



Ever Reach Group (Holdings) Company Limited 恒達集團(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code : 3616 股份代號 : 3616



ANNUAL REPORT
年度報告 **2019**

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Corporate Information

公司資料

DIRECTORS

Executive Directors

Mr. LI Xiaobing (Chairman)
Mr. WANG Zhenfeng (Chief Executive Officer)
Ms. QI Chunfeng
Mr. WANG Quan

Independent Non-Executive Directors

Mr. WEI Jian
Mr. FANG Cheng
Mr. LEE Kwok Lun

AUDIT COMMITTEE

Mr. LEE Kwok Lun (Chairman)
Mr. WEI Jian
Mr. FANG Cheng

REMUNERATION COMMITTEE

Mr. FANG Cheng (Chairman)
Mr. LEE Kwok Lun
Mr. WEI Jian

NOMINATION COMMITTEE

Mr. LI Xiaobing (Chairman)
Mr. LEE Kwok Lun
Mr. FANG Cheng

LEGAL COMPLIANCE COMMITTEE

Mr. FANG Cheng (Chairman)
Mr. LEE Kwok Lun
Mr. WANG Zhenfeng

董事

執行董事

李小冰先生 (主席)
王振峰先生 (行政總裁)
齊春風女士
王權先生

獨立非執行董事

魏劍先生
方征先生
李國麟先生

審核委員會

李國麟先生 (主席)
魏劍先生
方征先生

薪酬委員會

方征先生 (主席)
李國麟先生
魏劍先生

提名委員會

李小冰先生 (主席)
李國麟先生
方征先生

法律合規委員會

方征先生 (主席)
李國麟先生
王振峰先生

AUTHORISED REPRESENTATIVES UNDER LISTING RULES

Mr. WANG Quan
Mr. LEUNG Kam Fai Anthony

COMPANY SECRETARY

Mr. LEUNG Kam Fai Anthony

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

REGISTERED OFFICE

Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111, Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1409, Floor 14
Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong

HEADQUARTERS IN THE PRC

266 Bayi Road
Weidu District
Xuchang City
Henan Province
The PRC

根據上市規則委任的授權代表

王權先生
梁錦暉先生

公司秘書

梁錦暉先生

核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師

註冊辦事處

Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111, Cayman Islands

香港主要營業地點

香港
銅鑼灣
禮頓道77號
禮頓中心
14樓1409室

中國總部

中國
河南省
許昌市
魏都區
八一路266號

Corporate Information

公司資料

COMPLIANCE ADVISER

China Everbright Capital Limited

LEGAL ADVISERS (IN ALPHABETICAL ORDER)

GFE Law Office
Sidley Austin

PRINCIPAL BANKERS (IN ALPHABETICAL ORDER)

Bank of China (Hong Kong) Limited
China Construction Bank Corporation
China Minsheng Bank
Industrial and Commercial Bank of China

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

HKEx: 3616
Board Lot: 2,000 shares

COMPANY WEBSITE

www.everreachgroup.com

合規顧問

中國光大融資有限公司

法律顧問（按英文字母排列次序）

廣東恒益律師事務所
盛德律師事務所

主要往來銀行（按英文字母排列次序）

中國銀行（香港）有限公司
中國建設銀行股份有限公司
中國民生銀行
中國工商銀行

主要股份過戶登記處

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

香港股份過戶登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓

股份代號

香港聯交所：3616
交易單位：2,000股

公司網址

www.everreachgroup.com

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual report for the year ended 31 December 2019.

ANNUAL REVIEW

The year 2019 marked the first full financial year following the Company's shares having been listed on the Main Board of the Stock Exchange on 12 November 2018. It was a year in which opportunities and pressure coexisted and it was also a rewarding year in which a glorious brand-new chapter was unveiled. Pursuing the Group's annual and medium and long-term goals, all employees worked hard together, putting in untiring efforts, made bold adjustments, carried out various work with a down-to-earth attitude to achieve steady progress, which has laid a solid foundation for the future rapid development of the Group.

“Hengda (恒達)” is a reputable brand name in the real estate industry in Xuchang City. Thanks to the vigorous efforts it has devoted over the past 27 years of development, it has become one of the leading real estate development companies in Xuchang City, Henan Province. It is believed that with the Group's extensive experience in the real estate industry, coupled with its highly-recognized brand and high-quality professional services, the Group will continue to seize development opportunities in the real estate industry and further expand its business, thereby consolidating and enhancing the Group's market position.

The Group continued to extensively explore Xuchang region over the past year, taking advantage of its popularity and rich management experience in the region to speed up its expansion. Meanwhile, in the face of pressure arising from market and economic regulations, the Group strived to make quality and services to advance in parallel, increased the turnover rate, and continued to consolidate and enhance market share in the local region. The Group proactively sought suitable development opportunities through the brand power of a listed company while strengthening market development efforts in other regions of the province, making unremitting efforts for the realization of medium and long-term goals.

Under the overarching principle that “residential properties are for living, not speculation” implemented by the Group in 2019, the Group took the initiative to facilitate the urban redevelopment and responded to inelastic demand for housing to contribute to the society. As such, we delivered spectacular results to our shareholders.

尊敬的各位股東：

本人謹代表董事會欣然提呈截止2019年12月31日年度報告。

年度回顧

2019年是本公司股份於2018年11月12日於聯交所主板上市後的第一個完整財政年度，是機遇與壓力同存的一年，是開啟新序章的一年，也是有所收獲的一年。全體員工齊心協力圍繞集團年度及中長期目標，大膽調整，紮實細緻工作，穩紮穩打，取得了穩中再進的成績，為今後快速發展奠定了堅實的基礎。

「恒達」品牌是許昌市信譽良好的行業品牌，經過27年的發展和耕耘，現已成為河南省許昌市領先的房地產開發企業之一。相信憑藉集團在房地產行業的豐富經驗、深入人心的品牌及優質專業服務，集團將繼續把握房地產行業的發展機遇，進一步擴展業務，從而鞏固及提升集團的市場地位。

過去的一年本集團繼續深耕許昌地區，運用在本土知名度及豐富的管理經驗加速佈局，同時在面對市場及經濟調控壓力下，做好質量與服務並行，調高周轉速度，繼續鞏固及提升在本土地區的市場佔有率。本集團通過上市公司品牌，積極尋找合適發展機遇，加強在省內其他地區市場開拓力度，為中長期目標的實現不懈奮鬥。

2019年本集團堅決貫徹執行「房住，不炒」精神，積極推動棚戶區改造及剛性需求住房，奉獻社會，同時我們用良好的業績向股東交出一份滿意的答卷。

Chairman's Statement

主席報告

ANNUAL RESULTS

For the year ended 31 December 2019, the Group's total revenue was approximately RMB1,974.1 million, representing an increase of approximately 4.8% from approximately RMB1,883.6 million for the year ended 31 December 2018. For the year ended 31 December 2019, the net profit was approximately RMB290.8 million, representing an increase of approximately 26.5% from approximately RMB229.9 million for the year ended 31 December 2018.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2019.

OUTLOOK

China's real estate industry in 2020 will have its focuses made along the line of "stable" and "balance". Against the backdrop of intensifying downward pressure of the national economy and in the face of the outbreak of novel coronavirus, COVID-19, that has swept across the country, which posed challenges to the anti-pressure capability of market-oriented economy. It is fundamental that the real estate industry should stand up to stabilize the market under such circumstances. The balance between supply and demand will also pose an issue in the later stage. In the short term, the real estate transaction volume nationwide will shrink due to the epidemic, but the inelastic demand for housing may increase following the end of the epidemic. Therefore, the real estate industry is required to make dynamic adjustments to stabilize the market.

The approval of a series of national and local positioning, such as the overall strategy of "Rise of Central China (中部崛起)", promotion of Zhengzhou City to be China's central city, and the "Integration of Zhengzhou and Xuchang" proposed by the relevant governmental authorities have provided guidelines for the development direction of Henan Province and Xuchang City. As China's restrictions on settlement policy for most cities are loosened, Henan Province, being a populous province in China, will obviously reap the benefits brought by this policy. In addition, various localities have adopted suitable real estate policies to support reasonable housing consumption, which will further stabilize the real estate market.

年度業績

截至2019年12月31日止年度，本集團的總收入約為人民幣1,974.1百萬元，較截至2018年12月31日止年度的約人民幣1,883.6百萬元增加約4.8%。截至2019年12月31日止年度，純利約為人民幣290.8百萬元，較截至2018年12月31日止年度的約人民幣229.9百萬元增加約26.5%。

末期股息

董事會並不建議就截至2019年12月31日止年度派發末期股息。

展望

2020年全國房地產行業將以「穩」和「平衡」為主導方向。全國經濟下行壓力增大，面對此次席卷全國的新型冠狀病毒感染肺炎疫情，更是對市場經濟抗壓能力的大測試，房地產行業更應以穩定市場為基本條件。供需平衡也將是後期面臨的問題，短期來看，受此次疫情影響全國房地產交易量會有所萎縮，但剛性住房需求在疫情結束後或有所增加，因此房地產行業需作出動態調整，來穩定市場。

相關政府機關提出「中部崛起」整體戰略、鄭州市提升為國家中心城市、「鄭許一體化」發展規劃獲得批准等一系列國家及地方定位指明了河南省及許昌市的發展方向。國家放寬落戶限制，河南省作為全國人口大省，將明顯享受到政策帶來的紅利，加之各地因城施策出台房地產政策，支持合理住房消費，這將更加穩定房地產市場。

Chairman's Statement

主席報告

There are new challenges coming out in the new year. Impacted by the outbreak of novel coronavirus across China, all industries have been under great pressure. As a responsible enterprise, the Group also assumes corresponding social responsibilities.

Looking forward, the Group will continue striving to further adjust the reform plan, improve efficiency, raise quality, and increase brand awareness. In the coming year, the Group will, (i) increase marketing efforts to accelerate the return of funds to minimize impacts during the time of the epidemic; (ii) increase operational management efforts to achieve a balance between plan and progress amid operational efficiency of various projects within the shortest possible time; (iii) enhance the efforts in the training of talents and adjust the staff structure in order to nourish multi-talented personnel in management and technology and build up core competitiveness; and (iv) foster innovative thinking by seeking cooperation, M&A and investment opportunities through flexible methods, taking advantage of its brand influence in Henan Province to promote the healthy and stable development of the Group.

In 2020, the Group will strive to seize opportunities and proactively cope with challenges. The Group will pursue progress while ensuring stability. I believe that, we will mount new height while marching forward and make new contributions to the Group and shareholders.

ACKNOWLEDGEMENT

I would like to take this opportunity to express my gratitude to our shareholders, business partners, customers and suppliers for their support and trust on behalf of the Board. I also thank the management and all staff for their contributions and efforts over the past years.

Ever Reach Group (Holdings) Company Limited

Li Xiaobing

Chairman and Executive Director

Hong Kong, 30 March 2020

新的一年有新的挑戰，面對全國新型冠狀病毒感染肺炎疫情的影響，各行業都承受了較大的壓力，本集團作為一個有擔當的企業，也承擔起相應的社會責任。

展望將來，本集團將繼續深入調整改革方案，提升效率、提高品質、增加品牌知名度。未來一年本集團將(i)加大營銷力度：加快資金回流，使疫情期間造成的影響降到最低；(ii)加大運營管理力度：從各項目運營效率中爭取時間，實現計劃與進度間取得平衡；(iii)加大人才培養力度：調整人員結構，培養管理與技術方面複合型人才，構建核心競爭力；及(iv)加大創新思維：通過靈活方式，尋求合作、併購及投資機會，運用在河南省內品牌影響力，推動集團健康且穩定發展。

2020年，本集團將努力把握機遇，積極應對挑戰，堅持穩中求進。我相信，我們將披荊斬棘，砥礪前行，為集團及股東作出新貢獻。

致謝

本人謹藉此機會代表董事會，對各位股東、業務夥伴、客戶及供應商的大力支持和信任表達謝意，同時感謝管理層及全體員工過去多年的貢獻及努力。

恒達集團(控股)有限公司

主席兼執行董事

李小冰

香港，2020年3月30日

Management Discussion and Analysis

管理層討論與分析

INDUSTRY REVIEW

In 2019, China maintained its stability-oriented real estate policy, with full implementation of policy being carried out in specific cities, which fell into three aspects from the analysis of the policy. The first was to stabilise the real estate market, gradually loosening settlement policy in cities; the second was to narrow the sources of funding of capital for the real estate industry; and the third was not to utilize real estate as a short-term stimulus to the economy while re-emphasizing the market orientation of “residential properties are for living, not speculation”. The real estate industry’s basic operating system has been improving, laying a solid foundation for further implementation of long-term real estate management mechanism. On the whole, the operating policy environment for China’s real estate market in 2019 was difficult due to tightening of policy as compared with previous years.

In 2019, the real estate industry grew at an accelerated pace, major real estate enterprises nationally or regionally were proactively seizing opportunities, adopting flexible policies to improve efficiency and grasp returns. The industry’s financing channels contracted with corporate financing becoming more difficult. Major real estate enterprises nationally or regionally strengthened cash control to ease capital pressure. In general, policy adjustment and tightening of financing have become two major headwinds faced by the real estate industry.

In 2019, Henan’s economy maintained an overall stable and positive growth trend. Investment in real estate development increased by about 6.4%; the gross floor area (“GFA”) of commercial housing sales was approximately 140 million square meters, an increase of approximately 2.1% over last year; sales of commercial housing reached approximately RMB901.0 billion, an increase of about 11.9% over last year. The Group’s contracted sales of commercial housing in 2019 was approximately RMB2.5 billion, a year-on-year increase of approximately 1.9%. Facing the severe environment of property industry in 2019, the Group’s contracted saleable GFA decreased slightly, but the contracted sales of commercial housing increased, reflecting the contracted ASP increased steadily and the Group’s regional strength and anti-pressure capability.

行業回顧

2019年全國房地產政策總基調維穩，全面落实因城施策。從政策走向分析可分為三個方面：第一為穩定房地產市場，城市落戶政策逐步放寬；第二為房地產行業融資渠道收窄；第三為不將房地產作為短期刺激經濟的手段，並再次強調「房住不炒」的市場導向，全國房地產行業運行基礎制度更趨完善，為進一步落實房地產長效管理機制奠定了堅實基礎。整體來說2019年全國房地產市場運行政策環境相比往年有所收緊。

2019年全國房地產行業集中度加速提升，全國性及區域性品牌房企均積極把握時機，採取靈活政策提升效率、搶抓回款。行業融資渠道收縮，企業融資難度增加，全國性及區域性品牌房企強化現金管控來緩解資金壓力。綜合來看，政策調整及融資收緊成為房地產行業的兩大難題。

2019年河南省經濟保持了總體平穩、穩中有進的發展態勢，房地產開發投資增長約6.4%；商品房建築面積（「建築面積」）約1.4億平方米，比去年增長約2.1%；商品房銷售額約達人民幣9,010.0億元，比去年增長約11.9%。本集團2019年商品房合約銷售額約人民幣25億元，同比增長約為1.9%。面對2019年房地產嚴峻環境下，本集團的合同可出售建築面積輕微下降，但商品房合同銷售有所增加，體現出合同平均售價穩定增長和本集團在區域的實力及抗壓能力。

Management Discussion and Analysis

管理層討論與分析

In 2019, Xuchang City boasted considerable development momentum, taking a big step towards high-quality development. The “1718” investment promotion plan, being the 171 key projects prioritized by the city, was implemented across the city, achieving annual investment of more than RMB100.0 billion, and striving to drive the city’s fixed asset investment growth rate of more than 8.0%. The plan will continue to increase effective investment, constantly introduce changes in quality, efficiency and capabilities with regard to economic development, providing strong support for Xuchang to lead the way in the Central Plains of the PRC.

The “Integration of Zhengzhou and Xuchang” has opened up new opportunities for Xuchang City to integrate into the development of Zhengzhou. It has also brought about a unique opportunity for Xuchang City to undergo a new round of rapid development whose ranking in terms of city development in China has been continuously on the rise. Possessing strong industrial strength locally, Xuchang City kept its employment level stable and its income level increasing. The overall development of the city was improving. The level of this city’s development in the province or even, to the extent, in China has been soaring, thereby supporting the stable development of Xuchang’s real estate industry and also bringing ample room for imagination and development momentum for the property market.

BUSINESS OVERVIEW

By continuing to adhere to the principle of “Integrity Management, Fulfilling Every Promise”, the Group, with outstanding innovation spirit and untiring efforts, makes due contributions to society with sincerity, kindness and responsibility. In 2019, the Group was awarded the “Top 100 Private Enterprises in Henan Province” (河南民營企業100強) by the Industry & Commerce Association of Henan Province (河南省工商聯合會), and was again awarded the “Top 100 Modern Services in Private Enterprises in Henan Province”(河南民營企業現代服務業100強).

2019年許昌市的發展動力較為充足，向高質量發展也邁出了堅實的步伐。全市實施「1718」投資促進計劃，即全市安排171個重點項目，完成年度投資達人民幣1,000億元以上，力爭帶動全市固定資產投資增速8.0%以上。該計劃將持續擴大有效投資，不斷促進經濟發展質量變革、效率變革、動力變革，為許昌在中原更加出彩中走在前列提供有力支撐。

「鄭許一體化」為許昌市融入鄭州發展贏得了新機遇，也為許昌市新一輪快速發展帶來了千載難逢的重大機遇，城市發展水平在全國的排名不斷提升。許昌市當地產業實力雄厚，就業水平保持穩定，提高了收入水平，城市整體發展向好，城市發展水平在省內乃至全國排名不斷升高，從而支撐許昌房地產行業穩定發展，也為樓市提供了充足的想象空間和發展動力。

業務概覽

本集團一如既往的秉承「誠信經營、兌現每一個承諾」宗旨，開拓創新精神，以誠心、善心和責任心為社會做出應有的貢獻。2019年本集團被河南省工商聯合會授予「河南民營企業100強」榮譽稱號，並再次被授予「河南民營企業現代服務業100強」榮譽稱號。

Management Discussion and Analysis

管理層討論與分析

The Group has been working towards its annual and mid to long-term goals by making progress in internal management, project operation, brand promotion, standardization, and information construction. In 2019, the Group continued its expansion, acquiring a total of approximately 248,854 square meters of land through the process of bidding invitation, auction or listing, of which (i) approximately 124,213 square meters of land was acquired in Xuchang City; (ii) approximately 57,200 square meters of land was acquired in Yuzhou City; (iii) approximately 25,533 square meters of land was acquired in Changge City; (iv) approximately 6,199 square meters of land was acquired in Yanling County; and (v) approximately 35,709 square meters of land was acquired in Xiangcheng County.

In 2019, we took the initiative to launch different solutions in respect of sales of properties, of which the sales of Mingmen Xijun, Jinhui Plaza and King of the North were satisfactory with increased total contracted sales as compared with 2018. At the same time, the Group continued to develop projects, including Hengda Lanjun (恒達瀾郡), Hengda Heyuan (恒達和園), Jinhui Plaza Commercial (金匯廣場商業) and Yuzhou Binhefu (禹州市濱河府), providing steady growth momentum for our sales and performance in the coming years.

The Group adhered to the business model of developing mixed residential and commercial properties, which significantly increased the overall value of residential projects and enhanced the Group's brand image and reputation. At the same time, by renting out commercial properties and properties for sale, the Group can generate stable income streams from rents and generate cash flows at the same time, which can also spur the final sale of properties for sale.

本集團圍繞年度及中長期目標，層層分解，有序推展。在內部管理、項目運營、品牌提升以及標準化、信息化建設等各方面都取得了一定的進步。2019年本集團繼續開疆擴土，通過招拍掛方式取得土地合計約248,854平方米，其中在(i)許昌市取得土地約124,213平方米；(ii)禹州市取得土地約57,200平方米；(iii)長葛市土地交易市場取得土地約25,533平方米；(iv)鄢陵縣取得土地約6,199平方米及(v)襄城縣取得土地約35,709平方米。

於2019年，我們積極推出不同房地產銷售方案，其中名門西郡、金匯廣場、北海龍城等項目銷售情況良好，總合同銷售額較2018年有所增長。同時，本集團正在持續開發包括：恒達瀾郡、恒達和園、金匯廣場商業和禹州市濱河府等項目，為我們未來幾年的銷售及業績提供平穩的增長動力。

本集團堅持住宅與商業混合開發業務模式，大大提高住宅項目的綜合價值，且提高本集團品牌和聲譽。同時通過對商業物業及待售物業的出租，可產生穩定的租金和現金流，同時也可促使待售物業的最終銷售。

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Land reserves

As at 31 December 2019, the GFA of the Group's land reserves was approximately 3.9 million square meters ("sq.m."). The table below sets forth a summary of the land reserves as at 31 December 2019 by geographical location:

土地儲備

於2019年12月31日，本集團土地儲備的建築面積約為390萬平方米（「平方米」）。下表載列於2019年12月31日按地域劃分的土地儲備概要：

		Completed 已竣工	Under development 開發中	Future development 未來開發		
	Completed saleable/ leasable GFA remaining unsold 餘下未出售的 可出售／可出租 已竣工建築面積 sq.m. 平方米	GFA under development 開發中 建築面積 sq.m. 平方米	Planned GFA 規劃 建築面積 sq.m. 平方米	Total land reserve 總土地 儲備 sq.m. 平方米	% of total land reserve 佔總土地 儲備百分比 %	
Xuchang City	許昌市					
Weidu District	魏都區	51,327	596,686	405,518	1,053,531	27.1
Jian'an District	建安區	67,265	86,530	146,930	300,725	7.7
Yuzhou City	禹州市	27,514	587,583	1,193,680	1,808,777	46.5
Changge City	長葛市	30,745	232,060	250,687	513,492	13.2
Yanling County	鄢陵縣	14,154	112,727	–	126,881	3.3
Xiangcheng County	襄城縣	–	–	87,850	87,850	2.2
Total	總計	191,005	1,615,586	2,084,665	3,891,256	100.0

Note: Land reserves equal the sum of (i) total completed saleable/leasable GFA remaining unsold, (ii) total GFA under development and (iii) total planned GFA held for future development.

附註：土地儲備等於(i)餘下未出售的可出售／可出租已竣工總建築面積；(ii)開發中總建築面積；與(iii)持作未來開發的規劃總建築面積之和。

Management Discussion and Analysis

管理層討論與分析

Contracted Sales

The table below sets forth a breakdown of our major types of contracted sales and contracted average selling price (“ASP”):

合同銷售額

下表載列我們主要類別的合同銷售額及合同平均售價（「平均售價」）的明細：

		For the year ended		% change
		31 December		
		截至12月31日止年度		變動百分比
		2019	2018	+/-
		2019年	2018年	+/-
Contracted sales attributable to:	以下各項應佔合同銷售額：			
Residential units (RMB, million)	住宅單位（人民幣百萬元）	2,260.5	1,954.5	+15.7%
Commercial units (RMB, million)	商業單位（人民幣百萬元）	267.1	547.7	-51.2%
Car parking spaces (RMB, million)	停車位（人民幣百萬元）	74.4	146.4	-49.2%
Others (RMB, million)	其他（人民幣百萬元）	7.6	9.4	-19.1%
Total (RMB, million)	總計（人民幣百萬元）	2,609.6	2,658.0	-1.8%
Contracted saleable GFA/Lot attributable to:	以下各項應佔合同可出售 建築面積／個數：			
Saleable GFA (sq.m.)	可出售建築面積（平方米）	378,235	381,793	-0.9%
Car parking space (lot)	停車位（個）	941	1,067	-11.8%
Contracted ASP attributable to:	以下各項應佔合同平均售價：			
Saleable GFA (RMB/sq.m.)	可出售建築面積 （人民幣元／平方米）	6,703	6,578	+1.9%
Car parking space (RMB/lot)	停車位（人民幣元／個）	79,065	137,192	-42.4%

Our contracted ASP per sq.m. of saleable GFA increased by 1.9% to approximately RMB6,703 per sq.m. in 2019. The increase in 2019 was mainly due to the increase in market price of properties in Henan Province.

我們可出售建築面積的每平方米合同平均售價於2019年增加1.9%至約每平方米人民幣6,703元。2019年增加乃主要由於河南省物業的市場價格上升。

Our contracted ASP per lot for car parking space decreased by 42.4% to approximately RMB79,065 per lot in 2019 due to the lower ASP of the car parking spaces at the Jinhui Plaza in 2019. The high ASP of the car parking spaces at the Jinhui Plaza in 2018 was due to the rising market demand in last year, whereas the normal ASP has been restored to adapt market demand since 2019. In addition, the ASP of car parking spaces in other projects was stable in 2019 as compared to 2018.

由於於2019年金匯廣場停車位的平均售價較低，故我們停車位的每個合同平均售價於2019年減少42.4%至每個約人民幣79,065元。2018年金匯廣場停車位的平均售價較高是由於上年度市場需求上升，而自2019年以來平均售價恢復正常以適應市場需求。此外，相較2018年，於2019年其他項目的停車位平均售價保持穩定。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW

Results

The financial performance and results for the year ended 31 December 2019 were satisfactory. Key financial ratios have met the expectation of the management.

During the year ended 31 December 2019, the revenue of the Group reached approximately RMB1,974.1 million (2018: RMB1,883.6 million), representing an increase of approximately 4.8%.

The Group recorded gross profit of approximately RMB765.3 million (2018: RMB629.9 million), representing an increase of approximately RMB135.4 million, or approximately 21.5%.

Gross profit margin was approximately 38.8% in 2019 (2018: 33.4%), representing an increase of approximately 16.2% as compared with that in 2018.

Profit for the year increased by approximately RMB60.9 million, or 26.5%, from approximately RMB229.9 million for the year ended 31 December 2018 to approximately RMB290.8 million for the year ended 31 December 2019.

Revenue

Our revenue was derived from (i) sales of properties and (ii) rental income. The following table sets forth the breakdown of the revenue and their respective percentages of contribution to the total revenue for the years indicated:

		Year ended 31 December				
		截至12月31日止年度				
		2019		2018		% change
		2019年		2018年		變動百分比
		RMB'000	%	RMB'000	%	+/-
		人民幣千元	%	人民幣千元	%	+/-
Sales of properties	物業銷售	1,971,020	99.8	1,881,364	99.9	+4.8%
Rental income	租金收入	3,040	0.2	2,239	0.1	+35.8%
		1,974,060	100.0	1,883,603	100.0	+4.8%

財務回顧

業績

截至2019年12月31日止年度的財務表現及業績令人滿意。主要財務比率達到管理層預期。

於截至2019年12月31日止年度，本集團收入達約人民幣1,974.1百萬元（2018年：人民幣1,883.6百萬元），增加約4.8%。

本集團錄得毛利約人民幣765.3百萬元（2018年：人民幣629.9百萬元），增加約人民幣135.4百萬元（或約21.5%）。

2019年的毛利率約為38.8%（2018年：33.4%），較2018年增長約16.2%。

年度利潤由截至2018年12月31日止年度的約人民幣229.9百萬元增加約人民幣60.9百萬元（或26.5%）至截至2019年12月31日止年度的約人民幣290.8百萬元。

收入

我們的收入來自(i)物業銷售及(ii)租金收入。下表載列於所示年度的收入明細及其各自所佔總收入的百分比：

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管理層討論與分析

The tables below set out the revenue from the sales of properties, the total GFA units of properties recognised and the overall recognised ASP of our properties by property types:

下表載列按物業類別劃分的物業銷售收入、所確認物業的總建築面積／單位總數及該等物業的整體已確認平均售價：

		Year ended 31 December 截至12月31日止年度					
		2019 2019年			2018 2018年		
		Revenue	GFA recognised	Recognised ASP per sq.m	Revenue	GFA recognised	Recognised ASP per sq.m
			已確認 建築面積	已確認 每平方米 平均售價		已確認 建築面積	已確認 每平方米 平均售價
		<i>RMB'000</i>	<i>sq.m.</i>	<i>RMB</i>	<i>RMB'000</i>	<i>sq.m.</i>	<i>RMB</i>
		人民幣千元	平方米	人民幣元	人民幣千元	平方米	人民幣元
Residential	住宅	1,710,974	305,165	5,607	1,247,429	233,765	5,336
Commercial	商業	193,339	18,608	10,390	548,565	54,563	10,054
Storage	儲藏室	10,290	4,178	2,463	11,149	3,852	2,894
		1,914,603	327,951	5,838	1,807,143	292,180	6,185
		Revenue	Units recognised	Recognised ASP per unit	Revenue	Units recognised	Recognised ASP per unit
			已確認 單位	已確認 每單位 平均售價		已確認 單位	已確認 每單位 平均售價
		<i>RMB'000</i>	<i>lot</i>	<i>RMB</i>	<i>RMB'000</i>	<i>lot</i>	<i>RMB</i>
		人民幣千元	個數	人民幣元	人民幣千元	個數	人民幣元
Car parking spaces	停車位	56,417	711	79,349	74,221	664	111,779

Sales of properties, which accounted for approximately 99.8% (2018: 99.9%) of our total revenue for the year ended 31 December 2019, were contributed by the sales of residential and commercial properties, storages and car parking spaces recognised in the year.

截至2019年12月31日止年度，物業銷售額約佔我們總收入的99.8%（2018年：99.9%），乃由於該年度確認住宅及商業物業、儲藏室及停車位的銷售所致。

Management Discussion and Analysis

管理層討論與分析

Our revenue increased by approximately RMB90.5 million or 4.8% from approximately RMB1,883.6 million for the year ended 31 December 2018 to approximately RMB1,974.1 million for the year ended 31 December 2019, which was principally attributable to the result of approximately RMB463.5 million increase in the sales of our residential properties during the year ended 31 December 2019 despite partially offset by approximately RMB355.2 million decrease in the sales of our commercial properties during the year ended 31 December 2019.

The increase in sales of residential properties was mainly due to the effect of increase of GFA recognised from approximately 233,765 sq.m. for the year ended 31 December 2018 to approximately 305,165 sq.m. for the year ended 31 December 2019, representing an increase of approximately 30.5% year-on-year.

The decrease in the sales of our commercial properties during the year was primarily due to the effect of decrease in GFA recognised for commercial properties of approximately 65.9% principally attributable to the decrease in sales of Hengda Weiyuan which contributed approximately RMB357.6 million in sales of commercial properties for the year ended 31 December 2018 while approximately RMB28.9 million in sales of commercial properties for the year ended 31 December 2019.

我們的收入由截至2018年12月31日止年度的約人民幣1,883.6百萬元增加約人民幣90.5百萬元（或4.8%）至截至2019年12月31日止年度的約人民幣1,974.1百萬元，乃主要由於截至2019年12月31日止年度我們的住宅物業銷售增加約人民幣463.5百萬元，儘管部份被截至2019年12月31日止年度我們的商業物業銷售下降約人民幣355.2百萬元所抵銷。

住宅物業銷售增加乃主要由於已確認建築面積由截至2018年12月31日止年度的約233,765平方米增加至截至2019年12月31日止年度的約305,165平方米，同比增長約30.5%。

年內商業物業銷售減少乃主要由於恒達魏源銷售減少令商業物業已確認建築面積減少約65.9%，其於截至2018年12月31日止年度帶來了約人民幣357.6百萬元的商業物業銷售，而截至2019年12月31日止年度則帶來了約人民幣28.9百萬元的商業物業銷售。

Management Discussion and Analysis

管理層討論與分析

Gross profit and gross profit margin

毛利及毛利率

The table below sets out the revenue, gross profit and gross profit margin by types:

下表載列按類別劃分的收入、毛利及毛利率：

		Year ended 31 December 截至12月31日止年度							
		2019 2019年				2018 2018年			
		Revenue	Cost of sales	Gross profit	Gross profit Margin	Revenue	Cost of sales	Gross profit	Gross profit Margin
		RMB'000	RMB'000	RMB'000	%	RMB'000	RMB'000	RMB'000	%
		人民幣千元	人民幣千元	人民幣千元	%	人民幣千元	人民幣千元	人民幣千元	%
Sales of properties	物業銷售								
- Residential	- 住宅	1,710,974	1,040,085	670,889	39.2	1,247,429	940,640	306,789	24.6
- Commercial	- 商業	193,339	95,424	97,915	50.6	548,565	265,902	282,663	51.5
- Car parking spaces and storages	- 停車位及儲藏室	66,707	73,262	(6,555)	(9.8)	85,370	47,179	38,191	44.7
Subtotal	小計	1,971,020	1,208,771	762,249	38.7	1,881,364	1,253,721	627,643	33.4
Rental	租金	3,040	-	3,040	100.0	2,239	-	2,239	100.0
		1,974,060	1,208,771	765,289	38.8	1,883,603	1,253,721	629,882	33.4

The overall gross profit margin of sales of properties and gross profit margin of sales of residential properties increased from approximately 33.4% in 2018 to 38.7% in 2019 and approximately 24.6% in 2018 to 39.2% in 2019, respectively.

物業銷售的整體毛利率由2018年的約33.4%增加至2019年的38.7%，住宅毛利率由2018年的約24.6%增加至2019年的39.2%。

The gross profit margin of commercial properties slightly dropped from approximately 51.5% in 2018 to 50.6% in 2019, representing a year-on-year decrease of approximately 1.7%.

商業物業的毛利率由2018年的約51.5%略降至2019年的50.6%，同比減少約1.7%。

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The negative gross profit margin of sales of car parking spaces and storage in year 2019 was due to the combined effects of (i) decrease in market price of car parking spaces of certain project in Xuchang City; and (ii) write-down of value of car parking spaces of approximately RMB25,742,000 in 2019.

Profit for the year was approximately RMB290.8 million (2018: RMB229.9 million), representing a growth of approximately RMB60.9 million. It was mainly due to the (i) increase of our revenue from approximately RMB1,883.6 million for the year ended 31 December 2018 to approximately RMB1,974.1 million for the year ended 31 December 2019; (ii) increase of other gain due to the waive of interest payable to Mr. Lin Peiqing, father-in law of Mr. Li Xiaobing; and (iii) the improvement of our overall gross profit margin from approximately 33.4% for the year ended 31 December 2018 to approximately 38.8% for the year ended 31 December 2019.

Fair value gains on investment properties

The Group's investment properties were valued at 31 December 2019 by an independent professional qualified valuers, Vincorn Consulting and Appraisal Limited, who hold recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued.

Selling and marketing expenses

For the year ended 31 December 2019, the Group's selling and marketing expenses amounted to approximately of RMB63.5 million (2018: RMB44.0 million), representing an increase of approximately 44.4% as compared to that in 2018. The increase was mainly due to addition promotion activities and campaign for brand building during the year ended 31 December 2019.

於2019年銷售停車位錄得負數毛利率主要由於(i)於2019年許昌市若干項目的停車位市價下降及；(ii)停車位價值撇減約人民幣25,742,000元的綜合影響所致。

年內利潤約為人民幣290.8百萬元(2018年：人民幣229.9百萬元)，增長約人民幣60.9百萬元。該增長主要由於(i)我們的收入由截至2018年12月31日止年度的約人民幣1,883.6百萬元增至截至2019年12月31日止年度的約人民幣1,974.1百萬元；(ii)由於豁免應付予李小冰先生的岳父林培清先生的利息而導致其他收益增加；及(iii)我們的整體毛利率由截至2018年12月31日止年度的約33.4%提高至截至2019年12月31日止年度的約38.8%。

投資物業的公平值收益

本集團的投資物業於2019年12月31日經獨立專業合資格估值師泓亮諮詢及評估有限公司進行估值，該公司持有獲認可的相關專業資格並對所估值的投資物業的地點和領域有近期經驗。

銷售及市場推廣開支

於截至2019年12月31日止年度，本集團的銷售及市場推廣開支約為人民幣63.5百萬元(2018年：人民幣44.0百萬元)，較2018年增長約44.4%。該增加乃主要由於於截至2019年12月31日止年度開展更多品牌推廣及宣傳活動。

Management Discussion and Analysis

管理層討論與分析

Administrative expenses

The administrative expenses decreased by approximately 9.4% from approximately RMB100.0 million in 2018 to approximately RMB90.6 million in 2019, the decrease of administrative expenses was mainly due to the decrease of listing expenses.

Finance costs – net

Finance costs primarily consisted of (i) interest expenses on bank and other borrowings; and (ii) interest on pre-sale deposits received, less interest expenses which were capitalised to the extent that such costs are directly attributable to property development projects. Our finance costs increased by approximately 63.9% from approximately RMB44.3 million for the year ended 31 December 2018 to approximately RMB72.6 million for the year ended 31 December 2019. Such increase was mainly due to the increase in interest capitalised on pre-sale deposits received for the year ended 31 December 2019, which was primarily attributable to the increase in proceeds from pre-sale properties (record as “**contract liabilities**”) from approximately RMB2,030.5 million as at 31 December 2018 to approximately RMB2,716.3 million as at 31 December 2019.

Income tax expense

Income tax expense mainly comprised of the PRC corporate income tax expense and land appreciation tax arising from our PRC subsidiaries. Income tax expenses increased by approximately 15.7% or RMB30.7 million from approximately RMB195.9 million for the year ended 31 December 2018 to the approximately RMB226.6 million for the year ended 31 December 2019, which was in line with increase of our profit in 2019.

行政開支

行政開支由2018年的約人民幣100.0百萬元減少約9.4%至2019年的約人民幣90.6百萬元，行政開支減少乃主要由於上市開支減少所致。

財務成本 – 淨額

財務成本主要包括(i)銀行及其他借款的利息開支；及(ii)已收預售按金的利息，扣除已資本化的利息開支，惟以有關成本直接與物業開發項目相關為限。我們的財務成本由截至2018年12月31日止年度的約人民幣44.3百萬元增加約63.9%至截至2019年12月31日止年度的約人民幣72.6百萬元。該增加乃主要由於預售物業所得款項（入賬列作「**合同負債**」）由2018年12月31日的約人民幣2,030.5百萬元增加至2019年12月31日的約人民幣2,716.3百萬元致使截至2019年12月31日止年度的已收預售按金的資本化利息增加。

所得稅開支

所得稅開支主要包括中國附屬公司產生的中國企業所得稅開支及土地增值稅。所得稅開支由截至2018年12月31日止年度的約人民幣195.9百萬元增加約15.7%或人民幣30.7百萬元至截至2019年12月31日止年度的約人民幣226.6百萬元，這與我們2019年利潤增加相符。

Management Discussion and Analysis

管理層討論與分析

Liquidity, financial resources and capital resources

As of 31 December 2019, the cash and cash equivalents amounted to approximately RMB245.2 million (31 December 2018: RMB419.5 million), of which approximately RMB242.6 million (31 December 2018: RMB372.8 million) was denominated in Renminbi and approximately RMB2.5 million (31 December 2018: RMB46.7 million) was denominated in Hong Kong dollars.

As at 31 December 2019, the restricted cash amounted to approximately RMB115.7 million (31 December 2018: RMB125.9 million), all restricted cash was denominated in Renminbi.

The Group's total borrowings amounted to approximately RMB1,066.1 million as of 31 December 2019 (31 December 2018: RMB1,070.5 million), of which approximately RMB633.8 million was classified as current liabilities (31 December 2018: RMB467.3 million). Approximately 42.0% (31 December 2018: 57.0%) out of the Group's total borrowings was fixed interest rates.

At 31 December 2019 and 2018, the Group's borrowings were repayable as follows:

流動資金、財務資源及資本資源

截至2019年12月31日，現金及現金等價物約為人民幣245.2百萬元（2018年12月31日：人民幣419.5百萬元），其中約人民幣242.6百萬元（2018年12月31日：人民幣372.8百萬元）以人民幣計值，約人民幣2.5百萬元（2018年12月31日：人民幣46.7百萬元）以港元計值。

於2019年12月31日，受限制現金約為人民幣115.7百萬元（2018年12月31日：人民幣125.9百萬元），所有受限制現金均以人民幣計值。

截至2019年12月31日，本集團的借款總額約為人民幣1,066.1百萬元（2018年12月31日：人民幣1,070.5百萬元），其中約人民幣633.8百萬元被分類為流動負債（2018年12月31日：人民幣467.3百萬元）。本集團借款總額中約42.0%（2018年12月31日：57.0%）為固定利率。

於2019年及2018年12月31日，本集團借款於下列時間償還：

		As at 31 December 2019 於2019年12月31日			As at 31 December 2018 於2018年12月31日			
		Between	Between		Between	Between		
		Within	1 to 2	2 to 5	Within	1 to 2	2 to 5	Over
		1 year	years	years	1 year	years	years	5 years
		1年內	1至2年	2至5年	1年內	1至2年	2至5年	5年以上
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Bank borrowings	銀行借款	291,000	-	-	196,000	29,000	-	-
Other long-term borrowings	其他長期借款	342,752	171,128	261,220	271,340	262,960	250,210	61,000
		633,752	171,128	261,220	467,340	291,960	250,210	61,000

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Current, total and net assets

As of 31 December 2019, the Group had current assets of approximately RMB6,266.8 million (31 December 2018: RMB5,030.7 million) and current liabilities of approximately RMB4,831.2 million (31 December 2018: RMB3,584.6 million), there was no material change on net current assets value from approximately RMB1,446.1 million as at 31 December 2018 to approximately RMB1,435.6 million as at 31 December 2019.

As of 31 December 2019, the Group had total assets of approximately RMB6,526.4 million (31 December 2018: RMB5,204.5 million) and total liabilities of approximately RMB5,292.9 million (31 December 2018: RMB4,207.0 million), representing an increase of net assets or total equity from approximately RMB997.5 million as at 31 December 2018 to approximately RMB1,233.5 million as at 31 December 2019.

Charge on assets

The majority of the Group's bank borrowings and certain other long-term borrowings from third parties are secured by properties held or under development for sale of the Group.

Contingent liabilities

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of these purchasers for repayments. Such guarantees will terminate upon the earlier of (i) the issuance and transfer of the real estate ownership certificate, or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

流動資產、總資產及淨資產

截至2019年12月31日，本集團擁有流動資產約人民幣6,266.8百萬元（2018年12月31日：人民幣5,030.7百萬元）及流動負債約人民幣4,831.2百萬元（2018年12月31日：人民幣3,584.6百萬元），流動資產淨值由2018年12月31日的約人民幣1,446.1百萬元變為2019年12月31日的約人民幣1,435.6百萬元，並無重大變動。

截至2019年12月31日，本集團擁有總資產約人民幣6,526.4百萬元（2018年12月31日：人民幣5,204.5百萬元）及總負債約人民幣5,292.9百萬元（2018年12月31日：人民幣4,207.0百萬元），淨資產或總權益由2018年12月31日的約人民幣997.5百萬元增加至2019年12月31日的約人民幣1,233.5百萬元。

資產抵押

本集團的大多數銀行及第三方借款及若干其他長期借款由本集團的持作出售或開發中待售物業作抵押。

或然負債

本集團已為本集團物業的若干買家安排銀行融資，並就買家的還款責任提供擔保。該等擔保將於(i)發出及轉讓房地產權屬證書；或(ii)物業買家償付按揭貸款（以較早者為準）時終止。

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Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties after the relevant legal procedures. The Group's guarantee period starts from the date of grant of mortgage. The Directors consider that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

Key financial ratios:

根據擔保條款，在該等買家拖欠按揭還款時，本集團須負責向銀行償還違約買家拖欠的按揭本金連同應計利息，而本集團於相關法律程序後有權接管相關物業的合法業權及所有權。本集團的擔保期自授出按揭日期起開始。董事認為買家拖欠付款的可能性極低，因此，按公平值計量的財務擔保並不重大。

主要財務比率：

		For the year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
Profitability ratios	盈利比率		
Return on assets	資產回報率	5.0%	4.7%
Return on equity	權益回報率	26.1%	31.6%
Net profit margin	純利率	14.7%	12.2%

		As of 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
Liquidity ratio	流動性比率		
Current ratio	流動比率	1.3	1.4
Capital adequacy ratios	資本充足比率		
Gearing ratio (note 1)	槓桿比率 (附註1)	86.4%	107.3%
Debt to equity ratio (note 2)	債務權益比率 (附註2)	66.6%	65.3%

Note 1: Gearing ratio is our total debts, including bank borrowings and other long-term borrowings, as a percentage of total equity.

附註1：槓桿比率為我們的債務總額（包括銀行借款及其他長期借款）佔總權益的百分比。

Note 2: Debt to equity ratio is our total debts, minus cash and cash equivalents, as a percentage of total equity.

附註2：債務權益比率為我們的債務總額減現金及現金等價物佔總權益的百分比。

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KEY RISK FACTORS

All of our projects are located in Henan Province, the PRC. Our business continues to be heavily dependent on the performance of the property markets in Xuchang City and Henan Province. These property markets may be affected by local, regional, national and global factors, many of which are beyond our control and could include economic and financial conditions, speculative activities in local markets, demand for and supply of properties, availability of alternative investment choices for property buyers, inflation, government policies, interest rates and availability of capital. The selling price per sq.m. and gross profit margins of our properties vary by the type of properties we developed and sold, and affected by various factors including the market demand of the properties located, prevailing local market prices, the cost of properties constructed and sold.

The property market in the cities in which we have operations or plan to expand our operations has been competitive. Our existing and potential competitors include both major national and regional property developers with expansive operations in the cities or markets in which we operate as well as local property developers. We compete with them with respect to a number of factors, including land acquisition, geographic location, management expertise, financial resources, access to transportation infrastructure, size of land reserves, product quality, brand recognition by customers, customer services and support, pricing and design quality. We may seek to further enhance our market presence in these cities amid intense competition.

In addition, our business is also subject to the general social conditions in the regions where we operate and in the PRC in general. Any occurrence of force majeure events, natural disasters or outbreaks of epidemics, including those caused by avian influenza, swine influenza, severe acute respiratory syndrome, SARS, Middle East respiratory syndrome coronavirus, MERS-CoV or COVID-19 in the regions where we operate or in the PRC in general, which are beyond our control, depending on their scale, may cause different degree of damages to the economy, social conditions, infrastructure and livelihood of the people of the regions we operate or in China in general.

主要風險因素

我們的所有項目均位於中國河南省。我們的業務繼續高度依賴許昌市及河南省的物業市場表現。該等物業市場可能受本地、地區、國內及全球因素所影響，其中多項因素非我們所能控制，可能包括經濟及財務狀況、地方市場的投機活動、物業供需、物業買家是否有其他投資選擇、通脹、政府政策、利率及可獲得的資本。我們物業的每平方米售價及毛利率因我們所開發及銷售物業的類型而異，並受諸多因素影響，該等因素包括物業所在的市場需求、當時當地的市價、所建設及出售物業的成本。

我們經營或計劃擴展業務所在城市的房地產市場競爭激烈。現有及潛在競爭對手包括我們經營所在城市或市場擁有廣泛業務的大型國家及地區物業開發商及地方物業開發商。我們與競爭對手在土地收購、地理位置、管理專長、財務資源、可用交通基礎設施、土地儲備規模、產品質量、客戶的品牌認知度、客戶服務與支持、定價及設計質量等方面展開競爭。我們或會尋求在激烈競爭中進一步鞏固我們於該等城市中的市場地位。

此外，我們的業務亦受我們營運地區及中國整體社會狀況的影響。在我們所在地區發生的不可抗力事件、自然災害或流行病爆發，包括由禽流感、豬流感、嚴重急性呼吸綜合徵(SARS)、中東呼吸綜合徵冠狀病毒、MERS-CoV或COVID-19引起的事件(視乎其規模)超出了我們的控制範圍，可能對我們運營的地區或中國整體經濟、社會條件、基礎設施及民生造成不同程度的損害。

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The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not hedged its cash flow or fair value interest rate risk.

The Group is principally engaged in the property development business in the PRC with almost all transactions denominated in Renminbi. In addition, the majority of the Group's assets and liabilities are denominated in Renminbi. Accordingly, the Group is not exposed to significant foreign currency risk, except for the bank deposits denominated in Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, the management of the Group closely monitors the foreign exchange exposure and will take actions when necessary.

MATERIAL ACQUISITION AND DISPOSAL

During the year ended 31 December 2019, the Group did not have any material acquisition or disposal of subsidiaries, associates or assets.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

The Directors confirmed that as at the date of this report, there are no current plans to acquire any material investment or capital assets other than in the Group's ordinary business of property development.

GEARING RATIO

Gearing ratio is our total debts, including bank borrowings and other long-term borrowings, as a percentage of total equity. As at 31 December 2019, the gearing ratio of the Group was approximately 86.4%, representing decrease of approximately 20.9 percentage points as compared with approximately 107.3% as at 31 December 2018, which was mainly due to: (i) receipt of proceeds from pre-sale and delivery of pre-sold properties; and (ii) repayment of outstanding loans gradually during the year.

本集團所承受的利率變動風險主要涉及借款。以浮動利率計息的借款使本集團承受現金流量利率風險。以固定利率計息的借款使本集團承受公平值利率風險。本集團並無對沖其現金流量或公平值利率風險。

本集團主要在中國從物業開發業務，幾乎所有交易均以人民幣計值。此外，本集團的大部分資產及負債亦以人民幣計值。因此，本集團並不承受重大外幣風險，惟以港元計值的銀行存款除外。本集團目前並無外幣對沖政策。然而，本集團管理層密切監管外匯風險，並將於必要時採取措施。

重大收購及出售事項

於截至2019年12月31日止年度，本集團概無進行任何有關附屬公司、聯營公司或資產的重大收購或出售。

有關重大投資或資本資產的未來計劃

董事確認於本報告日期，除本集團的物業開發日常業務外，目前並無計劃收購任何重大投資或資本資產。

槓桿比率

槓桿比率為我們的債務總額（包括銀行借款及其他長期借款）佔權益總額的百分比。於2019年12月31日，本集團的槓桿比率約為86.4%，較2018年12月31日的約107.3%下降約20.9個百分點，乃主要由於(i)收取預售及交付預售物業所得款項；及(ii)年內逐步償還尚未償還貸款所致。

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管理層討論與分析

TREASURY POLICIES AND CAPITAL STRUCTURE

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio.

HUMAN RESOURCES AND EMPLOYEES' REMUNERATION

Human resource has always been the most valuable resource of the Group. As of 31 December 2019, the Group had a total workforce of 483 employees (31 December 2018: 426). The remuneration policy is reviewed by the Board from time to time. Emoluments of Directors are determined by the remuneration committee of the Company after considering performance of the Group, individual performance and comparing with market conditions. In addition to basic remuneration, the Group also provides medical insurance, social insurance contribution plans or other pension schemes, and other benefits in kind to the employees. The Group adopted five-day week policy applying to our certain back office staff to execute the philosophy of work-life balance.

To intensify personnel training and development, the Group provides a series of employee training programmes, which aims to accelerate professional growth and identify competences and talents of diversified teams. High potential staff are preferred and developed intensively according to the promotion plan towards the management level. In order to attract and retain suitable candidates for business development, the Group adopted the share option scheme as incentive since November 2018.

USE OF PROCEEDS FROM THE IPO

As at 31 December 2019, the net proceeds from the IPO were fully utilised.

庫務政策及資本架構

本集團資本管理的目標是確保本集團能持續經營，以為股東帶來回報，並維持最優資本架構以減少資金成本。

為維持或調整資本架構，本集團可調整支付予股東的股息金額、發行新股份或出售資產以減少債務。

本集團以槓桿比率為基準監察其資本。

人力資源及僱員薪酬

人力資源始終是本集團最寶貴的資源。截至2019年12月31日，本集團總共擁有483名僱員（2018年12月31日：426名）。薪酬政策由董事會不時審閱。董事薪酬經本公司薪酬委員會考慮本集團的表現、個人表現及比較市場情況後釐定。除基本薪酬外，本集團亦為僱員提供醫療保險、社會保險供款計劃或其他養老金計劃以及其他實物福利。本集團對若干後勤員工採用一週五天工作日政策，以落實工作生活保持平衡的理念。

為加強個人培訓及發展，本集團提供一系列僱員培訓計劃，旨在加速專業發展及確認多元化團隊的能力及才能。根據晉升計劃，擁有巨大潛力的員工會被優先考慮及重點發展成為管理層。為了吸引及挽留合適的業務發展候選人，本集團自2018年11月起採納購股權計劃作為獎勵。

首次公開發售所得款項用途

截止2019年12月31日，首次公開發售所得款項淨額已全部動用。

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FORWARD LOOKING

Benefiting from the expansion of property size over the year that has just past, China has seen significant increase in sales and growth rate of commercial properties. Impacted by the outbreak of novel coronavirus, COVID-19, China's real estate industry faces tremendous pressure right after stepping into 2020, nevertheless, there is an overall demand in the industry. In the long run, the impact brought by the epidemic on real estate industry will be relatively less profound than some other industries.

2020 marks the last year of China's 13th Five-Year Plan. The construction of high-specification systems such as the National Housing Information Network (全國住房信息聯網) and the National Land Planning System (國土空間規劃體系) is expected to be more or less completed by 2020, which will push forward land planning and real estate development into a new era of more sustainable systematic development while at the same time the growing population will continue to provide strong support for the development of the real estate industry.

Given the fact that Henan Province has a population of over 100 million, there is a great domestic demand in the real estate industry brought by the huge local market, evidenced particularly by the growing population in Henan Province, where urbanization rate is not high. With the further implementation of national and local strategies such as the Rise of Central China (中部崛起), and the Integration of Zhengzhou and Xuchang and as a local brand, we will take the advantages to grasp market opportunities with the combination of hard power and soft power to make outstanding contributions to the development of the city.

As an enterprise with integrity and responsibility, the Group will, in the future, continue to adhere to the principle of "Integrity Management, Fulfilling Every Promise", enhance the quality of the city with premium buildings and craft quality living with ingenuity. By dedicating more valuable real estate projects to a large number of property owners, the Group will continue pushing forward urban development, opening a new chapter in urban construction and corporate development.

前景展望

剛剛過去的一年受益於房地產規模的增大，全國商品房銷售額及增速都出現了較大幅度的增長。由於受到新型冠狀病毒感染肺炎疫情影響，踏入2020年全國房地產行業即感受到巨大的壓力，但行業的總體需求仍然存在，長期來看，房地產行業對比某些行業受到的影響相對較小。

2020年是中國十三五規劃的最後一年，全國住房信息聯網、國土空間規劃體系等高規格系統建設預計將在2020年建成或基本建成，推動土地規劃和房地產發展進入可持續性更高、系統性更強的新時代，同時人口紅利將繼續為房地產行業發展提供有力支撐。

河南省人口過億，房地產行業內需較大，擁有龐大的本土市場，人口紅利在城鎮化不高的河南省體現將尤為明顯。隨著「中部崛起」「鄭許一體化」等國家及地方戰略進一步落實，作為本土品牌，我們將會凸顯把握市場機遇的優勢，硬實力與軟實力相互結合，為城市的發展做出卓越貢獻。

作為一個有誠信、有擔當的企業，未來本集團將繼續堅持「誠信經營，兌現每一個承諾」的理念，以精品建築提升城市品位，以匠心精神研磨品質人居，為廣大業主奉獻更具價值的地產項目，不斷推動城市發展，譜寫城市建設、企業發展的新篇章。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

EXECUTIVE DIRECTORS

Mr. Li Xiaobing, aged 42, is the executive Director and Chairman of the Company and was appointed as a Director on 22 July 2016. He is also the Chairman of the Nomination Committee. Mr. Li joined the Group in October 2004 as the manager of the purchasing department (採購部經理) of Xuchang Hengda and has since then served a number of managerial and directorship positions of various members of the Group. Mr. Li has over 11 years of experience in strategic planning, operational management and corporate administration of property development business in the PRC. He is also a director of Ever Commitment (PTC) Limited, which is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

In December 2006, Mr. Li obtained an Executive Master of Business Administration from Huazhong University of Science and Technology (華中科技大學) in Wuhan. In June 2017, he became one of the awardees of the title of “Innovative Xuchang Top-10 Economic Figures of Influence” (創業許昌十大經濟風雲人物) jointly conferred by the Henan Economic Newspaper Office (河南經濟報社) and Zhongyuan Economic Net (中原經濟網), in recognition of his entrepreneurial contributions to the innovative development of the Central Plain area (中原地區) of the PRC. In May 2018, he obtained a certificate of 2017 Entrepreneurial Excellence Awards (2017年度優秀企業家證書), which was granted by The People’s Government of Xuchang City (許昌市人民政府). In February 2019, Mr. Li was awarded the title of Outstanding Entrepreneur of Xuchang City (許昌市優秀企業家) by the People’s Government of Xuchang City (許昌市人民政府). In April 2019, Mr. Li received the certificate of Xuchang City Model Worker (許昌市勞動模範) from the People’s Government of Xuchang City (許昌市人民政府). In April 2019, Mr. Li was awarded the honorary title of “Charity Model” (慈善榜樣) of Xuchang City in 2018 by the Propaganda Department of Xuchang Municipal Party Committee (許昌市委宣傳部).

執行董事

李小冰先生，42歲，為本公司執行董事兼主席，於2016年7月22日獲委任為董事。彼亦為提名委員會主席。李先生於2004年10月加入本集團為許昌恒達的採購部經理，自此擔任本集團多家成員公司的多個管理及董事職位。李先生於中國房地產開發業務的策略規劃、經營管理及企業管理方面具有逾11年豐富經驗。彼亦為Ever Commitment (PTC) Limited之董事，該公司根據證券及期貨條例第XV部為本公司主要股東。

於2006年12月，李先生取得武漢華中科技大學的高級管理人員工商管理碩士學位。於2017年6月，彼獲河南經濟報社及中原經濟網共同授予「創業許昌十大經濟風雲人物」稱號，以表彰其對中國中原地區創新發展的創意貢獻。於2018年5月，彼獲得許昌市人民政府頒發的2017年度優秀企業家證書。於2019年2月，李先生獲得許昌市人民政府頒發的許昌市優秀企業家稱號。於2019年4月，李先生獲得許昌市人民政府頒發的許昌市勞動模範證書。於2019年4月，李先生獲得許昌市委宣傳部頒發的許昌市2018年「慈善榜樣」榮譽稱號。

Biographical Details of Directors and Senior Management 董事及高級管理人員之履歷

Mr. WANG Zhenfeng, aged 51, is the executive Director and chief executive officer of the Company and was appointed as a Director on 19 May 2017. He is also a member of the Legal Compliance Committee. Mr. Z.F. Wang joined the Group in May 2002 and has been the general manager (總經理) of Xuchang Hengda since November 2006, the director of Xuchang Hengda since October 2007, the director of Henan Dadi since August 2012 and chief executive officer (總裁) of Xuchang Hengda since February 2013. Mr. Z.F. Wang has over 13 years of experiences in strategic planning, operational and financial management as well as corporate administration of property development businesses in the PRC.

Mr. Z.F. Wang obtained an undergraduate degree in industrial economics (工業經濟) from Henan University of Finance and Economics* (河南財經政法大學) (the predecessor of Henan Institute of Finance* (河南財經學院)) in June 1992. He then attained the qualification of accountant in the speciality of enterprise accounting (企業會計) as conferred by the Ministry of Finance of the PRC* (中華人民共和國財政部) in May 1996, and also obtained the qualification lawyer certificate (律師資格證書) from the Review Committee of Lawyer Qualification under the Ministry of Justice of the PRC* (中華人民共和國司法部律師資格審查委員會) in July 2001. He has become a non-practising member (非執業會員) of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since June 2012.

Ms. QI Chunfeng, aged 47, is the executive Director and deputy chief executive officer of the Company and was appointed as a Director on 19 May 2017. In November 1993, Ms. Qi joined the finance department (財務部) of Xuchang Weidu Guesthouse Company Limited* (which was a subsidiary of Henan Dadi prior to disposal of the entire equity interests therein to Hengda Investment in September 2016) and has been a director as well as deputy chief executive officer (副總裁) of Xuchang Hengda since January 2002 and March 2010 respectively. Ms. Qi has extensive experiences in financial supervision, operational management as well as corporate administration of property development businesses in the PRC.

王振峰先生，51歲，為本公司執行董事兼總裁，彼於2017年5月19日獲委任為董事。彼亦為法律合規委員會成員。王振峰先生於2002年5月加入本集團，自2006年11月起擔任許昌恒達總經理，自2007年10月起擔任許昌恒達董事，自2012年8月起擔任河南大地董事，及自2013年2月起擔任許昌恒達總裁。王振峰先生在中國房地產開發業務的策略規劃、經營及財務管理以及企業行政管理方面具有逾13年豐富經驗。

王振峰先生於1992年6月在河南財經政法大學（其前身為河南財經學院）取得工業經濟本科學歷。其後於1996年5月取得中華人民共和國財政部頒發的企業會計專業的會計師職稱，並於2001年7月取得中華人民共和國司法部律師資格審查委員會頒發的律師資格證書。彼自2012年6月起成為中國註冊會計師協會的非執業會員。

齊春風女士，47歲，為本公司執行董事兼副總裁。彼於2017年5月19日獲委任為董事。齊女士於1993年11月加入許昌魏都賓館有限公司（於2016年9月將其全部股權出售予恒達投資前為河南大地的附屬公司）財務部，彼分別自2002年1月及2010年3月起擔任許昌恒達董事及副總裁。齊女士在中國房地產開發業務的財務監管、經營管理及企業行政管理方面具有豐富經驗。

* English name for identification purpose only

Biographical Details of Directors and Senior Management 董事及高級管理人員之履歷

Ms. Qi completed her tertiary studies in the speciality of computing accountancy (會計電算化) at Xuchang Vocational Technical College (許昌職業技術學院) in January 2007.

Mr. WANG Quan, aged 46, is the executive Director and deputy chief executive officer of the Company and was appointed as a Director on 19 May 2017. Mr. Q. Wang joined Xuchang Hengda in March 2002 and has since been a deputy chief executive officer (副總裁) of Xuchang Hengda since April 2005, as well as a director and general manager (總經理) of Henan Dadi since August 2012 and February 2016 respectively. Mr. Q. Wang has extensive experiences in operational management and corporate administration.

Mr. Q. Wang completed his tertiary studies in the speciality of production mechanics craftsmanship and equipments (機械製造工藝及設備) at the Technical College of Northern China* (華北工學院) in July 1996. He then attained in May 2001 the professional and technical qualification of assistant engineer (助理工程師) in the speciality of mechanics (機械) as evaluated by the Elementary Professional and Technical Role Assessment Committee of State-owned 9676 Factory (Engineering Series)* (國營九六七六廠工程系列初級專業技術職務評委會) and conferred by the Commission of Science, Technology and Industry for National Defence of Henan Province* (河南省國防科學技術工業委員會). Moreover, Mr. Q. Wang also obtained the intermediate level of economics (經濟) in the speciality of business administration (工商管理) as conferred by the Ministry of Personnel of the PRC* (中華人民共和國人事部) in November 2001, as well as the intermediate level of finance (金融) and the intermediate level of fiscal taxation (財務稅收) as conferred by the Ministry of Human Resources and Social Security of the PRC* (中國人力資源和社會保障部) respectively in May 2015 and April 2016. Furthermore, Mr. Q. Wang undertook a number of qualification examinations for securities practitioners (證券從業人員資格考試) and was granted passing certificates (成績合格證) by the Securities Association of China (中國證券業協會).

齊女士於2007年1月在許昌職業技術學院完成會計電算化專業的高等教育學業。

王權先生，46歲，為本公司執行董事兼副總裁。彼於2017年5月19日獲委任為董事。王權先生於2002年3月加入許昌恒達，自2005年4月起擔任許昌恒達副總裁以及於2012年8月及2016年2月起分別擔任河南大地董事及總經理。王權先生在經營管理及企業行政管理方面具有豐富經驗。

王權先生於1996年7月在華北工學院完成機械製造工藝及設備專業的高等教育學業。彼隨後於2001年5月取得由國營九六七六廠工程系列初級專業技術職務評委會評定並由河南省國防科學技術工業委員會頒發的機械專業助理工程師職業與技術資格。此外，王權先生亦於2001年11月取得中華人民共和國人事部頒發的工商管理專業經濟中級職稱，以及分別於2015年5月及2016年4月取得中國人力資源和社會保障部頒發的金融中級職稱及財務稅收中級職稱。此外，王權先生曾參加多項證券從業人員資格考試，並獲中國證券業協會頒發多項成績合格證。

* English name for identification purpose only

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LEE Kwok Lun, aged 36, was appointed as an independent non-executive Director of the Company on 22 October 2018. He is also the chairman of the Audit Committee, and a member of each of the Remuneration Committee, the Nomination Committee and the Legal Compliance Committee. Mr. Lee is currently an independent non-executive Director of Dragon Rise Group Holdings Limited (龍升集團控股有限公司), a company listed on the Stock Exchange (Stock Code: 6829) and Wing Chi Holdings Limited (榮智控股有限公司), a company listed on the Stock Exchange (Stock Code: 6080), the chief financial officer and company secretary of Summi (Group) Holdings Limited (森美(集團)控股有限公司) (formerly known as Tianyi (Summi) Holdings Limited (天溢(森美)控股有限公司)), a company listed on the Stock Exchange (Stock Code: 756) and a director of Prism CPA Limited (栢淳會計師事務所有限公司). Mr. Lee has over 13 years of experience in accounting, audit, corporate finance and financial management. Mr. Lee has been appointed as the company secretary of Solis Holdings Limited (守益控股有限公司), a company listed on the Stock Exchange (Stock Code: 2227), with effect from 23 December 2019.

Mr. Lee obtained a degree of Bachelor of Arts from the University of Hertfordshire in 2006. He is a practising member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants, an associate member of the The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) and an associate member of the Hong Kong Institute of Chartered Secretaries.

Mr. WEI Jian, aged 43, was appointed as an independent non-executive Director of the Company on 22 October 2018. He is also a member of the Audit Committee and the Remuneration Committee. Mr. Wei is currently the Deputy CEO of the China Minsheng Financial Holding Corporation Limited, a company listed on the Stock Exchange (Stock code: 245). He had also served as a banking officer and a foreign exchange and money market trader of treasury department of the Bank of China Sydney Branch, a foreign

獨立非執行董事

李國麟先生，36歲，於2018年10月22日獲委任為獨立非執行董事。彼亦為審核委員會主席以及薪酬委員會、提名委員會及法律合規委員會成員。李先生現時為龍升集團控股有限公司（一家於聯交所上市的公司，股份代號：6829）及榮智控股有限公司（一家於聯交所上市的公司，股份代號：6080）的獨立非執行董事、森美（集團）控股有限公司（前稱：天溢（森美）控股有限公司）（一家於聯交所上市的公司，股份代號：756）的首席財務官及公司秘書以及栢淳會計師事務所有限公司董事。李先生於會計、審計、企業融資及財務管理方面具有逾13年豐富經驗。李先生獲守益控股有限公司（一家於聯交所上市的公司，股份代號：2227）委任為該公司之公司秘書，自二零一九年十二月二十三日起生效。

李先生於2006年在英國赫特福德大學 (University of Hertfordshire) 取得文學學士學位。彼為香港會計師公會執業會員、英國特許公認會計師公會會員、特許公司治理公會（前稱：特許秘書及行政人員公會）會員及香港特許秘書公會會員。

魏劍先生，43歲，於2018年10月22日獲委任為獨立非執行董事。彼亦為審核委員會及薪酬委員會成員。魏先生現時擔任中國民生金融控股有限公司（一家於聯交所上市的公司，股份代號：245）副總裁。彼亦曾擔任中國銀行悉尼分行銀行職員及其庫務部外匯及貨幣市場交易員、CMC

Biographical Details of Directors and Senior Management 董事及高級管理人員之履歷

exchange hedge trader and the risk manager of CMC Markets Asia Pacific Pty Ltd., the senior risk manager as well as associate director of City Index Australia Pty Ltd. and the vice president of the treasury department (庫務部副總裁) and an executive officer (主管人員) of China Minsheng Banking Corporation Limited, Hong Kong branch (中國民生銀行股份有限公司香港分行). Mr. Wei has over 10 years of experience in asset management, business development, financial market operations, corporate advisory and securities dealing.

Mr. Wei obtained from the Royal Melbourne Institute of Technology an Advanced Diploma of Business (Marketing) in October 1999 and a degree of Bachelor of Business (Economics and Finance) in December 2000, and subsequently the Postgraduate Diploma in Finance and the Master of Financial Management from The University of Melbourne in August 2002 and in December 2002 respectively.

Mr. FANG Cheng, aged 47, was appointed as an independent non-executive Director of the Company on 22 October 2018. He is also the chairman of each of the Remuneration Committee and the Legal Compliance Committee, and a member of each of the Audit Committee and the Nomination Committee. Mr. Fang is currently the responsible officer of Syner Wealth Capital Limited (滙心資本有限公司) on regulated activity of advising on corporate finance covered under type 6 licence granted by the SFC. He had served for a number of financial institutions such as South China Capital Limited (南華融資有限公司), Lombard Capital Limited (朗盈萬通融資有限公司), Masterlink Securities (Hong Kong) Corporation Limited (元富證券(香港)有限公司), CNCB (Hong Kong) Capital Limited (信銀(香港)資本有限公司), Freeman Corporate Finance Limited (民眾企業融資有限公司), Hong Kong International Capital Management Limited (香港國際資本管理有限公司), Huarong International Capital Limited (華融國際融資有限公司) and Huarong International Securities Limited (華融國際證券有限公司). Mr. Fang has over 13 years of experience in investment banking and corporate financing activities.

Markets Asia Pacific Pty Ltd. 外匯對沖交易員及風險經理、City Index Australia Pty Ltd.高級風險經理及副總監以及中國民生銀行股份有限公司香港分行庫務部副總裁及主管人員。魏先生於資產管理、業務發展、金融市場業務、企業諮詢及證券買賣方面具有逾10年豐富經驗。

魏先生分別於1999年10月及2000年12月在皇家墨爾本理工大學取得商學高級文憑(市場營銷)以及經濟及金融類商學學士學位，隨後分別於2002年8月及2002年12月在墨爾本大學取得金融學研究生文憑及金融管理碩士學位。

方征先生，47歲，於2018年10月22日獲委任為本公司獨立非執行董事。彼亦為薪酬委員會及法律合規委員會主席以及審核委員會及提名委員會成員。方先生現時為滙心資本有限公司從事證監會授出的第6類牌照下所涵蓋的就機構融資提供意見的受規管活動的負責人員。彼曾就職於多家金融機構，包括南華融資有限公司、朗盈萬通融資有限公司、元富證券(香港)有限公司、信銀(香港)資本有限公司、民眾企業融資有限公司、香港國際資本管理有限公司、華融國際融資有限公司及華融國際證券有限公司。方先生於投資銀行及企業融資活動方面具有逾13年豐富經驗。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

Mr. Fang obtained a bachelor's degree in transportation engineering and management (交通工程與管理學) from Feng Chia University (逢甲大學) in Taiwan in June 1992 and subsequently a degree of Master of Business Administration from the Cleveland State University in the United States in September 1995.

SENIOR MANAGEMENT

Mr. LI Shixun, aged 48, has been the managing deputy chief executive officer of our Company since 25 May 2017. He is primarily responsible for the overall administrative and operational management of our Group. He possesses over ten years of experience in the administration and enterprise planning of property development businesses.

Mr. S.X. Li completed, on part-time basis, his tertiary studies in the speciality of fine arts at Henan Radio & Television University* (河南廣播電視大學) in July 2005.

Mr. S.X. Li joined our Group in November 1999 as the external business manager of the operations department (經營部對外業務經理) of Xuchang Hengda, and from March 2000 to February 2001 he served as the deputy manager of the enterprise planning department (企業策劃部副經理) of Xuchang Hengda before being promoted to become the manager of the said department in February 2001. After serving the enterprise planning department for more than four years, he was appointed in August 2004 as the manager of the human resources department (人力資源部經理) of Xuchang Hengda. In April 2005, he joined the Jian'an District branch office (建安區分公司) of Xuchang Hengda as the deputy general manager (副總經理), and was subsequently appointed in November 2006 to serve as the sales director (營銷總監) of Xuchang Hengda for more than three years. From November 2009 to February 2010, from March 2010 to December 2010 and from August 2016 to May 2019, he also served as the deputy general manager (常務副總經理) of Xuchang Hengda, the deputy chief executive officer (副總裁) of Xuchang Hengda and the executive director and manager (執行董事及經理) of Yuzhou Hengda, respectively. Mr. S.X. Li has been the managing deputy chief executive officer (常務副總裁) of Xuchang Hengda since January 2011.

方先生於1992年6月取得台灣逢甲大學交通工程與管理學學士學位，並於1995年9月取得美國克利夫蘭州立大學工商管理碩士學位。

高級管理人員

李世勳先生，48歲，自2017年5月25日起擔任本公司常務副總裁。彼主要負責本集團整體行政及營運管理。彼於房地產開發業務的行政及企業規劃方面擁有逾十年經驗。

李世勳先生於2005年7月於河南廣播電視大學以兼讀方式完成其美術專業高等教育學業。

李世勳先生於1999年11月加入本集團，擔任許昌恒達經營部對外業務經理，自2000年3月至2001年2月擔任許昌恒達企業策劃部副經理，其後於2001年2月晉升為企業策劃部經理。於企業策劃部工作逾四年後，彼於2004年8月獲委任為許昌恒達人力資源部經理。於2005年4月，彼加入許昌恒達建安區分公司，擔任副總經理，其後於2006年11月獲委任為許昌恒達營銷總監，任職逾三年。自2009年11月至2010年2月，自2010年3月至2010年12月及自2016年8月至2019年5月，彼亦分別擔任許昌恒達常務副總經理，許昌恒達副總裁及禹州恒達執行董事及經理。李世勳先生自2011年1月起擔任許昌恒達常務副總裁。

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Mr. LEUNG Kam Fai Anthony, aged 35, has been the chief financial officer and company secretary of our Company since December 2016. He is primarily responsible for accounting, financial as well as company secretarial matters of our Group. He possesses over ten years of experience in handling transactional, annual auditing and review engagements for public companies.

Mr. Leung obtained a degree of Bachelor of Commerce in Accountancy from the Hong Kong Baptist University in November 2008. Mr. Leung has been a member of the Hong Kong Institute of Certified Public Accountants since March 2013 and he has become a practising member of the Hong Kong Institute of Certified Public Accountants since September 2018.

梁錦暉先生，35歲，自2016年12月起擔任本公司財務總監兼公司秘書。彼主要負責本集團會計、財務及公司秘書事宜。彼在為公眾公司處理交易、年度審計及審閱工作方面擁有逾十年經驗。

梁先生於2008年11月取得香港浸會大學會計學商學士學位。自2013年3月起梁先生一直為香港會計師公會會員，及自2018年9月起彼成為香港會計師公會執業會員。

The directors of the Company (the “**Directors**”) have pleasure in submitting herewith their annual report together with the audited consolidated financial statements for the year ended 31 December 2019.

Review of the business of the Group during the year under review, a discussion on the Group’s future business development and possible risks and uncertainties that the Group may be facing are provided in the section headed “Chairman’s Statement” on pages 5 to 7 and the section headed “Management Discussion and Analysis” on pages 8 to 25 of this annual report.

An analysis of the Group’s performance during the year ended 31 December 2019 using financial performance indicators is provided in the section headed “Management Discussion and Analysis” on pages 8 to 25 of this annual report.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are property development and property investment in the PRC.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group seeks to uphold high standard of integrity in all aspects of business and is committed to ensuring that its affairs are conducted in accordance with applicable laws and regulatory requirements and has formulated and adopted various internal control measures, approval procedures and training within all business units at all levels of the Group. During the year, there has been no violation or breach of relevant laws and regulations that had a significant impact on the Group.

本公司董事（「**董事**」）欣然提呈其年報連同截至2019年12月31日止年度之經審核綜合財務報表。

本集團於回顧年內之業務回顧及本集團日後業務發展以及本集團可能要面對的風險及不確定性因素之討論，載於本年報第5至7頁「主席報告」一節及第8至25頁「管理層討論與分析」一節。

於截至2019年12月31日止年度，本集團之表現按財務表現指標之分析載於本年報第8至25頁「管理層討論與分析」一節。

主要業務

本公司的主要業務為投資控股。本集團的主要業務為在中國從事物業發展及物業投資。

遵守相關法律及法規

本集團力求維持業務各方面的高度誠信，並致力確保其事務按照適用法律及監管要求進行，並已制定及採納本集團各級所有業務部門內的各種內部控制措施、審批程序及培訓。於年內，並無觸犯或違反對本集團有重大影響的相關法律及法規。

Directors' Report

董事會報告

RESULTS AND RECOMMENDED DIVIDEND

The results of the Group for the year ended 31 December 2019 and the state of affairs of the Group at that date are set out in the financial statements of the Group on pages 115 to 282.

The Directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2019.

SHARE CAPITAL

No share had been issued by the Company during the year and details of the share capital of the Company are set out in note 14 to the consolidated financial statements.

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year.

RESERVES

Details of the movements in the Group's and the Company's reserves during the year are set out in the consolidated statement of changes in equity, notes 14 to 16 and in note 35 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2019, there was no reserves available for distribution to equity owners of the Company. After the end of the reporting period, the Directors do not propose the payment of a final dividend.

業績及建議股息

本集團截至2019年12月31日止年度的業績以及本集團於該日的業務狀況載於第115至282頁的本集團財務報表內。

董事並不建議派付截至2019年12月31日止年度的末期股息。

股本

本公司於年內並無發行股份。本公司股本詳情載於綜合財務報表附註14。

本公司或其任何附屬公司於年內並無購回、出售或贖回本公司任何上市證券。

儲備

本集團及本公司之儲備於年內之變動詳情分別載於綜合權益變動表及綜合財務報表附註14至16以及附註35。

可供分派儲備

於2019年12月31日，本公司並無可供分派給權益擁有人之儲備。於報告期末後，董事並不建議派付末期股息。

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group are set out in note 6 to the consolidated financial statements.

MAJOR PROPERTIES

Particulars of the major properties and property interests of the Group are shown on pages 285 to 290 of this annual report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

TAX RELIEF

The Company is not aware of any relief from taxation available to our shareholders by reason of their holding of the Company's shares.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 283 to 284 of this annual report.

物業、廠房及設備

本集團之物業、廠房及設備的變動詳情載於綜合財務報表附註6。

主要物業

本集團之主要物業及物業權益詳情載於本年報之第285至290頁。

優先購買權

本公司的組織章程細則或開曼群島法例並無有關優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

稅務減免

本公司並不知悉本公司股東因彼等持有本公司股份而獲任何稅務減免。

五年財務概要

本集團於過去五個財政年度之業績以及資產及負債概要載於本年報第283至284頁。

Directors' Report

董事會報告

DIRECTORS

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

Executive Directors

Mr. LI Xiaobing (Chairman)
Mr. WANG Zhenfeng (Chief Executive Officer)
Ms. QI Chunfeng
Mr. WANG Quan

Independent Non-Executive Directors

Mr. WEI Jian
Mr. FANG Cheng
Mr. LEE Kwok Lun

In accordance with the Company's articles of association, Mr. WANG Zhenfeng, Mr. WEI Jian and Mr. FANG Cheng will retire from the Board by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

No Director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

董事

年內及直至本董事會報告日期任職本公司的董事如下：

執行董事

李小冰先生（主席）
王振峰先生（行政總裁）
齊春風女士
王權先生

獨立非執行董事

魏劍先生
方征先生
李國麟先生

根據本公司之組織章程細則，王振峰先生、魏劍先生及方征先生將於應屆股東週年大會從董事會輪席告退，並符合資格重選連任。

擬於應屆股東週年大會上膺選連任之董事概無訂有於一年內若本公司或其附屬公司不付賠償（一般法定義務除外）則不得終止之尚未屆滿服務合約。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management are set out on pages 26 to 32.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for a term of three years; and is subject to termination by either party in the manner as set out in the service agreement.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years; and is subject to termination by either party in the manner as set out in the letter of appointment.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the section headed "Continuing Connected Transactions" in this Directors' report and in note 34 to the consolidated financial statements, none of the Directors, the entity connected with the Directors, controlling shareholders and any subsidiaries of the controlling shareholders of the Company had a material beneficial interest, either direct or indirect, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries or its parent company or fellow subsidiaries was a party during the year.

REMUNERATION OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and the five highest paid individuals are set out in note 27 to the consolidated financial statements.

The remuneration of the Directors and senior management is determined with reference to their duties, responsibilities and performance and the Group's results.

董事及高級管理人員之履歷

董事及高級管理人員之履歷詳情載於第26至32頁。

董事服務合約

各執行董事已與本公司訂立服務合約，任期為三年，及可由任何一方根據服務合約規定的方式予以終止。

各獨立非執行董事已與本公司訂立委任函，任期為三年，及可由任何一方根據委任函規定的方式予以終止。

董事於交易、安排或合約的重大權益

除本董事會報告內「持續關連交易」一節及綜合財務報表附註34所披露者外，概無本公司董事、與董事有關連的實體、控股股東及控股股東的任何附屬公司於本公司或其任何附屬公司或其母公司或同系附屬公司在年內所訂立並與本集團業務有關之任何重要交易、安排或合約中，直接或間接擁有重大權益。

董事薪酬及五名最高薪酬人士

董事薪酬及五名最高薪酬人士的薪酬詳情載於綜合財務報表附註27。

董事及高級管理人員薪酬乃經參考其職務、責任及表現，以及本集團的業績而釐定。

Directors' Report

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND/OR ANY ASSOCIATED CORPORATION

As at 31 December 2019, being the end of the reporting period under review, the interests or short positions in the shares, underlying shares or debentures of the Company and/or its associated corporations (within the meaning of Part XV of the SFO) that Directors and chief executive of the Company as recorded in the register required to be kept under section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, are as follows:

Interests in shares of the Company
於本公司的股份權益

董事及主要行政人員於本公司及／或任何相聯法團的股份、相關股份及債權證中擁有的權益及淡倉

於2019年12月31日，即回顧報告期末時，本公司董事及主要行政人員於本公司及／或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有根據證券及期貨條例第352條存置的登記冊所記錄，或根據標準守則須以其他方式知會本公司及聯交所的權益或淡倉，詳情如下：

Name of Director 董事名稱	Capacity/nature of interest 身份／權益性質	Number and class of securities ^(Note 1) 證券的數目及類別 ^(附註1)	Approximate percentage of shareholding 股權概約百分比
Mr. Li Xiaobing 李小冰先生	Settlor of a discretionary trust 全權信託財產託管人	855,000,000 ordinary shares (L) ^(Note 2) 855,000,000股 普通股股份(L) ^(附註2)	71.25%
	Interest of a controlled corporation 受控法團權益	45,000,000 ordinary shares (L) ^(Note 3) 45,000,000股 普通股股份(L) ^(附註3)	3.75%

Notes:

1. The letter "L" denotes to the person with long position in the shares.
2. These shares were legally and beneficially held by Ever Enhancement Enterprise Company Limited as at 31 December 2019. Ever Enhancement Enterprise Company Limited is a corporate controlling shareholder which is legally and beneficially wholly-owned by Ever Commitment (PTC) Limited. Ever Commitment (PTC) Limited is the trustee of the family trust, established by Mr. LI Xiaobing as the sole settlor for the benefit of a list of discretionary beneficiaries including Mr. LI Xiaobing himself and any persons or classes of person (save for Mr. LI Xiaobing's father and mother) to be appointed by and at the sole discretion of Ever Commitment (PTC) Limited (as trustee) from time to time. Given that Mr. LI Xiaobing is the sole settlor of the family trust, he is therefore deemed to be interested in any shares in which Ever Enhancement Enterprise Company Limited is interested by virtue of the SFO.
3. As at 31 December 2019, these shares were legally and beneficially held by Ever Enrichment Enterprise Company Limited of which the entire issued share capital was, in turn, legally and beneficially held by Mr. LI Xiaobing. Mr. LI Xiaobing is therefore deemed to be interested in any shares in which Ever Enrichment Enterprise Limited is interested by virtue of the SFO.

Save as disclosed above, as at 31 December 2019, none of the Directors or chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company and/or 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 otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

1. 字母「L」表示該名人士於股份中的好倉。
2. 於2019年12月31日，該等股份由恒升企業有限公司合法實益持有。恒升企業有限公司為公司控股股東，由恒諾私人信託有限公司合法實益全資擁有。恒諾私人信託有限公司為由李小冰先生（作為唯一財產託管人）為多名全權受益人（包括李小冰先生本人以及恒諾私人信託有限公司（作為受託人）不時全權酌情委任的任何人士或類別人士（李小冰先生的父母除外））的利益而設立的家族信託的受託人。由於李小冰先生為家族信託的唯一財產託管人，故根據證券及期貨條例，彼將被視作於恒升企業有限公司擁有權益的任何股份中擁有權益。
3. 於2019年12月31日，該等股份由恒潤企業有限公司合法實益持有，故全部已發行股本乃由李小冰先生合法實益持有。因此，根據證券及期貨條例，李小冰先生將被視作於恒潤企業有限公司擁有權益的任何股份中擁有權益。

除上文所披露者外，於2019年12月31日，概無本公司董事或主要行政人員於本公司及／或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有或被視作擁有根據證券及期貨條例第352條存置的登記冊所記錄，或根據標準守則須以其他方式知會本公司及聯交所的權益或淡倉。

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2019, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

主要股東於本公司的股份及相關股份中擁有的權益

於2019年12月31日，股東（董事或本公司主要行政人員除外）於本公司的股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部規定須向本公司披露，或根據證券及期貨條例第336條須予存置的登記冊所記錄的權益或淡倉，詳請如下：

Name of shareholder	Capacity/nature of interest	Number and class of securities ^(Note 1)	Approximate percentage of shareholding
股東名稱	身份／權益性質	證券的數目及類別 ^(附註1)	股權概約百分比
Ever Enhancement Enterprise Company Limited 恒升企業有限公司	Beneficial owner 實益擁有人	855,000,000 ordinary shares (L) 855,000,000股 普通股股份(L)	71.25%
Ever Commitment (PTC) Limited ^(Note 2) 恒諾私人信託有限公司 ^(附註2)	Interest of a controlled corporation 受控法團權益	855,000,000 ordinary shares (L) 855,000,000股 普通股股份(L)	71.25%
Ms. LIN Wei ^(Note 3) 林娥女士 ^(附註3)	Interest of spouse 配偶權益	900,000,000 ordinary shares (L) 900,000,000股 普通股股份(L)	75.00%

Notes:

1. The letter "L" denotes to the person/entity with long position in the shares.
2. As of 31 December 2019, Ever Enhancement Enterprise Company Limited was one of the controlling shareholders and was wholly-owned by Ever Commitment (PTC) Limited. Ever Commitment (PTC) Limited is deemed to be interested in any shares in which Ever Enhancement Enterprise Company Limited is interested pursuant to the SFO. Ever Commitment (PTC) Limited is the trustee of the family trust established by Mr. LI Xiaobing as the sole settlor for the benefit of a list of discretionary beneficiaries including Mr. LI Xiaobing himself and any other person or classes of person (save for Mr. LI Xiaobing's father and mother) to be appointed by and at the sole discretion of Ever Commitment (PTC) Limited (as trustee) from time to time.
3. Ms. LIN Wei is the spouse of Mr. LI Xiaobing. Given that Mr. LI Xiaobing is deemed to be interested in the shares held by Ever Enhancement Enterprise Company Limited and Ever Enrichment Enterprise Company Limited by virtue of the SFO, she will likewise be deemed to be interested in any shares held by both Ever Enhancement Enterprise Company Limited and Ever Enrichment Enterprise Company Limited by virtue of the SFO.

EMPLOYEE AND REMUNERATION POLICIES

The Group remunerates and provides benefits for its employees based on current industry practice. Discretionary bonuses are awarded to staff based on the performance of the Group and performance of individual staff. In addition, share options may be granted to eligible employees in accordance with the terms of the Company's share option scheme.

RETIREMENT SCHEMES

The Group participates in several defined contribution retirement plans which cover the Group's eligible employees in the PRC, and a mandatory provident fund scheme for the employees in Hong Kong.

The PRC operating entities participate in retirement schemes organised by the PRC municipal and provincial government authorities, whereby the PRC operating entities are required to make contribution at defined rates required by different local government authorities. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the retirement schemes.

附註：

1. 「L」指相關人士／實體於股份中的好倉。
2. 於2019年12月31日，恒升企業有限公司為控股股東之一及由恒諾私人信託有限公司全資擁有。根據證券及期貨條例，恒諾私人信託有限公司將被視作於恒升企業有限公司擁有權益的任何股份中擁有權益。恒諾私人信託有限公司為家族信託的受託人，家族信託由李小冰先生（作為唯一財產託管人）設立，其全權受益人為李小冰先生本人以及恒諾私人信託有限公司（作為受託人）不時全權酌情委任的任何人士或類別人士（李小冰先生父母除外）。
3. 林斌女士為李小冰先生的配偶。由於根據證券及期貨條例，李小冰先生將被視作於恒升企業有限公司及恒潤企業有限公司擁有權益的任何股份中擁有權益，故根據證券及期貨條例，林女士同樣將被視作於恒升企業有限公司及恒潤企業有限公司持有的任何股份中擁有權益。

僱員及薪酬政策

本集團根據目前業內慣例為其僱員給予薪酬及提供福利，並會根據本集團的表現和個別員工的表現向員工發放酌情花紅。此外，購股權可根據本公司購股權計劃之條款授予合資格的僱員。

退休計劃

本集團為本集團之合資格中國僱員參與多種定額供款退休計劃，以及為香港僱員提供強制性公積金計劃。

中國經營實體參加由中國直轄市和省級政府機關組織的退休計劃，根據該計劃，中國經營實體須按不同地方政府機關規定的特定費率作出供款。地方政府主管部門負責應付退休計劃所涵蓋的退休僱員的退休金義務。

Directors' Report

董事會報告

The Group also operates a mandatory provident fund scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the Hong Kong Employment Ordinance. The mandatory provident fund scheme is a defined contribution retirement plan administered by independent trustees. Under the mandatory provident fund scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD30,000.

SHARE OPTIONS

The Company adopted the share option scheme (the “**Share Option Scheme**”) on 22 October 2018, which shall be valid and effective for a period of 10 years from 12 November 2018, subject to early termination by the Company in a general meeting or by the Board. The purpose of the Share Option Scheme is to provide incentives to Eligible Person (as defined below) and is established to recognise and acknowledge the contributions the Eligible Person have had or may have made to the Group. Under the Share Option Scheme, the Board may offer to grant an option to any employees, executives or officers (including executive, non-executive and independent non-executive Directors) of the Group and any advisers, consultants, suppliers, customers, agents to the Group and related entities who, in the sole opinion of the Board, will contribute or have contributed to the Group (collectively the “Eligible Person”).

The number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other option schemes of the Company at any time shall not exceed 30% of the shares of the Company in issue from time to time. The maximum number of shares available for issue under options which may be granted under the Share Option Scheme or other share option scheme adopted by the Company must not in aggregate exceed 10% of the shares in issue immediately following completion of the IPO (but taking no account of any shares which may be allotted or issued pursuant to the exercise of the over-allotment option (as defined in the prospectus)), being 120,000,000 shares. The total number of shares issued and which may fall to be issued upon exercise of the options granted pursuant to the Share Option Scheme to each Eligible Person in any 12-month period shall not exceed 1% of the number of shares in issue as at the date of grant unless approved by the shareholders of the Company in general meeting.

本集團亦根據香港《強制性公積金計劃條例》為受香港《僱傭條例》管轄的僱員推行強制性公積金計劃。強制性公積金計劃是由獨立受託人管理的定額供款退休計劃。根據強制性公積金計劃，僱主及其僱員均須按僱員有關收入的5%向計劃供款，每月有關收入上限為30,000港元。

購股權

本公司於2018年10月22日採納購股權計劃（「購股權計劃」），由2018年11月12日起計有效期為十年，並可由本公司於股東大會或董事會提早終止。購股權計劃旨在向合資格參與者（定義見下文）提供獎勵，以肯定及表揚合資格參與者對本集團已作出或可能作出之貢獻。董事會可根據購股權計劃向任何本集團的僱員、行政人員或高級職員（包括執行、非執行及獨立非執行董事）。本集團的諮詢人、顧問、供應商、客戶、代理及董事會全權認為將會或已對本集團作出貢獻的關聯實體（統稱為「合資格參與者」）授出購股權。

根據購股權計劃及本公司任何其他購股權計劃授出及有待行使之所有未行使購股權獲行使時可予發行之股份數目，在任何時候不得超過本公司不時已發行股份之30%。根據購股權計劃或本公司採納之其他購股權計劃可能授出之購股權而可供發行之股份總數最高不得超過緊隨首次公開發售完成後已發行股份數目的10%（惟不計及因超額配股權（定義見招股章程）獲行使而可能配發或發行之任何股份），即120,000,000股股份。除非獲本公司股東於股東大會批准，否則於任何12個月期間，根據購股權計劃向各合資格參與者授出之購股權獲行使時，已發行及可能發行之股份總數不得超過於授出日期已發行股份數目的1%。

The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be determined by the Board provided that it shall not be less than the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of offer, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share.

To accept the option, the grantee shall pay HK\$0.01 to the Company by way of consideration for the grant within 30 days from the date of grant. An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. The Board may in its absolute discretion determine a minimum period for which an option must be held before it can be exercised.

No option was granted by the Company under the Share Option Scheme during the period from 1 January 2019 to 31 December 2019. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme.

As at the date of this Directors' report, the total number of shares available for issue under the Share Option Scheme was 120,000,000 shares representing approximately 10% of the issued share capital of the Company.

MANAGEMENT CONTRACTS

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

根據購股權計劃授出之任何特定購股權之股份認購價須由董事會釐定，惟不得少於下列最高者：(i)於授出日期（當日須為營業日），聯交所每日報價列表所報之股份收市價；(ii)緊接授出日期前五個營業日內聯交所每日報價列表所報之股份平均收市價；及(iii)股份之面值。

為接納購股權，承授人須於授出日期起計30日內向本公司支付0.01港元作為獲授購股權之代價。購股權可按購股權計劃之條款於購股權視為已授出並獲接納當日起至該日起計十年屆滿前期間隨時行使。購股權之行使期由董事會全權酌情釐定，惟不得超過授出後十年。董事會可全權酌情釐定購股權於可行使前須持有的最短期限。

由2019年1月1日至2019年12月31日期間，本公司概無根據購股權計劃授出購股權。概無任何購股權根據購股權計劃授出、行使、註銷或失效。

截至本董事會報告日期，根據購股權計劃可供發行之股份總數為120,000,000股，佔本公司已發行股本約10%。

管理合約

年內概無訂立或存有任何與本公司整體或任何重大部分業務之管理及行政事務有關之合約。

Directors' Report

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as elsewhere disclosed in this annual report, no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate for the year ended 31 December 2019.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

董事認購股份或債權證之權利

除本年報另行所披露者外，截至2019年12月31日止年度，概無向任何董事或彼等各自之配偶或未滿18歲子女授出藉認購本公司股份或債權證而獲益之權利，或彼等概無行使有關權利；或本公司及其任何附屬公司亦無訂立任何安排，致使董事或彼等各自的配偶或未滿18歲子女於任何其他法人團體獲得有關權利。

主要客戶及供應商

於本財政年度內，有關本集團分別向主要客戶及供應商所作銷售及採購的資料如下：

Percentage of the Group's total

佔本集團以下項目總額之百分比

		Sales 銷售	Purchases 採購
The largest customer	最大客戶	0.8%	
Five largest customers in aggregate	五大客戶合計	2.4%	
The largest supplier	最大供應商		28.4%
Five largest suppliers in aggregate	五大供應商合計		39.9%

Save as disclosed in the section headed “Continuing connected transactions” on pages 47 to 48 of this annual report, at no time during the year have the Directors, their close associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of issued share capital of the Company) had any interest in the Group’s five largest customers and suppliers.

CONNECTED TRANSACTIONS

The Group has entered into the following connected transactions during the year ended 31 December 2019. Details of the transactions are set out below:

Connected transaction in relation to the sale of property units in the PRC

On 10 October 2019, Xuchang Hengda and Songji Dadi (the “Vendors”), indirect wholly-owned subsidiaries of the Company, entered into the respective property sale and purchase agreements with (i) Ms. QI Chunfeng, an executive Director, and MS. ZHANG Fan, the daughter of Ms. QI Chunfeng, and (ii) Ms. LIN Wei, the spouse of Mr. LI Xiaobing, the executive Director and controlling shareholder of the Company (the “Purchasers”), pursuant to which the Vendors agreed to sell, and the Purchasers agreed to purchase, the respective property units (being certain units located at Jinhui Plaza, Qinglin Yuan or Hengda Weiyuan) at a total consideration of approximately RMB23,566,356. For further details please refer to the announcement of the Company dated 10 October 2019.

Mr. LI Xiaobing is an executive Director and the controlling shareholder of the Company and Ms. LIN Wei is the spouse of Mr. LI Xiaobing. Therefore she is an associate of Mr. LI Xiaobing and a connected person of the Company under the Listing Rules.

除本年報第47至48頁「持續關連交易」一節所披露者外，於本年度任何時間，概無董事、彼等的緊密聯繫人或本公司任何股東（就董事所知擁有本公司已發行股本5%以上）擁有本集團五大客戶及供應商之任何權益。

關連交易

截至2019年12月31日止年度，本集團已訂立以下關連交易。交易詳情如下：

有關在中國出售物業單位的關連交易

於2019年10月10日，本公司間接全資附屬公司許昌恒達及宋基大地（「賣方」）分別與(i)執行董事齊春風女士及齊春風女士的女兒張帆女士，及(ii)本公司執行董事兼控股股東李小冰先生的配偶林斌女士（「買方」）訂立物業買賣協議，據此，賣方同意出售及買方同意購買有關物業單位（即位於金匯廣場、清林苑或恒達魏源的若干單位），總代價約為人民幣23,566,356元。有關進一步詳情，請參閱本公司日期為2019年10月10日的公告。

李小冰先生為本公司執行董事兼控股股東，而林斌女士為李小冰先生的配偶。因此，根據上市規則，彼為李小冰先生的聯繫人及本公司的關連人士。

Directors' Report

董事會報告

Ms. QI Chunfeng is an executive Director of the Company and therefore she is a connected person of the Company under the Listing Rules.

Ms. ZHANG Fan is the daughter of Ms. QI Chunfeng and therefore she is an associate of Ms. QI Chunfeng and a connected person of the Company under the Listing Rules.

Accordingly, the sales of the property units constitute connected transactions of the Company under the Listing Rules. Since certain applicable percentage ratios for the sales of the respective property units to Ms. LIN Wei calculated on aggregated basis are above 0.1% but less than 5%, the sales of the respective property units to Ms. LIN Wei are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under the Listing Rules.

In addition, since certain applicable percentage ratios for the sales of the respective property units to Ms. QI Chunfeng and Ms. ZHANG Fan calculated on aggregated basis are above 0.1% but less than 5%, the sales of the respective property units to Ms. QI Chunfeng and Ms. ZHANG Fan are only subject to reporting and announcement requirements and are exempt from the independent shareholders' approval requirement under the Listing Rules.

As at the date of this report, all consideration has been fully settled and all respective property units have been delivered.

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

齊春風女士為本公司執行董事，因此根據上市規則，彼為本公司的關連人士。

張帆女士為齊春風女士的女兒，因此，彼為齊春風女士的聯繫人，根據上市規則，彼為本公司關連人士。

因此，根據上市規則，出售物業單位構成本公司的關連交易。由於按合併基準計算的向林斌女士出售各自物業單位的若干適用百分比率均超過0.1%但低於5%，故根據上市規則，向林斌女士出售各自物業單位僅須遵守申報及公告的規定，惟獲豁免遵守獨立股東批准的規定。

此外，由於按合併基準計算的向齊春風女士及張帆女士出售各自物業單位的若干適用百分比率均超過0.1%但低於5%，故根據上市規則，向齊春風女士及張帆女士出售各自物業單位僅須遵守申報及公告的規定，惟獲豁免遵守獨立股東批准的規定。

於本報告日期，所有代價已悉數結清，且所有有關物業單位已交付。

本公司確認其已根據上市規則第十四A章遵守披露規定。

CONTINUING CONNECTED TRANSACTIONS

Property management services

On 10 October 2018, Hengda Property Management and our Group entered into a master property management service agreement (“Master Property Management Service Agreement”) for a term commencing from the 12 November 2018 and ending on 31 December 2020, pursuant to which Hengda Property Management shall continue to provide, among other aspects, security and cleaning services for (i) sales centres of property development projects (of which the demand varies depending on the status of completion/sale of such projects over time) as well as (ii) self-used premises (of which the demand remains more or less constant) of our Group. The service fees payable by us to Hengda Property Management were mutually agreed following the arm’s-length negotiations between the relevant parties with reference to the prevailing market price of the similar services of a comparable scale in the PRC. Payment for a particular calendar month has been made to Hengda Property Management by way of bank transfer on 15th day of the same month.

For the year ended 31 December 2019, the fees charged by Hengda Property Management for the provision of the services under the Master Property Management Service Agreement amounted to approximately RMB6,401,000, which was within the annual cap of RMB6,946,000 for the same period.

持續關聯交易

物業管理服務

於2018年10月10日，恒達物業管理與本集團簽訂一項物業管理服務總協議（「物業管理服務總協議」），其期限由2018年11月12日起至2020年12月31日止。根據該物業管理服務總協議，恒達物業管理須就本集團的(i)物業開發項目的樓盤銷售中心（有關需求因相關項目的竣工狀況／銷售情況而有所不同）；及(ii)自用物業（有關需求或多或少維持不變）繼續提供（其中包括）保安及清潔方面的服務。我們應付恒達物業管理的服務費於相關訂約方參考中國可比較規模的類似服務的現行市價經公平磋商後共同議定。特定曆月的付款已於該月15日以銀行轉賬方式支付予恒達物業管理。

截至2019年12月31日止年度，恒達物業管理就物業管理服務總協議項下提供服務收取之款項約為人民幣6,401,000元，屬於同期年度上限人民幣6,946,000元的範圍內。

Directors' Report

董事會報告

The aforesaid continuing connected transactions have been reviewed by the independent non-executive Directors of the Company and they confirmed that the aforesaid transactions were entered into (i) in the ordinary and usual course of business of the Group, (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties, and (iii) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the Company and the shareholders as a whole.

Based on the work performed, the auditor of the Company has provided a letter to the Board, confirming that nothing has come to their attention which causes them to believe the continuing connected transactions abovementioned:

- (i) have not been approved by the Board;
- (ii) have not been entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (iii) have exceeded their respective annual caps.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group in the normal course of business were set out in note 34 to the consolidated financial statements. For the year ended 31 December 2019, save for those transactions set out in the sections headed "Connected Transactions" and "Continuing Connected Transactions" above, none of these related party transactions constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules. The Company has complied with the relevant disclosure requirements in accordance with Chapter 14A of the Listing Rules.

上述持續關連交易已經本公司獨立非執行董事審閱，彼等確認上述交易乃(i)於本集團日常及一般業務過程中；(ii)按一般商業條款或對本集團而言不遜於向或由獨立第三方提供的條款；及(iii)根據規管交易的有關協議，按公平合理且符合本公司及股東整體利益的條款訂立。

根據所執行的審核，本公司核數師已向董事會發函確認其並無注意到任何事宜，致使其相信上述持續關連交易：

- (i) 未經董事會批准；
- (ii) 並非在一切重大方面根據規管交易的相關協議訂立；及
- (iii) 已超逾其各自年度上限。

關聯方交易

本集團於日常業務過程中進行的關聯方交易之詳情載於綜合財務報表附註34。截止2019年12月31日止年度，除上文「關連交易」及「持續關連交易」一節所載的交易外，概無該等關聯方交易根據上市規則第十四A章構成關連交易或持續關連交易。本公司已遵守上市規則第十四A章的相關披露規定。

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as of 31 December 2019 are set out in notes 17 to 18 to the consolidated financial statements.

INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the Directors of the Company is currently in force.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors had any interest in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group that were required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules.

DEED OF NON-COMPETITION

Each of Mr. Li Xiaobing, Ever Commitment (PTC) Limited, Ever Enhancement Enterprise Company Limited and Ever Enrichment Enterprise Company Limited (each a "Non-Compete Covenantor") has entered into a deed of non-competition (the "Deed of Non-competition") dated 22 October 2018 in favour of the Company, pursuant to which they have undertaken with the Company that they shall not, and shall procure that their respective associates shall not, directly or indirectly, be interested, involved or engaged in or acquire or hold any right or interest in any business which competes or is likely to compete directly or indirectly with the core business of the Group from time to time.

The Company has received the annual confirmation of the Non-Compete Covenantors in respect of their compliance with the Deed of Non-Competition and the connected transaction agreements during the year ended 31 December 2019.

The independent non-executive Directors also reviewed the Non-Compete Covenantors' compliance with the Deed of Non-Competition. The independent non-executive Directors confirmed that the Non-Compete Covenantors were not in breach of the Deed of Non-Competition during the year ended 31 December 2019.

銀行貸款及其他借貸

本集團截至2019年12月31日的銀行貸款及其他借貸詳情載於綜合財務報表附註17至18。

董事彌償

有關本公司董事利益之獲准許的可彌償條文（定義見香港公司條例第469條）現正生效。

董事於競爭業務之權益

概無董事於根據上市規則第8.10(2)條須予以披露與本集團業務直接或間接構成競爭或可能構成競爭之業務中擁有權益。

不競爭契據

李小冰先生、恒諾私人信託有限公司、恒升企業有限公司及恒潤企業有限公司（各自為「不競爭承諾人」）已於2018年10月22日以本公司為受益人訂立不競爭契據（「不競爭契據」），據此，彼等已向本公司承諾，彼等不會且將促使彼等各自己的聯繫人不會直接或間接擁有、參與或從事對本集團不時從事的核心業務直接或間接構成競爭或可能構成競爭的任何業務，或購入或持有其中的任何權利或權益。

本公司已收到不競爭承諾人有關彼等於截至2019年12月31日止年度遵守不競爭契據及關連交易協議的年度確認。

獨立非執行董事亦已審查不競爭承諾人對不競爭契據的遵守情況。獨立非執行董事確認，不競爭承諾人於截至2019年12月31日止年度並無違反不競爭契據。

Directors' Report

董事會報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A report on the environmental, social and governance is set out on pages 52 to 80 of this annual report.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 81 to 99 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

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

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, no material events were undertaken by the Group subsequent to 31 December 2019.

DONATIONS

During the year, the Group made charitable donation of approximately RMB1,338,000.

環境、社會及管治報告

環境、社會及管治報告載於本年報第52至80頁。

企業管治

本公司所採納的主要企業管治常規的報告。載於本年報第81至99頁。

足夠的公眾持股量

根據本公司可從公開途徑取得的資料及就董事所知，於上市日期至本年報日期，本公司之全部已發行股本之公眾持股量為不少於25%。

報告期後事項

除本年報披露外，本集團於2019年12月31日後並無進行任何重大事件。

捐款

於本年度內，本集團作出慈善捐款約人民幣1,338,000元。

USE OF PROCEEDS FROM THE IPO

The net proceeds from the IPO after deducting underwriting commissions and related expenses were approximately RMB309.8 million. As at 31 December 2019, the net proceeds from the IPO were fully utilised.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent.

AUDITOR

The consolidated financial statements for the year ended 31 December 2019 have been audited by PricewaterhouseCoopers, who will retire, and being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

By order of the Board

LI Xiaobing

Chairman and Executive Director

30 March 2020

首次公開發售所得款項用途

首次公開發售所得款項淨額經扣除包銷佣金及相關費用後約人民幣309.8百萬元。截至2019年12月31日，首次公開發售所得款項淨額已全部動用。

獨立性確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性所發出之年度確認函，並認為所有獨立非執行董事確屬獨立人士。

核數師

本集團截至2019年12月31日止年度之綜合財務報表已由羅兵咸永道會計師事務所審核，而羅兵咸永道會計師事務所將告退任，惟符合資格並願意應聘連任。本公司將於應屆股東週年大會上提呈決議案以續聘羅兵咸永道會計師事務所為本公司核數師。

承董事會命

主席兼執行董事

李小冰

二零二零年三月三十日

Environmental, Social and Governance Report

環境、社會及管治報告

PURPOSE AND CRITERIA OF THE REPORT

To comply with the requirements set out in the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Listing Rules, the Group hereby presents its Environmental, Social and Governance Report (the “**Report**”) for the year ended 31 December 2019.

The purpose of the Report is to identify and disclose the major issues of the Group in relation to the environment, society and governance as well as its key performance indicators while illustrating its pursuit of sustainable development and practice of its social responsibility in every aspect.

SCOPE AND PERIOD OF THE REPORT

The Report discloses the major issues and key performance indicators of the main key projects in the operations and real estate development business of Ever Reach and its selected subsidiaries in respect of environmental management, social responsibility and governance during the year of 2019.

Looking forward, Ever Reach believes that sustainable development will continue to play an important part in business operation. In the future, the Group will continue to improve its data collection and reporting system on environmental management, social responsibility and governance performance, and gradually enhance the quality and comprehensiveness of the Report in the long run.

DATA COLLECTION METHODOLOGY

The data used in the Report comes from the relevant functional departments of Ever Reach and its selected subsidiaries.

報告目的及標準

本集團謹此遵循上市規則附錄二十七《環境、社會及管治報告指引》，呈報本集團截至二零一九年十二月三十一日止的年度環境、社會及管治報告（下稱「**報告**」）。

報告旨在識別及披露本集團有關環境、社會及管治的重大事宜以及關鍵績效指標，闡述本集團全面實踐可持續發展理念及社會責任。

報告範圍及期間

本報告披露恒達控股及選定的附屬公司在二零一九年度間，集團營運及房地產開發業務中的主要核心項目在環境管理、社會責任及管治方面的重大事宜和關鍵績效指標。

展望未來，恒達控股相信可持續發展將繼續在業務中扮演重要角色。將來本集團會持續完善有關環境管理、社會責任及管治表現的數據收集及匯報系統，逐步長遠提升報告的素質及全面性。

數據收集方法

本報告中所使用數據均來自恒達控股及選定的附屬公司相關職能部門。

Environmental, Social and Governance Report

環境、社會及管治報告

CONCERNS OF THE STAKEHOLDERS

The Group attaches great importance to its social responsibility and sustainability and tries its best to understand the concerns of its stakeholders and meet their expectations and requirements through operations and various communication channels, so as to grow strong together with them and contribute the greatest value to the community.

權益人的關注

集團重視社會責任及可持續發展性，瞭解各個權益人所關注的議題，積極通過營運及不同的溝通渠道滿足權益人的期望和要求，以實現共同進步及發展，為社區貢獻最大的價值。

Stakeholders 權益人	Concerns 關注的議題	Response of the Group 集團的回應
Government	Operation in compliance Economic growth Community construction	<p>The Group adheres to the business philosophy of honesty and integrity. It has actively fulfilled the obligations of corporate citizens, and promoted the harmonious development of society, so as to become a model for corporate citizenship.</p> <p>We maintain strict compliance with the laws and regulations, paying taxes honestly, fighting corruption, money laundering and bribery; we give full play to our strengths in resource integration while “enacting measures according to local conditions and applying them on well-chosen targets”; we will further optimize our real estate development business and strive to establish a strategic presence in the development of high-end homes and smart communities.</p>
政府	合規經營 經濟增長 社區建設	<p>集團恪守誠實守信的經營理念。積極履行企業公民的義務，推動社會的和諧發展，做企業公民的典範。</p> <p>嚴格遵循法律法規，依法納稅、反腐敗、反洗錢、反行賄。發揮資源集成優勢，「因地制宜、精準施策」，進一步優化房地產開發業務，並致力實踐高端家居及智慧社區開發的戰略性佈局。</p>

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Stakeholders 權益人	Concerns 關注的議題	Response of the Group 集團的回應
Customers	Product quality & safety Experience & customer services Privacy & confidentiality	<p>The Group insists on thinking from the perspective of customers, creating value for customers, and taking a customer-oriented approach. Using this as a source, we have developed the ideal housings for different groups of people, and meet the needs of our customers now and in future through continuous innovation.</p> <p>We strive to build high-quality houses and smart living environment in accordance with the strict quality standards for housing and building materials. We have set up multiple customer communication and feedback channels to listen to their opinions and handle inquiries or complaints. We have in place multiple protection measures for the privacy of customer data, with those who have direct access to the customer information required to sign a Customer Data Confidentiality Agreement.</p>
客戶	產品質量及安全居住 體驗及客戶服務 隱私保密	<p>集團堅持站在客戶角度思考，為客戶創造價值，一切以客戶為中心。以此為源，我們已為不同人群傾心打造理想人居，並通過持續創新滿足客戶現在和未來的需求。</p> <p>按照嚴格的房屋及建築材料質量檢定標準，建造高質量房屋及智慧化居住環境。設立多個客戶溝通及回饋渠道，聆聽客戶意見及處理詢問或投訴。對客戶數據隱私有多重維護及保障，直接接觸及管理客戶信息的人員簽訂《客戶數據保密協議》。</p>

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Stakeholders 權益人	Concerns 關注的議題	Response of the Group 集團的回應
Investors	Investment returns Corporate information transparency Interests protection	<p>The Group is accountable to all investors and strives to provide them with reasonable, sustained and stable returns on their investments.</p> <p>We are making great efforts to capture the market trend while constantly enhancing our management capabilities, our brand influence and value. We maintain close and transparent communication with our investors and the market through investor meetings, shareholders' meetings and release of annual reports and interim reports. We have in place a rigorous risk management and internal control system in cooperation with the internal audit function, so that the management and audit committee can focus on the adequacy and effectiveness of our risk management and internal control system.</p>
投資者	投資回報 公司信息透明度 權益保障	<p>集團對所有投資者負責，努力使投資者獲得合理的、持續的和穩定的收益。</p> <p>精準把握市場趨勢，不斷提升管理能力，強化品牌影響力及價值。通過投資者會議、股東大會、年報及中期報告的發佈，與投資者及市場保持緊密透明的溝通。設有嚴密的風險管理及內部監控系統，配合內部審核職能，管理層及審核委員會能專注於其風險管理及內部監控系統的充分性及有效性。</p>

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環境、社會及管治報告

Stakeholders 權益人	Concerns 關注的議題	Response of the Group 集團的回應
Employees	Health & safety Career development Training opportunities	<p>The Group believes that its employees are the most valuable assets. We fully respect the rights and interests of our employees, and provide them with a platform to exert their talents and achieve their career development, such that our employees can grow together and share the operating results with the Company.</p> <p>We strive to create a competitive work environment, a sound performance appraisal system and a remuneration and welfare system while constantly improving our training and development system, so as to help our employees blend into the long-term development of the Group, spark off their potentials and enhance their satisfaction and sense of belonging.</p>
員工	健康及安全 職業發展 培訓機會	<p>集團信奉員工是企業最寶貴的財富。充分尊重員工權益，為員工提供施展才幹和實現抱負的平臺，員工與企業共同發展壯大，企業與員工共同分享成果。</p> <p>營造具競爭力的工作氛圍、完善的績效考核與薪酬福利體系、持續完善培訓發展體系，引導員工積極融入到企業長遠發展之中，激發員工潛能，提升員工的滿意度和歸屬感。</p>

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Stakeholders 權益人	Concerns 關注的議題	Response of the Group 集團的回應
Suppliers	Transparency in procurement process Development opportunities Commercial integrity	We have in place a well-maintained supplier management system, which enables a clear division of the supervisory functions and combines supplier assessment and approval, supplier selection and performance evaluation to oversee the supply chain management in all aspects.
供應商	採購流程透明度 發展機會 商業誠信	擁有完善的供應商管理制度，包括監管職能的明確分工、供應商的評估及審批、供應商選擇及表現評價，從各個方面監督供應鏈管理。
Community	Job opportunities Environment-friendliness & energy saving Public welfare	We are committed to the long-term and ambitious development of our business and creating more job opportunities for the community. We will try our best to gradually reduce emission and consumption of energy, reduce greenhouse gas emission and improve energy efficiency while vigorously practicing our corporate social responsibility and promoting the development of philanthropy in the regions where we operate.
社區	就業機會 環保節能 公益事業	長遠積極地發展業務，創造更多就業機會。逐步實踐減排減耗，減少溫室氣體排放及提升能源使用效益。努力實踐企業社會責任，推動多個業務地區的慈善事業發展。

IMPORTANCE OF THE TOPICS

The Group has conducted an assessment of the importance of the topics in this environmental, social and governance report. The factors for consideration include the strategic objectives and policies of the businesses of the Group, industry standards, legal and regulatory responsibilities, environmental protection, resource utilisation, quality control and employee protection, etc. with the aim of helping the Group identify important issues. Through such an assessment and analysis, the Group has identified various major issues and has described the Group's response to such important issues in a more complete and accurate way in the Report.

議題的重要性

集團對環境、社會及管治報告的議題重要性進行評估分析，考慮因素包括集團的業務戰略目標和政策、行業標準、法律和監管責任、環境保護、資源使用、質量監控、僱員保障等等，以助集團識別重要議題。通過重要性評估分析，集團識別各項重要議題，並在本報告中更全面準確地闡述集團對重要議題的回應。

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環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE DISCLOSURE

A. ENVIRONMENT

The Group has been committed to ensuring strict compliance of its business activities with local laws and regulations, including but not limited to the “Environmental Protection Law of the People’s Republic of China”, the “Atmospheric Pollution Prevention and Control Law of the People’s Republic of China”, the “Water Pollution Prevention and Control Law of People’s Republic of China” and the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes”. It also imposes stringent requirements on the management measures for environmental protection and discusses the reduction goals with its contractors and requires them to strictly follow the environmental protection principles. The Group has also formulated a series of environment protection measures to reduce emissions and energy consumption, prevent dust and reduce noise, so as to integrate environmental management into its daily operation and strive to minimise the impact of its operations on the environment.

A1 EMISSIONS

Emission reduction is an important issue in the Group’s environmental protection program, for which it is making constant efforts to reduce emission in its daily operations and enhance its energy efficiency. In our daily operations, we used environment-friendly devices such as *OA office automation system* and *water-saving products*. The Group also installed a video conference system this year to reduce business trips and improve work efficiency. Therefore, the above measures were effective in reducing emissions of greenhouse gases and other air pollutants, as a result of which the distance of business trips covered by air this year was dramatically shorter than that of last year.

環境、社會和管治披露

A. 環境

集團始終確保於經營活動中遵守地方相關的法律法規，包括但不限於《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》、《中華人民共和國水污染防治法》及《中華人民共和國固體廢物污染環境防治法》等，對環境保護的管理措施設有嚴格要求，同時與承建商探討減排目標，要求所有承建商嚴格遵守環境保護的原則。集團制定一系列減排、減耗及防塵減噪等等的環境保護措施，將環保管理納入日常營運範圍，努力實現對環境造成最低程度影響。

A1 排放物

減排是集團的環保計劃中的重要議題，集團正逐步在日常營運當中實踐減排及提升集團的能源效益。日常運作中，集團使用了*OA辦公自動化系統*、*節水型產品*等環保設備。集團本年度亦安裝了視頻會議系統以減少出差量，提高工作效率。故上述措施均有效減少溫室氣體及其他空氣污染物的排放。本年度的飛行距離明顯少於去年度。

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During the year, the Group included in its assessment the emissions of greenhouse gas and other air pollutants by its core projects of the real estate business and collected data by region and development projects. The Group's emissions of greenhouse gas and other air pollutants for the year are set forth as follows:

集團將本年度內房地產業務主要核心項目的溫室氣體及其他空氣污染物排放納入評估，針對地區及發展項目進行數據收集。集團本年度溫室氣體及其他空氣污染物排放的數據：

Type	Unit	2018	2019	Increase/ Decrease (%)
範疇	單位	2018年	2019年	增加／ 減少百分比
Type 1: Direct emission of greenhouse gases	Tonne	2,300.52	1,191.27	-48.22%
範疇1直接溫室氣體排放	噸			
Nitrogen oxides (NOx) from vehicles	Tonne	2,099.66	908.88	-56.71%
來自車輛的氮氧化物(NOx)	噸			
Sulfur oxides (SOx) from vehicles	Tonne	N/A	195.7	N/A
來自車輛的硫氧化物(SOx)	噸	不適用		不適用
Total consumption of other gaseous fuels	Tonne	200.86	86.69	-56.84%
其他氣體燃料消耗中的燃料使用總量	噸			
Direct emission of greenhouse gases (per employee)	Tonne	5.40	1.31	-75.74%
直接溫室氣體排放(每位員工)	噸			
Type 2: Indirect emission of greenhouse gases (Yuzhou Hengda and Jiari Baocheng)	Tonne	312.86	339.15	8.40%
範疇2間接溫室氣體排放(禹州恒達與假日寶呈)	噸			
Total indirect emission of greenhouse gases of the Group	Tonne	N/A*	857.73	N/A
集團總間接溫室氣體排放	噸	不適用*		不適用
Energy intensity (per employee)	Tonne	0.09	1.84	N/A
能源強度(每位員工)	噸			不適用
Type 3: Indirect emission of other greenhouse gases (emissions from air travel)	Tonne	3.10	0.61	-80.32%
範疇3其他間接溫室氣體排放(航空飛行排放)	噸			

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* There were no statistical data for other subsidiaries among the statistics for indirect greenhouse gas emissions and sulfur oxides (SOx) from vehicles of the Group in 2018. The statistics for indirect greenhouse gas emissions in 2019 included eight subsidiaries of the Group, namely, Henan Dadi Property Development Company Limited, Xuchang Hengda Property Group Company Limited, Yanling Hengda Property Development Company Limited, Yuzhou City Hengda Property Company Limited, Changge City Hengda Property Company Limited, Xuchang City Jian'an District Hengmu Property Company Limited and Xuchang Jiari Baocheng Property Company Limited.

The Group is committed to energy saving and emission reduction, and reduced vehicle utilization in 2019, thereby bringing down the total direct greenhouse gas emissions by 48.22% as compared to 2018. The Company also installed an advanced video conferencing system, which has cut back on the number of business trips by air and reduced indirect greenhouse gas emissions by 80.32% as compared to 2018.

* 集團2018年的間接溫室氣體排放統計數據及來自車輛的硫氧化物(SOx)中，並沒有其他子公司的數據。2019年的間接溫室氣體排放統計數據包括了集團下屬八家子公司，河南大地房地產開發有限公司、許昌恒達房地產集團有限公司、鄴陵恒達房地產開發有限公司、禹州市恒達房地產有限責任公司、長葛市恒達房地產有限責任公司、許昌市建安區恒木房地產有限公司、許昌假日寶呈置業有限公司。

集團致力於節能減排，於2019年度減少了汽車的使用量，從而將直接溫室氣體排放的總量同比2018年降低了48.22%，公司亦安裝了先進的視頻會議系統，減少了飛行出差的次數，使得間接溫室氣體排放同比2018年下降了80.32%。

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In respect of the construction works, the Group adopted a variety of environment protection measures, for example, in the stage of planning and construction in real estate development, the Group tried to reduce land excavation and mountain damage through careful planning and design. In addition, the Group transported the wastes to a specific centralized disposal site for processing. The total amount of construction waste which was recycled and processed during the year is recorded as follows:

集團在施工方面採用了各種環保措施，例如在房地產開發的規劃和建設階段中，集團通過規劃設計以有效減少土方開挖和山體破壞。此外，集團將廢棄物外運到特定的集中處置點處理，本年度內總共外運回收處理建築廢棄物記錄產生的數據如下：

Disposal of wastes	Unit	2018	2019	Increase/ Decrease (%)
廢料處置	單位	2018年	2019年	增加/ 減少百分比
Total amounts of non-hazardous wastes 非危險廢料總量	kg 千克	1,434.51	1,442.50	0.56%
Paper consumption (Yuzhou Hengda and Jiari Baocheng) 紙張消耗量 (禹州恒達與假日寶呈)				
Total consumption of the Group 集團總體消耗量	kg 千克	N/A* 不適用*	4,817.73	N/A 不適用

* Save for Yuzhou Hengda and Jiari Baocheng, there was no statistical data from other subsidiaries of the Company for paper consumption in 2018. The statistics for paper consumption in 2019 included eight subsidiaries of the Group, namely, Henan Dadi Property Development Company Limited, Xuchang Hengda Property Group Company Limited, Yanling Hengda Property Development Company Limited, Yuzhou City Hengda Property Company Limited, Changge City Hengda Property Company Limited, Xuchang City Jian'an District Hengmu Property Company Limited and Xuchang Jiari Baocheng Property Company Limited.

* 集團2018年的紙張消耗統計數據中，僅有禹州恒達與假日寶呈公司，沒有其他子公司的數據。2019年的紙張消耗數據包括了集團下屬八家子公司，河南大地房地產開發有限公司、許昌恒達房地產集團有限公司、鄆陵恒達房地產開發有限公司、禹州市恒達房地產有限責任公司、長葛市恒達房地產有限責任公司、許昌市建安區恒木房地產有限公司、許昌假日寶呈置業有限公司。

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Compared with 2018, there was no excessively high fluctuation in paper consumption by Yuzhou Hengda and Jiari Baocheng in 2019. The Group will continue to adhere to the policy of energy conservation and emission reduction, reduce paper consumption in an appropriate and proper way and encourage employees to use electronic equipment to record information or cut back on unnecessary printing.

The Group did not produce any hazardous waste.

A2 USE OF RESOURCES

The Group has formulated the “Administrative Measures for Energy Conservation and Consumption Reduction” to encourage its employees to reduce unnecessary paper consumption. As required, the use of office paper is put under strict control, the both sides of paper are used for printing, and the non-confidential wastepaper is reused. In terms of business engagements, the Company mostly uses telephone communication to reduce the demand for using vehicles, upholds the mindset of “saving being a glory, waste being a shame”, and actively implements the energy conservation strategy of the Group.

禹州恒達與假日寶呈2019年度的紙張消耗量與2018年度相比，沒有過高的浮動變化。本集團將繼續堅持節能減排的政策，適量、適當地減少紙張消耗，鼓勵員工使用電子設備等記錄信息，或減少不必要的打印。

本集團並無產生任何有害廢棄物。

A2 資源使用

集團已建立《節能降耗管理辦法》，倡導員工減少不必要的紙張消耗。如規定，辦公紙張申領要嚴格控制，使用正反兩面打印，再次利用不涉及機密的廢棄紙張。在公務方面，公司盡量使用電話溝通，以減少相關用車的需求，樹立「節約光榮，浪費可恥」的思想，積極做好集團節能工作。

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In addition, the Group attaches great importance to cultivating employees' awareness of energy conservation and calls on its employees in various departments to jointly resist the waste of energy. The Group requires each employee to switch off computers, lights and other office equipment at the end of each working day. When the natural temperature is appropriate, the air conditioners or fans should not be used. When the outdoor temperature in summer is higher than 30°C, the air conditioners can be turned on. The air conditioners should be set at above 26°C and adjusted to low wind, and the indoor temperature should be maintained at 25 to 26°C. In winter, when the outdoor temperature is lower than 8°C, the air conditioners can be turned on and set at about 20°C. The room temperature should be maintained at 18 to 20°C. When the air conditioners are not in use, they should not be left in the standby state, and security guards should be sent to take a patrol after the office hours on a daily basis to check and confirm that all the lights and other unnecessary power-consuming devices on each floor have been switched off. In the event that any energy wastage is found, the Group will charge the related employees a fine according to the corresponding punishment mechanism.

另外，集團十分注重培養員工的節能意識，呼籲各部門員工共同抵制浪費能源的行為。集團要求每個員工下班時關閉電腦、燈等設備。在正常溫度比較適宜的情況下，應停止使用空調或電扇。夏季室外溫度高於攝氏30度時可開啟空調，空調溫度控制在攝氏26度以上並調至低風，室內溫度保持在25-26度；冬季室外溫度低於攝氏8度才啟用空調，溫度控制在攝氏20度左右，室內溫度保持在18-20度。空調不用時不得處於待機狀態，並派保安每日於辦公室工作時間結束後進行巡邏，檢查並確認各樓層的燈、其他不必要的耗電設備已關閉。如發現浪費能源的行為，集團會根據相應的懲罰機制，收取相關員工罰款。

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During the year, the Group included various types of energy consumption by its core projects of the real estate business into the assessment and collected data by region and development projects. The data on energy consumption by the Group during the year is set forth as follows:

集團將本年度內房地產業務主要核心項目的各類能源消耗納入評估，針對地區及發展項目進行數據收集。集團本年度各類能源消耗的數據如下：

Use of energy	2018	2019	Increase/ Decrease (%)
能源的使用	2018年	2019年	增加/ 減少百分比
Total energy consumption (kWh) (Yuzhou Hengda and Jiari Baocheng)	496,605.00	538,334.00	8.4%
總能耗（千瓦時）（禹州恒達與假日寶呈）			
Total energy consumption (kWh) (the Group)	N/A*	1,361,471.00	N/A
總能耗（千瓦時）（集團）	不適用*		不適用
Energy intensity (kWh per employee)	734.42	2,921.61	N/A*
能源強度（每位員工千瓦時）			不適用*

* Save for Yuzhou Hengda and Jiari Baocheng, there was no statistical data from other subsidiaries of the Company for energy consumption in 2018. The statistics for energy consumption in 2019 included eight subsidiaries of the Group, namely, Henan Dadi Property Development Company Limited, Xuchang Hengda Property Group Company Limited, Yanling Hengda Property Development Company Limited, Yuzhou City Hengda Property Company Limited, Changge City Hengda Property Company Limited, Xuchang City Jian'an District Hengmu Property Company Limited and Xuchang Jiari Baocheng Property Company Limited. Therefore, the energy intensity per employee was calculated based on the number of employees of the subsidiaries.

* 集團2018年的能耗數據統計數據中，僅有禹州恒達與假日寶呈公司，沒有其他子公司的數據。2019年的能耗數據包括了集團下屬八家子公司，河南大地房地產開發有限公司、許昌恒達房地產集團有限公司、鄴陵恒達房地產開發有限公司、禹州市恒達房地產有限責任公司、長葛市恒達房地產有限責任公司、許昌市建安區恒木房地產有限公司、許昌假日寶呈置業有限公司。故每位員工能源強度是根據不同數量的公司員工人數進行計算的。

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The Group will continue to monitor its employees' energy saving in an effort to reduce energy consumption, achieve energy conservation and emission reduction and create a green corporate.

集團將繼續監督員工節約用電，以減少能耗，實現節能減排，塑造綠色企業。

Others	2018	2019	Increase/ Decrease (%)
其他	2018年	2019年	增加/ 減少百分比
Water consumption (cubic meters) (Xuchang Hengda) 耗水量（立方米）（許昌恒達）	15,302.00	7,895.00	-48.41%
Water consumption of the Group (cubic meters) 集團總耗水量（立方米）	N/A*	27,166.00	N/A
Air travel distance (km) 航空旅行距離（千米）	27,200.00	8,417.00	-69.06%

* Save for Xuchang Hengda, there was no statistical data from other subsidiaries of the Company for water consumption in 2018. The statistics for water consumption in 2019 included eight subsidiaries of the Group, namely, Henan Dadi Property Development Company Limited, Xuchang Hengda Property Group Company Limited, Yanling Hengda Property Development Company Limited, Yuzhou City Hengda Property Company Limited, Changge City Hengda Property Company Limited, Xuchang City Jian'an District Hengmu Property Company Limited and Xuchang Jiari Baocheng Property Company Limited.

* 集團2018年的水量消耗統計數據中，僅有許昌恒達公司，沒有其他子公司的數據。2019年的水量消耗數據包括了集團下屬八家子公司，河南大地房地產開發有限公司、許昌恒達房地產集團有限公司、鄆陵恒達房地產開發有限公司、禹州市恒達房地產有限責任公司、長葛市恒達房地產有限責任公司、許昌市建安區恒木房地產有限公司、許昌假日寶呈置業有限公司。

Xuchang Hengda's water consumption in 2019 decreased by 48.41% as compared to that of 2018, which shows the effectiveness of Xuchang Hengda's water conservation actions. The Group will continue to monitor water efficiency and effectiveness. In addition, the overall air travel distance in 2019 was cut down, as evidenced by the Group's determination to save energy and reduce emissions.

許昌恒達公司2019年同比2018年，耗水量減少了48.41%，這顯示出了許昌恒達公司節約用水行動的有效性。集團將繼續監督用水效率與效能。另外，2019年度的總體航空飛行距離減少亦側證了集團節能減排的決心。

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A3 ENVIRONMENT AND NATURAL RESOURCES

In order to respond positively to the national strategic policy which requires speed-up of construction of conservation-oriented society and implement the Company's administrative measures for energy conservation, make the Company become an efficient, conserving and energy-saving example, and regulate the specific management of energy conservation and consumption reduction of construction enterprises, the Group actively promotes environment-friendly concept and instills it in every stage of the whole construction project, i.e. planning, design, construction and sale, striving to integrate the concepts of green and environmental protection into the architectural style of the Group. The Group also cooperates with the outstanding design institutes to integrate the architectural design with the surrounding natural conditions, and strives to create a comfortable living space and provide ecological green homes for customers.

The Group complies with the national and local environmental protection laws and various types of environmental protection laws and regulations promulgated by the PRC as it carries out its project development. In the stage of planning and construction in real estate development, the Group proactively communicates with contractors and advocates green construction work and strives to save resources and reduce the impact of construction work on the environment through scientific management and technological advancement.

A3 環境與天然資源

為積極響應國家提出加快建設「節約型社會」的要求，落實公司節約能源資源的管理辦法，使公司成為高效、勤儉、節能的表率，規範建築企業節能降耗的具體管理工作。集團積極塑造綠色理念，將此理念融匯貫穿於整個建築項目的規劃、設計、施工、銷售等各個環節，將綠色環保融入集團的建築風格。集團與一流設計院合作，將建築設計與周圍自然條件融和，極力營造舒適的生活空間，為客戶提供生態綠色家園。

集團堅守國家和地方的環境保護法及國家頒發的各類環境保護的法律法規，進行項目開發。在房地產開發的規劃及建設時，集團與承建商積極協調溝通，倡導綠色施工，通過科學管理和技術進步，達到節約資源及減少施工活動對環境的影響。

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B. SOCIETY

B1 EMPLOYMENT

The Group always believes that our employees are important assets of the Group. The Group adheres to the people-oriented philosophy and guarantees employees' rights and benefits. By creating a pleasant and healthy work environment, improving the salary and welfare systems, and increasing the training opportunities, we encourage employees to actively carry out career planning, motivate employees' enthusiasm for work, and enhance employees' sense of belonging.

Policies on Employee's Compensation and Benefits

In order to attract and retain talents, the Group takes the characteristics and needs of the posts and positions into full account when it is hiring people, forbidding gender discrimination and promoting gender equality. In addition, for the protection and welfare of its employees, the Group tries its best to provide them with good protection and care, including competitive remuneration, equal and fair pay, a comfortable and safe work environment, and annual free body examination etc.

We provide social insurances for employees such as pension, medical care, unemployment and maternity insurance according to national and local provisions, and maintain insurance coverage against person injuries and accidents for employees in special positions. In winter, heating fees will be distributed and in summer, cooling fees will be distributed. We will also provide allowances for medical care and missed meals, and title subsidies.

B. 社會

B1 僱傭

集團始終堅信，員工是集團重要資產，集團堅持以人為本的理念，保障員工權利與福利。通過營造愉悅、健康的工作氛圍、完善薪酬福利體系、增加培訓的發展機會，引導員工積極進行職業規劃，激發員工對工作的熱誠，提升員工的歸屬感。

僱員薪酬及福利政策

為吸引及挽留優秀人才，在招聘方面，集團充分考慮崗位工作特點及需求，反對性別歧視，促進兩性平等。此外，在員工保障及福利方面，集團為員工致力提供相對健全的保障及關懷，包括具有市場競爭力的薪酬水平、倡導員工薪酬公平及公正、舒適安全的工作環境、年度免費體檢等。

企業按國家及當地政府規定統一為員工辦理養老、醫療、失業、生育等社會保險。為特殊崗位員工辦理人身傷害意外保險。於冬季，會派發取暖費，於夏季，會派發降溫費，以及衛生費、誤餐補貼、職稱補貼等。

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The Group contributes to the social insurance and housing accumulation fund for its female employees in line with national provisions, particularly during their three special periods (pregnancy, delivery and lactation). The Group allows maternity and breastfeeding leave during female employees' pregnancy, delivery and lactation and pays their salaries, such as relocation subsidies, home renting subsidies and other special subsidies as well as allowance for transportation, communication, missed meals and sunstroke, etc. in accordance with the regulations.

We take the realisation of "internal equity" and "external competitiveness" as our fundamental principle. The Group establishes and improves its remuneration system through "three matchings", which refer to that the remuneration matches the value of the position, the remuneration matches the ability, and the remuneration matches the performance.

The remuneration of an individual will be determined with reference to the employee's personal qualifications, education background, length of service in relevant professional fields, actual years of experience and professional qualification. The salary scale is assessed according to the employee's position, responsibility and obligation, value and experience.

The Group will conduct a fair and open performance appraisal for all employees through assessment on the results of relevant companies and job performance. Appraisees prepare and summarise the completion of monthly priorities and record in the form of "Completion of Monthly Working Plan", which will be signed by the appraisers for confirmation. It is an important evidence for appraisers when making appraisals for appraisees in respect to the completion of their priorities at the end of year.

針對女性員工按照國家保障規定，繳交社會保險及住房公積金，特別是三期（孕期、產期、哺乳期）的保障。在女員工的孕期、產期及哺乳期間提供相應的產假、哺乳假，並按規定予以發放相應的報酬，如異地工作補貼、租房補貼等特殊補貼，以及交通費、通訊費、誤餐費及防暑降溫費等全員性補貼。

企業以實現「內部公平性」和「外部競爭性」為基本原則，通過三項匹配，即「薪酬與崗位價值相匹配」、「薪酬與工作能力相匹配」和「薪酬與工作績效相匹配」等來建立與完善企業薪酬體系。

員工定薪標準依據員工個人資歷、學歷、相關專業工作年限、實際工作年限和專業技術任職資格為參考因素，並根據員工所在崗位、承擔責任和義務及價值、經驗評定薪級。

集團將通過相關公司業績考核和崗位考核兩方面對所有員工進行公正、公開的績效考核。被考核人整理及匯總月度重點工作完成情況，並通過《月度工作計劃完成情況》的形式進行記錄，由考核人簽字確認。在年末考核時作為考核人對被考核人的重點工作完成情況進行評分時的重要依據。

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Salaries of employees are paid on an annual or monthly basis, both of which are composed of fixed salary and performance bonus. The fixed salary is determined mainly based on the assessment result of the value of employees' positions, and the performance bonus is determined mainly with reference to the appraisal results. The salary of employees being paid on an annual basis comprises of monthly payment part and year-end payment part. The specific payment method is implemented according to the terms agreed by both parties in the acceptance letter.

Equal Opportunity

The Group adhered to the principle of openness, justice and fairness in recruitment and a unified principle without discrimination in employment standards and selection procedures. The Group takes the characteristics of the posts and positions into full account when hiring people and fights against gender discrimination. Those who have made significant contributions in daily work would be rewarded based on the reward & punishment measures for employees. Outstanding employees would be given priority when opportunities for promotion or improvement came up during annual employee appointment.

Employee Diversity

The Group cares about the diversity of its employees and constantly expands its recruitment channels (campus recruitment, social recruitment, headhunting, internal and external referrals, etc.), aiming to maintain the diversity of its employee structure in such aspects as employee education, working background and specialties. The Group analyses the diversity of its current employee structure on a regular basis to provide guidance for the follow-up recruitment.

員工的薪資分為年薪制和月薪制兩類，均由固定薪資和績效薪資兩部分組成。固定薪資以員工所在崗位價值評估結果為主要依據，績效薪資以考核結果為主要依據。年薪制員工的薪資分為每月發放部份和年終發放部份，具體發放方式依照《錄用確認書》中雙方約定條款執行。

平等機會

集團招聘秉持公開、公正、公平的原則，錄用標準、甄選流程等一視同仁，原則統一。在招聘方面，集團根據崗位特點進行招聘，反對性別歧視。日常有突出貢獻的，集團也將根據員工獎懲辦法予以激勵。年度員工崗位聘任時，優先予以優秀僱員提拔或鍛煉的機會。

員工多樣性

集團關注招聘僱員的多樣性，不斷豐富招聘渠道多樣化（校園招聘、社會招聘、獵頭、內外部推薦等），關注僱員結構的多樣性，包括僱員學習及工作背景、業務特長等方面多樣性。集團定期分析現有僱員的結構多樣性，指導後續招聘工作優化。

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Anti-discrimination and Anti-harassment

The Group's labour and employment procedures are strictly aligned with national policies, requirements and standards on anti-discrimination and no discrimination against religion, ethnicity, race and gender is found in policies for recruitment and daily employment procedures. The Group also strictly adhered to and observed related institutional norms and ensured the execution was in place in various ways including regular reviews, random checks, feedback, notification, rectification and self-inspection in each subsidiary in daily work.

The Group has also set clear regulations to severely punish different kinds of discrimination and harassment behaviours in violation of the regulations and encouraged employees to report behaviours that were against the regulations or incidents harmful to the Group's interests. Employees may report related behaviours through various channels at any time. As phone numbers and emails of the Group's management and head of each department were open to employees, employees may report anonymously or in their real names at any time. Human resource and administrative personnel would collect employee opinions and suggestions in such ways as making questionnaire among all employees and doing individual interviews to gather related information from our employees. During this reporting year, the Group has not received any report on discrimination/harassment incidents. The Group would strictly deal with such reports in accordance with the laws and regulations once any reports were submitted.

反歧視及反騷擾

集團勞動用工流程嚴格按照國家反歧視政策要求及標準，從人員招聘到日常用工等流程，在宗教、民族、種族、性別等方面均無歧視政策。集團亦嚴格遵守及執行相關制度規範，並在日常工作中定期審查，不定期抽查、反饋、通報、整改，各下屬公司自查等相結合的方式確保執行到位。

集團亦明確規定嚴懲各種違規的歧視與騷擾行為，並鼓勵員工勇於舉報違規或損害集團利益事件的行為。員工可隨時通過多種渠道報告相關行為，集團領導及各單位負責人的電話及郵箱均對員工公開，員工可隨時採用匿名或實名的方式進行報告。人力行政人員亦會收集員工意見及建議，包括全員問卷及個別訪談等方式向員工收取相關信息。在本報告年內，集團未有收到歧視／騷擾事件的報告，一旦接收到報告，集團會嚴肅依法依規處理。

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Employment Highlights

By the end of 2019, the total number of employees of the Group was 483, and all of them were engaged with labour contracts.

僱傭概況

截至二零一九年底，集團的員工總數為483人，均以勞動合同的方式聘用。

Key Performance Indicators (for current employees)

在職關鍵績效指標（員工）

		Number of current employees 在職員工人數	
		Male 男	Female 女
Age<30	年齡在30歲以下	63	66
Age 30-50	年齡30-50歲	183	137
Age>50	年齡超過50歲	28	6
Number of employees by gender	按性別劃分的員工人數	274	209
Total number of employees	員工總數		483
Male-to-female ratio of the number of employees	男女員工人數比例		1.31
Ratio of remuneration between male and female employees	男女員工薪金比率		1.86

Key Performance Indicators (for current employees)

在職關鍵績效指標（員工）

		Rate of turnover of employees 員工流動率	
		Male 男	Female 女
Age<30	年齡在30歲以下	18	15
Age 30-50	年齡30-50歲	35	17
Age>50	年齡超過50歲	2	0
Rate of turnover of employees by gender	按性別劃分的員工流動	55	32
Total rate of turnover of employees	員工總流動率		87
Ratio of employee turnover to total number of employees	員工流動率與員工總數的比率		0.18

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In 2019, the Group recruited talents and attracted people from all walks of life to join the Group. Compared with 2018, the number of employees of the Group increased by 13% this year. The Group's salary ratio for male and female in 2019 decreased. The Group is committed to promoting gender equality in the workplace with appointments to be made on a merit basis. With regard to age, the number of employees with working experience between the ages of 30 and 50 increased by 26% in 2019, pouring vitality into the Group and expanding its talent pool.

B2 HEALTH AND SAFETY

The Group provides our employees a comfortable and safe work environment with well-equipped office hardware. The office building is spacious and clean with abundant ancillary resources including meeting rooms, resting areas and etc. The Group carries out fire drills regularly and always reminds our employees of paying attention to public safety.

Occupational Health and Safety Protection

In respect of employee health and medical protection, the Group provides free health checkup services each year for employees, and also provides social insurance for employees, among which includes relevant insurances for major diseases, accidents, work-related injuries, outpatient and inpatient medical care.

The Group has been complying with all laws and regulations relating to health and safety. The Group also has specific safety requirement documents. It conducts safety inspections on site each year to ensure the health and safety of employees at the workplace.

2019年度，集團廣聘英才，吸納社會各界有志人士加入集團。本年集團員工人數與2018年相比，增加了13%，集團2019年度男女工資比例減小，集團致力於發揚職場性別公平精神，用人唯賢。年齡層方面，2019年30歲至50歲之間富有工作經驗的員工增加了26%，為集團增添了活力，增大了人才儲備力量。

B2 健康及安全

集團為員工提供舒適安全的工作環境，辦公硬件配備齊全、辦公環境寬敞整潔，員工辦公空間充足且配套資源較豐富，如會議室、休息室等。集團會定期開展安全消防演練等，時刻提醒員工注意公共安全。

職業健康安全保障

在員工健康及醫療保障方面，集團每年免費為員工提供健康體檢服務，集團為員工購買社會保險，當中包括重大疾病、意外、工傷、門診及住院醫療等相關險種。

集團遵守所有關於健康和安全的法律和法規，集團亦有明確的安全規定文件，會定期每年於工地進行安全檢查，以確保員工在工作場所中的健康和 safety。

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B3 DEVELOPMENT AND TRAINING

The Group highly emphasises employees' professional skill improvement, training and learning and allows employees to fully utilise their specialty and potentials at different positions. The Group encourages individuals to combine their own specialty and habits with the Group's business development and proactively strive for opportunities. In addition, the Group also encourages employees to take internal job rotation and develop across functions. The Group has already set up a mature training and learning system including hierarchical and classified training and learning maps, matched with all sorts of training projects. The Group also has diversified resources and patterns to support employees' training and learning, such as online learning platform, internal training, external training and so on.

The Group ensures the pertinence and practicability when designing training plans. Every year the Group combines with the need of business development and sets up corresponding learning projects according to different business sections, specialties, titles and levels, job categories so as to make sure employees of various positions can obtain corresponding training and learning opportunities and resources according to their job types. Every year the Group formulates annual training plans according to the need of businesses and employees and regularly reviews the plans to make proper adjustments in order to ensure learning arrangements conform to the need of business and employee development.

B3 發展及培訓

集團重視員工的職業技能提升和培訓學習，長遠讓每位員工在各個崗位上充分發揮所長和潛能。集團鼓勵員工結合個人特長、興趣及集團業務發展機會積極爭取，鼓勵員工內部流動、跨界發展。集團已建立成熟的培訓學習體系，包括已形成分層分類的培訓學習地圖，並配套各種培訓項目，支持員工培訓學習的資源與形式也較豐富多樣，包括線上學習平臺、內部培訓、派出培訓等。

集團培訓計劃首先確保的就是針對性及實用性，每年結合業務發展需要，根據不同的業務板塊、不同專業、不同的職務層級、不同的崗位類別設置相應的學習項目，以確保各崗位人員均能根據其業務類型獲得對應的培訓學習機會和資源。集團每年根據業務及員工發展需要制定年度培訓計劃，並定期回顧調整，確保學習安排符合業務及員工發展需求。

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In the annual training plan, the Group will formulate exclusive internal and external learning plans and opportunities aiming at the present status and business challenges faced by middle-level and senior management so as to make sure middle-level and senior management also has rich learning opportunities. For all the internal training projects, the Group conducts research before training and makes evaluation after training, listens to opinions and suggestions of attendants about learning arrangements, meanwhile makes relevant adjustments to the arrangements based on the results and outcomes of training. The Group's training plan, notices about detailed training programs and reports after training will be informed to employees timely via a variety of channels. The following is the record of employees' average training hours of the Group during the reporting period, which is categorised by rank and gender:

於年度培訓計劃中，集團將專門針對中高級管理人員的現狀、業務挑戰等，制訂專項培訓的內外學習計劃和機會，使中高級管理人員也擁有較豐富的學習機會。集團內部所有培訓項目都會進行訓前調研和訓後評估，聽取參加人員關於學習安排的意見和建議，同時結合培訓的成效及時調整相關安排。集團的培訓計劃、具體培訓項目通知、培訓結束後的報道均會通過多種渠道及時告知員工。以下為集團於報告期內的員工平均培訓時數的記錄，按職級及性別劃分：

Key Performance Indicators of Training and Development (for employees)

培訓和發展關鍵績效指標（員工）

Employees being trained 經培訓的員工		Number 數量	
		Male 男	Female 女
Senior management	高級管理人員	5	1
Managerial personnel	管理人員	19	12
Employees	普通員工	47	29
Training ratio of employees by gender	按性別劃分接受培訓的 員工百分比	25.91%	20.09%
Training ratio of total employees	接受培訓的員工 總體百分比		23.40%

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Key Performance Indicators of Training and Development (for employees)

培訓和發展關鍵績效指標（員工）

Average Training Hours 平均培訓時間		Number 數量	
		Male 男	Female 女
Senior management	高級管理人員	23	6
Managerial personnel	管理人員	45	38
Employees	普通職員	102	66
Training ratio of employees by gender	按性別劃分接受培訓的 員工百分比	25.91%	20.09%
Training ratio of total employees	接受培訓的員工總體百分比	23.40%	

During the year, the number of managerial personnel and employees of the Group's subsidiaries being trained and related training hours both increased. The Group is committed to providing work support to employees, and actively conducting training to help employees achieve career development and personal growth.

本年度，集團各子公司管理人員及普通職員接受培訓的人數以及相關培訓時長均上升，集團致力於為員工提供工作支持，積極開展培訓，幫助員工實現職業發展以及個人進步。

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B4 LABOUR STANDARDS

Recruitment

The Group adopts internal competition for certain positions and prioritises the deployment or selection of suitable qualified employees inside the Group. The Group advocates employees to participate actively pursuant to competition conditions and procedures, and encourages each department to support employees to participate in internal competition without barriers. The Group would also apply open elections, regardless of qualifications, sources and backgrounds, all applicants must follow the Group's recruitment principles and pass the required inspections from all aspects and our Group only recruits qualified applicant. The Group takes the Company's culture and value as the basic recruitment criteria, and mainly focuses on the adaptability and also takes into consideration the future development potential.

The labour policies and standards of the Group conform to all sorts of national regulations and rules. Related labour environment, employment duration, working time, rest and vacation and other rules all complied with laws and regulations. Meanwhile, the Group clarified in labour contracts and also kept employees informed about labour protection, labour conditions and occupational hazard protection. The Group also complied with the requirements of national and local regulations and policies in aspects of labour handling procedures, procedure completeness and procedures thereof. The Group will closely monitor the latest status of related governmental laws and regulations and make corresponding adjustment and update about its internal systems and procedures. At the beginning of every year, the Group also conducts analysis and evaluation on current systems and policies and makes optimization and adjustment accordingly.

B4 勞工準則

人才招聘

集團對部份崗位實行內部競聘，優先考慮從集團內部調配或選聘具合適資格的員工。集團提倡員工依據競聘條件及程序積極參與，鼓勵各部門支持員工參與內部競聘，不設障礙。集團亦會採用公開選聘，不分資歷、來源和背景，所有應聘人員都必須按照集團招聘原則，通過規定的各個環節的考察，合格後方能錄用。集團會以符合公司的文化及價值觀為招聘的基本標準，以適崗能力考察為主，兼顧未來發展潛質。

集團勞動用工政策及標準符合國家各類規則及章程，勞動用工相關的用工環境、僱傭期限、工作時間、休息休假等條款均符合法律規定，同時集團在將勞動保護、勞動條件及職業危害防護在勞動合同中予以明確並告知。集團用工手續办理流程、手續完備性及程序均符合國家及地區法規政策要求。集團會密切關注政府相關法律法規的更新動態，並及時對內部制度及程序予以調整更新，每年初亦會對現行制度及政策進行分析及評估，優化調整。

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Measures for Prevention of Child Labour or Forced Labour

As for prevention of child labour or forced labour, the Group ensures that applicants have the right to interview and apply for a job voluntarily. Meanwhile, it sets up a strict approval procedure for labour employment. Before employment, all sorts of credentials, files and information should be complete and shall undergo strict inspection. Employment should also get approval from all levels of management so as to effectively avoid child labour or other nonstandard labour employment. The Group also complies with equal and voluntary labour employment. When signing contracts or agreements with employees, the Group will completely and accurately convey necessary statutory information such as labour working location, time, salary and so on. Both parties sign labour contract or agreement under the voluntary principle in order to avoid forced labour.

B5 SUPPLY-CHAIN MANAGEMENT

The Group has in place a well-established supplier management system, including a clear division of supervisory function, supplier assessment and approval, supplier selection and performance evaluation, and supervises the supply-chain management from various aspects. When selecting suppliers, the Group would inspect their contract performance, honesty and legal compliance, meanwhile incorporate proper appraisal so as to make a comprehensive evaluation. Through contractual agreements, the Group required that all the suppliers must comply with national and local environmental laws and regulations and the Group properly evaluated them to make sure they complied with all the environmental and social requirements and fulfilled their environmental and social responsibilities.

防止聘用童工及強制勞工措施

在防止童工或強制勞工方面，集團保障應聘人員的自願面試及求職權利，同時內部設立嚴格的用工錄用審批流程，員工錄用前，各類證件及資料信息均應嚴格完備且經過審查，通過各層級幹部審批後方可用工，以有效避免童工等不規範用工發生。集團亦遵循平等自願的用工意願原則，與員工簽訂用工合同或協議時，充分準確傳達法定必要的用工地點、時間、勞動報酬等信息，且雙方本著自願原則簽署勞動合同或用工協議，避免強制勞工。

B5 供應鏈管理

集團擁有完善的供應商管理制度，包括監管職能的明確分工、供應商的評估及審批、供應商選擇及表現評價，從各個方面監督供應鏈管理。在選擇供應商時，集團會通過考察其合同履約情況和誠信遵紀守法情況，加入恰當的評價，以進行綜合考慮。通過合同約定，集團要求所有供應商必須遵循國家和地方的環境法律法規，並對供應商作出恰當評價，以確保其遵守所有環境和社會方面的要求及擔負了其環境及社會責任。

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環境、社會及管治報告

B6 PRODUCT RESPONSIBILITY

Product Quality Management

The Group highly emphasises product quality management and establishes a strict product quality management system within the Group. Every quarter, the Group carries out a third-party inspection to make sure the quality of all products met standards. The Group also attaches great importance to provisions of the laws and regulations applicable to our products, and continuously pays close attention to and complies with them. The construction materials that our Group uses are of high quality, which satisfy the relevant requirements in terms of construction and environmental protection on one hand, and promote environmental-friendly and power-saving construction on the other hand.

The Group also has a complete repair and maintenance mechanism. Once product defects are found, the Group would be responsible for repair at its own costs, and would arrange delivery only upon the completion of repair works. If customers suffer a loss due to quality defects, or if there are still quality problems that seriously affect the normal residential use of the customer after various repeated repairs, the Group would definitely follow up carefully and pay compensation or arrange the return of the house if appropriate. On the other hand, the Group also has post-disaster response measures, upon encountering natural disasters such as typhoons, earthquakes and fires, the Group will conduct comprehensive inspection towards buildings and public facilities, including aluminum doors and windows, entry doors, railings, curtain walls, public decoration, various water & electricity systems and equipment, etc., as well as carrying out repair or reinforcement works according to the damage level.

B6 產品責任

產品質量管理

集團非常重視產品質量，集團內部設有嚴格的質量管理體系，並於每季度進行第三方質量檢查以確保所有產品的質量符合標準。集團亦非常重視產品在相關適用法律法規的規定，並持續關注及遵守。集團一向使用質量優質的建築物料，既符合建築及環保方面的相關要求，亦提倡綠色節能建築。

集團亦設有完整的維修保養制度，一旦發現產品質量缺陷，集團會負責修復及承擔修復費用，修復完成後再安排交付。倘若因質量缺陷為客戶造成損失，或在經多次修復後仍存在嚴重影響客戶正常居住使用的質量問題，集團定必仔細跟進，在條件合適的情況下予以賠償或安排退房。另一方面，集團亦有災後應對措施，當遇到颱風、地震、火災等自然災害後，集團會對樓區內的建築物及公共設施，包括鋁合金門窗、入戶門、欄桿、幕牆、公共部位裝修、各種水電系統及設備等，進行全面檢查，視乎損壞程度進行維修或加固。

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B7 ANTI-CORRUPTION

The Group operates its business in accordance with high ethical standards and adopts good practices in the industry in respect of prevention of bribery and anti-corruption. The Group has always complied with applicable laws and regulations relating to anti-corruption. The Group has in place the “Measures on Integrity and Self-Discipline Regulation”, which provides guidelines to employees on how to handle business transactions with business-related entities and interest-related entities.

According to the guidelines, it is strictly forbidden to provide any form of payment, gift or offer by means of bribery or corruption. It is not allowed to abuse the position to encroach on the Company's property, misappropriate public funds, and abuse power for personal gain.

All the employees and representatives of the Group shall operate the business and perform their duties in accordance with the integrity requirements set out in the “Measures on Integrity and Self-Discipline Regulation” and in an ethical manner. The Group understands the potential risks brought by unethical practices to our business and has zero tolerance to any form of corruption (including deception, bribery, forgery, extortion, conspiracy, misappropriation of public funds and collusion). All employees are required to attend the training on the “Measures on Integrity and Self-Discipline Regulation”.

B7 反貪污

集團按照高道德標準經營業務，在防止賄賂和反貪污方面均採納業內的良好慣例。集團一貫符合有關反貪污相關的適用法律法規。集團訂有《廉潔自律管理辦法》，就如何處理與業務關聯單位、利益關聯單位之間的業務往來，為員工提供指引。

指引中明確嚴禁以行賄或貪污手段提供任何形式的付款、饋贈或要約，不准利用職務上的便利，侵佔公司財物、挪用公款，以權謀私。

所有恆達集團員工及本集團代表須按《廉潔自律管理辦法》所載列的誠信要求及以符合道德規範的方式經營業務及履行職責。集團明瞭不道德的行為給業務帶來的潛在風險，並對各種形式的貪污（包括欺騙、賄賂、偽造、敲詐、合謀、挪用公款及勾結）持零容忍態度。所有員工須參加《廉潔自律管理辦法》的培訓。

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環境、社會及管治報告

B8 COMMUNITY INVESTMENT

Ever Reach always keeps in mind its social responsibility as an enterprise when growing its business. As an accountable and proactive member of the community, the Group is fully committed to making positive contributions to help the underprivileged and those in need.

Ever Reach cooperates with different social organizations and proactively contributes to community work. In 2019, Ever Reach donated more than RMB3 million in total to social organizations, including but not limited to:

- Weidu Charity Federation
- Xuchang Charity Federation
- Shijiazhuang Aixin Art Ensemble (the Disabled Persons' Federation)
- China Glory Society, Guangcai Foundation

Meanwhile, the Group actively participated in education and charity. In 2019, the Group carried out "Financial Donation to Education", and Mr. Li Xiaobing, chairman of Ever Reach, distributed student grants to some students. Ever Reach always believes that making donation to education is a current philanthropy that can benefit the society for generations. In the future, the Group will continue to repay the society with a positive attitude and fulfill its corporate social responsibility.

B8 社區投資

恒達集團在發展的同時，始終銘記企業的社會責任。作為社區負責任及積極的一份子，集團全心全意貢獻社會，幫助弱勢社群和有需要人士。

恒達集團與社會的不同團體合作，積極參與社區工作。二零一九年，恒達合共捐款額超過300萬元人民幣。當中捐助團體包括但不限於：

- 魏都慈善總會
- 許昌市慈善總會
- 石家莊愛心藝術團（殘聯）
- 中國光彩事業促進會、基金會

同時，集團亦積極投身於教育慈善事業。於二零一九年，集團舉行了「愛心助學」活動。恒達集團董事長李小冰為數名學子發放了助學資金，恒達控股始終相信，捐資助學是一項功在當代、利在千秋的慈善事業，集團未來會持續以積極的態度回報社會，履行企業的社會責任。

Corporate Governance Report

企業管治報告

The Board is pleased to present this corporate governance report in the Company's Annual Report for the year ended 31 December 2019.

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is committed to achieving good corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has devised its own code of corporate governance based on the principles and practices as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) which are applicable to the Company.

The Board is of the view that throughout the year period ended 31 December 2019, the Company has complied with all applicable code provisions as set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules.

董事會欣然提呈本公司截至2019年12月31日止年度年報內的本企業管治報告。

企業管治常規

本公司董事會致力於達致良好的企業管治標準。

董事會相信，良好的企業管治標準乃為本公司提供框架以保障股東權益、提升企業價值、制定公司業務策略及政策以及加強其透明度及問責度之關鍵。

本公司已根據香港聯合交易所有限公司（「**聯交所**」）證券上市規則（「**上市規則**」）附錄十四所載企業管治守則（「**企業管治守則**」）載列的適用於本公司的原則及常規制訂其自身的企業管治守則。

董事會認為，於截至2019年12月31日止整個年度期間，本公司已遵守企業管治守則所載的全部適用守則條文。

證券交易標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「**標準守則**」）。

Corporate Governance Report

企業管治報告

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2019.

The Company has also established written guidelines (the “**Employees Written Guidelines**”) no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group’s businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Board Composition

The Board of the Company currently comprises the following Directors:

Executive Directors

Mr. Li Xiaobing (Chairman)
Mr. Wang Zhenfeng
Ms. Qi Chunfeng
Mr. Wang Quan

Independent Non-executive Directors

Mr. Lee Kwok Lun
Mr. Wei Jian
Mr. Fang Cheng

經向全體董事作出具體查詢後，董事確認，彼等於截至2019年12月31日止整個年度一直遵守標準守則。

本公司亦就可能擁有本公司未公佈股價敏感消息的僱員制訂有關僱員進行證券交易的書面指引（「**僱員書面指引**」），其條款不遜於標準守則。本公司概不知悉有任何僱員不遵守僱員書面指引的情況。

董事會

本公司由高效的董事會領導。董事會監督本集團的業務、戰略決策及表現，並客觀作出符合本公司最佳利益的決定。

董事會應定期檢討董事為履行其對本公司的責任而須作出的貢獻，以及董事是否花費足夠時間履行責任。

董事會組成

本公司董事會目前由以下董事組成：

執行董事

李小冰先生（主席）
王振峰先生
齊春風女士
王權先生

獨立非執行董事

李國麟先生
魏劍先生
方征先生

Corporate Governance Report

企業管治報告

The biographical information of the Directors is set out in the section headed “Biographical Details of Directors and Senior Management” on pages 26 to 32 of this annual report.

None of the members of the Board is related to one another.

Chairman and Chief Executive Officer

The positions of Chairman and Chief Executive Officer are held by Mr. Li Xiaobing and Mr. Wang Zhenfeng respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company's business development and daily management and operations generally.

Independent Non-executive Directors

During the year ended 31 December 2019, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Appointment and Re-election of Directors

The executive Directors and independent non-executive Directors are appointed for a specific term of 3 years, subject to renewal after the expiry of the then current term.

董事的履歷資料載於截至本年報第26頁至第32頁的「董事及高級管理人員之履歷」一節。

董事會成員彼此之間概無關係。

主席及總裁

主席及總裁職位分別由李小冰先生及王振峰先生擔任。主席負責領導，並確保董事會的有效運作及領導。總裁一般專注於本公司的業務發展及日常管理與營運。

獨立非執行董事

截至2019年12月31日止年度，董事會一直符合上市規則有關委任至少三名獨立非執行董事（佔董事會三分之一人數）而其中一名獨立非執行董事須具備適當的專業資格或會計或相關財務管理專長的規定。

本公司已收到各獨立非執行董事根據上市規則第3.13條所載的獨立性指引就其獨立性呈交的年度書面確認函。本公司認為所有獨立非執行董事均為獨立人士。

委任及重選董事

執行董事及獨立非執行董事以三年的指定任期委任，惟可於當時任期屆滿後重選。

Corporate Governance Report

企業管治報告

Under the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three of a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors shall be eligible for re-election.

Responsibilities of the Directors

The Board should assume responsibility for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

根據本公司組織章程細則，當時三分之一董事（倘人數並非三或三的倍數，則為最接近但不低於三分之一的董事）須於每屆股東週年大會上輪值退任，惟每名董事須至少每三年輪值退任一次。退任董事可膺選連任。

董事的責任

董事會有責任領導及監控本公司，並共同負責指導及監督本公司的事務。

董事會直接及間接透過其委員會帶領及指導管理層（包括制定策略及監察管理層推行策略）、監督本集團營運及財務表現以及確保設有良好的內部監控和風險管理制度。

全體董事（包括獨立非執行董事）所具備廣泛而寶貴的業務經驗、知識及專業精神，有助董事會有效及高效地履行其職責。

獨立非執行董事負責確保本公司高標準的監管報告，並於董事會內提供制衡作用，以保障對企業行動及營運的有效獨立判斷。

所有董事可全權適時獲取本公司的所有資料，並可於適當情況下應要求尋求獨立的專業意見以履行彼等對本公司的職責，而費用由本公司承擔。

董事須向本公司披露彼等擔任其他職務的詳情。

Corporate Governance Report

企業管治報告

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

董事會保留其權力以對所有重要事宜作出決定，當中涉及政策事宜、策略及預算、內部監控及風險管理、重大交易（尤其可能涉及利益衝突者）、財務資料、委任董事以及本公司其他重大營運事務。有關執行董事會的決策、指導及協調本公司日常營運及管理的職責，則授權管理層處理。

本公司已就董事及高級管理層因企業活動而面臨任何法律訴訟，就董事及高級人員所承擔的責任安排適當的保險保障。

董事的持續專業發展

董事應不斷留意監管規例的發展及變動，從而有效地履行其職責，並確保彼等在知情情況下對董事會作出切合需要的貢獻。

每名新任董事於首次獲委任時均已獲提供正式、全面及度身定制的就職培訓，以確保彼等已適當地掌握本公司業務及營運，並充分了解上市規則及有關法律規定下須承擔的董事職責及責任。

董事應參與適當的持續專業發展以建立和更新自身的知識及技能。本公司將為董事安排內部簡報會，及在適當情況下向董事提供相關主題的閱讀材料。本公司鼓勵全體董事參與相關培訓課程，相關費用由本公司承擔。

Corporate Governance Report

企業管治報告

The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors for the year ended 31 December 2019 and up to date of this report are summarized as follows:

截至2019年12月31日止年度，董事已接獲有關董事職責以及監管規例及業務發展的持續專業發展的記錄，截至本報告日期，概述如下：

Directors

董事

Type of Training ^{Note}

培訓類別 ^{附註}

Executive Directors

執行董事

Mr. Li Xiaobing	李小冰先生	A/B
Mr. Wang Zhenfeng	王振峰先生	A/B
Ms. Qi Chunfeng	齊春風女士	A/B
Mr. Wang Quan	王權先生	A/B

Independent Non-Executive Directors

獨立非執行董事

Mr. Lee Kwok Lun	李國麟先生	A/B
Mr. Wei Jian	魏劍先生	A/B
Mr. Fang Cheng	方征先生	A/B

Note:

附註：

Types of Training

培訓類別

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

A: 出席培訓，包括但不限於簡介會、研討會、會議及工作坊

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

B: 閱讀有關新聞資訊、報章、期刊、雜誌及有關刊物

BOARD DIVERSITY POLICY

董事會多元化政策

The Company recognises and embraces the importance and benefits to achieve diversity on the Board. During the year ended 31 December 2019, the Board has adopted a board diversity policy for the purpose of ensuring that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance.

本公司認同及接受達致董事會多元化的重要性及裨益。於截至2019年12月31日止年度，董事會採納董事會多元化政策，以確保董事會在所需技能、經驗以及觀點的多元化方面達到適當的平衡，從而提升董事會的有效運作並保持高標準的企業管治水平。

Corporate Governance Report

企業管治報告

The Nomination Committee of the Board has the primary responsibility for identifying suitably qualified candidates to become members of the Board based on various measurable objectives with reference to the Company's business model and specific needs, including but not limited to gender, age, race, language, cultural and educational background, industry and professional experiences. All nominations and appointments of the member of the Board will be made on merit basis taking into account the business of the Company needs from time to time.

The Nomination Committee will review the board diversity policy and the measurable objectives at least annually, and as appropriate, to ensure the continued effectiveness of the Board in support of the Company's strategic objectives and sustainable development.

NOMINATION POLICY

The Company has adopted nomination policy sets out the objectives, selection in criteria and nomination procedures for identifying and recommending candidates for appointment or re-appointment of Directors in order to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level. During the year ended 31 December 2019, no candidate was nominated for directorship.

BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, Remuneration Committee, Nomination Committee and Legal Compliance Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

董事會提名委員會主要負責以多項可計量目標為基準，並參考本公司的業務模式及特定需求（包括但不限於性別、年齡、種族、語言、文化及教育背景、行業及專業經驗），物色適合的合資格候選人成為董事會成員。董事會成員的所有提名與委任將以用人唯才為原則，並不時考慮本公司的業務需求。

提名委員會將至少每年及在適當時候檢討董事會多元化政策與可計量目標，以確保董事會的有效運作，為本公司的戰略目標及可持續發展提供支持。

提名政策

本公司已採納提名政策，該政策載列有關就委任或重新委任董事物色及推薦候選人的目標、甄選標準及提名流程，以確保董事會在技能、經驗及觀點多元化方面保持適合本公司的平衡及董事會的持續性以及及在董事會層面的適當領導能力。於截至2019年12月31日止年度，概無任何候選人獲提名擔任董事。

董事委員會

董事會已成立四個委員會，即審核委員會、薪酬委員會、提名委員會及法律合規委員會，以監管本公司特定方面之事務。本公司所有董事委員會均已訂明特定書面職權範圍，當中清晰列明其職權及職責。董事委員會的職權範圍刊登於本公司網站及聯交所網站，並可應要求供股東查閱。

Corporate Governance Report

企業管治報告

Audit Committee

The Audit Committee consists of the three independent non-executive Directors, namely Mr. Fang Cheng, Mr. Lee Kwok Lun and Mr. Wei Jian. Mr. Lee Kwok Lun is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

During the year ended 31 December 2019, the Audit Committee held three meetings to review the interim and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors and relevant scope of works and, connected transactions and arrangements for employees to raise concerns about possible improprieties.

The Audit Committee also met the external auditor twice without the presence of the Executive Directors.

Remuneration Committee

The Remuneration Committee consists of the three independent non-executive Directors, namely Mr. Fang Cheng, Mr. Lee Kwok Lun and Mr. Wei Jian. Mr. Fang Cheng is the chairman of the Remuneration Committee.

審核委員會

審核委員會由三名獨立非執行董事組成，分別為方征先生、李國麟先生及魏劍先生。李國麟先生為審核委員會主席。

審核委員會的職權範圍要求不遜於企業管治守則所規定的條款。審核委員會的主要職責為協助董事會審閱財務資料及報告程序、風險管理及內部監控制度、內部審核功能成效、審核範圍及外聘核數師的委聘事宜，以及安排讓本公司僱員就本公司的財務報告、內部監控或其他事宜的潛在不當行為作出提問。

於截至2019年12月31日止年度，審核委員會舉行三次會議，以審閱中期及年度財務業績及報告以及有關財務報告、營運及合規控制、風險管理及內部監控系統以及內部審核功能成效的重大問題、委聘外聘核數師及相關工作範圍，以及關聯交易及安排，使僱員對潛在不當行為作出提問。

審核委員會亦在執行董事不在場的情況下與外聘核數師舉行兩次會議。

薪酬委員會

薪酬委員會由三名獨立非執行董事組成，分別為方征先生、李國麟先生及魏劍先生。方征先生為薪酬委員會主席。

Corporate Governance Report

企業管治報告

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee met once during the year ended 31 December 2019 to consider the relevant matters regarding the remuneration policy and the remuneration packages of the Directors and senior management.

Details of the remuneration of the senior management by band are set out in note 27 to the consolidated financial statements for the year ended 31 December 2019.

Nomination Committee

The Nomination Committee consists of three members, namely Mr. Li Xiaobing, Executive Director, Mr. Fang Cheng and Mr. Lee Kwok Lun, independent non-executive Directors. Mr. Li Xiaobing is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

薪酬委員會的職權範圍要求不遜於企業管治守則所規定的條款。薪酬委員會的主要職責包括檢討個別董事及高級管理層的薪酬組合以及全體董事及高級管理層的薪酬政策及架構，並就此向董事會提出推薦建議；以及就發展有關薪酬政策及架構設立高透明度的程序，以確保概無董事或彼之任何聯繫人參與釐定其本身的薪酬。

薪酬委員會於截至2019年12月31日止年度舉行了一次會議，以考慮有關董事及高級管理層的薪酬政策及薪酬組合的相關事宜。

按區間劃分的高級管理層薪酬詳情載於截至2019年12月31日止年度綜合財務報表附註27。

提名委員會

提名委員會由三名成員組成，分別為李小冰先生（執行董事）以及方征先生及李國麟先生（均為獨立非執行董事）。李小冰先生為提名委員會主席。

提名委員會的職權範圍要求不遜於企業管治守則所規定的條款。

提名委員會的主要職責包括檢討董事會的組成、發展及制定提名及委任董事的相關程序、就董事的委任及繼任計劃向董事會提呈推薦建議以及評估獨立非執行董事的獨立性。

Corporate Governance Report

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In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Directors' nomination procedures, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience etc. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence, time commitment and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

The Nomination Committee met once during the year ended 31 December 2019 to review the structure, size and composition of the Board and the independence of the independent non-executive Directors, and to consider the qualifications of the retiring directors standing for election at the Annual General Meeting. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

Legal Compliance Committee

The Legal Compliance Committee consists of three members, namely Mr. Wang Zhenfeng, Executive Director, Mr. Fang Cheng and Mr. Lee Kwok Lun, independent non-executive Directors. Mr. Fang Cheng is the chairman of the Legal Compliance Committee.

於評估董事會的組成時，提名委員會將考慮各個方面及本公司董事提名程序所載有關董事會多元化的因素，包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識及行業與地區經驗等。提名委員會會討論及協定達致董事會多元化發展的可計量目標，並於有需要時向董事會提出建議以供採納。

於物色及選擇合適的董事人選時，提名委員會在向董事會作出推薦前會考慮該人選的品格、資歷、經驗、獨立性、時間投放及其他有關可配合企業策略及達致董事會多元化（倘合適）的必要條件。

截至2019年12月31日止年度，提名委員會舉行了一次會議，以審查董事會的架構、規模及組成以及獨立非執行董事的獨立性，並審查了退任董事於股東週年大會上競選的資格。提名委員會認為，董事會維持了觀點多元化的適當平衡。

法律合規委員會

法律合規委員會由三名成員組成，分別為王振峰先生（執行董事）、方征先生及李國麟先生（均為獨立非執行董事）。方征先生為法律合規委員會主席。

Corporate Governance Report

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The principal duties of the Legal Compliance Committee include monitoring, identifying, reviewing and assessing the key compliance issues in relation to or arisen in the course of the Group's business operations such as, among other aspects, usage of all acquired parcels of land as well as construction process and sales arrangements regarding property development projects; and conducting regular review on the compliance matters identified by the committee itself, senior management members of the Group and/or other relevant parties.

The Legal Compliance Committee held twelve meetings during the year ended 31 December 2019 to monitor, identify, review and assess the key compliance issues related to various aspects of the Group's operations.

Corporate Governance Functions

The functions set out in the code provision D.3.1 of the CG Code are performed by the Audit Committee.

During the year, the Audit Committee met three times to review the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Written Employee Guidelines, and the Company's compliance with the CG Code and disclosure in this corporate governance report.

法律合規委員會的主要職責包括監督、識別、檢討及評估有關在本集團業務營運過程中就（其中包括）所購入地塊用途以及建築程序及有關物業開發項目的銷售安排所產生的主要合規事宜；及定期檢討委員會自身、本集團高級管理層成員及／或其他相關方識別的合規事宜。

截至2019年12月31日止年度，法律合規委員會召開十二次會議以監察、識別、檢討及評估與本集團業務營運各方面有關的主要合規事宜。

企業管治職能

審核委員會履行企業管治守則守則條文D.3.1所載的職能。

於年內，審核委員會舉行三次會議，以檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司在遵守法律法規規定方面的政策及常規、對標準守則及僱員書面指引的遵守情況、本公司對企業管治守則的遵守情況以及於本企業管治報告所作的披露。

Corporate Governance Report

企業管治報告

ATTENDANCE RECORDS OF DIRECTORS

The attendance record of each Director at the Board and Board Committee meetings and the general meetings of the Company held during the year ended 31 December 2019 is set out in the table below:

Name of Director 董事姓名	Attendance/Number of Meetings 出席／舉行會議次數						Annual General Meeting 股東週年大會
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Legal Compliance Committee 法律合規委員會		
Mr. Li Xiaobing 李小冰先生	5/5	N/A 不適用	N/A 不適用	1/1	N/A 不適用	1/1	
Mr. Wang Zhenfeng 王振峰先生	5/5	N/A 不適用	N/A 不適用	N/A 不適用	12/12	1/1	
Ms. Qi Chunfeng 齊春風女士	5/5	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	1/1	
Mr. Wang Quan 王權先生	5/5	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	1/1	
Mr. Lee Kwok Lun 李國麟先生	5/5	3/3	1/1	1/1	12/12	1/1	
Mr. Wei Jian 魏劍先生	5/5	3/3	1/1	N/A 不適用	N/A 不適用	0/1	
Mr. Fang Cheng 方征先生	5/5	3/3	1/1	1/1	12/12	1/1	

董事的出席記錄

下表載列各董事於截至2019年12月31日止年度舉行的本公司董事會及董事委員會會議以及股東大會的出席記錄：

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks that it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

風險管理及內部監控

董事會確認其對風險管理及內部監控制度以及檢討其是否有效負責。相關制度旨在管理而非消除未能達成業務目標的風險，且僅可就重大失實陳述或虧損作出合理而非絕對的保證。

董事會全面負責評估及釐定達成本公司策略目標所願意承擔的風險性質及程度，建立並維護適當而有效的風險管理及內部監控制度。

審核委員會協助董事會帶領管理層及監管彼等對風險管理及內部監控制度的設計、實施及監察。

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The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, sales and leasing, financial reporting, human resources and information technology.

The Company's risk management and internal control systems have been developed with the following principles, features and processes and are reviewed by the Board on annual basis:

- the Board is responsible for and has general oversight of the management and conduct of the business of the Group, and is in charge of the overall risk control of the Group. Any significant business decision involving material risks are reviewed, analysed and approved at the Board level to ensure a thorough examination of the associated risks at the highest corporate governance body.
- the Board and senior management are in charge of overall business operations and risk monitoring of the Group, and are responsible for the supervision of the respective fields of operations as well as the supervision and approval of any material business decisions of the Group's project companies. Procedures and policies are established setting out clear reporting lines and responsibilities with a view to facilitating efficient communications among the Board, regional headquarters and the project companies. A standardized property development process that governs each step of the property development activities was also developed.
- the Audit Committee is responsible for, among others, maintaining a satisfactory control environment and an effective system of internal control (including any arrangements for internal audit) and to review the Group's financial information, by monitoring the integrity of the Group's financial statements and annual report and accounts and half-year report and to review significant financial reporting judgements contained in them.

本公司已制定並採納多個風險管理程序及指引，就該等程序及指引授予主要業務程序及辦公職能單位（包括項目管理、銷售及租賃、財務報告、人力資源及信息技術）並界定及實施其權限。

本公司風險管理及內部監控制度乃遵循以下原則、特點及流程制訂，且董事會每年進行檢討：

- 董事會負責管理及開展本集團業務且對此進行全面監督，並負責本集團的整體風險控制。任何涉及重大風險的重要業務決策在董事會層面進行檢討、分析及批准，以確保最高企業管治機構對相關風險作出全面檢查。
- 董事會及高級管理層負責本集團的整體業務營運及風險監控，並負責監督營運的各個方面，以及監督及批准本集團項目公司的任何重大業務決策。本公司已制定載有明確報告流程及責任的程序及政策，以促進董事會、區域總部與項目公司之間的有效溝通。本公司亦已建立一套管理物業開發活動每個步驟的標準化物業開發程序。
- 審核委員會負責（其中包括）維持令人滿意的監控環境及有效的內部監控制度（包括內部審核的任何安排），並透過監察本集團財務報表及年度報告和賬目及半年度報告的完整性，審閱本集團的財務資料，以及審閱當中所載有關財務申報的重大判斷。

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- the Group's city and site selection decisions are made by the Board. The project management department at Henan regional headquarters is in charge of formulating feasibility studies for development plans and investment strategies, which takes into account and involves the participation of other departments, including the finance department, engineering management department and costs control department.
- for certain operational and market risks, control measures are adopted at an operational level. For example, major construction risks are minimised by reviewing background information on general construction contractors before their appointment and imposing strict contractual requirements, while adhering to regular quality control measures overseen by the Group and third-party construction supervision companies.
- the Company has adopted various internal policies and procedures for individual employees in respect of different aspects of the property development process based on the operational needs. The Company also provides both in-house and external training to the employees in order to enhance their industry knowledge to manage the operational risks.
- the Company has established anti-fraud and corruption policy and whistle blowing policy. The policies have listed out the guideline, activities considered as fraud and corruption and whistle blowing mechanism for internal staff. The reporting channel is posted on the Company's website for external parties' reporting. The complaints or report can be filed through postage or email.
- 本集團的城市及地盤甄選決定由董事會作出。於河南省區域總部的項目管理部與其他部門（包括財務部、工程管理部及成本控制部）攜手負責制定開發計劃及投資策略的可行性研究。
- 就若干營運及市場風險而言，我們在營運層面採取控制措施。例如，我們透過在委任建築總承包商前對其背景資料進行審閱並施加嚴格的合同規定，同時堅持執行由本集團及第三方建築監理公司監督的定期質量控制措施來盡量降低主要施工風險。
- 本公司已根據營運需求，就房地產開發流程的不同方面對個別僱員採取不同的內部政策及程序。本公司亦為僱員提供內部及外部培訓，以增進其行業知識，從而管理營運風險。
- 本公司制定了反欺詐及反腐敗政策和舉報政策。該等政策為內部員工列明相關指引、被視作欺詐及腐敗的活動及舉報機制。本公司網站開通了舉報渠道以接獲外部舉報。投訴或舉報可通過郵寄或發送電子郵件提交。

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- the Company has also established the policies of financial reporting and month end financial closing which list out the guideline on preparing the monthly financial pack, the duties of different departments, and the procedures of reviewing and submission of the financial related documents. The policies also listed out the segregation of duties of the financial record preparation within the finance department, reporting channel within the Group and the monthly financial closing and monitoring procedures. The finance department of the subsidiaries is responsible for preparing the financial record on a day-to-day basis and perform monthly financial closing based on the monthly financial closing checklist. The monthly financial pack including the financial statements, cash flow forecast and the key supporting schedule are reviewed by the finance manager of each subsidiary before submitting to the Group's finance department for final review. The Group's finance department further reviews and approves the financial pack received from the subsidiaries before submission to the Executive Directors for review. The Board would further discuss the financial performance on a monthly basis.
- 本公司亦制定了有關財務申報及月末財務結算的政策。該等政策列出了編製每月財務報告的指引、不同部門的職責、審閱及提交財務相關文件的流程。該等政策亦列出財務部門內財務記錄編製的職責劃分、本集團內的呈報渠道以及每月財務結算及監管程序。附屬公司的財務部門負責每日編製財務記錄，並根據每月財務結算核對清單進行每月財務結算。每月財務報告包括財務報表、現金流量預測及關鍵配套時間表，將由各附屬公司的財務經理審閱後提交予本集團財務部門進行最終審閱。本集團的財務部門進一步審批附屬公司提交的財務報告，然後提交予執行董事供其審閱。董事會每月進一步討論財務表現。

The Company has engaged independent consultant to perform the internal audit function for the Group. The independent consultant has conducted its internal audit review activities according to the internal audit plan during the year. The Board, as supported by the Audit Committee, the independent consultant as well as the management report, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2019, and considered that such systems are effective and adequate.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

本公司已委聘獨立顧問履行本集團之內部審核職能。年內，獨立顧問已根據內部審核計劃進行內部審核檢討。董事會在審核委員會、獨立顧問及管理層報告的支持下，審閱截至2019年12月31日止年度的風險管理及內部監控制度，包括財務、營運及合規監控，並認為該等制度屬有效及充分。

本公司已制訂披露政策，為本公司董事、高級職員、高級管理層及相關僱員處理機密資料、監督資料披露及回應查詢提供全面指引。

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Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2019.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their responsibilities on the financial statements is set out in the independent auditor's report on pages 100 to 114.

AUDITOR'S REMUNERATION

The remuneration paid to the Company's external auditor of the Company, Messrs. PricewaterhouseCoopers, in respect of audit services for the year ended 31 December 2019 amounted to RMB2.16 million. There was no amount incurred for non-audit services of auditor.

COMPANY SECRETARY

The Company Secretary of the Company is Mr. Leung Kam Fai Anthony, who is an employee of the Company and has day-to-day knowledge of the Company's affairs. During the year ended 31 December 2019, he has taken no less than 15 hours of relevant professional training in accordance with rule 3.29 of the Listing Rules.

本公司已實施監控程序，確保嚴禁未經授權獲得及使用內幕消息。

董事有關財務報表的責任

董事確認編製本公司截至2019年12月31日止年度財務報表的責任。

董事並不知悉任何對本公司持續經營能力可能引起重大疑慮的重大不確定事件或情況。

本公司獨立核數師關於其對財務報表的責任聲明載於獨立核數師報告第100頁至第114頁。

核數師酬金

本公司向其外聘核數師羅兵咸永道會計師事務所就其截至2019年12月31日止年度提供的審核服務支付的酬金為人民幣2.16百萬元。概無就核數師的非核數服務產生任何款項。

公司秘書

梁錦暉先生為本公司的公司秘書，彼為本公司僱員且了解本公司的日常事務。於截至2019年12月31日止年度，彼根據上市規則第3.29條參加不少於15小時的相關專業培訓。

SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening an Extraordinary General Meeting

Extraordinary general meetings may be convened on requisition of one or more shareholders holding, at the date of requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition should be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting should be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

There is no provision allowing shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles of Association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

股東權利

為保障股東權益及權利，須就各重大個別事宜以獨立決議案形式於股東大會上提呈（包括選舉個別董事）。在股東大會上提呈的所有決議案將根據上市規則以投票方式表決，且表決結果須在各股東大會後於本公司網站及聯交所網站上公佈。

召開股東特別大會

於遞交要求之日持有附帶本公司股東大會投票權不少於十分之一已繳足股本的一名或多名股東的要求下，須召開股東特別大會。有關要求須以書面向董事會或公司秘書提出，以要求董事會就處理該要求所具體指明的任何事務召開股東特別大會。有關大會須於遞交有關要求後兩個月內舉行。倘董事會未於接獲有關要求後21日內召開有關大會，則提出要求的人士自身（彼等）可以同樣方式召開大會，而本公司須就因董事會未能召開大會致使提出要求的人士產生的所有合理費用向其作出補償。

於股東大會上提呈建議

開曼群島公司法或本公司組織章程細則並無有關允許股東於股東大會上動議新決議案的規定。股東如欲動議決議案，可根據上段所述程序要求本公司召開股東大會。

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Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Room 1409, Floor 14, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong (For the attention of the Board of Directors/Company Secretary)

Email: enquiry@everreachgrp.com

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. For this purpose, the Company has set up a website (www.everreachgroup.com), where relevant latest information, the up-to-date state of the Company's business operation and development, the Company's financial information and corporate governance practices and other data are available to the public.

向董事會提出查詢

股東如欲向董事會提出任何查詢，可向本公司發送書面查詢。本公司一般不會處理口頭或匿名查詢。

聯絡詳情

股東可按下文所述方式發送其查詢或上述要求：

地址：香港銅鑼灣禮頓道77號禮頓中心14樓1409室（收件人為董事會／公司秘書）

電郵：enquiry@everreachgrp.com

為免生疑問，股東必須遞交及發出正式簽署的書面要求、通告或聲明或查詢（視情況而定）的正本至上述地址，並提供其全名、聯絡方式以及身份，以便本公司回覆。股東資料可能根據法律規定而予以披露。

與股東及投資者溝通／投資者關係

本公司相信，與股東有效溝通對促進投資者關係及投資者對本集團業務表現及策略之了解非常重要。因此，本公司已設立網站(www.everreachgroup.com)。網站內載有最新信息、有關本公司業務營運及發展的最新情況、本公司的財務資料、企業管治常規及其他資料，以供公眾查閱。

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The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries.

During the year under review, the Company has not made any changes to its Articles of Association. An up to date version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.

Policies relating to Shareholders

The Company has in place a shareholders' communication policy to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

The Company has adopted a policy on payment of dividends pursuant to code provision E.1.5 of the CG Code which sets out the factors in consideration of the payment of dividend. The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy and will continually review the same and make modification when appropriate.

本公司盡力保持與股東之間的對話，尤其是透過股東週年大會及其他股東大會。於股東週年大會上，董事（或其代表（如適用））將與股東會面並回答彼等的查詢。

於回顧年度內，本公司並無對其組織章程細則進行任何修訂。本公司組織章程細則的最新版本亦可於本公司網站及聯交所網站查閱。

有關股東的政策

本公司實行股東通訊政策以確保股東的意見及關注得到適當處理。該政策會受定期審閱以確保其有效性。

本公司已根據企業管治守則守則條文E.1.5採納股息派付政策，當中載有派付股息所考慮的因素。董事會致力通過可持續的股息政策在符合股東期望與謹慎管理資本之間保持平衡，並將持續審閱股息政策及於適當時作出修訂。

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

To the Shareholders of
Ever Reach Group (Holdings) Company Limited
(incorporated in the Cayman Islands with limited liability)

致恒達集團（控股）有限公司全體股東
（於開曼群島註冊成立的有限公司）

OPINION

意見

What we have audited

我們已審計的內容

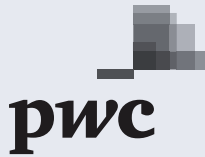
The consolidated financial statements of Ever Reach Group (Holdings) Company Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 115 to 282, which comprise:

恒達集團（控股）有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）載於第115至282頁的綜合財務報表，當中包括：

- the consolidated statement of financial position as at 31 December 2019;
 - the consolidated statement of profit or loss for the year then ended;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於2019年12月31日的綜合財務狀況表；
 - 截至該日止年度的綜合損益表；
 - 截至該日止年度的綜合全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表；及
 - 綜合財務報表附註（包括重大會計政策概要）。

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Independent Auditor's Report 獨立核數師報告



羅兵咸永道

Our Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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 disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

Independence

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

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）真實而中肯地反映了貴集團於2019年12月31日的綜合財務狀況及其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的披露規定妥為編製。

意見的基準

我們已根據香港會計師公會頒佈的香港審計準則進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表所承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

獨立性

根據香港會計師公會頒佈的專業會計師道德守則（「守則」），我們獨立於貴集團，並已履行守則中的其他專業道德責任。

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KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

- 1 Recognition of revenue from sales of properties; and
- 2 Assessment of net realisable value of properties under development and completed properties held for sale.

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 1 確認物業銷售所得收入；及
- 2 評估開發中物業及持作出售竣工物業的可變現淨值。

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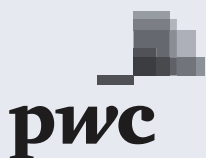
KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Key Audit Matter 1 關鍵審計事項1	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p>Recognition of revenue from sales of properties 確認物業銷售所得收入</p> <p>Refer to Notes 4 'Critical accounting estimates and judgements' and Note 22 'Revenue' to the consolidated financial statements. 請參閱綜合財務報表附註4「重要會計估計及判斷」及附註22「收入」。</p> <p>Revenue from sales of properties is recognised over time when the Group's performance under a sales contract 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, the revenue is recognised at a point in time when the buyer obtains control of the completed property. For the year ended 31 December 2019, revenue of the Group from sales of properties was RMB1,971.0 million, of which RMB63.1 million was recognised over time and RMB1,907.9 million was recognised at a point in time.</p> <p>物業銷售所得收入於貴集團於銷售合同項下的履約未創建對貴集團具有替代作用的資產，而貴集團有強制執行權收取至今履約部分的款項時隨時間確認；否則收入在買家取得竣工物業控制權的某一時點確認。截至2019年12月31日止年度，貴集團物業銷售所得收入為人民幣1,971,000,000元，其中人民幣63,100,000元隨時間確認，而人民幣1,907,900,000元於某一時點確認。</p>	<p>Our procedures in relation to identifying sales contracts subject to revenue recognised over time include: 我們有關識別須隨時間確認收入的銷售合同的程序包括：</p> <ul style="list-style-type: none">• Understood management's process in identifying sales contracts with or without enforceable right to payment.• 了解管理層識別銷售合同有無強制執行權收取款項的程序。• Read the key terms of sales contracts, on a sample basis, to assess the presence of enforceable right to payment based on the contract terms.• 閱讀銷售合同的關鍵條款（按抽樣基準）以根據合同條款評估是否存在收取款項的強制執行權。• Obtained and read the letter of the Group's legal counsel, in particular, the legal counsel's interpretation of the applicable laws and evaluated the implication on the management assessment of the enforceability of the right to payment.• 獲得及閱讀貴集團法律顧問函件，尤其是法律顧問對於適用法律的解釋及評估管理層對收款權利的可強制執行性評估的影響。

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KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Key Audit Matter 1 (continued)

關鍵審計事項1 (續)

Recognition of revenue from sales of properties (continued)

確認物業銷售所得收入 (續)

For revenue from sales of properties recognised over time, the Group recognises revenue by measuring the progress towards complete satisfaction of the performance obligation at the end of the year. The progress is measured by the percentage of the contract costs incurred up to the end of the year to the total estimated costs. We focus on this because significant judgements and estimations are required in determining the estimated total costs, the allocation of total costs and the accuracy of progress towards complete satisfaction of the performance obligation at the end of the year.

就隨時間確認的物業銷售收入而言，貴集團通過計量年末已完成履約責任的進度確認收入。有關進度按直至年末產生的合同成本佔估計總成本的比例計算。我們側重於此乃由於在釐定估計總成本、總成本的分配及年末已完成履約責任的進度的準確性時需要作出重大判斷及估計。

We also focus on revenue from sales of properties recognised at a point in time because of the significant volume of transactions which require significant audit time and effort. The Group recognises revenue when effective control of ownership is transferred to the buyers, which is dependent on the contractual arrangements for the sale and the laws and regulations in the relevant jurisdiction.

由於巨大交易量需要大量審計時間及工作，我們亦側重於某一時點確認的物業銷售收入。貴集團在所有權的實際控制權轉移至買家時確認收入，這取決於銷售的合同安排及相關司法權區的法律法規。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our procedures in relation to revenue from sales of properties recognised over time include:

我們有關隨時間確認物業銷售收入的程序包括：

- Understood, evaluated and tested the key internal controls over the approval of calculation of project total costs, cost allocation and unit cost.
- 了解、評估及測試有關批准項目總成本、成本分配及單位成本計算方面的關鍵內部控制。
- Checked estimated budget cost of projects, on a sample basis, to related development contracts and compared with the budget approved by management.
- 檢查相關開發合同的估計項目預算成本（按抽樣基準），並與管理層批准的預算進行對比。
- Checked the development costs of projects incurred during the year on a sample basis to the supporting documents including construction contracts, invoices and progress reports.
- 檢查年內產生的項目開發成本的支持文件（按抽樣基準）（包括建築合同、發票及進度報告）。
- Checked material variations, on a sample basis, to the projects budgeted costs during the construction period, by examining relevant supporting documents including revised construction contracts or variation orders.
- 通過檢查相關支持文件（包括經修訂建築合同或變更令）檢查於建設期間對項目預算成本所作出的重大變更（按抽樣基準）。

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KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Key Audit Matter 1 (continued) 關鍵審計事項1 (續)	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
Recognition of revenue from sales of properties (continued) 確認物業銷售所得收入 (續)	<ul style="list-style-type: none">• Checked the mathematical accuracy of the calculation of cost allocation and completion progress of the property projects.• 檢查物業項目成本分配及竣工進度的計算是否準確。 <p>Our procedures in relation to revenue from sale of properties recognised at a point in time include: 我們有關於某一時點確認物業銷售收入的程序包括：</p> <ul style="list-style-type: none">• Understood, evaluated and tested the key internal controls over the recognition of revenue from sale of properties at a point in time.• 了解、評估及測試有關於某一時點確認物業銷售所得收入方面的關鍵內部控制。• Selected sales transactions of properties recognised at a point in time, on a sample basis, and performed the following procedures:• 選取於某一時點確認的物業銷售交易（按抽樣基準），並展開下列程序：<ul style="list-style-type: none">a) Read the signed sales and purchase agreements to evaluate contractual arrangements relating to effective transfer of control.a) 閱讀已簽署的買賣協議以評估有關有效控制權轉移的合同安排。

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KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Key Audit Matter 1 (continued) 關鍵審計事項1 (續)	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
Recognition of revenue from sales of properties (continued) 確認物業銷售所得收入 (續)	<ul style="list-style-type: none">b) Checked the transfer of effective control of ownership to relevant documents, including completion certificates, occupation permits or customer acceptance.b) 檢查所有權的實際控制權轉移的相關文件 (包括竣工證書、居住許可證或客戶驗收單)。c) Agreed the sales amount of transactions to the amount set out in the signed sales and purchase agreements and bank statements.c) 認為交易的銷售金額與已簽署買賣協議所載金額及銀行對賬單一致。

Based on our audit procedures, we found that transactions tested were supportable by the evidence we obtained.
根據我們的審計程序，我們發現所測試的交易可以通過我們獲得的證據的支持。

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KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Key Audit Matter 2

關鍵審計事項2

Assessment of net realisable value of properties under development and completed properties held for sale

評估開發中物業及持作出售竣工物業的可變現淨值

Refer to Note 4 'Critical accounting estimates and judgements' and Note 10 'Properties held or under development for sale' to the consolidated financial statements.

請參閱綜合財務報表附註4「重要會計估計及判斷」及附註10「持作出售或開發中待售物業」。

The properties under development ("PUD") and completed properties held for sale ("PHS") of the Group amounted to RMB3,822.3 million and RMB1,281.8 million respectively as at 31 December 2019, which are significant to the Group's total assets. The carrying amounts of PUD and PHS are stated at the lower of cost and net realisable value ("NRV").

於2019年12月31日，貴集團開發中物業（「開發中物業」）及持作出售竣工物業（「持作出售竣工物業」）的金額分別為人民幣3,822,300,000元及人民幣1,281,800,000元，佔貴集團總資產的大部分。開發中物業及持作出售竣工物業的賬面價值以成本及可變現淨值（「可變現淨值」）中的較低者計量。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our procedures in relation to management's NRV assessment on PUD and PHS include:

我們有關管理層對開發中物業及持作出售竣工物業的可變現淨值的評估的程序包括：

- Obtained the management's calculation schedules on provision for PUD and PHS, and tested the completeness of development projects and the mathematical accuracy of the schedules.
- 獲得管理層對開發中物業及持作出售竣工物業計提撥備的計算表，並測試開發項目的完工程度及計算表的準確性。
- Tested management's key estimates, on a sample basis, for:
- 測試管理層的關鍵估計（按抽樣基準），用於：
 - a) Selling price which is estimated based on the prevailing market conditions. We compared the estimated selling price to recently transacted prices by making reference to the Group's selling price in the same or similar projects or the prevailing market price of comparable properties with similar type, size and location.
 - a) 基於現行市況估計銷售價格。我們將估計銷售價格與近期交易價格進行比較，並參考貴集團相同或類似項目的售價，或類似類型、規模及位置的可比物業的現行市場價格。

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KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Key Audit Matter 2 (continued) 關鍵審計事項2 (續)	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p>Assessment of net realisable value of properties under development and completed properties held for sale (continued) 評估開發中物業及持作出售竣工物業的可變現淨值 (續)</p> <p>Determination of NRV of PUD and PHS involved critical accounting estimates on the selling price, variable selling expenses and, for PUD, the estimated costs to completion. Given the significant balance of PUD and PHS and the involvement of critical accounting estimates, the assessment of NRV of these properties is considered a key audit matter.</p> <p>釐定開發中物業及持作出售竣工物業的可變現淨值涉及包括對銷售價格、可變銷售費用，以及開發中物業的估計竣工成本作出的重大會計估計。鑒於開發中物業及持作出售竣工物業的餘額重大，及涉及重大會計估計，我們認為評估該等物業的可變現淨值是一項關鍵審計事項。</p>	<ul style="list-style-type: none">b) Variable selling expenses which are estimated based on certain percentage of selling price. We compared this estimated percentage with the actual average selling expenses to revenue ratio of the Group in recent years.b) 可變銷售費用以其佔銷售價格的一定比率來進行估計。我們將該估計比率與貴集團近年來的實際平均銷售費用佔收入的比率進行比較。c) Estimated costs to completion for PUD. We compared the estimated costs to completion to the budget approved by management and examined the construction contracts or compared the anticipated completion costs to the actual costs of similar type of completed properties of the Group.c) 開發中物業的估計竣工成本。我們將估計竣工成本和管理層批准的預算進行比對，並檢查建築合同，或將預計竣工成本與貴集團同類型已竣工物業的實際成本進行比較。

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KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Key Audit Matter 2 (continued)

關鍵審計事項2 (續)

Assessment of net realisable value of properties under development and completed properties held for sale (continued)

評估開發中物業及持作出售竣工物業的可變現淨值 (續)

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- Compared the NRV assessment and provision for impairment provided in prior years, on a sample basis, with the subsequent actual written-off and investigated if any significant variance exists, to assess, historical estimation accuracy for NRV assessment and impairment made by management.
- 將可變現淨值評估及往年計提的減值撥備 (按抽樣基準) 與隨後進行實際撇銷比較, 並對存在的任何重大差異進行調查, 以評估管理層所作可變現淨值評估及減值撥備的過往估計的準確性。

Based on our audit procedure, we found the key estimates used in the assessment of NRV of PUD and PHS were supportable by the evidence we obtained. 根據我們的審計程序, 我們發現用於評估開發中物業及持作出售竣工物業的可變現淨值的關鍵估計可以通過我們獲得的證據的支持。

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OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the 2019 Annual Report other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

其他資料

貴公司董事須對其他資料負責。其他資料包括2019年年報所載的全部資料（但不包括綜合財務報表及我們就此出具的核數師報告）。

我們對綜合財務報表的意見並不涵蓋其他資料，我們不對該等其他資料發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他資料，並在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們所執行的工作，如果我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。我們在這方面沒有任何需要報告。

董事及審核委員會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的披露規定編製真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

董事及審核委員會就綜合財務報表 須承擔的責任 (續)

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

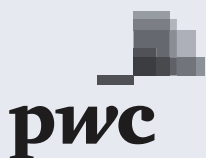
審核委員會須負責監督貴集團的財務匯報過程。

核數師就審核綜合財務報表所承擔 的責任

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

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

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

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

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

核數師就審核綜合財務報表所承擔的責任 (續)

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Independent Auditor's Report 獨立核數師報告



羅兵咸永道

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding 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.

核數師就審核綜合財務報表所承擔的責任 (續)

- 對董事採用持續經營會計基礎的恰當性作出結論，及根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，或假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證作出。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映有關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

我們與審核委員會溝通了計劃的審計範圍、時間安排及重大審計發現，包括我們在審計中識別出的任何重大內部控制缺陷等事項。

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

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

核數師就審核綜合財務報表所承擔的責任 (續)

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Leung Kwok Wai, Jimmy.

出具本獨立核數師報告的審計項目合夥人是梁國威。

PricewaterhouseCoopers
Certified Public Accountants

羅兵咸永道會計師事務所
執業會計師

Hong Kong, 30 March 2020

香港，2020年3月30日

Consolidated Statement of Financial Position

綜合財務狀況表

		As at 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Notes		
	附註		
ASSETS			
	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	6	40,685
Investment properties	投資物業	7	96,700
Deferred tax assets	遞延稅項資產	21	102,947
Right-of-use assets	使用權資產	6(b)	19,214
An investment accounted for using the equity method	採用權益法列賬的投資	8	-
		-	-
Total non-current assets	非流動資產總值	259,546	173,871
Current assets	流動資產		
Prepayments for leasehold land	租賃土地預付款項	9	443,330
Properties held or under development for sale	持作出售或開發中待售物業	10	5,104,128
Trade and other receivables and prepayments	貿易及其他應收款項和預付款項	11	299,183
Prepaid income taxes	預付所得稅		55,119
Contract assets	合同資產		4,005
Financial assets at fair value through profit or loss	按公平值透過損益入賬的金融資產	12	181
Restricted cash	受限制現金	13(b)	115,740
Cash and cash equivalents	現金及現金等價物	13(a)	245,157
Total current assets	流動資產總值	6,266,843	5,030,664
Total assets	總資產	6,526,389	5,204,535

Consolidated Statement of Financial Position

綜合財務狀況表

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 <i>RMB'000</i> 人民幣千元
		Notes 附註	
EQUITY	權益		
Share capital	股本	14	10,645
Share premium	股份溢價	14	299,188
Retained earnings	保留盈利	15	752,291
Other reserves	其他儲備	16	153,824
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,215,948
Non-controlling interests	非控股權益	37	17,551
Total equity	總權益		1,233,499
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Bank borrowings	銀行借款	17	-
Other long-term borrowings	其他長期借款	18	432,348
Deferred tax liabilities	遞延稅項負債	21	13,139
Lease liabilities	租賃負債	6(b)	16,223
Total non-current liabilities	非流動負債總額		461,710

Consolidated Statement of Financial Position

綜合財務狀況表

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		Notes 附註	
Current liabilities	流動負債		
Bank borrowings	銀行借款	17	291,000 196,000
Current portion of other long-term borrowings	其他長期借款的即期部分	18	342,752 271,340
Contract liabilities	合同負債	19	2,702,327 2,030,488
Trade and other payables	貿易及其他應付款項	20	1,114,038 874,404
Current income tax liabilities	即期所得稅負債		377,855 212,352
Lease liabilities	租賃負債	6(b)	3,208 –
Total current liabilities	流動負債總額		4,831,180 3,584,584
Total liabilities	總負債		5,292,890 4,207,020
Total equity and liabilities	總權益及負債		6,526,389 5,204,535

The consolidated financial statements on page 115 to 282 were approved by the board of directors of the Company on 30 March 2020 and the consolidated statement of financial position was signed on its behalf by:

第115至282頁的綜合財務報表已於2020年3月30日經本公司董事會批准，且綜合財務狀況表由下列人士代其簽署：

Li Xiaobing

李小冰

Director

董事

Wang Zhenfeng

王振峰

Director

董事

The above consolidated statement of financial position should be read in conjunction with the accompanying notes to the consolidated financial statements.

上述綜合財務狀況表應與隨附綜合財務報表附註一併閱讀。

Consolidated Statement of Profit or Loss

綜合損益表

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Notes		
	附註		
Revenue	22	1,974,060	1,883,603
Cost of sales	24	(1,208,771)	(1,253,721)
Gross profit		765,289	629,882
Fair value gains on investment properties	7	4,484	1,410
Selling and marketing expenses	24	(63,502)	(43,985)
Administrative expenses	24	(90,558)	(99,988)
Net impairment losses on financial assets	24	(44,771)	(10,704)
Other gains/(losses) – net	23	19,581	(6,574)
Operating profit		590,523	470,041
Finance income	25	1,230	993
Finance costs	25	(73,861)	(45,271)
Finance costs – net		(72,631)	(44,278)
Share of results of an investment accounted for using the equity method	8	(548)	–
Profit before income tax		517,344	425,763
Income tax expense	28	(226,579)	(195,902)
Profit for the year		290,765	229,861

Consolidated Statement of Profit or Loss

綜合損益表

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		Notes 附註	
Attributable to:	下列各方應佔：		
Owners of the Company	本公司擁有人	293,040	224,505
Non-controlling interests	非控股權益	(2,275)	5,356
		290,765	229,861
Earnings per share attributable to the owners of the Company (expressed in RMB)	本公司擁有人應佔每股盈利 (以人民幣表示)		
– Basic and diluted earnings per share	– 每股基本及攤薄盈利	29	0.24
		0.24	0.24

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes to the consolidated financial statements.

上述綜合損益表應與隨附綜合財務報表附註一併閱讀。

Consolidated Statement of Comprehensive Income

綜合全面收益表

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Profit for the year	年內利潤	290,765	229,861
Other comprehensive income	其他全面收入		
– <i>Item that will not be reclassified subsequently to profit or loss</i>	– 不會於隨後重新分類至損益的項目		
– Revaluation surplus upon transfer of an owner-occupied property to investment property, net of tax	– 業主自用物業轉撥為投資物業時的重估盈餘(扣除稅項)	7,459	–
Total comprehensive income for the year, net of tax	年內全面收入總額(扣除稅項)	298,224	229,861
Attributable to:	下列各方應佔:		
Owners of the Company	本公司擁有人	300,499	224,505
Non-controlling interests	非控股權益	(2,275)	5,356
		298,224	229,861

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

上述綜合全面收益表應與隨附綜合財務報表附註一併閱讀。

Consolidated Statement of Changes in Equity

綜合權益變動表

		Attributable to owners of the Company					Non-		
		本公司擁有人應佔					controlling		Total
		Share	Share	Retained	Other	Sub-total	interests	equity	
		capital	premium	earnings	reserves				
		股本	股份溢價	保留盈利	其他儲備	小計	非控股權益	總權益	
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
At 1 January 2018	於2018年1月1日	1	-	338,807	104,544	443,352	14,470	457,822	
Comprehensive income	全面收入								
Profit for the year	年內利潤	-	-	224,505	-	224,505	5,356	229,861	
Transactions with owners	與擁有人的交易								
Issuance of ordinary shares	發行普通股	14	2,661	307,171	-	-	309,832	-	
Capitalisation Issue	資本化發行	14	7,983	(7,983)	-	-	-	-	
Appropriation to statutory reserves	轉撥至法定儲備	16	-	-	(14,277)	14,277	-	-	
Total transactions with owners	與擁有人的交易 總額		10,644	299,188	(14,277)	14,277	309,832	-	
At 31 December 2018	於2018年 12月31日		10,645	299,188	549,035	118,821	977,689	19,826	
								997,515	

Consolidated Statement of Changes in Equity

綜合權益變動表

		Attributable to owners of the Company						
		本公司擁有人應佔						
		Share capital	Share premium	Retained earnings	Other reserves	Sub-total	Non-controlling interests	Total equity
		股本	股份溢價	保留盈利	其他儲備	小計	非控股權益	總權益
Notes		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於2019年1月1日	10,645	299,188	549,035	118,821	977,689	19,826	997,515
Comprehensive income	全面收入							
Profit for the year	年內利潤	-	-	293,040	-	293,040	(2,275)	290,765
Other comprehensive income	其他全面收入	-	-	-	7,459	7,459	-	7,459
Total comprehensive income for the year	年內全面收入總額	-	-	293,040	7,459	300,499	(2,275)	298,224
Transactions with owners	與擁有人的交易							
2018 Final dividend	2018年末期股息	30	-	(62,240)	-	(62,240)	-	(62,240)
Appropriation to statutory reserves	轉撥至法定儲備	16	-	(27,544)	27,544	-	-	-
Total transactions with owners	與擁有人的交易總額	-	-	(89,784)	27,544	(62,240)	-	(62,240)
At 31 December 2019	於2019年 12月31日	10,645	299,188	752,291	153,824	1,215,948	17,551	1,233,499

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

上述綜合權益變動表應與隨附綜合財務報表附註一併閱讀。

Consolidated Statement of Cash Flows

綜合現金流量表

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Cash flows from operating activities	經營活動所得現金流量		
Net cash generated from operations (Note 31(a))	營運產生現金淨額 (附註31(a))	45,591	825,461
Interest paid	已付利息	(55,479)	(95,241)
PRC income tax paid	已付中國所得稅	(96,849)	(64,808)
PRC land appreciation tax paid	已付中國土地增值稅	(30,099)	(96,027)
Net cash(used in)/generated from operating activities	經營活動(所用)/產生現金淨額	(136,836)	569,385
Cash flows from investing activities	投資活動所得現金流量		
Purchase of property, plant and equipment	購置物業、廠房及設備	(6,167)	(7,325)
Proceeds from disposal of property, plant and equipment (Note 31(c))	出售物業、廠房及設備所得款項 (附註31(c))	48	166
Repayments received from related parties (Note 34(b))	自關聯方收取的還款 (附註34(b))	-	6,948
Investment in an associate	投資聯營公司	(24,000)	-
Cash proceeds from disposal of an associate	出售聯營公司的現金所得款項	24,000	-
Interest received	已收利息	1,230	993
Restricted cash deposits	受限制現金存款	10,188	(70,428)
Net cash generated from/(used in) investing activities	投資活動產生/(所用)現金淨額	5,299	(69,646)

Consolidated Statement of Cash Flows

綜合現金流量表

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash flows from financing activities	融資活動所得現金流量		
Proceeds from bank borrowings	銀行借款所得款項	342,000	226,000
Repayments of bank borrowings	償還銀行借款	(276,000)	(571,000)
Proceeds from borrowings from non-financial institutions	來自非金融機構借款的所得款項	71,412	–
Repayments of borrowings from non-financial institutions	償還非金融機構借款	(141,822)	(201,722)
Repayments to related parties (Note 34(b))	向關聯方還款 (附註34(b))	–	(12,486)
Repayments to third parties	向第三方還款	(3,321)	(3,119)
Advance from a subsidiary's minority shareholder	附屬公司少數股東墊款	30,900	–
Payments of lease liabilities	支付租賃負債	(3,662)	–
Dividends paid to owners of the Company	已付本公司擁有人股息	(62,315)	–
Proceeds from issue of shares	發行股份所得款項	–	317,056
Net cash used in financing activities	融資活動所用現金淨額	(42,808)	(245,271)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物 (減少)/增加淨額	(174,345)	254,468
Cash and cash equivalents at beginning of year	年初現金及現金等價物	419,502	165,034
Cash and cash equivalents at end of year (Note 13)	年末現金及現金等價物 (附註13)	245,157	419,502

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

上述綜合現金流量表應與隨附綜合財務報表附註一併閱讀。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 GENERAL INFORMATION

Ever Reach Group (Holdings) Company Limited (Cayman Islands Company Number: 313570, the “Company”) was incorporated in the Cayman Islands on 22 July 2016 as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in property development business in the People’s Republic of China (the “PRC”).

The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 12 November 2018 (the “Listing”).

The consolidated financial statements are presented in thousands of Renminbi (RMB’000), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

- (i) **Compliance with Hong Kong Financial Reporting Standards (“HKFRSs”) and disclosure requirements of the Hong Kong Companies Ordinance (“HKCO”)**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards and disclosure requirements of the HKCO (Cap. 622).

1 一般資料

恒達集團(控股)有限公司(開曼群島公司編號: 313570,「本公司」)於2016年7月22日在開曼群島註冊成立為獲豁免有限公司。其註冊辦事處地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

本公司為一家投資控股公司。本公司及其附屬公司(統稱為「本集團」)主要在中華人民共和國(「中國」)從事物業開發業務。

本公司股份於2018年11月12日於香港聯合交易所有限公司(「聯交所」)主板上市(「上市」)。

除非另有指明,綜合財務報表乃以人民幣千元呈列。

2 重大會計政策概要

本附註載列編製該等綜合財務報表時所採納的主要會計政策。除另有說明外,此等政策已於所有呈列年度貫徹應用。

2.1 編製基準

- (i) **遵守香港財務報告準則(「香港財務報告準則」)及香港公司條例(「香港公司條例」)的披露要求**

綜合財務報表已根據香港財務報告準則及香港公司條例第622章的披露規定編製。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the followings:

- financial assets at fair value through profit or loss – measured at fair value through profit or loss, and
- investment properties – measured at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(ii) 歷史成本慣例

綜合財務報表已根據歷史成本基準編製，以下內容除外：

- 按公平值透過損益入賬的金融資產 – 按公平值透過損益計量，及
- 投資物業 – 按公平值計量。

編製符合香港財務報告準則的綜合財務報表須使用若干關鍵會計估計，亦需要管理層在應用本集團會計政策的過程中作出判斷。涉及作出較高水平判斷或較為複雜的範疇，或有關假設及估計對綜合財務報表而言屬重大的範疇披露於附註4。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(iii) New standard, amendments and interpretation of HKFRSs effective in 2019

The Group has applied the following new standard, amendments and interpretation for the first time for its annual reporting period commencing 1 January 2019:

- HKFRS 16 “Leases”
- Amendments to HKFRS 9 – regarding prepayment features with negative compensation
- Amendments to HKAS 28 – regarding long-term interests in associates and joint ventures
- Annual Improvements to HKFRS Standards 2015 – 2017 Cycle
- Amendments to HKAS 19 – regarding plan amendment, curtailment or settlement
- HK (IFRIC) Interpretation 23 “Uncertainty over Income Tax Treatments”

The effects of the adoption of HKFRS 16 is disclosed in Note 2.2. The other amendments and interpretation described above are either currently not relevant to the Group or had no material impact on the Group's consolidated financial statements.

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(iii) 於2019年生效的香港財務報告準則之新訂、經修訂準則及詮釋

本集團已就其自2019年1月1日開始的年度報告期間首次應用以下新準則、修訂及詮釋：

- 香港財務報告準則第16號「租賃」
- 香港財務報告準則第9號(修訂本)－具有負補償的提前付款特性
- 香港會計準則第28號(修訂本)－於聯營公司及合營企業之長期權益
- 2015年至2017年週期之香港財務報告準則年度改進
- 香港會計準則第19號(修訂本)－計劃修訂、縮減或結清
- 香港(國際財務報告詮釋委員會)詮釋第23號「所得稅處理的不確定性」

採納香港財務報告準則第16號的影響於附註2.2披露。上述其他修訂及詮釋目前與本集團無關，或對本集團的綜合財務報表並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(iv) New standard and amendments of HKFRSs not yet adopted

The following new standard and amendments have been published but are not mandatory for the financial year beginning on 1 January 2019 and have not been early adopted by the Group. These new standard and amendments are not expected to have a material impact on the Group's financial statements when they become effective.

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(iv) 尚未獲採納的香港財務報告準則之新準則及修訂

以下新訂準則及修訂已經頒佈，惟並未於2019年1月1日開始的財政年度強制生效，且並未獲本集團提前採納。該等新準則及修訂預計生效時不會對本集團的財務報表構成重大影響。

Standard/Amendments	Key requirements	Effective for annual periods beginning on or after
準則／修訂	關鍵要求	於以下日期或之後開始的年度期間生效
<ul style="list-style-type: none"> HKFRS 17 "Insurance Contracts" 	Requires adopting a current measurement model where estimates are re-measured in each reporting period.	1 January 2021 (but likely to be extended)
<ul style="list-style-type: none"> 香港財務報告準則第17號「保險合約」 	要求採用當前計量模型，當中要求在每個報告期對估計進行重新計量。	2021年1月1日 (惟可能延後)
<ul style="list-style-type: none"> Amendments to HKAS 1 and HKAS 8 – regarding definition of material 	Regarding using a consistent definition of materiality and incorporate some of the guidance in HKAS 1 about immaterial information.	1 January 2020
<ul style="list-style-type: none"> 香港會計準則第1號及香港會計準則第8號 (修訂) – 重大的定義 	關於使用一致的重大之定義及納入香港會計準則第1號有關非重大性資料的若干指引。	2020年1月1日
<ul style="list-style-type: none"> Amendments to HKFRS 3 – regarding definition of a business 	The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs.	1 January 2020
<ul style="list-style-type: none"> 香港財務報告準則第3號 (修訂) – 業務的定義 	經修訂業務之定義規定收購須包括一項投入及一個實質性流程，兩者共同對創造產出的能力有重大貢獻。	2020年1月1日
<ul style="list-style-type: none"> Revised conceptual framework for financial reporting 	Regarding a standard-setting decisions in determining the accounting policies for transactions, events or conditions.	1 January 2020
<ul style="list-style-type: none"> 經修訂財務報告的概念框架 	關於確定交易、事件或條件的會計政策的標準制定決策。	2020年1月1日

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 16 “Leases” on the Group’s financial statements that have been applied from 1 January 2019.

The Group has adopted HKFRS 16 “Leases” retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening financial position on 1 January 2019. The new accounting policies are disclosed in Note 2.27.

(i) Practical expedients applied

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

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics,
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019,

2 重大會計政策概要 (續)

2.2 會計政策的變動

本附註解釋香港財務報告準則第16號「租賃」自2019年1月1日其應用的新會計政策對本集團財務報表的影響。

本集團自2019年1月1日起追溯採用香港財務報告準則第16號「租賃」，但未有根據準則中的特定過渡性條文所允許就2018年報告期間重列比較數字。因此，新訂租賃規則所引致的重新分類及調整於2019年1月1日的期初財務狀況表中確認。新會計政策於附註2.27中披露。

(i) 所應用的可行權宜方法

於首次應用香港財務報告準則第16號時，本集團使用以下該準則所允許的可行權宜方法：

- 對具有合理相似特徵的租賃組合使用單一貼現率；
- 依賴先前關於租賃是否虧損的評估，作為進行減值審閱的替代方法 – 於2019年1月1日並無虧損性合同；

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

(i) Practical expedients applied (continued)

- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases,
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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

2 重大會計政策概要 (續)

2.2 會計政策的變動 (續)

(i) 所應用的可行權宜方法 (續)

- 對於2019年1月1日剩餘租期少於12個月的經營租賃的會計處理為短期租賃；
- 在首次應用日期排除初始直接成本以計量使用權資產；及
- 當合約包含延長或終止租賃的選擇權時，以事後分析結果確定租期。

本集團亦已選擇不重新評估合同於首次應用日期是否屬租賃或包含租賃。反之，對於過渡日期前訂立的合同，本集團依賴其應用香港會計準則第17號「租賃」及香港（國際財務報告詮釋委員會）詮釋第4號「釐定安排是否包含租賃」所作出的評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

(ii) Measurement of lease liabilities

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of HKAS 17 “Leases”. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.57%.

2 重大會計政策概要 (續)

2.2 會計政策的變動 (續)

(ii) 租賃負債的計量

於採用香港財務報告準則第16號，本集團就之前根據香港會計準則第17號「租賃」的原則歸入「經營租賃」的租賃確認租賃負債。該等負債以剩餘租賃付款餘額按2019年1月1日承租人的增量借款利率折現的現值計量。於2019年1月1日，租賃負債適用的承租人加權平均增量借款利率為5.57%。

		2019 2019年 RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於2018年12月31日披露的經營租賃承擔	19,060
Future interest charges	未來利息開支	(4,812)
Lease liabilities recognised as at 1 January 2019	於2019年1月1日確認的租賃負債	14,248
Of which are:	其中：	
Current lease liabilities	即期租賃負債	2,995
Non-current lease liabilities	非即期租賃負債	11,253
		14,248

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

(iii) Measurement of right-of-use assets

The right-of-use assets were measured at the amount equal to the respective lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following type of assets:

		31 December 2019	1 January 2019
		2019年12月31日	2019年1月1日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Properties	物業	19,214	14,688
Total right-of-use assets	使用權資產總額	19,214	14,688

2 重大會計政策概要 (續)

2.2 會計政策的變動 (續)

(iii) 使用權資產的計量

使用權資產按等同於相關租賃負債的金額計算，並按與於2018年12月31日綜合財務狀況表中確認的租賃相關的任何預付或應計租賃付款的金額作出調整。於首次應用日期，概無須對使用權資產進行調整的虧損性租約。

已確認的使用權資產與以下類別資產相關：

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

(iv) Adjustments recognised in the consolidated statement of financial position on 1 January 2019

The change in accounting policy affected the following items in the consolidated statement of financial position on 1 January 2019:

- Right-of-use assets – increased by RMB14,688,000
- Prepayments – decreased by RMB440,000
- Lease liabilities – increased by RMB14,248,000

(v) Lessor accounting

- The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of HKFRS 16.

2 重大會計政策概要 (續)

2.2 會計政策的變動 (續)

(iv) 於2019年1月1日在綜合財務狀況表內確認的調整

會計政策變動對2019年1月1日綜合財務狀況表內的以下項目產生影響：

- 使用權資產－增加人民幣14,688,000元
- 預付款項－減少人民幣440,000元
- 租賃負債－增加人民幣14,248,000元

(v) 出租人會計處理

- 於採納香港財務報告準則第16號後，本集團毋須就根據經營租賃作為出租人持有資產的會計處理作出任何調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Subsidiaries

2.3.1 Consolidation

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

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

2 重大會計政策概要 (續)

2.3 附屬公司

2.3.1 綜合賬目

附屬公司指本集團擁有控制權的所有實體(包括結構實體)。當本集團承受或享有參與實體所得的可變回報，且有能力透過其指導實體活動的權力影響該等回報時，則本集團控制該實體。附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

集團內公司間交易、結餘以及集團公司間的交易所產生的未變現收益均予以對銷。未變現的虧損亦作對銷，除非交易提供所轉讓資產出現減值證據。倘必要，附屬公司申報的金額已調整以符合本集團的會計政策。

附屬公司業績及權益的非控股權益於綜合損益表、全面收益表、權益變動表及財務狀況表中分別獨立呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Subsidiaries (continued)

2.3.1 Consolidation (continued)

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income.

(a) Business combinations

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

2 重大會計政策概要 (續)

2.3 附屬公司 (續)

2.3.1 綜合賬目 (續)

聯營公司指本集團對其擁有重大影響力但無控制權或聯合控制權的所有實體。一般情況下，本集團持有20%至50%投票權。於聯營公司的投資於初步按成本確認後採用權益會計法入賬。根據權益會計法，有關投資初步按成本確認，隨後予以調整並於損益表確認本集團應佔被投資公司的收購後溢利或虧損及於其他全面收入確認本集團應佔被投資公司的其他全面收入之變動。

(a) 業務合併

本集團於業務合併時以收購法入賬。收購附屬公司所轉讓代價根據所轉讓的資產、對被收購方前擁有人所產生的負債及本集團所發行股權的公平值計算。所轉讓的代價包括因或然代價安排產生的任何資產或負債的公平值。在商業合併過程中所收購的可識別資產以及所承擔的負債及或然負債，均於收購日期按其公平值作初步計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Subsidiaries (continued)

2.3.1 Consolidation (continued)

(a) Business combinations (continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRSs.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

2 重大會計政策概要 (續)

2.3 附屬公司 (續)

2.3.1 綜合賬目 (續)

(a) 業務合併 (續)

本集團按個別收購基準確認被收購方的任何非控股權益。被收購方的非控股權益為現時的擁有權權益，並賦予其持有人一旦清盤時按比例分佔實體的淨資產，可按公平值或按現時擁有權權益應佔被收購方可識別淨資產的確認金額比例而計量。非控股權益的所有其他組成部分按收購日期的公平值計量，除非香港財務報告準則規定必須以其他計量基準計算。

收購相關成本於產生時支銷。

倘業務合併分階段進行，收購方之前持有的被收購方權益的收購日期賬面值於收購日期按公平值重新計量，該重新計量產生的收益或虧損於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Subsidiaries (continued)

2.3.1 Consolidation (continued)

(a) Business combinations (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

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

2 重大會計政策概要 (續)

2.3 附屬公司 (續)

2.3.1 綜合賬目 (續)

(a) 業務合併 (續)

本集團將予轉讓的任何或然代價於收購日期按公平值確認。被視作資產或負債的或然代價公平值的其後變動於損益確認。分類為權益的或然代價並無重新計量，而其後結算於權益中入賬。

所轉讓代價、被收購方的任何非控股權益金額及任何先前於被收購方的股權收購日期公平值超逾所收購可識別資產淨值公平值的差額，乃入賬列作商譽。倘在議價收購中所轉讓代價、已確認非控股權益及經計量先前持有權益總額低於所收購附屬公司資產淨值的公平值，則差額直接於損益表中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Subsidiaries (continued)

2.3.1 Consolidation (continued)

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) *Disposal of subsidiaries*

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

2 重大會計政策概要 (續)

2.3 附屬公司 (續)

2.3.1 綜合賬目 (續)

(b) *控制權不變的情況下於附屬公司的擁有權益變動*

與非控股權益進行的不會導致失去控制權的交易入賬列作權益交易 – 即入賬列作以擁有人身份與附屬公司擁有人之間的交易。任何已付代價公平值與分佔所購入附屬公司資產淨值賬面值之間的差額計入權益。因向非控股權益進行出售所產生的收益或虧損亦計入權益。

(c) *出售附屬公司*

本集團失去控制權時，於實體的任何保留權益按失去控制權當日的公平值重新計量，有關賬面值變動在損益確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益，其公平值為初始賬面值。此外，先前於其他全面收入確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。此舉意味著先前於其他全面收入確認的金額按適用香港財務報告準則明確許可重新分類至損益或轉讓至另一權益類別。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Since the majority of the assets and operations of the Group are located in the PRC, the financial information is presented in Renminbi ("RMB"), which is the functional currency of the Company and the presentation currency of the Group.

(b) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss, within "Finance income or expenses". All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within "Other gains/(loss) – net".

2 重大會計政策概要 (續)

2.4 外幣換算

(a) 功能及呈列貨幣

本集團各實體的財務報表所包括的項目，乃按該實體經營所在的主要經濟環境的貨幣（「功能貨幣」）計量。由於本集團大部分資產及業務均位於中國，財務資料以人民幣（「人民幣」）（本公司的功能貨幣及本集團的呈列貨幣）呈列。

(b) 交易及結餘

外幣交易乃按交易日或項目重新計量估值日的適用匯率換算為功能貨幣。因上述交易結算及按年終匯率兌換以外幣計值的貨幣資產及負債而產生的匯兌收益及虧損，均於損益表確認。

與借款以及現金及現金等價物有關的匯兌收益及虧損於綜合損益表內的「財務收入或開支」呈列。所有其他匯兌收益及虧損於綜合損益表內的「其他收益／（虧損）－淨額」呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Foreign currency translation (continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position are translated at the closing rate;
- (ii) income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rate; and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

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

2 重大會計政策概要 (續)

2.4 外幣換算 (續)

(c) 集團公司

倘本集團旗下所有實體(均無涉及嚴重通脹經濟的貨幣)的功能貨幣與呈列貨幣不同,則該等實體的業績及財務狀況按以下方式換算為呈列貨幣:

- (i) 每份財務狀況表的資產及負債按收市匯率換算;
- (ii) 各損益表及全面收入表的收入及開支按平均匯率換算;及
- (iii) 所有因此而產生的匯兌差額於其他全面收入中確認。

因收購海外實體而產生的商譽及公平值調整,均作為該海外實體的資產及負債處理,並按收市匯率換算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Segment reporting

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

2.6 Property, plant and equipment

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

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

2 重大會計政策概要 (續)

2.5 分部報告

經營分部按照與向主要經營決策者（「主要經營決策者」）提供內部報告一致的方式報告。負責分配資源及評估經營分部表現的主要經營決策者已識別為作出戰略決策的執行董事。

2.6 物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊及減值虧損入賬。歷史成本包括收購該等項目直接應佔的開支。

只有當項目相關的未來經濟利益很可能流入本集團，以及該項目的成本能可靠地計量，後續成本方計入資產的賬面值或確認為獨立資產（如適用）。被替換部分的賬面值會終止確認。所有其他維修保養費用於產生的財務期間於損益表中扣除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Property, plant and equipment (continued)

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

– Motor vehicles	4 years
– Furniture, fittings and equipment	5 years
– Electronic devices	3-5 years
– Buildings	20 years
– Leasehold improvements	the shorter of lease terms or useful lives

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised as "Other gains/(losses) – net" in the statement of profit or loss.

2 重大會計政策概要 (續)

2.6 物業、廠房及設備 (續)

物業、廠房及設備折舊使用直線法計算，按其估計可使用年期分配其成本減其剩餘價值，有關估計可使用年期如下：

– 汽車	4年
– 傢俬、裝置及設備	5年
– 電子設備	3-5年
– 樓宇	20年
– 租賃裝修	租期或可使用年期(以較短者為準)

資產的剩餘價值及可使用年期於各報告期末檢討及調整(如適用)。

倘一項資產的賬面值高於其估計可收回金額，則該項資產的賬面值會即時調減至其可收回金額。

出售產生的收益及虧損乃透過比較所得款項與賬面值而釐定，並於損益表中確認為「其他收益／(虧損)－淨額」。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Properties held or under development for sale

Properties held or under development for sale are stated at the lower of cost and net realisable value. Development cost of properties comprises cost of land use rights (including land auction price, other demolition cost to acquire land and resettlement housing construction costs after deducting related government grants), construction costs and borrowing costs incurred during the construction period. Upon completion, the properties under development are transferred to properties held for sale.

Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Properties held or under development for sale are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

2 重大會計政策概要 (續)

2.7 持作出售或開發中待售物業

持作出售或開發中待售物業按成本與可變現淨值之較低者入賬。物業開發成本包括土地使用權成本(包括土地拍賣價、收購土地的其他拆遷費用及扣除相關政府補助後的安置房建築成本)、建築期間產生的建築成本及借款成本。於竣工後，開發中物業會結轉為持作出售的物業。

可變現淨值計及預期最終變現的價格，減適用變動銷售開支及預期完工成本。

持作出售或開發中待售物業分類為流動資產，惟相關物業發展項目之建築工期預計超出正常經營週期者除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined by management of the Group at each reporting date taking into account of any available valuation results performed by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the statement of profit or loss as a separate line item.

2 重大會計政策概要 (續)

2.8 投資物業

投資物業（主要包括租賃土地及樓宇）就長期租賃收益或資本增值或上述兩個因素而持有，並非由本集團佔用。投資物業亦包括日後用作投資物業的在建或開發中物業。根據經營租賃持有的土地如能符合投資物業其他定義則入賬列作投資物業。在該等情況下，相關經營租賃入賬（猶如其為融資租賃）。投資物業最初按成本（包括相關交易成本及借款成本（倘適用））計量。於初始確認後，投資物業按公平值（相當於本集團管理層經考慮任何可獲得的由外部估值師得出的估值結果後於各報告日期釐定的公開市值）計值。公平值乃按活躍市場價格計算，並就特定資產的性質、位置或狀況的任何差異性作出調整（若必要）。若未能獲得資料，本集團採用較不活躍市場的近期價格或折現現金流量預測等其他替代估值方法。公平值變動按單獨項獨立計入損益表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of non-financial assets

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

2.10 Land use rights

Land in mainland China is state-owned and no individual land ownership right exists. The Group acquired the rights to certain land, and the premiums paid for such rights are recorded as land use rights. Land use rights are classified and accounted for in accordance with the intended use of respective properties as erected on the land.

2 重大會計政策概要 (續)

2.9 非金融資產減值

具無限可使用年期的無形資產或不可供使用的無形資產無須進行攤銷，並須每年進行減值測試。須予攤銷的資產，當任何事件發生或環境變化顯示其賬面值不可收回時，會檢討該等資產的減值情況。當資產賬面值超逾其可收回金額，則超出的數額將確認為減值虧損。可收回金額指資產公平值減銷售成本與使用價值的較高者。就評估減值而言，資產將分別按可識別現金流量（現金產生單位）的最低層次組合。已減值的非金融資產（商譽除外）於各報告日期檢討是否可能撥回減值。

2.10 土地使用權

中國大陸的土地均為國有，故不存在個人土地所有權。本集團收購若干土地權利並就有關權利支付的出讓金按土地使用權入賬。土地使用權根據土地上所建相關物業的擬訂用途分類及入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Land use rights (continued)

For properties that are held for own use, corresponding land use rights are regarded as right-of-use assets, and are stated at cost and amortised over the use terms using the straight-line method.

For properties that are under development and held for sale, corresponding land use rights are accounted for as part of the development costs, and are accounted for in accordance with the policy stated in Note 2.7.

For properties that are held as investment properties, corresponding land use rights are accounted for as part of the costs, and are accounted for in accordance with the policy stated in Note 2.8.

2.11 Investments and other financial assets

2.11.1 Classification

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

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

2 重大會計政策概要 (續)

2.10 土地使用權 (續)

對於持作自用的物業，相應的土地使用權被視為使用權資產，且採用直線法按成本列賬並按使用年期進行攤銷。

對於開發中物業及持作出售物業，相應的土地使用權按部分開發成本列賬並根據附註2.7所載政策入賬。

對持作投資物業的物業而言，相應的土地使用權按部分成本列賬並根據附註2.8所載政策入賬。

2.11 投資及其他金融資產

2.11.1 分類

本集團將其金融資產分為以下計量類別：

- 其後按公平值計量（包括透過其他全面收入或透過損益）的金融資產；及
- 按攤銷成本計量的金融資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investments and other financial assets (continued)

2.11.1 Classification (continued)

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("OCI").

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

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

2 重大會計政策概要 (續)

2.11 投資及其他金融資產 (續)

2.11.1 分類 (續)

分類取決於實體管理金融資產的商業模式以及現金流量的合同條款。

對於按公平值計量的資產，收益及虧損將計入損益或其他全面收入。對於債務工具的投資，其收益及虧損計入何處取決於持有該筆投資的商業模式。對於權益工具的投資，其收益及虧損計入何處取決於本集團在進行初始確認時是否作出了權益工具按公平值透過其他全面收入（「其他全面收入」）入賬的不可撤銷之選擇。

本集團只有在改變管理該等資產的商業模式時方會對債務投資進行重新分類。

於初始確認時，本集團按金融資產的公平值加（倘並非按公平值透過損益入賬的金融資產）直接歸屬於金融資產收購的交易成本計量金融資產。按公平值透過損益入賬的金融資產的交易成本於綜合損益表支銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investments and other financial assets (continued)

2.11.2 Recognition and measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classified its debt instruments into the following measurement category:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the consolidated statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

2 重大會計政策概要 (續)

2.11 投資及其他金融資產 (續)

2.11.2 確認和計量

債務工具

債務工具的其後計量取決於本集團管理資產的業務模式及該資產的現金流量特徵。本集團將其債務工具分為以下計量類別：

- 攤銷成本：持作收回合同現金流量的資產，倘該等資產現金流量僅指支付的本金及利息，則按攤銷成本計量。其後按攤銷成本計量且並非對沖關係一部分的債務投資的收益或虧損於資產取消確認或減值時在綜合損益表中確認。該等金融資產的利息收入採用實際利率法計入財務收入。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investments and other financial assets (continued)

2.11.2 Recognition and measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gains/(losses) – net in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at financial assets at fair value through other comprehensive income are not reported separately from other changes in fair value.

2 重大會計政策概要 (續)

2.11 投資及其他金融資產 (續)

2.11.2 確認和計量 (續)

權益工具

本集團其後按公平值計量所有權益投資。倘本集團管理層選擇於其他全面收入列報權益投資的公平值收益及虧損，概無於投資終止確認後重新分類公平值收益及虧損至損益。當本集團有權收取股息付款時，該等投資的股息繼續於綜合損益表確認為其他收入。按公平值透過損益入賬的金融資產公平值變動於綜合損益表確認為其他收益／(虧損) – 淨額 (如適用)。按公平值透過其他全面收入入賬的金融資產計量的權益投資的減值虧損 (及減值虧損撥回) 不會因公平值其他變動而分開列報。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investments and other financial assets (continued)

2.11.3 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and financial assets at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk, Note 3.1(b) details how the Group determines whether there has been a significant increase in credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the contract assets and trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

2 重大會計政策概要 (續)

2.11 投資及其他金融資產 (續)

2.11.3 金融資產減值

本集團按前瞻性基準評估與按攤銷成本計值的資產及按公平值透過其他全面收入入賬的金融資產有關的預期信貸虧損。應用的減值方法取決於信貸風險是否大幅增加。附註3.1(b)詳述本集團釐定信貸風險是否大幅增加的方法。

預期信貸虧損是在金融資產的預計年內按信貸虧損的概率加權估計(即所有現金短缺額的現值)。

對於貿易應收款項及合同資產，本集團應用香港財務報告準則第9號容許使用的簡化方法，即於初始確認資產時確認預計年期虧損。撥備矩陣依據具有相似信貸風險特徵的合同資產及貿易應收款項的預計年期內的過往觀察違約率而確定，並就前瞻性估計進行調整。過往觀察違約率於每個報告日期進行更新，並對前瞻性估算的變動進行分析。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Investments and other financial assets (continued)

2.11.3 Impairment of financial assets (continued)

Impairment on other receivables are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.12 Offsetting financial assets and liabilities

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

2 重大會計政策概要 (續)

2.11 投資及其他金融資產 (續)

2.11.3 金融資產減值 (續)

其他應收款項的減值按12個月預期信貸虧損或就整個年期的預期信貸虧損計量，視乎信貸風險自初始確認後是否顯著增加。倘應收款項的信貸風險自初始確認後顯著增加，則減值按整個年期的預期信貸虧損計量。

2.12 抵銷金融資產及負債

當存在一項可依法強制執行的權利可抵銷已確認金額，且有意以淨額基準結算或同時變現資產及償付債務，則金融資產及負債均可予抵銷，並將淨額列報於財務狀況表。法定可執行權利不得依賴未來事件而定，而在一般業務過程中以及倘相關公司或對手方一旦出現違約、無償債能力或破產時亦必須可強制執行。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Trade and other receivables

Trade receivables are amounts due from customers for properties sold, leasing of properties or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.14 Contract assets and liabilities and cost for obtaining contracts

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or services to the customer. The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract asset if the measure of the remaining conditional rights to consideration exceeds the satisfied performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights. Costs such as stamp duty and sales commissions incurred directly attributable to obtaining a contract, if recoverable, are capitalised and recorded in contract assets.

2 重大會計政策概要 (續)

2.13 貿易及其他應收款項

貿易應收款項是在日常業務過程中向客戶出售物業、租賃物業或提供服務而應收客戶的款項。倘貿易及其他應收款項預期在一年或之內(或如屬較長時間,則以一般營運週期為準)收回,則分類為流動資產,否則呈列為非流動資產。

貿易及其他應收款項初步按公平價值確認,其後則以實際利息法按已攤銷成本減去減值撥備計量。

2.14 合同資產及負債以及獲得合同的成本

在與客戶簽訂合同後,本集團獲得向客戶收取代價的權利,並承擔向客戶轉移貨品或服務的履約責任。該等權利和履約責任的組合產生淨資產或淨負債,這取決於剩餘權利與履約責任之間的關係。倘剩餘有條件收取代價權利的計量超過達致的履約責任,則合同為資產且確認為合同資產。反之,倘所計量的剩餘履約責任超過所計量的剩餘權利,則合同為負債且確認為合同負債。直接歸屬於獲得合同產生的印花稅和銷售佣金等成本,倘可收回,則予以資本化並計入合同資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Contract assets and liabilities and cost for obtaining contracts (continued)

For contracts where the period between the payment by the customer and the transfer of the promised property is different, the transaction price is adjusted for the effects of a financing component, if significant.

2.15 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the consolidated and Company's statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 重大會計政策概要 (續)

2.14 合同資產及負債以及獲得合同的成本 (續)

對於客戶支付款項與所承諾物業轉移之間期間不同的合同，合同的交易價格因包含融資成份的影響（如重大）而進行調整。

2.15 現金及現金等價物

於綜合現金流量表內，現金及現金等價物包括手頭現金、銀行活期存款、其他原到期日為三個月或以內的短期高流動性投資、以及銀行透支。銀行透支在綜合及本公司財務狀況表的流動負債中的借款內列示。

2.16 股本

普通股歸類為權益。發行新股份或購股權直接有關的增量成本於權益列示為自所得款項扣除稅項的扣減。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 重大會計政策概要(續)

2.17 借款

借款最初乃按公平值(扣除已產生的交易成本)確認。借款其後按攤銷成本列賬。所得款項(扣除交易成本)與贖回價值兩者間的差額乃採用實際利息法於借款期間在損益表予以確認。

於貸款將很有可能部分或全部提取的情況下,就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下,該費用將遞延至提取貸款發生時。在並無跡象顯示該貸款融資將很有可能部分或全部提取的情況下,該費用撥充資本作為流動資金服務的預付款項,並於其相關融資期間內予以攤銷。

除非本集團有無條件權利將負債的結算遞延至報告期末後最少十二個月,否則借款分類為流動負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Borrowings costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings costs eligible for capitalisation.

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

2.19 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 重大會計政策概要 (續)

2.18 借款成本

因收購、興建或生產合資格資產(即須相當長時間方可作擬定用途或出售的資產)而直接產生的一般及特定借款成本歸入該等資產的成本，直至當資產基本上可作擬定用途或出售為止。

特定借款有待用作合資格資產的開支前用作暫時投資所賺得的投資收入會自合資格資本化的借款成本中扣除。

所有其他借款成本乃於產生時於期內的損益確認。

2.19 貿易及其他應付款項

貿易應付款項為於日常業務過程中向供應商購入貨品或服務的應付承擔。倘有關賬款乃於一年或之內(或如屬較長時間，則以一般營運週期為準)到期，貿易及其他應付款項分類為流動負債，否則會按非流動負債呈列。

貿易及其他應付款項初步按公平值確認，其後採用實際利息法按攤銷成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 重大會計政策概要 (續)

2.20 即期及遞延所得稅

期內稅項開支包括即期及遞延稅項。稅項於綜合損益表確認，惟與於其他全面收入或直接於權益確認的項目相關除外。於此情況下，稅項亦分別於其他全面收入或直接於權益確認。

(a) 即期所得稅

即期所得稅支出根據本公司及其附屬公司經營業務及產生應課稅收入的國家於結算日已頒佈或基本上已頒佈的稅法計算。管理層就適用稅務法例有待詮釋的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機構支付的稅款設定撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Current and deferred income tax (continued)

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, and the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 重大會計政策概要 (續)

2.20 即期及遞延所得稅 (續)

(b) 遞延所得稅

內在差異

遞延所得稅利用負債法確認資產及負債的稅基與資產及負債在綜合財務報表的賬面值的差額而產生的暫時性差異。然而，若遞延稅項負債來自對商譽的初始確認，則不予確認，及若遞延所得稅來自在交易（不包括業務合併）中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或虧損，則不作記賬。遞延所得稅採用結算日前已頒佈或基本上已頒佈並預期於相關遞延所得稅資產變現或遞延所得稅負債結算時適用的稅率（及稅法）釐定。

遞延所得稅資產僅在日後可能產生應課稅利潤供暫時性差額用作抵銷時予以確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

2 重大會計政策概要 (續)

2.20 即期及遞延所得稅 (續)

(b) 遞延所得稅 (續)

外在差異

本集團須就附屬公司及聯營公司投資所產生的應課稅暫時性差異計提遞延所得稅負債，惟本集團控制暫時性差異撥回之時間，而且在可預見未來該暫時性差異很可能不會撥回者則除外。一般而言，本集團無法控制聯營公司的暫時性差異撥回。僅在訂有協議賦予本集團權力於可預見未來控制暫時性差異撥回時，方不會就聯營公司的未分派利潤所產生的應課稅暫時性差異確認遞延稅項負債。

僅在暫時性差異可能將於日後撥回，且有充足的應課稅利潤而動用暫時性差異予以抵銷時，方會就因投資附屬公司而產生的可扣減暫時性差異確認遞延所得稅資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Current and deferred income tax (continued)

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.21 Employee benefits

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to a certain ceiling.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

The contributions are recognised as employee benefit expenses when they are due.

2 重大會計政策概要 (續)

2.20 即期及遞延所得稅 (續)

(c) 抵銷

倘有可依法強制執行權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產及負債與同一稅務機構就一個或多個應課稅實體徵收的所得稅有關，而有關實體有意按淨額基準償付結餘時，遞延所得稅資產與負債將予互相抵銷。

2.21 僱員福利

根據中國的規則及法規，本集團的中國僱員參與由中國有關省市政府組織的各項定額供款退休福利計劃，據此，本集團及中國僱員須每月按僱員薪金的一定百分比向該等計劃作出供款，惟設有若干上限。

省市政府承諾承擔根據上述計劃應付所有現有及日後退休中國僱員的退休福利責任。除按月供款外，本集團並無責任為其僱員支付額外的退休費用及其他退休後福利。該等計劃的資產與本集團資產分開，並由中國政府管理的獨立管理基金持有。

供款於應付時確認為僱員福利開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.23 Financial guarantee liabilities

Financial guarantee liabilities are recognised in respect of the financial guarantee provided by the Group to the banks for the property purchasers.

2 重大會計政策概要(續)

2.22 撥備

當本集團因過往事件而須承擔現有法律或推定責任，履行責任時很可能引致資源流出及有關金額已作可靠估算時，確認法律申索撥備。

如出現多項類似責任，履行責任時須流出資源的可能性乃經考慮整體責任類別後確定。即使就同一責任類別所包含的任何一個項目而言流出資源的可能性甚微，仍須確認撥備。

撥備乃採用稅前利率按預期履行責任所需開支的現值計量，該稅前利率反映市場當時對貨幣時間價值的評估及該責任的特定風險。因時間流逝而增加的撥備確認為利息開支。

2.23 財務擔保負債

財務擔保負債乃就本集團向物業買家的銀行提供的財務擔保而確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Financial guarantee liabilities (continued)

Financial guarantee liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the issue of the financial guarantee liabilities. After initial recognition, such contracts are measured at the higher of the amount of the loss allowance determined in accordance with HKFRS 9 and the amount initially recognised less cumulative amortisation of income recognised in accordance with HKFRS 15. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee liabilities are derecognised from the consolidated statements of financial position when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

2.24 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of properties and services in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales with the Group companies. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

2 重大會計政策概要 (續)

2.23 財務擔保負債 (續)

財務擔保負債初步按公平值加發出財務擔保負債直接產生的交易成本確認。於初始確認後，該等合同乃按根據香港財務報告準則第9號釐定的虧損撥備金額及初始確認金額（以較高者為準）減去根據香港財務報告準則第15號確認的收入累計攤銷計量。財務擔保的公平值乃釐定為根據債務工具作出的合同付款及在沒有擔保下將須作出的付款兩者之間的淨現金流量差額的現值，或就承擔責任而可能須向第三方支付估計金額。

財務擔保負債當且僅當合同列明的責任已解除或註銷或屆滿時方於綜合財務狀況表中終止確認。

2.24 收入確認

收入按在本集團日常業務過程中就銷售物業及服務已收或應收代價的公平值計量。收入按扣除折扣及撇減與本集團公司銷售後列賬。當收入的數額能夠可靠計量、未來經濟利益很有可能流入有關實體，而本集團各項業務均符合特定標準時（如下文所述），本集團即確認收入。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Revenue recognition (continued)

(a) Sales of properties

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- do 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.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

2 重大會計政策概要 (續)

2.24 收入確認 (續)

(a) 物業銷售

收入乃於資產的控制權轉移至客戶時確認。視乎合同條款及適用於該合同的法律規定，資產控制權可經過一段時間或於某一時間點轉移。倘本集團在履約過程中滿足下列條件，資產的控制權將經過一段時間轉移：

- 提供全部利益，而客戶亦同步收取並消耗有關利益；或
- 隨著本集團履約，創建及提升由客戶控制的資產；或
- 並無創建對本集團而言有其他用途的資產，而本集團可強制執行其權利收回至今已完履約部分的款項。

倘資產的控制權經過一段時間轉移，收入確認將按整個合同期間參考已完成履約責任的進度進行。否則，收入於客戶獲得資產控制權的時間點確認。

完成履約責任的進度根據本集團完成履約責任的付出或投入參考報告期末所產生的合同成本佔各項合同的估計總成本之百分比計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Revenue recognition (continued)

(a) Sales of properties (continued)

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the property is accepted by the customer, or deemed as accepted according to the contract, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property, and the Group has present right to payment and the collection of consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

(b) Rental income

Rental income from properties being let under operating leases is recognised on a straight line basis over the lease terms.

2.25 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2 重大會計政策概要 (續)

2.24 收入確認 (續)

(a) 物業銷售 (續)

對於在某一時點轉移物業控制權的物業開發銷售合同而言，收入於客戶根據合同接受物業或視作接受物業時（即客戶有能力指示物業的用途並於其後取得該物業的所有餘下利益的時點）且本集團已獲得現時的付款請求權並很可能收回代價時確認。

於釐定交易價時，本集團已就融資部分（倘屬重大）的影響調整已承諾的代價金額。

(b) 租金收入

根據經營租賃出租物業所得租金收入於租期內按直線法確認。

2.25 利息收入

利息收入按時間比例基準以實際利率法確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to properties held or under development for sales are presented in the statement of financial position by deducting the grants in arriving at the assets' carrying amounts and are credited to the statement of profit or loss upon the sales of the properties.

2.27 Leases

As explained in Note 2.2 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in Note 2.2.

Until 31 December 2018, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

2 重大會計政策概要 (續)

2.26 政府補助

如有合理保證將獲得政府補助，且本集團將符合所有附帶條件，則政府補助可按公平值確認。

與成本有關的政府補助遞延入賬，並於擬補償的成本與之匹配所需期間在損益表中確認。

與持作出售或開發中待售物業有關的政府補助乃於計算資產賬面值時透過扣減該補助於財務狀況表中列示，並在物業銷售時記入損益表。

2.27 租賃

誠如上文附註2.2所闡述，本集團已變更其作為承租人的租賃會計政策。新政策於下文載述，而有關變動的影響載於附註2.2。

2018年12月31日之前，所有權的絕大部分風險及回報並無轉移至本集團（作為承租人）的租賃分類為經營租賃。根據經營租賃支付的款項（扣除已收出租人的任何優惠）於租期內按直線法於損益內扣除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Leases (continued)

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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

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

2 重大會計政策概要 (續)

2.27 租賃 (續)

自2019年1月1日起，租賃在租賃資產可供本集團使用之日獲確認為使用權資產及相應負債。

合約可能包含租賃及非租賃組成部分。本集團按照租賃及非租賃組成部分相應的獨立價格，將合約代價分配至租賃及非租賃組成部分。然而，就本集團為承租人的房地產租賃而言，其選擇將租賃及非租賃組成部分入賬為單一租賃組成部分，並無將兩者區分。

租賃產生的資產及負債初步按現值計量。租賃負債包括以下租賃付款的淨現值：

- 固定付款（包括實質固定付款）減任何應收租賃優惠
- 基於指數或利率的可變租賃付款，採用於開始日期的指數或利率初步計量
- 本集團於剩餘價值擔保下預計應付的金額
- 倘本集團合理確定行使購買選擇權，則為該選擇權的行使價，及
- 倘租期反映本集團行使該選擇權，則支付終止租賃的罰款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Leases (continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, eg term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 重大會計政策概要 (續)

2.27 租賃 (續)

根據合理確定延續選擇權支付的租賃付款亦計入負債計量之內。

租賃付款採用租賃所隱含的利率予以貼現。倘無法輕易確定該利率(為本集團租賃的一般情況),則使用承租人的增量借款利率,即個別承租人在類似經濟環境中按類似條款、抵押及條件借入獲得與使用權資產具有類似價值的資產所需資金所必須支付的利率。

為釐定增量借款利率,本集團:

- 在可能情況下,使用個別承租人最近獲得的第三方融資為出發點作出調整,以反映自獲得第三方融資以來融資條件的變動
- 進行特定於租約的調整,例如期限、國家、貨幣及抵押。

租賃付款於本金及財務成本之間作出分配。財務成本在租賃期間於損益扣除,藉以令各期間的負債餘額的期間利率一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Leases (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally amortised over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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

2 重大會計政策概要 (續)

2.27 租賃 (續)

使用權資產按成本計量，包括以下各項：

- 租賃負債的初始計量金額
- 於開始日期或之前作出的任何租賃付款減所獲得的任何租賃優惠
- 任何初始直接成本，及
- 修復成本。

使用權資產一般於資產可使用年期或租期（以較短者為準）按直線法計算攤銷。倘本集團合理確定行使購買選擇權，則使用權資產於相關資產的可使用年內予以折舊。

與設備及汽車的短期租賃及所有低價值資產租賃相關的付款以直線法於損益中確認為開支。短期租賃指租期為12個月或少於12個月的租賃。低價值資產包括汽車。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.29 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2 重大會計政策概要 (續)

2.28 股息分派

向本公司股東作出的股息分派於本公司股東或董事(若適合)批准派息的期間內在本集團及本公司的財務報表中確認為負債。

2.29 每股盈利

(i) 每股基本盈利

每股基本盈利乃除以以下項目後計算得出：

- 本公司擁有人應佔利潤(扣除普通股以外之任何服務權益成本)
- 除以財政年度內已發行普通股加權平均數，並就年內已發行普通股(不包括庫存股份)的股利調整。

(ii) 每股攤薄盈利

每股攤薄盈利調整用於釐定每股基本盈利的數字，以計及：

- 利息的除所得稅後影響及與潛在攤薄普通股有關的其他融資成本，及
- 假設轉換所有潛在攤薄普通股，將會發行在外的額外普通股加權平均數。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 Earnings per share (continued)

(ii) Diluted earnings per share (continued)

Where the number of ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented will be adjusted retrospectively.

2.30 Separate financial statements

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

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

Impairment testing of the investments in subsidiaries is also required in accordance with Note 2.9.

2 重大會計政策概要 (續)

2.29 每股盈利 (續)

(ii) 每股攤薄盈利 (續)

倘在外流通普通股數目因資本化、紅股發行或股份拆細而增加，或因儲備股份拆細而減少，則所有呈列期間的每股基本及攤薄盈利的計算將作回溯性調整。

2.30 獨立財務報表

於附屬公司的投資按成本減去減值列賬。成本包括投資的直接歸屬成本。本公司按已收及應收股息基準將附屬公司的業績入賬。

倘自附屬公司投資收取的股息超出宣派股息期間該附屬公司的全面收入總額，或倘個別財務報表的投資賬面值超出綜合財務報表所示被投資公司的資產淨值（包括商譽）的賬面值，則須於收取股息時對附屬公司投資進行減值測試。

對附屬公司的投資亦需按照附註2.9進行減值測試。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks comprising market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group is engaged in the development, sale and management of properties solely in the PRC with almost all transactions denominated in RMB. In addition, the majority of the Group's assets and liabilities are denominated in RMB. Accordingly, the Group is not exposed to significant foreign currency risk, except for certain bank deposits denominated in Hong Kong Dollar ("HKD").

Fluctuation of the exchange rates for HKD against RMB will affect the Group's result of operations. The Group currently does not have a foreign currency hedging policy. However, management closely monitors the foreign exchange exposure and will take actions when necessary.

3 金融風險管理

3.1 金融風險因素

本集團活動涉及多類金融風險，包括市場風險（包括外匯風險、公平值利率風險及現金流量利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃針對金融市場的不可預計因素，並致力將對本集團財務表現的潛在負面影響減至最低。

(a) 市場風險

(i) 外匯風險

本集團僅在中國從事物業開發、銷售及管理業務，而幾乎所有交易均以人民幣計值。此外，本集團絕大多數資產及負債均以人民幣計值。因此，本集團並無面臨重大外幣風險，惟本公司部分銀行存款以港元（「港元」）計值除外。

港元兌人民幣匯率波動將會影響本集團的經營業績。本集團目前並無外匯對沖政策。然而，管理層密切監控外匯風險並將在必要情況下採取行動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 31 December 2019, if HKD had weakened/strengthened by 5% against RMB, all other variables held constant, post-tax profit of the Group for the year 2019 would have been lower/higher by RMB127,000 (2018: post-tax profit lower/higher by RMB1,764,000), mainly as a result of foreign exchange loss/gain from bank deposits denominated in HKD.

(ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Except for bank deposits with stable interest rates, the Group has no other significant interest-bearing assets.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings from banks and non-bank third party lenders. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not hedged its cash flow or fair value interest rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 17 and Note 18.

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

於2019年12月31日，倘港元兌人民幣貶值／升值5%，而所有其他變量維持不變，則本集團於2019年的稅後利潤將減少／增加人民幣127,000元（2018年：稅後利潤減少／增加人民幣1,764,000元），乃主要因以港元計值的銀行存款產生外匯虧損／收益。

(ii) 現金流量及公平值利率風險

本集團的收入及經營現金流量基本上不受市場利率變動影響。除具有穩定利率的銀行存款外，本集團並無其他重大計息資產。

本集團所承擔的利率變動風險主要涉及其自銀行及非銀行第三方貸款人獲得的借款。以浮動利率計息的借款使本集團承受現金流量利率風險。以固定利率計息的借款使本集團承受公平值利率風險。本集團並無對沖其現金流量或公平值利率風險。借款的利率及還款條款披露於附註17及附註18。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Management does not anticipate significant impact to interest-bearing assets resulting from changes in interest rates, as the interest rates of bank deposits are not expected to change significantly.

The Group's profit or loss are sensitive to higher/lower interest expenses from borrowings at floating rates as a result of changes in interest rates.

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(a) 市場風險 (續)

(ii) 現金流量及公平值利率風險 (續)

由於預計銀行存款的利率不會出現重大變化，因此管理層預期利率變動不會對計息資產造成重大影響。

本集團損益受利率變動引起的浮息借款利息開支增加／減少所影響。

		Impact on post-tax profit 對稅後利潤的影響	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Interest rates – increase by 50 basis points	利率 – 上升50個基點	(1,069)	(745)
Interest rates – decrease by 50 basis points	利率 – 下降50個基點	1,069	745

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3 金融風險管理 (續)

3.1 Financial risk factors (continued)

3.1 金融風險因素 (續)

(b) Credit risk

(b) 信貸風險

The Group has no significant concentrations of credit risk. The carrying amounts of bank deposits, trade and other receivables, contract assets and financial guarantee contracts included in the consolidated statements of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

本集團並無重大信貸集中風險。銀行存款、貿易及其他應收款項、合同資產及財務擔保合同於綜合財務狀況表的賬面值為本集團有關其金融資產的最高信貸風險。

(i) Bank deposits

(i) 銀行存款

Cash transactions are limited to high-credit-quality financial institutions. The table below shows the bank deposit balances as at 31 December 2019 and 2018:

現金交易僅限於高信譽、高質素金融機構。下表顯示於2019年及2018年12月31日的銀行存款結餘：

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Counterparty	對手方		
- Deposits in the four major state-owned banks of the PRC	- 於中國四大國有銀行的存款	195,407	308,851
- Deposits in other listed banks of the PRC	- 於中國其他上市銀行的存款	101,842	139,950
- Deposits in other banks	- 於其他銀行的存款	63,163	96,059
		360,412	544,860

Management does not expect any losses from non-performance of these counterparties.

管理層預期不會出現因該等對手方未履約而產生任何損失的情況。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Financial guarantees

The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. If a purchaser defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding principal of the loan and any interest accrued thereon. Under such circumstances, the Group is entitled to take over the legal title and possession of the related properties after the relevant legal procedures to recover any amounts paid by the Group to the bank. In this regard, the directors consider that the Group's credit risk is significantly reduced.

(iii) Trade receivables and contract assets

The Group applies the simplified approach to providing for expected losses prescribed by HKFRS 9, which permits the use of the lifetime expected losses provision for all trade receivables and contract assets.

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險 (續)

(ii) 財務擔保

本集團已制訂有關政策，以確保向具備適當財務實力並按合適百分比支付首期的買家作出銷售。本集團已為本集團物業單位的若干買家安排銀行融資，並提供擔保以確保該等買家履行還款責任。倘買家於擔保期內未能支付按揭貸款，持有擔保的銀行可要求本集團償還未償還的貸款本金及其任何應計利息。在此情況下，本集團於相關法律程序後有權接管相關物業的合法業權及所有權，以收回本集團向銀行支付的任何款項。就此而言，董事認為，本集團的信貸風險得以大幅降低。

(iii) 貿易應收款項及合同資產

本集團採用簡化方法就香港財務報告準則第9號所規定的預期虧損計提撥備，該準則容許就有關所有貿易應收款項及合同資產使用整個年度的預期虧損撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(iii) Trade receivables and contract assets (continued)

The Group reviews regularly the recoverable amount of each individual trade receivables and contract assets to ensure the adequate impairment losses are made for irrecoverable amount. Credit is only granted to tenants with sufficient financial strength. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Therefore, credit risks of the Group from sales of properties and lease of properties are limited.

The loss allowance provision for those balance was not material for the years ended 31 December 2019 and 2018.

(iv) Other receivables (excluding prepaid tax and surcharges and value-added-tax recoverable)

The Group closely monitors these other receivables to ensure actions are taken to recover these balances in the case of any risk of default.

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險 (續)

(iii) 貿易應收款項及合同資產 (續)

本集團會定期檢討每筆個別貿易應收款項及合同資產的可收回金額，以確保就不可收回款項作出足夠減值虧損撥備。信貸僅授予具有足夠財務實力的租戶。本集團亦設有其他監察程序，以確保採取後續行動以收回逾期債務。因此，本集團出售物業及出租物業的信貸風險有限。

截至2019年及2018年12月31日止年度，該等結餘的虧損撥備並不重大。

(iv) 其他應收款項 (不包括預付稅項及附加費以及可收回的增值稅)

本集團密切監察該等其他應收款項，以確保在出現違約風險時可採取措施收回該等結餘。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

- (iv) Other receivables (excluding prepaid tax and surcharges and value-added-tax recoverable) (continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected loss. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險 (續)

- (iv) 其他應收款項 (不包括預付稅項及附加費以及可收回的增值稅) (續)

於各報告期間，本集團考慮初始確認資產時的違約概率以及信貸風險是否持續大幅增加。為評估信貸風險是否顯著增加，本集團將資產在報告日期發生的違約風險與初始確認日期的違約風險進行比較。本集團已進行歷史分析，並確定影響信貸風險及預期虧損的主要經濟變數。本集團考慮了可獲得的合理且具有支持性的前瞻性資料。特別是已包含下列指標：

- 內部信用評級
- 外部信用評級
- 預期會導致債務人履行其責任的能力發生重大變化的業務、財務或經濟狀況的實際或預期重大不利變動
- 借款人的經營業績的實際或預期重大變化

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(iv) Other receivables (excluding prepaid tax and surcharges and value-added-tax recoverable) (continued)

- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor

A default on a financial asset is when the counterparty fails to make contractual payments within 365 days of when they fall due.

The Group uses four categories for other receivables (excluding prepaid tax and surcharges and value-added-tax recoverable) which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險 (續)

(iv) 其他應收款項 (不包括預付稅項及附加費以及可收回的增值稅) (續)

- 同一債務人的其他金融工具的信貸風險顯著增加
- 債務人的預期表現和行為發生重大變化，包括本集團債務人付款狀況的變化以及債務人經營業績的變化

金融資產的違約是指對手方未能在到期後365天內支付合同款項。

本集團將其他應收款項 (不包括預付稅項及附加費以及可收回的增值稅) 分為四類，此乃反映其信貸風險以及確定各類別虧損撥備的方法。該等內部信貸風險評級與外部信用評級一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

- (iv) Other receivables (excluding prepaid tax and surcharges and value-added-tax recoverable) (continued)

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category 類別	Group definition of category 類別的組別界定	Basis for recognition of expected credit loss provision 確認預期信貸虧損撥備的基準
Performing 正常	Customers have a low risk of default and a strong capacity to meet contractual cash flow 客戶違約風險較低，並且具有滿足合同現金流量的實力	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime. 預計12個月的虧損。倘資產的預期年期少於12個月，則預期虧損按其預期年期計量。
Underperforming 關注	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk presumed if interest and/or principal repayments are more than 30 days past due 應收款項涉及的信貸風險顯著增加；同時倘利息及／或本金還款逾期超過30天則預測信貸風險大幅增加	Lifetime expected losses 整個年期內的預期虧損
Non-performing 不良	Interest and/or principal repayments are more than 365 days past due 利息及／或本金還款逾期超過365天	Lifetime expected losses 整個年期內的預期虧損
Write-off 撇銷	Interest and/or principal repayments are more than 2 years past due and there is no reasonable expectation of recovery 利息及／或本金還款逾期超過貳年，並且合理預期無法收回	Asset is written-off 撇銷資產

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險 (續)

- (iv) 其他應收款項 (不包括預付稅項及附加費以及可收回的增值稅) (續)

支持本集團預期信貸虧損模型的假設摘要如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

- (iv) Other receivables (excluding prepaid tax and surcharges and value-added-tax recoverable) (continued)

The Group accounts for its credit risk by appropriately providing for expected losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

The Group writes off those receivables, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity. The Group has no written off for the year ended 31 December 2019 (2018: RMB0).

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險 (續)

- (iv) 其他應收款項 (不包括預付稅項及附加費以及可收回的增值稅) (續)

本集團通過及時適當地就預期虧損計提撥備來說明其信貸風險。在計算預期信貸虧損比率時，本集團考慮各類應收款項的過往虧損比率，並根據前瞻性宏觀經濟數據作出調整。

本集團在竭盡全力進行實際收回且最終認為無合理預計收回的可能時撤銷全部或部分該等應收款項。合理預期無法收回的指標包括停止執行活動。截至2019年12月31日止年度，本集團並無任何撤銷(2018年：人民幣0元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

- (iv) Other receivables (excluding prepaid tax and surcharges and value-added-tax recoverable) (continued)

As at 31 December 2019 and 2018, the loss allowance provision was determined as follows:

		Expected Loss Rate	As at 31 December 2019 於2019年12月31日		As at 31 December 2018 於2018年12月31日	
			Gross Carrying Amount	Carrying amount (net of impairment provision)	Gross Carrying Amount	Carrying amount (net of impairment provision)
		預期損失率	賬面總值 RMB'000 人民幣千元	賬面值 (扣除減值撥備)	賬面總值 RMB'000 人民幣千元	賬面值 (扣除減值撥備)
Current	即期	0.1%	201,077	200,876	216,036	215,820
More than 30 days past due	逾期超過30天	0.5%	39,328	39,131	1,856	1,847
More than 365 days past due	逾期超過365天	20.0%	1,652	1,322	55,857	44,685
More than 2 years past due	逾期超過兩年	100.0%	55,440	-	-	-
			297,497	241,329	273,749	262,352

The allowance recognised in profit or loss for impairment provision of other receivables for the years ended 31 December 2019 and 2018 are disclosed in Note 24.

截至2019年及2018年12月31日止年度就其他應收款項的減值撥備於損益內確認的準備乃披露於附註24。

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險 (續)

- (iv) 其他應收款項 (不包括預付稅項及附加費以及可收回的增值稅) (續)

於2019年及2018年12月31日，虧損撥備釐定如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Management of the Group aims to maintain sufficient cash through internally generated sales proceeds and an adequate amount of committed credit facilities to meet its operation needs and commitments in respect of property projects.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Within 1 year 1年內 RMB'000 人民幣千元	Between 1 and 2 years 1至2年 RMB'000 人民幣千元	Between 2 and 5 years 2至5年 RMB'000 人民幣千元	Over 5 years 5年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2019	於2019年12月31日					
Bank borrowings	銀行借款	291,000	-	-	-	291,000
Interest payments on bank borrowings	銀行借款的利息付款	10,423	-	-	-	10,423
Trade and other payables	貿易及其他應付款項	988,260	-	-	-	988,260
Other long-term borrowings	其他長期借款	342,752	171,128	261,220	-	775,100
Interest payments on other long-term borrowings	其他長期借款的利息付款	46,548	16,861	21,419	-	84,828
Lease liabilities	租賃負債	4,227	3,982	8,629	6,533	23,371
		1,683,210	191,971	291,268	6,533	2,172,982

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(c) 流動資金風險

本集團管理層旨在透過內部銷售所得款項及充足的承諾信貸融資額維持足夠現金以滿足其物業項目的營運需求和承諾。

下表乃根據於結算日至合同到期日的剩餘期間，按相關到期組別分析本集團金融負債。表內披露的金額為合同未貼現現金流量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3 金融風險管理 (續)

3.1 Financial risk factors (continued)

3.1 金融風險因素 (續)

(c) Liquidity risk (continued)

(c) 流動資金風險 (續)

		Within 1 year 1年內 RMB'000 人民幣千元	Between 1 and 2 years 1至2年 RMB'000 人民幣千元	Between 2 and 5 years 2至5年 RMB'000 人民幣千元	Over 5 years 5年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2018	於2018年12月31日					
Bank borrowings	銀行借款	196,000	29,000	-	-	225,000
Interest payments on bank borrowings	銀行借款的利息付款	11,765	504	-	-	12,269
Trade and other payables	貿易及其他應付款項	815,750	-	-	-	815,750
Other long-term borrowings	其他長期借款	271,340	262,960	250,210	61,000	845,510
Interest payments on other long-term borrowings	其他長期借款的利息付款	48,437	23,062	25,411	1,720	98,630
		1,343,292	315,526	275,621	62,720	1,997,159

Note: Interests on bank borrowings and long-term borrowings are calculated based on borrowings held as at 31 December 2019 and 2018, respectively. Floating-rate interests are estimated using the prevailing interest rates as at 31 December 2019 and 2018, respectively.

附註：銀行借款及長期借款的利息乃根據於2019年及2018年12月31日分別持有的借款計算。浮動利息乃分別使用於2019年及2018年12月31日的現行利率估算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, including interest bearing borrowings from related parties and third parties, lease liabilities less cash and cash equivalents. Total capital is calculated as total equity, as shown in the consolidated statement of financial position, plus net debt.

3 金融風險管理 (續)

3.2 資本風險管理

本集團資本管理的目標是確保本集團能持續經營，以為股東帶來回報，並維持最優資本架構以減少資本成本。

為維持或調整資本架構，本集團可調整支付予股東的股息金額、發行新股份或出售資產以減少債務。

本集團以槓桿比率為基準監察其資本。該比率按債務淨額除以資本總額計算，而債務淨額按借款總額（包括來自關聯方及第三方的計息借款、租賃負債）扣減現金及現金等價物計算，資本總額則按綜合財務狀況表列賬的權益總額加上債務淨額計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3 金融風險管理 (續)

3.2 Capital risk management (continued)

3.2 資本風險管理 (續)

The gearing ratios at 31 December 2019 and 2018 were as follows:

於2019年及2018年12月31日的槓桿比率如下：

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Borrowings (Note 17)	借款 (附註17)	291,000	225,000
Other long-term borrowings (Note 18)	其他長期借款 (附註18)	775,100	845,510
Lease liabilities (Note 6(b))	租賃負債 (附註6(b))	19,431	–
Total borrowings	借款總額	1,085,531	1,070,510
Less: Cash and cash equivalents (Note 13)	減：現金及現金等價物 (附註13)	(245,157)	(419,502)
Net debt	債務淨額	840,374	651,008
Total equity	權益總額	1,233,499	997,515
Total capital	資本總額	2,073,873	1,648,523
Gearing ratio	槓桿比率	40.52%	39.49%

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

See Note 7 for disclosures of the investment properties that are measured at fair value.

3 金融風險管理 (續)

3.3 公平值估計

下表按公平值計量的估值技術所用輸入數據的層級分析本集團按公平值入賬的金融工具。有關輸入數據乃按下文所述而分類歸入公平值架構內的三個層級：

- 同類資產或負債於活躍市場上的報價(未經調整)(第1層)。
- 計入第1層內報價以外的資產或負債的可觀察輸入數據，不論直接(即價格)或間接(即衍生自價格)(第2層)。
- 非基於可觀察市場數據的資產或負債輸入數據(即不可觀察輸入數據)(第3層)。

按公平值計值的投資物業的披露請參閱附註7。

		Level 1 第1層	Level 2 第2層	Level 3 第3層	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Financial assets at fair value through profit or loss	按公平值透過損益入賬的金融資產				
At 31 December 2019	於2019年12月31日	181	-	-	181
At 31 December 2018	於2018年12月31日	190	-	-	190

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3 金融風險管理 (續)

3.3 Fair value estimation (continued)

3.3 公平值估計 (續)

		Level 1 第1層 RMB'000 人民幣千元	Level 2 第2層 RMB'000 人民幣千元	Level 3 第3層 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Investment properties	投資物業				
At 31 December 2019	於2019年12月31日	-	-	96,700	96,700
At 31 December 2018	於2018年12月31日	-	-	75,250	75,250

There were no transfers between levels 1 and 2 for the years ended 31 December 2019 and 2018.

截至2019年及2018年12月31日止年度，第1層與第2層之間並無轉撥。

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

在活躍市場買賣的金融工具的公平值乃根據報告日期的市場報價計算。倘該報價可容易或定期取自交易所、經銷商、經紀、行業集團、股價服務或監管機構，而該等報價反映實際及定期按公平原則進行的市場交易，該市場則視為活躍。

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

並非於活躍市場買賣的金融工具（例如場外衍生工具）的公平值乃使用估值技術釐定。估值技術盡量利用可觀察市場數據（如有），盡量少依賴實體的特定估計。如計算一金融工具的公平值所需的所有重大輸入數據為可觀察數據，則該金融工具列入第2層。

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

如一項或多項重大輸入數據並非根據可觀察市場數據，則該金融工具列入第3層。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (continued)

As the financial assets at fair value through profit or loss held by the Group are security assets traded in active market whose fair value is based on quoted market price at reporting date. Therefore, they are included in level 1.

The investment properties are not traded in active markets nor does the fair value determined by using valuation techniques that maximise the use of observable market data. Therefore, they are included in level 3.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

3 金融風險管理 (續)

3.3 公平值估計 (續)

由於本集團持有的按公平值透過損益入賬的金融資產為在活躍市場買賣的證券資產，其公平值乃根據於報告日期的市場報價計算。因此，其計入第1層。

投資物業並非在活躍市場買賣或通過最大程度使用可觀察市場數據的估值技術釐定公平值。因此，其計入第3層。

4 重要會計估計及判斷

估計及判斷會被持續評估，並以過往經驗及其他因素作為基礎，包括在目前情況下相信對未來事件的合理預期。

管理層對未來作出估計及假設。所得的會計估計理論上難以與相關的實際結果相同。會導致下個財政年度內資產及負債賬面值作出重大調整的重大風險的估計及假設現討論如下。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Revenue recognition

Revenue from sales of properties is recognised over time when the Group's performance do 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 buyer obtains control of the completed property. The Group may not change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the customer and thus the property unit does not have an alternative use to the Group. However, whether there is an enforceable right to payment depends on the terms of sales contract and the interpretation of the applicable laws that apply to the contract.

4 重要會計估計及判斷(續)

4.1 收入確認

當本集團的履約並無創造一項對本集團具有替代用途的資產，並且本集團具有就迄今為止已完成的履約部分獲得客戶付款的可執行權利，則隨時間確認物業銷售收入；否則當買方取得竣工物業的控制權時於某個時間點確認收入。由於與客戶存在合同限制，本集團不得更改或替換物業單位或將物業單位重新定向為另一用途，因此物業單位對本集團並無替代用途。然而，是否存在可強制執行的支付權取決於銷售合同的條款以及適用於合同的適用法律的詮釋。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Revenue recognition (continued)

The Group recognises property development revenue over time by reference to the progress towards complete satisfaction of the performance obligation at the reporting date. The progress is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each property unit in the contract. The Group calculated the cost allocation based on type of properties, gross and saleable floor areas. Significant judgements and estimations are required in determining the completeness of the estimated total costs and the accuracy of progress towards complete satisfaction of the performance obligation at the reporting date. The Group has a standard cost budgeting and estimate completion process in which management reviews and approves the development progress and execution of the performance obligations. As part of this process, management reviews and approves information including but not limited to, the cost to achieve the schedule and variations to the project budgeted costs. Changes in cost estimates in future periods can have effect on the Group's revenue recognised. In making the above estimations, the Group relies on past experience and work of contractors and, if appropriate, surveyors.

4.2 Development costs directly attributable to property development activities

The Group estimates property construction costs upon recognition of respective costs of sales. Such estimates are substantiated by detailed budgetary information as developed by the management, and will be assessed periodically, as the constructions progress. Should these estimates depart from their actual finalised costs, such differences would affect the accuracy of costs of sales recognised.

4 重要會計估計及判斷 (續)

4.1 收入確認 (續)

本集團通過參考於報告日期完全履行履約責任的進度，隨時間確認物業開發收入。該進度乃根據本集團為履行履約責任而作出的努力或投入，通過參考截至報告期末所產生的合同成本佔於合同中各物業單位總估計成本的百分比進行計量。本集團根據物業類型、總建築面積及可售面積計算成本分配。於釐定在報告日期完全履行履約責任所取得估計總成本的完整性及進度的準確性時，需要作出重大判斷及估計。本集團擁有標準的成本預算及估計完成流程，管理層檢討及審批履約責任的發展進度及執行情況。作為該過程的一部分，管理層審閱及審批（包括但不限於）完成履行履約責任時間表產生成本及項目預算成本變更的資料。未來期間成本估計的變動可能會對本集團所確認的收入產生影響。在作出上述估計時，本集團依賴過往經驗及承包商以及（如適用）監理方的工作。

4.2 物業開發活動直接應佔的開發成本

本集團於確認各自銷售成本後估計物業建築成本。有關估計由管理層制定的詳細預算信息證實，並將隨建設進度進行定期評估。若該等估計與其實際最終成本有差異，則有關差異將影響已確認銷售成本的準確性。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.3 Provision for impairment of properties held or under development for sale

The management makes provision for impairment of properties held or under development for sale based on the estimate of the net realisable amount of the properties. Determination of net realisable amount of the properties involved critical accounting estimates on the selling price, variable selling expenses and the estimated costs to completion. Management estimated the selling price based on the prevailing market conditions; the variable selling expenses based on certain percentage of selling price; and the costs to completion based on the project budget approved by management. Given the volatility of the property market in the PRC, the actual net realisable amount may be higher or lower than the estimate made as at the end of the reporting period. Any increase or decrease in the provision would affect the Group's operating performance in future years.

4.4 Land appreciation tax of the PRC

The Group is subject to land appreciation tax in the PRC. However, since the implementation and settlement of the tax varies among various tax jurisdictions in cities of the PRC, significant judgement is required in determining the amount of the land appreciation tax. The Group recognises the land appreciation tax based on management's best estimates according to its understanding of the interpretation of tax rules and latest practice of local tax jurisdictions in the cities where the Group's projects are located. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the current income tax and the deferred income tax provision in the periods in which such taxes have been finalised with local tax authorities.

4 重要會計估計及判斷 (續)

4.3 持作出售或開發中待售物業減值撥備

管理層根據持作出售或開發中待售物業的估計可變現淨值就其計提減值撥備。物業可變現淨值的釐定涉及有關售價、可變銷售開支及估計竣工成本的重要會計估計。管理層根據現行市況估計售價；根據售價的某一百分比估計可變銷售開支；及根據經管理層審批的項目預算估計竣工成本。鑑於中國物業市場的波動，實際可變現淨值可能高於或低於報告期末的估計。撥備的任何增加或減少將對本集團未來數年的經營表現產生影響。

4.4 中國土地增值稅

本集團須繳納中國土地增值稅。然而，由於中國各個城市的不同徵稅區的稅項徵收及支付有所差異，於釐定土地增值稅金額時須作出重大判斷。管理層按其對本集團項目所在城市地方稅務機構的稅務規則及最新常規的詮釋的理解作出最佳估計，本集團據此確認土地增值稅。最終稅款可能有別於最初錄得的金額，而有關差額將影響於地方稅務機構確定該等稅項期間的即期所得稅及遞延所得稅撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.5 Current and deferred income tax

The Group is subject to corporate income tax in the PRC. Significant judgement is required in determining the provision for corporate income tax. There are transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that we initially recorded, such difference will impact the current income tax and deferred tax provision in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

4.6 Fair value of investment properties

The best evidence of fair value is current prices in an active market for the properties with similar lease and other contracts. In the absence of such information, the management determines the amount within a range of reasonable fair value estimates. In making its estimation, the management considers information from a variety of sources including:

- (a) Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;

4 重要會計估計及判斷 (續)

4.5 當期及遞延所得稅

本集團須繳納中國企業所得稅。在釐定企業所得稅的撥備時須作出重大判斷。在日常業務過程中，多項交易及計算方式均會導致未能確定最終所定稅項。倘該等事項的最終稅款與最初錄得的款額有所差異，有關差額將會影響釐定稅項期間的即期所得稅及遞延稅項撥備。

與若干臨時差額及稅項虧損有關的遞延稅項資產，可在管理層認為日後將有應課稅利潤可供抵銷臨時差額或稅項虧損的情況下確認。其實際利用結果可能不同。

4.6 投資物業的公平值

公平值的最佳憑證為類似租約及其他合同於物業當時活躍市場上的價格。在缺乏該等資料的情況下，管理層在合理公平值估計的範圍內釐定金額。在作出估計時，管理層考慮不同來源的資料，包括：

- (a) 性質、狀況或地點不同（或受不同租約或其他合同規限）的物業當時於活躍市場上的價格（須就各項差異作出調整）；

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.6 Fair value of investment properties (continued)

- (b) Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and,
- (c) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the term of any existing lease and other contract and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessment of the uncertainty in the amount and timing of the cash flows.

The Group assesses the fair value of its investment properties based on valuations determined by independent professional qualified valuers, which were based on income approach and by reference to comparable price in an active market.

At 31 December 2019 and 2018, the key assumptions used by the valuer in determining fair value were as follows:

4 重要會計估計及判斷 (續)

4.6 投資物業的公平值 (續)

- (b) 較不活躍市場所提供類似物業的近期價格(該價格會作出調整,以反映自按該等價格進行交易的日期起經濟狀況的任何轉變);及
- (c) 根據對未來現金流量進行的可靠估計而預測的貼現現金流量,而該等預測乃基於任何現有租約與其他合同的條款及(如在可能情況下)外在憑證(如地點及狀況相同的類似物業當時市值租金),並採用足以反映當時市場對無法肯定的有關現金流量金額及時間進行評估的貼現率計算。

本集團根據獨立專業合資格估值師基於收入法及參考活躍市場的可比較價格而釐定的估值評估其投資物業的公平值。

於2019年及2018年12月31日,估值師於釐定公平值時使用的主要假設如下:

		As at 31 December 於12月31日	
		2019 2019年	2018 2018年
Term yield	年期回報率	3.5%-7.00%	4%-7.00%
Reversionary yield	復歸回報率	4%-7.50%	4%-7.50%

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION

The executive directors have been identified as the CODM. Management has determined the operating segments based on the reports reviewed by the executive directors, which are used to allocate resources and assess performance.

The Group is principally engaged in property development in the PRC. The CODM reviews the operating results of the business as one segment to make decision about resources to be allocated. Revenue and profit after income tax are the measures reported to the executive directors for the purpose of resources allocation and performance assessment.

The major operating entities of the Group are domiciled in the PRC. All of the Group's revenue are derived in the PRC for the years ended 31 December 2019 and 2018.

As at 31 December 2019 and 2018, all of non-current assets of the Group were located in the PRC.

There was no revenue derived from a single external customer that accounts for 10% or more of the Group's revenues for the years ended 31 December 2019 and 2018.

5 分部資料

執行董事已被確認為主要經營決策者。管理層已根據執行董事所審閱用於分配資源及評估表現的報告釐定經營分部。

本集團主要在中國從事物業開發。主要經營決策者按一個分部審閱業務的經營業績，以就資源如何分配作出決策。向執行董事呈報以用作資源分配及表現評估的指標為收入及除所得稅後利潤。

本集團的主要營運實體位於中國。截至2019年及2018年12月31日止年度，本集團的全部收入均源自中國。

於2019年及2018年12月31日，本集團的全部非流動資產均位於中國。

截至2019年及2018年12月31日止年度，來自單一外部客戶的收入並無佔本集團收入的10%或以上。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 PROPERTY, PLANT AND EQUIPMENT

6 物業、廠房及設備

		Buildings	Motor vehicles	Electronic devices	Furniture, fittings and equipment 傢私、裝置及設備	Assets under construction	Leasehold improvements	Total
		樓宇	汽車	電子設備	及設備	在建資產	租賃裝修	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於2018年1月1日							
Cost	成本	21,945	28,426	6,100	2,715	8,600	-	67,786
Accumulated depreciation	累計折舊	(3,578)	(23,058)	(4,287)	(1,916)	-	-	(32,839)
Net book amount	賬面淨值	18,367	5,368	1,813	799	8,600	-	34,947
Year ended 31 December 2018	截至2018年12月31日止年度							
Opening net book amount	年初賬面淨值	18,367	5,368	1,813	799	8,600	-	34,947
Additions	添置	193	657	1,177	319	8,617	-	10,963
Transfers upon completion	於完成後轉撥	-	-	-	-	(17,217)	17,217	-
Disposals	出售	-	(4)	(151)	(17)	-	-	(172)
Depreciation charge (Note 24)	折舊費用 (附註24)	(911)	(1,462)	(815)	(255)	-	(1,264)	(4,707)
Closing net book amount	年末賬面淨值	17,649	4,559	2,024	846	-	15,953	41,031
At 31 December 2018	於2018年12月31日							
Cost	成本	22,138	29,079	7,126	3,017	-	17,217	78,577
Accumulated depreciation	累計折舊	(4,489)	(24,520)	(5,102)	(2,171)	-	(1,264)	(37,546)
Net book amount	賬面淨值	17,649	4,559	2,024	846	-	15,953	41,031

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED) 6 物業、廠房及設備 (續)

		Buildings	Motor vehicles	Electronic devices	Furniture, fittings and equipment 傢俬、裝置及設備	Leasehold improvements 租賃裝修	Total
		樓宇	汽車	電子設備	及設備	租賃裝修	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Year ended 31 December 2019	截至2019年12月31日止年度						
Opening net book amount	年初賬面淨值	17,649	4,559	2,024	846	15,953	41,031
Additions	添置	10	1,642	1,370	354	2,791	6,167
Transfer to investment properties (Note 7(b))	轉撥至投資物業 (附註7(b))	(155)	-	-	-	-	(155)
Disposals	出售	-	(46)	(2)	-	-	(48)
Depreciation charge (Note 24)	折舊費用 (附註24)	(917)	(1,897)	(1,104)	(288)	(2,104)	(6,310)
Closing net book amount	年末賬面淨值	16,587	4,258	2,288	912	16,640	40,685
At 31 December 2019	於2019年12月31日						
Cost	成本	21,993	30,675	8,494	3,371	20,008	84,541
Accumulated depreciation	累計折舊	(5,406)	(26,417)	(6,206)	(2,459)	(3,368)	(43,856)
Net book amount	賬面淨值	16,587	4,258	2,288	912	16,640	40,685

Depreciation charge of the Group has been included in administrative expenses for the years ended 31 December 2019 and 2018.

No buildings were pledged as collateral for the Group's borrowings as at 31 December 2019 (31 December 2018: RMB155,000) (Note 17).

截至2019年及2018年12月31日止年度，本集團的折舊費用已計入行政開支。

於2019年12月31日，概無樓宇作為抵押品予以抵押以取得本集團的借款(2018年12月31日：人民幣155,000元)(附註17)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

6 物業、廠房及設備 (續)

6(b) Leases

6(b) 租賃

(i) Amounts recognised in the consolidated statement of finance position

(i) 於綜合財務狀況表確認的金額

		As at 31 December 2019	As at 1 January 2019*
		於2019年 12月31日 RMB'000 人民幣千元	於2019年 1月1日* <i>RMB'000</i> 人民幣千元
Right-of-use assets	使用權資產		
Buildings	樓宇	19,214	14,688
Lease liabilities	租賃負債		
Current	即期	3,208	2,995
Non-current	非即期	16,223	11,253
		19,431	14,248

* For adjustments recognised on adoption of HKFRS 16 on 1 January 2019, please refer to Note 2.2

* 有關於2019年1月1日採納香港財務報告準則第16號時確認的調整，請參閱附註2.2

Additions to the right-of-use assets during the year ended 31 December 2019 were RMB7,884,000.

於截至2019年12月31日止年度添置使用權資產人民幣7,884,000元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

6 物業、廠房及設備 (續)

6(b) Leases (continued)

6(b) 租賃 (續)

(ii) Amounts recognised in the consolidated statement of profit or loss

(ii) 於綜合損益表確認的金額

	Notes 附註	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Amortisation of right-of-use assets	使用權資產攤銷		
Buildings	樓宇	24	–
			2019 2019年 RMB'000 人民幣千元
Interest expenses (included in finance costs)	利息開支 (計入財務成本)	25	961
Expenses relating to short-term leases (included in administrative expenses)	與短期租賃有關的開支 (計入行政開支)	24	74
Expenses relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	與上文並未列為短期租賃的低價值資產租賃有關的開支 (計入行政開支)	24	15

The total cash outflows for leases in 2019 was RMB3,662,000.

2019年的租賃現金流出總額為人民幣3,662,000元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

6(b) Leases (continued)

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

The Group's leases are mainly for offices. Rental contracts are typically made for fixed periods of 1 to 10 years. 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.

7 INVESTMENT PROPERTIES

6 物業、廠房及設備 (續)

6(b) 租賃 (續)

(iii) 本集團的租賃活動及如何進行入賬

本集團的租賃主要用於辦公室。租賃合約的固定期限通常定在1至10年。租賃協議並無施加任何契諾，惟出租人持有的租賃資產內的擔保權益除外。租賃資產不得用作借款的擔保品。

7 投資物業

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Opening balance	年初結餘	75,250	73,840
Transfer from properties held or under development for sale (a)	轉撥自持作出售或開發中待售物業(a)	8,600	—
Transfer from property, plant and equipment (b)	轉撥自物業、廠房及設備(b)	10,100	—
Net gain from fair value adjustment	公平值調整的收益淨額	2,750	1,410
Closing balance	年末結餘	96,700	75,250

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Notes:

- (a) On 1 July 2019, a property was transferred from properties held or under development for sale to investment properties. On the date of transfer, the net book value of the property was approximately RMB6,866,000 and the fair value was RMB8,600,000. The difference of approximately RMB1,734,000 was recognised as fair value gains on investment properties by the Group for the year ended 31 December 2019.
- (b) On 31 March 2019, a property was transferred from property, plant and equipment to investment properties. On the date of transfer, the net book value of the property was approximately RMB155,000 and the fair value was RMB10,100,000. The difference of approximately RMB7,458,000 (after deducting deferred income tax liabilities of approximately RMB2,486,000) was recognised as other comprehensive income by the Group for the year ended 31 December 2019 (Note 6).

Amounts recognised in profit or loss for investment properties

7 投資物業 (續)

附註：

- (a) 於2019年7月1日，一項物業由持作出售或開發中待售物業轉撥至投資物業。於轉撥日期，該物業的賬面淨值約為人民幣6,866,000元及公平值為人民幣8,600,000元。差額約人民幣1,734,000元由本集團於截至2019年12月31日止年度確認為投資物業的公平值收益。
- (b) 於2019年3月31日，一項物業由物業、廠房及設備轉撥至投資物業。於轉撥日期，該物業的賬面淨值約為人民幣155,000元及公平值為人民幣10,100,000元。差額約人民幣7,458,000元（經扣除遞延所得稅負債約人民幣2,486,000元後）由本集團於截至2019年12月31日止年度確認為其他全面收入（附註6）。

就投資物業於損益確認的金額

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Net gain from fair value adjustment	公平值調整的收益淨額	2,750	1,410
Fair value gains resulting from transfer from properties held or under development for sale to investment properties	由持作出售或開發中待售物業轉撥至投資物業產生的公平值收益	1,734	-
Total fair value gains on investment properties	投資物業的公平值收益總額	4,484	1,410
Rental income arising from investment properties	投資物業的租金收入	2,877	1,679
		7,361	3,089

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy

Fair value measurement at 31 December 2019 and 2018 using significant unobservable inputs (level 3) are investment properties located in the PRC, amounting to RMB96,700,000 and RMB75,250,000, respectively.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels 1, 2 and 3 for the years ended 31 December 2019 and 2018.

Valuation processes of the Group

The Group's investment properties were valued at 31 December 2019 by an independent professionally qualified valuers, Vincorn Consulting and Appraisal Limited ("Vincorn") who hold recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's investment properties were valued at 31 December 2018 by an independent professionally qualified valuers, Unicorn Consulting and Appraisal Limited ("Unicorn"), who holds a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

7 投資物業 (續)

公平值層級

於2019年及2018年12月31日採用重大不可觀察輸入數據(第3層)對位於中國的投資物業進行的公平值計量分別為人民幣96,700,000元及人民幣75,250,000元。

本集團政策為於導致轉撥的事件或情況變動日期確認公平值層級轉入及轉出。

截至2019年及2018年12月31日止年度，第1、2及3層之間並無進行轉撥。

本集團的估值程序

本集團的投資物業於2019年12月31日由獨立專業合資格估值師泓亮諮詢及評估有限公司(「泓亮」)進行估值，該估值師持有獲認可的相關專業資質及具備所估值投資物業所在位置及分部的近期經驗。所有投資物業乃就其目前最有效及最佳方式使用。

本集團的投資物業於2018年12月31日由獨立專業合資格估值師銳漢諮詢及評估有限公司(「銳漢」)進行估值，該估值師持有獲認可的相關專業資質及具備所估值投資物業所在位置及分部的近期經驗。所有投資物業乃就其目前最有效及最佳方式使用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques

The Group has six investment properties for the year ended 31 December 2019 (2018: four), all of which are located in Henan Province, the PRC.

The valuation of investment properties was determined using the income approach (term and reversionary method) which was based on capitalisation of net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the properties.

There were no changes to the valuation techniques for the years ended 31 December 2019 and 2018.

7 投資物業 (續)

估值技術

本集團於截至2019年12月31日止年度擁有六處投資物業(2018年：四處)，全部位於中國河南省。

投資物業的估值乃採用收入法(年期及復歸法)根據將現有租約所得租金收入淨額資本化及適當計及物業的復歸收入潛力釐定。

截至2019年及2018年12月31日止年度，估值技術並無變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2019 and 2018 using significant unobservable inputs (level 3):

7 投資物業(續)

有關於2019年及2018年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:

Description	Fair value as at	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
說明	於下列日期的公平值	估值技術	不可觀察輸入數據	不可觀察輸入數據範圍	不可觀察輸入數據與公平值的關係
Property I 物業一	31 December 2019: RMB3,400,000 2019年12月31日: 人民幣3,400,000元 31 December 2018: RMB3,250,000 2018年12月31日: 人民幣3,250,000元	Income approach (term and reversionary method) 收入法 (年期及復歸法)	Term yield 年期回報率 Reversionary yield 復歸回報率	Term yield of 7% (2018: 7%), taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received. 年期回報率7% (2018年: 7%), 經計及可比較物業產生的回報率及就反映已取得及將收取年期收入的確定性作出調整。 Reversionary rate of 7.5% (2018: 7.5%), taking into account annual unit market rental income and unit market value of the comparable properties. 復歸回報率7.5% (2018年: 7.5%), 經計及可比較物業的年度單位市場租金收入及單位市值。	The higher the term yield, the lower the fair value 年期回報率越高, 則公平值越低 The higher the reversionary yield, the lower the fair value 復歸回報率越高, 則公平值越低

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2019 and 2018 using significant unobservable inputs (level 3): (continued)

7 投資物業 (續)

有關於2019年及2018年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:(續)

Description	Fair value as at	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
說明	於下列日期的公平值	估值技術	不可觀察輸入數據	不可觀察輸入數據範圍	不可觀察輸入數據與公平值的關係
			Market unit rent of individual unit 個別單位的市場單位租金	Market unit rent is RMB8.2 (2018: RMB8) per square meter per month, using direct market comparable and taking into account of location and other individual factors, such as road frontage, size of property and facilities. 市場單位租金每月每平方米人民幣8.2元(2018年:人民幣8元),使用直接市場比較及經計及位置及其他個別因素,例如臨街、物業規模及設施。	The higher the market unit rent, the higher the fair value 市場單位租金越高,則公平值越高
Property II 物業二	31 December 2019: RMB21,400,000 2019年12月31日: 人民幣21,400,000元 31 December 2018: RMB20,900,000 2018年12月31日: 人民幣20,900,000元	Income approach (term and reversionary method) 收入法(年期及復歸法)	Term yield 年期回報率	Term yield of 6.5% (2018: 6.5%), taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received. 年期回報率6.5%(2018年:6.5%),經計及可比較物業產生的回報率及就反映已取得及將收取年期收入的確定性作出調整。	The higher the term yield, the lower the fair value 年期回報率越高,則公平值越低

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2019 and 2018 using significant unobservable inputs (level 3): (continued)

7 投資物業 (續)

有關於2019年及2018年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:(續)

Description	Fair value as at	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
說明	於下列日期的公平值	估值技術	不可觀察輸入數據	不可觀察輸入數據範圍	不可觀察輸入數據與公平值的關係
			Reversionary yield 復歸回報率	Reversionary rate of 7% (2018: 7%), taking into account annual unit market rental income and unit market value of the comparable properties. 復歸回報率7% (2018年: 7%), 經計及可比較物業的年度單位市場租金收入及單位市值。	The higher the reversionary yield, the lower the fair value 復歸回報率越高, 則公平值越低
			Market unit rent of individual unit 個別單位的市場單位租金	Market unit rent is RMB48 (2018: RMB41) per square meter per month, using direct market comparable and taking into account of location and other individual factors, such as road frontage, size of property and facilities. 市場單位租金每月每平方米人民幣48元 (2018年: 人民幣41元), 使用直接市場比較及經計及位置及其他個別因素, 例如臨街、物業規模及設施。	The higher the market unit rent, the higher the fair value 市場單位租金越高, 則公平值越高

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2019 and 2018 using significant unobservable inputs (level 3): (continued)

7 投資物業 (續)

有關於2019年及2018年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:(續)

Description	Fair value as at	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
說明	於下列日期的公平值	估值技術	不可觀察輸入數據	不可觀察輸入數據範圍	不可觀察輸入數據與公平值的關係
Property III 物業三	31 December 2019: RMB8,300,000 2019年12月31日: 人民幣8,300,000元 31 December 2018: RMB8,100,000 2018年12月31日: 人民幣8,100,000元	Income approach (term and reversionary method) 收入法 (年期及復歸法)	Term yield 年期回報率 Reversionary yield 復歸回報率	Term yield of 4% (2018: 4%), taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received. 年期回報率4% (2018年: 4%), 經計及可比較物業產生的回報率及就反映已取得及將收取年期收入的確定性作出調整。 Reversionary rate of 4% (2018: 4%), taking into account annual unit market rental income and unit market value of the comparable properties. 復歸回報率4% (2018年: 4%), 經計及可比較物業的年度單位市場租金收入及單位市值。	The higher the term yield, the lower the fair value 年期回報率越高, 則公平值越低。 The higher the reversionary yield, the lower the fair value 復歸回報率越高, 則公平值越低。

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綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2019 and 2018 using significant unobservable inputs (level 3): (continued)

7 投資物業 (續)

有關於2019年及2018年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:(續)

Description	Fair value as at	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
說明	於下列日期的公平值	估值技術	不可觀察輸入數據	不可觀察輸入數據範圍	不可觀察輸入數據與公平值的關係
			Market unit rent of individual unit 個別單位的市場單位租金	Market unit rent is RMB65 (2018: RMB64) per square meter per month, using direct market comparable and taking into account of location and other individual factors, such as road frontage, size of property and facilities. 市場單位租金每月每平方米人民幣65元(2018年:人民幣64元),使用直接市場比較及經計及位置及其他個別因素,例如臨街、物業規模及設施。	The higher the market unit rent, the higher the fair value 市場單位租金越高,則公平值越高

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2019 and 2018 using significant unobservable inputs (level 3): (continued)

7 投資物業 (續)

有關於2019年及2018年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:(續)

Description	Fair value as at	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
說明	於下列日期的公平值	估值技術	不可觀察輸入數據	不可觀察輸入數據範圍	不可觀察輸入數據與公平值的關係
Property IV 物業四	31 December 2019: RMB44,500,000 2019年12月31日: 人民幣44,500,000元 31 December 2018: RMB43,000,000 2018年12月31日: 人民幣43,000,000元	Income approach (term and reversionary method) 收入法 (年期及復歸法)	Term yield 年期回報率 Reversionary yield 復歸回報率	Term yield of 4.5% (2018: 4.5%), taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received. 年期回報率4.5% (2018年: 4.5%), 經計及可比較物業產生的回報率及就反映已取得及將收取年期收入的確定性作出調整。 Reversionary rate of 5% (2018: 5%), taking into account annual unit market rental income and unit market value of the comparable properties. 復歸回報率5% (2018年: 5%), 經計及可比較物業的年度單位市場租金收入及單位市值。	The higher the term yield, the lower the fair value 年期回報率越高, 則公平值越低。 The higher the reversionary yield, the lower the fair value 復歸回報率越高, 則公平值越低。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2019 and 2018 using significant unobservable inputs (level 3): (continued)

7 投資物業 (續)

有關於2019年及2018年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:(續)

Description	Fair value as at	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
說明	於下列日期的公平值	估值技術	不可觀察輸入數據	不可觀察輸入數據範圍	不可觀察輸入數據與公平值的關係
			Market unit rent of individual unit 個別單位的市場單位租金	Market unit rent is RMB20 (2018: RMB19) per square meter per month, using direct market comparable and taking into account of location and other individual factors, such as road frontage, size of property and facilities. 市場單位租金每月每平方米人民幣20元(2018年:人民幣19元),使用直接市場比較及經計及位置及其他個別因素,例如臨街、物業規模及設施。	The higher the market unit rent, the higher the fair value 市場單位租金越高,則公平值越高

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2019 and 2018 using significant unobservable inputs (level 3): (continued)

7 投資物業 (續)

有關於2019年及2018年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:(續)

Description	Fair value as at	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
說明	於下列日期的公平值	估值技術	不可觀察輸入數據	不可觀察輸入數據範圍	不可觀察輸入數據與公平值的關係
Property V 物業五	31 December 2019: RMB10,400,000 2019年12月31日: 人民幣10,400,000元	Income approach (term and reversionary method) 收入法 (年期及復歸法)	Term yield 年期回報率	Term yield of 5.5%, taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received. 年期回報率5.5%，經計及可比較物業產生的回報率及就反映已取得及將收取年期收入的確定性作出調整。	The higher the term yield, the lower the fair value 年期回報率越高，則公平值越低
			Reversionary yield 復歸回報率	Reversionary rate of 6%, taking into account annual unit market rental income and unit market value of the comparable properties. 復歸回報率6%，經計及可比較物業的年度單位市場租金收入及單位市值。	The higher the reversionary yield, the lower the fair value 復歸回報率越高，則公平值越低
			Market unit rent of individual unit 個別單位的市場單位租金	Market unit rent is RMB22.3 per square meter per month, using direct market comparable and taking into account of location and other individual factors, such as road frontage, size of property and facilities. 市場單位租金每月每平方米人民幣22.3元，使用直接市場比較及經計及位置及其他個別因素，例如臨街、物業規模及設施。	The higher the market unit rent, the higher the fair value 市場單位租金越高，則公平值越高

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2019 and 2018 using significant unobservable inputs (level 3): (continued)

7 投資物業 (續)

有關於2019年及2018年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:(續)

Description	Fair value as at	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
說明	於下列日期的公平值	估值技術	不可觀察輸入數據	不可觀察輸入數據範圍	不可觀察輸入數據與公平值的關係
Property VI 物業六	31 December 2019: RMB8,700,000 2019年12月31日: 人民幣8,700,000元	Income approach (term and reversionary method) 收入法 (年期及復歸法)	Term yield 年期回報率	Term yield of 3.5%, taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received. 年期回報率3.5%，經計及可比較物業產生的回報率及就反映已取得及將收取年期收入的確定性作出調整。	The higher the term yield, the lower the fair value 年期回報率越高，則公平值越低
			Reversionary yield 復歸回報率	Reversionary rate of 4%, taking into account annual unit market rental income and unit market value of the comparable properties. 復歸回報率4%，經計及可比較物業的年度單位市場租金收入及單位市值。	The higher the reversionary yield, the lower the fair value 復歸回報率越高，則公平值越低

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2019 and 2018 using significant unobservable inputs (level 3): (continued)

7 投資物業 (續)

有關於2019年及2018年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:(續)

Description	Fair value as at	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
說明	於下列日期的公平值	估值技術	不可觀察輸入數據	不可觀察輸入數據範圍	不可觀察輸入數據與公平值的關係
			Market unit rent of individual unit 個別單位的市場單位租金	Market unit rent is RMB17.6 (2018: RMB19) per square meter per month, using direct market comparable and taking into account of location and other individual factors, such as road frontage, size of property and facilities. 市場單位租金每月每平方米人民幣17.6元(2018年:人民幣19元),使用直接市場比較及經計及位置及其他個別因素,例如臨街、物業規模及設施。	The higher the market unit rent, the higher the fair value 市場單位租金越高,則公平值越高

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

If the reversionary yield increase or decrease by 10% from the parameter used by the qualified valuer, the fair value of the investment properties as at 31 December 2019 and 2018 would have been as follows:

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Investment properties increase/(decrease)	投資物業增加／(減少)		
– 10 percent increase in reversionary yield	– 復歸回報率增加10%	(4,898)	(3,886)
– 10 percent decrease in reversionary yield	– 復歸回報率減少10%	5,662	4,485

There will be no significant change for the fair value of the investment properties as at 31 December 2019 and 2018 if the term yield increase or decrease by 10% from the parameter used by the qualified valuer.

As at 31 December 2019 and 2018, the Group had no unprovided contractual obligations for future repairs and maintenance. Operating expenses relating to unlet investment properties are immaterial to the Group.

The Group measured deferred tax relating to the temporary differences of these investment properties by adopting the tax rates and the tax bases that are consistent with the expected manner of recovery of these investment properties (Note 21).

No investment properties were pledged as collateral for the Group's borrowings as at 31 December 2019 (31 December 2018: RMB20,900,000).

7 投資物業 (續)

倘復歸回報率按合資格估值師採用的參數計算增加或減少10%，於2019年及2018年12月31日的投資物業公平值如下所示：

倘年期回報率按合資格估值師採用的參數計算增加或減少10%，於2019年及2018年12月31日的投資物業公平值並無重大變動。

於2019年及2018年12月31日，本集團並無有關未來維修及維護的未撥備合同責任。有關未出租投資物業的經營開支對本集團而言並不重大。

本集團通過採用符合預計收回該等投資物業方式的稅率及稅基計量有關該等投資物業的臨時差額的遞延稅項(附註21)。

於2019年12月31日，概無投資物業已作為抵押品被抵押以取得本集團的借款(2018年12月31日：人民幣20,900,000元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

8 AN INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

8 使用權益法入賬的投資

		Year ended 31 December 截至12月31日 止年度 2019 2019年 RMB'000 人民幣千元
Opening balance	年初結餘	-
Addition (a)	添置(a)	24,000
Share of results	應佔業績	(548)
Disposal (b)	出售(b)	(23,452)
Ending balance	年末結餘	-

(a) On 25 January 2019, the Group set up an associate, Yanling Henghui Real Estate Company Limited (“Yanling Henghui”), with an independent third party. The Group contributed an initial investment of RMB24,000,000 by cash consideration in return of 40% shares holding of Yanling Henghui. As a consequence, the Group obtained significant influence over Yanling Henghui and Yanling Henghui was classified as an associate.

(b) On 23 December 2019, the Group disposed its all equity interests in Yanling Henghui with a consideration of RMB24,000,000. The Group recognised the gain from the disposal amounting to RMB548,000 as other gain in the consolidated statement of profit or loss.

(a) 於2019年1月25日，本集團與一名獨立第三方成立聯營公司鄢陵恒輝房地產有限公司（「鄢陵恒輝」）。本集團以現金代價作出初步投資人民幣24,000,000元，以換取持有鄢陵恒輝的40%股權。因此，本集團取得對鄢陵恒輝的重大影響，而鄢陵恒輝則被分類為聯營公司。

(b) 於2019年12月23日，本集團以代價人民幣24,000,000元出售其於鄢陵恒輝的全部股權。本集團於綜合損益表中確認來自出售的收益（作為其他收益）人民幣548,000元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 PREPAYMENTS FOR LEASEHOLD LAND

The Group incurred costs for demolition and resettlement arrangement of certain leasehold land on which the Group intends to develop properties totalling approximately RMB443,330,000 as at 31 December 2019 (31 December 2018: RMB234,623,000). Such costs will be transferred to properties under development for sale upon receipt of ownership certificates of the land use rights.

10 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE

Balances of properties held or under development for sale are as follows:

9 租賃土地預付款項

於2019年12月31日，本集團就本集團計劃於其上開發物業的若干租賃土地的拆遷及安置安排產生的成本合共約為人民幣443,330,000元（2018年12月31日：人民幣234,623,000元）。該等成本將於收到土地使用權的所有權證後轉撥至開發中待售物業。

10 持作出售或開發中待售物業

持作出售或開發中待售物業結餘如下：

		As at 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Properties under development for sale	開發中待售物業	3,822,341	2,080,386
Properties held for sale	持作出售物業	1,312,323	1,815,411
		5,134,664	3,895,797
Less: Provision for decline in values of properties held for sale	減：持作出售物業的減值撥備	(30,536)	(4,876)
		5,104,128	3,890,921

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE (CONTINUED)

Properties held or under development for sale comprise:

10 持作出售或開發中待售物業 (續)

持作出售或開發中待售物業包括：

		As at 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Land use rights and demolition and resettlement costs after deducting related government grants	於扣除相關政府補助後的土地使用權及拆遷和安置費用	2,161,778	1,777,922
Construction costs and capitalised expenditures	建築成本及資本化開支	2,703,402	1,860,246
Interest capitalised (a)	資本化利息(a)	269,484	257,629
		5,134,664	3,895,797
Less: Provision for decline in values of properties held for sale	減：持作出售物業的減值撥備	(30,536)	(4,876)
		5,104,128	3,890,921

Note:

(a) Interest rate of capitalised borrowings for the year ended 31 December 2019 was 5.63% (2018: 5.83%) per annum.

附註：

(a) 截至2019年12月31日止年度，資本化借款年利率為5.63%（2018年：5.83%）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE (CONTINUED)

Movements of properties held or under development for sale are as follows:

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
At beginning of the year	年初	3,895,797	3,681,678
Additions	添置	2,428,844	1,468,650
Costs of properties recognised in profit or loss	在損益中確認的物業成本	(1,183,111)	(1,254,531)
Transfer to investment properties (Note 7(a))	轉撥至投資物業 (附註7(a))	(6,866)	—
At end of the year	年末	5,134,664	3,895,797

Movements on the provision for decline in values of properties held for sale are as follows:

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
At beginning of the year	年初	4,876	5,686
Provision for decline in values of properties held for sale	持作出售物業的減值撥備	25,763	—
Provision realised upon sales	出售後變現的撥備	(103)	(810)
At end of the year	年末	30,536	4,876

10 持作出售或開發中待售物業 (續)

持作出售或開發中待售物業變動如下：

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
At beginning of the year	年初	3,895,797	3,681,678
Additions	添置	2,428,844	1,468,650
Costs of properties recognised in profit or loss	在損益中確認的物業成本	(1,183,111)	(1,254,531)
Transfer to investment properties (Note 7(a))	轉撥至投資物業 (附註7(a))	(6,866)	—
At end of the year	年末	5,134,664	3,895,797

該等持作出售物業減值撥備的變動如下：

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
At beginning of the year	年初	4,876	5,686
Provision for decline in values of properties held for sale	持作出售物業的減值撥備	25,763	—
Provision realised upon sales	出售後變現的撥備	(103)	(810)
At end of the year	年末	30,536	4,876

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE (CONTINUED)

Management expects that the amounts of these properties held or under development for sale as of 31 December 2019 and 2018 will be recognised as cost from sales of properties during the following periods:

		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Amounts are expected to be recovered:	預期將收回金額：		
Within 12 months	12個月以內	578,005	676,689
Beyond 12 months	超過12個月	4,556,659	3,219,108
		5,134,664	3,895,797

The properties held or under development for sale are all located in the PRC.

As at 31 December 2019, certain of the Group's properties held or under development for sale amounting to RMB 897,117,000 were pledged as collateral for the Group's bank borrowings (Note 17) and other long-term borrowings (Note 18).

As at 31 December 2018, certain of the Group's properties held or under development for sale amounting to RMB 305,574,000 were pledged as collateral for the Group's bank borrowings (Note 17).

10 持作出售或開發中待售物業 (續)

管理層預計該等持作出售或開發中待售物業截至2019年及2018年12月31日的金額將於以下期間確認為物業銷售的成本：

持作出售或開發中待售物業均位於中國。

於2019年12月31日，本集團若干人民幣897,117,000元的持作出售或開發中待售物業已作為抵押品被抵押以取得本集團的銀行借款（附註17）及其他長期借款（附註18）。

於2018年12月31日，本集團若干人民幣305,574,000元的持作出售或開發中待售物業已作為抵押品被抵押以取得本集團的銀行借款（附註17）。

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綜合財務報表附註

11 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

11 貿易及其他應收款項和預付款項

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	-	-
Prepayments of construction costs (a)	建築成本預付款項(a)	24,241	23,344
Costs relating to demolition and resettlement activities recoverable from government (b)	可自政府收回的與拆遷和安置活動有關的成本(b)	211,783	183,757
Receivable from project service (c)	項目服務應收款項(c)	55,440	55,440
Tender deposits (d)	招標按金(d)	23,460	23,777
Prepaid tax and surcharges (e)	預付稅項及附加費(e)	16,861	11,699
Value-added-tax recoverable	可收回增值稅	16,752	14,945
Deposits paid for property development	已付物業開發按金	4,277	8,502
Others	其他	2,537	2,273
		331,110	300,393
Total of trade and other receivables and prepayments	貿易及其他應收款項和預付款項總額	355,351	323,737
Less: Allowance for impairment of other receivables	減：其他應收款項減值撥備	(56,168)	(11,397)
		299,183	312,340

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes:

- (a) Prepayments of construction costs represent the prepaid construction costs, which will be transferred to properties under development for sale.
- (b) The balances represent demolition and resettlement costs paid on behalf of and recoverable from the government.
- (c) Receivable from project service represent the outstanding balance recoverable from customer for the construction costs and project management fees incurred. The Group manages the construction projects on behalf of certain customers, and earns a pre-determined service fee for the services provided.
- (d) The balance represents tender deposits for bidding of land use rights, which will be subsequently refunded or transferred to prepayments for leasehold land upon successful bidding.
- (e) Prepaid tax and surcharges are levied when the Group receives advances from customers and the prepaid taxes are recorded as prepayments before the relevant revenue is recognised.

11 貿易及其他應收款項和預付款項 (續)

附註：

- (a) 建築成本預付款項指預付建築成本，該等款項將轉撥至開發中待售物業。
- (b) 該結餘指代表政府支付的拆遷和安置費用以及可自政府收回的款項。
- (c) 項目服務應收款項指就產生的建築成本及項目管理費用可自客戶收回的尚未收回結餘。本集團代表若干客戶管理建設項目並賺取預先釐定的所提供服務的服務費。
- (d) 該結餘指競投土地使用權的投標按金，該等款項隨後將於中標後退回或轉撥至租賃土地預付款項。
- (e) 預付稅項及附加費乃於本集團向客戶收取墊款時徵收，而預付稅項於相關收入獲確認前記錄為預付款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

The loss allowance provision for other receivables as at 31 December 2019 and 2018 are reconciled to the opening loss allowance for that provision as follows:

		Other receivables 其他應收款項 RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	693
Provision for loss allowance recognised in profit or loss (Note 24)	於損益中確認的虧損準備撥備 (附註24)	10,704
At 31 December 2018	於2018年12月31日	11,397
At 1 January 2019	於2019年1月1日	11,397
Provision for loss allowance recognised in profit or loss (Note 24)	於損益中確認的虧損準備撥備 (附註24)	44,771
At 31 December 2019	於2019年12月31日	56,168

The maximum exposure to credit risk at the end of each reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral security.

As at 31 December 2019 and 2018, the fair value of trade and other receivables and prepayments approximates their carrying amounts.

As at 31 December 2019 and 2018, the carrying amounts of trade and other receivables and prepayments are all denominated in RMB.

11 貿易及其他應收款項和預付款項 (續)

於2019年及2018年12月31日，其他應收款項的虧損準備撥備與該撥備的期初虧損準備對賬如下：

於各報告日期結束時承受的最大信貸風險為上述各類應收款項的賬面值。本集團並無持有任何抵押品。

於2019年及2018年12月31日，貿易及其他應收款項和預付款項的公平值與其賬面值相若。

於2019年及2018年12月31日，貿易及其他應收款項和預付款項的賬面值全部以人民幣計值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

12 按公平值透過損益入賬的金融資產

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Listed securities – held-for-trading Equity securities – PRC	上市證券 – 持作買賣 股本證券 – 中國	181	190

Financial assets at fair value through profit or loss represent shares listed in the PRC for trading purpose.

按公平值透過損益入賬的金融資產指在中國上市的作交易目的的股份。

13 CASH AND BANK BALANCES

13 現金及銀行結餘

(a) Cash and cash equivalents

(a) 現金及現金等價物

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Cash at banks	銀行存款	244,672	418,932
Cash on hand	手頭現金	485	570
Cash and cash equivalents	現金及現金等價物	245,157	419,502

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 CASH AND BANK BALANCES (CONTINUED)

(a) Cash and cash equivalents (continued)

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Cash at banks and on hand	銀行存款及手頭現金		
– denominated in RMB	– 以人民幣計值	242,609	372,772
– denominated in HKD	– 以港元計值	2,548	46,730
Cash and cash equivalents	現金及現金等價物	245,157	419,502

The Group's bank balances consist of bank deposits carrying interests at floating rates based on daily bank deposit rates.

本集團銀行結餘包括按基於每日銀行存款利率的浮動利率計息的銀行存款。

(b) Restricted cash

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Deposits as security for customers' mortgage loans (a)	就客戶按揭貸款作為擔保的存款(a)	115,740	125,928

Note:

(a) These bank deposits are restricted to secure the bank loans taken by certain customers of the Group pursuant to the local regulations of certain cities. Such deposits will be released upon the issuance of property ownership certificates.

(b) 受限制現金

附註：

(a) 該等銀行存款限於為本集團若干客戶根據若干城市的地方規而提取的銀行貸款提供擔保。該等存款將於發出物業所有權證時予以解除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

14 SHARE CAPITAL AND SHARE PREMIUM

14 股本及股份溢價

Authorised shares

法定股份

		Number of authorised shares 法定股份數目	Authorised share capital 法定股本 HKD 港元
At 31 December 2018 and 2019	於2018年及2019年12月31日	2,400,000,000	24,000,000

Issued shares

已發行股份

		Number of ordinary shares 普通股數目	Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2018 and 2019	於2018年及 2019年12月31日	1,200,000,000	10,645	299,188	309,833

Notes to the Consolidated Financial Statements

綜合財務報表附註

14 SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

Issued shares (continued)

Notes:

As at the date of incorporation, the Company had issued 10,000 ordinary shares and further increased to 100,000 ordinary shares during 2016.

On 12 November 2018, the Company issued 300,000,000 new ordinary shares at par value of HKD0.01 per share for cash consideration of HKD1.24 each, and raised gross proceeds of approximately HKD372,000,000 (equivalent to RMB329,994,000), in connection with its global offering and commencement of the listing of its shares on the Stock Exchange on the same date. The excess over the par value of RMB2,661,000 for the 300,000,000 shares issued, net of the transaction costs of approximately RMB20,162,000 was credited to share premium with an amount of RMB307,171,000.

Pursuant to a shareholders' resolution dated 22 October 2018, the directors were authorised to capitalise HKD8,999,000 (approximately RMB7,983,000) upon listing, standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 899,900,000 shares for allotment and issue to shareholders of the Company (the "Capitalisation Issue") to their then shareholdings in the Company.

14 股本及股份溢價 (續)

已發行股份 (續)

附註：

於註冊成立日期，本公司擁有已發行10,000股普通股，並於2016年進一步增至100,000股普通股。

於2018年11月12日，本公司就其全球發售及其股份於同日在聯交所開始上市按每股面值0.01港元發行了300,000,000股新普通股，以換取每股面值1.24港元的現金代價，募集所得款項總額約372,000,000港元（相當於人民幣329,994,000元）。就300,000,000股已發行股份而言，超過面值的部分人民幣2,661,000元（扣除交易成本約20,162,000元）已計入為數人民幣307,171,000元的股份溢價。

根據日期為2018年10月22日的股東決議案，董事獲授權於上市後將本公司股份溢價賬中8,999,000港元（約人民幣7,983,000元）的進賬撥充資本，並動用該筆款項按賬面值繳足899,900,000股股份，以向本公司股東按彼等當時於本公司的持股比例配發及發行股份（「資本化發行」）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 RETAINED EARNINGS

15 保留盈利

		RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	338,807
Profit for the year	年內利潤	224,505
Appropriation to statutory surplus reserves (Note 16(c))	轉撥至法定盈餘儲備 (附註16(c))	(14,277)
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	549,035
Profit for the year	年內利潤	293,040
Appropriation to statutory surplus reserves (Note 16(c))	轉撥至法定盈餘儲備 (附註16(c))	(27,544)
Dividend paid	已付股息	(62,240)
At 31 December 2019	於2019年12月31日	752,291

16 OTHER RESERVES

16 其他儲備

		Capital reserve 資本儲備 RMB'000 人民幣千元	Merger reserve 合併儲備 RMB'000 人民幣千元	Statutory surplus reserves 法定盈餘儲備 RMB'000 人民幣千元	Asset revaluation reserve 資產重估儲備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	16,224	4,774	79,519	4,027	104,544
Appropriation to statutory surplus reserves (c)	轉撥至法定盈餘儲備(c)	-	-	14,277	-	14,277
At 31 December 2018 and 1 January 2019	於2018年12月31日及 2019年1月1日	16,224	4,774	93,796	4,027	118,821
Appropriation to statutory surplus reserves (c)	轉撥至法定盈餘儲備(c)	-	-	27,544	-	27,544
Transfer of property, plant and equipment to investment properties, net of tax	物業、廠房及設備轉撥至投資物業(扣除稅項)	-	-	-	7,459	7,459
At 31 December 2019	於2019年12月31日	16,224	4,774	121,340	11,486	153,824

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 OTHER RESERVES (CONTINUED)

- (a) Capital reserve as at 31 December 2019 and 2018 represents the difference of aggregate consideration paid by the Group for acquisition of non-controlling interest of existing subsidiaries and the aggregate carrying amount of those non-controlling interest, after elimination of investments in subsidiaries.
- (b) Merger reserve as at 31 December 2019 and 2018 represents the difference of aggregate consideration paid by the Group for the acquisition of subsidiaries and the aggregate capital of the subsidiaries acquired during the Group's reorganisation for the Listing.
- (c) In accordance with the Company Law of the PRC and the articles of association of the PRC subsidiaries, these subsidiaries registered in the PRC shall appropriate 10% of its annual statutory profit (after offsetting any prior years' losses) to the statutory surplus reserve ("SSR") account. When the balance of SSR reaches 50% of the registered capital/share capital of these subsidiaries, any further appropriation is optional. The SSR can be utilised to offset prior years' losses or to increase paid-in capital. However, SSR shall be maintained at a minimum of 25% of registered capital/share capital after such utilisation.

The SSR are non-distributable for cash dividends except in the event of liquidation and are subject to certain restrictions set out in the relevant PRC regulations.

16 其他儲備 (續)

- (a) 2019年及2018年12月31日的資本儲備指本集團就收購現有附屬公司非控股權益支付的總代價與該等非控股權益賬面總值經抵銷於附屬公司的投資後的差額。
- (b) 於2019年及2018年12月31日的合併儲備指於本集團為上市而進行重組期間，本集團就收購附屬公司所支付的總代價與所收購附屬公司資本總額的差額。
- (c) 根據中國公司法及中國附屬公司組織章程細則，該等在中國註冊的附屬公司每年須將其法定利潤（經抵銷任何過往年度虧損後）的10%撥入法定盈餘儲備（「法定盈餘儲備」）賬戶。當法定盈餘儲備結餘達到該等附屬公司註冊資本／股本的50%後，則可選擇是否進一步轉撥。法定盈餘儲備可用於抵銷過往年度虧損或增加實繳股本。然而，在作該等用途後，有關法定盈餘儲備須不少於註冊資本／股本的25%。

除清盤外，法定盈餘儲備不可用於分派現金股息，並受到若干相關中國法規所限制。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 BANK BORROWINGS

17 銀行借款

		As at 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Long-term borrowings	長期借款		
– Banks, secured (a)	– 銀行，有抵押(a)	181,000	59,000
Less: Current portion of long-term borrowings	減：長期借款的即期部分		
– Banks, secured (a)	– 銀行，有抵押(a)	(181,000)	(30,000)
Subtotal	小計	–	29,000
Current borrowings	流動借款		
– Banks, secured (a)	– 銀行，有抵押(a)	110,000	166,000
		110,000	166,000
Add: Current portion of long-term borrowings	加：長期借款的即期部分		
– Banks, secured (a)	– 銀行，有抵押(a)	181,000	30,000
Subtotal	小計	291,000	196,000
Total	總計	291,000	225,000

Note:

(a) As at 31 December 2018, the Group's bank borrowings are secured by property, plant and equipment (Note 6), investment properties (Note 7) and properties held or under development for sale (Note 10) of the Group. As at 31 December 2019, only properties held or under development for sale (Note 10) of the Group is pledged for the bank borrowings.

附註：

(a) 於2018年12月31日，本集團銀行借款以本集團的物業、廠房及設備（附註6）、投資物業（附註7）及持作出售或開發中待售物業（附註10）作為抵押。於2019年12月31日，僅本集團持作出售或開發中待售物業（附註10）就銀行借款進行抵押。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 BANK BORROWINGS (CONTINUED)

At 31 December 2019 and 2018, the non-current portion of the Group's long-term bank borrowings were repayable as follows:

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Between 1 and 2 years	1至2年	-	29,000
Between 2 and 5 years	2至5年	-	-
		-	29,000

The weighted average effective interest rates as at 31 December 2019 and 2018 were as follows:

		As at 31 December 於12月31日	
		2019 2019年	2018 2018年
Bank borrowings	銀行借款	7.08%	7.67%

17 銀行借款 (續)

於2019年及2018年12月31日，本集團的長期銀行借款中長期部分應於下列時間償還：

於2019年及2018年12月31日的加權平均實際利率如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 BANK BORROWINGS (CONTINUED)

The exposure of the Group's long-term bank borrowings to interest rate changes and the contractual repricing dates or maturity whichever is the earlier date is as follows:

17 銀行借款 (續)

本集團長期銀行借款的利率變動風險及合同重新定價日或到期日(以較早者為準)如下:

		6 months or less 6個月或以內 RMB'000 人民幣千元	6 – 12 months 6至12個月 RMB'000 人民幣千元	1 – 5 years 1至5年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Amounts included in non-current liabilities:	計入非流動負債的款項:				
As at 31 December 2019	於2019年12月31日	-	-	-	-
As at 31 December 2018	於2018年12月31日	-	-	29,000	29,000
Amounts included in current liabilities:	計入流動負債的款項:				
As at 31 December 2019	於2019年12月31日	145,500	145,500	-	291,000
As at 31 December 2018	於2018年12月31日	116,000	80,000	-	196,000

As at 31 December 2019 and 2018, the fair values of bank borrowings approximate their carrying amounts.

於2019年及2018年12月31日，銀行借款的公平值與其賬面值相若。

As at 31 December 2019 and 2018, all bank borrowings are denominated in RMB.

於2019年及2018年12月31日，所有銀行借款以人民幣計值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 OTHER LONG-TERM BORROWINGS

18 其他長期借款

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Other long-term borrowings	其他長期借款		
– Non-financial institutions, secured (a)	– 非金融機構，有抵押(a)	211,500	245,000
– Non-financial institutions, unsecured	– 非金融機構，無抵押	563,600	600,510
		775,100	845,510
Less: Current portion of other long-term borrowings	減：其他長期借款的即期部分		
– Non-financial institutions, secured (a)	– 非金融機構，有抵押	(116,500)	(110,000)
– Non-financial institutions, unsecured	– 非金融機構，無抵押	(226,252)	(161,340)
		(342,752)	(271,340)
		432,348	574,170

Note:

- (a) The Group's other long-term borrowings are secured by certain land use rights and properties held or under development for sale (Note 10) of the Group.

Other long-term borrowings mainly represent borrowings relating to projects under various urban redevelopment schemes. The non-financial institutions are designated by the local governments, who get funding directly from banks and then use the funding to finance project developers under such schemes.

附註：

- (a) 本集團的其他長期借款由本集團的若干土地使用權及本集團持作出售或開發中待售物業作為抵押（附註10）。

其他長期借款主要指與多項棚戶區改造項下的項目相關的借款。非金融機構由地方政府指定，其直接從銀行獲得資金，然後用該資金為有關計劃的項目開發商提供資金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 OTHER LONG-TERM BORROWINGS (CONTINUED)

At 31 December 2019 and 2018, the non-current portion of the Group's other long-term borrowings were repayable as follows:

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Between 1 and 2 years	1至2年	171,128	262,960
Between 2 and 5 years	2至5年	261,220	250,210
Over 5 years	5年以上	-	61,000
		432,348	574,170

The weighted average effective interest rates as at 31 December 2019 and 2018 were as follows:

		As at 31 December 於12月31日	
		2019 2019年	2018 2018年
Other long-term borrowings	其他長期借款	5.18%	5.08%

18 其他長期借款 (續)

於2019年及2018年12月31日，本集團的其他長期借款中長期部分應於下列時間償還：

於2019年及2018年12月31日的加權平均實際利率如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 OTHER LONG-TERM BORROWINGS (CONTINUED)

The exposure of the Group's other long-term borrowings to interest rate changes and the contractual repricing dates or maturity whichever is the earlier date is as follows:

18 其他長期借款 (續)

本集團其他長期借款的利率變動風險及合同重新定價日或到期日(以較早日期為準)如下:

		6 months or less 6個月或以內 RMB'000 人民幣千元	6 – 12 months 6至12個月 RMB'000 人民幣千元	1 – 5 years 1至5年 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Amounts included in non-current liabilities:	計入非流動負債的款項:				
At 31 December 2019	於2019年12月31日	337,348	–	95,000	432,348
At 31 December 2018	於2018年12月31日	432,330	–	141,840	574,170
Amounts included in current liabilities:	計入流動負債的款項:				
At 31 December 2019	於2019年12月31日	99,794	242,958	–	342,752
At 31 December 2018	於2018年12月31日	168,780	102,560	–	271,340

As at 31 December 2019 and 2018, the fair value of other long-term borrowings approximates their carrying amounts.

於2019年及2018年12月31日，其他長期借款的公平值與其賬面值相若。

As at 31 December 2019 and 2018, all other long-term borrowings are denominated in RMB.

於2019年及2018年12月31日，所有其他長期借款均以人民幣計值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 CONTRACT LIABILITIES

19 合同負債

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Contract liabilities	合同負債	2,702,327	2,030,488

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of properties. The change in contract liabilities in 2019 was mainly attributable to the increase of the proceeds received from the Group's contracted sales.

本集團按合同所訂定的付款安排向客戶收取付款。有關付款通常於按照合同履約前收取，而該等合同主要來自物業銷售。於2019年的合同負債有所變動主要是由於自本集團合同銷售收取的所得款項有所增長所致。

The following table shows how much of the revenue recognised during 2018 and 2019 relates to carried-forward contract liabilities.

下表列示於2018年及2019年就結轉合同負債而確認的收入金額。

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	計入年初合同負債結餘的已確認收入	1,299,649	1,145,255

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 CONTRACT LIABILITIES (CONTINUED)

Management expects that the contract amounts allocated to unsatisfied performance obligations as of 31 December 2019 and 2018 will be recognised as revenue from sales of properties during the following periods:

19 合同負債 (續)

管理層預期，截至2019年及2018年12月31日分配至未達成履約責任的合同金額將於下列期間確認為物業銷售所得收入：

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Expected to be recognised within one year	預期於一年內確認	1,001,249	996,328
Expected to be recognised after one year	預期於一年後確認	2,095,657	1,514,927
		3,096,906	2,511,255

Notes to the Consolidated Financial Statements

綜合財務報表附註

20 TRADE AND OTHER PAYABLES

20 貿易及其他應付款項

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Trade payables	貿易應付款項	765,417	658,763
Value-added-tax and other taxes payable (a)	增值稅及其他應付稅項(a)	90,799	26,585
Construction deposits from suppliers	供應商建築按金	82,962	39,997
Deposits received from customers	已收客戶按金	59,257	34,000
Interest payable	應付利息	41,461	57,171
Amounts due to a minority shareholder	應付少數股東款項	30,900	–
Construction deposits from related parties (Note 34(c)(i))	關聯方建築按金 (附註34(c)(i))	16,876	18,304
Accrued payroll	應付工資	16,811	18,319
Temporary funding payables (b)	臨時資金應付款項(b)	8,449	11,770
Maintenance fees collected on behalf	代收保養費	522	805
Others	其他	584	8,690
		1,114,038	874,404

Notes:

- (a) The standard value-added-tax (“VAT”) rate was 11% which has been reduced to 10% since 1 May 2018 and has been further reduced to 9% since 1 April 2019. Certain sales of properties and rental income of the Group are qualified for the simplified tax rate of 5% but the input VAT is not deductible.
- (b) Temporary funding payables are non-interest bearing payables to third parties.

附註：

- (a) 標準增值稅（「增值稅」）率為11%，自2018年5月1日起調減至10%，及自2019年4月1日起進一步調減至9%。本集團的若干物業銷售額及租金收入適合採用5%的簡化稅率，但進項增值稅不可扣減。
- (b) 臨時資金應付款項指應付第三方不計息款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

20 TRADE AND OTHER PAYABLES (CONTINUED)

At 31 December 2019 and 2018, the ageing analysis of trade payables based on invoice date are as follows:

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Less than 1 year	1年內	694,164	594,542
Between 1 and 2 years	1至2年	41,572	35,784
Between 2 and 3 years	2至3年	23,397	19,647
Over 3 years	3年以上	6,284	8,790
		765,417	658,763

As at 31 December 2019 and 2018, the fair value of trade and other payables approximates their carrying amounts.

As at 31 December 2019 and 2018, the carrying amounts of trade and other payables were all denominated in RMB.

20 貿易及其他應付款項 (續)

於2019年及2018年12月31日，基於發票日期的貿易應付款項的賬齡分析如下：

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Less than 1 year	1年內	694,164	594,542
Between 1 and 2 years	1至2年	41,572	35,784
Between 2 and 3 years	2至3年	23,397	19,647
Over 3 years	3年以上	6,284	8,790
		765,417	658,763

於2019年及2018年12月31日，貿易及其他應付款項的公平值與其賬面值相若。

於2019年及2018年12月31日，貿易及其他應付款項的賬面值均以人民幣計值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 DEFERRED INCOME TAX

21 遞延所得稅

		As at 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Deferred tax assets:	遞延稅項資產：		
- To be recovered after more than 12 months	- 將於逾12個月後收回	21,974	27,553
- To be recovered within 12 months	- 將於12個月內收回	80,973	30,037
		102,947	57,590
Deferred tax liabilities:	遞延稅項負債：		
- To be settled after more than 12 months	- 將於逾12個月後償付	(2,131)	(5,609)
- To be settled within 12 months	- 將於12個月內償付	(11,008)	(13,657)
		(13,139)	(19,266)
Deferred tax assets, net	遞延稅項資產淨額	89,808	38,324

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 DEFERRED INCOME TAX (CONTINUED)

The gross movement on the deferred income tax account is as follows:

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At beginning of the year	年初	38,324	38,049
Credited to the consolidated statement of profit or loss (Note 28)	計入綜合損益表(附註28)	50,859	275
Withholding tax paid	已付預扣稅	3,111	–
Charged to other comprehensive income	扣自其他全面收入	(2,486)	–
At end of the year	年末	89,808	38,324

As at 31 December 2019, deferred tax assets and deferred tax liabilities amounting to approximately RMB11,172,000 (31 December 2018: RMB9,567,000) were offset.

21 遞延所得稅(續)

遞延所得稅賬目的總體變動情況載列如下：

於2019年12月31日，為數約人民幣11,172,000元(2018年12月31日：人民幣9,567,000元)的遞延稅項資產及遞延稅項負債分別被抵銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 DEFERRED INCOME TAX (CONTINUED)

The movement in deferred tax assets and liabilities for the years ended 31 December 2019 and 2018 without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets

		Tax losses	Provision for impairment of properties held for sale and other receivables	Land appreciation tax	Temporary differences of revenue and cost of sales	Accruals	Others	Total
		稅項虧損	撥備	土地增值稅	暫時性差異	應計款項	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於2018年1月1日	251	1,421	11,295	39,932	3,604	851	57,354
Credited/(charged) to the consolidated statement of profit or loss	計入/(扣自) 綜合損益表	378	2,570	3,273	6,624	(2,269)	(773)	9,803
At 31 December 2018	於2018年12月31日	629	3,991	14,568	46,556	1,335	78	67,157
At 1 January 2019	於2019年1月1日	629	3,991	14,568	46,556	1,335	78	67,157
Credited/(charged) to the consolidated statement of profit or loss	計入/(扣自) 綜合損益表	1,145	17,555	15,890	13,404	(1,331)	299	46,962
At 31 December 2019	於2019年12月31日	1,774	21,546	30,458	59,960	4	377	114,119

21 遞延所得稅 (續)

截至2019年及2018年12月31日止年度，遞延稅項資產及負債的變動（並未計及在同一稅務司法權區內的結餘抵銷）如下：

遞延稅項資產

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 DEFERRED INCOME TAX (CONTINUED)

21 遞延所得稅 (續)

Deferred tax liabilities

遞延稅項負債

		Temporary differences on recognition of revenue and cost of sales	Land appreciation tax	Temporary differences on recognition of fair value gains on investment properties	Undistributed profits of PRC subsidiaries	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於2018年1月1日	10,844	2,028	6,433	-	19,305
(Credited)/charged to the consolidated statement of profit or loss	(計入)/扣自綜合損益表	(2,525)	(619)	353	12,319	9,528
At 31 December 2018	於2018年12月31日	8,319	1,409	6,786	12,319	28,833
At 1 January 2019	於2019年1月1日	8,319	1,409	6,786	12,319	28,833
Credited to the consolidated statement of profit or loss	計入綜合損益表	(1,792)	(1,409)	(696)	-	(3,897)
Withholding tax paid	已付預扣稅	-	-	-	(3,111)	(3,111)
Charged to other comprehensive income (Note 7 (b))	扣自其他全面收入 (附註7(b))	-	-	2,486	-	2,486
At 31 December 2019	於2019年12月31日	6,527	-	8,576	9,208	24,311

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 DEFERRED INCOME TAX (CONTINUED)

Deferred tax liabilities (continued)

In accordance with the PRC laws and regulations, tax losses could be carried forward for a period of five years to offset against its future taxable profits. Deferred tax relating to unutilised tax losses are recognised to the extent that it is probable that sufficient taxable profit will be available to allow such deferred tax assets to be utilised.

The Group did not recognise deferred income tax assets of RMB5,591,000 (31 December 2018: RMB6,329,000) in respect of tax losses amounting to approximately RMB22,365,000 as at 31 December 2019 (31 December 2018: RMB25,317,000). All these tax losses will expire within five years from the end of the respective years they arose.

22 REVENUE

21 遞延所得稅 (續)

遞延稅項負債 (續)

根據中國法律法規，可於五年期間結轉稅項虧損以用於抵銷其未來應課稅利潤。與未動用稅項虧損有關的遞延稅項乃於可能有足夠應課稅利潤可供動用該遞延稅項資產時確認。

於2019年12月31日，本集團並無就稅項虧損約人民幣22,365,000元（2018年12月31日：人民幣25,317,000元）確認遞延所得稅資產人民幣5,591,000元（2018年12月31日：人民幣6,329,000元）。所有該等稅項虧損將自各產生年度末起五年內到期。

22 收入

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Sales of properties	物業銷售	1,971,020	1,881,364
– Recognised at a point in time	– 於某一時間點確認	1,907,952	1,376,710
– Recognised over time	– 於一段時間內確認	63,068	504,654
Rental income	租金收入	3,040	2,239
		1,974,060	1,883,603

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 OTHER GAINS/(LOSSES) – NET

23 其他收益／(虧損)－淨額

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Waiver of the interest payable to Mr. Lin Peiqing (a)	豁免應付林培清先生的利息(a)	20,128	–
Gain on disposal of an associate (Note 8)	出售聯營公司的收益(附註8)	548	–
Penalties, fines and compensations for late delivery of properties	延後交付物業的處罰、罰款及補償	64	(72)
Exchange gains/(losses)	匯兌收益／(虧損)	62	(2,810)
Donations	捐贈	(1,388)	(5,002)
Fair value losses on financial assets at fair value through profit or loss	按公平值透過損益入賬的金融資產的公平值虧損	(9)	(32)
Listing rewards from local government	地方政府的上市獎勵	–	1,300
Losses on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	–	(6)
Others	其他	176	48
		19,581	(6,574)

Note:

(a) On 20 March 2019, the Group signed an agreement with Mr. Lin Peiqing, under which Mr. Lin Peiqing agreed to waive the interest payable due to him of approximately RMB20,128,000. The Group recognised the waiver as other gain in the consolidated statement of profit or loss for the year ended 31 December 2019.

附註：

(a) 於2019年3月20日，本集團與林培清先生簽署了一份協議，根據該協議林培清先生同意豁免應付其的利息約人民幣20,128,000元。本集團於截至2019年12月31日止年度的綜合損益表中將該豁免確認為其他收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

24 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses, administrative expenses and net impairment losses on financial assets are analysed as follows:

24 按性質劃分的費用

計入銷售成本、銷售及市場推廣開支、行政開支及金融資產的減值虧損淨額的費用分析如下：

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Costs of properties recognised in profit or loss	於損益確認的物業成本		
– Land use rights and demolition and resettlement costs, after deducting related government grants	– 經扣除相關政府補助後的土地使用權及拆遷和安置費用	321,577	324,850
– Construction costs and capitalised expenditures	– 建築成本及資本化開支	773,574	835,680
– Net provision for decline in values of properties held for sale (Note 10)	– 持作出售物業的減值撥備淨額(附註10)	25,660	(810)
– Interest capitalised	– 資本化利息	74,526	78,386
Tax and surcharges	稅項及附加費	7,081	8,857
Staff costs (Note 26)	員工成本(附註26)	66,254	59,454
Net impairment losses on financial assets (Note 11) (a)	金融資產的減值虧損淨額(附註11)(a)	44,771	10,704
Advertising and publicity costs	廣告及宣傳成本	25,084	19,421
Professional fees (b)	專業費用(b)	14,688	9,757
Office and meeting expenses	辦公室及會議費用	14,482	12,938
Entertainment expenses	招待費	12,324	9,615
Depreciation of property, plant and equipment and amortisation of right-of-use assets (Note 6)	物業、廠房及設備折舊及使用權資產攤銷(附註6)	9,668	4,707
Stamp duty and other taxes	印花稅及其他稅項	9,644	8,911
Sales agent commission	銷售代理佣金	4,005	2,967
Travelling expenses	差旅費	1,028	2,219
Rental expenses	租金費用	89	2,711
Bank charges	銀行支出	272	72
Listing expenses (b)	上市開支(b)	–	14,555
Other expenses	其他費用	2,875	3,404
Total cost of sales, selling and marketing expenses, administrative expenses and net impairment losses on financial assets	銷售成本、銷售及市場推廣開支以及行政開支總額和金融資產減值虧損淨額	1,407,602	1,408,398

Notes to the Consolidated Financial Statements

綜合財務報表附註

24 EXPENSES BY NATURE (CONTINUED)

Notes:

- (a) Net impairment losses on financial assets of RMB10,704,000 for the year ended 31 December 2018 was reclassified from administrative expenses to conform with the presentation for the year ended 31 December 2019.
- (b) Listing expenses for 2018 included auditor's remuneration of approximately RMB2.1 million for their listing services as reporting accountant. Professional fees for 2019 included auditor's remuneration of RMB2.2 million (2018: RMB1.6 million) for their annual audit services.

In addition, an amount of RMB0.7 million for auditor's listing services was charged to share premium account upon listing of the Company in 2018. There was no amount incurred for non-audit services of auditor during 2019 and 2018.

24 按性質劃分的費用 (續)

附註：

- (a) 為符合截至2019年12月31日止年度的呈列方式，截至2018年12月31日止年度的金融資產減值虧損淨額人民幣10,704,000元由行政開支重新分類。
- (b) 2018年的上市開支包括就核數師作為申報會計師提供上市服務而支付的核數師酬金約人民幣2.1百萬元。2019年的專業費用包括就年度審核服務支付的核數師酬金人民幣2.2百萬元(2018年：人民幣1.6百萬元)。

此外，有關核數師上市服務的款項人民幣0.7百萬元於2018年本公司上市後自股份溢價賬扣除。於2019年及2018年期間，概無就核數師的非核數服務產生任何款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 FINANCE INCOME/(COSTS)

25 財務收入／(成本)

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Finance income	財務收入		
– Interest income on bank deposits	– 銀行存款利息收入	1,230	993
Finance costs	財務成本		
– Interest on bank borrowings and other long-term borrowings	– 銀行借款及其他長期借款的利息	(59,897)	(98,466)
– Interest on pre-sale deposits received	– 已收預售按金的利息	(99,384)	(41,628)
– Interest charges on lease liabilities	– 租賃負債利息開支	(961)	–
		(160,242)	(140,094)
Amount capitalised	資本化金額	86,381	94,823
Finance costs expensed	已支銷的財務成本	(73,861)	(45,271)
Finance costs – net	財務成本 – 淨額	(72,631)	(44,278)

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綜合財務報表附註

26 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

26 員工成本（包括董事酬金）

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Wages and salaries	工資及薪金	52,544	48,033
Pension	退休金	8,496	7,052
Other welfare benefit expenses	其他福利費用	5,214	4,369
		66,254	59,454

A share option scheme (the "Share Option Scheme") was approved and conditionally adopted by the shareholders of the Company by way of a written resolution on 22 October 2018 for the primary purpose of recognising and acknowledging the contribution of the directors, employees and other eligible parties who have made valuable contribution to the Group.

As of the date of issue of these financial statements, no option has been granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme.

本公司股東於2018年10月22日以書面決議案的方式批准及有條件採納購股權計劃（「購股權計劃」），主要目的為嘉許及認可董事、僱員及對本集團作出寶貴貢獻的其他合資格各方所作的貢獻。

截至本財務報表頒佈日期，概無根據購股權計劃授出購股權或同意授出、行使、註銷任何購股權或使其失效。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 BENEFITS AND INTERESTS OF DIRECTORS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS

27 董事、五名最高薪酬人士的福利及權益及高級管理層酬金

(a) Directors' and chief executive's emoluments

(a) 董事及最高行政人員的酬金

The emoluments of the Company's directors paid/payable by the companies comprising the Group are set out below:

本集團旗下各公司已付／應付本公司董事的酬金載列如下：

Name of director 董事姓名	Fees 袍金	Salaries and other allowances 薪金及其他津貼	Discretionary bonus 酌情花紅	Retirement scheme contributions 退休計劃供款	Other social welfares 其他社會福利	Total 總計
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Year ended 31 December 2019	截至2019年 12月31日止年度					
Executive directors 執行董事						
Mr Li Xiao Bing 李小冰先生	-	480	300	49	21	850
Ms Qi Chun Feng 齊春風女士	-	480	300	55	21	856
Mr Wang Quan 王權先生	-	360	144	43	21	568
Mr Wang Zhen Feng 王振峰先生	-	480	300	59	21	860
	-	1,800	1,044	206	84	3,134
Independent non-executive directors 獨立非執行董事						
Mr. Lee Kwok Lun 李國麟先生	212	-	-	-	-	212
Mr. Fang Cheng 方征先生	212	-	-	-	-	212
Mr. Wei Jian 魏劍先生	212	-	-	-	-	212
	636	-	-	-	-	636

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 BENEFITS AND INTERESTS OF DIRECTORS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS (CONTINUED)

27 董事、五名最高薪酬人士的福利及权益及高级管理层酬金 (續)

(a) Directors' and chief executive's emoluments (continued)

(a) 董事及最高行政人員的酬金 (續)

Name of director 董事姓名	Fees 袍金	Salaries and other allowances 薪金及其他津貼	Discretionary bonus 酌情花紅	Retirement scheme contributions 退休計劃供款	Other social welfares 其他社會福利	Total 總計
Year ended 31 December 2018	截至2018年12月31日止年度					
<i>Executive directors</i> 執行董事						
Mr Li Xiao Bing 李小冰先生	-	360	300	80	20	660
Ms Qi Chun Feng 齊春風女士	-	360	300	103	20	783
Mr Wang Quan 王權先生	-	282	144	71	20	523
Mr Wang Zhen Feng 王振峰先生	-	390	300	114	20	824
	-	1,392	1,044	368	80	2,790
<i>Independent non-executive directors</i> 獨立非執行董事						
Mr. Lee Kwok Lun 李國麟先生	46	-	-	-	-	46
Mr. Fang Cheng 方征先生	46	-	-	-	-	46
Mr. Wei Jian 魏劍先生	46	-	-	-	-	46
	138	-	-	-	-	138

No inducement fees, employer's contribution to pension schemes or compensation for loss of office as directors were given to any of the directors for the years ended 31 December 2019 and 2018.

截至2019年及2018年12月31日止年度，並無向任何董事支付加盟費、僱主養老金計劃供款或離任董事補償。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 BENEFITS AND INTERESTS OF DIRECTORS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS (CONTINUED)

(a) Directors' and chief executive's emoluments (continued)

There was no arrangement under which a director waived or agreed to waive any remuneration for the years ended 31 December 2019 and 2018.

There was no chief executive who was not also a director for the years ended 31 December 2019 and 2018.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2019 and 2018 include three directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two individuals are as follows for the years ended 31 December 2019 and 2018:

27 董事、五名最高薪酬人士的福利及權益及高級管理層酬金 (續)

(a) 董事及最高行政人員的酬金 (續)

截至2019年及2018年12月31日止年度，董事並無根據任何安排放棄或同意放棄酬金。

截至2019年及2018年12月31日止年度，概無不同時為董事的最高行政人員。

(b) 五名最高薪酬人士

截至2019年及2018年12月31日止年度，本集團的五名最高薪酬人士包括三名董事，彼等的酬金已於上列分析中反映。截至2019年及2018年12月31日止年度，應付餘下兩名人士的酬金分別載列如下：

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Basic salaries, housing allowances, other allowances and other benefits in kind	基本薪金、房屋津貼、其他津貼及實物利益	1,619	1,438

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 BENEFITS AND INTERESTS OF DIRECTORS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS (CONTINUED)

(b) Five highest paid individuals (continued)

The annual emoluments fell within the following bands:

		Year ended 31 December 截至12月31日止年度	
		2019 2019年	2018 2018年
Annual emoluments bands	年度酬金區間		
HKD Nil to HKD1,000,000	0港元至1,000,000港元	2	2

(c) For the years ended 31 December 2019 and 2018, no director or any of the five highest paid individuals received any emolument from the Group as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office.

(d) Senior management's emolument

The senior management's annual emoluments (excluding directors) fell within the following bands:

		Year ended 31 December 截至12月31日止年度	
		2019 2019年	2018 2018年
Annual emoluments bands	年度酬金區間		
HKD Nil to HKD1,000,000	0港元至1,000,000港元	2	2

27 董事、五名最高薪酬人士的福利及权益及高级管理层酬金 (續)

(b) 五名最高薪酬人士 (續)

介乎下列區間的年度酬金：

		Year ended 31 December 截至12月31日止年度	
		2019 2019年	2018 2018年
Annual emoluments bands	年度酬金區間		
HKD Nil to HKD1,000,000	0港元至1,000,000港元	2	2

(c) 截至2019年及2018年12月31日止年度，並無董事或任何五名最高薪酬人士自本集團收取任何酬金作為加入或加入本集團時的獎金或作為離職補償。

(d) 高級管理層酬金

高級管理層年度酬金（不包括董事）的區間如下：

		Year ended 31 December 截至12月31日止年度	
		2019 2019年	2018 2018年
Annual emoluments bands	年度酬金區間		
HKD Nil to HKD1,000,000	0港元至1,000,000港元	2	2

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 INCOME TAX EXPENSE

28 所得稅開支

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current income tax	即期所得稅		
– PRC land appreciation tax	– 中國土地增值稅	115,386	83,701
– PRC corporate income tax	– 中國企業所得稅	162,052	112,476
		277,438	196,177
Deferred income tax (Note 21)	遞延所得稅(附註21)	(50,859)	(275)
Total income tax charged for the year	年內所得稅支出總額	226,579	195,902

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 INCOME TAX EXPENSE (CONTINUED)

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group as follows:

28 所得稅開支（續）

與本集團的除所得稅前利潤有關的所得稅不同於採用本集團旗下各公司所在國的已頒佈稅率計得的理論金額，有關詳情如下：

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before income tax	除所得稅前利潤	517,344	425,763
PRC land appreciation tax	中國土地增值稅	(115,386)	(83,701)
		401,958	342,062
Income tax calculated at statutory rate of 25%	按法定稅率25%計算的所得稅	100,490	85,516
Effect of expenses not deductible for income tax purposes (Note)	不可用於扣除所得稅的開支的影響(附註)	9,920	13,573
Tax losses not recognised as deferred tax assets	未確認為遞延稅項資產的稅項虧損	783	793
PRC withholding tax (Note 21)	中國預扣稅(附註21)	-	12,319
PRC land appreciation tax	中國土地增值稅	115,386	83,701
Total income tax expense	所得稅開支總額	226,579	195,902

Note: Expenses not deductible for income tax purposes mainly represent entertainment expenses in excess of the prescribed cap, non-deductible donations, and interest expenses without proper invoices etc.

附註：不可用於扣除所得稅的開支主要指超過規定上限的招待費、不可扣減的捐贈及無適當發票的利息開支等。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 INCOME TAX EXPENSE (CONTINUED)

PRC corporate income tax

Under the Corporate Income Tax (the “CIT”) Law of the PRC, the CIT rate applicable to the Group’s subsidiaries located in the PRC from 1 January 2008 is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside the PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong.

No deferred PRC withholding income tax was recognised on the accumulated unremitted distributable profits up to 31 December 2017, which were generated by the Group’s PRC subsidiaries and are attributable to the investors outside the PRC. The Group controls the dividend policies of these subsidiaries and it has been determined that the accumulated unremitted distributable profits up to 31 December 2017 will not be distributed in the foreseeable future.

Based on the management’s best estimation, deferred income tax liabilities of RMB12,319,000 as at 31 December 2018 have been recognised for the PRC withholding tax that would be payable upon remittance, in respect of a portion of the unremitted distributable profits of certain PRC subsidiaries attributable to the investors outside the PRC.

During 2019, withholding tax of RMB3,111,111 has been paid by the Group upon the payment of dividend (Note 30). No additional deferred income tax charge during the year ended 31 December 2019 has been recognised for the PRC withholding tax.

28 所得稅開支 (續)

中國企業所得稅

根據《中華人民共和國企業所得稅法》(「企業所得稅法」)，於2008年1月1日起適用於本集團位於中國的附屬公司的企業所得稅稅率為25%。

企業所得稅法及其實施細則規定，中國居民企業就自2008年1月1日起產生的盈利向其於中國境外的直接控股公司派發股息，須按10%的稅率繳付預扣稅，而於2008年1月1日之前產生的未分派盈利豁免該預扣稅。根據中國與香港簽訂的稅收協定安排，若直接控股公司於香港成立，可適用較低的5%預扣稅稅率。

本集團並未就本集團中國附屬公司產生且中國境外投資者應佔的截至2017年12月31日累計未匯出可分派利潤確認遞延中國預扣所得稅。本集團控制該等附屬公司的股息政策，已決定截至2017年12月31日的累計未匯出可分派利潤於可預見將來不予分派。

基於管理層的最佳估計，就中國境外投資者應佔若干中國附屬公司的部分未匯出可分派利潤而於2018年12月31日就匯出後應付中國預扣稅確認的遞延所得稅負債為人民幣12,319,000元。

於2019年，本集團於派付股息時已繳付預扣稅人民幣3,111,111元(附註30)。於2019年12月31日，並無就中國預扣稅確認額外的遞延所得稅開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 INCOME TAX EXPENSE (CONTINUED)

PRC corporate income tax (continued)

As at 31 December 2019, deferred PRC withholding income tax liabilities of RMB82,178,000 (31 December 2018: RMB62,159,000) have not been recognised on the remaining unremitted distributable profits of RMB821,776,000 (31 December 2018: RMB621,591,000) of the Group's PRC subsidiaries.

Land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including lease charges for land use rights and all property development expenditures, and is included in the consolidated statements of profit or loss as income tax expense.

Hong Kong profits tax

The applicable Hong Kong profits tax rate is 16.5%. No provision for Hong Kong profits tax was provided as the Group's companies located in Hong Kong did not have assessable income subject to Hong Kong profits tax for the years ended 31 December 2019 and 2018.

Overseas corporate income tax

No provision for taxation has been recognised for companies incorporated in the Cayman Islands and the British Virgin Islands as they were not subject to any tax during the years ended 31 December 2019 and 2018.

28 所得稅開支 (續)

中國企業所得稅 (續)

於2019年12月31日，並未就本集團中國附屬公司餘下未匯出可分派利潤人民幣821,776,000元（2018年12月31日：人民幣621,591,000元）確認遞延中國預扣所得稅負債人民幣82,178,000元（2018年12月31日：人民幣62,159,000元）。

土地增值稅

中國土地增值稅乃按照30%至60%的累進稅率對土地增值額徵收。土地增值額為出售物業所得款項減可扣減開支（包括土地使用權租賃支出及所有物業發展開支），並於綜合損益表內列作所得稅開支。

香港利得稅

適用的香港利得稅稅率為16.5%。截至2019年及2018年12月31日止年度，由於本集團於香港的公司並無擁有須繳納香港利得稅的應課稅收入，故概無作出香港利得稅撥備。

海外企業所得稅

截至2019年及2018年12月31日止年度，由於在開曼群島及英屬維爾京群島註冊成立的公司無須繳納任何稅項，故並無就該等公司確認稅項撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Group's profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year. In determining the weighted average number of shares in issue during 2018, the 899,900,000 shares issued and allotted through capitalisation of the share premium account of the Company upon Listing on 12 November 2018 were deemed to have been in issue since 1 January 2018.

29 每股盈利

每股基本盈利乃按年內本公司股權持有人應佔本集團利潤除以已發行普通股加權平均數計算。於釐定2018年的已發行股份加權平均數時，於2018年11月12日上市後透過將本公司股份溢價賬資本化而發行及配發的899,900,000股股份被視為已自2018年1月1日起發行。

		Year ended 31 December 截至12月31日止年度	
		2019 2019年	2018 2018年
The Group's profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔本集團利潤 (人民幣千元)	293,040	224,505
Weighted average number of ordinary shares in issue ('000)	已發行普通股加權平均數 (千股)	1,200,000	940,274
Basic and diluted earnings per share (expressed in RMB)	每股基本及攤薄盈利 (以人民幣為單位)	0.24	0.24

For the years ended 31 December 2019 and 2018, diluted earnings per share was equal to the basic earnings per share as there were no dilutive shares.

截至2019年及2018年12月31日止年度，由於概無攤薄股份，故每股攤薄盈利相等於每股基本盈利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

30 DIVIDENDS

30 股息

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
(i) Dividend payable at the end of the reporting period	(i) 於報告期末應派付股息	-	-
(ii) Dividend paid in cash during the years ended 31 December 2019 and 2018	(ii) 於截至2019年及2018年12月31日止年度以現金支付的股息	62,240	-
(iii) Dividend not recognised at the end of the reporting period (Note)	(iii) 於報告期末尚未確認的股息 (附註)	-	60,000

Note: On 28 March 2019, the directors have recommended the payment of a final dividend of HK5.9 cents (equivalent to approximately RMB5.0 cents) per fully paid ordinary share in respect of the year ended 31 December 2018. Such proposed dividend is not recognised as a liability at 2018 year end. The dividend was approved at the annual general meeting of the Company held on 24 May 2019, and fully paid out by 30 June 2019.

No dividend was declared or proposed for the year ended 31 December 2019.

附註：於2019年3月28日，董事已建議就截至2018年12月31日止年度派付末期股息每股繳足普通股5.9港仙（相當於約人民幣5.0分）。該建議股息於2018年末尚未確認為負債。股息已在於2019年5月24日舉行的本公司股東週年大會上獲批准，並於2019年6月30日前悉數派付。

截至2019年12月31日止年度並無宣派或建議宣派任何股息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

31 綜合現金流量表附註

(a) Net cash generated from operations

(a) 經營活動產生現金淨額

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Profit before income tax	除所得稅前利潤	517,344	425,763
Adjustments for:	就下列各項作出調整：		
– Depreciation of property, plant and equipment and amortisation of right-of-use assets (Note 24)	– 物業、廠房及設備折舊以及使用權資產攤銷 (附註24)	9,668	4,707
– Interest expenses (Note 25)	– 利息開支 (附註25)	73,861	45,271
– Waiver of the interest payable to Mr. Lin Peiqing (Note 23)	– 豁免應付林培清先生的利息 (附註23)	(20,128)	–
– Losses on disposal of property, plant and equipment (Note 23)	– 出售物業、廠房及設備虧損 (附註23)	–	6
– Allowance for impairment of receivables (Note 24)	– 應收款項減值撥備 (附註24)	44,771	10,704
– Net provision for decline in values of properties held for sale (Note 10)	– 持作出售物業的減值撥備淨額 (附註10)	25,660	–
– Interest income (Note 25)	– 利息收入 (附註25)	(1,230)	(993)
– Fair value gains on investment properties (Note 7)	– 投資物業的公平值收益 (附註7)	(4,484)	(1,410)
– Fair value losses on financial assets at fair value through profit or loss (Note 23)	– 按公平值透過損益入賬的金融資產的公平值虧損 (附註23)	9	32
Changes in working capital	營運資金變動		
– Prepayments for leasehold land	– 租賃土地預付款項	(208,707)	(165,122)
– Properties held or under development for sale	– 持作出售或開發中待售物業	(1,159,352)	(192,908)
– Trade and other receivables and prepayments	– 貿易及其他應收款項和預付款項	(32,054)	38,682
– Contract assets	– 合同資產	(63)	(721)
– Contract liabilities	– 合同負債	572,455	622,867
– Trade and other payables	– 貿易及其他應付款項	227,841	38,583
Net cash generated from operations	經營活動產生現金淨額	45,591	825,461

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Major non-cash transactions

On 20 March 2019, the Group signed an agreement with Mr. Lin Peiqing, under which Mr. Lin agreed to waive the interest payable due to him of approximately RMB20,128,000 (Note 23(a)).

On 21 December 2018, the Group signed a series of settlement agreements with a non-financial institution and the local government, under which the local government repaid the Group's borrowing due to the non-financial institution amounting to RMB247,346,000 on behalf of the Group for settlement of the Group's receivables due from the local government of the same amount.

(c) Proceeds from disposal of property, plant and equipment

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

31 綜合現金流量表附註 (續)

(b) 主要非現金交易

於2019年3月20日，本集團與林培清先生簽訂協議，據此，林先生同意豁免應付其利息款項約人民幣20,128,000元（附註23(a)）。

於2018年12月21日，本集團與非金融機構及當地政府簽訂一系列和解協議，據此，當地政府代表本集團償還本集團應付非金融機構借款人民幣247,346,000元，用於結算本集團應收當地政府相同金額的應收款項。

(c) 出售物業、廠房及設備所得款項

在綜合現金流量表中，出售物業、廠房及設備所得款項包括：

		Year ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Net book value (Note 6)	賬面淨值 (附註6)	48	172
Losses on disposal of property, plant and equipment (Note 23)	出售物業、廠房及設備虧損 (附註23)	-	(6)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	48	166

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(d) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flow will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

31 綜合現金流量表附註 (續)

(d) 融資活動所產生的負債對賬

下表詳列融資活動所產生的本集團負債的變動情況，包括現金及非現金變動。融資活動所產生的負債為於本集團綜合現金流量表中被分類為融資活動所產生的現金流量的過往或未來現金流量。

		Bank borrowings	Other long-term borrowings	Other current borrowings	Temporary funding payable (included in trade and other payables)	Lease liabilities	Advance from a minority shareholder	Total
		銀行借款	其他長期借款	其他流動借款	（計入貿易及其他應付款項）	租賃負債	少數股東墊款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於2018年1月1日	570,000	1,224,570	66,902	27,375	-	-	1,888,847
Financing net cash flows	融資淨現金流量	(345,000)	(185,660)	(16,062)	(15,605)	-	-	(562,327)
Non-cash changes	非現金變動	-	(193,400)	(50,840)	-	-	-	(244,240)
At 31 December 2018	於2018年12月31日	225,000	845,510	-	11,770	-	-	1,082,280
Recognised on adoption of HKFRS 16 (Note 2.2)	採納香港財務報告準則第16號後確認(附註2.2)	-	-	-	-	14,248	-	14,248
At 1 January 2019	於2019年1月1日	225,000	845,510	-	11,770	14,248	-	1,096,528
Financing net cash flows	融資淨現金流量	66,000	(70,410)	-	(3,321)	(3,662)	30,900	19,507
Non-cash changes	非現金變動	-	-	-	-	8,845	-	8,845
At 31 December 2019	於2019年12月31日	291,000	775,100	-	8,449	19,431	30,900	1,124,880

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 COMMITMENTS

(a) Property development expenditure commitments

Property development expenditure committed at 31 December 2019 and 2018 but not yet incurred is as follows:

32 承擔

(a) 物業發展開支承擔

於2019年及2018年12月31日已承擔惟尚未產生的物業發展開支如下：

		As at 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contracted but not provided for	已訂約但未撥備	1,032,545	627,756

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 COMMITMENTS (CONTINUED)

(b) Operating lease commitments

The Group leases a building under a non-cancellable operating lease agreement. The future aggregate minimum lease payments under the non-cancellable operating lease are as follows:

Within 1 year	1年內
1-5 years	1至5年
Over 5 years	5年以上

The Group is the lessee in respect of a number of properties held under leases which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (see Note 2.2). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the statement of financial position in accordance with the policies set out in Note 2.2. Accordingly, as at 31 December 2019, there was no operating lease commitment not already accrued for in the consolidated financial statements.

32 承擔 (續)

(b) 經營租賃承擔

本集團根據不可撤銷經營租賃協議租用一棟樓宇。不可撤銷經營租賃項下的未來最低租金付款總額載列如下：

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Within 1 year	1年內	-	2,816
1-5 years	1至5年	-	8,800
Over 5 years	5年以上	-	7,444
		-	19,060

本集團為根據租賃持有的若干物業的承租人，該等租賃先前根據香港會計準則第17號分類為經營租賃。本集團已初步採用經修訂的追溯方法應用香港財務報告準則第16號。在此方法下，本集團於2019年1月1日調整期初結餘以確認與該等租賃有關的租賃負債（參見附註2.2）。自2019年1月1日起，未來租賃付款在財務狀況表中根據附註2.2所載政策確認為租賃負債。因此，於2019年12月31日，綜合財務報表中並無尚未計提的經營租賃承擔。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

33 金融擔保及或然負債

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties (a)	就本集團的若干購房者的按揭融資作出的擔保(a)	3,133,547	2,098,954
		3,133,547	2,098,954

Note:

- (a) The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of these purchasers for repayments. Such guarantees will terminate upon the earlier of (i) the issuance and transfer of the real estate ownership certificate, or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties after the relevant legal procedures. The Group's guarantee period starts from the date of grant of mortgage. The directors consider that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

附註：

- (a) 本集團已為本集團的若干購房者安排銀行融資，並就買家的還款責任提供擔保。該等擔保將於(i)發出及轉讓房地產權屬證書；或(ii)購房者償付按揭貸款（以較早者為準）時終止。

根據擔保條款，在該等購房者拖欠按揭還款時，本集團須負責向銀行償還違約購房者拖欠的按揭本金連同應計利息，而本集團於完成相關法律程序後有權接管相關物業的合法業權及所有權。本集團的擔保期自授出按揭日期起開始。董事認為購房者拖欠付款的可能性極小，因此，按公平值計量的財務擔保並不重大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS

(a) Name and relationship with related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of the Group are also considered as related parties.

Name

姓名／名稱

Mr Li Xiao Bing (李小冰)

李小冰先生

Mr Lin Peiqing (林培清)

林培清先生

Ms Li Man (李曼)

李曼女士

Ms Lin Wei (林斌)

林斌女士

Mr Wang Zhen Feng (王振峰)

王振峰先生

Mr Wang Quan (王權)

王權先生

Ms Qi Chun Feng (齊春風)

齊春風女士

Mr Zhang Jun Feng (張俊峰)

張俊峰先生

Mr Li Shi Xun (李世勳)

李世勳先生

34 關聯方交易

(a) 名稱及與關聯方的關係

若一方有能力直接或間接控制另一方，或在作出財務及經營決策時能對另一方產生重大影響力，即被視為關聯方。倘若各方受共同控制，則亦被視為相互關聯。本集團主要管理層成員及彼等近親亦被視作關聯方。

Relationship with the Group

與本集團的關係

Controlling shareholder of the Company

本公司的控股股東

Member of Mr Li Xiao Bing's family

李小冰先生的家族成員

Member of Mr Li Xiao Bing's family

李小冰先生的家族成員

Member of Mr Li Xiao Bing's family

李小冰先生的家族成員

Director of the Company

本公司董事

Director of the Company

本公司董事

Director of the Company

本公司董事

Family member of Ms Qi Chun Feng

齊春風女士的家族成員

Key management of the Company

本公司主要管理人員

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

(a) Name and relationship with related parties (continued)

Name 姓名／名稱	Relationship with the Group 與本集團的關係
Ever Enrichment Enterprise Company Limited ("Ever Enrichment") 恒潤企業有限公司(「恒潤」)	Shareholder of the Company 本公司股東
Ever Enhancement Enterprise Company Limited ("Ever Enhancement") 恒升企業有限公司(「恒升」)	Shareholder of the Company 本公司股東
Henan Hengda Investment Company Limited ("Hengda Investment") (Note) 河南恒達投資有限公司(「恒達投資」)(附註)	Controlled by Mr Li Xiao Bing 由李小冰先生控制
Xuchang Hengda Property Management Company Limited* (許昌恒達物業管理有限公司) ("Hengda Property Management") (Note) 許昌恒達物業管理有限公司(「恒達物業管理」)(附註)	Controlled by Mr Li Xiao Bing 由李小冰先生控制
Xuchang City Second Construction (Group) Company Limited* (許昌市第二建築(集團)有限公司) ("Xuchang Erjian") 許昌市第二建築(集團)有限公司(「許昌二建」)	Controlled by Mr Li Dong Fa 由李東法先生控制
Xuchang Hengjiu Industrial Development Company Limited* (許昌恒久實業發展有限公司) ("Hengjiu Industrial") 許昌恒久實業發展有限公司(「恒久實業」)	Controlled by Ms Qi Chun Feng 由齊春風女士控制
* English name for identification only	* 英文名稱僅供識別
Note:	附註:
Mr. Li Dong Fa disposed of his direct/indirect equity interest in Hengda Investment and Hengda Property Management to Mr. Li Xiao Bing in June 2018.	李東法先生於2018年6月向李小冰先生出售彼於恒達投資及恒達物業管理的直接／間接股權。

34 關聯方交易(續)

(a) 名稱及與關聯方的關係(續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties

The following is a summary of the significant transactions carried out between the Group and its related parties:

(1) Discontinued transactions with related parties

- (i) *Repayment of temporary funding from related parties*

34 關聯方交易 (續)

(b) 與關聯方的交易

本集團與其關聯方進行的重大交易概要如下：

(1) 與關聯方的已終止交易

- (i) 來自關聯方償還的臨時資金

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
- Xuchang Erjian	- 許昌二建	-	6,910
- Ever Enrichment	- 恒潤	-	19
- Ever Enhancement	- 恒升	-	18
- Mr Li Xiao Bing	- 李小冰先生	-	1
		-	6,948

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

34 關聯方交易 (續)

(b) Transactions with related parties (continued)

(b) 與關聯方的交易 (續)

(1) Discontinued transactions with related parties (continued)

(1) 與關聯方的已終止交易 (續)

(ii) Temporary funding repaid to related parties

(ii) 償付予關聯方的臨時資金

Year ended 31 December
截至12月31日止年度

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
- Mr Li Xiao Bing	- 李小冰先生	-	12,486

(iii) Construction services provided by related parties

(iii) 關聯方提供的建築服務

Year ended 31 December
截至12月31日止年度

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
- Hengjiu Industrial	- 恒久實業	-	3,801

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

34 關聯方交易 (續)

(b) Transactions with related parties (continued)

(b) 與關聯方的交易 (續)

(1) Discontinued transactions with related parties (continued)

(1) 與關聯方的已終止交易 (續)

(iv) Sales of properties to related parties

(iv) 向關聯方作出的物業銷售

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
- Ms Lin Wei	- 林斌女士	16,127	5
- Ms Qi Chun Feng	- 齊春風女士	5,788	-
- Mr Wang Zhen Feng	- 王振峰先生	2,543	660
- Mr Wang Quan	- 王權先生	1,294	7
- Mr Zhang Jun Feng	- 張俊峰先生	-	65
- Ms Li Man	- 李曼女士	-	4,050
		25,752	4,787

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

34 關聯方交易 (續)

(b) Transactions with related parties (continued)

(b) 與關聯方的交易 (續)

(2) Continuing transactions with related parties

(2) 與關聯方的持續交易

(i) Services provided by related parties

(i) 關聯方提供的服務

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
– Xuchang Erjian	– 許昌二建	–	41,348
– Hengda Property Management	– 恒達物業管理	6,401	4,560
		6,401	45,908

(ii) Key management compensation

(ii) 主要管理人員酬金

Key management includes directors and senior management staff. The compensation paid or payable to key management for employee services is shown below:

主要管理人員包括董事及高級管理人員。就僱員服務已付或應付主要管理人員的酬金列示如下：

Year ended 31 December 截至12月31日止年度

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	4,367	3,647
Post-employment benefits	退休福利	386	579
		4,753	4,226

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

(c) Related-party balances

The Group has the following balances with related parties:

(i) Construction deposits from related parties

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
– Xuchang Erjian	– 許昌二建	15,727	16,821
– Hengda Property Management	– 恒達物業管理	31	31
– Hengjiu Industrial	– 恒久實業	1,118	1,452
		16,876	18,304

34 關聯方交易 (續)

(c) 關聯方結餘

本集團擁有以下關聯方結餘：

(i) 來自關聯方的建築按金

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

(c) Related-party balances (continued)

The Group has the following balances with related parties:

(ii) Trade payables due to related parties

– Xuchang Erjian	— 許昌二建
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Trade payables due to related parties arose from purchase transactions. The payables bear no interest.

(iii) Interest payable due to related parties

Mr Lin Peiqing (Note 23 (a))	林培清先生 (附註23 (a))
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Interest payable due to related parties arose from temporary funding from related parties. These balance are due on demand.

34 關聯方交易 (續)

(c) 關聯方結餘 (續)

本集團擁有以下關聯方結餘：

(ii) 應付關聯方的貿易應付款項

As at 31 December
於12月31日

2019	2018
2019年	2018年
RMB'000	RMB'000
人民幣千元	人民幣千元
17,704	35,067

應付關聯方的貿易應付款項來自購買交易。該等應付款項不計息。

(iii) 應付關聯方的應付利息

As at 31 December
於12月31日

2019	2018
2019年	2018年
RMB'000	RMB'000
人民幣千元	人民幣千元
-	20,128

應付關聯方的應付利息來自關聯方的臨時資金。該等結餘須到期即付。

Notes to the Consolidated Financial Statements

綜合財務報表附註

35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

35 本公司的財務狀況表及儲備變動

		As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		Notes 附註	
ASSETS	資產		
Other receivable	其他應收款項		259,611
Dividend receivable	應收股息		104,960
Cash and cash equivalents	現金及現金等價物		46,648
Total assets	總資產		411,219
EQUITY	權益		
Equity attributable to owners of the Company	本公司擁有人應佔權益		
Share capital	股本	14	10,645
Share premium	股份溢價	14,(a)	299,188
(Accumulated losses)/Retained earnings	(累積虧損)/保留盈利	(a)	65,316
			(2,449)
Total equity	總權益		375,149
LIABILITIES	負債		
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項		36,070
Total liabilities	總負債		36,070
Total equity and liabilities	總權益及負債		411,219

The statement of financial position of the Company was approved by the Board of Directors on 30 March 2020 and was signed on its behalf by:

本公司財務狀況表已於2020年3月30日由董事會批准及由以下人士代為簽署：

Li Xiao Bing 李小冰
Director 董事

Wang Zhen Feng 王振峰
Director 董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY (CONTINUED)

Note:

(a) Reserve movements of the Company

		Share premium	(Accumulated losses)/ retained earnings
		股份溢價	(累計虧損)/ 保留盈利
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Balance at 1 January 2018	於2018年1月1日的結餘	-	(13,636)
Comprehensive income	全面收入		
Profit for the year	年內溢利	-	78,952
Total comprehensive income for the year	年內全面收入總額	-	78,952
Transactions with owners	與擁有人的交易		
Issuance of ordinary shares	發行普通股	307,171	-
Capitalisation Issue	資本化發行	(7,983)	-
Total transactions with owners	與擁有人的交易總額	299,188	-
Balance at 31 December 2018	於2018年12月31日的結餘	299,188	65,316
Balance at 1 January 2019	於2019年1月1日的結餘	299,188	65,316
Comprehensive losses	全面虧損		
Loss for the year	年內虧損	-	(5,525)
Total comprehensive losses for the year	年內全面虧損總額	-	(5,525)
Transactions with owners	與擁有人的交易		
2018 final dividend	2018年末期股息	-	(62,240)
Total transactions with owners	與擁有人的交易總額	-	(62,240)
Balance at 31 December 2019	於2019年12月31日的結餘	299,188	(2,449)

35 本公司的財務狀況表及儲備變動 (續)

附註：

(a) 本公司的儲備變動

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries of the Group as at 31 December 2019 and 2018 are set out below:

Subsidiaries incorporated in the BVI

Company name 公司名稱	Date of incorporation/ establishment 註冊成立/ 成立日期	Issued 已發行	Percentage of attributable equity interest as at 31 December 於12月31日應佔股權百分比		Principal activities 主要業務
			2019 2019年	2018 2018年	
Dadi Development Limited 大地發展有限公司	10 June 2013 2013年6月10日	USD1 1美元	100% 100%	100% 100%	Investment holding 投資控股

36 附屬公司詳情

於2019年及2018年12月31日本集團附屬公司的詳情載列如下：

於英屬維爾京群島註冊成立的附屬公司

Subsidiaries incorporated in Hong Kong

Company name 公司名稱	Date of incorporation/ establishment 註冊成立/ 成立日期	Issued 已發行	Percentage of attributable equity interest as at 31 December 於12月31日應佔股權百分比		Principal activities 主要業務
			2019 2019年	2018 2018年	
Dadi (Hong Kong) Enterprise Co., Limited 大地(香港)企業有限公司	14 March 2012 2012年3月14日	HKD100 100港元	100% 100%	100% 100%	Investment holding 投資控股

於香港註冊成立的附屬公司

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 PARTICULARS OF SUBSIDIARIES (CONTINUED)

36 附屬公司詳情 (續)

Subsidiaries incorporated in PRC

於中國註冊成立的附屬公司

Company name 公司名稱	Date of incorporation/ establishment 註冊成立/ 成立日期	Place of incorporation and kind of legal entity 註冊成立地點 及法人實體類別	Registered 註冊 '000 千元	Percentage of attributable equity interest as at 31 December 於12月31日應佔股權 的百分比		Principal activities 主要業務
				2019 2019年	2018 2018年	
Henan Dadi Property Development Company Limited ("Henan Dadi")	29 July 1992	The PRC, domestic company with limited liability, wholly foreign owned enterprise	USD2,500	100%	100%	Investment holding in the PRC
河南大地房地產開發有限公司 (「河南大地」)	1992年7月29日	中國內資有限責任公司，外商獨資企業	2,500美元	100%	100%	於中國的投資控股
Xuchang Hengda Property Group Company Limited ("Xuchang Hengda")	3 June 1998	The PRC, domestic company with limited liability	RMB60,000	100%	100%	Real estate development and house renting in the PRC
許昌恒達房地產集團有限公司 (「許昌恒達」)	1998年6月3日	中國內資有限責任公司	人民幣 60,000元	100%	100%	於中國的房地產開發及房屋租賃
Xuchang Songji Dadi Property Company Limited ("Songji Dadi")(a)	7 November 2007	The PRC, domestic company with limited liability	RMB50,000	100%	100%	Real estate development and house renting in the PRC
許昌宋基地置業有限公司 (「宋基地」)(a)	2007年11月7日	中國內資有限責任公司	人民幣 50,000元	100%	100%	於中國的房地產開發及房屋租賃

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 PARTICULARS OF SUBSIDIARIES (CONTINUED)

36 附屬公司詳情 (續)

Subsidiaries incorporated in PRC (continued)

於中國註冊成立的附屬公司 (續)

Company name 公司名稱	Date of incorporation/ establishment 註冊成立/ 成立日期	Place of incorporation and kind of legal entity 註冊成立地點 及法人實體類別	Registered 註冊 '000 千元	Percentage of attributable equity interest as at 31 December 於12月31日應佔股權 的百分比		Principal activities 主要業務
				2019 2019年	2018 2018年	
Xinyang Hengda Property Development Company Limited ("Xinyang Hengda") 信陽恒達房地產開發有限公司 (「信陽恒達」)	5 March 2008 2008年3月5日	The PRC, domestic company with limited liability 中國內資有限責任公司	RMB30,000 人民幣 30,000元	88.88%	88.88%	Real estate development in the PRC 於中國的房地產開發
Yuzhou City Hengda Property Company Limited ("Yuzhou Hengda") 禹州市恒達房地產有限責任公司 (「禹州恒達」)	4 September 2009 2009年9月4日	The PRC, domestic company with limited liability 中國內資有限責任公司	RMB100,000 人民幣 100,000元	100%	100%	Real estate development and house renting in the PRC 於中國的房地產開發及房屋租賃
Changge City Hengda Property Company Limited ("Changge Hengda") 長葛市恒達房地產有限公司 (「長葛恒達」)	15 May 2011 2011年5月15日	The PRC, domestic company with limited liability 中國內資有限責任公司	RMB60,000 人民幣 60,000元	100%	100%	Real estate development and house renting in the PRC 於中國的房地產開發及房屋租賃

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 PARTICULARS OF SUBSIDIARIES (CONTINUED)

36 附屬公司詳情 (續)

Subsidiaries incorporated in PRC (continued)

於中國註冊成立的附屬公司 (續)

Company name 公司名稱	Date of incorporation/ establishment 註冊成立/ 成立日期	Place of incorporation and kind of legal entity 註冊成立地點 及法人實體類別	Registered 註冊 '000 千元	Percentage of attributable equity interest as at 31 December 於12月31日應佔股權 的百分比		Principal activities 主要業務
				2019 2019年	2018 2018年	
Xuchang Jiari Baocheng Property Company Limited ("Jiari Baocheng") 許昌假日寶呈置業有限公司 (「假日寶呈」)	2 June 2011 2011年6月2日	The PRC, domestic company with limited liability 中國內資有限責任公司	RMB50,000 人民幣 50,000元	100%	100%	Real estate development in the PRC 於中國的房地產開發
Xuchang City Jian'an District Hengmu Property Company Limited (formerly known as Xuchang County Hengmu Property Co., Ltd.) ("Xuchang Hengmu") 許昌市建安區恒木房地產有 限公司(原名:許昌縣恒木 房地產有限公司)(「許昌恒 木」)	25 January 2016 2016年1月25日	The PRC, domestic company with limited liability 中國內資有限責任公司	RMB10,000 人民幣 10,000元	51%	51%	Real estate development in the PRC 於中國的房地產開發
Yuzhou City Hengnuo Property Company Limited ("Yuzhou Hengnuo") 禹州市恒諾房地產開發有限公 司(「禹州恒諾」)	13 December 2018 2018年12月3日	The PRC, domestic company with limited liability, sino- foreign owned enterprise 中國內資有限責任 公司, 中外合資企業	USD38,000 38,000美元	100%	100%	Real estate development and house renting in the PRC 於中國的房地產開發及 房屋租賃

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 PARTICULARS OF SUBSIDIARIES (CONTINUED)

36 附屬公司詳情 (續)

Subsidiaries incorporated in PRC (continued)

於中國註冊成立的附屬公司 (續)

Company name 公司名稱	Date of incorporation/ establishment 註冊成立/ 成立日期	Place of incorporation and kind of legal entity 註冊成立地點 及法人實體類別	Registered 註冊 '000 千元	Percentage of attributable equity interest as at 31 December 於12月31日應佔股權 的百分比		Principal activities 主要業務
				2019 2019年	2018 2018年	
Hennan Damai Property Marketing planning Company Limited ("Henan Damai")	3 March 2019	The PRC, domestic company with limited liability	RMB8,000	100%		Real estate brokerage services/Rental agency services/Real estate information consultation and housing sales service
河南達嘜房地產營銷規劃有限公司 (「河南達嘜」)	2019年3月3日	中國內資有限責任公司	人民幣 8,000元	100%		房地產經紀服務/租賃代理服務/房地產信息諮詢及房屋銷售服務
Xuchang Weiheng Property Development Company Limited ("Xuchang Weiheng") (b)	30 October 2019	The PRC, domestic company with limited liability	RMB120,000	100%		Real estate development and house renting in the PRC
許昌魏恒房地產開發有限公司 (「許昌魏恒」) (b)	2019年10月30日	中國內資有限責任公司	人民幣 120,000元	100%		於中國的房地產開發及房屋租賃
Xuchang Yuanda Property Company Limited* ("Xuchang Yuanda")	18 January 2019	The PRC, domestic company with limited liability	RMB1,400	70%		Real estate development in the PRC
許昌遠達置業有限公司 (「許昌遠達」)	2019年1月18日	中國內資有限責任公司	人民幣 1,400元	70%		於中國的房地產開發

* English name for identification only

* 英文名稱僅供識別

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 PARTICULARS OF SUBSIDIARIES (CONTINUED)

Subsidiaries incorporated in PRC (Continued)

- (a) Songji Dadi owned a project (“Songji Dadi – Mingmen Shangju”) which was developed together with a third party investor. In accordance with co-development agreement and its supplemental agreement dated 30 January 2010 and 9 February 2010 respectively, the third party investor owns 49% interest in this project and therefore is considered a non-controlling interest of the Group.
- (b) On 30 October 2019, Xuchang Hengda set up a subsidiary Xuchang Weiheng, with a third party, Xuchang Weidu Investment Company Limited (“Xuchang Weidu”). Xuchang Weiheng was owned as to 58.33% by Xuchang Hengda and 41.67% by Xuchang Weidu. The total contribution of Xuchang Weidu to Xuchang Weiheng amounted to approximately RMB40,000,000.

In accordance with the supplementary agreement which was entered between Xuchang Hengda and Xuchang Weidu on 10 January 2020, Xuchang Weidu’s equity interest to Xuchang Weiheng is required to be repurchased by Xuchang Hengda in the future. The repurchase prices of the equity interests reflect the fixed returns, and the investment is regarded as a debt. Xuchang Weiheng is therefore recognised as a wholly owned subsidiary of the Group.

36 附屬公司詳情 (續)

於中國註冊成立的附屬公司 (續)

- (a) 宋基大地擁有一個項目(「宋基大地一名門尚居」)，該項目乃與一名第三方投資者共同開發。根據日期分別為2010年1月30日及2010年2月9日的合作開發協議及其補充協議，該第三方投資者於該項目中擁有49%權益，因此被視為本集團的一項非控股權益。
- (b) 於2019年10月30日，許昌恒達與一名第三方許昌魏都投資有限公司(「許昌魏都」)成立一間附屬公司許昌魏恒。許昌魏恒由許昌恒達擁有58.33%權益，許昌魏都擁有41.67%權益。許昌魏都對許昌魏恒共注資約人民幣40,000,000元。

根據許昌恒達與許昌魏都於2020年1月10日訂立的補充協議，許昌魏都於許昌魏恒的股權將來須由許昌恒達購回。股權的購回價格將反映固定回報，而有關投資則被視為債務。許昌魏恒因此被確認為本集團的全資附屬公司。

Notes to the Consolidated Financial Statements

綜合財務報表附註

37 SUMMARISED FINANCIAL INFORMATION ON SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The total non-controlling interests as at 31 December 2019 and 2018 were approximately RMB17,551,000 and RMB19,826,000 respectively. Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised statement of financial position

		Xuchang Hengmu 許昌恒木 As at 31 December 於12月31日		Xinyang Hengda 信陽恒達 As at 31 December 於12月31日		Songji Dadi-Mingmen Shangju 宋基大地 – 名門尚居 As at 31 December 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Current:	流動：						
Assets	資產	89,460	34,736	70,710	72,010	66,761	142,445
Liabilities	負債	(84,320)	(26,891)	(1,169)	(2,169)	(56,572)	(130,178)
Total current net assets	流動資產淨值總額	5,140	7,845	69,541	69,841	10,189	12,267
Non-current:	非流動：						
Assets	資產	1,103	480	20	353	8	266
Liabilities	負債	-	-	-	(130)	-	-
Total non-current net assets	非流動資產淨值總額	1,103	480	20	223	8	266
Net assets	資產淨值	6,243	8,325	69,561	70,064	10,197	12,533
Net assets attributable to non-controlling interests	非控股權益應佔資產淨值	3,060	4,079	7,735	7,791	4,996	6,141

37 擁有重大非控股權益的附屬公司的財務資料概要

於2019年及2018年12月31日的非控股權益總額分別約為人民幣17,551,000元及人民幣19,826,000元。下文載列擁有對本集團屬重大的非控股權益的附屬公司的財務資料概要。對各附屬公司所披露的金額指公司間對銷前的金額。

財務狀況表概要

Notes to the Consolidated Financial Statements

綜合財務報表附註

37 SUMMARISED FINANCIAL INFORMATION ON SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

37 擁有重大非控股權益的附屬公司的財務資料概要(續)

Summarised statement of profit or loss and other comprehensive income

損益及其他全面收益表概要

	Xuchang Hengmu 許昌恒木 Year ended 31 December 截至12月31日止年度		Xinyang Hengda 信陽恒達 Year ended 31 December 截至12月31日止年度		Songji Dadi-Mingmen Shangju 宋基大地 - 名門尚居 Year ended 31 December 截至12月31日止年度		
	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	
Revenue	收入	-	-	46	14,147	664	3,326
(Loss)/profit before income tax	除所得稅前(虧損)/利潤	(2,705)	(863)	(503)	4,321	(2,345)	71
Income tax expense	所得稅開支	623	157	-	(7,044)	8	12,184
Post-tax (loss)/profit	稅後(虧損)/利潤	(2,082)	(706)	(503)	(2,723)	(2,337)	12,255
Total comprehensive (loss)/income	全面(虧損)/收入總額	(2,082)	(706)	(503)	(2,723)	(2,337)	12,255
Total comprehensive (loss)/income attributable to non-controlling interests	非控股權益應佔全面(虧損)/收入總額	(1,020)	(346)	(56)	(303)	(1,145)	6,005

Notes to the Consolidated Financial Statements

綜合財務報表附註

37 SUMMARISED FINANCIAL INFORMATION ON SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

37 擁有重大非控股權益的附屬公司的財務資料概要(續)

Summarised cash flows

現金流量概要

		Xuchang Hengmu 許昌恒木		Xinyang Hengda 信陽恒達		Songji Dadi-Mingmen Shangju 宋基大地 - 名門尚居	
		Years ended 31 December 截至12月31日止年度		Years ended 31 December 截至12月31日止年度		Years ended 31 December 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Cash flows from operating activities:	經營活動所得現金流量：						
Cash (used in)/generated from operations	營運(使用)/產生現金	(37,023)	79	(1,030)	6,897	178	9,808
Income tax paid	已付所得稅	(808)	(212)	(130)	(3,331)	(332)	(477)
Net cash (used in)/generated from operating activities	經營活動(使用)/產生現金淨額	(37,831)	(133)	(1,160)	3,566	(154)	9,331
Net cash used in investing activities	投資活動所用現金淨額	-	-	-	(2,000)	-	(9,363)
Net cash generated from financing activities	融資活動產生現金淨額	43,898	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	6,067	(133)	(1,160)	1,566	(154)	(32)
Cash and cash equivalents at beginning of the year	年初的現金及現金等價物	154	287	1,997	431	399	431
Cash and cash equivalents at end of the year	年末的現金及現金等價物	6,221	154	837	1,997	245	399

Notes to the Consolidated Financial Statements

綜合財務報表附註

38 SUBSEQUENT EVENTS

After the outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”) in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which these financial statements were authorised for issue, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak. The COVID-19 outbreak is a non-adjusting subsequent event and its impact will only be taken into account in the Group’s financial statements subsequent to 31 December 2019.

38 結算日後事項

在2020年年初爆發2019冠狀病毒病（「COVID-19疫情」）後，全國實施了並將繼續實施一系列防控措施。本集團將密切關注COVID-19疫情的發展，並評估疫情對本集團財務狀況及經營業績的影響。於此份財務報表獲授權刊發當日，本集團概不知悉COVID-19疫情對財務報表造成任何重大不利影響。新型冠狀病毒爆發屬期後非調整事項，其影響僅於2019年12月31日期後的本集團財務報表中計及。

Financial Summary

財務概要

Year ended 31 December 截至十二月三十一日止年度

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	1,974,060	1,883,603	1,549,878	930,859	1,038,296
Profit for the year	年內溢利	290,765	229,861	149,409	76,766	72,484
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利	293,040	224,505	147,794	74,108	67,010

As at 31 December 於十二月三十一日

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current assets	非流動資產	259,546	173,871	154,818	71,586	51,317
Current assets	流動資產	6,266,843	5,030,664	4,534,443	4,193,964	4,277,888
Total assets	資產總額	6,526,389	5,204,535	4,689,261	4,265,550	4,329,205
Non-current liabilities	非流動負債	461,710	622,436	1,159,742	1,266,990	1,473,391
Current liabilities	流動負債	4,831,180	3,584,584	3,071,697	2,694,903	2,545,020
Total liabilities	負債總額	5,292,890	4,207,020	4,231,439	3,961,893	4,018,411
Total equity	權益總額	1,233,499	997,515	457,822	303,657	310,794
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額	1,215,948	977,689	443,352	295,508	227,367

Financial Summary

財務概要

Note 1: The results and summary of assets and liabilities for the year ended 31 December 2015 which was extracted from the prospectus of the Company dated 30 October 2018 (“**Prospectus**”) have been prepared on a combined basis to indicate the results of the Group as if the group structure, at the time when the Company’s shares were listed on the Main Board of the Stock Exchange, has been in existence throughout that year.

Note 2: The results and summary of assets and liabilities for the years ended 31 December 2016 and 2017 were extracted from the Prospectus.

附註1： 摘錄自本公司日期為2018年10月30日的招股章程（「**招股章程**」）的截至2015年12月31日止年度的業績以及資產及負債概要乃按綜合基準編製，以顯示本集團業績，猶如集團架構於本公司股份在聯交所主板上市時於該年度一直存在。

附註2： 截至2016年及2017年12月31日止年度的業績以及資產及負債概要摘錄自招股章程。

List of Principal Properties

主要物業

INVESTMENT PROPERTIES

投資物業

Properties	Interest attributable to the Group	Approximate total gross floor area (sq.m.)	Type	Lease term
物業	本集團應佔權益	概約總建築面積 (平方米)	類別	租期
Hengdali Market	100%	3,596	Commercial	40 years from 7 October 1996 to 6 October 2036
恒達利市場			商業	1996年10月7日至 2036年10月6日，為期40年
105 retail units on Level 2, the retail podium of Hengdali Market, the west of the northern section of Jiefang Road, Weidu District, Xuchang, Henan Province, the PRC 中國河南省許昌市魏都區解放路北段以西名為恒達利市場的零售平台2樓的105個零售單位				
Xingshu Garden	100%	3,462	Commercial	50 years from 20 December 2002 to 19 December 2052
行署花園			商業	2002年12月20日至 2052年12月19日，為期50年
20 retail units on Level 2 and Level 3, the retail podium of Xingshu Garden, the middle section of Qiyi Road, Weidu District, Xuchang, Henan Province, the PRC 中國河南省許昌市魏都區七一路中段名為行署花園的零售平台2樓及3樓的20個零售單位				
Longhu Building	100%	428	Residential	70 years from 16 February 2003 to 15 February 2073
龍湖大廈			住宅	2003年2月16日至 2073年2月15日，為期70年
Unit 2301 on Level 23 and Level 24, Longhu Building, No. 9 Shangwu Inner Ring Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC 中國河南省鄭州市鄭東新區商務內環路9號龍湖大廈23和24層的2301單元				

List of Principal Properties

主要物業

Properties	Interest attributable to the Group	Approximate total gross floor area (sq.m.)	Type	Lease term
物業	本集團應佔權益	概約總建築面積 (平方米)	類別	租期
King of the North 北海龍城	100%	13,223	Commercial 商業	40 years from 20 February 2014 to 19 February 2054 2014年2月20日至 2054年2月19日，為期40年
Block 1, King of the North, the junction of Jingshui Road and Longquan Road, Jian'an District, Xuchang, Henan Province, the PRC 中國河南省許昌市建安區鏡水路與龍泉街交叉口北海龍城1座				
Xida Jie Office 西大街辦公樓	100%	2,350	Office 辦公樓	70 years from 1 January 1982 to 31 December 2051 1982年1月1日至2051年 12月31日，為期70年
No. 563, West Avenue, Weidu District, Xuchang, Henan Province, the PRC 中國河南省許昌市魏都區西大街563號				
Hengda Weiyuan 恒達魏源	100%	2,294	Commercial 商業	40 years from 8 September 2017 to 7 September 2057 2017年9月8日至2057年 9月7日，為期40年
A retail unit on Basement Level 1, Commercial Block 5 of Hengda Weiyuan, the Junction of Laodong Road and Remin Road, Weidu District, Xuchang, Henan Province, the PRC 中國河南省許昌市魏都區勞動路與人民路交叉口恒達魏源5號樓商業1層地下1個零售單位				

List of Principal Properties

主要物業

PROPERTIES UNDER DEVELOPMENT

開發中物業

Properties	Interest attributable to the Group	Approximate total gross site area (sq.m.)	Approximate total gross floor area under development (sq.m.)	Type	Estimated date of completion	Progress
物業	本集團應佔權益	概約總地盤面積 (平方米)	概約總建築面積 (平方米)	類別	預計完成日期	進展狀況
NAPA Xidi	100%	88,920	91,650	Residential and commercial	December 2020	Under construction
NAPA溪地				住宅、商業	2020年12月	工程進行中
<p>Located at the south of Xindong Street and the east of Xingye Road, Weidu District, Xuchang City, Henan Province, the PRC</p> <p>位於中國河南省許昌市魏都區新東街以南及興業路以東</p>						
Jinhui Plaza	100%	33,430	174,280	Commercial properties and offices premises	June 2023	Under construction
金匯廣場				商業及辦公房	2023年6月	工程進行中
<p>Located at the north of Bayi Road and the east of Beiguan Avenue, Weidu District, Xuchang City, Henan Province, the PRC</p> <p>位於中國河南省許昌市魏都區八一路以北及北關大街以東</p>						

List of Principal Properties

主要物業

Properties	Interest attributable to the Group	Approximate total gross site area (sq.m.)	Approximate total gross floor area under development (sq.m.) 開發中	Type	Estimated date of completion	Progress
物業	本集團應佔權益	概約總地盤面積 (平方米)	概約總建築面積 (平方米)	類別	預計完成日期	進展狀況
King of the North	100%	271,114	193,351	Residential and commercial	December 2023	Under construction
北海龍城				住宅、商業	2023年12月	工程進行中
<p>Located at the south of Xinyuan Avenue and the east of Binhe Road, Jian'an District, Xuchang City, Henan Province, the PRC 位於中國河南省許昌市建安區新元大道以南及濱河路以東</p>						
Mingmen Xijun	100%	63,507	265,376	Residential and commercial	June 2021	Under construction
名門西郡				住宅、商業	2021年6月	工程進行中
<p>Located at the east of Wuyi Road and the south of Yunlianghe Street, Weidu District, Xuchang City, Henan Province, the PRC 位於中國河南省許昌市魏都區五一路東側、運糧河街南側</p>						

List of Principal Properties

主要物業

Properties	Interest attributable to the Group	Approximate total gross site area (sq.m.)	Approximate total gross floor area under development (sq.m.) 開發中	Type	Estimated date of completion	Progress
物業	本集團應佔權益	概約總地盤面積 (平方米)	概約總建築面積 (平方米)	類別	預計完成日期	進展狀況
<p>Changge Sunshine City</p> <p>長葛陽光城</p> <p>Located at the south of Getian Avenue and the west of HuangJie Road, Changge City, Xuchang, Henan Province, the PRC 位於中國河南省許昌長葛市葛天大道以南及黃杰路以西</p>	100%	255,379	392,936	Residential and commercial 住宅、商業	December 2023 2023年12月	Under construction 工程進行中
<p>Hengda Binhefu Project</p> <p>恒達濱河府項目</p> <p>Located at the south of Binhe Avenue and east of Xuanyuan Avenue, Yuzhou City, Xuchang, Henan Province, the PRC 位於中國河南省許昌禹州市濱河大道以南及軒轅大道以東</p>	100%	143,330	518,256	Residential and commercial 住宅、商業	December 2024 2024年12月	Under construction 工程進行中

List of Principal Properties

主要物業

Properties	Interest attributable to the Group	Approximate total gross site area (sq.m.)	Approximate total gross floor area under development (sq.m.) 開發中	Type	Estimated date of completion	Progress
物業	本集團應佔權益	概約總地盤面積 (平方米)	概約總建築面積 (平方米)	類別	預計完成日期	進展狀況
Yuzhou Sunshine City	100%	502,535	1,263,007	Residential and commercial	March 2025	Under construction
禹州陽光城				住宅、商業	2025年3月	工程進行中

Located at the north of Yuwang Boulevard, south of Binhe Boulevard and west of Xuanyuan Boulevard, Yuzhou City, Xuchang, Henan Province, the PRC

位於中國河南省許昌禹州市禹王大道以北、濱河大道以南及軒轅大道以西

Board 董事會	Board of directors of the Company 恒達控股的董事會
Ever Reach or the Company 恒達控股或本公司	Ever Reach Group (Holdings) Company Limited 恒達集團(控股)有限公司
Group 本集團	Ever Reach and its subsidiaries 恒達控股及其附屬公司
Henan Dadi 河南大地	Henan Dadi Property Development Company Limited*, being an indirect wholly-owned subsidiary of the Company 河南大地房地產開發有限公司，本公司之間接全資附屬公司
Hengda Investment 恒達投資	Henan Hengda Investment Company Limited*, a limited liability company established in the PRC on 17 October 2007 owned approximately by Mr. Li Xiaobing as to 67.1833%, Mr. Wang Zhenfeng as to 3.3833%, Ms. Qi Chunfeng as to 18.65%, Mr. Li Shixun as to 2.3833% and Ms. Chun Xiaojun as to 1.15% (all of whom being connected persons) and two independent third parties as to the remaining 7.25%, and hence a connected person of our Company 河南恒達投資有限公司，一家於2007年10月17日在中國成立的有限公司，分別由李小冰先生、王振峰先生、齊春風女士、李世勳先生及春曉軍女士（均為關連人士）擁有約67.1833%、3.3833%、18.65%、2.3833%及1.15%權益以及由兩名獨立第三方擁有餘下7.25%權益，因此為本公司的關連人士
Hengda Property Management 恒達物業管理	Xuchang Hengda Property Management Company Limited*, a limited liability company established in the PRC on 5 July 1999 wholly owned by Hengda Investment, and hence a connected person of our Company 許昌恒達物業管理有限公司，一家於1999年7月5日在中國成立的有限公司，由恒達投資全資擁有，因此為本公司的關連人士
HK\$/HKD 港元	Hong Kong dollar, the lawful currency of Hong Kong 港元，香港法定貨幣
IPO 首次公開發售	Initial public offering of Ever Reach 恒達控股首次公開發售

* English name for identification purpose only

Glossary

詞彙

Stock Exchange 聯交所	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Listing Rules 上市規則	Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
Model Code 標準守則	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules 上市規則附錄10內上市發行人董事進行證券交易的標準守則
PRC 中國	People's Republic of China, and for the purpose of this annual report and except where the context requires otherwise, references to PRC do not include Taiwan, the Hong Kong Special Administration Region, the Macao Special Administration Region, of the People's Republic of China 中華人民共和國，及就本年報而言，除非文義另有所指，否則中國僅指不包括台灣、香港特別行政區及中華人民共和國澳門特別行政區
RMB 人民幣	Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣
SFO 證券及期貨條例	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) 證券及期貨條例（香港法例第571章）
Songji Dadi 宋基大地	Xuchang Songji Dadi Property Company Limited*, being an indirect wholly-owned subsidiary of the Company 許昌宋基大地置業有限公司，本公司之間接全資附屬公司
Xuchang Hengda 許昌恒達	Xuchang Hengda Property Group Company Limited*, being an indirect wholly-owned subsidiary of the Company 許昌恒達房地產集團有限公司，本公司之間接全資附屬公司
Yuzhou Hengda 禹州恒達	Yuzhou City Hengda Property Company Limited*, being an indirect wholly-owned subsidiary of the Company 禹州市恒達房地產有限責任公司，本公司之間接全資附屬公司

* *English name for identification purpose only*



Ever Reach Group (Holdings) Company Limited
恒達集團(控股)有限公司