

RESULTS

Revenue

Revenue for the year ended 31 December 2019 ("Year") amounted to HK\$539.0 million (2018: HK\$843.6 million), a decrease of 36.1% over last year and comprised gross rental income of HK\$523.0 million and others of HK\$16.0 million (2018: gross rental income of HK\$544.5 million, property sales of HK\$274.0 million and others of HK\$25.1 million). The decline in revenue was mainly due to no property sales recorded for the Year.

Gross Profit

Gross profit for the Year amounted to HK\$511.5 million (2018: HK\$719.1 million), a decrease of 28.9% as compared with last year which also mainly derived from no property sales profit for the Year (2018: HK\$177.7 million).

Property Leasing

For property leasing, the overall rental revenue in both non-retail and retail sections decreased to HK\$446.0 million and HK\$77.0 million respectively during the Year. The total rental income in revenue for the Year recorded a decrease of 4.0% to HK\$523.0 million as compared with last year of HK\$544.5 million.

Together with the attributable rental revenue generated from associates, a joint venture and an investee company of HK\$129.7 million (2018: HK\$139.3 million), the total attributable rental revenue to the Company (together with its subsidiaries, "Group") amounted to HK\$652.7 million (2018: HK\$683.8 million after non-controlling interests), which represents a decrease of 4.6% over last year.

Attributable net rental income for the Year showed HK\$597.5 million, a decrease of 4.6% over HK\$626.0 million in last year.

業績

收入

截至二零一九年十二月三十一日止年度（「本年度」）之收入為539,000,000港元（二零一八年：843,600,000港元），較去年減少36.1%，當中包括租金收入總額523,000,000港元及其他收入16,000,000港元（二零一八年：租金收入總額544,500,000港元、物業銷售274,000,000港元及其他收入25,100,000港元）。收入下降主要由於於本年度並無錄得物業銷售。

毛利

本年度之毛利為511,500,000港元（二零一八年：719,100,000港元），較去年減少28.9%，該減少主要由於於本年度並無物業銷售之溢利（二零一八年：177,700,000港元）。

物業租賃

在物業租賃方面，於本年度非零售及零售部分之整體租金收入分別減少至446,000,000港元及77,000,000港元。本年度之收入錄得之租金收入總額較去年之544,500,000港元減少4.0%至523,000,000港元。

連同應佔聯營公司、一間合資公司及一間接受投資公司租金收入129,700,000港元（二零一八年：139,300,000港元），本公司（連同其附屬公司，「本集團」）應佔租金收入總額652,700,000港元（二零一八年：扣除非控股權益後為683,800,000港元），相對去年減幅為4.6%。

本年度之應佔租金收入淨額為597,500,000港元，較去年之626,000,000港元減少4.6%。

RESULTS (Cont'd)

Property Development and Trading

During the Year, the Group did not dispose of any trading property. In 2018, the attributable property sales revenue and profit from the Group and its associates and investee company recorded HK\$270.8 million and HK\$183.3 million respectively, including (a) sales of 55 Conduit Road in Mid-Levels West (70% interest) contributed an attributable profit to the Group of HK\$125.4 million; (b) sales of a workshop unit at Kwong Kin Trade Centre in Tuen Mun (50% interest), a unit and two store rooms at Hing Wai Centre in Aberdeen (50% interest) and parking spaces at Greenville Residence in Yuen Long (50% interest) (properties held by associates) generated profit of HK\$1.9 million, HK\$1.7 million and HK\$0.3 million respectively, as reflected in the share of results of investments accounted for using the equity method; and (c) sale of parking spaces at The Coronation in West Kowloon (15% interest) had contributed HK\$54.0 million to investment income upon recognition of dividend income.

Securities Investments

The Group has in the ordinary and usual course of business conducted its securities investment activities, as at 31 December 2019, mainly comprised of bonds and listed equity investments. During the Year, the gain (excluding gain/loss recognised in financial assets measured at fair value through other comprehensive income ("FVTOCI") reserve) recognised from securities investments and treasury products was HK\$1,685.7 million (2018: HK\$280.8 million), comprised loss on listed equity investments at FVTOCI of HK\$113.2 million (2018: gain of HK\$991.6 million) and gain on investments and treasury products at fair value through profit or loss ("FVTPL") of HK\$1,798.9 million (2018: loss of HK\$710.8 million).

業績 (續)

物業發展及買賣

於本年度，本集團並無出售任何買賣物業。於二零一八年，本集團以及其聯營公司及接受投資公司之應佔物業銷售收入及溢利分別錄得270,800,000港元及183,300,000港元，包括(a)銷售位於半山區西部之琥珀(佔70%權益)為本集團帶來應佔溢利125,400,000港元；(b)銷售位於屯門之廣建貿易中心一個工場單位(佔50%權益)、位於香港仔之興偉中心一個單位及兩個儲物室(佔50%權益)以及位於元朗之逸翠軒車位(佔50%權益)(該等物業由聯營公司持有)分別帶來溢利1,900,000港元、1,700,000港元及300,000港元，已反映於攤佔以權益法入賬投資之業績內；以及(c)銷售位於西九龍之御金•國峯車位(佔15%權益)於確認股息收入時帶來54,000,000港元之投資收入。

證券投資

本集團在一般及日常業務過程中進行證券投資活動，於二零一九年十二月三十一日主要包括債券及上市股本投資。於本年度，來自證券投資及財資產品確認之收益(不包括於通過其他全面收益以反映公平值(「通過其他全面收益以反映公平值」)計量之金融資產之儲備內確認之收益/虧損)為1,685,700,000港元(二零一八年：280,800,000港元)，包括來自通過其他全面收益以反映公平值之上市股本投資之虧損為113,200,000港元(二零一八年：收益為991,600,000港元)及通過損益以反映公平值(「通過損益以反映公平值」)之投資及財資產品之收益為1,798,900,000港元(二零一八年：虧損為710,800,000港元)。

RESULTS (Cont'd)

Securities Investments (Cont'd)

During the Year, the Group did not dispose of any listed investments held-for-trading (2018: no disposal). The realised gain from sales of bonds of HK\$184.2 million (2018: realised loss of HK\$20.1 million) was recognised, mainly comprising the realised gain on bonds in the industry of the People's Republic of China ("PRC")-based real estate of HK\$82.0 million (2018: HK\$7.7 million) and the realised gain on bonds in the industry of overseas financial institutions of HK\$97.4 million (2018: realised loss of HK\$23.2 million), and no disposal of bonds in the industry of insurance (2018: realised loss of HK\$2.0 million). During the Year, the Group had acquired 19 bonds (2018: 11 bonds including those additions to the existing bonds) in the sum of HK\$3,436.7 million (2018: HK\$2,602.9 million), and disposed of/redeemed 19 bonds (2018: 40 bonds) (including those with partial disposal) with carrying amounts in the sum of HK\$2,309.4 million (2018: HK\$5,381.0 million). Bonds acquired were mainly in the industry of PRC-based real estate of 96.9% (2018: 47.6%) and overseas financial institutions of 3.1% (2018: 50.7%). In addition, realised losses on the fixed coupon notes ("FCN") and currency option totaling HK\$0.7 million were recorded during the Year.

Furthermore, the Group recorded an unrealised gain of HK\$978.5 million (2018: unrealised loss of HK\$1,255.1 million) representing the changes in fair value of bonds, which had no effect on the cash flow of the Group. The unrealised gain (2018: unrealised loss) from changes in fair value of bonds represented 34 bonds (2018: 25 bonds), mainly comprising the unrealised gain from the industry of overseas financial institutions of HK\$399.8 million or increase in fair value of 12.4% over the Year; and the unrealised gain from the industry of PRC-based real estate of HK\$518.9 million or increase in fair value of 11.5% over the Year (2018: unrealised loss from the industry of overseas financial institutions of HK\$489.4 million or decrease in fair value of 12.0% over the year; and the unrealised loss from the industry of PRC-based real estate of HK\$714.5 million or decrease in fair value of 20.4% over the year). The Group believes that the increase in price of bonds in PRC-based real estate sector in the Year, among others, was owing to the Federal Reserve of the United States cut the Federal funds rate 3 times totaling 0.75% on 31 July 2019, 18 September 2019 and 31 October 2019 which stimulate the investment market during the Year.

業績(續)

證券投資(續)

於本年度，本集團並無出售任何持作買賣之上市投資（二零一八年：並無出售）。出售債券確認之已變現收益為184,200,000港元（二零一八年：已變現虧損為20,100,000港元），主要包括來自中華人民共和國（「中國」）房地產行業之債券之已變現收益82,000,000港元（二零一八年：7,700,000港元），及海外金融機構行業之債券之已變現收益97,400,000港元（二零一八年：已變現虧損23,200,000港元）以及並無出售保險行業之債券（二零一八年：已變現虧損2,000,000港元）。於本年度，本集團購入19隻（二零一八年：11隻（包括增持現有之債券））債券總額為3,436,700,000港元（二零一八年：2,602,900,000港元），及出售／贖回19隻（二零一八年：40隻）債券（包括部分出售之債券）賬面值總額為2,309,400,000港元（二零一八年：5,381,000,000港元）。購入之債券主要來自中國房地產行業佔96.9%（二零一八年：47.6%）及海外金融機構行業佔3.1%（二零一八年：50.7%）。此外，於本年度來自固定息率票據（「固定息率票據」）及貨幣期權之已變現虧損錄得合共為700,000港元。

此外，本集團錄得債券之公平值變動之未變現收益為978,500,000港元（二零一八年：未變現虧損為1,255,100,000港元），對本集團現金流量並無影響。債券之公平值變動之未變現收益（二零一八年：未變現虧損）乃來自34隻（二零一八年：25隻）債券，主要包括來自海外金融機構行業之未變現收益399,800,000港元或於本年度之公平值增加12.4%；及中國房地產行業之未變現收益518,900,000港元或於本年度之公平值增加11.5%（二零一八年：來自海外金融機構行業之未變現虧損489,400,000港元或於年度之公平值減少12.0%；及中國房地產行業之未變現虧損714,500,000港元或於年度之公平值減少20.4%）。本集團相信於本年度中國房地產行業之債券價格上升，乃因（其中包括）美國聯邦儲備局於二零一九年七月三十一日、二零一九年九月十八日及二零一九年十月三十一日削減聯邦利率三次合共0.75厘，因而於本年度刺激投資市場。

RESULTS (Cont'd)

Securities Investments (Cont'd)

During the Year, interest income from bonds amounted to HK\$714.0 million (2018: HK\$623.4 million), represented 8.46% (2018: 8.72%) (before effect on leverage) return on average market value of bondholding during the Year. The interest income from the FCN amounted to HK\$1.9 million (2018: nil), represented 13.25% (before effect on leverage) return on average market value of the FCN holding during the Year.

Summing up the realised and unrealised gain/loss and adding the net income from interest income, other net investment income and net finance costs of HK\$523.7 million (2018: HK\$1,556.0 million (also included net dividend income)), the gain recognised from securities investments and treasury products was HK\$1,685.7 million (2018: HK\$280.8 million).

The respective income/expense from securities investments under different categories are further elaborated below:

Investments and Treasury Products at Fair Value Through Profit or Loss

The investments and treasury products at FVTPL recorded a profit before and after net finance costs of HK\$1,899.2 million and HK\$1,798.9 million (2018: loss before and after net finance costs of HK\$639.8 million and HK\$710.8 million) respectively for the Year.

Gain from the investments and treasury products at FVTPL reflected in the consolidated statement of comprehensive income for the Year comprised a realised gain on fair value changes of bonds of HK\$184.2 million and realised losses on fair value changes of the FCN and currency option totaling HK\$0.7 million (2018: realised loss of bonds of HK\$20.1 million), an unrealised gain on fair value changes of bonds of HK\$978.5 million (2018: unrealised loss of HK\$1,255.1 million), interest income of bonds and the FCN of HK\$715.9 million (2018: bonds of HK\$623.4 million) and other investment income of HK\$21.3 million (2018: HK\$12.0 million). Net relevant finance costs for the Year was HK\$100.3 million (2018: HK\$71.0 million) including interest expense of HK\$103.8 million (2018: HK\$79.8 million) and exchange gain of HK\$3.5 million (2018: HK\$8.8 million).

業績 (續)

證券投資 (續)

於本年度，債券之利息收入為714,000,000港元（二零一八年：623,400,000港元），於本年度持有債券按平均市值計算之回報為8.46%（二零一八年：8.72%）（槓桿影響前）。固定息率票據之利息收入為1,900,000港元（二零一八年：無），於本年度持有固定息率票據按平均市值計算之回報為13.25%（槓桿影響前）。

總括已變現及未變現收益／虧損以及加入利息收入、其他投資收入淨額及財務費用淨額之收入淨額為523,700,000港元（二零一八年：1,556,000,000港元（且包括股息收入淨額）），證券投資及財資產品確認之收益為1,685,700,000港元（二零一八年：280,800,000港元）。

以下就來自不同類別之證券投資收入／開支作進一步詳述：

通過損益以反映公平值之投資及財資產品

通過損益以反映公平值之投資及財資產品於本年度計入財務費用淨額前／後分別錄得溢利1,899,200,000港元及1,798,900,000港元（二零一八年：財務費用淨額前／後虧損639,800,000港元及710,800,000港元）。

於本年度，通過損益以反映公平值之投資及財資產品之收益反映於綜合全面收益報表內，包括債券之公平值變動之已變現收益184,200,000港元以及固定息率票據及貨幣期權之公平值變動之已變現虧損合共700,000港元（二零一八年：債券之已變現虧損20,100,000港元）、債券之公平值變動之未變現收益978,500,000港元（二零一八年：未變現虧損1,255,100,000港元）、債券及固定息率票據之利息收入715,900,000港元（二零一八年：債券利息收入623,400,000港元）以及其他投資收入21,300,000港元（二零一八年：12,000,000港元）。本年度相關財務費用淨額為100,300,000港元（二零一八年：71,000,000港元），包括利息開支103,800,000港元（二零一八年：79,800,000港元）及匯兌收益3,500,000港元（二零一八年：8,800,000港元）。

RESULTS (Cont'd)

Securities Investments (Cont'd)

The respective income/expense from securities investments under different categories are further elaborated below: (Cont'd)

Investments and Treasury Products at Fair Value Through Profit or Loss (Cont'd)

The table below summarises the performance of bonds and treasury products during the Year:

業績 (續)

證券投資 (續)

以下就來自不同類別之證券投資收入／開支作進一步詳述：(續)

通過損益以反映公平值之投資及財資產品 (續)

下表概述本年度債券及財資產品之表現：

		Realised gain (loss) 已變現收益 (虧損)		Unrealised gain (loss) 未變現收益 (虧損)		Interest income 利息收入		Total profit (loss) 溢利 (虧損) 總額	
		2019 HK\$ million 百萬港元	2018 HK\$ million 百萬港元	2019 HK\$ million 百萬港元	2018 HK\$ million 百萬港元	2019 HK\$ million 百萬港元	2018 HK\$ million 百萬港元	2019 HK\$ million 百萬港元	2018 HK\$ million 百萬港元
Bond issuers by industry	按債券發行人之行業								
Overseas financial institutions	海外金融機構	97.4	(23.2)	399.8	(489.4)	278.7	304.2	775.9	(208.4)
PRC-based real estate	中國房地產	82.0	7.7	518.9	(714.5)	413.9	294.1	1,014.8	(412.7)
Insurance	保險	-	(2.0)	-	-	-	1.2	-	(0.8)
Others	其他	4.8	(2.6)	59.8	(51.2)	21.4	23.9	86.0	(29.9)
		184.2	(20.1)	978.5	(1,255.1)	714.0	623.4	1,876.7	(651.8)
Treasury products	財資產品								
FCN	固定息率票據	(0.4)	-	-	-	1.9	-	1.5	-
Currency option	貨幣期權	(0.3)	-	-	-	-	-	(0.3)	-
		(0.7)	-	-	-	1.9	-	1.2	-
		183.5	(20.1)	978.5	(1,255.1)	715.9	623.4	1,877.9	(651.8)
Other investment income	其他投資收入							21.3	12.0
Profit (loss) before net finance costs	財務費用淨額前之溢利 (虧損)							1,899.2	(639.8)
Net finance costs	財務費用淨額							(100.3)	(71.0)
Profit (loss) after net finance costs	財務費用淨額後之溢利 (虧損)							1,798.9	(710.8)

RESULTS (Cont'd)

Securities Investments (Cont'd)

The respective income/expense from securities investments under different categories are further elaborated below: (Cont'd)

Listed Equity Investments at Fair Value Through Other Comprehensive Income

(a) Implication on Profit or Loss for the Year

Dividend income (if any), other investment income and relevant finance costs of holding listed equity investments at FVTOCI were recognised in profit or loss for the Year. During the Year, no dividend income was recorded from holding of 860,000,000 shares of China Evergrande Group (stock code: 3333) ("China Evergrande") ("Evergrande Shares") and another listed equity investment at FVTOCI, hence the results from listed equity investments at FVTOCI recorded a net loss of HK\$113.2 million (2018: net gain of HK\$991.6 million) mainly represented its net relevant finance costs (2018: comprised net dividend income of HK\$1,106.5 million (after transaction costs), other investment income of HK\$0.7 million and net relevant finance costs of HK\$115.6 million). Subsequent to the end of the reporting period, the Group received dividend income from the Evergrande Shares of HK\$1,357.1 million which would be recorded in profit or loss for the year ending 31 December 2020.

(b) Implication on Other Comprehensive Expenses for the Year

During the Year, the unit share price of China Evergrande had dropped from HK\$23.45 as at 31 December 2018 to HK\$21.60 as at 31 December 2019, or 7.9% over the Year, hence an unrealised loss on fair value change of listed equity investment at FVTOCI of HK\$1,591.0 million (2018: HK\$3,052.2 million) was recognised in other comprehensive expenses. Together with unrealised gain on fair value change of another listed equity investment at FVTOCI of HK\$0.4 million (2018: nil), the total unrealised fair value change was loss of HK\$1,590.6 million (2018: HK\$3,052.2 million). Realised gain/loss on fair value change is a cash item while unrealised fair value change is a non-cash item and will not affect the cash flow of the Group. The Group believes that the decrease in share price of China Evergrande for the Year, among others, was owing to the unstable business environment in the PRC, and China Evergrande, a PRC-based company with United States dollar ("US\$") debt exposure against a weakened Renminbi ("RMB") currency, was adversely impacted.

業績 (續)

證券投資 (續)

以下就來自不同類別之證券投資收入／開支作進一步詳述：(續)

通過其他全面收益以反映公平值之上市股本投資

(a) 本年度損益之影響

於本年度，持有通過其他全面收益以反映公平值之上市股本投資而產生之股息收入（如有）、其他投資收入及相關財務費用於損益內確認。於本年度，並無錄得來自持有860,000,000股中國恒大集團（股份代號：3333）（「中國恒大」）股份（「恒大股份」）及另一通過其他全面收益以反映公平值之上市股本投資之股息收入，因此通過其他全面收益以反映公平值之上市股本投資之業績錄得虧損淨額113,200,000港元（二零一八年：收益淨額991,600,000港元），主要為相關財務費用淨額（二零一八年：包括股息收入淨額1,106,500,000港元（扣除交易成本後）、其他投資收入700,000港元及相關財務費用淨額115,600,000港元）。於報告期末後，本集團已收取來自恒大股份之股息收入1,357,100,000港元，股息收入將計入截至二零二零年十二月三十一日止年度之損益內。

(b) 本年度其他全面支出之影響

於本年度，中國恒大每股股價由二零一八年十二月三十一日之23.45港元下跌至二零一九年十二月三十一日之21.60港元或於本年度下跌7.9%，因此通過其他全面收益以反映公平值之上市股本投資之公平值變動之未變現虧損1,591,000,000港元（二零一八年：3,052,200,000港元）於其他全面支出內確認。連同另一通過其他全面收益以反映公平值之上市股本投資之公平值變動之未變現收益400,000港元（二零一八年：無），未變現公平值變動總額為虧損1,590,600,000港元（二零一八年：3,052,200,000港元）。公平值變動之已變現收益／虧損乃現金項目，而未變現公平值變動乃非現金項目，對本集團現金流量並無構成影響。本集團相信於本年度中國恒大之股價下跌乃因（其中包括）中國營商環境不穩定，及人民幣（「人民幣」）疲弱使中國恒大（一間中國公司）面對美元（「美元」）債務風險以致有不利影響。

RESULTS (Cont'd)

Securities Investments (Cont'd)

The respective income/expense from securities investments under different categories are further elaborated below: (Cont'd)

Listed Equity Investments at Fair Value Through Other Comprehensive Income (Cont'd)

The table below summarises the performance of listed equity investments at FVTOCI during the Year:

業績 (續)

證券投資 (續)

以下就來自不同類別之證券投資收入／開支作進一步詳述：(續)

通過其他全面收益以反映公平值之上市股本投資 (續)

下表概述於本年度通過其他全面收益以反映公平值之上市股本投資之表現：

		Stock code	Number of shares	Closing price (per share)	Recorded in consolidated statement of financial position 錄入綜合財務狀況報表		Recorded in consolidated statement of comprehensive income 錄入綜合全面收益報表	
					Financial assets measured at fair value through other comprehensive income 通過其他全面收益以反映公平值計量之金融資產之儲備	Financial assets measured at fair value through other comprehensive income reserve 通過其他全面收益以反映公平值計量之金融資產之儲備	Loss for the Year	Other comprehensive expenses for the Year
		股份代號	股份數目	收市價 (每股)	HK\$ million 百萬元	HK\$ million 百萬元	HK\$ million 百萬元	HK\$ million 百萬元
At 31 December 2018	於二零一八年十二月三十一日	3333	860,000,000	23.45	20,167.0	6,571.0		
Purchase	購入	9988	12,800		2.3	-		
Unrealised fair value changes	未變現公平值變動	3333			(1,591.0)	(1,591.0)	-	(1,591.0)
Unrealised fair value changes	未變現公平值變動	9988			0.4	0.4	-	0.4
Net finance costs	財務費用淨額				(1,590.6)	(1,590.6)	(113.2)	(1,590.6)
Loss/other comprehensive expenses for the Year	本年度虧損／其他全面支出						(113.2)	(1,590.6)
At 31 December 2019	於二零一九年十二月三十一日				18,578.7	4,980.4		
Representing	代表	3333	860,000,000	21.60	18,576.0	4,980.0		
		9988	12,800	207.20	2.7	0.4		
					18,578.7	4,980.4		
Percentage to total assets At 31 December 2019	估資產總額之百分比於二零一九年十二月三十一日				38.4%			
At 31 December 2018	於二零一八年十二月三十一日				41.4%			

RESULTS (Cont'd)

Other Income and Expenses

Other income for the Year, which mainly came from net building management fee income, rental services income, property management services, leasing administration services and property administration services income and overprovision of costs in respect of a development project, net, decreased to HK\$59.9 million (2018: HK\$173.1 million (also included consultancy fee income, exchange gain, net and reversal of impairment in respect of other receivable and interest thereon)), representing a decrease of 65.4%. The decrease was mainly due to absence of consultancy fee income and reversal of impairment in respect of other receivable and interest thereon for the Year while a total of HK\$104.0 million was recorded in 2018.

During the Year, administrative expenses increased by 5.5% to HK\$269.5 million (2018: HK\$255.5 million). Finance costs increased by 7.3% to HK\$370.2 million (2018: HK\$345.0 million) during the Year, including exchange gain of HK\$4.3 million (2018: HK\$9.5 million) on translation of foreign currency other borrowings hedged for foreign currency securities investments and exchange gain of HK\$9.5 million (2018: exchange loss of HK\$2.6 million) on translation of a foreign currency bank borrowing. The increase in finance costs was mainly due to the increase in interest rates during the Year.

Other gains and losses for the Year recorded a loss of HK\$12.3 million comprised loss on dissolution of subsidiaries of HK\$10.6 million, write-down of stock of properties of HK\$0.7 million and impairment loss recognised in respect of advances to associates of HK\$1.0 million (2018: HK\$2.6 million mainly comprised write-down of stock of properties of HK\$2.5 million). The Group recognised a full impairment loss of goodwill of HK\$322.9 million (2018: nil) attributable to the cash-generating unit operated in the United Kingdom for the Year, which includes an investment property in the United Kingdom (details are disclosed in Note 23 to the consolidated financial statements of this annual report). Recognition of impairment loss is a non-cash item and will not affect the cash flow of the Group.

業績 (續)

其他收入及開支

本年度之其他收入主要來自樓宇管理費收入淨額、租賃服務收入、物業管理服務、租務行政服務及物業行政服務收入以及就一項發展項目之成本超額撥備淨額，減少至59,900,000港元（二零一八年：173,100,000港元（且包括顧問費收入、匯兌收益淨額以及撥回其他應收賬項之減值及相關利息）），減幅為65.4%。該減少主要由於本年度不存在顧問費收入以及撥回其他應收賬項之減值及相關利息而於二零一八年合共錄得104,000,000港元。

於本年度，行政開支增加5.5%至269,500,000港元（二零一八年：255,500,000港元）。財務費用於本年度增加7.3%至370,200,000港元（二零一八年：345,000,000港元），當中包括外幣其他借貸用以對沖外幣證券投資所產生之匯兌收益4,300,000港元（二零一八年：9,500,000港元）及外幣銀行借貸所產生之匯兌收益9,500,000港元（二零一八年：匯兌虧損2,600,000港元）。財務費用之增加主要由於於本年度利率上升所致。

本年度其他收益及虧損錄得虧損12,300,000港元，包括附屬公司解散之虧損10,600,000港元、物業存貨之減值700,000港元以及就墊付聯營公司款項確認之減值虧損1,000,000港元（二零一八年：2,600,000港元）主要包含物業存貨之減值2,500,000港元。本集團於本年度就英國經營之現金產生單位（包括一項英國之投資物業）確認商譽之悉數減值虧損為322,900,000港元（二零一八年：無）（詳情已於本年報之綜合財務報表附註23內披露）。減值虧損之確認乃非現金項目，對本集團之現金流量並無構成影響。

RESULTS (Cont'd)

Investments Accounted for Using the Equity Method

The share of results of investments accounted for using the equity method for the Year recorded a profit of HK\$209.7 million (2018: HK\$232.3 million), comprised profit from the share of results of associates and a joint venture of HK\$5.0 million (2018: HK\$228.8 million) and HK\$204.7 million (2018: HK\$3.5 million) respectively. The decrease in profit from share of results of associates was mainly due to the decrease in fair value of investment properties held by associates while the increase in profit from share of result of a joint venture was mainly due to the increase in fair value of investment property held by the joint venture.

Fair Value Changes on Investment Properties

Investment properties of the Group in Hong Kong and Mainland China were revalued at 31 December 2019 by B.I. Appraisals Limited ("B.I. Appraisals") whereas investment properties in the United Kingdom were revalued by Peak Vision Appraisals Limited ("Peak Vision Appraisals"). B.I. Appraisals and Peak Vision Appraisals are independent property valuers. An unrealised loss on fair value changes of investment properties of HK\$742.7 million (2018: gain of HK\$122.3 million) was recorded during the Year. The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

PROFIT, CORE PROFIT, DIVIDENDS, REPURCHASE, CASH PAYMENT RATIO AND TOTAL COMPREHENSIVE EXPENSES

Profit

Profit for the Year attributable to owners of the Company was HK\$790.2 million as compared to HK\$1,015.3 million for last year. The decrease in profit for the Year was mainly due to (a) no dividend income (2018: HK\$1,106.8 million) was recognised from the Evergrande Shares during the Year; (b) the fair value changes of investment properties turning to loss of HK\$742.7 million as compared with gain of HK\$122.3 million; (c) recognition of an impairment loss of goodwill of HK\$322.9 million (2018: nil); and (d) no attributable property sales profit (2018: HK\$183.3 million) was recognised during the Year despite of the result from the segment of investments and treasury products at FVTPL turning to profit of HK\$1,798.9 million as compared with loss of HK\$710.8 million recorded in 2018. Earnings per share for the Year was HK\$0.41 (2018: HK\$0.53).

業績 (續)

以權益法入賬之投資

本年度攤佔以權益法入賬投資之業績錄得溢利209,700,000港元(二零一八年:232,300,000港元),包括攤佔聯營公司及一間合資公司業績之溢利分別為5,000,000港元(二零一八年:228,800,000港元)及204,700,000港元(二零一八年:3,500,000港元)。攤佔聯營公司業績之溢利減少乃主要由於聯營公司所持投資物業公平值減少,而攤佔一間合資公司業績之溢利增加乃主要由於該合資公司所持投資物業公平值上升所致。

投資物業之公平值變動

保柏國際評估有限公司(「保柏國際評估」)已就本集團位於香港及中國大陸之投資物業進行於二零一九年十二月三十一日之物業估值。至於本集團位於英國之投資物業,由滙鋒評估有限公司(「滙鋒評估」)進行物業估值。保柏國際評估及滙鋒評估均為獨立物業估值師。於本年度錄得投資物業之公平值變動之未變現虧損為742,700,000港元(二零一八年:收益為122,300,000港元)。未變現之公平值變動乃非現金項目,對本集團現金流量並無構成影響。

溢利、核心溢利、股息、回購、現金支出比率及全面支出總額

溢利

本公司擁有人應佔本年度之溢利為790,200,000港元,相比去年為1,015,300,000港元。本年度溢利減少主要由於(a)於本年度並無確認來自恆大股份之股息收入(二零一八年:1,106,800,000港元);(b)投資物業之公平值變動轉為虧損742,700,000港元,相比去年之收益122,300,000港元;(c)商譽之確認減值虧損322,900,000港元(二零一八年:無);及(d)於本年度並無確認應佔物業銷售溢利(二零一八年:183,300,000港元),儘管來自分類為通過損益以反映公平值之投資及財資產品轉為溢利1,798,900,000港元,相比二零一八年錄得虧損為710,800,000港元。本年度之每股溢利為0.41港元(二零一八年:0.53港元)。

PROFIT, CORE PROFIT, DIVIDENDS, REPURCHASE, CASH PAYMENT RATIO AND TOTAL COMPREHENSIVE EXPENSES (Cont'd)

Core Profit

If the net loss on the major non-cash items of HK\$907.2 million (2018: net gain of HK\$297.0 million) is excluded, the Group will have a core profit for the Year attributable to owners of the Company of HK\$1,697.4 million (2018: HK\$718.3 million) and a core profit per share of HK\$0.89 (2018: HK\$0.38).

The major non-cash items represented the attributable net unrealised fair value loss on investment properties together with their respective deferred tax from the Group and its associates and joint venture of HK\$584.3 million (2018: net gain of HK\$297.0 million) and impairment loss of goodwill of HK\$322.9 million (2018: nil).

Dividends

Final dividend of HK10 cents (year ended 31 December 2017: HK10 cents) per share in total amount of HK\$190.8 million for the year ended 31 December 2018 was paid in cash on 12 June 2019.

Interim dividend of HK1 cent (half year ended 30 June 2018: HK1 cent) per share in total amount of HK\$19.1 million for the half year ended 30 June 2019 was paid in cash on 27 August 2019.

Total dividends of HK\$209.9 million were paid in cash during the Year.

Repurchase

During the Year, the Company had not repurchased any of the Company's share.

Cash Payment Ratio

Based on (a) the core profit for the Year of HK\$1,697.4 million or HK\$0.89 per share (2018: HK\$718.3 million or HK\$0.38 per share); (b) cash final dividend for the Year of HK1 cent (2018: HK10 cents) per share proposed; and (c) cash interim dividend for 2019 of HK1 cent (2018: HK1 cent) per share paid, the ratio of such cash payment to the core profit is 2.2% (2018: 28.9%).

溢利、核心溢利、股息、回購、現金支出比率及全面支出總額(續)

核心溢利

如撇除主要非現金項目虧損淨額907,200,000港元(二零一八年: 收益淨額297,000,000港元), 本集團將錄得本公司擁有人應佔本年度之核心溢利1,697,400,000港元(二零一八年: 718,300,000港元)及每股核心溢利為0.89港元(二零一八年: 0.38港元)。

主要非現金項目乃指來自本集團以及其聯營公司及合資公司之應佔投資物業之未變現公平值虧損淨額連同其相關之遞延稅項共584,300,000港元(二零一八年: 收益淨額297,000,000港元)以及商譽之減值虧損322,900,000港元(二零一八年: 無)。

股息

截至二零一八年十二月三十一日止年度之每股10港仙(截至二零一七年十二月三十一日止年度: 每股10港仙)總額為190,800,000港元之末期股息, 已於二零一九年六月十二日以現金派付。

截至二零一九年六月三十日止半年度之每股1港仙(截至二零一八年六月三十日止半年度: 每股1港仙)總額為19,100,000港元之中期股息, 已於二零一九年八月二十七日以現金派付。

於本年度, 以現金派付之股息總額為209,900,000港元。

回購

於本年度, 本公司並無回購本公司之任何股份。

現金支出比率

根據(a)本年度之核心溢利1,697,400,000港元或每股0.89港元(二零一八年: 718,300,000港元或每股0.38港元); (b)建議宣派以現金派付本年度之末期股息每股1港仙(二零一八年: 每股10港仙); 及(c)以現金派付之二零一九年中期股息每股1港仙(二零一八年: 每股1港仙), 該現金支出與核心溢利之比率為2.2%(二零一八年: 28.9%)。

PROFIT, CORE PROFIT, DIVIDENDS, REPURCHASE, CASH PAYMENT RATIO AND TOTAL COMPREHENSIVE EXPENSES (Cont'd)

Total Comprehensive Expenses

Total comprehensive expenses for the Year attributable to owners of the Company was HK\$283.6 million or HK\$0.15 per share (2018: HK\$2,117.0 million or HK\$1.11 per share), which comprised (a) profit for the Year attributable to owners of the Company of HK\$790.2 million (2018: HK\$1,015.3 million); and (b) other comprehensive expenses for the Year attributable to owners of the Company of HK\$1,073.8 million (2018: HK\$3,132.3 million) which mainly included unrealised loss on fair value changes of listed equity investments at FVTOCI of HK\$1,590.6 million (2018: HK\$3,052.2 million), details are disclosed in the sub-paragraph headed "Listed Equity Investments at Fair Value Through Other Comprehensive Income (b) Implication on Other Comprehensive Expenses for the Year" of paragraph headed "Securities Investments" above.

NET ASSET VALUE

As at 31 December 2019, the Group's net asset value attributable to owners of the Company amounted to HK\$33,568.9 million (2018: HK\$34,062.4 million), a decrease of HK\$493.5 million or 1.4% when compared with 31 December 2018. With the total number of ordinary shares in issue of 1,907,619,079 as at 31 December 2019 and 2018, the net asset value per share attributable to owners of the Company was HK\$17.60 (2018: HK\$17.86). The movement in net asset value was mainly due to (a) total comprehensive expenses for the Year attributable to owners of the Company of HK\$283.6 million; and (b) final and interim dividends recognised as distribution during the Year totaling HK\$209.9 million.

During the Year, loss on fair value changes of the listed equity investments categorised as financial assets measured at FVTOCI of HK\$1,590.6 million (2018: HK\$3,015.5 million, as well as the transaction cost of disposal of certain Evergrande Shares of HK\$1.0 million) was recorded in other comprehensive expenses. The cumulative amount of gain on fair value changes of listed equity investments included in financial assets measured at FVTOCI reserve was HK\$4,980.4 million as at 31 December 2019 (2018: HK\$6,571.0 million).

溢利、核心溢利、股息、回購、現金支出比率及全面支出總額 (續)

全面支出總額

本公司擁有人應佔本年度之全面支出總額為283,600,000港元或每股0.15港元(二零一八年: 2,117,000,000港元或每股1.11港元), 其中包括(a)本公司擁有人應佔本年度之溢利790,200,000港元(二零一八年: 1,015,300,000港元); 及(b)本公司擁有人應佔本年度之其他全面支出1,073,800,000港元(二零一八年: 3,132,300,000港元), 主要包括通過其他全面收益以反映公平值之上市股本投資之公平值變動未變現虧損1,590,600,000港元(二零一八年: 3,052,200,000港元), 詳情已於上文「證券投資」一段中之「通過其他全面收益以反映公平值之上市股本投資(b)本年度其他全面支出之影響」分段內披露。

資產淨值

於二零一九年十二月三十一日, 本公司擁有人應佔本集團之資產淨值為33,568,900,000港元(二零一八年: 34,062,400,000港元), 較二零一八年十二月三十一日減少493,500,000港元或1.4%。根據於二零一九年及二零一八年十二月三十一日之已發行普通股總數1,907,619,079股計算, 本公司擁有人應佔之每股資產淨值為17.60港元(二零一八年: 17.86港元)。資產淨值變動主要由於(a)本公司擁有人應佔本年度之全面支出總額283,600,000港元; 及(b)於本年度已確認派發之末期及中期股息共209,900,000港元。

於本年度, 分類為通過其他全面收益以反映公平值計量之金融資產之上市股本投資之公平值變動虧損為1,590,600,000港元(二零一八年: 3,015,500,000港元)以及出售若干恆大股份之交易成本為1,000,000港元, 並錄入為其他全面支出。於二零一九年十二月三十一日, 上市股本投資之公平值變動收益之累計金額4,980,400,000港元(二零一八年: 6,571,000,000港元)已包括在通過其他全面收益以反映公平值計量之金融資產之儲備內。

NET ASSET VALUE (Cont'd)

Other than the disposals of debt securities and the acquisition of the remaining 49% interest in Landrich (H.K.) Limited (as disclosed in the paragraph headed "Other Information and Events After the Reporting Period" in the section headed "Chairman's Statement" of this annual report) and those disclosed in the final results, the Group did not have material acquisition or disposal of assets and any future plans for material investment or capital assets.

NET CURRENT LIABILITIES

The Group recorded net current liabilities as at 31 December 2019 of HK\$1,138.6 million (2018: HK\$2,749.8 million), of which current assets were HK\$8,653.9 million (2018: HK\$7,104.6 million) and current liabilities were HK\$9,792.5 million (2018: HK\$9,854.4 million). The position was mainly due to certain of the Group's current liabilities had been utilised to finance the Group's non-current assets.

In the consolidated statement of financial position and within securities investment activities, which comprised of bonds and listed equity investments, the total carrying amount as at 31 December 2019 was HK\$27,554.2 million (2018: HK\$26,852.5 million). Included in non-current assets were part of the bonds in the sum of HK\$1,607.4 million (2018: HK\$1,271.6 million) presented as financial assets measured at FVTPL and listed equity investments in the sum of HK\$18,578.7 million (2018: HK\$20,167.0 million) presented as financial assets measured at FVTOCI. Included in current assets were part of the bonds in the sum of HK\$7,368.1 million (2018: HK\$5,413.9 million) presented as financial assets measured at FVTPL. Margin loans utilised to finance the securities investments in both non-current and current assets in the sum of HK\$7,128.4 million (2018: HK\$7,330.5 million) were presented as borrowings in current liabilities.

If the margin loans of HK\$7,128.4 million (2018: HK\$7,330.5 million) were allocated into the securities investments secured according to the respective non-current and current assets presentation, HK\$3,431.4 million (2018: HK\$4,240.4 million) and HK\$3,697.0 million (2018: HK\$3,090.1 million) were secured by the securities investments in non-current and current assets respectively.

資產淨值 (續)

除出售債務證券及收購隆裕(香港)有限公司餘下49%權益(於本年報「主席報告書」一節中「其他資料及報告期末後事項」一段內披露)以及於全年業績內所披露者外,本集團並無重大收購或出售資產及重大投資或資本資產之未來計劃。

流動負債淨值

於二零一九年十二月三十一日,本集團錄得流動負債淨值1,138,600,000港元(二零一八年:2,749,800,000港元),其中流動資產為8,653,900,000港元(二零一八年:7,104,600,000港元)及流動負債為9,792,500,000港元(二零一八年:9,854,400,000港元)。該狀況主要由於本集團若干流動負債用作融資本集團非流動資產所致。

於綜合財務狀況報表及證券投資活動中,包括債券及上市股本投資於二零一九年十二月三十一日之賬面值總額為27,554,200,000港元(二零一八年:26,852,500,000港元)。非流動資產當中包括呈列為通過損益以反映公平值計量之金融資產之部分債券1,607,400,000港元(二零一八年:1,271,600,000港元)及呈列為通過其他全面收益以反映公平值計量之金融資產之上市股本投資18,578,700,000港元(二零一八年:20,167,000,000港元)。流動資產當中包括呈列為通過損益以反映公平值計量之金融資產之部分債券7,368,100,000港元(二零一八年:5,413,900,000港元)。用作融資非流動及流動資產中之證券投資之保證金貸款合共7,128,400,000港元(二零一八年:7,330,500,000港元),呈列為流動負債中之借貸。

倘將保證金貸款7,128,400,000港元(二零一八年:7,330,500,000港元)以相關呈列於非流動及流動資產中之抵押證券投資分配,3,431,400,000港元(二零一八年:4,240,400,000港元)及3,697,000,000港元(二零一八年:3,090,100,000港元)之保證金貸款分別以非流動及流動資產中證券投資作為抵押。

NET CURRENT LIABILITIES (Cont'd)

If the margin loans secured by the securities investments in non-current assets of HK\$3,431.4 million (2018: HK\$4,240.4 million) were reclassified as non-current liabilities, the net current liabilities position of the Group would become net current assets position as at 31 December 2019 of HK\$2,292.8 million (2018: HK\$1,490.6 million).

The ratio of margin loans against securities investments was loan-to-value ratio, which was 25.9% as at 31 December 2019 (2018: 27.3%). In accordance with the terms and conditions of margin loans facility agreements of the Group with financial institutions, among others, as long as the securities investments maintained market value which is in excess of pre-defined loan-to-value ratios as set out by the financial institutions, the margin loans upon interest payment due date would be roll-overed month-for-month, and repayment of margin loans by the Group to financial institutions would not be required. As such, very often margin loans of the Group which were presented as current liabilities would not be current and would be repayable over one year. In the event that the Group intends to reduce or repay part of the margin loans, the Group might, among others, dispose of some of the securities investments to effect the payment.

Securities investments and treasury products of the Group were frequently traded in the market, and formed part of the Group's treasury management. They were presented as non-current assets and current assets according to their intended holding periods.

If the entire securities investments and treasury products of the Group as at 31 December 2019 were presented as current assets, current assets would be increased by HK\$20,186.1 million (2018: HK\$21,438.6 million), and net current liabilities position of HK\$1,138.6 million (2018: HK\$2,749.8 million) would become net current assets position of HK\$19,047.5 million (2018: HK\$18,688.8 million).

The Group believes that the net current liabilities position as at 31 December 2019 would not have adverse financial effect to the Group's liquidity or gearing position and the Group has ability to continue as a going concern.

流動負債淨值 (續)

倘以非流動資產中證券投資作為抵押之保證金貸款3,431,400,000港元(二零一八年: 4,240,400,000港元)被重新分類為非流動負債,本集團於二零一九年十二月三十一日之流動負債淨值狀況將變為流動資產淨值狀況2,292,800,000港元(二零一八年: 1,490,600,000港元)。

貸款價值比率乃保證金貸款除以證券投資之比率,於二零一九年十二月三十一日為25.9%(二零一八年: 27.3%)。根據本集團與金融機構之保證金貸款融資協議之條款及條件(其中包括),只要證券投資之市值維持超過金融機構規定之預先定義貸款價值比率,到期支付利息之保證金貸款將按月滾存,本集團無需向金融機構償還保證金貸款。因此,本集團慣常將保證金貸款呈列為流動負債,然而並非流動以及將於一年後償還。倘本集團有意減少或償還部分保證金貸款,則本集團可能(其中包括)出售部分證券投資以支付貸款。

本集團之證券投資及財資產品經常於市場買賣,及成為本集團財資管理之一部分。證券投資及財資產品乃按擬定持有期呈列為非流動資產及流動資產。

倘將本集團於二零一九年十二月三十一日之全部證券投資及財資產品呈列為流動資產,流動資產將會增加20,186,100,000港元(二零一八年: 21,438,600,000港元),及流動負債淨值狀況1,138,600,000港元(二零一八年: 2,749,800,000港元)將變為流動資產淨值狀況19,047,500,000港元(二零一八年: 18,688,800,000港元)。

本集團相信,於二零一九年十二月三十一日之流動負債淨值狀況將不會對本集團之流動資金或負債狀況造成不利之財務影響,且本集團能夠繼續持續經營。

SECURITIES INVESTMENTS

The Group's strategy is to maintain securities investment portfolio for treasury management and invest in securities investments and treasury products with attractive yield and good prospect in order to bring stable and satisfactory realised return in long run. During the Year, the Group diversified the bonds portfolio comprised of the bonds issued by overseas financial institutions and PRC-based real estate companies.

As at 31 December 2019, the portfolio of securities investments and treasury products of HK\$27,554.2 million (2018: HK\$26,852.5 million) comprised (a) bonds (financial assets measured at FVTPL (non-current and current assets in aggregate)) of HK\$8,975.5 million (2018: HK\$6,685.5 million); and (b) listed equity investments (financial assets measured at FVTOCI) of HK\$18,578.7 million (2018: HK\$20,167.0 million), representing 57.0% (2018: 55.1%) of total assets.

The respective securities investments under different categories are elaborated below:

Listed Equity Investments at Fair Value Through Other Comprehensive Income

In prior years, the Group had acquired 860,000,000 shares of China Evergrande and recorded as financial assets measured at FVTOCI. During the Year, no acquisition or disposal of shares of China Evergrande. The Group held 860,000,000 shares of China Evergrande, representing approximately 6.5% of the total issued share capital of China Evergrande as at 31 December 2019.

As at 31 December 2018, the cumulative unrealised gain on fair value change of the Evergrande Shares was HK\$6,571.0 million and the carrying amount of the Evergrande Shares was HK\$20,167.0 million. After deducting the unrealised fair value loss of HK\$1,591.0 million for the Year, the carrying amount of the Evergrande Shares as at 31 December 2019 was HK\$18,576.0 million, representing 38.4% (2018: 41.4%) of total assets. The cumulative unrealised gain on fair value change of the Evergrande Shares was reduced from HK\$6,571.0 million as at 31 December 2018 to HK\$4,980.0 million as at 31 December 2019, which was recorded in the financial assets measured at FVTOCI reserve.

證券投資

本集團之策略是維持證券投資組合之財資管理以及投資具吸引收益率及良好前景之證券投資及財資產品，以確保長遠帶來穩定及滿意之變現回報。於本年度，本集團使債券組合多元化，組合包括海外金融機構及中國房地產公司發行之債券。

於二零一九年十二月三十一日，證券投資及財資產品組合27,554,200,000港元（二零一八年：26,852,500,000港元）中包括(a)債券（通過損益以反映公平值計量之金融資產（合共於非流動及流動資產內））8,975,500,000港元（二零一八年：6,685,500,000港元）；及(b)上市股本投資（通過其他全面收益以反映公平值計量之金融資產）18,578,700,000港元（二零一八年：20,167,000,000港元），佔資產總額57.0%（二零一八年：55.1%）。

以下就不同類別之證券投資作出詳述：

通過其他全面收益以反映公平值之上市股本投資

於過往年度，本集團購入860,000,000股中國恒大股份，並列為通過其他全面收益以反映公平值計量之金融資產。於本年度，本集團並無購入或出售中國恒大股份，並持有860,000,000股中國恒大股份（相當於中國恒大於二零一九年十二月三十一日之全部已發行股本約6.5%）。

於二零一八年十二月三十一日，恒大股份之公平值變動之累計未變現收益為6,571,000,000港元及恒大股份之賬面值為20,167,000,000港元。經扣除本年度未變現公平值虧損1,591,000,000港元後，於二零一九年十二月三十一日恒大股份之賬面值為18,576,000,000港元，佔資產總額38.4%（二零一八年：41.4%）。恒大股份之公平值變動之累計未變現收益由二零一八年十二月三十一日之6,571,000,000港元下降至於二零一九年十二月三十一日之4,980,000,000港元，並已錄入通過其他全面收益以反映公平值計量之金融資產之儲備內。

SECURITIES INVESTMENTS (Cont'd)

The respective securities investments under different categories are elaborated below: (Cont'd)

Listed Equity Investments at Fair Value Through Other Comprehensive Income (Cont'd)

China Evergrande group is principally engaged in property development, property investment, property management, new energy vehicle business, hotel operations, finance business, internet business and health industry business in the PRC. According to the audited consolidated financial statements of China Evergrande for the years ended 31 December 2018 and 2017, the revenue and profit attributable to shareholders were RMB466.2 billion (2017: RMB311.0 billion) and RMB37.4 billion (2017: RMB24.4 billion) respectively; while the total assets and total equity were RMB1,880.0 billion (2017: RMB1,761.8 billion) and RMB308.6 billion (2017: RMB242.2 billion) respectively, the net debt was RMB468.9 billion (2017: RMB444.9 billion). In accordance with the unaudited consolidated financial statements of China Evergrande for the six months ended 30 June 2019, the revenue and profit attributable to shareholders were RMB227.0 billion and RMB14.9 billion respectively; while the total assets and total equity were RMB2,098.5 billion and RMB345.3 billion respectively, the net debt was RMB525.2 billion. Net debt is calculated as total borrowings less cash and cash equivalents and restricted cash.

During the Year, the Group acquired another listed equity investment at HK\$2.3 million (including transaction costs), and an unrealised gain on fair value change of HK\$0.4 million was recorded in other comprehensive expenses. As at 31 December 2019, the carrying amount was HK\$2.7 million.

As at 31 December 2019, the listed equity investments recorded as financial assets measured at FVTOCI was HK\$18,578.7 million and cumulative unrealised gain on fair value changes of HK\$4,980.4 million was recorded in the financial assets measured at FVTOCI reserve. The unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

證券投資 (續)

以下就不同類別之證券投資作出詳述：(續)

通過其他全面收益以反映公平值之上市股本投資 (續)

中國恒大集團主要於中國從事房地產開發、物業投資、物業管理、新能源汽車業務、酒店運營、金融業務、互聯網業務及健康業務。根據中國恆大於截至二零一八年及二零一七年十二月三十一日止年度之經審核綜合財務報表，收入及股東應佔溢利分別為人民幣466,200,000,000 (二零一七年：人民幣311,000,000,000) 及人民幣37,400,000,000 (二零一七年：人民幣24,400,000,000)；而資產總額及股本權益總額分別為人民幣1,880,000,000,000 (二零一七年：人民幣1,761,800,000,000) 及人民幣308,600,000,000 (二零一七年：人民幣242,200,000,000)，債務淨額為人民幣468,900,000,000 (二零一七年：人民幣444,900,000,000)。根據中國恆大於截至二零一九年六月三十日止六個月之未經審核綜合財務報表，收入及股東應佔溢利分別為人民幣227,000,000,000 及人民幣14,900,000,000；而資產總額及股本權益總額分別為人民幣2,098,500,000,000 及人民幣345,300,000,000，債務淨額為人民幣525,200,000,000。債務淨額乃按借貸總額減現金及現金等值物以及受限制現金計算。

於本年度，本集團以2,300,000港元（包括交易成本）購入另一上市股本投資及其公平值變動之未變現收益400,000港元計入其他全面支出內。於二零一九年十二月三十一日之賬面值為2,700,000港元。

於二零一九年十二月三十一日，計入通過其他全面收益以反映公平值計量之金融資產之上市股本投資為18,578,700,000港元及公平值變動之累計未變現收益為4,980,400,000港元並包括在通過其他全面收益以反映公平值計量之金融資產之儲備內。未變現公平值變動乃非現金項目，對本集團現金流量並無構成影響。

SECURITIES INVESTMENTS (Cont'd)

The respective securities investments under different categories are elaborated below: (Cont'd)

Investments and Treasury Products at Fair Value Through Profit or Loss

As at 31 December 2018, the carrying amount of the bonds presented as financial assets measured at FVTPL was HK\$6,685.5 million. During the Year, the bonds portfolio was increased by a net acquisition of HK\$1,127.3 million. After adding the fair value gain of HK\$1,162.7 million, the bonds portfolio of the Group became HK\$8,975.5 million as at 31 December 2019, representing 18.6% (2018: 13.7%) of total assets, which formed part of the Group's cash management activities.

As at 31 December 2019, the bonds portfolio comprised of bonds issued by overseas financial institutions of 40.5% (2018: 53.7%), PRC-based real estate companies of 55.9% (2018: 41.6%) and other industries of 3.6% (2018: 4.7%). They are denominated in different currencies with 97.0% (2018: 96.7%) in US\$ and 3.0% (2018: 3.3%) in Pound Sterling ("GBP"). The bonds denominated in US\$ carry at fixed rate range from 4.750% to 13.750% (2018: 4.750% to 9.375%) per annum of which notional amount of US\$937.0 million (2018: US\$911.4 million) are callable, all bonds denominated in GBP carry at fixed rate range from 5.875% to 7.250% (2018: 5.875% to 7.250%) per annum of notional amount of GBP24.5 million (2018: GBP22.5 million) are callable. As at 31 December 2019, the bonds portfolio comprised of 34 bonds (2018: 25 bonds); in terms of credit rating, investment grade, non-investment grade and unrated were 5 bonds, 26 bonds and 3 bonds (2018: 5 bonds, 16 bonds and 4 bonds) respectively. In terms of maturity, 17 bonds (2018: 14 bonds) were contingent convertible bonds issued by overseas financial institutions which were perpetual with no fixed tenor. 17 bonds (2018: 11 bonds) issued by issuers other than overseas financial institutions will be matured between 2020 to 2046 and no perpetual bond (2018: 8 bonds) would be matured between 2021 to 2046 and the remaining 3 bonds were perpetual).

證券投資 (續)

以下就不同類別之證券投資作出詳述：(續)

通過損益以反映公平值之投資及財資產品

於二零一八年十二月三十一日，呈列於通過損益以反映公平值計量之金融資產之債券賬面值為6,685,500,000港元。於本年度，該債券組合已就購入淨額增加1,127,300,000港元。經計入公平值收益1,162,700,000港元後，本集團於二零一九年十二月三十一日之債券組合為8,975,500,000港元，佔資產總額18.6%（二零一八年：13.7%），該組合為本集團資金管理活動之一部分。

於二零一九年十二月三十一日，該債券組合包括40.5%（二零一八年：53.7%）由海外金融機構發行、55.9%（二零一八年：41.6%）由中國房地產公司發行及3.6%（二零一八年：4.7%）由其他行業之公司發行之債券。該等債券以美元（97.0%）（二零一八年：96.7%）及英鎊（「英鎊」）（3.0%）（二零一八年：3.3%）之不同貨幣計值。以美元計值之債券固定年利率為4.750厘至13.750厘（二零一八年：4.750厘至9.375厘），其中名義金額為937,000,000美元（二零一八年：911,400,000美元）之債券為可贖回。全部以英鎊計值之債券固定年利率為5.875厘至7.250厘（二零一八年：5.875厘至7.250厘），名義金額為24,500,000英鎊（二零一八年：22,500,000英鎊）之債券為可贖回。於二零一九年十二月三十一日，該債券組合包括34隻（二零一八年：25隻）債券，以信貸評級分類，5隻、26隻及3隻（二零一八年：5隻、16隻及4隻）債券分別為投資評級、非投資評級及未獲評級。以到期日分類，17隻（二零一八年：14隻）由海外金融機構發行之或然可換股債券為永續債券及並無固定期限。17隻（二零一八年：11隻）由海外金融機構以外之發行人發行之債券將於二零二零年至二零四六年到期及並無永續債券（二零一八年：8隻債券將於二零二一年至二零四六年到期，餘下3隻為永續債券）。

SECURITIES INVESTMENTS (Cont'd)

The respective securities investments under different categories are elaborated below: (Cont'd)

Investments and Treasury Products at Fair Value Through Profit or Loss (Cont'd)

Details and movement of the bonds portfolio at the end of the reporting period are set out below:

證券投資 (續)

以下就不同類別之證券投資作出詳述：(續)

通過損益以反映公平價值之投資及財資產品 (續)

於報告期末債券組合之詳情及變動載列如下：

Movement of bonds portfolio	債券組合之變動	Overseas financial institutions 海外金融機構 HK\$ million 百萬港元	PRC-based real estate 中國房地產 HK\$ million 百萬港元	Others 其他 HK\$ million 百萬港元	Total 總額 HK\$ million 百萬港元
Carrying amounts	賬面值				
At 31 December 2018	於二零一八年十二月三十一日	3,588.3	2,780.9	316.3	6,685.5
Purchases	購入	106.1	3,330.6	–	3,436.7
Disposals	出售	(559.2)	(1,697.3)	(52.9)	(2,309.4)
Fair value changes	公平值變動	497.2	600.9	64.6	1,162.7
At 31 December 2019	於二零一九年十二月三十一日	3,632.4	5,015.1	328.0	8,975.5
Percentage to total assets At 31 December 2019	佔資產總額之百分比 於二零一九年十二月三十一日	7.5%	10.4%	0.7%	18.6%
At 31 December 2018	於二零一八年十二月三十一日	7.4%	5.7%	0.6%	13.7%

Bond issuers by industry

按債券發行人之行業

Carrying amounts
賬面值

		At 31 December 2019 於二零一九年十二月三十一日		At 31 December 2018 於二零一八年十二月三十一日	
		HK\$ million 百萬港元	Percentage to total 佔總額之百分比	HK\$ million 百萬港元	Percentage to total 佔總額之百分比
Overseas financial institutions	海外金融機構	3,632.4	40.5%	3,588.3	53.7%
PRC-based real estate	中國房地產	5,015.1	55.9%	2,780.9	41.6%
Others	其他	328.0	3.6%	316.3	4.7%
		8,975.5	100.0%	6,685.5	100.0%

Bonds by currency

按債券之貨幣

Carrying amounts
賬面值

		At 31 December 2019 於二零一九年十二月三十一日			At 31 December 2018 於二零一八年十二月三十一日		
		Coupon rate (per annum) 票息年利率	HK\$ million 百萬港元	Percentage to total 佔總額之百分比	Coupon rate (per annum) 票息年利率	HK\$ million 百萬港元	Percentage to total 佔總額之百分比
US\$	美元	4.750% to 13.750% 4.750厘至13.750厘	8,710.3	97.0%	4.750% to 9.375% 4.750厘至9.375厘	6,466.6	96.7%
GBP	英鎊	5.875% to 7.250% 5.875厘至7.250厘	265.2	3.0%	5.875% to 7.250% 5.875厘至7.250厘	218.9	3.3%
			8,975.5	100.0%		6,685.5	100.0%

SECURITIES INVESTMENTS (Cont'd)

Investment in China Evergrande

As at 31 December 2019, the Group's securities investment in an entity with a value which exceeds 5% of the Group's total assets is investments in China Evergrande. The Group's securities investments in China Evergrande including listed shares and bonds amounted to HK\$20,012.0 million or 41.4% of total assets.

The Group held 860,000,000 shares of China Evergrande at a total consideration (including transaction costs) of HK\$13,596.0 million. As at 31 December 2019, the market value of the Evergrande Shares was HK\$18,576.0 million (2018: HK\$20,167.0 million), there was no dividend income for the Year (2018: net dividend income of HK\$1,106.5 million (after transaction costs)). As at 31 December 2019, the Group also held 5 bonds which were issued by China Evergrande and its indirect wholly-owned subsidiary, Scenery Journey Limited (collectively "Evergrande Group").

Details and the performance of the 5 bonds issued by the Evergrande Group as at and for the year ended 31 December 2019 are summarised as follows:

Bonds	Name of issuer	Acquisition cost	Market price	Market value	Unrealised gain (loss)	Realised gain	Interest income
債券	發行人名稱	收購成本 HK\$ million 百萬港元	市價 %	市值 HK\$ million 百萬港元	未變現收益 (虧損) HK\$ million 百萬港元	已變現收益 HK\$ million 百萬港元	利息收入 HK\$ million 百萬港元
Evergrande 10.5% 恒大 10.5%	China Evergrande Group 中國恒大集團	392.5	94.6665	368.5	(24.0)	-	28.9
Evergrande 10% 恒大 10%	China Evergrande Group 中國恒大集團	392.5	95.0290	369.9	(22.5)	-	27.5
Evergrande 8.75% 恒大 8.75%	China Evergrande Group 中國恒大集團	310.1	86.1250	268.2	3.5	10.0	31.7
Scenery Journey 13% 景程 13%	Scenery Journey Limited 景程有限公司	438.5	102.1017	413.4	(25.1)	0.1	38.2
Scenery Journey 13.75% 景程 13.75%	Scenery Journey Limited 景程有限公司	15.7	102.3585	16.0	0.2	-	0.5
Evergrande Group's bonds at 31 December 2019	於二零一九年十二月三十一日 恒大集團之債券	1,549.3		1,436.0	(67.9)	10.1	126.8

Evergrande 10.5% bond carries fixed coupon rate of 10.5% per annum. It is denominated in US\$ and matures on 11 April 2024. The bond is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and rated "B2" by Moody's Investors Service, Inc. ("Moody's").

Evergrande 10% bond carries fixed coupon rate of 10% per annum. It is denominated in US\$ and matures on 11 April 2023. The bond is listed on the SGX-ST and rated "B2" by Moody's.

證券投資 (續)

於中國恒大之投資

於二零一九年十二月三十一日，本集團於一實體之證券投資價值超出本集團之資產總額5%，該投資為於中國恒大之投資。本集團於中國恒大之證券投資（包括上市股份及債券）為20,012,000,000港元或佔資產總額41.4%。

本集團持有860,000,000股中國恒大股份，總代價為13,596,000,000港元（包括交易成本）。於二零一九年十二月三十一日，恒大股份市值為18,576,000,000港元（二零一八年：20,167,000,000港元），本年度並無股息收入（二零一八年：股息收入淨額為1,106,500,000港元（交易成本後））。於二零一九年十二月三十一日，本集團亦持有5隻由中國恒大及其一間間接全資擁有之附屬公司景程有限公司（統稱「恒大集團」）發行之債券。

5隻由恒大集團發行之債券於二零一九年十二月三十一日及截至二零一九年十二月三十一日止年度之詳情及表現概述如下：

恒大10.5%債券之固定票息年利率為10.5厘。債券以美元計值並於二零二四年四月十一日到期。該債券於新加坡證券交易所有限公司（「新交所」）上市及被穆迪投資者服務公司（「穆迪」）評級為「B2」。

恒大10%債券之固定票息年利率為10厘。債券以美元計值並於二零二三年四月十一日到期。該債券於新交所上市及被穆迪評級為「B2」。

SECURITIES INVESTMENTS (Cont'd)

Investment in China Evergrande (Cont'd)

Evergrande 8.75% bond carries fixed coupon rate of 8.75% per annum. It is denominated in US\$ and matures on 28 June 2025. The bond is listed on the Frankfurt Stock Exchange, the SGX-ST and the Stuttgart Stock Exchange and rated "B3e" by Moody's.

Scenery Journey 13% bond carries fixed coupon rate of 13% per annum. It is denominated in US\$ and matures on 6 November 2022. The bond is listed on the SGX-ST and rated "B2e" by Moody's.

Scenery Journey 13.75% bond carries fixed coupon rate of 13.75% per annum. It is denominated in US\$ and matures on 6 November 2023. The bond is listed on the SGX-ST and are rated "B2e" by Moody's.

China Evergrande group is principally engaged in property development, property investment, property management, new energy vehicle business, hotel operations, finance business, internet business and health industry business in the PRC. Its shares are listed on The Stock Exchange of Hong Kong Limited (stock code: 3333). China Evergrande is one of the leading real estate developers in the PRC with strong property sale and reasonable profit margin. The Group believes that dividend payment from the Evergrande Shares will provide steady income to the Group. Bonds issued by the Evergrande Group carry attractive coupon interest rates which the Group believes that it will enhance investment return from treasury management perspective.

Unlisted Securities Investments

The Group invested in an exempted limited partnership formed under the Exempted Limited Partnership Law (Revised) of the Cayman Islands (which was included in financial assets measured at FVTOCI) and the carrying amount was HK\$408.1 million as at 31 December 2018. During the Year, the Group has contributed US\$2.6 million (equivalent to approximately HK\$20.0 million) and received distribution of US\$2.6 million (equivalent to approximately HK\$20.0 million), after adding the fair value gain for the Year of HK\$59.8 million (which was recognised in financial assets measured at FVTOCI reserve), the carrying amount was HK\$467.9 million as at 31 December 2019, representing 1.0% (2018: 0.8%) of total assets.

證券投資 (續)

於中國恒大之投資 (續)

恒大8.75%債券之固定票息年利率為8.75厘。債券以美元計值並於二零二五年六月二十八日到期。該債券於法蘭克福證券交易所、新交所及斯圖加特證券交易所上市以及被穆迪評級為「B3e」。

景程13%債券之固定票息年利率為13厘。債券以美元計值並於二零二二年十一月六日到期。該債券於新交所上市及被穆迪評級為「B2e」。

景程13.75%債券之固定票息年利率為13.75厘。債券以美元計值並於二零二三年十一月六日到期。該債券於新交所上市及被穆迪評級為「B2e」。

中國恒大集團主要於中國從事房地產開發、物業投資、物業管理、新能源汽車業務、酒店運營、金融業務、互聯網業務及健康業務。其股份於香港聯合交易所有限公司上市(股份代號:3333)。中國恒大為於中國領先房地產發展商之一,擁有強大物業銷售及合理溢利率。本集團相信來自恒大股份之股息將為本集團提供穩定收入。恒大集團發行之債券之票息利率吸引,本集團相信其將會加強財資管理方面之投資回報。

非上市證券投資

本集團已投資於一間按開曼群島獲豁免有限合夥企業法(經修訂)成立之獲豁免有限合夥企業(計入通過其他全面收益以反映公平值計量之金融資產)及於二零一八年十二月三十一日其賬面值為408,100,000港元。於本年度,本集團已注資2,600,000美元(相當於約20,000,000港元)及已收分派2,600,000美元(相當於約20,000,000港元),經計入本年度公平值收益59,800,000港元(於通過其他全面收益以反映公平值計量之金融資產之儲備內確認)後,於二零一九年十二月三十一日之賬面值為467,900,000港元,佔資產總額1.0%(二零一八年:0.8%)。

RISK MANAGEMENT

The Group has established adequate risk management procedures that enable it to identify, measure, monitor and control various types of risk it faces. This is supplemented by active management involvement, effective internal controls and adequate internal audit in the best interests of the Group.

EQUITY

The number of issued ordinary shares as at 31 December 2019 and 2018 were 1,907,619,079.

DEBT AND GEARING

As at 31 December 2019, the Group's total debt amounted to HK\$13,574.3 million (2018: HK\$13,747.7 million), comprised bank and other borrowings of HK\$13,442.3 million (2018: HK\$13,747.7 million) and lease liabilities of HK\$132.0 million (2018: nil). Cash and deposits at banks amounted to HK\$565.3 million (2018: HK\$714.6 million), pledged deposits amounted to HK\$274.2 million (2018: HK\$237.4 million) and net debt (including lease liabilities) amounted to HK\$12,734.8 million (2018: HK\$12,795.7 million). Upon the initial application of Hong Kong Financial Reporting Standard 16 "Leases" on 1 January 2019 (details are set out in Note 2 to the consolidated financial statements of this annual report), recognition of lease liabilities gave rise to increase in total debt and net debt of the Group.

Total debt to equity ratio (including lease liabilities) was 40.4% (2018: 40.3%) and net debt to equity ratio (including lease liabilities) was 37.9% (2018: 37.5%), which are expressed as a percentage of total debt, and net debt, respectively, over the total equity of HK\$33,590.4 million (2018: HK\$34,143.6 million).

If the securities investments and treasury products of HK\$27,554.2 million (2018: HK\$26,852.5 million) are included, there would be a net cash position of HK\$14,819.4 million (2018: HK\$14,056.8 million).

風險管理

本集團設有一套完善的風險管理程序，以識別、衡量、監察及控制其面對的各種風險，同時輔以管理層之積極參與、有效的內部監控及足夠的內部審核，以保障本集團的最佳利益。

股本

於二零一九年及二零一八年十二月三十一日的已發行普通股數目為1,907,619,079股。

債務及資本與負債比率

於二零一九年十二月三十一日，本集團之債務總額為13,574,300,000港元（二零一八年：13,747,700,000港元），包括銀行及其他借貸13,442,300,000港元（二零一八年：13,747,700,000港元）以及租賃負債132,000,000港元（二零一八年：無）。現金及銀行存款為565,300,000港元（二零一八年：714,600,000港元），抵押存款為274,200,000港元（二零一八年：237,400,000港元），而債務淨額（包括租賃負債）為12,734,800,000港元（二零一八年：12,795,700,000港元）。於二零一九年一月一日，首次應用香港財務報告準則第16號「租賃」（詳情載列於本年報之綜合財務報表附註2內），確認租賃負債導致本集團之債務總額及債務淨額增加。

債務總額與股本權益比率（包括租賃負債）為40.4%（二零一八年：40.3%），而債務淨額與股本權益比率（包括租賃負債）為37.9%（二零一八年：37.5%），乃分別將債務總額及債務淨額除以股本權益總額33,590,400,000港元（二零一八年：34,143,600,000港元）得出之百分比。

倘計入證券投資及財資產品27,554,200,000港元（二零一八年：26,852,500,000港元），則狀況將會為現金淨額14,819,400,000港元（二零一八年：14,056,800,000港元）。

DEBT AND GEARING (Cont'd)

As at 31 December 2019, the Group's bank and other borrowings of HK\$13,442.3 million, 68.7%, 16.5% and 14.8% were repayable within 1 year, 1 to 2 years and 2 to 5 years respectively. Of which the Group's bank and other borrowings were denominated in HK\$ (50.3%), GBP (30.3%) and US\$ (19.4%) before entering the cross currency swap. HK\$, GBP and US\$ securities investments were hedged by HK\$, GBP and US\$ borrowings. During the Year, the Group has entered into short term US\$/HK\$ cross currency swap to enhance interest payable on borrowing, and as at 31 December 2019, notional amount of approximately US\$158.1 million was outstanding. The Group's bank borrowings were carried at interest rates calculated with reference to cost of funds, Hong Kong Interbank Offered Rate ("HIBOR") or London Interbank Offered Rate; other borrowings were carried at interest rates calculated with reference to cost of funds or HIBOR. As at 31 December 2019, all the Group's borrowings were on floating rate basis. Except as disclosed, no hedging for interest rate is subsisted at the end of the reporting period.

PLEDGE OF ASSETS

As at 31 December 2019, the Group had pledged the following assets with their respective carrying amounts:

- (a) The Group's investment properties of HK\$12,248.6 million (2018: HK\$12,770.6 million) and bank deposits of HK\$255.8 million (2018: HK\$208.6 million) were pledged to the banks to secure general banking and loan facilities granted to the Group.
- (b) The Group's bonds and listed equity investments with carrying amounts of HK\$27,554.2 million (2018: HK\$25,445.5 million) and cash deposits of HK\$18.4 million (2018: HK\$28.8 million) were pledged to the financial institutions to secure margin and securities facilities granted to the Group in respect of securities transactions, of which HK\$7,128.4 million (2018: HK\$7,330.5 million) was utilised as at 31 December 2019 as borrowings due within one year.
- (c) Interests in certain subsidiaries of the Company have been pledged as part of the security to secure certain bank borrowings granted to the Group.

In addition, the Group had subordinated and assigned its advance to a joint venture of HK\$158.8 million to a bank to secure a banking facility granted to the joint venture as at 31 December 2019.

債務及資本與負債比率 (續)

於二零一九年十二月三十一日，本集團之銀行及其他借貸13,442,300,000港元中，68.7%、16.5%及14.8%須分別於一年內、一年至兩年內及兩年至五年內償還。於本集團之銀行及其他借貸中，以港元（50.3%）、英鎊（30.3%）及美元（19.4%）（進行貨幣掉期前）計值。港元、英鎊及美元之證券投資以港元、英鎊及美元借貸對沖。於本年度，本集團訂立短期美元／港元貨幣掉期以改善借貸之應付利息，以及於二零一九年十二月三十一日未償還之名義金額約為158,100,000美元。本集團之銀行借貸參照資金成本、香港銀行同業拆息（「香港銀行同業拆息」）或倫敦銀行同業拆息計算利率；而其他借貸參照資金成本或香港銀行同業拆息計算利率。於二零一九年十二月三十一日，本集團所有借貸均為浮息借貸。除所披露者外，於報告期末並無就利率作出對沖。

資產抵押

於二零一九年十二月三十一日，本集團已抵押以下資產連同其相關之賬面值：

- (a) 就本集團獲授之一般銀行及貸款融資，本集團之投資物業12,248,600,000港元（二零一八年：12,770,600,000港元）及銀行存款255,800,000港元（二零一八年：208,600,000港元）已抵押予銀行。
- (b) 就本集團有關證券交易獲授之保證金及證券融資，本集團之債券及上市股本投資之賬面值27,554,200,000港元（二零一八年：25,445,500,000港元）及現金存款18,400,000港元（二零一八年：28,800,000港元）已抵押予金融機構。而本集團於二零一九年十二月三十一日已動用融資並於一年內到期之借貸為7,128,400,000港元（二零一八年：7,330,500,000港元）。
- (c) 本公司若干附屬公司之權益已質押為本集團獲授若干銀行借貸之部分抵押品。

此外，於二零一九年十二月三十一日，本集團已就一間合資公司獲授之銀行信貸額將其墊付該合資公司款項158,800,000港元轉歸及授讓予一間銀行。

FINANCIAL AND INTEREST INCOME/ EXPENSES

Interest income was included in revenue and investment income (2018: revenue, investment income and other income). Interest income for the Year was HK\$724.9 million, representing an increase of 7.7% over last year of HK\$673.3 million, mainly due to increase in bond interest income during the Year.

Finance costs included interest expenses on bank and other borrowings and lease liabilities (2018: interest expenses on bank and other borrowings); exchange difference on translation of foreign currency borrowings; and arrangement fee and facility and commitment fee expenses. Interest expenses (excluding interest expenses on lease liabilities) for the Year amounted to HK\$375.8 million, representing an increase of 9.8% over last year of HK\$342.4 million and the increase was mainly due to the increase in interest rates during the Year. The average interest rate over the year under review was 2.67% (2018: 2.28%), which was expressed as a percentage of total interest paid (excluding interest on lease liabilities) over the average total interest-bearing borrowings.

REMUNERATION POLICIES, SHARE OPTION SCHEME AND SHARE AWARD SCHEME

As at 31 December 2019, the Group employed a total of 481 staff (2018: 476 staff) including about 235 staff (2018: 237 staff) employed under the estate management company in Hong Kong and 1 staff (2018: nil) in the United Kingdom.

Employees were remunerated on the basis of their performance, experience and prevailing industry practice. Remuneration packages comprised salary and year-end discretionary bonus based on market conditions and individual performance. The executive directors of the Company continued to review employees' contributions and to provide them with necessary incentives and flexibility for their better commitment and performance. No share option scheme was adopted during the Year.

財務及利息收入／開支

收入及投資收入(二零一八年:收入、投資收入及其他收入)均包括利息收入。本年度之利息收入為724,900,000港元,較去年之673,300,000港元增加7.7%,主要由於本年度債券利息收入增加所致。

財務費用包括銀行借貸及其他借貸以及租賃負債之利息開支(二零一八年:銀行借貸及其他借貸之利息開支);外幣借貸所產生之匯兌差額;以及安排費用與信貸及承擔費用開支。本年度之利息開支(不包括租賃負債之利息開支)為375,800,000港元,較去年之342,400,000港元增加9.8%,該增加主要由於於本年度利率上升所致。於回顧年內之平均利率為2.67厘(二零一八年:2.28厘),乃以利息支付總額(不包括租賃負債之利息)除以平均計息借貸總額得出之百分比。

酬金政策、購股權計劃及股份獎勵計劃

於二零一九年十二月三十一日,本集團共有僱員481人(二零一八年:476人)包括受僱於香港物業管理公司之僱員約235人(二零一八年:237人)以及位於英國之僱員1人(二零一八年:無)。

僱員薪金乃根據其表現、經驗及目前業內慣例釐定。酬金包括薪金以及按市況及個人表現釐定之年終酌情花紅。本公司之執行董事持續檢討僱員之貢獻及向彼等提供所需之獎勵及彈性,使其更投入工作及有更佳表現。本年度並無採納購股權計劃。

REMUNERATION POLICIES, SHARE OPTION SCHEME AND SHARE AWARD SCHEME (Cont'd)

The Company had adopted a share award scheme ("Share Award Scheme") in 2009 which was valid and effective until 13 January 2019 ("Expiry"). The Share Award Scheme was to recognise and reward certain employees for their contributions to the Group and to give long-term incentives for retaining them for the continued operations and development of the Group. Details were set out in the paragraph headed "Share Award Scheme" in the section headed "Directors' Report" of this annual report. No share was granted under the Share Award Scheme during the period from 1 January 2019 to the Expiry and during the life of the Share Award Scheme.

UNITED KINGDOM AND MAINLAND CHINA

As at 31 December 2019, the Group's investment properties in the United Kingdom with carrying amount of GBP788.2 million (equivalent to approximately HK\$8,051.1 million) (2018: GBP855.4 million (equivalent to approximately HK\$8,501.5 million)) incurred a net loss of HK\$813.0 million (2018: HK\$21.4 million) to the Group for the Year, the loss mainly included in gross profit, fair value changes on investment properties, finance costs, taxation and impairment loss of goodwill. GBP exchange gain of foreign operations included in other comprehensive expenses for the Year amounted to HK\$114.3 million (2018: exchange loss of HK\$259.5 million). As at 31 December 2019, the Group's net investment in the United Kingdom amounted to HK\$4,129.6 million (2018: HK\$4,826.2 million) representing 12.3% (2018: 14.1%) of the Group's total equity.

Loss incurred by the Group's investment in Mainland China (mainly included in investment income, loss on dissolution of subsidiaries, share of results of investments accounted for using the equity method and taxation) for the Year amounted to HK\$24.5 million (2018: profit of HK\$69.0 million mainly included in other income, share of results of investments accounted for using the equity method and taxation). RMB exchange loss of foreign operations included in other comprehensive expenses (including share of investments accounted for using the equity method) for the Year amounted to HK\$11.6 million (2018: HK\$25.4 million). The Group's net investment in Mainland China as at 31 December 2019 amounted to HK\$536.6 million (2018: HK\$574.1 million) representing 1.6% (2018: 1.7%) of the Group's total equity.

酬金政策、購股權計劃及股份獎勵計劃 (續)

本公司於二零零九年採納股份獎勵計劃（「股份獎勵計劃」），該股份獎勵計劃有效及生效至二零一九年一月十三日（「期滿」）止。該股份獎勵計劃旨在向為本集團作出貢獻之若干僱員給予肯定及回報，並作為吸引其留效本集團，繼續為本集團之持續營運及發展而努力之長期獎勵。有關股份獎勵計劃之詳情已刊載於本年報「董事會報告書」一節中「股份獎勵計劃」一段內。由二零一九年一月一日起至期滿之期間及於股份獎勵計劃有效期內並無就該股份獎勵計劃授出任何股份。

英國及中國大陸

本集團位於英國之投資物業於二零一九年十二月三十一日之賬面值為788,200,000英鎊（相當於約8,051,100,000港元）（二零一八年：855,400,000英鎊（相當於約8,501,500,000港元））並為本集團於本年度帶來虧損淨額813,000,000港元（二零一八年：21,400,000港元），而該虧損主要包括毛利、投資物業之公平值變動、財務費用、稅項及商譽之減值虧損。已計入本年度之其他全面支出之境外業務之英鎊匯兌收益為114,300,000港元（二零一八年：匯兌虧損為259,500,000港元）。於二零一九年十二月三十一日，本集團於英國之投資淨額為4,129,600,000港元（二零一八年：4,826,200,000港元），佔本集團股本權益總額12.3%（二零一八年：14.1%）。

本集團於中國大陸之投資（主要包括投資收入、附屬公司解散之虧損、攤佔以權益法入賬投資之業績及稅項）為本年度帶來虧損24,500,000港元（二零一八年：溢利69,000,000港元主要包括其他收入、攤佔以權益法入賬投資之業績及稅項）。已計入本年度之其他全面支出（包括攤佔以權益法入賬之投資）之境外業務之人民幣匯兌虧損為11,600,000港元（二零一八年：25,400,000港元）。於二零一九年十二月三十一日，本集團於中國大陸之投資淨額為536,600,000港元（二零一八年：574,100,000港元），佔本集團股本權益總額1.6%（二零一八年：1.7%）。

PROPERTY VALUATION

Property valuations in respect of the Group's investment properties in Hong Kong and Mainland China as at 31 December 2019 and 2018 were carried out by B.I. Appraisals, independent qualified professional valuer. For the investment properties in the United Kingdom, the property valuations as at 31 December 2019 and 2018 were carried out by Peak Vision Appraisals, another independent qualified professional valuer. Their valuations were based on investment method and/or direct comparison method as the valuation methodologies and were used in preparing 2019 final results.

The Group's investment properties were valued at HK\$14,759.5 million (2018: HK\$15,280.8 million), a decrease of 4.8% over 2018 after adjusted for the additions and exchange adjustments of investment properties during the Year. The decrease in fair value of HK\$742.7 million was recognised in the consolidated statement of comprehensive income for the Year. The Group also shared an increase in fair value of investment properties held by associates and a joint venture of HK\$163.5 million in total for the Year.

The decrease in fair value of HK\$742.7 million was mainly derived from the decrease in fair value of River Court and 61-67 Oxford Street and 11-14 Soho Street located in the United Kingdom. The fair value change is a non-cash item and will not affect the cash flow of the Group.

物業估值

本集團位於香港及中國大陸之投資物業由獨立合資格專業估值師保柏國際評估進行於二零一九年及二零一八年十二月三十一日之物業估值。至於位於英國之投資物業，由另一獨立合資格專業估值師瀑鋒評估進行於二零一九年及二零一八年十二月三十一日之物業估值。所有評估皆採納投資法及／或直接比較法作為估值方法，並已用於編製二零一九年全年業績。

本集團投資物業之估值為14,759,500,000港元（二零一八年：15,280,800,000港元），經作出調整本年度投資物業之添置及匯兌調整後，較二零一八年減少4.8%。本年度之公平值減少742,700,000港元已計入綜合全面收益報表內。本集團亦於本年度攤佔聯營公司及一間合資公司之投資物業之公平值增加合共163,500,000港元。

公平值減少742,700,000港元乃主要來自位於英國 River Court 以及 Oxford Street 61-67 號及 Soho Street 11-14 號之公平值減少所致。公平值變動乃非現金項目，對本集團現金流量並無構成影響。