前撇銷的款項	(0.3)	(0.3)
		(42.7)	48.3
Financial assets at FVTOCI	透過其他全面收益按公平價值處理之金融資產		
Net (reversal) recognition of impairment losses	減值虧損(撥回)確認淨額	(0.1)	1.9
		1,088.8	1,064.0

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

10. DIRECTORS', EMPLOYEES' AND SENIOR MANAGEMENT'S EMOLUMENTS**10. 董事、僱員及高級管理層酬金**

(a) The emoluments paid or payable to each of the nine (2019: eight) directors were as follows:

(a) 已付或應付九名(二零一九年: 八名)董事之酬金如下:

		2020 二零二零年			
		Chief Executive Lee Seng Hui 行政總裁 李成輝 HK\$ Million 百萬港元	Edwin Lo King Yau 勞景祐 HK\$ Million 百萬港元	Mak Pak Hung 麥伯雄 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
EXECUTIVE DIRECTORS	執行董事				
Directors' fee	董事袍金	-	-	-	-
Salaries/service fees and other benefits	薪金/服務費及其他福利	8.64	2.31	2.88	13.83
Bonus payments (Note)	花紅(註解)	64.30	8.19	1.45	73.94
Retirement benefits scheme contributions	退休福利計劃供款	0.19	0.11	-	0.30
Sub-total	小計	73.13	10.61	4.33	88.07

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

上表所示執行董事之酬金為彼等就本公司及本集團管理事務之服務。

		2020 二零二零年			
		Chairman Arthur George Dew 主席 狄亞法 HK\$ Million 百萬港元	Lee Su Hwei 李淑慧 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元	
NON-EXECUTIVE DIRECTORS	非執行董事				
Directors' fee	董事袍金	0.09	-	0.09	
Salaries/service fees and other benefits	薪金/服務費及其他福利	1.98	-	1.98	
Bonus payments (Note)	花紅(註解)	2.67	-	2.67	
Retirement benefits scheme contributions	退休福利計劃供款	-	-	-	
Sub-total	小計	4.74	-	4.74	

The non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

上表所示非執行董事之酬金為彼等作為本公司或其附屬公司董事之服務。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

10. DIRECTORS', EMPLOYEES' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONT'D)**10. 董事、僱員及高級管理層酬金(續)**(a) **The emoluments paid or payable to each of the nine (2019: eight) directors were as follows: (Cont'd)**

(a) 已付或應付九名(二零一九年: 八名)董事之酬金如下:(續)

		2020 二零二零年				
		Alan Stephen Jones HK\$ Million 百萬港元	David Craig Bartlett 白禮德 HK\$ Million 百萬港元	Lisa Yang Lai Sum 楊麗琛 HK\$ Million 百萬港元	Kelvin Chau Kwok Wing 周國榮 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
INDEPENDENT NON-EXECUTIVE DIRECTORS	獨立 非執行董事					
Directors' fee	董事袍金	0.02	0.02	-	-	0.04
Salaries/service fees and other benefits	薪金/服務費及其他福利	0.84	0.42	0.11	0.06	1.43
Bonus payments	花紅	-	-	-	-	-
Retirement benefits scheme contributions	退休福利計劃供款	-	-	-	-	-
Sub-total	小計	0.86	0.44	0.11	0.06	1.47

The independent non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

上表所示獨立非執行董事之酬金為彼等作為本公司或其附屬公司董事之服務。

		2020 二零二零年 HK\$ Million 百萬港元	
Total	總計	94.28	

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

10. DIRECTORS', EMPLOYEES' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONT'D)

(a) The emoluments paid or payable to each of the nine (2019: eight) directors were as follows: (Cont'd)

		2019 二零一九年			
		Chief Executive	Edwin Lo	Mak	Total
		Lee Seng Hui	King Yau	Pak Hung	
		行政總裁	勞景祐	麥伯雄	總額
		李成輝	李成輝	李成輝	
		HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
		百萬港元	百萬港元	百萬港元	百萬港元
EXECUTIVE DIRECTORS	執行董事				
Directors' fee	董事袍金	-	-	-	-
Salaries/service fees and other benefits	薪金/服務費及其他福利	8.66	2.31	2.88	13.85
Bonus payments (Note)	花紅(註解)	53.10	6.51	1.41	61.02
Retirement benefits scheme contributions	退休福利計劃供款	0.19	0.11	-	0.30
Sub-total	小計	61.95	8.93	4.29	75.17

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

上表所示執行董事之酬金為彼等就本公司及本集團管理事務之服務。

		2019 二零一九年			
		Chairman	Lee Su Hwei	Total	
		Arthur	李淑慧	總額	
		George Dew	李淑慧		
		主席	李淑慧		
		狄亞法	李淑慧		
		HK\$ Million	HK\$ Million	HK\$ Million	
		百萬港元	百萬港元	百萬港元	
NON-EXECUTIVE DIRECTORS	非執行董事				
Directors' fee	董事袍金		0.08	-	0.08
Salaries/service fees and other benefits	薪金/服務費及其他福利		1.95	-	1.95
Bonus payments (Note)	花紅(註解)		2.58	-	2.58
Retirement benefits scheme contributions	退休福利計劃供款		-	-	-
Sub-total	小計		4.61	-	4.61

The non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

上表所示非執行董事之酬金為彼等作為本公司或其附屬公司董事之服務。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

10. DIRECTORS', EMPLOYEES' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONT'D)**10. 董事、僱員及高級管理層酬金(續)**(a) **The emoluments paid or payable to each of the nine (2019: eight) directors were as follows: (Cont'd)**

(a) 已付或應付九名(二零一九年：八名)董事之酬金如下：(續)

		2019 二零一九年			
		Alan Stephen Jones	David Craig Bartlett 白禮德	Lisa Yang Lai Sum 楊麗琛	Total 總額
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
INDEPENDENT NON-EXECUTIVE DIRECTORS	獨立非執行董事				
Directors' fee	董事袍金	0.02	0.02	–	0.04
Salaries/service fees and other benefits	薪金/服務費及其他福利	0.82	0.39	0.11	1.32
Bonus payments	花紅	–	–	–	–
Retirement benefits scheme contributions	退休福利計劃供款	–	–	–	–
Sub-total	小計	0.84	0.41	0.11	1.36

The independent non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

上表所示獨立非執行董事之酬金為彼等作為本公司或其附屬公司董事之服務。

		2019 二零一九年 HK\$ Million 百萬港元		
Total	總計	81.14		

Note: The amounts represented the actual discretionary bonus in respect of the preceding year approved and paid to respective directors during the year.

註解：有關款項乃年內批准及已付相關董事去年的實際酌情花紅金額。

for the year ended 31st December, 2020

10. DIRECTORS', EMPLOYEES' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONT'D)

(a) The emoluments paid or payable to each of the nine (2019: eight) directors were as follows: (Cont'd)

The Company provided management services to certain listed subsidiaries and associates and charged these companies management fees. The above emoluments include all amounts paid or payable to the Company's directors by the Company or the subsidiaries during 2020. However, it should be noted that the amounts above for Mr. Lee Seng Hui ("Mr. Lee") and Mr. Edwin Lo King Yau ("Mr. Lo") include the sums of HK\$32.91 million (2019: HK\$34.07 million) and HK\$6.36 million (2019: HK\$5.36 million) respectively that have been included in the 2020 management fee charged by the Company to a listed associate, TACI, for management services performed by Mr. Lee and Mr. Lo as directors of TACI and TACI has disclosed in its 2020 annual report the HK\$32.91 million (2019: HK\$34.07 million) and HK\$6.36 million (2019: HK\$5.36 million) as part of the emoluments of Mr. Lee and Mr. Lo respectively.

The service fee of Mr. David Craig Bartlett, an Independent Non-Executive Director, was brought into line with the service fee of fellow Independent Non-Executive Directors by increasing of approximately 17% with effect from 1st January, 2021 as compared with 2020.

截至二零二零年十二月三十一日止年度

10. 董事、僱員及高級管理層酬金(續)

(a) 已付或應付九名(二零一九年：八名)董事之酬金如下：(續)

本公司向若干上市附屬公司及聯營公司提供管理服務，並向該等公司收取管理費。上述酬金包括本公司或附屬公司於二零二零年已付或應付本公司董事之所有款項。然而，謹請注意，上述有關李成輝先生(「李先生」)及勞景祐先生(「勞先生」)之款項包括金額分別為32.91百萬港元(二零一九年：34.07百萬港元)及6.36百萬港元(二零一九年：5.36百萬港元)之款項，該等款項已列入本公司就李先生及勞先生擔任一間上市聯營公司天安之董事履行管理服務而向天安收取之二零二零年管理費內，天安已將該32.91百萬港元(二零一九年：34.07百萬港元)及6.36百萬港元(二零一九年：5.36百萬港元)之款項分別作為李先生及勞先生酬金之一部分披露於其二零二零年年報內。

自二零二一年一月一日起，白禮德先生(獨立非執行董事)之服務費較二零二零年上升約17%至服務費與其他獨立非執行董事相若。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

10. DIRECTORS', EMPLOYEES' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONT'D)**10. 董事、僱員及高級管理層酬金(續)****(b) Employees' emoluments**

The five highest paid individuals included two (2019: one) of the directors, details of whose emoluments are set out in 10(a) above. The combined emoluments of the remaining three (2019: four) individuals are as follows:

Salaries and other benefits	薪金及其他福利
Bonus payments	花紅
Retirement benefit scheme contributions	退休福利計劃供款

(b) 僱員酬金

五名最高薪酬之人士包括兩名(二零一九年：一名)董事，其酬金詳情載於上文附註10(a)。其餘三名(二零一九年：四名)人士之酬金綜合如下：

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	24.2	111.4
	106.6	74.1
	1.3	1.5
	132.1	187.0

The emoluments of the above employees who were not directors of the Company, were within the following bands:

上述僱員並非本公司董事，彼等酬金介乎以下範圍：

		Number of employees 僱員人數	
		2020 二零二零年	2019 二零一九年
HK\$7,000,001 – HK\$7,500,000	7,000,001港元–7,500,000港元	1	–
HK\$14,500,001 – HK\$15,000,000	14,500,001港元–15,000,000港元	–	1
HK\$24,500,001 – HK\$25,000,000	24,500,001港元–25,000,000港元	1	–
HK\$25,000,001 – HK\$25,500,000	25,000,001港元–25,500,000港元	–	1
HK\$58,500,001 – HK\$59,000,000	58,500,001港元–59,000,000港元	–	1
HK\$88,000,001 – HK\$88,500,000	88,000,001港元–88,500,000港元	–	1
HK\$100,000,001 – HK\$100,500,000	100,000,001港元–100,500,000港元	1	–
		3	4

During 2020 and 2019, no compensation had been paid or receivable for the loss of any office in connection with the management of the affairs of any member of the Group distinguishing between contractual payments and other payments.

於二零二零年及二零一九年，除合約及其他付款外，概無支付或應收任何作為與本集團任何成員公司的事務管理有關的離職補償。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

10. DIRECTORS', EMPLOYEES' AND SENIOR MANAGEMENT'S EMOLUMENTS (CONT'D)**10. 董事、僱員及高級管理層酬金(續)****(c) Senior management's emoluments**

Of the senior management of the Group, nine (2019: eight) were the directors of the Company whose emoluments are included in the disclosure above. The combined emoluments of the remaining two (2019: two) individuals are as follows:

Salaries and other benefits	薪金及其他福利
Bonus payments	花紅
Retirement benefit scheme contributions	退休福利計劃供款

The emoluments of the above senior management who were not directors of the Company, were within the following bands:

HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元
HK\$5,500,001 – HK\$6,000,000	5,500,001港元 – 6,000,000港元
HK\$6,000,001 – HK\$6,500,000	6,000,001港元 – 6,500,000港元

(c) 高級管理層酬金

本集團九名(二零一九年: 八名)高級管理層為本公司董事, 彼等之酬金已披露於上文。其餘兩名(二零一九年: 兩名)個別人士的酬金綜合如下:

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	4.2	4.1
	3.3	2.6
	0.2	0.2
	7.7	6.9

上述高級管理層並非本公司之董事, 彼之酬金介乎以下範圍:

	Number of employees 僱員人數	
	2020 二零二零年	2019 二零一九年
	1	1
	–	1
	1	–
	2	2

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

11. INFORMATION ABOUT MATERIAL INTERESTS OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

11. 關於董事於交易、安排或合約中的重大權益的資料

- (A) As disclosed in the announcement of the Company dated 20th April, 2020, the circular of the Company dated 8th June, 2020 and the scheme document dated 19th June, 2020, a facility agreement dated 9th April, 2020 (“1st Facility Agreement”) was entered into between Mr. Lee, the Chief Executive and an Executive Director of the Company, as lender and Sunhill Investments Limited (“Sunhill”, a direct wholly-owned subsidiary of the Company) as borrower, pursuant to which an unsecured and interest-free one-year term loan facility of up to HK\$250.0 million was granted by Mr. Lee to Sunhill for the exclusive purpose of partially financing the scheme consideration payable by Sunhill under the proposal for the privatisation of Allied Properties (H.K.) Limited (“APL”) by way of a scheme of arrangement under section 673 of the Companies Ordinance; and
- (B) As disclosed in the announcement of the Company dated 18th December, 2020 and the scheme document dated 11th February, 2021, a facility agreement dated 11th December, 2020 (together with the 1st Facility Agreement, “Facility Agreements”) was entered into between Mr. Lee as lender and Bright Clear Limited (“Bright Clear”, an indirect wholly-owned subsidiary of the Company) as borrower, pursuant to which, an unsecured and interest-free loan facility of HK\$218.0 million, if required, shall be granted by Mr. Lee to Bright Clear for the exclusive purpose of financing the scheme consideration payable by Bright Clear under the proposal for the privatisation of SHK Hong Kong Industries Limited (“SHK IND”) by way of a scheme of arrangement under section 673 of the Companies Ordinance in the form of a takeover offer.

- (A) 誠如本公司日期為二零二零年四月二十日之公佈、本公司日期為二零二零年六月八日之通函及日期為二零二零年六月十九日之計劃文件所披露，李先生(本公司行政總裁兼執行董事)(作為貸款人)與陽山投資有限公司(「陽山」，本公司直接全資附屬公司)(作為借款人)訂立日期為二零二零年四月九日之融資協議(「融資協議一」)，據此，李先生向陽山授出為期一年之無抵押及免息貸款融資最多達250.0百萬港元，其唯一目的為根據公司條例第673條以協議安排方式私有化聯合地產(香港)有限公司(「聯合地產」)之建議項下陽山應付之計劃代價提供部分資金；及
- (B) 誠如本公司日期為二零二零年十二月十八日之公佈及日期為二零二一年二月十一日之計劃文件所披露，李先生(作為貸款人)與晴輝有限公司(「晴輝」，本公司間接全資附屬公司)(作為借款人)訂立日期為二零二零年十二月十一日之融資協議(連同融資協議一統稱為「該等融資協議」)，據此，李先生在有需要的情況下向晴輝授出無抵押及免息貸款融資218.0百萬港元，其唯一目的為以收購要約方式根據公司條例第673條透過協議安排私有化新工投資有限公司(「新工投資」)之建議項下晴輝應付之計劃代價提供資金。

for the year ended 31st December, 2020

11. INFORMATION ABOUT MATERIAL INTERESTS OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS (CONT'D)

Save for the Facility Agreements disclosed above, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which the directors or an entity connected with the directors had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year. For information only:

- (a) a tenancy agreement dated 30th September, 2019 ("Tenancy Agreement I") was entered into between San Pack Properties Limited ("San Pack", a non-wholly owned subsidiary of the Company as at the date of the Tenancy Agreement I, which became a wholly-owned subsidiary of the Company with effect from 25th November, 2020) as the landlord and San Tai Distribution Company Limited ("San Tai", a company of which Mr. Lo can exercise more than 50% of the voting rights at the general meetings) as the tenant for a term of three years from 1st October, 2019 to 30th September, 2022; and
- (b) a tenancy agreement dated 30th September, 2019 ("Tenancy Agreement II", together with Tenancy Agreement I, "Tenancy Agreements") was entered into between San Pack as the landlord and China Pacific Group Limited ("China Pacific", a company of which Mr. Lo can exercise more than 50% of the voting rights at the general meetings) as the tenant for a term of three years from 1st October, 2019 to 30th September, 2022.

The total rental of approximately HK\$16.9 million (2019: HK\$15.1 million) pursuant to the Tenancy Agreements during the year ended 31st December, 2020 are considered insignificant in relation to the Group's business.

Subsequent to the year ended 31st December, 2020, on 10th February, 2021, a company beneficially owned as to 65% by Mr. Lo was disposed of by Mr. Lo to independent third parties, of which China Pacific and San Tai are subsidiaries of that company.

截至二零二零年十二月三十一日止年度

11. 關於董事於交易、安排或合約中的重大權益的資料(續)

除上文所披露之該等融資協議外，於本年度終結時或於本年度內任何時間，本公司或其任何附屬公司並無訂立董事或與董事有關連之實體直接或間接擁有重大權益之任何重要交易、安排或合約。僅供參考：

- (a) 山栢置業有限公司(「山栢」，於租賃協議一日期為本公司之非全資附屬公司，其由二零二零年十一月二十五日成為本公司之全資附屬公司)(作為業主)與三泰集運有限公司(「三泰」，勞先生可於股東大會行使超過50%投票權的公司)(作為租戶)訂立一份日期為二零一九年九月三十日之租賃協議(「租賃協議一」)，由二零一九年十月一日至二零二二年九月三十日為期三年；及
- (b) 山栢(作為業主)與中匯亞洲集團有限公司(「中匯」，勞先生可於股東大會行使超過50%投票權的公司)(作為租戶)訂立一份日期為二零一九年九月三十日之租賃協議(「租賃協議二」，連同租賃協議一統稱為「該等租賃協議」)，由二零一九年十月一日至二零二二年九月三十日為期三年。

截至二零二零年十二月三十一日止年度根據該等租賃協議的租金總額約16.9百萬港元(二零一九年：15.1百萬港元)對本集團業務而言屬不重大。

於截至二零二零年十二月三十一日止年度結束後，勞先生於二零二一年二月十日向獨立第三方出售一間其實益擁有65%的公司(中匯及三泰均為該公司的附屬公司)。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

12. FINANCE COSTS**12. 融資成本**

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Interest on the following liabilities:	以下負債利息：		
Bank and other borrowings	銀行及其他借貸	394.8	415.7
Notes/paper payable	應付票據	411.2	362.7
		806.0	778.4
Interest expense of lease liabilities	租賃負債之利息費用	8.0	8.0
		814.0	786.4
Total finance costs included in:	計入下列項目內之		
Cost of sales and other direct costs	融資成本總額：		
Finance costs	銷售成本及其他直接成本	271.5	304.5
	融資成本	542.5	481.9
		814.0	786.4

All finance costs were derived from financial liabilities not at fair value through profit or loss for both years.

該兩個年度所有融資成本乃來自並非透過損益賬按公平價值處理之金融負債。

13. PROFIT BEFORE TAXATION**13. 除稅前溢利**

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Profit before taxation has been arrived at after charging:	除稅前溢利已扣除：		
Auditors' remuneration	核數師薪酬	9.1	6.7
Amortisation of intangible assets – computer software	無形資產攤銷 – 電腦軟件	1.9	1.9
Depreciation of property, plant and equipment	物業、廠房及設備折舊	75.4	72.5
Depreciation of right-of-use assets	使用權資產折舊	141.7	113.5
Expenses recognised for employee ownership scheme of SHK	就新鴻基之僱員股份擁有計劃確認之費用	7.4	9.7
Impairment loss on interest in an associate (included in other operating expenses)*	於一間聯營公司之權益之減值虧損(計入其他經營費用)*	3.2	135.9
Net loss on disposal/write-off of property, plant and equipment	出售/撇銷物業、廠房及設備之虧損淨額	0.6	0.8
Retirement benefit scheme contributions	退休福利計劃供款	67.7	75.2
Staff costs (including directors' emoluments but excluding contributions to retirement benefit schemes and expenses recognised for the employee ownership scheme of SHK)	員工成本(包括董事酬金但不包括退休福利計劃供款及就新鴻基之僱員股份擁有計劃確認之費用)	1,110.2	1,017.5

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

13. PROFIT BEFORE TAXATION (CONT'D)

13. 除稅前溢利(續)

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
and after crediting:	並已計入：		
Dividend income from listed equity securities	上市股本證券股息收入	50.4	32.9
Dividend income from unlisted equity securities	非上市股本證券股息收入	8.6	5.0
Realised gain on disposal/redemption of financial assets at FVTOCI (included in other income)	出售/贖回透過其他全面收益按公平價值處理之金融資產之已變現收益(計入其他收入)	1.8	-
Gain on disposal of an investment property (included in other income)	出售一項投資物業之收益(計入其他收入)	-	1.6
Gain on disposal of subsidiaries (included in other income)**	出售附屬公司之收益(計入其他收入)**	1.2	388.8
Government grants on Employment Support Scheme (included in other income)***	保就業計劃的政府補助(計入其他收入)***	64.0	-
Other government grants in PRC (included in other income)***	中國的其他政府補助(計入其他收入)***	20.9	-
Rental income from investment properties under operating leases, net of outgoings of HK\$33.1 million (2019: HK\$28.9 million)	經營租約投資物業之租金收入，扣除支出33.1百萬港元(二零一九年：28.9百萬港元)	195.8	199.4

* SHK disposed of 70% interest in its wholly-owned subsidiary Sun Hung Kai Financial Group Limited ("SHKFGL") in June 2015 and classified the remaining 30% equity interest as an associate up to 16th November, 2020. The recoverable amount was measured at fair value less cost of disposal of SHKFGL. As part of the disposal, the Group was awarded a put right on the 30% equity interest of SHKFGL. This put right recorded a valuation gain during the period of HK\$70.3 million (2019: HK\$267.0 million) classified under net gain on financial assets and liabilities at FVTPL. During the year, an impairment loss on interest in SHKFGL of HK\$3.2 million (2019: HK\$135.9 million) was recognised.

On 17th November, 2020, SHK exercised the put option on SHKFGL at the consideration of HK\$1,257.1 million in cash and HK\$1,156.0 million in SHKFGL preference shares. Further details on the transaction are disclosed in note 23.

* 於二零一五年六月，新鴻基出售其全資附屬公司新鴻基金融集團有限公司(「新鴻基金融集團」)之70%權益，截至二零二零年十一月十六日將餘下30%之股權分類作一間聯營公司處理。可收回金額以新鴻基金融集團的公平價值減出售成本計量。作為出售事項的一部分，本集團獲授予新鴻基金融集團的30%股權的認沽權。該認沽權於期內錄得估值收益70.3百萬港元(二零一九年：267.0百萬港元)，歸類於透過損益賬按公平價值處理之金融資產及負債收益淨額。於本年度，已確認於新鴻基金融集團之權益之減值虧損3.2百萬港元(二零一九年：135.9百萬港元)。

於二零二零年十一月十七日，新鴻基行使有關新鴻基金融集團的認沽期權，獲得現金代價1,257.1百萬港元及價值1,156.0百萬港元新鴻基金融集團優先股，交易詳情於附註23披露。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

13. PROFIT BEFORE TAXATION (CONT'D)**13. 除稅前溢利(續)**

** Included in the gain on disposal of subsidiaries of HK\$388.8 million in 2019 was a gain of HK\$388.6 million from the disposal of an indirect wholly-owned subsidiary of the Company, Yu Ming Investment Management Limited ("Yu Ming") and the details of which were set out below.

** 二零一九年之出售附屬公司收益388.8百萬港元包括出售本公司之一間間接全資附屬公司禹銘投資管理有限公司(「禹銘」)的收益388.6百萬港元，有關詳情載列如下。

On 25th July, 2019, Fine Era Limited, an indirect wholly-owned subsidiary of the Company, completed the disposal of Yu Ming. The details of Yu Ming at the date of disposal were as follows:

於二零一九年七月二十五日，本公司之一間間接全資附屬公司佳紀有限公司完成出售禹銘。禹銘於出售日期的詳情如下：

	HK\$ Million 百萬港元
Consideration received:	
Total consideration received	400.0
Analysis of assets and liabilities over which control was lost:	
Net assets disposed of	
Property, plant and equipment	0.5
Goodwill	1.2
Financial assets at FVTPL	0.7
Trade receivables, prepayments and other receivables	12.6
Tax recoverable	0.3
Cash and cash equivalents	12.8
Trade payables, other payables and accruals	(1.5)
Contract liabilities	(15.2)
	<u>11.4</u>
Gain on disposal of a subsidiary:	
Consideration received	400.0
Net assets disposed of	(11.4)
	<u>388.6</u>
Net cash inflow arising on disposal:	
Cash consideration	400.0
Less: Cash and cash equivalents disposal of	(12.8)
	<u>387.2</u>

已收代價：
已收總代價

失去控制權之資產及負債分析：

已出售資產淨值	
物業、廠房及設備	0.5
商譽	1.2
透過損益賬按公平價值處理之金融資產	0.7
應收貿易款項、預付款項及其他應收款項	12.6
可收回稅項	0.3
現金及現金等價物	12.8
應付貿易款項、其他應付款項及應計款項	(1.5)
合約負債	(15.2)
	<u>11.4</u>

出售一間附屬公司之收益：

已收代價	400.0
已出售資產淨值	(11.4)
	<u>388.6</u>

出售收益

出售產生之現金流入淨額：

現金代價	400.0
減：已出售現金及現金等價物	(12.8)
	<u>387.2</u>

*** During the current year, the Group recognised government grants in respect of the COVID-19 related subsidies of HK\$64.0 million which relates to Employment Support Scheme provided by the Hong Kong government and HK\$20.9 million which mainly relates to social security contributions subsidised by the PRC government. There were no unfulfilled conditions and other contingencies attached to these grants.

*** 於本年度，本集團就有關新冠病毒相關津貼確認的政府補助，當中64.0百萬港元與香港政府的保就業計劃有關及20.9百萬港元主要與中國政府資助社保供款有關。該等補助並無尚未達成之條件及其他或然事項。

for the year ended 31st December, 2020

14. TAXATION

截至二零二零年十二月三十一日止年度

14. 稅項

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
The income tax charged (credited) comprises:	所得稅支出(抵免)包括：		
Current tax	本期稅項		
Hong Kong	香港	242.9	268.9
PRC and other jurisdictions	中國及其他司法地區	13.1	73.9
		256.0	342.8
Under (over) provision in prior years	過往年度撥備不足(超額撥備)	2.8	(0.5)
		258.8	342.3
Deferred tax	遞延稅項		
Current year	本年度	27.4	(100.5)
		286.2	241.8

Hong Kong Profits Tax is calculated at the rate of 16.5% of the estimated assessable profits for both years.

PRC subsidiaries are subject to PRC Enterprise Income Tax at the rate of 25% for both years.

Taxation arising in other jurisdictions is calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in the relevant jurisdictions.

香港利得稅於兩個年度均按估計應課稅溢利16.5%之稅率計算。

於中國之附屬公司須繳付中國企業所得稅，兩個年度的稅率均為25%。

來自其他司法地區之稅項按年內估計應課稅溢利以有關司法地區內各國之現行稅率計算。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

14. TAXATION (CONT'D)**14. 稅項(續)**

The taxation for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

本年度稅項與綜合損益表列示之除稅前溢利之對賬如下：

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Profit before taxation	除稅前溢利	3,942.5	4,725.8
Less: Share of results of associates	減：應佔聯營公司業績	(618.1)	(1,006.5)
Share of results of joint ventures	應佔合營公司業績	115.1	(93.5)
Profit attributable to the Company and its subsidiaries	本公司及其附屬公司應佔溢利	3,439.5	3,625.8
Tax at Hong Kong Profits	以香港利得稅稅率16.5%		
Tax rate of 16.5%	(二零一九年：16.5%)		
	計算之稅項	567.5	598.2
Countries subject to different tax rates	面對不同稅率之國家	17.2	13.0
Tax effect of expenses that are not deductible for tax purposes	不可用作扣稅支出之稅項影響	250.8	142.9
Tax effect of income that is not taxable for tax purposes	毋須課稅收入之稅項影響	(609.0)	(519.9)
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	46.1	39.7
Tax effect of utilisation of tax losses previously not recognised	動用之前未確認稅項虧損之稅項影響	(12.7)	(27.8)
Reversal of deferred tax on deductible temporary difference previously recognised	撥回之前已確認可扣稅臨時差額之遞延稅項	-	(0.4)
Write-off of deferred tax assets previously recognised (Note)	撇銷先前已確認之遞延稅項資產(註解)	23.7	-
Under (over) provision in prior years	過往年度撥備不足(超額撥備)	2.8	(0.5)
Others	其他	(0.2)	(3.4)
Taxation for the year	本年度稅項	286.2	241.8

Deferred tax recognised in other comprehensive income was immaterial in both years presented.

兩個呈列年內，於其他全面收益中確認之遞延稅項並不重大。

Note: Amount mainly represented the write-off of deductible temporary differences of a PRC subsidiary after taking into account the availability of its taxable profits projected over the next five years against which the deductible temporary differences can be utilised.

註解：該數額主要指撇銷一間中國附屬公司的可扣稅臨時差額(已計及未來五年預計可動用可扣稅臨時差額的應課稅溢利)。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

15. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

15. 每股盈利

本公司股東應佔每股基本及攤薄盈利乃根據以下數據計算：

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
<u>Earnings</u>	<u>盈利</u>		
Earnings for the purpose of basic earnings per share (profit attributable to owners of the Company)	就計算每股基本盈利之盈利(本公司股東應佔溢利)	2,037.1	2,530.7
Adjustments to profit in respect of impact of contingently issuable shares under the employee ownership scheme of a subsidiary	就一間附屬公司之僱員股份擁有計劃而可能發行股份之影響對溢利作出調整	(1.5)	(1.5)
Earnings for the purpose of diluted earnings per share	就計算每股攤薄盈利之盈利	2,035.6	2,529.2
		Million shares 百萬股	Million shares 百萬股
<u>Number of shares</u>	<u>股份數目</u>		
Weighted average number of shares in issue for the purpose of basic and diluted earnings per share	就計算每股基本及攤薄盈利之已發行股份加權平均數	3,515.1	3,515.1

The weighted average number of shares in issue for the year ended 31st December, 2019 has been adjusted for the effect of the share subdivision which was effective on 7th September, 2020. Details of the share subdivision are set out in note 35.

截至二零一九年十二月三十一日止年度已發行股份的加權平均數已就股份拆細(於二零二零年九月七日生效)的影響予以調整。股份拆細的詳情載於附註35。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

16. DIVIDEND

16. 股息

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Dividend paid and declared	已付及宣派股息		
Interim dividend paid of HK0.75 cents* (2019: HK0.75 cents*) per share	已付中期股息每股 0.75港仙*(二零一九年： 0.75港仙*)	26.4	26.4
Second interim dividend (in lieu of a final dividend) of HK11.75 cents per share declared subsequent to the end of the reporting period (2019: second interim dividend (in lieu of a final dividend) of HK11.75 cents* per share)	於報告期末後宣派之 第二次中期股息 (代替末期股息) 每股11.75港仙 (二零一九年：第二次中 期股息(代替末期 股息)每股 11.75港仙*)	413.0	413.0
		439.4	439.4
Dividend recognised as distribution during the year	年內確認分派 之股息		
2019 second interim dividend (in lieu of a final dividend) of HK11.75 cents* (2019: 2018 second interim dividend (in lieu of a final dividend) of HK11.75 cents*) per share	二零一九年第二次 中期股息(代替末期 股息)每股11.75港仙* (二零一九年： 二零一八年第二次 中期股息(代替末期 股息)每股11.75港仙*)	413.0	413.0
2020 interim dividend of HK0.75 cents* (2019: HK0.75 cents*) per share	二零二零年中期股息 每股0.75港仙* (二零一九年：0.75港仙*)	26.4	26.4
		439.4	439.4

Subsequent to the end of the reporting period, the second interim dividend (in lieu of a final dividend) of HK11.75 cents (2019: HK11.75 cents*) per share amounting to a total of approximately HK\$413.0 million (2019: approximately HK\$413.0 million) in respect of the financial year ended 31st December, 2020 has been declared by the Board.

於報告期末後，董事會宣佈派發截至二零二零年十二月三十一日止財政年度之第二次中期股息(代替末期股息)每股11.75港仙(二零一九年：11.75港仙*)合共約413.0百萬港元(二零一九年：約413.0百萬港元)。

* The respective dividend per share has been adjusted for the effect of the share subdivision which was effective on 7th September, 2020. Details of the share subdivision are set out in note 35.

* 有關每股股息已就股份拆細(於二零二零年九月七日生效)的影響予以調整。股份拆細的詳情載於附註35。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

17. INVESTMENT PROPERTIES

17. 投資物業

		Hong Kong 香港 HK\$ Million 百萬港元	PRC 中國 HK\$ Million 百萬港元	USA 美國 HK\$ Million 百萬港元	UK 英國 HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
Fair value	公平價值					
At 1st January, 2019	於二零一九年一月一日	9,266.7	50.9	275.3	196.7	9,789.6
Exchange adjustments	匯兌調整	–	(0.8)	(1.6)	5.6	3.2
Additions	增加	53.6	–	–	1.0	54.6
Transferred to property, plant and equipment	轉撥至物業、廠房及 設備	–	(5.4)	–	–	(5.4)
Disposals	出售	(3.7)	–	–	–	(3.7)
Increase (decrease) in fair value recognised in profit or loss	於損益確認之 公平價值 增加(減少)	122.6	(0.2)	–	12.0	134.4
At 31st December, 2019	於二零一九年十二月三十一日	9,439.2	44.5	273.7	215.3	9,972.7
Exchange adjustments	匯兌調整	–	2.6	(1.2)	6.8	8.2
Additions	增加	124.9	–	–	0.9	125.8
Transferred to property, plant and equipment	轉撥至物業、廠房及 設備	(98.0)	–	–	–	(98.0)
Decrease in fair value recognised in profit or loss	於損益確認之 公平價值減少	(208.1)	(1.6)	–	(9.9)	(219.6)
At 31st December, 2020	於二零二零年十二月三十一日	9,258.0	45.5	272.5	213.1	9,789.1
Unrealised gains or losses for the year included in profit or loss For 2020	年內計入損益 未變現 收益或虧損 二零二零年	(208.1)	(1.6)	–	(9.9)	(219.6)
For 2019	二零一九年	121.8	(0.2)	–	12.0	133.6

17. INVESTMENT PROPERTIES (CONT'D)

The fair values of the Group's investment properties on the dates of transfer, acquisition and at the reporting dates have been arrived at on the basis of a valuation carried out at these dates by Norton Appraisals Holdings Limited and Whitney & Associates, firms of independent and qualified professional valuers not connected with the Group.

For properties located in Hong Kong, PRC and the United Kingdom ("UK"), the fair value was grouped under Level 3 and was determined based on the investment approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for this type of properties. The market rentals are assessed taking into account the current passing rents and the reversionary income potential of tenancies. For the properties which are currently vacant, the valuation was based on capitalisation of the hypothetical and reasonable market rents with a typical lease term or direct comparison approach. The discount rate is determined by reference to the yields derived from analysing the sales transactions of similar properties in Hong Kong, PRC and UK, and adjusted to take into account the market expectation from property investors to reflect factors specific to the Group's investment properties.

For property located in the United States of America ("USA"), the fair value was grouped under Level 3 and was determined based on the sales comparison approach – land analysis, where the market sales of the observable transactions in neighbourhood areas are assessed and adjusted to take into account the location, size, condition and physical characteristic of this investment property.

There has been no change from the valuation technique used in the prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

17. 投資物業(續)

本集團投資物業於轉讓、收購日期及於結算日之公平價值已根據Norton Appraisals Holdings Limited及Whitney & Associates於該等日期進行之估值釐定，該等公司均為與本集團概無關連的獨立合資格專業估值師。

就位於香港、中國及英國(「英國」)的物業而言，公平價值乃歸納入在第三級下，並根據投資法釐定，據此，物業的全部可出租單位的市值租金乃作評估，並按投資者預期此類物業之市值回報貼現。評估市值租金時，已考慮到現有租金及租約調整收入潛力。就目前空置之物業而言，估值乃根據假設及合理市值租金之市值，連同典型租期，或採用直接比較法作出。貼現率乃參考香港、中國及英國類似物業之銷售交易之分析之結果釐定，並已作調整，以計入物業投資者之市場預期，反映本集團投資物業特有之因素。

就位於美利堅合眾國(「美國」)之物業而言，公平價值乃歸納入在第三級下，並根據銷售比較法—土地分析釐定，據此，鄰近地區市場上出售之可觀察交易乃作評估並考慮該投資物業的位置、規模、條件及物理特性作出調整。

過往年度採用的估值方法並無變動。在估計物業公平價值時，物業的最大及最佳用途為其當前用途。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

17. INVESTMENT PROPERTIES (CONT'D)

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

17. 投資物業(續)

下表提供有關根據公平價值計量的輸入數據的可觀察程度如何釐定該等投資物業的公平價值(特別是所用的估值方法及輸入數據),以及公平價值計量所劃分之公平價值等級(第一至第三級)的資料。

Investment properties held by the Group in the consolidated statement of financial position 於綜合財務狀況表之本集團所持投資物業	Valuation Fair value hierarchy 公平價值等級	Valuation technique(s) and key input(s) 估值方法及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value (Note) 不可觀察輸入數據與公平價值之關係(註解)
Residential properties located in Hong Kong 位於香港之住宅物業	Level 3 第三級	Investment Approach 投資法 The key inputs are: 主要輸入數據:		
		(i) Term yield 年期收益率	Term yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the conditions of the building, of 1.25% to 2.75% (2019: 1.3% to 2.75%). 年期收益率為1.25%至2.75%(二零一九年: 1.3%至2.75%),經考慮可資比較物業之市場平均售價及市場平均租金產生之收益率並作出調整以反映樓宇狀況。	The higher the term yield, the lower the fair value. 年期收益率越高,公平價值越低。
		(ii) Reversionary yield 復歸收益率	Reversionary yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the risk associated with the future rental, of 1.75% to 3.25% (2019: 1.8% to 3.25%). 復歸收益率為1.75%至3.25%(二零一九年: 1.8%至3.25%),經考慮可資比較物業之市場平均售價及市場平均租金產生之收益率並作出調整以反映未來租金之相關風險。	The higher the reversionary yield, the lower the fair value. 復歸收益率越高,公平價值越低。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

17. INVESTMENT PROPERTIES (CONT'D)

17. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 於綜合財務狀況表之本集團所持投資物業	Fair value hierarchy 公平價值等級	Valuation technique(s) and key input(s) 估值方法及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value (Note) 不可觀察輸入數據與公平價值之關係(註解)
Residential properties located in Hong Kong (Cont'd) 位於香港之住宅物業(續)		The key inputs are: (Cont'd) 主要輸入數據：(續)		
	(iii) Monthly term rental 每月租金	Monthly term rental for each unit is derived from the average of the rental as stated in the existing rental agreements with an average rental of HK\$26 to HK\$64 (2019: HK\$25 to HK\$48)/sq.ft./month. 各單位之每月租金按現有租約所列之租金介乎每月每平方呎26港元至64港元(二零一九年：25港元至48港元)之平均租金計算得出。		The higher the monthly term rental, the higher the fair value. 每月租金越高，公平價值越高。
	(iv) Reversionary rental 復歸租金	Reversionary rental for each unit is compared with direct market comparables and taking into account of location and other individual factor, the range of average reversionary rental is from HK\$26 to HK\$47 (2019: HK\$26 to HK\$47)/sq.ft./month. 各單位之復歸租金與直接市場可資比較租金相比，並經考慮物業地點及其他個別因素，平均復歸租金之範圍介乎每月每平方呎26港元至47港元(二零一九年：26港元至47港元)。		The higher the reversionary rental, the higher the fair value. 復歸租金越高，公平價值越高。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

17. INVESTMENT PROPERTIES (CONT'D)

17. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 於綜合財務狀況表之本集團所持投資物業	Fair value hierarchy 公平價值等級	Valuation technique(s) and key input(s) 估值方法及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value (Note) 不可觀察輸入數據與公平價值之關係(註解)
Car parking spaces located in Hong Kong 位於香港之車位	Level 3 第三級	Investment Approach 投資法 The key inputs are: 主要輸入數據：		
		(i) Reversionary yield 復歸收益率	Reversionary yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the risk associated with the future rental of 4% (2019: 3.75%). 復歸收益率為4%(二零一九年：3.75%)，經考慮可資比較物業之市場平均售價及市場平均租金產生之收益率並作出調整以反映未來租金之相關風險。	The higher the reversionary yield, the lower the fair value. 復歸收益率越高，公平價值越低。
		(ii) Reversionary rental 復歸租金	Reversionary rental for each unit is compared with direct market comparables and taking into account of location and other individual factor, the average reversionary rental is HK\$2,500 (2019: HK\$2,400)/unit/month. 各單位之復歸租金與直接市場可資比較租金相比，並經考慮物業地點及其他個別因素，平均復歸租金為每月每單位2,500港元(二零一九年：2,400港元)。	The higher the reversionary rental, the higher the fair value. 復歸租金越高，公平價值越高。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

17. INVESTMENT PROPERTIES (CONT'D)

17. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 於綜合財務狀況表之本集團所持投資物業	Fair value hierarchy 公平價值等級	Valuation technique(s) and key input(s) 估值方法及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value (Note) 不可觀察輸入數據與公平價值之關係(註解)
Commercial properties located in Hong Kong 位於香港之商業物業	Level 3 第三級	Investment Approach 投資法		
		The key inputs are: 主要輸入數據:		
		(i) Term yield 年期收益率	Term yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the conditions of the building, of 2% to 2.25% (2019: 2% to 2.75%). 年期收益率為2%至2.25%(二零一九年: 2%至2.75%), 經考慮可資比較物業之市場平均售價及市場平均租金產生之收益率並作出調整以反映樓宇狀況。	The higher the term yield, the lower the fair value. 年期收益率越高, 公平價值越低。
		(ii) Reversionary yield 復歸收益率	Reversionary yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the risk associated with the future rental, of 2.1% to 2.75% (2019: 2.1% to 3.25%). 復歸收益率為2.1%至2.75%(二零一九年: 2.1%至3.25%), 經考慮可資比較物業之市場平均售價及市場平均租金產生之收益率並作出調整以反映未來租金之相關風險。	The higher the reversionary yield, the lower the fair value. 復歸收益率越高, 公平價值越低。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

17. INVESTMENT PROPERTIES (CONT'D)

17. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 於綜合財務狀況表之本集團所持投資物業	Valuation Fair value hierarchy and key input(s) 估值方法及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value (Note) 不可觀察輸入數據與公平價值之關係(註解)
Commercial properties located in Hong Kong (Cont'd) 位於香港之商業物業(續)	The key inputs are: (Cont'd) 主要輸入數據：(續)		
	(iii) Monthly term rental 每月租金	Monthly term rental for each unit is derived from the average of the rental as stated in the existing rental agreements with an average rental of HK\$36 to HK\$80 (2019: HK\$43 to HK\$82)/sq.ft./month. 各單位之每月租金按現有租約所列之租金介乎每月每平方呎36港元至80港元(二零一九年：43港元至82港元)之平均租金計算得出。	The higher the monthly term rental, the higher the fair value. 每月租金越高，公平價值越高。
	(iv) Reversionary rental 復歸租金	Reversionary rental for each unit is compared with direct market comparables and taking into account of location and other individual factor, the range of average reversionary rental is from HK\$35 to HK\$78 (2019: HK\$41 to HK\$90)/sq.ft./month. 各單位之復歸租金與直接市場可資比較租金相比，並經考慮物業地點及其他個別因素，平均復歸租金之範圍介乎每月每平方呎35港元至78港元(二零一九年：41港元至90港元)。	The higher the reversionary rental, the higher the fair value. 復歸租金越高，公平價值越高。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

17. INVESTMENT PROPERTIES (CONT'D)

17. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 於綜合財務狀況表之本集團所持投資物業	Fair value hierarchy 公平價值等級	Valuation technique(s) and key input(s) 估值方法及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value (Note) 不可觀察輸入數據與公平價值之關係(註解)
Godown located in Hong Kong 位於香港之貨倉	Level 3 第三級	Investment Approach 投資法		
		The key inputs are: 主要輸入數據：		
		(i) Term yield 年期收益率	Term yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the conditions of the building, of 3.5% (2019: 3.75%). 年期收益率為3.5%(二零一九年：3.75%)，經考慮可資比較物業之市場平均售價及市場平均租金產生之收益率並作出調整以反映樓宇狀況。	The higher the term yield, the lower the fair value. 年期收益率越高，公平價值越低。
		(ii) Reversionary yield 復歸收益率	Reversionary yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the risk associated with the future rental, of 4% (2019: 4.25%). 復歸收益率為4%(二零一九年：4.25%)，經考慮可資比較物業之市場平均售價及市場平均租金產生之收益率並作出調整以反映未來租金之相關風險。	The higher the reversionary yield, the lower the fair value. 復歸收益率越高，公平價值越低。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

17. INVESTMENT PROPERTIES (CONT'D)

17. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 於綜合財務狀況表之本集團所持投資物業	Valuation Fair value hierarchy and key input(s) 估值方法及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value (Note) 不可觀察輸入數據與公平價值之關係(註解)
Godown located in Hong Kong (Cont'd) 位於香港之貨倉(續)	The key inputs are: (Cont'd) 主要輸入數據:(續)		
	(iii) Monthly term rental 每月租金	Monthly term rental for each unit is derived from the average of the rental as stated in the existing rental agreements with an average rental of HK\$8 (2019: HK\$8)/sq.ft./month. 各單位之每月租金按現有租約所列之租金每月每平方呎8港元(二零一九年:8港元)之平均租金計算得出。	The higher the monthly term rental, the higher the fair value. 每月租金越高, 公平價值越高。
	(iv) Reversionary rental 復歸租金	Reversionary rental for each unit is compared with direct market comparables and taking into account of location and other individual factor, the average reversionary rental is HK\$9.4 (2019: HK\$9)/sq.ft./month. 各單位之復歸租金與直接市場可資比較租金相比, 並經考慮物業地點及其他個別因素, 平均復歸租金之每月每平方呎為9.4港元(二零一九年:9港元)。	The higher the reversionary rental, the higher the fair value. 復歸租金越高, 公平價值越高。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

17. INVESTMENT PROPERTIES (CONT'D)

17. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 於綜合財務狀況表之本集團所持投資物業	Fair value hierarchy 公平價值等級	Valuation technique(s) and key input(s) 估值方法及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value (Note) 不可觀察輸入數據與公平價值之關係(註解)
Industrial properties located in PRC 位於中國之工業物業	Level 3 第三級	Investment Approach 投資法		
		The key inputs are: 主要輸入數據：		
		(i) Term yield 年期收益率	Term yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the conditions of the building, of 4.5% (2019: 4.25%). 年期收益率為4.5%(二零一九年：4.25%)，經考慮可資比較物業之市場平均售價及市場平均租金產生之收益率並作出調整以反映樓宇狀況。	The higher the term yield, the lower the fair value. 年期收益率越高，公平價值越低。
		(ii) Reversionary yield 復歸收益率	Reversionary yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the risk associated with the future rental, of 5% (2019: 4.75%). 復歸收益率為5%(二零一九年：4.75%)，經考慮可資比較物業之市場平均售價及市場平均租金產生之收益率並作出調整以反映未來租金之相關風險。	The higher the reversionary yield, the lower the fair value. 復歸收益率越高，公平價值越低。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

17. INVESTMENT PROPERTIES (CONT'D)

17. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 於綜合財務狀況表之本集團所持投資物業	Valuation Fair value hierarchy and key input(s) 估值方法及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value (Note) 不可觀察輸入數據與公平價值之關係(註解)
Industrial properties located in PRC (Cont'd) 位於中國之工業物業(續)	The key inputs are: (Cont'd) 主要輸入數據:(續)		
	(iii) Monthly term rental 每月租金	Monthly term rental for each unit is derived from the average of the rental as stated in the existing rental agreements with an average rental of RMB10 to RMB31.5/sq.ft./month. The properties were vacant in 2019. 各單位之每月租金按現有租約所列之平均租金每月每平方呎人民幣10元至人民幣31.5元之平均租金計算得出。該等物業於二零一九年內為空置。	The higher the monthly term rental, the higher the fair value. 每月租金越高，公平價值越高。
	(iv) Reversionary rental 復歸租金	Reversionary rental for each unit is compared with direct market comparables and taking into account of location and other individual factor, the range of average reversionary rental is from RMB28 to RMB35 (2019: RMB29.2 to RMB34)/sq.m./month. 各單位之復歸租金與直接市場可資比較租金相比，並經考慮物業地點及其他個別因素，平均復歸租金之範圍介乎每月每平方米人民幣28元至人民幣35元(二零一九年：人民幣29.2元至人民幣34元)。	The higher the reversionary rental, the higher the fair value. 復歸租金越高，公平價值越高。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

17. INVESTMENT PROPERTIES (CONT'D)

17. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 於綜合財務狀況表之本集團所持投資物業	Fair value hierarchy 公平價值等級	Valuation technique(s) and key input(s) 估值方法及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value (Note) 不可觀察輸入數據與公平價值之關係(註解)
Freehold land located in USA 位於美國之永久業權土地	Level 3 第三級	Sales Comparison Approach – Land Analysis, based on market observable transactions of similar pieces of land and adjusts to reflect the location, size, conditions and physical characteristic of the freehold land. 銷售比較法—土地分析，以相似土地之市場可觀察交易為基礎並作出調整以反映永久業權土地的位置、規模、條件及物理特性。	Market observable price/acre of several pieces of similar lands ranging from US\$6,204 to US\$18,410 (2019: ranging from US\$6,204 to US\$18,410). 市場數塊相似土地之可觀察價格/英畝介乎6,204美元至18,410美元(二零一九年：介乎6,204美元至18,410美元)。	The higher the market observable price/acre, the higher the fair value. 市場可觀察價格/英畝越高，公平價值越高。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

17. INVESTMENT PROPERTIES (CONT'D)

17. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 於綜合財務狀況表之本集團所持投資物業	Valuation Fair value hierarchy and key input(s) 公平價值估值方法及主要輸入數據	Significant unobservable input(s) 重大不可觀察輸入數據	Relationship of unobservable inputs to fair value (Note) 不可觀察輸入數據與公平價值之關係(註解)
Commercial properties located in UK 位於英國之商業物業	Level 3 第三級	Investment Approach 投資法 The key inputs are: 主要輸入數據：	
	(i) Term yield 年期收益率	Term yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the conditions of the building, of 4.75% (2019: 4.75%). 年期收益率為4.75%(二零一九年：4.75%)，經考慮可資比較物業之市場平均售價及市場平均租金產生之收益率並作出調整以反映樓宇狀況。	The higher the term yield, the lower the fair value. 年期收益率越高，公平價值越低。
	(ii) Reversionary yield 復歸收益率	Reversionary yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the risk associated with the future rental, of 5.5% (2019: 5.5%). 復歸收益率為5.5%(二零一九年：5.5%)，經考慮可資比較物業之市場平均售價及市場平均租金產生之收益率並作出調整以反映未來租金之相關風險。	The higher the reversionary yield, the lower the fair value. 復歸收益率越高，公平價值越低。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

17. INVESTMENT PROPERTIES (CONT'D)

17. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value (Note)
於綜合財務狀況表之本集團所持投資物業	公平價值等級	估值方法及主要輸入數據	重大不可觀察輸入數據	不可觀察輸入數據與公平價值之關係(註解)
Commercial properties located in UK (Cont'd) 位於英國之商業物業(續)		The key inputs are: (Cont'd) 主要輸入數據：(續)		
	(iii) Monthly term rental 每月租金	Monthly term rental is derived from the average of the rental as stated in the existing rental agreements with an average rental of GBP64,242 (2019: GBP64,242)/month. 每月租金為現有租賃協議所載平均租金，平均租金為每月64,242英鎊(二零一九年：64,242英鎊)。		The higher the monthly term rental, the higher the fair value. 每月租金越高，公平價值越高。
	(iv) Reversionary rental 復歸租金	Reversionary rental is compared with direct market comparables and taking into account of location and other individual factor, the average reversionary rental is GBP96,027 (2019: GBP99,294)/month. 復歸租金與直接市場可資比較租金相比，並經考慮物業地點及其他個別因素，平均復歸租金為每月96,027英鎊(二零一九年：99,294英鎊)。		The higher the reversionary rental, the higher the fair value. 復歸租金越高，公平價值越高。

Note: There is no indication that any slight change in the unobservable input would result in a significantly higher or lower fair value measurement in both years of 2020 and 2019.

註解：於二零二零年及二零一九年兩個年度，概無跡象顯示不可觀察輸入數據的任何較微變動將導致公平價值計量大幅增加或減少。

There were no transfers into or out of Level 3 during both years.

兩年內，並無轉入或轉出第三級。

At the end of the reporting period, the carrying value of investment properties pledged as security of the Group's bank and other borrowings amounted to HK\$8,769.0 million (2019: HK\$9,535.3 million).

於報告期末，本集團就銀行及其他借貸而抵押之投資物業之賬面值為8,769.0百萬港元(二零一九年：9,535.3百萬港元)。

Details of the Group's investment properties and other assets being pledged to secure loans and general banking facilities are set out in note 48.

本集團就貸款及一般銀行信貸而抵押之投資物業及其他資產之詳情載於附註48。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Hotel property 酒店物業 HK\$ Million 百萬港元	Leasehold land and buildings 租賃土地 及樓宇 HK\$ Million 百萬港元	Leasehold improvements 租賃樓宇裝修 HK\$ Million 百萬港元	Furniture, fixtures and equipment 傢俱、 裝置及設備 HK\$ Million 百萬港元	Motor vehicles and vessels 汽車及汽船 HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
Cost	成本						
At 1st January, 2019	於二零一九年一月一日	608.5	597.9	211.9	306.6	145.8	1,870.7
Exchange adjustments	匯兌調整	-	(5.7)	(2.6)	(1.0)	-	(9.3)
Transfer from investment properties	轉撥自投資物業	-	5.4	-	-	-	5.4
Transfer to right-of-use assets	轉撥至使用權資產	-	-	(2.0)	-	-	(2.0)
Additions	增加	-	-	8.4	51.0	1.0	60.4
Disposal of a subsidiary	出售一間附屬公司	-	-	(0.1)	(1.2)	-	(1.3)
Disposals/write-off	出售/撇銷	-	-	(1.7)	(14.5)	(17.4)	(33.6)
At 31st December, 2019	於二零一九年十二月三十一日	608.5	597.6	213.9	340.9	129.4	1,890.3
Exchange adjustments	匯兌調整	-	18.8	8.8	3.3	0.1	31.0
Transfer from investment properties	轉撥自投資物業	-	98.0	-	-	-	98.0
Additions	增加	-	12.2	16.3	83.3	2.0	113.8
Disposals/write-off	出售/撇銷	-	-	(10.5)	(31.2)	(0.2)	(41.9)
At 31st December, 2020	於二零二零年十二月三十一日	608.5	726.6	228.5	396.3	131.3	2,091.2
Accumulated depreciation and impairment	累計折舊及減值						
At 1st January, 2019	於二零一九年一月一日	281.9	99.7	183.4	156.3	62.6	783.9
Exchange adjustments	匯兌調整	-	(1.0)	(2.4)	(0.7)	-	(4.1)
Transfer to right-of-use assets	轉撥至使用權資產	-	-	(2.0)	-	-	(2.0)
Provided for the year	本年度撥備	7.3	16.1	12.9	23.3	12.9	72.5
Impairment loss recognised	確認減值虧損	1.7	-	-	-	-	1.7
Eliminated on disposal of a subsidiary	於出售一間附屬公司時對銷	-	-	(0.1)	(0.7)	-	(0.8)
Eliminated on disposals/write-off	於出售/撇銷時對銷	-	-	(1.7)	(13.2)	(17.2)	(32.1)
At 31st December, 2019	於二零一九年十二月三十一日	290.9	114.8	190.1	165.0	58.3	819.1
Exchange adjustments	匯兌調整	-	3.7	8.0	2.8	0.1	14.6
Provided for the year	本年度撥備	7.4	17.8	10.8	26.9	12.5	75.4
Impairment loss reversed	撥回減值虧損	(0.9)	-	-	-	-	(0.9)
Eliminated on disposals/write-off	於出售/撇銷時對銷	-	-	(10.4)	(30.2)	(0.1)	(40.7)
At 31st December, 2020	於二零二零年十二月三十一日	297.4	136.3	198.5	164.5	70.8	867.5
Carrying amounts	賬面值						
At 31st December, 2020	於二零二零年十二月三十一日	311.1	590.3	30.0	231.8	60.5	1,223.7
At 31st December, 2019	於二零一九年十二月三十一日	317.6	482.8	23.8	175.9	71.1	1,071.2

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

18. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**18. 物業、廠房及設備(續)**

The carrying amounts of hotel property and leasehold land and buildings shown above comprise:

上述酒店物業及租賃土地及樓宇之賬面值包括：

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Properties in Hong Kong	於香港之物業	632.5	537.4
Properties outside Hong Kong	香港境外之物業	268.9	263.0
		901.4	800.4

At the end of reporting period, hotel property and leasehold land and buildings with carrying value of HK\$453.8 million (2019: HK\$353.3 million) were pledged as security of the Group's bank and other borrowings.

於報告期末，本集團就銀行及其他借貸抵押賬面值為453.8百萬港元(二零一九年：353.3百萬港元)之酒店物業及租賃土地及樓宇。

19. RIGHT-OF-USE ASSETS**19. 使用權資產**

		HK\$ Million 百萬港元
At 1st January, 2019	於二零一九年一月一日	207.7
Additions	添置	118.8
Depreciation provided for the year	本年度折舊撥備	(113.5)
Exchange adjustments	匯兌調整	(0.7)
At 31st December, 2019	於二零一九年十二月三十一日	212.3
Additions	添置	221.8
Depreciation provided for the year	本年度折舊撥備	(141.7)
Exchange adjustments	匯兌調整	1.4
Lease modification	租賃修改	(1.1)
At 31st December, 2020	於二零二零年十二月三十一日	292.7
Carrying amount at 31st December, 2020	於二零二零年十二月三十一日之賬面值	292.7
Carrying amount at 31st December, 2019	於二零一九年十二月三十一日之賬面值	212.3

for the year ended 31st December, 2020

19. RIGHT-OF-USE ASSETS (CONT'D)

The Group leases several assets including leasehold land, land and buildings and equipment. The average lease term of right-of-use assets are as follows:

Leasehold land	租賃土地
Land and buildings	土地及樓宇
Equipment	設備

In 2020 and 2019, the Group leases various offices, outlets, signboards and retail stores for its operations. Lease contracts are generally entered into for fixed term of one year to nine years (2019: one year to three years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The analysis of the carrying amount of right-of-use assets by class of underlying asset is as follows:

Net carrying amount	賬面淨值
Leasehold land	租賃土地
Land and buildings	土地及樓宇
Equipment	設備

截至二零二零年十二月三十一日止年度

19. 使用權資產(續)

本集團租賃多項資產，包括租賃土地、土地及樓宇以及設備。使用權資產平均租期如下：

	2020 二零二零年	2019 二零一九年
	44.5 years 年	44.5 years 年
	4.7 years 年	2.3 years 年
	4.5 years 年	–

於二零二零年及二零一九年，本集團出租各種辦公室、門店、招牌和零售店進行經營。租賃合約的固定期限一般為一年至九年(二零一九年：一年至三年)。租賃條款是根據個別情況協商確定，其中包括各種不同的條款和條件。本集團在確定租賃期限和評估不可撤銷的期限時，應用合約的定義並確定合約可強制執行的期限。

使用權資產之賬面值(按相關資產類別劃分)分析如下：

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	4.1	4.0
	286.5	208.3
	2.1	–
	292.7	212.3

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

19. RIGHT-OF-USE ASSETS (CONT'D)**19. 使用權資產(續)**

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

與於損益確認之租賃有關之開支項目分析如下：

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Amount recognised in profit or loss	於損益確認之金額		
Depreciation of right-of-use assets	使用權資產折舊		
– Leasehold land	– 租賃土地	0.1	0.1
– Land and buildings	– 土地及樓宇	141.3	113.4
– Equipment	– 設備	0.3	–
Interest expense of lease liabilities	租賃負債之利息費用	8.0	8.0
Expense relating to short-term leases and leases of low-value assets	有關短期租賃及低價值資產租賃之費用	8.5	38.5

During the year, additions to right-of-use assets were HK\$221.8 million (2019: HK\$118.8 million) and the total cash outflow for leases amounted to HK\$161.5 million (2019: HK\$154.7 million).

年內，添置使用權資產為221.8百萬港元(二零一九年：118.8百萬港元)及租賃之現金流出總額為161.5百萬港元(二零一九年：154.7百萬港元)。

The Group has extension options in a number of leases for outlets (2019: Nil). These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension options held are exercisable only by the Group and not by the respective lessors.

本集團於多個門店的租賃有延期選擇權(二零一九年：無)，用於最大程度提升管理本集團經營所用資產的運營靈活性。所持延期選擇權僅可由本集團(而非各自出租人)行使。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

19. RIGHT-OF-USE ASSETS (CONT'D)

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The potential exposures to these future lease payments for extension options in which the Group is not reasonably certain to exercise is summarised below:

19. 使用權資產(續)

本集團於租賃開始日期評估是否合理確定行使延期選擇權。本集團無法合理確定行使延期選擇權的未來租賃付款潛在風險概述如下：

	Potential future lease payments not included in lease liabilities (undiscounted) at 31st December, 2020	Potential future lease payments not included in lease liabilities (undiscounted) at 31st December, 2019		
Lease liabilities recognised as at 31st December, 2020 於二零二零年十二月三十一日 未計入租賃負債的潛在未來租賃付款(未折現) HK\$ Million 百萬港元	Lease liabilities recognised as at 31st December, 2019 於二零一九年十二月三十一日 未計入租賃負債的潛在未來租賃付款(未折現) HK\$ Million 百萬港元	Lease liabilities recognised as at 31st December, 2019 於二零一九年十二月三十一日 未計入租賃負債的潛在未來租賃付款(未折現) HK\$ Million 百萬港元		
Land and buildings 土地及樓宇	43.1	73.5	58.6	77.0

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year, there is no such triggering event.

Restrictions or covenants on lease

In addition, lease liabilities of HK\$283.1 million (2019: HK\$213.6 million) are recognised with related right-of-use assets of HK\$292.7 million (2019: HK\$212.3 million) and related net investments in finance lease of HK\$1.4 million (2019: HK\$6.2 million) as at 31st December, 2020. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

此外，在發生重大事件或承租人控制範圍內的情況發生重大變化時，本集團會重新評估是否可合理確定行使延期選擇權。年內並無任何觸發事件發生。

租賃限制或契諾

此外，於二零二零年十二月三十一日，已確認租賃負債283.1百萬港元(二零一九年：213.6百萬港元)連同相關使用權資產292.7百萬港元(二零一九年：212.3百萬港元)及相關融資租賃投資淨額1.4百萬港元(二零一九年：6.2百萬港元)。租賃協議並無施加任何契諾，惟出租人持有之租賃資產之抵押權益除外。租賃資產不得用作借款的抵押。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

20. GOODWILL**20. 商譽**

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Cost	成本		
At 1st January	於一月一日	132.9	134.1
Released on disposal of a subsidiary	出售一間附屬公司時撥回	-	(1.2)
		132.9	132.9
At 31st December	於十二月三十一日		

21. INTANGIBLE ASSETS**21. 無形資產**

		Computer software 電腦軟件 HK\$ Million 百萬港元	Club memberships 會所會籍 HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
Cost	成本			
At 1st January, 2019	於二零一九年一月一日	17.8	19.4	37.2
Exchange adjustments	匯兌調整	(0.3)	-	(0.3)
Additions	增加	-	5.0	5.0
		17.5	24.4	41.9
At 31st December, 2019	於二零一九年十二月三十一日			
Exchange adjustments	匯兌調整	1.7	-	1.7
Additions	增加	12.0	-	12.0
		31.2	24.4	55.6
At 31st December, 2020	於二零二零年十二月三十一日			
Accumulated amortisation and impairment	累計攤銷及減值			
At 1st January, 2019	於二零一九年一月一日	6.8	0.9	7.7
Exchange adjustments	匯兌調整	(0.2)	-	(0.2)
Amortisation charged for the year	本年度已扣除之攤銷	1.9	-	1.9
		8.5	0.9	9.4
At 31st December, 2019	於二零一九年十二月三十一日			
Exchange adjustments	匯兌調整	0.6	-	0.6
Amortisation charged for the year	本年度已扣除之攤銷	1.9	-	1.9
		11.0	0.9	11.9
At 31st December, 2020	於二零二零年十二月三十一日			
Carrying amounts	賬面值			
At 31st December, 2020	於二零二零年十二月三十一日	20.2	23.5	43.7
At 31st December, 2019	於二零一九年十二月三十一日	9.0	23.5	32.5

Other than the club memberships, which have indefinite useful lives, the intangible assets are amortised on a straight-line basis over the following periods:

除會所會籍無固定可使用年期外，無形資產於下列期間按直線法攤銷：

Computer software	3 – 5 years	電腦軟件	3至5年
-------------------	-------------	------	------

for the year ended 31st December, 2020

22. IMPAIRMENT TESTING ON GOODWILL

For impairment testing, goodwill at 31st December, 2020 were allocated to the following cash-generating units.

Consumer finance segment	消費金融分部		
UAF	亞洲聯合財務	5.9	5.9
SHK Finance Limited	新鴻基財務有限公司	2.7	2.7
		8.6	8.6
Investment and finance segment	投資及金融分部		
SHK	新鴻基	104.9	104.9
SHK IND	新工投資	9.6	9.6
		114.5	114.5
Property management and elderly care services segment	物業管理及 護老服務分部		
Cautious Base Limited ("Cautious Base")	Cautious Base Limited ("Cautious Base")	9.8	9.8
		132.9	132.9

The recoverable amounts of UAF and SHK Finance Limited under the consumer finance segment, SHK and SHK IND under the investment and finance segment have been determined based on a value in use calculation. The calculation of the value in use of SHK uses cash flow projection based on respective financial budgets covering a five-year period. The recoverable amounts of UAF, SHK Finance Limited, SHK and SHK IND were determined to be in excess of its net carrying amounts.

The recoverable amount of Cautious Base under the property management and elderly care services segment has been determined based on a value in use calculation. The calculation uses cash flow projection based on respective financial budgets covering a five-year period at a discount rate of 2.4% – 2.5% (2019: 2.5% – 3.0%) per annum. The recoverable amount was determined to be in excess of its net carrying amount.

Management believes that possible changes in any of the above assumptions would not cause the carrying amounts to exceed their recoverable amounts.

截至二零二零年十二月三十一日止年度

22. 商譽之減值測試

為進行減值測試，於二零二零年十二月三十一日之商譽乃分配至以下現金產生單位。

		Goodwill 商譽	
		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Consumer finance segment	消費金融分部		
UAF	亞洲聯合財務	5.9	5.9
SHK Finance Limited	新鴻基財務有限公司	2.7	2.7
		8.6	8.6
Investment and finance segment	投資及金融分部		
SHK	新鴻基	104.9	104.9
SHK IND	新工投資	9.6	9.6
		114.5	114.5
Property management and elderly care services segment	物業管理及 護老服務分部		
Cautious Base Limited ("Cautious Base")	Cautious Base Limited ("Cautious Base")	9.8	9.8
		132.9	132.9

於消費金融分部的亞洲聯合財務及新鴻基財務有限公司與於投資及金融分部的新鴻基及新工投資的可收回金額均根據使用價值釐定。新鴻基之使用價值的計算方法使用以五年期財政預算現金流量預測。亞洲聯合財務、新鴻基財務有限公司、新鴻基、新工投資的可收回金額經確定為超過其各自之賬面淨值。

於物業管理及護老服務分部的Cautious Base的可收回金額乃根據使用價值釐定。該計算方法使用以五年期財政預算按折現年率2.4% – 2.5% (二零一九年：2.5% – 3.0%) 折讓為基準的現金流量預測。可收回金額經確定為超過其賬面淨值。

管理層相信，上述任何假設可能出現的改變不會使賬面值超出可收回金額。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

23. INTERESTS IN ASSOCIATES

23. 於聯營公司之權益

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Listed securities (Note (i))	上市證券(註解(i))	13,600.7	12,535.5
Unlisted shares (Note (ii))	非上市股份(註解(ii))	219.8	1,203.4
		13,820.5	13,738.9
		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Note (i):	註解(i):		
Listed securities	上市證券		
Cost of investment	投資成本	3,865.5	3,776.8
Share of post-acquisition reserves	應佔收購後儲備	9,767.0	8,790.5
Less: impairment	減: 減值	(1.9)	(1.9)
		13,630.6	12,565.4
Elimination of unrealised profit	撇銷未變現溢利	(29.9)	(29.9)
		13,600.7	12,535.5
Market value of listed securities, at quoted price (Note)	上市證券市值， 按報價(註解)	3,882.0	3,025.1

Note:

As at 31st December, 2020, the market value of listed securities included in the market value of the interests in TACI of HK\$3,395.0 million (2019: HK\$2,544.4 million), APAC of HK\$409.8 million (2019: HK\$480.7 million) and Dragon Mining Limited of HK\$77.2 million (2019: Nil).

Management has compared the carrying amounts of TACI and APAC with their recoverable amounts at the end of the reporting period and no impairment needs to be recognised.

註解:

於二零二零年十二月三十一日，上市證券市值已包括於天安、亞太資源及龍資源有限公司權益的市值3,395.0百萬港元(二零一九年: 2,544.4百萬港元)、409.8百萬港元(二零一九年: 480.7百萬港元)及77.2百萬港元(二零一九年: 無)。

管理層已比較天安及亞太資源於報告期末的賬面值及可收回金額及毋須確認減值。

for the year ended 31st December, 2020

23. INTERESTS IN ASSOCIATES (CONT'D)

The shareholding in APAC increased from 37.56% at 31st December, 2019 to 39.56% at 31st December, 2020 as a result of the acquisition of additional 24,320,000 shares in APAC from the market for a consideration of HK\$22.1 million during the year 2020.

Note (ii):	註解(ii):
Unlisted shares	非上市股份
Cost of investment	投資成本
Share of post-acquisition reserves	應佔收購後儲備
Less: impairment	減: 減值

Particulars of the Group's principal associates at 31st December, 2020 are set out in note 56.

截至二零二零年十二月三十一日止年度

23. 於聯營公司之權益(續)

於亞太資源之股權由二零一九年十二月三十一日的37.56%增至二零二零年十二月三十一日的39.56%，此乃由於二零二零年在市場購入亞太資源額外24,320,000股股份，代價為22.1百萬港元。

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	1,794.8	1,843.5
	(1,574.2)	2.5
	220.6	1,846.0
	(0.8)	(642.6)
	219.8	1,203.4

本集團於二零二零年十二月三十一日之主要聯營公司詳情載於附註56。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

23. INTERESTS IN ASSOCIATES (CONT'D)**23. 於聯營公司之權益(續)****Summarised consolidated financial information of material associates**

The summarised consolidated financial information of the Group's material associates, TACI, APAC and SHKFGI, is set out below.

(i) TACI

The summarised consolidated financial information below represents amounts shown in TACI's consolidated financial statements prepared in accordance with HKFRSs. The results, assets and liabilities of TACI are accounted for using the equity method in these consolidated financial statements (Note).

Current assets	流動資產
Non-current assets	非流動資產
Current liabilities	流動負債
Non-current liabilities	非流動負債
Revenue	收入
Profit for the year	本年度溢利
Other comprehensive income (expenses) for the year	本年度其他全面收益(費用)
Total comprehensive income for the year	本年度全面收益總額
Dividends received from TACI during the year	本年度收取天安的股息

重大聯營公司之綜合財務資料概述

本集團重大聯營公司天安、亞太資源及新鴻基金集團之綜合財務資料概要載列於下文。

(i) 天安

下文之綜合財務資料概要代表於天安的綜合財務報表(根據香港財務報告準則編製)中呈列之金額。天安之業績、資產及負債乃使用權益法於本綜合財務報表中入賬(註解)。

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	15,600.2	13,623.0
	27,020.5	27,426.6
	(8,248.0)	(8,709.0)
	(7,399.6)	(6,745.4)
	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	2,359.4	2,221.9
	567.8	1,355.6
	1,141.8	(661.7)
	1,709.6	693.9
	146.7	146.7

for the year ended 31st December, 2020

23. INTERESTS IN ASSOCIATES (CONT'D)**Summarised consolidated financial information of material associates (Cont'd)***(i) TACI (Cont'd)*

Reconciliation of the above summarised consolidated financial information to the carrying amount of the interest in TACI recognised in the consolidated financial statements:

Net assets attributable to owners of TACI 天安股東應佔資產淨值

The Group's ownership interest in TACI 本集團所持有天安之擁有權權益

Share of net assets of TACI 應佔天安資產淨值
Goodwill 商譽

Adjustment on acquisition of additional interest in TACI 就收購天安額外權益調整

Unrealised profit adjustments 未變現溢利調整

Carrying amount of the Group's interest in TACI 本集團於天安之權益之賬面值

Note: The Group's 48.86% interest in TACI gives the Group 48.86% of the voting rights in TACI. As at 31st December, 2020, the board composition of TACI comprised four executive directors, two non-executive directors and four independent non-executive directors, totalling ten directors. Of these directors, a non-executive director of TACI is also an executive director of the Company, and an executive director of TACI is also an executive director of the Company. China Elite Holdings Limited ("China Elite", a wholly-owned subsidiary of the Company that held the 48.86% interest in TACI) has resolved that whilst the Group's shareholding in TACI is less than 50%, China Elite will not, without prior public notice required under applicable legislation, exercise its power as a shareholder of TACI to seek to appoint another director to the board of directors of TACI who is or has within the previous twelve months been an employee or a director of China Elite, its holding company or any subsidiary of its holding companies.

TACI's other three significant shareholders hold a total of 33.84% equity interest as at 31st December, 2020 and were independent third parties from the Group.

The Group has considered whether TACI is a subsidiary when preparing its consolidated financial statements for the year ended 31st December, 2020 in view of the provisions of HKFRS 10 Consolidated Financial Statements and has concluded that it does not have unilateral ability to direct the relevant activities of TACI based on the above facts and circumstances, and accordingly, the Group continues to account for TACI as an associate.

The principal activities of TACI are property investment and development in the PRC and are strategic to the Group's activities.

截至二零二零年十二月三十一日止年度

23. 於聯營公司之權益(續)**重大聯營公司之綜合財務資料概述(續)***(i) 天安(續)*

上述綜合財務資料概要與綜合財務報表中所確認於天安權益之賬面值之對賬：

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Net assets attributable to owners of TACI 天安股東應佔資產淨值	25,659.4	24,251.0
The Group's ownership interest in TACI 本集團所持有天安之擁有權權益	48.86%	48.86%
Share of net assets of TACI 應佔天安資產淨值	12,537.1	11,849.0
Goodwill 商譽	1.8	1.8
Adjustment on acquisition of additional interest in TACI 就收購天安額外權益調整	(614.0)	(614.0)
Unrealised profit adjustments 未變現溢利調整	(29.9)	(29.9)
Carrying amount of the Group's interest in TACI 本集團於天安之權益之賬面值	11,895.0	11,206.9

註解：本集團於天安之48.86%權益賦予本集團於天安之48.86%投票權。於二零二零年十二月三十一日，天安董事會由四名執行董事、兩名非執行董事及四名獨立非執行董事合共十名董事組成。在該等董事當中，一名天安非執行董事亦為本公司的執行董事，而天安一名執行董事亦為本公司的執行董事。China Elite Holdings Limited (「China Elite」，本公司全資附屬公司，持有天安之48.86%權益) 議決，當本集團於天安的持股權少於50%，則China Elite在未經適用法例知會公眾前，將不會行使其作為天安股東的權力，尋求委任另一名董事加入天安董事會，而該董事於先前十二個月擔任或曾經擔任China Elite、其控股公司或其控股公司任何附屬公司的僱員或董事。

於二零二零年十二月三十一日，天安其他三名主要股東合共持有33.84%股權，均為本集團之獨立第三方。

本集團編製其截至二零二零年十二月三十一日止年度之綜合財務報表時已根據香港財務報告準則第10號「綜合財務報表」之條文考慮天安是否屬於附屬公司，並基於上述事實及情況，認為其沒有單方面之能力可指示天安的相關活動，因此，本集團繼續將天安作為聯營公司入賬。

天安之主要業務活動為於中國進行物業投資及發展，對本集團業務有策略性影響。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

23. INTERESTS IN ASSOCIATES (CONT'D)**23. 於聯營公司之權益(續)****Summarised consolidated financial information of material associates (Cont'd)****重大聯營公司之綜合財務資料概述(續)***(ii) APAC*

The summarised consolidated financial information below represents amounts shown in APAC's consolidated financial statements prepared in accordance with HKFRSs. The results, assets and liabilities of APAC are accounted for using the equity method in these consolidated financial statements.

(ii) 亞太資源

下文之綜合財務資料概要代表於亞太資源的綜合財務報表(根據香港財務報告準則編製)中呈列之金額。亞太資源之業績、資產及負債乃使用權益法於本綜合財務報表中入賬。

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Current assets	流動資產	2,009.1	1,577.1
Non-current assets	非流動資產	2,735.8	2,432.0
Current liabilities	流動負債	(61.0)	(66.1)
Non-current liabilities	非流動負債	(0.3)	(2.4)
		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Revenue	收入	430.0	348.1
Profit for the year	本年度溢利	701.1	840.9
Other comprehensive income (expenses) for the year	本年度其他全面 收益(費用)	163.8	(10.2)
Total comprehensive income for the year	本年度全面收益 總額	864.9	830.7
Dividends received from APAC during the year	本年度收取亞太資源的 股息	46.4	43.9

for the year ended 31st December, 2020

23. INTERESTS IN ASSOCIATES (CONT'D)**Summarised consolidated financial information of material associates (Cont'd)***(ii) APAC (Cont'd)*

Reconciliation of the above summarised consolidated financial information to the carrying amount of the interest in APAC recognised in the consolidated financial statements:

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Net assets attributable to owners of APAC	亞太資源股東應佔資產淨值	4,683.6	3,940.6
The Group's ownership interest in APAC	本集團所持有亞太資源之擁有權權益	39.56%	37.56%
Share of net assets of APAC	應佔亞太資源資產淨值	1,852.8	1,480.1
Adjustment on acquisition of additional interest in APAC	就收購亞太資源額外權益調整	(215.7)	(151.9)
Others	其他	0.4	0.4
Carrying amount of the Group's interest in APAC	本集團於亞太資源之權益之賬面值	1,637.5	1,328.6

截至二零二零年十二月三十一日止年度

23. 於聯營公司之權益(續)**重大聯營公司之綜合財務資料概述(續)***(ii) 亞太資源(續)*

上述綜合財務資料概要與於綜合財務報表中所確認於亞太資源權益之賬面值之對賬：

23. INTERESTS IN ASSOCIATES (CONT'D)**Summarised consolidated financial information of material associates (Cont'd)***(iii) SHKFGL*

As at 1st January, 2020, SHK had a 30% equity interest in SHKFGL. On 17th November, 2020, SHK exercised the put option on SHKFGL at the consideration of HK\$1,257.1 million cash and HK\$1,156.0 million SHKFGL preference shares and retained no ordinary shares in SHKFGL at 31st December, 2020. Upon completing the transaction, SHKFGL ceased to be an associate. The transaction has resulted in the recognition of no gain in profit or loss, calculated as follows:

Consideration received	所獲代價	2,413.1
Less: carrying amount of the 30% investment on the date of loss of significant influence	減：失去重大影響力當日的30%投資賬面值	(955.8)
Less: carrying amount of unlisted put right for shares in SHKFGL	減：新鴻基金融集團股份非上市認沽權賬面值	(1,457.3)
		<hr/>
Gain on disposal	出售收益	-
		<hr/>
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	1,257.1
		<hr/>

23. 於聯營公司之權益(續)**重大聯營公司之綜合財務資料概述(續)***(iii) 新鴻基金融集團*

於二零二零年一月一日，新鴻基持有新鴻基金融集團的30%股權。於二零二零年十一月十七日，新鴻基行使新鴻基金融集團的認沽權，獲得現金代價1,257.1百萬港元及價值1,156.0百萬港元新鴻基金融集團優先股，於二零二零年十二月三十一日並無持有新鴻基金融集團普通股份。上述交易完成時，新鴻基金融集團不再屬於聯營公司。該項交易結果在損益沒有確認收益，計算如下：

17th
November,
2020
二零二零年
十一月十七日
HK\$ Million
百萬港元

for the year ended 31st December, 2020

23. INTERESTS IN ASSOCIATES (CONT'D)**Summarised consolidated financial information of material associates (Cont'd)***(iii) SHKFGL (Cont'd)*

SHKFGL is accounted for using the equity method. The summarised consolidated financial information of the financial performance upon disposal on 17th November, 2020 and financial position at the reporting date represents the amounts included in the consolidated financial statements of SHKFGL prepared in accordance with HKFRSs and adjusted by fair value adjustments made at the time of reclassifying SHKFGL from a subsidiary to an associate.

Current assets	流動資產
Non-current assets	非流動資產
Current liabilities	流動負債
Non-current liabilities	非流動負債
Revenue	收入
Profit for the year	本年度溢利
Other comprehensive income	其他全面收益
Total comprehensive income	全面收益總額

* Included the results of an associate up to date of disposal on 17th November, 2020.

截至二零二零年十二月三十一日止年度

23. 於聯營公司之權益(續)**重大聯營公司之綜合財務資料概述(續)***(iii) 新鴻基金融集團(續)*

新鴻基金融集團使用權益法入賬。於二零二零年十一月十七日出售之財務表現及於結算日之財務狀況之綜合財務資料概要指新鴻基金融集團根據香港財務報告準則編製之綜合財務報表所包含的金額，並按新鴻基金融集團由附屬公司重新分至聯營公司之公平價值調整而調整。

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	-	10,655.6
	-	903.6
	-	(6,520.0)
	-	(1,672.1)

	2020* 二零二零年* HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	1,475.8	1,727.4
	261.4	248.4
	1.6	-
	263.0	248.4

* 包括一間聯營公司截至出售日期二零二零年十一月十七日之業績。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

23. INTERESTS IN ASSOCIATES (CONT'D)**23. 於聯營公司之權益(續)****Summarised consolidated financial information of material associates (Cont'd)****重大聯營公司之綜合財務資料概述(續)***(iii) SHKFGL (Cont'd)**(iii) 新鴻基金融集團(續)*

The reconciliation of the above summarised financial information to the carrying amount of the interest in SHKFGL is as follows:

上述財務資料概要與於新鴻基金融集團之權益賬面值之對賬如下：

		2019 二零一九年 HK\$ Million 百萬港元
Adjusted net assets of SHKFGL	新鴻基金融集團之經調整資產淨值	3,367.1
The Group's ownership interest in SHKFGL	本集團所持有新鴻基金融集團之擁有權權益	30%
Group's share of adjusted net assets	本集團應佔經調整資產淨值	1,010.1
Goodwill	商譽	607.7
Impairment	減值	(641.8)
Carrying amount of the Group's interest in SHKFGL	本集團於新鴻基金融集團之權益之賬面值	976.0

for the year ended 31st December, 2020

23. INTERESTS IN ASSOCIATES (CONT'D)**Aggregate financial information of associates that are not individually material**

The aggregate financial information of associates that are not individually material is set out below.

The Group's share of loss for the year	本集團應佔本年度虧損
The Group's share of other comprehensive income for the year	本集團應佔本年度其他全面收益
The Group's share of total comprehensive expenses for the year	本集團應佔本年度全面費用總額
Aggregate carrying amount of the Group's interests in these associates	本集團於該等聯營公司之權益之賬面總值

The Group has unrecognised share of losses of associates as follows:

The unrecognised share of losses for the year	本年度未確認應佔虧損
Cumulative share of unrecognised losses	累計應佔未確認虧損

24. INTERESTS IN JOINT VENTURES

Unlisted shares	非上市股份
Cost of investment	投資成本
Share of post-acquisition reserves	應佔收購後儲備
Elimination of unrealised profit	撇銷未變現溢利

Particulars of the Group's principal joint ventures at 31st December, 2020 are set out in note 57.

截至二零二零年十二月三十一日止年度

23. 於聯營公司之權益(續)

單獨不屬重大之聯營公司的財務資料總匯

單獨不屬重大之聯營公司的財務資料總匯載列如下。

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	(32.6)	(30.2)
	28.2	4.2
	(4.4)	(26.0)
	288.0	227.4

本集團之未確認應佔聯營公司虧損如下：

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	-	(0.1)
	(26.8)	(26.8)

24. 於合營公司之權益

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	443.9	443.9
	3,251.4	3,343.2
	3,695.3	3,787.1
	(33.5)	(33.5)
	3,661.8	3,753.6

本集團於二零二零年十二月三十一日的主要合營公司詳情載於附註57。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

24. INTERESTS IN JOINT VENTURES (CONT'D)**24. 於合營公司之權益(續)****Summarised consolidated financial information of material joint ventures**

The summarised consolidated financial information in respect of the Group's material joint ventures, Allied Kajima Limited ("AKL"), LSS Financial Leasing (Shanghai) Limited ("LSS") and Isabella Properties Holdings Limited ("Isabella") is set out below. The summarised consolidated financial information represents amount shown in the joint ventures' consolidated financial statements prepared in accordance with HKFRSs. The results, assets and liabilities of the joint ventures are accounted for using the equity method in these consolidated financial statements.

(i) AKL

重大合營公司之綜合財務資料概述

本集團重大合營公司 Allied Kajima Limited (「AKL」)、陸金申華融資租賃(上海)有限公司(「陸金申華融資租賃」)及Isabella Properties Holdings Limited (「Isabella」)的綜合財務資料概要載於下文。綜合財務資料概要代表於合營公司的綜合財務報表(根據香港財務報告準則編製)中呈列之金額。合營公司之業績、資產及負債乃使用權益法於本綜合財務報表中入賬。

(i) AKL

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Current assets	流動資產	195.9	515.5
Non-current assets	非流動資產	6,993.3	6,986.9
Current liabilities	流動負債	(428.4)	(511.9)
Non-current liabilities	非流動負債	(303.1)	(307.5)
The above assets include the following:			
Cash and cash equivalents	現金及現金等價物	159.5	384.1
		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Revenue	收入	290.5	693.4
(Loss) profit for the year	本年度(虧損)溢利	(229.8)	183.1
Other comprehensive income for the year	本年度其他全面收益	4.6	3.4
Total comprehensive (expenses) income for the year	本年度全面(費用)收益總額	(225.2)	186.5
The above (loss) profit for the year includes the following:			
Depreciation	折舊	79.2	72.4
Interest income	利息收入	2.1	4.3
Interest expenses	利息費用	8.8	7.7
Taxation	稅項	2.3	58.6

for the year ended 31st December, 2020

24. INTERESTS IN JOINT VENTURES (CONT'D)**Summarised consolidated financial information of material joint ventures (Cont'd)***(i) AKL (Cont'd)*

Reconciliation of the above summarised consolidated financial information to the carrying amount of the interest in AKL recognised in the consolidated financial statements:

Net assets of AKL	AKL之資產淨值
The Group's ownership interest in AKL	本集團所持有AKL之擁有權權益
Share of net assets of AKL	應佔AKL資產淨值
Goodwill	商譽
Unrealised profit adjustments	未變現溢利調整
Carrying amount of the Group's interest in AKL	本集團於AKL權益之賬面值

(ii) LSS

Current assets	流動資產
Non-current assets	非流動資產
Current liabilities	流動負債
Non-current liabilities	非流動負債

截至二零二零年十二月三十一日止年度

24. 於合營公司之權益(續)**重大合營公司之綜合財務資料概述(續)***(i) AKL (續)*

上述綜合財務資料概要與綜合財務報表中所確認於AKL權益之賬面值之對賬：

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	6,457.7	6,683.0
	50%	50%
	3,228.8	3,341.5
	0.1	0.1
	(33.5)	(33.5)
	3,195.4	3,308.1

(ii) 陸金申華融資租賃

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	1,083.6	929.7
	800.9	525.4
	(678.1)	(602.2)
	(596.9)	(256.5)

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

24. INTERESTS IN JOINT VENTURES (CONT'D)**24. 於合營公司之權益(續)****Summarised consolidated financial information of material joint ventures (Cont'd)****重大合營公司之綜合財務資料概述(續)**

(ii) LSS (Cont'd)

(ii) 陸金申華融資租賃(續)

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Revenue	收入	136.3	143.1
(Loss) profit for the year	本年度(虧損)溢利	(24.1)	4.9
Total comprehensive (expenses) income for the year	本年度全面(費用)收益總額	(24.1)	4.9

Reconciliation of the above summarised consolidated financial information to the carrying amount of the interest in LSS recognised in the consolidated financial statements:

上述綜合財務資料概要與綜合財務報表中所確認於陸金申華融資租賃權益之賬面值之對賬：

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Net assets of LSS	陸金申華融資租賃之資產淨值	609.5	596.4
Carrying amount of the Group's interest in LSS	本集團於陸金申華融資租賃權益之賬面值	243.8	238.6

for the year ended 31st December, 2020

24. INTERESTS IN JOINT VENTURES (CONT'D)**Summarised consolidated financial information of material joint ventures (Cont'd)***(iii) Isabella*

Current assets	流動資產
Non-current assets	非流動資產
Current liabilities	流動負債
Non-current liabilities	非流動負債

The above amounts of assets and liabilities include the following:
Investment properties

上述資產及負債金額包括以下項目：
投資物業

Revenue	收入
Profit for the year	本年度溢利
Total comprehensive income for the year	本年度全面收益總額

* Included the results of the joint venture from the date it became joint venture of the Group up to 31st December, 2019.

Reconciliation of the above summarised consolidated financial information to the carrying amount of the interest in Isabella recognised in the consolidated financial statements:

Net assets of Isabella	Isabella之資產淨值
Carrying amount of the Group's interest in Isabella	本集團於Isabella權益之賬面值

截至二零二零年十二月三十一日止年度

24. 於合營公司之權益(續)**重大合營公司之綜合財務資料概述(續)***(iii) Isabella*

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	78.1	88.2
	1,200.9	1,151.8
	(23.4)	(56.7)
	(787.3)	(761.3)
	1,169.5	1,129.9

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	68.2	1.9*
	18.1	4.5*
	18.1	4.5*

* 包括合營公司自其成為本集團合營公司日期起至二零一九年十二月三十一日的業績。

上述綜合財務資料概要與綜合財務報表中所確認於Isabella權益之賬面值之對賬：

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	468.3	422.0
	222.6	206.9

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

25. FINANCIAL ASSETS AND LIABILITIES**25. 金融資產及負債**

The following tables provide an analysis of financial assets and liabilities of the Group that are at fair value.

下表分析本集團以公平價值計量的金融資產及負債。

		2020 二零二零年			
		Fair value 公平價值			
		Level 1 第一級 HK\$ Million 百萬港元	Level 2 第二級 HK\$ Million 百萬港元	Level 3 第三級 HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
Financial assets at fair value through other comprehensive income	透過其他全面收益按公平價值處理之金融資產				
Listed equity securities in Hong Kong	香港上市股本證券	64.9	-	-	64.9
Listed equity securities outside Hong Kong	香港以外地區上市股本證券	79.6	-	-	79.6
Unlisted overseas equity securities	非上市海外股本證券	-	-	8.5	8.5
Debt securities	債務證券				
Listed in Hong Kong	香港上市	-	40.0	28.6	68.6
Listed outside Hong Kong	香港以外地區上市	-	79.0	40.3	119.3
Unlisted debt securities	非上市債務證券	-	15.4	-	15.4
		144.5	134.4	77.4	356.3
Analysed for reporting purposes as:	為呈報目的所作之分析：				
Non-current assets	非流動資產				209.3
Current assets	流動資產				147.0
					356.3

for the year ended 31st December, 2020

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

截至二零二零年十二月三十一日止年度

25. 金融資產及負債(續)

		2020 二零二零年			
		Fair value 公平價值			
		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產				
Equity linked notes	股本掛鈎票據	-	345.7	5.9	351.6
Listed equity securities in Hong Kong	香港上市股本證券	858.8	-	-	858.8
Listed equity and debt securities outside Hong Kong	香港以外地區上市股本及債務證券	717.4	18.5	-	735.9
Over the counter equity currency derivatives	場外股本貨幣衍生工具	-	3.0	-	3.0
Quoted options and futures	已報價期權及期貨	-	32.2	-	32.2
Unlisted call option for club memberships	非上市之會所會籍認購期權	-	-	14.1	14.1
Bonds	債券	-	433.9	-	433.9
Listed debt securities	上市債務證券	80.0	9.0	-	89.0
Unlisted convertible preferred and ordinary shares issued by an unlisted company	一間非上市公司發行之非上市可轉換優先股及普通股	-	-	134.5	134.5
Unlisted equity securities	非上市股本證券	-	-	294.4	294.4
Unlisted preference shares issued by an unlisted company	一間非上市公司發行之非上市優先股	-	-	1,174.0	1,174.0
Unlisted preferred and ordinary shares issued by unlisted companies	非上市公司發行之非上市優先股及普通股	-	-	73.9	73.9
Unlisted shares issued by companies	公司發行之非上市股份	-	-	117.1	117.1
Unlisted convertible bonds issued by companies	公司發行之非上市可換股債券	-	-	24.4	24.4
Unlisted overseas equity securities with a put right	含認沽權之非上市海外股本證券	-	-	635.7	635.7
Unlisted overseas debt securities with redeemable preferred shares and ordinary shares issued by an unlisted company	一間非上市公司發行之非上市海外債務證券連同可贖回優先股及普通股	-	-	216.1	216.1
Unlisted overseas investment funds	非上市海外投資基金	-	-	9,636.4	9,636.4
Listed perpetual securities	上市永續證券	-	65.7	11.0	76.7
Unlisted trust fund	非上市信託基金	-	29.6	-	29.6
		1,656.2	937.6	12,337.5	14,931.3
Analysed for reporting purposes as:	為呈報目的所作之分析:				
Non-current assets	非流動資產				9,504.6
Current assets	流動資產				5,426.7
					14,931.3

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

25. 金融資產及負債(續)

		2020 二零二零年			
		Fair value 公平價值			
		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Financial liabilities at fair value through profit or loss	透過損益賬按公平價值處理之金融負債				
Held for trading	持作交易用途				
Quoted futures and options	已報價期貨及期權	-	27.5	-	27.5
Foreign currency contracts	貨幣期貨	-	82.5	-	82.5
Over the counter equity derivatives	場外股本衍生工具	-	-	62.4	62.4
Contracts for difference	差價合約	-	0.4	-	0.4
Analysed for reporting purposes as current liabilities	為呈報目的分析為流動負債	-	110.4	62.4	172.8

for the year ended 31st December, 2020

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

截至二零二零年十二月三十一日止年度

25. 金融資產及負債(續)

		2019 二零一九年			
		Fair value 公平價值			
		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Financial assets at fair value through other comprehensive income	透過其他全面收益按公平價值處理之金融資產				
Listed equity securities in Hong Kong	香港上市股本證券	118.1	–	–	118.1
Listed equity securities outside Hong Kong	香港以外地區上市股本證券	79.4	–	–	79.4
Unlisted overseas equity securities	非上市海外股本證券	–	–	8.5	8.5
Debt securities	債務證券				
Listed in Hong Kong	香港上市	–	42.5	10.5	53.0
Listed outside Hong Kong	香港以外地區上市	–	112.5	–	112.5
		197.5	155.0	19.0	371.5
Analysed for reporting purposes as:	為呈報目的所作之分析:				
Non-current assets	非流動資產				363.5
Current assets	流動資產				8.0
					371.5

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

25. 金融資產及負債(續)

		2019 二零一九年			
		Fair value 公平價值			
		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Financial assets at fair value through profit or loss	透過損益按公平價值處理之金融資產				
Equity linked notes	股本掛鈎票據	-	-	20.5	20.5
Listed equity securities in Hong Kong	香港上市股本證券	844.1	-	-	844.1
Listed equity and debt securities outside Hong Kong	香港以外地區上市股本及債務證券	1,850.2	10.1	-	1,860.3
Over the counter equity currency derivatives	場外股本貨幣衍生工具	-	0.3	-	0.3
Forward currency contract	遠期貨幣合約	-	79.1	-	79.1
Quoted options and futures	已報價期權及期貨	3.2	30.4	-	33.6
Unlisted put right for shares in an associate	非上市之一間聯營公司股份認沽權	-	-	1,387.0	1,387.0
Unlisted call option for club memberships	非上市之會所會籍認購期權	-	-	13.1	13.1
Unlisted call option for shares listed outside Hong Kong	香港以外地區上市股份之非上市認購期權	-	-	0.1	0.1
Contracts for difference	差價合約	-	8.0	-	8.0
Bonds	債券	-	984.8	-	984.8
Listed bonds issued by listed companies	上市公司發行之上市債券	-	8.9	-	8.9
Unlisted convertible preferred and ordinary shares issued by an unlisted company	一間非上市公司發行之非上市可轉換優先股及普通股	-	110.3	-	110.3
Unlisted equity securities	非上市股本證券	-	-	255.3	255.3
Unlisted preferred and ordinary shares issued by unlisted companies	非上市公司發行之非上市優先股及普通股	-	-	79.9	79.9
Unlisted shares issued by companies	公司發行之非上市股份	-	82.8	36.4	119.2
Unlisted convertible bonds issued by companies	公司發行之非上市可換股債券	-	25.0	3.9	28.9
Unlisted overseas equity securities with a put right	含認沽權之非上市海外股本證券	-	-	778.7	778.7
Unlisted overseas debt securities with redeemable preferred shares and ordinary shares issued by an unlisted company	一間非上市公司發行之非上市海外債務證券連同可贖回優先股及普通股	-	-	177.5	177.5
Unlisted overseas investment funds	非上市海外投資基金	-	-	6,292.7	6,292.7
Listed perpetual securities	上市永續證券	-	61.3	-	61.3
Unlisted trust fund	非上市信託基金	-	-	28.0	28.0
		2,697.5	1,401.0	9,073.1	13,171.6
Analysed for reporting purposes as:	為呈報目的所作之分析:				
Non-current assets	非流動資產				8,020.0
Current assets	流動資產				5,151.6
					13,171.6

for the year ended 31st December, 2020

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

截至二零二零年十二月三十一日止年度

25. 金融資產及負債(續)

		2019 二零一九年			
		Fair value 公平價值			
		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Financial liabilities at fair value through profit or loss	透過損益賬按公平價值處理之金融負債				
Held for trading	持作交易用途				
Quoted futures and options	已報價期貨及期權	-	17.6	-	17.6
Foreign currency contracts	貨幣期貨	3.4	0.1	-	3.5
Over the counter equity derivatives	場外股本衍生工具	-	-	18.2	18.2
Short position in listed equity securities under stock borrowing arrangement	借股安排項下之上市股本證券淡倉	667.9	-	-	667.9
Contracts for difference	差價合約	-	8.6	-	8.6
Analysed for reporting purposes as current liabilities	為呈報目的分析為流動負債	671.3	26.3	18.2	715.8

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

On the basis of its analysis of the nature, characteristics and risks of the equity securities, the Group has determined that presenting them by nature and type of issuers is appropriate.

Fair values are grouped from Level 1 to 3 based on the degree to which the fair values are observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from input other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include input for the assets or liabilities that are not based on observable market data.

Certain unlisted equity securities are measured at fair value at the end of the reporting period. Based on the relevant agreements, the Group can require the relevant investment manager to redeem the units at net asset value by giving a written redemption notice. The fair value of the unlisted overseas investment funds are provided by the relevant investment managers.

25. 金融資產及負債(續)

基於股本證券之性質、特點及風險分析，本集團釐定以發行人性質及類別呈列實屬適宜。

公平價值按其可觀察度分類為一至三級。

第一級公平價值計量按相同的資產或負債於活躍市場的報價(無調整)計算。

第二級公平價值計量乃除第一級計入之報價外，就資產或負債可直接(即價格)或間接(即自價格衍生)觀察輸入數據得出。

第三級公平價值計量乃計入並非根據可觀察市場數據之資產或負債之估值方法得出。

若干別非上市股本證券以報告期末之公平價值計量。根據相關之協議，本集團可發出一個書面的贖回通知要求相關投資經理以資產淨值贖回單位。非上市海外投資基金之公平價值由相關之投資經理提供。

for the year ended 31st December, 2020

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

Included in financial assets at FVTOCI and financial assets at FVTPL, there are debt securities under Level 2, the debt element of which is recognised at fair value at date of initial recognition and subsequent measurement with fair value change at each reporting date recognised directly in equity until the instrument is sold. Listed and unlisted debt securities with market quote in an active market, the fair value will be the mid-market quote plus accrued but unpaid interest. The fair value of these debt securities is HK\$143.4 million (2019: HK\$121.2 million). As at 31st December, 2019, the fair value of the debt element is approximately HK\$42.6 million which was calculated based on the present value of contractually determined stream of future cash flows discounted at the required yield, which was determined with reference to instruments of similar terms and similar credit risks. The effective interest rates of the debt element at 31st December, 2019 was 11.24%. The fair values of the debt element have been determined by a firm of independent professional valuers, Greater China Appraisal Limited ("GCA").

The fair values of bonds under Level 2 at the reporting date were derived from quoted prices from pricing services. Where Level 1 and Level 2 inputs are not available, the Group engages external valuers to perform the valuation for certain complex or material financial assets and liabilities.

The fair values of Level 3 financial assets and liabilities are mainly derived from valuation technique using an unobservable range of data. In estimating the fair value of a financial asset or a financial liability under Level 3, the Group engages external valuers or establishes appropriate valuation techniques internally to perform the valuations which are reviewed by the relevant management of the group companies.

截至二零二零年十二月三十一日止年度

25. 金融資產及負債(續)

計入透過其他全面收益按公平價值處理之金融資產及透過損益賬按公平價值處理之金融資產中有第二級別債務證券，其債務部分於首次確認日按公平價值確認及隨後按每個結算日之公平價值變動計量直接於權益中確認，直至該工具售出。於活躍市場具有市場報價的上市及非上市債務證券，其公平價值為市場報價中間值加上應計但未付利息。該等債務證券的公平價值為143.4百萬港元(二零一九年：121.2百萬港元)。於二零一九年十二月三十一日，債務部分之公平價值約為42.6百萬港元，金額乃按所要求之收益率折現根據合約釐定之未來現金流量之現值而計算，要求之收益率乃參照相若條款及類似信貸風險之工具釐定。債務部分於二零一九年十二月三十一日之實際利率為11.24%。債務部分公平價值乃由獨立專業估值師漢華評估有限公司(「漢華評估」)釐定。

於結算日，屬第二級之債券之公平價值乃源自定價服務所報之價格。就若干複雜或重大的金融資產及負債，當沒有第一級及第二級輸入數據時，本集團委聘外部估值師進行估值。

第三級金融資產及負債之公平價值主要來自一系列不可觀察資料的估值方法。於估計第三級金融資產或金融負債之公平價值時，本集團委聘外部估值師或自行設立合適之估值方法以進行估值，並由集團公司之相關管理層審閱。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

25. 金融資產及負債(續)

The following tables provide further information regarding the valuation of material financial assets under Level 3.

下表提供有關第三級重大金融資產估值之進一步資料。

	Valuation technique 估值方法	Unobservable inputs 不可觀察的輸入數據	2020 二零二零年		Sensitivity analysis 敏感度分析
			Input values 輸入數據值	Fair value 公平價值 HK\$ Million 百萬港元	
Financial assets at fair value through profit or loss 透過損益按公平價值處理之金融資產					
Equity linked notes 股本掛鈎票據	Monte Carlo Simulation model 蒙地卡羅模擬模式	Equity growth rate 權益增長率 Volatility 波幅 Discount rate 貼現率	-0.14-0% 4.85-20.78% 0.06-0.09%	5.9	An increase in equity growth rate would result in an increase in the fair value. 權益增長率上升將導致公平價值上升。 An increase in volatility would result in a decrease in the fair value. 波幅增加將導致公平價值下降。 An increase in discount rate would result in a decrease in the fair value. 貼現率上升將導致公平價值下降。
Unlisted convertible preferred and ordinary shares issued by an unlisted company 一間非上市公司發行之非上市可轉換優先股及普通股	Market approach 市場法	Price to sales ratio 價格與銷售比率	14.9	134.5	An increase in price to sales ratio would result in an increase in the fair value. 價格與銷售比率增加將導致公平價值增加。
Unlisted equity securities 非上市股本證券	Quoted market price, pricing multiple and Black-scholes model 市場所報之市價，價格倍數及柏力克-舒爾斯模型	Existing portfolio value 現有組合價值 Volatility 波幅 Return correlation 相關系數 Discount rate 貼現率	USD21.5-20,193.2 million 21.5-20,193.2 百萬美元 16.42-74.33% -0.03-1 0.25%	50.3	An increase in existing portfolio value would result in an increase in the fair value. 現有組合價值上升將導致公平價值上升。 An increase in volatility would result in a decrease in the fair value. 波幅增加將導致公平價值下降。 An increase in return correlation would result in a decrease in the fair value. 相關系數上升將導致公平價值下降。 An increase in discount rate would result in a decrease in the fair value. 貼現率上升將導致公平價值下降。
	Net asset value 資產淨值	Note 1 註解1	Note 1 註解1	244.1	Note 1 註解1

for the year ended 31st December, 2020

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

截至二零二零年十二月三十一日止年度

25. 金融資產及負債(續)

			2020 二零二零年		
	Valuation technique 估值方法	Unobservable inputs 不可觀察的輸入數據	Input values 輸入數據值	Fair value 公平價值 HK\$ Million 百萬港元	Sensitivity analysis 敏感度分析
Financial assets at fair value through profit or loss (Cont'd) 透過損益賬按公平價值處理之金融資產(續)					
Unlisted preference shares issued by an unlisted company 一間非上市公司發行之非上市優先股	Discounted cash flow 折現現金流量	Discount rate 貼現率	12.6%	1,174.0	An increase in discount rate would result in a decrease in the fair value. 貼現率上升將導致公平價值下降。
Unlisted preferred shares issued by an unlisted company 一間非上市公司發行之非上市優先股	Equity allocation method 權益分配法	Expected volatility 預計波幅	46.5%	35.6	An increase in expected volatility would result in a decrease in the fair value. 預計波幅增加將導致公平價值下降。
Unlisted ordinary shares issued by an unlisted company 一間非上市公司發行之非上市普通股	Net asset value 資產淨值	Note 1 註解1	Note 1 註解1	32.1	Note 1 註解1
Unlisted shares issued by companies 公司發行之非上市股份	Net asset value 資產淨值	Note 1 註解1	Note 1 註解1	83.6	Note 1 註解1
Unlisted convertible bonds issued by an unlisted company 一間非上市公司發行之非上市可換股債券	Binomial Model 二項式模式	Risk free rate 無風險利率 Expected volatility 預計波幅 Discount rate 貼現率	0.1% 52.8% 28.0%	20.6	An increase in risk free rate would result in a decrease in the fair value. 無風險利率上升將導致公平價值下降。 An increase in expected volatility would result in an increase in the fair value. 預計波幅增加將導致公平價值上升。 An increase in discount rate would result in a decrease in the fair value. 貼現率上升將導致公平價值下降。

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

25. 金融資產及負債(續)

			2020 二零二零年		
	Valuation technique 估值方法	Unobservable inputs 不可觀察的輸入數據	Input values 輸入數據值	Fair value 公平價值 HK\$ Million 百萬港元	Sensitivity analysis 敏感度分析
Financial assets at fair value through profit or loss (Cont'd) 透過損益按公平價值處理之金融資產(續)					
Unlisted overseas equity securities with a put right 含認沽權之非上市海外股本證券	Market approach and option model 市場法及期權模型	Expected volatility 預計波幅 Discount rate 貼現率 Equity growth rate 權益增長率 Estimated equity value 權益價值估值	11.5% 0.1% 1.3% HK\$116.3 million 116.3百萬港元	635.7	An increase in expected volatility would result in an increase in the fair value of the put right. 預計波幅增加將導致認沽權公平價值上升。 An increase in discount rate would result in a decrease in the fair value of the put right. 貼現率上升將導致認沽權公平價值下降。 An increase in equity growth rate would result in a decrease in the fair value of the put right. 權益增長率上升將導致認沽權公平價值下降。 An increase in estimated equity value would result in a decrease in the fair value of the put right. 權益價值估值上升將導致認沽權公平價值下降。
Unlisted overseas debt securities with redeemable preferred shares and ordinary shares issued by an unlisted company 一間非上市公司發行之非上市海外債務證券連同可贖回優先股及普通股	Market approach 市場法	Enterprise value to earnings before interest, taxes, depreciation and amortisation ratio 企業價值對除息、稅、折舊及攤銷前盈利比率	8.4	216.1	An increase in enterprise value to earnings before interest, taxes, depreciation and amortisation ratio would result in an increase in the fair value of ordinary shares. 企業價值對除息、稅、折舊及攤銷前盈利比率上升將導致普通股公平價值上升。
Unlisted overseas investment funds 非上市海外投資基金	Net asset value 資產淨值	Note 1 註解1	Note 1 註解1	8,361.2	Note 1 註解1
Unlisted overseas investment funds 非上市海外投資基金	Net asset value 資產淨值	Discount for lack of marketability 缺乏市場流動性折讓	15.6%-21.5%	1,275.2	An increase in discount for lack of marketability would result in a decrease in the fair value. 缺乏市場流動性折讓上升將導致公平價值下降。

for the year ended 31st December, 2020

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

截至二零二零年十二月三十一日止年度

25. 金融資產及負債(續)

			2019 二零一九年		
	Valuation technique 估值方法	Unobservable inputs 不可觀察的輸入數據	Input values 輸入數據值	Fair value 公平價值 HK\$ Million 百萬港元	Sensitivity analysis 敏感度分析
Financial assets at fair value through profit or loss					
透過損益賬按公平價值處理之金融資產					
Equity linked notes 股本掛鈎票據	Monte Carlo Simulation model 蒙地卡羅模擬模式	Equity growth rate 權益增長率	-0.07-0.03%	20.5	An increase in equity growth rate would result in an increase in the fair value.
		Volatility 波幅	2.08-7.76%		權益增長率上升將導致公平價值上升。
		Discount rate 貼現率	1.43%		An increase in volatility would result in a decrease in the fair value.
					波幅增加將導致公平價值下降。
					An increase in discount rate would result in a decrease in the fair value.
					貼現率上升將導致公平價值下降。
Unlisted put right for shares in an associate 非上市之一間聯營公司股份認沽權	Option model 期權模型	Expected volatility 預計波幅	12.3%	1,387.0	An increase in expected volatility would result in an increase in the fair value.
		Equity growth rate 權益增長率	0.1%		預計波幅增加將導致公平價值上升。
		Estimated equity value 權益價值估值	HK\$976 million 976百萬港元		An increase in equity growth rate would result in a decrease in the fair value.
		Discount rate (for estimated equity value) 貼現率 (就權益價值估值)	17.5%		權益增長率上升將導致公平價值下降。
					An increase in estimated equity value would result in a decrease in fair value.
					權益價值估值增加將導致公平價值下降。
					An increase in discount rate would result in a decrease in the fair value.
					貼現率上升將導致公平價值下降。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

25. 金融資產及負債(續)

			2019 二零一九年		
	Valuation technique 估值方法	Unobservable inputs 不可觀察的輸入數據	Input values 輸入數據值	Fair value 公平價值 HK\$ Million 百萬港元	Sensitivity analysis 敏感度分析
Financial assets at fair value through profit or loss (Cont'd) 透過損益按公平價值處理之金融資產(續)					
Unlisted equity securities – funds 非上市股本證券 – 基金	Quoted market price, pricing multiple and Black-scholes model 市場所報之市價，價格倍數及柏力克 – 舒爾斯模型	Existing portfolio value 現有組合價值	USD24.6-9,972.6 million 24.6-9,972.6 百萬美元 12.30-49.51%	41.7	An increase in existing portfolio value would result in an increase in the fair value. 現有組合價值增加將導致公平價值上升。 An increase in volatility would result in a decrease in the fair value. 波幅增加將導致公平價值下降。 An increase in return correlation would result in a decrease in the fair value. 相關系數上升將導致公平價值下降。 An increase in discount rate would result in a decrease in the fair value. 貼現率上升將導致公平價值下降。
		Volatility 波幅			
		Return correlation 相關系數	-0.03-1		
		Discount rate 貼現率	1.71%		
	Net asset value 資產淨值	Note 1 註解1	Note 1 註解1	159.5	Note 1 註解1
Unlisted equity securities – sub-participation 非上市股本證券 – 附屬參與	Discounted cash flow with credit exposure adjustment 信貸風險調整的折現現金流量	Risk free rate 無風險利率	1.69%	54.1	An increase in risk free rate would result in a decrease in the fair value. 無風險利率增加將導致公平價值下降。 An increase in implied credit spread would result in a decrease in the fair value. 隱含的信用利差增加將導致公平價值下降。 An increase in effective interest rate would result in a decrease in the fair value. 實際利率上升將導致公平價值下降。 An increase in probability of default would result in a decrease in the fair value. 違約概率上升將導致公平價值下降。 An increase in recovery rate would result in an increase in the fair value. 恢復率上升將導致公平價值上升。
		Implied credit spread 隱含的信用利差	14.59%		
		Effective interest rate 實際利率	16.28%		
		Probability of default 違約概率	39.42%		
		Recovery rate 恢復率	38.60%		
Unlisted preferred shares issued by an unlisted company 一間非上市公司發行之非上市優先股	Equity allocation method 權益分配法	Expected volatility 預計波幅	21.4%	54.5	An increase in expected volatility would result in a decrease in the fair value. 預計波幅增加將導致公平價值下降。

for the year ended 31st December, 2020

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

截至二零二零年十二月三十一日止年度

25. 金融資產及負債(續)

			2019 二零一九年		
	Valuation technique 估值方法	Unobservable inputs 不可觀察的輸入數據	Input values 輸入數據值	Fair value 公平價值 HK\$ Million 百萬港元	Sensitivity analysis 敏感度分析
Financial assets at fair value through profit or loss (Cont'd) 透過損益賬按公平價值處理之金融資產(續)					
Unlisted overseas equity securities with a put right 含認沽權之非上市海外股本證券	Market approach and option model 市場法及期權模型	Expected volatility 預計波幅 Discount rate 貼現率 Equity growth rate 權益增長率 Estimated equity value 權益價值估值	5.3% 1.6% 0.1% HK\$445 million 445百萬港元	778.7	An increase in expected volatility would result in an increase in the fair value of the put right. 預計波幅增加將導致認沽權公平價值上升。 An increase in discount rate would result in a decrease in the fair value of the put right. 貼現率上升將導致認沽權公平價值下降。 An increase in equity growth rate would result in a decrease in the fair value of the put right. 權益增長率上升將導致認沽權公平價值下降。 An increase in estimated equity value would result in a decrease in the fair value of the put right. 權益價值估值增加將導致認沽權公平價值下降。
Unlisted overseas debt securities with redeemable preferred shares and ordinary shares issued by an unlisted company 一間非上市公司發行之非上市海外債務證券連同可贖回優先股及普通股	Market approach 市場法	Enterprise value to earnings before interest, taxes, depreciation and amortisation ratio 企業價值對除息、稅、折舊及攤銷前盈利比率	8.3	177.5	An increase in enterprise value to earnings before interest, taxes, depreciation and amortisation ratio would result in an increase in the fair value of ordinary shares. 企業價值對除息、稅、折舊及攤銷前盈利比率上升將導致普通股公平價值上升。
Unlisted overseas investment funds 非上市海外投資基金	Net asset value 資產淨值	Note 1 註解1	Note 1 註解1	4,566.3	Note 1 註解1
Unlisted overseas investment funds 非上市海外投資基金	Net asset value 資產淨值	Discount for lack of marketability 缺乏市場流動性折讓	13.1%-24.4%	1,726.4	An increase in discount rate of the underlying investment would result in a decrease in the fair value. 相關投資貼現率上升將導致公平價值下降。

Note 1: The significant unobservable inputs of the investments of the Group are the net assets value of the underlying investments made by the funds/companies. The higher the net assets value of the underlying investments, the higher the fair value of the financial assets at FVTPL will be. The Group has determined that the reported net asset values represent the fair values of the investments provided by the external counterparties.

Note 2: There is no indication that any changes in the unobservable inputs to reflect reasonably possible alternative assumptions for the investments would result in significantly higher or lower fair value measurements.

註解1：本集團投資的重大不可觀察輸入數據為基金／公司作出的相關投資的資產淨值。相關投資的資產淨值愈高，透過損益賬按公平價值處理之金融資產的公平價值將會愈高。本集團以呈報之資產淨值作為外部交易對手投資的公平價值。

註解2：並無跡象表明不可觀察輸入數據的任何變動以反映投資的合理可能替代假設將導致公平價值計量出現大幅上升或下降。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

25. 金融資產及負債(續)

The reconciliation of financial assets and liabilities under Level 3 fair value measurements is as follows:

第三級公平價值計量下之金融資產及負債對賬如下：

		2020 二零二零年					2020 二零二零年	
		Recognised gains or losses 已確認收益或虧損					Balance at 31st December, 於二零二零年 十二月三十一日 之結餘	
		Transfer* 結轉*	Profit or loss 損益	Other comprehensive income 其他 全面收益	Purchase 購入	Disposal/ Exercise/ Derecognition 出售/行使/ 終止確認	Balance at 31st December, 於二零二零年 十二月三十一日 之結餘	Unrealised gain or loss for the year 年內未變現 收益或虧損
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Financial assets at fair value through other comprehensive income	透過其他全面收益按公平價值處理之金融資產							
Unlisted overseas equity securities	非上市海外股本證券	8.5	-	-	-	-	8.5	-
Debt securities listed in Hong Kong	香港上市債務證券	10.5	9.5	0.7	0.8	7.1	28.6	0.7
Debt securities listed outside Hong Kong	香港以外地區上市債務證券	-	40.3	-	-	-	40.3	-
Financial assets at fair value through profit or loss	透過損益按公平價值處理之金融資產							
Equity linked notes	股本掛鈎票據	20.5	-	(4.6)	-	(10.0)	5.9	(1.3)
Unlisted put right for shares in an associate	非上市之一間聯營公司股份認沽權	1,387.0	-	70.3	-	(1,457.3)	-	-
Unlisted convertible preferred and ordinary shares issued by an unlisted company	一間非上市公司發行之非上市可轉換優先股及普通股	-	109.7	24.8	-	-	134.5	24.8
Unlisted call option for club memberships	非上市之會所藉認購期權	13.1	-	1.0	-	-	14.1	1.0
Unlisted call option for shares listed outside Hong Kong	香港以外地區上市股份之非上市認購期權	0.1	-	(0.1)	-	-	-	(0.1)
Unlisted equity securities	非上市股本證券	253.3	-	89.1	-	4.1	294.4	89.1
Unlisted preference shares issued by an unlisted company	一間非上市公司發行之非上市優先股	-	-	18.0	-	1,156.0	1,174.0	18.0
Unlisted preferred and ordinary shares issued by unlisted companies	非上市公司發行之非上市優先股及普通股	79.9	-	(14.0)	-	8.0	73.9	(14.0)
Unlisted shares issued by companies	公司發行之非上市股份	36.4	69.6	36.4	-	(25.3)	117.1	22.6
Unlisted convertible bonds issued by companies	公司發行之非上市可換股債券	3.9	25.0	(4.5)	-	-	24.4	(4.5)
Unlisted overseas equity securities with a put right	含認沽權之非上市海外股本證券	778.7	-	(143.0)	-	-	635.7	(143.0)
Unlisted overseas debt securities with redeemable preferred shares and ordinary shares issued by an unlisted company	一間非上市公司發行之非上市海外債務證券連同可贖回優先股及普通股	177.5	-	38.6	-	-	216.1	38.6
Unlisted overseas investment funds	非上市海外投資基金	6,292.7	16.0	2,675.0	-	3,200.3	9,636.4	1,537.9
Listed perpetual securities	上市永續證券	-	12.0	(1.0)	-	-	11.0	(1.0)
Unlisted trust fund	非上市信託基金	28.0	-	(0.8)	-	(27.2)	-	-
Financial liabilities at fair value through profit or loss	透過損益按公平價值處理之金融負債							
Over the counter equity derivatives	場外股本衍生工具	(18.2)	-	(44.2)	-	-	(62.4)	(44.2)

* The investments were transferred from Level 2 to Level 3 category and the transfers are primarily attributable to changes in observability of valuation inputs in valuing these investments. Transfers between levels of the fair value hierarchy are deemed to occur at the end of each reporting period.

* 投資由第二級轉移至第三級類別，轉移主要由於對該等投資進行估值輸入數據的可觀察程度發生變動。公平價值等級之間的轉移被視為於各報告期末發生。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

25. 金融資產及負債(續)

		2019 二零一九年						
		Recognised gains or losses 已確認收益或虧損					Balance at	
Balance at							31st December,	
1st January,		Other					2019	
2019		comprehensive					於二零一九年	
於二零一九年		income					十二月	
一月一日		Purchase					三十一日	
之結餘		Disposal					之結餘	
HK\$ Million		HK\$ Million					HK\$ Million	
百萬港元		百萬港元					百萬港元	
							Unrealised	
							gain or loss	
							for the year	
							年內未變現	
							收益或虧損	
							收益或虧損	
Financial assets at fair value through other comprehensive income	透過其他全面收益按公平價值處理之金融資產							
Unlisted overseas equity securities	非上市海外股本證券	21.6	-	-	11.9	-	(25.0)	8.5
Debt securities listed in Hong Kong	香港上市債務證券	-	-	(0.3)	0.1	10.7	-	10.5
								(0.3)
Financial assets at fair value through profit or loss	透過損益賬按公平價值處理之金融資產							
Equity linked notes	股本掛鈎票據	19.3	-	1.2	-	-	-	20.5
Unlisted put right for shares in an associate	非上市之一間聯營公司股份認沽權	1,120.0	-	267.0	-	-	-	1,387.0
Unlisted call option for club memberships	非上市之會所會籍認購期權	13.3	-	(0.2)	-	-	-	13.1
Unlisted call option for shares listed outside Hong Kong	香港以外地區上市股份之非上市認購期權	0.4	-	(0.3)	-	-	-	0.1
Unlisted equity securities	非上市股本證券	212.9	-	39.9	-	2.5	-	255.3
Unlisted preferred and ordinary shares issued by unlisted companies	非上市公司發行之非上市優先股及普通股	57.2	12.4	10.3	-	-	-	79.9
Unlisted shares issued by companies	公司發行之非上市股份	42.0	-	(5.6)	-	-	-	36.4
Unlisted convertible bonds issued by companies	公司發行之非上市可換股債券	21.0	-	(17.1)	-	-	-	3.9
Unlisted overseas equity securities with a put right	含認沽權之非上市海外股本證券	856.6	-	(77.9)	-	-	-	778.7
Unlisted overseas debt securities with redeemable preferred shares and ordinary shares issued by an unlisted company	一間非上市公司發行之非上市海外債務證券連同可贖回優先股及普通股	-	181.4	(3.9)	-	-	-	177.5
Unlisted overseas investment funds	非上市海外投資基金	5,157.3	-	1,228.9	-	663.8	(757.3)	6,292.7
Unlisted trust fund	非上市信託基金	28.5	-	1.1	-	29.1	(30.7)	28.0
Financial liabilities at fair value through profit or loss	透過損益賬按公平價值處理之金融負債							
Over the counter equity derivatives	場外股本衍生工具	(22.9)	-	4.7	-	-	-	(18.2)

* The investments were transferred from Level 2 to Level 3 category and the transfers are primarily attributable to changes in observability of valuation inputs in valuing these investments. Transfers between levels of the fair value hierarchy are deemed to occur at the end of each reporting period.

* 投資由第二級轉移至第三級類別，轉移主要由於對該等投資進行估值輸入數據的可觀察程度發生變動。公平價值等級之間的轉移被視為於各報告期末發生。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

25. 金融資產及負債(續)

The carrying amounts of the Group's financial assets at the end of the reporting period were as follows:

本集團金融資產於報告期末之賬面值如下：

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Financial assets at FVTPL	透過損益賬按公平價值處理之金融資產		
– Investments at FVTPL	– 透過損益賬按公平價值處理之投資	14,931.3	13,171.6
Financial assets measured at amortised cost under non-current assets	歸類為非流動資產之按攤銷成本計量之金融資產		
– Trade and other receivables (note 30)	– 貿易及其他應收款項 (附註30)	17.3	39.8
– Loans and advances to consumer finance customers (note 26)	– 消費金融客戶貸款及墊款 (附註26)	3,088.9	2,770.5
– Mortgage loans (note 27)	– 按揭貸款 (附註27)	1,192.9	1,270.7
– Term loans (note 29)	– 有期貸款 (附註29)	554.5	84.0
– Amounts due from associates (note 31)	– 聯營公司欠款 (附註31)	320.4	284.7
Financial assets measured at amortised cost under current assets	歸類為流動資產之按攤銷成本計量之金融資產		
– Short-term pledged bank deposits and bank balances (note 32)	– 短期抵押銀行存款及銀行結餘 (附註32)	–	33.2
– Bank deposits (note 32)	– 銀行存款 (附註32)	12.3	68.1
– Trade and other receivables (note 30)	– 貿易及其他應收款項 (附註30)	452.6	463.5
– Amounts due from brokers	– 經紀欠款	399.3	462.1
– Cash and cash equivalents (note 32)	– 現金及現金等價物 (附註32)	7,890.3	6,931.6
– Loans and advances to consumer finance customers (note 26)	– 消費金融客戶貸款及墊款 (附註26)	7,474.8	7,643.0
– Mortgage loans (note 27)	– 按揭貸款 (附註27)	1,820.8	2,356.2
– Term loans (note 29)	– 有期貸款 (附註29)	1,756.6	2,812.9
– Amounts due from associates (note 31)	– 聯營公司欠款 (附註31)	245.8	242.1
– Amounts due from joint ventures (note 31)	– 合營公司欠款 (附註31)	5.4	8.8
		25,231.9	25,471.2
Financial assets at FVTOCI	透過其他全面收益按公平價值處理之金融資產	356.3	371.5
		40,519.5	39,014.3

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)

The carrying amounts of the Group's financial liabilities and lease liabilities at the end of the reporting period were as follows:

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Financial liabilities measured at amortised cost	按攤銷成本計量之金融負債		
– Bank and other borrowings (note 38)	– 銀行及其他借貸(附註38)	11,888.9	9,327.4
– Trade and other payables (note 33)	– 貿易及其他應付款項(附註33)	428.5	243.7
– Financial assets sold under repurchase agreements (note 34)	– 回購協議下出售之金融資產(附註34)	–	386.2
– Amounts due to associates	– 欠聯營公司款項	5.8	5.7
– Amounts due to joint ventures	– 欠合營公司款項	0.1	40.1
– Notes/paper payable (note 39)	– 應付票據(附註39)	7,751.1	8,201.5
		20,074.4	18,204.6
Financial liabilities at FVTPL	透過損益賬按公平價值處理之金融負債		
– Held for trading	– 持作交易用途	172.8	715.8
		20,247.2	18,920.4
Lease liabilities (note 40)	租賃負債(附註40)	283.1	213.6

Transferred financial assets

The Group enters into transactions in the normal course of business by which it transfers recognised financial assets to third parties. In some cases these transfers may give rise to full derecognition of the financial assets concerned. In other cases where the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets.

The Group transfers financial assets that are not derecognised in their entirety primarily through the sale of debt securities with repurchase agreements.

Sale and repurchase agreements are transactions in which the Group sells a debt security and simultaneously agrees to repurchase it (or an asset that is substantially the same) at the agreed date and price. The repurchase prices are fixed and the Group is still exposed to substantially all the credit risks, market risks and rewards of those debt securities sold. These debt securities are not derecognised from the consolidated financial statements but regarded as “collateral” for the liabilities because the Group retains substantially all the risks and rewards of these debt securities. The proceeds received on the transfer are recognised as liabilities under “Financial assets sold under repurchase agreements”.

25. 金融資產及負債(續)

本集團金融負債及租賃負債於報告期末之賬面值如下：

已轉讓金融資產

本集團於正常業務過程中訂立交易，據此將已確認金融資產轉讓予第三方。在若干情況下，該等轉讓可能導致全面終止確認有關金融資產。在其他情況下，倘本集團保留該等資產的絕大部分風險及回報，則本集團繼續確認已轉讓資產。

本集團主要透過出售附有回購協議的債務證券轉讓所有尚未終止確認的金融資產。

出售及回購協議為本集團出售一項證券並同時同意按協定日期及價格回購該債務證券或一項大致相同資產的交易。回購價格為固定，本集團仍須承受該等已出售債務證券的絕大部分信貸風險、市場風險及回報。由於本集團保留了該等債務證券的絕大部分風險及回報，故該等債務證券不會於綜合財務報表內終止確認，但被視作負債的「抵押品」。轉讓所收取的所得款項於「回購協議下出售之金融資產」中確認為負債。

for the year ended 31st December, 2020

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)**Transferred financial assets (Cont'd)**

The following table sets out the carrying amounts of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

Analysed by liabilities type
按負債類別分析

Financial assets sold under repurchase agreements (note 34) 回購協議下出售之金融資產 (附註34)

Analysed by liabilities type
按負債類別分析

Financial assets sold under repurchase agreements (note 34) 回購協議下出售之金融資產 (附註34)

Financial assets and financial liabilities offsetting

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

截至二零二零年十二月三十一日止年度

25. 金融資產及負債(續)**已轉讓金融資產(續)**

下表載列所有未終止確認的已轉讓金融資產及相關負債的賬面值。

At 31st December, 2020
於二零二零年十二月三十一日

Carrying amount of transferred assets	Carrying amount of associated liabilities	Net position
已轉讓資產之賬面值	相關負債之賬面值	淨值
Financial assets at FVTPL		
透過損益賬按公平價值處理之金融資產		
HK\$ Million	HK\$ Million	HK\$ Million
百萬港元	百萬港元	百萬港元
-	-	-

At 31st December, 2019
於二零一九年十二月三十一日

Carrying amount of transferred assets	Carrying amount of associated liabilities	Net position
已轉讓資產之賬面值	相關負債之賬面值	淨值
Financial assets at FVTPL		
透過損益賬按公平價值處理之金融資產		
HK\$ Million	HK\$ Million	HK\$ Million
百萬港元	百萬港元	百萬港元
524.9	386.2	138.7

抵銷金融資產及金融負債

下表所載披露包括金融資產及金融負債，其為受可強制執行總淨額結算安排或涵蓋類似金融工具的類似協議所規限，不論其是否於本集團綜合財務狀況表內抵銷。

for the year ended 31st December, 2020

25. FINANCIAL ASSETS AND LIABILITIES (CONT'D)**Financial assets and financial liabilities offsetting (Cont'd)**

The Group has entered certain derivative transactions that are covered by the International Swaps and Derivatives Association Master Agreements ("ISDA Agreements") signed with various banks. These derivative instruments are not offset in the consolidated statement of financial position as the ISDA Agreements are in place with a right of set off only in the event of default, insolvency or bankruptcy so that the Group currently has no legally enforceable right to set off the recognised amounts.

Financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:

截至二零二零年十二月三十一日止年度

25. 金融資產及負債(續)**抵銷金融資產及金融負債(續)**

本集團已訂立若干衍生工具交易，其受與各家銀行簽訂的國際掉期及衍生工具主協議(「ISDA協議」)所涵蓋。由於ISDA協議訂明抵銷權只可於違約、無力償債或破產時行使，故本集團目前並無合法可強制執行權利抵銷已確認的金額，而該等衍生工具並無於綜合財務狀況表抵銷。

受抵銷、可強制執行總淨額結算安排及類似協議所規限的金融資產及負債如下：

		Gross amounts of recognised financial assets and liabilities	Gross amounts set off in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position	Related amounts not offset in consolidated statement of financial position		Net amount
		已確認金融資產及負債總額	於綜合財務狀況表內抵銷總額	於綜合財務狀況表呈列的淨額	並無於綜合財務狀況表內抵銷的相關款項		淨額
		HK\$ Million	HK\$ Million	HK\$ Million	Financial instruments	Cash collateral received/pledged	HK\$ Million
		百萬港元	百萬港元	百萬港元	金融工具	已收/已抵押現金抵押	百萬港元
At 31st December, 2020	於二零二零年十二月三十一日						
Type of financial assets	金融資產類型						
Financial assets at FVTPL	透過損益賬按公平價值處理之金融資產	446.6	-	446.6	(172.8)	-	273.8
Type of financial liabilities	金融負債類型						
Financial liabilities at FVTPL	透過損益賬按公平價值處理之金融負債	172.8	-	172.8	(172.8)	-	-
At 31st December, 2019	於二零一九年十二月三十一日						
Type of financial assets	金融資產類型						
Financial assets at FVTPL	透過損益賬按公平價值處理之金融資產	1,883.0	-	1,883.0	(715.8)	-	1,167.2
Debt securities pledged as collateral for financial assets sold under repurchase agreements (note 34)	作為回購協議下出售之金融資產之抵押的債務證券(附註34)	524.9	-	524.9	(386.2)	-	138.7
Type of financial liabilities	金融負債類型						
Financial liabilities at FVTPL	透過損益賬按公平價值處理之金融負債	715.8	-	715.8	(715.8)	-	-
Financial assets sold under repurchase agreements	回購協議下出售之金融資產	386.2	-	386.2	(386.2)	-	-

Further details on financial risk management of financial assets and liabilities are disclosed in note 43.

金融資產及負債之金融風險管理進一步詳情載於附註43。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

26. LOANS AND ADVANCES TO CONSUMER FINANCE CUSTOMERS**26. 消費金融客戶貸款及墊款**

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Loans and advances to consumer finance customers	消費金融客戶貸款及墊款		
Hong Kong	香港	8,318.0	8,576.2
Mainland China	中國內地	3,000.0	2,545.1
Less: impairment allowance	減：減值撥備	(754.3)	(707.8)
		10,563.7	10,413.5
Analysed for reporting purposes as:	為呈報目的所作之分析：		
Non-current assets	非流動資產	3,088.9	2,770.5
Current assets	流動資產	7,474.8	7,643.0
		10,563.7	10,413.5

The loans and advances to consumer finance customers bear interest rate are as follows:

消費金融客戶貸款及墊款按以下利率計息：

		2020 二零二零年 Per annum 每年	2019 二零一九年 Per annum 每年
Fixed rate loan receivables	定息應收貸款	6% – 48%	6% – 48%
Variable rate loan receivables	浮息應收貸款	P-1% – P+15.0%	P-1% – P+22.6%

Movements of impairment allowance during the years of 2020 and 2019 are disclosed in note 43(b).

二零二零年及二零一九年減值撥備之變動於附註43(b)披露。

for the year ended 31st December, 2020

26. LOANS AND ADVANCES TO CONSUMER FINANCE CUSTOMERS (CONT'D)

The consumer finance division uses the collective assessment to calculate the impairment allowance for loans and advances to consumer finance customers. The provision rates are based on aging of different consumer financing loan products as groupings of various debtors that have similar loss patterns and different factors, including historical default rates and collectability, being adjusted by forward-looking information that is available without undue cost or effort. In addition, loans and advances to consumer finance customers with significant balances are assessed for impairment individually based on historical credit information.

The aging analysis for the loans and advances to consumer finance customers that are past due is as follows:

Less than 31 days past due	逾期少於31日
31 to 60 days	31至60日
61 to 90 days	61至90日
91 to 180 days	91至180日
Over 180 days	180日以上

As at 31st December, 2020, loans and advances to consumer finance customers with aggregate carrying amount of HK\$855.1 million (2019: HK\$869.2 million) are past due. Out of the past due balances, HK\$251.0 million (2019: HK\$61.8 million) has been past due 91 days or more and is considered to be credit-impaired. The impairment provision has taken into account the credit quality of the underlying assets, the financial strength of the borrowers as well as collateral and other credit enhancements.

The loans and advances to consumer finance customers categorised as unsecured and secured, are as follows:

At the reporting date, loans and advances to consumer finance customers consisted of HK\$9,477.6 million unsecured (2019: HK\$9,510.0 million) and HK\$1,086.1 million secured (2019: HK\$903.5 million). The Group has not recognised a loss allowance for loans amounting to HK\$847.3 million (2019: HK\$398.3 million) which are secured by collateral.

The amount and type of collateral required depend on an assessment of the credit risk of the customer or counterparty.

截至二零二零年十二月三十一日止年度

26. 消費金融客戶貸款及墊款(續)

消費金融部門使用組合評估計算消費金融客戶貸款及墊款的減值虧損。撥備率乃基於按具有類似虧損模式的各種債務人分組的不同消費金融貸款產品的賬齡及不同因素，包括過往違約率及可收回性，以及就無需過多成本或精力即可獲得的前瞻性資料作調整。此外，具有重大結餘的消費金融客戶貸款及墊款會根據過往信貸資料個別評估減值。

已逾期之消費金融客戶貸款及墊款之賬齡分析如下：

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	491.4	582.9
	36.0	55.6
	23.6	20.9
	10.2	148.4
	293.9	61.4
	855.1	869.2

於二零二零年十二月三十一日，賬面值合共855.1百萬港元(二零一九年：869.2百萬港元)的消費金融客戶貸款及墊款已逾期。在已逾期的結餘中，251.0百萬港元(二零一九年：61.8百萬港元)已逾期91日或以上，並被視為已信貸減值。減值撥備已計及相關資產的信貸質素、借款人的財務實力及抵押品及其他信貸增強措施。

消費金融客戶貸款及墊款分類為無抵押及有抵押如下：

於結算日，消費金融客戶貸款及墊款包括無抵押貸款9,477.6百萬港元(二零一九年：9,510.0百萬港元)及有抵押貸款1,086.1百萬港元(二零一九年：903.5百萬港元)。本集團尚未就847.3百萬港元(二零一九年：398.3百萬港元)以抵押品作抵押的貸款確認虧損撥備。

抵押品的規定數額和類型視乎評估客戶或交易對手之信貸風險評估情況的結果而定。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

26. LOANS AND ADVANCES TO CONSUMER FINANCE CUSTOMERS (CONT'D)

26. 消費金融客戶貸款及墊款(續)

As at 31st December, 2020, the gross carrying amount of loans and advances to consumer finance customers amounts to HK\$11,318.0 million (2019: HK\$11,121.3 million). The Group is entitled to sell or repledge collateral when there is default by the borrowers. There has not been any significant changes in the quality of the collateral held for loans and advances to consumer finance customers.

於二零二零年十二月三十一日，消費金融客戶貸款及墊款的賬面總值為11,318.0百萬港元(二零一九年：11,121.3百萬港元)。倘借款人違約，本集團有權出售或重新質押抵押品。就消費金融客戶貸款及墊款持有的抵押品質素並無重大變動。

The main types of collateral and credit enhancement obtained are as follows:

所獲抵押品及信貸增強措施的主要類別如下：

- for personal lending, charges over residential properties/commercial properties; and
- for commercial lending, corporate guarantee, charges over residential properties/commercial properties, charges over real estate properties, pledge of shares or debentures over the borrower's assets.

- 個人貸款的抵押為住宅物業／商業物業；及
- 商業貸款的抵押為企業擔保、住宅物業／商業物業、地產物業、股份質押或以借款人之資產為保證的債券。

In general, secured loans and advances are made to consumer finance customers with sufficient amount of collateral provided by them. Management requests additional collateral as appropriate in accordance with the underlying agreements, and monitors the market value of collateral during its review of the adequacy of the impairment allowance.

一般而言，有抵押貸款及墊款是提供有足夠抵押品之消費金融客戶。管理層會因應相關協議要求額外抵押品，並於檢討減值撥備的充份性時監察抵押品的市值。

Estimates of the fair value of collateral are based on the valuation techniques commonly used for the corresponding assets at the time of borrowing.

估計抵押品公平價值乃基於借款時以相關資產的常用估值方法而釐定。

It is the Group's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding loan balances. In general, the Group does not retain repossessed properties for business purpose. As at 31st December, 2020, net realisable value of repossessed properties held by the Group amounted to HK\$12.7 million (2019: HK\$6.0 million).

本集團的政策是有序地變賣沒收物業。變賣所得款項用以償還或減低未償還貸款結餘。一般而言，本集團不會保留沒收物業作商業用途。於二零二零年十二月三十一日，本集團持有沒收物業的可變現淨值12.7百萬港元(二零一九年：6.0百萬港元)。

In respect of the secured loans and advances to customers with the carrying amount of HK\$558.5 million (2019: HK\$143.7 million), the fair value of collateral of such loans and advances can be objectively ascertained to cover the outstanding amount of loan balances based on quoted prices of collateral.

向客戶提供的有抵押貸款及墊款(根據抵押品的報價，其抵押品的公平價值是可客觀確定為足夠償付未償還的貸款結餘)之賬面值為558.5百萬港元(二零一九年：143.7百萬港元)。

The carrying amounts of the loans and advances to consumer finance customers approximate their fair values.

消費金融客戶貸款及墊款之賬面值與其公平價值相若。

for the year ended 31st December, 2020

27. MORTGAGE LOANS

Mortgage loans
Hong Kong
Less: impairment allowance

按揭貸款
香港
減：減值撥備

Analysed for reporting purposes as:
Non-current assets
Current assets

為呈報目的所作之分析：
非流動資產
流動資產

The mortgage loans bear interest rate are as follows:

Fixed rate loan receivables
Variable rate loan receivables

定息應收貸款
浮息應收貸款

Movements of impairment allowance during the years of 2020 and 2019 are disclosed in note 43(b).

The mortgage loans have been reviewed by the mortgage loans division to assess impairment allowances which are based on an evaluation of collectability, aging analysis of accounts, fair value of collateral and on management's judgment, including the current creditworthiness and the past collection statistics of individual accounts and are adjusted for forward-looking information that is available without undue cost or effort.

截至二零二零年十二月三十一日止年度

27. 按揭貸款

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	3,061.1	3,648.6
	(47.4)	(21.7)
	3,013.7	3,626.9
	1,192.9	1,270.7
	1,820.8	2,356.2
	3,013.7	3,626.9

按揭貸款按以下利率計息：

	2020 二零二零年 Per annum 每年	2019 二零一九年 Per annum 每年
	5.8% – 31.2%	5.8% – 31.2%
	P-2.3% – P+6.8%	P-2.3% – P+6.8%

二零二零年及二零一九年減值撥備之變動於附註43(b)披露。

按揭貸款組已審閱按揭貸款，從而對減值撥備進行評估，評估基礎為可收回性評估、賬齡分析、抵押品公平價值及管理層判斷，包括獨立客戶現時的信譽及過往收款數據，並就無需過多成本或精力即可獲得的前瞻性資料作調整。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

27. MORTGAGE LOANS (CONT'D)**27. 按揭貸款(續)**

The aging analysis for the mortgage loans that are past due is as follows:

已逾期之按揭貸款之賬齡分析如下：

Less than 31 days past due	逾期少於31日
31 to 60 days	31至60日
61 to 90 days	61至90日
91 to 180 days	91至180日
Over 180 days	180日以上

2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
66.7	148.8
26.6	32.0
11.5	4.0
160.4	–
459.0	143.8
724.2	328.6

At the reporting date, mortgage loans with aggregate carrying amount of HK\$724.2 million (2019: HK\$328.6 million) are past due. Out of the past due balances, HK\$619.4 million (2019: HK\$143.8 million) has been past due 90 days or more and is considered to be credit-impaired however with collateral. The impairment provision has taken into account the credit quality of the underlying assets, the financial strength of the borrowers as well as collateral and other credit enhancements.

於結算日，賬面值合共724.2百萬港元(二零一九年：328.6百萬港元)的按揭貸款已逾期。在已逾期的結餘中，619.4百萬港元(二零一九年：143.8百萬港元)已逾期90日或以上，並被視為已信貸減值(但有抵押品)。減值撥備已計及相關資產的信貸質素、借款人的財務實力以及抵押品及其他信貸增強措施。

The mortgage loans categorised as unsecured and secured, are as follows:

按揭貸款分類為無抵押及有抵押如下：

At the reporting date, mortgage loans consisted of HK\$147.8 million unsecured (2019: HK\$174.4 million) and HK\$2,865.9 million secured (2019: HK\$3,452.5 million). The Group has not recognised a loss allowance for loans amounting to HK\$2,623.6 million (2019: HK\$3,033.7 million) which are secured by collateral.

於結算日，按揭貸款包括無抵押貸款147.8百萬港元(二零一九年：174.4百萬港元)及有抵押貸款2,865.9百萬港元(二零一九年：3,452.5百萬港元)。本集團尚未就2,623.6百萬港元(二零一九年：3,033.7百萬港元)以抵押品作抵押的貸款確認虧損撥備。

The amount and type of collateral required depends on an assessment of the credit risk of the customer. The main types of collateral and credit enhancement obtained are mortgages over residential properties/commercial properties.

抵押品的規定數額和類型視乎評估客戶的信貸風險評估情況的結果而定。獲得的抵押品及信貸增強措施主要為住宅物業/商業物業的按揭。

As at 31st December, 2020, the gross carrying amount of mortgage loans amounts to HK\$3,061.1 million (2019: HK\$3,648.6 million). The Group is entitled to sell or repledge collateral when there is a default by the borrowers. There has not been any significant change in the quality of collateral held for mortgage loans.

於二零二零年十二月三十一日，按揭貸款的賬面總值為3,061.1百萬港元(二零一九年：3,648.6百萬港元)。倘借款人違約，本集團有權出售或重新質押抵押品。就按揭貸款持有的抵押品質素並無重大變動。

for the year ended 31st December, 2020

27. MORTGAGE LOANS (CONT'D)

In general, mortgage loans are granted on a secured basis with sufficient amount of collateral provided by the borrower. Management requests additional collateral as appropriate in accordance with the underlying agreements, and monitors the market value of collateral during its review of the adequacy of the impairment allowance.

Estimates of the fair value of collateral are based on valuation techniques commonly used for the corresponding assets at the time of borrowing.

It is the Group's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding loan balances. In general, the Group does not retain repossessed properties for business purposes. At the end of the reporting period, the net realisable value of the repossessed properties held by mortgage loans division is HK\$88.0 million (2019: HK\$1.2 million).

In respect of the secured mortgage loans to mortgage loan customers with the carrying amount of HK\$2,865.9 million (2019: HK\$3,452.5 million), the fair value of the collateral of such mortgage loans can be objectively ascertained to cover a substantial portion of the outstanding loan amounts based on valuations conducted by an independent property valuer.

The unsecured mortgage loans include second mortgage loans in respect of which the Group are not entitled to the first charge of relevant mortgage properties. Management considers that the second mortgage loans are classified as unsecured loans due to the impediment in repossession of the mortgage properties and the practical difficulties to ascertain the residual collateral value after claim by first mortgagee.

The carrying amounts of the mortgage loans approximate their fair values.

截至二零二零年十二月三十一日止年度

27. 按揭貸款(續)

一般而言，以抵押基準授出的按揭貸款是提供給具有足夠金額的抵押品之客戶。管理層會因應相關協議要求額外抵押品，並於檢討減值撥備的充份性時監察抵押品的市值。

估計抵押品公平價值乃基於於借貸時以相關資產的常用估值方法而釐定。

本集團的政策是有序地變賣沒收物業。變賣所得款項用以償還或減低未償還貸款結餘。一般而言，本集團不會保留沒收物業作商業用途。於報告期末，按揭貸款部持有的沒收物業的可變現淨值為88.0百萬港元(二零一九年：1.2百萬港元)。

向按揭貸款客戶提供的有抵押按揭貸款(根據獨立物業估值師進行的估值，該等按揭貸款抵押品的公平價值是可客觀確定為足夠償付大部分未償還的貸款金額)之賬面值為2,865.9百萬港元(二零一九年：3,452.5百萬港元)。

無抵押按揭貸款包括有二按貸款，本集團並無有關按揭物業第一押記之權利。由於收回按揭物業存有阻礙以及確定抵押品於承受第一押記抵押人索償後的剩餘價值存在實際困難，故管理層認為該等二按貸款是分類為無抵押。

按揭貸款之賬面值與其公平價值相若。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

28. DEFERRED TAX**28. 遞延稅項**

The following are the major deferred tax assets and liabilities of the Group recognised and movements thereon during the current and prior years:

本集團於本年度及過往年度中確認的主要遞延稅項資產及負債以及相關變動如下：

		Accelerated tax depreciation 加速稅務折舊 HK\$ Million 百萬港元	Revaluation of assets 資產重估 HK\$ Million 百萬港元	Provisions and impairment 撥備及減值 HK\$ Million 百萬港元	Unrealised gain 未變現收益 HK\$ Million 百萬港元	Undistributed earnings and others 未分派盈利 及其他 HK\$ Million 百萬港元	Tax losses 稅項虧損 HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
At 1st January, 2019	於二零一九年一月一日	278.1	39.3	(819.3)	55.2	(0.2)	(94.4)	(541.3)
Exchange adjustments	匯兌調整	-	(0.2)	12.2	(1.2)	-	0.1	10.9
Recognised in profit or loss	於損益確認	9.0	(31.9)	(62.2)	(1.2)	(0.3)	(13.9)	(100.5)
At 31st December, 2019	於二零一九年十二月三十一日	287.1	7.2	(869.3)	52.8	(0.5)	(108.2)	(630.9)
Exchange adjustments	匯兌調整	(0.2)	0.5	(37.3)	4.0	-	(1.4)	(34.4)
Recognised in profit or loss	於損益確認	6.5	(1.0)	51.3	(3.7)	0.3	(26.0)	27.4
At 31st December, 2020	於二零二零年十二月三十一日	293.4	6.7	(855.3)	53.1	(0.2)	(135.6)	(637.9)

For reporting purposes, certain deferred tax assets and liabilities have been offset in the underlying subsidiaries. The following is the analysis of the deferred tax balances of the Group for financial reporting purposes:

就報告目的而言，若干遞延稅項資產及負債已於相關附屬公司抵銷。以下為本集團就財務報告所作的遞延稅項結餘分析：

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Deferred tax liabilities	遞延稅項負債	157.0	157.8
Deferred tax assets	遞延稅項資產	(794.9)	(788.7)
		(637.9)	(630.9)

for the year ended 31st December, 2020

28. DEFERRED TAX (CONT'D)

At the end of the reporting period, the Group had unrecognised deductible temporary differences of HK\$4.8 million (2019: HK\$4.9 million) and estimated unused tax losses of HK\$2,057.0 million (2019: HK\$2,074.0 million) available to offset against future assessable profits. A deferred tax asset has been recognised in respect of HK\$795.8 million (2019: HK\$629.9 million) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$1,261.2 million (2019: HK\$1,444.1 million) of losses due to the unpredictability of future assessable profit streams. The unrecognised tax losses included a sum of HK\$7.2 million that will expire during 2021 to 2025 (2019: HK\$7.5 million will expire during 2020 to 2024).

Under the Law of PRC on Enterprise Income Tax, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1st January, 2008 onwards. Deferred tax has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK\$1,153.3 million at the end of the reporting period (2019: HK\$1,147.9 million). The taxable temporary differences have not been recognised as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

There were no other significant temporary differences that are not recognised arising during the year or at the end of the reporting period.

29. TERM LOANS

Secured term loans	有抵押有期貨款	2,764.0	2,953.9
Unsecured term loans	無抵押有期貨款	246.0	307.5
		3,010.0	3,261.4
Less: impairment allowance	減：減值撥備	(698.9)	(364.5)
		2,311.1	2,896.9
Analysed for reporting purposes as:	為呈報目的所作之分析：		
Non-current assets	非流動資產	554.5	84.0
Current assets	流動資產	1,756.6	2,812.9
		2,311.1	2,896.9

截至二零二零年十二月三十一日止年度

28. 遞延稅項(續)

於報告期末，本集團之未確認可扣稅臨時差額為4.8百萬港元(二零一九年：4.9百萬港元)及可抵銷未來應課稅溢利之估計未動用稅項虧損2,057.0百萬港元(二零一九年：2,074.0百萬港元)。其中就795.8百萬港元(二零一九年：629.9百萬港元)之上述虧損確認遞延稅項資產。因未能確定未來應課稅溢利流，故並無確認餘下1,261.2百萬港元(二零一九年：1,444.1百萬港元)虧損之遞延稅項資產。未確認稅項虧損包括將於二零二一年至二零二五年內到期之款項7.2百萬港元(二零一九年：二零二零年至二零二四年內到期之款項7.5百萬港元)。

根據中國企業所得稅法，自二零零八年一月一日起，須就中國附屬公司所得溢利所宣派的股息繳納預扣稅。於報告期末，並無就中國附屬公司的累計溢利應佔臨時差額1,153.3百萬港元(二零一九年：1,147.9百萬港元)於綜合財務報表中計提遞延稅項撥備。由於本集團可控制撥回臨時差額之時間，而臨時差額可能將不會在可見將來撥回，因此並無確認應課稅臨時差額。

年內或於報告期末，並無其他未確認之重大臨時差額。

29. 有期貨款

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Secured term loans	2,764.0	2,953.9
Unsecured term loans	246.0	307.5
	3,010.0	3,261.4
Less: impairment allowance	(698.9)	(364.5)
	2,311.1	2,896.9
Analysed for reporting purposes as:		
Non-current assets	554.5	84.0
Current assets	1,756.6	2,812.9
	2,311.1	2,896.9

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

29. TERM LOANS (CONT'D)**29. 有期貸款(續)**

The term loans bear interest rate are as follows:

有期貸款按以下利率計息：

		2020 二零二零年 Per annum 每年	2019 二零一九年 Per annum 每年
Fixed rate loan receivables	定息應收貸款	7.0% – 36.7%	4.0% – 27.0%
Variable rate loan receivables	浮息應收貸款	3-month HIBOR+7.0% to 3-month LIBOR+10.0% 3 個月 香港銀行 同業拆息 +7.0% 至 3 個月 倫敦銀行 同業拆息 +10.0%	—

Movements of impairment allowance during the years of 2020 and 2019 are disclosed in note 43(b).

二零二零年及二零一九年減值撥備之變動於附註43(b)披露。

It is the Group's policy to dispose of repossessed collateral in an orderly fashion.

本集團的政策是有序地變賣沒收抵押品。

The Group considers a loan to be secured when there is collateral or credit enhancement in place. The main types of collateral and credit enhancement obtained includes share charges over unlisted and listed equity securities, personal guarantees, assignment of rights and charges over properties. As at 31st December, 2020, the gross carrying amount of secured term loans amounts to HK\$2,764.0 million (2019: HK\$2,953.9 million). The Group has not recognised a loss allowance for loans amounting to HK\$1,258.9 million (2019: HK\$903.7 million) which are secured by collateral. The Group is entitled to sell or repledge collateral when there is default by the borrowers. There has not been any significant changes in the quality of the collateral held for secured term loans.

如有抵押品或有信用增強措施，則本集團認為貸款為有抵押。所獲得的抵押品及信用增強措施的主要類型包括非上市及上市股本證券的抵押、個人擔保、物業的權利轉讓及質押。於二零二零年十二月三十一日，有抵押有期貸款的賬面總值為2,764.0百萬港元(二零一九年：2,953.9百萬港元)。本集團尚未就1,258.9百萬港元(二零一九年：903.7百萬港元)以抵押品作抵押的貸款確認虧損撥備。倘借款人違約，本集團有權出售或重新質押抵押品。就已抵押有期貸款持有的抵押品質素並無重大變動。

No aging analysis is disclosed for term loan financing, as, in the opinion of the management, the aging analysis does not give additional value in the view of the nature of the term loan financing business.

由於考慮到定期貸款融資業務的性質，管理層認為定期貸款融資的賬齡分析未能提供額外價值，故並無披露其賬齡分析。

The carrying amounts of the term loans approximate their fair values.

有期貸款的賬面值與其公平價值相若。

Further details on financial risk management of term loans are disclosed in note 43.

有期貸款之金融風險管理之進一步詳情載於附註43。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

30. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES**30. 應收貿易款項、預付款項及其他應收款項**

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Trade receivables – accounts receivable from customers	應收貿易款項—來自客戶之應收款項	59.0	65.6
Less: impairment allowance	減：減值撥備	(3.5)	(1.2)
		55.5	64.4
Notes	票據	19.4	19.5
Less: impairment allowance	減：減值撥備	(0.8)	(0.1)
		18.6	19.4
Other receivables	其他應收款項		
Deposits	按金	122.6	49.3
Others	其他	275.3	417.7
Less: impairment allowance	減：減值撥備	(2.1)	(47.5)
		395.8	419.5
Trade and other receivables at amortised cost	按攤銷成本列賬之貿易及其他應收款項	469.9	503.3
Prepayments	預付款項	44.1	108.2
		514.0	611.5
Analysed for reporting purposes as:	為呈報目的所作之分析：		
Non-current assets	非流動資產	17.3	39.8
Current assets	流動資產	496.7	571.7
		514.0	611.5

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

30. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES (CONT'D)

30. 應收貿易款項、預付款項及其他應收款項(續)

The following is an aging analysis of trade and other receivables based on the date of invoice/contract note at the reporting date:

以下為於結算日之貿易及其他應收款項根據發票/合約單據日期作出之賬齡分析：

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Less than 31 days	少於31日	277.0	305.5
31 to 60 days	31至60日	15.0	16.2
61 to 90 days	61至90日	6.1	11.8
91 to 180 days	91至180日	4.3	9.0
Over 180 days	180日以上	3.6	2.4
		306.0	344.9
Trade and other receivables without aging	並無賬齡之貿易及其他應收款項	170.3	207.2
Less: impairment allowances	減：減值撥備	(6.4)	(48.8)
		469.9	503.3
Trade and other receivables at amortised cost	按攤銷成本列賬之貿易及其他應收款項		

The aging analysis for trade and other receivables that are past due is as follows:

已逾期的貿易及其他應收款項的賬齡分析如下：

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Less than 31 days	少於31日	16.9	16.3
31 to 60 days	31至60日	7.9	8.3
61 to 90 days	61至90日	1.4	5.4
91 to 180 days	91至180日	1.4	7.5
Over 180 days	180日以上	1.4	0.6
		29.0	38.1

The carrying amounts of the trade and other receivables at amortised cost approximate their fair values.

按攤銷成本列賬之貿易及其他應收款項的賬面值與其公平價值相若。

Further details on financial risk management of trade and other receivables are disclosed in note 43.

貿易及其他應收款項之金融風險管理之進一步詳情載於附註43。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

31. AMOUNTS DUE FROM ASSOCIATES AND JOINT VENTURES**(i) Amounts due from associates**

Advances 墊款
Less: impairment allowance 減：減值撥備

Analysed for reporting purposes as: 為呈報目的所作之分析：
Non-current assets 非流動資產
Current assets 流動資產

(ii) Amounts due from joint ventures

Advances 墊款
Less: impairment allowance 減：減值撥備

Analysed for reporting purposes 為呈報目的分析為
as current assets 流動資產

Further details of amounts due from associates and joint ventures are disclosed in notes 43 and 49.

31. 聯營公司及合營公司欠款**(i) 聯營公司欠款**

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Advances	585.3	544.3
Less: impairment allowance	(19.1)	(17.5)
	566.2	526.8
Analysed for reporting purposes as:		
Non-current assets	320.4	284.7
Current assets	245.8	242.1
	566.2	526.8

二零二零年及二零一九年減值撥備之變動於附註43(b)披露。

(ii) 合營公司欠款

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Advances	5.4	8.8
Less: impairment allowance	-	-
Analysed for reporting purposes as current assets	5.4	8.8

聯營公司及合營公司欠款之進一步詳情載於附註43及49。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

32. BANK DEPOSITS, CASH AND CASH EQUIVALENTS**32. 銀行存款、現金及現金等價物**

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Bank balances and cash	銀行結餘及現金	4,935.0	3,720.5
Fixed deposits with banks with a term within 3 months	於三個月內到期之 銀行定期存款	2,955.3	3,211.1
Cash and cash equivalents	現金及現金等價物	7,890.3	6,931.6
Short-term pledged bank deposits and bank balances	短期抵押銀行存款及 銀行結餘	-	33.2
Fixed deposits with banks with a term between 4 to 12 months	於四至十二個月內到期之 銀行定期存款	12.3	68.1
		7,902.6	7,032.9

The carrying amounts of the bank deposits, cash and cash equivalents approximate their fair values.

銀行存款、現金及現金等價物之賬面值與其公平價值相若。

Further details on financial risk management of bank deposits, cash and cash equivalents are disclosed in note 43.

銀行存款、現金及現金等價物之金融風險管理之進一步詳情載於附註43。

33. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS**33. 應付貿易款項、其他應付款項及應計款項**

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Accounts payable	應付款項	1.0	1.1
Deposit received	已收按金	48.0	49.6
Other accounts payable	其他應付款項	379.5	193.0
Trade and other payables at amortised cost	按攤銷成本列賬之貿易及 其他應付款項	428.5	243.7
Accrued staff costs and other accrued expenses	應付員工成本及 其他應計費用	269.9	233.7
		698.4	477.4

for the year ended 31st December, 2020

33. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS (CONT'D)

The following is an aging analysis of the trade payables, other payables and accruals based on the date of invoice/contract note at the reporting date:

Less than 31 days/repayable on demand	少於31日／要求下償還
31 to 60 days	31至60日
61 to 90 days	61至90日
91 to 180 days	91至180日
Over 180 days	180日以上
Accrued staff costs, other accrued expenses and other payables without aging	並無賬齡之應計員工成本、其他應計費用及其他應付款項

The carrying amounts of the trade payables, other payables and accruals at amortised cost approximate their fair values.

截至二零二零年十二月三十一日止年度

33. 應付貿易款項、其他應付款項及應計款項(續)

以下為於結算日之應付貿易款項、其他應付款項及應計款項根據發票／合約單據日期作出之賬齡分析：

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	230.2	130.8
	4.2	6.9
	2.0	5.6
	-	0.7
	0.8	0.8
	237.2	144.8
	461.2	332.6
	698.4	477.4

按攤銷成本列賬之應付貿易款項、其他應付款項及應計款項賬面值與其公平價值相若。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

34. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS**34. 回購協議下出售之金融資產**

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Analysed by collateral type:	按抵押品類型分析：		
Debt instruments classified as:	債務工具分類為：		
Financial assets at FVTPL	透過損益賬按公平價值處理之金融資產	-	386.2

As at 31st December, 2020, no debt instruments which were classified as financial assets at FVTPL (2019: HK\$524.9 million) were sold under repurchase agreements with other financial institutions. All repurchase agreements were due within 12 months from the end of the reporting period. Details of the arrangement are set out in note 25.

於二零二零年十二月三十一日，並無分類為透過損益賬按公平價值處理之金融資產之債務工具已根據與其他金融機構之回購協議出售(二零一九年：524.9百萬港元)。所有回購協議均於報告期末起計12個月內到期。該安排詳情載於附註25。

35. SHARE CAPITAL**35. 股本**

		Number of shares 股份數目	Value 價值 HK\$ Million 百萬港元
Issued and fully paid:	已發行及繳足：		
At 1st January, 2019 and 31st December, 2019	於二零一九年一月一日及二零一九年十二月三十一日	175,754,118	2,221.7
Subdivision of shares	股份拆細	3,339,328,242	-
At 31st December, 2020	於二零二零年十二月三十一日	3,515,082,360	2,221.7

Subdivision of shares

On 3rd September, 2020, an ordinary resolution was passed by the shareholders at an extraordinary general meeting of the Company pursuant to which every one (1) share of the Company was subdivided into twenty (20) subdivided shares with effect from 7th September, 2020.

股份拆細

二零二零年九月三日，股東於本公司股東特別大會通過一項普通決議案，據此，將每一(1)股本公司股份拆細為二十(20)股拆細股份，於二零二零年九月七日起生效。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

36. ANALYSIS OF OTHER COMPREHENSIVE INCOME (EXPENSES)**36. 其他全面收益(費用)之分析**

	Attributable to owners of the Company 本公司股東應佔				Non-controlling interests 非控股權益	Total 總額 HK\$ Million 百萬港元
	Property revaluation reserve 物業 重估儲備 HK\$ Million 百萬港元	Investment revaluation reserve 投資 重估儲備 HK\$ Million 百萬港元	Translation reserve 匯兌儲備 HK\$ Million 百萬港元	Capital and other reserves 資本及 其他儲備 HK\$ Million 百萬港元	Share of net assets of subsidiaries 應佔附屬公司 淨資產 HK\$ Million 百萬港元	
For the year ended 31st December, 2020	截至二零二零年十二月三十一日止年度					
Financial assets at fair value through other comprehensive income	-	(0.5)	-	-	(5.4)	(5.9)
Exchange differences arising on translation of foreign operations	-	-	102.4	-	213.5	315.9
Gain on revaluation of properties	15.6	-	-	-	9.2	24.8
Share of other comprehensive income of associates	-	(40.9)	581.3	0.1	102.3	642.8
Share of other comprehensive income (expenses) of joint ventures	-	-	14.3	(0.6)	9.7	23.4
	15.6	(41.4)	698.0	(0.5)	329.3	1,001.0
For the year ended 31st December, 2019	截至二零一九年十二月三十一日止年度					
Financial assets at fair value through other comprehensive income	-	5.4	-	-	(2.3)	3.1
Exchange differences arising on translation of foreign operations	-	-	(38.2)	-	(81.0)	(119.2)
Share of other comprehensive income of associates	-	(22.8)	(217.9)	0.1	(78.8)	(319.4)
Share of other comprehensive income (expenses) of joint ventures	-	-	0.2	(0.6)	(1.5)	(1.9)
	-	(17.4)	(255.9)	(0.5)	(163.6)	(437.4)

37. RESERVES**37. 儲備**

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Property revaluation reserve	物業重估儲備	260.6	245.0
Investment revaluation reserve	投資重估儲備	(180.9)	(133.6)
Translation reserve	匯兌儲備	275.7	(432.9)
Non-distributable reserve	非供派發儲備	55.2	55.2
Capital and other reserves	資本及其他儲備	17.7	30.8
Accumulated profits	累計溢利	33,956.4	25,707.0
Dividend reserve	股息儲備	413.0	413.0
		34,797.7	25,884.5

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

38. BANK AND OTHER BORROWINGS

38. 銀行及其他借貸

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Bank loans	銀行貸款	11,574.2	9,265.3
Other borrowings	其他借貸	314.7	62.1
		11,888.9	9,327.4
Analysed as:	列為：		
Secured	有抵押	3,252.0	1,597.8
Unsecured	無抵押	8,636.9	7,729.6
		11,888.9	9,327.4
Bank loans are repayable as follows:	銀行貸款償還期限如下：		
On demand or within one year	要求時償還或一年內	4,121.3	4,473.6
More than one year but not exceeding two years	一年以上但不超過兩年	1,770.2	1,488.4
More than two years but not exceeding five years	兩年以上但不超過五年	679.2	1,081.7
Bank loans with a repayment on demand clause are repayable as follows:	具有按要求償還條文之銀行貸款償還期限如下：		
Within one year	一年內	5,003.5	1,775.6
More than one year but not exceeding two years	一年以上但不超過兩年	-	446.0
		11,574.2	9,265.3
Other borrowings are repayable as follows:	其他借貸償還期限如下：		
On demand or within one year	要求時償還或一年內	250.0	-
Over five years	五年後	64.7	62.1
		314.7	62.1
		11,888.9	9,327.4
Less: Amount repayable within one year shown under current liabilities	減：須於一年內償還及列於流動負債之款項	(9,374.8)	(6,695.2)
Amount due after one year	一年後到期之款項	2,514.1	2,632.2

for the year ended 31st December, 2020

38. BANK AND OTHER BORROWINGS (CONT'D)

The Group's bank loans and other borrowings that are denominated in currencies other than Hong Kong dollars are set out below:

Australian dollar	澳元
British pound	英鎊
Renminbi	人民幣
US dollar	美元

Further details on financial risk management of bank and other borrowings are disclosed in note 43.

Details of the assets of the Group pledged to secure bank and other borrowings are set out in note 48.

The carrying amounts of the bank and other borrowings approximate their fair values.

39. NOTES/PAPER PAYABLE

US dollar denominated notes ("US\$ Notes")	美元票據(「美元票據」)
4.75% US\$ Notes maturing in May 2021 ("4.75% Notes")	於二零二一年五月到期之4.75%美元票據(「4.75%票據」)
4.65% US\$ Notes maturing in September 2022 ("4.65% Notes")	於二零二二年九月到期之4.65%美元票據(「4.65%票據」)
5.75% US\$ Notes maturing in November 2024 ("5.75% Notes")	於二零二四年十一月到期之5.75%美元票據(「5.75%票據」)

HK dollar denominated notes/paper ("HK\$ Notes/Paper")	港元票據(「港元票據」)
HK\$ Notes/Paper	港元票據

Analysed for reporting purposes as:	為呈報目的所作之分析：
Current liabilities	流動負債
Non-current liabilities	非流動負債

截至二零二零年十二月三十一日止年度

38. 銀行及其他借貸(續)

本集團以港元以外之貨幣列值之銀行貸款及其他借貸列載如下：

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	-	60.1
	857.5	374.5
	140.6	-
	1,114.4	217.7
	2,112.5	652.3

銀行及其他借貸之金融風險管理之進一步詳情載於附註43。

本集團為銀行及其他借貸抵押之資產詳情載於附註48。

銀行及其他借貸之賬面值與其公平價值相若。

39. 應付票據

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	1,936.5	1,927.0
	3,471.7	3,490.4
	2,342.9	2,351.5
	-	432.6
	7,751.1	8,201.5
	2,010.0	566.4
	5,741.1	7,635.1
	7,751.1	8,201.5

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

39. NOTES/PAPER PAYABLE (CONT'D)

The US\$ Notes were issued by Sun Hung Kai & Co. (BVI) Limited, a subsidiary of SHK, under a US\$3 billion guaranteed medium term note programme.

The HK\$ Notes/Paper were issued by Sun Hung Kai (ECP) Limited, a subsidiary of SHK, under a US\$1 billion guaranteed commercial paper programme.

The 4.75% Notes are listed on the Stock Exchange. The nominal value of the 4.75% Notes was US\$249.8 million or equivalent to HK\$1,936.4 million (2019: US\$249.8 million or equivalent to HK\$1,944.9 million) at the reporting date. The fair value of the 4.75% Notes based on the price quoted from pricing service at the reporting date was HK\$1,951.3 million (2019: HK\$1,950.6 million) which was categorised as Level 2.

The 4.65% Notes are listed on the Stock Exchange. The nominal value of the 4.65% Notes after eliminating the intra-group holdings was US\$442.3 million or equivalent to HK\$3,428.7 million (2019: US\$442.7 million or equivalent to HK\$3,447.0 million) at the reporting date. The fair value of the 4.65% Notes after eliminating the intra-group holdings based on the price quoted from pricing service at the reporting date was HK\$3,476.6 million (2019: HK\$3,477.7 million) which was categorised as Level 2.

The 5.75% Notes are listed on the Stock Exchange. The nominal value of the 5.75% Notes after eliminating the intra-group holdings was US\$301.0 million or equivalent to HK\$2,333.3 million (2019: US\$301.0 million or equivalent to HK\$2,343.9 million) at the reporting date. The fair value of the 5.75% Notes after eliminating the intra-group holdings based on the price quoted from pricing service at the reporting date was HK\$2,358.7 million (2019: HK\$2,375.0 million) which was categorised as Level 2.

39. 應付票據(續)

新鴻基之附屬公司Sun Hung Kai & Co. (BVI) Limited根據30億美元擔保中期票據發行計劃發行了美元票據。

新鴻基之附屬公司Sun Hung Kai (ECP) Limited根據10億美元擔保商業票據發行計劃發行了港元票據。

4.75%票據已於聯交所上市。於結算日，4.75%票據之面值為249.8百萬美元或相當於1,936.4百萬港元(二零一九年：249.8百萬美元或相當於1,944.9百萬港元)。於結算日，根據定價服務所報價格，4.75%票據之公平價值為1,951.3百萬港元(二零一九年：1,950.6百萬港元)，分類為第二級。

4.65%票據已於聯交所上市。於結算日，經扣除集團間持有之票據後，4.65%票據之面值為442.3百萬美元或相當於3,428.7百萬港元(二零一九年：442.7百萬美元或相當於3,447.0百萬港元)。於結算日，經扣除集團間持有之票據後，根據定價服務所報價格，4.65%票據之公平價值為3,476.6百萬港元(二零一九年：3,477.7百萬港元)，分類為第二級。

5.75%票據已於聯交所上市。於結算日，經扣除集團間持有之票據後，5.75%票據之面值為301.0百萬美元或相當於2,333.3百萬港元(二零一九年：301.0百萬美元或相當於2,343.9百萬港元)。於結算日，經扣除集團間持有之票據後，根據定價服務所報價格，5.75%票據之公平價值為2,358.7百萬港元(二零一九年：2,375.0百萬港元)，分類為第二級。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

40. LEASE LIABILITIES

Current liabilities 流動負債
Non-current liabilities 非流動負債

Maturity analysis: 到期日分析:
Not later than one year 一年內
Later than one year and not later than two years 一年後及兩年內
Later than two years and not later than five years 兩年後及五年內
Later than five years 五年後

40. 租賃負債

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	107.9	136.5
	175.2	77.1
	283.1	213.6
	107.9	136.5
	68.0	52.6
	60.1	24.5
	47.1	-
	283.1	213.6

41. PROVISIONS**41. 撥備**

	Employee benefits 僱員福利 HK\$ Million 百萬港元	Loan commitments 貸款承擔 HK\$ Million 百萬港元	Financial guarantee contracts 財務擔保合約 HK\$ Million 百萬港元	Others 其他 HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
At 1st January, 2019 於二零一九年一月一日	75.2	28.7	0.3	6.3	110.5
Additional provisions for the year 年內額外撥備	96.5	3.9	-	1.1	101.5
Amount written back 撥回金額	(0.7)	-	(0.3)	-	(1.0)
Amount utilised during the year 年內已動用款項	(51.4)	-	-	-	(51.4)
At 31st December, 2019 於二零一九年十二月三十一日	119.6	32.6	-	7.4	159.6
Additional provisions for the year 年內額外撥備	175.4	-	7.1	5.9	188.4
Amount written back 撥回金額	(1.0)	(4.1)	(2.1)	-	(7.2)
Amount utilised during the year 年內已動用款項	(76.5)	-	-	-	(76.5)
At 31st December, 2020 於二零二零年十二月三十一日	217.5	28.5	5.0	13.3	264.3

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

41. PROVISIONS (CONT'D)

Analysed for reporting purposes as:
Current liabilities
Non-current liabilities

為呈報目的所作之分析：
流動負債
非流動負債

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	261.8	154.7
	2.5	4.9
	264.3	159.6

42. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts (which include bank and other borrowings and notes/paper payable) and equity attributable to owners of the Company comprising issued share capital and reserves.

Gearing ratio

The Group's management reviews the capital structure on an ongoing basis using gearing ratio, which is the net debt divided by equity. Net debt includes the Group's bank and other borrowings and notes/paper payable less short-term pledged bank deposits and bank balances, bank deposits and cash and cash equivalents. The equity comprises all components of the equity attributable to owners of the Company.

The gearing ratio at the end of the reporting period was as follows:

41. 撥備(續)

本集團管理資本旨在透過優化債權平衡，確保本集團屬下各公司能持續經營並給予股東最高回報。本集團的整體策略與上年度保持不變。

本集團的資本架構包括債務(包括銀行及其他借貸及應付票據)及本公司股東應佔權益(包括已發行股本及儲備)。

資本負債比率

本集團管理層運用資本負債比率(即債務淨額除以權益)持續檢討資本架構。債務淨額包括本集團的銀行及其他借貸及應付票據減短期抵押銀行存款及銀行結餘、銀行存款與現金及現金等價物。權益包括本公司股東應佔權益之各個組成部分。

於報告期末之資本負債比率如下：

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Bank and other borrowings	銀行及其他借貸	11,888.9	9,327.4
Notes/paper payable	應付票據	7,751.1	8,201.5
		19,640.0	17,528.9
Less: Short-term pledged bank deposits and bank balances	減：短期抵押銀行存款及銀行結餘	-	(33.2)
Bank deposits, cash and cash equivalents	銀行存款、現金及現金等價物	(7,902.6)	(6,999.7)
		11,737.4	10,496.0
Net debt	債務淨額		
		37,019.4	28,106.2
Equity attributable to owners of the Company	本公司股東應佔權益		
		31.7%	37.3%
Gearing ratio	資本負債比率		

for the year ended 31st December, 2020

43. FINANCIAL RISK MANAGEMENT

Risk is inherent in the financial service business and sound risk management is a cornerstone of prudent and successful financial practice. The Group acknowledges that a balance must be achieved between risks control and business growth. The principal financial risks inherent in the Group's business are market risk (includes equity risk, interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Group's risk management objective is to enhance shareholders' value while retaining exposure within acceptable thresholds. Risk management is managed and controlled through relevant group companies.

The Group's risk management governance structure is designed to cover all business activities and to ensure all relevant risk classes are properly managed and controlled by relevant group companies. The Group has adopted a sound risk management and organisational structure equipped with comprehensive policies and procedures which are reviewed regularly and enhanced when necessary in response to changes in markets, the Group's operating environment and business strategies. The Group's relevant independent control functions play an important role in the provision of assurance to the relevant board of directors and senior management that a sound internal risk management mechanism is implemented, maintained and adhered to.

截至二零二零年十二月三十一日止年度

43. 金融風險管理

金融服務業本身存在風險，因此訂立一個妥善的風險管理制度，是企業審慎而成功的做法。本集團深信風險管理與業務增長兩者同樣重要。本集團的業務存在的主要金融風險為市場風險(包括股票風險、利率風險及外匯風險)、信貸風險及流動資金風險。本集團的風險管理目標是將所面對的風險局限於可接受水平內之餘，同時致力提高股東價值。風險管理乃透過相關集團公司管理及監控。

本集團的風險管治架構旨在涵蓋所有業務活動，以確保所有有關風險類別已由相關集團公司妥為管理及監控。本集團已採納一個妥善的風險管理與組織架構，並附有完善的政策及程序，有關政策及程序會定期進行檢討，並在有需要時因應市場、本集團經營環境及業務策略之變動而加強。本集團的有關獨立監控職能擔任重要職務，向相關董事會及高級管理層確保實施、維持及遵守穩健的內部風險管理機制。

43. FINANCIAL RISK MANAGEMENT (CONT'D)**(a) Market Risk***(i) Equity Risk*

There are many asset classes available for investment in the marketplace. One of the Group's key business undertakings is investing in equity and is concentrated in the investment and finance operating segment. Market risk arising from any equity investments is driven by the daily fluctuations in market prices or fair values. The ability to mitigate such risk depends on the availability of any hedging instruments and the diversification level of the investment portfolios undertaken by the segment. More importantly, the knowledge and experience of the trading staff of the segment managing the risk are also vital to ensure exposure is being properly hedged and rebalanced in the most timely manner. Proprietary trading across the segment is subject to limits approved by the senior management of the relevant group companies. Valuation of these instruments is measured on a "mark-to-market" and "mark-to-fair value" basis depending on whether they are listed or unlisted. Value at Risk ("VaR") and stress tests are employed in the assessment of risk. Meanwhile other non-VaR limits such as "maximum loss" and "position" limits are also set out to restrict excessive risk undertakings. VaR and stress tests are approaches which are widely used in the financial industry as tools to quantify risk by combining the size of a position and the extent of a potential market movement into a potential financial impact.

The Group's market-making and proprietary trading positions and their financial performance are reported daily to the relevant senior management of the group companies in the segment for review. Relevant internal audit also performs regular checks to ensure there is adequate compliance in accordance with the established market risk limits and guidelines.

43. 金融風險管理(續)**(a) 市場風險***(i) 股票風險*

市場內有不少可供投資的資產類別，而本集團所進行之主要業務之一為股票投資並集中於投資及金融業務分部。任何股票投資所產生之市場風險皆因每日市價或公平價值波動而起，緩和該等風險的能力視乎有否預備任何對沖工具及分部所擁有投資組合的分散程度。更重要的是，分部進行交易之員工必須擁有管理風險的知識及經驗，確保風險在最適當的時機下獲妥善對沖及重整。分部之自營買賣活動須受有關集團公司之高級管理層審批之限額限制，並視乎該等工具為上市或非上市按「市場價格」及「公平價格」計算價值。評估風險時會使用風險值(「風險值」)及壓力測試。同時，亦設定其他非風險值限額如「虧蝕上限」及「持倉」限額以限制所面對的超限風險。風險值及壓力測試獲金融業廣泛使用，透過結合持倉之規模及潛在市場變化對財務產生之潛在影響，作為量化風險的工具。

本集團所有營造市場活動及自營買賣活動持倉狀況及財務表現，均每日匯報予分部內集團公司之相關高級管理層以供審閱。相關內部審核部門亦會作出定期審查，確保充分遵守既訂市場風險限額及指引。

for the year ended 31st December, 2020

43. FINANCIAL RISK MANAGEMENT (CONT'D)**(a) Market Risk (Cont'd)***(i) Equity Risk (Cont'd)*

The table below summarises the overall financial impact on the Group arising from market movements in global equity indices. The analysis is based on the assumption that equity indices move $\pm 20\%$ with all other variables being held constant and all equity instruments undertaken by the Group moving simultaneously. Declines in the indices are expressed as negatives.

		At 31st December, 2020 於二零二零年十二月三十一日				At 31st December, 2019 於二零一九年十二月三十一日			
		Potential impact on profit or loss for the year 本年度損益賬 之潛在影響		Potential impact on other components of equity 權益其他部分 之潛在影響		Potential impact on profit or loss for the year 本年度損益賬 之潛在影響		Potential impact on other components of equity 權益其他部分 之潛在影響	
		20%	-20%	20%	-20%	20%	-20%	20%	-20%
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Local Index	本地指數	178.7	(203.7)	61.0	(61.0)	462.0	(452.9)	71.6	(71.6)
Overseas Index	海外指數	2,474.2	(2,348.6)	67.1	(67.1)	1,897.7	(1,897.8)	67.1	(67.1)

Futures, options and knock-out options are hedged by other derivatives in view of the volatile markets and wide trading ranges.

(ii) Interest Rate Risk

Interest rate risk is the risk of loss due to changes in interest rates. The Group's interest rate risk exposure arises predominantly from term financing, mortgage loans in the investment and finance segment and loans and advances to consumer finance customers in consumer finance segment and bank and other borrowings. Interest spreads are managed with the objective of maximising spreads to ensure consistency with liquidity and funding obligations.

截至二零二零年十二月三十一日止年度

43. 金融風險管理(續)**(a) 市場風險(續)***(i) 股票風險(續)*

下表概述環球股市指數變動對本集團的整體財務影響。該分析乃假設股市指數上下波幅為20%，所有其他變數保持不變，而本集團的所有權益工具隨之變動。指數下降以負數表示。

鑒於市場波動及交易範圍廣泛，期貨、期權及限價期權以其他衍生工具對沖。

(ii) 利率風險

利率風險為利率變動所引致虧損之風險。本集團的利率風險主要來自投資及金融分部之有期貨款、按揭貸款以及消費金融分部之消費金融客戶貸款及墊款以及銀行及其他借貸。本集團管理息差，目的在於盡量令息差符合資金之流動性及需求。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

43. FINANCIAL RISK MANAGEMENT (CONT'D)

43. 金融風險管理(續)

(a) Market Risk (Cont'd)

(a) 市場風險(續)

(ii) Interest Rate Risk (Cont'd)

(ii) 利率風險(續)

At 31st December, 2020, assuming that market interest rates moved by ± 50 basis points (2019: ± 50 basis points), the profit before taxation for the year for the Group would have been HK\$32.9 million lower or HK\$32.9 million higher respectively (2019: HK\$14.0 million lower or HK\$14.2 million higher respectively).

於二零二零年十二月三十一日，倘市場利率之變動為加減50個點子(二零一九年：加減50個點子)，則本集團於本年度的除稅前溢利將分別下降32.9百萬港元或上升32.9百萬港元(二零一九年：分別下降14.0百萬港元或上升14.2百萬港元)。

The exposures of the Group's financial assets (liabilities) bearing variable interest rate to cash flow interest rate risks and the earlier of their contractual repricing dates and contractual maturity dates are as follows:

本集團按浮動利率計息的金融資產(負債)面對現金流利率風險，而其合約重新定價日及合約到期日中較早者如下：

	On demand or less than 3 months 按要求償還 或少於3個月 HK\$ Million 百萬港元	3 months to 1 year 3個月至1年 HK\$ Million 百萬港元	1 year to 5 years 1年至5年 HK\$ Million 百萬港元	Over 5 years 5年以上 HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
At 31st December, 2020	於二零二零年十二月三十一日				
Loans and advances to consumer finance customers	111.6	-	-	-	111.6
Mortgage loans	111.8	659.8	750.1	-	1,521.7
Term loans	-	3.4	401.6	-	405.0
Amounts due from associates	-	-	226.3	-	226.3
Bank deposits, cash and cash equivalents	4,446.1	47.0	-	-	4,493.1
Bank and other borrowings	(10,915.4)	(571.6)	(130.0)	-	(11,617.0)
At 31st December, 2019	於二零一九年十二月三十一日				
Loans and advances to consumer finance customers	133.9	-	-	-	133.9
Mortgage loans	53.7	32.3	1,256.1	-	1,342.1
Amounts due from associates	-	-	206.9	-	206.9
Bank deposits, cash and cash equivalents	4,726.5	-	-	-	4,726.5
Bank and other borrowings	(8,653.6)	(61.0)	(581.0)	-	(9,295.6)

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

43. FINANCIAL RISK MANAGEMENT (CONT'D)

43. 金融風險管理(續)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

The exposures of the Group's financial assets (liabilities) bearing fixed interest rate to fair value interest rate risks and the earlier of their contractual repricing dates and contractual maturity dates are as follows:

(a) 市場風險(續)

(ii) 利率風險(續)

本集團按固定利率計息的金融資產(負債)面對公平價值利率風險,而其合約重新定價日及合約到期日中較早者如下:

		On demand or less than 3 months 按要求償還 或少於3個月 HK\$ Million 百萬港元	3 months to 1 year 3個月至1年 HK\$ Million 百萬港元	1 year to 5 years 1年至5年 HK\$ Million 百萬港元	Over 5 years 5年以上 HK\$ Million 百萬港元	Non-interest bearing 免息 HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
At 31st December, 2020	於二零二零年 十二月三十一日						
Loans and advances to consumer finance customers	消費金融客戶貸款 及墊款	2,619.9	4,793.9	2,818.6	219.7	-	10,452.1
Mortgage loans	按揭貸款	135.7	913.5	442.8	-	-	1,492.0
Debt securities included in financial assets at FVTOCI	計入透過其他全面收益 按公平價值處理之 金融資產之債務證券	56.1	90.9	56.3	-	-	203.3
Bonds included in financial assets at FVTPL	計入透過損益賬按公平價值 處理之金融資產之債券	316.8	-	104.4	126.1	-	547.3
Listed perpetual securities included in financial assets at FVTPL	計入透過損益賬按公平 價值處理之金融資產 之上市永續證券	-	-	-	76.7	-	76.7
Term loans	有期貨款	916.8	836.4	152.9	-	-	1,906.1
Amounts due from associates	聯營公司欠款	0.1	233.3	18.0	-	88.5	339.9
Notes included in trade receivables, prepayments and other receivables	計入應收貿易款項、 預付款項及 其他應收款項之票據	-	-	18.6	-	-	18.6
Bank deposits, cash and cash equivalents	銀行存款、現金及 現金等價物	1,344.9	12.3	-	-	2,052.3	3,409.5
Bank and other borrowings	銀行及其他借貸	(19.8)	-	-	-	(252.1)	(271.9)
Notes/paper payable	應付票據	-	(2,010.0)	(5,741.1)	-	-	(7,751.1)
Lease liabilities	租賃負債	(33.9)	(74.0)	(128.1)	(47.1)	-	(283.1)
At 31st December, 2019	於二零一九年 十二月三十一日						
Loans and advances to consumer finance customers	消費金融客戶貸款 及墊款	2,876.6	4,697.8	2,699.8	5.4	-	10,279.6
Mortgage loans	按揭貸款	833.8	1,436.4	14.6	-	-	2,284.8
Debt securities included in financial assets at FVTOCI	計入透過其他全面收益 按公平價值處理之 金融資產之債務證券	8.0	-	148.6	8.9	-	165.5
Bonds included in financial assets at FVTPL	計入透過損益賬按公平價值 處理之金融資產之債券	340.4	264.9	250.5	166.8	-	1,022.6
Listed perpetual securities included in financial assets at FVTPL	計入透過損益賬按公平 價值處理之金融資產 之上市永續證券	-	-	-	61.3	-	61.3
Term loans	有期貨款	1,511.2	1,299.6	86.1	-	-	2,896.9
Amounts due from associates	聯營公司欠款	-	158.4	-	-	161.5	319.9
Notes included in trade receivables, prepayments and other receivables	計入應收貿易款項、 預付款項及 其他應收款項之票據	-	-	19.4	-	-	19.4
Bank deposits, cash and cash equivalents	銀行存款、現金及 現金等價物	2,037.7	68.1	-	-	200.6	2,306.4
Bank and other borrowings	銀行及其他借貸	(20.0)	-	-	-	(11.8)	(31.8)
Notes/paper payable	應付票據	-	(566.4)	(7,635.1)	-	-	(8,201.5)
Lease liabilities	租賃負債	(34.6)	(101.9)	(77.1)	-	-	(213.6)

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

43. FINANCIAL RISK MANAGEMENT (CONT'D)**43. 金融風險管理(續)****(a) Market Risk (Cont'd)***(iii) Foreign Exchange Risk*

Foreign exchange risk is the risk to earnings or capital arising from movements in foreign exchange rates.

The Group's foreign exchange risk primarily arises from currency exposures originating from proprietary trading positions, private equity investments, loans and advances and bank and other borrowings denominated in foreign currencies, mainly in Australian dollars, British pounds, Euro, Canadian dollars, Japanese yen, Malaysian ringgit, New Taiwan dollars, Renminbi ("RMB") and Thai baht. Foreign exchange risk is managed and monitored by senior management of the relevant group companies. The risk arises from open currency positions are subject to management approved limits and are monitored and reported daily.

At 31st December, 2020, assuming that the foreign exchange rates moved $\pm 5\%$ (2019: $\pm 5\%$) with all other variables held constant, the profit before taxation for the year for the Group would be HK\$41.8 million higher/lower (2019: HK\$113.6 million higher/lower).

(b) Credit Risk*Credit risk and impairment assessment*

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. As at 31st December, 2020, the Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum exposure to credit risk (which for financial assets is represented by their carrying amounts) and the related impairment assessment in the tables below. In addition, the Group is also exposed to credit risk arising from loan commitments, financial guarantee contracts for which the maximum exposure to credit risk is as disclosed in notes 46(b), 41 and 45. The maximum exposure to credit risk of the investment securities at FVTPL which are exposed to credit risk is their carrying amount, which amounts to HK\$1,760.1 million at 31st December, 2020 (2019: HK\$1,662.6 million), and is monitored by management according to their geographic locations and industries. Generally, the Group considers that the credit risks associated with loans and advances to consumer finance customers, mortgage loans and term loans is mitigated because they are secured over properties and other securities. For those remaining items that do not have any collateral or other credit enhancements to cover its credit risks associated with its financial assets, loan commitments and financial guarantee contracts, are exposed to credit risk.

(a) 市場風險(續)*(iii) 外匯風險*

外匯風險乃外幣匯率變動對盈利或資本造成之風險。

本集團之外匯風險主要來自自營買賣活動持倉狀況及以外幣列值之私募股本投資、貸款及墊款及銀行及其他借貸，主要為澳元、英鎊、歐元、加拿大元、日圓、馬來西亞林吉特、新台幣、人民幣(「人民幣」)及泰銖。外匯風險由有關集團公司高級管理層作出管理及監察。就外幣未平倉合約產生之外匯風險須受由管理層審批之限額限制，並須每日受其監控及向其匯報。

於二零二零年十二月三十一日，假設外幣匯率上下波幅為5% (二零一九年：上下波幅為5%)，所有其他變數保持不變，則本集團於本年度之除稅前溢利將上升／下降41.8百萬港元(二零一九年：上升／下降113.6百萬港元)。

(b) 信貸風險*信貸風險及減值評估*

信貸風險指本集團對手方違反其合約責任導致本集團財務虧損的風險。於二零二零年十二月三十一日，本集團根據預期信貸虧損模式對金融資產及其他項目進行減值評估。有關本集團的信貸風險管理、面臨的最大信貸風險(金融資產以賬面值列賬)及相關減值評估的資料於下表概述。此外，本集團亦面臨來自貸款承擔、財務擔保合約的信貸風險，其面臨的最大信貸風險於附註46(b)、41及45披露。面臨信貸風險的透過損益賬按公平價值處理的投資證券所面臨的最大信貸風險為其賬面值，於二零二零年十二月三十一日為1,760.1百萬港元(二零一九年：1,662.6百萬港元)，由管理層根據地理位置及行業進行監察。整體而言，本集團認為有關消費金融客戶貸款及墊款、按揭貸款及有期貨款的信貸風險已減輕，乃由於該等貸款由物業及其他抵押品作抵押。就並無任何抵押品或其他信貸增強措施以覆蓋其有關其金融資產、貸款承擔及財務擔保合約的信貸風險的該等餘下項目而言，該等項目承受信貸風險。

for the year ended 31st December, 2020

43. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit Risk (Cont'd)

Credit risk and impairment assessment (Cont'd)

The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits. The Group evaluates the credit risk for each loan application on the basis of the repayment abilities of the customers having regard to their financial position, employment status, past due record and credit reference checking result (if applicable).

Credits are granted according to the hierarchy of approval authorities within the Group, including the front-line approval officers, central credit officers, the credit committee and the boards of directors of the respective companies within the Group (if applicable).

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions and interviews with customers to update the credit risk of customers. Credit review checking and approval processes are properly segregated to ensure effective internal control over credit risk and monitoring in the respective companies within the Group. Dedicated teams of operations staff independent from the credit approval authorities are assigned for recovery of overdue debts. The credit quality review process enables the Group to assess the potential loss as a result of the risk to which it is exposed and take appropriate corrective actions.

The Group adopts a prudent approach to credit risk management framework. Its credit policy is timely revised to align with the prevailing credit environment which is continuously affected by changes in business, economy, regulatory requirements, money market and social conditions.

Internal audit department and risk management department of respective companies within the Group periodically conducts internal control reviews and compliance checking over all aspects of credit processes to ensure that the established credit policies and procedures are complied with and sufficient controls are in place to mitigate credit risk.

The credit risks on bank balances are limited because the counterparties are banks/financial institutions with high credit ratings assigned by international credit-rating agencies.

截至二零二零年十二月三十一日止年度

43. 金融風險管理(續)

(b) 信貸風險(續)

信貸風險及減值評估(續)

本集團透過對其願意就個別交易對手方接受的風險金額設置限額，並透過監控與該等限額有關的風險來管理及控制信貸風險。集團按客戶的還款能力評估每項貸款申請的信貸風險，當中考慮到其財務狀況、僱用狀況、過往逾期記錄及信貸記錄查核結果，如適用。

信貸乃根據本集團內的審批機關層級授出，包括本集團內各公司的前線審批職員、中央信貸職員、信貸委員會及董事會，如適用。

本集團已設立信貸質素審閱程序，以提前識別對手方信譽的可能變動，包括與客戶定期檢討抵押品及面談，以取得客戶信貸風險的最新情況。信貸審閱查核及審批程序妥善劃分，以確保對信貸風險實施有效的內部控制及監察本集團內各公司。獨立於信貸審批機關的專責營運員工團隊獲委派收回逾期債務。信貸質素審閱程序使集團能夠評估因其面臨的風險而導致的潛在虧損及採取適當的補救行動。

本集團審慎地訂立信貸風險管理框架，並不時修訂其信貸政策，以配合持續受業務、經濟、監管規定、貨幣市場及社會狀況影響的當前信貸環境。

本集團內各公司的內部審核部門及風險管理部門定期就信貸程序的各方面進行內部控制審閱及合規檢查，以確保遵從已設立的信貸政策及程序及已立足夠控制措施減低信貸風險。

銀行結餘的信貸風險有限，因為對手方為獲國際信貸評級機構賦予高信貸評級的銀行／財務機構。

43. FINANCIAL RISK MANAGEMENT (CONT'D)**(b) Credit Risk (Cont'd)***Credit risk and impairment assessment (Cont'd)*

Other than the concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk. Loans and advances to consumer finance customers, mortgage loans and term loans consist of a large number of customers who are spread across diverse industries.

Concentration risk of loans and advances to consumer finance customers is managed by reference to individual customers. The aggregate credit exposure in relation to the ten largest outstanding consumer finance customers, including corporate entities and individuals, after taking into account any collateral held or other credit enhancements, net of ECL, at 31st December, 2020 was HK\$985.4 million (2019: HK\$1,233.4 million) of which 58.7% (2019: 64.6%) was secured by collateral.

Concentration risk of mortgage loans is managed by reference to individual mortgage finance customers. The aggregate credit exposure in relation to the ten largest outstanding mortgage finance customers, including corporate entities and individuals, after taking into account any collateral held or other credit enhancements, net of ECL, at 31st December, 2020 was HK\$1,117.8 million (2019: HK\$1,176.2 million) of which 100% (2019: 100%) was secured by collateral.

Concentration risk of term loans is managed by reference to individual term loan customers. The aggregate credit exposure in relation to the ten largest outstanding term loan customers, including corporate entities and individuals, after taking into account any collateral held or other credit enhancements, net of ECL, at 31st December, 2020 was HK\$1,955.1 million (2019: HK\$2,436.3 million) of which 100% (2019: 95.5%) was secured by collateral.

For investment in debt securities, basically only debt securities with credit ratings of C or above would be considered. The Group assesses the credit risk of investments in debt securities at the end of each reporting period. The Group's debt securities at FVTOCI mainly comprise listed and unlisted bonds that are graded by credit-rating agencies as per globally understood definitions.

43. 金融風險管理(續)**(b) 信貸風險(續)***信貸風險及減值評估(續)*

除存放於高信貸評級的幾間銀行的流動資金的信貸風險集中外，本集團並無任何其他重大信貸風險集中。消費金融客戶貸款及墊款、按揭貸款及有期貸款包括來自各行各業的多名客戶。

消費金融客戶貸款及墊款的集中風險乃參考個別客戶予以管理。於二零二零年十二月三十一日，經計及任何持有的抵押品及其他信貸增強措施後(扣除預期信貸虧損後)，與十大尚未還款消費金融客戶(包括公司實體及個別人士)有關的信貸風險總值為985.4百萬港元(二零一九年：1,233.4百萬港元)，其中58.7%(二零一九年：64.6%)由抵押品提供抵押。

按揭貸款的集中風險乃參考個別按揭融資客戶予以管理。於二零二零年十二月三十一日，經計及任何持有的抵押品及其他信貸增強措施後(扣除預期信貸虧損後)，與十大尚未還款按揭融資客戶(包括公司實體及個別人士)有關的信貸風險總值為1,117.8百萬港元(二零一九年：1,176.2百萬港元)，其中100%(二零一九年：100%)由抵押品提供抵押。

有期貸款的集中風險乃參考個別有期貸款客戶予以管理。於二零二零年十二月三十一日，經計及任何持有的抵押品及其他信貸增強措施後(扣除預期信貸虧損後)，與十大尚未還款有期貸款客戶(包括公司實體及個別人士)有關的信貸風險總值為1,955.1百萬港元(二零一九年：2,436.3百萬港元)，其中100%(二零一九年：95.5%)由抵押品提供抵押。

就債務證券投資而言，基本上只會考慮由國際信用評級機構分配信貸評級為C級或以上之債務證券。本集團於各報告期末評估債務證券投資的信貸風險。本集團之計入透過其他全面收益按公平價值處理之金融資產之債務證券包括上市及非上市債券，該等債券由信用評級機構根據全球公認之定義進行分級。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

43. FINANCIAL RISK MANAGEMENT (CONT'D)

43. 金融風險管理(續)

(b) Credit Risk (Cont'd)

Credit risk and impairment assessment (Cont'd)

The Group's internal credit risk grading assessment for loans and advances to consumer finance customers and mortgage loans comprises the following categories:

(b) 信貸風險(續)

信貸風險及減值評估(續)

本集團就消費金融客戶貸款及墊款及按揭貸款之內部信貸風險評級包括以下類別：

Internal credit risk categories 內部 信貸風險類別	Description 描述	Loans and receivables at amortised cost 按攤銷成本列賬之 貸款及應收款項	Loan commitments/ financial guarantee contracts 貸款承擔/財務擔保合約
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 對方的違約風險低，並無任何逾期款項	12-month ECL 12個月預期信貸虧損	12-month ECL 12個月預期信貸虧損
Watch list 監察表	Debtor usually settles overdue balances after due date 債務人一般於到期後結清逾期結餘	12-month ECL 12個月預期信貸虧損	12-month ECL 12個月預期信貸虧損
Doubtful 可疑	There have been significant increases in credit risk since initial recognition based on information from internally or external resources 基於內部或外部資料，信貸風險自首次確認後顯著增加	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 並無信貸減值	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 並無信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產已信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery of debts 有證據顯示債務人處於嚴重財政困難，且並無合理預期收回債務	Amount is written off against the allowance account 於撥備賬撇銷有關款項	N/A 不適用

43. FINANCIAL RISK MANAGEMENT (CONT'D)**(b) Credit Risk (Cont'd)***Credit risk and impairment assessment (Cont'd)*

The Group takes into consideration forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Group employs experts who use external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information includes economic data and forecasts published by governmental bodies and monetary authorities.

The Group applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Group for strategic planning and budgeting. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Group has not changed in the estimation techniques or significant assumptions made during the reporting period.

43. 金融風險管理(續)**(b) 信貸風險(續)***信貸風險及減值評估(續)*

評估信貸風險顯著增加及計量預期信貸虧損時，本集團考慮無需過多成本或精力即可獲得的前瞻性資料。本集團聘請專家使用外部及內部資料，得出相關經濟變量未來預測的「基本方案」情景，以及其他具代表性的可能預測情景。外部資料包括政府機關及金融機構發佈的經濟數據及預測。

本集團將概率應用於已識別的預測情景。基本方案情景為最可能發生的單一結果，包括本集團用於策略規劃及預算的資料。本集團已識別及記錄各金融工具組合的信貸風險及信貸虧損推動因素，並使用歷史數據的統計分析評估宏觀經濟變量與信貸風險及信貸虧損之間的關係。於報告期內，本集團並無改變評估方法或重大假設。

for the year ended 31st December, 2020

43. FINANCIAL RISK MANAGEMENT (CONT'D)**(b) Credit Risk (Cont'd)***Credit risk and impairment assessment (Cont'd)*

The tables below detail the credit risk exposures of the Group's financial assets (including loans and advances to consumer finance customers, mortgage loans, term loans, notes, debt securities, amounts due from associates, amounts due from joint ventures, amounts due from brokers, short-term pledged bank deposits and bank balances, bank deposits, cash and cash equivalents and trade and other receivables), loan commitments and financial guarantee contracts, which are subject to ECL assessment:

	Notes 附註	Internal credit risk categories 內部信貸 風險類別	12-month or lifetime ECL 12個月或全期預期信貸虧損	Gross carrying amount 賬面總值	
				2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Loans and receivables at amortised costs and maximum exposure to credit risk without taking into account of any collaterals and other credit enhancements 按攤銷成本列賬之貸款及應收款項以及所面臨的最大信貸風險(並無計及任何抵押品及其他信貸增強措施)					
Loans and advances to consumer finance customers 消費金融客戶貸款及墊款	26	Low risk/ watch list 低風險/ 監察表 Doubtful 可疑 Loss 虧損	12-month ECL 12個月預期信貸虧損 Lifetime ECL (not credit-impaired) 全期預期信貸虧損(並無信貸減值) Lifetime ECL (credit-impaired) 全期預期信貸虧損(信貸減值)	10,594.0 327.5 396.5	10,501.9 464.8 154.6
				11,318.0*	11,121.3*
Mortgage loans 按揭貸款	27	Low risk/ watch list 低風險/ 監察表 Doubtful 可疑 Loss 虧損	12-month ECL 12個月預期信貸虧損 Lifetime ECL (not credit-impaired) 全期預期信貸虧損(並無信貸減值) Lifetime ECL (credit-impaired) 全期預期信貸虧損(信貸減值)	2,291.5 104.9 664.7	3,170.6 14.4 463.6
				3,061.1*	3,648.6*
Term loans 有期貸款	29	Note 2 註解2 Note 2 註解2	12-month ECL 12個月預期信貸虧損 Lifetime ECL (not credit-impaired) 全期預期信貸虧損(並無信貸減值) Lifetime ECL (credit-impaired) 全期預期信貸虧損(信貸減值)	1,570.2 204.1 1,235.7	1,658.4 726.6 876.4
				3,010.0*	3,261.4*

截至二零二零年十二月三十一日止年度

43. 金融風險管理(續)**(b) 信貸風險(續)***信貸風險及減值評估(續)*

下表載列須進行預期信貸虧損評估的本集團金融資產(包括消費金融客戶貸款及墊款、按揭貸款、有期貸款、票據、債務證券、聯營公司欠款、合營公司欠款、經紀欠款、短期抵押銀行存款及銀行結餘、銀行存款、現金及現金等價物及貿易及其他應收款項)、貸款承擔及財務擔保合約的信貸風險詳情:

43. FINANCIAL RISK MANAGEMENT (CONT'D)

43. 金融風險管理(續)

(b) Credit Risk (Cont'd)

Credit risk and impairment assessment (Cont'd)

(b) 信貸風險(續)

信貸風險及減值評估(續)

	Notes 附註	Internal credit risk categories 內部信貸 風險類別	12-month or lifetime ECL 12個月或全期預期信貸虧損	Gross carrying amount 賬面總值	
				2020	2019
				二零二零年 HK\$ Million 百萬港元	二零一九年 HK\$ Million 百萬港元
Loans and receivables at amortised costs and maximum exposure to credit risk without taking into account of any collaterals and other credit enhancements (Cont'd) 按攤銷成本列賬之貸款及應收款項以及所面臨的最大信貸風險(並無計及任何抵押品及其他信貸增強措施)(續)					
Trade and other receivables 貿易及其他應收款項	30	N/A 不適用	12-month ECL 12個月預期信貸虧損	216.7	284.2
		N/A 不適用	Lifetime ECL (not credit-impaired) 全期預期信貸虧損(並無信貸減值)	33.8	45.2
		N/A 不適用	Lifetime ECL (credit-impaired) 全期預期信貸虧損(信貸減值)	206.4	203.2
				456.9	532.6
Notes included in trade receivables, prepayments and other receivables 計入應收貿易款項、預付款項及其他應收款項之票據	30	N/A 不適用	12-month ECL 12個月預期信貸虧損	19.4	19.5
Debt securities included in financial assets at FVTOCI 計入透過其他全面收益按公平價值處理之金融資產之債務證券	25	N/A 不適用	12-month ECL 12個月預期信貸虧損	203.3	165.5
Amounts due from associates 聯營公司欠款	31	N/A 不適用	12-month ECL 12個月預期信貸虧損	567.8	526.8
		N/A 不適用	Lifetime ECL (credit-impaired) 全期預期信貸虧損(信貸減值)	17.5	17.5
				585.3	544.3
Amounts due from joint ventures 合營公司欠款	31	N/A 不適用	12-month ECL 12個月預期信貸虧損	5.4	8.8
Amounts due from brokers 經紀欠款		N/A 不適用	12-month ECL 12個月預期信貸虧損	399.3	462.1
Short-term pledged bank deposits and bank balances 短期抵押銀行存款及銀行結餘	32	N/A 不適用	12-month ECL 12個月預期信貸虧損	-	33.2
Bank deposits 銀行存款	32	N/A 不適用	12-month ECL 12個月預期信貸虧損	12.3	68.1
Cash and cash equivalents 現金及現金等價物	32	N/A 不適用	12-month ECL 12個月預期信貸虧損	7,878.3	6,918.3

for the year ended 31st December, 2020

43. FINANCIAL RISK MANAGEMENT (CONT'D)**(b) Credit Risk (Cont'd)***Credit risk and impairment assessment (Cont'd)*

	Notes 附註	Internal credit risk categories 內部信貸 風險類別	12-month or lifetime ECL 12個月或全期預期信貸虧損	Gross carrying amount 賬面總值	
				2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Other items 其他項目					
Loan commitments (Note 1) 貸款承擔(註解1)	46(b)	Low risk/ watch list 低風險/ 監察表 Doubtful 可疑	12-month ECL 12個月預期信貸虧損	1,930.9	1,715.6
			Lifetime ECL (not credit-impaired) 全期預期信貸虧損(並無信貸減值)	9.1	14.6
				1,940.0	1,730.2
Other financial liabilities – financial guarantee (Note 3) 其他金融負債 – 財務擔保(註解3)	45	N/A 不適用	12-month ECL 12個月預期信貸虧損	387.6	494.5

* The gross carrying amounts disclosed above include the relevant interest receivables.

Notes:

- Loan commitments represent undrawn loan commitments to consumer finance customers, mortgage customers and term loans customers granted by the Group under revolving loan facility arrangement.
- The ECL is assessed by reference to the probability of default and loss given default for the relevant credit rating grades published by external credit rating agencies, and adjusted for forward-looking factors that are available.
- The gross carrying amount of financial guarantee represents the maximum amount the Group has guaranteed under respective contracts.

截至二零二零年十二月三十一日止年度

43. 金融風險管理(續)**(b) 信貸風險(續)***信貸風險及減值評估(續)*

	Notes 附註	Internal credit risk categories 內部信貸 風險類別	12-month or lifetime ECL 12個月或全期預期信貸虧損	Gross carrying amount 賬面總值	
				2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Other items 其他項目					
Loan commitments (Note 1) 貸款承擔(註解1)	46(b)	Low risk/ watch list 低風險/ 監察表 Doubtful 可疑	12-month ECL 12個月預期信貸虧損	1,930.9	1,715.6
			Lifetime ECL (not credit-impaired) 全期預期信貸虧損(並無信貸減值)	9.1	14.6
				1,940.0	1,730.2
Other financial liabilities – financial guarantee (Note 3) 其他金融負債 – 財務擔保(註解3)	45	N/A 不適用	12-month ECL 12個月預期信貸虧損	387.6	494.5

* 上文披露的賬面總值包括相關應收利息款項。

註解：

- 貸款承擔指本集團根據循環貸款融資安排向消費金融客戶、按揭客戶及有期貨款客戶授出的未提取貸款承擔。
- 預期信貸虧損乃經參考外部信用評級機構就相關信貸評級別頒佈的違約可能性、違約虧損率而評估，並根據可得前瞻性因素進行調整。
- 財務擔保賬面總值代表本集團根據各自的合約已擔保的最大金額。

43. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit Risk (Cont'd)

*Credit risk and impairment assessment (Cont'd)*Impairment assessment

To assess the impairment loss on loans and advances to consumer finance customers, the Group groups together all outstanding loan balances, not subject to individual assessment, with common risk characteristics which are ascertained by categories of loan products and are further categorised then into different past due days brackets. ECL is calculated using methodology prescribed under HKFRS 9 (details refer to note 3 Financial instruments – impairment of financial assets) and the resultant impairment loss rate for loans balances which are assessed are shown below:

Gross carrying amount being assessed based on collective assessment:

Loans and advances to consumer finance customers 消費金融客戶貸款 及墊款		Average loss rate 平均虧損率	At 31st December, 2020	Average loss rate 平均虧損率	At 31st December, 2019
			於二零二零年 十二月 三十一日 HK\$ Million 百萬港元		於二零一九年 十二月 三十一日 HK\$ Million 百萬港元
Current (not past due)	即期(無逾期)	4.4%	8,547.5	4.2%	8,336.7
1 to 30 days past due	逾期1至30日	16.2%	543.6	17.0%	692.3
31 to 60 days past due	逾期31至60日	55.9%	80.5	59.8%	124.0
61 to 90 days past due	逾期61至90日	74.2%	53.0	75.6%	73.2
			9,224.6		9,226.2

Debtors with significant outstanding balances or credit-impaired debts with gross carrying amounts of HK\$1,696.9 million and HK\$396.5 million respectively (2019: HK\$1,740.5 million and HK\$154.6 million respectively) on 31st December, 2020 were assessed individually for impairment loss allowances.

The following tables show reconciliation of loss allowances that have been recognised for loans and advances to consumer finance customers, mortgage loans, term loans, notes, debt securities included in financial assets at FVTOCI, amounts due from associates, loan commitments and trade and other receivables.

43. 金融風險管理(續)

(b) 信貸風險(續)

*信貸風險及減值評估(續)*減值評估

為評估消費金融客戶貸款及墊款的減值虧損，本集團組合毋須個別評估及具有共通風險特點的所有未償還貸款餘額，並按貸款產品類別確認及其後進一步分類為不同逾期日數組別。預期信貸虧損使用香港財務報告準則第9號所述方法計算(詳情見附註3金融工具—金融資產減值)及已評估貸款結餘的所得減值虧損率列示如下：

根據組合評估的總賬面值：

	At 31st December, 2020	Average loss rate 平均虧損率	At 31st December, 2019
	於二零二零年 十二月 三十一日 HK\$ Million 百萬港元		於二零一九年 十二月 三十一日 HK\$ Million 百萬港元
Current (not past due)	8,547.5	4.2%	8,336.7
1 to 30 days past due	543.6	17.0%	692.3
31 to 60 days past due	80.5	59.8%	124.0
61 to 90 days past due	53.0	75.6%	73.2
	9,224.6		9,226.2

於二零二零年十二月三十一日，具有重大未償還餘額的應收賬款或信貸減值債務賬面總值分別為1,696.9百萬港元及396.5百萬港元(二零一九年：分別為1,740.5百萬港元及154.6百萬港元)個別進行減值虧損撥備評估。

下表載列已就消費金融客戶貸款及墊款、按揭貸款、有期貨款、票據、計入透過其他全面收益按公平價值處理之金融資產之債務證券、聯營公司欠款、貸款承擔及貿易及其他應收款項確認的虧損撥備的對賬。

for the year ended 31st December, 2020

43. FINANCIAL RISK MANAGEMENT (CONT'D)**(b) Credit Risk (Cont'd)***Credit risk and impairment assessment (Cont'd)*Loans and advances to consumer finance customers

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
As at 1st January, 2019	於二零一九年一月一日	400.6	181.8	63.2	645.6
Changes due to financial instruments recognised during the year:	於年內因確認金融工具 產生的變動：				
Transfer from 12-month ECL to lifetime ECL	由12個月預期信貸虧損 轉撥至全期預期信貸虧損	(9.4)	9.4	-	-
Transfer from lifetime ECL to 12-month ECL	由全期預期信貸虧損轉撥 至12個月預期信貸虧損	3.1	(3.1)	-	-
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損轉撥 至信貸減值	(8.9)	-	8.9	-
Transfer from lifetime ECL to credit-impaired	由全期預期信貸虧損轉撥 至信貸減值	-	(475.9)	475.9	-
Net remeasurement of ECL	預期信貸虧損的重新計量淨額	(23.9)	532.1	489.9	998.1
New financial assets originated	已新增的新金融資產	617.2	-	-	617.2
Repayment and derecognition	還款及終止確認	(552.0)	(51.9)	(12.2)	(616.1)
		26.1	10.6	962.5	999.2
Movement without impact on profit or loss:	不影響損益之變動：				
Written off (Note)	撇銷(註解)	-	-	(933.0)	(933.0)
Exchange adjustments	匯兌調整	(2.8)	(1.2)	-	(4.0)
		(2.8)	(1.2)	(933.0)	(937.0)
As at 31st December, 2019	於二零一九年十二月三十一日	423.9	191.2	92.7	707.8
Changes due to financial instruments recognised during the year:	於年內因確認金融工具 產生的變動：				
Transfer from 12-month ECL to lifetime ECL	由12個月預期信貸虧損轉撥 至全期預期信貸虧損	(145.4)	145.4	-	-
Transfer from lifetime ECL to 12-month ECL	由全期預期信貸虧損轉撥 至12個月預期信貸虧損	9.7	(9.7)	-	-
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損轉撥 至信貸減值	(8.9)	-	8.9	-
Transfer from lifetime ECL to credit-impaired	由全期預期信貸虧損轉撥至信貸減值	-	(523.4)	523.4	-
Net remeasurement of ECL	預期信貸虧損的重新計量淨額	4.2	436.0	488.2	928.4
New financial assets originated	已新增的新金融資產	669.5	-	-	669.5
Repayment and derecognition	還款及終止確認	(541.0)	(54.5)	(11.3)	(606.8)
		(11.9)	(6.2)	1,009.2	991.1
Movement without impact on profit or loss:	不影響損益之變動：				
Written off (Note)	撇銷(註解)	-	-	(957.1)	(957.1)
Exchange adjustments	匯兌調整	9.7	2.1	0.7	12.5
		9.7	2.1	(956.4)	(944.6)
As at 31st December, 2020	於二零二零年十二月三十一日	421.7	187.1	145.5	754.3

Note: Amount of HK\$957.1 million (2019: HK\$933.0 million) that were written off during the year are still subject to enforcement activities.

註解：年內已撇銷的957.1百萬港元(二零一九年：933.0百萬港元)仍可能需進行法律行動。

截至二零二零年十二月三十一日止年度

43. 金融風險管理(續)**(b) 信貸風險(續)***信貸風險及減值評估(續)*消費金融客戶貸款及墊款

43. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit Risk (Cont'd)

Credit risk and impairment assessment (Cont'd)

Mortgage loans

43. 金融風險管理(續)

(b) 信貸風險(續)

信貸風險及減值評估(續)

按揭貸款

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
As at 1st January, 2019	於二零一九年 一月一日	-	3.8	5.9	9.7
Changes due to financial instruments recognised during the year:	於年內因確認 金融工具 產生的變動：				
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損 轉撥至信貸減值	(0.1)	-	0.1	-
Transfer from lifetime ECL to credit-impaired	由全期預期信貸虧損轉撥 至信貸減值	-	(2.4)	2.4	-
Net remeasurement of ECL	預期信貸虧損的重新計量 淨額	3.6	(1.0)	11.2	13.8
New financial assets originated	已新增的新金融 資產	0.7	-	-	0.7
Repayment and derecognition	還款及終止確認	(0.7)	(0.4)	(1.4)	(2.5)
		3.5	(3.8)	12.3	12.0
As at 31st December, 2019	於二零一九年 十二月三十一日	3.5	-	18.2	21.7
Changes due to financial instruments recognised during the year:	於年內因確認 金融工具 產生的變動：				
Net remeasurement of ECL	預期信貸虧損的重新計量 淨額	-	-	31.5	31.5
Repayment and derecognition	還款及終止確認	(3.5)	-	(2.3)	(5.8)
		(3.5)	-	29.2	25.7
As at 31st December, 2020	於二零二零年 十二月三十一日	-	-	47.4	47.4

for the year ended 31st December, 2020

43. FINANCIAL RISK MANAGEMENT (CONT'D)**(b) Credit Risk (Cont'd)***Credit risk and impairment assessment (Cont'd)*Term loans

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
As at 1st January, 2019	於二零一九年 一月一日	16.1	–	151.1	167.2
Changes due to financial instruments recognised during the year:	於年內因確認 金融工具 產生的變動：				
Transfer from 12-month ECL to lifetime ECL	由12個月預期信貸虧損 轉撥至全期預期信貸虧損	(18.8)	18.8	–	–
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損 轉撥至信貸減值	(59.9)	–	59.9	–
Net remeasurement of ECL	預期信貸虧損的重新計量 淨額	81.6	13.1	115.1	209.8
Repayment and derecognition	還款及終止確認	(12.5)	–	–	(12.5)
		(9.6)	31.9	175.0	197.3
As at 31st December, 2019	於二零一九年 十二月三十一日	6.5	31.9	326.1	364.5
Changes due to financial instruments recognised during the year:	於年內因確認 金融工具 產生的變動：				
Transfer from lifetime ECL to credit-impaired	由全期預期信貸虧損 轉撥至信貸減值	–	(66.6)	66.6	–
Net remeasurement of ECL	預期信貸虧損的 重新計量淨額	10.6	50.8	270.0	331.4
New financial assets originated	已新增的新金融 資產	3.0	–	–	3.0
		13.6	(15.8)	336.6	334.4
As at 31st December, 2020	於二零二零年 十二月三十一日	20.1	16.1	662.7	698.9

截至二零二零年十二月三十一日止年度

43. 金融風險管理(續)**(b) 信貸風險(續)***信貸風險及減值評估(續)*有期貸款

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
As at 1st January, 2019	於二零一九年 一月一日	16.1	–	151.1	167.2
Changes due to financial instruments recognised during the year:	於年內因確認 金融工具 產生的變動：				
Transfer from 12-month ECL to lifetime ECL	由12個月預期信貸虧損 轉撥至全期預期信貸虧損	(18.8)	18.8	–	–
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損 轉撥至信貸減值	(59.9)	–	59.9	–
Net remeasurement of ECL	預期信貸虧損的重新計量 淨額	81.6	13.1	115.1	209.8
Repayment and derecognition	還款及終止確認	(12.5)	–	–	(12.5)
		(9.6)	31.9	175.0	197.3
As at 31st December, 2019	於二零一九年 十二月三十一日	6.5	31.9	326.1	364.5
Changes due to financial instruments recognised during the year:	於年內因確認 金融工具 產生的變動：				
Transfer from lifetime ECL to credit-impaired	由全期預期信貸虧損 轉撥至信貸減值	–	(66.6)	66.6	–
Net remeasurement of ECL	預期信貸虧損的 重新計量淨額	10.6	50.8	270.0	331.4
New financial assets originated	已新增的新金融 資產	3.0	–	–	3.0
		13.6	(15.8)	336.6	334.4
As at 31st December, 2020	於二零二零年 十二月三十一日	20.1	16.1	662.7	698.9

43. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit Risk (Cont'd)

Credit risk and impairment assessment (Cont'd)

Notes

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
As at 1st January, 2019 and 31st December, 2019	於二零一九年一月一日及 二零一九年十二月三十一日	0.1	-	-	0.1
Remeasurement of ECL	預期信貸虧損的重新計量	0.7	-	-	0.7
As at 31st December, 2020	於二零二零年十二月三十一日	0.8	-	-	0.8

Debt securities included in financial assets at FVTOCI

計入透過其他全面收益按公平價值處理之金融資產之債務證券

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
As at 1st January, 2019	於二零一九年一月一日	-	-	-	-
Net remeasurement of ECL	預期信貸虧損的重新計量淨額	1.9	-	-	1.9
As at 31st December, 2019	於二零一九年十二月三十一日	1.9	-	-	1.9
Net remeasurement of ECL	預期信貸虧損的重新計量淨額	(0.1)	-	-	(0.1)
As at 31st December, 2020	於二零二零年十二月三十一日	1.8	-	-	1.8

for the year ended 31st December, 2020

43. FINANCIAL RISK MANAGEMENT (CONT'D)**(b) Credit Risk (Cont'd)***Credit risk and impairment assessment (Cont'd)*Amounts due from associates

截至二零二零年十二月三十一日止年度

43. 金融風險管理(續)**(b) 信貸風險(續)***信貸風險及減值評估(續)*聯營公司欠款

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
As at 1st January, 2019	於二零一九年一月一日	-	-	17.1	17.1
Changes due to financial instruments recognised during the year: Net remeasurement of ECL	於年內因確認金融工具產生的變動： 預期信貸虧損的重新計量淨額	-	-	0.4	0.4
As at 31st December, 2019	於二零一九年十二月三十一日	-	-	17.5	17.5
Changes due to financial instruments recognised during the year: Net remeasurement of ECL	於年內因確認金融工具產生的變動： 預期信貸虧損的重新計量淨額	1.8	-	0.3	2.1
Movement without impact on profit or loss: Exchange adjustments	不影響損益之變動： 匯兌調整	-	-	(0.5)	(0.5)
As at 31st December, 2020	於二零二零年十二月三十一日	1.8	-	17.3	19.1

43. FINANCIAL RISK MANAGEMENT (CONT'D)

43. 金融風險管理(續)

(b) Credit Risk (Cont'd)

Credit risk and impairment assessment (Cont'd)
Loan commitments

(b) 信貸風險(續)

信貸風險及減值評估(續)
貸款承擔

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
As at 1st January, 2019	於二零一九年一月一日	22.9	5.8	-	28.7
Changes due to financial instruments recognised during the year:	於年內因確認金融工具產生的變動：				
Transfer from 12-month ECL to lifetime ECL	由12個月預期信貸虧損轉撥至全期預期信貸虧損	(0.7)	0.7	-	-
Net remeasurement of ECL	預期信貸虧損的重新計量淨額	1.7	6.6	-	8.3
New financial assets originated or purchased	已新增或購買的新金融資產	24.7	-	-	24.7
Expiry and derecognition	到期及終止確認	(23.3)	(5.8)	-	(29.1)
		2.4	1.5	-	3.9
As at 31st December, 2019	於二零一九年十二月三十一日	25.3	7.3	-	32.6
Changes due to financial instruments recognised during the year:	於年內因確認金融工具產生的變動：				
Transfer from 12-month ECL to lifetime ECL	由12個月預期信貸虧損轉撥至全期預期信貸虧損	(0.1)	0.1	-	-
Net remeasurement of ECL	預期信貸虧損的重新計量淨額	1.6	4.4	-	6.0
New financial assets originated	已新增的新金融資產	24.7	-	-	24.7
Expiry and derecognition	到期及終止確認	(27.3)	(7.5)	-	(34.8)
		(1.1)	(3.0)	-	(4.1)
As at 31st December, 2020	於二零二零年十二月三十一日	24.2	4.3	-	28.5

for the year ended 31st December, 2020

43. FINANCIAL RISK MANAGEMENT (CONT'D)**(b) Credit Risk (Cont'd)**

Credit risk and impairment assessment (Cont'd)
Trade and other receivables

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
As at 1st January, 2019	於二零一九年一月一日	-	0.2	0.3	0.5
Changes due to financial instruments recognised during the year:	於年內因確認金融工具 產生的變動：				
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損 轉撥至信貸減值	(0.1)	-	0.1	-
Net remeasurement of ECL	預期信貸虧損的重新計量淨額	-	-	48.1	48.1
New financial assets originated	已新增的新金融資產	0.1	0.7	-	0.8
Repayment and derecognition	還款及終止確認	-	(0.2)	(0.1)	(0.3)
		-	0.5	48.1	48.6
Movement without impact on profit or loss: Written off	不影響損益之變動： 撤銷	-	-	(0.4)	(0.4)
		-	-	(0.4)	(0.4)
As at 31st December, 2019	於二零一九年十二月三十一日	-	0.7	48.0	48.7
Changes due to financial instruments recognised during the year:	於年內因確認金融工具 產生的變動：				
Transfer from lifetime ECL to 12-month ECL	由全期預期信貸虧損轉撥至 12個月預期信貸虧損	0.2	(0.2)	-	-
Net remeasurement of ECL	預期信貸虧損的重新計量淨額	(0.2)	(0.5)	(42.4)	(43.1)
		-	(0.7)	(42.4)	(43.1)
As at 31st December, 2020	於二零二零年十二月三十一日	-	-	5.6	5.6

Changes in the loss allowance for loans and advances to consumer finance customers, mortgage loans, term loans, notes, debt securities included in financial assets at FVTOCI, amounts due from associates, loan commitments and trade and other receivables are mainly due to changes in expected credit loss rate at each stage and changes in gross carrying amounts of respective loans and receivables are as follows:

截至二零二零年十二月三十一日止年度

43. 金融風險管理(續)**(b) 信貸風險(續)**

信貸風險及減值評估(續)
貿易及其他應收款項

消費金融客戶貸款及墊款、按揭貸款、有期貸款、票據、計入透過其他全面收益按公平價值處理之金融資產之債務證券、聯營公司欠款、貸款承擔及貿易及其他應收款項的虧損撥備變動主要由於各階段的預期信貸虧損變動所致，各貸款及應收款項的賬面總值變動如下：

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

43. FINANCIAL RISK MANAGEMENT (CONT'D)

43. 金融風險管理(續)

(b) Credit Risk (Cont'd)

Credit risk and impairment assessment (Cont'd)

Loans and advances to consumer finance customers

(b) 信貸風險(續)

信貸風險及減值評估(續)

消費金融客戶貸款及墊款

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
Gross carrying amount as at 1st January, 2019	於二零一九年一月一日的 賬面總值	9,912.9	281.8	220.6	10,415.3
Changes due to financial instruments recognised during the year:	於年內因確認金融工具 產生的變動：				
Transfer from 12-month ECL to lifetime ECL	由12個月預期信貸虧損轉撥 至全期預期信貸虧損	(1,194.7)	1,194.7	-	-
Transfer from lifetime ECL to 12-month ECL	由全期預期信貸虧損轉撥至 12個月預期信貸虧損	6.2	(6.2)	-	-
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損轉撥 至信貸減值	(240.8)	-	240.8	-
Transfer from lifetime ECL to credit-impaired	由全期預期信貸虧損轉撥 至信貸減值	-	(735.4)	735.4	-
New financial assets originated	已新增的新金融資產	15,093.5	-	-	15,093.5
Repayment and derecognition	還款及終止確認	(13,031.7)	(268.8)	(108.9)	(13,409.4)
Written off	撇銷	-	-	(933.0)	(933.0)
Exchange adjustments	匯兌調整	(43.5)	(1.3)	(0.3)	(45.1)
		589.0	183.0	(66.0)	706.0
Gross carrying amount as at 31st December, 2019	於二零一九年十二月 三十一日的賬面總值	10,501.9	464.8	154.6	11,121.3
Changes due to financial instruments recognised during the year:	於年內因確認金融工具 產生的變動：				
Transfer from 12-month ECL to lifetime ECL	由12個月預期信貸虧損轉撥 至全期預期信貸虧損	(1,163.0)	1,163.0	-	-
Transfer from lifetime ECL to 12-month ECL	由全期預期信貸虧損轉撥 至12個月預期信貸虧損	18.4	(18.4)	-	-
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損轉撥 至信貸減值	(236.7)	-	236.7	-
Transfer from lifetime ECL to credit-impaired	由全期預期信貸虧損轉撥 至信貸減值	-	(997.8)	997.8	-
New financial assets originated	已新增的新金融資產	13,508.6	-	-	13,508.6
Repayment and derecognition	還款及終止確認	(12,197.6)	(287.1)	(36.8)	(12,521.5)
Written off	撇銷	-	-	(957.1)	(957.1)
Exchange adjustments	匯兌調整	162.4	3.0	1.3	166.7
		92.1	(137.3)	241.9	196.7
Gross carrying amount as at 31st December, 2020	於二零二零年十二月 三十一日的賬面總值	10,594.0	327.5	396.5	11,318.0

As at 31st December, 2020, loans and advances to consumer finance customers with a gross carrying amount of HK\$161.4 million (2019: HK\$89.0 million) classified as lifetime ECL (credit-impaired) is covered by collateral and other credit enhancement measures.

於二零二零年十二月三十一日，分類為全期預期信貸虧損(信貸減值)的消費金融客戶貸款及墊款賬面總值為161.4百萬港元(二零一九年：89.0百萬港元)受抵押品及其他信貸增強措施保障。

for the year ended 31st December, 2020

43. FINANCIAL RISK MANAGEMENT (CONT'D)**(b) Credit Risk (Cont'd)**

Credit risk and impairment assessment (Cont'd)
Mortgage loans

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
Gross carrying amount as at 1st January, 2019	於二零一九年一月一日的 賬面總值	3,487.6	350.7	25.6	3,863.9
Changes due to financial instruments recognised during the year:	於年內因確認 金融工具 產生的變動：				
Transfer from 12-month ECL to lifetime ECL	由12個月預期信貸虧損轉撥 至全期預期信貸虧損	(196.8)	196.8	-	-
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損轉撥 至信貸減值	(7.9)	-	7.9	-
Transfer from lifetime ECL to credit-impaired	由全期預期信貸虧損轉撥 至信貸減值	-	(459.1)	459.1	-
New financial assets originated	已新增的新金融資產	2,033.1	-	-	2,033.1
Repayment and derecognition	還款及終止確認	(2,145.4)	(74.0)	(29.0)	(2,248.4)
		(317.0)	(336.3)	438.0	(215.3)
Gross carrying amount as at 31st December, 2019	於二零一九年十二月 三十一日的賬面總值	3,170.6	14.4	463.6	3,648.6
Changes due to financial instruments recognised during the year:	於年內因確認 金融工具 產生的變動：				
Transfer from 12-month ECL to lifetime ECL	由12個月預期信貸虧損轉撥 至全期預期信貸虧損	(171.4)	171.4	-	-
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損轉撥 至信貸減值	(296.4)	-	296.4	-
Transfer from lifetime ECL to 12-month ECL	由全期預期信貸虧損轉撥至 12個月預期信貸虧損	14.6	(14.6)	-	-
Transfer from lifetime ECL to credit-impaired	由全期預期信貸虧損轉撥 至信貸減值	-	(53.9)	53.9	-
New financial assets originated	已新增的新金融 資產	1,828.0	-	-	1,828.0
Repayment and derecognition	還款及終止確認	(2,253.9)	(12.4)	(149.2)	(2,415.5)
		(879.1)	90.5	201.1	(587.5)
Gross carrying amount as at 31st December, 2020	於二零二零年十二月 三十一日的賬面總值	2,291.5	104.9	664.7	3,061.1

As at 31st December, 2020, mortgage loans with a gross carrying amount of HK\$664.7 million (2019: HK\$463.6 million) classified as lifetime ECL (credit-impaired) is covered by collateral.

於二零二零年十二月三十一日，分類為全期預期信貸虧損(信貸減值)的按揭貸款賬面總值為664.7百萬港元(二零一九年：463.6百萬港元)，受抵押品保障。

截至二零二零年十二月三十一日止年度

43. 金融風險管理(續)**(b) 信貸風險(續)**

信貸風險及減值評估(續)
按揭貸款

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
Gross carrying amount as at 1st January, 2019	於二零一九年一月一日的 賬面總值	3,487.6	350.7	25.6	3,863.9
Changes due to financial instruments recognised during the year:	於年內因確認 金融工具 產生的變動：				
Transfer from 12-month ECL to lifetime ECL	由12個月預期信貸虧損轉撥 至全期預期信貸虧損	(196.8)	196.8	-	-
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損轉撥 至信貸減值	(7.9)	-	7.9	-
Transfer from lifetime ECL to credit-impaired	由全期預期信貸虧損轉撥 至信貸減值	-	(459.1)	459.1	-
New financial assets originated	已新增的新金融資產	2,033.1	-	-	2,033.1
Repayment and derecognition	還款及終止確認	(2,145.4)	(74.0)	(29.0)	(2,248.4)
		(317.0)	(336.3)	438.0	(215.3)
Gross carrying amount as at 31st December, 2019	於二零一九年十二月 三十一日的賬面總值	3,170.6	14.4	463.6	3,648.6
Changes due to financial instruments recognised during the year:	於年內因確認 金融工具 產生的變動：				
Transfer from 12-month ECL to lifetime ECL	由12個月預期信貸虧損轉撥 至全期預期信貸虧損	(171.4)	171.4	-	-
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損轉撥 至信貸減值	(296.4)	-	296.4	-
Transfer from lifetime ECL to 12-month ECL	由全期預期信貸虧損轉撥至 12個月預期信貸虧損	14.6	(14.6)	-	-
Transfer from lifetime ECL to credit-impaired	由全期預期信貸虧損轉撥 至信貸減值	-	(53.9)	53.9	-
New financial assets originated	已新增的新金融 資產	1,828.0	-	-	1,828.0
Repayment and derecognition	還款及終止確認	(2,253.9)	(12.4)	(149.2)	(2,415.5)
		(879.1)	90.5	201.1	(587.5)
Gross carrying amount as at 31st December, 2020	於二零二零年十二月 三十一日的賬面總值	2,291.5	104.9	664.7	3,061.1

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

43. FINANCIAL RISK MANAGEMENT (CONT'D)

43. 金融風險管理(續)

(b) Credit Risk (Cont'd)

Credit risk and impairment assessment (Cont'd)
Term loans

(b) 信貸風險(續)

信貸風險及減值評估(續)
有期貨款

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
Gross carrying amount as at 1st January, 2019	於二零一九年一月一日的賬面總值	4,226.5	-	408.4	4,634.9
Changes due to financial instruments recognised during the year:	於年內因確認金融工具產生的變動：				
Transfer from 12-month ECL to lifetime ECL	由12個月預期信貸虧損轉撥至全期預期信貸虧損	(726.6)	726.6	-	-
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損轉撥至信貸減值	(468.0)	-	468.0	-
New financial assets originated	已新增的新金融資產	927.0	-	-	927.0
Repayment and derecognition	還款及終止確認	(2,298.9)	-	-	(2,298.9)
Exchange adjustments	匯兌調整	(1.6)	-	-	(1.6)
		(2,568.1)	726.6	468.0	(1,373.5)
Gross carrying amount as at 31st December, 2019	於二零一九年十二月三十一日的賬面總值	1,658.4	726.6	876.4	3,261.4
Changes due to financial instruments recognised during the year:	於年內因確認金融工具產生的變動：				
Transfer from 12-month ECL to lifetime ECL	由12個月預期信貸虧損轉撥至全期預期信貸虧損	(190.5)	190.5	-	-
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損轉撥至信貸減值	(47.1)	-	47.1	-
Transfer from lifetime ECL to credit-impaired	由全期預期信貸虧損轉撥至信貸減值	-	(312.2)	312.2	-
New financial assets originated	已新增的新金融資產	1,084.3	52.6	-	1,136.9
Repayment and derecognition	還款及終止確認	(934.0)	(453.4)	-	(1,387.4)
Exchange adjustments	匯兌調整	(0.9)	-	-	(0.9)
		(88.2)	(522.5)	359.3	(251.4)
Gross carrying amount as at 31st December, 2020	於二零二零年十二月三十一日的賬面總值	1,570.2	204.1	1,235.7	3,010.0

As at 31st December, 2020, term loans with a gross carrying amount of HK\$1,235.0 million (2019: HK\$875.7 million) classified as lifetime ECL (credit-impaired) is covered by collateral and other credit enhancement measures.

於二零二零年十二月三十一日，分類為全期預期信貸虧損(信貸減值)的有期貨款賬面總值為1,235.0百萬港元(二零一九年：875.7百萬港元)，受抵押品及其他信貸增強措施保障。

for the year ended 31st December, 2020

43. FINANCIAL RISK MANAGEMENT (CONT'D)**(b) Credit Risk (Cont'd)***Credit risk and impairment assessment (Cont'd)*
Notes

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
Gross carrying amount as at 1st January, 2019	於二零一九年一月一日的 賬面總值	19.6	–	–	19.6
Changes due to financial instruments recognised during the year: Repayment and derecognition	於年內 因確認金融工具 產生的變動： 還款及終止確認	(0.1)	–	–	(0.1)
Gross carrying amount as at 31st December, 2019	於二零一九年 十二月三十一日 的賬面總值	19.5	–	–	19.5
Changes due to financial instruments recognised during the year: Repayment and derecognition	於年內 因確認金融工具 產生的變動： 還款及終止確認	(0.1)	–	–	(0.1)
Gross carrying amount as at 31st December, 2020	於二零二零年 十二月三十一日 的賬面總值	19.4	–	–	19.4

截至二零二零年十二月三十一日止年度

43. 金融風險管理(續)**(b) 信貸風險(續)***信貸風險及減值評估(續)*
票據

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
Gross carrying amount as at 1st January, 2019	於二零一九年一月一日的 賬面總值	19.6	–	–	19.6
Changes due to financial instruments recognised during the year: Repayment and derecognition	於年內 因確認金融工具 產生的變動： 還款及終止確認	(0.1)	–	–	(0.1)
Gross carrying amount as at 31st December, 2019	於二零一九年 十二月三十一日 的賬面總值	19.5	–	–	19.5
Changes due to financial instruments recognised during the year: Repayment and derecognition	於年內 因確認金融工具 產生的變動： 還款及終止確認	(0.1)	–	–	(0.1)
Gross carrying amount as at 31st December, 2020	於二零二零年 十二月三十一日 的賬面總值	19.4	–	–	19.4

43. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit Risk (Cont'd)

Credit risk and impairment assessment (Cont'd)
Amounts due from associates

43. 金融風險管理(續)

(b) 信貸風險(續)

信貸風險及減值評估(續)
聯營公司欠款

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
Gross carrying amount as at 1st January, 2019	於二零一九年一月一日的 賬面總值	564.9	-	17.1	582.0
Changes due to financial instruments recognised during the year:	於年內因確認 金融工具 產生的變動：				
Advances	墊款	224.3	-	0.4	224.7
Repayment and derecognition	還款及終止確認	(262.4)	-	-	(262.4)
		(38.1)	-	0.4	(37.7)
Gross carrying amount as at 31st December, 2019	於二零一九年十二月 三十一日的賬面總值	526.8	-	17.5	544.3
Changes due to financial instruments recognised during the year:	於年內因確認 金融工具 產生的變動：				
New financial assets originated	已新增的新金融 資產	37.8	-	-	37.8
Advances	墊款	141.7	-	-	141.7
Repayment and derecognition	還款及終止確認	(138.5)	-	-	(138.5)
		41.0	-	-	41.0
Gross carrying amount as at 31st December, 2020	於二零二零年十二月 三十一日的賬面總值	567.8	-	17.5	585.3

for the year ended 31st December, 2020

43. FINANCIAL RISK MANAGEMENT (CONT'D)**(b) Credit Risk (Cont'd)***Credit risk and impairment assessment (Cont'd)*Trade and other receivables

		12-month ECL 12個月預期 信貸虧損 HK\$ Million 百萬港元	Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (並無信貸 減值) HK\$ Million 百萬港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
Gross carrying amount as at 1st January, 2019	於二零一九年一月一日的賬 面總值	434.8	41.6	3.1	479.5
Changes due to financial instruments recognised during the year:	於年內 因確認金融工具 產生的變動：				
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損 轉撥至信貸減值	(569.4)	–	569.4	–
New financial assets originated or purchased	已新增或購買的 新金融資產	649.3	4.0	–	653.3
Repayment and derecognition	還款及終止確認	(230.5)	(0.4)	(369.3)	(600.2)
		(150.6)	3.6	200.1	53.1
Gross carrying amount as at 31st December, 2019	於二零一九年十二月 三十一日的賬面總值	284.2	45.2	203.2	532.6
Changes due to financial instruments recognised during the year:	於年內 因確認金融工具 產生的變動：				
Transfer from 12-month ECL to lifetime ECL	由12個月預期信貸虧損轉 撥至全期預期信貸虧損	(3.2)	3.2	–	–
Transfer from 12-month ECL to credit-impaired	由12個月預期信貸虧損 轉撥至信貸減值	(7.5)	–	7.5	–
Transfer from credit-impaired to 12-month ECL	由信貸減值轉撥至12個 月預期信貸虧損	5.3	–	(5.3)	–
New financial assets originated	已新增的 新金融資產	331.4	35.0	1.0	367.4
Repayment and derecognition	還款及終止確認	(393.5)	(49.6)	–	(443.1)
		(67.5)	(11.4)	3.2	(75.7)
Gross carrying amount as at 31st December, 2020	於二零二零年十二月 三十一日的賬面總值	216.7	33.8	206.4	456.9

截至二零二零年十二月三十一日止年度

43. 金融風險管理(續)**(b) 信貸風險(續)***信貸風險及減值評估(續)*貿易及其他應收款項

43. FINANCIAL RISK MANAGEMENT (CONT'D)**(c) Liquidity Risk**

The goal of liquidity management is to mitigate risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or make the required profit. Another goal is to enable the Group, even under adverse market conditions, to actively manage and match funds inflow against all maturing repayment obligations to achieve maximum harmony on cash flow management.

The Group manages its liquidity position to ensure a prudent and adequate liquidity ratio. This is achieved by a transparent and collective monitoring approach across the Group involving the management of the relevant group companies.

43. 金融風險管理(續)**(c) 流動資金風險**

流動資金管理的目標是減低指定證券或資產未能及時在市場上買賣以防止損失或賺取所需溢利的風險，並旨在使本集團即使在不利的市場條件下亦可就所有到期償還責任靈活管理及配合資金流入，並達到現金流量管理之高度和諧性。

本集團監管其流動資金狀況，確保有審慎而充裕之流動資金比率，透過本集團相關集團公司管理層以高透明度及集體方式進行監察來達成。

for the year ended 31st December, 2020

43. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity Risk (Cont'd)

The exposure of the Group's contractual undiscounted cash flow for financial liabilities and lease liabilities and their contractual maturity dates are as follows:

		On demand or less than 90 days 按要求償還或 少於90日 HK\$ Million 百萬港元	91 days to 1 year 91日至1年 HK\$ Million 百萬港元	1 year to 5 years 1年至5年 HK\$ Million 百萬港元	Over 5 years 5年以上 HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
At 31st December, 2020	於二零二零年十二月三十一日					
Bank and other borrowings ⁺	銀行及其他借貸 ⁺	7,892.6	1,591.2	2,550.1	64.7	12,098.6
Trade and other payables	貿易及其他應付款項	427.7	0.8	-	-	428.5
Amounts due to associates	欠聯營公司款項	5.8	-	-	-	5.8
Amounts due to joint ventures	欠合營公司款項	0.1	-	-	-	0.1
Notes/paper payable	應付票據	79.7	2,196.0	6,323.7	-	8,599.4
Loan commitments [†]	貸款承擔 [†]	1,927.9	-	12.1	-	1,940.0
Guarantees [*]	保證 [*]	-	-	387.6	-	387.6
Total	總計	10,333.8	3,788.0	9,273.5	64.7	23,460.0
Lease liabilities	租賃負債	39.2	80.0	143.0	51.2	313.4
At 31st December, 2019	於二零一九年十二月三十一日					
Bank and other borrowings ⁺	銀行及其他借貸 ⁺	5,924.1	866.3	2,753.3	62.1	9,605.8
Trade and other payables	貿易及其他應付款項	243.7	-	-	-	243.7
Financial assets sold under repurchase agreements	回購協議下出售之 金融資產	386.2	-	-	-	386.2
Amounts due to associates	欠聯營公司款項	5.7	-	-	-	5.7
Amounts due to joint ventures	欠合營公司款項	40.1	-	-	-	40.1
Notes/paper payable	應付票據	181.6	646.4	8,641.7	-	9,469.7
Loan commitments [†]	貸款承擔 [†]	1,730.2	-	-	-	1,730.2
Guarantees [*]	保證 [*]	-	105.2	389.3	-	494.5
Total	總計	8,511.6	1,617.9	11,784.3	62.1	21,975.9
Lease liabilities	租賃負債	36.4	105.6	79.5	-	221.5

⁺ Bank and other borrowings with repayment on demand clause are classified as on demand in the above analysis although the demand clause has not been exercised.

[†] The amount represents the maximum undrawn loan commitments under the loan facilities arrangement and the Group could be required to provide loan disbursements upon demand from the consumer finance customers and term loans customers. Based on the expectation at the end of the reporting period, the Group considers that it is remote for such whole loan commitments to be fully drawn down in any significant respect.

^{*} The amounts included above for guarantees are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantees.

截至二零二零年十二月三十一日止年度

43. 金融風險管理(續)

(c) 流動資金風險(續)

本集團之金融負債及租賃負債面對的合約未折現現金流量風險及負債的依約到期日如下：

⁺ 具有按要求償還條文之銀行及其他借貸於上述分析中分類為按要求償還，即使該條文尚未被行使。

[†] 以上數額指根據貸款融資協議尚未提取的貸款承擔及本集團應消費金融客戶及有期貨款客戶要求須提供貸款的最高金額。按於報告期末之預期，本集團認為於任何重大方面整筆貸款承擔獲悉數提取之機會極微。

^{*} 以上保證之數額為根據合約下合約另一方可能向本集團索取全數保證之最大金額。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**44. 融資業務產生之負債對賬**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

下表詳列本集團融資業務產生之負債變動(包括現金及非現金變動)。融資業務產生之負債指其現金流量或未來現金流量將分類至本集團綜合現金流量表內的融資業務所得現金流量。

		Bank and other borrowings Note 38 銀行及其他借貸 附註38 HK\$ Million 百萬港元	Notes/paper payable Note 39 應付票據 附註39 HK\$ Million 百萬港元	Lease liabilities Note 40 租賃負債 附註40 HK\$ Million 百萬港元	Amounts due to joint ventures 欠合營公司款項 HK\$ Million 百萬港元	Dividend payable 應付股息 HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
At 1st January, 2020	於二零二零年一月一日	9,327.4	8,201.5	213.6	40.1	-	17,782.6
Financing cash flow:	融資現金流量：						
Repayment of bank and other borrowings	償還銀行及其他借貸	(19,913.9)	-	-	-	-	(19,913.9)
New bank and other borrowings raised	籌集所得新造銀行及其他借貸	22,484.1	-	-	-	-	22,484.1
Redemption of notes/paper	贖回票據	-	(3.1)	-	-	-	(3.1)
Repayment of notes/paper	償還票據	-	(434.3)	-	-	-	(434.3)
Amount repaid to a joint venture	向一間合營公司還款	-	-	-	(40.0)	-	(40.0)
Dividends by subsidiaries declared to non-controlling interests	附屬公司宣派股息 予非控股權益	-	-	-	-	702.5	702.5
2019 second interim dividend declared	宣派二零一九年第二次中期股息	-	-	-	-	413.0	413.0
2020 interim dividend declared	宣派二零二零年中期股息	-	-	-	-	26.4	26.4
Dividends by subsidiaries to non-controlling interests	附屬公司分派股息 予非控股權益	-	-	-	-	(702.5)	(702.5)
Dividends paid to equity shareholders	已付權益股東股息	-	-	-	-	(439.4)	(439.4)
Accrued interest	應付利息	335.9	411.2	8.0	-	-	755.1
Interest paid	已付利息	(279.2)	(387.9)	(8.0)	-	-	(675.1)
Unamortised arrangement fee reclassified from prepayments	重新分類自預付費用的 無攤銷安排費用	(68.5)	-	-	-	-	(68.5)
Lease payments	租賃付款	-	-	(145.0)	-	-	(145.0)
New lease entered/lease modified	新訂立租賃/經修改租賃	-	-	213.4	-	-	213.4
Effect on foreign exchange rate changes	匯率變動之影響	3.1	(36.3)	1.1	-	-	(32.1)
At 31st December, 2020	於二零二零年十二月三十一日	11,888.9	7,751.1	283.1	0.1	-	19,923.2
At 1st January, 2019	於二零一九年一月一日	9,531.6	7,434.3	194.5	40.1	-	17,200.5
Financing cash flow:	融資現金流量：						
Repayment of bank and other borrowings	償還銀行及其他借貸	(22,786.9)	-	-	-	-	(22,786.9)
New bank and other borrowings raised	籌集所得新造銀行及其他借貸	22,539.1	-	-	-	-	22,539.1
Proceeds from issue of notes/paper	發行票據所得款項	-	3,605.9	-	-	-	3,605.9
Redemption of notes/paper	贖回票據	-	(1,355.4)	-	-	-	(1,355.4)
Repayment of notes/paper	償還票據	-	(1,498.7)	-	-	-	(1,498.7)
Dividends by subsidiaries declared to non-controlling interests	附屬公司宣派股息 予非控股權益	-	-	-	-	711.2	711.2
2018 second interim dividend declared	宣派二零一八年第二次中期股息	-	-	-	-	413.0	413.0
2019 interim dividend declared	宣派二零一九年中期股息	-	-	-	-	26.4	26.4
Dividends by subsidiaries to non-controlling interests	附屬公司分派股息 予非控股權益	-	-	-	-	(711.2)	(711.2)
Dividends paid to equity shareholders	已付權益股東股息	-	-	-	-	(439.4)	(439.4)
Accrued interest	應付利息	355.6	365.2	8.0	-	-	728.8
Interest paid	已付利息	(314.7)	(337.1)	(8.0)	-	-	(659.8)
Lease payments	租賃付款	-	-	(108.2)	-	-	(108.2)
New lease entered/lease modified	訂立新租賃/經修改租賃	-	-	127.6	-	-	127.6
Effect on foreign exchange rate changes	匯率變動之影響	2.7	(12.7)	(0.3)	-	-	(10.3)
At 31st December, 2019	於二零一九年十二月三十一日	9,327.4	8,201.5	213.6	40.1	-	17,782.6

for the year ended 31st December, 2020

45. OTHER FINANCIAL LIABILITIES

At the end of the reporting period, the Group issued financial guarantees to banks in respect of banking facilities granted to a joint venture in the amount of Nil (2019: HK\$105.2 million) and to an independent third party of HK\$387.6 million (2019: HK\$389.3 million) respectively and the movement is as follows:

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
At 1st January	於一月一日	494.5	107.0
Additions	新增	-	387.7
Expire	到期	(105.1)	-
Exchange adjustments	匯兌調整	(1.8)	(0.2)
At 31st December	於十二月三十一日	387.6	494.5

46. COMMITMENTS

(a) Lease Arrangements

As lessee

As at 31st December, 2020, the expenses related to short-term leases and leases of low-value assets amount to HK\$8.5 million (2019: HK\$38.5 million).

At 31st December, 2020, the Group is committed to HK\$2.4 million (2019: HK\$6.4 million) for short-term leases.

The maturity profile of the lease liabilities are disclosed in note 40.

As lessor

The Group leases out various residential units, offices and retail shops under operating leases with rentals payable monthly or quarterly. The lease typically run for an initial period of one to ten years (2019: one to ten years), with the option to renew the lease after that date at which time all terms are renegotiated. Majority of the lease contracts contain market review clauses in the event the lessee exercises the option to extend. None of the leases includes variable lease payments and minimum annual lease payments are fixed over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

截至二零二零年十二月三十一日止年度

45. 其他金融負債

於報告期末，本集團就授予一間合營公司及一名獨立第三方的融資為零(二零一九年：105.2百萬港元)及387.6百萬港元(二零一九年：389.3百萬港元)向銀行發出財務擔保，其變動如下：

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
At 1st January	於一月一日	494.5	107.0
Additions	新增	-	387.7
Expire	到期	(105.1)	-
Exchange adjustments	匯兌調整	(1.8)	(0.2)
At 31st December	於十二月三十一日	387.6	494.5

46. 承擔

(a) 租約安排

作為承租人

於二零二零年十二月三十一日，有關短期租賃及低價值資產租賃之費用為8.5百萬港元(二零一九年：38.5百萬港元)。

於二零二零年十二月三十一日，本集團就短期租賃承擔2.4百萬港元(二零一九年：6.4百萬港元)。

租賃負債之到期日分析披露於附註40。

作為出租人

本集團根據經營租賃出租各種住宅單位，辦公室和零售店，並按月或按季度支付租金。租賃通常為期一至十年(二零一九年：一至十年)，全部條款重新協商後有權將租約續期。大部分租賃合約包含市場審閱條款，以防承租人行使延期選擇權。並無租賃包含可變租賃付款且最低年度租賃付款於租期內固定不變。

由於所有租賃均以集團實體各自的功能力幣換算，故本集團不會因租賃安排而承受外幣風險。租賃合約不包含剩餘價值擔保和/或承租人在租賃期末購買該物業的選擇權。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

46. COMMITMENTS (CONT'D)**46. 承擔(續)****(a) Lease Arrangements (Cont'd)***As lessor (Cont'd)*

At 31st December, 2020, all the properties held for rental purpose have committed leases for the next one year to eight years (2019: one year to nine years) respectively. Undiscounted lease payments receivables on leases are as follows:

Within one year	於一年內
In the second year	第二年
In the third year	第三年
In the fourth year	第四年
In the fifth year	第五年
After five years	五年以後

The lease commitments include rental receivable from associates of Nil (2019: HK\$9.6 million).

(b) Loan Commitments

Within one year	於一年內
In the third year	第三年

(c) Other Commitments

Capital commitments for funds	基金資本承擔
Other capital commitments	其他資本承擔

(a) 租約安排(續)*作為出租人(續)*

於二零二零年十二月三十一日，所有持作租賃用途的物業之租賃承擔分別為未來一至八年(二零一九年：一至九年)。有關租約應收未折現租賃付款載列如下：

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	164.9	181.6
	72.2	87.2
	20.1	28.5
	3.7	6.5
	3.2	3.2
	4.9	7.7
	269.0	314.7

租賃承擔包括應收聯營公司之租金為零(二零一九年：9.6百萬港元)。

(b) 貸款承擔

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	1,927.9	1,730.2
	12.1	-
	1,940.0	1,730.2

(c) 其他承擔

	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	1,423.9	757.9
	5.6	1.7
	1,429.5	759.6

for the year ended 31st December, 2020

47. EMPLOYEE BENEFITS

The Group operates defined contribution retirement benefit schemes for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group under provident funds managed by independent trustees.

The retirement benefits cost charged to the consolidated statement of profit or loss represents contributions paid and payable to the fund by the Group at rates specified in the rules of the schemes. Where there are employees who leave the schemes prior to vesting fully in the contributions, in accordance with the terms of the schemes, the contributions payable by the Group are reduced by the amount of forfeited employer's contributions.

The scheme has been closed in December 2000 to new employees as a consequence of the Mandatory Provident Fund Schemes Ordinance introduced by the Hong Kong government.

From 1st December, 2000 onwards, new staff in Hong Kong joining the Group are required to join the Mandatory Provident Fund Scheme ("MPF Scheme"). The Group is required to contribute 5% of the employees' salaries, while the employees are required to contribute 5% of their salaries to the MPF Scheme.

The employees of the Company's subsidiaries established in the PRC are members of state-managed retirement benefit schemes operated by the PRC government. These subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions.

Expenses recognised in profit or loss for the contributions to retirement benefit schemes for the current year amounted to HK\$67.7 million (2019: HK\$75.2 million). The amount of forfeited contributions utilised in the course of the year ended 31st December, 2020 was HK\$0.3 million (2019: HK\$0.3 million).

Under the employee ownership scheme of SHK ("EOS"), which was formally adopted by SHK on 18th December, 2007, selected employees or directors of SHK group (the "Selected Grantees") were awarded shares in SHK. Following management's recommendation of SHK, shares of SHK were granted to the Selected Grantees subject to various terms including, amongst other things, the vesting scale whereby awarded shares of SHK will vest and become unrestricted in various vesting periods. During the year, 5.3 million shares (2019: 1.8 million shares) of SHK were awarded to Selected Grantees under the EOS. The fair value of the services rendered (by reference to the market value of awarded shares at grant dates) as consideration of the shares awarded during the year was HK\$17.5 million (2019: HK\$7.1 million) which will be amortised to profit or loss during the vesting period. The amount expensed during the year in respect of shares awarded under the EOS was HK\$7.4 million (2019: HK\$9.7 million).

截至二零二零年十二月三十一日止年度

47. 僱員福利

本集團為所有香港合資格僱員提供定額供款退休福利計劃。該等計劃之資產與本集團資產分開持有，獨立存於獨立信託公司所管理之公積金。

自綜合損益表扣除之退休福利開支為本集團按計劃規則所指定比率而已付及應付供款。倘僱員於完全達到享用退休福利前退出計劃，則根據計劃之條款，本集團應付的供款將扣除沒收顧主供款之金額。

由於香港政府推行強制性公積金計劃條例，故此本集團於二零二零年十二月起不再為新僱員提供上述計劃。

自二零二零年十二月一日起，凡於香港新加盟本集團之員工按規定均須加入強制性公積金計劃(「強積金計劃」)。本集團及僱員各自須向強積金計劃作出相當於僱員薪金5%之供款。

本公司在中國成立之附屬公司之僱員為中國政府管理之國家退休福利計劃之成員。此等附屬公司需按工資成本若干百分比向退休福利計劃作出供款，支持有關福利。本集團就退休福利計劃之責任僅為作出指定之供款。

本年度就退休福利計劃供款在損益確認之費用為67.7百萬港元(二零一九年：75.2百萬港元)。於截至二零二零年十二月三十一日止年度內使用之被沒收供款額為0.3百萬港元(二零一九年：0.3百萬港元)。

根據新鴻基於二零零七年十二月十八日正式採納之新鴻基僱員股份擁有計劃(「僱員股份擁有計劃」)，新鴻基集團之經選定僱員或董事(「選定承授人」)獲授予新鴻基股份。經新鴻基管理層推薦後，向選定承授人授予新鴻基股份，惟須受各項條款所限，包括歸屬規模，據此，所授予之新鴻基股份將歸屬及在各個歸屬期間成為無限制。年內，根據僱員股份擁有計劃分別向選定承授人獎授5.3百萬股(二零一九年：1.8百萬股)新鴻基股份。年內作為獎授股份代價之所提供服務之公平價值(經參考獎授股份於授出日期之市值)為17.5百萬港元(二零一九年：7.1百萬港元)，將於歸屬期內於損益攤銷。年內根據僱員股份擁有計劃獎勵之股份所支銷之金額為7.4百萬港元(二零一九年：9.7百萬港元)。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

47. EMPLOYEE BENEFITS (CONT'D)

At the extraordinary general meeting of the Company held on 23rd July, 2012, it was resolved that a director's service agreement entered between SHK group and a director of SHK's subsidiary for a term of ten years be approved. Subject to the terms and conditions of the agreement, SHK group has granted the director of a subsidiary an option ("Option") to subscribe for or purchase up to 20% of the issued capital of a new company ("Newco") to be established to hold all equity interests in subsidiaries incorporated or to be incorporated in the PRC for money lending businesses in the PRC ("PRC Subsidiaries") at an exercise price which is determined based on the aggregate carrying amount of shareholders equity and shareholders loans proportional to the shareholding to be taken up by the director of a subsidiary at the time of exercise of the Option. Prior to the period before the Option becomes vested, the director of a subsidiary is also entitled a bonus calculated based on the performance of the PRC Subsidiaries. The transaction constituted a very substantial disposal and a connected transaction and its details were disclosed in the Company's circular dated 29th June, 2012.

The fair value of the Option on grant date of 23rd July, 2012 was HK\$255.1 million which was calculated using the Black-Scholes pricing model and carried out by Norton Appraisals Limited, a firm of independent and qualified professional valuers not connected with the Group. The inputs into the model include an underlying asset value of PRC Subsidiaries as at the grant date of HK\$1,018.1 million, risk free rate of 2.74%, volatility of 39.25% and expected option life of 5 years. No share based payment expense is recognised in the consolidated financial statements for the year ended 31st December, 2020 and 2019 since one of the vesting conditions for the Option is the successful completion of the establishment of the Newco, the date of which, in the opinion of the management, could not yet be estimated with reasonable certainty.

48. PLEDGE OF ASSETS

At the end of the reporting period, certain of the Group's investment properties, hotel property and land and buildings with an aggregate carrying value of HK\$9,222.8 million (2019: HK\$9,888.6 million), bank deposits and bank balances of Nil (2019: HK\$33.2 million) together with certain securities in respect of a listed subsidiary with investment cost of HK\$263.5 million (2019: HK\$277.4 million) were pledged to secure loans and general banking facilities to the extent of HK\$4,560.4 million (2019: HK\$5,076.7 million) granted to the Group. Facilities amounting to HK\$3,252.0 million (2019: HK\$1,597.8 million) were utilised at the end of the reporting period.

47. 僱員福利(續)

本公司於二零一二年七月二十三日舉行股東特別大會，議決批准新鴻基集團與新鴻基一間附屬公司之董事訂立之董事服務協議，為期十年。以協議之條款及條件為限，新鴻基集團授予附屬公司之董事購股權(「購股權」)，按行使價認購或購買將成立新公司(「新公司」)最多20%之已發行股本，該新公司成立以持有於或將於中國註冊成立從事放款業務的附屬公司(「中國附屬公司」)之全部股權，行使價乃根據附屬公司之董事行使購股權時將認購之股權比例應佔之股東權益及股東貸款之賬面總值釐定。於購股權歸屬前之期間，附屬公司之董事亦有權獲得按中國附屬公司表現計算所得之花紅。是項交易構成非常重大出售事項及關連交易，詳情披露於本公司二零一二年六月二十九日之通函。

購股權之公平價值於授出日期二零一二年七月二十三日為255.1百萬港元，由與本集團並無關連之獨立合資格專業估值公司普敦國際評估有限公司以柏力克-舒爾斯定價模式計量。模式之輸入數據包括中國附屬公司於授出日期之相關資產值1,018.1百萬港元、無風險利率2.74%、波幅39.25%及預計購股權期限為五年。截至二零二零年及二零一九年十二月三十一日止年度並無於綜合財務報表確認股份結算開支，因為購股權其中一項歸屬條件是成功完成新公司之成立，而管理層認為完成成立之日期無法合理估計。

48. 資產抵押

於報告期末，本集團賬面總值9,222.8百萬港元(二零一九年：9,888.6百萬港元)之若干投資物業、酒店物業及土地及樓宇、銀行存款及銀行結餘為零(二零一九年：33.2百萬港元)，連同一間上市附屬公司投資成本263.5百萬港元(二零一九年：277.4百萬港元)之若干證券，已用作多達4,560.4百萬港元(二零一九年：5,076.7百萬港元)授予本集團之貸款及一般銀行信貸之抵押。於報告期末，已提用信貸額3,252.0百萬港元(二零一九年：1,597.8百萬港元)。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

49. RELATED PARTY TRANSACTIONS AND BALANCES

During the year, the Group entered into following significant transactions with related parties.

(a) Summary of transactions

Associates[^]	聯營公司[^]
Management services fee income	管理服務費收入
Loan referral fee and participation fee income	貸款推介費及參與費收入
Interest income	利息收入
Manager's fee income	管理人費用收入
Management and service fees income	管理及服務費收入
Rent, property management and air-conditioning fee income	租金、物業管理及空調費收入
Service fees	服務費
Interest expenses	利息費用
Rent and property management fee	租金及物業管理費
Brokerage expenses	經紀費用
Joint ventures[^]	合營公司[^]
Administration, management, consultancy and agency fee income	行政、管理、諮詢及代理費收入
Manager's fee income	管理人費用收入
Rent, property management and air-conditioning fee	租金、物業管理及空調費
Interest expense of lease liabilities [®]	租賃負債之利息費用 [®]
Entities controlled by a director of the Company[*]	本公司董事控制之實體[*]
Rental income	租金收入
Logistics and warehouse services fee	物流及倉庫服務費

[®] As at 31st December, 2020, the Group has lease liabilities of HK\$63.1 million (2019: HK\$47.4 million) to a joint venture.

^{*} The transactions also constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosure required by Chapter 14A of the Listing Rules are provided in section Continuing Connected Transactions of the Directors' Report.

[^] The transactions with associates and joint ventures did not fall under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

49. 有關連人士交易及結餘

年內，本集團與有關連人士訂立以下重大交易：

(a) 交易概要

	(Income)/Expense (收入) / 支出	
	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Management services fee income	(52.8)	(53.8)
Loan referral fee and participation fee income	(12.2)	(10.3)
Interest income	(6.8)	(5.0)
Manager's fee income	(3.0)	(2.8)
Management and service fees income	(2.6)	(3.3)
Rent, property management and air-conditioning fee income	(1.4)	(1.7)
Service fees	8.9	7.2
Interest expenses	4.5	5.9
Rent and property management fee	2.2	2.6
Brokerage expenses	0.9	1.1
Administration, management, consultancy and agency fee income	(7.0)	(10.5)
Manager's fee income	(1.5)	(1.4)
Rent, property management and air-conditioning fee	32.6	31.5
Interest expense of lease liabilities [®]	0.7	2.1
Rental income	(16.9)	(15.1)
Logistics and warehouse services fee	-	0.3

[®] 於二零二零年十二月三十一日，本集團就租賃負債付予一間合營公司63.1百萬港元(二零一九年：47.4百萬港元)。

^{*} 該等交易亦構成上市規則第14A章定義之關連交易或持續關連交易。上市規則第14A章規定之披露載於董事會報告持續關連交易一節。

[^] 與聯營公司及合營公司的該等交易不符合上市規則第14A章定義之關連交易或持續關連交易。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

49. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)**49. 有關連人士交易及結餘(續)****(b) Key management personnel compensation****(b) 主要管理層人員酬金**

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Short-term benefits	短期福利	202.0	146.9
Post-employment benefits	退休福利	1.0	1.0
		203.0	147.9

(c) At the end of the reporting period, the Group had the following material balances with related parties:**(c) 於報告期末，本集團與有關連人士有以下重大結餘：**

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Associates [^]	聯營公司 [^]	492.4	449.5
Joint ventures [^]	合營公司 [^]	5.3	(31.3)
A director of the Company*	本公司董事*	(250.0)	-
Entities controlled by a director of the Company**	本公司董事控制之實體**	(0.1)	(2.8)
		247.6	415.4

[^] The transactions with associates and joint ventures did not fall under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

* The amount due to a director of the Company is unsecured, non-interest bearing and repayable within 12 months from the date of drawdown. The transaction also constituted connected transaction as defined in Chapter 14A of the Listing Rules. However, the transaction is exempt from all disclosure requirements in Chapter 14A of the Listing Rules.

** The transactions also constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosure required by Chapter 14A of the Listing Rules are provided in section Continuing Connected Transactions of the Directors' Report.

[^] 與聯營公司及合營公司的該等交易不符合上市規則第14A章定義之關連交易或持續關連交易。

* 欠一名本公司董事款項為無抵押、免息及須於提取日期起計十二個月內償還。該交易亦構成上市規則第14A章定義之關連交易。然而，該交易獲豁免上市規則第14A章的所有披露規定。

** 該等交易亦構成上市規則第14A章定義之關連交易或持續關連交易。上市規則第14A章規定的披露載於董事會報告持續關連交易一節。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

49. RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)**49. 有關連人士交易及結餘(續)****(c) At the end of the reporting period, the Group had the following material balances with related parties: (Cont'd)**

The above amounts are included in the consolidated statement of financial position of the Group in the following ways:

(c) 於報告期末，本集團與有關連人士有以下重大結餘：(續)

上述金額乃以下列方式於本集團之綜合財務狀況表內入賬：

			2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
	Notes 註解			
Trade receivables, prepayment and other receivables		應收貿易款項、預付款項及其他應收款項	12.3	6.5
Amounts due from associates	(i)	聯營公司欠款	566.2	526.8
Amounts due from joint ventures	(ii)	合營公司欠款	5.4	8.8
Trade payables, other payables and accruals		應付貿易款項、其他應付款項及應計款項	(2.9)	(3.0)
Amounts due to associates	(i)	欠聯營公司款項	(5.8)	(5.7)
Amounts due to joint ventures	(ii)	欠合營公司款項	(0.1)	(40.1)
Bank and other borrowings		銀行及其他借貸	(250.0)	-
Notes/paper payable		應付票據	(77.5)	(77.9)
			247.6	415.4

Notes:

- (i) As at 31st December, 2020, the amounts due from (to) associates are unsecured, non-interest bearing and repayable on demand, except for (i) an unsecured short-term loan to an associate of HK\$73.2 million, which bears interest at 7.75% per annum for the first month and 4.6% per annum thereafter and is due for repayment on 30th April, 2021; (ii) an unsecured short-term loan to an associate of HK\$160.1 million, which bears interest at 2.5% per annum and is due from repayment on 29th April, 2021 and (iii) an unsecured long-term loan to an associate of HK\$17.9 million, which bears interest at 4% per annum and is due for repayment on 30th June, 2022.
- (ii) As at 31st December, 2020, the amounts due from (to) joint ventures are unsecured, non-interest bearing and repayable on demand.
- (d) During the year, loans of HK\$119.5 million (2019: HK\$214.0 million) were advanced to associates and HK\$61.5 million (2019: HK\$209.2 million) were repaid by associates.
- (e) During the year ended 31st December, 2020, a non-interest bearing loan of HK\$40.0 million (2019: Nil) was repaid to a joint venture.

註解：

- (i) 於二零二零年十二月三十一日，該等欠自(欠)聯營公司款項為無抵押、免息及須於要求時償還，惟(i)授予一間聯營公司的無抵押短期貸款73.2百萬港元，於第一個月按7.75%的年利率計息及其後按4.6%的年利率計息及須於二零二一年四月三十日償還；(ii)授予一間聯營公司的無抵押短期貸款160.1百萬港元，按2.5%的年利率計息及須於二零二一年四月二十九日償還；及(iii)授予一間聯營公司的無抵押長期貸款17.9百萬港元，按4%的年利率計息及須於二零二二年六月三十日償還除外。
- (ii) 於二零二零年十二月三十一日，該等欠自(欠)合營公司款項為無抵押、免息及須於要求時償還。
- (d) 年內，已向聯營公司墊支貸款119.5百萬港元(二零一九年：214.0百萬港元)及獲聯營公司償還貸款61.5百萬港元(二零一九年：209.2百萬港元)。
- (e) 截至二零二零年十二月三十一日止年度，已向一間合營公司償還免息貸款40.0百萬港元(二零一九年：無)。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

50. MAJOR TRANSACTION WITH NON-CONTROLLING INTERESTS

The privatisation of APL (previously a 74.996% owned listed subsidiary of the Group) at a total price of HK\$1.92 per share, was approved on the shareholders' meeting of APL on 15th July, 2020 (subsequently sanctioned without modification by the High Court and the listing of APL shares on the Stock Exchange was withdrawn on 27th November, 2020) and total price of HK\$3,270.3 million was paid on 3rd December, 2020. A gain of HK\$6,593.4 million from the privatisation of APL, being the difference between the amount by which the non-controlling interests acquired are adjusted and the value of the consideration paid, was recognised directly in equity.

50. 與非控股權益的主要交易

本集團先前擁有74.996%的上市附屬公司聯合地產按總價格每股1.92港元私有化於二零二零年七月十五日的聯合地產股東大會獲批准(其後獲高等法院並無修訂下批准及聯合地產股份於聯交所的上市地位於二零二零年十一月二十七日撤銷),總價格3,270.3百萬港元已於二零二零年十二月三日支付。聯合地產私有化的收益6,593.4百萬港元(即非控股權益調整金額與已付代價的價值間之差異)已直接於權益確認。

51. EVENTS AFTER THE REPORTING DATE

Proposed privatisation of SHK IND ("Proposed Privatisation")

A joint announcement dated 18th December, 2020 was made by the Company, SHK IND and Bright Clear relating to a Proposed Privatisation of SHK IND. The Proposed Privatisation is subject to various conditions and therefore the Proposed Privatisation may or may not be implemented. The Proposed Privatisation involves a scheme of arrangement ("SHK IND Scheme") pursuant to which the shares held by shareholders of SHK IND other than those shares held by Bright Clear ("SHK IND Scheme Share(s)") will be cancelled in exchange for the payment in cash of HK\$0.21 per SHK IND Scheme Share ("SHK IND Scheme Consideration") by Bright Clear as offeror under the SHK IND Scheme to the holders of the SHK IND Scheme Shares ("SHK IND Scheme Shareholders") while the same number of shares of SHK IND will be issued to Bright Clear. Bright Clear is an indirect wholly-owned subsidiary of the Company. The Company, currently indirectly through Bright Clear, held approximately 74.978% interests in SHK IND. The total number of SHK IND Scheme Shares is 1,028,814,714, representing approximately 25.022% of the total number of shares in issue of SHK IND.

51. 結算日後之事項

新工投資建議私有化(「建議私有化」)

本公司、新工投資及晴輝就建議私有化新工投資於二零二零年十二月十八日刊發聯合公佈。建議私有化受限於多項條件,故建議私有化可能會或可能不會實行。建議私有化涉及協議安排(「新工投資計劃」),據此新工投資股東所持股份(不包括晴輝持有的股份)(「新工投資計劃股份」)將被註銷,以交換晴輝(作為要約人)根據新工投資計劃向新工投資計劃股份持有人(「新工投資計劃股東」)支付現金每股新工投資計劃股份0.21港元(「新工投資計劃代價」),而相同數目的新工投資股份將發行予晴輝。晴輝為本公司的一間間接全資附屬公司。本公司現時透過晴輝間接持有新工投資約74.978%權益。新工投資計劃股份總數為1,028,814,714股,相當於新工投資已發行股份總數約25.022%。

for the year ended 31st December, 2020

51. EVENTS AFTER THE REPORTING DATE (CONT'D)

Proposed privatisation of SHK IND (“Proposed Privatisation”) (Cont'd)

Upon completion of the Proposed Privatisation, SHK IND Scheme Shares will be cancelled in exchange for the payment by Bright Clear of HK\$0.21 per SHK IND Scheme Share resulting in a total of approximately HK\$216.1 million to be paid by Bright Clear to the SHK IND Scheme Shareholders and the same amount of shares of SHK IND will be issued to Bright Clear. Therefore, the Company will indirectly hold 100% interests in SHK IND. Based on the expected timetable as set out in the joint announcement by the Company, SHK IND and Bright Clear dated 12th March, 2021, the withdrawal of listing of shares of SHK IND on the Stock Exchange is expected to become effective on 23rd April, 2021 and the payment of the SHK IND Scheme Consideration by Bright Clear is expected to be made on or before 3rd May, 2021, subject to the SHK IND Scheme becoming effective.

Details of the Proposed Privatisation are set out in (i) the joint announcements issued by the Company, SHK IND and Bright Clear dated 18th December, 2020, 8th January, 2021, 9th February, 2021, 11th February, 2021 and 12th March, 2021 and (ii) the scheme document dated 11th February, 2021 jointly issued by the Company, SHK IND and Bright Clear.

Based on the financial information as at 31st December, 2020, a gain of HK\$106.5 million from the privatisation of SHK IND, being the difference between the amount by which the non-controlling interests acquired are adjusted and the value of the consideration paid, will be recognised directly in equity upon completion of Proposed Privatisation. The actual gain from the privatisation will be calculated based on the financial information on the completion date.

Acquisition of additional shares in a subsidiary, SHK

AP Emerald Limited (“AP Emerald”), an indirect wholly-owned subsidiary of the Company, entered into an agreement dated 19th March, 2021 with an independent third party, pursuant to which AP Emerald acquired additional 9.91% interest in SHK (“Acquisition”) from the independent third party and the Group’s beneficial interests in SHK increased from 62.83% to 72.74% upon completion of the Acquisition on 24th March, 2021. The consideration of the Acquisition is HK\$589.8 million which was satisfied by the transfer of certain notes issued by SHK group held by certain indirect wholly-owned subsidiaries of the Company at the carrying value of approximately US\$51.8 million (equivalent to approximately HK\$401.8 million) and cash of approximately HK\$188.0 million. Further details of the Acquisition are set out in the announcements dated 19th March, 2021 and 24th March, 2021 issued by the Company.

截至二零二零年十二月三十一日止年度

51. 結算日後之事項(續)

新工投資建議私有化(「建議私有化」)(續)

建議私有化於完成後，新工投資計劃股份將被註銷，作為交換，晴輝將支付每股新工投資計劃股份0.21港元，故晴輝將向新工投資計劃股東支付合共約216.1百萬港元，而相同數目的新工投資股份將發行予晴輝。因此，本公司將間接持有新工投資的100%權益。根據本公司、新工投資及晴輝日期為二零二一年三月十二日的聯合公佈所載預期時間表，新工投資股份於聯交所之上市地位預期將於二零二一年四月二十三日撤銷，晴輝支付新工投資計劃代價預期將於二零二一年五月三日或之前進行(惟須待新工投資計劃生效後)。

有關建議私有化的詳情載於(i)本公司、新工投資及晴輝日期為二零二零年十二月十八日、二零二一年一月八日、二零二一年二月九日、二零二一年二月十一日及二零二一年三月十二日的聯合公佈及(ii)本公司、新工投資及晴輝於二零二一年二月十一日聯合刊發的計劃文件。

根據二零二零年十二月三十一日的財務資料，新工投資私有化所得收益106.5百萬港元(即所收購非控股權益調整金額與已付代價價值之差額)將於完成建議私有化直接於權益內確認。私有化所得實際收益將會根據完成日期的財務資料計算。

收購一間附屬公司新鴻基的額外股份

本公司一間間接全資附屬公司AP Emerald Limited(「AP Emerald」)與獨立第三方訂立日期為二零二一年三月十九日之協議，據此，AP Emerald向獨立第三方收購新鴻基額外9.91%權益(「收購事項」)及本集團於新鴻基的實益權益由62.83%增至72.74%(於收購事項在二零二一年三月二十四日完成後)。收購事項之代價為589.8百萬港元透過轉讓本公司若干間接全資附屬公司所持有新鴻基集團發行之若干票據(賬面值約51.8百萬美元(相當於約401.8百萬港元))及現金約188.0百萬港元結付。收購事項之更多詳情載於本公司日期為二零二一年三月十九日及二零二一年三月二十四日的公佈。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

52. 本公司之財務狀況表

		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	11.6	9.4
Right-of-use assets	使用權資產	6.7	11.8
Net investments in finance lease	融資租賃投資淨額	1.6	7.7
Investments in subsidiaries	於附屬公司之投資	1,505.7	1,478.8
Amounts due from subsidiaries	附屬公司欠款	1,970.2	1,950.8
		3,495.8	3,458.5
Current assets	流動資產		
Trade receivables, prepayments and other receivables	應收貿易款項、預付款項及其他應收款項	19.9	16.8
Amounts due from subsidiaries	附屬公司欠款	772.5	554.2
Cash and cash equivalents	現金及現金等價物	111.9	619.1
		904.3	1,190.1
Current liabilities	流動負債		
Trade payables, other payables and accruals	應付貿易款項、其他應付款項及應計款項	7.5	8.3
Amount due to a subsidiary	欠一間附屬公司款項	52.2	-
Lease liabilities	租賃負債	7.8	15.7
Provisions	撥備	1.6	0.6
		69.1	24.6
Net current assets	流動資產淨值	835.2	1,165.5
Total assets less current liabilities	總資產減流動負債	4,331.0	4,624.0
Capital and reserves	股本及儲備		
Share capital	股本	2,221.7	2,221.7
Reserves	儲備	2,108.8	2,398.3
Total equity	權益總額	4,330.5	4,620.0
Non-current liabilities	非流動負債		
Lease liabilities	租賃負債	0.5	4.0
		4,331.0	4,624.0

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 24th March, 2021, and is signed on its behalf by:

本公司財務狀況表經董事會於二零二一年三月二十四日批准及授權刊發，並由下列董事代表簽署：

Arthur George Dew
狄亞法
Director
董事

Edwin Lo King Yau
勞景祐
Director
董事

for the year ended 31st December, 2020

53. RESERVES OF THE COMPANY

截至二零二零年十二月三十一日止年度

53. 本公司之儲備

		Accumulated profits 累計溢利 HK\$ Million 百萬港元	Dividend reserve 股息儲備 HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
At 1st January, 2019	於二零一九年一月一日	982.7	413.0	1,395.7
2019 interim dividend	二零一九年中期股息	(26.4)	26.4	-
Dividend paid	已付股息	-	(439.4)	(439.4)
Second interim dividend declared	宣派第二次中期股息	(413.0)	413.0	-
Profit and total comprehensive income attributable to owners of the Company	本公司股東 應佔溢利及 全面收益總額	1,442.0	-	1,442.0
At 31st December, 2019	於二零一九年十二月三十一日	1,985.3	413.0	2,398.3
2020 interim dividend	二零二零年中期股息	(26.4)	26.4	-
Dividend paid	已付股息	-	(439.4)	(439.4)
Second interim dividend declared	宣派第二次中期股息	(413.0)	413.0	-
Profit and total comprehensive income attributable to owners of the Company	本公司股東 應佔溢利及 全面收益總額	149.9	-	149.9
At 31st December, 2020	於二零二零年十二月三十一日	1,695.8	413.0	2,108.8

The Company's reserves available for distribution to owners of the Company at 31st December, 2020 are represented by accumulated profits and dividend reserve totalling HK\$2,108.8 million (2019: HK\$2,398.3 million).

於二零二零年十二月三十一日，本公司可供派發予本公司股東之儲備以合共2,108.8百萬港元(二零一九年：2,398.3百萬港元)的累計溢利及股息儲備呈列。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

54. INVESTMENTS IN SUBSIDIARIES**54. 於附屬公司之投資****Details of non-wholly owned subsidiaries of the Group that have material non-controlling interests**

The consolidated profit or loss allocated to non-controlling interests during the year and the accumulated non-controlling interests in the consolidated statement of financial position as at 31st December, 2020 are as follows:

本集團擁有重大非控股權益的非全資附屬公司的詳情

年內，分配予非控股權益之綜合損益及於二零二零年十二月三十一日之綜合財務狀況表內累計之非控股權益如下：

		Profit allocated to non-controlling interests 分配予非控股權益之溢利		Accumulated non-controlling interests 累計非控股權益	
		2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元	2020 二零二零年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元
SHK and its subsidiaries* (2019: APL and its subsidiaries)	新鴻基及其附屬公司* (二零一九年：聯合地產及其附屬公司)	1,585.8	1,949.7	11,623.4	20,394.3
Other subsidiaries having non-controlling interests	其他擁有非控股權益之附屬公司	33.4	3.6	322.6	289.5
		1,619.2	1,953.3	11,946.0	20,683.8

* Included the results of APL and its subsidiaries up to the completion date of privatisation of APL for the year ended 31st December, 2020.

* 包括截至二零二零年十二月三十一日止年度截至聯合地產私有化完成日期聯合地產及其附屬公司的業績。

Summarised consolidated financial information of SHK for the year ended 31st December, 2020 is set out below.

新鴻基截至二零二零年十二月三十一日止年度的綜合財務資料概要載列如下。

The summarised financial information below represents amount before intra-group eliminations.

以下財務資料概要指集團間對銷前金額。

		2020 二零二零年 HK\$ Million 百萬港元
Current assets	流動資產	22,921.2
Non-current assets	非流動資產	21,162.0
Current liabilities	流動負債	(9,247.5)
Non-current liabilities	非流動負債	(8,883.4)
Dividend distribution to non-controlling interests	分派股息予非控股權益	372.3
Revenue	收入	4,056.6
Profit for the year	本年度溢利	2,928.9
Other comprehensive income for the year	本年度其他全面收益	385.5

for the year ended 31st December, 2020

54. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of non-wholly owned subsidiaries of the Group that have material non-controlling interests (Cont'd)

Summarised consolidated financial information of APL for the year ended 31st December, 2019 is set out below.

The summarised financial information below represents amount before intra-group eliminations.

截至二零二零年十二月三十一日止年度

54. 於附屬公司之投資(續)

本集團擁有重大非控股權益的非全資附屬公司的詳情(續)

聯合地產截至二零一九年十二月三十一日止年度的綜合財務資料概要載列如下。

以下財務資料概要指集團間對銷前金額。

		2019 二零一九年 HK\$ Million 百萬港元
Current assets	流動資產	24,414.7
Non-current assets	非流動資產	45,574.6
Current liabilities	流動負債	(9,450.9)
Non-current liabilities	非流動負債	(10,848.8)
Dividend distribution to non-controlling interests	分派股息予非控股權益	574.9
Revenue from continuing operations	來自持續經營業務之收入	4,735.9
Revenue from discontinued operations	來自已終止經營業務之收入	325.7
Profit for the year	本年度溢利	
– continuing operation	– 持續經營業務	3,993.8
– discontinued operation	– 已終止經營業務	111.0
Other comprehensive expenses for the year	本年度其他全面費用	(415.9)

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES

55. 主要附屬公司資料

Particulars of the Company's principal subsidiaries at 31st December, 2020 which have their principal place of operations in Hong Kong are set out below:

於二零二零年十二月三十一日，本公司主要業務所在地位於香港之主要附屬公司資料如下：

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股股本	Proportion of ownership interest 擁有權益之比例				Principal activity 主要業務
		Held by the Company/ subsidiaries 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
		2020	2019	2020	2019	
		二零二零年 %	二零一九年 %	二零二零年 %	二零一九年 %	
Able Crown Limited 南迪有限公司	2	100	100	100	75	Investment holding 控股投資
Admiralty Eight Limited	1	100	100	63	47	Property holding 持有物業
Admiralty Eleven Limited	1	100	100	63	47	Property holding 持有物業
AG Capital Limited 聯合融資有限公司	2	100	100	100	100	Securities trading, money lending and business of consultancy 證券買賣、借貸及 顧問諮詢業務
AG Investments Limited	50,000,000	100*	100*	100	100	Investment holding 控股投資
Alaston Development Limited	US\$1 1美元	100	100	100	75	Property holding 持有物業
Allied Capital Management Limited	2	100	100	100	100	Securities trading 證券買賣
Allied Properties (H.K.) Limited 聯合地產(香港)有限公司	4,250,636,344	14*	14*	100	75	Investment holding 控股投資
Allied Properties Investments (1) Company Limited	US\$1 1美元	100	100	100	75	Investment holding 控股投資
Allied Real Estate Agency Limited 聯合地產代理有限公司	2	100	100	100	75	Real estate agency 地產代理
Allied Services Hong Kong Limited	1	100	100	100	100	Investment holding 控股投資
AP Administration Limited	2	100	100	100	75	Provision of management and consultancy services 提供管理及顧問服務

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)
55. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of ownership interest 擁有權益之比例				Principal activity 主要業務
		Held by the Company/ subsidiaries 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
		2020	2019	2020	2019	
		二零二零年 %	二零一九年 %	二零二零年 %	二零一九年 %	
AP Corporate Services Limited	2	100	100	100	75	Provision of corporate services 提供公司服務
AP Development Limited 聯合地產發展有限公司	2	100	100	100	75	Investment holding 控股投資
AP Diamond Limited	US\$1 1美元	100	100	100	75	Property holding and investment holding 持有物業及控股投資
AP Emerald Limited	US\$1 1美元	100	100	100	75	Investment holding 控股投資
AP Finance Limited	2	100	100	100	75	Money lending 借貸
AP Property Management Limited	2	100	100	100	100	Building management 樓宇管理
Best Melody Development Limited 高韻發展有限公司	5,000	100	100	100	75	Property holding 持有物業
Capital Sharp Investment Limited 昌鍵投資有限公司	2	100	100	75	75	Investment holding 控股投資
Capscore Limited	2	100*	100*	100	100	Investment holding 控股投資
Champion Base Properties Limited 創基置業有限公司	1	100	-	63	-	Property holding 持有物業
Citiwealth Investment Limited 開鵬投資有限公司	2	100*	100*	100	100	Investment holding 控股投資
CMS Investments Limited	1	100	100	75	75	Investment holding 控股投資
Conrad Security Limited 港麗保安有限公司	1	100	100	100	100	Security and guarding services 保安及護衛服務

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)
55. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of ownership interest 擁有權益之比例				Principal activity 主要業務
		Held by the Company/ subsidiaries 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
		2020	2019	2020	2019	
		二零二零年 %	二零一九年 %	二零二零年 %	二零一九年 %	
First Asian Holdings Limited 亞洲第一集團有限公司	2	100	100	39	29	Investment holding 控股投資
Florich Development Limited 景資發展有限公司	10,000	100	100	100	75	Investment holding 控股投資
Front Sail Limited 拓航有限公司	5,000	100	100	100	75	Property holding 持有物業
Gilmore Limited	2	100	100	100	75	Property holding 持有物業
Hillcrest Development Limited	20	100	100	100	75	Property holding 持有物業
Hi-Link Limited	200	100	100	100	75	Investment holding 控股投資
Hong Kong Dementia Services Limited 香港老年癡呆症服務有限公司	US\$1 1美元	100	100	100	100	Provision of elderly care services 提供護老服務
Integrated Custodian Limited	2	100	100	100	75	Property holding 持有物業
Itso Limited	2	100	100	63	47	Investment holding and provision of loan finance 控股投資及提供貸款融資
Jaffe Development Limited	US\$1 1美元	100	100	100	75	Property holding 持有物業
Kalix Investment Limited	2	100	100	100	75	Property holding 持有物業
Kennedy (Nominees) Limited	10,000	100	100	63	47	Provision of nominee services 提供代名服務
Long Rainbow Limited 大利標有限公司	2	100	100	75	75	Investment holding 控股投資
Long Set Investments Limited 朗式投資有限公司	2	100	100	75	75	Investment holding 控股投資

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)
55. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of ownership interest 擁有權益之比例				Principal activity 主要業務
		Held by the Company/ subsidiaries 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
		2020	2019	2020	2019	
		二零二零年 %	二零一九年 %	二零二零年 %	二零一九年 %	
LYNX Technology Limited 凌睿科技有限公司	1,000,000	100	100	100	100	Medical equipment and supplies distribution 醫療設備及供應品分銷
Mainford Investment Limited 銘福投資有限公司	1	100	100	100	75	Property holding 持有物業
Mightyton Limited	10,000	100	100	100	75	Property holding 持有物業
Oakfame Investment Limited 幹美投資有限公司	2	100	100	63	47	Investment holding 控股投資
Otone Limited 安通建業有限公司	2	100	100	100	75	Hotel operations and property holding 酒店業務及持有物業
Pioneer Alliance Limited 興順隆有限公司	10,000	100*	100*	100	100	Investment holding 控股投資
Plentiwind Limited	15,000,002	100	100	63	47	Investment holding 控股投資
Polyking Services Limited 栢麗服務有限公司	2	100	100	100	100	Building maintenance and cleaning services 樓宇保養及清潔服務
Protech Property Management Limited 保得物業管理有限公司	5,000	100	100	100	100	Building management and security guarding services 樓宇管理及護衛服務
Ranbridge Finance Limited 捷橋財務有限公司	20,000,000	100	100	63	47	Asset holding 持有資產
Rank Crown Investment Limited 穎坤投資有限公司	2	100*	100*	100	100	Investment holding 控股投資
Rich Century International Investments Limited	1	100	-	63	-	Property holding 持有物業
Rodrill Investments Limited	1	100	100	63	47	Investment holding 控股投資
San Pack Properties Limited 山栢置業有限公司	10	100	100	100	75	Property holding 持有物業

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)
55. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of ownership interest 擁有權益之比例				Principal activity 主要業務
		Held by the Company/ subsidiaries 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
		2020	2019	2020	2019	
		二零二零年 %	二零一九年 %	二零二零年 %	二零一九年 %	
Scienter Investments Limited	20	100	100	63	47	Investment holding and provision of loan finance 控股投資及提供貸款融資
Senior Care Elderly Limited	US\$1 1美元	100	100	100	100	Provision of elderly care services 提供護老服務
Senior Care Limited 善頤護理有限公司	1,000	100	100	100	100	Provision of elderly care services 提供護老服務
Senior Care Nursing Home Limited 善頤護老有限公司	1,000	100	100	100	100	Provision of elderly care services 提供護老服務
SHK Bullion Company Limited	10,000	100	100	63	47	Investment holding 控股投資
SHK Investments (HK) Limited	10,000	100	100	63	47	Investment portfolio 投資組合
SHK Finance Limited 新鴻基財務有限公司	150,000,000	100	100	39	29	Money lending 借貸
SHK Hong Kong Industries Limited** 新工投資有限公司**	918,978,271	75	75	75	75	Investment holding 控股投資
SHK International Limited	10,000	100	100	63	47	Investment holding 控股投資
SHK Investment Services Limited	1,000,000	100	100	63	47	Asset holding 資產投資
SHK Pearl River Delta Investment Company Limited 新鴻基珠江三角洲投資有限公司	Issued share capital: 已發行股本: 100,000,000 Paid up share capital: 繳足股本: 75,000,000.5	100	100	63	47	Provision of loan finance 提供貸款融資

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)
55. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of ownership interest 擁有權益之比例				Principal activity 主要業務
		Held by the Company/ subsidiaries 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
		2020	2019	2020	2019	
		二零二零年 %	二零一九年 %	二零二零年 %	二零一九年 %	
SHK Securities Limited	20	100	100	63	47	Asset holding 持有資產
Sierra Joy Limited	2	100	100	100	75	Property holding 持有物業
Sunhill Investments Limited 陽山投資有限公司	2	100*	100*	100	100	Investment holding 控股投資
Sun Hung Kai (ECP) Limited	US\$1 1美元	100	100	63	47	Financing 融資
Sun Hung Kai & Co. (BVI) Limited	US\$1 1美元	100	100	63	47	Financing 融資
Sun Hung Kai & Co. (Treasury) Limited	1	100	–	63	–	Provision of intra-group financing service 提供集團內融資服務
Sun Hung Kai & Co. Limited** 新鴻基有限公司**	8,731,004,462	63	62	63	47	Investment holding 控股投資
Sun Hung Kai Capital Partners Limited	1	100	–	63	–	Fund management 基金管理
Sun Hung Kai Credit Limited 新鴻基信貸有限公司	800,000,000	100	100	58	42	Mortgage financing 按揭財務
Sun Hung Kai Fintech Capital Limited	3,000,000	100	100	63	47	Investment holding 控股投資
Sun Hung Kai Securities (Overseas) Limited 新鴻基證券(海外)有限公司	60,000	100	100	63	47	Investment holding 控股投資
Sun Hung Kai Strategic Capital Limited 新鴻基策略資本有限公司	2	100	100	63	47	Investment holding, securities trading and financial services 控股投資、證券買賣及 金融服務
Sun Hung Kai Structured Finance Limited 新鴻基結構融資有限公司	137,500,000	100	100	63	47	Investment holding and provision of loan finance 控股投資及提供貸款融資

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

55. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Paid up issued ordinary share capital 繳足已發行 普通股本 HK\$ 港元	Proportion of ownership interest 擁有權益之比例				Principal activity 主要業務
		Held by the Company/ subsidiaries 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
		2020	2019	2020	2019	
		二零二零年 %	二零一九年 %	二零二零年 %	二零一九年 %	
Sun Hung Kai Venture Capital Limited	2	100	100	63	47	Investment holding 控股投資
Texgulf Limited	20	100	100	63	47	Property holding 持有物業
The Hong Kong Equity Guarantee Corporation Limited	2	100	100	75	75	Investment holding 控股投資
Tung Wo Investment Company, Limited 同和投資有限公司	10,000	100	100	63	47	Investment holding 控股投資
United Asia Finance Limited 亞洲聯合財務有限公司	1,502,218,417.8	63	63	39	29	Consumer financing 消費金融
Universal Way Limited	2	100	100	100	75	Investment holding 控股投資
Wah Cheong Development Company, Limited 華昌建業有限公司	25,100,000	100	100	63	47	Investment holding 控股投資
Wineur Secretaries Limited 偉略秘書有限公司	2	100	100	63	47	Secretarial services 秘書服務
Yee Li Ko Investment Limited 億利高投資有限公司	58,330,000	100	100	63	47	Property holding 持有物業

With the exception of Alaston Development Limited, Allied Properties Investments (1) Company Limited, AP Diamond Limited, AP Emerald Limited, Hong Kong Dementia Services Limited, Jaffe Development Limited, Senior Care Elderly Limited, Sun Hung Kai (ECP) Limited and Sun Hung Kai & Co. (BVI) Limited, which were incorporated in the British Virgin Islands, all the above subsidiaries were incorporated in Hong Kong.

除Alaston Development Limited、Allied Properties Investments (1) Company Limited、AP Diamond Limited、AP Emerald Limited、香港老年癱呆症服務有限公司、Jaffe Development Limited、Senior Care Elderly Limited、Sun Hung Kai (ECP) Limited及Sun Hung Kai & Co. (BVI) Limited於英屬處女群島註冊成立外，以上所有附屬公司均在香港註冊成立。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

Particulars of the Company's principal subsidiaries at 31st December, 2020 which were incorporated outside Hong Kong are set out below:

55. 主要附屬公司資料(續)

於二零二零年十二月三十一日，本公司在香港以外地點註冊成立之主要附屬公司資料如下：

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行普通股股本	Proportion of ownership interest 擁有權益之比例				Principal activity 主要業務
			Held by the Company/ subsidiaries 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
			2020 二零二零年 %	2019 二零一九年 %	2020 二零二零年 %	2019 二零一九年 %	
Abbey Dale Ventures Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	63	47	Investment holding 控股投資
Abundant Bay Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	-	63	-	Investment holding 控股投資
Allied Harbin Link Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	100	100	Investment holding 控股投資
Allied Properties China Limited	Cayman Islands 開曼群島	US\$1,000 1,000美元	100	100	100	75	Investment holding 控股投資
Allied Properties Resources Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	100	75	Investment holding 控股投資
Bevendean Ventures Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	-	63	-	Investment holding 控股投資
Boneast Assets Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	63	47	Investment holding 控股投資
Bright Clear Limited 晴輝有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	100	100	Investment holding 控股投資
Bronwood Holdings Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	63	47	Investment holding 控股投資
Cautious Base Limited	British Virgin Islands 英屬處女群島	HK\$10,001 10,001港元	100	100	100	100	Investment holding 控股投資
Champstar Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	63	47	Investment holding, securities trading and financial services 控股投資、證券買賣及 金融服務
Chelvey International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	-	63	-	Investment holding 控股投資

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES
(CONT'D)

55. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行普通股本	Proportion of ownership interest 擁有權益之比例				Principal activity 主要業務
			Held by the Company/ subsidiaries 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
			2020 二零二零年 %	2019 二零一九年 %	2020 二零二零年 %	2019 二零一九年 %	
Creative Isle Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	-	63	-	Investment holding 控股投資
Dagenham Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	63	47	Investment holding 控股投資
Earnest Finance Limited	British Virgin Islands 英屬處女群島	HK\$100 100港元	100	100	39	29	Investment holding 控股投資
Easy Capital Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	39	29	Investment holding 控股投資
Fine Era Limited 佳紀有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	100	100	Investment holding 控股投資
Future Isle Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	-	63	-	Investment holding 控股投資
Gilbrook Holdings Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	100	75	Property holding 持有物業
Kenworld Corporation	Republic of Liberia 利比里亞共和國	US\$1 1美元	100	100	100	75	Investment holding 控股投資
Lakewood Development Corporation	United States of America 美國	US\$1,000 1,000美元	100	100	100	75	Property holding 持有物業
LHY Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	100	100	Investment holding 控股投資
MCIP CI I Limited (formerly known as SHK Capital CI Limited) MCIP CI I Limited (前稱SHK Capital CI Limited)	Cayman Islands 開曼群島	US\$1 1美元	100	-	63	-	Investment holding 控股投資
MCIP GP I Limited (formerly known as SHK Capital GP Limited) MCIP GP I Limited (前稱SHK Capital GP Limited)	Cayman Islands 開曼群島	US\$1 1美元	100	-	63	-	General partner 普通合夥人
Multiple Capital Investment Partners (Australia) Pty Ltd.	Australia 澳洲	A\$10 10澳元	100	-	63	-	Fund management 基金管理

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES
(CONT'D)

55. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行普通股股本	Proportion of ownership interest 擁有權益之比例				Principal activity 主要業務
			Held by the Company/ subsidiaries 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
			2020 二零二零年 %	2019 二零一九年 %	2020 二零二零年 %	2019 二零一九年 %	
Multiple Capital Investment Partners (Singapore) Pte. Ltd. (formerly known as Sun Hung Kai Capital Pte. Ltd.) Multiple Capital Investment Partners (Singapore) Pte. Ltd. (前稱Sun Hung Kai Capital Pte. Ltd.)	Singapore 新加坡	S\$10,000 (2019: S\$1 10,000新加坡元 (二零一九年: 1新加坡元))	100	100	63	47	Fund management 基金管理
Multiple Capital Real Estate Debt Holdco Limited	Cayman Islands 開曼群島	US\$1 1美元	100	-	63	-	Investment holding 控股投資
Multiple Capital Real Estate Debt I, L.P. (formerly known as SHK Capital Partners I, L.P.) Multiple Capital Real Estate Debt I, L.P. (前稱SHK Capital Partners I, L.P.)	Cayman Islands 開曼群島	US\$1 1美元	100	-	63	-	Limited partnership 有限合伙
Onspeed Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	39	29	Investment holding 控股投資
Paignton Holdings Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	63	47	Investment holding 控股投資
Razorway Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	63	47	Investment holding 控股投資
Rossworth Global Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	63	47	Investment holding 控股投資
Senior Care Holdings Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	100	100	Investment holding 控股投資
Shipshape Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	63	47	Investment holding 控股投資
SHK Asian Opportunities Holdings Limited	Cayman Islands 開曼群島	US\$10,000 10,000美元	95	95	60	44	Investment holding 控股投資
SHK Asset Management Holding Limited	British Virgin Islands 英屬處女群島	US\$3,400,001 3,400,001美元	100	100	63	47	Investment holding 控股投資

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

55. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行普通股本	Proportion of ownership interest 擁有權益之比例				Principal activity 主要業務
			Held by the Company/ subsidiaries 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
			2020	2019	2020	2019	
			二零二零年 %	二零一九年 %	二零二零年 %	二零一九年 %	
SHK Investment Company One Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	-	63	-	Asset management 資產管理
SHK Fund Management Global Unconstrained Credit Master Fund 新鴻基金管理全球自由債券主基金	Cayman Islands 開曼群島						Investment fund 投資基金
- Management shares 管理股		1,000 US\$1 shares 1,000股每股1美元	100	-	63	-	
SHK Fund Management Global Unconstrained Credit Offshore Fund 新鴻基金管理全球自由債券離岸基金	Cayman Islands 開曼群島						Investment fund 投資基金
- Management shares 管理股		1,000 US\$1 shares 1,000股每股1美元	100	-	63	-	
Silver International Development Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	-	63	-	Investment holding 控股投資
South Isle International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	-	63	-	Investment holding 控股投資
Star Flourish Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	-	63	-	Investment holding 控股投資
Sun Hung Kai (China) Investment Management Company Limited 新鴻基(中國)投資管理有限公司	People's Republic of China 中華人民共和國	RMB50,000,000 人民幣50,000,000元	100	100	63	47	Corporate marketing and investment consultancy 企業市場推廣及投資顧問
Sun Hung Kai & Co. (RE I) Limited (formerly known as Sun Hung Kai & Co. (CP) Limited) Sun Hung Kai & Co. (RE I) Limited (前稱Sun Hung Kai & Co. (CP) Limited)	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	63	47	Investment holding 控股投資
Sun Hung Kai Capital (UK) Limited	United Kingdom 英國	GBP1 1英鎊	100	-	63	-	Investment holding 控股投資
Sun Hung Kai Capital Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	63	47	Investment holding 控股投資

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES
(CONT'D)

55. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行普通股股本	Proportion of ownership interest 擁有權益之比例				Principal activity 主要業務
			Held by the Company/ subsidiaries 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
			2020	2019	2020	2019	
			二零二零年 %	二零一九年 %	二零二零年 %	二零一九年 %	
Sun Hung Kai Global Opportunities Fund	Cayman Islands 開曼群島						Investment fund 投資基金
- Management shares 管理股		1,000 US\$1 shares 1,000股每股1美元	100	100	63	47	
- Participating shares 參與股		7,392.805 US\$0.001 shares 7,392.805股 每股0.001美元	100	100	63	47	
- Class B6 participating shares B6類別參與股		50,691.45207 (2019: 231,207.6044) US\$0.001 shares 50,691.45207股 (二零一九年: 231,207.6044股) 每股0.001美元	100	100	63	47	
Swan Islands Limited	British Virgin Islands 英屬處女群島	US\$503,000,001 503,000,001美元	100	100	63	47	Investment holding 控股投資
Swanwick Global Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	63	47	Investment holding 控股投資
Top Progress Investments Limited	British Virgin Islands 英屬處女群島	US\$50,000 50,000美元	100	100	39	29	Investment holding 控股投資
Treasure Rider Limited	Cayman Islands 開曼群島	US\$19,800 19,800美元	92	92	58	43	Investment holding 控股投資
UA Finance (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	39	29	Financing 融資
UAF Holdings Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	63	47	Investment holding 控股投資
Upper Selection Investments Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	63	47	Investment holding 控股投資
Zeal Goal International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	100	63	47	Investment holding 控股投資
上海浦東新區亞聯財小額貸款 有限公司 United Asia Finance (ShanghaiPudong) Limited ^(a)	People's Republic of China 中華人民共和國	RMB200,000,000 人民幣200,000,000元	70	70	28	21	Money lending 借貸

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES
(CONT'D)

55. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行普通股本	Proportion of ownership interest 擁有權益之比例				Principal activity 主要業務
			Held by the Company/ subsidiaries 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
			2020 二零二零年 %	2019 二零一九年 %	2020 二零二零年 %	2019 二零一九年 %	
大連保稅區亞聯財小額貸款有限公司 United Asia Finance (DaLian F.T.Z) Limited ^(b)	People's Republic of China 中華人民共和國	US\$36,000,000 36,000,000美元	100	100	39	29	Money lending 借貸
天津亞聯財小額貸款有限公司 United Asia Finance (Tianjin) Limited ^(b)	People's Republic of China 中華人民共和國	HK\$130,000,000 130,000,000港元	100	100	39	29	Money lending 借貸
北京亞聯財小額貸款有限公司 United Asia Finance (Beijing) Limited ^(a)	People's Republic of China 中華人民共和國	RMB200,000,000 人民幣200,000,000元	80	80	32	23	Money lending 借貸
成都亞聯財小額貸款有限公司 United Asia Finance (Chengdu) Limited ^(b)	People's Republic of China 中華人民共和國	HK\$230,000,000 230,000,000港元	100	100	39	29	Money lending 借貸
成都亞聯財經濟信息諮詢有限公司 UA Financial Consultancy (Chengdu) Limited ^(c)	People's Republic of China 中華人民共和國	RMB1,000,000 人民幣1,000,000元	100	100	39	29	Financial consultancy 財務顧問
亞洲第一信息諮詢(深圳)有限公司 First Asian Financial Consultancy (Shenzhen) Limited ^(b)	People's Republic of China 中華人民共和國	RMB50,000,000 人民幣50,000,000元	100	100	39	29	Financial consultancy 財務顧問
亞聯財信息諮詢(上海)有限公司 UA Financial Consultancy (Shanghai) Limited ^(c)	People's Republic of China 中華人民共和國	RMB1,000,000 人民幣1,000,000元	70	70	28	21	Financial consultancy 財務顧問
亞聯財信息諮詢(深圳)有限公司 UA Financial Consultancy (Shenzhen) Limited ^(b)	People's Republic of China 中華人民共和國	RMB25,000,000 人民幣25,000,000元	100	100	39	29	Financial consultancy 財務顧問
武漢亞聯財小額貸款有限公司 United Asia Finance (Wuhan) Limited ^(b)	People's Republic of China 中華人民共和國	RMB200,000,000 人民幣200,000,000元	100	100	39	29	Money lending 借貸
武漢亞聯財信息諮詢有限公司 UA Financial Consultancy (Wuhan) Limited ^(c)	People's Republic of China 中華人民共和國	RMB1,000,000 人民幣1,000,000元	100	100	39	29	Financial consultancy 財務顧問
青島亞聯財小額貸款有限公司 United Asia Finance (Qingdao) Limited ^(b)	People's Republic of China 中華人民共和國	RMB300,000,000 人民幣300,000,000元	100	100	39	29	Money lending 借貸

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES
(CONT'D)

55. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行普通股本	Proportion of ownership interest 擁有權益之比例				Principal activity 主要業務
			Held by the Company/ subsidiaries 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
			2020	2019	2020	2019	
			二零二零年 %	二零一九年 %	二零二零年 %	二零一九年 %	
青島亞聯財信息諮詢有限公司 UA Financial Consultancy (Qingdao) Limited ^(c)	People's Republic of China 中華人民共和國	RMB1,000,000 人民幣1,000,000元	100	100	39	29	Financial consultancy 財務顧問
南寧市亞聯財小額貸款有限公司 United Asia Finance (Nanning) Limited ^(b)	People's Republic of China 中華人民共和國	RMB200,000,000 人民幣200,000,000元	100	100	39	29	Money lending 借貸
南寧市亞聯財投資管理有限公司 UA Financial Consultancy (Nanning) Limited ^(c)	People's Republic of China 中華人民共和國	RMB1,000,000 人民幣1,000,000元	100	100	39	29	Financial consultancy 財務顧問
哈爾濱市亞聯財小額貸款有限公司 United Asia Finance (Harbin) Limited ^(b)	People's Republic of China 中華人民共和國	RMB150,000,000 人民幣150,000,000元	100	100	39	29	Money lending 借貸
哈爾濱亞聯財信息諮詢有限公司 UA Financial Consultancy (Harbin) Limited ^(c)	People's Republic of China 中華人民共和國	RMB1,000,000 人民幣1,000,000元	100	100	39	29	Financial consultancy 財務顧問
重慶亞聯財小額貸款有限公司 United Asia Finance (Chongqing) Limited ^(b)	People's Republic of China 中華人民共和國	US\$20,000,000 20,000,000美元	100	100	39	29	Money lending 借貸
重慶亞聯財信息諮詢有限公司 UA Financial Consultancy (Chongqing) Limited ^(c)	People's Republic of China 中華人民共和國	RMB1,000,000 人民幣1,000,000元	100	100	39	29	Financial consultancy 財務顧問
深圳亞聯財小額貸款有限公司 United Asia Finance (Shenzhen) Limited ^(b)	People's Republic of China 中華人民共和國	RMB600,000,000 人民幣600,000,000元	100	100	39	29	Money lending 借貸
雲南省亞聯財小額貸款有限公司 United Asia Finance (Yunnan) Limited ^(b)	People's Republic of China 中華人民共和國	HK\$350,000,000 350,000,000港元	100	100	39	29	Money lending 借貸
雲南亞聯財經濟信息諮詢有限公司 UA Financial Consultancy (Yunnan) Limited ^(c)	People's Republic of China 中華人民共和國	RMB1,000,000 人民幣1,000,000元	100	100	39	29	Financial consultancy 財務顧問
新鴻基(天津)股權投資基金管理 有限公司 Sun Hung Kai (Tianjin) Equity Fund Management Company Limited ^(b)	People's Republic of China 中華人民共和國	RMB50,000,000 人民幣50,000,000元	100	100	63	47	Asset management 資產管理

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

55. 主要附屬公司資料(續)

Subsidiaries 附屬公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Paid up issued ordinary share capital 繳足已發行普通股本	Proportion of ownership interest 擁有權權益之比例				Principal activity 主要業務
			Held by the Company/ subsidiaries 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
			2020 二零二零年 %	2019 二零一九年 %	2020 二零二零年 %	2019 二零一九年 %	
新鴻基融資擔保(瀋陽)有限公司 Sun Hung Kai Financing Guarantee (Shenyang) Limited ^(b)	People's Republic of China 中華人民共和國	RMB300,000,000 人民幣300,000,000元	100	100	39	29	Loan guarantee 貸款擔保
福州亞聯財信息諮詢有限公司 UA Financial Consultancy (Fuzhou) Limited ^(c)	People's Republic of China 中華人民共和國	RMB1,000,000 人民幣1,000,000元	100	100	39	29	Financial consultancy 財務顧問
福州市晉安區亞聯財小額貸款 有限公司 United Asia Finance (Fuzhou) Jinan Limited ^(b)	People's Republic of China 中華人民共和國	RMB200,000,000 人民幣200,000,000元	100	100	39	29	Money lending 借貸
濟南亞聯財小額貸款有限公司 United Asia Finance (JiNan) Limited ^(b)	People's Republic of China 中華人民共和國	RMB200,000,000 人民幣200,000,000元	100	100	39	29	Money lending 借貸
瀋陽亞聯財卓越信息諮詢有限公司 UA Financial Consultancy (Shenyang) Limited ^(c)	People's Republic of China 中華人民共和國	RMB1,000,000 人民幣1,000,000元	100	100	39	29	Financial consultancy 財務顧問
瀋陽金融商貿開發區亞聯財 小額貸款有限公司 United Asia Finance (Shenhe District Shenyang) Limited ^(b)	People's Republic of China 中華人民共和國	RMB500,000,000 人民幣500,000,000元	100	100	39	29	Money lending 借貸
壹融站信息技術(深圳)有限公司 Yirongzhan Fintech (Shenzhen) Limited ^(c)	People's Republic of China 中華人民共和國	RMB20,000,000 人民幣20,000,000元	100	100	39	29	Financial consultancy 財務顧問

* These shareholdings represent the proportion of ownership interest held directly by the Company.

* 該等持股權即本公司直接持有擁有權權益之比例。

** These subsidiaries are listed in Hong Kong and further details about them are available in their published accounts.

** 該等附屬公司於香港上市，有關該等附屬公司之其他詳情載於其公佈之賬目內。

(a) These companies are sino-foreign equity joint venture.

(a) 該等公司為中外合資企業。

(b) These companies are wholly-foreign owned enterprise.

(b) 該等公司為外商獨資企業。

(c) These companies are wholly-domestic owned enterprise.

(c) 該等公司為國內獨資企業。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

55. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONT'D)

The names of Companies incorporated in People's Republic of China above are English translations.

The above tables list the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Save as disclosed in note 39, none of the other subsidiaries had issued any debt securities at the end of the year.

56. PARTICULARS OF PRINCIPAL ASSOCIATES

Particulars of the Group's principal associates at 31st December, 2020 are set out below:

Associates 聯營公司	Place of incorporation/ operation 註冊成立/ 業務所在地	Proportion of ownership interest and voting rights 擁有權益及投票權之比例				Principal activity 主要業務
		Held by subsidiaries 附屬公司持有		Attributable to the Group 本集團應佔		
		2020 二零二零年 %	2019 二零一九年 %	2020 二零二零年 %	2019 二零一九年 %	
APAC Resources Limited* 亞太資源有限公司*	Bermuda/Hong Kong 百慕達/香港	40	38	40	28	Investment holding 控股投資
Dragon Mining Limited* 龍資源有限公司*	Australia/Hong Kong 澳洲/香港	23	18	23	14	Gold production 黃金生產
Oriental Cashmere Limited	British Virgin Islands 英屬處女群島	25	25	19	19	Manufacturing and trading of cashmere products 羊絨產品生產及貿易
Purple Link Investment Limited 紫聯投資有限公司	Hong Kong 香港	25	25	19	19	Investment in properties 投資於物業
Sun Hung Kai Financial Group Limited 新鴻基金集團有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/香港	-	30	-	14	Wealth management and brokerage business 財富管理及經紀業務
Tian An China Investments Company Limited* 天安中國投資有限公司*	Hong Kong 香港	49	49	49	37	Property development, property investment and property management 物業發展、物業投資及物業管理

* These associates are listed in Hong Kong and further details are available in their published accounts.

The above table lists the associates of the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

55. 主要附屬公司資料(續)

上述於中華人民共和國註冊成立之公司名稱為英文譯名。

上表所列公司乃董事認為對本年度業績有重大影響，或構成本集團淨資產主要部分之本公司附屬公司。董事認為列出其他附屬公司的詳情，會令資料過於冗長。

除附註39披露外，其他附屬公司於年末並無發行任何其他債務證券。

56. 主要聯營公司資料

於二零二零年十二月三十一日之本集團主要聯營公司資料如下：

* 該等聯營公司在香港上市，有關該等公司之進一步詳情載於其公佈之賬目內。

上表所列公司乃董事認為對本年度業績有重大影響，或構成本集團淨資產主要部分之本集團聯營公司。董事認為列出其他聯營公司的詳情，會令資料過於冗長。

for the year ended 31st December, 2020

截至二零二零年十二月三十一日止年度

57. PARTICULARS OF PRINCIPAL JOINT VENTURES

57. 主要合營公司資料

Particulars of the Group's principal joint ventures at 31st December, 2020 are set out below:

於二零二零年十二月三十一日之本集團主要合營公司資料如下：

Joint ventures 合營公司	Form of business structure 業務架構形式	Place of incorporation/ operation 註冊成立/ 業務所在地	Proportion of ownership interest and voting rights 擁有權權益及投票權之比例				Principal activity 主要業務
			Held by subsidiary 本公司/附屬公司持有		Attributable to the Group 本集團應佔		
			2020 二零二零年 %	2019 二零一九年 %	2020 二零二零年 %	2019 二零一九年 %	
Allied Kajima Limited	Incorporated 註冊成立	Hong Kong 香港	50	50	50	37	Property and investment holding 物業及控股投資
LSS Financial Leasing (Shanghai) Limited 陸金申華融資租賃(上海) 有限公司	Incorporated 註冊成立	People's Republic of China 中華人民共和國	40	40	25	19	Auto leasing 汽車租賃
Isabella Properties Holdings Limited	Incorporated 註冊成立	England 英格蘭	48 (Note) (註解)	48 (Note) (註解)	30	22	Investment holding 控股投資

Note: On 10th December, 2019, an indirect wholly-owned subsidiary of SHK entered into shareholders agreement for the formation of the joint venture company with 47.5% interest for a consideration of HK\$207.0 million.

註解：於二零一九年十二月十日，新鴻基一間間接全資附屬公司訂立股東協議以成立合營公司，以代價207.0百萬港元持有47.5%權益。

The above table lists the joint ventures of the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other joint ventures would, in the opinion of the directors, result in particulars of excessive length.

上表所列公司乃董事認為對本年度業績有重大影響，或構成本集團淨資產主要部分之本集團合營公司。董事認為列出其他合營公司的詳情，會令資料過於冗長。

Financial year ended 31st December,
截至十二月三十一日止財政年度

		2016 二零一六年 HK\$ Million 百萬港元	2017 二零一七年 HK\$ Million 百萬港元	2018 二零一八年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元	2020 二零二零年 HK\$ Million 百萬港元
Results	業績					
Revenue*	收入*	4,101.9	4,540.7	5,083.0	5,278.7	4,844.6
Profit for the year	本年度溢利	5,081.2	5,550.8	3,209.4	4,484.0	3,656.3
Attributable to:	應佔方：					
Owners of the Company	本公司股東	3,263.2	3,235.9	1,698.3	2,530.7	2,037.1
Non-controlling interests	非控股權益	1,818.0	2,314.9	1,511.1	1,953.3	1,619.2
		5,081.2	5,550.8	3,209.4	4,484.0	3,656.3
Basic earnings per share	每股基本盈利	HK\$0.92 港元	HK\$0.92 港元	HK\$0.48 港元	HK\$0.72 港元	HK\$0.58 港元

At 31st December,
於十二月三十一日

		2016 二零一六年 HK\$ Million 百萬港元	2017 二零一七年 HK\$ Million 百萬港元	2018 二零一八年 HK\$ Million 百萬港元	2019 二零一九年 HK\$ Million 百萬港元	2020 二零二零年 HK\$ Million 百萬港元
Assets and liabilities	資產及負債					
Total assets	資產總額	52,651.8	60,672.7	66,207.3	68,843.2	70,336.7
Total liabilities	負債總額	(11,540.2)	(14,412.2)	(19,545.4)	(20,053.2)	(21,371.3)
Total equity	權益總額	41,111.6	46,260.5	46,661.9	48,790.0	48,965.4
Non-controlling interests	非控股權益	(19,353.3)	(21,191.1)	(20,429.3)	(20,683.8)	(11,946.0)
Equity attributable to owners of the Company	本公司股東應佔權益	21,758.3	25,069.4	26,232.6	28,106.2	37,019.4

* Included revenue from both continuing and discontinued operations.

* 包括來自持續及已終止經營業務之收入。

Particulars of major properties held by the subsidiaries and joint ventures of the Group at 31st December, 2020 are as set out below:

本集團之附屬公司及合營公司於二零二零年十二月三十一日所持主要物業資料如下：

Name/location 名稱／地點	Lease expiry 約滿年期	Type 類別	Gross floor area (S.M.) 建築面積 (平方米)	Effective % held by the Group 本集團實益 持有%	Stage of completion 完成階段
Hong Kong 香港					
Park Place 7 Tai Tam Reservoir Road Hong Kong 雅柏苑 香港 大潭水塘道7號	2056 ⁺⁺	R	3,475	100.00	Existing 現有物業
Allied Cargo Centre 150-164 Texaco Road Tsuen Wan, New Territories 聯合貨運中心 新界荃灣 德士古道150-164號	2047	G	46,594	100.00	Existing 現有物業
60 Plantation Road, The Peak, Hong Kong 香港山頂 種植道60號	2066	R	639	100.00	Existing 現有物業
Orchid Court 38 Tung On Street Mongkok, Kowloon 安蘭閣 九龍旺角 東安街38號	2049	R C	749 201	100.00 100.00	Existing 現有物業 Existing 現有物業
The Redhill Peninsula 18 Pak Pat Shan Road Tai Tam, Hong Kong 紅山半島 香港大潭 白筆山道18號	2056 ⁺⁺	R CP	596 79 ^{****}	100.00 100.00	Existing 現有物業 Existing (Phase IV) 現有物業 (第四期)
China Online Centre 333 Lockhart Road Wanchai, Hong Kong 中國網絡中心 香港灣仔 駱克道333號	2026 ⁺⁺⁺	C	15,680	100.00	Existing 現有物業

Name/location 名稱/地點	Lease expiry 約滿年期	Type 類別	Gross floor area (S.M.) 建築面積 (平方米)	Effective % held by the Group 本集團實益 持有%	Stage of completion 完成階段
Hong Kong (Cont'd) 香港(續)					
St. George Apartments No. 81 Waterloo Road Ho Man Tin, Kowloon 聖佐治大廈 九龍何文田 窩打老道81號	2081	R	10,287	100.00	Existing 現有物業
		CP	69****	100.00	Existing 現有物業
Ibis Hong Kong North Point 138 Java Road North Point, Hong Kong 宜必思香港北角酒店 香港北角 渣華道138號	2083	H	6,825	100.00	Existing 現有物業
No. 239, 241 & 243 Jaffe Road and Nos. 10-12 Stewart Road Wanchai, Hong Kong 香港灣仔 謝斐道239、241及243號 及史釗域道10至12號	2027***	P	7,232	50.00 *	Superstructure works, E&M works and curtain wall completed. Interior fitting out works in progress** 上蓋工程、 機電工程及 幕牆已竣工。 內部裝修工程 進行中**
No. 9 Queen's Road Central Hong Kong 香港 皇后大道中9號	2854	C	1,277	100.00	Existing 現有物業
Allied Kajima Building 138 Gloucester Road Wanchai, Hong Kong 聯合鹿島大廈 香港灣仔 告士打道138號	2047	C	20,452	50.00*	Existing 現有物業
Novotel Century Hong Kong 238 Jaffe Road Wanchai, Hong Kong 香港諾富特世紀酒店 香港灣仔 謝斐道238號	2047	H	27,364	50.00*	Existing 現有物業

Name/location 名稱/地點	Lease expiry 約滿年期	Type 類別	Gross floor area (S.M.) 建築面積 (平方米)	Effective % held by the Group 本集團實益 持有%	Stage of completion 完成階段
Hong Kong (Cont'd) 香港(續)					
Tregunter Tower 3 14 Tregunter Path Hong Kong 地利根德閣第3座 香港地利根德徑14號	2051	R	745	100.00	Existing 現有物業
Admiralty Centre 18 Harcourt Road Hong Kong 海富中心 香港 夏慤道18號	2053 ⁺⁺	C	2,970 [#]	62.83	Existing 現有物業
J Residence 60 Johnston Road Hong Kong 嘉薈軒 香港 莊士敦道60號	2054	R	50	100.00	Existing 現有物業
The Westminster Terrace 2A Yau Lai Road Tsuen Wan, New Territories 皇璧 新界荃灣 悠麗路2A號	2056 ⁺	R	552	62.83	Existing 現有物業
Outside Hong Kong 香港境外					
FM 2100 Road and Diamond Head Boulevard Harris County Texas United States of America 美國德州	Freehold 永久業權	R	13,875,254 ^{**}	100.00	Existing 現有物業
Cannongate House 62-64 Cannon Street London, United Kingdom 英國倫敦	Freehold 永久業權	C	1,990 ^{***}	100.00	Existing 現有物業
Sofitel Philippine Plaza Manila Cultural Centre of the Philippines Complex Roxas Boulevard Pasay City Manila, Philippines 菲律賓馬尼拉	2041	H	73,866	50.00 [*]	Existing 現有物業

Name/location 名稱/地點	Lease expiry 約滿年期	Type 類別	Gross floor area (S.M.) 建築面積 (平方米)	Effective % held by the Group 本集團實益 持有%	Stage of completion 完成階段
Outside Hong Kong (Cont'd) 香港境外(續)					
Shenzhen Tian An Cyber Park Futian District Shenzhen People's Republic of China 深圳天安數碼城 中華人民共和國 深圳 福田區	2052	I	3,812	39.42	Existing 現有物業
Tianjin Tian An Cyberpark Zhangjiawo, Xiqing District Tianjin People's Republic of China 天津天安數碼城 中華人民共和國 天津 西青區張家窩	2060	I	2,040	39.42	Existing 現有物業
Optics Valley International Plaza No.889 Luoyu Road East Lake High-Tech Development Zone, Wuhan People's Republic of China 光谷國際廣場 中華人民共和國 武漢東湖 高新技術開發區 珞喻路889號	2043	C	1,535	39.42	Existing 現有物業
The Shuncheng Office Wuhua District Kunming People's Republic of China 順城辦事處 中華人民共和國 昆明 五華區	2046	C	1,237	39.42	Existing 現有物業

Name/location 名稱/地點	Lease expiry 約滿年期	Type 類別	Gross floor area (S.M.) 建築面積 (平方米)	Effective % held by the Group 本集團實益 持有%	Stage of completion 完成階段
Outside Hong Kong (Cont'd) 香港境外(續)					
Block 2 of No. 101 building Cuibai Road, Chunhuilu Street Dadukou District Chongqing People's Republic of China 中華人民共和國 重慶 大渡口區 春暉路街道 翠柏路101號2幢	2061	I	2,978	39.42	Existing 現有物業
Times Centre No. 160 Zhengyang Road Chengyang District Qingdao People's Republic of China 時代中心 中華人民共和國 青島 城陽區 正陽路160號	2046	C	1,317	39.42	Existing 現有物業
No.43, Beizhan 1st Road Shenhe District Shenyang People's Republic of China 中華人民共和國 瀋陽 瀋河區 北站一路43號	2044	C	2,038	39.42	Existing 現有物業
Huaqiang Plaza Lixia District Jinan People's Republic of China 華強廣場 中華人民共和國 濟南 曆下區	2050	C	1,958	39.42	Existing 現有物業
SFC Sincere Centre No. 99 Wuyi Road Yuzhong District Chongqing People's Republic of China SFC協信中心 中華人民共和國 重慶 渝中區 五一路99號	2050	C	1,798	39.42	Existing 現有物業

Name/location 名稱/地點	Lease expiry 約滿年期	Type 類別	Gross floor area (S.M.) 建築面積 (平方米)	Effective % held by the Group 本集團實益 持有%	Stage of completion 完成階段
Outside Hong Kong (Cont'd) 香港境外(續)					
Sincere Centre No. 25 Fuqing Road Er Duan Chenghua District Chengdu People's Republic of China 協信中心 中華人民共和國 成都 成華區 府青路二段25號	2051	C	1,929	39.42	Existing 現有物業
Yaopeng Mingzhu Yunling Road Creative Industrial Park Dali City, Yunnan People's Republic of China 耀鵬明珠 中華人民共和國 雲南大理市 創新工業園區 雲嶺大道	2046	C	736	39.42	Existing 現有物業

Notes:

Types of properties: R – Residential, C – Commercial, G – Godown, H – Hotel, I – Industrial, P – Property under construction, CP – Car Parking Spaces

- * Indicates properties held through a joint venture
- ** Expected construction completion in 2021
- + With option to renew for a further term of 50 years
- ++ With option to renew for a further term of 75 years
- +++ With option to renew for a further term of 99 years
- # Saleable area
- ** Site area
- *** Floor area
- **** Number of car parking spaces

註解:

物業類別: R – 住宅, C – 商業, G – 貨倉, H – 酒店, I – 工業, P – 在建物業, CP – 車位

- * 透過一間合營公司持有之物業
- ** 預期於二零二一年竣工
- + 可續期五十年
- ++ 可續期七十五年
- +++ 可續期九十九年
- # 銷售面積
- ** 地盤面積
- *** 樓面面積
- **** 車位數目



ALLIED GROUP LIMITED
聯合集團有限公司