

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

***This announcement and the listing document referred to herein have been published for information purposes only as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Neither this announcement nor anything herein (including the listing document) forms the basis for any contract or commitment whatsoever. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “Securities Act”) and may not be offered or sold in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the Issuer and its management, as well as its financial statements. The Issuer does not intend to make any public offering of securities in the United States.***

*For the avoidance of doubt, the publication of this announcement and the listing document referred to herein shall not be deemed to be an offer of securities made pursuant to a prospectus issued by or on behalf of the issuer for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong nor shall it constitute an advertisement, invitation or document containing an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite securities for the purposes of the Securities and Futures Ordinance (Cap. 571) of Hong Kong.*

***Notice to Hong Kong investors:*** *The Issuer (as defined below) confirms that the Bonds (as defined below) are intended for purchase by professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) only and have been listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

## **PUBLICATION OF THE OFFERING MEMORANDUM**

### **GREENLAND HONG KONG HOLDINGS LIMITED**

**綠地香港控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

*(Stock code: 337)*

*(the “Issuer”)*

**US\$150,000,000 9.625 PER CENT. BONDS DUE 2022 (THE “BONDS”)  
(Stock Code: 40708)**

This announcement is issued pursuant to Rule 37.39A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Please refer to the offering memorandum dated 27 May 2021 (the “**Offering Memorandum**”) appended herein in relation to the issuance of the Bonds. As disclosed in the Offering Memorandum, the Bonds were intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and have been listed on the Stock Exchange on that basis. The Offering Memorandum is published in English only. No Chinese version of the Offering Memorandum has been published.

The Offering Memorandum does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

The Offering Memorandum must not be regarded as an inducement to subscribe for or purchase any securities of the Issuer, and no such inducement is intended. No investment decision should be made based on the information contained in the Offering Memorandum.

Hong Kong, 7 June 2021

*As at the date of this announcement, the executive directors of the Company are Mr. Chen Jun, Mr. Wang Weixian, Mr. Hou Guangjun, Mr. Wu Zhengkui and Ms. Wang Xuling; and the independent non-executive Directors are Mr. Fong Wo, Felix, JP, Mr. Kwan Kai Cheong and Dr. LAM, Lee G..*

## IMPORTANT NOTICE

### THIS OFFERING IS AVAILABLE ONLY TO INVESTORS OUTSIDE OF THE UNITED STATES

**IMPORTANT: You must read the following before continuing.** The following applies to the offering memorandum (the “offering memorandum”) following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering memorandum. In accessing the offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, “IMD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**Prohibition of Sales to UK Retail Investors** – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA; Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “CMP Regulations 2018”), we have determined the classification of the Bonds as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The following offering memorandum is not a prospectus for the purposes of the European Union’s Directive 2003/71/EC (and any amendments thereto) as implemented in member states of the European Economic Area (the “EU Prospectus Directive”). The following offering memorandum has been prepared on the basis that all offers of the Bonds made to persons in the European Economic Area will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus in connection with offers of the Bonds.

**Confirmation and your representation:** In order to be eligible to view this offering memorandum or make an investment decision with respect to the securities, investors must be outside the United States. By accepting the e-mail and accessing this offering memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are outside the United States and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (2) that you consent to delivery of such offering memorandum by electronic transmission.

Within the United Kingdom, the offering memorandum is being directed solely at and may only be communicated to persons: who (i) fall within Article 19(5) or Article 49(2)(a)-(d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, (ii) are outside the United Kingdom, or (iii) are persons to whom an invitation or inducement to engage in an investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise be lawfully communicated or caused to be communicated (all such persons collectively being referred to as “Relevant Persons”). The offering memorandum is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this offering memorandum relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. The offering memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person. Any person who is not a Relevant Person should not act or rely on the offering memorandum or any of its contents.

You are reminded that this offering memorandum has been delivered to you on the basis that you are a person into whose possession this offering memorandum may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of this offering memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the issuer in such jurisdiction. This offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited, The Hongkong and Shanghai Banking Corporation Limited, BOCI Asia Limited, Citigroup Global Markets Limited, BOCOM International Securities Limited, Central Wealth Securities Investment Limited and SPDB International Capital Limited as the Joint Lead Managers, or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering memorandum distributed to you in electronic format and the hard copy version available to you on request from Joint Lead Managers.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

# Greenland Hong Kong Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(SEHK Stock Code: 00337)



**US\$150,000,000 9.625 per cent. Bonds due 2022**

**Issue Price: 99.884 per cent.**

The 9.625 per cent. Bonds due 2022 in the aggregate principal amount of US\$150,000,000 (the “Bonds”) will be issued by Greenland Hong Kong Holdings Limited (the “Company” or the “Issuer”). The Company is a subsidiary of Greenland Holding Group Company Limited (“Greenland Holding”), which holds approximately 59 per cent. of the outstanding shares of the Company at the date of this offering memorandum.

The Bonds will bear interest from and including 4 June 2021 at the rate of 9.625 per cent. per annum payable on 4 December 2021 and 3 June 2022. The Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The Bonds will mature on 3 June 2022 at their principal amount. The Bonds may be redeemed by the Company at any time, prior to 3 June 2022, at its option, in whole but not in part, at a redemption price equal to the Make Whole Price (as defined in the “Terms and Conditions of the Bonds”) as at, and accrued and unpaid interest (if any) to (but excluding) the redemption date.

The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time at their principal amount (together with any interest accrued to the date fixed for redemption) in the event of certain changes affecting taxes of any Relevant Jurisdiction. Following the occurrence of a Put Event (as defined in the “Terms and Conditions of the Bonds”), the Holder of any Bonds will have the right, at such Holder’s option, to require the Company to redeem all, but not some only, of such Holder’s Bonds at 100 per cent. of their principal amount (together with any interest accrued to the date fixed for redemption). See “Terms and Conditions of the Bonds – Redemption and Purchase”.

**Investing in the Bonds involves certain risks. See “Risk Factors” beginning on page 11.**

Application will be made to The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) for the listing of the Bonds by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange) (“Professional Investors”) only. This document is for distribution to Professional Investors only.

**The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Bonds or the Company or quality of disclosure in this document.** Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

**Notice to Hong Kong investors:** With respect to Bonds to be listed on the Hong Kong Stock Exchange, the Company confirms that the Bonds are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Company confirms that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

This offering memorandum includes particulars given in compliance with the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange for the purpose of giving information with regard to the Company. The Company accepts full responsibility for the accuracy of the information contained in this offering memorandum and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading. Moody’s Investors Service, Inc. (“Moody’s”) has assigned a long-term corporate rating of “Ba2” to the Company with a stable outlook and S&P Global Ratings (“S&P”) has assigned a long-term corporate rating of “BB-” to the Company with a stable outlook. These ratings do not constitute a recommendation to buy, sell or hold the Bonds and may be subject to suspension, reduction or withdrawal at any time by the relevant rating organization.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the “Securities Act”) and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold outside of the United States in reliance on Regulation S under the Securities Act. For a description of these and certain further restrictions on offers and sales of the Bonds and the distribution of this offering memorandum, see the section entitled “Subscription and Sale” on page 145.

The denomination of the Bonds shall be US\$200,000 each and higher integral multiples of US\$1,000 in excess thereof.

The Bonds will be issued and represented initially by interests in a global certificate (the “Global Certificate”) in registered form which will be registered in the name of a nominee of, and shall be deposited on or about 4 June 2021 (the “Issue Date”) with a common depository for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, S.A. (“Clearstream”). Interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described herein, certificates for Bonds will not be issued in exchange for interests in the Global Certificate.

## *Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers*

**Guotai Junan  
International**

**Haitong  
International**

**HSBC**

**BOC International**

**Citigroup**

## *Joint Bookrunners and Joint Lead Manager*

*(in alphabetical order)*

**BOCOM  
International**

**Central Wealth  
Securities  
Investment Limited**

**SPDB  
International**

The date of this offering memorandum is 27 May 2021

## TABLE OF CONTENTS

	<u>Page</u>
SUMMARY.....	1
THE ISSUE.....	4
SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA.....	7
RISK FACTORS.....	11
EXCHANGE RATE INFORMATION.....	43
USE OF PROCEEDS.....	44
TERMS AND CONDITIONS OF THE BONDS.....	45
SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM.....	61
CAPITALISATION AND INDEBTEDNESS.....	63
CORPORATE STRUCTURE.....	64
BUSINESS.....	65
REGULATION.....	103
DIRECTORS AND MANAGEMENT OF THE COMPANY.....	131
RELATED PARTY TRANSACTIONS.....	139
TAXATION.....	142
SUBSCRIPTION AND SALE.....	145
RATINGS.....	151
GENERAL INFORMATION.....	152
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS.....	F-1

## IMPORTANT NOTICE

The Company, having made all reasonable enquiries, confirms that (i) this offering memorandum contains all information with respect to the Company, the Company and its subsidiaries (together, the “Group”) and the Bonds, which is material in the context of the issue and offering of the Bonds; (ii) the statements contained in this offering memorandum relating to the Company and the Group are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this offering memorandum with regard to the Company and the Group are honestly and reasonably held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Company, the Group or the Bonds, the omission of which would, in the context of the issue and offering of the Bonds, make any statement, opinion or intention expressed in this offering memorandum misleading in any material respect; and (v) all reasonable enquiries have been made by the Company to ascertain such facts and to verify the accuracy of all such information and statements. In addition, the Company accepts full responsibility for the accuracy of the information contained in this offering memorandum.

This offering memorandum has been prepared by the Company solely for use in connection with the proposed offering of the Bonds described in this offering memorandum. The distribution of this offering memorandum and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this offering memorandum comes are required by the Company, Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited, The Hongkong and Shanghai Banking Corporation Limited, BOCI Asia Limited, Citigroup Global Markets Limited, BOCOM International Securities Limited, Central Wealth Securities Investment Limited and SPDB International Capital Limited (together, the “Joint Lead Managers”) to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the distribution of this offering memorandum in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, the People’s Republic of China, the Cayman Islands, Hong Kong, Japan and Singapore, to persons connected therewith. For a description of certain further restrictions on offers, sales and resale of the Bonds and distribution of this offering memorandum, see “Subscription and Sale.”

No person has been or is authorised to give any information or to make any representation concerning the Company, the Group or the Bonds other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Joint Lead Managers, Citicorp International Limited as trustee (the “Trustee”) or the Agents (as defined in the Terms and Conditions of the Bonds). Neither the delivery of this offering memorandum nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Company, the Group or any of them since the date hereof or create any implication that the information contained herein is correct at any date subsequent to the date hereof. This offering memorandum does not constitute an offer of, or an invitation by or on behalf of the Company, the Joint Lead Managers, the Trustee or the Agents to subscribe for or purchase any of the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, “IMD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of Sales to UK Retail Investors – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA; Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “CMP Regulations 2018”), we have determined the classification of the Bonds as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Company has submitted this offering memorandum confidentially to a limited number of institutional investors so that they can consider a purchase of the Bonds. The Company has not authorised its use for any other purpose. This offering memorandum may not be copied or reproduced in whole or in part. It may be distributed only to and its contents may be disclosed only to the prospective investors to whom it is provided. By accepting delivery of this offering memorandum, each investor agrees to these restrictions.

No representation or warranty, express or implied, is made or given by Joint Lead Managers, the Trustee or the Agents as to the accuracy, completeness or sufficiency of the information contained in this offering memorandum, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee or the Agents. None of the Joint Lead Managers, the Trustee and the Agents has independently verified any of the information contained in this offering memorandum and can give any assurance that this information is accurate, truthful or complete. This offering memorandum is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Company, the Joint Lead Managers, the Trustee or the Agents that any recipient of this offering memorandum should purchase the Bonds. Each potential purchaser of the Bonds should determine for itself the relevance of the information contained in this offering memorandum and its purchase of the Bonds should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

**IN CONNECTION WITH THE ISSUE OF THE BONDS, EACH OF THE JOINT LEAD MANAGERS APPOINTED AND ACTING IN ITS CAPACITY AS A STABILISATION MANAGER (THE “STABILISATION MANAGER”) (OR PERSONS ACTING ON ITS BEHALF) MAY, SUBJECT TO ALL APPLICABLE LAWS AND DIRECTIVES, OVER-ALLOT AND EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF A SERIES OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGER (OR PERSONS ACTING ON ITS BEHALF) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS.**

In making an investment decision, investors must rely on their own examination of the Company, the Group and the terms of the offering, including the merits and risks involved. See “Risk Factors” for a discussion of certain factors to be considered in connection with an investment in the Bonds.

Each person receiving this offering memorandum acknowledges that such person has not relied on any Joint Lead Managers, the Trustee or the Agents or any person affiliated with any Joint Lead Managers, the Trustee or the Agents in connection with its investigation of the accuracy of such information or its investment decision. To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee and the Agents accept any responsibility whatsoever for the contents of this offering memorandum or for any other statement, made or purported to be made by the Joint Lead Managers, the Trustee or the Agents or on its or their behalf in connection with the Company, the Group or the issue and offering of the Bonds. Each of the Joint Lead Managers, the Trustee and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this offering memorandum or any such statement.



## CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

We have prepared the offering memorandum using a number of conventions, which you should consider when reading the information contained herein. When we use the terms “we,” “us,” “our,” the “Company,” the “Group” and words of similar import, we are referring to Greenland Hong Kong Holdings Limited itself, or to Greenland Hong Kong Holdings Limited and its subsidiaries, as the context requires.

Unless otherwise specified or the context requires, all references herein to “Hong Kong” are to the Hong Kong Special Administrative Region of the People’s Republic of China, to “China” or the “PRC” are to the People’s Republic of China and for the purpose of the offering memorandum only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan.

Unless otherwise specified or the context requires, all references herein to “U.S.” are to the United States of America; all references to “U.S. dollars” or “US\$” are to the lawful currency of the United States of America, to “Renminbi” or “RMB” are to the lawful currency of the PRC and to “Hong Kong dollars” or “HK\$” are to the lawful currency of Hong Kong, as amended from time to time.

Solely for the sake of convenience, the offering memorandum contains translations of certain Renminbi amounts into U.S. dollar amounts. Unless indicated otherwise, the translation of Renminbi amounts into U.S. dollar amounts has been made at the rate of RMB6.525 to US\$1.00, the noon buying rate as set forth in the H.10 statistical release of the Federal Reserve Bank of New York on 31 December 2020. These translations should not be construed as representations that the Renminbi amounts could actually be converted into any U.S. dollar amounts at the rates indicated or at all.

In the offering memorandum, where information has been presented in thousands or millions of units, or as percentages, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

Market data and certain industry forecasts and statistics in the offering memorandum have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although this information is believed to be reliable, it has not been independently verified by the Company, the Joint Lead Managers, the Trustee, the Agents or their respective directors and advisors, and none of the Company, the Joint Lead Managers, the Trustee, the Agents and their respective directors and advisors make any representation as to the accuracy or completeness of that information. Such information may not be consistent with other information compiled within or outside the PRC. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only.

Unless the context otherwise requires, references to “2018”, “2019” and “2020” in the offering memorandum are to our financial years ended 31 December 2018, 2019 and 2020, respectively.

Unless otherwise indicated, in the offering memorandum:

“CAGR” ..... compound annual growth rate

“CBRC” ..... previously, the China Banking Regulatory Commission, which has merged with the China Insurance Regulatory Commission in 2018 to form the China Banking Insurance Regulatory Commission

“ <b>CRIC</b> ” .....	China Real Estate Information Corporation
“ <b>CSRC</b> ” .....	China Securities Regulatory Commission
“ <b>GDP</b> ” .....	gross domestic product
“ <b>GFA</b> ” .....	gross floor area
“ <b>Greater Bay Area</b> ” .....	the area comprises the two Special Administrative Regions of Hong Kong and Macao, and the nine municipalities of Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing in Guangdong Province, PRC
“ <b>MLR</b> ” .....	previously the Ministry of Land and Resources of the People’s Republic of China, which has been reorganized in 2018 to form the Ministry of Natural Resources
“ <b>MOF</b> ” .....	Ministry of Finance of the People’s Republic of China
“ <b>MOFCOM</b> ” .....	Ministry of Commerce of the People’s Republic of China
“ <b>MOHURD</b> ” .....	Ministry of Housing and Urban-Rural Development of the People’s Republic of China
“ <b>NDRC</b> ” .....	National Development and Reform Commission of the People’s Republic of China or its local counterparts
“ <b>Pan-Pearl River Delta</b> ” .....	for the purpose of the offering memorandum, the region refers to Hainan, Guangxi, Yunnan and Jiangxi
“ <b>Pan-Yangtze River Delta</b> ” .....	for the purpose of the offering memorandum, the region refers to Jiangsu, Zhejiang and Shanghai
“ <b>PBOC</b> ” .....	People’s Bank of China
“ <b>SAFE</b> ” .....	State Administration of Foreign Exchange of the People’s Republic of China
“ <b>SAIC</b> ” .....	previously the State Administration for Industry and Commerce of the People’s Republic of China, which has been reorganized in 2018 to form SAMR
“ <b>SAMR</b> ” .....	State Administration for Market Regulation
“ <b>SAT</b> ” .....	State Administration of Taxation of the People’s Republic of China
“ <b>Western China</b> ” .....	for the purpose of the offering memorandum, the region refers to Sichuan, Guizhou, Inner Mongolia, Xinjiang, Yunnan, Gansu, Shanxi, Ningxia and Chongqing

## FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include statements relating to:

- our business and operating strategies and our ability to implement such strategies;
- our capital expenditure and property development plans;
- our ability to further develop and manage our projects as planned;
- our capital commitment plans, particularly, plans relating to acquisition of land for our property development and the development of our projects;
- our operations and business prospects, including development plans for our existing and new businesses;
- the regulatory environment in terms of changes in laws and PRC government regulations, policies and approval processes in the regions where we operate as well as the general industry outlook for the PRC real estate industry;
- the interpretation and implementation of the existing rules and regulations relating to land appreciation tax and its future changes in enactment, interpretation or enforcement;
- the prospective financial information regarding our businesses;
- availability and costs of bank loans and other forms of financing;
- our dividend distribution plans;
- projects under development or held for future development;
- future developments and the competitive environment in the PRC real estate industry;
- changes in political, economic, legal and social conditions in the PRC, including the specific policies of the PRC central and local governments affecting the regions where we operate, which affect land supply, availability and cost of financing, and pre-sale, pricing and volume of our property development projects;
- significant delay in obtaining the various permits, proper legal titles or approvals for our properties under development or held for future development;
- timely repayments by our purchasers of mortgage loans guaranteed by us;
- changes in competitive conditions and our ability to compete under these conditions;
- the performance of the obligations and undertakings of the third-party contractors under various construction, building, interior decoration, material and equipment supply and installation contracts;
- changes in currency exchange rates and interest rates; and
- other factors beyond our control.

In some cases, you can identify forward-looking statements by such terminology as “may,” “will,” “should,” “could,” “would,” “expect,” “intend,” “plan,” “anticipate,” “going forward,” “ought to,” “seek,” “project,” “forecast,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these terms or other comparable terminology. Such statements reflect the current views of our management with respect to future events, operations, results, liquidity and capital resources and are not guarantee of future performance and some of which may not materialise or may change. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that those expectations will prove to be correct, and you are cautioned not to place undue reliance on such statements. In addition, unanticipated events may adversely affect the actual results we achieve. Important factors that could cause actual results to differ materially from our expectations are disclosed under the section entitled “*Risk Factors*” in this offering memorandum. Except as required by law, we undertake no obligation to update or otherwise revise any forward-looking statements contained in this offering memorandum, whether as a result of new information, future events or otherwise after the date of this offering memorandum. All forward-looking statements contained in this offering memorandum are qualified by reference to the cautionary statements set forth in this section.

These forward-looking statements speak only at the date of this offering memorandum. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any change of events, conditions or circumstances, on which any such statement was based.

## SUMMARY

*This summary does not contain all the information that may be important to you in deciding to invest in the Bonds. You should read the entire offering memorandum, including the section entitled “Risk Factors” and our consolidated financial statements and related notes thereto, before making an investment decision.*

### Overview

We are the only overseas-listed real estate platform of Greenland Holding, a leading property developer in China and an enterprise in which the Shanghai State-owned Assets Supervision and Administration Commission (“Shanghai SASAC”) supervises and holds 46.4 per cent of equity interest through subsidiaries. Since Greenland Holding’s acquisition of 60 per cent. of our shares in May 2013, we have been important to Greenland Holding’s strategy and growth.

In recent years, we have experienced significant growth in the scale of our business operation and financial performance. Our revenue has increased by CAGR of 47.8 per cent. from RMB15,444.2 million for the year ended 31 December 2018 to RMB33,734.4 million for the year ended 31 December 2020; while our net profit has increased by CAGR of 32.1 per cent. from RMB1,981 million for the year ended 31 December 2018 to RMB3,459 million for the year ended 31 December 2020 and our total asset has increased by CAGR of 35.2 per cent. from RMB90,230 million as at 31 December 2018 to RMB164,989 million as at 31 December 2020. Our return on equity has increased from 11.1 per cent. for the year ended 31 December 2018 to 15.6 per cent. for the year ended 31 December 2020. Alongside with the growth in our business operations, we have also expanded our financing channels and have lowered our cost of borrowing. Since 2014, we have issued US\$2,400 million of senior notes and completed an aggregate of equivalent to US\$1,270 million syndicated loans. In May 2015, we also completed an equity placement that raised US\$223.0 million. Our effective interest cost has increased from 4.74 per cent. in 2018 to 5.43 per cent. in 2019 and 5.45 per cent. in 2020, of which the effective interest cost for our offshore bonds, offshore bank borrowings and onshore bank borrowings on average was 6.17 per cent., 4.07 per cent. and 5.7 per cent., respectively.

We strive to implement the parallel development of our core business segments, namely real estate development and “Real Estate +” businesses, to expand and diversify our revenue sources and to promote the overall advantages of the Greenland brand in the capital markets and throughout the industries in which we operate.

### *Real Estate Development*

Our real estates development business focuses on the development of quality residential, commercial and hotel properties in China by leveraging on the well-known Greenland platform and brand name. Our projects are mostly located in the Pan-Yangtze River Delta region, the Pan-Pearl River Delta region and other provincial capital cities that we believe to have strong growth potential. We have further acquired land plots located in Suzhou Wujiang, Nanning, Yulin, Wuxi, Zhaoqing, Foshan, Kunming, Tongxiang, Jinhua and Shaoxing. As at 25 March 2021, the date of our annual report for the year ended 31 December 2020, we had a total of 110 projects held for development and sale in 37 cities, of which mostly are located in first, second and third-tier cities in the PRC.

In 2020, we actively increased our high-quality land bank in the Yangtze River Delta and Yunnan Province and also completed the acquisition of the entire equity of Guangzhou Greenland Real Estate Development Co., Ltd. (“Guangzhou Greenland”), which is principally engaged in property development of 35 projects in Guangdong Province, of which 29 projects were located in the Greater Bay Area. Upon the completion of the acquisition, we will in principle be responsible for the investment, development and management of the property projects in the Greater Bay Area and other cities of Guangdong Province.

## **Our Competitive Strengths**

- Strong support from Greenland Holding;
- Sizeable, low cost and high quality land bank;
- Sound credit profile supported by low-cost financing channels and prudent financial management;
- “Real Estate +” business strategy to support future growth; and
- Professional, experienced and stable management team along with effective corporate governance.

## **Our Business Strategies**

### ***Our Integrated Strategy***

As our most important financing platform in Hong Kong, we focus on and carry out the integrated strategy that focuses on promoting innovation, transformation and upgrade of our capital platform and the industries in which we operate to make our business bigger and stronger. At the same time we continue to focus on our core business operations and their management. We will implement parallel development of our core businesses operations to expand and diversify our revenue sources and to promote the overall advantages of the Greenland brand in the capital markets and throughout the industries in which we operate.

### ***Real Estate Development Business Strategy***

Using our powerful insights and a strong capacity for innovation, we continue to create mature product lines and multi-operational-type combinations in our real estate development business operation. Moreover, based on the characteristics of different markets, we strategically invest in first-tier cities in China such as Shanghai as well as other fast-growing second and third-tier cities across China in order to develop large-scale residential properties and high-end properties.

### ***Real Estate + Business Strategy***

With the support we receive from Greenland Holding and government policies, we have actively adopted a Real Estate + strategy which focuses on diversifying and expanding our real estates development business to include cultural and commercial tourism, medical and healthcare and tourism and leisure business. In particular, leveraging on the strong brand reputation of Greenland which encourages trusts and confidence from the market, utilizing the cutting-edge medical and healthcare resources from our cooperation with reputable and industry-leading partners and benefiting from supportive government policies that promote the integration of the medical and healthcare industry, the development of elderly care industry and the establishment of sports, fitness and recreation projects, we have initiated projects in cultural and commercial tourism and medical and healthcare services to create a first-class life and health service platform. For example, in March 2018, we entered into a strategic cooperation agreement with Shanghai International Medical Center and Australia-based Provectus Care to establish the first Shanghai-based medical institution focusing on Alzheimer’s disease. In June 2020, the Education and Training Base in Pudong New District of Institute of Cultural and Creative Industry of Shanghai Jiao Tong University was inaugurated in the Greenland International Education Park of the Greenland Seaside City of the Group in Shanghai, which marked the formal cooperation between Institute of Cultural and Creative Industry of Shanghai Jiao Tong University and us to jointly develop an industry chain cluster of education, cultural and creative industry and art. It will also help the Group to deepen and promote our “Real Estate +” strategy and focus on building a comprehensive industrial ecological chain.

Setting first-class business management model as a benchmark, we have created five self-owned brands involving different industries under us, i.e., a universal healthcare brand – H1 and 1947 series, a long-term lease brand – Elite Home, a healthcare and elderly care brand – Provectus Residence, a creative space and scientific innovation brand – Greenland Creative Space (綠地創天地) and Greenland Industrial Park brand, in order to upgrade the city landmark and enhance our brand image through operation of industries. We build better life with determination, and highlight the industrial synergy values.

Our “Real estate +” strategy will support the future growth of our business in the following ways: the policy-friendly “Real estate +” strategy will enable us to invest in the medical, healthcare, sports, fitness and recreation projects in response to the national policy issued by the 19th National Congress, which promotes the integration of medical and healthcare industries, and the development of elderly care industry; and the policy by the State Council, which encourages the establishment of sports, fitness and recreation projects. We have also entered into comprehensive strategic cooperation with HM Capital, an investment fund under Hillhouse Capital, to jointly build the medical and healthcare industry park into a benchmark project, which will also enhance competitiveness and negotiation power in our land acquisitions going forward.

### **Recent Developments**

On 11 May 2021, Wuxi Guosheng Property Development Co., Ltd. (無錫國盛房產開發有限公司), one of our indirect wholly-owned subsidiaries, confirming that it has won the bid for the acquisition of a parcel of land in Wuxi from Wuxi City Bureau of National Resources and Planning (無錫市自然資源和規劃局) at RMB1,169.65 million through a listing-for-sale organised by the Wuxi City Land Resources Exchange Centre (無錫市國土資源交易中心). The parcel of land is located at the southeast side of the intersection of Ximei Road and Shenjiaqiaobang, Xinwu District, Wuxi City, Jiangsu Province, the PRC (中國江蘇省無錫市新吳區錫梅路與沈家橋浜交叉口東南側) with a total site area of approximately 60,918.2 sq.m. and a gross plot ratio of more than 1.0 but less than 1.6. The property has a land use right of 70 years for residential land use.

### **Corporate Information**

We are a company with limited liability incorporated in the Cayman Islands on 13 April 2006 as an exempted company and our shares are listed on the Main Board of the Hong Kong Stock Exchange. Our registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and our principal place of business is No 193 Xiehe Road, Shanghai, China. Our website is <http://www.greenlandhk.com>. Information contained on our website does not form part of this offering memorandum.

## THE ISSUE

*The following contains summary information about the Bonds. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in “Terms and Conditions of the Bonds” and “Summary of Provisions Relating to the Bonds in Global Form” shall have the same meanings in this summary. For a comprehensive description of the terms of the Bonds, see the section entitled “Terms and Conditions of the Bonds” of this offering memorandum.*

Issuer.....	Greenland Hong Kong Holdings Limited.
Issue .....	US\$150,000,000 in aggregate principal amount of 9.625 per cent. Bonds due 2022.
Issue Price.....	99.884 per cent.
Form and Denomination.....	The Bonds will be issued in registered form in denomination of US\$200,000 each and higher integral multiples of US\$1,000 in excess thereof.
Interest .....	The Bonds will bear interest from and including 4 June 2021 at the rate of 9.625 per cent. per annum, payable on 4 December 2021 and 3 June 2022.
Issue Date.....	4 June 2021.
Maturity Date .....	3 June 2022.
Status of the Bonds .....	The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
Negative Pledge and Financial Covenant .....	The Bonds contain a negative pledge and financial covenant provision as further described in Condition 4 of the Terms and Conditions of the Bonds.
Events of Default .....	The Bonds contain certain events of default provisions as further described in Condition 9 of the Terms and Conditions of the Bonds.
Taxation.....	All payments of principal, premium and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Relevant Jurisdictions unless required by law. In such event, the Issuer shall (except in certain circumstances as set out in Condition 8 of the Terms and Conditions of the Bonds) pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required.



Optional Redemption.....	At any time prior to 3 June 2022, the Company may at its option redeem the Bonds, in whole but not in part, at a redemption price equal to the Make Whole Price as defined in the Terms and Conditions of the Bonds as at, and accrued and unpaid interest, if any, to (but excluding), the redemption date specified in the Option Redemption Notice.
Final Redemption .....	Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed at their principal amount on 3 June 2022.
Redemption for Taxation Reasons .....	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time at their principal amount, (together with any interest accrued to the date fixed for redemption), in the event of certain changes affecting taxes of a Relevant Jurisdiction, as further described in Condition 6(b) of the Terms and Conditions of the Bonds.
Redemption for a Put Event.....	Following the occurrence of a Put Event, the Holder of any Bond will have the right, at such Holder's option, to require the Issuer to redeem all, but not some only, of such Holder's Bonds at 100 per cent. of their principal amount, together with accrued interest, as further described in Condition 6(c) of the Terms and Conditions of the Bonds.
Clearing Systems.....	The Bonds will be represented initially by interests in the Global Certificate, which will be registered in the name of a nominee of, and deposited on the Issue Date with, a common depository for, Euroclear and Clearstream. Interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in this offering memorandum, certificates for the Bonds will not be issued in exchange for interests in the Global Certificate.
ISIN Code .....	XS2346930428
Common Code .....	234693042
LEI Number .....	549300SQS5QFUUV6IS14
Governing Law.....	English law.
Trustee.....	Citicorp International Limited.
Principal Paying Agent, Registrar and Transfer Agent .....	Citibank, N.A., London Branch.
Listing .....	Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only.

Further Issues ..... The Issuer may from time to time, without the consent of the Holders, create and issue further securities either (a) having the same terms and conditions as the Bonds in all respects (or in all respects save for the first payment of interest on them) and so that the same shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) constituted by the Trust Deed or any supplemental deed or (b) upon such terms as the Issuer may determine at the time of the issue, as further described in Condition 15 of the Terms and Conditions of the Bonds.

Use of Proceeds ..... See section entitled "Use of Proceeds".

## SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following table presents our selected financial and other data. The selected consolidated statement of profit or loss and other comprehensive income for the years ended 31 December 2018, 2019 and 2020 and the selected consolidated statement of financial position as at 31 December 2018, 2019 and 2020 set forth below (except for EBITDA data) have been derived from our audited consolidated financial statements for the years ended and as at 31 December 2019 and 2020, as audited by Deloitte Touche Tohmatsu, Hong Kong Certified Public Accountants (“Deloitte”), and included elsewhere in this offering memorandum. Our financial statements have been prepared and presented in accordance with the IFRS, which differ in certain respects from generally accepted accounting principles in other jurisdictions. The selected financial data below should be read in conjunction with our consolidated financial statements and the notes to those statements included elsewhere in this offering memorandum.

### Selected Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Year ended 31 December			
	2018	2019	2020	2020
	RMB	RMB	RMB	US\$
	(Audited)	(Audited)	(Audited)	(Unaudited)
		(restated)		
	(in thousands, except percentage or state otherwise)			
<b>Revenue</b> .....	15,444,246	36,642,555	33,734,423	5,170,027
Cost of sales .....	(11,306,122)	(25,844,404)	(25,485,041)	(3,905,753)
<b>Gross profit</b> .....	4,138,124	10,798,151	8,249,382	1,264,274
Other income.....	29,346	43,785	67,383	10,327
Other gains and losses .....	(659,896)	(211,094)	425,977	65,284
Selling and marketing costs .....	(811,226)	(1,149,987)	(1,253,090)	(192,044)
Administrative expenses.....	(529,847)	(922,454)	(1,132,825)	(173,613)
Other operating expenses .....	(47,817)	(235,554)	(262,508)	(40,231)
Impairment loss under expected credit loss model, net of reversal.....	(133,529)	(130,587)	(23,794)	(3,647)
Gain on changes in fair value of investment properties.....	1,226,688	968,765	577,857	88,560
Gain on disposal of interests in subsidiaries .....	487,691	1,185,595	–	–
Gain on disposal of interest in an associate .....	–	–	49,071	7,520
Finance income .....	73,195	117,977	52,676	8,073
Finance costs.....	(187,488)	(390,557)	(276,410)	(42,362)
Share of results of associates .....	(15,354)	(24,049)	83,093	12,735
Share of results of joint ventures .....	161,431	642,645	543,353	83,272
Profit before tax.....	3,731,318	10,692,636	7,100,165	1,088,148
Income tax expenses .....	(1,750,378)	(4,981,541)	(3,640,771)	(557,973)
<b>Profit for the year</b> .....	1,980,940	5,711,095	3,459,394	530,175
<b>Attributable to:</b>				
Owners of the Company .....	1,736,288	3,882,720	2,608,307	399,740
Non-controlling interests .....	244,652	1,781,810	804,552	123,303
Owners of perpetual securities .....	–	46,565	46,535	7,132
<b>Earnings per share</b>				
Basic earnings per share (RMB) .....	0.61	1.40	0.94	0.1
Diluted earnings per share (RMB) .....	0.61	N/A	N/A	N/A
<b>Other financial data (unaudited):</b>				
EBITDA <sup>(1)</sup> (in millions).....	3,843.6	11,213.7	7,352.8	1,126.9
EBITDA margin <sup>(2)</sup> .....	25%	30.6%	21.8%	21.8%

Notes:

- (1) EBITDA refers to earnings before interest income/expense, amortisation of intangible assets, income tax expenses and LAT and depreciation. EBITDA is not a standard measure under IFRS. As the property development business is capital intensive, capital expenditure requirements and levels of debt and interest expenses may have a significant impact on net profit of companies with similar operating results. Therefore, we believe the investor community commonly uses this type of financial measure to assess the operating performance of companies in its market sector. As a measure of our operating performance, we believe that the most directly comparable IFRS measure to EBITDA is profit before income tax. We operate in a capital intensive industry. We use EBITDA in addition to profit before income tax because profit before income tax includes many accounting items associated with capital expenditures, such as depreciation, as well as non-operating items, such as amortization of intangible assets and investment income. These accounting items may vary between companies depending on the method of accounting adopted by a company. By minimising differences in capital expenditures and the associated depreciation expenses as well as reported tax positions, intangible assets amortisation and investment income, EBITDA provides further information about our operating performance and an additional measure for comparing its operating performance with other companies' results. Funds depicted by this measure may not be available for debt service due to covenant restrictions, capital expenditure requirements and other commitments. See the section entitled "Non-GAAP Financial Measures" below for a reconciliation of our profit before income tax to the definition of EBITDA.
- (2) EBITDA margin is calculated by dividing EBITDA by revenue for the relevant year, expressed as a percentage.

### Selected Consolidated Statement of Financial Position

	As at 31 December			
	2018	2019	2020	2020
	RMB	RMB	RMB	US\$
	(Audited)	(Audited)	(Audited)	(Unaudited)
		(restated)		
	(in thousands)			
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Investment properties .....	13,083,000	8,793,000	11,727,000	1,797,241
Property, plant and equipment.....	1,208,629	1,261,070	1,492,006	228,660
Intangible assets.....	1,251	1,206	1,161	178
Right-of-use assets.....	–	80,156	73,103	11,204
Land use rights .....	69,315	–	–	–
Equity instruments at fair value through other comprehensive income ("FVTOCI").....	294,340	312,315	290,463	44,515
Properties under development .....	13,194,256	–	–	–
Interests in associates.....	206,554	197,817	229,812	35,220
Interests in joint ventures.....	619,344	2,457,406	3,715,813	569,473
Deferred tax assets.....	644,169	1,090,295	1,618,804	248,093
Restricted bank deposits.....	–	398,400	398,400	61,057
<b>Total non-current assets.....</b>	<b>29,320,858</b>	<b>14,591,665</b>	<b>19,546,562</b>	<b>2,995,641</b>
<b>Current Assets</b>				
Properties under development .....	25,083,825	73,281,225	86,606,518	13,273,030
Completed properties held for sale .....	10,170,401	18,007,483	17,816,340	2,730,474
Trade and other receivables and advance deposits.....	17,538,455	36,222,299	24,668,949	3,780,682
Prepaid taxation .....	944,494	1,885,353	2,232,782	342,189
Contract assets .....	839,997	649,843	358,536	54,948
Contract costs.....	54,962	208,254	271,932	41,675
Financial assets at fair value through profit and loss ("FVTPL").....	–	6,397	31,955	4,897
Restricted bank deposits.....	2,217,430	2,897,140	3,845,078	589,284
Bank balances and cash .....	4,059,778	12,286,486	9,609,916	1,472,784
<b>Total current assets .....</b>	<b>60,909,342</b>	<b>145,444,480</b>	<b>145,442,006</b>	<b>22,289,963</b>
<b>Total assets.....</b>	<b>90,230,200</b>	<b>160,036,145</b>	<b>164,988,568</b>	<b>25,285,604</b>

	As at 31 December			
	2018	2019	2020	2020
	RMB	RMB	RMB	US\$
	(Audited)	(Audited) (restated)	(Audited)	(Unaudited)
	(in thousands)			
<b>EQUITY AND LIABILITIES</b>				
<b>Capital And Reserves</b>				
Share capital .....	1,132,097	1,132,097	1,132,097	173,501
Reserves .....	9,330,298	13,194,419	11,511,155	1,764,162
Equity attributable to owners of the Company .....	10,462,395	14,326,516	12,643,252	1,937,663
Perpetual securities .....	787,823	788,208	787,870	120,746
Non-controlling interests .....	2,694,520	7,834,659	8,710,710	1,334,975
<b>Total equity</b> .....	<b>13,944,738</b>	<b>22,949,383</b>	<b>22,141,832</b>	<b>3,393,384</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Deferred tax liabilities .....	1,822,577	1,535,285	1,649,163	252,745
Interest-bearing loans .....	9,475,268	9,344,980	13,640,805	2,090,545
Bonds .....	1,367,416	2,087,795	–	–
Lease liabilities .....	–	491,038	407,364	62,431
<b>Total non-current liabilities</b> .....	<b>12,665,261</b>	<b>13,459,098</b>	<b>15,697,332</b>	<b>2,405,721</b>
<b>Current Liabilities</b> .....				
Trade and other payables .....	29,485,687	62,904,594	57,378,706	8,793,671
Tax payable .....	1,963,342	4,326,241	5,458,535	836,557
Interest-bearing loans .....	3,209,345	8,099,442	9,092,012	1,393,412
Bonds .....	4,450,599	1,393,481	1,955,758	299,733
Lease liabilities .....	–	91,949	89,121	13,658
Contract liabilities .....	24,511,228	46,811,957	53,175,272	8,149,467
<b>Total current liabilities</b> .....	<b>63,620,201</b>	<b>123,627,664</b>	<b>127,149,404</b>	<b>19,486,498</b>
<b>Total liabilities</b> .....	<b>76,285,462</b>	<b>137,086,762</b>	<b>142,846,736</b>	<b>21,892,219</b>
<b>Total equity and liabilities</b> .....	<b>90,230,200</b>	<b>160,036,145</b>	<b>164,988,568</b>	<b>25,285,603</b>
<b>Net current assets (liability)</b> .....	<b>(2,710,859)</b>	<b>21,816,816</b>	<b>18,292,602</b>	<b>2,803,465</b>
<b>Total assets less current liabilities</b> .....	<b>26,609,999</b>	<b>36,408,481</b>	<b>37,839,164</b>	<b>5,799,106</b>

#### NON-GAAP FINANCIAL MEASURES

We use EBITDA to provide additional information about our operating performance. EBITDA refers to our earnings before the following items:

- finance costs;
- depreciation and amortisation; and
- income tax expenses.

EBITDA is not a standard measure under IFRS. As the property development business is capital intensive, capital expenditure requirements and levels of debt and interest expenses may have a significant impact on net profit of companies with similar operating results. Therefore, we believe the investor community commonly uses this type of financial measures to assess the operating performance of companies in its market sector.

As a measure of our operating performance, we believe that the most directly comparable IFRS measure to EBITDA is profit before income tax. We operate in a capital intensive industry. We use EBITDA in addition to profit before income tax because profit before income tax includes many

accounting items associated with capital expenditures, such as depreciation expenses and intangible assets amortisation. These accounting items may vary between companies depending on the accounting policy adopted by a company. By minimising differences in capital expenditures and the associated depreciation expenses as well as reported tax positions and intangible assets amortisation, EBITDA provides further information about our operating performance and an additional measure for comparing our operating performance with other companies' results. Funds depicted by this measure may not be available for debt service due to covenant restrictions, capital expenditure requirements and other commitments.

The following table reconciles our profit before income tax for the year determined under IFRS to its definition of EBITDA for the years indicated.

	Year ended 31 December			
	2018	2019	2020	2020
	RMB	RMB	RMB	US\$
		(originally stated)		
		(in million)		
<b>Profit before income tax</b> .....	3,731.3	5,598.3	7,100.2	1,088.2
<b>Adjustments:</b>				
Add: Depreciation of right-of-use asset and property, plant and equipment .....	89.0	100.8	126.6	19.4
Add: Amortisation of intangible assets .....	1.4	–	–	–
Add: Net finance cost including foreign exchange .....	769.8	416.1	(169.2)	(25.9)
Add: Capitalized interest expense charged into profit and loss .....	478.8	496.6	873.1	133.8
Less: Revaluation gain on investment properties .....	1,226.7	945.5	577.9	88.6
<b>EBITDA</b> .....	<u>3,843.6</u>	<u>5,666.3</u>	<u>7,352.8</u>	<u>1,126.9</u>

Our definition of EBITDA should not be considered in isolation or construed as an alternative to profit for the year indicated or as an indicator of operating performance or any other standard measure under IFRS. Our definition of EBITDA does not account for taxes and other non-operating cash expenses. Our EBITDA measures may not be comparable to similarly titled measures used by other companies.

## RISK FACTORS

*An investment in the Bonds is subject to significant risks. You should carefully consider all of the information in this offering memorandum and, in particular, the risks and uncertainties described below before deciding to invest in the Bonds. The risks and uncertainties described below may not be the only ones that we face. Additional risks and uncertainties that we are not aware of or that we currently believe are immaterial could be material. If any of these, including the possible events described below, occur, our business, financial condition or results of operations could be materially and adversely affected. In such case, we may not be able to satisfy our obligations under the Bonds, and you could lose all or part of your investment.*

### **Risks Relating to Our Business**

*We may be adversely affected by fluctuations in the global economy and financial markets.*

Recent global market and economic conditions have been unprecedented and challenging with tight credit conditions and recession or stagnation in most major economies continuing into 2016. The equity and financial markets have been very turbulent since the second half of 2015. Concerns over possible inflation or deflation, uncertainty relating to currency exchange rates and interest rates, the availability and cost of credit, the sovereign debt crisis in Europe, volatility in commodity and oil prices, geopolitical issues and unstable financial markets and the global housing and mortgage markets have contributed to increased market volatility, weakened business and consumer confidence and diminished expectations for economic growth around the world.

The outlook for the world economy and financial markets remains uncertain. In Europe, several countries are facing difficulties in refinancing sovereign debt. On 23 June 2016, the United Kingdom held a remain-or-leave referendum on the United Kingdom's membership within the European Union, the result of which favoured the exit of the United Kingdom from the European Union ("Brexit"). In addition, on 29 March 2017, the United Kingdom notified the European Council of its intention to withdraw from the European Union in accordance with Article 50(2) of the Treaty on European. On 31 January 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement signed in October 2019. At the end of the transition period, 31 December 2020, the United Kingdom was no longer a part of the European Union. While the United Kingdom has for the most part chosen to retain existing European Union law and have recently reached a trade deal to allow the United Kingdom to continue to trade with the European Union without tariffs or quotas, there are still many unanswered questions. The effects of Brexit remain uncertain and may cause a negative economic impact and increase volatility in the global market.

Moreover, the U.S. government has advocated greater restrictions on trade generally and significant increases on tariffs on certain goods imported into the United States, particularly from China, and has recently taken steps toward restricting trade in certain goods. For example, in March 2018, the United States began to enforce a 25 per cent. tariff on steel and a 10 per cent. tariff on aluminum imports. In addition, on 15 June 2018, U.S. government announced that the United States would impose a 25 per cent. tariff on certain Chinese exports, valued at approximately US\$34 billion, to be implemented beginning 6 July 2018. The U.S. administration has also created uncertainty with respect to, among other things, existing and proposed trade agreements, free trade generally, and potential significant increases on tariffs on goods imported into the U.S., particularly from Mexico, Canada and China. It is possible that further measures will be announced. In response, China and other countries have retaliated in response to new trade policies, treaties and tariffs implemented by the United States. For example, in response to the United States' tariff plan on steel and aluminum, China announced planned tariffs on various goods imported from the United States, including a 15 per cent. tariff on U.S. steel pipes, fresh fruit and wine, and a 25 per cent. tariff on pork and recycled aluminum. Further, China has announced plans to introduce tariffs on goods imported from the United States in response to the additional U.S. tariffs of 15 June 2018. Such policy retaliations could ultimately result in further trade policy responses by the United States and other countries, and result in an escalation leading to a trade war, which would have an adverse effect on manufacturing levels, trade levels and industries, including logistics, retail sales and other businesses and

services that rely on trade, commerce and manufacturing. On 5 August 2019, the U.S. Treasury Department labeled China a currency manipulator, further escalating the trade war between the China. Although it remains unclear to what extent the trade tensions or a trade war between United States and China will affect the global economy and in particular, the PRC real estate industry, this has resulted in fluctuations in the global debt and equity markets due to trade-war fears, and the uncertainty before, during and after the period of such trade war, if any, may create a negative economic impact and increase volatility in global markets, which may materially and adversely affect our results of operations, business prospects and financial positions.

The outlook for the world economy and financial markets also remains uncertain. In Europe, several countries are facing difficulties in refinancing sovereign debt. In the United States, the recovery in the housing market remains subdued. In Asia and other emerging markets, some countries are expecting increasing inflationary pressure as a consequence of liberal monetary policy or excessive foreign fund inflow, or both. In the Middle East, political unrest in various countries has resulted in economic instability and uncertainty. Economic conditions in the PRC are sensitive to global economic conditions, and it is impossible to predict how the PRC economy will develop in the future and whether it might slow down due to the global crisis or experience a financial crisis in a manner and scale similar to that in the United States and the European countries. As the real estate industry is sensitive to macroeconomic trends, real estate prices tend to fluctuate along with the change of macroeconomic conditions.

These and other issues resulting from the global economic slowdown and financial market turmoil have adversely affected, and may continue adversely affecting, the Chinese market and consumption capacity in this market, which may lead to a decline in the general demand for our products and erosion of their sale prices. In addition, any further tightening of liquidity in the global financial markets and in China may negatively affect our liquidity. Therefore, if the global economic slowdown and turmoil in the financial markets crisis continue and any change in financial markets or the stability of the regions where we operate could result in regional regulatory changes in the property development sector and have a material adverse effect on our business, financial condition and results of operation.

***Our results of operation, financial condition and cash flow may be adversely and materially affected by the COVID-19 pandemic.***

The COVID-19 pandemic which began at the end of 2019 has affected millions of individuals and adversely impacted national economies worldwide, including China. On 7 May 2020, WHO declared COVID-19 outbreak a pandemic. In response to the COVID-19 pandemic, governments across the world have imposed travel restrictions and/or lockdown to contain its transmission. For example, China imposed lockdown on Wuhan and some other cities in Hubei Province on 23 January 2020. There is no assurance that more countries will not impose similar travel restrictions or lockdowns in response to the pandemic or that the current containment measures will be effective in halting the pandemic.

The development of pandemic may adversely and materially affect economic growth globally due to reduce in demand and supply. On 2 March 2020, the Organization for Economic Co-operation and Development reduced 2020 GDP growth projects for almost all economies. Further, the pandemic may adversely and materially affect the stability of global financial markets. On 9, 12 and 16 March 2020, trading on the New York Stock Exchange were halted for 15 minutes because Standard & Poor 500 (“S&P 500”) trading price reached seven per cent. below prior day’s S&P 500 closing price. The unfolding pandemic may significantly reduce global market liquidity and depress economic activities. Furthermore, China’s June manufacturing employment figures for 2020 remained even weaker than the previous month as manufacturers remained cautious about increasing hiring. Several cities in China where we have land bank and operations were under a lockdown and have imposed travel restrictions in an effort to curb the spread of the highly infectious coronavirus. As a result, some of our sales offices and construction of our development projects in PRC were temporarily shut down. Moreover, supply of our raw materials and productivity of our employees may be adversely affected. As a result, the completion of our projects may be delayed and sales might be lower than expected, which might in turn result in substantial increase in our development costs, late delivery of properties and/or otherwise adversely affect our profitability and cash flows. Further, customers who have previously entered into contracts to purchase properties may



default on their purchase contracts if the economic situation further deteriorates as a result of the epidemic. In addition, the COVID-19 outbreak poses risks to the wellbeing of our employees and the safety of our workplace, which may materially and adversely affect our business operation. Our ability to adequately staff, manage and/or maintain daily operations may be adversely affected if the outbreak continues or further deteriorates. Given the uncertainties as to the development of the outbreak at the moment, it is difficult to predict how long these conditions will exist and the extent to which we may be affected. Furthermore, our properties or facilities may be required to be suspended or quarantined, if there were clusters for the COVID-19 cases in our properties or facilities or governmental ordinance to contain the outbreaks. Any of these circumstances may result in material adverse impact on our business, financial condition, results of operation, performance and prospects.

Since April 2020, China and some other countries gradually lifted stay-at-home orders and began to resume work and school at varying levels and scopes. After taking effective control measures by the Chinese government, the pandemic has been brought under control in China. The outbreak is however far from over, and in different countries, is showing signs of resurgence and further waves of infections are recorded everyday. Given the uncertainties as to the development of the outbreak at the moment, it is difficult to predict how long these conditions will persist and to what extent to which we may be affected.

***We face intense competition in the industries where we have businesses, which may adversely affect our business and results of operations.***

Our operating environment is and will continue to be highly competitive. The property industry in the PRC is highly competitive and we face competition as to our property development business from major domestic developers and, to a lesser extent, foreign developers primarily from other countries or regions in Asia. Competition among property developers may increase the costs for land acquisitions and raw materials and administrative costs for hiring or retaining qualified personnel, result in shortages of skilled contractors and oversupply of properties, decrease property prices in certain parts of the PRC and slowdown the rate at which new property developments will be approved and/or reviewed by the relevant government authorities, any of which may adversely affect our business and financial condition. Also, the PRC government's recent measures designed to reduce land supply, raise the benchmark interest rates of commercial banks and place additional limitations on the ability of commercial banks to make loans to property developers, further increased the competition for land among property developers. Furthermore, our relative competitive position varies significantly by service type and geographic area.

Our competitors are well capitalised and have greater financial, marketing and other resources than we have. Some also have greater economies of scale, stronger brand recognition, longer track record and more established relationships with contractors, suppliers and customers in certain markets. Such competitors may be able to respond to changes in market conditions more promptly and effectively than we can. If we are unable to maintain a competitive position, adapt to changing market conditions or otherwise compete successfully with our competitors in our main business segments, our prospects, business, financial condition and results of operations may be materially and adversely affected.

***We may fail to obtain sufficient capital resources for continued growth and other operational needs.***

We require additional capital resources to pursue our business strategy of continuously growing our business and to remain competitive by responding timely to market demand. In particular, the property development business is capital intensive and we expect to continue to incur a high level of capital expenditures for construction and land acquisition in the foreseeable future. We expect to meet the funding needs for our operations through cash flows from operations, bank borrowings and other external financing sources. Our ability to obtain additional financing will depend on a number of factors, including China's economic condition, prevailing conditions in the domestic and international capital markets, regulatory requirements, our financial condition, results of operations and cash flows, and costs of financing including changes in interest rates. If we cannot obtain sufficient funding on acceptable terms or receive necessary approvals from the regulatory authorities, we may not be able to successfully implement our business strategy, and our prospects could be materially adversely affected.

***We may not be able to refinance our indebtedness as it matures and default under the debts may have a material and adverse effect on our financial condition.***

We have incurred significant indebtedness. As at 31 December 2020, our total liabilities was RMB142,846.7 million, of which RMB127,149.4 million was recorded as current liabilities. If we are unable to make scheduled payments in connection with our debt and other fixed payment obligations as they become due, we may need to renegotiate the terms and conditions of such obligations or to obtain additional equity or debt financing. We cannot assure you that our renegotiation efforts would be successful or timely or that we would be able to refinance our obligations on acceptable terms or at all. If financial institutions decline to lend additional funds to us or to refinance our existing loans when they mature and we fail to raise financing through other means, we will need to repay our debt with cash generated from operating activities or some other sources. We cannot assure you that our business will generate sufficient cash flow from operations to repay our borrowings as they mature. Repaying borrowings with cash generated by operating activities will divert our financial resources away from expansion and development of our businesses and implementation of our business strategies. Our Company and certain of our subsidiaries have entered into loan agreements with various banks in the PRC or Hong Kong pursuant to which they have pledged land use rights, buildings and other assets as security. We may lose part or all of this collateral if we cannot repay or refinance such borrowings as they mature, which could materially and adversely affect our business, prospects, financial condition and results of operations.

In addition, we cannot assure you that we will be able to maintain the relevant financial ratios from time to time or that we will not default. If we are unable to obtain forbearance or waiver arrangements with the relevant lenders and upon occurrence of any default, event of default or cross-default in the future, it could lead to, among other things, an acceleration in our debt financing obligations, which could in turn have a material and adverse effect on our financial condition.

***The PRC property market has been cyclical and our property development activities are susceptible to significant fluctuations.***

Historically, the PRC property market has been cyclical. The rapid expansion of the property market in certain major cities in the PRC, including Guangzhou, Beijing and Shanghai, in the early 1990s culminated in an oversupply in the mid-1990s and a corresponding fall in property values and rentals in the second half of the decade and in particular, during the 2008 economic downturn. Since the late 1990s, private residential property prices and the number of residential property development projects have increased in major cities as a result of an increase in demand driven by domestic economic growth. In particular, prices of residential properties in certain major PRC cities such as Shanghai have experienced rapid and significant growth. There is, however, no assurance that the problems of oversupply and falling property prices that occurred in the mid-1990s and during the 2008 economic downturn will not recur in the PRC property market, and the recurrence of such problems could adversely affect our business and financial condition.

The cyclical property market in the PRC affects the optimal timing for both the acquisition of sites and the sale of completed development properties. This cyclicity, combined with the lead time required for the completion of projects and the sale of properties, means that our results of operations relating to property development activities may be susceptible to significant fluctuations from year to year.

To the extent that supply in the overall property market significantly exceeds demand, we may be subject to significant downturns and disruptions in the market for a sustained period. Alternatively, if a serious downturn in regional or global market conditions should occur, this may seriously affect and disrupt the property market in the PRC. If any of these events were to occur, our financial condition and results of operations would be materially and adversely affected.

***We are heavily dependent on the performance of the property market in the PRC, particularly in certain major first-and second-tier cities, such as Shanghai, Suzhou, Haikou, Kunming, Nanning and Hangzhou.***

Our business and prospects depend on the performance of the PRC property market. Any housing market downturns in China generally or in the regions where we have property developments could adversely affect our business, financial condition and results of operations. As at 25 March 2021, we had approximately 110 property projects in various stages of development across 37 cities in the PRC, of which the majority is located in first-and second-tier cities. Our business continues to be heavily dependent on the property market in these cities where we operate our business. These property markets may be affected by local, regional, national and global factors, including 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. These could lead to material adverse impact on our cash flows, financial condition and results of operations.

Demand for private residential properties in the PRC has experienced rapid growth in the last decade, but such growth is often coupled with volatility in market conditions and fluctuations in property prices. We cannot assure you that property development and investment activities will continue at past levels or that we will be able to benefit from future growth in the property market in the cities where we have property projects. Any adverse developments in national and local economic conditions as measured by such factors as GDP growth, employment levels, job growth, consumer confidence, interest rates and population growth in the PRC, particularly in the regions where our projects are located, may reduce demand and depress prices for our products and services and would have a material adverse effect on our business, financial condition and results of operations. Demand for and prices of properties in the PRC are also directly affected by the macroeconomic control measures adopted by the PRC government from time to time. Any further adverse development in the property market in the PRC could have a material adverse effect on our business, financial condition and results of operations.

***We may not be able to complete our development projects on time, or at all, which may have negative impact on our cash flows and results of operations.***

At present, we derive our property development revenue primarily from the sale of properties that we have developed and derive a relatively small portion from income on investment properties including rental income and property management fees.

Property development projects require substantial capital expenditures prior to and during the construction period for, among other things, land acquisition and construction. The construction of property projects may take one year or longer before they generate positive net cash flow through pre-sales, sales, leasing or rentals. As a result, our cash flows and results of operations may be significantly affected by our project development schedules and any changes to those schedules. The schedule and costs for a development project may be materially and adversely affected by many factors, including but not limited to:

- delays in obtaining necessary licences, permits or approvals from government agencies and authorities;
- changes in market conditions;
- delays in or increased costs of relocation of existing residents or demolition of existing structures;
- unforeseen engineering, design, health, environmental, structural or geographic problems;
- shortages or increased costs of materials, equipment, contractors and skilled labour;
- labour disputes;

- adverse influence caused by other construction projects not undertaken by us;
- construction accidents;
- natural catastrophes;
- adverse weather conditions;
- discovery of historic and cultural relics in the construction site; and
- changes in government policies or in applicable laws or regulations.

Construction delays or failure to complete the construction of a project according to its planned specifications, schedule and budget may harm our reputation as a property developer, lead to loss of or delay in recognising revenues and lower returns. If a property project is not completed on time, the purchasers of pre-sold units of a project may be entitled to compensation for late delivery. If the delay extends beyond a certain period, the purchasers may be entitled to terminate their pre-sale agreements and claim damages. In addition, construction delays or failure to complete the construction of a project as agreed with the government may result in penalty or administrative fine, which may in turn have material adverse effect to our business, results of operations and financial condition. We have experienced construction delays with some of our projects, therefore, we cannot assure you that there would be no significant delays in completion or delivery of our projects in the future and we will be subject to liabilities for any such delays.

***We may not be able to successfully manage our growth.***

We have been continuously expanding our operations in recent years. As we continue to grow, we must continue to improve our managerial, technical and operational knowledge and allocation of resources, and to implement an effective management information system. To effectively manage our expanded operations, we need to continue to recruit and train managerial, accounting, internal audit, engineering, technical, sales and other our staff to satisfy our development requirements. In order to fund our on-going operations and our future growth, we need to have sufficient internal sources of liquidity or access to additional financing from external sources. Furthermore, we will be required to manage relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties. We will need to further strengthen our internal control and compliance functions to ensure that we are able to comply with our legal and contractual obligations and to reduce our operational and compliance risks. We cannot assure you that our growth will be successful or we will not experience issues such as capital constraints, construction delays, operational difficulties at new locations, or difficulties in expanding our existing business and operations and in training an increasing number of personnel to manage and operate the expanded business. Our expansion plans may also adversely affect our existing operations and thereby have a material adverse effect on our business, prospects, financial condition and results of operations.

***False, inaccurate or negative media reports about us or our projects, whether substantiated or not, may cause harm to our reputation, divert our management's attention and adversely affect our business and results of operations.***

The development and future trends in the PRC property industry, including business strategies of major property developers, have been the focuses of numerous media reports. Information about us or our projects appears frequently in various media reports. We have also noticed that there had been some inaccurate media reports about us or our projects. The dissemination of such inaccurate or negative media reports or public allegations about us, whether or not substantiated, may adversely harm our reputation and affect public opinion about us and our projects. In addition, such inaccurate or negative media reports may require us to engage in defensive actions, which may divert our management's attention and adversely affect our business and results of operations. We cannot assure you that there will not be any other false, inaccurate or negative media reports about us or our projects in the future.

In addition, we cannot make any assurance as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information appearing in the media is inconsistent or conflicts with the information contained in the offering memorandum, investors should not rely on any such information in making a decision as to whether to purchase the Bonds, and should rely only on the information included in the offering memorandum.

***We may not be able to expand our business effectively through acquisitions, investments, joint ventures and new business opportunities.***

Our business strategy includes selective acquisitions of new assets or businesses, entering into new strategic alliances and joint ventures and investing in or entering into new business opportunities. Our ability to benefit from such acquisitions, investments, alliances and joint ventures will depend upon a number of factors, some of which are beyond our control. These factors include, but not limited to:

- identify appropriate assets or businesses for acquisitions, investments, joint ventures or alliances;
- execute the acquisitions or integrate any business we acquire;
- identify additional new markets;
- work with our joint venture partners or other shareholders;
- train and retain qualified personnel to manage and operate our growing business and any new business opportunities; and
- upgrade and improve our risk management controls and systems on a continuous basis.

The failure to manage any of these factors effectively could materially and adversely affect our business, financial condition or results of operations.

Further, business growth could place a significant strain on our managerial, operational and financial resources. Integrating new assets or businesses into our operational framework and ensuring their proper management may involve unanticipated delays, costs and operational problems, in particular with respect to business lines with which we have not had extensive experience. We may encounter unexpected problems or have disagreements or conflicting interests with our joint venture or alliance partners or the other shareholders of our acquisitions. Further, with respect to some joint ventures or equity investments in which we only hold a minority share, we may lack board representation or veto power. In case of disagreements with our partners, management may be required to divert its attention away from other aspects of our businesses to address such disagreements.

***Our success depends on the continuing services of our senior management team and other key personnel.***

Our future success depends heavily upon the continuing services of our directors and members of our senior management team. To a large extent, our continued ability to successfully integrate new operations and to identify other market opportunities will depend on the experience and expertise of our senior management. If one or more of our senior management or other key personnel are unable or unwilling to continue in their present positions, we may not be able to replace them easily or at all, and our business may be disrupted and our financial condition and results of operations may be materially and adversely affected. In addition, as competition in the PRC for senior management and key personnel with experience and industry expertise is intense, and the pool of qualified candidates is very limited, we may not be able to retain the services of our senior management or other key personnel, or attract and retain high-quality senior management or other key personnel in the future. If we fail to attract and retain qualified personnel, our business and prospects may be adversely affected. Moreover, along with our growth and expansion, we will need to continue to employ, train and retain employees. If we cannot attract and retain suitable human resources, our business, prospects, financial condition and results of operations will be materially and adversely affected.

***We may be involved in legal disputes and other proceedings arising out of our operations from time to time and may incur material losses and liabilities as a result.***

We may be involved in disputes with various parties, including joint venture partners, management companies, purchasers, suppliers, contractors, construction workers and trustees from our operation, and these disputes may lead to legal and/or other proceedings. In addition, we are subject to extensive regulation by the PRC regulatory authorities, and, from time to time, we may be subject to regulatory and administrative proceedings. These legal, regulatory and other proceedings may result in substantial costs, delays in our development schedule and the diversion of resources and management's attention, regardless of the outcome. For example, we may be involved in the administrative proceedings or disputes in connection with publishing illegal and false advertisements. On 24 December 2015, the SAIC promulgated the Provisions on Distribution of Real Estate Advertisements (the "Provisions"), which has become effective on 1 February 2016. According to the Provisions, real estate advertisements shall be true, legitimate, scientific and accurate, and shall not defraud or mislead consumers; the area advertised in real estate advertisements shall be stated as floor area or indoor floor space. The Provisions also specified other requirements related to the contents of the real estate advertisements. As at the date of this offering memorandum, some of our projects have got penalties by the related local government authorities or their agencies in connection with publishing illegal and false advertisements. As at the date of this offering memorandum, we had been involved in disputes in the ordinary course of our business which did not have an adverse effect on our business, financial condition or results of operation. However, we cannot assure you that we will not be involved in a larger number of proceedings or that such proceedings will not involve larger amounts in controversy in the future. The outcome of these proceedings may materially and adversely affect our operation, reputation, business, prospects, financial condition and results of operations.

Our joint venture partners or cooperation partners may have economic or business interests or goals that are inconsistent with ours, take actions contrary to our instructions or requests or contrary to our policies or objectives, be unable or unwilling to fulfil their obligations under the relevant joint venture or cooperation agreements or have financial difficulties. Disagreement with any of our joint venture partners or other cooperation partners with respect to business objective or the scope or performance of their respective obligations under joint venture or cooperation arrangements or the early termination of the joint venture or cooperation arrangement could adversely affect our business operations, financial condition and result of operations.

***Our operations are subject to extensive government policies and regulations, in particular, we are susceptible to changes in policies related to the PRC property industry and local regions in which we operate.***

Our business is subject to extensive governmental regulations and, in particular, we are susceptible to policy changes in the PRC property sector. In particular, the PRC government exerts considerable direct and indirect influence on the development of the PRC property sector by imposing industry policies and other economic measures, such as control over the supply of land for property development, maximum bank loan allowed for property developers, maximum number of flats a person could buy and maximum number of mortgage a purchaser could apply, control of foreign exchange, property financing, taxation and foreign investment. The PRC government may restrict or reduce land available for property development, raise the benchmark interest rates of commercial banks, place additional limitations on the ability of commercial banks to make loans to property developers and property purchasers, impose additional taxes and levies on property sales and restrict foreign investment in the PRC property sector.

Since 2010, the PRC government had implemented a series of regulations and policies to slow down the property market and inflation of property prices, as well as to dampen property speculation. These national or local policies may therefore limit our ability to obtain financing, acquire land for future developments, sell our properties at a profit, generate sufficient operating cash flows from contracted sales, impose additional requirements for pre-sales or restrict funds raised by pre-sale properties used only for the purpose of the respective project. Further policies implemented by the PRC government on bank loans and trust financing arrangements for property development projects since January 2010 have had, and may continue to have, a dampening effect on the property markets in which we operate. In addition, on 30 March 2015 the MOF and the SAT jointly promulgated the Circular on Issues concerning Adjustment on the Business Tax Policies of Residential Property Transaction (財政部、國家稅務總局關於調整個人住房轉讓營業稅政策的通知), which provides that for each resale transaction of a residential property that has been held by the owner for a period of less than two years from the date of purchase, the business tax for property resale transactions is levied on full sales price.

We cannot assure you that the PRC or local government will not adopt additional and more stringent industry policies, regulations and measures in the future, including those policies which restrict our access to financing. For example, as a pilot reform, Shanghai and Chongqing started to charge property taxes in early 2011. It is reported that the PRC government is considering the legislation of property taxes so as to implement it nationwide. In late February 2013, the PRC government issued the “New Five Policies” (新國五條) for administration of the housing market and detailed implementation rules, which requires more stringent implementation of the housing price control measures. Following the request of the central government, Beijing, Shanghai and other major cities in China have announced detailed regulations to implement the New Five Policies in late March 2013, to further cool down the local real estate markets. The MLR and the MOHURD issued the Circular on Tightening the Management and Control over Intermediate Residential Properties and Land Supply (關於加強近期住房及用地供應管理和調控有關工作的通知) on 1 April 2017 urging reasonable arrangement for the supply of housing land, including reasonable increase of land supply in cities. Cities such as Beijing, Shanghai, Guangzhou, Chengdu and Shenzhen have promulgated regulatory policies in the control of commercial office projects. On 9 May 2017, the Shanghai Housing and Urban-Rural Construction and Management Committee issued its Opinion on Cleaning-Up Commercial Office Project, which explicitly stopped the issuance of approval for projects of apartment-style office (公寓式辦公項目), and the commercial office use land transfer contracts are not allowed for constructing apartment-style office buildings. It also requires that the owners of commercial office properties are not allowed to receive similar treatment as the residential housing owners in terms of permanent residence registration, school enrollment or public utility fees. As a result the foregoing new policies, we may incur extra expenses in re-examination or renovation of certain commercial office projects, the sale of our commercial office projects (including apartment-style office) may be adversely affected (properties which do not comply with the designed use prescribed in the land grant contract may be restricted from delivery and title registration), disputes between property owners and us may arise from strict treatment of commercial office projects, and we may also be subject to sanctions for failure to observe the regulatory requirements. It is impossible to ascertain the extent of the impact of these measures or to accurately estimate our sales volume and turnover had the measures been introduced. If we fail to adapt our operations to new policies, regulations or measures that may come into effect from time to time with respect to the property industry, or if our marketing and pricing strategies are ineffective in promoting our contracted sales, such policy changes may dampen our contracted sales and cause us to lower our average selling prices and/or incur additional costs, in which case our operating cash flows, gross profit margin, business prospects, results of operations and financial condition may be materially adversely affected. Please refer to the paragraphs headed “-Risks Relating to Conducting Business in China” in this section and the section headed “PRC Regulations” for more information relating to the PRC regulations.

***We may be subject to fines or may forfeit land to the PRC government if we fail to develop properties in accordance with the terms and timeframe set out in the land grant contracts.***

Under the PRC laws, if we fail to develop a property project according to the terms of the land grant contract, including those relating to the payment of land grant premium, demolition and resettlement costs and other fees, the designated use of the land and the time for commencement and completion of the property development, the PRC government may issue a warning, impose a penalty, and/or order us to forfeit the land. Specifically, under the current PRC laws, if we fail to commence development for more than one year but less than two years from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may issue a warning to us and impose an idle land fee on the land of 20 per cent. of the land grant premium. The relevant PRC land bureau may confiscate our land use rights without compensation if we fail to commence development within two years from the construction commencement date set forth in the land grant contract, unless the delay in the development is caused by government actions or force majeure. Moreover, if a property developer commences development of the land in accordance with the timeframe stipulated in the land grant contract and the developed GFA on the land is less than one-third of the total proposed GFA of the project or the total invested capital is less than one-fourth of the total investment of the project and the development of the land is suspended for more than one year without government approval, the land may be treated as idle land and subject to the risk of forfeiture.

In September 2007, the MLR issued a new notice to further enhance control of the land supply, by requiring developers to develop land according to the terms of the land grant contracts and restricting or prohibiting any non-compliant property developers from participating in future land auctions. In January 2008, the State Council issued a Notice on Promoting the Land Saving and Efficient Use (關於促進節約集約用地的通知) to escalate the enforcement of current rules on idle land management.

Furthermore, the MLR issued a Notice on Restricting the Administration of Construction Land and Promoting the Use of Approved Land (關於嚴格建設用地管理促進批而未用土地利用的通知) in August 2009, which reiterated then applicable rules on idle land management. In September 2010, the MLR and the MOHURD jointly issued the Notice On Further Strengthening the Administration and Control of Real Estate Land and Construction (關於進一步加強房地產用地和建設管理調控的通知), which provides that a property developer and its controlling shareholders will be prohibited from participating in land bidding before certain illegal behaviours in which it engages, such as land idle for more than one year on its own reasons, have been completely rectified. On 1 June 2012, the MLR promulgated the revised Measures on the Disposal of Idle Land (閒置土地處置辦法), which became effective on 1 July 2012.

These further measures limit any application for new land use rights by land developers who intentionally hoard land in breach of the land grant contracts before the completion of the required rectification procedures or any title transfer transaction, lease transaction, mortgage transaction or land modification registration in respect of idle land. On 26 February 2013, the General Office of the State Council issued the Notice on the Continuous Effective Regulation of the Real Estate Market (國務院辦公廳關於繼續做好房地產市場調控工作的通知), which provides that land developers that hold idle land shall be prohibited from participating in land bidding, acquiring loans from commercial banks, obtaining relevant approvals from the CSRC for public listings, refinancing and major assets restructuring and relevant approvals from the CBRC for trust financing. On 22 January 2017, Ministry of Land and Resources issued the Notice of Pilot Program for Improving the Transfer, Lease, and Mortgage of the Use Rights of Construction Land for the Secondary Market (關於完善建設用地使用權轉讓、出租、抵押二級市場的試點方案), which applies stringent criteria for imposing a land idle fee if the land is deemed as an idle land. We cannot assure you that circumstances leading to imposition of penalty, liquidated damages or forfeiture of our land will not arise in the future. If we are deemed as holding land idle for more than one year without cause or are required to forfeit land, we may lose the opportunity to develop the relevant land, our investments in the land, including land premiums paid and development costs incurred, and our ability to bid for other land in the future, any of which could materially and adversely affect our business, prospects, financial condition and results of operations.

***We may not be able to acquire land reserves in desirable locations that are suitable for development at commercially acceptable prices in the future.***

The growth and success of our business depend on our ability to continue identifying and acquiring land reserves located in desirable locations at commercially reasonable prices that are suitable for residential projects and mixed-use complex projects. We need to build up our land reserve in order to grow our business and we may incur significant costs in identifying, evaluating and acquiring suitable new sites for future development. However, our ability to acquire land may depend on a variety of factors that we cannot control, such as overall economic conditions, our effectiveness in identifying and acquiring land parcels suitable for development and competition for such land parcels.

During the three years ended 31 December 2020, our land reserves were primarily acquired through auctions. The availability and price of land sold at auctions depend on factors beyond our control, including government land policies and competition. The PRC government and relevant local authorities control the supply and price of new land parcels and approve the planning and use of such land parcels. The PRC government's policy to grant state-owned land use rights through a bidding system has caused an increase in the acquisition cost of land reserves in the PRC, including land acquired through secondary market. If we fail to acquire sufficient land reserves in a timely manner and at acceptable prices, or at all, our business prospects, financial condition and results of operations may be materially and adversely affected.



The PRC government has adopted a number of initiatives to control the growth of China's residential property sector and to promote the development of affordable housing. For example:

- one of these initiatives requires the local governments to ensure that residential units with a GFA of less than 90 sq.m. (including affordable housing) account for over 70 per cent. of the total area of residential units that are newly approved and constructed after 1 June 2006;
- in a notice made on 30 September 2007 and amended on 3 December 2010, the MLR stated that land supply priority shall be given to ordinary commodity houses at middle to low prices and of medium to small sizes, affordable housing and low-rent housing, and local authorities shall ensure that at least 70 per cent. of annual land supply for residential units approved consists of the preceding categories of housing units;
- pursuant to the Catalogue of Restricted Use of Land (2012 Version) (限制用地項目目錄 (2012年本)) issued by the MLR and the NDRC on 23 May 2012, the area of a parcel of land granted for commodity housing development shall not exceed seven hectares in small cities and towns, 14 hectares in medium-sized cities or 20 hectares in large cities;
- pursuant to the Notice on Further Strengthening the Administration and Control of Real Estate Land and Construction (國土資源部住房和城鄉建設部關於進一步加強房地產用地和建設管理調控的通知) jointly issued by the MLR and the MOHURD in September 2010, the development and construction of large low-density residential properties should be strictly restricted, and the plot ratio for residential land is required to be more than 1.0; and
- one of these initiatives requires local government to further reassess the timing of reissuing land use rights certificates; no land use rights certificate will be issued if the property developers have not paid off land premiums according to the contract, and there should be no segmentation in the issue of land use rights certificate according to the amount of land premiums paid.

In addition, the PRC central and local governments have implemented various measures to regulate the means by which property developers obtain land use rights for property development. The local government may introduce additional policies to control the property market, including the imposition of various conditions for the property developers to participate in land bidding, and setting a cap on the selling price of new projects to be launched. The PRC government also controls land supply through zoning, land usage regulations and other means.

All of these measures further intensify the competition for land in China among property developers. These policy initiatives and other measures adopted by the PRC government from time to time may limit our ability to acquire suitable land for our development or increase land acquisition costs significantly, which may have a material adverse effect on our business, financial condition and results of operations.

***We may not be able to develop properties successfully across different regions in China.***

We are a nationwide property developer and we may continue to expand into new geographic areas in China if a suitable opportunity or condition arises. Due to the inherent local nature of property development the local climate, geological conditions, living habits, preferences for purchase, market conditions, regional development policies, regulations and laws, each local area differs from others. Therefore, when developing properties in different regions, we may encounter different challenges. Experiences gained from the existing regions that we operate may not be applicable to other new regions. Our existing business model may not meet the expectations of local business and regulatory environment. We may not be able to find a reliable local supplier or contractor. As a new player in such markets, we may need to recruit additional staff with local knowledge, for which we may incur additional costs and face difficulties in management and operation. In addition, expanding our operation in new geographical areas would subject us to competitions from developers with stronger local popularity, more familiarity with the local regulations, business models, practices and better relationship with local suppliers, contractors and buyers. If we cannot develop properties successfully in the new geographic areas, it might have an adverse effect on our business, financial condition, results of operations and prospects.

***Our business may be adversely affected by increases in interest rates, reserve requirement ratio and other tightening measures implemented by the PBOC.***

We rely on borrowings to finance a substantial part of our project developments. A substantial part of our borrowings consist of loans from commercial banks in China. In addition, many of our customers finance their purchases of our properties through mortgage loans. Our ability to obtain bank financing and our customers' ability to obtain mortgage loans, as well as the associated finance costs, are affected by benchmark lending rates and bank reserve requirement ratios set by PBOC. The PBOC adjusts the benchmark lending rates from time to time according to the monetary policies of the PRC government. The PBOC promulgated in July 2013 the Notice of the People's Bank of China on Further Promoting the Market-Oriented Interest Rate Reform (中國人民銀行關於進一步推進利率市場化改革的通知), which provides that the lower limit of 0.7 times the benchmark lending rate for financial institutions shall be removed and the financial institutions shall independently determine their lending rates in accordance with commercial principles. In addition, pursuant to the Notice of the People's Bank of China on Lowering the Benchmark Loan and Deposit Rate for Financial Institutions and Further Promoting the Market-Oriented Interest Rate Reform (中國人民銀行關於下調金融機構人民幣貸款及存款基準利率並進一步推進利率市場化改革的通知) promulgated by the PBOC on 21 November 2014, the PBOC lowered (1) the benchmark one-year loan interest rate from 6.0 per cent. to 5.6 per cent., (2) the benchmark one-year deposit rate from 3.00 per cent. to 2.75 per cent., (3) the interest rate of personal housing provident fund loan and deposit of 5 years or less from 4 per cent. to 3.75 per cent. and (4) the interest rate of personal housing provident fund loan and deposit of over 5 years from 4.5 per cent. to 4.25 per cent.. On 28 June 2015, the PBOC further lowered (1) the benchmark one-year loan interest rate from 5.10 per cent. to 4.85 per cent., (2) the benchmark one-year deposit rate from 2.25 per cent. to 2.00 per cent., (3) the interest rate of personal housing provident fund loan and deposit of 5 years or less from 3.25 per cent. to 3.00 per cent. and (4) the interest rate of personal housing provident fund loan and deposit of over 5 years from 3.75 per cent. to 3.50 per cent. On 23 October 2015, the PBOC further lowered (1) the benchmark one-year loan interest rate from 4.6 per cent. to 4.35 per cent., (2) the benchmark one-year deposit rate from 1.75 per cent. to 1.5 per cent., (3) the interest rate of personal housing provident fund deposit collected in the same year remained at 0.35 per cent. The interest rate of personal housing provident fund loan remains unchanged. On 17 February 2016, the PBOC, MOHURD and MOF further released the Notice in Regard to Bettering Housing Provident Fund Personal Account Deposit Interest Rate Formation Mechanism (關於完善職工住房公積金帳戶存款利率形成機制的通知), which provides that the deposit rate of personal housing provident fund has been adjusted to the benchmark one-year deposit rate from 21 February 2016. On 25 August 2019, PBOC issued the People's Bank of China No. 16 [2019] Announcement (the "2019 Announcement 16"), under which, starting from 8 October 2019, new commercial individual housing loans should be priced by adding basis points to the latest monthly loan prime rate (LPR) of corresponding maturity. The basis points added should conform to the national and local housing credit policy requirements, reflect the loan risk profile and remain fixed during the contract period. The interest rate of loans for first-time commercial individual housing loans should not be lower than the LPR of corresponding maturity, and the interest rate of loans for second-time commercial individual housing loans should not be lower than the LPR of corresponding maturity plus 60 basis points. According to 2019 Announcement 16, the provincial PBOC branches should guide the provincial-level self-regulatory mechanisms for pricing market interest rates in line with the basic principle of "introducing city-specific policies" to set the lowest limits of additional basis points for first- and second-time commercial individual housing loan interest rates in respective jurisdictions based on national credit policies and changes of local real estate market situations. However, the lowest limits of additional basis points of interest rates for individual housing loans shall not be adjusted, and the differentiated housing credit policy shall continue to be strictly implemented. The provincial PBOC branches may raise the lowest limits of additional basis points for commercial individual housing loans rates and bank reserve requirement ratios in the future, which may increase the lending rate of the financial institutions. Increases in interest rates increase our finance costs and increase mortgage rates, which could adversely affect our business, financial condition and results of operations. Moreover, interest rate volatility can make it difficult for us to make plans and implement our strategies and can deter potential home buyers. For example, the financial market in China has also changed recently, as evidenced by the overall tightening in the domestic liquidity and bank loans, prolonged approval and drawdown period for mortgage loans and stricter review process for project loans. The reserve requirement refers to the amount of funds that banks must hold in reserve with the PBOC against deposits made by their customers. Increases of the bank reserve requirement ratio may negatively impact the amount of funds available for lending to businesses, including us, by commercial banks in China.

***We face uncertainties when obtaining land sites through the acquisition of project companies.***

In addition to increasing our land bank through public tender, auction and listing-for-sale, we have obtained land sites for some of our projects through acquisition of project companies that held the land use rights. We expect to continue to obtain land sites through corporate acquisitions in the future. We cannot assure you that we have discovered, or will be able to discover prior to such acquisitions, all existing or potential liabilities of or risks associated with the target project companies. In addition, the government may change the permitted use of the land sites to which such project companies own the land use rights after our acquisitions, rendering the land sites unsuitable for property development purposes. If any of the undiscovered existing or potential liabilities of the acquired project companies are found to be material, or if we are unable to develop properties as intended, our business, prospects, financial condition and results of operations may be materially and adversely affected.

***Our business may be adversely affected if we fail to obtain, or experience material delays in obtaining, necessary government approvals in carrying out our property development and management operations.***

The property industry in the PRC is heavily regulated. Property developers must abide by various laws and regulations, including rules stipulated by national and local governments to enforce these laws and regulations. To engage in property development and management operations, we must apply to relevant government authorities to obtain (and renew for those relating to on-going operations) various licences, permits, certificates and approvals, including but not limited to, land use rights certificates, qualification certificates for property developer, construction work commencement permits, construction project planning permits, construction land planning permits and pre-sale permits. Some of our operating project companies are in the process of applying for the issue or renewal of their property developer qualification certificates, construction work commencement permits, construction project planning permits, business licences and production safety permits. Before the PRC government authorities issue or renew any certificate or permit, we must meet specific requirements and conditions.

We cannot guarantee that we will be able to adapt to new rules and regulations that may come into effect from time to time with respect to the property industry or that we will not encounter other material delays or difficulties in fulfilling the necessary conditions to obtain and/or renew all necessary certificates or permits for our operations in a timely manner, or at all, in the future. Therefore, in the event that we fail to obtain or renew, or encounter significant delays in obtaining or renewing, the necessary government approvals for any of our major property projects, we may not be able to continue with our development plans and be subject to administrative penalties, and our business, financial condition and results of operations may be adversely affected.

In addition, we cannot assure you that we will not be subject to the penalties by the relevant government authorities for the failure to obtain the construction works planning permit and the construction works commencement permit for the relevant properties before commencement of construction pursuant to the Urban and Rural Planning Law of the PRC (中華人民共和國城鄉規劃法) amended on 23 April 2019 and the Administrative Measures on the Construction Works Commencement Permit (建築工程施工許可管理辦法) amended on 30 March 2021. As at the date of this Offering Circular, some of the projects has commenced construction before obtaining the construction permit, the construction land planning permit, the construction project planning permit, the environment impact evaluation approval, the designing scheme and its approval by the NDRC, the record of acceptance examination upon project completion or other administrative departments or before obtaining other necessary approvals, licenses and permits from different governmental authorities, which some of them have got penalties by the related local government authorities or their agencies. Even if not getting penalties already, they may result in regulatory or administrative penalties in the future. As at the date of this Offering Circular, some of the projects has engaged in real estate development and operation without a current valid or renewed qualification certificate.

***Our customers may not be able to obtain mortgages on favourable terms, or at all, which could reduce our sales.***

Many of our purchasers rely on mortgages to fund their purchases. An increase in interest rates may significantly increase the cost of mortgage financing, thus reducing the attractiveness of mortgages as a source of financing for property purchases and adversely affecting the affordability of residential properties. In addition, the PRC government and commercial banks may also increase down payment requirements, impose other conditions or otherwise change the regulatory framework in a manner that would make mortgage financing unattractive or unavailable to potential property purchasers.

From time to time, the PRC government issues laws, regulations or government policies regarding mortgage financing to regulate the PRC property market. In January 2010, the State Council issued the Circular on Promoting the Stable and Sound Development of the Real Estate Market (國務院辦公廳關於促進房地產市場平穩健康發展的通知), which, among other things, provides that homeowners with outstanding mortgage loans who intend to buy additional housing properties for themselves, their spouses or dependent children are required to pay a down payment of no less than 40 per cent. of the purchase price and the applicable interest rate shall be set strictly based upon the associated risk level. In April 2010, the State Council issued a notice to raise the minimum down payment for second home purchases to 50 per cent. and set a minimum 30 per cent. down payment on first homes with a GFA of more than 90 sq.m. Further, pursuant to such notice, interest rate for mortgage loans of second homes cannot be lower than 110 per cent. of the PBOC benchmark lending rate. In May 2010, the MOHURD, the PBOC and the CBRC jointly issued a circular to clarify that the number of residential properties owned by an individual property purchaser who is applying for mortgage loans shall be determined by taking into account all residential properties owned by the family members of such purchaser (including the purchaser and such purchaser's spouse and children under the age of 18), and that property purchasers of second or subsequent residential properties shall be subject to different credit terms when applying for mortgage loans. According to the Notice on Relevant Issues Regarding the Improvement of Differential Mortgage Loan Policies (中國人民銀行、中國銀行業監督管理委員會關於完善差別化住房信貸政策有關問題的通知) jointly issued by the PBOC and the CBRC on 29 September 2010, the minimum down payment has been raised to 30 per cent. for all first home purchases, and commercial banks are required to suspend mortgage loans for purchases of a customer's third or subsequent residential properties. In January 2011, the State Council issued a circular to further raise the minimum down payment for second home purchases to 60 per cent. On 30 March 2015, the PBOC, the MOHURD and the CBRC jointly issued the Circular on Issues concerning the Residential Housing Mortgage Loan Policies (中國人民銀行、住房城鄉建設部、中國銀行業監督管理委員會關於個人住房貸款政策有關問題的通知) to relax mortgage rules for second home purchasers to address demand for improved housing and lift the sagging housing market, which provides that the minimum down payment for second home purchasers in general have been lowered to 40 per cent., the minimum down payment for second home purchasers using public housing funds has been cut to 30 per cent. if all loans are settled on their first home and for first home purchasers using public housing funds, the minimum down payment has been reduced to 20 per cent. of the home's value. On 27 August 2015, the PBOC, MOHURD and CBRC jointly issued the Notice on the Adjustment on the Down Payment Ratio of the Residential Housing Mortgage Loan (住房和城鄉建設部、財政部、中國人民銀行關於調整住房公積金個人住房貸款購房最低首付款比例的通知), which has become effective from 1 September 2015. It is the second time that the authorities have lowered the down payment level in 2015. According to the Notice, the minimum down payment for the second home purchasers using public housing funds has been further reduced from 30 per cent. to 20 per cent. if all loans are settled on their first home. Moreover, the Notice allows Beijing, Shanghai, Guangzhou, and Shenzhen to decide the minimum down payment ratio for the second home purchasers using public housing funds based on both the national policy and their local practices on their discretion. Moreover, according to the Notice on Relevant Issues Regarding the further Improvement of Differential Mortgage Loan Policies (中國人民銀行、中國銀行業監督管理委員會關於進一步完善差別化住房信貸政策有關問題的通知) jointly issued by the PBOC and the CBRC on 24 September 2015, the minimum down payment has been cut to 25 per cent. for first home purchases in cities without purchasing restriction. On 1 February 2016, the PBOC and the CBRC jointly issued the Notice on Issues concerning Adjusting the Individual Housing Loan Policies (中國人民銀行、中國銀行業監督管理委員會關於調整個人住房貸款政策有關問題的通知), which provides that: (i) In cities where "housing purchase restriction" measures are not implemented, the minimum down payment ratio for commercial individual housing loans granted to households of residents for purchasing ordinary housing units for the first time shall generally be 25 per cent., and may be lowered by 5 per cent. by local governments; and where a household which owns one housing unit but has not paid off the relevant housing loan applies again for a commercial individual housing loan to purchase an ordinary housing unit to improve living conditions, the minimum down payment ratio shall not be less than 30 per cent.; and (ii) In cities where "housing purchase restriction" measures are implemented, the individual housing loan policies shall remain unchanged. In addition, pursuant to the Guidelines for the Risk Management of Real Estate Loans of Commercial Banks (商業銀行房地產貸款風險管理指引) issued by the CBRC on 30 August 2004, mortgagee banks may not lend to any individual borrower if the monthly repayment of the anticipated mortgage loan would exceed 50 per cent. of the individual borrower's monthly income or if the total debt service of the individual borrower would exceed 55 per cent. of such individual's monthly income. On 28 December 2020, the PBOC and the CBIRC issued the Circular on the Establishment of a Concentration Management System for Real Estate Loans by Banking Financial Institutions (關於建立銀行業金融機構房地產貸款集中度管理制度的通知), to request any financial institutions to lower the ratio of the balance of real estate loans to the balance of the institution's RMB loans and the ratio of the balance of personal

housing loans to the balance of the institution's RMB loans to meet the requirements of the PBOC and the CBIRC. On 26 March, 2021, the MOHURD, the PBOC and the CBIRC issued the Circular on the Prevention of Irregular Flow of Loans for Business Purposes into the Real Estate Sector (關於防止經營用途貸款違規流入房地產領域的通知), to make great efforts to clear up the problem of loans for business purposes flowing into the real estate sector and to cool down the real estate market. In the event that mortgages become more difficult to obtain or that the cost of such financing increases, many of our prospective customers who rely on mortgages may not be able to purchase our properties. In line with industry practice, we provide guarantees to banks for mortgage loans they offer to purchasers of our properties. If there are changes in laws, regulations, policies or practices that would prohibit property developers from providing such guarantees and these banks do not accept alternative guarantees from third parties, if available, it may become more difficult for property purchasers to obtain mortgages from banks in connection with pre-sales. Such difficulties may inhibit pre-sales, which could materially and adversely affect our business, prospects, financial condition and results of operations.

***We may be subject to legal and business risks if we fail to obtain, renew or maintain qualification certificates.***

Property developers must obtain a qualification certificate in order to carry out property development in the PRC. According to the Provisions on Administration of Qualification of Real Estate Developers (房地產開發企業資質管理規定) issued by the MOHURD on 29 March 2000 and amended on 4 May 2015 and 13 December 2018, newly established property developers must first apply for a provisional qualification certificate, which is valid for one year and can be renewed for a maximum of two additional years. A property developer is required to obtain a formal qualification certificate with an approved class before its provisional qualification certificate expires. Formal qualification certificates are subject to annual qualification inspections. Government regulations require developers to fulfil all statutory requirements before obtaining or renewing their qualification certificates. As at the date of this Offering Circular, some of our subsidiaries are in the process of obtaining the aforesaid qualification certificates for some of our construction projects. Failure to obtain the necessary approvals, licences or such qualification certificates in a timely manner could result in delay or suspension of business operations and a failure to obtain the necessary approvals, licences or permits may subject the relevant entities to regulatory or administrative penalties. For instance, if any of our project companies is unable to obtain or renew the relevant qualification certificates, it may not be able to engage in the relevant property development project. Otherwise it will generally be given a grace period to rectify any noncompliance and may be subject to a penalty of between RMB50,000 and RMB100,000. Failure to ratify the noncompliance within the grace period could result in the revocation of the qualification certificate and the business licence of the relevant project company.

We cannot assure you that the qualification certificates of all of our existing project companies will continue to be maintained or extended or that formal qualification certificates for new project companies and our other non-property development related subsidiaries will be obtained in a timely manner, or at all. If our project companies or our other non-property development related subsidiaries are unable to obtain or maintain their qualification certificates, as applicable, they will not be permitted to engage in or continue their businesses, which could have a material adverse effect on our business and financial condition.

***Our land tax provisions and prepayments may not be sufficient to meet our land tax obligations.***

In accordance with the provisions of the Provisional Regulations of the PRC on Land Appreciation Tax (中華人民共和國土地增值稅暫行條例) enacted on 13 December 1993 and amended on 8 January 2011 and the related implementation rules regarding land appreciation tax ("LAT"), all entities and individuals that receive income from the sale or transfer of land use rights, buildings and ancillary facilities are subject to LAT at progressive rates ranging from 30 per cent. to 60 per cent. of the appreciation in the value of such properties. The PRC government issues rules and regulations with respect to LAT, including rules and regulations relating to assessable rates, the deductibility of certain expenses and the collection and settlement of LAT. There is an exemption for the sale of ordinary residential properties developed by the taxpayer itself if the appreciation in the value does not exceed 20 per cent. of the total deductible expense items allowed under the relevant LAT regulations. This exemption is not available for sales of luxury residential properties, villas and high-end commercial properties.

On 25 April 2016, the MOF and SAT jointly promulgated the Notice on Issues Relating to Tax Computation Bases for Deed Tax, Real Estate Tax, Land Appreciation Tax and Individual Income Tax following Implementation of the Pilot Scheme of Levying VAT in place of Business Tax (關於營改增後契稅、房產稅、土地增值稅、個人所得稅計稅依據問題的通知), effective on 1 May 2016, which mainly provides that (1) income derived by taxpayer of LAT for transfer of real estate shall be income excluding VAT; (2) VAT input tax pertaining to deductible items of LAT stipulated in the Provisional Regulations of the PRC on Land Appreciation Tax (中華人民共和國土地增值稅暫行條例), which is allowed to be deducted from the output tax, shall be excluded from the deductible items; and (3) where such VAT input tax is not allowed to be deducted from the output tax, it may be included in the deductible items.

We make LAT prepayments and provisions in respect of our property development activities. There is no assurance that the relevant tax authorities will agree with our calculation of LAT liabilities nor is there any guarantee that the LAT provisions will be sufficient to cover our LAT obligations in respect of our past LAT liabilities. If the relevant tax authorities, in particular, the local tax bureau in cities and regions where we operate businesses, determine that our LAT liabilities exceed our LAT prepayments and provisions and seek to collect that excess amount immediately, our business, financial condition or results of operations could, as a consequence, be materially and adversely affected.

Furthermore, relevant notices issued by the PRC government relating to the settlement of LAT allow provincial tax authorities to formulate their own implementation rules according to the local situation. If the implementation rules promulgated in the cities in which our projects are located require us to settle all unpaid LAT at the same time, or impose other conditions, our business, financial condition and results of operations may be materially and adversely affected.

***We may be adversely affected by levying VAT in place of business tax.***

Pursuant to the Interim Regulations on Business Tax of the People's Republic of China (中華人民共和國營業稅暫行條例) enacted by the State Council on 10 November 2008 and effective on 1 January 2009 and abolished on 19 November 2017, and its Detailed Implementation Rules on the Provisional Regulations on Business Tax of the People's Republic of China (中華人民共和國營業稅暫行條例實施細則) issued by the MOF and SAT on 15 December 2008 and amended on 28 October 2011, the tax rate on transfer of immovable properties is 5 per cent.

The MOF and the SAT promulgated the Pilot Proposals for Levying the Value-added Tax in Lieu of Business Tax (營業稅改徵增值稅試點方案) on 16 November 2011 pursuant to which, the pilot work of the value-added tax in lieu of business tax was carried out in some industries on a national scale since 1 January 2012. Pursuant to this pilot plan and relevant subsequent notices, from 1 January 2012, VAT gradually replaced business tax in the transport and post industry, telecom industry and some of the modern service industries in China. Under the pilot plan, a VAT rate of 6 per cent. applies to certain modern service industries. On 23 March 2016, the MOF and SAT promulgated the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-Added Tax to Replace Business Tax (Cai Shui [2016] No. 36) (關於全面推開營業稅改徵增值稅試點的通知), which provides that, starting from 1 May 2016, the VAT pilot program cover construction industry, real estate industry, finance industry and life service industry on a nation-wide basis.

On 31 March 2016, the SAT promulgated the Announcement on Promulgation of the Provisional Measures on Administration of Levying and Collection of Value-added Tax on Sale of Real Estate Projects by Real Estate Development Enterprises Which Develop Such Projects (房地產開發企業銷售自行開發的房地產項目增值稅徵收管理暫行辦法) which amended on 15 June 2018, pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on Full Launch of the Pilot Scheme on Levying Value-added Tax in Place of Business Tax (Cai Shui [2016] No. 36) (關於全面推開營業稅改徵增值稅試點的通知), and the relevant prevailing VAT provisions.

On 10 November 2016, the SAT promulgated the Announcement of the State Administration of Taxation on Several Provisions on Collection and Administration of Land Appreciation Tax following the Implementation of Levying of VAT in place of Business Tax (國家稅務總局關於營改增後土地增值稅若干徵管規定的公告), which provides that (1) Following the implementation of levying VAT in place of business tax, the income from transfer of real estate, which is subject to land appreciation tax, shall exclude VAT; (2) Where a taxpayer uses its development products for staff welfare, incentives, external investments, distribution to shareholders or investors, debt setoff, exchange for non-monetary assets of other organisations and individuals etc., the transfer of ownership shall be deemed as sale of real estate, and the income thereof shall comply with the provisions of Article 3 of the SAT's Notice on Administration of Settlement of Land Appreciation Tax of Property Development Enterprises (關於房地產開發企業土地增值稅清算管理有關問題的通知). Where a taxpayer arranges for resettlement of households, the verification of taxable income and deductibles for the resettlement housing shall comply with the provisions of Article 6 of the SAT's Notice on Issues concerning the Settlement of Value-added Tax on Land (關於土地增值稅清算有關問題的通知).

On 21 December 2016, the Ministry of Finance and the State Administration of Taxation issued the Circular 140, which has been retroactively effective since 1 May 2016. The Circular 140 further clarified that VAT is applicable to investment returns on contracts which undertake for fully recoverable principal, but is not applicable to the non-principal-protected gains from investments in financial products.

On 19 November 2017, the Interim Regulations of the People's Republic of China on Business Tax was abolished and the Interim Regulations of the People's Republic of China on Value added Tax (中華人民共和國增值稅暫行條例) was revised by the State Council. According to the revised Interim Regulations of the People's Republic of China on Value added Tax, selling goods, providing labor services of processing, repairs or maintenance, or selling services, intangible assets or real property in the PRC, or importing goods to the PRC, shall be subject to value added tax. According to a notice jointly issued by MOF and SAT in April 2018, starting from 1 May 2018, the VAT rate will be lowered from 17 percent to 16 percent for manufacturing and some other industries, and from 11 percent to 10 percent for transportation, construction, real estate leasing service, sale of real estate, basic telecommunication services, and farm produce.

On 20 March 2019, the Ministry of Finance, the State Administration of Taxation and General Administration of Customs issued the Announcement on deepening policies related to VAT reform(關於深化增值稅改革有關政策的公告), the VAT rate will be lowered from 16 percent to 13 percent for manufacturing and some other industries, and from 10 percent to 9 percent for transportation, construction, real estate leasing service, sale of real estate, basic telecommunication services, and farm produce.

Since the application of the VAT pilot program in the real estate industry is relatively new, there remain uncertainties on the interpretation and implementation of the relevant rules and regulations. We cannot assure you that our overall tax liability will not increase by levying VAT in lieu of business tax, or we may have to change our business practices in light of such rules, either of which may have a material adverse effect on our business, prospects, financial condition and results of operations.

***We are subject to potential environmental liabilities that could result in substantial costs.***

We are subject to a variety of laws and regulations concerning the protection of the environment. The particular PRC environmental laws and regulations which apply to any given project development site vary according to the location, the environmental condition, the present and former uses of the site, as well as adjacent properties.

The relevant property development project may be delayed due to our efforts to comply with environmental laws and regulations. In some environmentally-sensitive regions or areas, the compliance costs could be prohibitively expensive.

In addition, each property development project is required by the relevant PRC laws and regulations to undergo environmental assessments and to submit an environmental impact assessment report to the relevant government authorities for approval before commencement of construction. Failure to obtain such approval prior to construction may result in suspension of construction and a penalty which will be not less than 1 per cent but not more than 5 per cent of the overall investment amount for such construction project according to the seriousness and consequences of such violations, and the ecological environment department at the county level or above may order it to restore to the original state.

We did not submit environmental assessment documents to the local authorities regarding the construction of certain of our property projects. The environmental investigations conducted relating to each of our property development projects to date have not revealed any material environmental liability. However, it is possible that these investigations did not reveal all environmental liabilities and there may be environmental liabilities of which we are unaware that may have a material adverse effect on our business and financial condition. In addition, if more stringent regulations are adopted in the future, we cannot assure you that we will be able to fully comply with such regulations and the costs of compliance with these new regulations may be substantial. If any of these occur, our business, prospects, financial condition and results of operations may be materially and adversely affected.

***We are subject to various environmental, safety and health regulations in the PRC and any failure to comply with such regulations may result in penalties, fines, governmental sanctions, proceedings or suspension or revocation of its licences or permits.***

We are required to comply with extensive environmental, safety and health regulations in the PRC. Failure to comply with such regulations may result in fines or suspension or revocation of our licences or permits to conduct its business. Given the volume and complexity of these regulations, compliance may be difficult or involve significant financial and other resources to establish efficient compliance and monitoring systems. There is no assurance that we will be able to comply with all applicable requirements or obtain these approvals and permits on a timely basis, if at all.

In addition, each property development project is required by the relevant PRC laws and regulations to undergo environmental assessments and to submit an environmental impact assessment report or environmental impact statement to the relevant government authorities for approval or fill out the environmental impact registration form before commencement of construction. Failure to obtain such approval prior to construction may result in suspension of construction and a penalty which will be not less than 1 per cent. but not more than 5 per cent. of the overall investment amount for such construction project according to the seriousness and consequences of such violations, and the ecological environment department at the county level or above may order us to restore the construction site's the original state.

In addition, PRC laws and regulations are constantly evolving. There can be no assurance that the PRC government will not impose additional or stricter laws or regulations, which may increase compliance costs of us.

***Our business and property sales may be affected if we fail to obtain the record of acceptance examination for our completed projects.***

According to the Regulations on Administration of Development and Operations of Urban Real Estate (城市房地產開發經營管理條例) latest amended on 29 November 2020, the Regulation on the Quality Management of Construction Projects (建設工程質量管理條例) enacted and enforced by the State Council on 30 January 2000 and amended on 23 April 2019, the Administrative Measures for Reporting Details Regarding Acceptance Examination Upon Completion of Buildings and Municipal Infrastructure (房屋建築和市政基礎設施工程竣工驗收備案管理辦法) enacted by the MOHURD in April 2000 and amended on 19 October 2009 and the Provisions on Acceptance Examination Upon Completion of Buildings and Municipal Infrastructure (房屋建築和市政基礎設施工程竣工驗收規定) enacted by the MOHURD and effective on 2 December 2013, after completion of work for a project and the subsequent acceptance examination, a real estate developer shall apply to the government property development authority at or above the county level for a record of acceptance examination. For a residential housing project, an acceptance examination shall be conducted upon each unit, and the developer shall issue the acceptance form for each unit after completing such “door to door acceptance”.



We cannot assure you that we will be able to obtain the record of acceptance examination for our completed projects in a timely manner, or at all. In such event, our business, property sales and financial condition may be materially and adversely affected.

***We cannot assure you that services performed by independent contractors will meet our quality standards and timing requirements or will be provided within our budget.***

We engage independent contractors to provide various services, including but not limited to construction, piling and foundation, engineering, interior decoration, mechanical and electrical installation and utilities installation. We generally select independent contractors through an open tender process. Completion of our projects is therefore subject to the satisfactory performance of these independent contractors. We cannot assure you that we will be able to obtain services from independent contractors within our budget or at all, or that the services rendered by these independent contractors or subcontractors will be satisfactory or will meet our quality and safety standards and our project timelines. If the performance of any independent contractor is not satisfactory or is delayed, we may need to replace the contractor or take other actions to remedy the situation, which could inflate construction costs and delay completion. Any of these factors may have a material adverse effect on our business, prospects, financial condition and results of operations.

***We guarantee mortgage loans of our customers and may become liable to mortgagee banks if customers default on their mortgage loans.***

In accordance with industry practice, banks require us to guarantee mortgage loans taken by purchasers of the properties that we develop. Typically, we guarantee mortgage loans taken out by purchasers up until (i) we complete the relevant properties and the property ownership certificates and the mortgage are registered in favour of the mortgagee bank, (ii) two years after the expiry date of the mortgage loan contract or (iii) the settlement of mortgage loans between the mortgagee bank and the purchaser. If a purchaser defaults on a mortgage loan, we may be required to repurchase the underlying property by paying off the mortgage. If we fail to do so, the mortgagee bank may auction the underlying property and recover any additional amount outstanding from us as the guarantor of the mortgage loans. In line with industry practice, we do not conduct any independent credit checks on our customers and rely on the credit evaluation conducted by the mortgagee banks on such customers. These are contingent liabilities not reflected on our balance sheets. Should any material default occur and if we were called upon to honour our guarantees, our financial condition and results of operations could be adversely affected.

***We are exposed to contractual and legal risks relating to pre-sales; changes in laws and regulations in relation to pre-sale of properties may adversely affect our business, prospects, financial condition and results of operations.***

We make certain undertakings in our pre-sale contracts. Our pre-sale contracts and the PRC laws and regulations provide for remedies for breach of these undertakings. For example, if we pre-sell units in a property development and we fail to complete that development, we will be liable to the purchasers for their losses. If we fail to complete a pre-sold property on time, we may be liable to the relevant purchasers for late delivery under the relevant pre-sale contracts or pursuant to relevant PRC laws and regulations. If delays extend beyond a specified period, the purchasers may terminate their pre-sale contracts and claim for damages. A purchaser may also terminate a contract with us if the GFA of the relevant unit, as set out in the individual property ownership certificate, deviates by more than 3 per cent. from the GFA of that unit set out in his or her contract. If a substantial number of purchasers claim against us for breach of contract or terminate their pre-sale contracts with us, our business, prospects, financial condition and results of operations may be materially and adversely affected.

Proceeds from the pre-sales of our properties are an important source of funds for our property developments and have a significant impact on our cash flow and liquidity position. In August 2005, the PBOC proposed in a report entitled “2004 Real Estate Financing Report (2004中國房地產融資報告)” that the practice of pre-selling uncompleted properties be discontinued, on the grounds that pre-sales create

significant market risks and generate transactional irregularities. While such proposal has not been adopted by any PRC government authorities and has no mandatory effect, we cannot assure you that the PRC government will not ban or impose material limitations on pre-sales of uncompleted properties in the future. In April 2010, the MOHURD issued the Notice on Further Strengthening the Supervision of Real Estate Market and Improving the Pre-Sale System of Commodity Housing (關於進一步加強房地產市場監管完善商品住房預售制度有關問題的通知). The notice urges local governments to enact regulations on the sale of completed commodity properties in light of local conditions and encourages property developers to sell completed commodity properties. We cannot assure you that we can adapt to new laws, regulations or policies relating to pre-sale of properties that may come into effect from time to time. Any failure to do so may subject us to fines, delays or other impediments in developing our properties. Future implementation of any restrictions on our ability to pre-sell our properties, including any requirements to increase the amount of up-front expenditure we must incur prior to obtaining the pre-sale permit, would extend the time required for recovery of our capital outlay and would force us to seek alternative means to finance our property developments, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

***We face certain risk associated with demolition and settlement of acquired land.***

All of our projects do not require demolition of existing properties or resettlement of existing residents except for one of our projects in Wuxi municipality. If we obtain the land use rights from the PRC government, land clearance costs are usually included in the land use rights premium, otherwise we would be required to pay the appropriate compensations calculated in accordance with formulae published by the relevant local authorities prior to the construction. If the compensation paid by the PRC government authorities were to increase significantly due to increases in the property market prices, land premiums payable by us may be subject to substantial increases. In respect of projects in which the resettlement costs are borne by us, if the PRC government authorities fail to reach an agreement with the residents for compensation and resettlement at a reasonable cost or within certain period, or the negotiation process takes longer than we expected which may delay the completion of our projects, our results of operation and financial condition may be adversely affected. If a company has acquired a piece of land which the relocation of the existing property has been delayed, it would lead to delays in the title delivery by the government for the properties, consequently delaying the property project development and increasing the relevant costs. Any occurrence of the above factors may result in delays to our development schedule, leading to a substantial increase in cost and a delay in the expected cash inflow resulting from pre-sales of the relevant project, which can adversely affect our cash flows, financial condition and results of operations in the future.

***The actual development of some of our property developments may differ from the approved development plan, and the total GFA of some of our property developments may be different from the original authorised area.***

When the PRC government grants the land use rights for a parcel of land, it will specify in the land grant contract the permitted use of the land and the total GFA that the developer may develop on the land. However, the actual plan adopted for a property development project may differ from the approved development plan, and the actual GFA constructed may be different from the total GFA authorised in the land grant contract or construction permit due to factors such as subsequent planning and design adjustments. The adjusted planning and design of a property development project and the actual GFA may be subject to approval when the relevant authorities inspect the properties after completion. The developer may be required to pay additional land premium and/or administrative fines or take corrective actions in respect of the adjusted land use and excess GFA before a Construction of Properties and Municipal Infrastructure Completed Construction Works Certified Report (房屋建築工程和市政基礎設施工程竣工驗收備案證明) can be issued to the property development. The methodology for calculating the additional land premium is generally the same as the original land grant contract.

According to the PRC Urban and Rural Planning Law (城鄉規劃法) amended on 23 April 2019, if a construction project proceeds without obtaining the planning permit on construction project or by violating the provisions of the planning permit on construction project, the competent department of urban and rural planning of the local government at or above the county level shall order it to stop construction. If it is still possible for the construction entity or individual to take measures to eliminate the impact on the implementation of urban and rural planning, the department shall order it or him to correct within a certain time limit and impose a fine of not less than 5 per cent. but not more than 10 per cent. of the construction cost; if it is impossible to take measures to eliminate the impact, the department shall order the construction entity or individual to dismantle the building or structure within a certain time limit and confiscate the real objects or the illegal gain, and may also impose a fine not more than 10 per cent. of the construction cost. If this occurs, our business, prospects, financial condition and results of operations may be materially and adversely affected.

*The PRC government has implemented restrictions on the payment terms for land use rights.*

In September 2007, the MLR revised and issued the Regulations on the Grant of State-owned Construction Land Use Rights through Public Tender, Auction and Invitation for Bidding (招標拍賣掛牌出讓國有建設用地使用權規定) requiring property developers to fully pay the land premium for the entire parcel under the land grant contract before they can receive a land use rights certificate and commence development on the land. This regulation became effective on 1 November 2007. As a result, property developers are not allowed to bid for a large piece of land, make partial payment, and then apply for a land use rights certificate for the corresponding portion of land in order to commence development, which had been the practice in many Chinese cities. In November 2009, the MOF, the MLR, the PBOC, PRC Ministry of Supervision and PRC National Audit Office jointly issued the Notice on Further Enhancing the Revenue and Expenditure Control over Land Grant (關於進一步加強土地出讓收支管理的通知), which raises the minimum down payment on land premiums to 50 per cent. of the total premium and requires the land premium to be fully paid within one year after the signing of a land grant contract, subject to limited exceptions. In March 2010, the MLR issued the Circular on Strengthening Real Estate Land Supply and Supervision (關於加強房地產用地供應和監管有關問題的通知), under which the minimum price for a given land grant is required to be equal to at least 70 per cent. of the benchmark price of the locality where the parcel of land is granted and the bidding deposit for such land grant is required to be equal to at least 20 per cent. of the minimum land premium. Additionally, a land grant contract is required to be entered into within 10 working days after the land grant deal is closed and the down payment of 50 per cent. of the land premium is required to be paid within one month after the execution of the land grant agreement. Any remaining amount is required to be paid in full within one year of the date of the land grant contract in accordance with provisions of such land grant contract, subject to limited exceptions. The implementation of the regulation requires property developers to maintain a higher level of working capital. This may have a material adverse effect on our cash flow, financial condition and business plans.

On 13 May 2011, the Ministry of Land and Resources promulgated the Opinions on Upholding and Improving the System for the Transfer of Land by Tender, Auction and Listing (關於堅持和完善土地招標拍賣掛牌出讓制度的意見), which provides, among other things, that (i) correct utilization of the regulating and controlling effects of the land transfer policy through tender, auction and listing; (ii) improvement in the transparency of the system of tender, auction and listing for housing land; (iii) adjustment and improvement in the land transfer policy through tender, auction and listing, including (a) limitation on house price or land price, and transfer of policy-related housing land by listing or auction; (b) limitation of the gross floor area of allocated security housing, and transfer of commodity housing land by listing or auction; (c) carrying out of comprehensive assessment on conditions of land development and utilization and land transfer prices, and determination of the person who is entitled to land use rights by tender; (iv) promotion of online operation of the transfer of land use rights; (v) improvement in the contracts for land transfer through tender, auction and listing. As a result, property developers are not allowed to bid for a large piece of land, make partial payment, and then apply for a land use rights certificate for the corresponding portion of land in order to commence development, which had been the practice in many Chinese cities. The implementation of such regulation requires property developers to maintain a higher level of working capital, which may have a material adverse effect on our cash flow position, financial condition and business plans.

***We may be subject to fines due to non-registration of our leases.***

We lease out our commercial properties held for investment and generate rental income from such leases. Pursuant to the Administration Measures for Commodity House Leasing (商品房屋租賃管理辦法) promulgated on 1 December 2010 and became effect on 1 February 2011, both lessors and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. We may be required by relevant government authorities to file the lease agreements for registration and may be subject to a fine for non-registration, which may range from RMB1,000 to RMB10,000. The registration of these lease agreements, under which we are the lessors, requires additional steps to be taken by the respective lessees which are beyond our control. Our lessees may not be cooperative and we cannot assure you that we can complete the registration of these lease agreements and any other lease agreements that we may enter into in the future.

***The property development business is subject to claims under statutory quality warranties.***

Under the Regulations on Administration of Development and Operation of Urban Real Estate (城市房地產開發經營管理條例) enacted by the State Council on 20 July 1998 and latest amended on 29 November 2020, and the Regulations for the Administration of Sale of Commodity Building (商品房銷售管理辦法), which became effective on 1 June 2001, all property developers in the PRC must provide certain quality warranties for the properties they construct or sell. We are required to provide these warranties to our customers. Generally, we receive quality warranties from our third-party contractors with respect to our property projects. If a significant number of claims were brought against us under our warranties and if we were unable to obtain reimbursement for such claims from third-party contractors in a timely manner or at all, or if the money retained by us to cover our payment obligations under the quality warranties was not sufficient, we could incur significant expenses to resolve such claims or face delays in remedying the related defects, which could in turn harm our reputation, and materially adversely affect our business, financial condition and results of operations.

***We are subject to uninsured risks.***

We carry third-party liability and fire insurance on certain completed developments in which we have an interest. We generally maintain public liability and assets insurance policies for our properties, the common facilities and the hotel operating areas of our properties. In addition, our property management subsidiaries also maintain property management liability insurance coverage in connection with their business operations. We generally assess the need for maintaining insurance policies based on the specific circumstances of each project under development and the premium is borne by the contractors. However, we may purchase such insurance if required by our creditors in respect of properties pledged to them. In addition, there are certain types of losses, such as losses from forces of nature, that are generally not insured because they are either uninsurable or because insurance cannot be obtained on commercially reasonable terms. This practice is consistent with what we believe to be the industry practice in the PRC. Certain types of losses caused by war, civil disorder, acts of terrorism, earthquakes, typhoons, flooding, and other natural disasters are not covered. Should an uninsured loss or a loss in excess of insured limits occur, we could lose capital invested in our property and anticipated future revenue therefrom while we remain liable for any mortgage indebtedness or other financial obligations relating to the relevant property. Any such loss could materially and adversely affect our financial condition and results of operations.

***We may not be able to generate adequate returns on our investment properties; the illiquid nature of, and the lack of alternative uses for, investment properties could limit our ability to respond to adverse changes in the performance of our properties.***

Our investment properties primarily consist of retail and commercial units and parking spaces in our property projects. The investment return from investment property is subject to risks including, among other things, competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, inability to dispose of major investment properties for the values at which they are recorded in the financial statements, increased operating costs and the need to renovate, repair and re-let space periodically and to pay the associated costs. We cannot assure that we will be able to generate adequate returns on our investment properties.

The ability to eventually dispose of investment properties will also depend on market conditions and levels of liquidity, which may be limited or subject to significant fluctuation in the case of certain types of commercial properties. Investment properties in general are relatively illiquid compared to other types of investments, such as securities. As such, our ability to promptly sell one or more of our investment properties in response to changing economic, financial and investment conditions is limited. The property market is affected by many factors that are beyond our control, including general economic conditions, the availability of mortgage financing and interest rates. We cannot predict whether we would be able to sell any of our investment properties at the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us.

In addition, investment properties may not be readily convertible for alternative uses without substantial capital expenditure if the original function of such investment property became unprofitable due to competition, age, decreased demand, increased supply or other factors. Similarly, substantial capital expenditure may be required to correct defects or to make improvements before an investment property can be sold. These factors and any others that would impede our ability to respond to adverse changes in the performance of our investment properties may materially and adversely affect our business, prospects, financial condition and results of operations.

***We are subject to rising costs for labour and materials, which we may not be able to pass on to construction contractors or to purchasers.***

Construction and development costs account for the majority of our cost of sales and are one of the significant factors affecting our financial condition and results of operations. As a result of economic growth and the boom in the property industry in the PRC, wages for construction workers and the prices of construction materials and building equipment have substantially increased in recent years. Under the terms of most of our construction contracts, contractors may adjust the contract prices to cover increases in wages and costs of construction materials. In addition, in negotiations that follow upward materials cost fluctuations post-contract, we often agree to bear a greater share of the materials costs than is contractually required. We do so in order to maintain good relations with our contractors, which allow us to repeatedly source good quality and service. We are also exposed to the price volatility of labour and construction materials to the extent that we periodically enter into new or renew existing construction contracts at different terms during the life of a project, which may span several years, or if we choose to hire the construction workers directly or purchase construction materials directly from suppliers. Furthermore, we are unable to pass increased costs on to pre-sale purchasers when construction costs increase subsequent to the date of the pre-sale contract. If we are unable to pass on any increase in the cost of labour, construction materials or building equipment to either our construction contractors or to the purchasers of our properties, our business, prospects, financial condition and results of operations may be materially and adversely affected.

***Our branding and marketing strategy as well as our financial condition could be adversely affected if owners of the projects that we have developed elect to stop using us to provide property management services.***

We provide property management services in respect of properties primarily developed by us through our wholly-owned subsidiaries. We believe that the provision of quality and value-added management services of an international standard enables us to enhance recognition of our brand and maintain our reputation as a developer of quality properties. We seek to provide comprehensive quality post-sales property management and post-sales services to purchasers of our properties, including services such as rental agency, security, maintenance, operation of clubhouse, cleaning of public areas, domestic assistance, gardening and landscaping and other services. Under PRC laws and regulations such as the Regulation on Property Management (物業管理條例) amended on 19 March 2018, property owners have a right to engage or dismiss a property management company with the consent of more than 50 per cent. of the owners who in the aggregate hold more than 50 per cent. of the total non-communal area of the building. If owners of the projects that we have developed elect to stop using us to provide property management services, our brand and marketing strategy as well as our revenue from the property management business would be materially and adversely affected.

***Deterioration in our brand image, or any failure to protect our brand and intellectual property rights, could have a negative impact on our business.***

Our brand images play an integral role in all of our business operations. Any negative incident or negative publicity concerning us could adversely affect our reputation and business. Brand value is based largely on subjective consumer perceptions and can be damaged even by isolated incidents that degrade consumer trust. Consumer demand for our products and our brand value could diminish significantly if we fail to preserve the quality of our products, or fail to deliver a consistently positive consumer experience, or if we are perceived to act in an unethical or socially irresponsible manner.

In addition, any unauthorised use of our brands, trademarks and other intellectual property rights could harm our competitive advantages and business. Historically, China has not protected intellectual property rights to the same extent as certain other countries, and infringement of intellectual property rights continues to pose a serious risk of doing business in China. Monitoring and preventing unauthorised use is difficult. The measures we take to protect our intellectual property rights may not be adequate. If we are unable to adequately protect our brand, trademarks and other intellectual property rights, we may lose these rights and our business may suffer materially.

## **Risks Relating to Conducting Business in China**

***Changes in PRC economic, political and social conditions, as well as government policies, could have a material adverse effect on our business, prospects, financial condition and results of operations.***

Substantially all of our business and operations are conducted in China. Accordingly, our business, prospects, financial condition and results of operations are, to a significant degree, subject to economic, political and social developments in China. The Chinese economy differs from the economies of most developed countries in many respects, including the extent of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented measures since the late 1970s emphasising the utilisation of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the PRC government. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over China's economic growth through allocation of resources, controlling payment of foreign currency denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Certain measures taken by the PRC government to guide the allocation of resources may benefit the overall economy of China but may, however, also have a negative effect on us. For example, our business, prospects, financial condition and results of operations may be adversely affected by government control over capital investments, changes in tax regulations that are applicable to us, change in interest rates and statutory reserve rates for banks or government control in bank lending activities.

***Future fluctuations in the value of the Renminbi could have an adverse effect on our financial condition and results of operations.***

We conduct all of our business operations in the PRC and our functional currency is the Renminbi. However, a portion of our borrowings is denominated in U.S. dollar and other foreign currencies. As a result, fluctuations in exchange rates, particularly between the Renminbi, the Hong Kong dollar or the U.S. dollar, could affect our profitability and may result in foreign currency exchange losses of our foreign currency-denominated assets and liabilities.

The exchange rate of the Renminbi against the U.S. dollar and other currencies fluctuates and is affected by, among other things, changes in the PRC's, as well as, international, political and economic conditions and the PRC government's fiscal and currency policies. Since 1994, the conversion of the Renminbi into foreign currencies, including the Hong Kong dollar and the U.S. dollar, has been based on rates set daily by the PBOC, based on the previous business day's inter-bank foreign exchange market rates and exchange rates in global financial markets. From 1994 to 20 July 2005, the official exchange rate for the conversion of the Renminbi to U.S. dollar was generally stable. On 21 July 2005, the PRC government adopted a more flexible managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band that is based on market supply and demand with reference to a basket of currencies. On 19 June 2010, the PBOC announced that the PRC government would reform the Renminbi exchange rate regime and increase the flexibility of the exchange rate. On 16 April 2012, the PBOC enlarged the previous floating band of the trading prices of the Renminbi against the U.S. dollar in the inter-bank spot foreign exchange market from 0.5 per cent. to 1 per cent. On 14 March 2014, the PBOC further decided to expand the Renminbi floating band from 1 per cent. to 2 per cent., in order to meet the demands of market development, increase the strength of the market-determined exchange rate and establish a market-based, managed floating exchange rate regime. There remains significant international pressure on the PRC government to adopt a more flexible currency policy, which could result in further and more significant appreciation of the Renminbi against the U.S. dollar. We cannot assure you that the Renminbi will not experience significant appreciation against the U.S. dollar in the future. Any significant increase in the value of the Renminbi against foreign currencies could reduce the value of our foreign currency-denominated revenue and assets.

***Under the Corporate Income Tax Law, the Company may be classified as a “resident enterprise” of China. Such classification could result in unfavourable tax consequences to the Company and non-PRC Bondholders.***

Under the Corporate Income Tax Law, or the CIT Law, an enterprise established outside of China with a “de facto management organisation” located within China will be considered a “resident enterprise”, and consequently will be treated in a manner similar to a Chinese enterprise for CIT purposes. The implementing rules of the CIT Law define “de facto management” as “substantial and overall management and control over the production and operations, personnel, accounting, and properties” of the enterprise. However, it is still unclear how the PRC tax authorities will determine whether a non-PRC entity will be classified as a “resident enterprise”. Although to date the Company has not been notified of its status for CIT purposes, there can be no assurance that the Company would not be considered to be a PRC resident enterprise. If the Company was treated as a PRC resident enterprise, it would generally be subject to the PRC CIT at the rate of 25 per cent. on its worldwide taxable income. Furthermore, if the Company was treated as a PRC resident enterprise, interest paid by the Company to “non-resident enterprise” holders of the Bonds may be treated as income derived from sources within China and be subject to PRC withholding tax at a rate of 10 per cent., and capital gains realised by such holders of the Bonds may be treated as income derived from sources within China and be subject to a 10 per cent. PRC tax. If the Company was treated as a PRC resident enterprise, interest or gains earned by non-resident individuals may be treated as income derived from sources within China and be subject to PRC income tax (which in the case of interest may be withheld at source by us) at a rate of 20 per cent.. These rates may be reduced by an applicable tax treaty. However, it is unclear whether, if the Company is considered a PRC resident enterprise, non-resident holders might be able to obtain the benefit of income tax treaties or agreements entered into between PRC and their countries.

On 23 March 2016, the MOF and SAT jointly issued the Circular of Full Implementation of Business Tax to VAT Reform (Cai Shui [2016] No. 36) (關於全面推開營業稅改徵增值稅試點的通知(財稅[2016]36號) (“Circular 36”), which confirmed that business tax is replaced by VAT in PRC from 1 May 2016. VAT is applicable where entities or individuals provide services within the PRC. Services are treated as being provided within China where either the service provider or the service recipient is located in the PRC. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that “loans” refers to the activity of lending capital for another’s use and receiving the interest income thereon. The issuance of the Bonds may be regarded as provision of financial services by Bondholders and interest payments on the Bonds may be subject to withholding of VAT if the Company is a PRC resident enterprise for PRC tax purposes, in which case interest paid by the Company to a non-PRC Bondholder may be subject to withholding of VAT at a rate of 6 per cent. plus related surcharges. VAT is not applicable to any transfer of Bonds between entities or individuals located outside of the PRC and therefore not applicable to gains realised upon such transfers of Bonds. In the event that either the seller or buyer of Bonds is located inside the PRC, pursuant to the Notice on Clarification of VAT Policies for Finance, Real Estate Development, Education Support Services etc. (關於明確金融、房地產開發、教育輔助服務等增值稅政策的通知) (the “Circular 140”) promulgated on 21 December 2016 and being effective retroactively as at 1 May 2016, VAT is applicable to investment returns on contracts which undertake for fully recoverable principal, but is not applicable to non-principal-protected gains (非保本收益) from investments in financial products. As the circulars pertaining VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties. Therefore, there is uncertainty as to the applicability of VAT if either the seller or buyer of the Bonds is located inside the PRC.

If the Company is required to withhold PRC tax on interest paid to the non-PRC Bondholders, the Company will be required, subject to certain exceptions, to pay such additional amounts as will result in receipt by a holder of a Bond of such amounts as would have been received by the holder had no such withholding been required. The requirement to pay additional amounts will increase the cost of servicing interest payments on the Bonds, and could have an adverse effect on the Company’s ability to pay interest on, and repay the principal amount of, the Bonds, as well as its profitability and cash flow.

***We face risks related to force majeure events, natural disasters, health epidemics and other outbreaks, which could significantly affect our operations.***

Our business could be materially and adversely affected by natural disasters or the outbreak of avian influenza, severe acute respiratory syndrome (“SARS”), COVID-19 or other epidemics. On 12 May 2008, 14 April 2010 and 20 April 2013, severe earthquakes hit part of Sichuan province in southwest China and part of Qinghai province in west China, resulting in significant casualties and property damage. If a similar disaster were to occur in the future, particularly in regions where we operates, our operations could be materially and adversely affected due to loss of personnel, damage to property or decreased demand for our products.

In April 2009, a new strain of influenza A virus subtype H1N1 was discovered and quickly spread across the world, including to China. In July 2009, the World Health Organization declared the outbreak to be a pandemic, while noting that most of the illnesses were of moderate severity. More recently, human infections of the latest avian influenza strain, H7N9 flu, have begun to appear in different regions in China. Any outbreak of avian influenza, SARS, influenza A (“H1N1”), H7N9, COVID-19 or other adverse public health developments, could adversely affect the overall business sentiment and environment in China and the world, which in turn may lead to slower overall economic growth in China and the world. See “Risks Relating to Our Business – Our results of operation, financial condition and cash flow may be adversely and materially affected by the COVID-19 pandemic.” Any contraction or slowdown in the economic growth of China and the world could adversely affect our business, financial condition, results of operations and growth prospects. In addition, if any of our employees is infected or affected by any severe communicable disease, it could adversely affect or disrupt our operations, as we may be required to close some or all of our business to prevent the spread of the disease. The spread of any severe communicable disease in China may also affect our customers and suppliers, which could in turn adversely affect our business, financial condition, results of operations and growth prospects.



***PRC regulations relating to loans and direct investment made by offshore holding companies in PRC entities may delay or prevent us from using the proceeds of offering of the Bonds to contribute additional capital or extend loans to our PRC subsidiaries.***

The Company is an offshore holding company which conducts its operations in China through its PRC subsidiaries. In utilising the proceeds from the offering of the Bonds for the purposes described in the section headed “Use of Proceeds” in the offering memorandum, the Company may extend loans or inject additional capital to its PRC subsidiaries. Any loans made to the PRC subsidiaries of the Company, which are treated as foreign invested enterprises under PRC law, are subject to PRC regulations and foreign exchange loan registrations. For example, loans made by the Company to its PRC subsidiaries to finance their activities cannot exceed statutory limits and must be registered with SAFE or its local counterparts. The Company may also finance its PRC subsidiaries by means of capital contributions. These capital contributions must be filed with MOFCOM. We cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans or capital contributions made by the Company to its PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds from the offering to capitalise or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to timely perform the payment obligations under the Bonds.

***Our ability to secure new projects may be materially and adversely affected by policies and regulations introduced by the PRC government which have the effect of restricting investment in the PRC real estate industry.***

In recent years, the PRC government has introduced a number of policies and regulations aiming for regulating overseas investment in the real estate industry in the PRC, which is perceived to result from foreign equity and debt financing of real estate developments. On 23 May 2007, MOFCOM and SAFE jointly issued the Circular on Further Strengthening and Standardizing the Examination, Approval and Regulation of Direct Investment in Real Property by Foreign Investor (商務部、國家外匯管理局關於進一步加強、規範外商直接投資房地產業審批和監管的通知). Such notice, among other things, regulates the establishment of a Foreign Invested Real Property Enterprise (“FIRPE”) in the PRC by a foreign investor, by requiring additional filing procedures with MOFCOM. Further, on 10 July 2007, SAFE issued the Notice concerning Issuance of the List of Foreign-invested Real Estate Projects (First Batch) having been Filed with the Ministry of Commerce issued by the General Division of State Administration of Foreign Exchange (“Notice 130”) (國家外匯管理局綜合司關於下發第一批通過商務部備案的外商投資房地產項目名單的通知) which further restricts the ability of a FIRPE to increase its registered capital and apply for foreign exchange registrations after June 2007. FIRPEs that obtain a certificate of approval for increasing their registered capital will be required to complete MOFCOM filing procedures. On 11 May 2013, SAFE promulgated the Provisions on Foreign Exchange Administration over Direct Investment Made by Foreign Investors in China (Hui Fa [2013] No. 21) (“Circular 21”) (外國投資者境內直接投資外匯管理規定) (匯發[2013]21號), which replaced Notice 130 among other things and refined the corresponding SAFE registration of foreign investment including FIRPE. In addition, on 13 February 2015, the SAFE promulgated the Notice on Further Simplifying and Improving Foreign Exchange Administration Policies for Direct Investment (Hui Fa [2015] No. 13) (關於進一步簡化和改進直接投資外匯管理政策的通知) (匯發[2015]13號) (“Circular 13”), which will replace Circular 21 from 1 June 2015. Under Circular 13, foreign exchange registration for foreign direct investment and outbound direct investment will be exempted from the approval by the SAFE and the registration rights will be delegated from the SAFE to the qualified banks. If we fail to obtain approvals and complete the filing requirements for increasing the registered capital of our existing FIRPEs in the PRC or for establishing new FIRPEs in the PRC, our overseas subsidiaries may be unable to inject the proceeds of the offshore financing into the PRC, which could materially and adversely affect funding of our business and our ability to timely perform the payment obligations under the Bonds.

***The Renminbi is not a freely convertible currency.***

Conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we shall have sufficient foreign exchange to meet our foreign exchange needs. Under China's current foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from SAFE, but we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, must be directly reviewed and handled by banks in accordance with the Circular of the State Administration of Foreign Exchange on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (關於進一步簡化和改進直接投資外匯管理政策的通知) (the "Circular 13") and the SAFE and its branches shall perform indirect regulation over the foreign exchange registration via banks. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or satisfy any other foreign exchange obligation. If we fail to convert Renminbi into any foreign exchange for any of the above purposes, our potential offshore capital expenditure plans and even our business, may be materially and adversely affected.

***Our investment properties are located on land that is under long-term land use rights granted by the PRC government. There is uncertainty about the amount of the land grant premium that our Group will have to pay and additional conditions that may be imposed if we decide to seek an extension of the land use rights for our investment properties.***

Our investment properties are held by us under land use rights granted by the PRC government. Under PRC laws, the maximum term of the land use rights is 40 years for commercial and mixed-use purposes and 50 years for office complexes. Upon expiration, the land use rights will revert to the PRC government unless the holder of the land use rights applies for and is granted an extension of the term of the land use rights.

These land use rights do not have automatic rights of renewal and holders of land use rights are required to apply for extensions of the land use rights one year prior to the expiration of their terms. If an application for extension is granted (and such grant would usually be given by the PRC government unless the land in issue is to be taken back for the purpose of public interests), the holder of the land use rights will be required to, among other things, pay a land grant premium. If no application is made, or if such application is not granted, the properties under the land use rights will be reverted to the PRC government without any compensation.

In certain circumstances, the PRC government may, where it considers it to be in the public interest, terminate land use rights before the expiration of the term. In addition, the PRC government has the right to terminate long-term land use rights and expropriate the land in the event the grantee fails to observe or perform certain terms and conditions pursuant to the land use rights grant contracts. If the PRC government charges a high land grant premium, imposes additional conditions, or does not grant an extension of the term of the land use rights of any of our investment properties, our operations and business could be disrupted, and our business, financial condition and results of operations could be materially and adversely affected.

***The PRC legal system has inherent uncertainties that could limit the legal protection available to you.***

Our business is conducted in mainland China and is governed by PRC laws and regulations. All of our operating subsidiaries are located in China and are subject to PRC laws and regulations. The PRC legal system is based on written statutes and prior court decisions can only be cited as reference. Additionally, PRC written statutes are often principle-oriented and require detailed interpretations by the enforcement bodies to further apply and enforce such laws. Since 1979, the PRC government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. However, as these laws and regulations are continually evolving in response to changing economic and other conditions, and because of the limited volume of published cases and their non-binding nature, any particular interpretation of PRC laws and regulations may not be definitive. In addition, the PRC legal system is based in part on government policies and internal rules (some of which are not published on a timely basis, if at all) that some rules may have a retroactive effect. Furthermore, the PRC is geographically large and divided into various provinces and municipalities and as such, when PRC laws, rules, regulations and policies apply in different provinces, there may be different and varying applications and interpretations in different parts of the PRC. There is at present also no integrated system in the PRC from which information can be obtained in respect of legal actions, arbitrations or administrative actions. Even if an individual court-by-court search were performed, each court may refuse to make the documentation that it holds available for inspection. As a result, the legal protections available to you under the PRC legal system may be limited.

### **Risks Relating to the Bonds**

***The Bonds are unsecured obligations.***

The Bonds are unsecured obligations of the Company. The repayment of the Bonds may be adversely affected if:

- the Company enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Company's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Company's indebtedness.

If any of these events were to occur, the Company's assets may not be sufficient to pay amounts due on the Bonds.

***The Bonds do not have the benefit of a keepwell deed or a deed of equity interest purchase undertaking.***

The Bonds do not have the benefit of a keepwell deed or a deed of equity interest purchase undertaking provided by its parent, Greenland Holding Group Company Limited ("Greenland Holding"), as compared to other outstanding bonds issued by the Company including but not limited to the US\$120,000,000 5.625 per cent perpetual bonds, and therefore Greenland Holding is not obligated to provide liquidity support in case the Company has insufficient liquidity to meet its payment obligations under the Bonds.

***The Company may not be able to redeem the Bonds upon the due date for redemption thereof.***

Following the occurrence of a Put Event (as defined in the Terms and Conditions of the Bonds), the Company may, at the option of any Bondholder, be required to redeem all, but not some only, of such Holder's Bonds at 100 per cent. of their principal amount, together with accrued and unpaid interest. If a Put Event were to occur, the Company may not have sufficient cash in hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. The ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. The Company's failure to repay, repurchase or redeem tendered Bonds could constitute an event of default under the Bonds, which may also constitute a default under the terms of the Company's or the Group's other indebtedness.

***If the Company is unable to comply with the restrictions and covenants in its debt agreements (if any), or the Bonds, there could be a default under the terms of these agreements, or the Bonds, which could cause repayment of the Company's debt to be accelerated.***

If the Company is unable to comply with the restrictions and covenants in the Bonds, or current or future debt obligations and other agreements (if any), there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Company, accelerate repayment of the debt, declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of the debt agreements of the Company contain cross-acceleration or cross-default provisions. As a result, the default by the Company under one debt agreement may cause the acceleration of repayment of debt, including the Bonds, or result in a default under its other debt agreements, including the Bonds. If any of these events occur, there can be no assurance that the Group's assets and cash flows would be sufficient to repay in full all of the Company's indebtedness, or that it would be able to find alternative financing. Even if the Company could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the Company.

***The liquidity and price of the Bonds following this offering may be volatile.***

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in the revenues, earnings and cash flows of the Group and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the volume and price at which the Bonds will trade. There can be no assurance that these developments will not occur in the future.

***Developments in other markets may adversely affect the market price of the Bonds.***

The market price of the Bonds may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Bonds is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of Company in other countries, including China. Since the sub-prime mortgage crisis in 2008, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Bonds could be adversely affected.

***A trading market for the Bonds may not develop.***

The Bonds are a new issue of securities for which there is currently no trading market. There can be no assurance as to the liquidity of the Bonds or that an active trading market will develop. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Group's operations and the market for similar securities. The Joint Lead Managers are not obligated to make a market in the Bonds and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Joint Lead Managers.

***The insolvency laws of Cayman Islands and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Bonds are familiar.***

As the Company is incorporated under the laws of Cayman Islands, any insolvency proceeding relating to the Company would likely involve Cayman Islands insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Bonds are familiar.

***There may be less publicly available information about us than is available in certain other jurisdictions.***

The Company is listed on the Hong Kong Stock Exchange. There may be less publicly available information about companies listed in Hong Kong than is regularly made available by public companies in certain other countries. In addition, the financial information of the Company included in this offering memorandum has been prepared in accordance with IFRS which differs in certain respects from U.S. GAAP and generally accepted accounting principles in other jurisdictions, which might be material to the financial information contained in this offering memorandum.

***Exchange rate risks and exchange controls may result in a Bondholder receiving less interest or principal than expected.***

The Company will pay principal and interest on the Bonds in US dollars. This presents certain risks relating to currency conversions if a Bondholder's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than US dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the US dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the US dollar would decrease (i) the Investor's Currency equivalent yield on the Bonds; (ii) the Investor's Currency equivalent value of the principal payable on the Bonds; and (iii) the Investor's Currency equivalent market value of the Bonds.

Governments and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, a Bondholder may receive less interest or principal than expected, or no interest or principal.

***The Trustee may request holders of the Bonds to provide an indemnity and/or security and/or prefunding to its satisfaction.***

In certain circumstances, including without limitation giving of notice to the Company pursuant to Condition 9 and taking enforcement steps pursuant to Condition 13 of the Terms and Conditions of the Bonds, the Trustee may, at its sole discretion, request holders of the Bonds to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of holders of the Bonds. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take

actions, notwithstanding the provision of an indemnity or security or prefunding to it, in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the Trust Deed and the Terms and Conditions of the Bonds and the applicable law, it will be for the holders of the Bonds to take such actions directly.

***Decisions that may be made on behalf of all holders of the Bonds may be adverse to the interests of individual holders of the Bonds.***

The Terms and Conditions of the Bonds contain provisions for calling meetings of holders of the Bonds to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Bonds including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of holders of the Bonds may be adverse to the interests of the individuals.

***We may be able to redeem the Bonds in whole at a redemption price equal to 100 per cent. of the principal amount plus accrued and unpaid interest in the event we are required to pay additional amounts because we are treated as a PRC “resident enterprise”.***

In the event that we are treated as a PRC “resident enterprise”, we may be required to withhold PRC tax on interest paid to certain of our non-resident investors. See “Risk Factors – Risk Relating to Conducting Business in China – Under the Corporate Income Tax Law, the Company may be classified as a “resident enterprise” of China”. Such classification could result in unfavourable tax consequences to the Company and non-PRC Bondholders”. In such case, we will, subject to certain exceptions, be required to pay such additional amounts as will result in receipt by a holder of a Bond of such amounts as would have been received by the holder had no such withholding been required. As described in Condition 6(b) of the Terms and Conditions of the Bonds in the event we are required to pay additional amounts as a result of certain changes in specified tax law or certain other circumstances, including any change in interpretation or statement of the official position that results in our being required to withhold tax on interest payments as a result of our being treated as a PRC “resident enterprise,” we may redeem the Bonds in whole at a redemption price equal to 100 per cent. of the principal amount plus accrued and unpaid interest.

***The Bonds are subject to optional redemption by us.***

As set forth in Condition 6(d) of the Terms and Conditions of the Bonds, the Bonds, may be redeemed by us at any time, prior to the maturity date of the Bonds, at our option, in whole but not in part, at a redemption price equal to the Make Whole Price as at, and accrued and unpaid interest (if any) to (but excluding) the redemption date. Such an optional redemption feature is likely to limit the market value of the Bonds. During any period when we may elect to redeem the Bonds, the market value of those Bonds generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. We may be expected to redeem the Bonds when our cost of borrowing is lower than the interest rate on the Bonds. In such case, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a significantly lower rate. It may therefore cause a negative financial impact on the Bondholders. Potential investors should consider reinvestment risk in light of other investments available at that time.

## EXCHANGE RATE INFORMATION

### China

The PBOC sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the market during the prior day. The PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. From 1994 to 20 July 2005, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, was based on rates set daily by the PBOC on the basis of the previous day's inter-bank foreign exchange market rates and then current exchange rates in the world financial markets. During this period, the official exchange rate for the conversion of Renminbi to U.S. dollars remained generally stable. Although the PRC government introduced policies in 1996 to reduce restrictions on the convertibility of Renminbi into foreign currencies for current account items, conversion of Renminbi into foreign currencies for capital items, such as foreign direct investment, loan principals and securities trading, still requires the approval of SAFE and other relevant authorities. On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by approximately 2 per cent. against the U.S. dollar. On 18 May 2007, the PBOC enlarged the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the U.S. dollar from 0.3 per cent. to 0.5 per cent. around the central parity rate, effective on 21 May 2007. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5 per cent. above or below the central parity rate published by the PBOC. The floating band was further widened to 1.0 per cent. on 16 April 2012. From 21 July 2005 to 31 December 2013, the value of the Renminbi appreciated by approximately 26.9 per cent. against the U.S. dollar. On 17 March 2014, the PBOC further widened the floating band against the U.S. dollar to 2.0 per cent. The PRC government has since made and in the future may make further adjustments to the exchange rate system. The PBOC authorised the China Foreign Exchange Trading Center, effective since 4 January 2006, to announce the central parity exchange rate of certain foreign currencies against the Renminbi on each business day. This rate is set as the central parity for the trading against the Renminbi in the inter-bank foreign exchange spot market and the over-the-counter exchange rate for the business day.

The following table sets forth the noon buying rate for U.S. dollars in New York City for cable transfer in Renminbi as certified for customs purposes by the Federal Reserve Bank of New York for the periods indicated:

Period	Exchange Rate			
	Period End	Average <sup>(1)</sup>	High	Low
		(RMB per US\$1.00)		
2016 .....	6.9430	6.6549	6.9580	6.4480
2017 .....	6.5063	6.7350	6.9575	6.4773
2018 .....	6.8755	6.6292	6.9737	6.2649
2019 .....	6.9618	6.9014	7.1786	6.6822
2020 .....	6.5250	6.8878	7.1681	6.5208
November .....	6.5750	6.6044	6.6899	6.5556
December .....	6.5250	6.5393	6.5705	6.520
2021				
January .....	6.4282	6.4672	6.4822	6.4282
February .....	6.4730	6.4601	6.4869	6.4344
March .....	6.5518	6.5109	6.5716	6.4932
April .....	6.4749	6.5186	6.5649	6.4710
May (through 14 May 2021) .....	6.4367	6.4507	6.4749	6.4156

Source: Federal Reserve H.10 Statistical Release

Note:

- (1) Determined by averaging the rates on the last business day of each month during the relevant year, except for monthly average rates, which are determined by averaging the daily rates during the respective months.

## **USE OF PROCEEDS**

The gross proceeds from this offering will be US\$150.0 million, which we plan to principally use for refinancing of our offshore debt.

We may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds.



## TERMS AND CONDITIONS OF THE BONDS

*The following are the terms and conditions of the Bonds substantially in the form in which they (other than the texts in italics) will be endorsed on the definitive Certificates and referred to in the global certificate.*

The US\$150,000,000 9.625 per cent. bonds due 2022 (the “**Bonds**”, which expression, unless the context requires otherwise, includes any further securities issued pursuant to Condition 15 and forming a single series therewith) of Greenland Hong Kong Holdings Limited (the “**Issuer**”) are constituted by a Trust Deed (the “**Trust Deed**”) dated on or about 4 June 2021 (the “**Issue Date**”) made between the Issuer and Citicorp International Limited (the “**Trustee**”, which expression shall include its successor(s)) as trustee for the holders of the Bonds.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement dated on or about 4 June 2021 (the “**Agency Agreement**”) made between the Issuer, the Trustee, Citibank, N.A., London Branch as the principal paying agent (the “**Principal Paying Agent**”), the transfer agent (the “**Transfer Agent**”) and the registrar (the “**Registrar**”), and any other Agents appointed thereunder are available for inspection (subject to prior written notification and proof of holding satisfactory to the Trustee) during normal business hours by the Holders at the principal office for the time being of the Trustee, being at the date of issue of the Bonds at 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong and at the specified office of the Principal Paying Agent. The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and those provisions of the Agency Agreement applicable to them.

### 1. Form, Specified Denomination and Title

- (a) *Form and Denomination:* The Bonds are issued in registered form in denomination of US\$200,000 and higher integral multiples of US\$1,000 in excess thereof. A certificate (each a “**Certificate**”) will be issued to each Holder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Holders (the “**Register**”) which the Issuer will procure to be kept by the Registrar.
- (b) *Title:* Title to the Bonds passes only by transfer and registration of title in the Register. The Holder of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the Holder. In these Conditions, “**Holder**” means the person in whose name a Bond is registered in the Register.

### 2. Status and Security

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

*Upon issue, the Bonds will be evidenced by a global certificate (the “**Global Certificate**”) substantially in the form scheduled to the Trust Deed. The Global Certificate will be registered in the name of a nominee for, and deposited with, a common depositary for Euroclear and Clearstream, Luxembourg, and will be exchangeable for individual Bond Certificates only in the circumstances set out therein.*

### 3. Transfers of Bonds and Issue of Certificates

- (a) *Register*: The Issuer will cause the Register to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement, on which shall be entered the names and addresses of the Holders and the particulars of the Bonds held by them and of all transfers of the Bonds. Each Holder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.
- (b) *Transfers*: Subject to the Agency Agreement and Conditions 3(d) and 3(e) herein, a Bond may be transferred by depositing the Certificate issued in respect of that Bond, with the form of transfer on the back of the Certificate duly completed and signed, at the specified office of the Registrar or the Transfer Agent.

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

- (c) *Delivery of new Certificates*: Each new Certificate to be issued upon transfer of Bonds will, within seven business days of receipt by the Registrar or the relevant Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the Holder entitled to the Bond to the address specified in the form of transfer.

Where some but not all of the Bonds in respect of which a Certificate is issued are to be transferred a new Certificate in respect of the Bonds not so transferred will, within seven business days of receipt by the Registrar or the relevant Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the Holder of the Bonds not so transferred to the address of such Holder appearing on the Register or as specified in the form of transfer.

In this Condition 3, “business day” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

- (d) *Formalities free of charge*: Registration of transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer or any Agent but upon (i) payment (or the giving of such indemnity and/or security and/or prefunding as the Issuer or any Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer; (ii) the Registrar being satisfied in its absolute discretion with the documents of title or identity of the person making the application; and (iii) the relevant Agent being satisfied that the regulations concerning transfer of Bonds have been complied with.
- (e) *Closed Periods*: No Holder may require the transfer of a Bond to be registered during the period of (i) ten business days ending on (but excluding) the due date for any payment of principal in respect of that Bond, and (ii) during the period of seven business days ending on (and including) any Record Date (as defined in Condition 7(a)), (iii) during the period of seven days prior to (and including) any date on which Bonds may be called for redemption by the Issuer pursuant to Condition 6(b) or Condition 6(d), or (iv) after any such Bond has been put for redemption pursuant to Condition 6(c).
- (f) *Regulations*: All transfers of Bonds and entries on the register of Holders will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee or by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available for inspection by the Registrar to any Holder who requests one in writing.

#### 4. Covenants

- (a) *Negative Pledge*: So long as any Bond remains outstanding (as defined in the Trust Deed) the Issuer will not, and will ensure that none of its Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security either (i) as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Holders or (ii) as the Trustee may in its absolute discretion deem not materially less beneficial to the interests of Holders.
- (b) *Financial Statements*: So long as any Bond remains outstanding (as defined in the Trust Deed):
- (i) the Issuer shall send to the Trustee as soon as practicable after their date of publication and in any event not more than 120 days after the end of each financial year, two copies of the audited annual financial statements (on a consolidated basis) of the Issuer and if such statements shall be in the Chinese language, together with an English translation of the same translated by an internationally recognised firm of accountants or a professional translation service provider, and a certificate signed by a Director or duly authorised officer of the Issuer (on a consolidated basis) certifying that such translation is complete and accurate; and
  - (ii) the Issuer shall send to the Trustee as soon as practicable after its date of publication and in any event not more than 90 days after the end of each financial period, two copies of the semi-annual statements prepared on a basis consistent with the audited financial statements of the Issuer and if such statements shall be in the Chinese language, together with an English translation of the same and a certificate signed by a Director or duly authorised officer of the Issuer certifying that such translation is complete and accurate.
- (c) *Financial Covenant*: So long as any Bond remains outstanding (as defined in the Trust Deed) the Issuer shall have a Total Equity of at least RMB2,000,000,000 at all times.
- (d) In these Conditions:
- (i) “**Group**” means the Issuer and its Subsidiaries taken as a whole;
  - (ii) “**PRC**” means the People’s Republic of China and for the purpose of these Conditions only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
  - (iii) “**Relevant Indebtedness**” means any indebtedness issued outside the PRC which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;
  - (iv) “**Subsidiary**” means, in relation to the Issuer, any company (A) in which the Issuer holds a majority of the voting rights or (B) of which the Issuer is a member and has the right to appoint or remove a majority of the board of directors or (C) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer; and

- (v) “**Total Equity**” means the line item with the corresponding caption in the consolidated balance sheet of the Issuer, comprising the aggregate of:
  - (A) the amount paid up or credited as paid up on the issued share capital and share premium of the Issuer (other than any shares which are expressed to be redeemable); and
  - (B) the amount standing to the credit of the consolidated reserves and retained earnings of the Group; and
  - (C) the amount attributable to the minority interest.

## 5. Interest

- (a) *Interest Rate and Interest Payment Dates:* The Bonds bear interest on their outstanding principal amount from and including 4 June 2021 at the rate of 9.625 per cent. per annum, subject to any increase pursuant to Condition 6(c), payable in arrears on 4 December 2021 and 3 June 2022 (each an “**Interest Payment Date**”). In these Conditions, each period beginning on and including 4 June 2021 or any Interest Payment Date and ending on but excluding the next Interest Payment Date is called an “**Interest Period**”. The relevant day-count fraction for an Interest Period or any period of less than a complete Interest Period will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.
- (b) *Interest Payments:* Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 5 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Holders, and (ii) the day seven days after the Trustee or the Principal Paying Agent has notified Holders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).
- (c) *Calculation of Interest:* Interest in respect of any Bond shall be calculated per US\$1,000 in principal amount of the Bonds.

## 6. Redemption and Purchase

- (a) *Final redemption:* Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 3 June 2022. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.
- (b) *Redemption for Taxation Reasons:* The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not more than 60 nor less than 30 days’ irrevocable notice to the Trustee, the Principal Paying Agent and the Holders at their principal amount (together with any interest accrued to the date fixed for redemption) if (i) the Issuer informs the Trustee in writing immediately prior to the giving of such notice that the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction, or any change in the application or official interpretation of, or the stating of an official position with respect to, such laws or regulations, which change or amendment becomes effective on or after 27 May 2021, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it. Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above of this

Condition 6(b) cannot be avoided by the Issuer taking reasonable measures available to it; and the Trustee shall be entitled to accept and rely upon such certificate as sufficient evidence (without further investigation or enquiry) of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(b), in which event it shall be conclusive and binding on the Holders.

Upon the expiry of any such notice as is referred to in this Condition 6(b), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 6(b), provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then payable.

For the purposes of this Condition 6(b) and Condition 8, “**Relevant Jurisdiction**” means Cayman Islands, Hong Kong and the People’s Republic of China (which for this purpose excludes Hong Kong, Macau and Taiwan) or any political subdivision or any authority therein or thereof having power to tax to which the Issuer becomes subject in respect of payments made by it of any sums due in respect of the Bonds.

- (c) *Redemption for a Put Event*: Following the occurrence of a Put Event, the Holder of any Bond will have the right, at such Holder’s option, to require the Issuer to redeem all, but not some only, of such Holder’s Bonds on the Put Event Put Date at 100 per cent. of their principal amount, together with accrued interest to the Put Event Put Date. To exercise such right, the Holder of the relevant Bond must deposit at the specified office of the Principal Paying Agent or any other Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a “**Put Event Put Exercise Notice**”), together with the Certificate evidencing the Bonds to be redeemed, by not later than 30 days following a Put Event, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 16. The “**Put Event Put Date**” shall be the fourteenth day after the expiry of such period of 30 days as referred to above.

A Put Event Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds the subject of Put Event Put Exercise Notices delivered as aforesaid on the Put Event Put Date.

Not later than 10 days following the day on which the Issuer becomes aware of a Put Event, the Issuer shall procure that notice regarding the Put Event shall be delivered to the Trustee in writing and to the Holders (in accordance with Condition 16) stating:

- (i) the Put Event Put Date;
- (ii) the date of the Put Event and, briefly, the events causing the Change of Control;
- (iii) the date by which the Put Event Put Exercise Notice must be given;
- (iv) the redemption amount and the method by which such amount will be paid;
- (v) the names and addresses of all Paying Agents;
- (vi) the procedures that Holders must follow and the requirements that Holders must satisfy in order to exercise the Put Event Put Right; and
- (vii) that a Put Event Put Exercise Notice, once validly given, may not be withdrawn.

None of the Trustee or the Agents shall be required to take any steps to ascertain whether a Put Event or any event which could lead to a Put Event has occurred or may occur and shall be entitled to assume that no such event has occurred until they have received written notice to the contrary from the Issuer. None of the Trustee or the Agents shall be required to take any steps to ascertain whether the condition for the exercise of the rights of Holders in accordance with this Condition 6(c) has occurred. None of the Trustee or the Agents shall be responsible for determining or verifying whether a Bond is to be accepted for redemption under this Condition 6(c) and will not be responsible to Holders for any loss or liability arising from any failure by it to do so. None of the Trustee or the Agents shall be under any duty to determine, calculate or verify the redemption amount payable under this Condition 6(c) and will not be responsible to Holders for any loss arising from any failure by it to do so.

For the purpose of this Condition 6(c):

a “**Change of Control**” occurs when:

- (A) Any person other than SASAC or any other agency as designated by the State Council of the PRC acquires Control, directly or indirectly, Greenland Holding Group Company Limited;
- (B) Greenland Holding Group Company Limited ceases to directly or indirectly hold 50 per cent. or more of the voting rights of the issued share capital of the Issuer; or
- (C) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer’s assets to any person or persons, acting together, other than its Subsidiaries;

a “**Change of Control Triggering Event**” will be deemed to occur if:

- (i) there is a Change of Control, and
- (ii) provided the Issuer is rated by at least one Rating Agent, within a period ending six months after the date notice of the Change of Control first becomes public (which period shall be extended so long as the Issuer is under consideration (as publicly announced within such six month period) for a possible rating downgrade), a Rating Downgrade occurs as a result of such a Change of Control.

“**Control**” means (1) the acquisition or control, directly or indirectly, of more than 40 per cent. of the voting rights of the issued share capital of an entity; or (2) the right to appoint and/or remove the majority of the members of the board of directors or other governing body of an entity, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Issuer’s board of directors or any other governing board and does not include the Issuer’s wholly-owned direct or indirect subsidiaries;

a “**Put Event**” means a Change of Control Triggering Event; and

“**Fitch**” means Fitch Ratings Ltd. and its successors.

“**Moody’s**” means Moody’s Investors Services, Inc. and its successors.

“**Investment Grade Credit Rating**” means a rating of Baa3 from Moody’s or BBB-from S&P or BBB-from Fitch or their respective equivalents or better;

**“Non-Investment Grade Credit Rating”** means a rating of Ba1 from Moody’s or BB+ from S&P or BB+ from Fitch or their respective equivalents or worse.

**“SASAC”** means the State-owned Assets Supervision and Administration Commission of the People’s Government of Shanghai Municipality.

**“Rating Category”** means (1) with respect to S&P, any of the following categories: “BB,” “B,” “CCC,” “CC,” “C” and “D” (or equivalent successor categories); (2) with respect to Moody’s, any of the following categories: “Ba,” “B,” “Caa,” “Ca,” “C” and “D” (or equivalent successor categories); and (3) with respect to Fitch, any of the following categories: “BB,” “B,” “CCC,” “CC,” “C” AND “D” (or equivalent successor categories) and (4) the equivalent of any such category of S&P, Moody’s or Fitch used by another Rating Agency. In determining whether the rating of the Issuer has decreased by one or more gradations, gradations within Rating Categories (“+” and “-” for S&P and Fitch; “1,” “2” and “3” for Moody’s; or the equivalent gradations for another Rating Agency) shall be taken into account (for example, with respect to S&P, a decline in a rating from “BB+” to “BB,” as well as from “BB-” to “B+”, will constitute a decrease of one gradation).

**“Rating Downgrade”** means that at the time of occurrence of a Change of Control: either (i) the Issuer is assigned Investment Grade Credit Ratings from two or more Rating Agencies, all such Investment Grade Credit Rating(s) from the Rating Agencies are either downgraded to a Non-Investment Grade Credit Rating or withdrawn; or (ii) the Issuer is assigned Investment Grade Credit Ratings from one or none of the Rating Agencies, a decrease in all of the ratings of the Issuer by the Rating Agencies by one or more gradations (including gradation within Rating Categories as well as between Rating Categories).

**“S&P”** means Standard & Poor’s Rating Services and its successors.

(d) *Redemption at the Option of the Issuer:*

On giving not less than 15 nor more than 30 days’ notice to the Trustee and Principal Paying Agent in writing and to the Bondholders in accordance with Condition 16, the Issuer may at any time prior to 3 June 2022, redeem the Bonds, in whole but not in part, at a redemption price equal to the Make Whole Price as of, and accrued and unpaid interest, if any, to (but excluding), the redemption date (the **“Optional Redemption Date”**) specified in such notice. Neither the Trustee nor any of the Agents will be responsible for calculating the Make Whole Price.

In this Condition 6(d):

**“Adjusted Treasury Rate”** means, with respect to any Optional Redemption Date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities,” for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three (3) months before or after the First Call Date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month), or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third Business Day immediately preceding the date when the redemption notice is given by the Issuer to the Bondholders;

“**Comparable Treasury Issue**” means the U.S. Treasury security having a maturity comparable to 3 June 2022, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to 3 June 2022;

“**Comparable Treasury Price**” means, with respect to any Optional Redemption Date, (a) if clause (ii) of the Adjusted Treasury Rate is applicable, the average of three, or such lesser number as is obtained by the Issuer, Reference Treasury Dealer Quotations for such Optional Redemption Date, or (b) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations;

“**Make Whole Price**” means, with respect to a Bond at any redemption date, the amount calculated by the Quotation Agent that is the greater of (1) the present value of the principal amount of such Bond, plus all required remaining scheduled interest payments due on such Bond from the Optional Redemption Date to 3 June 2022, (but excluding accrued and unpaid interest to the Optional Redemption Date), computed using a discount rate equal to the Adjusted Treasury Rate plus 1.0 per cent., and (2) the principal amount of such Bonds, which amount shall be notified in writing by the Quotation Agent to the Trustee, the Principal Paying Agent and the Issuer;

“**Quotation Agent**” means the Reference Treasury Dealer selected by the Issuer and notified in writing to the Trustee and the Principal Paying Agent;

“**Reference Treasury Dealer**” means each of any three investment banks of recognised standing that is a primary U.S. Government securities dealer in New York City, selected by the Issuer in good faith and notified in writing to the Trustee and Principal Paying Agent; and

“**Reference Treasury Dealer Quotations**” means, with respect to each Reference Treasury Dealer and any Optional Redemption Date, the average as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to such Quotation Agent by such Reference Treasury Dealer at 5:00 p.m. (New York time) on the third business day preceding such Optional Redemption Date.

- (e) *Purchase*: The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. Any Bonds purchased pursuant to this Condition 6(e) may be held, reissued, resold or surrendered to the Registrar for cancellation. The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the Holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the Holders or for the purposes of Condition 9 and Condition 12(a).
- (f) *Notice of redemption*: All Bonds in respect of which any notice of redemption is given under this Condition shall be redeemed on the date, in such place and in such manner as specified in such notice in accordance with this Condition. If there is more than one notice of redemption given in respect of any Bond (which shall include any notice given by the Issuer pursuant to Condition 6(b) or Condition 6(d) and any Put Event Put Exercise Notice given by a Bondholder pursuant to Condition 6(c)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail.



## 7. Payments

### (a) Method of Payment

- (i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in Condition 7(a)(ii).
  - (ii) Interest on each Bond shall be paid to the person shown as the Holder on the Register at the close of business on the 5th business day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Bond shall be made in US dollars by cheque drawn on a bank in New York City and mailed (at the expense of the Issuer) to the Holder (or to the first named of joint Holders) of such Bond at its address appearing in the Register. Upon application by the Holder to the specified office of the Registrar or any Paying Agent before the Record Date, such payment of interest may be made by transfer to an account in US dollars maintained by the payee with a bank in New York City.
  - (iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Holder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.
- (b) *Payments subject to Fiscal Laws:* All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Holders in respect of such payments.
- (c) *Payment Initiation:* Where payment is to be made by transfer to an account in US dollars, payment instructions (for value the due date, or if that is not a business day, for value the first following day which is a business day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed (at the expense of the Issuer) on the due date (or if that is not a business day, on the first following day which is a business day) or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Paying Agent or of the Registrar, on a day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.
- (d) *Delay in Payment:* Holders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a business day, if the Holder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a cheque mailed in accordance with Condition 7(a)(ii) and Condition 7(c) arrives after the due date for payment.
- (e) *Non-Business Days:* If any date for payment in respect of any Bond is not a business day, the Holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7 and in Condition 8, “business day” means a day (other than a Saturday or a Sunday) on which banks are open for general business (including dealings in foreign currencies) and on which banks and foreign exchange markets are open for business in London, New York City and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

## 8. Taxation

- (a) *Payment without Withholding*: All payments of principal, premium and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Relevant Jurisdictions or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If the Issuer is required to make a deduction or withholding by or within any Relevant Jurisdiction the Issuer shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond:

- (i) Other connection: to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Bond;
- (ii) Surrender more than 30 days after the Relevant Date: in respect of which the Certificate representing it is presented (where presentation is required) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days;
- (iii) Failure to assist the Issuer to avoid Additional Tax Amounts: in respect of which a holder or beneficial owner fails to comply with a timely request of the Issuer, addressed to the holder, to provide information concerning such holder’s or beneficial owner’s nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request would have reduced or eliminated any withholding or deduction as to which Additional Tax Amounts would have otherwise been payable to such holder under this Condition 8; or
- (iv) Any combination of taxes, duties, assessments or other governmental charges referred to in the immediately preceding Conditions 8(a)(i) to 8(a)(iii) (both inclusive).

No Additional Amounts shall be paid to a holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, member or beneficial owner been the holder thereof.

“**Relevant Date**” in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that, upon further surrender of the Certificate representing such Bond being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

## 9. Events of Default

If any of the following events (each such event, an “**Event of Default**”) occurs the Trustee at its discretion may, and if so requested by Holders of at least 25 per cent. of the aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (provided in any such case that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest:

- (a) *Non-Payment*: the Issuer fails to pay the principal of any of the Bonds when due, or fails to pay any interest on any of the Bonds when due and such failure continues for a period of 7 calendar days in the case of interest; or
- (b) *Breach of Other Obligations*: the Issuer does not perform or comply with any one or more of its obligations in the Bonds (save where such non-performance or non-compliance gives rise to a right for any Bondholder to require the Issuer to redeem the Bonds pursuant to Condition 6(c), such non-performance or non-compliance shall not constitute an Event of Default) or the Trust Deed which default is incapable of remedy or, if capable of remedy, is not remedied within thirty days after notice of such default shall have been given to the Issuer by the Trustee; or
- (c) *Cross-Default*: (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred equals or exceeds US\$50,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the US dollars as quoted by any leading bank on the day on which this Condition 9(c) operates); or
- (d) *Enforcement Proceedings*: a distress, attachment, execution or other legal process (to the extent there is no further appeal) is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer or any of the Principal Subsidiaries and is not discharged or stayed within thirty days; or
- (e) *Security Enforced*: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of the Principal Subsidiaries over all or a material part of its assets becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver manager or other similar person) and is not discharged within thirty days; or
- (f) *Insolvency*: the Issuer or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any material part of (or of a particular type of) the debts of the Issuer or any of the Principal Subsidiaries; or

- (g) *Winding-up*: an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of the Principal Subsidiaries (save for a voluntary solvent winding-up of a Principal Subsidiary), or the Issuer or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or a material part of its business or operations, except (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (A) by an Extraordinary Resolution of the Holders, or (B) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or another Principal Subsidiary; or (ii) a disposal on an arm's length basis where the assets resulting from such disposal are vested in the Issuer or any of the Principal Subsidiaries; or
- (h) *Authorisation and Consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable, and (iii) to make the Bonds and the Trust Deed admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or
- (i) *Nationalisation*: any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of the Principal Subsidiaries; or
- (j) *Illegality*: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds and the Trust Deed; or
- (k) *Analogous Events*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 9(a) to 9(g) (both inclusive).

In this Condition 9, "**Principal Subsidiary**" means any Subsidiary of the Issuer:

- (a) whose revenue or (in the case of a Subsidiary which itself has Subsidiaries) consolidated revenue, as shown by its latest audited income statement are at least 5 per cent. of the consolidated revenue as shown by the latest published audited consolidated income statement of the Issuer and its Subsidiaries including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or
- (b) whose net profit or (in the case of a Subsidiary which itself has Subsidiaries) consolidated net profit, as shown by its latest audited income statement are at least 5 per cent. of the consolidated net profit as shown by the latest published audited consolidated income statement of the Issuer and its Subsidiaries including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or
- (c) whose total assets or (in the case of a Subsidiary which itself has Subsidiaries) total consolidated assets, as shown by its latest audited balance sheet are at least 5 per cent. of the amount which equals the amount included in the consolidated total assets of the Issuer and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Issuer and its Subsidiaries as being represented by the investment of the Issuer in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer and after adjustment for minority interests; or

- (d) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that (xx) the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall forthwith become a Principal Subsidiary and (yy) on or after the date on which the first published audited accounts (consolidated, if appropriate) of the Issuer prepared as of a date later than such transfer are issued, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined on the basis of such accounts by virtue of the provisions of paragraphs (a), (b) or (c) above of this definition;

provided that, in relation to paragraphs (a), (b) and (c) above of this definition:

- (i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
- (ii) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, revenue, net profit or total assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Issuer;
- (iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its revenue, net profit or total assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Issuer; and
- (iv) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Issuer, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer.

## **10. Prescription**

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## **11. Replacement of Certificates**

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

## 12. Meetings of Holders, Modification, Waiver, Authorisation, Determination and Entitlement of Trustee

- (a) *Meetings of Holders*: The Trust Deed contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any of the provisions of the Trust Deed. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in principal amount of the Bonds for the time being outstanding, or at any adjourned such meeting two or more persons being or representing whatever the principal amount of the Bonds held or represented unless the business of such meeting includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed, including consideration of proposals, inter alia, (i) to modify the maturity date of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, or (iv) to modify the provisions concerning the quorum required at any meeting of Holders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 66 per cent, or at any adjourned such meeting not less than 33 per cent, in the principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Holders, whether or not they were present at the meeting at which such resolution was passed.

The Trust Deed provides that a resolution passed (i) by way of electronic consents through the relevant clearing system in accordance with the Trust Deed, or (ii) in writing signed by or on behalf of the Holders of not less than 90 per cent. in principal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

- (b) *Modification, Waiver, Authorisation and Determination*: The Trustee may (but shall not be obliged to) agree, without the consent of the Holders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, or any failure to comply with any of these Conditions or any of the provisions of the Trust Deed which in its opinion is not materially prejudicial to the interest of the Holders, or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or where such error is, in the opinion of the Trustee, proven. Any such modification, waiver or authorisation shall be binding on the Holders and, unless the Trustee agrees otherwise, such modification shall be notified to the Holders as soon as practicable thereafter in accordance with Condition 16.
- (c) *Entitlement of the Trustee*: In connection with the exercise of its functions, rights, powers and/or discretions (including but not limited to those referred to in this Condition 12), the Trustee shall have regard to the interests of the Holders as a class and shall not have regard to the consequences of such exercise for individual Holders and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders.

## 13. Enforcement

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, institute such actions, steps or proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and/or the Bonds, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least 25 per cent. in principal amount of the Bonds outstanding, and (b) it shall have been indemnified

and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

#### **14. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Holders on any report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Holders.

The Trustee shall have no obligation to monitor whether an Event of Default, Change of Control or Put Event has occurred, and shall not be liable to any person for not doing so.

#### **15. Further Issues**

The Issuer is at liberty from time to time without the consent of the Holders to create and issue further securities either (i) having the same terms and conditions as the Bonds in all respects (or in all respects save for the issue date, issue price and first payment of interest on them) and so that the same shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) constituted by the Trust Deed or any supplemental deed, or (ii) upon such terms as the Issuer may determine at the time of the issue. Any further securities which are to form a single series with the outstanding securities of any series (including the Bonds) constituted by the Trust Deed or any supplemental deed shall, and any other further securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Holders and the holders of securities of other series in certain circumstances where the Trustee so decides.

#### **16. Notices**

All notices to the Holders will be valid if (i) mailed to them by uninsured mail at their respective addresses in the Register or (ii) published in a leading newspaper having general circulation in Hong Kong or, if such publication shall not be practicable, in a daily newspaper with general circulation in Asia. It is expected that such publication will normally be made in the Asian Wall Street Journal. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any notice shall be deemed to have been given on the date of publication or, if so published more than once, on the first date on which publication is made.

*So long as the Bonds are represented by a Global Certificate and such Global Certificate is held on behalf of Euroclear and Clearstream, any notice to the Bondholders shall be validly given by the delivery of the relevant notice to Euroclear and Clearstream, for communication by the relevant clearing system to entitled accountholders in substitution for notification as required by the Conditions and shall be deemed to have been given on the date of delivery to such clearing system.*

#### **17. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

## 18. Governing Law and Jurisdiction

- (a) *Governing Law*: The Trust Deed, the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance, with English law.
  
- (b) *Jurisdiction*: The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them and accordingly any legal action or proceedings arising out of or in connection with any Bonds, the Trust Deed and the Agency Agreement (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.



## SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

*The Global Certificate contains provisions which apply to the Bonds while they are in global form, some of which modify the effect of the Terms and Conditions of the Bonds set out in this offering memorandum. The following is a summary of certain of those provisions.*

Terms defined in the terms and conditions of the Bonds and the terms (the “Conditions” or “Terms and Conditions”) set out in this offering memorandum have the meaning in the paragraphs below.

The Bonds will be represented by a Global Certificate which will be registered in the name of a nominee of, and deposited with, a common depository on behalf of Euroclear and Clearstream.

Under the Global Certificate, the Company, for value received, will promise to pay such principal, interest and premium (if any) on the Bonds to the holder of the Bonds on such date or dates as the same may become payable in accordance with the Terms and Conditions of the Bonds.

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream or any other clearing system (an “*Alternative Clearing System*”) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Company will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days’ notice at its specified office of such holder’s intention to effect such exchange and a written order containing instructions and such other information as the Company and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

In addition, the Global Certificate will contain provisions which modify the Terms and Conditions as they apply to the Bonds evidenced by the Global Certificate. The following is a summary of certain of those provisions:

**Payments:** All payments in respect of Bonds represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

**Trustee’s Powers:** In considering the interests of Bondholders while the Global Certificate is held on behalf of, or registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Certificate and may consider such interests as if such accountholders were the holders of the Bonds represented by the Global Certificate.

**Notices:** So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System, notices to holders of the Bonds shall be given by delivery of the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Bonds in substitution for notification as required by the Terms and Conditions of the Bonds.

**Transfer of Bonds represented by Global Certificates:** Transfers of interests in the Bonds will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants. Where the holding of Bonds represented by the Global Certificate is only transferable in its entirety, the certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as or as nominee for a common depository for Clearstream, Euroclear and/or an Alternative Clearing System.

**Cancellation:** Cancellation of any Bond represented by the Global Certificate which is required by the Terms and Conditions of the Bonds to be cancelled will be effected by reduction in the principal amount of the Bonds in the register of the Bonds and the Global Certificate on its presentation to or to the order of the Principal Paying Agent for annotation (for information only) in the Global Certificate.

**Meetings:** For the purposes of any meeting of Bondholders, the holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each US\$1,000.

**Bondholder's Redemption:** The Bondholder's redemption options in Condition 6(c) may be exercised by the holder of the Global Certificate giving notice to the Principal Paying Agent or any other Paying Agent of the principal amount of Bonds in respect of which the option is exercised within the time limits specified in the Conditions.

**Company's Redemption:** The option of the Company provided for in Conditions 6(b) and 6(d) shall be exercised by the Company giving notice to the Bondholders within the time limits set out in and containing the information required by that the Conditions.

## CAPITALISATION AND INDEBTEDNESS

The following table sets forth our capitalisation and indebtedness as at 31 December 2020 on an actual basis and on an adjusted basis after giving effect to the issuance of the Bonds before deducting the underwriting discounts and commissions and other estimated expenses payable by us in connection with this offering. The following table should be read in conjunction with the selected consolidated financial information and the consolidated financial statements and related notes included in this offering memorandum.

	As of 31 December 2020			
	Actual		As adjusted	
	RMB (audited)	US\$ (unaudited)	RMB (unaudited)	US\$ (unaudited)
	(in millions)			
Short-term Borrowings <sup>(1)</sup>				
– Interest-bearing loans.....	9,092.0	1,393.4	9,092.0	1,393.4
– Bonds due within one year.....	1,955.8	299.7	1,955.8	299.7
– Bonds to be issued <sup>(2)</sup> .....	–	–	978.8	150
Long-term Borrowings <sup>(3)</sup>				
– Interest-bearing loans.....	13,640.8	2,090.5	13,640.8	2,090.5
– Bonds.....	–	–	–	–
Total Borrowings <sup>(4)</sup> .....	24,688.6	3,783.6	25,667.4	3,933.6
Total Equity <sup>(5)</sup> .....	22,141.8	3,393.4	22,141.8	3,393.4
Total Capitalisation <sup>(6)</sup> .....	35,782.6	5,483.9	35,782.6	5,483.9

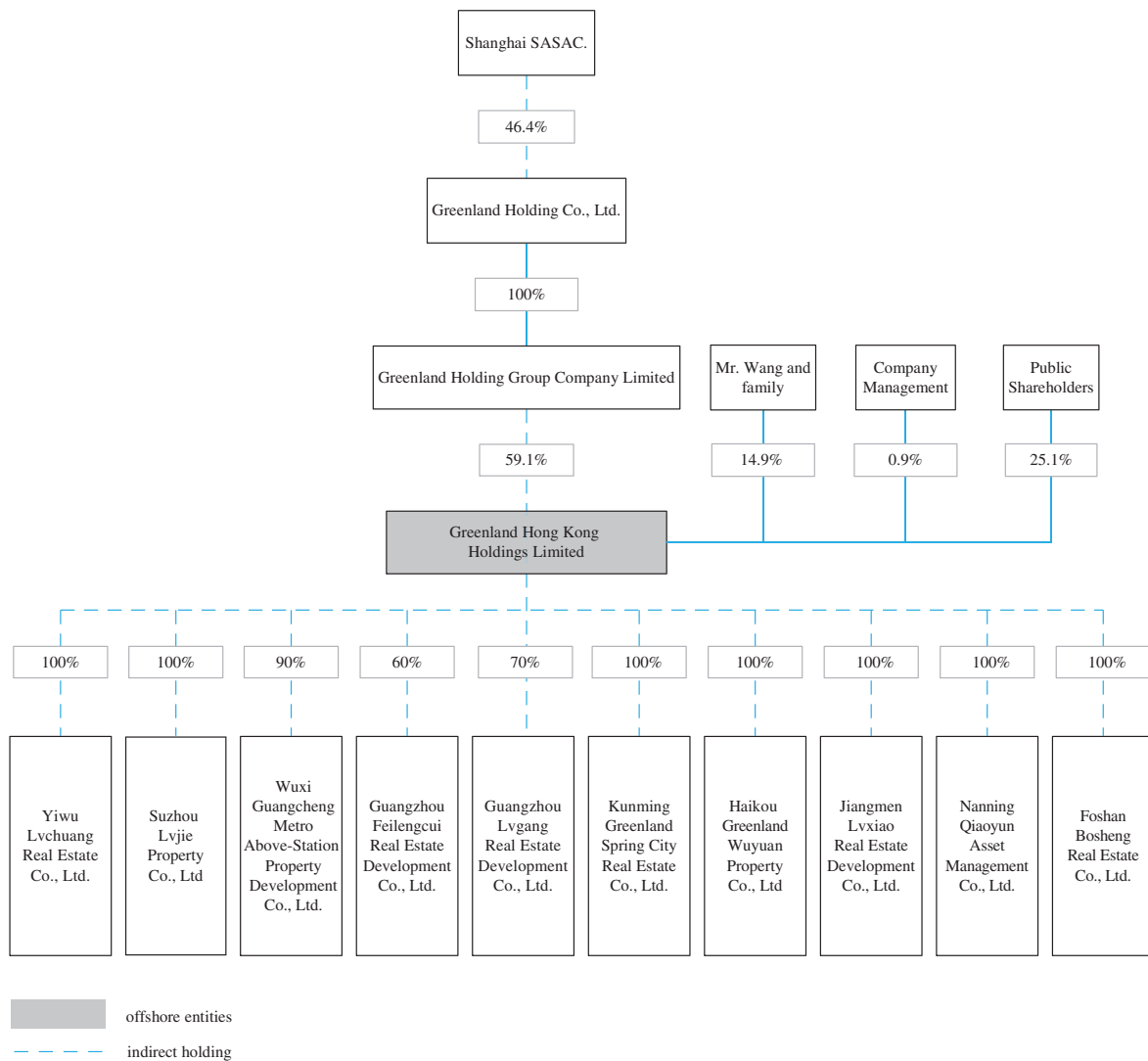
*Notes:*

- (1) Short-term borrowings include the current portion of interest-bearing loans and bonds.
- (2) Translation of US dollar amounts to RMB were made of US\$1.00 to RMB6.525.
- (3) Long-term borrowings include the non-current portion of interest-bearing loans and bonds.
- (4) Total borrowings includes short-term borrowings and long-term borrowings.
- (5) Total equity includes share capital, share premium, reserves, perpetual securities, retained earnings and non-controlling interests.
- (6) Total capitalisation equals total long-term borrowings (excluding the current portion of long-term borrowings) and total equity.

There has been no material adverse change in our capitalisation and indebtedness since 31 December 2020.

## CORPORATE STRUCTURE

The following chart illustrates our simplified corporate structure as at the date of this offering memorandum:



## BUSINESS

### Overview

We are the only overseas-listed real estate platform of Greenland Holding, a leading property developer in China and an enterprise in which the Shanghai State-owned Assets Supervision and Administration Commission (“Shanghai SASAC”) supervises and holds 46.4 per cent of equity interest through subsidiaries. Since Greenland Holding’s acquisition of 60 per cent. of our shares in May 2013, we have been important to Greenland Holding’s strategy and growth.

In recent years, we have experienced significant growth in the scale of our business operation and financial performance. Our revenue has increased by CAGR of 47.8 per cent. from RMB15,444.2 million for the year ended 31 December 2018 to RMB33,734.4 million for the year ended 31 December 2020; while our net profit has increased by CAGR of 32.1 per cent. from RMB1,981 million for the year ended 31 December 2018 to RMB3,459 million for the year ended 31 December 2020 and our total asset has increased by CAGR of 35.2 per cent. from RMB90,230 million as at 31 December 2018 to RMB164,989 million as at 31 December 2020. Our return on equity has increased from 11.1 per cent. for the year ended 31 December 2018 to 15.6 per cent. for the year ended 31 December 2020. Alongside with the growth in our business operations, we have also expanded our financing channels and have lowered our cost of borrowing. Since 2014, we have issued US\$2,400 million of senior notes and completed an aggregate of equivalent to US\$1,270 million syndicated loans. In May 2015, we also completed an equity placement that raised US\$223.0 million. Our effective interest cost has increased from 4.74 per cent. in 2018 to 5.43 per cent. in 2019 and 5.45 per cent. in 2020, of which the effective interest cost for our offshore bonds, offshore bank borrowings and onshore bank borrowings on average was 6.17 per cent., 4.07 per cent. and 5.7 per cent., respectively.

We strive to implement the parallel development of our core business segments, namely real estate development and “Real estate +” businesses, to expand and diversify our revenue sources and to promote the overall advantages of the Greenland brand in the capital markets and throughout the industries in which we operate.

### *Real Estate Development*

Our real estates development business focuses on the development of quality residential, commercial and hotel properties in China by leveraging on the well-known Greenland platform and brand name. Our projects are mostly located in the Pan-Yangtze River Delta region, the Pan-Pearl River Delta region and other provincial capital cities that we believe to have strong growth potential. We captured the market trend to strategically increase our land bank in prime areas of core cities in the Yangtze River Delta and the Pan-Pearl River Delta through various land acquisition strategies and expanding our development scale as well as market influence. We have successively launched a series of major projects in the key regions such as the Yangtze River Delta, Greater Bay Area and Yunnan Province to deepen synergy across industries. As at 25 March 2021, we had a total of 110 projects held for development and sale in 37 cities, of which mostly are located in first-, second- and third-tier cities in the PRC.

In 2020, we actively increased our high-quality land bank in the Yangtze River Delta and Yunnan Province and also completed the acquisition of the entire equity of Guangzhou Greenland, which is principally engaged in property development of 35 projects in Guangdong Province, of which 29 projects were located in the Greater Bay Area. Upon the completion of the acquisition, we will in principle be responsible for the investment, development and management of the property projects in the Greater Bay Area and other cities of Guangdong Province.

## **Our Competitive Strengths**

We believe the following are our key competitive strengths to support our sustainable and profitable growth:

### ***Strong support from Greenland Holding***

Our majority shareholder, Greenland Holding, is a leading property developer in China and have been listed as one of the “Fortune Global 500” companies since 2012 and was ranked 176 by *Fortune* in the 2020 Fortune Global 500. Greenland Holding is also the second largest enterprise that is supervised by the Shanghai SASAC through subsidiaries and has been receiving strong support from the PRC government. Greenland Holding’s operations cover real estates, construction, finance, consumer and emerging and other businesses, among which the real estates sector is the biggest profit contributor and has accounted for more than 80 per cent. of Greenland Holding’s gross profit since 2012.

We receive continuous and strong shareholder support from Greenland Holding and have been effectively integrated into Greenland Holding’s overall strategy. We benefit from Greenland Holding’s good relationship with the PRC government and are able to obtain land from Greenland Holding at competitive prices, such as the land of our Hangzhou and Kunming projects to expand our overseas development, such as the establishment of the partnership we have with Kuwait Strategic Investor. We also benefit from Greenland Holding’s nationwide marketing network and extensive project experience which increases our operational efficiency and sell-through rates and benefits from the economies of scale which reduces our operating costs with respect to procurement, construction, marketing and other functions. Furthermore, we benefit from Greenland Holding’s comprehensive experiences and local market knowledge in product positioning, sales strategies, design, and market understanding in more than 80 cities in which it has operations in the development of our business and projects.

### ***Sizeable, low cost and high quality land bank***

As at 25 March 2021, we had a total land bank of approximately 27 million sq.m., with sites strategically located in key cities in the Pan-Yangtze River Delta region and the Pan-Pearl River Delta region. Our average floor price is approximately RMB3,864 per sq.m. for our new projects since 2020 and we have recently acquired several pieces of land site at a relatively lower cost when compared to the land site’s premium, including but not limited to, two land parcels in Chenggong District of Kunming City at a total consideration of approximately RMB385 million with a total GFA of approximately 216,200 square meters at an average floor price of approximately RMB1,781 per square meter; one plot in Wuxiang New District, Nanning, Guangxi at a total consideration of approximately RMB137 million with a total GFA of approximately 224,800 square meters at an average floor price of approximately RMB608 per square meter; one plot in Fuyang District, Hangzhou City at a total consideration of approximately RMB2,140 million with a total planned GFA of approximately 181,700 square meters at an average floor price of approximately RMB11,778 per square meter; one plot in Yuhang District, Hangzhou City at a total consideration of approximately RMB1,313 million with a total planned GFA of approximately 138,000 square meters at an average floor price of approximately RMB9,512 per square meter for residential, commercial and hotel purpose; six plots in Jinning District, Kunming City at a total consideration of approximately RMB502 million with a total GFA of approximately 202,000 square meters at an average floor price of approximately RMB2,485 per square meter; plots in Dayu District, Kunming City at a total consideration of approximately RMB801 million with a total GFA of approximately 209,200 square meters at an average floor price of approximately RMB3,829 per square meter; one plot in intersection of Xinyou Road and Yuexiu Road, Fenhu High-tech Zone, Wujiang district, Suzhou City at a total consideration of approximately RMB618 million with an average floor price of approximately RMB8,583 per square meter; one plot in Taihu New Town, Wujiang District, Suzhou City, at a total consideration of approximately RMB1,402 million with a total planned GFA of approximately 77,600 square meters at an average floor price of approximately RMB18,067 per square meter; a cooperation arrangement to jointly develop plot of land located in Xinbei District, Changzhou City, Jiangsu Province at a total consideration of RMB741 million with a total GFA of approximately 138,000 square meters for residential purpose; one land parcel in Wujiang District, Suzhou City, Jiangsu Province at a total consideration of approximately RMB2,651 million with a total GFA of approximately 270,700 square meters at an average floor price of

approximately RMB9,793 per square meter located in the Yundong Area of Wujiang Economic Development Zone with convenient transportations; one land parcel in Binhu District, Wuxi City, Jiangsu Province at a total consideration of approximately RMB1,811 million with a total GFA of approximately 207,300 square meters at an average floor price of approximately RMB8,736 per square meter located in Wuxi (Mashan) Taihu Lake National Tourism Resort; one land parcel in Tongxiang, Zhejiang Province at a total consideration of approximately RMB478 million with a total GFA of approximately 144,500 square meters at an average floor price of approximately RMB3,308 per square meter; 35 projects in Guangdong Province, of which 29 projects are in the Greater Bay Area, respectively located in 11 cities including Shenzhen, Guangzhou, Foshan, Dongguan, Jiangmen, Shantou, Jieyang, Zhanjiang, which increased our land bank amounting to approximately 8.3 million square meters for residential, commercial, office and other purposes; one land parcel in Nanning, Comprehensive Bonded Zone at a total consideration of approximately RMB1,635 million with a total GFA of approximately 405,000 square meters at an average floor price of approximately RMB4,037 per square meter; one land parcel in Tinghu District, Yancheng City, Jiangsu Province at a total consideration of approximately RMB1,857 million with a total GFA of approximately 136,100 square meters at an average floor price of approximately RMB13,644 per square meter, which is planned to be developed into a high-quality comprehensive residence; one land parcel in Nanhu District, Jiaxing City, Zhejiang Province at a total consideration of approximately RMB1,137 million with a total GFA of approximately 113,300 square meters at an average floor price of approximately RMB10,035 per square meter mainly for residential purpose; two land parcels in Dongtou District, Wenzhou City, Zhejiang Province at a total consideration of approximately RMB2,106 million with a total GFA of approximately 321,900 square meters at an average floor price of approximately RMB6,542 per square meter, which will be developed to a complex property for residential, office and commercial purpose and one land parcel in Baiyun District, Guangzhou City, Guangdong Province at a total consideration of approximately RMB2,434 million with a total GFA of approximately 163,600 square meters at an average floor price of approximately RMB14,878 per square meter mainly for residential purpose. Our land bank is sufficient to support our real estate property development pipeline for the next two to three years and we are on the look out to acquire more quality sites that demonstrate growth potentials by leveraging on Greenland Holding's abundant land resources and their cost-effective financing channels.

The following table sets forth our land bank as of 25 March 2021:

No.	Name of project	Locations	Land bank (sq.m.)	Floor price (RMB/sq.m.)	Property type
1	Greenland Seaside City (綠地海岸城)	Shanghai	140,628	3,980	C/O
2	Holiday Inn Shanghai Pudong Kangqiao (上海浦東綠地假日酒店)	Shanghai	42,280	1,260	C/H
3	Greenland Yunxiang Tower (綠地雲翔大廈)	Shanghai	27,339	3,000	C/O
4	Cambridge Forest New Town (康橋半島)	Shanghai	5,118	739	R/C
5	Oriental Garden (Cambridge Watertown) (東方庭院(康橋水鄉))	Shanghai	4,634	1,400	R/C
6	Tiffany (Cambridge Waters) (香逸灣(康橋水都))	Shanghai	4,038	1,700	R/C
7	Greenland Jiangnan Huafu (綠地江南華府)	Suzhou	48,686	2,558	R
8	Triumph Residence (凱旋名邸)	Suzhou	1,998	1,445	R/C
9	Greenland Suzhou ONE (綠地蘇州ONE)	Suzhou	3,304	8,800	R/C
10	Suzhou Global 188 (蘇州環球188)	Suzhou	32,189	3,660	R/C/O
11	Greenland Lincoln Garden (綠地林肯公館)	Suzhou	69,356	2,946	R/C/O

No.	Name of project	Locations	Land bank (sq.m.)	Floor price (RMB/sq.m.)	Property type
12	Greenland Loch Mansion (綠地太湖朗峰)	Suzhou	213,690	8,086	R/C/H
13	Greenland Idyllic Mansion (綠地楓和九里)	Suzhou	64,691	15,737	R/C
14	Glory Mansion (綠地潮映江南)	Suzhou	72,000	8,583	R/C
15	Amber Villa (琥珀半島)	Suzhou	77,600	18,067	R
16	Dream City (綠地理想城)	Suzhou	270,700	9,793	R
17	Greenland Yejin Mansion (綠地也今東南)	Yangzhou	160,372	6,232	R/C
18	Greenland Ideal City (綠地理想城)	Yancheng	318,000	2,856	R/C
19	Yancheng Tinghu District Project (鹽城市亭湖區項目)	Yancheng	136,100	13,644	R/C
20	Greenland Ocean Masterland (綠地江海圖)	Nantong	311,316	4,249	R/C
21	Greenland Midtown (綠地名墩道)	Changzhou	226,386	4,541	R/C/H
22	The Park Avenue (龍控綠地公園道)	Changzhou	138,000	5,370	R
23	Greenland Lakeside Villa (綠地湖語墅)	Xuzhou	121,864	1,779	R/C
24	China Resources Greenland Triumph Arch (華潤綠地凱旋門)	Xuzhou	70,551	3,398	R/C
25	Greenland Emerald Park (綠地翠園)	Zhenjiang	149,398	3,732	R
26	Zhenjiang Yangzhong Project (鎮江揚中項目)	Zhenjiang	157,735	1,980	R
27	Greenland Sky Tree (綠地天空樹)	Wuxi	216,620	7,281	R/C/O
28	Greenland Xi Shui Dong (綠地西水東)	Wuxi	175,853	4,320	R/C/O
29	Greenland Diamond Mansion (綠地西水晶舍)	Wuxi	185,760	7,015	R/C
30	Wuxi Health Home (無錫健康家園)	Wuxi	159,780	6,277	R/C
31	Greenland Yushan World (綠地敵山天地)	Wuxi	380,391	5,311	R/C/H
32	If Alan (綠地安蘭諾雅)	Wuxi	207,300	8,736	R
33	Greenland Emerald Bay (綠地翡翠灣)	Changshu	-	2,500	R
34	Greenland La Casa (綠地怡景灣)	Changshu	2,305	2,030	R
35	Greenland Bihu International (綠地碧湖國際)	Ningbo	25,743	3,710	R/C
36	Greenland Cifi City (綠地旭輝城)	Hangzhou	550	13,476	R/C/O
37	TOD Town (潮悅江山城)	Hangzhou	181,700	11,778	R/C/O
38	Greenland Galaxy (綠地翠安宸瀚里)	Hangzhou	138,000	9,512	R/C/H
39	Greenland Central Plaza (綠地中央廣場)	Jiaxing	560,863	2,073	R/C/O
40	Jiaxing Nanhu District Project (嘉興市南湖區項目)	Jiaxing	113,300	3,308	R



No.	Name of project	Locations	Land bank (sq.m.)	Floor price (RMB/sq.m.)	Property type
41	Greenland Epoch Gate (綠地朝陽門)	Yiwu	188,441	15,810	R/C/O
42	Greenland Four Seasons Impression (綠地四季印象)	Shengzhou	141,955	2,170	R/C
43	Wenzhou Dongtou District Project (溫州市洞頭區項目)	Wenzhou	321,900	6,542	R/C/O/H
44	Greenland Taiping Lake (綠地太平湖)	Huangshan	847,449	108	R/H
45	Guangde Inter City Space (廣德城際空間站)	Xuancheng	829,204	767	R/C/O/H
46	Greenland Shanding Park (綠地山鼎莊園)	Taiyuan	9,509	792	R/C
47	Haikou Greenland City (海口綠地城)	Haikou	1,319,964	1,303	R/C/O
48	Greenland Central Culture Center (綠地中央文化城)	Haikou	1,336,185	2,459	R/C/O
49	Greenland Hai Chang Liu (綠地海長流)	Haikou	168,463	1,650	R/C
50	Greenland the Florea (綠地榮域)	Haikou	180	3,260	R
51	Greenland Hai Po Lan Ting (綠地海珀瀾庭)	Kunming	50,397	8,974	R/C
52	Greenland Xiang Shu Hua Cheng (綠地香樹花城)	Kunming	101,273	1,488	R/C/O
53	Greenland Yunduhui Square (綠地雲都會廣場)	Kunming	96,445	1,221	R/C/O
54	The Metropolitan (盛高大城)	Kunming	18,981	1,400	R/C
55	Greenland Dian Lake International Health Town (綠地滇池國際健康城)	Kunming	1,387,485	2,743	R/C/O
56	Greenland Southeast Asia Headquarters (綠地東南亞中心)	Kunming	747,359	3,968	R/C/O/H
57	Greenland Coastal City (綠地海之城)	Kunming	216,200	1,781	R/C
58	Greenland City Central (綠地雲和中心)	Kunming	275,000	6,567	R/C
59	Greenland Cloud&Mountain (綠地觀雲山)	Kunming	202,200	2,482	R/C
60	Head Office of ASEAN (東盟總部基地)	Nanning	224,816	608	C/O/H
61	Greenland Central Plaza (綠地中央廣場)	Nanning	178,442	4,184	R/C
62	Greenland Center (綠地中心)	Nanning	111,849	738	C/O
63	Greenland International Huadu (綠地國際花都)	Nanning	1,979	1,330	R/C
64	Wuxiang Greenland Center (五象綠地中心)	Nanning	39,566	1,008	C/O
65	Greenland Xin Li Pu Yue Garden (綠地新里璞悅公館)	Nanning	165,971	3,500	R
66	Greenland City (綠地城)	Nanning	612,809	1,287	R/C/O
67	Greenland Dongmeng International Town (綠地東盟國際城)	Nanning	1,350,563	702	R/C/O/H

No.	Name of project	Locations	Land bank (sq.m.)	Floor price (RMB/sq.m.)	Property type
68	Greenland New Metropolis (悦桂綠地新世界)	Nanning	232,463	992	R/C
69	Mountain Series (綠地朗峰)	Nanning	405,000	4,037	R/C
70	Greenland Central Park (綠地交投中央公園)	Qinzhou	277,173	671	R/C
71	Greenland Art Residence (梧州綠地璞悦公館)	Wuzhou	226,833	341	R/C
72	Yulin Greenland City (玉林綠地城)	Yulin	852,699	1,021	R/C
73	Greenland Forest Lake (Songlong Town) (綠地樾湖小鎮(宋隆小鎮))	Zhaoqing	1,532,746	1,987	R/C/H
74	Greenland Mountain Time (綠地拾野川)	Foshan	421,604	2,461	R/C
75	Dali Greenland Chanson De Terre (大瀝綠地香頌公館)	Foshan	472	2,475	R/C
76	Greenland Cree and Flower of the City (里水綠地香樹花園)	Foshan	12,828	2,393	R/C
77	Shunde Greenland International Huadu (順德綠地國際花都)	Foshan	10,339	2,774	R/C/O
78	Greenland Future City (綠地未來城)	Foshan	379,593	2,250	R/C/O
79	Chancheng Greenland Center (禪城綠地中心)	Foshan	329,090	2,382	R/C/O
80	Shishan Greenland Xiangxie Garden (獅山綠地香榭花苑)	Foshan	28,681	1,459	R/C
81	Shunde Greenland Center (順德綠地中心)	Foshan	177,567	3,371	R/C/O
82	Vanke Greenland Jinyu Zhongyang (萬科綠地金域中央)	Foshan	59,598	3,500	R/C/O/H
83	Greenland Xijiang Square (綠地熙江廣場)	Foshan	253,970	1,568	R/C/O
84	Greenland Garden City (綠地公園城)	Jiangmen	163,635	3,553	R/C
85	Greenland Garden City Family (綠地公園城世家)	Jiangmen	370,457	3,956	R/C
86	Greenland City of Elite (綠地杉禾田晶舍)	Guangzhou	122,971	14,432	R/C
87	Guangzhou International Innovation Driving Center (廣州國際創新驅動中心)	Guangzhou	295,378	4,211	C/O/H
88	Greenland Binjianghui (綠地濱江匯)	Guangzhou	–	5,504	C/O
89	Greenland International Chamber of Commerce (綠地匯創國際)	Guangzhou	5,562	1,472	C/O
90	New Center (太和綠地雲央)	Guangzhou	84,928	17,854	R/C
91	Baiyun Greenland Centre (白雲綠地中心)	Guangzhou	13,777	6,743	C/O
92	Greenland Financial City (綠地金融城)	Guangzhou	55,407	12,022	C/O
93	International Airport Center (國際空港中心)	Guangzhou	259,860	3,548	C/O
94	Huadu Xinlitixiang Mansion (花都新里緹香公館)	Guangzhou	2,663	6,853	R/C

No.	Name of project	Locations	Land bank (sq.m.)	Floor price (RMB/sq.m.)	Property type
95	Greenland Smart Plaza (綠地智慧廣場)	Guangzhou	39,595	3,491	C/O
96	Pearl Mansion (增城瓏玥府)	Guangzhou	153,684	11,140	R
97	Sino-Singapore Guangzhou Knowledge City Greenland City (中新廣州知識城綠地城)	Guangzhou	143,489	1,344	R/C/O/H
98	Greenland Yuexiu Haiyue (綠地越秀海玥)	Guangzhou	19,106	17,449	R/C/O
99	Greenland Times Yunduhui (綠地時代雲都匯)	Guangzhou	–	7,047	C/O
100	Poly Greenland Metropolis (保利綠地大都匯)	Guangzhou	33,409	2,873	C/O
101	Guangzhou Baiyun District Project (廣州市白雲區項目)	Guangzhou	163,600	14,878	R
102	Guangqing International City (廣清國際城)	Qingyuan	691,910	1,478	R/C/O/H
103	Shenzhen Guangming Greenland Metropolis (深圳光明綠地新都會)	Shenzhen	127,069	32,526	R
104	Greenland Center SGC (深汕綠地中心)	Shenzhen	195,380	8,538	C/O/H
105	Greenland International Airport City (綠地國際空港城)	Jieyang	1,232,226	7,514	R/C/O/H
106	Greenland Center STGC (汕頭綠地中心)	Shantou	184,927	10,590	C/O
107	Greenland Metropolis (綠地大都會)	Dongguan	16,267	8,579	R/C/O
108	Greenland Four Seasons Impression Garden (綠地四季印象)	Maoming	231,572	2,100	R/C/O/H
109	Greenland Xinli Haiyue Mansion (綠地新里海玥公館)	Zhanjiang	313,274	652	R/C/O
110	Yangjiang Intercity (陽江城際空間站)	Yangjiang	736,219	2,236	R/C/O/H
<b>Total</b>			<b>27,017,744</b>		

*Notes:* For purpose of the above property type, R stands for residential properties, C stands for commercial property, O stands for office properties and H stands for hotel properties.

### ***Sound credit profile supported by low-cost financing channels and prudent financial management***

We are committed to obtaining low cost external capital through diversified financing channels, including syndicated bank loans, bonds and equity issuance, in order to optimize our capital structure and increase our liquidity. Leveraging the credit advantages available to state owned entities such as Greenland Holding, we have obtained overall credit lines with major domestic banks, including the big four state-owned banks, which allow us to acquire low cost financing with relatively long repayment periods. We also further diversify our financing channels by expanding our overseas financing channels. We have completed syndicated loans equivalent to US\$320 million, US\$500 million and US\$250 million with major offshore banks from Hong Kong. We have also completed various issuances of offshore bonds and one issuance of offshore perpetual capital securities of US\$120 million since 2014 and in May 2015, we completed an equity placement raising US\$223 million in total.

We have benefited greatly from our low cost financing channels as well as prudent financial management. Subject to market condition and regulatory environment, we have actively adjusted our liability structure to replace short-term debts with long-term debts and optimize our funding channels through onshore financing. Our Renminbi denominated debt increased from RMB15,139.38 million (representing 72.35 per cent. of our total debt) as at 31 December 2019 to RMB20,929.6 million (representing 84.77 per cent. of our total debt) as at 31 December 2020. Our domestic bank loans are from various banks, which including but not limited to the Agricultural Bank of China, China Construction Bank, China Industrial and Commercial Bank of China, Bank of China, China CITIC Bank, Bank of Communication, Bank of Shanghai, Bank of Jiangsu, Huaxia Bank, China Everbright Bank and Industrial Bank Co., Ltd. In line with our financial management, our offshore bank loans and offshore bonds accounted for approximately 7.3 per cent. and 7.92 per cent. of our total debt as at 31 December 2020, respectively, compared to 11.02 per cent. and 16.64 per cent. as at 31 December 2019, respectively. As at 31 December 2018, 2019 and 2020, approximately 41.4 per cent., 45.36 per cent. and 44.75 per cent. of our total borrowings, respectively, were short term borrowings. As at 31 December 2020, approximately 83.24 per cent. and 16.76 per cent. of our interest-bearing debt was secured and unsecured, respectively. Our effective interest cost has increased from 4.74 per cent. in 2018 to 5.43 per cent. in 2019 and 5.45 per cent. in 2020, of which the effective interest cost for our offshore bonds, offshore bank borrowings and onshore bank borrowings on average was 6.17 per cent., 4.07 per cent. and 5.7 per cent., respectively.

### ***Real Estate + Business Strategy to support future growth***

With the support we receive from Greenland Holding and governmental policies, we have actively adopted a Real Estate + strategy which focuses on diversifying and expanding our real estates development business to include cultural and commercial tourism, medical and healthcare and tourism and leisure business. In particular, leveraging on the strong brand reputation of Greenland which encourages trusts and confidences from the market, utilizing the cutting-edge medical and healthcare resources which we gain with our cooperation with reputable and industry-leading partners and assisted by supportive governmental policies that promotes the integration of medical and healthcare industry, the development of elderly care industry and the establishment of sports, fitness and recreation projects, we have initiated projects in cultural, commercial and tourism and medical and healthcare services to create a first-class life and health service platform. For example, in March 2018, we entered into a strategic cooperation agreement with Shanghai International Medical Center and Australia-based Provectus Care to establish the first Shanghai-based medical institution focusing on Alzheimer's disease. In June 2020, the Education and Training Base in Pudong New District of Institute of Cultural and Creative Industry of Shanghai Jiao Tong University was inaugurated in the Greenland International Education Park of the Greenland Seaside City of the Group in Shanghai, which marked the formal cooperation between Institute of Cultural and Creative Industry of Shanghai Jiao Tong University and us to jointly develop an industry chain cluster of education, cultural and creative industry and art. It will also help the Group to deepen and promote our "Real Estate +" strategy and focus on building a comprehensive industrial ecological chain.

Our key projects in cultural and commercial tourism include Songlong Town, Greenland Mountain Time, Greenland Nanning Central Plaza, Global 188 and Kunming Dayu and offer services such as cultural tourism, nature education, open and three dimensional traffic commercial corridor and family leisure programs. Our key projects in medical and healthcare services include Greenland Hong Kong Provectus Care Residence, the first Shanghai-based medical institution focused on Alzheimer's disease that we established in cooperation with Shanghai International Medical Center and Australia-based Provectus Care, the Greenland Hong Kong Provectus Care Park in the Pan-Yangtze River Delta Region and the Greenland Spring City Dian Lake International Health Model Town in Kunming Yunnan, and offer elderly cognitive impairment care, professional management system, systematic and hierarchical comprehensive nursing services and physiotherapy, Chinese herbal medicine and gene sequencing and health management services. Our Real Estate + strategy also supports our real estates development business by enhancing our competitiveness and negotiation power in land acquisitions.

Leveraging our core competitive edges in real estate development, we achieved breakthroughs in our further exploration into the asset-light business model. We made strenuous efforts to construct a Real Estate+ ecological chain and emphasized synergistic development among various industries including universal healthcare, cultural tourism and cultural education. Following the completion of H1 Health Town, many healthcare enterprises successively set up their branches in our health town project. Setting first-class business management model as a benchmark, our business management company established solely by us achieved the separation of “assets” and “management” and the full operation and development of self-owned commercial and hotel properties. We have created five self-owned brands involving different industries, i.e., a universal healthcare brand – H1 and 1947 series, a long-term lease brand – Elite Home, a healthcare and elderly care brand – Provectus Residence, a creative space and scientific innovation brand – Greenland Creative Space (綠地創天地) and Greenland Industrial Park brand, in order to upgrade the city landmark and enhance our brand image through operation of industries. We build better life with determination, and highlight the industrial synergy values.

### *Professional, experienced and stable management team along with effective corporate governance*

As three of Greenland Holding’s senior management members currently serve as our executive directors, Greenland Holding actively participates in our strategic planning. Mr. Chen Jun, our Chairman and our CEO, also the executive vice president of Greenland Holding, has more than 20 years of experience in the real estate and construction industry with extensive management experience in the industry and joined Greenland Holding in February 2001. Mr. Chen also serves as a deputy of the 11th and 12th People’s Congress of Shaanxi Province, the honorary chairman of Shanghai Chamber of Commerce in Shaanxi and a member of the standing committee of the Shaanxi Youth Federation.

We have adopted a centralized corporate governance structure, which effectively centralizes decision making and integrates resources to ensure efficient operation and governance. We have a Board of Directors, with a Company Secretary and Independent Directors. We have a robust internal control system, including an audit committee, remuneration committee and nomination committee.

### **Our Business Strategies**

In line with the integrated strategy of our majority shareholder Greenland Holding, we have accelerated our pace of corporate restructuring, actively developed innovative business strategies, pro-actively explored transforming into the asset-light business model. We strive to develop into a comprehensive industry conglomerate focused on the parallel development of our core business operations in real estate development and “Real Estate +” business.

### *Our Integrated Strategy*

As our most important financing platform in Hong Kong, we focus on and carry out the integrated strategy that focuses on promoting innovation, transformation and upgrade of our capital platform and the industries in which we operate to make our business bigger and stronger. At the same time we continue to focus on our core business operations and their management. We will implement parallel development of our core businesses operations to expand and diversify our revenue sources and to promote the overall advantages of the Greenland brand in the capital markets and throughout the industries in which we operate.

### ***Real Estate Development Business Strategy***

Using our powerful insights and a strong capacity for innovation, we continue to create mature product lines and multi-operational-type combinations in our real estate development business operation. Moreover, based on the characteristics of different markets, we strategically invest in first-tier cities in China such as Shanghai as well as other fast-growing second and third-tier cities across China in order to develop large-scale residential properties and high-end properties.

In addition, we will integrate our existing resources such as hotels, golf clubs, travel services, resorts plus medical and health care operations into our customer resources platform via the internet to provide online and offline value-added services for our customers. Relying on our strong customer base, we plan to increase the Greenland brand's popularity as well as deepen customer loyalty to further expand our customer base and achieve 'precision marketing'. In addition, we will utilise the support we have from Greenland Holding and its vast international resources to gain a clearer differentiating advantage over our competitors and to better satisfy our customers' varying needs through our comprehensive products and service offerings and by adopting the "self-supplying" supply chain management, to cut our costs and improve our operation efficiency. By strengthening and expanding both our marketing and service systems, we will ensure faster and better realization of our annual sales target.

### ***Real Estate + Business Strategy***

With the support we receive from Greenland Holding and governmental policies, we have actively adopted a Real Estate + strategy which focuses on diversifying and expanding our real estates development business to include cultural and commercial tourism, medical and healthcare and tourism and leisure business. In particular, leveraging on the strong brand reputation of Greenland which encourages trusts and confidences from the market, utilizing the cutting-edge medical and healthcare resources which we gain with our cooperation with reputable and industry-leading partners and assisted by supportive governmental policies that promotes the integration of medical and healthcare industry, the development of elderly care industry and the establishment of sports, fitness and recreation projects, we have initiated projects in cultural, commercial and tourism and medical and healthcare services to create a first-class life and health service platform.

Our "Real estate +" strategy will support the future growth of our business in the following ways: the policy-friendly "Real estate +" strategy will enable us to invest in the medical, healthcare, sports, fitness and recreation projects in response to the national policy issued by the 19th National Congress, which promotes the integration of medical and healthcare industries, and the development of elderly care industry; and the policy by the State Council, which encourages the establishment of sports, fitness and recreation projects. We have also entered into comprehensive strategic cooperation with HM Capital, an investment fund under Hillhouse Capital, to jointly build the medical and healthcare industry park into a benchmark project, which will also enhance competitiveness and negotiation power in our land acquisitions going forward.

## Recent Developments

On 11 May 2021, Wuxi Guosheng Property Development Co., Ltd. (無錫國盛房產開發有限公司), one of our indirect wholly-owned subsidiaries, confirming that it has won the bid for the acquisition of a parcel of land in Wuxi from Wuxi City Bureau of National Resources and Planning (無錫市自然資源和規劃局) at RMB1,169.65 million through a listing-for-sale organised by the Wuxi City Land Resources Exchange Centre (無錫市國土資源交易中心). The parcel of land is located at the southeast side of the intersection of Ximei Road and Shenjiaqiaobang, Xinwu District, Wuxi City, Jiangsu Province, the PRC (中國江蘇省無錫市新吳區錫梅路與沈家橋浜交叉口東南側) with a total site area of approximately 60,918.2 sq.m. and a gross plot ratio of more than 1.0 but less than 1.6. The property has a land use right of 70 years for residential land use.

## Our Business

### *Real Estates Development Business*

Headquartered in Shanghai, the Company is a property developer that is principally engaged in the development of quality residential, commercial and hotel properties. The Company has over ten years of experience developing quality large scale residential community projects. It began as a residential property developer in Shanghai in 1998 and subsequently diversified its business to include city centre integrated projects and leisure and resort facilities in Shanghai. Leveraging its well established position in Shanghai and accumulated experience in property development, the Company has expanded its business from Shanghai to other cities in the Pan-Yangtze River Delta region, including Wuxi, Suzhou and Changshu in Jiangsu Province, and Huangshan in Anhui Province and then to various other provincial capital cities that the Company believes to have strong growth potential, including Kunming in Yunnan Province, Haikou in Hainan Province and Taiyuan in Shanxi Province. The Company further expanded its business to Ningbo, Hangzhou, Jiaxing, Shaoxing and Yiwu in Zhejiang Province, Xuzhou in Jiangsu Province, Nanning and Yulin in Guangxi Province and Zhaoqing and Foshan in Guangdong Province.

As at 25 March 2021, the Company had a total of 110 projects held for development and sale in 37 cities in the PRC. As at 25 March 2021, the Company had a land bank with a total GFA of approximately 27 million sq.m., with prime sites strategically located in key cities in the Pan-Yangtze River Delta, the Pan-Pearl River Delta region and provincial capital cities with regional economic importance.

The total land bank as at 25 March 2021 was strategically located in the Pan-Yangtze River Delta and Pan-Pearl Delta with a diverse portfolio of real estate development projects with a focused on residential properties, with approximately 67 per cent. of our total land bank as residential properties and approximately 14 per cent., 16 per cent. and three per cent. as commercial properties, office and hotel, respectively. A breakdown of our land bank in value by region reflects that our land reserves in Jiangsu, Zhejiang, Yunnan, Guangdong, Guangxi, and others attribute to approximately 26 per cent., 12 per cent., 11 per cent., 42 per cent., seven per cent and two per cent. of our total land bank in value as at 25 March 2021.

The following table sets forth the main projects sold and delivered in 2020:

– Property		Approximate	Approximate	Average
		GFA sold and delivered in 2020	sales recognized in 2020	selling price
		sq.m.	RMB'000	RMB/sq.m.
Greenland Epoch Gate 綠地朝陽門 .....	Yiwu 義烏	72,549	2,547,966	35,121
Sino-Singapore Guangzhou Knowledge City Greenland City 中新廣州知識城綠地城 .....	Guangzhou 廣州	183,526	2,523,433	13,750
Greenland Sky Tree 綠地天空樹 .....	Wuxi 無錫	114,081	2,480,762	21,746
International Airport Center 綠地國際空港中心 .....	Guangzhou 廣州	125,376	1,737,270	13,856
Greenland Garden City 綠地公園城 .....	Jiangmen 江門	182,485	1,641,017	8,993
Greenland Southeast Asia Headquarters 綠地東南亞中心 .....	Kunming 昆明	102,408	1,596,049	15,585
Greenland Dongmeng International Town 綠地東盟國際城 .....	Nanning 南寧	326,579	1,578,822	4,834
Greenland Future City 綠地未來城 .....	Foshan 佛山	165,611	1,568,476	9,471
Greenland Jiangnan Huafu 綠地江南華府 .....	Suzhou 蘇州	97,017	1,289,647	13,293
Greenland Central Culture Center 綠地中央文化城 .....	Haikou 海口	98,639	1,221,765	12,386
Greenland Lakeside Villa 綠地湖語墅 .....	Xuzhou 徐州	110,824	1,031,106	9,304
Greenland Central Plaza 綠地中央廣場 .....	Nanning 南寧	67,780	1,030,653	15,206
Greenland Dian Lake International Health Town 綠地滇池國際健康城 .....	Kunming 昆明	71,707	928,125	12,943
Greenland Hai Chang Liu 綠地海長流 .....	Haikou 海口	69,418	878,692	12,658
Yangjiang Intercity 陽江城際空間站 .....	Yangjiang 陽江	119,869	875,931	7,307
Greenland Four Seasons Impression 綠地四季印象 .....	Maoming 茂名	127,854	856,041	6,695
Greenland Smart Plaza 綠地智慧廣場 .....	Guangzhou 廣州	37,929	852,898	22,487
Greenland Lincoln Garden 綠地林肯公館 .....	Suzhou 蘇州	84,546	752,300	8,898
Greenland Central Plaza 綠地中央廣場 .....	Jiaxing 嘉興	58,974	752,106	12,753
Greenland Financial City 綠地金融城 .....	Guangzhou 廣州	22,556	731,374	32,425
Greenland Mountain Time 綠地拾野川 .....	Foshan 佛山	52,570	636,184	12,102
Greenland Four Seasons Impression 綠地四季印象 .....	Shengzhou 嵊州	88,882	582,501	6,554
Haikou Greenland City 海口綠地城 .....	Haikou 海口	44,663	544,607	12,194



– Property		Approximate	Approximate	Average
		GFA sold and delivered in 2020	sales recognized in 2020	selling price
		sq.m.	RMB'000	RMB/sq.m.
Greenland Xi Shui Dong 綠地西水東 .....	Wuxi 無錫	22,061	499,009	22,620
Greenland Xin Li Pu Yue Garden 綠地新里璞悅公館 .....	Nanning 南寧	47,700	434,647	9,112
Greenland Taiping Lake Resort 綠地太平湖度假區 .....	Huangshan 黃山	29,958	405,964	13,551
Greenland Yunduhui Square 綠地雲都會廣場 .....	Kunming 昆明	43,802	360,709	8,235
Chancheng Greenland Center 禪城綠地中心 .....	Foshan 佛山	16,572	315,354	19,029
Greenland Forest Lake (Songlong Town) 綠地樾湖小鎮(宋隆小鎮) .....	Zhaoqing 肇慶	33,890	227,566	6,715
Shunde Greenland Center 順德綠地中心 .....	Foshan 佛山	9,682	189,455	19,568
Wuxiang Greenland Center 五象綠地中心 .....	Nanning 南寧	15,586	181,845	11,667
Vanke Greenland Jinyu Zhongyang 萬科綠地金域中央 .....	Foshan 佛山	10,625	179,577	16,901
Greenland Hai Po Lan Ting 綠地海珀瀾庭 .....	Kunming 昆明	9,090	168,638	18,552
Greenland International Chamber of Commerce 綠地匯創國際 .....	Guangzhou 廣州	7,853	80,357	10,233
Suzhou ONE 蘇州ONE .....	Suzhou 蘇州	4,939	79,101	16,016
Greenland Shanding Park 綠地山鼎莊園 .....	Taiyuan 太原	3,721	71,322	19,167
Huadu Xinlitixiang Mansion 花都新里緹香公館 .....	Guangzhou 廣州	3,336	51,605	15,469
Lishui Greenland Cree and Flower of the City 里水綠地香樹花園 .....	Foshan 佛山	3,642	42,123	11,566
Shishan Greenland Xiangxie Garden 獅山綠地香樹花苑 .....	Foshan 佛山	2,317	40,864	17,637
Greenland Metropolis 綠地大都會 .....	Dongguan 東莞	7,391	37,828	5,118
Greenland Bihu International 綠地碧湖國際 .....	Ningbo 寧波	2,651	32,603	12,298
The Metropolitan 盛高大城 .....	Kunming 昆明	7,722	32,114	4,159
Greenland Center 綠地中心 .....	Nanning 南寧	2,578	26,799	10,395
Dali Greenland Chanson De Terre 大瀝綠地香頌公館 .....	Foshan 佛山	1,887	24,660	13,068
Global 188 環球188 .....	Suzhou 蘇州	1,369	22,758	16,624
Others .....		3,948	20,784	5,264
Sub-total .....		2,718,163	32,163,407	11,833

The table below sets forth the properties held for development and sale as at 25 March 2021.

	<u>Name of property and location</u>	<u>Group's interest %</u>	<u>Type</u>	<u>Property Status</u>	<u>Scheduled completion</u>
(1)	Cambridge Forest New Town Xiuyan Rd., Pudong New Area, Shanghai 康橋半島 上海市浦東新區秀沿路. . . . .	98.24%	Residential Commercial	Completed	Completed
(2)	Tiffany (Cambridge Waters) Shuichan Rd., Baoshan District, Shanghai 香逸灣(康橋水都) 上海市寶山區水產路. . . . .	100%	Residential Commercial	Completed	Completed
(3)	Oriental Garden (Cambridge Watertown) Fuxing Rd., Qingpu District, Shanghai 東方庭院(康橋水鄉) 上海市青浦區復興路. . . . .	100%	Residential Commercial	Completed	Completed
(4)	Holiday Inn Shanghai Pudong Kangqiao Xiuyan Rd., Pudong New Area, Shanghai 上海浦東綠地假日酒店 上海市浦東新區秀沿路. . . . .	100%	Hotel Commercial	Completed	Completed
(5)	Greenland Seaside City Heqing Town, Pudong New Area, Shanghai 綠地海岸城 上海市浦東新區合慶鎮. . . . .	50%	Office Commercial	Completed	Completed
(6)	Greenland Yunxiang Tower Nanxiang Town, Jiading District, Shanghai 綠地雲翔大廈 上海市嘉定區南翔鎮. . . . .	100%	Office Commercial	Completed	Completed
(7)	Global 188 No. 88, Suhui Rd., Suzhou Industry Park, Suzhou City, Jiangsu Province 環球188 江蘇省蘇州市蘇州工業園區蘇惠路 88號. . . . .	100%	Residential Office Commercial	Completed	Completed
(8)	Triumph Residence Taihu New Town, Wujiang district, Suzhou City, Jiangsu Province 凱旋名邸 江蘇省蘇州市吳江區太湖新城. . . . .	50%	Residential Commercial	Completed	Completed
(9)	Greenland Jiangnan Huafu Chengnan segment of Wujiang District, Suzhou City 綠地江南華府 蘇州市吳江區城南板塊. . . . .	100%	Residential Commercial	Phase IV – superstructure work 2021 in progress	2021

	<b>Name of property and location</b>	<b>Group's interest %</b>	<b>Type</b>	<b>Property Status</b>	<b>Scheduled completion</b>
(10)	Greenland Suzhou ONE North of Jiangling Dong Rd and east of Pang Bei Road Wujiang District, Suzhou City 綠地蘇州ONE 蘇州市吳江區江陵東路以北,龐北路以東 . . . . .	100%	Residential Commercial	Completed	Completed
(11)	Greenland Lincoln Garden Dongfang Avenue, Wujiang District, Suzhou, Jiangsu Province 綠地林肯公館 江蘇省蘇州吳江區東方大街 . . . . .	99%	Residential Commercial Office	Completed	Completed
(12)	Greenland Loch Mansion Suzhou Bay District, Suzhou, Jiangsu Province 綠地太湖朗峰 江蘇省蘇州蘇州灣區域. . . . .	100%	Residential Commercial Hotel	Superstructure work in progress	2023
(13)	Greenland Idyllic Mansion Taihu New Town District, Wujiang District, Suzhou, Jiangsu Province 綠地楓和九里 . . . . .	100%	Residential Commercial	Superstructure work in progress	2022
(14)	Glory Mansion Taihu New Town, Wujiang district, Suzhou City 綠地潮映江南 蘇州市吳江區太湖新城. . . . .	100%	Residential Commercial	Superstructure work in progress	2022
(15)	Amber Villa Taihu New Town, Wujiang district, Suzhou City 琥珀半島 蘇州市吳江區太湖新城. . . . .	51%	Residential	Superstructure work in progress	2023
(16)	Greenland Xi Shui Dong No. 122, Jiankang Rd., Wuxi City, Jiangsu Province 綠地西水東 江蘇省無錫市健康路122號. . . . .	100%	Residential Commercial Office	Phase III – Superstructure work in progress	2023
(17)	Greenland Sky Tree Tai Hu New Town, Wuxi City, Jiangsu Province 綠地天空樹 江蘇省無錫市太湖新城. . . . .	90%	Residential Commercial Office	Phase II – Superstructure work in progress	2022
(18)	Greenland Diamond Mansion Near the Fengxiang Road Viaduct, Wuxi City, Jiangsu Province 綠地西水晶舍 江蘇省無錫市靠近鳳翔路高架. . . . .	100%	Residential Commercial	Superstructure work in progress	2021
(19)	Wuxi Health Home Downtown of Liangxi District, Wuxi City, Jiangsu Province 無錫健康家園 江蘇省無錫市梁溪區市中心 . . . . .	100%	Residential Commercial	Preliminary stage	2024

	<b>Name of property and location</b>	<b>Group's interest %</b>	<b>Type</b>	<b>Property Status</b>	<b>Scheduled completion</b>
(20)	Greenland Yushan World Yushan Wan District, Jiangyin, Wuxi City, Jiangsu Province 綠地啟山天地 江蘇省無錫市江陰啟山灣區域. . . .	100%	Residential Commercial Hotel	Superstructure work in progress	2023
(21)	If Alan Binhu District, Wuxi City, Jiangsu Province 綠地安蘭諾雅 江蘇省無錫市濱湖區. . . . .	100%	Residential	Superstructure work in progress	2023
(22)	Greenland La Casa No. 688, Yushan Rd (N)., Changshu City, Jiangsu Province 綠地怡景灣 江蘇省常熟市虞山北路688號. . . .	100%	Residential	Completed	Completed
(23)	Greenland Emerald Bay Huanhu Rd (S)., Changshu City, Jiangsu Province 綠地翡翠灣 江蘇省常熟市環湖南路. . . . .	100%	Residential	Completed	Completed
(24)	Greenland Midtown Xinlong segment of New North District, Changzhou City, Jiangsu Province 綠地名墩道 江蘇省常州市新北區新龍板塊. . . .	100%	Residential Commercial Hotel	Superstructure work in progress	2023
(25)	The Park Avenue New North District of Changzhou City, Jiangsu Province 龍控綠地公園道 江蘇省常州市新北區. . . . .	51%	Residential	Superstructure work in progress	2022
(26)	Greenland Ocean Masterland High Tech Zone of Nantong City, Jiangsu Province 綠地江海圖 江蘇省南通市高新區. . . . .	100%	Residential Commercial	Superstructure work in progress	2023
(27)	Greenland Yejin Mansion Canal Segment in the southeast sub-district of Guangling District in Yangzhou City, Jiangsu Province 綠地也今東南 江蘇省揚州市廣陵區東南片區運河 板塊. . . . .	100%	Residential Commercial	Superstructure work in progress	2022
(28)	Greenland Emerald Park the new town segment of Dantu, Zhenjiang City, Jiangsu Province 綠地翠園 江蘇省鎮江市丹徒新城板塊. . . . .	70%	Residential	Superstructure work in progress	2023
(29)	Zhenjiang Yangzhong Project Yangzhong region, Zhenjiang City, Jiangsu Province 鎮江揚中項目 江蘇省鎮江市揚中區域. . . . .	80%	Residential	Preliminary stage	2023

	<b>Name of property and location</b>	<b>Group's interest %</b>	<b>Type</b>	<b>Property Status</b>	<b>Scheduled completion</b>
(30)	Dream City Yundong Area, Wujiang district, Suzhou City 綠地理想城 蘇州市吳江區運東板塊. . . . .	100%	Residential	Superstructure work in progress	2023
(31)	Greenland Ideal City Core area of Economic Development Zone in Yancheng City, Jiangsu Province 綠地理想城 江蘇省鹽城市經濟開發區. . . . .	50%	Residential Commercial	Superstructure work in progress	2024
(32)	Yancheng Tinghu District Project Tinghu District, Yancheng City, Jiangsu Province 鹽城市亭湖區項目 江蘇省鹽城市亭湖區. . . . .	100%	Residential Commercial	Preliminary stage	2023
(33)	Greenland Bihu International Cicheng Town, Jiangbei District, Ningbo City, Zhejiang Province 綠地碧湖國際 浙江省寧波市江北區慈城鎮. . . . .	100%	Residential Commercial	Completed	Completed
(34)	Greenland Central Plaza the main urban area of Tongxiang, Jiaxing, Zhejiang Province 綠地中央廣場 浙江省嘉興市桐鄉主城區. . . . .	70%	Residential Commercial Office	Superstructure work in progress	2023
(35)	Jiaxing Nanhu District Project Nanhu District, Jiaxing City, Zhejiang Province 嘉興市南湖區項目 浙江省嘉興市南湖區. . . . .	100%	Residential	Preliminary stage	2023
(36)	Greenland Epoch Gate Business Circle of Yiwu City, Zhejiang Province 綠地朝陽門 浙江省義烏市商業園. . . . .	100%	Residential Commercial Office	Superstructure work in progress	2021
(37)	Greenland Four Seasons Impression Shengzhou of Shaoxing City, Zhejiang Province 綠地四季印象 浙江省紹興市嵯州. . . . .	100%	Residential Commercial	Superstructure work in progress	2022
(38)	Wenzhou Dongtou District Project Oujiang River Estuary Area of Dongtou District, Wenzhou City, Zhejiang Province 溫州市洞頭區項目 浙江省溫州市洞頭區甌江口新區. . . . .	100%	Residential Commercial Office Hotel	Preliminary stage	2024
(39)	Greenland Shanding Park No. 86, Dongfeng Rd., Xiaodian District, Taiyuan City 綠地山鼎莊園 太原市小店區東峰路86號. . . . .	100%	Residential Commercial	Superstructure work in progress	2021

	<b>Name of property and location</b>	<b>Group's interest %</b>	<b>Type</b>	<b>Property Status</b>	<b>Scheduled completion</b>
(40)	Greenland Taiping Lake Resort No. 1, Binhu Boulevard, Taiping Lake Town, Huangshan District, Huangshan City, Anhui Province 綠地太平湖渡假區 安徽省黃山市黃山區太平湖鎮濱湖 大道1號 . . . . .	100%	Hotel Residential Golf	Phase V & VI – Preliminary stage	2025
(41)	Guangde Inter City Space High-speed railway new town sub-district, Guangde County, Xuancheng City, Anhui Province 廣德城際空間站 安徽省宣城市廣德縣高鐵新城片 區 . . . . .	100%	Residential Commercial Office Hotel	Phase I, II, III – superstructure work in progress	2021
(42)	Greenland The Florea No. 3, Haidian 6 East Road, Haikou City, Hainan Province 綠地榮域 海南省海口市海甸六東路3號 . . . .	100%	Residential	Completed	Completed
(43)	Greenland Hai Chang Liu No. 319, Binhai Boulevard, Xiuying District, Haikou City, Hainan Province 綠地海長流 海南省海口市秀英區濱海大道319 號 . . . . .	50.1%	Residential Commercial	Phase VI – superstructure work in progress	2022
(44)	Haikou Greenland City Jingxian Rd., Meilan District, Haikou City, Hainan Province 海口綠地城 海南省海口市美蘭區敬賢路 . . . . .	100%	Residential Office Commercial	Phase III – superstructure work in progress	2021
(45)	Greenland Central Culture Center Wuyuan River Area, Xiuying District, Haikou City, Hainan Province 綠地中央文化城 海南省海口市秀英區五源河地區 . .	100%	Residential Office Commercial	Phase IV – superstructure work in progress	2022
(46)	The Metropolitan No. 77, Jinniu Rd., Xishan District, Kunming City, Yunnan Province 盛高大城 雲南省昆明市西山區金牛路77號 . .	100%	Residential Commercial	Completed	Completed
(47)	Greenland Hai Po Lan Ting Xishan District, Kunming City, Yunnan Province 綠地海珀瀾庭 雲南省昆明市西山區 . . . . .	55%	Residential Commercial	Completed	Completed
(48)	Greenland Xiang Shu Hua Cheng Wuhua District Kunming City, Yunnan Province 綠地香樹花城 雲南省昆明市五華區 . . . . .	55%	Residential Office Commercial	Completed	Completed

	<b>Name of property and location</b>	<b>Group's interest %</b>	<b>Type</b>	<b>Property Status</b>	<b>Scheduled completion</b>
(49)	Greenland Yunduhui Square Wuhua District Kunming City, Yunnan Province 綠地雲都會廣場 雲南省昆明市五華區 . . . . .	55%	Residential Office Commercial	Completed	Completed
(50)	Greenland Dian Lake International Health Town Dayu Sub-district, Dianchi International Tourism Resort, Kunming 綠地滇池國際健康城 昆明滇池國際旅遊度假區大漁片 區 . . . . .	100%	Residential Commercial in Office	Superstructure work progress	2024
(51)	Greenland Southeast Asia Headquarters Wujiaba Sub-district, Guandu District, Kunming City, Yunnan Province 綠地東南亞中心 雲南省昆明市官渡區巫家壩片區 . .	100%	Residential Commercial in Office Hotel	Superstructure work progress	2028
(52)	Greenland Coastal City Chengong District of Kunming City, Yunnan Province 綠地海之城 雲南省昆明市呈貢區 . . . . .	100%	Residential Commercial	Superstructure work in progress	2022
(53)	Greenland City Central Jinchuan sub-district, Xishan District, the downtown of Kunming, Yunnan Province 綠地雲和中心 雲南省昆明市主城西山區金產片 區 . . . . .	50%	Residential Commercial	Superstructure work in progress	2025
(54)	Greenland Cloud & Mountain South bank of Dian Lake, Jinning District, Kunming City, Yunnan Province 綠地觀雲山 雲南省昆明市晉寧區滇池南岸 . . . .	100%	Residential Commercial	Superstructure work in progress	2024
(55)	Greenland Cifi City Hangzhou Olympic and International Expo Center, Binjiang District, Hangzhou City, Zhejiang Province 綠地旭輝城 浙江省杭州市濱江區杭州奧體博覽 城 . . . . .	50%	Residential Office Commercial	Completed	Completed
(56)	TOD Town Fuyang District, Hangzhou City, Zhejiang Province 潮悅江山城 浙江省杭州市富陽區 . . . . .	100%	Residential Commercial Office	Superstructure work in progress	2023

	<b>Name of property and location</b>	<b>Group's interest %</b>	<b>Type</b>	<b>Property Status</b>	<b>Scheduled completion</b>
(57)	Greenland Galaxy Yuhang District Chongxian New City, Hangzhou City, Zhejiang Province 綠地眾安宸瀚里 浙江省杭州市餘杭區崇賢新城. . . .	75%	Residential Commercial Hotel	Superstructure work in progress	2023
(58)	China Resources Greenland Triumph Arch Binggong Road, Xuzhou City, Jiangsu Province 華潤綠地凱旋門 江蘇省徐州市兵工路 . . . . .	50%	Residential Commercial	Phase III – superstructure work in progress	2023
(59)	Greenland Lakeside Villa Jiaoshan Lake Area, Xuzhou City, Jiangsu Province 綠地湖語墅 江蘇省徐州市蛟山湖地區 . . . . .	100%	Residential Commercial	Phase II & IV – superstructure work in progress	2022
(60)	Greenland Center Wuxiang New District, Nanning City, Guangxi Autonomous Region 綠地中心 廣西自治區南寧市五象新區 . . . . .	100%	Office Commercial	Completed	Completed
(61)	Greenland International Huadu Pingle Boulevard, Wuxiang New District, Nanning City, Guangxi Autonomous Region 綠地國際花都 廣西自治區南寧市五象新區平樂大道. . . . .	100%	Residential Commercial	Completed	Completed
(62)	Wuxiang Greenland Center Wuxiang New District, Nanning City, Guangxi Autonomous Region 五象綠地中心 廣西自治區南寧市五象新區 . . . . .	100%	Office Commercial	Completed	Completed
(63)	Greenland Central Plaza Dongge Road, Nanning City, Guangxi Autonomous Region 綠地中央廣場 廣西自治區南寧市東葛路 . . . . .	60%	Residential Commercial	Phase IV – superstructure work in progress	2023
(64)	Greenland Xin Li Pu Yue Garden Jiangnan District in Nanning City, Guangxi Autonomous Region 綠地新里璞悅公館 廣西自治區南寧市江南區 . . . . .	100%	Residential	Superstructure work in progress	2021
(65)	Greenland City Santang Town, Xingning District, Nanning City, Guangxi Autonomous Region 綠地城 廣西自治區南寧市興寧區三塘鎮. . .	15%	Residential Commercial Office	Phase II – superstructure work in progress	2022



	<b>Name of property and location</b>	<b>Group's interest %</b>	<b>Type</b>	<b>Property Status</b>	<b>Scheduled completion</b>
(66)	Greenland Dongmeng International Town Dongmeng Economic Development Zone, Nanning City, Guangxi Autonomous Region 綠地東盟國際城 廣西自治區南寧市東盟經濟開發區 . . . . .	100%	Residential Commercial Office Hotel	Phase II – superstructure work in progress	2024
(67)	Greenland Jiaotou Central Park CBD district of Baishi lake, Qinzhou City, Guangxi Autonomous Region 綠地交投中央公園 廣西自治區欽州市白石湖CBD地區 . . . . .	51%	Residential Commercial	Superstructure work in progress	2023
(68)	Wuzhou Greenland Art Residence Guangdong-Guangxi Interprovincial Pilot Cooperation Special Zone, Wuzhou City, Guangxi Autonomous Region 梧州綠地璞悅公館 廣西自治區梧州市粵桂合作特別試驗區 . . . . .	60%	Residential Commercial	Superstructure work in progress	2022
(69)	Yulin Greenland City Yulin City, Guangxi Autonomous Region 玉林綠地城 廣西自治區玉林市 . . . . .	42.5%	Residential Commercial in	Phase II – superstructure work progress	2024
(70)	Greenland New Metropolis Core residential district of South Nanning Airport New Zone, Nanning City, Guangxi Autonomous Region 悅桂綠地新世界 廣西自治區南寧市南空港新區核心居住區 . . . . .	49%	Residential Commercial	Superstructure work in progress	2023
(71)	Head Office of ASEAN Wuxiang New District in Nanning City, Guangxi Autonomous Region 東盟總部基地 廣西自治區南寧市五象新區 . . . . .	100%	Commercial Office Hotel	Superstructure work in progress	2023
(72)	Mountain Series Nanning Comprehensive Bonded Zone, Guangxi Autonomous Region 綠地朗峰 廣西自治區南寧市綜保區 . . . . .	100%	Residential Commercial	Preliminary stage	2023
(73)	Greenland Mountain Time Genghe Town, Gaoming District, Foshan, Guangdong Province 綠地拾野川 廣東省佛山市高明區更合鎮 . . . . .	100%	Residential Commercial	Main structure in progress	2025

	<b>Name of property and location</b>	<b>Group's interest %</b>	<b>Type</b>	<b>Property Status</b>	<b>Scheduled completion</b>
(74)	Greenland Forest Lake (Songlong Town) Huilong Town Segment, Gaoyao District, Zhaoqing City, Guangdong Province 綠地樾湖小鎮(宋隆小鎮) 廣東省肇慶市高要區回龍鎮板塊 . . .	70%	Residential Commercial Hotel	Main structure in progress	2028
(75)	Dali Greenland Chanson De Terre Taiping Community, Dali Town, Nanhai District, Foshan City, Guangdong Province 大瀝綠地香頌公館 廣東省佛山市南海區大瀝鎮太平社區 . . . . .	100%	Residential Commercial	Completed	Completed
(76)	Greenland Cree and Flower of the City Shachong Residents Committee, Lishui Town, Nanhai District, Foshan City, Guangdong Province 里水綠地香樹花園 廣東省佛山市南海區里水鎮沙涌居委會地段 . . . . .	70%	Residential Commercial	Completed	Completed
(77)	Shunde Greenland International Huadu Chencun Town, Shunde District, Foshan City, Guangdong Province 順德綠地國際花都 廣東省佛山市順德區陳村鎮 . . . . .	100%	Commercial Office Residential	Completed	Completed
(78)	Greenland Future City Chancheng District, Foshan City, Guangdong Province 綠地未來城 廣東省佛山市禪城區 . . . . .	100%	Residential Commercial Office	Man structure in progress	2023
(79)	Chancheng Greenland Center 15 Jihua Six Road, Chancheng District, Foshan City, Guangdong Province 禪城綠地中心 廣東省佛山市禪城區季華六路15號 . . . . .	100%	Residential Commercial Office	Man structure in progress	2025
(80)	Shishan Greenland Xiangxie Garden Shishan Town, Nanhai District, Foshan City, Guangdong Province 獅山綠地香榭花苑 廣東省佛山市南海區獅山鎮 . . . . .	70%	Residential Commercial	Completed	Completed
(81)	Shunde Greenland Center Daliang Street, Shunde District, Foshan City, Guangdong Province 順德綠地中心 廣東省佛山市順德區大良街道 . . .	100%	Residential Commercial Office	Man structure in progress	2021

	<b>Name of property and location</b>	<b>Group's interest %</b>	<b>Type</b>	<b>Property Status</b>	<b>Scheduled completion</b>
(82)	Vanke Greenland Jinyu Zhongyang Guicheng Street, Nanhai District, Foshan City, Guangdong Province 萬科綠地金城中央 廣東省佛山市南海區桂城街道. . . .	50%	Residential Commercial Office Hotel	Completed	Completed
(83)	Greenland Xijiang Square Xijiang New City, Hecheng Street, Gaoming District, Foshan, Guangdong Province 綠地熙江廣場 廣東省佛山市高明區荷城街道西江 新城. . . . .	70%	Residential Commercial Office	Man structure in progress	2024
(84)	Greenland Garden City No. 2-12 Renmin East Road, Shaping, Heshan Guangdong Province 綠地公園城 廣東省鶴山市沙坪人民東路2-12 號. . . . .	100%	Residential Commercial	Man structure in progress	2021
(85)	Greenland Garden City Family Louchong, Shaping Street, Heshan, Guangdong Province 綠地公園城世家 廣東省鶴山市沙坪街道樓冲 . . . . .	100%	Residential Commercial	Man structure in progress	2024
(86)	Greenland City of Elite Huangpu District, Guangzhou, Guangdong Province 綠地杉禾田晶舍 廣東省廣州市黃埔區 . . . . .	60%	Residential Commercial	Superstructure work in progress	2023
(87)	Guangzhou International Innovation Driving Center Huangpu District, Guangzhou, Guangdong Province 廣州國際創新驅動中心 廣東省廣州市黃埔區 . . . . .	51%	Commercial Office Hotel	Superstructure work in progress	2023
(88)	Greenland Binjianghui No. 13 Shigang Road, Gongye Avenue, Haizhu District, Guangzhou, Guangdong Province 綠地濱江匯 廣東省廣州市海珠區工業大道石崗 路13號 . . . . .	100%	Commercial Office	Completed	Completed
(89)	Greenland International Chamber of Commerce 1633 Beitai Road, Baiyun District, Guangzhou, Guangdong Province 綠地匯創國際 廣東省廣州市白雲區北太路1633 號. . . . .	100%	Commercial Office	Completed	Completed

	<b>Name of property and location</b>	<b>Group's interest %</b>	<b>Type</b>	<b>Property Status</b>	<b>Scheduled completion</b>
(90)	New Center No. 5 Caotang Road, Taihe Town, Baiyun District, Guangzhou, Guangdong Province 太和綠地雲央 廣東省廣州市白雲區太和鎮草塘路 5號. . . . .	100%	Residential Commercial	Superstructure work in progress	2021
(91)	Baiyun Greenland Centre No. 888 Yuncheng West Rd, Baiyun District, Guangzhou, Guangdong Province 白雲綠地中心 廣東省廣州市白雲區雲城西路888 號. . . . .	100%	Commercial Office	Completed	Completed
(92)	Greenland Financial City No. 662, Huangpu Avenue, Tianhe District, Guangzhou, Guangdong Province 綠地金融城 廣東省廣州市天河區黃埔大道662 號. . . . .	100%	Commercial Office	Completed	Completed
(93)	International Airport Center Yingbin Avenue, Huadu District, Guangzhou, Guangdong Province 國際空港中心 廣東省廣州市花都區迎賓大道. . . . .	70%	Commercial Office	Lots No. 1 & No. 4 – structural construction in progress	2022
(94)	Huadu Xinlitixiang Mansion No. 178 Jianshe North Road, Huadu District, Guangzhou, Guangdong Province 花都新里緹香公館 廣州市花都區建設北路178號. . . . .	100%	Residential Commercial	Completed	Completed
(95)	Greenland Smart Plaza No. 112 Kexue Avenue, Huangpu District, Guangzhou, Guangdong Province 綠地智慧廣場 廣東省廣州市黃埔區科學大道112 號. . . . .	70%	Commercial Office	Completed	Completed
(96)	Pearl Mansion Xishan Village, Zengjiang Street, Zengcheng District, Guangzhou, Guangdong Province 增城瓏玥府 廣東省廣州市增城區增江街西山 村. . . . .	100%	Residential	Superstructure work in progress	2021
(97)	Sino-Singapore Guangzhou Knowledge City Greenland City Sino-Singapore Guangzhou Knowledge City, Huangpu District, Guangzhou, Guangdong Province 中新廣州知識城綠地城 廣東省廣州市黃埔區中新廣州知識 城. . . . .	60%	Residential Commercial Office Hotel	Completed	Completed

	<b>Name of property and location</b>	<b>Group's interest %</b>	<b>Type</b>	<b>Property Status</b>	<b>Scheduled completion</b>
(98)	Greenland Yuexiu Haiyue Guangzhi North 1st Road, Haizhu District, Guangzhou, Guangdong Province 綠地越秀海玥 廣東省廣州市海珠區廣紙北一路 . . .	50%	Residential Commercial Office	Completed	Completed
(99)	Greenland Times Yunduhui No. 123 Huangyuan Road, Baiyun District, Guangzhou, Guangdong Province 綠地時代雲都匯 廣東省廣州市白雲區黃園路123號 . . .	50%	Commercial Office Residential	Completed	Completed
(100)	Poly Greenland Metropolis No. 35 Jinlong Road, Jinzhou Community, Nansha Street, Nansha District, Guangzhou, Guangdong Province 保利綠地大都匯 廣東省廣州市南沙區南沙街金洲社區金隆路35號 . . . . .	50%	Commercial Office	Completed	Completed
(101)	Guangzhou Baiyun District Project Wulonggang village, Zhongluotan Town, Baiyun District, Guangzhou, Guangdong Province 廣州市白雲區項目 廣東省廣州市白雲區鐘落潭鎮五龍崗村 . . . . .	100%	Residential	Preliminary stage	2023
(102)	Guangqing International City Guangqing Industrial Park, Shijiao Town, Qingcheng District, Qingyuan, Guangdong Province 廣清國際城 廣東省清遠市清城區石角鎮廣清工業園區 . . . . .	60%	Residential Commercial Office Hotel	Lot No. 1 – main structural in progress, Lots No. 2 & 4 – superstructure work in progress	2023
(103)	Shenzhen Guangming Greenland Metropolis No. 381 Guangming Street, Shenzhen City, Guangdong Province 深圳光明綠地新都會 廣東省深圳市光明街道381號 . . . .	67%	Residential	Main structure in progress	2022
(104)	Greenland Center SGC Shen Shan Cooperation Zone, Shenzhen City, Guangdong Province 深汕綠地中心 廣東省深圳市深汕特別合作區 . . . .	100%	Commercial Office Hotel	Main structure in progress	2022
(105)	Greenland International Airport City Jianshe Avenue, Rongjiang New Town, Jieyang Guangdong Province 綠地國際空港城 廣東省揭陽市榕江新城建設大道 . . .	100%	Residential Commercial Office Hotel	Lots No. 1, No. 3, No. 5 – main structure in progress	2026

	<b>Name of property and location</b>	<b>Group's interest %</b>	<b>Type</b>	<b>Property Status</b>	<b>Scheduled completion</b>
(106)	Greenland Center STGC Nanbin Zone, Zhongxin Binhai New Town, Haojiang District, Shantou, Guangdong Province 汕頭綠地中心 廣東省汕頭市濠江區中信濱海新城 南濱片區. . . . .	100%	Commercial Office	Phase I – superstructure work in progress, Phase II – main structure in progress	2023
(107)	Greenland Metropolis Luwu Village, Changping Town, Dongguan, Guangdong Province 綠地大都會 廣東省東莞市常平鎮盧屋村 . . . . .	60%	Residential Commercial Office	Completed	Completed
(108)	Greenland Four Seasons Impression Garden Shimin District, Maoming, Guangdong Province 綠地四季印象 廣東省茂名市市民片區. . . . .	100%	Residential Commercial Office Hotel	Main structure in progress	2024
(109)	Greenland Xinli Haiyue Mansion No. 618 Maguan Road, Potou District, Zhanjiang, Guangdong Province 綠地新里海玥公館 廣東省湛江市坡頭區麻貫路618號.	90%	Residential Commercial Office	Main structure in progress	2023
(110)	Yangjiang Intercity Xinjiangnan Road, Jiangcheng District, Yangjiang, Guangdong Province 陽江城際空間站 廣東省陽江市江城區新江南路. . . . .	100%	Residential Commercial Office Hotel	Main structure in progress	2026

The Company derives its revenue largely from the sale of properties and, to a lesser extent, from rental income, property management and other related services, hotel and related services and education services. For the years ended 31 December 2018, 2019 and 2020, the Company delivered a total GFA of approximately 1,027,967 sq.m., 1,306,112 sq.m. and 2,718,163 sq.m., respectively, and achieved contracted sales of approximately RMB37.9 billion, RMB48.5 billion and RMB54.5 billion, respectively. The Company recognised revenue from the sale of properties and construction management service of approximately RMB14.8 billion, RMB17.0 billion and RMB32.8 billion, respectively, for the same years.

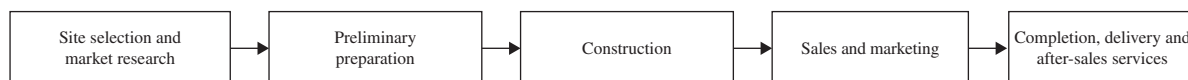
We have strong contracted sales performances. Our contracted sales grew at a CAGR of 19.9 per cent. from 2018 to 2020, with the contracted sales amounting to RMB37.9 billion, RMB48.5 billion and RMB54.5 billion, for 2018, 2019 and 2020, respectively, while the contracted GFA for 2018, 2019 and 2020 increased from 3,275,175 sq.m. to 3,272,029 sq.m and further to 4,285,821 sq.m. Our contracted average selling price fluctuated from RMB11,580 per sq.m. in 2018 to RMB14,810 per sq.m. in 2019, to RMB12,725 per sq.m. in 2020.

Approximately 99 per cent. of our total contracted sales for the year ended 31 December 2020 are located in Shanghai, the Pan-Yangtze River Delta and Pan-Pearl River Delta regions, consistent with our development strategy focused in first-tier cities and areas with growth potentials. Our contracted sales for the year ended 31 December 2020 constitute 90 per cent. of residential properties, 5 per cent. of office and 5 per cent. of commercial properties.

## *Property Development Process*

Our headquarters and project companies work closely in developing our projects. Our headquarters are responsible for making overall strategic decisions about project development while our project companies oversee the day-to-day operations of our project developments. We have established various procedures and policies to manage our property development process.

The following outlines the core elements of our typical project development process:



### *Site selection and market research*

We place great emphasis and devote significant management resources on site selection as it is the fundamental step to our success of project development. Our headquarters and project companies work closely on market research to identify potential targets. Our project companies are responsible for conducting research on the potential demand for a property development on such site, determining the market positioning, calculating certain operational and financial ratios based on our internal benchmarks such as the target internal rate of return for a project and then formulating a preliminary project feasibility study report for the approval of our headquarters.

Our major criteria of site selection include:

- our ability to develop a property that fits our growth strategies;
- development potentials in the nearby areas and cities;
- demand for the planned project from nearby connected communities and the neighbourhood;
- potential competition in the region;
- future growth potential and appreciation of the land and potential returns of project development;
- convenience of the site, such as the availability of public transportation and infrastructure support; and
- government existing and future development plans for the area.

### *Preliminary Preparation*

#### Land Acquisition

We acquire a substantial amount of our land for property development from the PRC government through negotiation and discussion with the government prior to the open tender process, which makes it easier for us to win the bid in the open tender process with legally preferential terms due to our brand and high quality projects with designs conforming to the city development plan by the local government. We also acquire land use rights on the secondary market through purchasing projects which have not been completed or acquiring project companies directly from other property developers. We also acquire land in undeveloped area by participating in the development of that area with the government. In addition, we acquire land by cooperation with the government in renovation and urban renewal of old constructions in core area of the city or in construction of ancillary infrastructure. We acquire a small amount of our land by usual public tenders, auctions or listings-for-sale for land use rights in accordance to the Regulations on Granting State-owned Construction Land Use Right through Tenders, Auction and Putting up for

Bidding (招標拍賣掛牌出讓國有建設用地使用權規定), promulgated on 28 September 2007 and became effective on 1 November 2007. It provides that the PRC government may only grant land use rights in respect of state-owned land for business, tourism, entertainment and residential commodity property development purposes by way of public tenders, auctions or listings-for-sale. In a public tender, the relevant authorities may assess either solely on tender prices or, alternatively, by references to various factors, including tender prices, credit record of the bidders and quality of the development proposals, in determining to whom such land use right should be granted to. Material investments on land acquisition are assessed and approved by the investment and decision-making committee of our Board in accordance with the authorisation of the Board. For any investment exceeding the amount authorised by the Board, such investment is submitted to the Board for its approval. Where land use rights are granted through auctions or listings-for-sale, the land use rights are normally granted to the highest bidder.

### Project Planning and Design

We engage reputable domestic and international architectural, interior and landscape design firms selected through tender processes to conduct our project design work. We apply high standards and unique design for our extra-high buildings which are the landmarks in the cities where they are located. The standards we applied in our extra-high buildings usually become the standards commonly adopted by other similar projects in that city.

A significant portion of our commercial buildings are customised to our clients' orders. A client could order an entire office building after we acquire the land. In this case, we could plan and design the building according to our client's requirements. This mode allows us to lock in sales before the pre-sales stage and substantially increases our sell-through rate.

We maintain a dedicated in-house design team and have strong in-house design capabilities. Our in-house design department is responsible for the overall planning and conceptual design of our development projects. Our sales and marketing department will review a design proposal in accordance with its understanding of customers' need and the relevant market research; and our finance and accounting department is also actively involved to provide certain financial and cost testing. Our design department will then adjust and formulate a final design plan. Our in-house design team works closely with external design firms.

Our effective operation management systems such as the smart purchasing system, self-supplying system and the smart building information modeling ("BIM") system, which are networked, intelligent and refined, have enhanced our cost-saving and improved our operating efficiency. Our implementation of the supply chain systems, in particular, the smart purchasing system, which is a cloud based platform that enables paperless and digitised tendering and comprehensive one-stop procurement processes, and the self-supplying system, where we achieve economies of scale for our procurement process by centralizing the purchase of supplies and by purchasing directly from the underlying supplier, have resulted in significant reduction in human capital cost, smoother bidding processes by and considerable cost savings in terms of construction and material cost. Our implementation of the smart BIM system which establishes three dimensional building models based on project related data that closely simulates actual construction processes, thereby enhancing our project management capabilities and promotes industry-wide management upgrade. Consequently, the smart BIM system reduces our human capital cost and smoothens our bidding process, and reduced our cost for changing visa status by reducing the need for physical site visits by our employees. The implementation of the operation management systems also allowed us to realize management and supervision without blind areas with the utilization of big data.

### Project financing

We have financed our projects primarily through internal cash flows, including proceeds from pre-sales and sales of our properties, bank loans and trust financing. According to the Guidance on Risk Management of Property Loans of Commercial Banks (商業銀行房地產貸款風險管理指引) issued by the CBRC on 30 August 2004, no bank loan may be granted to projects which have not obtained the relevant land use rights certificates, construction land planning permits, construction work planning permits and construction work commencement permits. On 25 May 2009, the State Council issued a Notice on Adjusting the Capital Ratio of Fixed Assets Investment Project (關於調整固定資產投資項目資本金比例的通知). The notice provides that the minimum capital requirement for affordable housing and ordinary commodity apartments is 20 per cent., and the minimum capital requirement for other real estate development projects is 30 per cent. Pursuant to the Notice on Adjusting and Improving the Capital System



for Fixed Asset Investment Projects (國務院關於調整和完善固定資產投資項目資本金制度的通知) issued by the State Council on 9 September 2015, for real estate development projects, the minimum capital requirement remains unchanged at 20 per cent. for affordable housing and ordinary commodity housing projects, the minimum capital requirement is adjusted from 30 per cent. to 25 per cent. for other real estate projects.

On 12 January 2018, the China Banking Regulatory Commission promulgated the notice on Further Rectifying Chaos in the Banking Industry (中國銀監會關於進一步深化整治銀行業市場亂象的通知) (“Circular No. 4 [2018]”). According to the Appendix 2 of the Circular No. 4 [2018], the key points on rectify chaos in the Banking Industry in 2018 includes rectification of violation of the real estate industry policies. For example, an institution provides financial services for a commercial real estate development project which fails to obtain all the “four certificates for the real estate industry” and the registered capital of the real estate enterprise is not fully paid.

We use proceeds from the pre-sales and sales of our properties to fund part of the construction costs of the relevant projects and to settle bank loans. Proceeds from the pre-sales form the integral source of operating cash inflows during our project development. According to the laws of the PRC, we may pre-sell properties under construction after certain criteria are met and proceeds from the pre-sales are normally used for the construction of such properties. Our policy is to finance our property developments with internal resources to the extent practicable so as to reduce the level of external funding required.

As at 31 December 2020, our outstanding current and non-current borrowings and bonds from banks and other financial institutions amounted to RMB24.68 billion, which is comprised of current interest-bearing loans amounting to RMB9.09 billion, bonds due within one year amounting to RMB1.96 billion and non-current interest-bearing loans amounting to RMB13.64 billion. Our bank loans are primarily provided by major commercial banks in the PRC. Our ability to finance our projects also depends on the economic and regulatory measures introduced by the central and local governments, which are often intended to stabilise the property market in China. In particular, any decisions to raise the reserve ratio by the PBOC will limit the amount available to commercial banks for lending and our ability to obtain financing from commercial banks.

### *Construction*

#### Appointment of Construction Companies

We engage construction companies for our projects, including Greenland Construction Group and Yunfeng Group, through tender process in accordance with the Law on Tender and Bidding of the PRC (中華人民共和國招標投標法) and the Rules on the Tender Scope and Criteria for Construction Projects (工程建設項目招標範圍和規模標準規定). In order to ensure the quality and workmanship standards of our properties, we apply stringent criteria in the selection of construction companies and conduct detailed due diligence on them during the bidding process. We typically assess the construction companies’ professional qualifications, reputation and credentials in the project market, financial conditions, experience, price quoted and technical abilities.

After the tender process, we generally accept the winning bidder’s offer and enter into a construction contact with them, under which the construction company is subject to warranties in respect of the quality and construction completion schedule and is obligated to provide periodic progress reports to enable us to closely monitor the construction progress. The construction companies are also required to pay fines in the event of a delay and bear the costs of rectifying any construction defects. Payment to construction contractors by our Group is made in stages in accordance with the terms and conditions stipulated in the construction contracts and the percentage of stage payments varies from case to case. Upon completion of the project, the contractors will receive approximately 85-90 per cent. of the total payment. We will settle the remaining payment at closing and settlement, with 5 per cent. as retention money for a period of two to three years. The retention money is used to cover any contingent expenses incurred as a result of any construction defects.

## Procurement

Our construction contractors, including Shanghai Greenland Construction Engineering Co., Ltd. (上海綠地建築工程有限公司) and Shanghai Greenland Jianshe Gongcheng Company Limited (上海綠地建設工程有限公司), are responsible for procuring general and basic construction materials according to the construction contracts. We have established a centralised procurement process, which plays an essential role in achieving the economies of scale in production and enhancing our bargaining power, ensuring consistent construction material quality and strengthening our cost control. Our procurement department at our headquarters coordinates the procurement of construction materials. We have built stable strategic cooperation with reputable suppliers. We have also set up a stringent bidding process for the selection of suppliers. For construction materials that are particularly important to our projects construction, we seek tenders from various suppliers and assess the quality and price. In addition, pursuant to the Rules on the Tender Scope and Criteria for Construction Projects (工程建設項目招標範圍和規模標準規定), we adopt bidding process for procurement of construction materials whose procurement amount in a single contract exceeding RMB1 million.

## Quality Control and Construction Supervision

We place great emphasis on the quality control and construction supervision of our properties to ensure that they comply with relevant regulations and our quality standards. We have established a standardised, professional and procedural operational system of property development and have formulated various management measures for projects management, cost management, procurement management and contracts management as a constituent part of our quality control system.

In compliance with the relevant PRC laws and regulations, we engage certified construction supervision companies to monitor certain aspects of our construction of projects. They conduct quality and safety control checks on all construction materials and workmanship on-site and also monitor the progress of construction, work site safety and the construction completion schedule. In addition to engage external professionals, our project management team of each project company closely oversees the whole construction processes, particularly the quality and timetable of construction works, as well as the selection of construction materials to ensure that our property developments comply with applicable national quality control standards and our own stringent quality control standards.

## *Sales and marketing*

### Pre-sales

Pre-sales of our properties commence before the completion of a project or a project phase. Under the Law of the PRC on Urban Real Estate Administration (中華人民共和國城市房地產管理法) issued on 1 January 1995 and amended on 27 August 2009, Regulations on Administration of Development and Operations of Urban Real Estate (城市房地產開發經營管理條例) issued on 20 July 1998 and latest amended on 29 November 2020 and the Measures for the Administration of Pre-sale of Commodity Buildings (城市商品房預售管理辦法) issued on 1 January 1995 and amended on 20 July 2004, pre-sales of a property shall meet the following conditions:

- (i) the land premiums have been fully paid and the relevant land use rights certificate has been obtained;
- (ii) the construction work planning permit and the construction work commencement permit have been obtained;
- (iii) funds invested for construction of the project for pre-sale have exceeded 25 per cent. of the total investment for the project and date of completion of the project have been set confirmed; and
- (iv) a pre-sale registration has been made with the competent real estate administration and a permit of advance sales of commodities house has been obtained. Please refer to the section headed “*PRC Regulations*” in the offering memorandum for further details of the applicable PRC laws and regulations. Proceeds from pre-sales are generally deposited in escrow accounts and can only be used for financing the construction of the relevant properties.

We adopt a “quick sales and reasonable pricing” strategy and endeavour to sell at least 60 per cent. of the residential units within the first month of the sale of such properties. We set our selling prices of our properties by taking into account local market trends, development costs, expected investment returns and prevailing supply and demand conditions. We will enter into a standard contract with each of our purchasers, which mainly specifies the GFA of the property to be sold, purchase price, method of payment and the date of delivery of the completed property.

#### Sales and Marketing Plan

We primarily rely on internal resources to sell our properties. Our headquarters are responsible for formulating our annual sales and marketing strategies, in accordance with which our sales and marketing departments of the regional project companies formulate their respective sales and marketing plans. Our sales and marketing personnel at the regional project companies conduct comprehensive and detailed market research and formulate the pre-sales, sales and pricing strategies, which are reviewed and analysed by our headquarters. Our marketing department in our headquarters oversees nationwide marketing activities and provides trainings to our sales teams. Our customer database enables us to collect information in real time and accurately estimate resources required at each stage of the sales process in accordance with the data in the database. All regional divisions share the customer database which increases the efficiency of our sales and marketing. We also set up elite sales teams to support projects with relatively lower sell-through rates.

#### *Completion, Delivery and After-sales Services*

#### Payment Arrangements

Generally, we require purchasers of our properties to pay deposits before entering into formal sale and purchase agreements, which will be forfeited if the purchaser subsequently decides not to purchase the property. Our customers can either pay by one lump sum payment or by mortgage financing. For the customers who choose to settle the purchase price by one lump sum payment, the remaining purchase price balance is typically required to be fully settled no later than six months after the date of the execution of the sale and purchase agreements. For customers purchasing first home who choose to pay by mortgage financing, a down payment of not less than 30 per cent. of the purchase price is required to be paid to us upon signing the sale and purchase agreement and according to the current PRC laws and regulations, they could obtain mortgage loans of up to a maximum of 70 per cent. of the purchase price with a repayment period of up to 30 years for units with a GFA larger than 90 sq.m. These purchasers are required to pay the remaining balance of the portion of the purchase price that is not covered by the mortgage loans prior to the disbursement of the mortgage loans from mortgage banks.

In line with market practice in the PRC, we provide guarantees to the purchasers of our properties for the mortgage loans from mortgagee banks. Under these guarantees, we are jointly responsible for the repayment of principal and interest amount of the mortgage loans by the respective purchasers. If a purchaser defaults under a mortgage loan, we are obligated to repay all debts owed by the purchaser to the mortgagee bank and the mortgagee bank will assign their rights under the loan and the mortgage to us. After the change of mortgagee, we will have the right to the property. These guarantees will be released upon the earliest of:

- (i) the relevant property ownership certificates being obtained and the certificates of other interests with respect to the relevant properties being delivered to the mortgagee banks,
- (ii) two years after the expiry date of the mortgage loan contract, or
- (iii) the settlement of mortgage loans between the mortgagee banks and the purchasers.

## Delivery of Properties

We closely monitor the construction progress of our properties and endeavour to deliver our properties to purchasers within the time frame stipulated in the respective sale and purchase agreements. Under the current PRC laws and regulations, we are required to obtain a Record of Acceptance Examination Upon Project Completion (竣工驗收備案證明) prior to the delivery of properties to the purchasers. Once a property development project has passed the requisite completion and acceptance inspections, we will notify the purchasers in respect of the delivery on a timely basis. However, if we fail to deliver the properties to purchasers on the date of delivery stipulated in the respective sale and purchase agreements, we will be obliged to pay a compensation fee of a certain percentage of the purchase price.

After the delivery of properties, we are required to obtain a general property ownership certificate for each of our projects and we also offer assistance to purchasers in applying for strata-title Building Ownership Certificate (分戶產權證) by providing the requisite information to the local title registration office.

## After-sales Services

Our customer relationship department is responsible for the after-sales customer services. We provide comprehensive after-sales services, including assistance to our customers in obtaining property title certificates. A customer service staff is dedicated to each customer to provide after-sales services. We believe the provision of high quality after-sales services could enhance our brand recognition and goodwill and help to generate new sales and customer referrals for our properties.

## Property development through our joint ventures

We also develop our properties through our joint ventures established with our partners. Pursuant to the terms of our joint venture contracts, both our joint venture partners and we are required to provide property development funds in proportion to our respective interest in the joint venture. We believe that property development through our joint ventures not only helps us to enter into local market but also enables us to utilise the development funds provided by our partners.

## *PRC Real Property Market*

According to National Bureau of Statistics of China, annual investment in real estate increased from RMB4,826 billion in 2010 to RMB13,219 billion in 2019, growing at a CAGR of 11.8 per cent. over the period. From January to December 2019, the total GFA of projects under construction was 8,938 million sq.m., a CAGR of 9.2 per cent. Meanwhile, as a result of increasing demand, the average price of residential and commercial property increased steadily at a CAGR of 7.8 per cent. and 3.9 per cent. from 2010 to 2019, respectively. During the same period, total GFA sold in the PRC increased from approximately 1,048 million sq.m. in 2010 to approximately 1,716 million sq.m. in 2019.

The following table sets forth selected data relating to the PRC property market for the periods indicated.

CHINA	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	CAGR (2010– 2019)
Supply indicators:											
Investment in real estate (RMB in billions) . . . . .	4,826	6,180	7,180	8,601	9,504	9,598	10,258	10,980	12,026	13,219	11.8%
GFA of projects under construction (sq.m. in millions) . . . . .	4,054	5,068	5,734	6,656	7,265	7,357	7,590	7,815	8,223	8,938	9.2%
GFA of new developments (sq.m. in millions) . . . . .	1,637	1,912	1,773	2,012	1,796	1,545	1,669	1,787	2,093	2,272	3.7%
Demand indicators:											
Total GFA sold (sq.m. in millions) . . . . .	1,048	1,094	1,113	1,306	1,207	1,285	1,574	1,694	1,717	1,716	N/A
GFA of residential properties sold (sq.m. in millions) . . . . .	934	965	985	1,157	1,052	1,124	1,375	1,448	1,479	1,501	N/A

<b>CHINA</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>CAGR (2010– 2019)</b>
GFA of commercial properties sold (sq.m. in millions). . . . .	69.9	78.7	77.6	84.7	90.8	92.5	89.4	128.4	119.7	101.7	N/A
Average price of all properties (RMB per sq.m.) . . . . .	5,032	5,357	5,791	6,237	6,324	6,793	7,476	7,892	8,737	9,310	7.1%
Average price of residential properties (RMB per sq.m.) . . . . .	4,725	4,993	5,430	5,850	5,933	6,472	7,203	7,614	8,544	9,287	7.8%
Average price of commercial properties (RMB per sq.m.) . . . . .	7,747	8,488	9,021	9,777	9,817	9,561	9,786	10,322	11,151	10,952	3.9%

*Note:* N/A refers to not available

*Source:* CEIC, National Bureau of Statistics of China

### **Property Management**

Property management is an important part of our property development and operation business. We place great emphasis on property management as a protective measure of our after-sales services, which we believe could enhance our property value and promote our brand recognition.

We charge our customers management fees on a monthly or quarterly basis. Under the PRC laws, property owners have the right to engage or dismiss a property management service provider with the consent of more than a half of all owners of the building and consent of owners who represent more than 50 per cent. of the interest in the non-communal area of the building in the aggregate. At the date of the offering memorandum, our property management companies have not been dismissed from the management of any properties.

### **Corporate Governance and Legal Compliance**

Our overall corporate governance and legal compliance management is carried out across our integrated organisational structure through the work of (1) the legal department at our headquarters that formulates and monitors the implementation of our corporate governance and compliance standards and (2) all operation departments at our headquarters and our regional project companies that implement such standards. The legal department at our headquarters institutionalises our legal and compliance management, provides legal training to our employees, keeps active communication with the relevant government authorities, improves our legal and regulatory compliance and enhances our corporate governance.

### **Customers and Suppliers**

Our customers for residential properties are primarily individual purchasers in the PRC. Our customers for commercial properties primarily include various types of corporations and other business entities. Our five largest customers during such periods included individuals and corporations for the purchase or lease of our residential properties and commercial properties.

Our major suppliers are construction material and equipment suppliers, construction contractors and design firms. We have access to a wide range of construction contractors and design firms. All of our major contractors and design firms are sizeable, and are properly qualified in respect of the construction and design work contracted to them. We maintain long term business relationships with most of our contractors. Each of our five largest suppliers during such periods is an independent third party of our Group.

## **Awards and Recognition**

In 2020, we won a number of industry awards, including but not limited to 23 international design awards, 62 design awards from authoritative organizations in China, four “Healthy Building HIH” national awards and 11 provincial and municipal-level awards, which well attested to our remarkable product competitiveness. Over the past years, we have received widespread recognition. The list below sets out some of the awards we received in respect of our property development and financial services operations:

### ***Yangzhou – The Greenland Yejin Mansion Project***

Awarded “2020 London Design Award Silver Award”, “2021 German Design Awards” and the “2020 Best Urban Renewal Award” by Kinpan Award Committee

### ***Hangzhou – The TOD Town Project***

Awarded the “New Urban Landmark of China” by “China Real Estate Business”

### ***Kunming – The Greenland Dian Lake International Health Town Project and the Greenland Coastal City Project***

Awarded the “Healthy Building HIH Gold Award”

### ***Kunming – The Greenland Cloud & Mountain Project***

Awarded the “Healthy Building HIH Silver Award”

### ***Suzhou – the Amber Villa Project***

Awarded the “Healthy Building HIH Silver Award”

### ***Wuxi – IF Alan Project***

Awarded the “Real Estate Project with Collection Value of the Year” by “Wuxi Property Market Headlines”

### ***Shenzhen – Greenland Center SGC Project***

Awarded the “Craftsmanship Quality Award” by Shenzhen Evening News

### ***Hong Kong – Greenland Hong Kong***

Awarded the “Best Digital Investor Relationship Award” in the “Investor Relations Innovation Summit of 2021 and the Fourth China’s Excellent IR Awards Ceremony” co-organised by Roadshow China and Excellent IR. Awarded the “Best Real Estate Company” in the “Fifth Golden Hong Kong Stocks Awards Ceremony” co-organised by Zhitongcaijing.com and 10JQKA.com in 2020

Awarded the Outstanding Enterprises for Environmental Protection for “2018 Asia-Pacific Environmental Protection Achievement Awards” by the United Nations Environment Programme Foundation, the China Environmental Protection Association, the Hong Kong Environmental Protection Association and the Green Environment Protection Association of Macau

### ***Shanghai – Shanghai Greenland Huangpu Center***

Awarded the Performance Award for the “SBID International Interior Design Awards” by UK Design Council

Awarded the Silver Award for the 4th “China Real Estate Design Award for 2017-2018”

***Wuxi – Wuxi Sky Tree***

Awarded the Excellent Award for the 4th “China Real Estate Design Award for 2017-2018”

Awarded the “Wuxi Human Settlements Property Project Award for 2018” by Wuxi Housing Exchange Center (government agency)

***Wuxi – Wuxi Greenland Xi Shui Dong***

Awarded the “Quality Property Project for 2018” by Fang.com

Awarded the “Quality Property Project for 2018” on China FZG Rankings by Fang.com

Awarded the “Wonderful Living Model Community for 2018 in China” by House.sina.com.cn

***Wuxi – Wuxi Diamond Mansion***

Awarded the “2019 Top 10 Potential Property Projects in Wuxi” by Wuxi Weibo Housing

Awarded the “Popular Property Project of the Year” by Wuxi.focus.cn

***Yiwu – Yiwu Greenland Epoch Gate***

Awarded the “Most Commercial and Influential Model” by the Yiwu Real Estate Jinwu Award Committee

Awarded the “Top Villa in Yiwu” by the Yiwu Real Estate Jinwu Award Committee

***Xuzhou – Xuzhou Greenland Lakeside Villa***

Awarded the “2018 Property Developer of New Era and Property Project for Wonderful Living” by Xuzhou Press

Awarded the “Chun Hua Award in Real Estate Fair (Spring Edition) for 2018” by Xuzhou Property Market Observation

***Foshan – Foshan Greenland Mountain Time***

Awarded the “Best Use of New Media for 2018”

Awarded the “Best Selling Property Project for 2018” in annual top trending searches by Anjuke

***Kunming – Kunming Greenland Southeast Asia Headquarters***

Awarded the Bronze Prize for the “Third REARD Real Estate Star Design Award” by REARDatChina.com

Awarded the “Model Property Project for 2018” by Anjuke

Awarded the “New Forces of Property Project of the Year” by Focus.cn

Awarded the “Most Popular Property Project in Wujiaaba for 2018” by House.ifeng.com

Awarded the “Star Property in Wujiaaba Sub-district of the Year” by Fang.com

Awarded the “Quality Property Project in Wujiaba Sub-district of the Year” by News.163.com

***Kunming – Kunming Greenland Dian Lake International Health Town***

Awarded the “Model of Ecological Intelligence for 2018” by Tencent

Awarded the “Kunming Best Human Settlements Environment Award for 2018” by Focus.cn

Awarded the “Chinese Large-scaled Property Projects Driving Urban and Ecological Development” for the 40th Anniversary of Reform and Opening up by the Union of National Real Estate Chamber Of Commerce, the Operation and Management Committee of China Real Estate Association, the Chinese Organization Committee of UN International Week of Science and Peace and the Marketing Association of Chinese Mainstream Media of Real Estate

***Nanning – Nanning Greenland Dongmeng International Town***

Awarded the Bronze Prize for the “Third REARD Real Estate Star Design Award” by REARDatChina.com

***Nanning – Nanning Greenland Nanning Central Plaza***

Awarded the “2018 Property Project with the Best Investment Potential in Nanning” by FM93.0 (Education) of Guangxi Broadcasting System, LEDAMEDIA and iResearch

Awarded the “Guangxi Complex Model for 2018” on Guangxi Real Estate Strengthen Rankings by Nanning Evening Post and FM950 Radio

Awarded the “Urban Complex Landmark Award for 2018” by Guangxi Daily, Nanguo Morning News and House Weekly

***Nanning – Nanning Greenland City***

Awarded the Excellence Award for “CBDA China Decoration Design Award” by the China Building Decoration Association

Awarded the “Large-scaled Influential Property Project in Nanning” on Guangxi Real Estate Strengthen Rankings for 2018 by Nanning Evening Post and FM950 Radio

Awarded the “Urban Model Awards for 2018” for “Golden Brick Award for Real Estate of Guangxi” by Nanguo Morning News and House Weekly

Awarded the “Annual Top Trending Property Project Searches for 2018” on Top China Real Estate Rankings (Desirable life) by Anjuke

***Nanning – Nanning Greenland Xin Li • Pu Yue Garden***

Awarded the “Best Selling Property Project for 2018” on the Top China Real Estate Rankings

***Taiyuan – Taiyuan Greenland Shanding Park***

Awarded the “Sixth Residential Architecture Design Excellence Award for 2018” by the World Association of Chinese Architects

Awarded the “Taiyuan Livable Property Project for 2018”

Awarded the “Taiyuan Quality Villa for 2018”



## Competition

The property market in China is highly competitive. We compete with other property developers in China in terms of a number of factors, including location, product quality, service quality, price, financial resources, brand recognition and the ability to acquire good quality land reserve. Our existing and potential competitors include major domestic property developers and foreign developers to a lesser extent, such as leading property developers from Hong Kong. We believe that, with our solid and strong national foothold, diversified product portfolio, expertise in extra-high buildings, urban complexes and residential property development, we have demonstrated resiliency to the market changes. Further, given our brand recognition and reputation, product creativity, credibility, quality products and services in the past years, we believe we can react promptly to challenges in the property market in China. Please refer to the section headed “*Risk Factors – Risks Relating to Our Businesses – We face intense competition in the industries where we have businesses, which may adversely affect our business and results of operations.*” in the offering memorandum.

## Intellectual Property Rights

Our intellectual property forms an integral basis for our strong brand recognition and is of vital importance to our business. We are the only overseas-listed real estate platform of Greenland Holding and are allowed to use the “Greenland” trademark. As at the date of this offering memorandum, we were not aware of any infringement (i) by us of any intellectual property rights owned by third parties, or (ii) by any third party of any intellectual property rights owned by us.

## Insurance

Property developers are not required under applicable PRC laws and regulations to maintain insurance coverage in respect of their property development operations. Consistent with what we believe to be the industry norm for the property development industry in the PRC, we do not maintain insurance coverage against destruction of or damage to our properties, no matter whether they are under development or properties held for sale other than those over which our lending banks have securities interests or for which we are required to maintain insurance coverage under the relevant loan agreements. In addition, we generally do not carry insurance against personal injuries that may occur during property construction. The construction companies are responsible for quality and safety control during the course of the construction and are required to maintain accident insurance for their construction workers pursuant to PRC laws and regulations. To ensure the construction quality and safety, we have set up a set of standards and specifications which the construction workers must comply with during the property construction. We engage qualified supervision companies to oversee the construction process. Under PRC laws, construction contractors and constructors bear civil liability jointly and severally for personal injuries arising out of the construction. However, they shall not be liable if the injury is caused by the wilful conduct of the injured or third person. If contractors are aware of the deficiency of qualification or work safety maintenance of the constructors, contractors may bear civil liability for personal injuries suffered by construction workers with constructors jointly and severally. In addition, according to our construction contracts, any liability that may arise from tortious acts committed on work sites will be borne by the construction companies.

We believe that our insurance coverage is adequate and our insurance policy is in line with customary industry practice of property developers. However, we could not guarantee that we have sufficient or any insurance coverage for losses, damages and liabilities that may arise in our business operations. Please refer to the section headed “*Risk Factors – Risks Relating to Our Businesses – We are subject to uninsured risks*” in the offering memorandum for details.

## Environmental Matters

We are subject to a number of environmental laws and regulations including the Environment Protection Law of the PRC (中華人民共和國環境保護法), the Prevention and Control of Noise Pollution Law of the PRC (中華人民共和國環境噪聲污染防治法), the Prevention of Environmental Pollution by Solid Waste (中華人民共和國固體廢物污染環境防治法), the Environmental Impact Assessment Law of the PRC (中華人民共和國環境影響評價法), and Administrative Regulations on Environmental Protection for Development Projects (建設項目環境保護管理條例). Please refer to the section headed “*PRC Regulations*” in the offering memorandum for details of these environmental laws and regulations. At the date of the offering memorandum, we had not encountered any material issues in passing inspections conducted by the relevant environmental authorities upon completion of our properties.

Our corporate mission is to continue to improve our corporate responsibility and green credentials. We have made active efforts for energy conservation and emission reduction, and to promote green technology.

### **Employees and Safety**

We are subject to various PRC laws and regulations in respect of labour, insurance, accidents, health and safety, including the Labour Law of the PRC (中國人民共和國勞動法), the Social Insurance Law of the People's Republic of China (中華人民共和國社會保險法), the Labour Contract Law of the PRC (中華人民共和國勞動合同法), the Social Insurance Law of the PRC (中華人民共和國社會保險法), the Interim Regulations on Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例), the Regulations on Work-related Injury Insurances (工傷保險條例), the Regulations on Unemployment Insurance (失業保險條例), the Trial Procedures for Childbirth Insurance of Enterprise Employees (企業職工生育保險試行辦法), Safety Production Law of the PRC (中國人民共和國安全生產法) and other related regulations, rules and provisions issued by the relevant governmental authorities from time to time.

We are committed to recruiting, training and retaining skilled and experienced employees throughout our operations. We intend to achieve this by offering competitive remuneration packages as well as by focusing on training and career development.

As at 31 December 2020, we had 5,691 employees.

In accordance with the relevant PRC laws and regulations, in addition to the housing fund, we contribute to social welfare insurance for our full-time employees in the PRC, including basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance and maternity insurance.

### **Legal Proceedings**

We are involved in legal or other disputes from time to time in the ordinary course of our business. Each of these proceedings is, in our view, immaterial in terms of their impact on the business, financial condition or results of operations of our Group. As at the date of this offering memorandum, we are not aware of any legal proceeding, pending or threatened against us or our Directors, which could be expected to have a material adverse effect on our business, financial conditions and results of operations.

## REGULATION

*Set out below are summaries of certain aspects of PRC laws and regulations, which are material to the business and operations of the Company. These include laws relating to land and real estate development. For a description of the legal risks relating to government regulation of our business see “Risk Factors”.*

PRC property developers must comply with various requirements mandated by PRC laws and regulations, including the policies and procedures established by local authorities designated to implement such laws and regulations.

In particular, the PRC government exerts considerable direct and indirect influence on the development of the PRC property sector by imposing industry policies and other economic measures, such as control over the supply of land for property development, property financing, taxation, foreign exchange and foreign investment. Through these policies and measures, the PRC government may restrict or reduce the land available for property development, raise the benchmark interest rates of commercial banks, place additional limitations on the ability of commercial banks to make loans to property developers and property purchasers, impose additional taxes, such as property tax, impose levies on property sales and restrict foreign investment in the PRC property sector.

Over the past few years, the PRC government has announced a series of measures designed to stabilise the PRC economy and cool down the property market. For example, on 19 May 2010, the PRC government issued policies to enhance the enforcement of the Land Appreciation Tax (the “LAT”). On 29 September 2010, the PBOC and the CBRC jointly issued the Notice on Relevant Issues Regarding the Improvement of Differential Mortgage Loan Policies (中國人民銀行、中國銀行監督管理委員會關於完善差別化住房信貸政策有關問題的通知), which (i) raised the minimum down payment to 30 per cent. for all first residential property purchases with mortgage loans and; (ii) required commercial banks in China to suspend mortgage loans to customers for their third and subsequent residential property purchases or to non-local residents who cannot provide documentation certifying payment of local tax or social security for longer than a one-year period. On 26 January 2011, the General Office of the State Council (中華人民共和國國務院辦公廳) issued new notice to further regulate the property market, which among other measures increased the minimum down payment for second residential property purchases from 50 per cent. to 60 per cent. and levied business tax on ordinary residential properties transferred within five years from the purchase date. Since 1 January 2012, the PBOC has adjusted the benchmark lending rates eight times and the reserve requirement ratio eight times. On 19 July 2013, pursuant to the Notice on Further Promoting the Market-Oriented Interest Rate Reform (中國人民銀行關於進一步推進利率市場化改革的通知), PBOC abolished the lower limit of the lending rate for financial institutions. In addition, local governments in certain cities, such as Beijing, Shanghai, Suzhou, Wuxi, Haikou, Tianjin, Chengdu and Wuhan, have promulgated policies to limit the maximum number of residential properties which may be purchased by a family. The PRC government has also launched new property tax schemes on a trial basis in Shanghai and Chongqing. On 26 February 2013, the General Office of the State Council issued the Notice on the Continuous Effective Regulation of the Real Estate Market (國務院辦公廳關於繼續做好房地產市場調控工作的通知), which continues to impose strict commercial housing restriction policy, reiterates the differentiating loan policies and further requires enhancement on the individual income taxation relating to the sales of property by individual owners.

On 29 September 2014, BOC and CBRC promulgated the Circular of the People’s Bank of China and China Banking Regulatory Commission on Further Providing Effective Housing Financial Services (關於進一步做好住房金融服務工作的通知). This circular stipulates that the credit policy for second residential property purchases after settling the mortgage loans of first residential property purchases shall accord with the policy for first residential property, i.e., the minimum down payment is 30 per cent., and the minimum interest rate is 70 per cent. of the benchmark lending rate. In cities which have no restriction of residential property purchases, the banks have discretion on the minimum down payment and loan interest rates for the mortgage loans of third residential property purchases after settling the mortgage loans of former residential property purchases.

On 30 March 2015, the PBOC, the MOHURD and the CBRC jointly issued the Circular on Issues concerning the Residential Housing Mortgage Loan Policies (中國人民銀行、住房城鄉建設部、中國銀行業監督管理委員會關於個人住房貸款政策有關問題的通知) to relax mortgage rules for second home purchasers to address demand for improved housing and lift the sagging housing market, which provides that the minimum down payment for second home purchasers in general have been lowered to 40 per cent., the minimum down payment for second home purchasers using public housing funds has been cut to 30 per cent. if all loans are settled on their first home and for first home purchasers using public housing funds, the minimum down payment has been reduced to 20 per cent. of the home's value.

On 28 June 2015, the MOHURD issued the Notice on Adjustments on the Municipality's Housing Provident Fund Deposit and Loan Interest Rates (住房和城鄉建設部關於按照中國人民銀行規定實施住房公積金存貸款利率調整的通知) to decrease the deposit interest rates and the loan interest rates of the housing provident fund from the date of this notice. Pursuant to such notice, the deposit interest rate for housing provident fund collected in the current fiscal year (當年繳存) remains unchanged at 0.35 per cent., and the deposit interest rate for housing provident fund balance carried forward from previous fiscal year (上年結轉) has been lowered from 1.85 per cent. to 1.60 per cent. In addition, the interest rate on a housing provident fund loan over five years has been decreased from 3.75 per cent. to 3.50 per cent., and the interest rate on a five-year housing provident fund loan or a housing provident loan less than five years has been reduced from 3.25 per cent. to 3.00 per cent. On 27 August 2015, the MOHURD further issued the Notice on Adjustments on the Municipality's Housing Provident Fund Deposit and Loan Interest Rates (住房和城鄉建設部關於按照中國人民銀行規定實施住房公積金存貸款利率調整的通知) (Jian Jin [2015] 126) to further decrease the deposit interest rate for housing provident fund balance carried forward from previous fiscal year (上年結轉) has been lowered from 1.60 per cent. to 1.35 per cent. In addition, the interest rate on a housing provident fund loan over five years has been decreased from 3.50 per cent. to 3.25 per cent., and the interest rate on a five-year housing provident fund loan or a housing provident loan less than five years has been reduced from 3.00 per cent. to 2.75 per cent.

On 27 August 2015, the PBOC, MOHURD and CBRC jointly issued the Notice on the Adjustment on the Down Payment Ratio of the Residential Housing Mortgage Loan (住房和城鄉建設部、財政部、中國人民銀行關於調整住房公積金個人住房貸款購房最低首付款比例的通知) which became effective from 1 September 2015. It is the second time that the authorities have lowered the down payment level in 2015. According to the Notice, the minimum down payment for the second home purchasers using public housing funds has been further reduced from 30 per cent. to 20 per cent. if all loans are settled on their first home. Moreover, the Notice allows Beijing, Shanghai, Guangzhou, and Shenzhen to decide the minimum down payment ratio for the second home purchasers using public housing funds based on both the national policy and their local practices on their discretion.

On 1 February 2016, the PBOC and the CBRC jointly issued the Notice on Issues concerning Adjusting the Individual Housing Loan Policies (中國人民銀行、中國銀行業監督管理委員會關於調整個人住房貸款政策有關問題的通知), which provides that: (i) In cities where "housing purchase restriction" measures are not implemented, the minimum down payment ratio for commercial individual housing loans granted to households of residents for purchasing ordinary housing units for the first time shall generally be 25 per cent., and may be lowered by 5 per cent. by local governments; and where a household which owns one housing unit but has not paid off the relevant housing loan applies again for a commercial individual housing loan to purchase an ordinary housing unit to improve living conditions, the minimum down payment ratio shall not be less than 30 per cent.; and (ii) In cities where "housing purchase restriction" measures are implemented, the individual housing loan policies shall remain unchanged.

On 17 February 2016, the PBOC, MOHURD and MOF jointly released the Notice in Regard to Bettering Housing Provident Fund Personal Account Deposit Interest Rate Formation Mechanism (關於完善職工住房公積金帳戶存款利率形成機制的通知), which provides that the deposit rate of personal housing provident fund has been adjusted to the benchmark one-year deposit rate from 21 February 2016.

On 10 October 2016, the MOHURD issued the “Circular on Further Regulating Operations of Real Estate Developers to Safeguard the Real Estate Market Order” (關於進一步規範房地產開發企業經營行為維護房地產市場秩序的通知), which requires that improper operations of real estate developers shall be investigated and punished according to law. The improper operations include releasing or spreading false housing information and advertisements, maliciously pushing higher and artificially inflating housing prices by fabricating or spreading information on rising property price and other operations.

## **THE PRC LEGAL SYSTEM**

The PRC legal system is based on the PRC Constitution and is made up of written laws, regulations, directives and local laws, laws of Special Administrative Regions and laws resulting from international treaties entered into by the PRC government. In general, PRC court judgements do not constitute binding precedents. However, they are used for the purposes of judicial reference and guidance.

The National People’s Congress of the People’s Republic of China (the “NPC”) and the “Standing Committee of the NPC are empowered by the PRC Constitution to exercise the legislative power of the State”. The NPC has the power to amend the PRC Constitution and enact and amend basic laws governing State agencies and civil, criminal and other matters. The Standing Committee of the NPC is empowered to enact and amend all laws except for the laws that are required to be enacted and amended by the NPC.

The State Council is the highest organ of the State administration and has the power to enact administrative rules and regulations. The ministries and commissions under the State Council are also vested with the power to issue orders, directives and regulations within the jurisdiction of their respective departments. All administrative rules, regulations, directives and orders promulgated by the State Council and its ministries and commissions must be consistent with the PRC Constitution and the national laws enacted by the NPC. In the event that a conflict arises, the Standing Committee of the NPC has the power to annul such administrative rules, regulations, directives and orders.

At the regional level, the provincial and municipal congresses and their respective standing committees may enact local rules and regulations and the people’s governments may promulgate administrative rules and directives applicable to their own administrative areas. These local rules and regulations must be consistent with the PRC Constitution, the national laws and the administrative rules and regulations promulgated by the State Council.

The State Council, provincial and municipal governments may also enact or issue rules, regulations or directives in new areas of the law for experimental purposes or in order to enforce the law. After gaining sufficient experience with experimental measures, the State Council may submit legislative proposals to be considered by the NPC or the Standing Committee of the NPC for enactment at the national level.

The PRC Constitution vests the power to interpret laws in the Standing Committee of the NPC. The Supreme People’s Court, in addition to its power to give general interpretation on the application of laws in judicial proceedings, also has the power to interpret specific cases. The State Council and its ministries and commissions are also vested with the power to interpret rules and regulations that they have promulgated. At the regional level, the power to interpret regional rules and regulations is vested in the regional legislative and administrative bodies which promulgated such laws.

## **THE PRC JUDICIAL SYSTEM**

Under the PRC Constitution and the Law of Organisation of the People’s Courts, the judicial system is made up of the Supreme People’s Court, the local courts, military courts and other special courts. The local courts are comprised of the basic courts, the intermediate courts and the higher courts. The basic courts are organised into civil, criminal, economic, administrative and other divisions. The intermediate courts are organised into divisions similar to those of the basic courts, and are further organised into other special divisions, such as the intellectual property division. The higher-level courts supervise the basic and intermediate courts. The people’s procuratorate also have the right to exercise legal supervision over the civil proceedings of courts at the same level and lower levels. The Supreme People’s Court is the highest judicial body in the PRC; it supervises the administration of justice by all other courts.

The courts employ a two-tier appellate system. A party may appeal against a judgement or order of a local court to the court at the next higher level. Second judgements or orders given at the next higher level and the first judgements or orders given by the Supreme People's Court are final. If, however, the Supreme People's Court or a court at a higher level finds an error in a judgement which has been given by any court at a lower level, or the president of a court finds an error in a judgement which has been given in the court over which he presides, the case may then be retried in accordance with the judicial supervision procedures.

The Civil Procedure Law of the PRC (民事訴訟法), which was adopted on 9 April 1991 and amended on 28 October 2007, 31 August 2012 and 27 June 2017, respectively, sets forth the criteria for instituting a civil action, the jurisdiction of the courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgement or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a jurisdiction where civil actions may be brought, provided that the jurisdiction is either the plaintiff's or the defendant's place of residence, the place of the contract, the place of execution or implementation of the contract or the place of the object of the contract or any other places materially connected with the dispute. However, such contractual selection may not override the stipulations of the mandated jurisdiction of the different levels of court and the exclusive jurisdiction of a given court in any case.

A foreign individual or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC. If any party to a civil action refuses to comply with a judgement or order made by a court or an award granted by an arbitration panel in the PRC, the aggrieved party may apply to the court to request for enforcement of the judgement, order or award. The time limit imposed on the right to apply for such enforcement is two years. If a person fails to satisfy a judgement made by the court within the stipulated time, the court will, upon application by any party to the action, mandatorily enforce the judgement.

A party seeking to enforce a judgement or order of a court against a party who is not located within the PRC and does not own any property in the PRC may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgement or order. A foreign judgement or ruling may also be recognised and enforced by a PRC court in accordance with the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgement or ruling satisfies the court's examination in accordance with the principle of reciprocity, unless the court finds that the recognition or enforcement of such judgement or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

### **Intra-Group Lending**

According to Section 61 of the General Principles of Loans (貸款通則) promulgated by the PBOC in 1996, lending and capital raising among non-financial institutions is prohibited. There is a risk that intra-Group lending may be deemed not in compliance with the General Principles of Loans, and the PBOC could cancel the certain intra-Group loans and impose a fine equal to one to five times of its interest income accrued from such loans.

## PRC Regulation on Land Supply

PRC government regulations and policies may impair the Company's ability to obtain a sufficient number of sites or retain sites suitable for property developments. The Company derives the majority of its revenue from the sale of properties it developed in China. This revenue stream is dependent on the Company's ability to complete and sell its property developments. To grow or maintain its business in the future, the Company will be required to replenish its land reserve with suitable sites for developments. The Company's ability to identify and acquire a sufficient number of suitable sites is subject to a number of factors that are beyond its control.

The PRC government controls substantially all of the country's land supply, and regulates the means by which property developers, including the Company, obtain land sites for property developments. As a result, the PRC government's land supply policies affect the Company's ability to acquire land use rights for sites that the Company identifies and the costs of land acquisition. Although these regulations do not prevent privately held land use rights from being traded in the secondary market, the PRC government's policy to grant state-owned land use rights through a bidding system has caused an increase in the acquisition cost of land reserves in the PRC. If the Company fails to acquire sufficient land reserves in a timely manner and at acceptable prices, or at all, its business prospects, financial condition and results of operations may be materially and adversely affected.

The PRC government has adopted a number of initiatives to control the growth of China's residential property sector and to promote the development of affordable housing. For example: (1) one of these initiatives requires local governments, when approving new residential projects after 1 June 2006, to ensure that at least 70 per cent. of GFA granted for each project consists of units that are smaller than 90 sq.m. (including affordable housing); (2) in a notice made on 30 September 2007 and amended on 3 December 2010, the MLR stated that land supply priority shall be given to ordinary commodity houses at middle to low prices and of medium to small sizes, affordable housing and low-rent housing, and local authorities shall ensure that at least 70 per cent. of annual land supply approved consists of the preceding categories of housing units; (3) pursuant to the Catalogue of Restricted Use of Land (2012 Version) (限制用地項目目錄(2012年本)) issued by the MLR and the NDRC on 23 May 2012, the area of a parcel of land granted for commodity housing development shall not exceed seven hectares in small cities and towns, 14 hectares in medium-sized cities or 20 hectares in large cities; and (4) pursuant to the Notice on Further Strengthening the Administration and Control of Real Estate Land and Construction (關於進一步加強房地產用地和建設管理調控的通知) jointly issued by the MLR and the MOHURD in September 2010, the development and construction of large low-density residential properties should be strictly restricted, and the plot ratio for residential land is required to be more than 1.0. In addition, the PRC central and local governments have implemented various measures to regulate the means by which property developers obtain land use rights for property development. The PRC government also controls land supply through zoning, land usage regulations and other means.

On 31 March 2017, the Shanghai Municipal Bureau of Planning and Land Resources issued the Regulation on Strengthening the Management of the Transfer of Commercial Land of the City (關於加強本市經營性用地出讓管理的若干規定), which was effective on 10 April 2017, to enhance the control over commercial land to cover its supply, acquisition, planning, construction, transfer, operation, registration and mortgage. On 9 May 2017, Shanghai Housing and Urban-rural Development Management Committee, the Shanghai Municipal Bureau of Planning and Land Resources, Shanghai Municipal Development and Reform Commission, Shanghai City Management and Administration Execution Bureau, Shanghai Administration for Industry and Commerce, and Shanghai Financial Services Office further jointly issued the Opinions to Clean-up the Commercial Office (關於開展商業辦公項目清理整頓工作的意見). This Opinion, among other things, stops the issuance of approval for projects of apartment-style office (公寓式辦公項目). In the commercial office use land transfer contract, it should explicitly forbid to construct the apartment-style office buildings. Commercial office units already sold but not yet delivered to the buyer must be renovated according to the required functions of commercial offices. Otherwise, they are forbidden to be delivered or to go through registration procedures. Commercial office units already delivered and in use will be put under strict management and control, and relevant information will be logged into a registration system. The developer and the owner are required to take joint responsibility for

making improvements and ensuring safety and security. Developers are also urged to eliminate potential fire hazards. Owners of commercial office properties are not allowed to receive similar treatment as residential housing owners in terms of permanent residence registration, school enrollment or public utility fees. Some other cities, including Beijing, Guangzhou, Chengdu and Shenzhen have promulgated similar regulatory policies in the control of commercial office projects.

All of these measures further intensify the competition for land in China among property developers. These policy initiatives and other measures adopted by the PRC government from time to time may limit the Company's ability to acquire suitable land for its development or increase land acquisition costs significantly, which may have a material adverse effect on its business, financial condition and results of operations.

### **Land Acquisition Laws**

The Rules Regarding the Grant of State-Owned Land Use Rights by Way of Tender, Auction and Listing-for-sale (招標拍賣掛牌出讓國有土地使用權規定) issued by the MLR ("Circular 11") provide that, from 1 July 2002, land use rights for the purposes of commerce, tourism, entertainment and commodity residential property development in China shall be granted by the government only through public tender, auction or listing-for-sale. When deciding to whom land use rights are granted through a tender bidding, the relevant authorities will consider not only the tender price, but also the credit history, qualifications and tender proposal of the tenderer according to the criteria for the bidding. These measures will result in a more transparent land grant process, which will enable developers to compete more effectively.

On 5 June 2003, the PBOC published the Notice on Further Strengthening the Administration of Real Estate Loans (中國人民銀行關於進一步加強房地產信貸業務管理的通知). This notice prohibits commercial banks from advancing loans to fund the payments of land premiums. As a result, real estate developers may only use their own funds to pay for land premiums.

In September 2007, the MLR further promulgated the Regulations on the Grant of State-owned Construction Land Use Rights through Public Tender, Auction and Invitation for Bidding (招標拍賣掛牌出讓國有建設用地使用權規定) to amend Circular 11, requiring that land for industrial use, except land for mining, must also be granted by public tender, auction and invitation for bidding. Only after the grantee has paid the land premium in full under the land grant contract can the grantee apply for the land registration and obtain the land use right certificates. Furthermore, land use rights certificates may not be issued in proportion to the land premium paid under the land grant contract.

In November 2009, the MOF, the MLR, the PBOC, the PRC Ministry of Supervision and the PRC National Audit Office jointly promulgated the Notice on Further Enhancing the Revenue and Expenditure Control over Land Grant (關於進一步加強土地出讓收支管理的通知). This Notice raises the minimum down payment for land premium to 50 per cent. and requires the land premium to be fully paid within one year after the signing of a land grant contract, subject to limited exceptions.

The MLR promulgated the Notice on Problems Regarding Strengthening Supply and Monitoring of Real Estate Land Supply (關於加強房地產用地供應和監管有關問題的通知) (the "Notice") on 8 March 2010. According to the Notice, the land provision for affordable housing, redevelopment of slum districts and small/medium residential units for occupier owner should be no less than 70 per cent. of total land supply, and the land supply for large residential units will be strictly controlled and land supply for villa projects will be banned. The Notice also requires that the lowest land grant price should not be less than 70 per cent. of the basic land price of the place where the granted land is located and the real estate developer's bid deposit should not be less than 20 per cent. of the lowest grant price. The land grant agreement must be executed within ten working days after the land transaction is confirmed. The minimum down payment of the land premium should be 50 per cent. and must be paid within one month after the execution of the land grant agreement. The balance should be paid in accordance with the agreement, but no later than one year. If the land grant agreement is not executed in accordance with the requirement above, the land shall not be handed over and the deposit will not be returned. If no grant premium is paid after the execution of the agreement, the land must be withdrawn.



On 21 September 2010, the MLR and the MOHURD issued the Notice on Further Strengthening the Administration and Control of the Lands for Real Estates and the Construction of Real Estates (國土資源部住房和城鄉建設部關於進一步加強房地產用地和建設管理調控的通知) to tighten the examination of qualifications of land bidders. It specifies that when the bidders take part in the bidding or auction of the transferred land, the competent authority of land and resources shall, in addition to requiring proof of identity documents and payment of the bid security, require an undertaking letter stating that the bid security is not from any bank loan, shareholders' borrowing, on-lending or raised funds and the credit certificate issued by commercial financial institutions. If the bidders are found to have conducted any of the following illegal or irregular activities, the competent authority of land and resources shall forbid the bidders and their controlling shareholders from participating in land bidding activities: (1) committing crimes such as forgery of instruments with an aim to illegally sell the land; (2) conducting illegal activities such as illegal transfers of land use right; (3) where the land is idling for a period of more than one year due to the enterprises' reasons; or (4) where the development and construction enterprise develops and takes advantage of the land in contravention of the conditions as agreed in the transfer contract. The relevant authorities of land and resources at all levels are required to strictly implement the regulations.

On 13 May 2011, the Ministry of Land and Resources Promulgated the Opinions on Upholding and Improving the System for the Transfer of Land by Tender, Auction and Listing (關於堅持和完善土地招標拍賣掛牌出讓製度的意見), which provides, among other things, that (i) correct utilization of the regulating and controlling effects of the land transfer policy through tender, auction and listing; (ii) improvement in the transparency of the system of tender, auction and listing for housing land; (iii) adjustment and improvement in the land transfer policy through tender, auction and listing, including (a) limitation on house price or land price, and transfer of policy-related housing land by listing or auction; (b) limitation of the gross floor area of allocated security housing, and transfer of commodity housing land by listing or auction; (c) carrying out of comprehensive assessment on conditions of land development and utilization and land transfer prices, and determination of the person who is entitled to land use rights by tender; (iv) promotion of online operation of the transfer of land use rights; (v) improvement in the contracts for land transfer through tender, auction and listing. As a result, property developers are not allowed to bid for a large piece of land, make partial payment, and then apply for a land use rights certificate for the corresponding portion of land in order to commence development, which had been the practice in many Chinese cities. The implementation of such regulation requires property developers to maintain a higher level of working capital, which may have a material adverse effect on our cash flow position, financial condition and business plans.

On 19 July 2012, the MLR and the MOHURD issued the Urgent Notice on Further Tightening Real Estate Land Management and Consolidating Achievements in Real Estate Market Regulation (關於進一步嚴格房地產用地管理鞏固房地產市場調控成果的緊急通知), which reiterated the stringent land policies stated above. On 9 March 2018, the MLR issued the Notice on Issuance of Technical Code on Valuation for Land Grant Premium of State-owned Construction Land Use Rights (關於印發《國有建設用地使用權出讓地價評估技術規範》的通知). The notice provides that, the competent local land authority must conduct valuation process to determine the basic price of state-owned lands for grant, which shall be determined based on a valuation report on the land in consistent with the technical code issued. The ultimate land premium reached between the land authority and the grantee shall not be less than the basic price of the land determined previously.

On 25 March 2015, the MLR and the MOHURD issued the Notice on Optimizing the Housing and Land Supply Structure in 2015 and Promoting Stable and Sound Development of Real Estate Market (國土資源部、住房和城鄉建設部關於優化2015年住房及用地供應結構促進房地產市場平穩健康發展的通知), pursuant to which if the real estate enterprises have conducted serious illegal or irregular activities in the land development and transaction, the competent authorities of land and resources have the power to restrict or forbid the real estate enterprises from participating in new land bidding activities.

In order to control and facilitate the procedure of obtaining land use rights, several local governments have stipulated standard provisions for land grant contracts. Such provisions usually include terms such as use of land, land premium and manner of payment, building restrictions including site coverage, total gross floor area and height limitations, construction of public facilities, submission of

building plans and approvals, deadlines for completion of construction, town planning requirements, restrictions against alienation before payment of premium and completion of prescribed development and liabilities for breach of contract. Any change requested by the land user in the specified use of land after the execution of a land grant contract will be subject to approvals from the relevant local land bureau and the relevant urban planning department, and a new land use contract may have to be signed and the land premium may have to be adjusted to reflect the added value of the new use. Registration procedures must then be carried out immediately.

Under current regulations, grantees of land use rights are generally allowed to dispose of the land use rights granted to them in the secondary market. Subject to the terms of the land use right grant and relevant registration requirements, the Company may choose to acquire land from such third parties.

### **Government Approvals**

A PRC property developer must hold a valid qualification certificate to develop property. In addition, at various stages of project development, a PRC property developer must also obtain or renew various licences, certificates, permits and approvals from the relevant PRC administrative authorities, including land use right certificates, planning permits, construction permits, pre-sale permits and certificates or confirmation of completion.

According to the Provisions on Administration of Qualifications of Real Estate Developers (房地產開發企業資質管理規定) issued on 29 March 2000 and amended on 4 May 2015 by MOHURD, a newly established property developer must first apply for a provisional qualification certificate with a one-year validity, which can be renewed annually for not more than two consecutive years. If, however, the newly established property developer fails to commence a property development project within the one-year period following the issue of the provisional qualification certificate, it will not be allowed to extend the term of its provisional qualification certificate. Developers with longer operating histories must submit their qualification certificates to relevant construction administration authorities for review annually. Government regulations require developers to fulfil all statutory requirements before they may obtain or renew their qualification certificates.

The Company conducts its property developments through project companies. These project companies must hold valid qualification certificates to conduct their businesses. There can be no assurance that the Company's project companies will continue to be able to obtain or renew the necessary qualification certificates in a timely manner, or at all. If any of the Company's project companies do not obtain or renew the necessary qualification certificates in a timely manner, or at all, the Company's prospects, business, results of operations and financial condition may be materially and adversely affected.

### **Land Use Rights**

The land use rights in respect of the Company's land reserves will not be formally vested in the Company until it has received the relevant formal land use right certificates and failure to obtain or comply with land use rights could lead to confiscation of its land by the PRC government. Under current PRC land grant policies, the relevant authorities generally will not issue formal land use right certificates until the developer (i) has paid the land premium in full; and (ii) is in compliance with other land grant conditions. The land use rights in respect of the projects and the land that the Company may acquire in the future will not be formally vested in it until it has received the corresponding formal land use right certificates.

If a developer fails to develop the project according to the terms of the land grant contract, the relevant government authorities may issue a warning to, or impose a penalty on, the developer or confiscate the land use rights. Any violation of the land grant contract may also restrict a developer's ability to participate, or prevent it from participating, in future land bidding. Specifically, pursuant to the Measure on Disposal of Idle Land (閒置土地處置辦法) which was promulgated by MLR on 28 April 1999, as amended on 22 May 2012 and became effective on 1 July 2012, if a developer fails to commence development for more than one year from the commencement date stipulated in the land grant contract,

the relevant PRC land bureau may serve a warning notice on such developer and impose an idle land fee of up to 20 per cent. of the land premium, unless the delay in the development is caused by government actions or force majeure. If a developer fails to commence the development for more than two years from the commencement date stipulated in the land grant contract, the land use rights are subject to forfeiture to the PRC government unless the delay in development is caused by government actions or force majeure. On 21 March 2013, the MLR promulgated the Notice on the Issuance of Model Legal Instrument of Disposal of Idle Land and Case Table of Disposal of Idle Land (關於印發《閒置土地處置法律文書示範文本》和《閒置土地處置案卷表》的通知) to further standardise the process of the investigation, identification and disposal of idle lands. On 12 September 2014, the Ministry of Land and Resources issued the “Guidelines on Improving Economical and Intensive Use of Land” (關於推進土地節約集約利用的指導意見), which implements the rules regarding idle land and specifies the controlling requirements of the land use standards in the relevant legal documents including land use approvals and land grant contracts.

On 29 September 2010, the PBOC and the CBRC jointly issued the Notice on Relevant Issues Regarding the Improvement of Differential Mortgage Loan Policies (關於完善差別化住房信貸政策有關問題的通知), which required commercial banks to cease to grant loans for new development projects and renewal of loans to property developers that have records of violation of laws and regulations as a result of, among other things, rendering the land idle, changing the use and nature of land, delaying the construction commencement and completion and refusing to sell the properties. On 26 January 2011, the General Office of the State Council promulgated the Notice on Further Improving the Real Estate Market Regulation and Work-related Issues (關於進一步做好房地產市場調控工作有關問題的通知), which stipulates that the PRC government will confiscate land use rights and impose an idle land fee of up to 20 per cent. of the land premium if a developer fails to obtain the construction permit and commence development for more than two years from the commencement date stipulated in the land grant contract. On 26 February 2013, the General Office of the State Council issued the Notice on the Continuous Effective Regulation of the Real Estate Market (關於繼續做好房地產市場調控工作的通知), which provides that land developers that hold idle land shall be prohibited from participating in land bidding, acquiring loans from commercial banks for new residential project, obtaining relevant approvals from CSRC for public listings, refinancing and major assets restructuring and relevant approvals from CBRC for trust financing. On 19 May 2018, MOHURD issued the “Notice on Issues of Further Do Good Job of the Regulation of the Real Estate Market” (關於進一步做好房地產市場調控工作有關問題的通知), requiring that local governments shall formulate residential property development plans according to their respective social development level, supply and demand of residential property and population, and certain cities shall increase the supply of construction land for residential properties. There can be no assurance that there will not be delays in the authorities’ issuance of the land use right certificates or the construction permits in respect of the Company’s projects.

### **Financing Regulation**

The property development business is capital intensive; measures intended to cool the PRC property market could impair the Company’s ability to finance the acquisition and development of its properties. The Company finances its property developments primarily through a combination of pre-sales and sales proceeds, borrowings and equity contributions from shareholders. The Company’s ability to maintain adequate working capital and external financing for land acquisitions or property developments on commercially acceptable terms depends on a number of factors that are beyond the Company’s control.

The PRC government has in the past taken a number of policy initiatives to tighten financing to property developers. Both the Circular on Further Strengthening the Management of Loans for Property Business (關於進一步加強房地產信貸業務管理的通知) issued by the PBOC on 5 June 2003 and the Guidance on Risk Management of Property Loans of Commercial Banks (商業銀行房地產貸款風險管理指引) issued by CBRC on 30 August 2004 specified the requirements for banks providing loans for the purposes of property development. These requirements include: (1) that loans from commercial banks to real estate enterprises may be granted only as property development loans and it is strictly forbidden to extend such loans as current capital loans for property development projects or other purposes. No lending shall be granted to enterprises which have not obtained the relevant land use right certificates, construction

land planning permits, construction work planning permit and construction commencement work permits; and (2) that commercial banks may not grant loans to property developers to finance land premium payments. On 27 September 2007, PBOC and CBRC issued the Notice on Strengthening the Credit Management of Commercial Real Estate (關於加強商業性房地產信貸管理的通知), which further required that loans from commercial banks could only be utilised in the projects of local area subject to limited exclusions, and commercial banks shall not accept commercial houses that have been left idle for more than three years as mortgage for loans.

The fiscal and other measures adopted by the PRC government from time to time may limit the flexibility and ability of the Company to use bank loans to finance its property developments and therefore may require the Company to maintain a relatively high level of internally-sourced cash. In November 2009, the MOF, the MLR, the PBOC, the PRC Ministry of Supervision and the PRC National Audit Office jointly promulgated the Notice on Further Enhancing the Revenue and Expenditure Control over Land Grant (關於進一步加強土地出讓收支管理的通知) which provided that raised the minimum down payment on land premium to 50 per cent. of the total premium and requires the land premium to be fully paid within one year after the signing of a land grant contract, subject to limited exceptions. In March 2010, the PRC government further tightened this requirement by setting the minimum price for land granted to be equal to at least 70 per cent. of the benchmark price for land in the surrounding locality and the bidding deposit to be equal to at least 20 per cent. of the applicable minimum land grant price. Additionally, a land grant contract is required to be entered into within ten working days after the land grant deal is closed and the down payment of 50 per cent. of the land premium (including any deposits previously paid) is required to be paid within one month of signing the land grant contract, with the remaining amount to be paid in full within one year of the date of the land grant contract in accordance with provisions of such land grant contract. These new requirements increase the Company's need for cash to facilitate land acquisitions and construction.

On 9 July 2019, the NRDC issued the Circular on Relevant Requirements to the Issuance by Property development Entities of Foreign Debt Filings and Registrations (關於對房地產企業發行外債申請備案登記有關要求的通知) (發改辦外資[2019] 778號) (the "NDRC Circular 778"), which came into effect on the same date. This NDRC Circular 778 is originated with the NDRC Circular and specifies several requirements to the property development entities. According the NDRC Circular 778, the issuance of foreign debts by property development entities can only be used to repay mid-term or long-term foreign loans, which is due within one year since the issuance of such foreign debts. Regarding the repaying foreign debts, property development entities should clearly set out the detailed information including but not limited to the amount, the term, and the NDRC filings and registrations information.

### **Property Development Financing Laws**

On 25 May 2009, the State Council issued the Notice on the Adjustment of the Invested Capital Ratio regarding Investment in Fixed Assets (國務院關於調整固定資產投資項目資本金比例的通知), according to which, for the development of an indemnificatory housing project and a general commodity housing project, the minimum registered capital shall be no less than 20 per cent. of the total investment of the fixed assets development project, and for other property development projects, the minimum registered capital shall be no less than 30 per cent. of the total investment. Therefore, the Company shall use its own funds to fulfil the requirement of the minimum registered capital and could only get such external funding as bank loans for the financing of the remaining capital needs.

Pursuant to the Notice on Adjusting and Improving the Capital System for Fixed Asset Investment Projects (國務院關於調整和完善固定資產投資項目資本金制度的通知) issued by the State Council on 9 September 2015, for real estate development projects, the minimum capital requirement remains unchanged at 20 per cent. for affordable housing and ordinary commodity housing projects, the minimum capital requirement is adjusted from 30 per cent. to 25 per cent. for other real estate projects.

## Pre-Sale Regulations

The Company faces contractual and legal risks relating to the pre-sale of properties, including the risk that property developments may not be completed and the risk that changes in laws and regulations in relation to the pre-sales of properties may materially and adversely affect its business, cash flow, financial condition and results of operations. The Company faces contractual risks relating to the pre-sales of properties. For example, if the Company fails to meet the completion time as stated in the pre-sale contracts, purchasers of pre-sold units have the right to claim damages under the pre-sale contracts. Pursuant to Interpretations on Certain Issues Concerning the Application of Law in Trying Cases Involving Disputes over Contracts on Purchase and Sale of Commodity Premises by Supreme People's Court (最高人民法院關於審理商品房買賣合同糾紛案件適用法律若干問題的解釋) enacted on 28 April 2003 and enforced on 1 June 2003, if the Company still fails to deliver the properties to the purchasers within the grace period stipulated in the pre-sale contracts, the purchasers have the right of termination.

According to Administrative Measures for the Sale of Commodity Houses (商品房銷售管理辦法) issued by Ministry of Construction on 4 April 2001 and enforced on 1 June 2001, if the actual GFA of a completed property delivered to purchasers deviates by more than 3 per cent. from the GFA originally stated in the pre-sale contracts, purchasers have the right of termination or the right to claim damages. There can be neither assurance that the Company will not experience delays in the completion and delivery of its projects, nor that the GFA for a delivered unit will not deviate more than 3 per cent. from the GFA set out in the relevant contract. Any termination of the purchase contract as a result of the Company's late delivery of properties will have a material and adverse effect on its business, financial condition and results of operations.

Proceeds from the pre-sales of the Company's properties are an important source of funds for the Company's property developments and have an impact on its liquidity position. On 5 August 2005, the PBOC recommended in a report entitled "2004 Real Estate Financing Report" (2004年中國房地產金融報告) that the practice of pre-selling uncompleted properties be discontinued, on the ground that it creates significant market risks and generates transactional irregularities. On 24 July 2007, an economic research institution under the NDRC proposed to change the existing system for sale of forward delivery housing into one for sale of completed housing. Such recommendation has not been adopted by any PRC governmental authority and has no mandatory effect. In April 2010, the MOHURD issued the Notice on Further Strengthening the Supervision of Real Estate Market and Improving the Pre-Sale system of Commodity Housing (關於進一步加強房地產市場監管完善商品住房預售制度有關問題的通知). The notice urged local governments to enact regulations on the sale of completed residential properties in light of local conditions and encouraged property developers to sell residential properties when they are completed. There can be no assurance that the PRC governmental authorities will not ban or impose material limitations on the practice of pre-selling uncompleted properties in the future. Future implementation of any restrictions on the Company's ability to pre-sell its properties, including any requirements to increase the amount of up-front expenditure the Company must incur prior to obtaining the pre-sale permit, would extend the time required for recovery of its capital outlay and would force it to seek alternative means to finance the various stages of its property developments. This, in turn, could have a material and adverse effect on the business, cash flow, financial condition and results of operations of the Company.

According to the Notice of Further Regulation on the Real Estate Market (國務院辦公廳關於繼續做好房地產市場調控工作的通知) issued by the General Office of the State Council on 26 February 2013, since 2013, local governments shall raise the threshold of commodity housing pre-sales, strengthen the licence management such as construction investment, and delivery time period, guide real estate developers to price the commodity housing rationally, and steadily promote the reform of the pre-sale system of commodity housing. The local government may refuse to issue the pre-sale certificate to: (1) the development project of which the pre-sale price is unreasonably high and the developer refuses to accept the direction of relevant government authority; and (2) the commodity housing project of which the developer does not accept supervision on the pre-sale capital of the relevant project.

## **PRC Regulation on Real Estate Advertisements**

On 24 December 2015, the SAIC promulgated the Provisions on Distribution of Real Estate Advertisements (房地產廣告發布規定), which has become effective on 1 February 2016. According to the Provisions, (1) real estate advertisements referred to in the Provisions shall mean advertisements distributed by real estate development enterprises, holders of real estate rights and real estate intermediary service organisations for pre-sale, pre-lease, sale and lease of real estate projects, project transfer and other real estate projects; (2) real estate advertisements shall be true, legitimate, scientific and accurate, and shall not defraud or mislead consumers; (3) real estate advertisements and information of housing sources shall be true; and (4) the area advertised in real estate advertisements shall be stated as floor area or indoor floor space. In addition, the Provisions also specified other requirements related to the contents of the real estate advertisements.

Pursuant to the Advertising Law of the People's Republic of China (Amended in 2018) (中華人民共和國廣告法(2018年修正)) promulgated by Standing Committee of the National People's Congress on 26 October 2018, property listings information of real estate advertisements shall be true, the area stated shall be the floor area or the indoor floor area, and the advertisements shall not contain the following contents: (1) Commitment on appreciation or investment return; (2) Use the time required to travel between the property to a specific location to state the property's location; (3) Violate the provisions of the State on pricing administration; and (4) Misleading promotion of transportation, commercial, cultural and educational facilities and other municipal facilities under planning or construction.

## **PRC Regulation on Foreign-Invested Property Development Enterprises**

The Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) which was approved by the National People's Congress on 15 March 2019 and came into effect on 1 January 2020 replaces the Sino-Foreign Equity Joint Venture Enterprise Law, the Sino-Foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-Invested Enterprise Law, and become the legal foundation for foreign investment in the PRC.

The Foreign Investment Law sets out the basic regulatory framework for foreign investments and proposes to implement a system of pre-entry national treatment with a negative list for foreign investments, pursuant to which (i) foreign natural persons, enterprises or other organizations (collectively the "foreign investors") shall not invest in any sector forbidden by the negative list for access of foreign investment, (ii) for any sector restricted by the negative list, foreign investors shall conform to the investment conditions provided in the negative list, and (iii) sectors not included in the negative list shall be managed under the principle that domestic investment and foreign investment shall be treated equally. The Foreign Investment Law also sets forth necessary mechanisms to facilitate, protect and manage foreign investments and proposes to establish a foreign investment information report system in which foreign investors or foreign-funded enterprises shall submit the investment information to competent departments of commerce through the enterprise registration system and the enterprise credit information publicity system.

Pursuant to the Foreign Investment Industrial Guidance Catalogue (2007 Revision) (外商投資產業指導目錄(2007年修訂)) jointly promulgated by MOFCOM and NDRC on 31 October 2007, the development and construction of ordinary residential houses were moved from the category of industries in which foreign investment is encouraged to the category of industries in which foreign investment is permitted. In addition, the category of industries in which foreign investment is subject to restrictions (the "Restricted Category") has been adjusted to include the following: the development of large-scale land, which shall be operated only by sino-foreign joint ventures or sino-foreign cooperative ventures; the construction and operation of upscale hotels, villas, premium office buildings and international conference centres; and the secondary property market and housing agents or brokerages. Pursuant to the Foreign Investment Industrial Guidance Catalogue (2011 Revision) (外商投資產業指導目錄(2011年修訂)) jointly promulgated by MOFCOM and NDRC on 24 December 2011, the development and construction of villas were moved from the Restricted Category to the category of industries in which foreign investment is prohibited (the "Prohibited Category"). On 10 March 2015, MOFCOM and NDRC jointly issued the

Foreign Investment Industrial Guidance Catalogue (2015 Revision) (外商投資產業指導目錄(2015年修訂)) to revise the 2011 Revision. The 2015 Revision removed all industries of real estate previously specified in the Restricted Catalogue of 2011 Revision. On 28 June 2017, MOFCOM and NDRC jointly issued the new Foreign Investment Industrial Guidance Catalogue (2017 Revision) (外商投資產業指導目錄(2017年修訂)) to revise the 2015 Revision. The 2017 Revision removed construction and operation of large theme parks previously specified in the Restricted Catalogue of 2015 Revision and the construction of villas and golf courses previously specified in the Prohibited Category of the 2015 Revision. On 28 June 2018, MOFCOM and NDRC jointly issued the Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2018) (外商投資准入特別管理措施(負面清單(2018年版))) which has become effective on 27 July 2018. According to Edition 2018, construction and operation of movie theatres has been removed which specified in the Catalogue of 2017 Revision.

Pursuant to the Circular on Standardizing the Admittance and Administration of Foreign Capital in the Real Property Market (關於規範房地產市場外資準入和管理的意見) (“Circular 171”) jointly promulgated and implemented by MOHURD, MOFCOM, NDRC, PBOC, SAIC and SAFE on 11 July 2006, the admittance and administration of foreign capital in the property market must comply with the following requirements: (1) an overseas investor that has not obtained an approval certificate of foreign-invested enterprises or a business license shall not engage in any development or operation of property; (2) for a foreign-invested property enterprise with an investment amount of at least US\$10 million, its registered capital shall not be less than 50 per cent. of its investment amount; and (3) where the total investment is less than US\$10 million, its registered capital shall be governed by the existing provisions.

Pursuant to the Circular of the General Office of the Ministry of Commerce on Relevant Issues Concerning the Implementation of the Opinions Concerning Regulating the Admittance and Administration of Foreign Investment in the Real Property Market (商務部辦公廳關於貫徹落實《關於規範房地產市場外資準入和管理的意見》有關問題的通知) (“MOFCOM Circular 192”) promulgated and implemented on 14 August 2006, where the amount of investment of a property enterprise established by foreign investment is not less than US\$10 million, its registered capital shall not be less than 50 per cent. of its amount of investment; if the investment amount is more than US\$3 million but less than US\$10 million, its registered capital shall not be less than 50 per cent. of its amount of investment; if the investment amount is not more than US\$3 million, its registered capital shall not be less than 70 per cent. of its amount of investment. Where an overseas investor merges with a domestic property enterprise through equity transfer or any other means, or an overseas investor acquires equity of the Chinese party of a foreign-invested property enterprise, it shall make appropriate arrangements for the relevant employees, settle the bank debts and pay the transfer fee with its self-owned capital in a one-off manner within three months as at the date when the business license of the foreign-invested enterprise license is issued (in case of merging domestic enterprises) or the equity transfer agreement comes into force (in case of acquisition of domestic shares of foreign invested enterprises).

On 19 August 2015, the MOHURD, MOFCOM, NDRC, PBOC, SAIC and SAFE jointly issued the Notice Adjusting Policies on the Access and Administration of Foreign Investment in the Real Property Market (住房城鄉建設部、商務部、國家發展改革委、人民銀行、工商總局、外匯局關於調整房地產市場外資準入和管理有關政策的通知) (“Notice 122”) to relax the following restrictions on foreign investment in the real estate market which were previously introduced in both Circular 171 and MOFCOM Circular 192: (i) Notice 122 removed the restriction of the ratio between the FIE’s registered capital amount and the amount of total investment required by both Circular 171 and MOFCOM Circular 192. According to Notice 122, real estate FIEs may enjoy the same ratio between the FIE’s registered capital amount and the amount of total investment as other FIEs; (ii) Notice 122 also removed the requirement on full payment of registered capital before a real estate FIE may borrow domestic loans, foreign loans or convert foreign exchange loans into Renminbi; (iii) in addition, previously under Circular 171, only foreign individuals who have been studying or working in China for more than one year are allowed to purchase real estate. Nowadays, Notice 122 lifted such one-year limit and allows foreign individuals to purchase real estate in China for their own use; and (iv) Notice 122 further provides that the MOHURD, MOFCOM, NDRC, PBOC, SAIC and SAFE will continually simplify, optimise and improve the formalities of foreign investment in real estate market and allows real estate FIEs to directly complete relevant SAFE registrations with competent banks according to relevant SAFE regulations. Apart from the abovementioned adjustments specified in Notice 122, Circular 171 and MOFCOM Circular 192 still remain effective.

The Notice Concerning Further Strengthening and Regulating the Examination, Approval and Supervision of Direct Foreign Investment in Property (關於進一步加強、規範外商直接投資房地產業審批和監管的通知) jointly issued and implemented by MOFCOM and SAFE on 23 May 2007 and amended on 28 October 2015, provides stricter control measures, as follows: foreign investment in the property sector in the PRC relating to upscale properties should be strictly controlled; where an established foreign-invested enterprise intends to enter an existing property development or operation business or engage in a new property development or operation project, it shall apply to the examining and approving organ for extending its business scope or enlarging its business scale in accordance with the relevant laws and regulations governing foreign investment; the merger of or investment in domestic property enterprises by way of return on investment (including the same actual controller) shall be placed under strict control. No overseas investor may avoid by means of changing the actual controller of any domestic property enterprise.

Pursuant to the Notice on Proper Handling of Archival Documents for Foreign Investment in the Property Industry (商務部關於做好外商投資房地產業備案工作的通知) issued by MOFCOM on 18 June 2008, the local branches of MOFCOM are authorised to verify the materials for archiving as submitted by the foreign-invested property enterprise. MOFCOM together with other departments of the State Council shall conduct spot-checks over the above enterprises.

On 24 June 2014, MOFCOM and SAFE jointly issued the Notice on Improving Handling of Archival Documents for Foreign Investment in the Property Industry (關於改進外商投資房地產備案工作的通知) (“Circular 340”) which became effective on 1 August 2014, with the aim to streamline the archiving process. According to Circular 340, the hard copy materials for archiving submitted by the foreign-invested real property enterprise to provincial MOFCOM authorities will be reviewed and archived by provincial authorities, and the information of the enterprises will be transmitted to the MOFCOM in electronic form. MOFCOM will conduct routine spot-check of those enterprises which have fulfilled the archiving procedure; list of foreign-invested real property enterprises which pass the examination (or have yet been examined) will be publicly announced, while a blacklist of enterprises and relevant local authorities which fail to comply with relevant laws and regulations will also be published.

On 6 November 2015, the MOFCOM and SAFE jointly issued the Notice on Further Improvements to Filing for Real Estate Investments of Foreign Investors (商務部、國家外匯管理局關於進一步改進外商投資房地產備案工作的通知) (“Circular 895”), which further simplifies administration of foreign-funded real estate enterprises and removes the filing announcement procedures on the MOFCOM website. Pursuant to Circular 895, upon completion of the aforesaid workflow, foreign-funded real estate enterprises may complete the registration formalities for foreign exchange under direct foreign investment with the banks pursuant to the relevant foreign exchange control provisions. In addition, according to Circular 895, for the purpose of post-event regulation, the MOFCOM shall conduct a random inspection of foreign-funded real estate enterprises quarterly, and the provincial commerce authorities shall submit the examination and approval materials of the randomly-selected enterprises to the MOFCOM within five working days from receipt of the notice on random inspection. Both the foreign-funded real estate enterprises which violate the provisions and their investors shall be punished pursuant to the law, “blacklisted”, and announced on the MOFCOM website.

According to the Administrative Measures for the Verification and Approval and Filing of Foreign Investment Projects (外商投資項目核準和備案管理辦法) issued on 17 May 2014 and revised on 27 December 2014 by the NDRC and the Circular of the State Council on Promulgating the Catalogue of Investment Projects Subject to the Approval of the Government (2016 Version) (政府核準的投資項目目錄(2016年本)), projects with total investment (including capital increase) of US\$300 million or above in the Foreign Investment Industrial Guidance Catalogue (外商投資產業指導目錄) (“Guidance Catalogue”) shall be subject to the approval of the competent investment department under the State Council. Among them, projects with total investment (including capital increase) of US\$2 billion or above shall be reported to the State Council for registration. Restricted projects with total investment (including capital increase) of less than US\$300 million in the Guidance Catalogue shall be subject to the approval of provincial-level governments. Projects not prescribed in the preceding paragraph but included in Articles 1 to 10 of the Circular of the State Council on Promulgating the Catalogue of Investment Projects Subject to the Approval of the Government (2016 Version) (政府核準的投資項目目錄) shall be subject to the approval as specified therein.



## LAT Tax (土地增值稅)

Under PRC tax laws and regulations such as the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax (土地增值稅暫行條例) enacted on 13 December 1993 and amended on 8 January 2011, the Company's properties developed for sale are subject to LAT, which is collectible by the local tax authorities. All income from the sale or transfer of state-owned land use rights, buildings and their ancillary facilities in the PRC is subject to LAT at progressive rates ranging from 30 per cent. to 60 per cent. on the appreciation of land value, which is calculated based on the proceeds from the sale of properties less deductible expenditures as provided in the relevant tax laws. Certain exemptions may be available for the sale of ordinary residential properties developed by the taxpayer itself if the appreciation of land value does not exceed 20 per cent. of the total deductible items as provided in the relevant tax laws. However, sales of commercial properties are not eligible for this exemption. Real estate developers are required to prepay LAT monthly at rates set by local tax authorities after commencement of pre-sales or sales. In May 2010, the SAT issued the Notice on Strengthening the Collection of Land Appreciation Tax (關於加強土地增值稅徵管工作的通知) that requires that the minimum LAT prepayment rate must be no less than 2 per cent. for provinces in eastern China, 1.5 per cent. for provinces in central and north-eastern China and 1 per cent. for provinces in Western China. If the LAT is calculated based on the authorised taxation method (核定徵收), the minimum taxation rate shall be 5 per cent. in principle. There can be no assurance that the local tax authorities will not further increase LAT prepayment rates in the future. In the event that the prepayment rates applicable to the Company increase, its cash flow and financial position will be adversely affected. On 19 May 2010, the SAT issued Notice on Issues concerning the Settlement of Value-Added Tax on Land (關於土地增值稅清算有關問題的通知). The notice clarifies settlement methods of LAT, specifying the scope and conditions of deductible items when calculating the appreciation value of land. The Notice on the Effective Collection of Land Appreciation Tax (國家稅務總局關於進一步做好土地增值稅徵管工作的通知) issued by the SAT on 20 June 2013, further emphasises that the scopes of the authorised taxation method and deductible items shall not be expanded arbitrarily.

The SAT's Notice on the Administration of the Settlement of Land Appreciation Tax of Property Development Enterprises (關於房地產開發企業土地增值稅清算管理有關問題的通知), which revised on 20 March 2019, requires real estate developers to settle the final LAT payable in respect of their development projects that meet certain criteria, such as (i) 85 per cent. of a development project having been pre-sold or sold, or where this proportion is below 85 per cent., the building area has been leased or for self-used; (ii) the sales are not completed upon the expiration of three years since the day when the sales (or pre-sale) permits have been obtained; (iii) the taxpayer has applied for writing-off tax registration fees but has not gone through the formalities for the settlement of the land appreciation tax yet; or (iv) other circumstances as prescribed by the provincial tax authorities. Local provincial tax authorities are entitled to formulate detailed implementation rules in accordance with this notice in consideration of local conditions. The Company cannot predict when the PRC tax authorities will require it to settle the full amount of LAT applicable to the Company. If the implementation rules promulgated in the cities in which the Company's projects are located require the Company to settle all unpaid LAT or if any or all of its LAT provisions are collected by the PRC tax authorities, its business, financial condition, results of operations and prospects could be materially and adversely affected.

On 25 April 2016, the MOF and SAT jointly promulgated the Notice on Issues Relating to Tax Computation Bases for Deed Tax, Real Estate Tax, Land Appreciation Tax and Individual Income Tax following Implementation of the Pilot Scheme of Levying VAT in place of Business Tax, effective on 1 May 2016, which provides that (1) income derived by taxpayer of LAT for transfer of real estate shall be income excluding valued added tax ("VAT"); (2) VAT input tax pertaining to deductible items of LAT stipulated in the Provisional Regulations of the PRC on Land Appreciation Tax (中華人民共和國土地增值稅暫行條例), which is allowed to be deducted from the output tax, shall be excluded from the deductible items; and (3) where it is not allowed to be deducted from the output tax, it may be included in the deductible items.

In addition, there can be no assurance that the tax authorities will agree with the Company's estimation or the basis on which the Company calculates its LAT obligations. In the event that the tax authorities assess the Company with LAT in excess of the provisions the Company has made for the LAT and the Company is unable to successfully challenge such assessments, the Company's net profits after tax may be adversely affected. There can be no assurance that the LAT obligations it is to assess and provide for in respect of the properties that it develops will be sufficient to cover the LAT obligations which the local tax authorities ultimately impose on it.

### **Levying VAT in place of Business Tax**

Pursuant to the Interim Regulations on Business Tax of the People's Republic of China (中華人民共和國營業稅暫行條例) enacted by the State Council on 10 November 2008 and enforced on 1 January 2009 and abolished on 19 November 2017 and its Detailed Implementation Rules on the Provisional Regulations on Business Tax of the People's Republic of China (中華人民共和國營業稅暫行條例實施細則) issued by the MOF and SAT on 15 December 2008 and amended on 28 October 2011, the tax rate on transfer of immovable properties is 5 per cent.

The MOF and the SAT promulgated the Pilot Proposals for Levying the Value-added Tax in Lieu of Business Tax (營業稅改徵增值稅試點方案) on 16 November 2011 pursuant to which, the pilot work of the value-added tax in lieu of business was carried out in some industries on a national scale since 1 January 2012. Pursuant to this pilot plan and relevant subsequent notices, from 1 January 2012, VAT gradually replaced business tax in the transport and post industry, telecom industry and some of the modern service industries in China. Under the pilot plan, a VAT rate of 6 per cent. applies to certain modern service industries. On 23 March 2016, the MOF and SAT promulgated the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-Added Tax to Replace Business Tax (Cai Shui [2016] No. 36) (關於全面推開營業稅改徵增值稅試點的通知) and revised on 20 March 2019 by Announcement on Related Policies for Deepening Value-Added Tax Reform (關於深化增值稅改革有關政策的公告), which provides that, starting from 1 May 2016, the VAT pilot program will cover construction industry, real estate industry, finance industry and life service industry on a nation-wide basis.

On 31 March 2016, the SAT promulgated the Announcement on Promulgation of the Provisional Measures on Administration of Levying and Collection of Value-added Tax on Sale of Real Estate Projects by Real Estate Development Enterprises Which Develop Such Projects (房地產開發企業銷售自行開發的房地產項目增值稅徵收管理暫行辦法) as amended on 15 June 2018, pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on Full Launch of the Pilot Scheme on Levying Value-added Tax in Place of Business Tax (Cai Shui [2016] No. 36) (關於全面推開營業稅改徵增值稅試點的通知), and the relevant prevailing VAT provisions.

On 10 November 2016, the SAT promulgated the Announcement of the State Administration of Taxation on Several Provisions on Collection and Administration of Land Appreciation Tax following the Implementation of Levying of VAT in place of Business Tax (國家稅務總局關於營改增後土地增值稅若干徵管規定的公告), which provides that (1) Following the implementation of levying VAT in place of business tax, the income from transfer of real estate, which is subject to land appreciation tax, shall exclude VAT; (2) Where a taxpayer uses its development products for staff welfare, incentives, external investments, distribution to shareholders or investors, debt setoff, exchange for non-monetary assets of other organisations and individuals etc., the transfer of ownership shall be deemed as sale of real estate, and the income thereof shall comply with the provisions of Article 3 of the SAT's Notice on Administration of Settlement of Land Appreciation Tax of Property Development Enterprises (關於房地產開發企業土地增值稅清算管理有關問題的通知) as amended on 15 June 2018. Where a taxpayer arranges for resettlement of households, the verification of taxable income and deductibles for the resettlement housing shall comply with the provisions of Article 6 of the SAT's Notice on Issues concerning the Settlement of Value-added Tax on Land (關於土地增值稅清算有關問題的通知).

On 21 December 2016, the Ministry of Finance and the State Administration of Taxation issued the Circular 140, which has been retroactively effective since 1 May 2016. The Circular 140 further clarified that VAT is applicable to investment returns on contracts which undertake for fully recoverable principal, but is not applicable to the non-principal-protected gains from investments in financial products.

On 19 November 2017, the Interim Regulations of the People's Republic of China on Business Tax was abolished and the Interim Regulations of the People's Republic of China on Value added Tax (中華人民共和國增值稅暫行條例) was revised by the State Council. According to the revised Interim Regulations of the People's Republic of China on Value added Tax, selling goods, providing labor services of processing, repairs or maintenance, or selling services, intangible assets or real property in the PRC, or importing goods to the PRC, shall be subject to value added tax. According to a notice jointly issued by MOF and SAT in April 2018, starting from 1 May 2018, the VAT rate will be lowered from 17 percent to 16 percent for manufacturing and some other industries, and from 11 percent to 10 percent for transportation, construction, real estate leasing service, sale of real estate, basic telecommunication services, and farm produce.

On 20 March 2019, the Ministry of Finance, the State Administration of Taxation and General Administration of Customs issued the Announcement on deepening policies related to VAT reform (關於深化增值稅改革有關政策的公告), the VAT rate will be lowered from 16 percent to 13 percent for manufacturing and some other industries, and from 10 percent to 9 percent for transportation, construction, real estate leasing service, sale of real estate, basic telecommunication services, and farm produce.

## **Property Tax**

Under the "Interim Regulations of the People's Republic of China on Property Tax" (中華人民共和國房產稅暫行條例) enacted by the State Council on 15 September 1986 and enforced on 1 October 1986, which was amended on 8 January 2011, the property tax rate is 1.2 per cent if it is calculated on the basis of the residual value of a building, and 12 per cent if it is calculated on the basis of the rental.

On 27 January 2011, the government of Shanghai Municipality issued the "Interim Measures on Pilot Property Tax Scheme on Certain Personal Residential Properties in Shanghai" (上海市開展對部分個人住房徵收房產稅試點的暫行辦法), which provides that, within the territory of the administrative regions of the Shanghai Municipality, property tax will be imposed on any purchase of a second (or further) residential property by local residents or any purchase of a residential property by non-local residents on or after 28 January 2011, at rates ranging from 0.4 per cent to 0.6 per cent based on 70 per cent of the purchase price of the property. These measures became effective on 28 January 2011.

## **Deed Tax**

Pursuant to the Interim Regulations of the People's Republic of China on Deed Tax (中華人民共和國契稅暫行條例) promulgated by the State Council in July 1997 and amended on the 2 March 2019, the transferee, whether an individual or otherwise, of the title to a land site or building in the PRC shall be responsible for the payment of deed tax. The rate of deed tax is 3 per cent–5 per cent of the purchase price. The governments of provinces, autonomous regions and municipalities may, within the aforesaid range, determine and report their effective tax rates to the Ministry of Finance and the State Administration of Taxation for the record. Pursuant to the "Notice on Adjustment of Preferential Treatment Policies in respect of Deed Tax and Business Tax on Real Estate Transactions" (關於調整房地產交易環節契稅、營業稅優惠政策的通知) promulgated by the MOF, the SAT and the MOHURD on 17 February 2016 and implemented on 22 February 2016, the rate of deed tax payable for real estate transactions is adjusted downward as follows: (1) for an individual purchasing the only residential property for his/her household, the rate of deed tax is adjusted downward to 1 per cent for a property of 90 sq.m. or less and to 1.5 per cent for a property of more than 90 sq.m.; and (2) for an individual purchasing the second residential property for his/her household to improve the living conditions, the rate of deed tax is reduced to 1 per cent for a property of 90 sq.m. or less and to 2 per cent for a property of more than 90 sq.m. If a taxpayer applies for tax preferential treatments, the competent real estate authority at the location of the property will issue written search results on the housing status of the taxpayer's household pursuant to his/her

application or authorization and promptly provide the search results and the relevant housing status information to the tax authority. Detailed operation measures will be collectively formulated by the competent financial, tax and real estate departments of various provinces, autonomous region and municipalities. Beijing, Shanghai, Guangzhou and Shenzhen are not currently subject to the above deed tax preferential treatment policies.

### **Stamp Duty**

Under the Interim regulations of the People's Republic of China on Stamp Duty (中華人民共和國花稅暫行條例) promulgated by the State Council in August 1988 and amended in January 2011, for building property transfer instruments, including those in respect of property ownership transfer, the duty rate shall be 0.05 per cent of the amount stated therein; for permits and certificates relating to rights, including property title certificates and land use rights certificates, stamp duty shall be levied on an item basis of RMB5.0 per item.

### **Municipal Maintenance Tax**

Under the Interim Regulations of the People's Republic of China on Municipal Maintenance Tax (中華人民共和國城市維護建設稅暫行條例) promulgated by the State Council in 1985 and amended in January 2011, which will be replaced by Municipal Maintenance Tax Law of the People's Republic of China from 1 September 2021, a taxpayer, whether an individual or otherwise, of product tax, value-added tax or business tax shall be required to pay municipal maintenance tax. The tax rate shall be seven per cent for a taxpayer whose domicile is in an urban area, five per cent for a taxpayer whose domicile is in a county or a town, and one per cent for a taxpayer whose domicile is not in any urban area or county or town.

### **Education Surcharge**

Under the Interim Provisions on Imposition of Education Surcharge (徵收教育費附加的暫行規定) promulgated by the State Council on 28 April 1986 and as amended on 7 June 1990 and 20 August 2005 and 8 January 2011, a taxpayer, whether an individual or otherwise, of product tax, value-added tax or business tax shall pay an education surcharge, unless such obliged taxpayer is instead required to pay a rural area education surcharge as provided by the Notice of the State Council on Raising Funds for Schools in Rural Areas (國務院關於籌措農村學校辦學經費的通知).

### **Completion Acceptance Examination (竣工驗收)**

The Company's business and property sales may be affected if it fails to obtain records of acceptance examination for its completed projects. According to the Regulations on Administration of Development of Urban Real Estate (城市房地產開發經營管理條例) enacted by the State Council and effective on 20 July 1998 and latest amended on 29 November 2020, the Regulation on the Quality Management of Construction Projects (建設工程質量管理條例) enacted and enforced by the State Council on 30 January 2000 and latest amended on 23 April 2019, the Administrative Measures for Reporting Details Regarding Acceptance Examination Upon Completion of Buildings and Municipal Infrastructure (房屋建築工程和市政基礎設施工程竣工驗收備案管理暫行辦法) enacted by the MOHURD on 7 April 2000 and amended on 19 October 2009 and the Provisions on Acceptance Examination Upon Completion of Buildings and Municipal Infrastructure (房屋建築和市政基礎設施工程竣工驗收規定) enacted and revised by the MOHURD and effective on 2 December 2013, after completion of work for a project, a real estate developer shall apply to the government property development authority at or above the county level for a record of acceptance examination upon project completion.

There can be no assurance that the Company will be able to obtain records of acceptance examination for its completed projects in a timely manner, or at all. In such event, the business, property sales and financial condition of the Company may be materially and adversely affected. The Company may be liable to its customers for damages if it fails to deliver individual property ownership certificates in a timely manner.

## **Individual Property Ownership Certificate (房產證)**

Pursuant to Interpretations on Certain Issues Concerning the Application of Law in Trying Cases Involving Disputes over Contracts on Purchase and Sale of Commodity Premises by Supreme People's Court passed on 24 March 2003 and enforced on 1 June 2003 (最高人民法院關於審理商品房買賣合同糾紛案件適用法律若干問題的解釋), property developers are required to deliver to purchasers the relevant individual property ownership certificates within 90 days after delivery of a pre-sold property or 90 days after execution of sale agreement of a ready-built property or, within a time frame set out in the relevant sale agreement, unless the agreement provides otherwise. Property developers, including the Company, generally elect to specify a deadline for the delivery of the individual property ownership certificates in the sale agreements to allow sufficient time for the application and approval processes.

Under current regulations, the Company is required to submit the requisite governmental approvals in connection with its property developments, including land use rights documents planning permits, construction permits and records of acceptance examination, to the local bureau of land resources and housing administration for the relevant properties and apply for the general property ownership certificate in respect of these properties. According to Administrative Measures for the Pre-Sale of Commercial Housing in Urban Areas (2004 Revision) (城市商品房預售管理辦法) (2004年修正), the Company shall go through the formalities for registration and record-filing of a contract of pre-sale of commercial housing with the competent Real Estate Authority and the relevant land administration of the people's government at the city or county level within 30 days after the date of execution of the contract and the purchasers shall go through the procedure of change in registration of land use right and registration of individual property ownership within 90 days after delivery of a pre-sold property to obtain the individual property ownership certificates in respect of the properties purchased by the purchasers. According to Administrative Measures for the Sale of Commodity Houses issued by the MOHURD on 4 April 2001 (商品房銷售管理辦法), the Company is required to submit related documents to the bureau for purchaser's application of ownership certificate within 60 days after the delivery of property. The company is mandated to assist property purchasers to go through related land use right alteration and house ownership registration procedures. Nevertheless, delays by the various administrative authorities in reviewing the application and granting approval and certain other factors may affect timely delivery of the general and individual property ownership certificates. Therefore, the Company may not be able to deliver individual property ownership certificates to purchasers on time as a result of delays in the administrative approval processes or for any other reason beyond its control, which may result in it having to pay default payments and, in the case of a prolonged delay, the purchaser terminating the sales agreement. If the Company becomes liable to a significant number of purchasers for late delivery of the individual property ownership certificates, its business, financial condition and results of operations may be materially and adversely affected.

## **REAL ESTATE REGISTRATION**

On 24 November 2014, the State Council promulgated the "Interim Regulations on Real Estate Registration" (不動產登記暫行條例), which became effective on 1 March 2015 and provides that the competent department of land and resources under the State Council shall be responsible for guiding and supervising the real estate registration of the State. The local government at or above the county level shall designate a department as the real estate registration authority within its administrative region, and such department shall be subject to the guide and supervision by the competent real estate registration authority at the higher level. The "Implementing Rules of the Interim Regulations on Real Estate Registration" (不動產登記暫行條例實施細則), effective from 1 January 2016, authorizes the real estate registration authority to perform a site inspection following an acceptance of the application for real estate registration and sets out regulations regarding real estate registration information management.

## **Transfer of Real Estate**

According to the Urban Real Estate Law and the “Provisions on Administration of Transfer of Urban Real Estate” (城市房地產轉讓管理規定) promulgated by the Ministry of Construction in August 1995, as amended in August 2001, a property owner may sell, bequeath or otherwise legally transfer the property to another person or legal entity. When a property is transferred, the ownership of the property and the land use rights attached to property are transferred. The parties to a transfer shall enter into a real estate transfer contract in writing and register the transfer with the real estate administration authority having jurisdiction over the location of the property within 90 days of the execution of the transfer contract. Where the land use rights were originally obtained by government grant, the property may only be transferred on the condition that: (i) the land premium has been paid in full for the grant of the land use rights as provided by the land grant contract and a land use right certificate has been obtained; (ii) development has been carried out according to the land grant contract; and in the case of a project in which buildings are being developed, development representing more than 25 per cent of the total investment has been completed, or in case of a whole land lot development project, construction work has been carried out as planned, water supply, sewerage, electricity supply, heat supply, access roads, telecommunications and other infrastructure or utilities have been made available, and the site has been leveled and made ready for industrial or other construction purposes. If the land use rights were originally obtained by government grant, the term of the land use rights after transfer of the property shall be the remaining portion of the original term provided by the land grant contract after deducting the time that has been used by the former land users. In the event that the transferee intends to change the use of the land provided in the original land grant contract, consent shall first be obtained from the original assignor and the planning administration authority under the local government of the relevant city or county and an agreement to amend the land grant contract or a new land grant contract shall be signed in order to, inter alia, adjust the land premium accordingly.

If the land use rights were originally obtained by allocation, transfer of the property shall be subject to the approval of the government vested with the necessary approval authority as required by the State Council. After such government approves such a transfer, the transferee shall complete the formalities for transfer of the land use rights, unless the relevant statutes require no transfer formalities, and pay the transfer price according to the relevant statutes.

## **Mortgages of Properties**

Under the “Urban Real Estate Law” promulgated in July 1994, as amended in August 2007 and in August 2009, respectively, the “Measures for Administration of Mortgages of Urban Real Estate” (城市房地產抵押管理辦法) promulgated in May 1997, as amended in August 2001, and the PRC Civil Code, effective on 1 January 2021, when a mortgage is created on the ownership of a building legally obtained, a mortgage shall be simultaneously created on the land use right of the land on which the property is situated. The mortgagor and the mortgagee shall sign a mortgage contract. After a real estate mortgage contract has been signed, the parties to the mortgage shall register the mortgage with the real estate administration authority at the location where the property is situated. A real estate mortgage contract shall become effective on the date of registration of the mortgage. If a mortgage is created on the property in respect of which a property ownership certificate has been obtained legally, the registration authority shall make an entry under the “third party rights” item on the original property ownership certificate and then issue a certificate of third-party rights on the property to the mortgagee. If a mortgage is created on the commodity property put up for pre-sale or on works in progress, the registration authority shall record the details on the mortgage contract. If construction of a property is completed during the term of a mortgage, the parties involved shall re-register the mortgage of the property after issuance of the certificates evidencing the rights and ownership to the property.

## **Property Management**

According to the “Regulation on Real Estate Management” (物業管理條例) enacted by the State Council on 8 June 2003 and effective on 1 September 2003, amended on 26 August 2007, 6 February 2016 and 19 March 2018, respectively, the general meeting of owners in a property can appoint or dismiss the property management service provider with affirmative votes of more than half of the owners who in the aggregate hold more than 50 per cent of the total non-communal area of the property. Before the formal appointment of a property service enterprise by the general meeting of the owners, a written temporary service contract should be signed by the construction institutions (for example, a developer) and a property service enterprise.

## **Environmental Laws**

Potential liability for environmental problems could result in substantial costs and delay in the development of the Company’s projects. The Company is subject to a variety of laws and regulations concerning environmental protection. The local environmental laws and regulations applicable to any development site vary greatly according to the site’s location and environmental condition, the present and former uses of the site and the nature of the adjoining properties. Compliance with environmental laws and conditions may result in delays in development schedules, may cause the Company to incur substantial compliance and other costs and may prohibit or severely restrict project development activity in environmentally-sensitive regions or areas.

The PRC environmental regulations including the Environmental Protection Law (2014 Revision) (中華人民共和國環境保護法 (2014年修訂)), the Prevention and Control of Noise Pollution Law (2018 Revision) (中華人民共和國環境噪聲污染防治法(2018年修訂)), the Prevention of Environmental Pollution by Solid Waste (中華人民共和國固體廢物污染環境防治法) being effective on 7 November 2016, the Environmental Impact Assessment Law (2018 Revision) (中華人民共和國環境影響評價法(2018年修訂)) and the Administrative Regulations on Environmental Protection for Development Projects (2017 Revision) (建設項目環境保護管理條例) (2017年修訂) provide that each project developed by a property developer is required to undergo an environmental assessment. Unless otherwise provided by the relevant laws, a property developer is required to submit an environmental impact report, an environmental impact analysis table or an environmental impact registration form to the relevant government authorities for approval before commencement of construction. If the Company fails to comply with these requirements, the local environmental authority may order it to suspend construction of the project until the development environmental impact assessment report is submitted to and approved by the local environmental authority. The local environmental authority may also impose on the Company a fine of RMB50,000 to RMB200,000 in respect of a project if the Company commences construction prior to obtaining such approval from the local environmental authority. There can be no assurance that the Company will be able to complete environmental assessment procedures for its future projects and that the relevant environmental authorities will not order it to suspend construction of these projects or will not impose a fine on it. In the event that there is a suspension of construction or imposition of a fine, this may adversely affect the business and financial condition of the Company.

In addition, PRC regulations require environmental protection facilities included in a property development to pass the inspection by the environmental authorities in order to obtain completion approval before commencing operations. The residential and commercial property projects of the Company have environmental protection facilities that are subject to this requirement. If the Company fails to comply with this requirement, the local environmental authorities may order it to suspend construction or prohibit the use of the facilities, which may disrupt its operations and adversely affect its business. Environmental authorities may also impose a fine of up to RMB100,000 on the Company in respect of a project which is required to have environmental protection facilities but fails to do so. The Company is currently applying for the completion approval of environmental protection facilities for some projects. There can be no assurance that the Company can obtain such approvals in a timely manner or at all. In the event that such completion approvals cannot be obtained or if a fine is imposed on the Company, its business and financial condition may be materially and adversely affected.

## **SAFE Regulation**

The Company's ability to satisfy its obligations under the Bonds mainly depends upon the ability of its PRC subsidiaries to obtain and remit sufficient foreign currency to pay dividends to them and, if applicable, to repay shareholder loans. The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency to jurisdictions outside China. Under existing PRC foreign exchange regulations, payments of certain current account items can be made in foreign currencies without prior approval from the local branch of the SAFE, by complying with certain procedural requirements. However, except as otherwise specified by laws and regulations, approval from the appropriate government authorities is usually required where Renminbi is to be converted into foreign currency and remitted to a jurisdiction outside China to pay capital expenses such as the repayment of bank loans denominated in foreign currencies. The PRC government may also, at its discretion, restrict access to foreign currencies for current account transactions in the future. The Company's PRC subsidiaries must present certain documents to the SAFE, its authorised branch, or the designated foreign exchange bank, for approval before they can obtain and remit foreign currencies out of China, including, in the case of dividends, evidence that the relevant tax record procedure has been completed and, in the case of shareholder loans, evidence of the registration of the loan with the SAFE. Prior to payment of interest and principal on any shareholder loan that the Company makes to its PRC subsidiaries, the relevant PRC subsidiary must also present evidence that the relevant registration procedure relating to the withholding tax on the interest payable of such shareholder loan has been completed. If the PRC foreign exchange control system prevents the Company from obtaining sufficient foreign currency, or if the Company's PRC subsidiaries for any reason fails to satisfy any of the PRC legal requirements for remitting foreign currency payments, such PRC subsidiary will be unable to pay the Company dividends or interest and principal on shareholder loans, which may affect the Company's ability to satisfy their obligations under the Bonds.

### ***SAFE Regulation on Current Account RMB Remittance***

Under the applicable PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Since April 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. On 17 June 2010, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades (關於擴大跨境貿易人民幣結算試點有關問題的通知). In August 2011, the PRC government promulgated the Circular on Expanding the Regions of Cross-border Trade Renminbi Settlement (關於擴大跨境貿易人民幣結算地區的通知) to further expand Renminbi cross-border trade settlement nationwide. In February 2012, the PRC government further promulgated the Notice on Matters Relevant to the Administration of Enterprises Engaging in Renminbi Settlement of Export Trade in Goods (關於出口貨物貿易人民幣結算企業管理有關問題的通知). In March 2014, the PRC government promulgated the Notice on Simplifying Procedures for the Administration of Enterprises Engaging in Renminbi Settlement of Export Trade in Goods (關於簡化出口貨物貿易人民幣結算企業管理有關事項的通知).

Pursuant to the circulars mentioned above, (i) Renminbi settlement of import and export of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts were expanded to cover all provinces and cities in the PRC, (iii) the restriction on designated offshore districts has been lifted and (iv) any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for export of goods, provided that the relevant provincial government has submitted to PBOC and five other PRC authorities (the "Six Authorities") a list of key enterprises subject to supervision and the Six Authorities have verified and published such list (the "Supervision List").



Accordingly, offshore enterprises are entitled to use Renminbi to settle import of goods and services and other current account items between them and qualified PRC enterprises. Renminbi remittance for export of goods from the PRC may be effected by (a) enterprises with the foreign trading right and incorporated in a province which has already submitted the Supervision List (for the avoidance of doubt, that PRC enterprise does not necessarily need to be included in the Supervision List) or (b) enterprises that have been approved as a pilot enterprise for using Renminbi for exports if the relevant province has not submitted the Supervision List.

On 23 October 2019, the SAFE issued the Notice on Further Promoting and Facilitating the Cross-border Trade and Investment (關於進一步促進跨境貿易投資便利化的通知) (“Circular 28”), which became effective on the same date. Circular 28 optimizes foreign exchange management policies and measures. In terms of cross-border trade, the measures include but not limited to (i) expand the pilot area for facilitation of foreign exchange receipts and payments for trade, so that enterprises with good business reputation could enjoy greater convenience; (ii) to simplify procedures for receipts and payments of trade funds for small and micro cross-border e-commerce enterprises; (iii) to optimize the report methods of foreign exchange business with respect to goods trade; and (iv) to simplify the procedures for export receipts accounting and allow enterprises to choose whether to open an account for verification, etc.

The Circular Regarding Further Optimizing the Cross-border RMB Policy to Support the Stabilization of Foreign Trade and Foreign Investment (關於進一步優化跨境人民幣政策支持穩外貿穩外資的通知) jointly promulgated by the PBOC, NDRC, MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the CBIRC and SAFE on 31 December 2020 and effective on 4 February 2021 allows the non-investment foreign-invested enterprises to make domestic reinvestment with RMB capital in accordance with the law on the premise that they comply with prevailing regulations and the invested projects in China are authentic and compliant. In addition, if a foreign-invested enterprise uses RMB income under capital accounts to conduct domestic reinvestment, the invested enterprise is not required to open a special deposit account for RMB capital.

#### ***SAFE Regulation on Capital Account RMB Remittance***

Under the applicable PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Except as otherwise specified by laws and regulations, capital account payments are generally subject to approval or registration of the relevant PRC authorities.

Prior to March 2020, settlements for capital account items are generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or relevant PRC parties are also generally required to make capital item payments including proceeds from liquidation, transfer of shares, reduction of capital, interest and principal repayment to foreign investors in a foreign currency. That said, the relevant PRC authorities or the qualified banks may grant approval or registration for a foreign entity to make a capital contribution or a shareholder’s loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to service interest and principal repayment to its foreign investor outside the PRC in Renminbi on a trial basis. The foreign invested enterprise may be required to complete a registration and verification process with the relevant PRC authorities or the qualified banks before such Renminbi remittances. On 1 March 2020, the new Foreign Investment Law (外商投資法) becomes into effective, pursuant to which MOFCOM approval is no longer required for FDI, and foreign investors are allowed to make capital contribution in Renminbi or foreign currency at their own discretion.

On 7 April 2011, SAFE promulgated the Circular on Issues Concerning the Capital Account Items in connection with Cross-Border Renminbi (國家外匯管理局綜合司關於規範跨境人民幣資本項目業務操作有關問題的通知) (the “SAFE Circular”), which became effective on 1 May 2011. According to the SAFE Circular, in the event that foreign investors intend to use cross-border Renminbi (including offshore Renminbi and onshore Renminbi held in the capital accounts of non-PRC residents) to make a contribution to an onshore enterprise or make payment for the transfer of equity interest of an onshore enterprise by a PRC resident, such onshore enterprise shall be required to submit the relevant MOFCOM’s prior written consent to the relevant local branches of SAFE of such onshore enterprise and register for a foreign

invested enterprise status. Further, the SAFE Circular clarifies that the foreign debts borrowed, and the external guarantee provided by onshore entities (including financial institutions) in Renminbi shall, in principle, be regulated under the current PRC foreign debt and external guarantee regime.

On 12 October 2011, MOFCOM promulgated the Circular on Issues in relation to Crossborder Renminbi Foreign Direct Investment (商務部關於跨境人民幣直接投資有關問題的通知) (the “MOFCOM RMB FDI Circular”). In accordance with the MOFCOM RMB FDI Circular, MOFCOM and its local counterparts are authorised to approve Renminbi Foreign Direct Investment (“Renminbi FDI”) in accordance with existing PRC laws and regulations regarding foreign investment, with the following exceptions which require the preliminary approval by the provincial counterpart of MOFCOM and the consent of MOFCOM: (i) Renminbi FDI with the capital contribution in Renminbi of 300 million or more; (ii) Renminbi FDI in financing guarantee, financing lease, micro financing or auction industries; (iii) Renminbi FDI in foreign invested investment companies, venture capital or equity investment enterprises; or (iv) Renminbi FDI in cement, iron & steel, electrolytic aluminium, shipbuilding or other policy sensitive sectors. In addition, Renminbi FDI in the real estate sector is allowed following the existing rules and regulations of foreign investment in real estate, although Renminbi foreign debt remains unavailable to foreign invested real estate enterprises. The proceeds of Renminbi FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreement under the PRC strategic investment regime.

On 13 October 2011, PBOC promulgated the Measures for Administration of RMB Settlement Business in Relation to Foreign Direct Investment (外商直接投資人民幣結算業務管理辦法) (“The PBOC Renminbi FDI Measures”), pursuant to which, PBOC special approval for Renminbi FDI and shareholder loans which was required by the PBOC Notice concerning Clarification of Certain Issues on Cross-border Renminbi Settlement (中國人民銀行關於明確跨境人民幣業務相關問題的通知) (the “PBOC Notice”) promulgated on 3 June 2011 is no longer necessary. The PBOC Renminbi FDI Measures provide that, among others, foreign invested enterprises are required to conduct registrations with the local branch of PBOC within ten working days after obtaining the business licenses for the purpose of Renminbi settlement. Under the measures, a foreign investor is allowed to open a Renminbi preliminary expense account (人民幣前期費用專用存款賬戶) to reimburse some expenses before the establishment of a foreign invested enterprise and the balance in such an account can be transferred to the Renminbi capital account (人民幣資本金專用存款賬戶) of such foreign invested enterprise when it is established. Commercial banks can remit a foreign investor’s Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries out of the PRC after reviewing certain requisite documents. If a foreign investor intends to use its Renminbi proceeds from distribution (dividends or otherwise) by its PRC subsidiaries, the foreign investor may open a Renminbi re-investment account (人民幣再投資專用賬戶) to pool the Renminbi proceeds, and the PRC parties selling stock in domestic enterprises to foreign investors can open Renminbi accounts and receive the purchase price in Renminbi paid by foreign investors. The PBOC Renminbi FDI Measures also state that the foreign debt quota of a foreign invested enterprise constitutes its Renminbi debt and foreign currency debt from its offshore shareholders, offshore affiliates and offshore financial institutions, and a foreign invested enterprise may open a Renminbi account (人民幣一般存款賬戶) to receive its Renminbi proceeds borrowed offshore by submitting the Renminbi loan contract to the commercial bank and make repayments of principal of and interest on such debt in Renminbi by submitting certain documents as required to the commercial bank.

On 14 June 2012, the PBOC promulgated the Notice concerning Clarification of Renminbi Settlement in relation to Foreign Direct Investment (關於明確外商直接投資人民幣結算業務操作細則的通知) (the “PBOC Notice 2012”), which provides more detailed requirements with respect to all accounts concerning capital injection, payment of purchase price in the merger and acquisition of PRC domestic enterprises, remittance of dividends and distribution, as well as Renminbi denominated cross-border loans. Foreign investors, foreign-invested enterprises and domestic shareholders must check and clarify all the existing Renminbi accounts and provide supplementary documents to open an account or modify the information within three months after the promulgation of the PBOC Notice 2012. For those who have more than one preliminary expense account (前期費用專用存款賬戶), capital account (資本金專用存款賬戶), merger and acquisition account (併購專用存款賬戶) or equity transfer account (股權轉讓專用存款賬戶), they are required to choose one of them and close all of the other accounts. The funds in the accounts for Renminbi capital and Renminbi denominated cross-border loan (資本金專用存款賬戶及人民幣境外借款一般存款賬戶) shall not be used for investment in securities, financial derivatives, entrusted loans, financial products or properties of non-self-use. In addition, the foreign-invested non-investment enterprises shall not use the funds in the Renminbi capital account and Renminbi denominated cross-border loan account (資本金專用存款賬戶及人民幣境外借款一般存款賬戶) for re-investment in the PRC.

On 11 May 2013, SAFE promulgated the Provisions on Foreign Exchange Administration over Direct Investment Made by Foreign Investors in China (外國投資者境內直接投資外匯管理規定) (the “Circular”), which became effective on 13 May 2013 and was amended 10 October 2018. According to the SAFE Provisions, a foreign-invested Enterprise that needs to remit funds abroad due to capital reduction, liquidation, advance recovery of investment, profit distribution, etc. may purchase foreign exchange and make external payment with the relevant bank after going through corresponding registration.

On 3 December 2013, MOFCOM promulgated the Announcement on Issues in relation to Cross-border Renminbi Foreign Direct Investment (關於跨境人民幣直接投資有關問題的公告) (the “Announcement”), which became effective and implemented from 1 January 2014. According to the Announcement, foreign-invested enterprises shall not use the capital invested through Renminbi FDI to directly or indirectly invest in securities, financial derivatives (except for strategic invest in listed companies) or entrustment loans in the PRC. The MOFCOM RMB FDI Circular ceased to be effective on the same date of the implementation of the Announcement.

On 10 January 2014, SAFE promulgated the Notice of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Capital Account Foreign Exchange Administration (關於進一步改進和調整資本項目外匯管理政策的通知) which allows a domestic enterprise to lend to overseas enterprises with equity affiliation, provided that the domestic enterprise shall register the quotas of overseas lending with SAFE branch, and the cumulative overseas loan amount may not exceed 30 per cent. of its equity; if the loan amount exceed the said percentage, the SAFE branch shall decide on a case by case basis.

On 13 February 2015, the SAFE promulgated Circular 13 to simplify foreign exchange rules for cross-border investments. According to Circular 13, foreign exchange registration for foreign direct investment and outbound direct investment will be exempted from the approval by the SAFE and the registration rights will be delegated from the SAFE to the qualified banks from 1 June 2015. Under the Circular 13, foreign investors could open foreign exchange accounts in qualified banks directly after providing the banks with registration documents, with no need to obtain separate government approval. By Circular 13, such qualified banks will administer foreign exchange transactions according to the registration information provided by the parties and the SAFE will indirectly supervise foreign exchange registration by verifying and inspecting the qualified banks.

Before 2014, Foreign Investment Enterprises (“FIEs”) can only convert the foreign exchange in their capital accounts into RMB and withdraw the converted funds on an as-needed basis and there are also stringent rules on the purpose for which the converted RMB may be used.

According to the Circular on the Relevant Operating Issues concerning the Improvement of the Administration of Payment and Settlement of Foreign Currency Capital of Foreign-funded Enterprises issued by the General Affairs Department of the SAFE (國家外匯管理局綜合司關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知) (“Circular 142”) on 29 August 2008, for each conversion and withdrawal, an FIE is required to provide various supporting documents evidencing the authenticity of the transaction to relevant bank for review and verification. Also the converted RMB should only be used by FIEs in line with their business scope as approved by the examination and approval authorities, for example, for acquiring equipment and real property for self-use. Except for special type of FIEs such as venture capital and private equity enterprises, ordinary FIEs are generally prohibited from using the RMB converted from their capital account balance to make equity investments in other companies in China. And except for foreign-funded real estate enterprises, foreign-funded enterprise shall not use the RMB converted from their capital account balance to purchase domestic real estate for any purpose other than its own use.

In February 2014, SAFE’s Shanghai Branch promulgated the Circular on the Supporting the Construction of Foreign Exchange Control in the Shanghai Free Trade Zone (國家外匯管理局上海市分局關於印發支援中國(上海)自由貿易試驗區建設外匯管理實施細則的通知) (“Circular 26”) and SAFE issued the Approval for the Implementation Rules on Foreign Exchange Control in the Shanghai Free Trade Zone (國家外匯管理局關於中國(上海)自由貿易試驗區外匯管理實施細則的批覆) to approve the Circular 26. Circular 26 introduces certain liberalisation measures relaxing the above restrictions on companies incorporated in the Shanghai Free Trade Zone (“Shanghai FTZ”). On 16 December 2015, SAFE’s Shanghai Branch further promulgated the Implementation Rules on the Further Promotion of Foreign Exchange Reform and Trial in the Shanghai Free Trade Zone (國家外匯管理局上海市分局關於印發《進一步推進中國(上海)自由貿易試驗區外匯管理改革試點實施細則》的通知) (“Circular 145”), which abolished Circular 26 and introduced further relaxations in foreign exchange settlement and payment.

On 4 July 2014, SAFE issued the Circular on Relevant Issues Concerning the Pilot Reform in Certain Areas of the Administrative Method of the Conversion of Foreign Exchange Funds by Foreign-Invested Enterprises (關於在部分地區開展外商投資企業外匯資本金結匯管理方式改革試點有關問題的通知) (“Circular 36”). The issuance of Circular 36, which mirrors Circular 26 implemented in the Shanghai FTZ since February 2014, is seen as a step to further relax capital account settlement in more locations across China. Circular 36 applies to 16 designated industrial parks, including Zhongguancun Science Park, Suzhou Industrial Park, Tianjin Binhai New Area, Shenzhen Qianhai, Hengqin New Area, Chongqing Liangjiang New Area, and Shenyang Economic Zone (“Pilot Areas”).

On 30 March 2015, the SAFE promulgated the Circular of the SAFE on Relevant Issues Concerning the Reform of the Administrative Method of the Conversion of Foreign Exchange Funds by Foreign-invested Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知) (“Circular 19”), which will relax the capital account settlement for all foreign invested enterprises across the nation from 1 June 2015. According to Circular 19, Circular 142 and Circular 36 will cease to be effective on the same date of the implementation of Circular 19. On 9 June 2016, the SAFE further promulgated the Circular of the SAFE on Relevant Issues Concerning the Reform and Regulation of the Administrative Policies of the Conversion under Capital Items (國家外匯管理局關於改革和規範資本項目結匯管理政策的通知) (“Circular 16”). According to Circular 16, in case of any discrepancy between Circular 19 and Circular 16, Circular 16 shall prevail. Circular 16 allows all foreign invested enterprises across the PRC to convert 100 per cent. (subject to future adjustment at discretion of SAFE) of the foreign currency capital (which has been processed through the SAFE’s equity interest confirmation procedure for capital contribution in cash or registered by a bank on the SAFE’s system for account-crediting for such capital contribution) into Renminbi at their own discretion without providing various supporting documents. However, to use the converted Renminbi, a foreign invested enterprise still needs to provide supporting documents and goes through the review process with the banks for each withdrawal. A negative list with respect to the usage of the capital and the Renminbi proceeds through the aforementioned settlement procedure is set forth under the Circular 16.

In addition, pursuant to the Notice of State Administration of Foreign Exchange on Improving the Check of Authenticity and Compliance to Further Promote Foreign Exchange Control (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知) (the “Circular 3”) promulgated on 26 January 2017, when conducting outward remittance of a sum equivalent to more than US\$50,000 for a domestic institution, the bank shall, under the principle of genuine transaction, check the profit distribution resolution made by the board of directors (or profit distribution resolution made by partners), original of tax filing form and audited financial statements, and stamp with the outward remittance sum and date on the original of tax filing form. In addition, the domestic institution shall make up its losses of previous years with accordance to laws. On 24 March 2017 and 27 April 2017, the SAFE respectively posted two series of questions and answers on its official website, in order to further explain the Circular 3.

On 5 January 2018, the People’s Bank of China promulgated the Notice on Further Improving Policies of Cross-Border RMB Business to Promote Trade and Investment Facilitation (中國人民銀行關於進一步完善人民幣跨境業務政策促進貿易投資便利化的通知) (“Circular No. 3 [2018]”), which supports enterprises to use RMB in cross-border settlement and for the investment income such as profits and dividends legally obtained by overseas investors in China, banks shall review relevant materials as required before processing cross-border RMB settlement and ensure free remittance of profits of foreign investors in accordance with the law.

### **CIT and Withholding Tax**

Under the Corporate Income Tax Law amended on 29 December 2018, the Company may be classified as a “resident enterprise” of China. Such classification could result in unfavourable tax consequences to it and its non-PRC Noteholders. Under the CIT Law, an enterprise established outside of China with a “de facto management organisation” located within China will be considered a “resident enterprise,” and consequently will be treated in a manner similar to a Chinese enterprise for CIT purposes. The implementing rules of the CIT Law including the Notice of the State Administration of Taxation on Issues about the Determination of Chinese-Controlled Enterprises Registered Abroad as Resident

Enterprises on the Basis of Their Body of Actual Management (關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知) promulgated on 22 April 2009 and amended on 19 December 2017 and 29 January 2014 define “de facto management” as “substantial and overall management and control over the production and operations, personnel, accounting, and properties” of the enterprise pursuant to the Announcement of the State Administration of Taxation on Issues concerning the Determination of Resident Enterprises on the Basis of Their Actual Bodies (關於依據實際管理機構標準實施居民企業認定有關問題的公告). On 27 July 2011, the SAT issued, and then on 17 April 2015, 28 June 2016 and 15 June 2018 revised, the Measures on Administration of Chinese-Controlled Enterprises Registered Abroad Income Tax ((for Trial) (境外註冊中資控股居民企業所得稅管理辦法(試行)), in order to further regulate and strengthen the administration of the Chinese-controlled enterprises registered abroad on the basis of their body of actual management. However, it is still unclear how the PRC tax authorities will determine whether an entity will be classified as a “resident enterprise.” If the PRC tax authorities determine that the Company is a “resident enterprise” for PRC enterprise income tax purposes, a number of unfavourable PRC tax consequences could follow. The Company would generally be subject to CIT at a rate of 25 per cent. on its worldwide taxable income as well as PRC CIT reporting obligations. In the present case, this would mean that income such as interest from any investment of any portion of the offering proceeds and other income sourced outside of the PRC would be subject to PRC CIT at a rate of 25 per cent. If the Company is considered a “resident enterprise”, interest payable to certain “non-resident enterprise” holders of the Bonds may be treated as income derived from sources within China and be subject to PRC withholding tax at a rate of 10 per cent., and capital gains realised by such holders of the Bonds may be treated as income derived from sources within China and be subject to a 10 per cent. PRC tax, in each case subject to the provisions of any applicable tax treaty. Furthermore, if the Company is considered a “resident enterprise,” interest payable or gains earned by non-resident individual holders of the Bonds may be treated as income derived from sources within China and be subject to PRC income tax (which in the case of interest may be withheld at source) at a rate of 20 per cent., in each case subject to the provisions of any applicable tax treaty.

There are significant uncertainties under the CIT Law relating to the withholding tax liabilities of the Company’s PRC subsidiaries. Under the CIT Law, the profits of a foreign invested enterprise generated in 2008 and onwards which are distributed to its immediate holding company outside the PRC will be subject to a withholding tax rate of 10.0 per cent. or a lower treaty rate as contained in any income tax treaty or agreement to which China is a party. Pursuant to a special arrangement between Hong Kong and the PRC, such rate is lowered to 5.0 per cent. if a Hong Kong resident enterprise owns 25 per cent. or more equity interest in a PRC company. Some of the Company’s PRC subsidiaries are currently wholly owned by Hong Kong subsidiaries. According to the Circular of the SAT on Printing and Issuing the Administrative Measures for Non-resident individuals and Enterprises to Enjoy the Treatment Under Taxation Treaties (Trial) (非居民享受稅收協定待遇管理辦法) (試行), which became effective on 1 October 2009, the 5 per cent. withholding tax rate does not automatically apply and approvals from competent local tax authorities are required before an enterprise can enjoy any benefits under the relevant tax treaties. However, on 27 August 2015, the SAT promulgated the Administrative Measures for Tax Treaties Treatment for Non-resident Taxpayers (非居民納稅人享受稅收協定待遇管理辦法), which became effective on 1 November 2015 and amended on 15 June 2018 and replaced the previous circular, cancelled the pre-approval for non-resident taxpayers when claiming tax benefits for dividends, interest, royalties and capital gains. This means that taxpayers may determine whether they are qualified for the tax benefits by themselves and enjoy the preferential tax rates under the tax bureau’s afterwards supervision and management. The taxpayers may either choose to claim the benefits on their own or finish the application procedures with a tax withholding agent. Moreover, according to a tax circular issued by the SAT in February 2009, if the main purpose of an offshore arrangement is to obtain a preferential tax treatment, the PRC tax authorities have the discretion to adjust the preferential tax rate for which an offshore entity would otherwise be eligible. The PRC tax authorities might not grant approvals on the 5 per cent. withholding tax rate on dividends received by the Company’s subsidiaries in Hong Kong from the Company’s PRC subsidiaries.

## **Foreign Debt Laws**

Under PRC regulations, the Company may not be able to transfer to the Company's PRC subsidiaries proceeds from this offering, which could impair their respective ability to make timely payments of interest and principal under the Bonds. Under PRC rules and regulations relating to supervision of foreign debt, including policies of the SAFE, restrictions on the incurrence of foreign debt (including intercompany debt that would be owed to the Company by the Company's PRC subsidiaries) will require that the proceeds of this offering and other funding the Company provides to the Company's PRC subsidiaries that will be used for land acquisitions and developments in China may only be transferred to the Company's PRC subsidiaries as equity investments and not as loans. Equity contributions by the Company to the Company's PRC subsidiaries will require approvals from the PRC governmental authorities, such as the approvals from the commerce department of the local government and filing with MOFCOM and the local branch of the SAFE, which may take considerable time and delay the actual contribution to the PRC subsidiaries. This may adversely affect the financial condition of the PRC subsidiaries and may cause delays to the development undertaken by such PRC subsidiaries. There can be no assurance that the Company has obtained or will obtain in a timely manner or at all relevant necessary approval certificates or filings for all its operating subsidiaries in the PRC to comply with this regulation.

## **Anti-money Laundering Law**

According to the Anti-money Laundering Law of the People's Republic of China (中華人民共和國反洗錢法) published by the Standing Committee of the National People's Congress on 31 October 2006 and implemented on 1 January 2007, the financial institutions established in the People's Republic of China and specific non-financial-institutions which are required to perform anti-money laundering obligations according to the provisions shall adopt preventive and control measures pursuant to the law, and fulfil anti-money laundering obligations by establishing proper and comprehensive systems for determining customer identity, retaining customer identity information and transaction records, and a system of reporting large amount transactions and suspicious transactions.

Pursuant to Notice of on the Regulation of Housing Financing and Strengthening Anti-Money Laundering (關於規範購房融資和加強反洗錢工作的通知) promulgated and implemented on 29 September 2017 by the Ministry of Housing and Urban-Rural Development, the People's Bank of China and the China Banking Regulatory Commission, real estate development enterprises are strictly forbidden to provide "down payment loan" for house-purchase financing, including the real estate development enterprises shall not advance the down payment for purchasers or advance the down payment in other forms such as instalment for down payment, shall not provide purchasers with down payment through any platform or institution, shall not induce purchasers to finance through other institutions in any form, and shall not organize a "crowd-funding" purchase of house.

On 26 July, 2018, Notice of the General Office of the People's Bank of China on Strengthening the Anti-Money Laundering Supervision over Specific Non-Financial Institutions (中國人民銀行辦公廳關於加強特定非金融機構反洗錢監管工作的通知) was promulgated by People's Bank of China, which clarifies that real estate development companies carrying out the businesses as selling houses and providing services for real estate transactions shall perform anti-money laundering and counter-terrorism financing obligations.

## DIRECTORS AND MANAGEMENT OF THE COMPANY

Our Board currently consists of eight Directors, comprising five executive Directors and three independent non-executive Directors. Our Board is responsible and has general powers for the management and conduct of our business. The table below shows certain information in respect of the members of our Board as at the date of this offering memorandum:

Name	Age	Role(s)
CHEN Jun (陳軍) .....	46	Executive Director, Chairman of the Board, Chief Executive Officer and the Chairman of the Nomination Committee
WANG Weixian (王偉賢) .....	57	Executive Director and Honorary Chairman
HOU Guangjun (侯光軍) .....	49	Executive Director and Chief Operating Officer
WANG Xuling (王煦菱) .....	60	Executive Director
WU Zhengkui (吳正奎) .....	47	Executive Director
FONG Wo, Felix (方和) .....	70	Independent Non-Executive Director
KWAN Kai Cheong (關啟昌) .....	71	Independent Non-Executive Director, Chairman of the Audit Committee and the Remuneration Committee
Lam, Lee G. (林家禮) .....	61	Independent Non-Executive Director

### Directors

#### *Executive Directors*

**CHEN Jun (陳軍)**, 46, is the Executive Director, Chairman of the Board and Chief Executive Officer of the Company. Mr. Chen is responsible for the overall planning, formulation of strategies and overall daily operations of the Company. He has more than 20 years of experience in the real estate and construction industry, with extensive management experience in the industry. Since he joined the Greenland Holding in February 2001, Mr. Chen has served as project manager, assistant general manager and deputy general manager of the Business Divisions of Greenland Holding and vice president and executive vice president of Greenland Holding. Mr. Chen also serves as the honorary chairman of The Shanghai Chamber of Commerce in Shaanxi, vice chairman of the Air City Development Committee under the China Research Society Of Urban Development and a member of the 10th standing committee of the Shaanxi Youth Federation. Mr. Chen also serves as a deputy of the 11th and 12th People's Congress of Shaanxi Province, the honorary chairman of Shanghai Chamber of Commerce in Shaanxi, vice chairman of the Airport City Development Committee under the China City Development Research Society and a member of the 10th standing committee of the Shaanxi Youth Federation. Mr. Chen obtained a bachelor's degree in industrial and civil architecture from the College of Architecture and Engineering of Nanjing University of Technology, a master's degree in architectural and civil engineering from Xi'an University of Architecture and Technology, an EMBA degree from Tsinghua University School of Economics and Management and a PhD degree in national economics from the School of Chinese Academy of Social Sciences. Mr. Chen joined the Company in August 2013.

**WANG Weixian (王偉賢)**, 57, is the Executive Director, Honorary Chairman and founder of the Company. Mr. Wang is Chairman of both Cornerstone Capital and Alpha King Real Estate Development, a Vietnam-based real estate company, through which the Company has established partnership with Ping An Insurance Group. Mr. Wang is also Chairman of the Peninsula Shanghai Waitan Hotel Company Limited. Mr. Wang has over 20 years of experience in finance, construction, and property investment and development. Mr. Wang graduated from South China University of Technology with a Bachelor degree in Building Materials and University of Technology, Sydney (Australia) with a Bachelor degree of Commerce. He is also a councillor of the Shanghai Soong Ching Ling Foundation and The Nature Conservancy (TNC).

**HOU Guangjun (侯光軍)**, 49, is the Executive Director and Chief Operating Officer of the Company. Mr. Hou has over 20 years of experience in the real estate and construction industry, with extensive management experience in the industry. Since he joined Greenland Holding in November 1996, Mr. Hou has held the posts of engineer, project manager, assistant general manager, deputy general manager and general manager of the Business Divisions of Greenland Holding. Before joining Greenland Holding, he worked for Shanghai Railway Sub-administration. Mr. Hou graduated from Tongji University with a bachelor's degree in materials engineering. Mr. Hou joined the Company in August 2013.

**WANG Xuling (王煦菱)**, 60, is the Executive Director of the Company. Ms. Wang graduated from Ji'nan University (Guangzhou). Prior to joining the Company, Ms. Wang was the executive director and deputy general manager of Mission Hills Golf Club ("Mission Hills Group"), responsible for sales and marketing of properties. Before joining Mission Hills Group, Ms. Wang had about 12 years of experience in the news and media business. Ms. Wang joined the Company as Executive Director in 2007 and was once the Chief Executive Officer of the Company since April 2011.

**WU Zhengkui (吳正奎)**, 47, is the Executive Director of the Company. Mr. Wu is also the deputy general manager of the Finance Department of Greenland Holding. Mr. Wu graduated from Fudan University with a master's degree in accounting. He also has the professional title of intermediate accountant. Mr. Wu has over 15 years of experience in the real estate and construction industry, with extensive experience in financial management within the industry. Since he joined Greenland Holding in January 2002, Mr. Wu has served as finance manager, director and supervisor of the subsidiaries of Greenland Holding and assistant general manager of the Finance Department of Greenland Holding. Mr. Wu joined the Company in August 2013.

#### **Independent Non-executive Directors**

**FONG Wo, Felix (方和)**, BBS, JP, 70, is an Independent Non-Executive Director of the Company since 2006, a practicing solicitor in Hong Kong and is also qualified in Canada and England. He is appointed by the Ministry of Justice of China as one of the China-Appointed Attesting Officers in Hong Kong. Mr. Fong is a consultant and the founding partner of the Hong Kong law firm, King & Wood (formerly known as Arculli Fong & Ng), and has practiced law for over 30 years, including eight years in Toronto. Mr. Fong is an independent non-executive director of a number of listed companies, namely Guangdong Land Holdings Limited (formerly known as Kingway Brewery Holdings Limited), Evergreen International Holdings Limited, Sheen Tai Holdings Group Company Limited, Xinming China Holdings Limited and WuXi Biologics (Cayman) Inc., whose shares are listed on the Hong Kong Stock Exchange. Mr. Fong is also an independent non-executive director of Bank of Shanghai (Hong Kong) Limited. From May 2010 to May 2016, Mr. Fong was an independent non-executive director of China Oilfield Services Limited, whose shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange. From April 2011 to July 2018, Mr. Fong was an independent non-executive director of China Investment Development Limited, a company listed on the Hong Kong Stock Exchange. Mr. Fong is a member of the Guangdong Provincial Committee of Chinese People's Political Consultative Conference (9th and 10th Sessions), a director of the China Overseas Friendship Association, a director of the Shanghai Chinese Overseas Friendship Association and an executive director of the Guangdong Overseas Friendship Association. He is the former chairman of the Advisory Council on Food and Environmental Hygiene and is a member of the Hong Kong Communications Authority and a director of the Hong Kong Basic Law Institute. Mr. Fong is a member of the first Selection Committee for the purposes of electing the Chief Executive for Hong Kong Special Administrative Region, a founding member of the Canadian International School of Hong Kong, a member of the Board of Advisers for the Faculty of Business of the University of Victoria, British Columbia, Canada and a visiting professor of the School of Law of Sun Yat-sen University, China.



**KWAN Kai Cheong (關啟昌)**, 71, is an Independent Non-Executive Director of the Company since 2006, holds a Bachelor of Accountancy (Honors) degree from the University of Singapore and is a member of the Institute of Chartered Accountants in Australia. He is also a fellow of the Hong Kong Institute of Directors. Mr. Kwan is presently Chairman of the Board of Utopa Limited, a commercial property operating company in China and the president of Morrison & Company Limited, a business consultancy firm.

**LAM, Lee G. (林家禮)**, 61, is an Independent Non-Executive Director of the Company since 13 March 2020, and Chairman of Hong Kong Cyberport and Non-executive Chairman – Greater China and ASEAN Region of Macquarie Infrastructure and Real Assets. He is also a member of the Committee on Innovation, Technology and Re-Industrialization, the Governance Committee of the Hong Kong Growth Portfolio, the Development Bureau Common Spatial Data Advisory Committee of the Hong Kong Special Administrative Region Government; Convenor of the Panel of Advisors on Building Management Disputes of the HKSAR Government Home Affairs Department, and a member of the Court of the City University of Hong Kong; Chairman of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) Sustainable Business Network (ESBN) and its Task Force on Banking and Finance, Vice Chairman of Pacific Basin Economic Council (PBEC), and a member of the Hong Kong Trade Development Council Belt and Road and Greater Bay Area Committee, and the Sir Murray MacLehose Trust Fund Investment Advisory Committee.

## Senior Management

The table below sets forth certain information concerning our other senior management members:

Name	Age	Role(s)
LI Peng (李鵬) .....	38	Vice President
CHEN Zengli (陳增立).....	44	Vice President
JIANG Zhongmin (姜忠民) .....	52	Assistant President
YANG Jian (楊建).....	43	Assistant to the General Manager
XIE Yu (謝雨).....	54	Assistant to the General Manager
LEI Yu (雷雨).....	48	Secretary to the Board and General Manager of Legal and Risk Control Center
SHI Hongjun (施紅軍).....	44	General Manager of Company's Operation and Management Department
CHEN Lin (陳霖).....	44	General Manager of the Company's Internal Audit Department
LIN Xiaoli (林曉利).....	46	General Manager of the Company's Digital Technology Department
LI Qiang (李強).....	46	General Manager of Cost Management Department
SUN Yu (孫昱).....	45	General Manager of Technology Research and Development Department
WU Zhiqiang (吳志強).....	46	General Manager of Investment and Development Department
SUN Guangzheng (孫光正) .....	44	General Manager of the Marketing Management Department
ZHOU Tian (周天).....	50	General Manager of Human Resources Department
JIANG Hualian (蔣華聯) .....	49	Director of General Office
JIA Shunfei (賈順飛).....	43	General Manager of Operation Development
FAN Xingwang (范興旺).....	41	General Manager of the Business Management Department
LU Weiping (陸維平).....	41	General Manager of Property Company of the Company

**LI Peng (李鵬)**, 38, is a member of the Communist Party, the Vice President of the Company and the General Manager of Jiangsu Company. Mr. LI Peng graduated from Shaanxi Normal University with a bachelor's degree in Education. He also obtained his master's degree in Business Administration from China Europe International Business School. Mr. LI Peng joined the Northwest Business Division of Greenland Group in 2007 and has more than 10 years of experience in real estate marketing. He was awarded the "Business Role Model" of 2012 of Greenland Group, "Outstanding Manager of Greenland Hong Kong for 2016", "Model Staff of Greenland Group for the Year", "Outstanding Manager of Greenland Hong Kong for 2017", "Merit Prize for the Fifth Anniversary of Greenland Hong Kong" for 2018, "Outstanding Manager of Greenland Hong Kong for 1H 2018", "Outstanding Manager of Greenland Hong Kong", "Model Staff of Greenland Group", "Three-Star Marketing Prize of Greenland Group", "Outstanding Manager of Greenland Hong Kong" and "Person of the Year of Greenland Group" for two consecutive years of 2019 and 2020.

**CHEN Zengli (陳增立)**, 44, is a member of the Communist Party, the Vice President of the Company and in charge of Financial Management Department. Mr. CHEN Zengli obtained his bachelor's degree in Economics from Shanghai University of Finance and Economics and master's degree in Global Economics from Jilin University. Mr. CHEN Zengli has 20 years of relevant experiences in China's four largest banks, and his highest position was the deputy branch Manager of Bank of China (Wenzhou Branch) and a member of the CPC Committee. After that, he worked as the assistant president in Zhongliang Holdings Group responsible for financing, finance and investment and as the General Manager of Zhejiang Branch of Southwest Securities, specialised in interbank borrowings, investment banking, investment and financing business. With years of experiences in finance and property business management, he has efficient ability in controlling finance and treasury business. Mr. CHEN Zengli joined Greenland Hong Kong at the end of 2018.

**JIANG Zhongmin (姜忠民)**, 52, is a member of the Communist Party, a deputy general manager of the Greater Bay Area branch company, the Assistant President of the Company. Mr. JIANG Zhongmin obtained a bachelor's degree in Economics and Management from China Agricultural University. With 30 years of experience in the real estate industry, Mr. JIANG Zhongmin held senior management positions for a long period of time with extensive experience in investment and development of real estate projects. Mr. JIANG Zhongmin joined Greenland Group at the end of 1993 and was previously the chief officer of Jinlu Company, assistant to the general manager of the ancillary Department and assistant to the general manager of the Property Business Division II of the Group. He previously worked in Shanghai Electronic Instruments Bureau Real Estate Company (上海市儀錶局房地產公司) (formerly known as Electronic Instruments Housing Office 儀錶局住宅辦). Mr. JIANG Zhongmin joined Greenland Hong Kong at the end of 2017.

**YANG Jian (楊建)**, 43, is a probationary member of the Communist Party, an assistant to the general manager of the Company, a deputy general manager of the Greater Bay Area branch company, and the general manager of Guangzhou Company. Mr. Yang Jian graduated from Tongji University majoring in architecture and obtained a master's degree. He has eleven years of experience in the real estate industry and has held senior management positions for a long time, during which he accumulated extensive experience in the operation and management of real estate companies. Mr. Yang joined Greenland Group in July 2010 and has served as an architect of the technology R&D department of the Group and an assistant to the general manager of Guangdong Business Division. Prior to that, he worked in East China Architectural Design & Research Institute Company Ltd.

**XIE Yu (謝雨)**, 54, is a member of the Communist Party, an assistant to the general manager of the Company, and a deputy general manager of the Greater Bay Area branch company. Ms. Xie Yu graduated from Chongqing Civil Engineering Institute and obtained a Bachelor's degree. Ms. Xie Yu has more than 30 years of experience in the real estate industry and has held senior management positions for a long time, during which she accumulated extensive experience in the design, marketing and project operation of real estate companies. Ms. Xie Yu joined Greenland Group in June 2003 and has served as the chief technology officer of Business Division IV, an assistant to the general manager of the technology R&D department of the headquarters and an assistant to the general manager of the Business Division I. Prior to that, she worked in Fujian Zhangzhou Architectural Design Institute and was a member of the Standing Committee of Zhangzhou Municipal People's Congress.

**LEI Yu (雷雨)**, 48, is a member of the Communist Party, is the Secretary to the Board and General Manager of Legal and Risk Control Center of the Company. At the same time, he is in charge of Capital Market Department and Internal Audit Department. Mr. LEI Yu graduated from Fudan University with a bachelor's degree in law and a master's degree in public administration. He also obtained a master's degree in business administration of senior management from China Europe International Business School. Mr. LEI Yu is a qualified lawyer in the PRC and has over 20 years of extensive experience in compliance and internal risk control of listed companies, mergers, acquisitions and reorganization of companies, project investment and financing and contract negotiation, etc. Prior to joining the Company in May 2003, Mr. LEI Yu worked at Grandall Law Firm (Shanghai), where he was mainly engaged in real estate, corporate mergers and acquisitions, asset restructuring and IPO projects. Mr. LEI Yu was recognised as the "2014 Industrial Honorary Role Model of Greenland Group", "Outstanding Manager of Greenland Hong Kong for 2015", "Outstanding Manager of Greenland Hong Kong for 2016", "Model Staff of the Group for 2016", "Outstanding Manager of Greenland Hong Kong for 2017", "Merit Prize for the Fifth Anniversary of Greenland Hong Kong", "Outstanding Manager of Greenland Hong Kong for 2018", "Advanced Staff of Greenland Group for 2018", "Outstanding Manager of Greenland Hong Kong for 2019" "Model Staff of Greenland Group for 2019" and "Outstanding Manager of Greenland Hong Kong for 2020".

**SHI Hongjun (施紅軍)**, 44, is a member of the Communist Party, senior engineer with the qualifications of National First Class Registered Architect and the general manager of Company's operation and management department. Mr. Shi Hongjun obtained a bachelor's degree in industrial and civil architecture from Nanjing University of Technology and a master's degree in structural engineering from Southeast University. Mr. Shi Hongjun joined Greenland Hong Kong in June 2015, and prior to that, he worked in East China Architectural Design & Research Institute. He has more than ten years of experience in the whole process of design, management and control of various major projects and is familiar with full cycle project management, large-scale operation management and customer service management. He was awarded the "8th First Prize of National Excellent Structural Design" by Architectural Society of China, "Second Prize of Excellent Design Engineering" by the Ministry of Housing and Urban Rural Development and "Outstanding Manager of Greenland Hong Kong" in 2020.

**CHEN Lin (陳霖)**, 44, is a member of the Communist Party and the general manager of the Company's internal audit department. Ms. Chen Lin obtained a bachelor's degree in accounting from Shanghai University, and is an intermediate accountant and CICPA. Ms. Chen Lin joined Greenland Hong Kong in May 2007, and prior to that, she worked in Ernst & Young Dahua Certified Public Accountants. She has nearly ten years of experience in merger and acquisition, asset reorganization, IPO and internal risk evaluation and control. In 2019, she was awarded the "Outstanding Manager of Greenland Group".

**LIN Xiaoli (林曉利)**, 46, is a member of the Communist Party and the general manager of the Company's Digital Technology Department. He is the general manager of Bo Zhi Company and the general manager of HeZhi Company. Mr. Lin Xiaoli obtained a bachelor's degree from University of Shanghai for Science and Technology and a master's degree in international relations from Fudan University. Mr. Lin Xiaoli worked in various regional and municipal level government departments and is specialised in strategic development planning, macroeconomic policies and industrial development and research, investment project management, management of government procurement and press and publicity. He joined Greenland Hong Kong in May 2020, and prior to that, he worked as a section member of Shanghai Hongkou District International Exchange Center, deputy chief of the Office of Shanghai Development and Reform Commission, chief of the Office of Shanghai Food and Drug Administration and chief of the Integrated planning and Finance Division of Shanghai Medical Products Administration.

**LI Qiang (李強)**, 46, is a member of the Communist Party and the General Manager of Cost Management Department of the Company and the General Manager of Hui Chang Company. Mr. LI Qiang graduated from Tongji University with a bachelor's degree in project management and obtained a CEIBS EMBA degree. He is a fellow member of The Royal Institution of Chartered Surveyors, a registered cost engineer, and an intermediate engineer. With over 20 years of experience in cost and budget management, Mr. LI Qiang is seasoned in dynamic cost calculation and control throughout the entire process of a project. After joining Greenland Group in 2006, he has served as the Deputy Cost Manager of the

Commercial Group, Deputy Cost Manager of the Property Business Division II and Cost Director of the Shandong Business Division. Previously, he worked at Shimao Group and Widnell Ltd. He was awarded “Outstanding Manager of Greenland Hong Kong for 2017”, “Outstanding Manager of Greenland Hong Kong for 2018”, “Advanced Staff of Greenland Group for 2018”, “Outstanding Manager of Greenland Hong Kong for 2019” and “Advanced Staff of Greenland Group for 2019”.

**SUN Yu (孫昱)**, 45, is the General Manager of Technology Research and Development Department of the Company. Mr. SUN Yu graduated from Dalian University of Technology (Joint Supervision with Southeast University) with a master’s degree in architecture. He is a Class I registered architect and obtained an EMBA degree from China Europe International Business School. He has over 20 years of experience in architectural design. Prior to joining Greenland Group in 2010, Mr. SUN Yu worked in East China Architectural Design & Research Institute and was responsible for the management of various ultra-high-rise, urban complex and high-end residential building large-scale project, such as Greenland Huangpu Center (Shanghai), Nanning Greenland Central Plaza, Kunming Hai Po Lan Ting, Wuxi Sky Tree.

**WU Zhiqiang (吳志強)**, 46, is a member of the Communist Party and the General Manager of Investment and Development Department of the Company. Mr. WU Zhiqiang obtained a bachelor’s degree in industrial and civil architecture from Nanjing Tech University and an EMBA degree from Antai Economics Management College in Shanghai Jiao Tong University. He is a senior engineer with 22 years of experience in real estate industry. Prior to joining Greenland Group in 2003, Mr. WU Zhiqiang was a project manager of the Property Business Division II, the manager, assistant to the general manager and vice general manager of the Engineering Department of Northwest Business Division of Greenland; and served as the general manager of the Xi’an District Company of Greenland, the general manager of the Inner Mongolia Company and joined Greenland Hong Kong in March 2016. He was the 13th Committee Member of Xi’an. He was recognised as the “Special Contributor” in the meritorious service contest of residential building division in Shanghai Municipal and honored with the Shanghai Municipal Contributor’s Award. He was also recognised as Greenland “Outstanding Operation Manager” twice and was the first president of the Chamber of Commerce Shanghai in Inner Mongolia Autonomous Region and the executive president of the Chamber of Commerce Shanghai in Shaanxi Province. Mr. Wu was recognised as the “Outstanding Manager of Greenland Hong Kong for 2020” and “Advanced Staff of Greenland Group” in 2020.

**SUN Guangzheng (孫光正)**, 44, is a member of the Communist Party and the General Manager of the Marketing Management Department of the Company. Mr. SUN Guangzheng graduated from Xi’an Jiaotong University majoring in marketing and has nearly 20 years of experiences in real estate industry. Mr. SUN Guangzheng joined Greenland Holdings in June 2005, and worked as urban marketing director of Northwest Business Division, marketing director of Beijing and Tianjin Business Division, marketing director of Property Business Division I. Prior to joining Greenland Hong Kong in February 2019, he was the vice general president of Ronshine Group.

**ZHOU Tian (周天)**, 50, is a member of the Communist Party, the General Manager of Human Resources Department of the Company and a member of the Society for Human Resources Management (SHRM). Mr. ZHOU Tian graduated from Shanghai University with a bachelor’s degree and obtained a MPA degree from Fudan University and has over 20 years of experiences in real estate industry. Mr. ZHOU Tian joined Greenland Group in December 1999, and worked for Communist Party Affairs Department, General Office of the Group and served as the officer of Property Business Division I, director of American Company of Greenland Group and director of Human Resources Department. Before that, he worked for Polar Research Institute of China and Shanghai Pudong New District Meilongzhen (Group) Co., Ltd. Mr. Zhou Tian joined Greenland Hong Kong in February 2019.

**JIANG Hualian (蔣華聯)**, 49, is a member of the Communist Party, the director of general office of Greenland Hong Kong. Ms. JIANG Hualian graduated from Si Tanka University in USA with a MBA degree and an intermediate title. Prior to joining Greenland Hong Kong in May 2018, Ms. JIANG Hualian was Deputy Director of Shanghai Jingan Special Education Guidance Center and Vice Principal of Nanyang School, assistant to director and head of Business Development Department of Shanghai Youth Activity Center of Shanghai Communist Youth League Committee, a Party Committee member of Shanghai Youth Activity Center and secretary of the party branch of Shanghai Youth Culture Center.

**JIA Shunfei (賈順飛)**, 43, is the General Manager of Operation Development Group and the General Manager of Greenland International Education Park. Mr. JIA Shunfei graduated from Cheung Kong Graduate School of Business with a master's degree in business administration. Prior to joining Greenland Hong Kong in February 2018, Mr. JIA Shunfei was the general manager of Investment Expansion Division of White Peak, vice general manager of Guangxi Company of Greenland Hong Kong and assistant to president of SPG.

**FAN Xingwang (范興旺)**, 41, is the General Manager of the Business Management Department of the Company, the General Manager of the Yiwu project and the deputy general manager of the asset management centre of the Greater Bay Area branch company. Prior to joining Greenland Hong Kong in September 2019, Mr. Fan Xingwang was the general manager of business management of Beijing district in Tahoe Group, deputy general manager of the operation center of Yintai Group in China and the general manager of business management of Linhai Yintai City in Zhejiang.

**LU Weiping (陸維平)**, 41, is the General Manager of Property Company of the Company. He joined Greenland Hong Kong in September 2018. Mr. LU Weiping graduated from Fudan University with a bachelor's degree in real estate economic management, an intermediate title and National Certified Property Manager's Qualification Certificate. Prior to joining the Company, he was senior manager of Colliers International, director of Property Management Division of Forte (Group) Co., Ltd. and the General Manager of Property Business Division I of Shanghai Vanke Property Services Company Limited. He was awarded "Outstanding Youth of Shanghai Property Association" in 2019.

## **Board Committees**

### ***Audit Committee***

The Board established the audit committee on 19 September 2006 with specific written terms of reference which deal clearly with its authority and responsibilities.

The committee is responsible for formulating and reviewing the financial and internal control principles of the Company. The committee is also responsible for making recommendation to the Board on the appointment, re-appointment and removal of the external auditors, approving the remuneration and terms of engagement of the external auditors and considering any questions of resignation or dismissal of such auditors. The committee can seek independent professional advice to complement its own resources to discharge its duties.

The committee comprises all the independent non-executive Directors, namely Messrs. FONG Wo, Felix, JP., KWAN Kai Cheong and LAM, Lee G.. Mr. KWAN Kai Cheong is the chairman of the committee.

### ***Remuneration Committee***

The Board established the remuneration committee on 19 September 2006 with specific written terms of reference which deal clearly with its authority and responsibilities.

The committee is responsible for formulating and reviewing the remuneration policy and specific remuneration packages of all executive Directors. In formulating the remuneration policy, the committee takes into consideration factors such as salaries paid by comparable companies, employment conditions and responsibilities, and individual performance of the Directors, senior management, and the general staff. The committee can seek independent professional advice to complement its own resources to discharge its duties.

The remuneration committee currently comprises Mr. CHEN Jun, Ms. WANG Xuling and all the independent non-executive Directors namely Messrs. FONG Wo, Felix, JP., KWAN Kai Cheong and LAM, Lee G.. Mr. KWAN Kai Cheong is the chairman of the committee.

### *Nomination Committee*

The Company established a nomination committee on 1 April 2013 in compliance with the CG Code. The nomination committee is responsible for nomination and selection of Directors. Proposed new Directors are selected based on skills and experience that will enable them to make positive contributions to the performance of the Board. The nomination committee is chaired by Mr. CHEN Jun and has specific written terms of reference which deal clearly with its authority and responsibilities and posted on the respective websites of the Company and the Stock Exchange. The principal functions of the nomination committee include:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nomination for directorships;
- to assess the independence of independent non-executive Directors; and
- to make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular chairman and chief executive.

The nomination committee currently comprises two executive Directors, namely Messrs. CHEN Jun and HOU Guangjun; and all the independent non-executive Directors, namely Messrs. FONG Wo, Felix, JP., KWAN Kai Cheong and LAM, Lee G.. Mr. CHEN Jun is the chairman of the committee.

## RELATED PARTY TRANSACTIONS

The following discussion describes certain material related party transactions between our consolidated subsidiaries and our directors, executive officers and principal shareholders and, in each case, the companies with whom they are affiliated. Each of our related party transactions was entered into in the ordinary course of business, on fair and reasonable commercial terms, in our interests and the interests of our shareholders.

As a listed company on the Hong Kong Stock Exchange, we are subject to the requirements of Chapter 14A of the listing rules of the Hong Kong Stock Exchange (the “Listing Rules”) which require certain “connected transactions” with “connected persons” be approved by a company’s independent shareholders. Each of our related party transactions disclosed hereunder that constitutes a connected transaction within the meaning of the Listing Rules requiring shareholder approval has been so approved, or otherwise exempted from compliance under Chapter 14A of the Listing Rules.

During the year ended 31 December 2020, the Group entered into the following transactions and arrangements with persons who constituted “connected persons” which were required to be disclosed for the purposes of the Listing Rules:

On 15 October 2020, Shanghai Xintie Enterprise Management Co., Ltd. (上海信鐵企業管理有限公司), a wholly-owned subsidiary of the Company, entered into a contractor agreement with Guangxi Construction Engineering Group No. 5 Construction Engineering Co., Ltd. (廣西建工集團第五建築工程有限責任公司) (“Contractor A”) to appoint Contractor A as the contractor in relation to the main contracting of construction and installation works of phase I of the ASEAN Head Office Project (東盟總部項目一期項目) to be developed on land parcel situated at the western side of Nayue Road and the northern side of Jinhai Road, Liangqing District, Nanning City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區南寧市良慶區金海路以北、那約路以西) for an estimated total contract sum of RMB62.23 million subject to adjustment. As Greenland Holdings controlled the exercise of approximately 64.6 per cent. of the voting power at shareholders meetings of Contractor A, Contractor A was a connected person of the Company under the Listing Rules, and the aforesaid transaction constituted a connected transaction for the Company.

On 15 October 2020, Shanghai Yingrui Enterprise Management Co., Ltd. (上海穎瑞企業管理有限公司), a wholly-owned subsidiary of the Company, entered into a contractor agreement with Contractor A to appoint Contractor A as the contractor in relation to the main contracting of construction and installation works of phase V of the ASEAN Head Office Project (東盟總部項目五期項目) to be developed on land parcel situated at the western side of Nayue Road and the northern side of Jinhai Road, Liangqing District, Nanning City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區南寧市良慶區金海路以北、那約路以西) for an estimated total contract sum of RMB167.05 million subject to adjustment. As Greenland Holdings controlled the exercise of approximately 64.6 per cent of the voting power at shareholders meetings of Contractor A, Contractor A was a connected person of the Company under the Listing Rules, and the aforesaid transaction constituted a connected transaction for the Company.

On 15 October 2020, Foshan Hongyi Real Estate Investment Co., Ltd. (佛山市鴻億置業投資有限公司), a wholly-owned subsidiary of the Company, entered into a contractor agreement with Shanghai Greenland Construction Engineering Co., Ltd. (上海綠地建築工程有限公司) (“Contractor B”) to appoint Contractor B as the sub-contractor in relation to the subcontracting of the retaining wall engineering works for phase II of the Greenland Mountain Time Project (綠地拾野川項目二期擋牆工程) to be developed on a land parcel situated at Genghe Town, Gaoming District, Foshan City, Guangdong Province, the PRC (中國廣東省佛山市高明區更合鎮) for an estimated total contract sum of RMB5.50 million subject to adjustment. As it was wholly-owned by Greenland Holdings, Contractor B was a connected person of the Company under the Listing Rules, and the aforesaid transaction constituted a connected transaction for the Company.

On 12 October 2020, Greenland Holding Group Company Limited and Greenland Real Estate Group Co. Ltd. (綠地地產集團有限公司), which were wholly-owned subsidiaries of Greenland Holdings (collectively the “Vendors”), Shanghai Oriental Cambridge Property Development Co., Ltd. (上海東方康橋房地產發展有限公司) (the “Purchaser”), which was a wholly-owned subsidiary of the Company, and Guangzhou Greenland Real Estate Development Co. Ltd. (廣州綠地房地產開發有限公司) (the “Target Company”), which was a wholly-owned by the Vendors, entered into the equity transfer agreement, pursuant to which the Purchaser had conditionally agreed to acquire from the Vendors the entire equity interest in the Target Company. The consideration for the said acquisition comprised (i) an equity consideration of approximately RMB3.64 billion (subject to adjustment); and (ii) an amount equal to the amount of loans and dividend payable owed by the Target Company and its subsidiaries (collectively the “Target Group”) to Greenland Holdings and its subsidiaries (collectively the “Greenland Group”) (excluding the Group and the Target Group) as at the date of completion of the said acquisition after set-off of loans owed by the Greenland Group to the Target Group. The said acquisition was completed on 31 December 2020. Certain members of the Target Company and its subsidiaries (collectively the “Target Group”) and Greenland Holdings and its subsidiaries (excluding the Group and the Target Group) had been carrying out transactions under certain agreements for landscape construction and greening works for certain projects of the Target Group (the “Pre-existing Landscape Agreements”) and certain contractor agreements for construction works for certain projects of the Target Group (the “Pre-existing Contractor Agreements”). After the said acquisition, the transactions contemplated under the Pre-existing Landscape Agreements and the Pre-existing Contractor Agreements constituted continuing connected transactions and connected transactions for the Company respectively. The Pre-existing Landscape Agreements are expected to be completed by 31 December 2021, and have a total contract sums of approximately RMB0.22 billion. The Preexisting Contractor Agreements are expected to be completed by 31 March 2022 and have a total contract sum of approximately RMB2.91 billion.

On 8 May 2020, Greenland Kunming Dianchi Property Co., Ltd. (昆明綠地滇池置業有限公司) (“Dianchi Project Company”), a wholly-owned subsidiary of the Company, entered into a contractor agreement with Contractor B to appoint Contractor B as the contractor in relation to the main contracting of construction and installation works of phase 1-1 of the Greenland Dian Lake International Health Town (綠地滇池國際健康城1-1期項目) to be developed on land parcel no.31 situated at Dayu Village, Chenggong District, Kunming City, Yunnan Province, the PRC (中國雲南省昆明市呈貢區大漁鄉) for an estimated total contract sum of RMB45.15 million subject to adjustment. As it was wholly-owned by Greenland Holdings, Contractor B was a connected person of the Company under the Listing Rules, and the aforesaid transaction constituted a connected transaction for the Company.

On 8 May 2020, Dianchi Project Company entered into a contractor agreement with Contractor B to appoint Contractor B as the contractor in relation to the main contracting of construction and installation works of phase 1-1 of the Greenland Dian Lake International Health Town (綠地滇池國際健康城1-1期項目) to be developed on land parcel no.32 situated at Dayu Village, Chenggong District, Kunming City, Yunnan Province, the PRC (中國雲南省昆明市呈貢區大漁鄉) for an estimated total contract sum of RMB108.51 million subject to adjustment. As it was wholly-owned by Greenland Holdings, Contractor B was a connected person of the Company under the Listing Rules, and the aforesaid transaction constituted a connected transaction for the Company.

On 8 May 2020, Wuxi Guangcheng Metro Above-Station Property Development Co., Ltd. (無錫廣成地鐵上蓋置業有限公司), a 90 per cent.-owned subsidiary of the Company, entered into a contractor agreement with Jiangsu Construction Engineering Group Co., Ltd. (江蘇省建築工程集團有限公司) (“Contractor C”) to appoint Contractor C as the contractor in relation to the main contracting of construction and installation works of phase II of the Greenland Sky Tree Project (綠地天空樹二期項目) to be developed on a land parcel situated at Binhu District, Wuxi City, Jiangsu Province, the PRC (中國江蘇省無錫市濱湖區) for an estimated total contract sum of RMB68.32 million subject to adjustment. As it was 50 per cent.-owned by Greenland Holdings, Contractor C was a connected person of the Company under the Listing Rules, and the aforesaid transaction constituted a connected transaction for the Company.



On 8 May 2020, Guangde Lvhang Real Estate Co., Ltd (廣德綠航置業有限公司), a wholly-owned subsidiary of the Company, entered into a contractor agreement with Tianjin City Construction Engineering Main Contracting Co., Ltd. (天津市建工工程總承包有限公司) (“Contractor D”) to appoint Contractor D as the contractor in relation to the main contracting of construction and installation works of the Guangde Intercity Space Project (廣德城際空間站項目) to be developed on land parcel No. GT6-01-0407 situated at Guangde County, Xuancheng City, Anhui Province, the PRC (中國安徽省宣城市廣德縣) for an estimated total contract sum of RMB163.64 million subject to adjustment. As it was 72.18 per cent.-controlled by Greenland Holdings, Contractor D was a connected person of the Company under the Listing Rules, and the aforesaid transaction constituted a connected transaction for the Company.

On 8 May 2020, the Company entered into a cooperation framework agreement (the “2020 Framework Agreement”) with Greenland Group Senmao Landscape Engineering Co., Ltd. (綠地集團森茂園林有限公司) (“Senmao”) in relation to the landscape construction and greening works for certain property development projects of the Group in the PRC. As it was owned as to 60 per cent by Greenland Holdings, Senmao was a connected person of the Company under the Listing Rules, and the transactions contemplated under the 2020 Framework Agreement constituted a continuing connected transactions for the Company. The annual contracted amount payable for the transactions contemplated under the 2020 Framework Agreement for the following financial years shall not exceed the amounts set out below:

2020: approximately RMB179.12 million;  
2021: approximately RMB69.09 million; and  
2022: approximately RMB7.68 million.

Details of the above continuing connected transactions were set out in the announcements of the Company dated 8 May 2020, 12 October 2020, 15 October 2020, the circular of the Company dated 25 November 2020 and the announcement of the Company dated 31 December 2020.

## TAXATION

*The following summary of certain Cayman Islands, Hong Kong and PRC tax consequences of the purchase, ownership and disposition of the Bonds is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this offering memorandum, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of the Bonds should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of the Bonds, including such possible consequences under the laws of their country of citizenship, residence or domicile.*

### **Cayman Islands**

Under the laws of the Cayman Islands, payments of interest and principal on the Bonds will not be subject to taxation and no withholding will be required on the payment of interest and principal or premium to any holder of the Bonds, as the case may be, nor will gains derived from the disposal of the Bonds be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue of the Bonds provided that the Bonds are executed and remain outside the Cayman Islands. An instrument of transfer in respect of a Bond is stampable if executed in or brought into the Cayman Islands.

The Company has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands as to tax concessions under the Tax Concessions Act of the Cayman Islands. In accordance with the provision of section 6 of the Tax Concessions Act of the Cayman Islands, the Governor in Cabinet undertakes with the Company:

- a. That no law which is thereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations;
- b. In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable, on or in respect of the Company's shares, debentures or other obligations, or by way of the withholding, in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Act of the Cayman Islands; and
- c. These concessions shall be for a period of 20 years from 2 May 2006.

### **Hong Kong**

#### ***Withholding Tax***

No withholding tax is payable in Hong Kong in respect of payments of principal, premium (if any) or interest in respect of the Bonds or in respect of any capital gains arising from the sale of the Bonds.

#### ***Profits Tax***

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Bonds is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong;

- (ii) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a company (such as a partnership), carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (iii) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 11) of Hong Kong) and arises through or from the carrying on by the financial institution of its business in Hong Kong.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Bonds will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, from the carrying on of a trade, profession or business in Hong Kong and the sum has a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

If the Bonds are short or medium term debt instruments (as defined in the Inland Revenue Ordinance), profits tax will be assessable at one-half of the standard profits tax rate.

#### ***Stamp Duty***

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Bond (for so long as the register of holders of the Bonds is maintained outside Hong Kong).

#### ***Estate Duty***

No Hong Kong estate duty is payable in respect of the Bonds.

### **PRC**

The following summary describes certain PRC tax consequences of ownership and disposition of the Bonds by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC Bondholders in this “*Taxation – PRC*” section. In considering whether to invest in the Bonds, investors should consult their own tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Pursuant to the CIT Law and its implementation regulations including the Notice of the State Administration of Taxation on Issues about the Determination of Chinese-Controlled Enterprises Registered Abroad as Resident Enterprises on the Basis of Their Body of Actual Management (關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知) promulgated on 22 April 2009, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose “de facto management organisations” are within the territory of China are treated as PRC tax resident enterprises for the purpose of the CIT Law and must pay PRC enterprise income tax at the rate of 25 per cent. in respect of their taxable income. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “de facto management organisation” of the Company is within the territory of PRC, the Company may be treated as a PRC tax resident enterprise for the purpose of the CIT Law, and the Company may be subject to PRC enterprise income tax at the rate of 25 per cent. on its taxable income. At the date of the offering memorandum, the Issuer has not been notified or informed by the PRC tax authorities that it is considered to be a PRC tax resident enterprise for the purpose of the CIT Law.

However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the CIT Law and related implementation regulations in the future. Pursuant to the CIT Law and its implementation regulations, any non-resident enterprise without an establishment within the PRC or whose income has no connection to its establishment inside the PRC must pay enterprise income tax on income sourced within the PRC, and such income tax must be withheld at source by the PRC payer. Accordingly, if the Company is treated as a PRC tax resident enterprise by the PRC tax authorities, the Company may be required to withhold income tax from the payments of interest in respect of the Bonds to any non-PRC Bondholder, and gain from the disposition of the Bonds may be subject to PRC tax, if the income or gain is treated as PRC-source. The tax rate is generally 10 per cent. for non-resident enterprise Bondholders and 20 per cent. in the case of non-resident individuals. Any such PRC tax liability may be reduced by the provisions of an applicable tax treaty. However, it is unclear whether, if the Company is considered a PRC resident enterprise, non-resident holders might be able to obtain the benefit of income tax treaties or agreements entered into between PRC and their countries. If the Company is required under CIT Law to withhold PRC tax on payments it makes on the Bond, it will be required to pay additional amounts to Bondholders, subject to certain exceptions, so that they would receive the full amount of the scheduled payment, as further set out in the Terms and Conditions of the Bonds.

### **VAT**

On 23 March 2016, the MOF and SAT issued the Circular 36, which confirmed that business tax is replaced by VAT from 1 May 2016. Since then, the income derived from the provision of financial services which attracted business tax has been completely replaced by, and subject to, VAT. According to Circular 36, entities and individuals providing services within China are subject to VAT. The services are treated as being provided within China where either the service provider or the service recipient is located in the PRC. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the term “loans” refers to the activity of lending capital for another’s use and receiving the interest income thereon. The issuance of the Bonds may be regarded as the provision of financial services by Bondholders and interest payments on the Bonds may be subject to withholding of VAT if the Company is a PRC resident enterprise for PRC tax purposes at a rate of 6 per cent. plus related surcharges.

On 21 December 2016, the Ministry of Finance and the State Administration of Taxation issued the Circular 140, which has been retroactively effective since 1 May 2016. The Circular 140 further clarified that VAT is applicable to investment returns on contracts which undertake for fully recoverable principal, but is not applicable to the non-principal-protected gains from investments in financial products. As there is no definition of non-principal-protected gains under Circular 36 or Circular 140, there is uncertainty as to whether the Bonds shall be deemed to be a financial product that provides for non-principal-protected-gain investment.

As the circulars pertaining VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties. Therefore, the applicability of VAT if either the seller or buyer of the Bonds is located inside the PRC is uncertain. In particular, where a Bondholder who is an individual resells the Bonds, VAT may be exempted according to Circular 36 if the resale of Bonds is treated as resale of financial products. Where a Bondholder who is an entity located outside of the PRC resells the Bonds to an entity or individual located outside of the PRC and derives any gain, VAT does not apply since neither the service provider nor the service recipient is located in the PRC. However, where a Bondholder who is an entity resells the Bonds, there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC.

Circular 36 has been issued quite recently and the above statement may be subject to further change upon the issuance of clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36.

## SUBSCRIPTION AND SALE

The Company has entered into a subscription agreement with Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited, The Hongkong and Shanghai Banking Corporation Limited, BOCI Asia Limited, Citigroup Global Markets Limited, BOCOM International Securities Limited, Central Wealth Securities Investment Limited and SPDB International Capital Limited (together, the “Joint Lead Managers”) dated 27 May 2021 (the “Subscription Agreement”) pursuant to which and subject to certain conditions contained in the Subscription Agreement, the Company agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to severally, but not jointly, subscribe and pay for the aggregate principal amount of the Bonds set forth opposite its name below:

<b>Joint Lead Managers</b>	<b>Principal Amount of the Bonds to be Subscribed</b>
	(US\$)
Guotai Junan Securities (Hong Kong) Limited .....	27,000,000
Haitong International Securities Company Limited .....	27,000,000
The Hongkong and Shanghai Banking Corporation Limited.....	27,000,000
BOCI Asia Limited .....	27,000,000
Citigroup Global Markets Limited .....	27,000,000
BOCOM International Securities Limited .....	5,000,000
Central Wealth Securities Investment Limited .....	5,000,000
SPDB International Capital Limited .....	5,000,000
<b>Total</b> .....	<b>150,000,000</b>

The Subscription Agreement provides that the Company will indemnify the Joint Lead Managers and their affiliates against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent and entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Company.

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities (“Banking Services or Transactions”). The Joint Lead Managers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services and/or Transactions with the Company for which they have received, or will receive, fees and expenses. In addition, the Company has agreed with the Joint Lead Managers that certain private banks will be paid a commission in connection with the purchase of the Bonds by their private bank clients.

In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliates, or affiliates of the Company, may place orders, receive allocations and purchase Bonds for their own account (without a view to distributing such Bonds). Such entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Company, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering. Accordingly, references herein to the Bonds being ‘offered’ should be read as including any offering of the Bonds to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Company for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so. Furthermore, it is possible that only a limited number of investors may subscribe for a significant proportion of the Bonds. If this is the case, liquidity of trading in the Bonds may be constrained (see “Risk Factors – Risks Relating to the Bonds – The liquidity and price of the Bonds following this offering may be volatile.”). The Company and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Bonds amongst individual investors.

Some of the Joint Lead Managers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Company. The Joint Lead Managers have received, or may in the future receive, customary fees and commissions for these transactions.

In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Company, including the Bonds. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Company routinely hedge their credit exposure to the Company consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Company's securities, including potentially the Bonds offered hereby. Any such short positions could adversely affect future trading prices of the Bonds offered hereby. The Joint Lead Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Bonds or other financial instruments of the Company, and may recommend to their clients that they acquire long and/or short positions in the Bonds or other financial instruments.

In connection with the issue of the Bonds, each of the Joint Lead Managers appointed and acting in its capacity as a stabilisation manager (the "Stabilisation Manager") or any person acting on behalf of the Stabilisation Manager may, to the extent permitted by applicable laws and directives, over allot the Bonds or effect transactions with a view to supporting the price of the Bonds at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager shall act as principal and not as agent of the Company. However, there is no assurance that the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager will undertake stabilisation action. Any loss or profit sustained as a consequence of any such over allotment or stabilisation shall be for the account of the Joint Lead Managers.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the issuer in such jurisdiction.

## **General**

None of the Company or any Joint Lead Manager has made any representation that any action will be taken in any jurisdiction by the Joint Lead Managers or the Company that would permit a public offering of the Bonds, or possession or distribution of the offering memorandum (in preliminary, proof or final form) or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. No Joint Lead Manager is authorised to make any representation or use any information in connection with the issue, subscription and sale of the Bonds other than as contained in, or which is consistent with, the final offering memorandum or any amendment or supplement to it.

## **United States**

The Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered, sold or delivered within the United States. The Bonds are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

## **European Economic Area**

### ***Prohibition of Sales to EEA Retail Investors***

The Bonds have not been and will not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - i. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or
  - ii. a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - iii. not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Directive”); and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

Consequently, no key information document as would be required by Regulation (EU) No 1286/2014 (as amended, the “EU PRIIPs Regulation”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

## **United Kingdom**

Each Joint Lead Manager has represented, warranted and agreed that:

- (a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Company;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

The Bonds have not been and will not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “UK”). For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - i. a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or
  - ii. a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (as amended, the “UK PRIIPs Regulation”) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

## **The PRC**

Each Joint Lead Manager has represented, warranted and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People’s Republic of China.

## **Hong Kong**

Each Joint Lead Manager has represented, warranted and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.



## Singapore

Each Joint Lead Manager has acknowledged that the offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Bonds or caused such Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause such Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Bonds, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 2(1) of the SFA) or securities-based derivatives contracts (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA, except:

- (i) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; or
- (ii) where no consideration is or will be given for the transfer; or
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37 A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “CMP Regulations 2018”), the Issuer has determined the classification of the Bonds as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**Japan**

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended, the “Financial Instruments and Exchange Act”). Accordingly, each Joint Lead Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

**Cayman Islands**

No offer or invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Bonds. The Bonds have not been and will not be offered or sold in the Cayman Islands.

## **RATINGS**

We have been assigned a long-term corporate rating of Ba2 with a stable outlook by Moody's and a long-term corporate credit rating of BB- with a stable outlook by S&P. We cannot assure you that the ratings will remain in effect for any given period or that the ratings will not be revised by such rating agencies in the future if in their judgment circumstances so warrant.

## GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream with Common Code 234693042 and ISIN XS2346930428 for the Bonds.
2. **Authorisation:** The Company has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Bonds, the Trust Deed and the Agency Agreement. The issue of the Bonds was authorised by resolutions of the board of directors of the Company on 20 May 2021. PRC counsel to the Company and the Joint Lead Managers have advised that no approvals or consents are required from any regulatory authorities or other relevant authorities in the PRC for the Company to engage in the transaction.
3. **No Material Adverse Change:** Except for those as disclosed in this offering memorandum, there has been no material adverse change in the financial or trading position or prospects of the Company since 31 December 2020.
4. **Litigation:** None of the Company or any other member of the Group is involved in any litigation or arbitration proceedings that the Company believes are material in the context of the Bonds, the Company is not aware that any such proceedings are pending or threatened.
5. **Available Documents:** Copies of the Company's audited financial statements for the years ended 31 December 2019 and 2020, the Trust Deed, the Agency Agreement and the Articles of Association of the Company will be available for inspection from the Issue Date at No. 111 Xiehe Road, Changning District, Shanghai, China, 200335, during normal business hours, so long as any of the Bonds is outstanding. The Company prepares its annual financial statements each year.
6. **Financial Statements:** The audited consolidated financial statements of the Company as at and for the years ended 31 December 2018, 2019 and 2020 which are included elsewhere in this offering memorandum and were included in the Company's audited consolidated financial statements for the years ended 31 December 2019 and 2020 have been audited by Deloitte as stated in the reports appearing herein.
7. **Listing:** Application will be made to the Hong Kong Stock Exchange for the listing of the Bonds by way of debt issues to Professional Investors only as described in this Offering Memorandum. The Hong Kong Stock Exchange takes no responsibility for the correctness of any statements made on opinions or reports contained in this Offering Memorandum. Admission of the Bonds to the official list of the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Bonds or us. If the application to the Hong Kong Stock Exchange to list the Bonds is approved, such Bonds listed on the Hong Kong Stock Exchange will be traded on the Hong Kong Stock Exchange in a board lot size of at least HK\$500,000 (or its equivalent in other currencies). It is expected that dealing in, and listing of, the Bonds on the Hong Kong Stock Exchange will commence on 7 June 2021.

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

### Audited consolidated financial information as at and for the years ended 31 December 2020<sup>1</sup>

Independent Auditor's Report.....	F-2
Consolidated Statement of Profit or Loss and Other Comprehensive Income .....	F-10
Consolidated Statement of Financial Position .....	F-12
Consolidated Statement of Changes in Equity.....	F-14
Consolidated Statement of Cash Flows .....	F-16
Notes to the Consolidated Financial Statements.....	F-19
Summary of Consolidated Financial Information .....	F-198

### Audited consolidated financial information as at and for the years ended 31 December 2019<sup>1</sup>

Independent Auditor's Report.....	F-200
Consolidated Statement of Profit or Loss and Other Comprehensive Income .....	F-208
Consolidated Statement of Financial Position .....	F-210
Consolidated Statement of Changes in Equity.....	F-212
Consolidated Statement of Cash Flows .....	F-214
Notes to the Consolidated Financial Statements.....	F-217
Summary of Consolidated Financial Information .....	F-372

1 The accountants' report on the Group's consolidated financial statements as at and for the years ended 31 December 2019 and 2020 set out herein are reproduced from the Group's annual reports for the years ended 31 December 2019 and 2020 respectively. Page references referred to in the above named reports refer to pages set out in such annual reports.

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

# Deloitte.

# 德勤

### TO THE SHAREHOLDERS OF GREENLAND HONG KONG HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

### OPINION

We have audited the consolidated financial statements of Greenland Hong Kong Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 185 to 372, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) 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 Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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.

### 致綠地香港控股有限公司股東

(於開曼群島註冊成立的有限公司)

### 意見

本行已審核載列於第185至372頁綠地香港控股有限公司(「**貴公司**」)及其子公司(統稱「**貴集團**」)的綜合財務報表，其包括於二零二零年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面利潤表、綜合權益變動表及綜合現金流量表、以及綜合財務報表的附註(包括重大會計政策概要)。

本行認為，綜合財務報表已根據國際會計準則理事會(「**國際會計準則理事會**」)頒佈的國際財務報告準則(「**國際財務報告準則**」)真實而公平地反映貴集團於二零二零年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

### 意見的基準

本行已根據香港會計師公會(「**香港會計師公會**」)頒佈的香港審計準則(「**香港審計準則**」)進行審計。本行在該等準則下的責任已於本報告「核數師就審計綜合財務報表須承擔的責任」一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(以下簡稱「**守則**」)，本行獨立於貴集團，並已履行守則中的其他道德責任。本行相信，本行所獲得的審計憑證能充足及適當地為本行的審計意見提供基礎。

### 關鍵審計事項

關鍵審計事項為根據本行的專業判斷，認為對本期間綜合財務報表的審計最為重要的事項。該等事項於本行審計整體綜合財務報表及出具意見時處理，而本行不會對該等事項提供獨立的意見。

INDEPENDENT AUDITOR'S REPORT (Continued)  
獨立核數師報告(續)

**Key audit matters**

**關鍵審計事項**

**Valuation of investment properties**

**投資物業估值**

We identified the valuation of investment properties as a key audit matter due to the key management judgement and estimations are required in determining the fair value of investment properties.

As disclosed in note 22 to the consolidated financial statements, management has estimated the fair value of investment properties to be at approximately RMB11,727 million at 31 December 2020. A fair value gain of approximately RMB578 million is recognised in the consolidated statement of profit or loss and other comprehensive income for the year then ended.

我們識別了投資物業估值為關鍵審計事項，原因是釐定投資物業的公允價值時涉及主要管理人員的判斷及估計。

誠如綜合財務報表附註22所披露，於二零二零年十二月三十一日，管理層已估計投資物業的公允價值約為人民幣11,727,000,000元。截至該日止年度的綜合損益及其他全面利潤表內確認公允價值收益約人民幣578,000,000元。

**How our audit addressed the key audit matter**

**我們的審計如何處理關鍵審計事項**

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

- Evaluating the competence, capabilities and objectivity of the Valuer;
- Obtaining the valuation report issued by the Valuer and evaluating the valuation methodology and approach appropriate for use in determining the fair value of investment properties. Obtaining the understanding on the key assumptions and evaluating the appropriateness of the key assumptions included within the valuations, namely capitalisation rates, unit market rent rate and unit market price on a sample basis;

我們有關投資物業估值進行的程序包括：

- 評估估值師的勝任能力、才幹及客觀程度；
- 取得估值師出具的估值報告，並評估適用以釐定投資物業公允價值的估值方法及方式。了解主要假設，按抽樣基準評估估值包含的主要假設是否合適，即資本化率、單位市場租金及單位市場價格；

INDEPENDENT AUDITOR'S REPORT (Continued)  
獨立核數師報告(續)

**Key audit matters**

**關鍵審計事項**

**Valuation of investment properties (Continued)**

**投資物業估值(續)**

The Group has engaged the independent external valuer, Cushman & Wakefield ("C&W") (the "Valuer"), in assisting the management's estimation of the fair value of investment properties.

As disclosed in note 22 to the consolidated financial statements, fair value of investment properties under development are determined using direct comparison approach and fair value of completed investment properties are determined using income capitalisation approach. The revaluations are dependent on certain key inputs that require significant management estimation, including estimated costs to completion of investment properties under development, capitalisation rates, average unit market rent and average unit market price.

貴集團已聘請獨立外部估值師戴德梁行(「戴德梁行」)(「估值師」)協助管理層估計投資物業的公允價值。

誠如綜合財務報表附註22所披露，開發中投資物業的公允價值乃採用直接比較法釐定，而已完工投資物業的公允價值乃採用收益資本化法釐定。重新估值乃取決於若干涉及管理層作出重大估計的主要輸入數據，包括建成在建投資物業的估計成本、資本化率、平均單位市場租金及平均單位市場價格。

**How our audit addressed the key audit matter**

**我們的審計如何處理關鍵審計事項**

- Assessing the reasonableness of estimated costs to completion of investment properties under development by comparing, on a sample basis, the previous budgeted costs to actual development costs incurred, and checking to supporting documentation such as quantity surveyors reports and signed contracts; and
- Assessing the accuracy of the information provided by the management to the Valuer by agreeing the rental income and tenancy summary to the respective underlying tenancy agreements, on a sample basis.
- 透過按抽樣基準將先前所預算成本與實際產生的開發成本進行比較，以評定在建物業達至完工的預計成本是否合理，核查證明文件記錄(如工料測量師報告及已簽署合約)；及
- 透過按抽樣基準核對租金收入及租賃概要是否與各相關租賃協議相符，以評定管理層向估值師提供之資料之準確程度。



INDEPENDENT AUDITOR'S REPORT (Continued)  
獨立核數師報告(續)

**Key audit matters**

**關鍵審計事項**

**Land appreciation tax provision**

**土地增值稅撥備**

We identified the land appreciation tax ("LAT") provision as a key audit matter due to the significant management judgement exercised by the Group in respect of its provision in accordance with the People's Republic of China (the "PRC") tax laws and regulations.

As disclosed in note 5 to the consolidated financial statements, the Group is subject to LAT in the PRC. The calculation of LAT are highly dependent on the appropriateness of the tax rates used, which are determined by the appreciation of land value. The appreciation of land value is determined with reference to proceeds of the properties less estimated deductible expenditures, including the cost of land use rights and property development expenditures. The Group estimated the deductible expenditures according to the understanding of the relevant PRC tax laws and regulations. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

As at 31 December 2020, the LAT payable amounted to approximately RMB3,459 million and the LAT recognised in the consolidated statement of profit or loss and other comprehensive income statement amounted to approximately RMB2,049 million for the year then ended.

我們識別土地增值稅(「土地增值稅」)撥備為關鍵審計事項，原因是貴集團根據中華人民共和國(「中國」)稅務法律及法規作出撥備，當中涉及管理層作出的重大判斷。

誠如綜合財務報表附註5所披露，貴集團須繳納中國土地增值稅。土地增值稅的計算十分視乎所用稅率是否合適，而所用稅率乃按土地價值的增加釐定。土地價值的增加乃參考物業所得款項減估計的可扣減開支釐定，包括土地使用權的成本及物業開發開支。貴集團根據對中國相關稅務法律法規的理解估計可扣減開支。最終稅務結果可能與初步記錄的有所不同，而差額將影響與地方稅局確定稅項當期內所得稅開支及相關所得稅撥備。

於二零二零年十二月三十一日，應付土地增值稅約為人民幣3,459,000,000元，而截至該日止年度綜合損益及其他全面利潤表內確認的土地增值稅約為人民幣2,049,000,000元。

**How our audit addressed the key audit matter**

**我們的審計如何處理關鍵審計事項**

Our procedures in relation to the provision for LAT included:

- Understanding the basis adopted by the management in respect of the principal assumptions and judgements made in arriving at the provision for LAT;
- Engaging tax specialist to evaluate LAT provision and potential exposures as at 31 December 2020;
- Assessing the Group's assumptions and judgements through our knowledge of the tax circumstances and tax regulation in the PRC and by examining tax filing records and review of correspondence with the tax authorities, where applicable;
- Checking the relevant financial information, such as proceeds from sales of properties, land costs, borrowing costs and the relevant property development expenditures, used in the calculation of provision for LAT to the Group's historical financial data; and
- Assessing the adequacy and appropriateness of the disclosures in respect to the provision for LAT for the year.

我們有關土地增值稅撥備的程序包括：

- 就計算土地增值稅撥備所用主要假設及判斷方面，了解管理層所採納基準；
- 委聘稅務專家評估二零二零年十二月三十一日的土地增值稅撥備及潛在風險；
- 通過我們對中國的稅務狀況及稅務法規的認識，以及藉著查核與稅務當局之間的報稅記錄及審閱與稅務當局之間的信函(倘適用)，評定貴集團的假設及判斷；
- 檢查用於計算土地增值稅撥備的相關財務資料，如銷售物業所得款項、土地成本、借貸成本及相關物業開發開支與本集團過往財務數據；及
- 評定年內土地增值稅撥備方面作出的披露的充足性及合適性。

INDEPENDENT AUDITOR'S REPORT (Continued)  
獨立核數師報告(續)

## OTHER INFORMATION

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

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

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

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

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

## 其他資料

貴公司董事須對其他資料負責。其他資料包括年報內所載的資料，但不包括綜合財務報表及本行載於其中的核數師報告。

本行對綜合財務報表的意見並不涵蓋其他資料，本行亦不對該等其他資料發表任何形式的保證結論。

就本行對綜合財務報表的審計，本行的責任乃細閱其他資料，在此過程中，考慮其他資料與綜合財務報表或本行在審計過程中所知悉的情況是否存在重大抵觸或看似存在重大錯誤陳述。基於本行已執行的工作，倘本行認為其他資料存在重大錯誤陳述，本行需要報告該事實。本行就此並無任何事項須報告。

## 董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，並對貴公司董事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。

在編製綜合財務報表時，貴公司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，除非貴公司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。

治理層須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT (Continued)  
獨立核數師報告(續)

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

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

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

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

## 核數師就審計綜合財務報表須承擔的責任

本行的目標乃對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本行意見的核數師報告，並按照協定的委聘條款僅向閣下(作為整體)報告，除此之外本報告別無其他目的。本行概不就本報告的內容對任何其他人士負責或承擔責任。合理保證為高水平的保證，但不能保證按照香港審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審計其中一環，本行在整個審核過程中運用專業判斷，保持專業懷疑態度。本行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，作為本行意見的基礎。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出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計在有關情況下屬適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

## INDEPENDENT AUDITOR'S REPORT (Continued)

## 獨立核數師報告(續)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director of the Company's 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.
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。
- 對貴公司董事採用持續經營會計基礎的適當性作出結論，並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。倘本行認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則修訂本行的意見。本行的結論乃基於直至核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營業務。
- 評估綜合財務報表的整體列報方式、結構及內容(包括披露)事項以及綜合財務報表是否公平反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足適當的審計憑證，以便對綜合財務報表發表意見。本行負責貴集團審計的方向、監督及執行。本行為審計意見承擔全部責任。

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

本行與治理層溝通審計的計劃範圍及時間以及重大審計發現等，其中包括本行在審計中識別出內部控制的任何重大不足之處。

INDEPENDENT AUDITOR'S REPORT (Continued)  
獨立核數師報告(續)

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

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

The engagement partner on the audit resulting in the independent auditor's report is Leung Po Shan.

**Deloitte Touche Tohmatsu**

Certified Public Accountants  
Hong Kong

25 March 2021

本行亦向治理層提交聲明，表明本行已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響本行獨立性的所有關係及其他事項以及(如適用)所採取消除威脅的行動或所應用防範措施。

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

出具獨立核數師報告的審計項目合夥人為梁寶珊。

**德勤•關黃陳方會計師行**

執業會計師  
香港

二零二一年三月二十五日

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面利潤表

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

		NOTES 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
<b>Revenue</b>	<b>收益</b>	6	<b>33,734,423</b>	36,642,555
Cost of sales	銷售成本		<b>(25,485,041)</b>	(25,844,404)
<b>Gross profit</b>	<b>毛利</b>		<b>8,249,382</b>	10,798,151
Other income	其他收入	8	<b>67,383</b>	43,785
Other gains and losses	其他收益及虧損	9	<b>425,977</b>	(211,094)
Selling and marketing costs	銷售及市場推廣成本		<b>(1,253,090)</b>	(1,149,987)
Administrative expenses	管理費用		<b>(1,132,825)</b>	(922,454)
Other operating expenses	其他經營開支		<b>(262,508)</b>	(235,554)
Impairment loss under expected credit loss model, net of reversal	預期信貸虧損模式下減值虧損，扣除撥回		<b>(23,794)</b>	(130,587)
Gain on changes in fair value of investment properties	投資物業公允價值變動收益	22	<b>577,857</b>	968,765
Gain on disposal of interests in subsidiaries	出售子公司權益的收益	50	<b>-</b>	1,185,595
Gain on disposal of interest in an associate	出售聯營公司權益的收益		<b>49,071</b>	-
Finance income	融資收入	10	<b>52,676</b>	117,977
Finance costs	融資成本	11	<b>(276,410)</b>	(390,557)
Share of results of associates	應佔聯營公司業績		<b>83,093</b>	(24,049)
Share of results of joint ventures	應佔合營企業業績		<b>543,353</b>	642,645
Profit before tax	除稅前溢利		<b>7,100,165</b>	10,692,636
Income tax expenses	所得稅開支	12	<b>(3,640,771)</b>	(4,981,541)
<b>Profit for the year</b>	<b>年內溢利</b>	13	<b>3,459,394</b>	5,711,095

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)  
 綜合損益及其他全面利潤表(續)

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

		<b>2020</b> 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
<b>Other comprehensive (expense) income</b>	<b>其他全面(開支)收入</b>		
<i>Item that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益的項目：</i>		
Fair value (loss) gain on investments in equity instruments at fair value through other comprehensive (expense) income	按公允價值列賬於其他全面(開支)收入的股權工具投資的公允價值(虧損)收益	<b>(21,852)</b>	17,975
Other comprehensive (expense) income for the year, net of income tax	年內其他全面(開支)收入，扣除所得稅	<b>(16,389)</b>	13,482
Total comprehensive income for the year	年內全面收入總額	<b>3,443,005</b>	5,724,577
Profit for the year attributable to:	以下人士應佔年內溢利：		
Owners of the Company	本公司擁有人	<b>2,608,307</b>	3,882,720
Non-controlling interests	非控股權益	<b>804,552</b>	1,781,810
Owners of perpetual securities	永久證券擁有人	<b>46,535</b>	46,565
		<b>3,459,394</b>	5,711,095
Total comprehensive income attributable to:	以下人士應佔全面收入總額：		
Owners of the Company	本公司擁有人	<b>2,591,918</b>	3,896,202
Non-controlling interests	非控股權益	<b>804,552</b>	1,781,810
Owners of perpetual securities	永久證券擁有人	<b>46,535</b>	46,565
		<b>3,443,005</b>	5,724,577
		<b>2020</b> 二零二零年 RMB 人民幣元	2019 二零一九年 RMB 人民幣元 (restated) (經重述)
<b>Earnings per share</b>	<b>每股盈利</b>		
Basic	基本	17	<b>0.94</b>
			1.40

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2020  
於二零二零年十二月三十一日

			<b>31.12.2020</b> 二零二零年 十二月三十一日 <b>RMB'000</b> 人民幣千元	31.12.2019 二零一九年 十二月三十一日 RMB'000 人民幣千元 (restated) (經重述)	1.1.2019 二零一九年 一月一日 RMB'000 人民幣千元 (restated) (經重述)
<b>ASSETS</b>	<b>資產</b>				
<b>Non-Current Assets</b>	<b>非流動資產</b>				
Investment properties	投資物業	22	<b>11,727,000</b>	8,793,000	13,381,000
Property, plant and equipment	物業、廠房及設備	18	<b>1,492,006</b>	1,261,070	1,215,053
Intangible assets	無形資產	19	<b>1,161</b>	1,206	1,251
Right-of-use assets	使用權資產	20	<b>73,103</b>	80,156	93,693
Equity instruments at fair value through other comprehensive income ("FVTOCI")	按公允價值列賬於其他全面收入(「按公允價值列賬於其他全面收入」)的股權工具	21	<b>290,463</b>	312,315	294,340
Interests in associates	聯營公司權益	24	<b>229,812</b>	197,817	206,554
Interests in joint ventures	合營企業權益	25	<b>3,715,813</b>	2,457,406	1,814,761
Deferred tax assets	遞延稅項資產	32	<b>1,618,804</b>	1,090,295	968,798
Restricted bank deposits	受限制銀行存款	30	<b>398,400</b>	398,400	-
<b>Total non-current assets</b>	<b>非流動資產總額</b>		<b>19,546,562</b>	14,591,665	17,975,450
<b>Current Assets</b>	<b>流動資產</b>				
Properties under development	在建物業	23	<b>86,606,518</b>	73,281,225	64,607,499
Completed properties held for sale	已完工待售物業	23	<b>17,816,340</b>	18,007,483	21,684,065
Trade and other receivables and advance deposits	應收賬款及其他應收款項及預付賬款	26	<b>24,668,949</b>	36,222,299	25,553,346
Prepaid taxation	預付稅項	27	<b>2,232,782</b>	1,885,353	1,789,913
Contract assets	合同資產	28	<b>358,536</b>	649,843	839,997
Contract costs	合同成本	29	<b>271,932</b>	208,254	147,327
Financial assets at fair value through profit and loss ("FVTPL")	按公允價值列賬於損益(「按公允價值列賬於損益」)的金融資產		<b>31,955</b>	6,397	-
Other financial assets	其他金融資產	31	-	-	577,651
Restricted bank deposits	受限制銀行存款	30	<b>3,845,078</b>	2,897,140	2,805,877
Bank balances and cash	銀行結餘及現金	31	<b>9,609,916</b>	12,286,486	10,460,092
<b>Total current assets</b>	<b>流動資產總額</b>		<b>145,442,006</b>	145,444,480	128,465,767
<b>Total assets</b>	<b>資產總額</b>		<b>164,988,568</b>	160,036,145	146,441,217



CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)  
綜合財務狀況表(續)

As at 31 December 2020  
於二零二零年十二月三十一日

			<b>31.12.2020</b> 二零二零年 十二月三十一日 <b>RMB'000</b> 人民幣千元	31.12.2019 二零一九年 十二月三十一日 RMB'000 人民幣千元 (restated) (經重述)	1.1.2019 二零一九年 一月一日 RMB'000 人民幣千元 (restated) (經重述)
	NOTES 附註				
<b>EQUITY AND LIABILITIES</b>	<b>權益及負債</b>				
<b>Capital And Reserves</b>	<b>資本及儲備</b>				
Share capital	股本	40	<b>1,132,097</b>	1,132,097	1,132,097
Reserves	儲備	41	<b>11,511,155</b>	13,194,419	10,139,399
Equity attributable to owners of the Company	本公司擁有人應佔權益		<b>12,643,252</b>	14,326,516	11,271,496
Perpetual securities	永久證券	42	<b>787,870</b>	788,208	787,823
Non-controlling interests	非控股權益		<b>8,710,710</b>	7,834,659	5,815,038
<b>Total equity</b>	<b>權益總額</b>		<b>22,141,832</b>	22,949,383	17,874,357
<b>LIABILITIES</b>	<b>負債</b>				
<b>Non-Current Liabilities</b>	<b>非流動負債</b>				
Deferred tax liabilities	遞延稅項負債	32	<b>1,649,163</b>	1,535,285	1,858,448
Interest-bearing loans	計息貸款	33	<b>13,640,805</b>	9,344,980	16,775,798
Bonds	債券	37	-	2,087,795	1,367,416
Lease liabilities	租賃負債	36	<b>407,364</b>	491,038	336,510
<b>Total non-current liabilities</b>	<b>非流動負債總額</b>		<b>15,697,332</b>	13,459,098	20,338,172
<b>Current Liabilities</b>	<b>流動負債</b>				
Trade and other payables	應付賬款及其他應付款項	34	<b>57,378,706</b>	62,904,594	49,689,220
Tax payable	應付稅項		<b>5,458,535</b>	4,326,241	2,800,218
Interest-bearing loans	計息貸款	33	<b>9,092,012</b>	8,099,442	7,206,855
Bonds	債券	37	<b>1,955,758</b>	1,393,481	4,450,599
Lease liabilities	租賃負債	36	<b>89,121</b>	91,949	72,475
Contract liabilities	合同負債	35	<b>53,175,272</b>	46,811,957	44,009,321
<b>Total current liabilities</b>	<b>流動負債總額</b>		<b>127,149,404</b>	123,627,664	108,228,688
<b>Total liabilities</b>	<b>負債總額</b>		<b>142,846,736</b>	137,086,762	128,566,860
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>164,988,568</b>	160,036,145	146,441,217
<b>Net current assets</b>	<b>流動資產淨額</b>		<b>18,292,602</b>	21,816,816	20,237,079
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>37,839,164</b>	36,408,481	38,212,529

The consolidated financial statements on page 185 to 372 were approved and authorised for issue by the board of directors on 25 March 2021 and are signed on its behalf by:

第185至372頁的綜合財務報表於二零二一年三月二十五日獲董事會批准及授權刊發，並由以下代表簽署：

**Chen Jun**

陳軍

Chairman of the Board of Directors and Chief Executive Officer

董事會主席兼行政總裁

**Hou Guangjun**

侯光軍

Chief Operation Officer

首席營運官

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

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

	Attributable to owners of the Company 本公司擁有人應佔							Attributable to non-controlling interests 非控股權益應佔	Total 合計			
	Share capital 股本	Shares premium 股份溢價	Shares held for share award scheme 股份獎勵計劃所持股份	Merger reserves 合併儲備	Capital redemption reserves 贖回儲備	PIC statutory reserves 中國法定儲備	FYOCI reserves 按公允價值列於其他全面收入的儲備			Retained earnings 保留盈利	Subtotal 小計	Perpetual securities 永久證券
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元		
At 1 January 2019 (originally stated) 於二零一九年一月一日 (原先所呈)	1,132,097	3,412,872	149,279	455,392	1,231	641,585	89,830	4,778,667	10,462,395	787,823	2,694,520	13,944,738
Acquisition of subsidiaries under common control (note 2) 收購共同控制下的子公司 (附註2)	-	-	-	1,850,000	-	71,535	-	(1,112,434)	809,101	-	3,120,518	3,929,619
At 1 January 2019 (restated) 於二零一九年一月一日 (經重述)	1,132,097	3,412,872	149,279	2,305,392	1,231	713,120	89,830	3,666,233	11,271,496	787,823	5,815,038	17,874,357
Profit for the year (restated) 年內溢利(經重述)	-	-	-	-	-	-	-	3,882,720	3,882,720	46,565	1,781,810	5,711,095
Other comprehensive income 其他全面收入	-	-	-	-	-	-	13,482	-	13,482	-	-	13,482
Total comprehensive income 全面收入總額	-	-	-	-	-	-	13,482	3,882,720	3,896,202	46,565	1,781,810	5,724,577
Acquisition of subsidiaries (note 49) 收購子公司(附註49)	-	-	-	-	-	-	-	-	-	-	6,300	6,300
Liquidation of a subsidiary 一家子公司清盤	-	-	-	-	-	-	-	-	-	-	(3,500)	(3,500)
Capital contribution from non-controlling shareholders of subsidiaries 子公司非控股股東出資	-	-	-	-	-	-	-	-	-	-	849,911	849,911
Dividends recognised as Distribution (note 16) 確認為分派的股息(附註16)	-	-	-	-	-	-	-	(491,182)	(491,182)	-	(614,900)	(1,106,082)
Dividends paid to Greenland Holdings Corporation limited 已付綠地控股集團股份有限公司股息	-	-	-	-	-	-	-	(350,000)	(350,000)	-	-	(350,000)
Dividends paid to perpetual securities (note 42) 已付永久證券的股息 (附註42)	-	-	-	-	-	-	-	-	-	(46,180)	-	(46,180)
Transfer 轉撥	-	-	-	-	-	321,874	-	(321,874)	-	-	-	-
As at 31 December 2019 (restated) 於二零一九年 十二月三十一日(經重述)	1,132,097	3,412,872	149,279	2,305,392	1,231	1,034,994	103,312	6,385,897	14,326,516	788,208	7,834,659	22,949,383

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)  
綜合權益變動表(續)

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

	Attributable to owners of the Company 本公司擁有人應佔										Attributable to non-controlling interests 非控股權益總佔	Total 合計
	Share capital 股本 (note 40) (附註40) RMB'000 人民幣千元	Shares premium 股份溢價 (note 41(a)) (附註41(a)) RMB'000 人民幣千元	Shares held for share award scheme 股份獎勵計劃所授股份 (note 39) (附註39) RMB'000 人民幣千元	Merger reserves 合併儲備 (note 41(b)) (附註41(b)) RMB'000 人民幣千元	Capital redemption reserves 贖回儲備 (note 41(c)) (附註41(c)) RMB'000 人民幣千元	PRC statutory reserves 中國法定儲備 (note 41(d)) (附註41(d)) RMB'000 人民幣千元	FVOCI reserves 按公允價值列歸於其他全面收入的儲備	Retained earnings 保留盈利	Subtotal 小計	Perpetual securities 永久證券		
At 1 January 2020 (restated) 於二零二零年一月一日(經重述)	1,132,097	3,412,872	(49,279)	2,305,592	1,231	1,034,994	103,312	6,385,897	14,326,516	788,208	7,834,659	22,949,383
Profit for the year 年內溢利	-	-	-	-	-	-	-	2,608,307	2,608,307	46,535	804,552	3,459,394
Other comprehensive expense 其他全面開支	-	-	-	-	-	-	(16,389)	-	(16,389)	-	-	(16,389)
Total comprehensive (expense) income 全面(開支)收入總額	-	-	-	-	-	-	(16,389)	2,608,307	2,591,918	46,535	804,552	3,443,005
Acquisition of subsidiaries under common control 收購共同控制下的子公司	-	-	-	(3,636,760)	-	-	-	-	(3,636,760)	-	-	(3,636,760)
Acquisition of assets through acquisition of a subsidiary (note 49) 透過收購子公司收購資產 (附註49)	-	-	-	-	-	-	-	-	-	-	400,000	400,000
Acquisition of additional interest of a subsidiary 收購子公司額外權益	-	-	-	(867)	-	-	-	-	(867)	-	(3,216)	(4,083)
Capital contribution from non-controlling shareholders of subsidiaries 子公司非控股股東出資	-	-	-	-	-	-	-	-	-	-	342,216	342,216
Dividends recognised as distribution (note 16) 確認為分派的股息 (附註16)	-	-	-	-	-	-	-	(637,555)	(637,555)	-	(667,501)	(1,305,056)
Dividends paid to perpetual securities (note 42) 已付永久證券的股息 (附註42)	-	-	-	-	-	-	-	-	-	(46,873)	-	(46,873)
Transfer 轉撥	-	-	-	-	-	431,641	-	(431,641)	-	-	-	-
As at 31 December 2020 於二零二零年十二月三十一日	1,132,097	3,412,872	(49,279)	(1,332,235)	1,231	1,466,635	86,923	7,925,008	12,643,252	787,870	8,710,710	22,141,832

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

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

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
<b>OPERATING ACTIVITIES</b>	<b>經營活動</b>		
Profit before tax	除稅前溢利	<b>7,100,165</b>	10,692,636
Adjustments for:	調整項目：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>110,314</b>	89,957
Amortisation of intangible assets	無形資產攤銷	<b>45</b>	45
Depreciation of right-of-use assets	使用權資產折舊	<b>16,303</b>	17,253
Gains on the change in fair value of investment properties	投資物業公允價值變動收益	<b>(577,857)</b>	(968,765)
Gain on disposal of interest in an associate	出售聯營公司權益的收益	<b>(49,071)</b>	-
Gains on fair value change of financial assets at FVTPL	來自按公允價值列賬於損益的金融資產的公允價值變動收益	<b>(33,012)</b>	(7,321)
Net foreign exchange (gain) loss	匯兌(收益)虧損淨額	<b>(392,889)</b>	223,488
Write-down of properties under development and completed properties held for sale	在建物業及已完工待售物業撇減	<b>681,576</b>	1,536,589
Impairment loss of trade and other receivables and contract assets under expected loss model, net of reversal	預期信貸虧損模式項下應收賬款及其他應收款項以及合同資產減值虧損，扣除撥回	<b>23,794</b>	130,587
Finance income	融資收入	<b>(52,676)</b>	(117,977)
Finance costs	融資成本	<b>276,410</b>	390,557
Share of results of associates	應佔聯營公司業績	<b>(83,093)</b>	24,049
Share of results of joint ventures	應佔合營企業業績	<b>(543,353)</b>	(642,645)
Gain on disposal of interests in subsidiaries	出售子公司權益的收益	-	(1,185,595)
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益淨額	<b>(76)</b>	(246)
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	<b>6,476,580</b>	10,182,612
Increase in properties under development and completed properties held for sale	在建物業及已完工待售物業增加	<b>(12,658,129)</b>	(7,646,114)
Decrease (increase) in trade and other receivables and advance deposits	應收賬款及其他應收款項及預付賬款減少(增加)	<b>1,620,111</b>	(8,349,214)
Decrease in contract assets	合同資產減少	<b>282,075</b>	190,471
Increase in contract costs	合同成本增加	<b>(63,678)</b>	(60,927)
Increase in contract liabilities	合同負債增加	<b>5,454,014</b>	2,140,273
Increase in trade and other payables	應付賬款及其他應付款項增加	<b>222,183</b>	13,705,580
Net cash generated from operations	營運所得現金淨額	<b>1,333,156</b>	10,162,681

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)  
綜合現金流量表(續)

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

		NOTE 附註	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Income tax paid	已付所得稅		<b>(3,261,808)</b>	(3,385,305)
Net cash (used in) from operating activities	經營活動(所用) 所得現金淨額		<b>(1,928,652)</b>	6,777,376
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>			
Repayment from related parties	關聯方還款		<b>2,778,661</b>	2,987,331
Withdrawal of restricted bank deposits	提取受限制銀行存款		<b>1,500,452</b>	681,714
Repayment from non-controlling shareholders	非控股股東還款		<b>550,884</b>	1,326,154
Proceeds from disposal of investment properties and property, plant and equipment	出售投資物業以及物業、 廠房及設備所得款項		<b>180,278</b>	334,079
Dividend received from an associate	自一間聯營公司收取股息		<b>81,000</b>	-
Interest received	已收利息		<b>52,676</b>	132,065
Net settlement of foreign currency forward contracts	結付外幣遠期合約淨額		<b>37,454</b>	924
Proceeds from disposal of interests in associates	出售聯營公司權益所得款項		<b>19,169</b>	-
Deposit of restricted bank deposits	存放受限制銀行存款		<b>(2,448,390)</b>	(1,171,377)
Capital injection to a joint venture	向一家合營企業注資		<b>(715,054)</b>	-
Acquisition of subsidiaries	收購子公司	49	<b>(268,450)</b>	(24,559)
Amounts advance to non-controlling shareholders	預付非控股股東款項		<b>(208,718)</b>	(1,630,699)
Acquisition of investment properties	收購投資物業		<b>(199,211)</b>	(646,923)
Amounts advance to related parties	預付關聯方款項		<b>(146,085)</b>	(7,252,562)
Acquisition of property, plant and equipment	收購物業、廠房及設備		<b>(59,367)</b>	(33,287)
Acquisition of financial assets at FVTPL	收購按公允價值列賬於 損益的金融資產		<b>(30,000)</b>	-
Acquisition of associates	收購聯營公司		-	(29,400)
Proceeds from disposal of interests in subsidiaries	出售子公司權益所得款項		-	622,075
Consideration received for disposal of subsidiaries in prior year	已收上年度出售子 公司的代價		-	616,800
Proceeds from disposal of financial assets	出售金融資產所得款項		-	577,651
Net cash from (used in) investing activities	投資活動所得(所用) 現金淨額		<b>1,125,299</b>	(3,510,014)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)  
綜合現金流量表(續)

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

		<b>2020</b> 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Repayment of interest-bearing loans	償還計息貸款	<b>(9,255,444)</b>	(12,134,236)
Repayment to related parties	向關聯方還款	<b>(3,718,766)</b>	(2,558,588)
Interest paid	已付利息	<b>(1,427,958)</b>	(1,477,735)
Repayment to non-controlling shareholders	向非控股股東還款	<b>(1,422,672)</b>	(113,220)
Repayment of bonds	償還債券	<b>(1,412,160)</b>	(4,474,800)
Dividend paid to a non-controlling shareholder	向非控股股東派付股息	<b>(667,501)</b>	(614,900)
Dividend paid	已付股息	<b>(637,555)</b>	(491,182)
Repayments of leases liabilities	償還租賃負債	<b>(124,355)</b>	(110,349)
Perpetual securities dividend paid	已付永久證券的股息	<b>(46,873)</b>	(46,180)
Acquisition of additional interest in a subsidiary	收購子公司額外權益	<b>(4,083)</b>	-
Interest-bearing loans raised	所籌得計息貸款	<b>14,516,730</b>	8,882,413
Advance from related parties	來自關聯方預付款	<b>1,129,585</b>	5,982,488
Advance from non-controlling shareholders	來自非控股股東預付款	<b>931,056</b>	2,757,969
Capital contribution from non-controlling shareholders	非控股股東出資	<b>342,216</b>	849,911
Transaction cost paid on issuance of bonds	已付發行債券交易成本	-	(6,401)
Liquidation of a subsidiary	一家子公司清盤	-	(3,500)
Proceeds from issuance of bonds	發行債券所得款項	-	2,071,211
Net cash used in financing activities	融資活動所用現金淨額	<b>(1,797,780)</b>	(1,487,099)
Net (decrease) increase in cash and cash equivalents	現金及現金等價物(減少)增加淨額	<b>(2,601,133)</b>	1,780,263
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	<b>12,286,486</b>	10,460,092
Effect of foreign exchange rate changes	匯率變動的影響	<b>(75,437)</b>	46,131
Cash and cash equivalents at 31 December, represented by bank balances and cash	於十二月三十一日的現金及現金等價物，由銀行結餘及現金列示	<b>9,609,916</b>	12,286,486

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 1. GENERAL INFORMATION

Greenland Hong Kong Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 13 April 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 2007, as consolidated and revised) of the Cayman Islands and its share are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”).

The ultimate controlling shareholder of the Company is Greenland Holdings Corporation Limited (“**Greenland Holdings**”) and the parent company is Gluon Xima International Limited. The address of the Company’s registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies, and principal place of business of the Company is No 193 Xiehe Road, Shanghai, China.

The Company is an investment holding company. The principal activities of its subsidiaries (together with the Company referred to as the “**Group**”) are the development for sale and rental of properties and related services and the operation of hotels in the People’s Republic of China (the “**PRC**”).

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

### 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

#### Merger accounting for business combination under common control

On 12 October 2020, the Company entered into an agreement with Greenland Holdings for the acquisition of 100% equity interest in Guangzhou Greenland Real Estate Development Co., Ltd (廣州綠地房地產開發有限公司) (the “**Guangzhou Greenland**”) (the “**Acquisition**”) at a total cash consideration of RMB3.64 billion. The Acquisition has been completed on 31 December 2020 (the “**Completion Date**”). Guangzhou Greenland, together with its subsidiaries (collectively referred to as “**Guangzhou Greenland Group**”) are principally engaged in the development for sale and rental of properties in the PRC.

### 1. 一般資料

綠地香港控股有限公司(「**本公司**»)於二零零六年四月十三日根據開曼群島法例第22章公司法(二零零七年經合併及修訂的第3條法例)在開曼群島註冊成立為受豁免有限公司，而其股份在香港聯合交易所有限公司(「**香港聯交所**»)主板上市。

本公司的最終控股股東為綠地控股集團股份有限公司(「**綠地控股**»),而母公司為格隆希瑪國際有限公司。本公司註冊辦事處的地址為Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies，而本公司主要營業地點的地址為中國上海協和路193號。

本公司為投資控股公司，其子公司(連同本公司統稱「**本集團**»)的主要業務為在中華人民共和國(「**中國**»)開發物業以供銷售及出租及配套服務以及經營酒店。

綜合財務報表以人民幣(「**人民幣**»)呈列，人民幣亦為本公司的功能貨幣。

### 2. 綜合財務報表編製基準

#### 共同控制下之業務合併之合併會計法

二零二零年十月十二日，本公司與綠地控股達成協議，收購廣州綠地房地產開發有限公司(「**廣州綠地**»)100%股權(「**收購事項**»),總現金代價為人民幣3,640,000,000元。收購事項已於二零二零年十二月三十一日(「**交割日期**»)完成交割。廣州綠地連同其子公司(統稱為「**廣州綠地集團**»)主要在中國從事物業開發以供銷售及租賃。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### Merger accounting for business combination under common control (Continued)

The Acquisition is considered as a business combination under common control as the Group and Guangzhou Greenland are under the common control of Greenland Holdings before and after the Acquisition. Accordingly, the Acquisition is accounted for using the principles of merger accounting.

In applying merger accounting, Guangzhou Greenland Group was included in the consolidated financial statements from the beginning of the earliest period presented as if Guangzhou Greenland Group had always been part of the Group. As a result, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2019 have been restated to include the financial performance, changes in equity and cash flows of Guangzhou Greenland Group, as if they were within the Group since 1 January 2019. The consolidated statement of financial position of the Group as at 1 January 2019 and 31 December 2019 was restated to include the assets and liabilities of Guangzhou Greenland Group. Guangzhou Greenland Group was included in sales of properties and lease of properties segment of the Company's consolidated financial statements.

## 2. 綜合財務報表編製基準(續)

### 共同控制下之業務合併之合併會計法(續)

收購事項被視為共同控制下之業務合併，原因為本集團與廣州綠地於收購事項前後均受綠地控股共同控制。因此，收購事項採用合併會計法原則入賬。

應用合併會計法時，廣州綠地集團自所呈列最早期間起已獲計入綜合財務報表，猶如廣州綠地集團一直為本集團一部分。因此，截至二零一九年十二月三十一日止年度的綜合損益及其他全面利潤表、綜合權益變動表及綜合現金流量表已經重述，以包括廣州綠地集團的財務表現、股權變動及現金流量，猶如其自二零一九年一月一日起已在本集團內。本集團於二零一九年一月一日及二零一九年十二月三十一日的綜合財務狀況表已經重述，以包括廣州綠地集團的資產及負債。廣州綠地集團已計入本公司綜合財務報表的物業銷售及物業租賃分部。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### Merger accounting for business combination under common control (Continued)

The effects of the Acquisition using merger accounting on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019 are as follows:

## 2. 綜合財務報表編製基準(續)

### 共同控制下之業務合併之合併會計法(續)

使用合併會計法之收購事項對截至二零一九年十二月三十一日止年度的綜合損益及其他全面利潤表的影響如下：

		Business combination of entities under common control 共同控制下的實體的業務合併		
		RMB'000 人民幣千元 (originally stated) (原先所述)	RMB'000 人民幣千元	RMB'000 人民幣千元 (restated) (經重述)
Revenue	收益	17,662,136	18,980,419	36,642,555
Cost of sales	銷售成本	(12,207,094)	(13,637,310)	(25,844,404)
Gross profit	毛利	5,455,042	5,343,109	10,798,151
Other income	其他收入	31,137	12,648	43,785
Other gains and losses	其他收益及虧損	(211,094)	–	(211,094)
Selling and marketing costs	銷售及市場推廣成本	(774,076)	(375,911)	(1,149,987)
Administrative expenses	管理費用	(702,752)	(219,702)	(922,454)
Other operating expenses	其他經營開支	(61,643)	(173,911)	(235,554)
Impairment loss under expected credit loss model, net of reversal	預期信貸虧損模式項下減值虧損，扣除撥回	(67,497)	(63,090)	(130,587)
Gain on disposal of interests in subsidiaries	出售子公司權益的收益	1,185,595	–	1,185,595
Finance income	融資收入	71,655	46,322	117,977
Finance costs	融資成本	(264,227)	(126,330)	(390,557)
Share of results of associates	應佔聯營公司業績	(24,049)	–	(24,049)
Share of results of joint ventures	應佔合營企業業績	14,743	627,902	642,645
Gain on changes in fair value of investment properties	投資物業公允價值變動收益	945,466	23,299	968,765
Profit before tax	除稅前溢利	5,598,300	5,094,336	10,692,636
Income tax expenses	所得稅開支	(2,557,163)	(2,424,378)	(4,981,541)
<b>Profit for the year</b>	<b>年內溢利</b>	<b>3,041,137</b>	<b>2,669,958</b>	<b>5,711,095</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

**2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Merger accounting for business combination under common control (Continued)

**2. 綜合財務報表編製基準(續)**

共同控制下之業務合併之合併會計法(續)

		Business combination of entities under common control 共同控制下的實體的業務合併		
		RMB'000 人民幣千元 (originally stated) (原先所述)	RMB'000 人民幣千元 (restated) (經重述)	RMB'000 人民幣千元 (restated) (經重述)
<b>Other comprehensive income</b>	<b>其他全面收入</b>			
<i>Item that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益的項目：</i>			
Fair value gain on investments in equity instruments at FVTOCI	按公允價值列賬於其他全面收入的股權工具投資的公允價值收益	17,975	-	17,975
Other comprehensive income for the year, net of income tax	年內其他全面收入，扣除所得稅	13,482	-	13,482
Total comprehensive income for the year	年內全面收入總額	3,054,619	2,669,958	5,724,577
Profit for the year attributable to:	以下人士應佔年內溢利：			
Owners of the Company	本公司擁有人	2,473,818	1,408,902	3,882,720
Non-controlling interests	非控股權益	520,754	1,261,056	1,781,810
Owners of perpetual securities	永久證券擁有人	46,565	-	46,565
		3,041,137	2,669,958	5,711,095
Total comprehensive income attributable to:	以下人士應佔全面收入總額：			
Owners of the Company	本公司擁有人	2,487,300	1,408,902	3,896,202
Non-controlling interests	非控股權益	520,754	1,261,056	1,781,810
Owners of perpetual securities	永久證券擁有人	46,565	-	46,565
		3,054,619	2,669,958	5,724,577
		RMB'000 人民幣千元 (originally stated) (原先所述)	RMB'000 人民幣千元 (restated) (經重述)	RMB'000 人民幣千元 (restated) (經重述)
<b>Earnings per share</b>	<b>每股盈利</b>			
Basic	基本	0.89	0.51	1.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### Merger accounting for business combination under common control (Continued)

The effects of the Acquisition using merger accounting on the consolidated statement of financial position as at 1 January 2019 and 31 December 2019 are as follows:

## 2. 綜合財務報表編製基準(續)

### 共同控制下之業務合併之合併會計法(續)

使用合併會計法之收購事項對於二零一九年一月一日及二零一九年十二月三十一日的綜合財務狀況表的影響如下：

	As at 1 January 2019 於二零一九年一月一日			As at 31 December 2019 於二零一九年十二月三十一日		
	Business combination of entities under common control 共同控制下的實體的業務合併			Business combination of entities under common control 共同控制下的實體的業務合併		
	RMB'000 人民幣千元 (originally stated) (原先所述)	RMB'000 人民幣千元	RMB'000 人民幣千元 (restated) (經重述)	RMB'000 人民幣千元 (originally stated) (原先所述)	RMB'000 人民幣千元	RMB'000 人民幣千元 (restated) (經重述)
<b>ASSETS</b>	<b>資產</b>					
<b>Non-Current Assets</b>	<b>非流動資產</b>					
Investment properties	13,083,000	298,000	13,381,000	7,754,000	1,039,000	8,793,000
Property, plant and equipment	1,208,629	6,424	1,215,053	1,159,218	101,852	1,261,070
Intangible assets	1,251	-	1,251	1,206	-	1,206
Right-of-use assets	90,206	3,487	93,693	78,833	1,323	80,156
Equity instruments at FVTOCI	按公允價值列賬於其他全面收入的股權工具					
	294,340	-	294,340	312,315	-	312,315
Interests in associates	206,554	-	206,554	197,817	-	197,817
Interests in joint ventures	619,344	1,195,417	1,814,761	634,087	1,823,319	2,457,406
Deferred tax assets	644,169	324,629	968,798	506,320	583,975	1,090,295
Restricted bank deposits	-	-	-	398,400	-	398,400
<b>Total non-current assets</b>	<b>16,147,493</b>	<b>1,827,957</b>	<b>17,975,450</b>	<b>11,042,196</b>	<b>3,549,469</b>	<b>14,591,665</b>
<b>Current Assets</b>	<b>流動資產</b>					
Properties under development	38,278,081	26,329,418	64,607,499	44,391,733	28,889,492	73,281,225
Completed properties held for sale	10,170,401	11,513,664	21,684,065	8,941,822	9,065,661	18,007,483
Trade and other receivables and advance deposits	17,538,455	8,014,891	25,553,346	23,023,419	13,198,880	36,222,299
Prepaid taxation	944,494	845,419	1,789,913	1,169,385	715,968	1,885,353
Contract assets	839,997	-	839,997	649,843	-	649,843
Contract costs	54,962	92,365	147,327	122,247	86,007	208,254
Other financial assets	-	577,651	577,651	6,397	-	6,397
Restricted bank deposits	2,217,430	588,447	2,805,877	2,354,538	542,602	2,897,140
Bank balances and cash	4,059,778	6,400,314	10,460,092	7,568,342	4,718,144	12,286,486
<b>Total current assets</b>	<b>74,103,598</b>	<b>54,362,169</b>	<b>128,465,767</b>	<b>88,227,726</b>	<b>57,216,754</b>	<b>145,444,480</b>
<b>Total assets</b>	<b>90,251,091</b>	<b>56,190,126</b>	<b>146,441,217</b>	<b>99,269,922</b>	<b>60,766,223</b>	<b>160,036,145</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Merger accounting for business combination under common control (Continued)

## 2. 綜合財務報表編製基準(續)

共同控制下之業務合併之合併會計法(續)

		As at 1 January 2019			As at 31 December 2019		
		於二零一九年一月一日			於二零一九年十二月三十一日		
		Business combination of entities under common control			Business combination of entities under common control		
		共同控制下的實體的業務合併			共同控制下的實體的業務合併		
		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
		(originally stated)		(restated)	(originally stated)		(restated)
		(原先所述)		(經重述)	(原先所述)		(經重述)
<b>EQUITY AND LIABILITIES</b>	<b>權益及負債</b>						
<b>Capital And Reserves</b>	<b>資本及儲備</b>						
Share capital	股本	1,132,097	-	1,132,097	1,132,097	-	1,132,097
Reserves	儲備	9,330,298	809,101	10,139,399	11,326,416	1,868,003	13,194,419
Equity attributable to owners of the Company	本公司擁有人應佔權益	10,462,395	809,101	11,271,496	12,458,513	1,868,003	14,326,516
Perpetual securities	永久證券	787,823	-	787,823	788,208	-	788,208
Non-controlling interests	非控股權益	2,694,520	3,120,518	5,815,038	3,344,717	4,489,942	7,834,659
<b>Total equity</b>	<b>權益總額</b>	13,944,738	3,929,619	17,874,357	16,591,438	6,357,945	22,949,383
<b>LIABILITIES</b>	<b>負債</b>						
<b>Non-Current Liabilities</b>	<b>非流動負債</b>						
Deferred tax liabilities	遞延稅項負債	1,822,577	35,871	1,858,448	1,477,795	57,490	1,535,285
Interest-bearing loans	計息貸款	9,475,268	7,300,530	16,775,798	6,399,050	2,945,930	9,344,980
Bonds	債券	1,367,416	-	1,367,416	2,087,795	-	2,087,795
Lease liabilities	租賃負債	8,136	328,374	336,510	1,042	489,996	491,038
<b>Total non-current liabilities</b>	<b>非流動負債總額</b>	12,673,397	7,664,775	20,338,172	9,965,682	3,493,416	13,459,098
<b>Current Liabilities</b>	<b>流動負債</b>						
Trade and other payables	應付賬款及其他應付款項	29,485,687	20,203,533	49,689,220	33,359,042	29,545,552	62,904,594
Tax payable	應付稅項	1,963,342	836,876	2,800,218	2,194,891	2,131,350	4,326,241
Interest-bearing loans	計息貸款	3,209,345	3,997,510	7,206,855	3,508,742	4,590,700	8,099,442
Bonds	債券	4,450,599	-	4,450,599	1,393,481	-	1,393,481
Lease liabilities	租賃負債	12,755	59,720	72,475	9,974	81,975	91,949
Contract liabilities	合同負債	24,511,228	19,498,093	44,009,321	32,246,672	14,565,285	46,811,957
<b>Total current liabilities</b>	<b>流動負債總額</b>	63,632,956	44,595,732	108,228,688	72,712,802	50,914,862	123,627,664
<b>Total liabilities</b>	<b>負債總額</b>	76,306,353	52,260,507	128,566,860	82,678,484	54,408,278	137,086,762
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>	90,251,091	56,190,126	146,441,217	99,269,922	60,766,223	160,036,145
<b>Net current assets</b>	<b>流動資產淨額</b>	10,470,642	9,766,437	20,237,079	15,514,924	6,301,892	21,816,816
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>	26,618,135	11,594,394	38,212,529	26,557,120	9,851,361	36,408,481

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### Merger accounting for business combination under common control (Continued)

The effects of the Acquisition using merger accounting on the consolidated statement of cash flows for the year ended 31 December 2019 are as follows:

## 2. 綜合財務報表編製基準(續)

### 共同控制下之業務合併之合併會計法(續)

使用合併會計法之收購事項對截至二零一九年十二月三十一日止年度的綜合現金流量表的影響如下：

		Business combination of entities under common control		
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
		(originally stated)		(restated)
		(原先所述)		(經重述)
<b>OPERATING ACTIVITIES</b>	<b>經營活動</b>			
Profit before tax	除稅前溢利	5,598,300	5,094,336	10,692,636
Adjustments for:	調整項目：			
Depreciation of property, plant and equipment	物業、廠房及設備折舊	85,699	4,258	89,957
Amortisation of intangible assets	無形資產攤銷	45	-	45
Depreciation of right-of-use assets	使用權資產折舊	15,089	2,164	17,253
Gains on the change in fair value of investment properties	投資物業公允價值變動收益	(945,466)	(23,299)	(968,765)
Gains on fair value change of financial assets at FVTPL	來自按公允價值列賬於損益的金融資產的公允價值變動收益	(7,321)	-	(7,321)
Foreign exchange loss	匯兌虧損	223,488	-	223,488
Write-down of completed properties held for sale	已完工待售物業撇減	315,333	1,221,256	1,536,589
Impairment loss of contract assets	合同資產減值虧損	(317)	-	(317)
Impairment loss of trade and other receivables	應收賬款及其他應收款項減值虧損	67,814	63,090	130,904
Finance income	融資收入	(71,655)	(46,322)	(117,977)
Finance costs	融資成本	264,227	126,330	390,557
Share of results of associates	應佔聯營公司業績	24,049	-	24,049
Share of results of joint ventures	應佔合營企業業績	(14,743)	(627,902)	(642,645)
Gain on disposal of interests in subsidiaries	出售子公司權益的收益	(1,185,595)	-	(1,185,595)
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益淨額	(246)	-	(246)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

**2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Merger accounting for business combination under common control (Continued)

**2. 綜合財務報表編製基準(續)**

共同控制下之業務合併之合併會計法(續)

		Business combination of entities under common control 共同控制下的實體的業務合併		
		RMB'000 人民幣千元 (originally stated) (原先所述)	RMB'000 人民幣千元	RMB'000 人民幣千元 (restated) (經重述)
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	4,368,701	5,813,911	10,182,612
Increase in properties under development and completed properties held for sale	在建物業及已完工待售物業增加	(6,289,739)	(1,356,375)	(7,646,114)
Increase in trade and other receivables and advance deposits	應收賬款及其他應收款項及預付賬款增加	(7,022,315)	(1,326,899)	(8,349,214)
Decrease in contract assets	合同資產減少	190,471	-	190,471
(Decrease) increase in contract costs	合同成本(減少)增加	(67,285)	6,358	(60,927)
Increase (decrease) in contract liabilities	合同負債增加(減少)	7,148,903	(5,008,630)	2,140,273
Increase in trade and other payables	應付賬款及其他應付款項增加	11,819,056	1,886,524	13,705,580
Net cash generated from operations	營運所得現金淨額	10,147,792	14,889	10,162,681
Income tax paid	已付所得稅	(2,147,125)	(1,238,180)	(3,385,305)
Net cash from (used in) operating activities	經營活動所得(所用)現金淨額	8,000,667	(1,223,291)	6,777,376

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

**2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Merger accounting for business combination under common control (Continued)

**2. 綜合財務報表編製基準(續)**

共同控制下之業務合併之合併會計法(續)

		Business combination of entities under common control 共同控制下的實體的業務合併		
		RMB'000 人民幣千元 (originally stated) (原先所述)	RMB'000 人民幣千元	RMB'000 人民幣千元 (restated) (經重述)
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>			
Interest received	已收利息	85,743	46,322	132,065
Proceeds from disposal of interests in subsidiaries	出售子公司權益所得款項	622,075	–	622,075
Proceeds from disposal of investment properties and property, plant and equipment	出售投資物業以及物業、廠房及設備所得款項	334,079	–	334,079
Net settlement of foreign currency forward contracts	結付外幣遠期合約淨額	924	–	924
Withdrawal of restricted bank deposits	提取受限制銀行存款	433,412	248,302	681,714
Deposit of restricted bank deposits	存放受限制銀行存款	(968,920)	(202,457)	(1,171,377)
Amounts advance to related parties	預付關聯方款項	(2,462,429)	(4,790,133)	(7,252,562)
Amounts advance to non-controlling shareholders	預付非控股股東款項	(652,354)	(978,345)	(1,630,699)
Repayment from related parties	關聯方還款	1,999,320	988,011	2,987,331
Repayment from non-controlling shareholders	非控股股東還款	465,867	860,287	1,326,154
Consideration received for disposal of subsidiaries in prior year	已收上年度出售子公司的代價	616,800	–	616,800
Acquisition of associates	收購聯營公司	(29,400)	–	(29,400)
Acquisition of subsidiaries	收購子公司	(24,559)	–	(24,559)
Proceeds from disposal of financial assets	出售金融資產所得款項	–	577,651	577,651
Acquisition of investment properties	收購投資物業	(646,923)	–	(646,923)
Acquisition of property, plant and equipment	收購物業、廠房及設備	(32,222)	(1,065)	(33,287)
Net cash used in investing activities	投資活動所用現金淨額	(258,587)	(3,251,427)	(3,510,014)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Merger accounting for business combination under common control (Continued)

## 2. 綜合財務報表編製基準(續)

共同控制下之業務合併之合併會計法(續)

		Business combination of entities under common control 共同控制下的實體的業務合併		
		RMB'000 人民幣千元 (originally stated) (原先所述)	RMB'000 人民幣千元 (restated) (經重述)	RMB'000 人民幣千元 (restated) (經重述)
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>			
Interest-bearing loans raised	所籌得計息貸款	7,070,413	1,812,000	8,882,413
Proceeds from issuance of bonds	發行債券所得款項	2,071,211	-	2,071,211
Repayments of leases liabilities	償還租賃負債	(14,264)	(96,085)	(110,349)
Transaction cost paid on issuance of bonds	已付發行債券交易成本	(6,401)	-	(6,401)
Capital contribution from non-controlling shareholders	非控股股東出資	283,332	566,579	849,911
Liquidation of a subsidiary	一家子公司清盤	(3,500)	-	(3,500)
Advance from related parties	來自關聯方預付款	196,150	5,786,338	5,982,488
Advance from non-controlling shareholders	來自非控股股東預付款	775,375	1,982,594	2,757,969
Repayment to related parties	向關聯方還款	(1,807,733)	(750,855)	(2,558,588)
Repayment to non-controlling shareholders	向非控股股東還款	(113,220)	-	(113,220)
Repayment of bonds	償還債券	(4,474,800)	-	(4,474,800)
Repayment of interest-bearing loans	償還計息貸款	(6,560,826)	(5,573,410)	(12,134,236)
Dividend paid	已付股息	(491,182)	-	(491,182)
Perpetual securities dividend paid	已付永久證券的股息	(46,180)	-	(46,180)
Dividend paid to a non-controlling shareholder	向非控股股東派付股息	(156,689)	(458,211)	(614,900)
Interest paid	已付利息	(1,001,333)	(476,402)	(1,477,735)
Net cash (used in) from financing activities	融資活動(所用)所得現金淨額	(4,279,647)	2,792,548	(1,487,099)
Net increase (decrease) in cash and cash equivalents	現金及現金等價物增加(減少)淨額	3,462,433	(1,682,170)	1,780,263
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	4,059,778	6,400,314	10,460,092
Effect of foreign exchange rate changes	匯率變動的影響	46,131	-	46,131
Cash and cash equivalents at 31 December, represented by bank balances and cash	於十二月三十一日的現金及現金等價物，由銀行結餘及現金列示	7,568,342	4,718,144	12,286,486



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

### 3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

#### Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in IFRS Standards* and the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to IAS 1 and IAS 8 Definition of Material

Amendments to IFRS 3 Definition of a Business

Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform

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

#### 3.1 Impacts on application of Amendments to IAS 1 and IAS 8 "Definition of Material"

The Group has applied the Amendments to IAS1 and IAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

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

### 3. 應用國際財務報告準則(「國際財務報告準則」)的修訂

#### 本年度強制生效的國際財務報告準則的修訂

本集團已於本年度首次應用由國際會計準則理事會(「國際會計準則理事會」)所頒佈的國際財務報告準則中對概念框架的提述的修訂及下列國際財務報告準則修訂，其就編製綜合財務報表而言於二零二零年一月一日或之後開始的年度期間強制生效：

國際會計準則第1號及 重大的定義

國際會計準則第8號的

修訂

國際財務報告準則 業務的定義  
第3號的修訂

國際財務報告準則 利率基準改革

第9號、國際會計準則

第39號及國際財務

報告準則第7號的修訂

除下文所述外，於本年度應用國際財務報告準則中對概念框架的提述的修訂及國際財務報告準則的修訂並無對本集團本年度及過往年度財務狀況及表現及／或該等綜合財務報表所載披露資料產生重大影響。

#### 3.1 應用國際會計準則第1號及國際會計準則第8號的修訂「重大的定義」的影響

本集團已於本年度首次應用國際會計準則第1號及國際會計準則第8號的修訂。該等修訂提供重大的新定義，當中載明「倘忽略、錯誤說明或模糊某資料，可合理地預期影響提供某一特定申報實體財務資料之通用財務報表主要用家基於該等財務報表所作之決定，該等資料即屬重大」。該等修訂亦澄清重要性將取決於資料的性質或規模，並於考慮財務報表的整體內容時個別或與其他資料一併考慮。

於本年度應用該等修訂並無對綜合財務報表構成任何影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

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

#### 3.2 Impacts on application of Amendments to IFRS 3 "Definition of Business"

The Group has applied the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs. Outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significant contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is no a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The application of the amendments had no impact on the consolidated financial statements in the current year as similar conclusion would have been reached without applying the optional concentration test.

### 3. 應用國際財務報告準則(「國際財務報告準則」)的修訂(續)

本年度強制生效的國際財務報告準則的修訂(續)

#### 3.2 應用國際財務報告準則第3號的修訂「業務的定義」的影響

本集團已於本年度首次應用該等修訂。該等修訂闡明，雖然業務通常具有產出，但對於一組完整的活動及資產而言，不需要產出就可以成為一項業務。要被視為業務，所獲得的一組活動及資產必須至少包括一項投入及一個實質性過程，兩者共同顯著促進創造產出的能力。

該等修訂移除對市場參與者能否收購業務及繼續產生產出的評估。該等修訂還引入了其他指南，有助於確定是否已取得實質性程序。

此外，該等修訂引入選擇性集中度測試，可以簡化對所購置的一系列活動及資產是否不是業務之評估。根據選擇性集中度測試，如果所收購的總資產之實質上所有公允價值都集中在單個可識別資產或一組類似資產中，則所取得之活動及資產不是一項業務。評估中之總資產不包括現金及現金等價物、遞延所得稅資產及因遞延所得稅負債的影響而產生之商譽。每筆交易可以單獨選擇是否進行選擇性集中度測試。

於本年度應用該等修訂並無對綜合財務報表構成任何影響，原因為在不應用選擇性集中度測試的情況下亦可得出類似結論。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

### 3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

#### New and amendments to IFRSs in issue but not yet effective

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

IFRS 17	Insurance Contracts and the related Amendment <sup>1</sup>
Amendment to IFRS 16	Covid-19-Related Rent Concessions <sup>4</sup>
Amendments to IFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2 <sup>5</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>1</sup>
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>2</sup>
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to IAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to IFRSs	Annual Improvements to IFRSs 2018–2020 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 June 2020.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2021.

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

### 3. 應用國際財務報告準則(「國際財務報告準則」)的修訂(續)

#### 已頒佈但尚未生效的新訂國際財務報告準則及其修訂

本集團並無提早應用下列已頒佈但尚未生效的新訂國際財務報告準則及其修訂：

國際財務報告準則第17號	保險合約及相關修訂 <sup>1</sup>
國際財務報告準則第16號的修訂	二零一九冠狀病毒病相關租金減讓 <sup>4</sup>
國際財務報告準則第3號的修訂	參照概念框架 <sup>2</sup>
國際財務報告準則第9號、國際會計準則第39號、國際財務報告準則第7號、國際財務報告準則第4號及國際財務報告準則第16號的修訂	利率基準改革 – 第2期 <sup>5</sup>
國際財務報告準則第10號及國際會計準則第28號的修訂	投資者與其聯營公司或合營企業之間出售或注入資產 <sup>3</sup>
國際會計準則第1號的修訂	負債分類為流動或非流動 <sup>1</sup>
國際會計準則第16號的修訂	物業、廠房及設備：擬定用途前的所得款項 <sup>2</sup>
國際會計準則第1號及國際財務報告準則作業準則第2號的修訂	會計政策的披露 <sup>1</sup>
國際會計準則第8號的修訂	會計估計的定義 <sup>1</sup>
國際會計準則第37號的修訂	虧損性合約 – 履行合約的成本 <sup>2</sup>
國際財務報告準則的修訂	二零一八年至二零二零年國際財務報告準則的年度改進 <sup>2</sup>

<sup>1</sup> 於二零二三年一月一日或之後開始的年度期間生效。

<sup>2</sup> 於二零二二年一月一日或之後開始的年度期間生效。

<sup>3</sup> 於待定期或之後開始的年度期間生效。

<sup>4</sup> 於二零二零年六月一日或之後開始的年度期間生效。

<sup>5</sup> 於二零二一年一月一日或之後開始的年度期間生效。

除下文所述的新訂國際財務報告準則及其修訂外，本公司董事預計，應用所有其他新訂國際財務報告準則及其修訂將不會對可預見將來的綜合財務報表造成任何重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

#### New and amendments to IFRSs in issue but not yet effective (Continued)

#### Amendments to IFRS 3 "Reference to the Conceptual Framework"

The amendments:

- Update a reference in IFRS 3 "Business Combinations" so that it refers to the *Conceptual Framework for Financial Reporting* issued by IASB in March 2019 ("the **Conceptual Framework**") instead of the International Accounting Standards Committee's *Framework for the Preparation and Presentation of Financial Statements* (replaced for the *Conceptual Framework for Financial Reporting* issued in September 2010);
- Add a requirement that, for transactions and other events within the scope of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" or IFRIC 21 "Levies", an acquirer applies IAS 37 or IFRIC 21 instead of Conceptual Framework to identify the liabilities it has assumed in a business combination; and
- Add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The Group will apply the amendments prospectively to business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

### 3. 應用國際財務報告準則(「國際財務報告準則」)的修訂(續)

#### 已頒佈但尚未生效的新訂國際財務報告準則及其修訂(續)

#### 國際財務報告準則第3號的修訂「參照概念框架」

修訂內容：

- 更新了國際財務報告準則第3號「業務合併」中的參考，引用國際會計準則理事會於二零一九年三月頒布之財務報告概念框架(「**概念框架**」)，而非國際會計準則委員會的財務報表的編製及呈報框架(於二零一零年九月被財務報告概念框架取代)；
- 添加一項要求，即對於國際會計準則第37號「撥備、或然負債及或然資產」或國際財務報告詮釋委員會－詮釋21「徵費」範圍內的交易及其他事件，收購方應採用國際會計準則第37號或國際財務報告詮釋委員會－詮釋21取代之概念框架來確定其在業務合併中承擔的負債；及
- 添加明確的聲明，即收購方不確認為業務合併中收購的或有資產。

收購日期為二零二二年一月一日或之後開始的第一個年度期間開始或之後之業務合併，本集團將前瞻性應用修訂。預期應用該等修訂不會對本集團之財務狀況及表現造成重大影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

### 3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

#### New and amendments to IFRSs in issue but not yet effective (Continued)

##### Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which

- Specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
  - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
  - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 "Financial Instruments: Presentation".

Based on the Group's outstanding liabilities as at 31 December 2020, the application of the amendments will not result in reclassification of the Group's liabilities.

### 3. 應用國際財務報告準則(「國際財務報告準則」)的修訂(續)

#### 已頒佈但尚未生效的新訂國際財務報告準則及其修訂(續)

##### 國際會計準則第1號的修訂「負債分類為流動或非流動」

該等修訂為評估遞延結算至報告日期起至少十二個月的權利提供了澄清及額外指引，以將負債分類為流動負債或非流動負債，其中：

- 指明將負債分類為流動負債或非流動負債應基於報告期末已存在的權利。具體而言，該等修訂澄清：
  - (i) 分類不應受到管理層意圖或期望在12個月內清償債務的影響；及
  - (ii) 如果權利以遵守契約為條件，則如果條件在報告期末獲達成，則該權利存在，即使貸款人直到日後才測試合規性；及
- 闡明如果負債之條款可以由對手方選擇通過轉讓實體自身之權益工具來結算，則僅當該實體將選擇權單獨確認為適用於國際會計準則第32號「金融工具：呈列」之權益工具時，該等條款方不會影響其分類為流動資產或非流動資產。

根據本集團於二零二零年十二月三十一日之未償還債務，應用該等修訂不會導致本集團之負債重新分類。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

#### New and amendments to IFRSs in issue but not yet effective (Continued)

##### Amendments to IFRSs Annual Improvements to IFRSs 2018–2020

The annual improvements make amendments to the following standards.

##### IFRS 9 "Financial Instruments"

The amendment clarifies that for the purpose of assessing whether modification of terms of original financial liability constitutes substantial modification under the "10 per cent" test, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf.

##### IFRS 16 "Leases"

The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of reimbursement relating to leasehold improvements by the lessor in order to remove any potential confusion.

##### IAS 41 "Agriculture"

The amendment ensures consistency with the requirements in IFRS 13 "Fair Value Measurement" by removing the requirement in paragraph 22 of IAS 41 to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

### 3. 應用國際財務報告準則(「國際財務報告準則」)的修訂(續)

#### 已頒佈但尚未生效的新訂國際財務報告準則及其修訂(續)

##### 二零一八年至二零二零年國際財務報告準則的年度改進的修訂

年度改進對以下準則進行了修訂。

##### 國際財務報告準則第9號「金融工具」

該修訂澄清，為評估在「10%」測試下對原始金融負債條款的修改是否構成實質性修改，借款人僅計入借款人與貸款人之間已支付或收取的費用，包括由借款人或貸款人代表對方支付或接收的費用。

##### 國際財務報告準則第16號「租賃」

附隨國際財務報告準則第16號對示例第13號之修訂從示例中刪除了出租人為租賃物業裝修而作出補償說明，以消除任何潛在之混淆。

##### 國際會計準則第41號「農業」

該修訂刪除了國際會計準則第41號第22段中關於使用現值技術計量生物資產的公允價值時不包括稅收現金流量之要求，從而確保與國際財務報告準則第13號「公允價值計量」之要求相一致。

預期應用該等修訂不會對本集團之財務狀況及表現造成重大影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

#### 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

##### Basis of preparation of consolidated financial statements

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

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

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

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

#### 4. 綜合財務報表編製基準及重大會計政策

##### 綜合財務報表編製基準

綜合財務報表乃根據國際會計準則理事會所頒佈的國際財務報告準則編製而成。就編製綜合財務報表而言，倘有關資料合理預期會影響主要用戶作出之決定，則有關資料被視為重大。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則(「**上市規則**」)及香港公司條例所規定的適用披露資料。

綜合財務報表乃根據歷史成本基準編製而成，惟若干金融工具及投資物業於報告期末乃按下文所載會計政策所闡釋以公允價值計量。

歷史成本一般根據就交換貨品及服務而付出的代價公允價值計算。

公允價值為於計量日期市場參與者於有序交易中出售資產所收取或轉讓負債所支付的價格，而不論該價格是直接觀察所得亦或運用另一估值技術估計得出。在估計資產或負債的公允價值時，本集團會考慮市場參與者於計量日期為該資產或負債進行定價時將會考慮的該等特徵。在該等綜合財務報表中計量及披露的公允價值均在此基礎上予以釐定，但國際財務報告準則第2號「*股份支付*」範圍內的股份支付交易、根據國際財務報告準則第16號入賬處理的租賃交易以及與公允價值有若干類似之處但並非公允價值的計量(例如國際會計準則第2號「*存貨*」中的可變現淨值或國際會計準則第36號「*資產減值*」中的使用價值)除外。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Basis of preparation of consolidated financial statements (Continued)

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

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

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 綜合財務報表編製基準(續)

非金融資產的公允價值計量會考慮市場參與者以最高及最佳效用使用該資產而獲得經濟利益或將該資產售予另一名會以最高及最佳效用使用該資產的市場參與者而獲得經濟利益的能力。

就按公允價值進行交易的金融工具及投資物業以及將於隨後期間使用不可觀察輸入數據計量公允價值的估值技術而言，有關估值技術將予以調整，以使於首次確認時的估值技術結果相等於交易價。

此外，就財務報告而言，公允價值計量根據公允價值計量的輸入數據可觀察性及公允價值計量的輸入數據對其整體的重要性分類為第一層次、第二層次或第三層次，詳情如下：

- 第一層次輸入數據為實體於計量日期可以取得的相同資產或負債於活躍市場的報價(未經調整)；
- 第二層次輸入數據為就資產或負債直接或間接地可觀察的輸入數據(第一層次內包括的報價除外)；及
- 第三層次輸入數據為資產或負債的不可觀察輸入數據。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies

##### Basis of consolidation

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

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

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

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策

##### 合併基準

綜合財務報表合併本公司以及受本公司及其子公司控制實體的財務報表。本公司獲得控制權，倘其：

- 可對投資對象行使權力；
- 參與投資對象業務所得可變回報涉及風險或權利；及
- 能運用其權力影響其回報。

倘有事實及情況顯示上文所列三項控制權要素其中一項或以上出現變動，本集團會重新評估其是否對投資對象擁有控制權。

子公司綜合入賬乃於本集團取得有關子公司的控制權時開始，並於本集團喪失有關子公司的控制權時終止。具體而言，於年內收購或出售的子公司的收入及開支乃自本集團取得控制權當日起計入綜合損益及其他全面利潤表，直至本集團不再控制有關子公司當日為止。

損益及其他全面收入的每個項目乃歸屬於本公司擁有人及非控股權益。子公司的全面收入總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Basis of consolidation (Continued)

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

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

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

##### Changes in the Group's interests in existing subsidiaries

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 合併基準(續)

如有需要，將對子公司的財務報表作出調整，以令其會計政策與本集團的會計政策貫徹一致。

有關本集團成員公司間交易的所有集團內部資產及負債、權益、收入、開支及現金流量均於綜合賬目時全數抵銷。

於子公司的非控股權益與本集團的權益分開列示，其屬現時擁有權權益，賦予持有人權利於清盤時按比例分佔相關子公司的淨資產。

##### 本集團於現有子公司的權益變動

本集團於子公司的權益變動但並無導致本集團喪失該等子公司的控制權，則入賬列作權益交易。本集團的相關權益部分與非控股權益的賬面值均會作出調整，以反映彼等於子公司的相對權益變動，包括按照本集團與非控股權益的權益比例，將本集團與非控股權益之間的相關儲備重新歸屬。

經非控股權益調整的金額與所付或所收代價的公允價值之間的任何差額，均直接於權益確認並歸屬於本公司擁有人。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Basis of consolidation (Continued)

##### Changes in the Group's interests in existing subsidiaries (Continued)

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

##### Business combinations or assets acquisitions

##### Optional concentration test

Effective from 1 January 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 合併基準(續)

##### 本集團於現有子公司的權益變動(續)

倘本集團喪失子公司的控制權，則取消確認該子公司的資產及負債以及非控股權益(如有)。收益或虧損於損益確認，並按(i)所收代價的公允價值及任何保留權益的公允價值的總額及(ii)資產(包括商譽)的賬面值，與本公司擁有人應佔子公司負債之間的差額計算得出。所有先前就該子公司於其他全面收入確認的金額應予入賬，猶如本集團已直接出售該子公司的相關資產或負債(即按適用國際財務報告準則所訂明規定重新分類至損益或直接轉撥至另一權益類別)。於喪失控制權當日在前子公司保留的任何投資的公允價值，將根據國際財務報告準則第9號/金融工具/「國際財務報告準則第9號」被視為其後入賬首次確認的公允價值，或(如適用)首次確認於合營企業或聯營公司投資的成本。

##### 業務合併或資產收購

##### 可選集中度測試

本集團按各項交易基準可選擇應用可選的集中度測試，允許簡化對所購置的一系列活動及資產是否不是業務的評估，自二零二零年一月一日起生效。倘所收購的總資產在實質上所有公平值都集中在單個可識別資產或一組類似資產中，則符合集中度測試。評估中的總資產不包括現金及現金等價物、遞延稅項資產及遞延稅項負債的影響所產生的商譽。倘符合集中度，則一系列活動及資產釐定為並非一項業務及毋須進一步評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Business combinations or assets acquisitions (Continued)

##### Asset acquisitions

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

##### Business combinations

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

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the International Accounting Standards Committee's Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting in September 2010).

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 業務合併或資產收購(續)

##### 資產收購

倘本集團收購一組不構成業務的資產或負債，本集團識別及確認個別可識別的所收購資產及所承擔負債，將購買價首先按公允價值分配至投資物業(隨後按公允價值模式計量)及金融資產/金融負債，購買價的餘額按於購買日期的相對公允價值分配至其他可識別資產及負債。該項交易並不導致商譽或議價購買收益。

##### 業務合併

除共同控制下的業務外，收購業務乃以收購法入賬。業務合併所轉讓代價按公允價值計量，乃按本集團所轉讓資產、所產生對被收購公司前擁有人的負債及所發行以交換被收購公司控制權的股權於收購日期的公允價值總和計算。收購相關成本一般於產生時於損益確認。

除若干確認豁免外，所購入可識別資產及所承擔負債必須符合國際會計準則委員會的財務報表的編製及呈報框架(於二零一零年九月被財務報告概念框架取代)中之資產及負債定義。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Business combinations or assets acquisitions (Continued)

##### Business combinations (Continued)

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 業務合併或資產收購(續)

##### 業務合併(續)

於收購日期，已收購可識別資產及已承擔負債乃按其公允價值確認，惟以下除外：

- 遞延稅項資產或負債及有關僱員福利安排的負債或資產乃分別根據國際會計準則第12號「所得稅」及國際會計準則第19號「僱員福利」確認及計量；
- 有關被收購方的股份支付安排的負債或股權工具，或由本集團訂立以取代被收購公司的股份支付安排的股份支付安排，乃於收購日期根據國際財務報告準則第2號「股份支付」計量（見下文的會計政策）；
- 根據國際財務報告準則第5號「持作待售非流動資產及終止經營業務」分類為持作待售資產（或出售組別）乃根據該準則計量；及
- 租賃負債按剩餘租賃付款額（按國際財務報告準則第16號定義）的現值確認和計量，猶如所獲得的租賃在收購日為新租賃，但(a)租賃期在收購日12個月內結束；或(b)相關資產價值低的租賃則除外。使用權資產的確認和計量與相關租賃負債的金額相同，並進行調整以反映與市場條款相比租賃的有利或不利條款。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Business combinations or assets acquisitions (Continued)

##### Business combinations (Continued)

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 業務合併或資產收購(續)

##### 業務合併(續)

商譽乃按已轉讓代價、於被收購公司的任何非控股權益金額及收購公司先前於被收購公司持有的股權公允價值(如有)的總額超過所收購可識別資產及所承擔負債於收購日期的淨額之差額計量。倘經重新評估後，所收購可識別資產及所承擔負債的淨額超過已轉讓代價、於被收購公司的任何非控股權益金額及收購公司先前於被收購公司持有的股權公允價值(如有)的總和，超出部分將即時於損益中確認為議價購買收益。

屬現時擁有權益且於清盤時賦予其持有人權利按比例分佔相關子公司淨資產的非控股權益初步按非控股權益應佔被收購公司可識別資產淨值已確認金額的比例計量。

倘本集團在業務合併中轉讓的代價包括或然代價安排，或然代價則按其於收購日期的公允價值計量，並計入作為在業務合併中所轉讓代價的一部分。合資格作計量期間調整的或然代價公允價值變動會作出追溯調整。計量期間調整為於「計量期間」(自收購日期起不可超過一年)取得有關於收購日期存在的事實及情況的額外資料所引致的調整。

或然代價的其後會計處理如不合資格作計量期間調整乃取決於或然代價的分類方式。分類為權益的或然代價不會於其後報告日期重新計量，而其後結算將於權益內入賬。分類為資產或負債的或然代價於其後報告日期重新計量為公允價值，而相應收益或虧損則於損益中確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Business combinations or assets acquisitions (Continued)

##### Business combinations (Continued)

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

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

##### Merger accounting for business combination involving businesses under common control

The consolidated financial statements incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 業務合併或資產收購(續)

##### 業務合併(續)

倘業務合併乃分階段達成，本集團先前持有的被收購公司股權會按收購日期(即本集團取得控制權當日)的公允價值重新計量，而由此產生的收益或虧損(如有)會在損益或其他全面收入(如適用)中確認。於收購日期前，由被收購公司權益產生且先前於其他全面收入中確認並根據國際財務報告準則第9號進行計量的金額，將按照本集團直接出售先前持有權益所需的相同基準入賬。

倘業務合併的初步會計處理於合併發生的報告期末仍未完成，本集團會呈報未完成會計處理的項目的臨時金額。該等臨時金額會在計量期間(見上文)追溯調整，並會確認額外資產或負債，以反映所取得有關收購日期已存在的事實及情況的新資料，而倘知悉有關資料，將會影響當日確認的金額。

##### 涉及共同控制業務之業務合併之合併會計法

共同控制合併的合併業務財務報表項目於綜合財務報表中入賬，猶如該等項目自合併業務首次受控制方控制當日起已合併入賬。

就控制方而言，合併業務的資產淨值按照現有賬面價值綜合入賬。於共同控制合併時，概無就商譽或議價購買確認金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Merger accounting for business combination involving businesses under common control (Continued)

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

##### Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 涉及共同控制業務之業務合併之合併會計法(續)

自最早呈列日期起或自合併業務首次受共同控制當日起(以較短者為準)的各合併業務業績於綜合損益及其他全面利潤表中入賬。

綜合財務報表的比較金額按猶如該等實體或業務於先前報告期初已合併或首次受共同控制(以較短者為準)的方式呈列。

##### 商譽

收購業務所產生的商譽按收購業務(見上文的會計政策)當日訂立的成本減任何累計減值虧損(如有)列賬。

為進行減值測試，商譽會被分攤至預期可受惠於合併的協同效益的本集團各現金產生單位(或現金產生單位組別)，即就內部管理而言監控商譽的而且不大於經營分部的最低層級。

獲分攤商譽的現金產生單位或一組現金產生單位每年進行減值測試，或當有跡象顯示該單位可能出現減值則更頻密地進行。就報告期內進行收購所產生的商譽，獲分攤商譽的現金產生單位或一組現金產生單位會於該報告期末前進行減值測試。當現金產生單位的可收回金額低於其賬面值，則首先分攤減值虧損以抵減分攤至該單位或該組現金產生單位的任何商譽的賬面值，其後按單位內各資產的賬面值按比例分攤至單位的其他資產。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Goodwill (Continued)

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

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture are described below.

##### Investments in associates and joint ventures

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 商譽(續)

出售相關現金產生單位或現金產生單位組別內的任何現金產生單位時，商譽應佔的金額會在釐定出售損益金額時包括在內。當本集團出售屬於現金產生單位(或一組現金產生單位內的現金產生單位)的業務時，所出售商譽的金額按所出售業務及現金產生單位(或現金產生單位組別)的保留部分的相對價值計量。

本集團因收購聯營公司及合營企業產生的商譽政策載於下文。

##### 於聯營公司及合營企業投資

聯營公司指本集團對其有重大影響力的實體。重大影響力為參與被投資公司的財務及營運決策的權力，但並非對該等政策擁有控制權或共同控制權。

合營企業指一項合營安排，據此，對該安排擁有共同控制權的訂約人士擁有對該合營安排的淨資產的權利。共同控制權指按照合約協定對某項安排所共有的控制權，共同控制權僅在相關活動的決定需要共同享有控制權的各方一致同意時方始存在。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### *Investments in associates and joint ventures (Continued)*

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### *於聯營公司及合營企業投資(續)*

聯營公司及合營企業的業績及資產與負債以權益會計法計入該等綜合財務報表。用作權益會計目的的聯營公司及合營企業的財務報表，乃使用與本集團在類似情況下就類似交易及事件所採用的一致會計政策編製。根據權益法，聯營公司或合營企業投資初步按成本於綜合財務狀況表確認，並於其後調整以確認本集團應佔聯營公司或合營企業的損益及其他全面收入。損益及其他全面收入以外之聯營公司／合營企業的淨資產變動不會入賬，除非該等變動導致本集團持有的所有權益出現變動。倘本集團應佔聯營公司或合營企業的虧損超出本集團於該聯營公司或合營企業的權益(包括實質上構成本集團於聯營公司或合營企業淨投資一部分的任何長期權益)，本集團會取消確認其應佔的進一步虧損。僅於本集團已產生法律或推定責任或已代表聯營公司或合營企業支付款項的情況下，方會確認額外虧損。

於聯營公司或合營企業投資乃自被投資公司成為聯營公司或合營企業當日起按權益法入賬。收購聯營公司或合營企業投資時，投資成本超出本集團應佔被投資公司的可識別資產及負債的公允價值淨額的任何金額會確認為商譽，並計入該投資的賬面值內。本集團應佔可識別資產及負債的公允價值淨額超出投資成本之任何金額，於重新評估後會即時在收購該投資的期間內於損益確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Investments in associates and joint ventures (Continued)

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 於聯營公司及合營企業投資(續)

本集團評估於一家聯營公司或一家合營企業的投資是否可能出現客觀減值跡象。如出現任何客觀證據，則根據國際會計準則第36號將投資的全部賬面值(包括商譽)作為單一資產，透過比較其可收回金額(使用價值及公允價值減銷售成本兩者中的較高者)與其賬面值進行減值測試。任何已確認的減值虧損不分配至任何資產(包括商譽)而構成投資賬面值的一部分。倘其後投資的可收回金額增加，則根據國際會計準則第36號確認該減值虧損撥回。

當本集團不再對聯營公司或合營企業具有重大影響力，其會入賬為出售於被投資方的全部權益，所產生收益或虧損於損益確認。倘本集團保留於前聯營公司或合營企業的權益且該保留權益為國際財務報告準則第9號範圍內的金融資產，本集團會於該日按公允價值計量保留權益，而該公允價值被視為於首次確認時的公允價值。聯營公司或合營企業的賬面值與出售聯營公司或合營企業相關權益的任何保留權益及任何所得款項公允價值之間的差額，會於釐定出售聯營公司或合營企業的收益或虧損時包括在內。此外，本集團會將先前在其他全面收入就該聯營公司或合營企業確認的所有金額入賬，基準與該聯營公司或合營企業直接出售相關資產或負債所需基準相同。因此，該聯營公司或合營企業先前已於其他全面收入確認的收益或虧損，會於出售相關資產或負債時重新分類至損益。本集團會於出售／部分出售相關聯營公司或合營企業時將收益或虧損由權益重新分類至損益(作為重新分類調整)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### *Investments in associates and joint ventures (Continued)*

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

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

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

##### *Revenue from contracts with customers*

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### *於聯營公司及合營企業投資(續)*

當聯營公司投資變為合營企業投資或合營企業投資變為聯營公司投資，本集團會繼續使用權益法。發生該等擁有權權益變動時，不會對公允價值重新計量。

倘本集團削減其於聯營公司或合營企業的擁有權權益而本集團繼續使用權益法，若有關收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前已於其他全面收入確認與削減擁有權權益有關的收益或虧損比例重新分類至損益。

倘集團實體與本集團的聯營公司或合營企業進行交易，與有關聯營公司或合營企業進行交易產生的溢利及虧損會在本集團綜合財務報表確認，惟僅以與本集團並無關聯的聯營公司或合營企業權益為限。

##### *來自客戶合約的收益*

本集團於履行履約責任時(或就此)確認收益，即與特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時確認收益。

履約責任指一項或一組特定的貨品或服務或基本相同的一系列特定貨品或服務。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Revenue from contracts with customers (Continued)

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

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

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

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 來自客戶合約的收益(續)

倘符合下列其中一項標準，控制權隨時間轉讓，而收益參照相關履約責任的完成進度隨時間確認：

- 在本集團履約時客戶同時收取及耗用由本集團履約所帶來的利益；
- 本集團履約創設或提升於本集團履約時由客戶控制的資產；或
- 本集團履約並無產生對本集團有替代用途的資產，且本集團有強制執行權，以支付至今已履約部分的款項。

否則，收益於客戶獲得特定貨品或服務的控制權時確認。

合同資產指本集團向客戶轉讓貨品或服務而作為交換有權收取代價但尚未成為無條件的權利。合同資產根據國際財務報告準則第9號評估減值。相反，應收款項代表本集團對代價的無條件權利，即代價僅隨時間推移即會成為到期應付。

合同負債指本集團向客戶轉讓本集團已收取客戶代價(或代價到期應付)的貨品或服務的責任。

與相同合約有關的合同資產及合同負債按淨額基準入賬及呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Revenue from contracts with customers (Continued)

*Contracts with multiple performance obligations (including allocation of transaction price)*

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

*Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation*

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 來自客戶合約的收益(續)

*具有多項履約責任的合約(包括交易價格的分攤)*

對於包含一項以上履約責任的合約，本集團按相對獨立的售價基準將交易價格分配至各項履約責任。

不同商品或服務相關的各項履約責任之單獨售價於合約成立時釐定。其指本集團將承諾的商品或服務單獨出售予客戶的價格。倘一項獨立的售價不能直接觀察，本集團採用適當的技術進行估計，以便最終分攤至任何履約責任之交易價格反映本集團預期將承諾的商品或服務轉讓予客戶有權換取的代價金額。

*按時間確認收益：計量履約責任的完成進度*

輸入法

履約責任的完成進度乃根據輸入法計量，即按本集團為履行履約責任而付出的努力或輸入(相對於為履行履約責任而作的預期總輸入)確認收益，有關方法最能反映本集團於轉讓貨品或服務控制權方面的履約情況。

輸出法

履約責任的完成進度乃根據輸出法計量，即透過直接計量迄今已轉讓予客戶的貨品或服務價值，相對合約下承諾提供的餘下貨品或服務的價值確認收益，有關方法最能反映本集團於轉讓貨品或服務控制權方面的履約情況。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Revenue from contracts with customers (Continued)

##### Variable consideration

For contracts that contain variable consideration based on construction costs incurred plus a mark-up, the Group estimates the amount of consideration to which it will be entitled using the expected value method/the most likely amount, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

##### Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 來自客戶合約的收益(續)

##### 可變代價

就根據已產生建築成本加漲價計算而包括可變代價的合約而言，本集團使用預期價值方法／最有可能的金額以估計其有權獲得的對價金額，該方法能夠更好地預測本集團將有權獲得的對價金額。

可變對價的估計金額僅在很可能在以後解決與可變對價有關的不確定性時不會在未來導致重大收益沖銷的情況下才包含在交易價格中。

於各報告期末，本集團更新估計交易價格（包括更新其對可變代價估計是否出現限制的評估），以真實呈列於報告期末的當時情況及於報告期內的情況變動。

##### 存在重大融資部分

於釐定交易價時，倘向客戶轉讓貨品或服務時（不論以明示或暗示方式）協定的付款時間為客戶或本集團帶來重大融資利益，則本集團就貨幣時間值的影響而調整已承諾的代價金額。於該等情況下，合約含有重大融資部分。不論於合約中以明示呈列或合約訂約方協定的支付條款暗示融資承諾，合約中均可能存在重大融資部分。

就付款與轉讓相關貨品或服務相隔期間不足一年的合約而言，本集團應用可行權宜方法，不就任何重大融資部分調整交易價格。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Revenue from contracts with customers (Continued)

##### Existence of significant financing component (Continued)

For advance payments received from customers before the transfer of the associated goods or services in which the Group adjusts for the promised amount of consideration for a significant financing component, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The relevant interest expenses during the period between the advance payments were received and the transfer of the associated goods and services are accounted for on the same basis as other borrowing costs.

##### Principal versus agent

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

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 來自客戶合約的收益(續)

##### 存在重大融資部分(續)

就於轉讓相關貨品或服務前向客戶收取的預付款項而言，本集團對重大融資部分就承諾代價金額作出調整，本集團採用本集團與客戶之間於合約開始時的單獨融資交易中反映的貼現率。於收取預付款項及轉讓相關貨品及服務的期間內，相關利息費用按其他借貸成本之相同基準入賬。

##### 主事人與代理人

當另一方從事向客戶提供貨品或服務，本集團釐定其承諾的性質是否為提供特定貨品或服務本身的履約責任(即本集團為主事人)或安排由另一方提供該等貨品或服務(即本集團為代理人)。

倘本集團在向客戶轉讓貨品或服務之前控制特定貨品或服務，則本集團為主事人。

倘本集團的履行責任為安排另一方提供特定的貨品或服務，則本集團為代理人。在此情況下，在將貨品或服務轉讓予客戶之前，本集團並不控制另一方提供的特定貨品或服務。當本集團為代理人時，其所確認收益金額為其預期有權就安排由另一方提供的特定貨品或服務而取得的任何費用或佣金。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Revenue from contracts with customers (Continued)

##### Contract costs

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises sales commissions as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

##### Leases

##### Definition of a lease

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 來自客戶合約的收益(續)

##### 合約成本

取得合約的增量成本

取得合約的增量成本乃本集團為取得客戶合約而產生的該等成本，倘並無取得合約則不會產生該等成本。

倘本集團預期可收回該等成本，則本集團將銷售佣金確認為資產。其後該資產按系統化基準攤銷至損益，該基準與向客戶轉讓該資產相關的貨品或服務一致。

倘該等成本將於一年內悉數攤銷至損益，本集團則應用可行權宜方法，支銷取得合約的所有增量成本。

##### 租賃

##### 租賃的定義

倘合約為換取代價而給予在一段時間內控制使用已識別資產之權利，則該合約為租賃或包含租賃。

就於首次應用日期或之後訂立或修訂的或由業務合併產生的合約而言，本集團於開始日期或修訂日期或收購日期(按合適)按照國際財務報告準則第16號項下的定義評估合約是否為租賃或包含租賃。除非合約的條款及條件隨後變更，否則有關合約將不予重新評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Leases (Continued)

##### The Group as a lessee

##### Allocation of consideration to components of a contract

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

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

##### Short-term leases and leases of low-value assets

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

##### Right-of-use assets

The cost of right-of-use asset includes:

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 租賃(續)

##### 本集團作為承租人

##### 分配代價至合約的組成部分

就包含一項租賃組成部分及一項或多項額外租賃或非租賃組成部分的合約而言，本集團將合約代價按租賃組成部分的相關獨立價格及非租賃組成部分的獨立價格總額分配予各自租賃組成部分。

非租賃組成部分按其相關獨立價格與租賃組成部分分開。

##### 短期租賃及低價值資產租賃

本集團對租期自開始日期起計12個月或更短者且並無包含購買權之辦公設備租賃應用短期租賃確認豁免。同時就低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款於租期內按直線法或其他有系統的基準確認為開支。

##### 使用權資產

使用權資產的成本包括：

- 租賃負債初始計量金額；
- 於開始日期或之前作出的任何租賃付款，減去任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團涉及拆卸及遷移相關資產，恢復相關資產所在地點或恢復相關資產至租賃條款及條件要求之狀況之估計成本。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Leases (Continued)

##### The Group as a lessee (Continued)

##### Right-of-use assets (Continued)

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

The Group presents right-of-use assets that do not meet the definition of investment properties, properties under development and completed properties held for sale as a separate line item on the consolidated statement of financial position. The right-of-use assets that meet the definition of investment properties, properties under development and completed properties held for sale are presented within "investment properties", "properties under development" and "completed properties held for sale".

##### Refundable rental deposits

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

##### Lease liabilities

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 租賃(續)

##### 本集團作為承租人(續)

##### 使用權資產(續)

除分類為投資物業並按公允價值模式計量的使用權資產外，使用權資產按成本減去任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。

本集團合理確定於租期完結時可獲得相關租賃資產擁有權之使用權資產，從開始日期至可使用年期完結計算折舊。否則，使用權資產按其估計可使用年期及租期(以較短者為準)，以直線法計算折舊。

本集團在綜合財務狀況表中將不符合投資物業、在建物業及已完工待售物業定義的使用權資產列為單獨的項目。符合投資物業、在建物業和已完工待售物業定義的使用權資產在「投資物業」、「在建物業」和「已完工待售物業」項下列示。

##### 可退回租金按金

已付的可退回租金按金根據國際財務報告準則第9號入賬，並按公允價值初始計量。於初始確認時對公允價值的調整被視為額外租賃付款，並計入使用權資產的成本。

##### 租賃負債

於租賃開始日期，本集團按於該日尚未支付的租賃付款現值確認及計量租賃負債。於計算租賃付款的現值時，倘租賃的隱含利率無法釐定，則於租賃開始日期使用增量借貸利率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Leases (Continued)

##### The Group as a lessee (Continued)

##### Lease liabilities (Continued)

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

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

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

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

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

##### Lease modifications

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 租賃(續)

##### 本集團作為承租人(續)

##### 租賃負債(續)

租賃付款包括固定付款(包括實質固定付款)減去任何應收租賃優惠。

於開始日期後，租賃負債就利息增量及租賃付款作出調整。

於出現下列情況時，本集團重新計量租賃負債，並對相關使用權資產作出相應調整：

- 租期有所變動或行使購買權的評估出現變更，於該情況下，相關租賃負債於重新評估日期透過使用經修訂貼現率貼現經修訂租賃款項而重新計量。
- 租賃款項因審閱市場租金後市場租金率有所變動而出現變動，在此情況下，相關租賃負債透過使用初始貼現率貼現經修訂租賃款項而重新計量。

本集團在綜合財務狀況表中將租賃負債作為單獨項目列示。

##### 租賃修訂

倘出現下列情況，本集團將租賃修訂作為一項單獨租賃予以入賬：

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Leases (Continued)

##### The Group as a lessee (Continued)

##### Lease modifications

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

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

##### The Group as a lessor

##### Classification and measurement of leases

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

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 租賃(續)

##### 本集團作為承租人(續)

##### 租賃修訂

就並無作為一項單獨租賃入賬的租賃修訂而言，本集團基於透過使用修訂生效日期的經修訂貼現率貼現經修訂租賃款項的經修訂租期重新計量租賃負債。

本集團通過對相關使用權資產進行相應調整以對租賃負債進行重新計量。當修改後的合同包含租賃組成部分和一個或多個其他租賃或非租賃組成部分時，本集團會根據租賃部分的相對獨立價格和非租賃組成部分的獨立價格總額將修改後的合同中的對價分配給每個租賃組成部分。

##### 本集團作為出租人

##### 租賃分類及計量

本集團為出租人的租賃分類為融資或經營租賃。只要租賃條款將與相關資產所有權有關的幾乎所有風險和報酬轉移給承租人，合同就被分類為融資租賃。所有其他租賃均分類為經營租賃。

經營租賃的租金收入按相關租賃年期以直線法於損益確認。磋商及安排經營租賃所產生的初始直接成本會加入租賃資產的賬面值，而除按公允價值模式計量之投資物業外，該等成本於租賃期內按直線法確認為開支。

來自本集團日常業務過程中的租金收入呈列為收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Leases (Continued)

##### The Group as a lessor (Continued)

##### Allocation of consideration to components of a contract

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

##### Refundable rental deposits

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

##### Sublease

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

##### Lease modification

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 租賃(續)

##### 本集團作為出租人(續)

##### 分配代價至合約組成部分

當合約同時包含租賃和非租賃組成部分時，本集團採用國際財務報告準則第15號「來自客戶合約的收益」(國際財務報告準則第15號)在合約中將代價分配給租賃和非租賃組成部分。非租賃組成部分根據其相對獨立的銷售價格與租賃部分分開。

##### 可退回租賃按金

已收的可退回租賃按金根據國際財務報告準則第9號入賬，並按公允價值初始計量。於初始確認時對公允價值作出的調整被視為額外租賃付款。

##### 轉租賃

倘本集團作為中間出租人，則將原租賃及轉租賃作為兩個合約單獨核算。基於原租賃形成的使用權資產(而非標的資產)將轉租賃分類為融資租賃或經營租賃。

##### 租賃修訂

不屬於原定條款及條件的租賃合約代價變更將作為租賃修訂入賬，包括通過寬免或減少租金所提供的租賃優惠。

本集團將經營租賃修訂入賬為自修訂生效日期起計的新租賃，並考慮與原租賃相關的任何預付或應計租賃款項，作為新租賃的部分租賃款項。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Leases (Continued)

##### Sale and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

##### The Group as a seller-lessee

For a transfer that satisfies the requirements as a sale, the Group as a seller-lessee measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset and recognises any gain or loss that relates to the rights transferred to the buyer-lessor only.

##### Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

##### Borrowing costs

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 租賃(續)

##### 售後租回交易

本集團將按國際財務報告準則第15號的規定評估售後租回交易是否構成出售目標集團銷售。

##### 本集團作為賣方承租人

對於符合出售要求的轉讓，本集團作為賣方承租人，根據回租產生的使用權資產按資產先前賬面值的比例計量，並確認與該資產就轉讓其權利給買方出租人的任何相關利益或損失。

##### 外幣

於編製各個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣(外幣)進行的交易，按交易日期的現行匯率確認。於各報告期末，以外幣結算的貨幣項目乃按當日的現行匯率重新換算。以公允價值列賬的外幣計值非貨幣項目，會按釐定公允價值當日的現行匯率重新換算，而以外幣按歷史成本計量的非貨幣項目則不會重新換算。

結付貨幣項目產生的以及重新換算貨幣項目時的匯兌差額於其產生期間在損益中確認。

##### 借貸成本

因收購、興建或生產需要長時間方可達到可使用狀態或出售的資產而直接產生的借貸成本，將加入至該等資產的成本，直至有關資產大致達到可使用狀態或可供出售時為止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Borrowing costs (Continued)

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

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

##### Taxation

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

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 借貸成本(續)

在相關資產準備用於其預期用途或出售後仍未償還的任何特定借款，均計入一般借款池，以計算一般借款的資本化率。在特定借款用於符合條件的資產的支出之前，將其暫時投資所賺取的投資收入從符合資本化條件的借貸成本中扣除。

所有其他借貸成本均於產生的年度於損益確認。

##### 稅項

所得稅開支指即期應付稅項及遞延稅項的總和。

即期應付稅項乃按年內應課稅溢利計算。應課稅溢利有別於除稅前溢利，原因為於其他年度的應課稅或可扣稅的收入或開支項目，及毋須課稅或可扣稅的項目。本集團的即期稅項負債乃按報告期末已執行或實際已執行的稅率計算。

遞延稅項就綜合財務報表內資產及負債的賬面值與計算應課稅溢利所用的相應稅基之間的暫時差額而確認。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產一般在可能會有應課稅溢利以供扣減可扣稅暫時差額時確認所有可供扣減暫時差額。倘在某項交易中，商譽或首次確認(業務合併除外)其他資產及負債所產生的暫時差額不會影響應課稅溢利或會計溢利，有關資產及負債則不予確認。此外，倘初始確認商譽產生暫時差額，則不予確認遞延稅項負債。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Taxation (Continued)

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

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

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

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 稅項(續)

由子公司及聯營公司投資以及合營企業權益相關的應課稅暫時差額會確認遞延稅項負債，惟倘本集團能夠控制暫時差額的撥回及暫時差額很大機會於可見將來不會撥回則除外。與該等投資有關的可扣稅暫時差額所產生的遞延稅項資產只有在有足夠應課稅溢利可供動用暫時差額的利益並預期於可見將來撥回的情況下方始確認。

遞延稅項資產的賬面值於報告期末審閱，倘不再可能有足夠應課稅溢利以收回全部或部分資產，則削減遞延稅項資產的賬面值。

遞延稅項資產及負債乃按預期適用於清償負債或變現資產期間的稅率(以報告期末已執行或實際已執行的稅率(及稅法)為基準)計量。

遞延稅項負債及資產計量反映本集團預期於報告期末收回或清償其資產及負債賬面值的方式所產生的稅務結果。

為計量按公允價值模型計量的投資物業的遞延稅項負債或遞延稅項資產，除非假設被推翻，否則有關物業的賬面值乃假設為可通過出售全數收回。當投資物業可予折舊，並於旨在隨著時間的推移而非通過出售消耗絕大部分包括在投資物業內的經濟利益的業務模式內持有時，有關假設會被推翻。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Taxation (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 "Income Taxes requirements" to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 稅項(續)

就計量本集團確認當中使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先確定減稅額應歸屬於使用權資產或租賃負債。

對於扣除稅項歸因於租賃負債的租賃交易，本集團分別對使用權資產和租賃負債應用國際會計準則第12號「所得稅要求」。由於使用了初始確認豁免，與使用權資產和租賃負債相關的暫時性差異在初始確認時和租賃期內均未確認。因重新計量租賃負債和租賃修訂而對使用權資產和租賃負債的賬面金額進行後續修訂而產生的暫時性差異，在不進行初始確認的豁免情況下在重新計量或修訂之日予以確認。

當有可強制執行權利將即期稅項資產與即期稅項負債抵銷，並涉及與同一稅務機關對同一應課稅實體徵收的所得稅有關時，則遞延稅項資產及負債可互相對銷。

即期及遞延稅項會在損益中確認，除非其與於其他全面收入確認或直接於權益確認的項目有關(在該情況下，即期及遞延稅項亦分別於其他全面收入或直接於權益確認)。倘即期稅項或遞延稅項源自業務合併的首次入賬，有關稅務影響則計入業務合併入賬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

###### Government grants

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

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

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

###### Employee benefits

###### Retirement benefit costs and termination benefits

The Group participates in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Group pays a fixed percentage of its qualifying staff's wages as contributions to the plans. Payments to such retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

###### Short-term employee benefits

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

###### 政府補助

只有在合理確定本集團將會遵守其附帶條件時及將可收取補助時，方會確認政府補助。

政府補助在本集團將補貼擬補償的相關成本確認為開支期間按有系統的基準於損益確認。

就已經產生的開支或虧損收取作為補償的收入相關政府補助，或為向本集團提供即時財務支持而收取的收入相關政府補助，而無未來相關成本者，乃於可收取時在當期損益內確認。該等補助在「其他收入」項下列示。

###### 僱員福利

###### 退休福利成本及離職福利

本集團參加由國家管理的退休福利計劃，該等計劃為界定供款計劃，據此，本集團按合資格員工的工資的固定百分比向該等計劃供款。向該等退休福利計劃支付的款項在僱員已提供可享有該等供款的服務時作為開支扣除。

###### 短期僱員福利

短期僱員福利按僱員提供服務時預期應予支付的未折現福利金額確認。除非另一項國際財務報告準則要求或允許將該福利計入資產成本，否則所有短期僱員福利均確認為開支。

扣除已支付的任何款項後，應為僱員產生的福利(例如工資和薪金及年假)確認負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Property, plant and equipment

Property, plant and equipment, including land and buildings held for use in the production or supply of goods or services, or for administrative purposes other than construction in progress, are stated in the consolidated statement of financial position at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land under classified as right-of-use-assets) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 物業、廠房及設備

物業、廠房及設備包括持作生產或供應貨品或服務用途，或作行政用途的土地及樓宇(在建工程除外)，乃按成本減累計折舊及累計減值虧損(如有)在綜合財務狀況表列賬。

為生產、供應或行政目的而在建的物業按成本減去任何已確認的減值虧損列賬。成本包括直接歸因於將資產移至使其能夠以管理層預期的方式運作所必需的地點和條件的任何成本，以及對於符合條件的資產而言，根據本集團會計政策，借貸成本資本化。當這些資產準備就緒可用於其預定用途時，便開始以與其他物業資產按相同基礎進行折舊。

當本集團支付包括租賃土地和建築部分的物業的所有權權益時，全部對價按初始確認時的相對公允價值比例分配在租賃土地和建築部分之間。在能夠可靠分配相關付款的範圍內，租賃土地權益在綜合財務狀況表中被列為「使用權資產」，惟獲分類及入賬為公允價值模式下投資物業者除外。當對價未能在非租賃建築部分和相關租賃土地的未分割權益之間可靠分配時，整個物業將分類為物業、廠房和設備。

如果某物業由於其用途已發生變化而變為投資物業(自所有者終止之日起證明)，則該賬面價值與該項目的公允價值之間的任何差額(包括被分類為使用權資產的相關租賃土地)在轉讓之日確認為其他全面收益，並累計在物業重估儲備中。在物業的後續出售或報廢時，相關的重估儲備金將直接轉入保留溢利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Property, plant and equipment (Continued)

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

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

##### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including and properties under construction for such purposes).

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 物業、廠房及設備(續)

折舊按撇銷物業、廠房及設備(在建工程除外)項目成本減估計可使用年期的剩餘價值,以直線法確認。估計可使用年期、剩餘價值及折舊方法會於各報告期末審閱,而任何估計變動的影響則按未來基準入賬。

物業、廠房及設備項目於出售或預期不會因繼續使用該資產產生日後經濟利益時取消確認。因出售或淘汰物業、廠房及設備項目所產生的任何收益或虧損按銷售所得款項與該資產的賬面值之間的差額釐定,並在損益中確認。

##### 投資物業

投資物業為持有目的在於賺取租金收入及/或資本增值的物業(包括就此等目的之在建物業)。

投資物業亦包括已確認為使用權資產並由本集團根據經營租賃轉租賃的租賃物業。

投資物業初始按成本(包括任何直接應佔支出)計量。首次確認後,投資物業按其公允價值計量,經調整至排除任何預付或應計經營租賃收入。

投資物業公允價值變動所產生的收益或虧損會在產生期間計入損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Investment properties (Continued)

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

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

##### Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with effect of any changes in estimate being accounted for a prospective basis.

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 投資物業(續)

在建投資物業招致的建造成本會資本化為在建投資物業賬面值的一部分。

投資物業於永久不再使用及預期不會因其出售產生日後經濟利益時取消確認。因取消確認物業所產生的任何收益或虧損(按資產的出售所得款項淨額與賬面值之間的差額計算)在物業取消確認的期間內計入損益。

##### 無形資產

分開收購且具有有限可使用年期的無形資產按成本減累計攤銷及累計減值虧損列賬。攤銷乃按其估計可使用年期以直線法確認。估計可使用年期及攤銷方法於各報告期末審閱，而任何估計變動的影響則按未來基準入賬。

無形資產於出售或預期不會因使用該資產產生日後經濟利益時取消確認。因取消確認無形資產所產生的收益或虧損按資產的出售所得款項淨額與賬面值之間的差額計量，並在資產取消確認時於損益中確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### *Impairment of property, plant and equipment, right-of-use assets, contract costs and intangible assets other than goodwill*

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, intangible assets with finite useful lives and contract costs to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

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

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

Before the Group recognises an impairment loss for assets capitalised as contract costs under IFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### *物業、廠房及設備、使用權資產、合同成本以及無形資產(商譽除外)減值*

於報告期末，本集團審閱其具有有限可使用年期的物業、廠房及設備、無形資產及合同成本的賬面值，以釐定該等資產是否有任何減值虧損跡象。如有任何有關跡象，則估計相關資產的可收回金額，以釐定減值虧損(如有)的程度。

物業、廠房及設備、使用權資產及無形資產的可收回金額乃單獨評估。如不可能個別估計可收回金額，本集團估計該資產所屬現金產生單位的可收回金額。

就測試現金產生單位減值而言，倘能建立合理一致的分配基準，企業資產會獲分配至相關現金產生單位，否則會按可識別的合理且一致的分配基準分配至最小的現金產生單位組別。可收回金額按公司資產所屬現金產生單位或現金產生單位組別釐定，並與相關現金產生單位或現金產生單位組別的賬面值相比較。

根據國際財務報告準則第15號，本集團在將資本化資產減值虧損確認為合同成本前，按適用準則評估及確認任何與相關合約有關的其他資產減值虧損。其後，倘賬面值超過本集團預期就交換相關貨品或服務收取的代價減直接與提供貨品或服務相關而並無確認為開支的成本，則就資本化資產的減值虧損(如有)確認為合同成本。作為合同成本的資本化資產其後計入其所屬的現金產生單位的賬面值，以評估有關現金產生單位減值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### *Impairment of property, plant and equipment, right-of-use assets, contract costs and intangible assets other than goodwill (Continued)*

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### *物業、廠房及設備、使用權資產、合同成本以及無形資產(商譽除外)減值(續)*

可收回金額為公允價值減出售成本與使用價值兩者的較高者。在評估使用價值時，估計未來現金流量將使用可反映當時市場對貨幣時間價值及資產(其未來現金流量估計乃未經調整)特定風險的評估的稅前貼現率貼現至其現值。

倘估計資產(或現金產生單位)的可收回金額低於其賬面值，則將該資產(或現金產生單位)賬面值撇減至其可收回金額。就未能按合理一致基準分配至現金產生單位的企業資產或一部分企業資產而言，本集團會將一組現金產生單位的賬面值(包括分配至該現金產生單位組別的企業資產或一部分企業資產的賬面值)與該組現金產生單位的可收回款項作比較。於分配減值虧損時，則減值虧損將首先分配以調低任何商譽之賬面值(如適用)，其後根據該單位或現金產生單位組別內各資產之賬面值按比例分配至其他資產。資產的賬面值不會扣減至低於其公允價值減出售成本(倘可計量)、其使用價值(倘可釐定)及零中的最高者。將另行分配至資產的減值虧損金額按比例分配至該單位或現金產生單位組別的其他資產。減值虧損即時於損益確認。

倘於其後撥回減值虧損，則將該資產(或現金產生單位或現金產生單位組別)的賬面值調增至經修訂的估計可收回金額，惟增加後的賬面值不得超過該資產(或現金產生單位或現金產生單位組別)於過往年度未曾確認減值虧損而應有的賬面值。減值虧損的撥回即時於損益確認。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

###### Properties under development

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

###### Completed properties for sale

Completed properties for sale are stated at the lower of cost and net realisable value. Cost comprises the costs of land use rights, construction costs, borrowing costs capitalised and other direct development expenditure. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

The Group transfers a property from properties under development or completed properties for sale to investment property when there is a change in use to hold the property to earn rentals or/and for capital appreciation rather than for sale in the ordinary course of business, which is evidenced by the inception of an operating lease to another party. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

###### 在建物業

在建物業，指擬於發展完成時出售的位於中國發展中的租賃土地及建築物，以及待售物業分類為流動資產。除根據使用權資產的會計政策以成本模型計量的租賃土地部分外，在建物業／已完工待售物業以成本與可變現淨值(較低者)列賬。成本包括土地使用權成本、建築成本、資本化借貸成本及其他直接發展支出。成本根據特定的確定基礎釐定，包括分配已發生的相關發展支出以及在適當情況下資本化的借貸成本。可變現淨值指物業在日常業務過程中的估計售價減去估計完工成本及進行銷售所需的估計成本。發展中的待售物業於發展完成後轉移至已完工待售物業。

###### 已完工待售物業

已完工待售物業按成本或可變現淨值兩者的較低者列賬。成本包括土地使用權成本、建造成本、資本化借貸成本及其他直接發展開支。可變現淨值指日常業務過程中的估計售價減去出售所需的估計成本。

倘改變用途，將在建物業或已完工待售物業由在日常業務過程中出售改為持有物業以賺取租金收入或／及資本增值(證據為出租予另一方的經營租賃開始)，本集團則將已完工待售物業項目轉撥至投資物業。物業於轉撥當日的公允價值與其先前的賬面值之間的差額會在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

###### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

###### Financial instruments

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

###### 撥備

當本集團因過往事件而有現時(法律或推定)責任，且本集團有可能日後須履行該責任，而且該項責任的金額可以可靠地計量，則會確認撥備。

確認為撥備之金額乃根據於報告期末要履行該項現時責任所須代價的最佳估計，當中考慮圍繞責任的風險及不確定性。倘採用估計用以履行責任所需現金流量來對撥備進行計量，則其賬面值乃該等現金流量的現值(倘金錢的時間值的影響為重大)。

繁重合約項下所產生現時責任乃確認及計量為撥備。當本集團為達致其所擁有合約項下責任而不可避免地產生的費用超出預期自該合約收取的經濟利益時，則被視為存在繁重合約。

###### 金融工具

當集團實體成為工具合約條文之訂約方，則確認金融資產及金融負債。所有以常規方式買賣的金融資產於交易日確認及取消確認。以常規方式買賣指須根據市場規則或慣例訂立之時間內交收資產之金融資產買賣。

金融資產及金融負債初始按公允價值計量，惟與客戶合約產生的應收賬款除外，根據國際財務報告準則第15號計量。收購或發行金融資產及金融負債(按公允價值列賬於損益的金融資產或金融負債除外)直接應佔的交易成本均於初始確認時加入至或扣除自金融資產或金融負債的公允價值(如適用)。收購按公允價值列賬於損益的金融資產或金融負債直接應佔的交易成本即時於損益確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Financial instruments (Continued)

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

##### Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 金融工具(續)

實際利率法為計算金融資產或金融負債攤銷成本及於相關期間分配利息收入及利息費用的方法。實際利率法為於初始確認時將金融資產或金融負債預期年內或(倘適當)較短期間的估計未來現金收入及付款(包括組成實際利率一部分的所有已付或已收費用及點數、交易成本及其他溢價或折讓)準確折現至賬面淨值的利率。

##### 金融資產

金融資產的分類及其後計量

符合下列條件的金融資產其後按攤銷成本計量：

- 以收取合同現金流量為目的而持有金融資產之經營模式下持有之金融資產；及
- 金融資產之合同條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

符合下列條件的金融資產其後以按公允價值列賬於其他全面收入計量：

- 同時以出售及收取合同現金流量為目的之經營模式下持有之金融資產；及
- 合同條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

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

A financial asset is held for trading if:

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

金融資產的分類及其後計量(續)

所有其他金融資產其後按公允價值列賬於損益計量。惟於初始確認金融資產時，倘該股權投資並非持作買賣，亦非由於收購方在國際財務報告準則第3號所適用的業務合併中確認的或然代價，本集團可不可撤銷地選擇於其他全面收入呈列股權投資公允價值之其後變動。

倘符合下列條件，金融資產持作買賣：

- 其獲收購乃主要為於短期內出售；或
- 於初始確認時，其為本集團共同管理之可識別金融工具組合的一部分，並具有短期套利的近期實際模式；或
- 為未被指定及有效作為對沖工具之衍生工具。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

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

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

- (ii) Equity instruments designated as at FVTOCI

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

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

金融資產的分類及其後計量(續)

此外，倘如此可消除或大幅減少會計錯配，則本集團可不可撤銷地將須按攤銷成本或按公允價值列賬於其他全面收入計量的金融資產指定為按公允價值列賬於損益計量。

- (i) 攤銷成本及利息收入  
利息收入就其後按攤銷成本計量的金融資產採用實際利率法確認。利息收入透過將實際利率用於金融資產賬面總值來計算，惟其後已變為信貸減值的金融資產(見下文)除外。就其後已變為信貸減值的金融資產而言，利息收入透過將實際利率用於自下個報告期起計的金融資產攤銷成本確認。倘信貸減值金融工具的信貸風險降低令金融資產不再出現信貸減值，則利息收入在釐定資產不再出現信貸減值後，透過將實際利率用於自報告期開始起計的金融資產賬面總值來確認。

- (ii) 指定為按公允價值列賬於其他全面收入的股權工具  
按公允價值列賬於其他全面收入的股權工具投資隨後按公允價值計量，而公允價值變動產生的收益就虧損於其他全面收入中確認並累計至按公允價值列賬於其他全面收入的儲備，並毋須進行減值評估。於出售股權投資時，累計收益或虧損將不會重新分類至損益，並將轉撥至保留溢利。

當本集團確立收取股息的權利時，該等股權工具投資的股息於損益確認，除非股息明確指收回部分投資成本。股息計入於損益「其他收入」項目內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(iii) Financial assets at FVTPL

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

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

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

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables (including lease receivables), other receivables, restricted bank deposits, bank balances and cash) and other items (contract assets and financial guarantee contracts) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

金融資產的分類及其後計量(續)

- (iii) 按公允價值列賬於損益的金融資產  
不符合按攤銷成本計量或按公允價值列賬於其他全面收入或指定為按公允價值列賬於其他全面收入標準的金融資產按公允價值列賬於損益計量。

按公允價值列賬於損益的金融資產按各報告期末的公允價值計量，任何公允價值收益或虧損於損益中確認。於損益確認的收益或虧損淨額不包括就金融資產賺取的任何股息或利息，並計入「其他收益及虧損」一欄。

金融資產及其他項目減值，視乎國際財務報告準則第9號減值評估

本集團根據預期信貸虧損(「**預期信貸虧損**」)模型對金融資產(包括應收賬款(包括租賃應收款項)、其他應收款項、受限制銀行存款、銀行結餘和現金)以及其他項目(合同資產和金融擔保合同)進行減值評估，視乎國際財務報告準則第9號項下的減值測試。在各報告日更新預期信貸虧損金額，以反映自初始確認以來信貸風險的變化。

存續期預期信貸虧損指相關工具於其預計年期內所有可能違約事件產生的預期信貸虧損。相反，12個月預期信貸虧損(「**12個月預期信貸虧損**」)指預計於報告日期後12個月內可能發生的違約事件產生的存續期預期信貸虧損部分。評估乃根據本集團過往信貸虧損經驗，並就債務人特定因素、整體經濟狀況以及對於報告日期之當時狀況及未來狀況預測的評估作調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

The Group always recognises lifetime ECL for trade receivables (including lease receivables) and contract assets without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

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

(i) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

金融資產及其他項目減值，視乎國際財務報告準則第9號減值評估(續)

本集團經常就應收賬款(包括租賃應收款項)及合同資產(無重大融資組成部分)確認全期預期信貸虧損。該等資產的預期信貸虧損乃就具有巨額結餘的債務人個別及/或使用具有合適分組的撥備矩陣集體予以評估。

對於所有其他工具，本集團計量的虧損撥備等於12個月預期信貸虧損，除非自初始確認後信貸風險大幅增加，在此情況下本集團則會確認存續期預期信貸虧損。應否確認存續期預期信貸虧損的評估乃基於自初始確認以來發生違約之可能性或風險的顯著增加。

(i) 信貸風險大幅增加

於評估信貸風險自初始確認以來是否大幅增加時，本集團比較於報告日期就金融工具發生違約的風險與於初始確認日期就金融工具發生違約的風險。於作出此評估時，本集團考慮屬合理及可支持的定量及定質資料，包括過往經驗及在並無繁重成本或工作下可得的前瞻性資料。

尤其是，於評估信貸風險是否已大幅增加時已計入下列資料：

- 金融工具的外部(如有)或內部信貸評級的實際或預期嚴重轉差；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

- (i) Significant increase in credit risk (Continued)
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
  - existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
  - an actual or expected significant deterioration in the operating results of the debtor;
  - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

金融資產及其他項目減值，視乎國際財務報告準則第9號減值評估(續)

- (i) 信貸風險大幅增加(續)
- 信貸風險的外部市場指標嚴重轉差(如債務人的信貸息差及信貸違約掉期價格大幅增加)；
  - 預期導致債務人滿足其債務責任的能力大幅減少的業務、財務或經濟狀況的現有或預測不利變動；
  - 債務人的經營業績實際或預期嚴重轉差；
  - 債務人所在的監管、經濟或科技環境的實際或預期重大不利變動，導致債務人滿足其債務責任的能力大幅減少。

不論上述評估的結果，當合約付款已逾期超過30日，本集團會假定信貸風險自初始確認起大幅增加，除非本集團具有合理及可支持資料展示相反情況。

儘管存在上述情況，倘債務工具於報告日期展示為具有低信貸風險，本集團假設債務工具的信貸風險自初始確認起並無大幅增加。倘i)其違約風險偏低，ii)借方有強大能力於短期滿足其合約現金流量責任，及iii)較長期的經濟及業務狀況存在不利變動，惟將未必削弱借方達成其合約現金流量責任的能力，則債務工具的信貸風險會被釐定為偏低。當債務工具的內部或外部信貸評級為「投資級別」(按照全球理解的釋義)，則本集團會視該債務工具的信貸風險偏低。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

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

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

(ii) Definition of default

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

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

金融資產及其他項目減值，視乎國際財務報告準則第9號減值評估(續)

(i) 信貸風險大幅增加(續)

就財務擔保合約而言，本集團成為不可撤銷承擔一方的日期被視為減值評估進行初始確認之日期，故於估計信貸風險自財務擔保合約自初始確認起是否有顯著上升時，本集團考慮特定債務人違約風險的變動。

本集團定期監控用以識別信貸風險有否大幅增加的標準之有效性，且修訂標準(如適當)以確保標準能在金額逾期前識別信貸風險大幅增加。

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

無論上述情形如何，本集團認為，當金融資產逾期超過90天，則發生違約，除非本集團有合理且具理據的資料證明更滯後的違約標準屬更合適。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

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

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

金融資產及其他項目減值，視乎國際財務報告準則第9號減值評估(續)

(iii) 信貸減值金融資產

金融資產在一項或以上違約事件(對該金融資產估計未來現金流量構成不利影響)發生時出現信貸減值。金融資產出現信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人的重大財務困難；
- (b) 違反合約(如違約或逾期事件)；
- (c) 借款人的貸款人因有關借款人財務困難的經濟或合約理由而向借款人授出貸款人不會另行考慮的優惠；或
- (d) 借款人將可能陷入破產或其他財務重組。

(iv) 撇銷政策

當有資料顯示對手方處於嚴重財務困難及無實際收回可能(例如，對手方已處於清盤狀態或已進行破產程序)，則本集團撇銷金融資產。經考慮法律意見後(倘合適)，被撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成取消確認事件。任何其後收回在損益中確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

金融資產及其他項目減值，視乎國際財務報告準則第9號減值評估(續)

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約可能性、違約損失率(即出現違約時的損失幅度)及違約風險的敞口。違約可能性及違約損失率的評估乃基於歷史數據及前瞻性資料。預期信貸虧損的估計乃無偏概率加權平均金額，以發生違約的風險為權重確定。本集團使用實際可行權宜方法通過使用撥備矩陣及計及過往信貸虧損經驗以估計應收賬款預期信貸虧損，並就毋須花費不必要成本或精力即可獲得的前瞻性資料進行調整。

一般而言，預期信貸虧損為本集團根據合約應收的所有合約現金流量與本集團預計收取的現金流量之間的差額，並按初始確認時釐定的實際利率貼現。就租賃應收款項而言，釐定預期信貸虧損所用現金流量與根據國際財務報告準則第16號計量租賃應收款項所用現金流量一致。

就財務擔保合約而言，由於根據擔保工具條款，本集團僅須於債務人違約時作出付款。因此，預期信貸虧損金額為償還持有人所產生信貸虧損的預期款項的現值減本集團預期自持有人、債務人或任何其他方收取的任何金額。

對於無法確定實際利率的財務擔保合約的預期信貸虧損，本集團將採用折現率反映當前市場對貨幣時間價值的評估以及特定於現金流量的風險，但僅限於並且在某種程度上，通過調整折現率而不是調整折現的現金短缺來考慮風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

金融資產及其他項目減值，視乎國際財務報告準則第9號減值評估(續)

(v) 預期信貸虧損的計量及確認(續)

就集體評估而言，本集團將於制定組別時考慮以下特徵：

- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級(如可得)。

分組工作經管理層定期檢討，以確保各組別成份繼續具備類似信貸風險特徵。

利息收入按金融資產的賬面總值計算，除非金融資產出現信貸減值則除外，而在該情況下，利息收入乃按金融資產的攤銷成本計算。

除財務擔保合約外，本集團通過調整所有金融工具的賬面值在損益中確認減值收益或虧損，而應收賬款和其他應收款項則除外，其相應的調整通過虧損撥備賬予以確認。

##### 取消確認金融資產

僅在獲取資產所產生現金流量的合約權利到期，或將金融資產及該資產所有權的絕大部分風險及回報轉讓予另一實體的情況下，本集團方會取消確認金融資產。

一旦取消確認按攤銷成本計量的金融資產，則該項資產的賬面值與已收及應收代價總額之間的差額會於損益確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial assets (Continued)

##### Derecognition of financial assets (Continued)

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained earnings.

##### Financial liabilities and equity

##### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

##### 取消確認金融資產(續)

於取消確認本集團選擇於初始確認時按公允價值列賬於其他全面收入計量的股權工具投資時，先前於按公允價值列賬於其他全面收入的儲備中累計的累計收益或虧損不會重新分類至損益，而是獲轉撥至保留溢利。

##### 金融負債及股本

##### 分類為債務或股本

債務及股權工具乃根據所訂立合約安排的性質與金融負債及股權工具的定義分類為金融負債或股本。

##### 股權工具

股權工具是能證明在扣除實體所有負債後在實體的資產中擁有剩餘權益的任何合約。本公司發行的股權工具乃按已收所得款項扣除直接發行成本確認。

永久性工具(不包括本集團分發現金或其他金融資產的合約責任或本集團可全權酌情無限期延遲支付分派及贖回本金金額)分類為權益工具。

購回本公司自有股權工具乃直接於權益確認及扣減。概不就買賣、發行或註銷本公司自有股權工具而於損益確認收益或虧損。

##### 金融負債

所有金融負債隨後採用實際利率法按攤銷成本或按公允價值列賬於損益計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial liabilities and equity (Continued)

##### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

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

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 金融工具(續)

##### 金融負債及股本(續)

##### 按公允價值列賬於損益的金融負債

倘金融負債(i)為國際財務報告準則第3號所應用收購者於業務合併的或然代價，(ii)持作買賣或(iii)指定為按公允價值列賬於損益，則分類為按公允價值列賬於損益的金融負債。

倘符合下列條件，金融負債為持作買賣：

- 其獲收購乃主要為於短期內購回；
- 於初始確認時，其為本集團共同管理之可識別金融工具組合的一部分，並具有短期套利的近期實際模式；或
- 為未被指定及有效作為對沖工具之衍生工具。

持作買賣的金融負債除外的金融負債或收購方於業務合併的或然代價可在下列情況下於初步確認時指定為按公允價值列賬於損益：

- 該指定消除或大幅減少可能會出現的計量或確認方面的不一致性；或
- 該金融負債構成一組金融資產或金融負債或兩者組合之一部分，而根據本集團制定的風險管理或投資策略，該項資產乃以公允價值為基礎進行管理及評估表現，且有關分組之資料乃按此基準向內部提供；或
- 其構成包含一項或多項嵌入衍生工具的合約之一部分，而國際財務報告準則第9號允許將整個組合合約指定為按公允價值列賬於損益。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

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

##### Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### Financial liabilities and equity (Continued)

##### Financial liabilities at amortised cost

Financial liabilities including interest-bearing loan, bonds, and trade and other payables are subsequently measured at amortised cost, using the effective interest method.

##### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

##### Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

##### Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### 4. 綜合財務報表編製基準及重大會計政策(續)

##### 重大會計政策(續)

##### 金融工具(續)

##### 金融負債及股本(續)

##### 按攤銷成本計量的金融負債

金融負債包括計息貸款、債券、應付賬款及其他應付款項，其後以實際利率法按攤銷成本計量。

##### 財務擔保合約

財務擔保合約乃要求發行人就持有人因特定債務人未能根據債務工具的條款於到期時付款而蒙受的損失，而向持有人支付特定款項的合約。財務擔保合約負債初步按其公允價值計量，其後乃按以下兩者中的較高者計量：

- 根據國際財務報告準則第9號釐定的虧損撥備金額；及
- 初步確認金額減(如適用)於擔保期間確認的累計攤銷。

##### 金融負債的取消確認

當且僅當本集團的責任獲解除、取消或屆滿時，本集團方會取消確認金融負債。所取消確認的金融負債賬面值與已付及應付代價的差額於損益中確認。

##### 衍生金融工具

衍生工具初始按照訂立衍生工具合同之日的公允價值確認，隨後在報告期末重新計量公允價值。產生的收益或虧損於損益中確認。

##### 抵銷金融資產及金融負債

僅當本集團目前擁有在法律上可強制執行的權利將已確認金額抵銷，且有意按淨額基準結算或同時變現資產及清償負債時，金融資產及金融負債方會被抵銷，而其淨額會於綜合財務狀況表內呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revisions affects both current and future periods.

### Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors of the Company has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### Deferred taxation on investment properties

The Group recognises deferred tax in respect of the changes in fair value of the investment properties based on directors' best estimate assuming future tax consequences through usage of such properties for rental purpose, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognised in the consolidated financial statements should the investment properties are subsequently disposed by the Group, rather than consumed substantially all of the economic benefits embodied in the investment properties by leasing over time. In the event the investment properties are being disposed, the Group may be liable to higher tax upon disposal considering the impact of land appreciation tax.

#### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## 5. 重大會計判斷及估計不確定因素的主要來源

在應用附註4所述本集團的會計政策時，要求本公司的董事對於無法從其他來源清楚得知的資產和負債的賬面值作出判斷、估計和假設。估計和相關假設以歷史經驗和其他被視為相關的因素為基礎。實際結果可能與該等估計不同。

有關估計及相關假設將持續審閱。倘會計估計的修訂僅影響修訂估計的期間，修訂將僅於該期間確認，倘修訂同時影響現時及未來期間，則於修訂期間及未來期間確認。

### 應用會計政策的重大判斷

以下為本公司董事於應用本集團會計政策過程中所作出對於綜合財務報表內確認的金額造成最重大影響的重大判斷(下文所載該等相關估計除外)。

#### 投資物業的遞延稅項

假設未來稅務結果乃由於將投資物業作租賃用途而非出售而引致，本集團按董事的最佳估計確認該等物業公允價值變動的遞延稅項。倘投資物業隨後由本集團出售而並非以租賃方式隨時間消耗投資物業的絕大部分經濟利益，則最終稅務結果將有別於綜合財務報表所確認的遞延稅項負債。倘投資物業被出售，鑑於土地增值稅的影響，本集團於出售時可能須繳納較高稅項。

#### 估計不確定因素的主要來源

下文為於報告期末有關未來的主要假設及其他估計不確定因素的主要來源，涉及可能導致下一個財政年度資產及負債賬面值有重大調整的重大風險。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### Key sources of estimation uncertainty (Continued)

#### Valuation of investment properties

Investment properties in the consolidated statement of financial position at 31 December 2020 are carried at their fair values of approximately RMB11,727,000,000 (31 December 2019: RMB8,793,000,000 as restated), details of which are disclosed in note 22. The fair values of the investment properties are determined by reference to valuations conducted on these properties by an independent firm of property valuer using property valuation techniques which involve certain assumptions of prevailing market conditions. Favourable or unfavorable changes to these assumptions may result in changes in the fair values of the Group's investment properties and corresponding adjustments to the changes in fair values reported in the consolidated statement of profit or loss and other comprehensive income and the carrying amounts of these properties included in the consolidated statement of financial position.

#### PRC land appreciation taxes

The Group is subject to land appreciation taxes ("LAT") in the PRC. The implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its PRC LAT calculation and payments with most of local tax authorities in the PRC. The calculation of PRC LAT are highly dependent on the appropriateness of the rates used, which are determined by the appreciation of land value. The appreciation of land value is determined with reference to proceeds of the properties less the estimated deductible expenditures, including the cost of land use rights and all property development expenditures. The Group estimated the deductible expenditures according to the understanding of the relevant PRC tax laws and regulations. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

## 5. 重大會計判斷及估計不確定因素的主要來源(續)

### 估計不確定因素的主要來源(續)

#### 投資物業估值

於二零二零年十二月三十一日的綜合財務狀況表內的投資物業按其公允價值約人民幣11,727,000,000元(二零一九年十二月三十一日經重述：人民幣8,793,000,000元)列賬，詳情披露於附註22。投資物業的公允價值乃經參照獨立物業估值師採用物業估值技術對該等物業進行的估值(當中涉及若干現行市況的假設)釐定。該等假設的有利或不利變動可能會導致本集團投資物業的公允價值變動，並對綜合損益及其他全面利潤表內所呈報公允價值變動及計入綜合財務狀況表內的該等物業賬面值作出相應調整。

#### 中國土地增值稅

本集團須支付中國的土地增值稅(「土地增值稅」)。有關稅項的執行及結算在中國各城市不同稅務司法權區有異，而本集團尚未與中國大部分地方稅務機關落實中國土地增值稅的計算及付款方法。中國土地增值稅的計算與所使用根據土地價值增幅釐定的比率的適當性高度相關。土地價值增幅乃經參考物業所得款項減去估計可扣稅開支(包括土地使用權成本及所有物業發展開支)而釐定。本集團按其對相關中國稅務法律及規例的理解估計可扣稅開支。最終稅務結果可能與初步記錄的金額有別，而有關差異將影響地方稅務機關落實有關稅項期間的所得稅開支及相關所得稅撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### Key sources of estimation uncertainty (Continued)

#### Deferred tax assets

At 31 December 2020, the Group has recognised deferred tax assets RMB1,618,804,000 (31 December 2019: RMB1,090,295,000, as restated) as set out in note 32. The ability to realise the deferred tax assets mainly depends on whether it is probable that future taxable profits will be available against which related tax benefits under the deferred tax assets can be utilised. In cases where the actual future taxable profits generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such a reversal takes place.

#### Write-down of properties under development and completed properties held for sale

Management performs a regular review on the carrying amounts of properties under development and completed properties held for sale. Based on management's review, write-down of properties under development and completed properties held for sale will be made when the estimated net realisable value has declined below the carrying amount.

In determining the net realisable value of completed properties held for sale, management refers to prevailing market data such as recent sales transactions, market survey reports available from independent property valuers and internally available information, as basis for evaluation. As of 31 December 2020, the amount of the write-down of properties under development and completed properties held for sale was RMB3,032,012,000 (31 December 2019: RMB2,504,992,000, as restated).

In respect of properties under development, the net realisable value is the estimated selling price of the completed units (based on the current prevailing market conditions) less estimated selling expenses and estimated cost of completion (if any). These estimates require judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, marketing costs (including price discounts required to stimulate sales) and the estimated costs to completion of properties, the legal and regulatory framework and general market conditions.

## 5. 重大會計判斷及估計不確定因素的主要來源(續)

### 估計不確定因素的主要來源(續)

#### 遞延稅項資產

於二零二零年十二月三十一日，誠如附註32所載，本集團確認遞延稅項資產人民幣1,618,804,000元(二零一九年十二月三十一日經重述：人民幣1,090,295,000元)。變現遞延稅項資產的能力主要視乎是否有可動用遞延稅項資產項下相關稅務利益抵銷的未來應課稅溢利。倘實際產生的未來應課稅溢利少於預期，則可能撥回遞延稅項資產，並將於撥回期間於損益中確認。

#### 在建物業及已完工待售物業的撇減

管理層對在建物業及已完工待售物業的賬面值進行定期審閱。根據管理層的審閱，當估計可變現淨值跌至低於賬面值時，將會對在建物業及已完工待售物業作出撇減。

於釐定已完工待售物業的可變現淨值時，管理層會以最近銷售交易、由獨立物業估值師所提供市場調查報告及內部可得資料等當時市場數據作為評估基準。於二零二零年十二月三十一日，在建物業及已完工待售物業的撇減金額為人民幣3,032,012,000元(二零一九年十二月三十一日經重述：人民幣2,504,992,000元)。

就在建物業而言，可變現淨值為已建成單位的估計售價(根據當前適用市況計算)減估計銷售費用及估計建成所需成本(如有)。此等估計需要透過參考附近地點的最近銷售交易、市場推廣成本(包括促銷所需價格折讓)及建成物業的估計成本、法律及監管架構以及一般市場情況，對預期銷售價格作出判斷。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### Key sources of estimation uncertainty (Continued)

#### ECL allowance

The Group recognises a loss allowance for ECL on financial assets including trade receivables, other receivables and other items such as contract assets and financial guarantee which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. Significant judgements and estimations are required in determining the impairment assessment including the judgements on grouping basis for the provision matrix and individual assessment and the estimations on the expected loss rates used to calculate the ECL allowance. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's financial assets and other items are disclosed in Note 43.

## 5. 重大會計判斷及估計不確定因素的主要來源(續)

### 估計不確定因素的主要來源(續)

#### 預期信貸虧損撥備

本集團就受限於國際財務報告準則第9號項下減值的金融資產(包括應收賬款、其他應收款項以及其他項目例如合同資產及財務擔保)的預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期予以更新，以反映信貸風險自初始確認以來的變動。於釐定減值評估時須作出重大判斷及估計，包括對撥備矩陣及個別評估按集體基準作出判斷及對計算預期信貸虧損撥備使用的預期虧損率作出估計。於各報告日期，過往觀察違約率會予以重估，而前瞻資料的變動會加以考慮。預期信貸虧損撥備容易受估計變動影響。有關預期信貸虧損及本集團金融資產及其他項目的資料披露於附註43。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**6. REVENUE****(i) Disaggregation of revenue from contracts with customers**

		For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度		
		Revenue recognised at a point in time 在某時點 確認的收益 RMB'000 人民幣千元	Revenue recognised over time 隨時間 確認的收益 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
<b>Types of goods or services</b>	<b>貨品或服務類型</b>			
Sales of properties and construction management services	物業銷售及建築管理服務	32,699,896	133,314	32,833,210
Hotel and related services	酒店及配套服務	-	106,472	106,472
Property management and other services	物業管理及其他服務	-	582,344	582,344
<b>Revenue from contracts with customers</b>	<b>來自客戶合約的收益</b>	<b>32,699,896</b>	<b>822,130</b>	<b>33,522,026</b>
Leases – rental income	租賃 – 租金收入	-	212,397	212,397
<b>Total revenue</b>	<b>總收益</b>	<b>32,699,896</b>	<b>1,034,527</b>	<b>33,734,423</b>

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度		
		Revenue recognised at a point in time 在某時點 確認的收益 RMB'000 人民幣千元 (restated) (經重述)	Revenue recognised over time 隨時間 確認的收益 RMB'000 人民幣千元 (restated) (經重述)	Total 合計 RMB'000 人民幣千元 (restated) (經重述)
<b>Types of goods or services</b>	<b>貨品或服務類型</b>			
Sales of properties and construction management services	物業銷售及建築管理服務	35,515,819	357,960	35,873,779
Hotel and related services	酒店及配套服務	-	133,941	133,941
Property management and other services	物業管理及其他服務	-	495,813	495,813
<b>Revenue from contracts with customers</b>	<b>來自客戶合約的收益</b>	<b>35,515,819</b>	<b>987,714</b>	<b>36,503,533</b>
Leases – rental income	租賃 – 租金收入	-	139,022	139,022
<b>Total revenue</b>	<b>總收益</b>	<b>35,515,819</b>	<b>1,126,736</b>	<b>36,642,555</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 6. REVENUE (Continued)

### (ii) Performance obligations for contracts with customers

#### Sales of properties

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customer's specifications with no alternative use. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers. Revenue from sales of residential properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

The Group receives 30% to 70% of the contract value as advance payment from customers when they sign the sale and purchase agreement. Such advance payment schemes result in contract liabilities being recognised throughout the property construction period.

The Group considers the advance payment schemes contain significant financing component and accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the Group. As this accrual increases the amount of the contract liability during the period of construction, it increases the amount of revenue recognised when control of the completed property is transferred to the customer.

## 6. 收益(續)

### (ii) 客戶合約的履約責任

#### 銷售物業

就銷售物業與客戶訂立的合約而言，該等合約所指明的相關物業乃基於客戶的規定而並無作其他用途。經計及相關合約條款、法律環境及相關判例後，本集團得出結論為本集團於向客戶轉讓相關物業前並無擁有可強制執行權利收取款項。因此，銷售住宅物業的收益於向客戶轉讓已建成物業的時間點確認，即於客戶取得該已建成物業的控制權，且本集團擁有即時權利收取付款及可能收取代價時確認。

本集團於簽訂買賣協議時向客戶收取合約價值30%至70%作為預付賬款。有關預付款項計劃導致合同負債於整個物業興建期間確認。

本集團認為預付款項計劃包括重大融資成分，因此在考慮本集團的信貸特徵後，就貨幣的時間價值對代價的金額進行調整。由於該應計費用將增加興建期間的合同負債金額，其導致已建成物業的控制權轉讓予客戶時確認的收益金額有所增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 6. REVENUE (Continued)

### (ii) Performance obligations for contracts with customers (Continued)

#### *Construction management services*

Revenue from construction management service is recognised over time on input method based on the proportion of construction costs incurred for work performed to date relative to the estimated total construction cost. The construction management fees are billed to the clients periodically on an agreed-upon payment schedule and/or milestone between the customers and the Group. The Group recognised a contract assets over the period in which construction management service are performed representing the Group's right to consideration for the services performed. Any amount previously recognised as a contract asset is reclassified to trade receivables when the rights become unconditional, which is at the point when billings are issued to the customer. Payments received before the related service is performed are included in the consolidated statement of financial position as contract liabilities. Contract asset and contract liability relating to the same contract are accounted for and presented on a net basis.

The Group does not consider the advance payments pertain to construction management service to have contained significant financing component.

Construction management contracts contain variable consideration as the consideration is calculated based on construction costs incurred plus a mark-up. The Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

## 6. 收益(續)

### (ii) 客戶合約的履約責任(續)

#### *建築管理服務*

建築管理服務的收益按迄今所完成工程的建築成本佔估計總建築成本的比例使用輸入法隨時間確認。建築管理費按客戶與本集團的協定付款時間表及/或進度定期向客戶出具發票。本集團於履行建築管理服務期間內確認合同資產，即本集團就已履行服務收取代價的權利。倘有關權利成為無條件(即向客戶出具發票之時)，任何先前確認為合同資產的金額重新分類為應收賬款。在執行相關服務之前收到的款項作為合同負債列入綜合財務狀況表。與同一合同有關的合同資產和合同負債以淨額入賬並呈列。

本集團認為與建築管理服務有關的預付款不包含重大融資成分。

建築管理合約包括可變代價，原因為代價乃根據已產生建築成本加漲價計算。本集團使用(a)預期價值方法或(b)最有可能的金額以估計其有權獲得的對價金額，取決於哪種方法能夠更好地預測本集團將有權獲得的對價金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 6. REVENUE (Continued)

### (ii) Performance obligations for contracts with customers (Continued)

#### *Construction management services (Continued)*

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. Therefore, the Group only include the estimated total construction cost that had been reviewed and approved by the clients as basis for progress measurement, as costs not reviewed and approved by the clients could be disputed as non-reimbursable under the terms of the contract.

At the end of each reporting period, the Group updates the estimated total construction cost, which in turn would affect the transaction price (including updating its assessment of whether an estimate of variable consideration is constrained), to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

#### *Hotel and related services*

The Group's performance obligation from hotel and related services is mainly to provide accommodation services to guests. Revenue from accommodation service is recognised overtime and the progress measured using the output method during the period when the rooms for accommodation are occupied. The hotel and related services fees are billed to the customers after the services provided.

#### *Property management and other services*

Revenue from property management and other services is recognised over time, and the progress measured using the output method. The property management service fees are billed to the clients periodically (either monthly or quarterly billing period).

## 6. 收益(續)

### (ii) 客戶合約的履約責任(續)

#### *建築管理服務(續)*

可變對價的估計金額僅在很可能在以後解決與可變對價有關的不確定性時不會在未來導致重大收益沖銷的情況下才包含在交易價格中。因此，本集團僅將已由客戶審查並批准的估計總建築成本作為進度計量的基礎，因為未根據合同條款由客戶審查和批准的成本將會無償而有爭議性。

於各報告期末，本集團更新估計總建築成本，其將影響交易價格(包括更新其對可變代價估計是否出現限制的評估)，以真實呈列於報告期末的當時情況及於報告期內的情況變動。

#### *酒店及配套服務*

本集團的酒店及配套服務的履約責任主要為向住客提供住宿服務。來自住宿服務的收益隨時間確認，且進度乃按輸出法於入住宿房間的期間內確認。於提供服務後，我們將就酒店及配套服務向客戶出具發票。

#### *物業管理服務及其他服務*

來自物業管理服務及其他服務的收益隨時間確認，且進度乃使用輸出法計量。本公司定期(每月或季度計算期)向客戶出具發票。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 6. REVENUE (Continued)

### (iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied), and the expected timing of recognising revenue are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
<b>Sales of properties</b>	<b>物業銷售</b>		
Within one year	一年內	<b>27,400,596</b>	29,513,541
More than one year but not more than two years	超過一年但兩年內	<b>34,428,181</b>	29,401,886
More than two years	超過兩年	<b>8,319,220</b>	7,227,838
		<b>70,147,997</b>	66,143,265

These amounts disclosed above do not include transaction price allocated to performance obligations which have been satisfied but not yet recognised due to variable consideration constraint.

All hotel and other related service and property management and other services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

## 6. 收益(續)

### (iii) 分配至客戶合約剩餘履約責任的交易價格

分配至剩餘履約責任(尚未履行或部分未履行)的交易價格及預計確認收益的期限如下：

上文披露的金額並無計入分配至履約責任(已履行但因可變代價限制而尚未確認)的交易價格。

酒店及其他配套服務以及物業管理及其他服務的年期全部為一年或以下。按國際財務報告準則第15號所允許，並無披露獲分配至該等未履行合約的交易價格。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**6. REVENUE (Continued)****(iv) Leases**

		<b>2020</b> 二零二零年 <b>RMB'000</b> 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
For operating leases:	就經營租賃：		
Fixed lease payments	固定租賃付款	<b>212,397</b>	139,022

**6. 收益(續)****(iv) 租賃****7. SEGMENT REPORTING**

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the chief operating decision maker (the "CODM"), Group's senior executive management, reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Group's reportable segments.

- (1) Sales of properties and construction management services: this segment includes development and sales of residential properties and provision of construction management service. Currently the Group's activities in this unit are mainly carried out in Shanghai, Kunming, Wuxi, Suzhou, Haikou, Taiyuan, Huangshan, Hangzhou, Zhaoqing, Xuzhou, Nanning, Guangzhou and Foshan.
- (2) Lease of properties: this segment leases commercial and residential properties to generate rental income and gain from the appreciation in the properties' values in the long term. Currently the Group's major investment property portfolio is located in Shanghai, Suzhou, Nanning, Wuxi, Kunming, Guangzhou, Foshan and Haikou.

**7. 分部報告**

如下文所述，本集團有四個可申報分部，為本集團的策略性業務單位。策略性業務單位提供不同的產品及服務，由於需要不同的技術及營銷策略，因此獨立管理。就各策略性業務單位而言，主要經營決策者（「**主要經營決策者**」，本集團之高層行政管理人員）最少每月審閱內部管理報告。以下概要說明本集團各可申報分部的營運。

- (1) 物業銷售及建築管理服務：本分部包括發展及銷售住宅物業以及提供建築管理服務。目前本集團主要於上海、昆明、無錫、蘇州、海口、太原、黃山、杭州、肇慶、徐州、南寧、廣州及佛山經營此單位的業務。
- (2) 物業租賃：本分部出租商業及住宅物業以產生租金收入以及長期物業增值的收益。目前本集團的主要投資物業組合位於上海、蘇州、南寧、無錫、昆明、廣州、佛山及海口。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 7. SEGMENT REPORTING (Continued)

- (3) Hotel and related service: this segment operates hotels and service apartments to generate accommodation service and related income. Currently the Group's activities in this unit are carried out in Shanghai, Huangshan and Haikou.
- (4) Property management and other services: this segment provides property management and other services to external customers and group companies. Currently the Group's activities in this unit are mainly carried out in Shanghai, Kunming, Changshu, Huangshan, Wuxi, Nanning, Suzhou, Haikou, Taiyuan and Xi'an.

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODM monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment assets include all current and non-current assets with the exception of interests in associates and interests in joint ventures. Segment liabilities include all current and non-current liabilities except for bonds managed at corporate level.

Revenue and expenses are allocated to the reportable segments with reference to the revenue generated and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment results do not include net gain on disposal of equity interests in subsidiaries, share of results of associates, share of results of joint ventures and any other transactions managed at the corporate level.

## 7. 分部報告(續)

- (3) 酒店及配套服務：本分部經營酒店及服務式公寓，以產生住宿服務及相關收入。目前本集團於上海、黃山及海口經營此單位的業務。
- (4) 物業管理及其他服務：本分部向外部客戶及集團公司提供物業管理及其他服務。目前本集團主要於上海、昆明、常熟、黃山、無錫、南寧、蘇州、海口、太原及西安經營此單位的業務。

為評估分部表現及於各分部間進行資源配置，本集團之主要經營決策者按以下基準監控各可申報分部之業績、資產及負債：

分部資產包括所有流動及非流動資產(除聯營公司權益及合營企業權益外)。分部負債包括所有流動及非流動負債(除由企業階層管理之債券外)。

收益及開支乃參照可申報分部產生之收益及開支或因分部應佔之資產折舊或攤銷而產生者，分配至該等分部。分部業績並不包括出售子公司股權之收益淨額、應佔聯營公司業績、應佔合營企業業績及任何其他由企業階層管理之交易。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 7. SEGMENT REPORTING (Continued)

### Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

For the year ended 31 December 2020

		Sales of properties and construction management services	Lease of properties	Hotel and related services	Property management and other services	Total
		物業銷售及建築管理服務	物業租賃	酒店及配套服務	物業管理及其他服務	總計
		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
Revenue from external customers	外部客戶收益	32,833,210	212,397	106,472	582,344	33,734,423
Inter-segment revenue	分部間收益	-	-	-	2,263,433	2,263,433
Reportable segment revenue	可申報分部收益	32,833,210	212,397	106,472	2,845,777	35,997,856
Reportable segment profit (loss)	可申報分部溢利(虧損)	2,096,272	694,542	(27,906)	20,969	2,783,877
Gain on disposal of interests in an associate	出售聯營公司權益的收益					49,071
Share of results of associates	應佔聯營公司業績					83,093
Share of results of joint ventures	應佔合營企業業績					543,353
Profit for the year	年內溢利					3,459,394

## 7. 分部報告(續)

### 分部收益及業績

以下為本集團按可申報分部劃分來自持續經營的收益及業績分析：

截至二零二零年十二月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 7. SEGMENT REPORTING (Continued)

### Segment revenues and results (Continued)

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments: (Continued)

For the year ended 31 December 2019 (restated)

## 7. 分部報告(續)

### 分部收益及業績(續)

以下為本集團按可申報分部劃分來自持續經營的收益及業績分析：(續)

截至二零一九年十二月三十一日止年度(經重述)

		Sales of properties and construction management services 物業銷售及 建築管理服務 RMB'000 人民幣千元	Lease of properties 物業租賃 RMB'000 人民幣千元	Hotel and related services 酒店及 配套服務 RMB'000 人民幣千元	Property management and other services 物業管理及 其他服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue from external customers	外部客戶收益	35,873,779	139,022	133,941	495,813	36,642,555
Intersegment revenue	分部間收益	-	-	-	1,778,602	1,778,602
Reportable segment revenue	可申報分部收益	35,873,779	139,022	133,941	2,274,415	38,421,157
Reportable segment profit	可申報分部溢利	2,900,768	975,996	17,080	13,060	3,906,904
Gain on disposal of interests in subsidiaries	出售子公司權益的收益					1,185,595
Share of results of associates	應佔聯營公司業績					(24,049)
Share of results of joint ventures	應佔合營企業業績					642,645
Profit for the year	年內溢利					5,711,095

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 7. SEGMENT REPORTING (Continued)

### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

## 7.分部報告(續)

### 分部資產及負債

以下為本集團按可申報及營運分部劃分的資產及負債分析：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
<b>Segment assets</b>	<b>分部資產</b>		
Sales of properties and construction management services	物業銷售及建築管理服務	<b>176,107,349</b>	153,833,273
Lease of properties	物業租賃	<b>11,727,000</b>	8,793,000
Hotel and related services	酒店及配套服務	<b>1,402,465</b>	634,035
Property management and other services	物業管理及其他服務	<b>6,879,560</b>	2,277,359
		<b>196,116,374</b>	165,537,667
Elimination of inter-segment receivables	分部間應收款項對銷	<b>(33,605,814)</b>	(6,980,057)
Elimination of inter-segment investments	分部間投資對銷	<b>(1,467,617)</b>	(1,176,688)
Interests in associates	聯營公司權益	<b>229,812</b>	197,817
Interests in joint ventures	合營企業權益	<b>3,715,813</b>	2,457,406
Consolidated total assets	綜合資產總額	<b>164,988,568</b>	160,036,145

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
<b>Segment liabilities</b>	<b>分部負債</b>		
Sales of properties and construction management services	物業銷售及建築管理服務	<b>162,245,360</b>	134,326,462
Lease of properties	物業租賃	<b>6,215,610</b>	4,660,515
Hotel and related services	酒店及配套服務	<b>1,019,341</b>	223,003
Property management and other services	物業管理及其他服務	<b>5,016,481</b>	1,375,563
		<b>174,496,792</b>	140,585,543
Elimination of inter-segment payables	分部間應付款項對銷	<b>(33,605,814)</b>	(6,980,057)
Bonds	債券	<b>1,955,758</b>	3,481,276
Consolidated total liabilities	綜合負債總額	<b>142,846,736</b>	137,086,762

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 7. SEGMENT REPORTING (Continued)

### Other segment information

For the year ended 31 December 2020

## 7. 分部報告(續)

### 其他分部資料

截至二零二零年十二月三十一日止年度

		Sales of properties and construction management services	Lease of properties	Hotel and related services	Property management and other services	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
Amounts included in the measure of segment profit or loss or segment assets:	計入分部損益或分部資產計量之金額：					
Finance income	融資收入	48,745	315	172	3,444	52,676
Finance costs	融資成本	(258,120)	(1,670)	(15,359)	(1,261)	(276,410)
Gain on changes in fair value of investment properties	投資物業公允價值變動收益	-	577,857	-	-	577,857
Depreciation and amortisation	折舊及攤銷	(45,554)	-	(66,283)	(14,825)	(126,662)
Impairment loss under expected credit loss model, net of reversal	預期信貸虧損模式下的減值虧損，扣除撥回	(22,709)	-	(239)	(846)	(23,794)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:	定期提供予主要經營決策者但不計入分部損益或分部資產計量之金額：					
Addition to non-current assets	增加非流動資產	326,774	2,536,078	19,968	4,025	2,886,845

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 7. SEGMENT REPORTING (Continued)

### Other segment information (Continued)

For the year ended 31 December 2019 (restated)

## 7. 分部報告(續)

### 其他分部資料(續)

截至二零一九年十二月三十一日止年度(經重述)

		Sales of properties and construction management services	Lease of properties	Hotel and related services	Property management and other services	Total
		物業銷售及 建築管理服務	物業租賃	酒店及 配套服務	物業管理及 其他服務	總計
		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
Amounts included in the measure of segment profit or loss or segment assets:	計入分部損益或分部資產計量之金額：					
Finance income	融資收入	111,493	293	1,485	4,706	117,977
Finance costs	融資成本	(345,847)	(1,106)	(16,927)	(26,677)	(390,557)
Gain on changes in fair value of investment properties	投資物業公允價值變動收益	-	968,765	-	-	968,765
Depreciation and amortisation	折舊及攤銷	(27,725)	-	(65,447)	(14,083)	(107,255)
Impairment loss under expected credit loss model, net of reversal	預期信貸虧損模式下的減值虧損，扣除撥回	(122,479)	-	(1,907)	(6,201)	(130,587)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:	定期提供予主要經營決策者但不計入分部損益或分部資產計量之金額：					
Addition to non-current assets	增加非流動資產	120,108	2,333,389	2,992	17,400	2,473,889

### Geographical information

In view of the fact that the Group mainly operates in the PRC, no geographical information is presented.

### Information about major customers

For the years ended 31 December 2020 and 2019, no single customer contributes 10% or more of the total sales of the Group.

### 地區資料

由於本集團主要在中國營運，故概無呈列地區資料。

### 有關主要客戶的資料

截至二零二零年及二零一九年十二月三十一日止年度，概無單一客戶貢獻本集團總銷售的10%或以上。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 8. OTHER INCOME

## 8. 其他收入

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Forfeited deposits from customers	來自客戶的沒收違約金	24,423	13,300
Government grants (note)	政府補助(附註)	25,030	12,927
Others	其他	17,930	17,558
		<b>67,383</b>	43,785

Note: The amount of government grants represents the incentive subsidies received from the PRC local district authorities for the business activities carried out by the Group in the district. There are no specific conditions attached to the grants.

附註：政府補助金額指因本集團於區內進行業務活動而自中國當地地區機關收到的優惠補貼。該等補助並無特定附帶條件。

## 9. OTHER GAINS AND LOSSES

## 9. 其他收益及虧損

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Net foreign exchange gain (loss)	匯兌收益(虧損)淨額	392,889	(223,488)
Gains on fair value change on financial assets at FVTPL	來自按公允價值列賬於損益的金融資產的公允價值變動收益	33,012	7,321
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益淨額	76	246
Others	其他	-	4,827
		<b>425,977</b>	(211,094)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 10. FINANCE INCOME

## 10. 融資收入

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Interest income on bank deposits and other financial assets	銀行存款及其他金融資產利息收入	<b>52,676</b>	117,977

## 11. FINANCE COSTS

## 11. 融資成本

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Interest expenses on bonds	債券利息費用	<b>191,874</b>	331,288
Interest expenses on interest-bearing loans	計息貸款利息費用	<b>1,329,924</b>	1,254,248
Interest expenses on lease liabilities	租賃負債利息費用	<b>28,603</b>	27,347
Interest expenses on contract liabilities	合同負債利息費用	<b>777,863</b>	1,158,115
Less: interest of bonds capitalised	減：資本化的債券利息	<b>(144,574)</b>	(257,598)
interest of interest-bearing loans capitalised	資本化的計息貸款利息	<b>(1,129,417)</b>	(964,728)
interest of contract liabilities capitalised	資本化的合同負債利息	<b>(777,863)</b>	(1,158,115)
		<b>276,410</b>	390,557

Interest expenses capitalised during the year ended 31 December 2020 arose on the general borrowing pool and are calculated by applying a capitalisation rate of 5.71% (2019: 6.78%, as restated) per annum to expenditure on qualifying assets.

截至二零二零年十二月三十一日止年度，資本化的利息費用乃產生於一般借款池，並通過對符合條件的資產支出採用每年5.71%(二零一九年經重述：6.78%)的資本化率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 12. INCOME TAX EXPENSES

## 12. 所得稅開支

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Current tax	即期稅項		
– PRC Enterprise Income Tax (“EIT”)	– 中國企業所得稅(「企業所得稅」)	1,994,288	2,800,773
– PRC LAT	– 中國土地增值稅	2,048,967	2,186,295
		<b>4,043,255</b>	4,987,068
Under (over) provision in prior years	過往年度撥備不足(超額撥備)		
– PRC EIT	– 中國企業所得稅	6,684	(45,939)
Deferred tax (note 32)	遞延稅項(附註32)	<b>(409,168)</b>	40,412
		<b>3,640,771</b>	4,981,541

### Hong Kong Profit Tax

No provision for Hong Kong Profits Tax has been made as the Group’s income neither arises in, nor is derived from Hong Kong.

### Enterprise Income Tax

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the Group’s PRC subsidiaries is 25% for both years.

In addition, the EIT Law provides that qualified dividend income between two “resident enterprises” that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to a 5% or 10% withholding tax under the EIT Law. A 10% withholding tax rate is applicable to the Group.

### Land Appreciation Tax

According to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

### 香港利得稅

由於本集團收入既不產自亦非來自香港，故並無作出香港利得稅撥備。

### 企業所得稅

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，於兩個年度本集團的中國子公司的稅率均為25%。

此外，企業所得稅法規定兩間具有直接投資關係的「居民企業」獲豁免就合資格股息收入繳納所得稅。否則，有關股息須根據企業所得稅法繳納5%或10%預扣稅。本集團適用10%預扣稅。

### 土地增值稅

根據於一九九四年一月一日生效的《中華人民共和國土地增值稅暫行條例》以及於一九九五年一月二十七日生效的《中華人民共和國土地增值稅暫行條例實施細則》的要求，出售或轉讓於中國的國有土地使用權、樓宇及其附屬設施的所有收入須就增值額按介乎30%至60%的累進稅率繳納土地增值稅，惟倘普通住宅房的物業出售的增值額不超過可扣稅項目總額的總和20%，則可獲豁免。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**12. INCOME TAX EXPENSES (Continued)****Land Appreciation Tax (Continued)**

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income accounting as follows:

**12. 所得稅開支(續)****土地增值稅(續)**

根據綜合損益及其他全面利潤表會計方法，年內所得稅開支可與除稅前溢利對賬如下：

		<b>2020</b> 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Profit before tax	除稅前溢利	<b>7,100,165</b>	10,692,636
Tax at the applicable PRC EIT rate of 25%	按中國適用企業所得稅率25% 計算的稅項	<b>1,775,041</b>	2,673,159
Tax effect of income not taxable for tax purposes	就稅務而言不課稅收入的 稅務影響	<b>(5,985)</b>	(13,379)
Tax effect of expenses not deductible for tax purposes	不可抵扣的稅項費用的 稅務影響	<b>325,229</b>	376,615
Tax effect of share of results of associates	應佔聯營公司業績的稅務影響	<b>(20,773)</b>	6,012
Tax effect of share of results of joint ventures	應佔合營企業業績的稅務影響	<b>(135,838)</b>	(160,662)
Under (over) provision in respect of prior years	過往年度撥備不足(超額撥備)	<b>6,684</b>	(45,939)
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	<b>457,755</b>	569,092
Utilisation of tax losses previously not recognised	利用過往未確認的稅務虧損	<b>(298,067)</b>	(37,705)
Effect of different tax rates (note)	不同稅率的影響(附註)	-	(25,373)
PRC LAT provision for the year	年內中國土地增值稅撥備	<b>2,048,967</b>	2,186,295
Tax effect of PRC LAT deductible for PRC EIT	可抵扣中國企業所得稅的 中國土地增值稅的稅務影響	<b>(512,242)</b>	(546,574)
Income tax expenses for the year	年內所得稅開支	<b>3,640,771</b>	4,981,541

Note: EIT on disposals of subsidiaries is calculated at 10% of the difference between consideration and the registered capital of the relevant subsidiary incorporated in the PRC.

附註：出售子公司的企業所得稅乃按代價與於中國註冊成立的相關子公司註冊股本間差額的10%計算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 13. PROFIT FOR THE YEAR

## 13. 年內溢利

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Profit for the year has been arrived at after charging (crediting):	年內溢利乃經扣除(計入)以下各項後達致：		
Cost of properties sold	已出售物業成本	<b>23,892,472</b>	23,528,936
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)	<b>1,368,833</b>	1,225,902
Less: capitalised in properties under development and investment properties under development	減：在建物業及發展中投資物業的資本化	<b>(422,682)</b>	(372,479)
		<b>946,151</b>	853,423
Auditors' remuneration	核數師酬金		
– audit services	– 審核服務	<b>4,600</b>	2,680
– non-audit services	– 非審核服務	<b>4,280</b>	5,680
		<b>8,880</b>	8,360
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>110,314</b>	89,957
Amortisation of intangible assets	無形資產攤銷	<b>45</b>	45
Depreciation of right-of-use assets	使用權資產折舊	<b>16,303</b>	17,253
Amortisation of contract costs	合同成本攤銷	<b>163,399</b>	136,416
		<b>290,061</b>	243,671
Write-down of properties under development and completed properties held for sale	在建物業及已完工待售物業的撇減	<b>681,576</b>	1,536,589
Gross rental income from investment properties	來自投資物業的租金總收入	<b>212,397</b>	139,022
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	減：因年內產生租金收入的投資物業計提直接經營開支	<b>(85,016)</b>	(48,094)
Direct operating expenses incurred for investment properties that did not generate rental income during the year	因年內並無產生租金收入的投資物業計提直接經營開支	<b>(10,696)</b>	(9,763)
		<b>116,685</b>	81,165

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**14. DIRECTORS' REMUNERATION**

Director' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

**14. 董事酬金**

根據適用的上市規則及香港公司條例披露的董事及行政總裁年內薪酬如下：

		Basic salaries, allowances and other benefits		Contributions to retirement benefit	Bonus	Total
		Directors' fee	and other benefits	schemes		
		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
<b>For the year ended</b>	<b>截至二零二零年</b>					
<b>31 December 2020</b>	<b>十二月三十一日止年度</b>					
<b>Executive Directors</b>	<b>執行董事</b>					
Mr. Chen Jun	陳軍先生	-	3,889	52	2,839	6,780
Mr. Wang Weixian	王偉賢先生	-	347	33	-	380
Mr. Hou Guangjun	侯光軍先生	-	2,507	375	1,507	4,389
Mr. Wu Zhengkui	吳正奎先生	-	-	-	-	-
Ms. Wang Xuling	王煦菱女士	-	2,365	55	1,532	3,952
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>					
Mr. Fong Wo, Felix, JP	方和先生(太平紳士)	347	-	-	-	347
Mr. Kwan Kai Cheong	關啟昌先生	347	-	-	-	347
Dr. IAM Lee G (note i)	林家禮博士(附註i)	278	-	-	-	278
<b>Total</b>	<b>合計</b>	<b>972</b>	<b>9,108</b>	<b>515</b>	<b>5,878</b>	<b>16,473</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 14. DIRECTORS' REMUNERATION (Continued)

Director' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows: (Continued)

## 14. 董事酬金(續)

根據適用的上市規則及香港公司條例披露的董事及行政總裁年內薪酬如下：(續)

		Directors' Fee	Basic salaries, allowances and other benefits	Contributions to retirement benefit schemes	Bonus	Total
		董事袍金	基本薪金、津貼及其他福利	退休福利計劃供款	花紅	合計
		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
<b>For the year ended</b>	<b>截至二零一九年</b>					
<b>31 December 2019</b>	<b>十二月三十一日止年度</b>					
<b>Executive Directors</b>	<b>執行董事</b>					
Mr. Chen Jun	陳軍先生	-	4,170	100	1,880	6,150
Mr. Wang Weixian	王偉賢先生	-	337	32	-	369
Mr. Hou Guangjun	侯光軍先生	-	2,535	100	1,370	4,005
Mr. Wu Zhengkui	吳正奎先生	-	-	-	-	-
Ms. Wang Xuling	王煦菱女士	-	2,340	51	1,169	3,560
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>					
Mr. Fong Wo, Felix, JP	方和先生(太平紳士)	337	-	-	-	337
Mr. Kwan Kai Cheong	關啟昌先生	337	-	-	-	337
Mr. Cheong Ying Chew, Henry (note ii)	張英潮先生(附註ii)	337	-	-	-	337
Total	合計	1,011	9,382	283	4,419	15,095

Notes:

- (i) Dr. Lam Lee G is appointed as an independent non-executive director of the Company with effective from 13 March 2020.
- (ii) Mr. Cheong Ying Chew, Henry, resigned as an independent non-executive director of the Company with effective from 31 December 2019 due to personal reasons.

附註：

- (i) 林家禮博士獲委任為本公司獨立非執行董事，自二零二零年三月十三日起生效。
- (ii) 張英潮先生已因個人理由辭任本公司獨立非執行董事，自二零一九年十二月三十一日起生效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 14. DIRECTORS' REMUNERATION (Continued)

The emolument of the Executive Director Mr. Wu Zhengkui was borne by Greenland Holdings.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during both years.

The bonus to executive directors are determined based on the Group's and directors' personal performance.

## 15. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals of the Group during the year ended 31 December 2020 comprise three (2019: three) directors of the Company of whose remuneration is disclosed in note 14. Details of remuneration paid to the remaining highest paid individual of the Group are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Basic salary, allowances and other benefits	基本薪金、津貼及其他福利	3,972	6,098
Contributions to retirement benefit schemes	退休福利計劃供款	445	101
Bonus	花紅	2,862	1,799
		<b>7,279</b>	<b>7,998</b>

## 14. 董事酬金(續)

執行董事吳正奎先生的酬金由綠地控股承擔。

上文所示執行董事酬金主要就彼等提供本公司及本集團事務管理服務而支付。

上文所示獨立非執行董事的酬金及就彼等擔任本公司董事而支付。

於兩個年度，概無董事或主要行政人員放棄或同意放棄任何薪酬的安排。

執行董事的花紅按本集團及董事的個人表現而釐定。

## 15. 五名最高薪僱員

本集團於截至二零二零年十二月三十一日止年度的五名最高薪酬人士包括本公司三名(二零一九年：三名)董事，其酬金已於附註14披露。向本集團其餘最高薪酬人士支付的酬金詳情如下：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**15. FIVE HIGHEST PAID EMPLOYEES (Continued)**

The number of the five highest paid employees whose remuneration fell within the following bands is as follows:

**15. 五名最高薪僱員(續)**

五名最高薪僱員按以下薪酬範圍的人數如下：

		<b>2020</b> 二零二零年 <b>No. of</b> <b>employees</b> 僱員人數	2019 二零一九年 No. of employees 僱員人數 (restated) (經重述)
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	<b>1</b>	1
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至4,500,000港元	-	2
HK\$4,500,001 to HK\$5,000,000	4,500,001港元至5,000,000港元	<b>2</b>	1
HK\$5,000,001 to HK\$5,500,000	5,000,001港元至5,500,000港元	<b>1</b>	-
HK\$6,500,001 to HK\$7,000,000	6,500,001港元至7,000,000港元	-	1
HK\$8,000,001 to HK\$8,500,000	8,000,001港元至8,500,000港元	<b>1</b>	-
		<b>5</b>	5

**16. DIVIDENDS****16. 股息**

		<b>2020</b> 二零二零年 <b>RMB'000</b> 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Dividends for ordinary shareholders of the Company recognised as distribution during the year:	年內確認為分派的本公司普通股股東股息		
2019 Final – HK\$0.25 per share (2019: 2018 Final – HK\$0.20 per share)	二零一九年末期—每股0.25港元 (二零一九年：二零一八年末期—每股0.20港元)	<b>637,555</b>	491,182
Dividends declared to Greenland Holdings	向綠地控股宣派的股息	-	350,000

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2020 of HK\$0.3 (2019: HK\$0.25) per share in an aggregate amount of HK\$837,565,000 (2019: HK\$697,971,000) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

於報告期結束後，本公司董事建議就截至二零二零年十二月三十一日止年度派發末期股息每股0.3港元(二零一九年：0.25港元)，總額為837,565,000港元(二零一九年：697,971,000港元)，該事項須於即將舉行的股東大會上經股東批准後，方可作實。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**17. EARNINGS PER SHARE**

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

**Earnings**

		<b>2020</b> 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	就每股基本盈利而言的盈利 (本公司擁有人應佔年內溢利)	<b>2,608,307</b>	3,882,720

**Number of shares****股份數目**

		<b>2020</b> 二零二零年 '000 千股	2019 二零一九年 '000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	就每股基本盈利而言普通股的 加權平均數	<b>2,769,188</b>	2,769,188

No diluted earnings per share for both years were presented as there were no potential ordinary shares in issue for both years.

**17. 每股盈利**

本公司擁有人應佔每股基本盈利按下列數據計算：

**盈利**

		<b>2020</b> 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	就每股基本盈利而言的盈利 (本公司擁有人應佔年內溢利)	<b>2,608,307</b>	3,882,720

**股份數目**

		<b>2020</b> 二零二零年 '000 千股	2019 二零一九年 '000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	就每股基本盈利而言普通股的 加權平均數	<b>2,769,188</b>	2,769,188

由於兩個年度均未發行潛在的普通股，故未呈列兩個年度的每股攤薄盈利。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 18. PROPERTY, PLANT AND EQUIPMENT

## 18. 物業、廠房及設備

		Buildings	Leasehold improvements	Motor vehicles	Fixtures, fittings and equipment	Construction in progress	Total
		樓宇	租賃物業裝修	汽車	裝置、傢俱及設備	在建工程	合計
		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
<b>Cost</b>	<b>成本</b>						
At 1 January 2019	於二零一九年一月一日	1,297,132	88,210	47,279	351,933	-	1,784,554
Acquisition of subsidiaries under common control (note 2)	收購共同控制下的子公司(附註2)	-	2,026	3,869	8,221	-	14,116
At 1 January 2019 (restated)	於二零一九年一月一日(經重述)	1,297,132	90,236	51,148	360,154	-	1,798,670
Addition (restated)	增加(經重述)	316	13,843	5,012	14,116	-	33,287
Transferred from completed properties held for sale (restated)	轉撥自己完工待售物業(經重述)	98,621	-	-	-	-	98,621
Acquisition of subsidiaries (note 49)	收購子公司(附註49)	-	3,806	-	1,070	-	4,876
Disposal of subsidiaries	出售子公司	-	-	-	(318)	-	(318)
Disposals	出售	(42)	-	(722)	(3,221)	-	(3,985)
At 31 December 2019 (restated)	於二零一九年十二月三十一日(經重述)	1,396,027	107,885	55,438	371,801	-	1,931,151
Addition	增加	18,630	16,860	1,036	22,841	-	59,367
Transferred from properties under development	轉撥自在建物業	-	-	-	-	282,027	282,027
Acquisition of subsidiaries (note 49)	收購子公司(附註49)	-	-	-	123	-	123
Disposals	出售	-	-	(112)	(1,380)	-	(1,492)
At 31 December 2020	於二零二零年十二月三十一日	1,414,657	124,745	56,362	393,385	282,027	2,271,176
<b>Depreciation</b>	<b>折舊</b>						
At 1 January 2019 (note 2)	於二零一九年一月一日(附註2)	298,282	36,131	40,031	201,481	-	575,925
Acquisition of subsidiaries under common control (restated)	收購共同控制下的子公司(經重述)	-	803	2,401	4,488	-	7,692
At 1 January 2019 (restated)	於二零一九年一月一日(經重述)	298,282	36,934	42,432	205,969	-	583,617
Charge for the year	年內折舊	53,753	12,730	3,085	20,389	-	89,957
Disposal of subsidiaries	出售子公司	-	-	-	(186)	-	(186)
Disposals	出售	(24)	-	(710)	(2,573)	-	(3,307)
At 31 December 2019 (restated)	於二零一九年十二月三十一日(經重述)	352,011	49,664	44,807	223,599	-	670,081
Charge for the year	年內折舊	62,627	28,557	1,934	17,196	-	110,314
Disposals	出售	-	-	(106)	(1,119)	-	(1,225)
At 31 December 2020	於二零二零年十二月三十一日	414,638	78,221	46,635	239,676	-	779,170
<b>Carrying amounts</b>	<b>賬面值</b>						
At 31 December 2020	於二零二零年十二月三十一日	1,000,019	46,524	9,727	153,709	282,027	1,492,006
At 31 December 2019 (restated)	於二零一九年十二月三十一日(經重述)	1,044,016	58,221	10,631	148,202	-	1,261,070

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**18. PROPERTY, PLANT AND EQUIPMENT (Continued)**

The above items of property, plant and equipment, except for construction in progress, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Buildings	2.25% to 4.75%
Leasehold improvements	9.50% to 33.30%
Motor vehicles	9% to 31.67%
Fixtures, fittings and equipment	18% to 31.67%

Included in the above figures are property, plant and equipment of RMB514,279,000 (2019: RMB544,240,000) which have been pledged as security for bank loans.

**18. 物業、廠房及設備(續)**

上述物業、廠房及設備項目(在建工程除外)經考慮剩餘價值以直線法按以下年率折舊：

樓宇	2.25%至4.75%
租賃物業裝修	9.50%至33.30%
汽車	9%至31.67%
裝置、傢俱及設備	18%至31.67%

上述數據包括已抵押以獲取銀行貸款的物業、廠房及設備人民幣514,279,000元(二零一九年：人民幣544,240,000元)。

**19. INTANGIBLE ASSETS****19. 無形資產**

		RMB'000 人民幣千元
<b>Cost</b>	<b>成本</b>	
At 1 January 2019, 31 December 2019 and 2020	於二零一九年一月一日、二零一九年及二零二零年十二月三十一日	1,700
<b>Amortisation</b>	<b>攤銷</b>	
At 1 January 2019	於二零一九年一月一日	449
Charge for the year	年內攤銷	45
At 31 December 2019	於二零一九年十二月三十一日	494
Charge for the year	年內攤銷	45
At 31 December 2020	於二零二零年十二月三十一日	539
<b>Carrying values</b>	<b>賬面值</b>	
At 31 December 2020	於二零二零年十二月三十一日	1,161
At 31 December 2019	於二零一九年十二月三十一日	1,206

Intangible assets represent contractor qualification in PRC for own use purpose, and have finite useful life of 38 years. Such intangible assets are amortised on a straight line basis over the useful life.

無形資產指在中國具有自用目的的承包商資質，有限使用年期為38年。此等無形資產在使用年內按直線法攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 20. RIGHT-OF-USE ASSETS

## 20. 使用權資產

		Leasehold lands 租賃土地 RMB'000 人民幣千元	Leased properties 租賃物業 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>As at 31 December 2020</b>	<b>於二零二零年 十二月三十一日</b>				
Carrying amount	賬面值	66,527	6,503	73	73,103
<b>As at 31 December 2019</b>	<b>於二零一九年 十二月三十一日</b>				
Carrying amount (restated)	賬面值(經重述)	67,921	11,680	555	80,156
<b>For the year ended 31 December 2020</b>	<b>截至二零二零年十二月 三十一日止年度</b>				
Depreciation charge	折舊費用	(1,394)	(14,708)	(201)	(16,303)
<b>For the year ended 31 December 2019</b>	<b>截至二零一九年十二月 三十一日止年度</b>				
Depreciation charge (restated)	折舊費用(經重述)	(1,394)	(15,766)	(93)	(17,253)

		<b>2020</b> 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Expense relating to short-term leases	與短期租賃有關的開支	<b>2,828</b>	8,651
Total cash outflow for leases	就租賃現金流出總額	<b>16,970</b>	24,585
Additions to right-of-use assets	增加使用權資產	<b>9,250</b>	2,407

For both years, the Group leases various offices and equipments for its operations. Lease contracts are entered into for fixed term of 12 months to 3 years. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

兩年期間，本集團租賃各種辦公室和設備以進行運營。簽訂租賃合同的固定期限為12個月至3年。本集團在確定租賃期限和評估不可撤銷的期限時，採用合同的定義並確定合同可強制執行的期限。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**20. RIGHT-OF-USE ASSETS (Continued)**

The Group regularly entered into short-term leases for equipments. As at 31 December 2020, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

**Restrictions or covenants on leases**

In addition, lease liabilities of RMB6,721,000 (2019: RMB12,402,000, as restated) are recognised with related right-of-use assets of RMB6,576,000 as at 31 December 2020 (2019: RMB12,235,000, as restated). 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.

**21. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Unlisted equity investments	非上市股本投資	290,463	312,315

The above unlisted equity investments represent the Group's equity interest in a private entity established in the PRC. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

**22. INVESTMENT PROPERTIES**

The Group leases out various offices and retail stores under operating leases with rentals payable monthly. The leases typically run for a period of 1 to 20 years (2019: 1 to 20 years). The minimum annual lease payment are fixed.

**20. 使用權資產(續)**

本集團定期訂立設備短期租賃。於二零二零年十二月三十一日，短期租賃組合與上文披露的短期租賃支出的短期租賃組合近似。

**租賃的限制或契約**

此外，於二零二零年十二月三十一日確認人民幣6,721,000元的租賃負債(二零一九年經重述：人民幣12,402,000元)與相關使用權資產人民幣6,576,000元(二零一九年經重述：人民幣12,235,000元)。除了出租人持有的租賃資產中的擔保權益外，租賃協議不施加任何其他契約。租賃資產不得用作借貸抵押。

**21. 按公允價值列賬於其他全面收入的股權工具**

上述非上市股本投資指本集團於中國註冊成立的私人實體的股權。該等投資並非持作買賣，而是為長期策略目的而持有。本公司董事已選擇指定該等股權工具投資為按公允價值列賬於其他全面收入計量，原因為彼等認為於損益中確認該等投資公允價值的短期變動將與本集團持有該等投資作長期目的並實現其長遠潛在表現的策略不符。

**22. 投資物業**

本集團根據經營租賃出租不同辦公室及零售商舖，租金須每月支付。該等租賃租期通常為1至20年(二零一九年：1至20年)。最低年度租賃付款屬固定。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**22. INVESTMENT PROPERTIES (Continued)**

The Group is not exposed to foreign currency risk as a result of the lease arrangements as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee or lessee's option to purchase the property at the end of lease term.

For the year ended 31 December 2020, the total cash outflow for lease is RMB124,355,000 (2019: RMB110,349,000, as restated), including leased properties under subleases RMB110,213,000 (2019: RMB93,742,000, as restated).

**22. 投資物業(續)**

本集團並未因租賃受外匯風險影響，乃由於所有租賃均以集體實體各自的功能性貨幣計價。租賃合同並不包含剩餘價值擔保或承租人於租期結束時購買該物業的選擇權。

截至二零二零年十二月三十一日止年度，租賃現金流出總額為人民幣124,355,000元(二零一九年經重述：人民幣110,349,000元)，包括轉租賃項下租賃物業人民幣110,213,000元(二零一九年經重述：人民幣93,742,000元)。

		Investment properties	Investment properties under development	Total
		投資物業	發展中投資物業	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
As at 1 January 2019	於二零一九年一月一日	5,077,365	8,005,635	13,083,000
Acquisition of subsidiaries under common control (note 2)	收購共同控制下的子公司(附註2)	298,000	-	298,000
As at 1 January 2019 (restated)	於二零一九年一月一日(經重述)	5,375,365	8,005,635	13,381,000
Additions	增加	194,047	646,923	840,970
Transfer from completed properties held for sale (restated)	轉撥自己完工待售物業(經重述)	1,415,420	-	1,415,420
Transfer	轉撥	7,863,567	(7,863,567)	-
Disposal of subsidiaries (note 50)	出售子公司(附註50)	(7,480,000)	-	(7,480,000)
Disposals	出售	(333,155)	-	(333,155)
Net increase in fair value recognised in profit or loss (restated)	在損益確認的公允價值增加淨額(經重述)	967,756	1,009	968,765
As at 31 December 2019 (restated)	於二零一九年十二月三十一日(經重述)	8,003,000	790,000	8,793,000
Additions	增加	-	199,211	199,211
Transfer from completed properties held for sale	轉撥自己完工待售物業	351,029	-	351,029
Transfer from properties under development	轉撥自在建物業	-	1,985,838	1,985,838
Transfer	轉撥	773,296	(773,296)	-
Disposals	出售	(179,935)	-	(179,935)
Net increase in fair value recognised in profit or loss	在損益確認的公允價值增加淨額	219,610	358,247	577,857
As at 31 December 2020	於二零二零年十二月三十一日	9,167,000	2,560,000	11,727,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**22. INVESTMENT PROPERTIES (Continued)**

During the year ended 31 December 2020, certain properties under development and completed properties held for sale with carrying amount of RMB2,336,867,000 (2019: RMB1,415,420,000, as restated) was transferred to investment properties upon the change in use of the properties evidenced by inception of leasing agreement for the properties to generate rental income. At the date of transfer, the properties were fair valued by Cushman & Wakefield (“C&W”) by reference to direct comparison approach and income capitalisation approach, the gain on revaluation of properties transferred from properties held for sale to investment properties amounting to RMB574,162,000 (2019: RMB125,967,000, as restated) was recognised in the profit or loss.

All of the Group’s property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of the Group’s investment properties as at 31 December 2020 and 2019 has been arrived at on the basis of a valuation carried out on the respective dates by C&W, an independent qualified professional valuer not connected to the Group.

The management of the Company works closely with the independent qualified professional valuer to establish the appropriate valuation techniques and inputs for fair value measurements.

For completed investment properties, the valuations have been arrived at using income capitalisation approach, where appropriate, by capitalising the net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the respective properties.

**22. 投資物業(續)**

於截至二零二零年十二月三十一日止年度，賬面價值為人民幣2,336,867,000元(二零一九年經重述：人民幣1,415,420,000元)的在建物業及已完工待售物業的用途發生改變，轉為投資物業，其佐證跡象為物業租賃協議開始產生租金收入。於轉撥日期，該等物業由戴德梁行(「戴德梁行」)經參照直接比較法及收入資本化法評估公允價值。由待售物業轉撥至投資物業的重估物業收益人民幣574,162,000元(二零一九年經重述：人民幣125,967,000元)於損益中確認。

本集團所有根據經營租賃持有以賺取租金或資本增值的物業權益按公允價值模式計量，並分類及入賬為投資物業。

本集團投資物業於二零二零年及二零一九年十二月三十一日的公允價值乃根據獨立合資格專業估值師戴德梁行(其與本集團並無關連)於相關日期進行的估值而達致。

本公司管理層與獨立合資格專業估值師緊密合作，以就公允價值計量設定合適估值技術及輸入數據。

就已建成投資物業而言，已在適當情況下採用收入資本化法進行估值，方法為將從現有租戶收取的租金收入淨額撥充資本連同就各物業任何潛在復歸收入作出適當扣減計算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**22. INVESTMENT PROPERTIES (Continued)**

For investment properties under construction or development, the valuations have been arrived at assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The key inputs in the valuations include the market value of the completed investment properties, which are estimated with reference to sales evidence of similar properties in the nearest locality, with adjustments made to account for its differences in locations and other factors specific to the respective properties based on the valuer's judgement. Costs of development are also taken into account including construction costs, finance costs and professional fees, as well as developer's profit margin which reflects the remaining risks associated with the development of the properties at the valuation date and the return that the developer would require for bringing them to completion status, which is determined by the valuer based on its analyses of recent land transactions and market value of similar completed properties in the respective locations.

There has been no change to the valuation techniques during both years.

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

Included in the above figures are investment properties of RMB600,000,000 (2019: RMB580,000,000) which have been pledged as security for bank loans.

**22. 投資物業(續)**

就在建或發展中投資物業而言，估值乃基於假設該等投資物業將根據發展規劃及已取得的相關規劃的批覆完工。估值的主要輸入數據包括已建成投資物業的市值(乃參考鄰近地域相似物業的銷售憑證估計，同時，根據估值師判斷的不同地段的差異以及各物業的其他不同特質進行調整)。該估值也將物業的開發成本納入考慮，包括建築成本、融資成本和專業費用，以及開發商的利潤率(於估值日反映物業開發的剩餘風險和開發商在物業開發完工時所期待的回報)，該等因素取決於估值師對近期土地交易和不同地段類似已建成物業市場價值的分析。

於兩個年度估值技術均無變更。

就評估投資物業公允價值而言，投資物業現有用途即其最大及最佳用途。

上述數據包括已抵押以獲取銀行貸款的投資物業人民幣600,000,000元(二零一九年：人民幣580,000,000元)。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**22. INVESTMENT PROPERTIES (Continued)**

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the level 3 fair value hierarchy as defined in IFRS 13 "Fair Value Measurement". There were no transfers into or out of Level 3 during both years. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

**22. 投資物業(續)**

下表呈列本集團於報告期末按經常性基準計量的投資物業公允價值，有關公允價值分類為國際財務報告準則第13號「公允價值計量」所界定的公允價值第三層次架構。於兩個年度第三層次均無轉入或轉出。公允價值計量所歸入的層次乃經參考以下估值技術所用輸入數據的可觀察性及重要性而釐定：

Category	Valuation techniques	Key inputs	Range	Relationship of unobservable inputs to fair value 不可觀察輸入數據對公允價值的關係
類別	估值技術	主要輸入數據	範圍	
Completed investment properties located in Mainland China 2020: RMB9,167,000,000 2019: RMB7,448,000,000, as restated 位於中國內地的已完工投資物業 二零二零年： 人民幣9,167,000,000元 二零一九年經重述： 人民幣7,448,000,000元	Income capitalization approach 收入資本化法	Capitalisation rates 資本化率	3.5% to 8.5% 3.5%至8.5% (2019: 3.0% to 8.5%, as restated) (二零一九年： 3.0%至8.5%，經重述)	Note (i) 附註(i)
		Average unit market rent 平均單位市場租金	RMB20 to RMB440 per square meter per month 每月每平方米人民幣20元至人民幣440元 (2019: RMB21 to RMB440) per square meter per month (二零一九年： 每月每平方米人民幣21元至人民幣440元)	Note (ii) 附註(ii)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 22. INVESTMENT PROPERTIES (Continued)

## 22. 投資物業(續)

Category	Valuation techniques	Key inputs	Range	Relationship of unobservable inputs to fair value 不可觀察輸入數據對公允價值的關係
類別	估值技術	主要輸入數據	範圍	
Completed investment properties and Investment properties under development located in Mainland China 2020: RMB2,560,000,000 2019: RMB1,345,000,000, as restated 位於中國內地的已完工投資物業及在建投資物業 二零二零年： 人民幣2,560,000,000元 二零一九年 經重述：人民幣 1,345,000,000元	Direct comparison approach 直接比較法	Average unit market price 平均單位市場價格	RMB6,200 to RMB32,000 per square meter 每平方米人民幣6,200元至人民幣32,000元 (2019: RMB8,000 to RMB14,000 per square meter (二零一九年： 每平方米人民幣8,000元至人民幣14,000元)	Note (ii) 附註(ii)
		Estimated total construction cost to complete 估計建成所需總建築成本	RMB131,000,000 to RMB836,000,000 人民幣131,000,000元至人民幣836,000,000元 (2019: RMB369,101,000) (二零一九年： 人民幣369,101,000元)	Note (iii) 附註(iii)
Notes:			附註：	
(i) A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.			(i) 所用資本化率的輕微增加，會導致公允價值大幅減少，反之亦然。	
(ii) A significant increase in the market rent used would result in a significant increase in fair value, and vice versa.			(ii) 所用市值租金的大幅增加，會導致公允價值大幅增加，反之亦然。	
(iii) A significant increase in the cost would result in a significant decrease in fair value, and vice versa.			(iii) 成本的大幅增加，會導致公允價值大幅減少，反之亦然。	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

### 23. PROPERTIES UNDER DEVELOPMENT/ COMPLETED PROPERTIES HELD FOR SALE

### 23. 在建物業／已完工待售物業

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Properties under development	在建物業	<b>86,606,518</b>	73,281,225
Completed properties held for sale	已完工待售物業	<b>17,816,340</b>	18,007,483
		<b>104,422,858</b>	91,288,708

As of 31 December 2020, the amount of the write-down of properties under development and completed properties held for sale was RMB3,032,012,000 (2019: RMB2,504,992,000).

於二零二零年十二月三十一日，在建物業及已完工待售物業的撇減金額為人民幣3,032,012,000元(二零一九年：人民幣2,504,992,000元)。

Properties under development analysed for reporting purposes as:

在建物業以報告為目的之分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Current assets	流動資產	<b>86,606,518</b>	73,281,225

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 23. PROPERTIES UNDER DEVELOPMENT/ COMPLETED PROPERTIES HELD FOR SALE (Continued)

All the properties under development and completed properties held for sale are located in the PRC.

Properties under development and completed properties held for sale that have a plan to develop or sale, and expect to be realised within the Group's normal operating cycle, are classified as current.

Analysis of leasehold lands:

### 23. 在建物業／已完工待售物業 (續)

所有在建物業及已完工待售物業均位於中國。

計劃發展或出售，及預期可於本集團正常營運週期內變現的在建物業及已完工待售物業分類為流動。

租賃土地分析：

		RMB'000 人民幣千元
<b>As at 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	
Carrying amount	賬面值	57,738,934
<b>As at 31 December 2019 (restated)</b>	<b>於二零一九年十二月三十一日(經重述)</b>	
Carrying amount	賬面值	45,899,346
<b>For the year ended 31 December 2020</b>	<b>截至二零二零年十二月三十一日止年度</b>	
Total cash outflow	現金流出總額	18,560,384
Additions	增加	21,574,431
<b>For the year ended 31 December 2019 (restated)</b>	<b>截至二零一九年十二月三十一日止年度 (經重述)</b>	
Total cash outflow	現金流出總額	15,161,275
Additions	增加	11,884,436

The carrying amount of leasehold lands is measured at cost less any accumulated depreciation and any impairment losses. The residual values are determined as the estimated disposal value of the leasehold land component. No depreciation charge is made on the leasehold lands taking into account the estimated residual values as at 31 December 2020.

Included in the above figures are properties under development of RMB46,738,624,000 (2019: RMB25,686,702,000) which have been pledged as security for bank loans.

租賃土地的賬面值按成本扣減任何累計折舊及任何減值虧損計量。剩餘價值按租賃土地組成部分的估計出售價值釐定。於二零二零年十二月三十一日，概無租賃土地折舊支出計及估計剩餘價值。

上述數據包括已抵押以獲取銀行貸款的在建物業人民幣46,738,624,000元(二零一九年：人民幣25,686,702,000元)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 24. INTERESTS IN ASSOCIATES

## 24. 聯營公司權益

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Cost of unlisted investments in associates	聯營公司非上市投資成本	264,515	266,315
Share of post-acquisition losses and other comprehensive expense, net of dividends received	應佔收購後虧損及其他全面開支，扣除已收股息	(34,703)	(68,498)
		<b>229,812</b>	197,817

No associate was individually material to the Group for both years.

於兩個年度概無聯營公司對本集團而言屬個別重大。

Details of each of the Group's associates at the end of the reporting period are as follows:

於報告期末，本集團各聯營公司的詳情如下：

Name of associates 聯營公司名稱	Place of incorporation and principal place of business 註冊成立及主要經營地點	Proportion of ownership interest and voting power held by the Group as at 31 December 於十二月三十一日本集團擁有權權益及所持表決權比例		Principal activity 主營業務
		2020 二零二零年	2019 二零一九年	
Guangxi Liuzhou Hongyong Investment Co., Ltd 廣西柳州鴻勇投資有限公司	Guangxi, the PRC 中國廣西	49%	49%	Property development 物業發展
Guangxi Yuelv Health Industry Development Co., Ltd 廣西悅綠健康產業發展有限公司	Guangxi, the PRC 中國廣西	49%	49%	Property development 物業發展
Guangxi Yulin Tongzhou Logistics Co., Ltd. 廣西玉林通洲物流有限公司	Guangxi, the PRC 中國廣西	42.5%	42.5%	Property development 物業發展
Guangxi Yulin Tonghe Investment Co., Ltd. 廣西玉林通和投資有限公司	Guangxi, the PRC 中國廣西	42.5%	42.5%	Property development 物業發展

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 24. INTERESTS IN ASSOCIATES (Continued)

## 24. 聯營公司權益(續)

Name of associates 聯營公司名稱	Place of incorporation and principal place of business 註冊成立及主要經營地點	Proportion of ownership interest and voting power held by the Group as at 31 December 於十二月三十一日本集團擁有權益及所持表決權比例		Principal activity 主營業務
		2020 二零二零年	2019 二零一九年	
Guangxi Yulin Tongxing Investment Co., Ltd. 廣西玉林通興投資有限公司	Guangxi, the PRC 中國廣西	42.5%	42.5%	Property development 物業發展
Guangxi Greenland Jinyao Property Co., Ltd. 廣西綠地金耀置業有限公司	Guangxi, the PRC 中國廣西	– (note i) – (附註i)	18% (note i) 18% (附註i)	Property development 物業發展
Guangxi Jiuquwan Automobile Industry Investment Limited 廣西九曲灣汽車文化產業投資有限公司	Guangxi, the PRC 中國廣西	15% (note ii) 15% (附註ii)	15% (note ii) 15% (附註ii)	Property development 物業發展
Shanghai Yingkun Investment Limited Partnership Corporation 上海穎堃投資合夥企業(有限合夥)	Shanghai, the PRC 中國上海	23% 23%	23% 23%	Investing and consulting 投資及諮詢

Notes:

- (i) In May 2020, the Group disposed of its entire equity interest in Guangxi Greenland Jinyao Property Co., Ltd to an independent third party at a cash consideration of RMB19,169,000. A gain on disposal of RMB49,071,000 is resulted and is recognised in the profit or loss for the year ended 31 December 2020. Before this disposal, the Group is able to exercise significant influence over Guangxi Greenland Jinyao Property Co., Ltd because it has the power to appoint one out of six directors of that company under the Articles of Association of that company.
- (ii) The Group is able to exercise significant influence over Guangxi Jiuquwan Automobile Industry Investment Limited because it has the power to appoint one out of five directors of that company under the Articles of Association of that company.

附註：

- (i) 於二零二零年五月，本集團以現金代價人民幣19,169,000元出售其於廣西綠地金耀置業有限公司的全部股權予獨立第三方。該出售產生出售收益人民幣49,071,000元，並於截至二零二零年十二月三十一日止年度的損益中確認。在該出售前，本集團能夠對廣西綠地金耀置業有限公司行使重大影響力，原因為其根據該公司的組織章程細則有權委任該公司六名董事之一名。
- (ii) 本集團能夠對廣西九曲灣汽車文化產業投資有限公司行使重大影響力，原因為其根據該公司的組織章程細則有權委任該公司五名董事之一名。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 25. INTERESTS IN JOINT VENTURES

## 25. 合營企業權益

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Cost of unlisted investments in joint ventures	合營企業非上市投資成本	1,939,861	1,224,807
Share of post-acquisition losses and other comprehensive expense, net of dividends received	應佔收購後虧損及其他全面開支，扣除已收股息	1,775,952	1,232,599
		<b>3,715,813</b>	2,457,406

Details of each of the Group's joint ventures at the end of reporting period are as follows:

於報告期末，本集團各合營企業的詳情如下：

Name of joint venture 合營企業名稱	Place of incorporation and principal place of business 註冊成立及主要經營地點	Proportion of ownership interest and voting power held by the Group as at 31 December 於十二月三十一日本集團的擁有權權益及所持表決權比例		Principal activity 主營業務
		2020 二零二零年	2019 二零一九年	
Guangzhou Huibang Property Co., Ltd ("Guangzhou Huibang") 廣州市暉邦置業有限公司(「廣州暉邦」)	Guangzhou, the PRC 中國廣州市	50%	50%	Property development 物業發展
Forever Rich Enterprise Limited ("Forever Rich")	Suzhou, the PRC 中國蘇州市	50%	50%	Property development 物業發展
Forever Rich Enterprise Limited ("Forever Rich")	中國蘇州市	50%	50%	物業發展
Haikou Chengjian Green Island Landscape Engineering Co., Ltd ("Haikou Chengjian") 海口城建綠島景觀綠化工程有限公司 (「海口城建」)	Haikou, the PRC 中國海口市	32.5% (note i) 32.5% (附註i)	32.5% (note i) 32.5% (附註i)	Landscape engineering 園林綠化工程

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

**25. INTERESTS IN JOINT VENTURES (Continued)**      **25. 合營企業權益(續)**

Name of joint venture 合營企業名稱	Place of incorporation and principal place of business 註冊成立及主要經營地點	Proportion of ownership interest and voting power held by the Group as at 31 December 於十二月三十一日本集團的擁有權權益及所持表決權比例		Principal activity 主營業務
		2020 二零二零年	2019 二零一九年	
Suzhou Lvyou Property Co., Ltd ("Suzhou Lvyou") 蘇州綠遊置業有限公司(「蘇州綠遊」)	Suzhou, the PRC 中國蘇州市	51% (note ii) 51% (附註ii)	–	Property development 物業發展
Guangzhou Greenland Baiyun Property Co., Ltd 廣州綠地白雲置業有限公司	Guangzhou, the PRC 中國廣州市	50% 50%	50% 50%	Property development 物業發展
Guangzhou Yuehong Real Estate Development Co., Ltd 廣州越鴻房地產開發有限公司	Guangzhou, the PRC 中國廣州市	50% 50%	50% 50%	Property development 物業發展

Notes:

- (i) In March 2016, Haikou Chengjian was established by the Group and other two shareholders. The Group occupied 32.5% equity interests. According to the Articles of Association of Haikou Chengjian, the Group and the other two shareholders jointly control Haikou Chengjian. Therefore, Haikou Chengjian is recognised as a joint venture.
- (ii) In August 2020, Suzhou Lvyou was established by the Group and another shareholder. Pursuant to joint venture agreement, the Group and the other equity owner are considered to have joint control over Suzhou Lvyou as all major decisions require unanimous approval of all directors of Suzhou Lvyou.

附註：

- (i) 於二零一六年三月，海口城建由本集團及另外兩名股東成立。本集團佔有32.5%股權。根據海口城建的組織章程細則，本集團及其他兩名股東共同控制海口城建。因此，海口城建獲確認為合營企業。
- (ii) 於二零二零年八月，蘇州綠遊由本集團及另外一名股東成立。根據合營協議，本集團與其他股權擁有人被視為對蘇州綠遊擁有共同控制權，原因為所有主要決定均需獲得蘇州綠遊所有董事一致同意。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**25. INTERESTS IN JOINT VENTURES (Continued)****Summarised financial information of material joint ventures**

Summarised financial information in respect of the joint ventures that are material to the Group set out below. The summarised financial information below represents amounts shown in the joint ventures' financial statements prepared in accordance with the accounting policies of the Group.

The joint ventures are accounted for using the equity method in these consolidated financial statements.

**25. 合營企業權益(續)****重大合營企業財務資料概要**

下文載列對本集團而言屬重大的合營企業的財務資料概要。下文所載財務資料概要為合營企業於根據本集團會計政策編製的財務報表所示金額。

合營企業按權益法於該等綜合財務報表入賬。

		Guangzhou Huibang 廣州暉邦		Forever Rich Forever Rich	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-current assets	非流動資產	<b>27,096</b>	55,593	<b>1,018,582</b>	824,230
Current assets	流動資產	<b>3,519,294</b>	4,090,172	<b>2,356,852</b>	3,810,404
Non-current liabilities	非流動負債	-	48,000	<b>47,760</b>	-
Current liabilities	流動負債	<b>568,755</b>	1,325,627	<b>1,283,802</b>	3,476,538
The above amounts of assets and liabilities include the following:	上述資產及負債金額包括：				
Bank balances and cash	銀行結餘及現金	<b>333,921</b>	319,422	<b>310,542</b>	1,016,529
Revenue	收益	<b>939,644</b>	5,751,894	<b>2,708,422</b>	97,627
Profit and total comprehensive income for the year	年內溢利及全面收入總額	<b>205,497</b>	1,246,014	<b>885,776</b>	27,926
Dividend received during the year	年內收取股息	-	-	-	-
The above profit for the year includes the following:	上述年內溢利包括下列各項：				
Depreciation and amortisation	折舊及攤銷	-	-	<b>552</b>	455
Finance income	融資收入	<b>861</b>	1,996	<b>59,541</b>	66,165
Income tax expense	所得稅開支	<b>109,482</b>	793,354	<b>315,149</b>	10,238

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 25. INTERESTS IN JOINT VENTURES (Continued)

### Summarised financial information of material joint ventures (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint ventures recognised in the consolidated financial statements:

		Guangzhou Huibang 廣州暉邦		Forever Rich Forever Rich	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Net assets of the joint ventures	合營企業淨資產	<b>2,977,635</b>	2,772,138	<b>2,043,872</b>	1,158,096
Proportion of the Group's ownership interests in the joint ventures	本集團於合營企業的擁有權權益比例	<b>50%</b>	50%	<b>50%</b>	50%
Carrying amount of the Group's interests in the joint ventures	本集團於合營企業權益的賬面值	<b>1,488,818</b>	1,386,069	<b>1,021,936</b>	579,048

## 25. 合營企業權益(續)

### 重大合營企業財務資料概要(續)

以上財務資料概要與於綜合財務報表確認的合營企業權益賬面值的對賬：

### Aggregate information of the joint ventures that are not individually material:

並非個別重大合營企業的匯總資料：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
The Group's share of total (loss) profit for the year	本集團應佔年內(虧損)溢利總額	<b>(2,284)</b>	5,675
The Group's share of total comprehensive (expense) income for the year	本集團應佔年內全面(開支)收入總額	<b>(2,284)</b>	5,675
Aggregate carrying amount of the Group's interests in the joint ventures	本集團於合營企業的權益賬面總值	<b>1,205,059</b>	492,289

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

**26. TRADE AND OTHER RECEIVABLES AND ADVANCE DEPOSITS**      **26. 應收賬款及其他應收款項及預付賬款**

		<b>2020</b> 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Trade receivables in respect of contracts with customers	與客戶合約有關的應收賬款		
– due from related parties	– 應收關聯方	<b>4,947</b>	1,330
– due from independent third parties	– 應收獨立第三方	<b>993,900</b>	1,723,792
		<b>998,847</b>	1,725,122
Less: Allowance for credit losses	減：信貸虧損撥備	<b>(36,697)</b>	(59,063)
Trade receivables, net of allowance for credit losses	應收賬款， 扣除信貸虧損撥備	<b>962,150</b>	1,666,059
Other receivables	其他應收款項		
– due from related parties (note i)	– 應收關聯方(附註i)	<b>3,315,549</b>	13,082,822
– due from non-controlling shareholders of subsidiaries	– 應收子公司非控股股東	<b>7,665,499</b>	8,007,665
– due from independent third parties (note ii)	– 應收獨立第三方(附註ii)	<b>5,562,517</b>	4,156,532
– consideration receivable due from a related party	– 應收一名關聯方的代價	<b>202,365</b>	287,113
– consideration receivable due from an independent third party	– 應收一名獨立第三方的代價	<b>434,608</b>	453,026
		<b>17,180,538</b>	25,987,158
Less: Allowance for credit losses	減：信貸虧損撥備	<b>(504,454)</b>	(467,526)
Other receivables, net of allowance for credit losses	其他應收款項， 扣除信貸虧損撥備	<b>16,676,084</b>	25,519,632
Advance payments to	預付予下列人士款項：		
– independent third parties contractors	– 獨立第三方承包商	<b>2,450,129</b>	1,437,296
– related parties	– 關聯方	<b>142,308</b>	299,445
		<b>2,592,437</b>	1,736,741
Advance deposits for acquisitions of land parcels for development	收購作發展地塊的預付賬款	<b>1,713,349</b>	4,928,549
Other tax prepayments (note iii)	其他預繳稅項(附註iii)	<b>2,724,929</b>	2,371,318
Total	總計	<b>24,668,949</b>	36,222,299

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 26. TRADE AND OTHER RECEIVABLES AND ADVANCE DEPOSITS (Continued)

Notes:

- (i) The non-trade receivables due from related parties are unsecured and repayable on demand.
- (ii) Non-trade receivable balances, deposits and advances to third parties are expected to be settled or recovered within one year.
- (iii) Other tax prepayments mainly represent prepayment of value-added tax, tax surcharge during the pre-sale stage of certain properties.

In general, the Group provides no credit term to its customers for property sales, but the Group provides credit terms to its major customers with specific approval. As at 31 December 2020, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB130,429,000 (2019: RMB525,273,000, as restated) which are past due as at the reporting date. Out of the past due balances, RMB52,334,000 (2019: RMB218,607,000, as restated) has been past due 90 days or more and is not considered as in default since the directors of the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customer.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates:

		<b>2020</b> <b>二零二零年</b> <b>RMB'000</b> <b>人民幣千元</b>	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
0-90 days	0-90日	<b>454,428</b>	1,447,452
91-180 days	91-180日	<b>12,350</b>	5,659
181-365 days	181-365日	<b>10,459</b>	63,330
Over 365 days	超過365日	<b>484,913</b>	149,618
		<b>962,150</b>	1,666,059

Details of impairment assessment of trade and other receivables are set out in note 43.

## 26. 應收賬款及其他應收款項及預付賬款(續)

附註：

- (i) 非貿易應收關聯方款項為無抵押及須於要求時償還。
- (ii) 非貿易應收款項結餘、按金及預付第三方款項預期於一年內清還或收回。
- (iii) 其他預繳稅款主要指因預售若干物業而預繳的增值稅及附加稅。

本集團一般不會就物業銷售向客戶提供信貸期，惟本集團在特定批准下向主要客戶提供信貸期。於二零二零年十二月三十一日，本集團的應收賬款結餘包括賬面總值為人民幣130,429,000元(二零一九年經重述：人民幣525,273,000元)於報告日期已逾期的應收賬款。於該等逾期結餘中，人民幣52,334,000元(二零一九年經重述：人民幣218,607,000元)已逾期90日或以上且並無被視為違約，原因是本集團董事認為有關結餘按各客戶的還款記錄、財務狀況及當前信譽可以收回。

以下為根據發票日期呈列的應收賬款(扣除信貸虧損撥備)賬齡分析：

應收賬款及其他應收款項的減值評估詳情載於附註43。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**27. PREPAID TAXATION****27. 預付稅項**

		<b>2020</b> 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
PRC EIT	中國企業所得稅	<b>893,852</b>	786,222
PRC LAT	中國土地增值稅	<b>1,338,930</b>	1,099,131
		<b>2,232,782</b>	1,885,353

**28. CONTRACT ASSETS****28. 合同資產**

		<b>2020</b> 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Construction management service	建築管理服務	<b>358,536</b>	649,843

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance in achieving specified milestones stipulated in the relevant contracts at the reporting date on construction management service. The contract assets are transferred to trade receivables when the rights become unconditional.

The amount of contract assets are expected to be settled within the Group's normal operating cycle are classified as current assets.

Details of impairment assessment of contract assets are set out in note 43.

合同資產主要有關本集團就已竣工且尚未出具發票的工程收取代價的權利有關，原因為有關權利的條件為本集團於報告日期就建築管理服務的未來表現達致相關合約指明的特定里程碑。當有關權利成為無條件時，合同資產轉撥至應收賬款。

預期可於本集團正常營運週期內清還的合同資產金額分類為流動資產。

合同資產減值評估詳情載於附註43。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 29. CONTRACT COSTS

## 29. 合同成本

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Incremental costs for obtaining property sale contracts 取得物業銷售合同的增量成本	<b>271,932</b>	208,254

Contract costs capitalised relate to the incremental sales commissions paid to employees and property agents whose selling activities resulted in customers entering into sale and purchase agreements for the Group's properties which are still under construction at the reporting date. Contract costs are recognised as part of selling expenses in the consolidated statement of profit or loss and other comprehensive income in the period in which revenue from the related property sales is recognised. The amount of capitalised costs recognised in profit or loss during the year was RMB163,399,000 (2019: RMB136,416,000, as restated).

資本化的合同成本是指支付予僱員及物業經紀的增量銷售佣金，其銷售活動導致客戶就本集團於報告日期仍在發展中的物業訂立買賣協議。合同成本於相關物業銷售收入獲確認期間在綜合損益及其他全面利潤表確認為銷售費用一部分。於年內計入損益的資本化成本為人民幣163,399,000元(二零一九年經重述：人民幣136,416,000元)。

## 30. RESTRICTED BANK DEPOSITS

## 30. 受限制銀行存款

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Deposits for construction and development of properties 建築及發展物業按金	<b>1,361,233</b>	727,028
Deposits for mortgage loans 按揭貸款按金	<b>2,325,958</b>	2,044,566
Deposits pledged for interest-bearing loans 就計息貸款而抵押的按金	<b>409,709</b>	410,075
Others 其他	<b>146,578</b>	113,871
	<b>4,243,478</b>	3,295,540
Analysed for reporting purposes as: 以報告為目的之分析如下：		
Current 流動	<b>3,845,078</b>	2,897,140
Non-current 非流動	<b>398,400</b>	398,400
	<b>4,243,478</b>	3,295,540

Restricted bank deposits carry interest at fixed rates which range from 0.3% to 1.5% (2019: 0.3% to 1.5%, as restated) per annum.

受限制銀行存款按固定年利率介乎0.3%至1.5%(二零一九年經重述：0.3%至1.5%)計息。

Details of impairment assessment of restricted bank deposits are set out in note 43.

受限制銀行存款的減值評估詳情載於附註43。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

### 31. BANK BALANCES AND CASH AND OTHER FINANCIAL ASSETS

Bank balances carry interest at market rates which range from 0.3% to 1.5% (2019: 0.3% to 1.5%, as restated) per annum.

Details of impairment assessment of bank balances are set out in note 43.

Other financial assets represents the time deposits held by the Group which carried interest at a market rate of 4%, and matured during the year ended 31 December 2019.

### 32. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Deferred tax assets	遞延稅項資產	1,618,804	1,090,295
Deferred tax liabilities	遞延稅項負債	(1,649,163)	(1,535,285)
		<b>(30,359)</b>	(444,990)

### 31. 銀行結餘及現金以及其他金融資產

銀行結餘按市場年利率介乎0.3%至1.5%(二零一九年經重述：0.3%至1.5%)計息。

銀行結餘的減值評估詳情載於附註43。

其他金融資產指本集團所持有按市場年利率4%計息並於截至二零一九年十二月三十一日止年度到期的定期存款。

### 32. 遞延稅項

就綜合財務狀況表之呈列而言，已抵銷若干遞延稅項資產及負債。就財務報告而言之遞延稅項結餘分析如下：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**32. DEFERRED TAXATION (Continued)**

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

		Temporary difference on revenue recognition and related cost of sales	Temporary difference on land appreciation and other accruals	Tax losses	ECL provision	Contract liabilities	Revaluation of investment properties	Adjustments on business combination	Fair value change on FVTOCI	Contract cost	Total
		收益確認及有關銷售成本的暫時差異	土地增值稅及其他應計項目的暫時差異	稅務虧損	預期信貸虧損撥備	合同負債	投資物業重估	業務合併調整	按公允價值列賬於其他全面收入的公允價值變動	合同成本	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019 (originally stated)	於二零一九年一月一日(原先所述)	438,012	222,645	8,863	40,268	15,279	(992,026)	(867,765)	(29,943)	(13,741)	(1,178,408)
Acquisition of subsidiaries under common control (note 2)	收購共同控制下的子公司(附註2)	-	137,411	68,814	24,151	-	81,473	-	-	(23,091)	288,758
At 1 January 2019 (restated)	於二零一九年一月一日(經重述)	438,012	360,056	77,677	64,419	15,279	(910,553)	(867,765)	(29,943)	(36,832)	(889,650)
(Charge) credit to profit or loss (restated)	(扣除自)計入損益(經重述)	(211,053)	338,431	28,315	31,669	-	(242,191)	29,649	-	(15,232)	(40,412)
Charge to other comprehensive income	扣除自其他全面收入	-	-	-	-	-	-	-	(4,494)	-	(4,494)
Disposal of subsidiaries (note 50)	出售子公司(附註50)	-	(67,271)	-	-	-	556,837	-	-	-	489,566
At 31 December 2019 (restated)	於二零一九年十二月三十一日(經重述)	226,959	631,216	105,992	96,088	15,279	(595,907)	(838,116)	(34,437)	(52,064)	(444,990)
(Charge) credit to profit or loss	(扣除自)計入損益	(86,964)	122,924	422,907	9,147	(15,279)	(133,827)	106,179	-	(15,919)	409,168
Credit to comprehensive expense	計入全面開支	-	-	-	-	-	-	-	5,463	-	5,463
At 31 December 2020	於二零二零年十二月三十一日	139,995	754,140	528,899	105,235	-	(729,734)	(731,937)	(28,974)	(67,983)	(30,359)

As at 31 December 2020, the Group has unused tax losses of RMB9,615,503,000 (2019: RMB7,928,026,000, as restated) available to offset against future profits. Deferred tax assets have been recognised in respect of the tax losses of RMB2,115,596,000 (2019: RMB423,968,000, as restated) at the applicable income tax rates of the respective subsidiaries as at 31 December 2020. No deferred tax assets have been recognised in respect of the remaining tax losses of RMB7,499,907,000 (2019: RMB7,504,058,000, as restated) because the management is of the view that it is not probable that the individual subsidiaries concerned can generate profits to utilise the tax losses before the tax losses become expired. The unrecognised tax losses for the year ended 31 December 2020 will expire in the following years ending 31 December.

**32. 遞延稅項(續)**

以下為本年度及過往年度已確認的主要遞延稅項負債及資產及其變動：

於二零二零年十二月三十一日，本集團可用來抵銷未來溢利的未動用稅務虧損為人民幣9,615,503,000元(二零一九年經重述：人民幣7,928,026,000元)。於二零二零年十二月三十一日，就稅務虧損按個別子公司適用之所得稅率確認的遞延稅項資產為人民幣2,115,596,000元(二零一九年經重述：人民幣423,968,000元)。由於管理層認為有關個別子公司不大可能可產生溢利以於稅務虧損到期前動用稅務虧損，因此並未就其餘稅務虧損人民幣7,499,907,000元(二零一九年經重述：人民幣7,504,058,000元)確認遞延稅項資產。於截至二零二零年十二月三十一日止年度的未確認稅務虧損將於其後截至十二月三十一日止年度屆滿。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 32. DEFERRED TAXATION (Continued)

### 32. 遞延稅項(續)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
2020	二零二零年	-	642,904
2021	二零二一年	<b>800,348</b>	919,241
2022	二零二二年	<b>2,174,141</b>	2,448,778
2023	二零二三年	<b>782,040</b>	1,216,770
2024	二零二四年	<b>1,912,356</b>	2,276,365
2025	二零二五年	<b>1,831,022</b>	-
		<b>7,499,907</b>	7,504,058

At the end of the reporting period, the Group has deductible temporary differences of RMB2,300,445,000 (2019: RMB1,701,272,000, as restated). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB7,860,752,000 (2019: RMB6,385,897,000, as restated) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

於報告期末，本集團的可扣稅暫時差額為人民幣2,300,445,000元(二零一九年十二月三十一日經重述：人民幣1,701,272,000元)。由於不大可能產生應課稅溢利以動用可扣稅暫時差額，故並無就該等可扣稅暫時差額確認遞延稅項資產。

根據中國企業所得稅法，自二零零八年一月一日起，中國子公司就其所賺取之溢利在宣派股息時須繳交預扣稅。由於本集團可控制撥回暫時性差額之時間，而有關暫時性差額於可預見將來可能不會撥回，故此並無於綜合財務報表內就中國子公司之累計溢利人民幣7,860,752,000元(二零一九年經重述：人民幣6,385,897,000元)所應佔之暫時性差額計提遞延稅項撥備。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 33. INTEREST-BEARING LOANS

## 33. 計息貸款

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Secured bank loans	有抵押銀行貸款	<b>18,922,482</b>	13,422,180
Unsecured bank loans	無抵押銀行貸款	<b>3,810,335</b>	4,022,242
		<b>22,732,817</b>	17,444,422

The loans of the Group were repayable based on repayment schedule set out in relevant loan agreements as follows:

本集團的貸款須按相關貸款協議所載的下列還款期限償還：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Within one year	一年內	<b>9,092,012</b>	8,099,442
Within a period of more than one year but not exceeding two years	超過一年但不超過兩年期間	<b>7,911,178</b>	5,731,950
Within a period of more than two years but not exceeding five years	超過兩年但不超過五年期間	<b>5,645,627</b>	3,352,030
Within a period of more than five years	超過五年期間	<b>84,000</b>	261,000
		<b>22,732,817</b>	17,444,422
Less: Amounts of above borrowings that are repayable on demand due to breach of loan covenants (shown under current liabilities)	減：上述借貸中因違反貸款契諾而須按要求償還之款項(列為流動負債)	<b>1,719,053</b>	-
Amounts due within one year shown under current liabilities	一年內到期列為流動負債之款項	<b>7,372,959</b>	8,099,442
Amounts shown under non-current liabilities	列為非流動負債之款項	<b>13,640,805</b>	9,344,980

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 33. INTEREST-BEARING LOANS (Continued)

The Group's borrowings had been secured by the pledge of equity interests of certain subsidiaries of the Company and the Group's assets. The carrying amounts of the respective assets are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Investment properties	投資物業	600,000	580,000
Property, plant and equipment	物業、廠房及設備	514,279	544,240
Properties under development	在建物業	38,627,194	25,686,702
Restricted bank deposits	受限制銀行存款	398,400	398,400
		<b>40,139,873</b>	27,209,342

The exposure of the Group's borrowings are as follows:

### 33. 計息貸款(續)

本集團的借貸以本公司若干子公司的股本權益及本集團的資產作抵押。相關資產賬面值如下：

本集團借貸承受的風險如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Variable-rate borrowings	可變利率借貸	22,732,817	17,444,422

The range of effective interest rates of the interest-bearing loans (which are equal to contracted interest rates) are as follows:

計息貸款實際利率(相等於合約利率)的範圍如下：

		2020 二零二零年	2019 二零一九年 (restated) (經重述)
<b>Effective interest rate</b>	<b>實際利率</b>		
Variable-rate borrowings	可變利率借貸	<b>2.47% to 7.80%</b> <b>2.47%至 7.80%</b>	2.47% to 6.65% 2.47%至 6.65%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 33. INTEREST-BEARING LOANS (Continued)

The Group's borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

### 33. 計息貸款(續)

本集團按相關集團實體的功能貨幣以外的貨幣計值的借貸載列如下：

		Hong Kong Dollar ("HK\$") 港元 (「港元」) RMB'000 人民幣千元	United States Dollar ("USD") 美元 (「美元」) RMB'000 人民幣千元
As at 31 December 2020	於二零二零年十二月三十一日	609,347	1,193,869
As at 31 December 2019 (restated)	於二零一九年十二月三十一日 (經重述)	610,026	1,695,016

### 34. TRADE AND OTHER PAYABLES

### 34. 應付賬款及其他應付款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Trade payables	應付賬款		
– due to related parties	– 應付關聯方	<b>2,185,073</b>	1,088,320
– due to independent third parties	– 應付獨立第三方	<b>22,950,343</b>	23,130,775
		<b>25,135,416</b>	24,219,095
Non-trade payables due to related parties	應付關聯方非貿易賬款	<b>8,021,261</b>	18,947,499
Payable on purchase of land use rights	購買土地使用權應付款項	<b>419,402</b>	620,555
Other taxes payable	其他應付稅項	<b>1,117,552</b>	726,897
Interest payable	應付利息	<b>379,809</b>	290,102
Consideration payable due to Greenland Holdings	應付綠地控股代價	<b>953,759</b>	–
Dividends payable	應付股息	–	350,245
Amount due to non-controlling shareholders	應付非控股股東款項	<b>6,550,911</b>	7,176,618
Other payables and accrued expenses	其他應付款項和預提費用	<b>14,800,596</b>	10,573,583
		<b>32,243,290</b>	38,685,499
		<b>57,378,706</b>	62,904,594

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 34. TRADE AND OTHER PAYABLES (Continued)

The following is an aged analysis of trade payables due to related parties and third parties presented based on the invoice date:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
0-90 days	0-90日	<b>18,797,936</b>	15,450,248
91-180 days	91-180日	<b>799,192</b>	5,843,033
181-365 days	181-365日	<b>2,818,135</b>	899,720
Over 365 days	超過365日以上	<b>2,720,153</b>	2,026,094
		<b>25,135,416</b>	24,219,095

Trade and other payables are mainly unsecured, non-interest bearing and repayable on demand.

### 34. 應付賬款及其他應付款項(續)

以下為根據發票日期呈列的應付關聯方及第三方的應付賬款賬齡分析：

應付賬款及其他應付款項主要為無抵押、不計息及按要求償還。

### 35. CONTRACT LIABILITIES

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Sales of properties	物業銷售	<b>53,175,272</b>	46,811,957

Revenue of RMB28,000,584,000 (2019 restated: RMB30,408,550,000) was recognised during the year ended 31 December 2020 that was included in the contract liabilities at the beginning of the year.

Contract liabilities of RMB26,248,689,000 (2019: RMB22,492,180,000) are expected to be recognised after more than 12 months from the end of the reporting period.

### 35. 合同負債

於截至二零二零年十二月三十一日止年度，已確認收益人民幣28,000,584,000元(二零一九年經重述：人民幣30,408,550,000元)計入本年初的合同負債。

預期合同負債人民幣26,248,689,000元(二零一九年：人民幣22,492,180,000元)將於自報告期結束起計超過十二個月後予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 35. CONTRACT LIABILITIES (Continued)

The Group receives 30% to 70% of the contract value as advance payment from customers upon signing the sale and purchase agreement of sales of properties. Such advance payment schemes resulted in contract liabilities being recognised throughout the property construction period.

### 35. 合同負債(續)

本集團於簽訂買賣協議時向客戶收取合同價值的30%至70%作為預付賬款。有關預付款項計劃導致確認合同負債於整個物業興建期間確認。

### 36. LEASES LIABILITIES

### 36. 租賃負債

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
<b>Lease liabilities payable:</b>	<b>應付租賃負債：</b>		
Within one year	一年內	<b>89,121</b>	91,949
Over one year but not exceeding two years	超過一年但不超過兩年	<b>85,732</b>	86,483
Over two years but not exceeding five years	超過兩年但不超過五年	<b>194,794</b>	216,635
Over five years	超過五年	<b>126,838</b>	187,920
		<b>496,485</b>	582,987
Less: Amount due for settlement within 12 months shown under current liabilities	減：於12個月內到期償還列為流動負債之款項	<b>(89,121)</b>	(91,949)
Amount due for settlement after 12 months shown under non-current liabilities	12個月後到期償還列為非流動負債之款項	<b>407,364</b>	491,038

The weighted average incremental borrowing rates applied to lease liabilities range from 4.74% to 6.65% (2019: from 4.74% to 6.65%, as restated).

就租賃負債已採用的加權平均增量借款利率介乎4.74%至6.65%(二零一九年經重述：4.74%至6.65%)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 37. BONDS

## 37. 債券

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
A Bond	甲債券	-	1,393,481
B Bond	乙債券	1,955,758	2,087,795
		1,955,758	3,481,276
Less: Amount due within one year shown under current liabilities	減：於一年內到期列為流動負債之款項	(1,955,758)	(1,393,481)
Amount due after one year shown under non-current liabilities	於一年後到期列為非流動負債之款項	-	2,087,795

On 17 December 2018, the Company issued 9.875% bonds due 2020 (the "A Bond") with an aggregated nominal value of USD200,000,000 at a value equal to 100% of the face value. The A Bond is listed on the Hong Kong Stock Exchange. The A Bond carries interest at the rate of 9.875% per annum, payable semi-annually on 17 June and 17 December in arrears and repaid during the year.

On 17 July 2019, the Company issued 6.00% bonds due 2021 (the "B Bond") with an aggregated nominal value of USD300,000,000 at a value equal to 100% of the face value. The B Bond is listed on the Hong Kong Stock Exchange. The B Bond carries interest at the rate of 6.00% per annum, payable semi-annually on 17 January and 17 July in arrears and will mature on 17 July 2021, unless redeemed earlier.

The A Bond has an embedded issuer's redemption option, the Company may, by giving not less than 15 nor more than 30 days' notice to the trustee in writing and to the bondholders, redeem the bond, in whole or in part, at a redemption price equal to 100 percent of their principal amount, together with accrued and unpaid interest.

The B Bond has an embedded issuer's redemption option, the Company may, by giving not less than 15 nor more than 30 days' notice to the trustee in writing and to the bondholders, redeem the bond, in whole or in part, at a redemption price equal to 100 percent of their principal amount, together with accrued and unpaid interest.

於二零一八年十二月十七日，本公司按等面值100%的價值發行於二零二零年到期總面值200,000,000美元的9.875厘債券(「甲債券」)。甲債券於香港聯交所上市。甲債券按年利率9.875厘計息，於每年六月十七日及十二月十七日每半年期末付息，並於年內獲償還。

於二零一九年七月十七日，本公司按等面值100%的價值發行於二零二一年到期總面值300,000,000美元的6.00厘債券(「乙債券」)。乙債券於香港聯交所上市。乙債券按年利率6.00厘計息，於每年一月十七日及七月十七日每半年期末付息，並將於二零二一年七月十七日到期(除非獲提早贖回)。

甲債券具有嵌入式發行人贖回權。本公司可透過向受託人(書面形式)及債券持有人發出不少於15日但不多於30日的通知，按相等於債券本金額100%的贖回價連同累計未付利息贖回全部或部分債券。

乙債券具有嵌入式發行人贖回權。本公司可透過向受託人(書面形式)及債券持有人發出不少於15日但不多於30日的通知，按相等於債券本金額100%的贖回價連同累計未付利息贖回全部或部分債券。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**37. BONDS (Continued)**

The directors consider the fair value of the issuer's redemption options of the A Bond and B Bond are immaterial to the Group as at 31 December 2020.

The Bonds represent the contractually determined stream of future cash flows discounted at the rate of interest determined by the market instruments of comparable credit status taken into account the business risk and financial risk of the Company. The effective interest rate is 6.17% (2019: 6.17% to 10.16%) per annum for the year ended 31 December 2020.

**38. EMPLOYEE RETIREMENT SCHEME**

The employees of the Group are members of a state-managed retirement benefit scheme operated by the PRC government. The subsidiaries are required to contribute 20% to 22% of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total expense recognised in profit or loss of RMB22,579,000 (2019: RMB58,454,000, as restated) represents contributions payable to these plans by the Group at rates specified in the rule of the plans.

The government assistance have been implemented for the relief of the social insurance in respect of Novel Coronavirus ("COVID-19"). According to the notice issued by the Ministry of Social Affairs (2020) No.11, in order to minimise the impact of the COVID-19 on social and economic development, the government has reduced the social security fees for medium-sized enterprises from February to June 2020. The concession period has been extended to December 2020 according to the notice issued by the Ministry of Social Affairs (2020) No.49 afterwards.

**37. 債券(續)**

董事認為，於二零二零年十二月三十一日，甲債券及乙債券的發行人贖回權的公允價值對本集團而言並不重大。

債券為按利率折現的約定未來現金流量，利率經考慮本公司的業務風險及財務風險後，按照信貸狀況相若的市場工具釐定。截至二零二零年十二月三十一日止年度，實際年利率為6.17厘(二零一九年：6.17厘至10.16厘)。

**38. 僱員退休計劃**

本集團之僱員均為中國政府管理之國家運營退休福利計劃之成員。該等子公司須按照僱員薪金費用的20%至22%向退休福利計劃供款，以撥支有關福利。就退休福利計劃而言，本集團之唯一責任為作出所訂明供款。

損益中確認的開支總額人民幣22,579,000元(二零一九年經重述：人民幣58,454,000元)乃本集團按該等計劃規則訂明的費率應付該等計劃的供款。

政府已經就紓緩有關二零一九冠狀病毒病(「二零一九冠狀病毒病」)的社會保險實施援助。根據社會保障部發出的(2020)第11號通知，為盡量減少二零一九冠狀病毒病對社會及經濟發展的影響，政府已下調中型企業自二零二零年二月至六月的社會保障費用。根據社會保障部之後發出的(2020)第49號通知，寬免期已延長至二零二零年十二月。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**39. SHARE-BASED PAYMENT****Share award scheme**

The Company adopted a share award scheme on 3 December 2010. The purpose of the share award scheme is to recognise and reward the contribution of the executives and employees (whether serving full-time or part-time) and directors of the Group to the growth and development of the Group through an award of the shares of the Company.

Movements in the number of shares held for the share award scheme is as follows:

	Shares held for the share award scheme 股份獎勵計劃所持股份 (thousand) (千股)	Awarded shares 獎勵股份 (thousand) (千股)
Outstanding as of 31 December 2020, 31 December 2019 and 1 January 2019	22,697	-

As at 31 December 2020, the carrying amount of shares held for the share award scheme was RMB49,279,000 (31 December 2019 and 1 January 2019: RMB49,279,000).

**39. 股份支付****股份獎勵計劃**

本公司於二零一零年十二月三日採納股份獎勵計劃。股份獎勵計劃的目的是通過授予本公司的股份，肯定及獎賞本集團的主管人員、僱員(不論全職或兼職)及董事為本集團的增長及發展所作出的貢獻。

股份獎勵計劃所持股份的數目變動如下：

於二零二零年十二月三十一日，股份獎勵計劃所持股份的賬面值為人民幣49,279,000元(二零一九年十二月三十一日及二零一九年一月一日：人民幣49,279,000元)。

**40. SHARE CAPITAL****40. 股本**

		As at 31 December 2020 and 2019 於二零二零年及二零一九年十二月三十一日	
	法定：	No. of shares 股份數目 (thousand) (千股)	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.5 each	每股面值0.5港元的普通股	7,000,000	3,500,000
Convertible preferred shares of HK\$0.5 each	每股面值0.5港元的可轉換優先股	3,000,000	1,500,000
Total	合計	10,000,000	5,000,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 40. SHARE CAPITAL (Continued)

## 40. 股本(續)

	2020 二零二零年		2019 二零一九年		
	No. of shares 股份數目 (thousand) (千股)	Amount 金額 RMB'000 人民幣千元	No. of shares 股份數目 (thousand) (千股)	Amount 金額 RMB'000 人民幣千元	
Ordinary shares, issued and fully paid: At 1 January and 31 December	普通股·已發行及繳足： 於一月一日及十二月三十一日	<b>2,791,885</b>	<b>1,132,097</b>	2,791,885	1,132,097

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during both year.

於兩個年度，本公司的子公司概無購買、出售或贖回本公司任何上市證券。

**Convertible preference shares ("CPS")**

The holders of CPS do not have the right to attend and vote at a general meeting (except for the winding up of the Company or for any resolution to vary or abrogate the rights or privileges of such holder or vary the restrictions to which the CPS are subject). The conversion period is any time after issue, provided that the conversion right will be suspended to the extent that it would result in the Company failing to comply with the public float requirement. Each CPS (at the option of the holder) will be convertible at any time (and without payment of any additional consideration) to ordinary shares on a one to one basis. Each CPS will confer on the holder thereof the right to receive dividend *pari passu* with holders of ordinary shares on the basis of the number of ordinary shares into which each CPS may be converted and on an *as converted* basis. On a distribution of assets on liquidation, winding up or a dissolution of the Company, the assets and funds of the Company available for distribution: (a) will first be paid to the holders of CPS *pari passu* among themselves in respect of the aggregate nominal amounts paid up on the CPS held by them; and (b) the remaining assets will be distributed *pari passu* to the holders of any class of shares (including the CPS). The CPS will be transferable without any restriction by the holders thereof. The CPS will be non-redeemable. No application will be made for the listing of the CPS on the Stock Exchange or any other stock exchange.

**可轉換優先股(「可轉換優先股」)**

可轉換優先股的持有人將無權出席股東大會及於會上表決(惟為本公司清盤或將更改或廢除有關持有人的權利或特權或更改可轉換優先股所受之限制之任何決議案則除外)。轉換期為發行後的任何時間，惟倘會導致本公司無法遵守任何公眾持股量規定，則轉換權將暫告中止。每股可轉換優先股(按持有人選擇權)將可隨時(且毋須支付任何額外代價)按一對一基準轉換為普通股。每股可轉換優先股將賦予其持有人享有與普通股持有人同等之收取股息權利，基準為按每股可轉換優先股可轉換而成之普通股數目計算以及猶如已予以轉換。當本公司清盤、清算或解散時分派資產，本公司可供分派的資產及資金：(a)將首先就可轉換優先股持有人所持有可轉換優先股的已繳足面值總額向可轉換優先股持有人支付，而彼等之間具同等地位；及(b)餘下資產將向任何類別股份(包括可轉換優先股)的持有人分派，而彼等之間具同等地位。可轉換優先股之持有人轉讓可轉換優先股將不受任何限制。可轉換優先股不可贖回。概不會就可轉換優先股在聯交所或任何其他證券交易所上市提出申請。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**41. RESERVES****(a) Share premium**

The application of the share premium account is governed by the Companies Law of the Cayman Islands.

**(b) Merger reserves**

The merger reserves represent the difference between the Company's share of the nominal value of the paid-up capital of the subsidiaries acquired over the nominal value of the ordinary shares issued by the Company. As detailed in note 2, the difference between total consideration and the share capital of Guangzhou Greenland Group as at Completion Date was recognised in merger reserves.

**(c) Capital redemption reserve**

Capital redemption reserve represents the nominal value of the shares repurchased which has been paid out of the Company's distributable reserves.

**(d) PRC statutory reserves**

Transfers from retained earnings to PRC statutory reserves were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries incorporated in the PRC and were approved by the respective boards of directors. The statutory reserves consist of:

**(i) General reserve fund**

Transfers from retained earnings to the general reserve fund were made in accordance with the articles of association of the Company's subsidiaries and were approved by the respective boards of directors.

For the entity concerned, the general reserve fund can be used to cover previous years' losses, if any, and may be converted into capital in proportion to equity holders' existing equity holdings, provided that the balance after such conversion is not less than 25% of their registered capital.

**41. 儲備****(a) 股份溢價**

股份溢價賬的動用受開曼群島公司法所規管。

**(b) 合併儲備**

合併儲備指本公司應佔被收購子公司的繳足股本面值與本公司發行的普通股面值的差額。誠如附註2所詳述，總代價與廣州綠地集團股本之間於交割日期的差額已在合併儲備中確認。

**(c) 資本贖回儲備**

資本贖回儲備指以本公司可供分派儲備支付之購回股份面值。

**(d) 中國法定儲備**

由保留溢利轉撥至中國法定儲備乃根據有關中國規則及規例與本公司在中國註冊成立之子公司的組織章程細則進行，並獲各自董事會批准。法定儲備包括：

**(i) 法定盈餘公積金**

由保留溢利轉撥至法定盈餘公積金乃根據本公司子公司的組織章程細則進行，並獲各自董事會批准。

就有關的公司而言，法定盈餘公積金可用作彌補上年度虧損(如有)，亦可按股權持有人現時的持股比例兌換為股本，惟兌換後結餘不得少於註冊資本的25%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 41. RESERVES (Continued)

### (d) PRC statutory reserves (Continued)

#### (ii) Enterprise expansion fund

Transfers from retained earnings to the enterprise expansion fund were made in accordance with the articles of association of the Company's subsidiaries and were approved by the respective boards of directors.

For the entity concerned, the enterprise expansion fund can be used for business development purposes and for working capital purpose. This fund is non-distributable other than upon liquidation. Transfers to this fund must be made before distribution of dividends to the equity holders.

## 42. PERPETUAL SECURITIES

On 27 July 2016 (the "Issue Date"), the Group issued USD denominated senior perpetual capital securities ("Perpetual Securities") with an aggregate principal amount of USD120,000,000. The Perpetual Securities confer the holders a right to receive distributions at the applicable distribution rate from the Issue Date payable semi-annually in arrears in USD.

The Perpetual Securities only impose contractual obligations on the Group to repay principal or to pay any distributions under certain circumstances which are at the Group's discretion, they have in substance confer the Group an unconditional right to avoid delivering cash or other financial asset to settle contractual obligations. As a result, the whole instrument is classified as equity, and distributions if and when declared are treated as equity dividends.

Distribution of USD6,750,000 (equivalent to RMB46,873,000) (2019: USD6,750,000 (equivalent to RMB46,180,000)) has been provided and paid by the Company for the year.

## 41. 儲備(續)

### (d) 中國法定儲備(續)

#### (ii) 企業發展基金

由保留溢利轉撥至企業發展基金乃根據本公司子公司的組織章程細則進行，並獲各自董事會批准。

就有關的公司而言，企業發展基金可用作業務發展及營運資金。除清盤外，該基金不可分派。須將保留溢利轉撥至該基金後方可向股權持有人分派股息。

## 42. 永久證券

二零一六年七月二十七日(「發行日期」)，本集團發行本金總額為120,000,000美元的以美元計值的高級永久資本證券(「永久證券」)。永久證券賦予持有人權利，自發行日期起按適用的分派率每半年期末收取以美元支付的分派。

永久證券僅對本集團施加在本集團酌情下償付本金或在若干情況下支付任何分派的合約責任，其實際上賦予本集團避免分發現金或其他金融資產以履行合約責任的無條件權利。因此，整項工具分類作權益，或倘有宣派則在宣派時當作權益股息。

本公司已計提及支付年內分派6,750,000美元(相當於人民幣46,873,000元)(二零一九年：6,750,000美元(相當於人民幣46,180,000元))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 43. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
<b>Financial assets</b>	<b>金融資產</b>		
Amortised cost	攤銷成本	<b>31,491,628</b>	42,767,717
Financial assets at FVTPL	按公允價值列賬於損益的 金融資產	<b>31,955</b>	6,397
Equity instruments at FVTOCI	按公允價值列賬於其他 全面收入的股權工具	<b>290,463</b>	312,315
		<b>31,814,046</b>	43,086,429
<b>Financial liabilities</b>	<b>金融負債</b>		
Amortised cost	攤銷成本	<b>75,629,294</b>	81,344,188

#### (b) Financial risk management objectives and policies

The Group's major financial instruments include equity investments at FVTOCI, trade and other receivables, restricted bank deposits, bank balances and cash, financial assets at FVTPL, interest-bearing loans, bonds and trade and other payables. Details of the financial instruments are disclosed in respective notes.

The Group has exposure to the following risks associated with these financial instruments:

- market risk (including currency risk and interest rate risk)
- credit risk
- liquidity risk
- other price risk

### 43. 金融工具

#### (a) 金融工具類別

#### (b) 財務風險管理目標及政策

本集團的主要金融工具包括按公允價值列賬於其他全面收入的股權投資、應收賬款及其他應收款項、受限制銀行存款、銀行結餘和現金、按公允價值列賬於損益的金融資產、計息貸款、債券及應付賬款及其他應付款項。金融工具的詳情披露於相應附註。

本集團面對以下與該等金融工具有關的風險：

- 市場風險(包括外幣風險與利率風險)
- 信貸風險
- 流動性風險
- 其他價格風險

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

This note presents information about the Group's exposure to each of the above risks, and the Group's objectives, policies and processes for measuring and managing risk.

Management has overall responsibility for the establishment and oversight of the Group's risk management framework. Management establishes policies to identify and analyse the risks faced by the Group, to set up appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Through training and management standards and procedures, management aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### Market risk

##### (i) Foreign currency risk

The Group is mainly exposed to the fluctuations in exchange rates between RMB and HK\$/USD. The exposure in HK\$/USD arises mainly from the Group's bank balances and cash, trade and other receivables, trade and other payables, interest-bearing loans, and bonds.

In respect of the monetary assets and liabilities denominated in foreign currencies, the Group manages the net exposures to this risk by utilising forward foreign exchange contracts.

The management closely monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

### 43. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

本附註呈列有關本集團涉及上述各項風險、本集團計量管理風險的目標、政策及程序的資料。

管理層全權負責建立並監督本集團的風險管理架構。管理層建立政策是為了辨明和分析本集團面臨的風險，並設置適當的風險限制和控制措施以監控風險是否在限制範圍內。風險管理政策及系統須定期進行審閱以反映市場環境及本集團經營活動的變化。管理層通過其培訓和管理標準及程序，旨在建立具紀律性及建設性的控制環境，使得身處其中的所有僱員明白自身的角色及義務。

#### 市場風險

##### (i) 外幣風險

本集團主要面對人民幣與港元/美元之間匯率波動的風險。港元/美元的風險主要來自本集團銀行結餘及現金、應收賬款及其他應收款項、應付賬款及其他應付款項、計息貸款及債券。

有關以外幣計價的貨幣資產及負債，本集團通過遠期外匯合約管理淨風險。

管理層密切監控外匯風險並將於需要時考慮對沖重大外匯風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (i) Foreign currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

### 43. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 市場風險(續)

##### (i) 外幣風險(續)

於報告期末，本集團以貨幣資產及貨幣負債計值的外幣賬面值如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
<b>Denominated in HK\$</b>			
Trade and other receivables	以港元計價 應收賬款及其他應收款項	74,779	390,145
Bank balances and cash	銀行結餘及現金	30,250	119,929
Trade and other payables	應付賬款及其他應付款項	(458,627)	(835,251)
Interest-bearing loans	計息貸款	(609,347)	(610,026)
Overall exposure	總風險	(962,945)	(935,203)
<b>Denominated in USD</b>			
Trade and other receivables	以美元計價 應收賬款及其他應收款項	902,416	1,490,453
Bank balances and cash	銀行結餘及現金	1,099,993	2,356,265
Bonds	債券	(1,955,758)	(3,481,276)
Trade and other payables	應付賬款及其他應付款項	(6,757,627)	(4,005,654)
Interest-bearing loans	計息貸款	(1,193,869)	(1,695,016)
Overall exposure	總風險	(7,904,845)	(5,335,228)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (i) Foreign currency risk (Continued)

##### Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% (2019: 5%) increase and decrease in RMB against the relevant foreign currencies. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax profit where RMB strengthens 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the profit and the amounts below would be negative.

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
<b>Profit or loss</b>	<b>溢利或虧損</b>		
HK\$	港元	36,110	35,070
USD	美元	296,432	200,071
<b>Equity</b>	<b>權益</b>		
HK\$	港元	36,110	35,070
USD	美元	296,432	200,071

### 43. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 市場風險(續)

##### (i) 外幣風險(續)

##### 外幣敏感度分析

下表顯示，在人民幣兌以下外幣升值及貶值5%(二零一九年：5%)的情況下本集團的敏感度。5%乃管理層對合理可能的外幣匯率變動的評估。敏感度分析僅包括現有以外幣計值之貨幣項目，並按外幣匯率出現5%變化調整其於年結日之換算數額。下列正數表示人民幣兌相關貨幣升值5%時則除稅後溢利增加。倘人民幣兌相關外幣貶值5%，對溢利會有同等及相反的影響，下述金額會變成負數。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (iii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate restricted bank deposits, bank balances and cash, lease liabilities and bonds. (see notes 30, 31, 36 and 37 for details).

The Group is also exposed to cash flow interest rate risk in relation to variable-rate interest-bearing loans (see note 33 for details).

The Group manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. When appropriate and at times of interest rate uncertainty or volatility, interest rate swaps may be used to assist in the Group's management of interest rate exposure.

##### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable rate liabilities, the analysis is prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year.

### 43. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 市場風險(續)

##### (iii) 利率風險

本集團面對有關固定利率受限制銀行存款、銀行結餘及現金、租賃負債及債券(詳情見附註30、31、36及37)的公允價值利率風險。

本集團亦面對有關可變利率計息貸款(詳情見附註33)的現金流量利率風險。

本集團通過維持充足的信貸額度以使借貸成本處於可接受水平及通過持續監控該等風險來管理利率淨風險。在適當時及倘利率不明朗或波動，可以使用利率掉期協助本集團管理利率風險。

##### 利率敏感度分析

下述敏感度分析乃根據報告期末非衍生工具利率風險而釐定。就可變利率負債而言，編製該分析時乃假設於報告期末未償還負債金額在全年均為未償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

##### (ii) Interest rate risk (Continued)

##### Interest rate profile

The following table details the interest rate profile of the Group's interest-bearing borrowings and bonds by the end of reporting period.

### 43. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 市場風險(續)

##### (ii) 利率風險(續)

##### 利率情況

下表詳述於報告期末本集團的計息借貸及債券利率情況。

		2020 二零二零年		2019 二零一九年	
		Effective interest rate 實際利率 %	RMB'000 人民幣千元	Effective interest rate 實際利率 %	RMB'000 人民幣千元
				(restated) (經重述)	(restated) (經重述)
<b>Fixed rate borrowings</b>	<b>固定利率借貸</b>				
Lease liabilities	租賃負債	4.74-6.65	496,485	4.74-6.65	582,987
Bonds	債券	6.17	1,955,758	7.77	3,481,276
			<b>2,452,243</b>		<b>4,064,263</b>
Variable rate borrowings	可變利率借貸				
Secured interest-bearing loans	有抵押計息貸款	5.53	18,922,481	5.55	13,422,180
Unsecured interest-bearing loans	無抵押計息貸款	5.03	3,810,336	5.02	4,022,242
			<b>22,732,817</b>		<b>17,444,422</b>
Total borrowings	借貸總額		<b>25,185,060</b>		<b>21,508,685</b>
Fixed rate borrowings as a percentage of total borrowings	固定利率借貸佔借貸總額百分比	10		19	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Market risk (Continued)

- (ii) Interest rate risk (Continued)  
Interest rate profile (Continued)

### 43. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 市場風險(續)

- (ii) 利率風險(續)  
利率情況(續)

		2020 二零二零年		2019 二零一九年	
		Effective interest rate	RMB'000	Effective interest rate	RMB'000
		實際利率 %	人民幣千元	實際利率 %	人民幣千元
				(restated) (經重述)	(restated) (經重述)
Bank balances and cash (including restricted bank deposits)	銀行結餘及現金 (包括受限制銀行存款)	0.3 - 1.5	13,853,394	0.3 - 1.5	15,582,026
Other financial assets	其他金融資產		-		-

##### Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for interest-bearing loans at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If the market lending interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2020 would have decreased/increased by RMB170,496,000 (2019: decreased/increased by RMB130,832,000, as restated). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank balance and cash and interest-bearing loans.

##### 敏感度分析

下述敏感度分析乃根據報告期末計息貸款利率風險而釐定。就可變利率負債而言，編製該分析時乃假設於報告期末未償還負債金額在全年均為未償還。內部向主要管理人員匯報利率風險採用100個基點增幅或減幅，乃管理層對合理可能的利率變動的評估。

倘市場借貸利率增加/減少100個基點，且所有其他可變值維持不變，本集團截至二零二零年十二月三十一日止年度的除稅後溢利將會減少/增加人民幣170,496,000元(二零一九年經重述：減少/增加人民幣130,832,000元)，主要由於本集團面對可變利率銀行結餘及現金以及計息貸款的利率風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### *Credit risk and impairment assessment*

As at 31 December 2020, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group are arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities in relation to financial guarantees issued by the Group as disclosed in note 45.

The Group's credit risk is primarily attributable to trade receivables, contract assets, other receivables, bank balances and cash and amount of contingent liabilities in relation to the financial guarantees provided by the Group.

##### *Trade receivables and contract assets arising from contracts with customers*

In order to minimise the credit risk, the Group has policies in place to ensure that sales are made to customers with an appropriate financial strength and/or appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL on trade balances individually or based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 40% (2019: 66%, as restated) and 79% (2019: 83%, as restated) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively within the sales of properties and construction management service segment.

### 43. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### *信貸風險及減值評估*

於二零二零年十二月三十一日，由於對手方未能履行責任及本集團提供的財務擔保導致本集團財務虧損而使本集團承受的最高信貸風險乃來自綜合財務狀況表所述的各類經確認的金融資產的賬面值及附註45披露的有關本集團作出財務擔保的或然負債金額。

本集團的信貸風險主要來自應收賬款、合同資產、其他應收款項、銀行結餘及現金及有關本集團提供財務擔保的或然負債金額。

##### *來自客戶合約的應收賬款及合同資產*

為盡量降低信貸風險，本集團已制定政策，確保銷售乃以適當財務優勢及／或首期付款的適當百分比向客戶作出。本集團亦有其他監控程序，確保採取跟進行動收回逾期債務。此外，本集團根據預期信貸虧損就貿易結餘進行單獨或根據撥備矩陣進行減值評估。就此而言，本公司董事認為，本集團的信貸風險已大幅降低。

本集團就物業銷售及建築管理服務分部應收本集團最大客戶及五大客戶的賬款總額的信貸風險集中度分別為40%(二零一九年經重述：66%)及79%(二零一九年經重述：83%)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**43. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)***Credit risk and impairment assessment (Continued)**Other receivables (Continued)*

For other receivables, the directors of the Company make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Group also actively monitors the outstanding amounts owed by each debtor and uses internal credit rating to assess whether credit risk has increased significantly since initial recognition. The Group has concentration of credit risk from amounts due from Green Land Real Estate Group Co., Ltd. of RMB2,834,318,000 (2019: amounts due from Greenland Holdings of RMB11,894,427,000, as restated).

*Bank balances and cash and restricted bank deposits*

Bank balances and cash and restricted bank deposits are mainly placed with state-owned financial institutions and reputable banks which are all high-credit-quality financial institutions, therefore the Group's credit risk on liquid funds is limited.

*Contingent liabilities in relation to the financial guarantees*

For properties that are still under construction, the Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of the properties. If a customer defaults on the payment of its mortgage during the term of the guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount under the loan and any accrued interest thereon. Under such circumstances, the Group is able to retain the customer's deposits and sell the property to recover any amounts paid by the Group to the bank. Unless the selling price drop significantly, which the probability is remote, the Group would not be in a loss position in selling those properties out. In this regard, the directors of the Company consider that the Group's credit risk in relation to financial guarantees from mortgage loans is largely mitigated.

**43. 金融工具(續)****(b) 財務風險管理目標及政策(續)***信貸風險及減值評估(續)**其他應收款項(續)*

就其他應收款項而言，本公司董事根據過往償付記錄、過往經驗以及合理且具理據支持的前瞻性定量及定性資料，對其他應收款項及按金的可收回性進行定期個別評估。本集團亦積極監控各債務人尚未償還的金額，並使用內部信貸評級評估信貸風險自初始確認以來是否出現大幅增加。本集團應收綠地地產集團有限公司款項人民幣2,834,318,000元(二零一九年經重述：應收綠地控股款項人民幣11,894,427,000元)有信貸風險集中情況。

*銀行結餘及現金及受限制銀行存款*

銀行結餘及現金及受限制銀行存款主要存放於國有金融機構及信譽良好的銀行(全部為高信貸品質的金融機構)，因此本集團流動資金的信貸風險有限。

*有關財務擔保的或然負債*

就仍在建物業而言，本集團一般就客戶借款以撥支購買物業的按揭貸款向銀行提供擔保。倘客戶於擔保期內未能償還其按揭，持有按揭的銀行可能要求本集團償還貸款項下的未償還金額及任何就此應計利息。於該情況下，本集團能夠保留客戶按金並銷售有關物業，以收回本集團向銀行支付的任何金額。除非售價大幅降低(可能性甚微)外，本集團將不會因銷售該等物業而處於虧損狀況。就此而言，本公司董事認為，本集團有關就按揭貸款提供財務擔保的信貸風險已大幅減少。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

Contingent liabilities in relation to the financial guarantees (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

### 43. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 信貸風險及減值評估(續)

有關財務擔保的或然負債(續)

本集團的內部信貸風險評級評估包括以下分類：

Internal credit rating 內部信貸評級	Description 說明	Trade receivables/ contract assets 應收賬款/合同資產	Other finance assets/ other items 其他金融資產/其他項目
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 對手方的違約風險低，且並無任何逾期款項	Lifetime ECL - not credit-impaired 存續期預期信貸虧損 - 並無信貸減值	12m ECL 12個月預期信貸虧損
Watch list 關注名單	Debtor frequently repays after due date but usually settle after due date 債務人經常於到期日後還款，但通常於到期日後結算	Lifetime ECL - not credit-impaired 存續期預期信貸虧損 - 並無信貸減值	12m ECL 12個月預期信貸虧損
Doubtful 呆賬	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 根據內部或外部資源所得資料，信貸風險自初始確認以來已出現大幅增加	Lifetime ECL - not credit-impaired 存續期預期信貸虧損 - 並無信貸減值	Lifetime ECL - not credit-impaired 存續期預期信貸虧損 - 並無信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產出現信貸減值	Lifetime ECL - credit-impaired 存續期預期信貸虧損 - 信貸減值	Lifetime ECL - credit-impaired 存續期預期信貸虧損 - 信貸減值
Write-off 撤銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人有嚴重財政困難，而本集團預期不大可能收回 撤銷有關金額	Amount is written-off 撤銷有關金額	Amount is written-off 撤銷有關金額

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**43. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)****Credit risk and impairment assessment (Continued)**

The table below details the credit risk exposures of the Group's financial assets and financial guarantee contracts which are subject to ECL assessment:

**43. 金融工具(續)****(b) 財務風險管理目標及政策(續)****信貸風險及減值評估(續)**

下表詳述須進行預期信貸虧損評估的本集團金融資產及財務擔保合約所面臨的信貸風險：

	Notes 附註	External credit rating 外部信貸評級	Internal credit rating 內部信貸評級	12m or lifetime ECL 12個月或存續期預期信貸虧損	Gross carrying amount 賬面總值 2020 二零二零年 RMB'000 人民幣千元	Gross carrying amount 賬面總值 2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
<b>Financial assets at amortised cost</b>						
<b>按攤銷成本計量的金融資產</b>						
Trade receivables 應收賬款	26	N/A 不適用	note iii 附註iii	Lifetime ECL (provision matrix) 存續期預期信貸虧損(撥備矩陣)	<b>135,360</b>	246,938
			Low risk 低風險	Lifetime ECL (not credit-impaired) 存續期預期信貸虧損(並無信貸減值)	<b>855,657</b>	1,470,354
			Loss 虧損	Lifetime ECL (credit-impaired) 存續期預期信貸虧損(信貸減值)	<b>7,830</b>	7,830
					<b>998,847</b>	1,725,122
Other receivables (note i) 其他應收款項(附註i)	26	N/A 不適用	Low risk 低風險	12m ECL 12個月預期信貸虧損	<b>11,817,881</b>	13,147,923
			Watch list 關注名單	12m ECL 12個月預期信貸虧損	<b>4,715,451</b>	12,430,655
			Doubtful 呆賬	Lifetime ECL (not credit-impaired) 存續期預期信貸虧損(並無信貸減值)	<b>457,509</b>	229,041
		Loss 虧損		Lifetime ECL (credit-impaired) 存續期預期信貸虧損(信貸減值)	<b>189,697</b>	179,539
					<b>17,180,538</b>	25,987,158
Bank balances and cash 銀行結餘及現金	31	A3 – Aaa A3 – Aaa	N/A 不適用	12m ECL 12個月預期信貸虧損	<b>9,609,916</b>	12,286,486
Restricted bank deposits 受限制銀行存款	30	A3 – Aaa A3 – Aaa	N/A 不適用	12m ECL 12個月預期信貸虧損	<b>4,243,478</b>	3,295,540
<b>Other items</b>						
<b>其他項目</b>						
Contract assets (note iv) 合同資產(附註iv)	28	N/A 不適用	Low risk 低風險	Lifetime ECL (not credit-impaired) 存續期預期信貸虧損(並無信貸減值)	<b>368,854</b>	650,929
Financial guarantee contracts (note ii) 財務擔保合約(附註ii)	45	N/A 不適用	Low risk 低風險	12m ECL 12個月預期信貸虧損	<b>23,909,009</b>	24,530,474

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

Notes:

- (i) As part of the Group's credit risk management, the Group applies internal credit rating for other receivables. The following table provides information about the exposure to credit risk for other receivables which are assessed based on internal credit rating at the end of the reporting period within 12m ECL and lifetime ECL (not credit impaired). Debtors with significant outstanding balances or credit-impaired with gross carrying amounts of RMB16,990,841,000 and RMB189,697,000 respectively as at 31 December 2020 (2019: RMB25,807,619,000 and RMB179,539,000, as restated) were assessed individually.

### 43. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 信貸風險及減值評估(續)

附註：

- (i) 作為本集團信貸風險管理的一部分，本集團就其他應收款項應用內部信貸評級。下表提供有關其他應收款項面臨的信貸風險的資料，其於報告期末乃根據屬於12個月預期信貸虧損及存續期預期信貸虧損(並無信貸減值)的內部信貸評級評估。於二零二零年十二月三十一日，已對賬面總值分別為人民幣16,990,841,000元及人民幣189,697,000元(二零一九年經重述：人民幣25,807,619,000元及人民幣179,539,000元)的重大未償還結餘或信貸減值應收賬款進行單獨評估。

Internal credit rating	內部信貸評級	31.12.2020		31.12.2019	
		Average loss rate	Other receivables	Average loss rate	Other receivables
		平均虧損率	其他應收款項	平均虧損率	其他應收款項
		%	RMB'000	%	RMB'000
			人民幣千元	(restated)	(restated)
				(經重述)	(經重述)
Low risk	低風險	0.57-1.09	11,817,881	0.35-0.63	13,147,923
Watch list	關注名單	3.58	4,715,451	0.80-3.75	12,430,655
Doubtful	呆賬	11.76	457,509	6.74-7.37	229,041
Loss	虧損	100	189,697	100	179,539
			17,180,538		25,987,158

During the year ended 31 December 2020, the Group provided RMB36,928,000 (2019: RMB116,062,000, as restated) impairment allowance for other receivables, based on the internal credit rating.

於截至二零二零年十二月三十一日止年度，本集團根據內部信貸評級就其他應收款項計提減值撥備人民幣36,928,000元(二零一九年經重述：人民幣116,062,000元)。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**43. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)****Credit risk and impairment assessment (Continued)**

Notes: (Continued)

- (ii) For financial guarantee contracts, the gross carrying amount represents the maximum amount the Group has guaranteed under the respective contracts. The maximum amount that the Group has guaranteed under the respective contracts was RMB23,909,009,000 as at 31 December 2020 (2019: RMB24,530,474,000, as restated). At the end of the year, the directors of the Company have performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12m ECL. The directors of the Company considered that the 12m ECL allowance is insignificant at 31 December 2020 and 2019.
- (iii) For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix, grouped by past due status.

**43. 金融工具(續)****(b) 財務風險管理目標及政策(續)****信貸風險及減值評估(續)**

附註：(續)

- (ii) 就財務擔保合約而言，賬面總值指本集團根據相關合約提供擔保的最高金額。於二零二零年十二月三十一日，本集團根據相關合約提供擔保的最高金額為人民幣23,909,009,000元（二零一九年經重述：人民幣24,530,474,000元）。於年末，本公司董事已進行減值評估，並認為有關財務擔保合約的信貸風險自初始確認以來並無大幅增加。因此，本集團作出財務擔保合約的虧損撥備乃按相當於12個月預期信貸虧損的金額計量。本公司董事認為，於二零二零年及二零一九年十二月三十一日，12個月預期信貸虧損撥備並不重大。
- (iii) 就應收賬款而言，本集團已採用國際財務報告準則第9號的簡化法計量存續期預期信貸虧損的虧損撥備。除具有重大未償還結餘或出現信貸減值的應收賬款外，本集團採用撥備矩陣釐定該等項目的預期信貸虧損，並按逾期狀況分組。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

Notes: (Continued)

(iii) (Continued)

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its property sales, hotel and related services and property management and other services because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at 31 December 2020 within lifetime ECL (not credit impaired). Debtors with significant outstanding balances or credit-impaired with gross carrying amounts of RMB855,657,000 and RMB7,830,000 respectively (31 December 2019: RMB1,470,354,000 and RMB7,830,000, as restated) as at 31 December 2020 were assessed individually.

Internal credit rating 內部信貸評級		2020 二零二零年		2019 二零一九年	
		Average loss rate 平均虧損率 %	Trade receivables 應收賬款 RMB'000 人民幣千元	Average loss rate 平均虧損率 %	Trade receivables 應收賬款 RMB'000 人民幣千元 (restated) (經重述)
<b>Gross carrying amount</b>	<b>賬面總值</b>				
Within 90 days	90日內	1.79	79,515	4.28	161,711
90-180 days	90-180日	2.16	12,623	6.85	6,075
180-365 days	180-365日	3.17	10,801	8.59	32,979
More than 365 days	超過365日	8.93	32,421	14.25	46,173
			<b>135,360</b>		246,938

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and forward-looking information that is available without undue cost or effort.

During the year ended 31 December 2020, the Group reversed RMB11,822,000 (2019: provided RMB5,334,000, as restated) impairment allowance for trade receivables based on provision matrix and reversed RMB10,544,000 (2019: provided RMB9,508,000, as restated) impairment allowance for trade receivables based on the individual assessment.

### 43. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 信貸風險及減值評估(續)

附註:(續)

(iii) (續)

作為本集團信貸風險管理的一部分，就物業銷售、酒店及配套服務以及物業管理及其他服務而言，本集團使用應收賬款的賬齡評估客戶的減值，原因為該等客戶由大量具有代表彼等根據合約條款支付所有到期款項的能力的共同風險特徵的小型客戶組成。下表提供有關應收賬款面臨的信貸風險資料，其於二零二零年十二月三十一日乃根據屬於存續期預期信貸虧損(並無信貸減值)的撥備矩陣進行評估。於二零二零年十二月三十一日，已對具有重大未償還結餘或出現信貸減值賬面總值分別為人民幣855,657,000元及人民幣7,830,000元(二零一九年十二月三十一日經重述：人民幣1,470,354,000元及人民幣7,830,000元)的應收賬款進行單獨評估。

估計虧損率乃於應收賬款的預期年內按過往觀察違約率及毋須花費不必要成本或精力即可獲得的前瞻性資料進行估計。

於截至二零二零年十二月三十一日止年度，本集團根據撥備矩陣就應收賬款撥回人民幣11,822,000元(二零一九年經重述：計提人民幣5,334,000元)減值撥備，並根據單獨評估就應收賬款撥回人民幣10,544,000元(二零一九年經重述：計提人民幣9,508,000元)減值撥備。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**43. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)****Credit risk and impairment assessment (Continued)**

Notes: (Continued)

- (iv) During the year ended 31 December 2020, the Group assessed the impairment for the contract assets in relation to its construction management service with a significant outstanding balance amounting to approximately RMB368,854,000 (2019: RMB650,929,000, as restated) individually and provided RMB9,232,000 (2019: reversed RMB317,000, as restated) impairment allowance for contract assets based on the individual assessment.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach.

**43. 金融工具(續)****(b) 財務風險管理目標及政策(續)****信貸風險及減值評估(續)**

附註：(續)

- (iv) 於截至二零二零年十二月三十一日止年度，本集團單獨就具有重大未償還結餘的建築管理服務的合同資產約人民幣368,854,000元(二零一九年經重述：人民幣650,929,000元)評估減值，並根據單獨評估就合同資產計提人民幣9,232,000元(二零一九年經重述：撥回人民幣317,000元)減值撥備。

下表載列根據簡化法就應收賬款及合同資產確認的存續期預期信貸虧損的變動。

		<b>Contract assets</b> 合同資產	<b>Trade receivables</b> 應收賬款		<b>Total</b>
		<b>Lifetime ECL (not credit-impaired)</b> 存續期預期 信貸虧損 (並無信貸減值)	<b>Lifetime ECL (not credit-impaired)</b> 存續期預期 信貸虧損 (並無信貸減值)	<b>Lifetime ECL (credit-impaired)</b> 存續期預期 信貸虧損 (信貸減值)	<b>合計</b>
		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
<b>As at 1 January 2019</b>	<b>於二零一九年一月一日</b>	1,403	15,670	25,735	42,808
Acquisition of subsidiaries under common control	收購共同控制下的子公司	-	2,816	-	2,816
<b>As at 1 January 2019 (restated)</b>	<b>於二零一九年一月一日(經重述)</b>	1,403	18,486	25,735	45,624
Impairment losses reversed	已撥回減值虧損	(317)	(1,367)	(17,905)	(19,589)
New financial assets originated or purchased	源自或購買的新金融資產	-	34,114	-	34,114
<b>As at 31 December 2019 (restated)</b>	<b>於二零一九年十二月三十一日(經重述)</b>	1,086	51,233	7,830	60,149
Impairment losses recognised (reversed)	已確認(已撥回)減值虧損	9,232	(32,123)	-	(22,891)
New financial assets originated or purchased	源自或購買的新金融資產	-	9,757	-	9,757
<b>As at 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	10,318	28,867	7,830	47,015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Credit risk and impairment assessment (Continued)

The following table shows reconciliation of loss allowances that has been recognised for other receivables.

		12m ECL	Lifetime ECL (not credit- impaired)	Lifetime ECL (credit- impaired)	Total
		12個月預期 信貸虧損	存續期預期 信貸虧損 (並無信貸減值)	存續期預期 信貸虧損 (信貸減值)	合計
		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
<b>As at 1 January 2019</b>	<b>於二零一九年一月一日</b>	107,988	36,027	43,385	187,400
Acquisition of subsidiaries under common control	收購共同控制下的子公司	27,365	545	136,154	164,064
<b>As at 1 January 2019 (restated)</b>	<b>於二零一九年一月一日(經重述)</b>	135,353	36,572	179,539	351,464
Impairment losses recognised (reversed)	已確認(已撥回)減值虧損	24,825	(21,531)	-	3,294
New financial assets originated or purchased	源自或購買的新金融資產	112,397	371	-	112,768
Transferred	轉撥	(80)	80	-	-
<b>As at 31 December 2019 (restated)</b>	<b>於二零一九年十二月三十一日(經重述)</b>	272,495	15,492	179,539	467,526
Impairment losses (reversed) recognised	(已撥回)已確認減值虧損	(67,569)	5,081	6,878	(55,610)
New financial assets originated or purchased	源自或購買的新金融資產	86,823	5,715	-	92,538
Transferred	轉撥	(30,776)	27,496	3,280	-
<b>As at 31 December 2020</b>	<b>於二零二零年十二月三十一日</b>	260,973	53,784	189,697	504,454

##### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks to meet its liquidity requirements in the short and longer term.

### 43. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 信貸風險及減值評估(續)

下表呈列就其他應收款項的已確認虧損撥備的對賬。

信託風險及減值評估(續)

下表呈列就其他應收款項的已確認虧損撥備的對賬。

信託風險及減值評估(續)

下表呈列就其他應收款項的已確認虧損撥備的對賬。

信託風險及減值評估(續)

下表呈列就其他應收款項的已確認虧損撥備的對賬。

信託風險及減值評估(續)

下表呈列就其他應收款項的已確認虧損撥備的對賬。

信託風險及減值評估(續)

下表呈列就其他應收款項的已確認虧損撥備的對賬。

信託風險及減值評估(續)

下表呈列就其他應收款項的已確認虧損撥備的對賬。

信託風險及減值評估(續)

下表呈列就其他應收款項的已確認虧損撥備的對賬。

信託風險及減值評估(續)

下表呈列就其他應收款項的已確認虧損撥備的對賬。

信託風險及減值評估(續)

下表呈列就其他應收款項的已確認虧損撥備的對賬。

信託風險及減值評估(續)

下表呈列就其他應收款項的已確認虧損撥備的對賬。

信託風險及減值評估(續)

下表呈列就其他應收款項的已確認虧損撥備的對賬。

信託風險及減值評估(續)

下表呈列就其他應收款項的已確認虧損撥備的對賬。

信託風險及減值評估(續)

下表呈列就其他應收款項的已確認虧損撥備的對賬。

信託風險及減值評估(續)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**43. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)****Liquidity risk (Continued)**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

**43. 金融工具(續)****(b) 財務風險管理目標及政策(續)****流動性風險(續)**

流動性風險管理的最終責任在於董事會，其已設立合適的流動性風險管理框架，以管理本集團的長、中、短期資金及流動性管理需要。本集團通過維持足夠儲備、銀行融資及儲備借貸融資，以及持續監控預測及實際現金流量，加上將金融資產及負債的到期情況進行匹配，以管理流動性風險。

下表詳述本集團具協定還款期間的非衍生金融負債項下合約承擔的其餘到期情況。下表乃按本集團可能需要付款的最早日期為基準，根據金融負債的未貼現現金流量釐定。

		Weighted average effective interest rate 加權平均實際利率 %	Within 1 year or on demand 一年內 或按要求 RMB'000 人民幣千元	Within 2 years but over 1 year 兩年內 但一年以上 RMB'000 人民幣千元	Within 5 years but over 2 years 五年內 但兩年以上 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
<b>31 December 2020</b>	<b>二零二零年十二月三十一日</b>							
Trade and other payables	應付賬款及其他應付款項	-	50,940,721	-	-	-	50,940,721	50,940,721
Variable interest rate loans	可變利率貸款	5.45	9,592,558	8,335,719	5,990,090	114,374	24,032,741	22,732,817
Bonds	債券	6.17	2,074,918	-	-	-	2,074,918	1,955,758
Lease liabilities	租賃負債	4.74 - 6.65	114,202	113,159	212,848	175,399	615,608	496,485
Financial guarantees issued:	已出具的財務擔保：							
Maximum amount guaranteed	最高擔保額	-	23,909,009	-	-	-	23,909,009	-
			<b>86,631,408</b>	<b>8,448,878</b>	<b>6,202,938</b>	<b>289,773</b>	<b>101,572,997</b>	<b>76,125,781</b>
<b>31 December 2019 (restated)</b>	<b>二零一九年十二月三十一日 (經重述)</b>							
Trade and other payables	應付賬款及其他應付款項	-	60,418,493	-	-	-	60,418,493	60,418,493
Variable interest rate loans	可變利率貸款	5.43	8,963,909	5,888,023	4,103,714	342,120	19,297,766	17,444,422
Bonds	債券	7.77	1,589,702	2,218,432	-	-	3,808,134	3,481,276
Lease liabilities	租賃負債	4.74 - 6.65	121,911	111,395	263,425	218,248	714,979	582,987
Financial guarantees issued:	已出具的財務擔保：							
Maximum amount guaranteed	最高擔保額	-	24,530,474	-	-	-	24,530,474	-
			<b>95,624,489</b>	<b>8,217,850</b>	<b>4,367,139</b>	<b>560,368</b>	<b>108,769,846</b>	<b>81,927,178</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Liquidity risk (Continued)

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

##### Other price risk

The Group also invested in unquoted equity securities for investees operating in property developing industry sector for long-term strategic purposes which had been designated as FVTOCI.

##### Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

##### *Fair value of the Group's financial asset and financial liability that is measured at fair value on a recurring basis*

A certain financial asset is measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined, as well as the level of the fair value hierarchy into which the fair value measurements are categorised based on the degree to which the inputs to the fair value measurements is observable.

### 43. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 流動性風險(續)

上述財務擔保合約金額乃在擔保對手單位作出申索時，本集團根據有關安排被迫全數結付擔保的最高金額。根據於報告期末的預期，本集團認為在有關安排下有關金額應當不需支付。然而，此項估計乃受對手單位就擔保事項作出申索的或然率而變動，而該或然率乃取決於受擔保的由對手單位持有的金融應收款項蒙受信貸虧損的可能性。

##### 其他價格風險

本集團亦投資於物業開發行業板塊經營的投資對象之未報價權益證券，其長期戰略目的為將其指定為按公允價值列賬於其他全面收入。

##### 公允價值計量

此附註提供有關本集團如何釐定多項金融資產及金融負債的公允價值的資料。

##### *本集團以經常性基準按公允價值計量的金融資產及金融負債的公允價值*

於各報告期末，有某項金融資產按公允價值計量。下表提供的資料，乃有關該等金融資產及金融負債公允價值如何釐定，以及根據公允價值計量輸入數據可以觀察的程度而分類的公允價值計量的公允價值層級。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Fair value measurements (Continued)

Fair value of the Group's financial asset and financial liability that is measured at fair value on a recurring basis (Continued)

### 43. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 公允價值計量(續)

本集團以經常性基準按公允價值計量的金融資產及金融負債的公允價值(續)

Financial assets 金融資產		Fair values as at 31 December 於十二月三十一日的公允價值		Fair value hierarchy 公允價值層級	Valuation techniques and key inputs 估值技巧及主要輸入數據
		2020 二零二零年	2019 二零一九年		
Foreign currency structured forward contracts classified as financial assets carried at FVTPL	分類為按公允價值列賬於損益的金融資產的外幣結構性遠期合約	Asset - Nil 資產 - 零	Asset - RMB6,397,000 資產 - 人民幣6,397,000元	Level 2 第二層	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.  折現現金流量。 未來現金流量乃根據遠期外幣匯率(來自報告期末可觀察的遠期外幣匯率)及合約遠期匯率估計,所用折現率乃反映多個對手單位的信貸風險。
Private equity investments at FVTPL	按公允價值列賬於損益的私募股權投資	Asset - RMB31,955,000 資產 - 人民幣31,955,000元	Asset - Nil 資產 - 零	Level 3 第三層	Discount rate, taking into account weighted average cost of capital determined using a capital asset pricing model at a rate of 17% (2019: Nil).  貼現率,經計及以資本資產定價模式釐定的加權平均資本成本為17%(二零一九年:零)。
Private equity instruments at FVTOCI	按公允價值列賬於其他全面收入的私募股權工具	Asset - RMB290,463,000 資產 - 人民幣290,463,000元	Asset - RMB312,315,000 資產 - 人民幣312,315,000元	Level 3 第三層	Asset-based approach. Fair value of the underlying assets and liabilities as valuation date. The higher the fair value of the underlying assets, the higher the fair value; the higher the fair value of the underlying liabilities, the lower the fair value.  資產法。 相關資產及負債於估值日期的公允價值。相關資產的公允價值越高,則公允價值越高;相關負債的公允價值越高,則公允價值越低。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

### 43. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

Fair value measurements (Continued)

Reconciliation of Level 3 fair value measurements

### 43. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

公允價值計量(續)

第三層公允價值計量的對賬

		Financial assets at FVTPL 按公允價值列賬於 損益的金融資產 RMB'000 人民幣千元	Equity instruments at FVTOCI 按公允價值列賬於 其他全面收入 的股權工具 RMB'000 人民幣千元
<b>At 1 January 2019</b>	於二零一九年一月一日	-	294,340
Total gains in other comprehensive income:	於其他全面收入的總收益	-	17,975
<b>At 31 December 2019</b>	於二零一九年十二月三十一日	-	312,315
Purchased	已購買	30,000	-
Total gains (losses):	總收益(虧損):		
- in profit or loss	- 列賬於損益	1,955	-
- in other comprehensive expenses	- 列賬於其他全面開支	-	(21,852)
<b>At 31 December 2020</b>	於二零二零年十二月三十一日	31,955	290,463

Fair value of financial assets and financial liabilities that are not measured at fair value

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

並非以公允價值計量的金融資產及金融負債的公允價值

除下表所詳述外，董事認為綜合財務報表內所確認的金融資產及金融負債的賬面值與公允價值相若。

		31.12.2020 二零二零年十二月三十一日		31.12.2019 二零一九年十二月三十一日	
		Carrying amount 賬面值 RMB'000 人民幣千元	Fair value 公允價值 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元	Fair value 公允價值 RMB'000 人民幣千元
Bonds	債券	1,955,758	1,928,475	3,481,276	3,576,669



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**44. CAPITAL RISK MANAGEMENT**

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

Consistent with industry practice, the Group monitors its capital structure on the basis of a net gearing ratio (total interest-bearing loans and bonds less cash and cash equivalents (including restricted cash) over total equity). Therefore, the Group defined debts as interest-bearing loans and bonds.

The Group is not subject to any externally imposed capital requirements.

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at end of the reporting period was as follows:

**44. 資本風險管理**

本集團管理資本以確保本集團系內公司能夠繼續根據持續經營基準經營，同時透過取得最佳股債平衡，為股東創造最大回報。本集團整體策略與去年保持不變。

根據行業慣例，本集團以負債比率淨額(計息貸款及債券總額減去現金及現金等價物(包括受限制現金)後除以權益總額)作為監控資本架構的基準。因此，本集團界定債項為計息貸款及債券。

本公司並無受外部施加的資本規定所規限。

本集團的風險管理委員會每半年對本集團的資本架構進行審視。委員會審視過程中，會考慮資金成本及各類別資金相關的風險。

報告期末的負債比率如下：

		<b>2020</b> 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Debts	債項	<b>24,688,575</b>	20,925,698
Restricted bank deposits and bank balances and cash	受限制銀行存款及銀行結餘及現金	<b>(13,853,394)</b>	(15,582,026)
Net debts	淨債項	<b>10,835,181</b>	5,343,672
Equity	權益	<b>22,141,832</b>	22,949,383
Net debts to equity ratio	淨債項佔權益比率	<b>49%</b>	23%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

#### 45. CONTINGENT LIABILITIES

As at the reporting date, the Group has issued the following guarantees:

The Group has arranged mortgage loan facilities for certain purchasers of property units and provided financial guarantees to secure obligations of such purchasers for repayments. The outstanding guarantees amounted to RMB23,909,009,000 as at 31 December 2020 (2019: RMB24,530,474,000, as restated). Such guarantees terminate upon the earlier of (i) the issuance of the real estate ownership certificate which will generally be available within six months after the buyer takes possession of the relevant properties; and (ii) the satisfaction of the mortgaged loan by the buyer of the properties.

In the opinion of directors of the Company, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition and the directors consider the possibility of default by the parties involved to be remote. Accordingly, no value has been recognised in the statement of financial position as at 31 December 2020 and 2019.

#### 46. OPERATING LEASE

The Group as lessor

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Property rental income, net of negligible outgoings under operating leases during the year	物業租金收益，扣除於年內的經營租賃的小額開支	<b>212,397</b>	139,022

#### 45. 或然負債

於報告日期，本集團已發出以下擔保：

本集團已為部分物業單位的買方提供按揭貸款，並對該等買方的還款責任提供財務擔保。於二零二零年十二月三十一日，已授出的擔保為人民幣23,909,009,000元(二零一九年經重述：人民幣24,530,474,000元)。該等擔保於以下較早期間終止：(i)發出房地產所有權證(一般在買方擁有有關物業後六個月內發出)時；及(ii)物業買方償還按揭貸款時。

本公司董事認為，本集團財務擔保合約於首次確認時的公允價值很低，而董事認為有關訂約方違約的機會極微。因此，並無於二零二零年及二零一九年十二月三十一日的財務狀況表中確認任何價值。

#### 46. 經營租賃

本集團作為出租人

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

**46. OPERATING LEASE (Continued)****The Group as lessor (Continued)**

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		<b>2020</b> 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Within one year	一年內	<b>170,505</b>	174,285
In the second to fifth year inclusive	兩年後但五年內	<b>653,937</b>	590,944
Over five years	超過五年	<b>564,614</b>	639,556
Total	合計	<b>1,389,056</b>	1,404,785

Property rental income represents rentals receivable by the Group. Leases are negotiated for a term ranging from 1 to 20 years with fixed rentals.

**46. 經營租賃(續)****本集團作為出租人(續)**

於報告期末，本集團與租戶訂立下列未來最低租賃付款：

物業租金收益指本集團應收租金。經磋商後之租賃期介乎一至二十年之間，為固定租金。

**47. CAPITAL COMMITMENTS****47. 資本承擔**

		<b>2020</b> 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) (經重述)
Properties under development and investment properties under development contracted but not provided in the consolidated financial statements	已訂約但未於綜合財務報表撥備的 在建物業及發展中投資物業	<b>26,089,565</b>	23,717,786

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

#### 48. RELATED-PARTY DISCLOSURES

- (i) During the year, the Group entered into the following transactions with related parties:

#### 48. 關聯方披露

- (i) 於年內，本集團與關聯方訂立以下交易：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元 (restated) 經重述
Property management and other services fee	物業管理及其他服務費		
– Greenland Holdings' subsidiaries	– 綠地控股子公司	2,274	8,741
– Joint ventures and associates	– 合營企業及聯營公司	2,268	36,818
Construction service provided by	所提供的建築服務		
– Greenland Holdings' subsidiaries	– 綠地控股子公司	1,755,785	2,492,343
Interest income arising from amounts due from associates	應收聯營公司款項產生的利息收入	25,910	30,619
Advance to	向下列各項作出預付款項		
– Greenland Holdings	– 綠地控股	–	6,640,625
– Greenland Holdings' subsidiaries	– 綠地控股子公司	98,666	522,284
– Associates	– 聯營公司	–	451,437
– Joint ventures	– 合營企業	47,419	32,921
– Shareholder's company	– 股東公司	–	9
		146,085	7,647,276
Repayment from	來自下列各項的還款		
– Greenland Holdings	– 綠地控股	1,840,654	–
– Greenland Holdings' subsidiaries	– 綠地控股子公司	228,812	2,898,561
– Associates	– 聯營公司	639,514	173,789
– Joint ventures	– 合營企業	69,672	–
– Shareholder's company	– 股東公司	9	–
		2,778,661	3,072,350
Advance from	來自下列各項的預付款項		
– Greenland Holdings	– 綠地控股	267,030	5,415,749
– Greenland Holdings' subsidiaries	– 綠地控股子公司	97,488	936,680
– Associates	– 聯營公司	30,367	166,879
– Joint ventures	– 合營企業	734,700	361,229
		1,129,585	6,880,537
Repayment to	向下列各項作出的還款		
– Greenland Holdings	– 綠地控股	1,452,592	–
– Greenland Holdings' subsidiaries	– 綠地控股子公司	2,202,878	2,558,588
– Associates	– 聯營公司	201,450	–
– Joint ventures	– 合營企業	24,574	–
– A director and entities controlled by the director	– 一名董事及其控制的實體	1,125	–
		3,882,619	2,558,588

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

48. RELATED-PARTY DISCLOSURES  
(Continued)

(ii) As at the end of the year, the Group had balances with related parties, which are all unsecured, as follows:

## 48. 關聯方披露(續)

(ii) 於年末，本集團與關聯方的結餘均為無抵押，其載列如下：

		2020 二零二零年						Total 總計 人民幣千元
		Project-related 項目相關		Non-project related 非項目相關		Subtotal 小計		
		Non-interest bearing 免息	Interest bearing 計息	Non-Interest bearing 免息	Interest bearing 計息	Non-interest bearing 免息	Interest bearing 計息	
		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	
<b>Amounts due from</b>	<b>應收下列各方的款項</b>							
Greenland Holdings	綠地控股	-	-	10	-	10	-	10
Greenland Holdings' subsidiaries	綠地控股子公司	390,021	-	2,949,945	-	3,339,966	-	3,339,966
Associates	聯營公司	95,431	23,083	-	-	95,431	23,083	118,514
Joint ventures	合營企業	48,325	-	158,342	-	206,667	-	206,667
Shareholder's Company	股東公司	-	-	12	-	12	-	12
		<b>533,777</b>	<b>23,083</b>	<b>3,108,309</b>	<b>-</b>	<b>3,642,086</b>	<b>23,083</b>	<b>3,665,169</b>
<b>Amounts due to</b>	<b>應付下列各方的款項</b>							
Greenland Holdings	綠地控股	953,759	-	-	-	953,759	-	953,759
Greenland Holdings' subsidiaries	綠地控股子公司	2,187,803	-	5,328,203	-	7,516,006	-	7,516,006
Associates	聯營公司	10,638	-	21,161	-	31,799	-	31,799
Joint ventures	合營企業	-	-	2,658,496	-	2,658,496	-	2,658,496
A director and entities controlled by the director	一名董事及其控制的實體	-	-	33	-	33	-	33
		<b>3,152,200</b>	<b>-</b>	<b>8,007,893</b>	<b>-</b>	<b>11,160,093</b>	<b>-</b>	<b>11,160,093</b>

		2019 (restated) 二零一九年(經重述)						Total 總計 人民幣千元
		Project-related 項目相關		Non-project related 非項目相關		Sub Total 小計		
		Non-interest bearing 免息	Interest bearing 計息	Non-Interest bearing 免息	Interest bearing 計息	Non-interest bearing 免息	Interest bearing 計息	
		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	
<b>Amounts due from</b>	<b>應收下列各方的款項</b>							
Greenland Holdings	綠地控股	-	-	11,894,427	-	11,894,427	-	11,894,427
Greenland Holdings' subsidiaries	綠地控股子公司	625,375	-	166,206	-	791,581	-	791,581
Associates	聯營公司	335,189	420,572	-	-	335,189	420,572	755,761
Joint ventures	合營企業	110,325	-	118,595	-	228,920	-	228,920
Shareholder's Company	股東公司	-	-	21	-	21	-	21
		<b>1,070,889</b>	<b>420,572</b>	<b>12,179,249</b>	<b>-</b>	<b>13,250,138</b>	<b>420,572</b>	<b>13,670,710</b>
<b>Amounts due to</b>	<b>應付下列各方的款項</b>							
Greenland Holdings	綠地控股	686,730	-	9,617,851	-	10,304,581	-	10,304,581
Greenland Holdings' subsidiaries	綠地控股子公司	1,091,978	-	6,486,850	-	7,578,828	-	7,578,828
Associates	聯營公司	202,882	-	-	-	202,882	-	202,882
Joint ventures	合營企業	-	-	1,948,370	-	1,948,370	-	1,948,370
A director and entities controlled by the director	一名董事及其控制的實體	-	-	1,158	-	1,158	-	1,158
		<b>1,981,590</b>	<b>-</b>	<b>18,054,229</b>	<b>-</b>	<b>20,035,819</b>	<b>-</b>	<b>20,035,819</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 48. RELATED-PARTY DISCLOSURES (Continued)

- (ii) As at the end of the year, the Group had balances with related parties, which are all unsecured, as follows: (Continued)

In respect of project-related balances with related parties:

- (a) The trade balances due from Greenland Holdings' subsidiaries, joint ventures, associates and non-controlling shareholders of subsidiaries are mainly receivables from property management and other services.
- (b) The project-related balances due from Greenland Holdings and its subsidiaries are mainly prepaid distributions and consideration receivables from disposal of a subsidiary. The project-related balances due to Greenland Holdings and its subsidiaries are mainly project advances.

The non-project related balances with related parties are mainly unsecured advances and repayable on demand.

The interest bearing balances due from associates of RMB23,083,000 at 31 December 2020 (31 December 2019: RMB420,572,000) carried interest at fixed rate of 3.80% to 8.35% (2019: 3.80% to 8.35%) per annum.

### (iii) Compensation of key management personnel

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 14 and five of the highest payment to employees as disclosed in note 15, was as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries and bonus	薪金及花紅	22,780	22,082

## 48. 關聯方披露(續)

- (ii) 於年末，本集團與關聯方的結餘均為無抵押，其載列如下：(續)

就與關聯方的項目相關結餘而言：

- (a) 應收綠地控股子公司、合營企業、聯營公司及子公司非控股股東的貿易結餘主要為物業管理及其他服務的應收款項。
- (b) 應收綠地控股及其子公司的項目相關結餘主要為出售一家子公司的預付分派及應收代價。應付綠地控股及其子公司的項目相關結餘主要為項目墊款。

與關聯方的非項目相關結餘主要為無抵押墊款及按要求償還。

於二零二零年十二月三十一日，應收聯營公司的計息結餘人民幣23,083,000元(二零一九年十二月三十一日：人民幣420,572,000元)乃按固定年利率3.80%至8.35%(二零一九年：3.80%至8.35%)計息。

### (iii) 關鍵管理人員薪酬

關鍵管理人員薪酬包括在附註14中披露支付予本公司董事的薪酬和在附註15中披露支付予五位最高薪酬僱員的薪酬，詳情如下：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

#### 49. ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY/ ACQUISITION OF SUBSIDIARIES

On 30 June 2020, the Group completed the acquisition of 50% interests in Kunming Yaxin Real Estate Development Co., Ltd ("Kunming Yaxin") for consideration of RMB400,000,000. According to the agreement, the Group owns 51% of the voting rights after acquisition and controls the operation of Kunming Yaxin. Kunming Yaxin is principally engaged in property development business and was acquired with objective of continue the expansion of the Group's property development business. The Group accounted for the acquisition of the 50% of issued share capital of the Kunming Yaxin as an acquisition of assets.

Assets acquired and liabilities recognised at the date of acquisition as follows:

		Kunming Yaxin 昆明雅欣 RMB'000 人民幣千元
<b>Net assets acquired</b>	<b>已收購之淨資產</b>	
Property, plant and equipment	物業、廠房及設備	123
Properties under development	在建物業	1,724,637
Tax recoverable	可收回稅項	3,266
Other receivables	其他應收款項	275,510
Bank balances and cash	銀行結餘及現金	131,550
Interest-bearing loans	計息貸款	(80,000)
Other payables	其他應付款項	(1,255,086)
		800,000
Non-controlling interests	非控股權益	(400,000)
		400,000

The non-controlling interests in Kunming Yaxin recognised at the acquisition date were measured at their proportionate share of net assets acquired. The non-controlling interests of Kunming Yaxin approximately amounted to RMB400,000,000.

#### Net cash outflow arising on acquisition

		Kunming Yaxin 昆明雅欣 RMB'000 人民幣千元
Total consideration – cash	總代價—現金	400,000
Bank balances and cash acquired	已收購銀行結餘及現金	(131,550)
		268,450

#### 49. 透過收購子公司收購資產／收購子公司

於二零二零年六月三十日，本集團以代價人民幣400,000,000元完成收購昆明雅欣房地產開發有限公司(「昆明雅欣」)50%股權。根據協議，於收購後本集團擁有51%表決權，並控制昆明雅欣營運。昆明雅欣主要從事房地產開發業務，進行收購的目的為繼續擴大本集團的房地產開發業務。本集團將收購昆明雅欣已發行股本的50%作為資產收購。

收購日期的已收購資產及已確認負債載列如下：

於收購日期確認的昆明雅欣非控股權益按所佔淨資產的比例份額計量。昆明雅欣的非控股權益約為人民幣400,000,000元。

#### 收購的現金流出淨額

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

#### 49. ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY/ ACQUISITION OF SUBSIDIARIES (Continued)

During the year ended 31 December 2019, the Group acquired the following subsidiaries:

- (i) On 14 February 2019, the Group completed the acquisition of 100% equity interest in Wuxi Healthy Home Real Estate Development Co., Ltd. ("Wuxi Healthy Home") from an independent third party at consideration of RMB12,903,000. Wuxi Healthy Home is principally engaged in property development business and was acquired so as to continue the expansion of the Group's business in property development. The Group accounted for the acquisition of the 100% of issued share capital of the Wuxi Healthy Home as an acquisition of asset.
- (ii) On 9 May 2019, the Group completed the acquisition of 79% equity interest in Shanghai Xinyu Health Management Co., Ltd. ("Shanghai Xinyu") from an independent third party at consideration of RMB23,700,000. Shanghai Xinyu is principally engaged in nutrition and health counseling services.

#### 49. 透過收購子公司收購資產／收購子公司(續)

於截至二零一九年十二月三十一日止年度，本集團收購以下子公司：

- (i) 於二零一九年二月十四日，本集團完成向獨立第三方收購無錫健康家園房地產開發有限公司(「無錫健康家園」)100%股權，代價為人民幣12,903,000元。無錫健康家園主要從事物業開發業務，獲收購作本集團物業開發業務繼續擴張之用。本集團已將無錫健康家園100%已發行股本收購事項入賬為資產收購。
- (ii) 於二零一九年五月九日，本集團完成向獨立第三方收購上海欣于健康管理有限公司(「上海欣于」)79%股權，代價為人民幣23,700,000元。上海欣于主要從事營養與健康諮詢服務。

		Wuxi Healthy Home 無錫健康家園 RMB'000 人民幣千元	Shanghai Xinyu 上海欣于 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
<b>Consideration transferred</b>	<b>轉讓代價</b>			
Cash	現金	12,903	23,700	36,603
<b>Assets acquired and liabilities recognised at the date of acquisition are as follows:</b>	<b>收購日期的已收購資產及已確認負債載列如下：</b>			
Property, plant and equipment	物業、廠房及設備	10	4,866	4,876
Properties under development	在建物業	1,008,437	-	1,008,437
Trade and other receivables	應收賬款及其他應收款項	5,246	17,122	22,368
Bank balances and cash	銀行結餘及現金	404	11,640	12,044
Trade and other payables	應付賬款及其他應付款項	(1,001,194)	(3,628)	(1,004,822)
		12,903	30,000	42,903
Non-controlling interests (note i)	非控股權益(附註i)	-	(6,300)	(6,300)
		12,903	23,700	36,603
<b>Net cash outflow on acquisitions</b>	<b>收購的現金流出淨額</b>			
Cash consideration paid	已付現金代價	12,903	23,700	36,603
Bank balances and cash acquired	已收購銀行結餘及現金	(404)	(11,640)	(12,044)
		12,499	12,060	24,559



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 49. ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY/ ACQUISITION OF SUBSIDIARIES (Continued)

Notes:

- (i) Non-controlling interest in Shanghai Xinyu recognised at the acquisition date was measured by reference to the proportionate share 21% of recognised amounts of net assets of Shanghai Xinyu and amounted to RMB6,300,000.
- (ii) Included in the profit for the year ended 31 December 2019 are revenue of RMB735,000 and loss of RMB4,147,000 attributable to additional generated by Shanghai Xinyu.
- (iii) Had the acquisition of Shanghai Xinyu been completed on 1 January 2019, the total revenue of the Group would have been RMB36,646,063,000, as restated, and the profit for the year would have been RMB5,706,565,000, as restated. The pro-forma information is for illustrative purposes only and is not necessarily an indication results of operations of the Group that actually would have been achieved had that the acquisition been completed on 1 January 2019, nor is it intended to be a projection of future results.

## 50. DISPOSAL OF SUBSIDIARIES

On 27 November 2019, the Group disposed of its entire 100% equity interest in Prosper Spring Investments Limited ("**Prosper Spring**") to a third party BSREP III China Retail Holdings Limited ("**BSREP III**") for a cash consideration of approximately RMB3,002,362,000.

## 49. 透過收購子公司收購資產／收購子公司(續)

附註：

- (i) 於收購日期確認的上海欣于非控股權益乃按上海欣于淨資產的已確認金額所佔21%的比例計量，合共人民幣6,300,000元。
- (ii) 截至二零一九年十二月三十一日止年度溢利包括上海欣于額外產生應佔的人民幣735,000元的收益及人民幣4,147,000元的虧損。
- (iii) 倘收購上海欣于已於二零一九年一月一日完成，本集團的經重述收益總額將為人民幣36,646,063,000元，而經重述年內溢利將為人民幣5,706,565,000元。備考資料僅供說明之用，並不一定表示倘收購已於二零一九年一月一日完成時本集團可實際取得的營運業績，亦不擬作為未來業績的預測。

## 50. 出售子公司

於二零一九年十一月二十七日，本集團向第三方BSREP III China Retail Holdings Limited ("**BSREP III**")出售其於旺泉投資有限公司 ("**旺泉**")的全部100%股權，現金代價約為人民幣3,002,362,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 50. DISPOSAL OF SUBSIDIARIES (Continued) 50. 出售子公司(續)

The net assets of Prosper Spring at the date of disposal were as follows:

旺泉於出售日期的淨資產如下：

		RMB'000 人民幣千元
<b>Consideration received:</b>	<b>已收代價：</b>	
Cash received	已收現金	2,549,336
Deferred cash consideration (included in other receivables)	遞延現金代價(計入其他應收款項)	453,026
		3,002,362
<b>Analysis of assets and liabilities over which control was lost:</b>	<b>喪失控制權的資產及負債的分析：</b>	
Investment properties	投資物業	7,480,000
Property, plant and equipment	物業、廠房及設備	132
Properties under development	在建物業	2,614,051
Trade and other receivables and advance deposit	應收賬款及其他應收款項及預付賬款	1,705,478
Bank balances and cash	銀行結餘及現金	1,927,261
Prepaid taxation	預付稅項	47,358
Deferred tax assets	遞延稅項資產	67,271
Interest-bearing loans	計息貸款	(3,325,600)
Deferred tax liabilities	遞延稅項負債	(556,837)
Contract liabilities	合同負債	(56,812)
Trade and other payables	應付賬款及其他應付款項	(7,912,937)
Tax payable	應付稅項	(172,598)
Net assets disposed of	所出售淨資產	1,816,767
<b>Gain on disposal of subsidiaries:</b>	<b>出售子公司收益：</b>	
Consideration received	已收代價	3,002,362
Net assets disposed of	所出售淨資產	(1,816,767)
Gain on disposal	出售收益	1,185,595
<b>Net cash inflow arising on disposal:</b>	<b>出售所產生現金流入淨額：</b>	
Total consideration	總代價	2,549,336
Less: Bank balances and cash disposed of	減：所出售銀行結餘及現金	(1,927,261)
Proceeds from disposal of Prosper Spring	出售旺泉所得款項	622,075

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 51. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities:

## 51. 來自融資活動產生的負債的對賬

下表詳述本集團融資活動所產生的負債變動(包括現金及非現金變動)。融資活動所產生的負債已經或將會於本集團綜合現金流量表內分類為融資活動現金流量：

		Borrowings	Bonds	Loans from related parties	Loans from non-controlling shareholders	Lease Liabilities	Interest payable
		借貸	債券	來自關聯方的貸款	來自非控股股東的貸款	租賃負債	應付利息
		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
At 1 January 2019	於二零一九年一月一日	12,684,613	5,818,015	8,847,725	4,115,873	-	96,579
Adjustment upon application of IFRS 16	於應用國際財務報告準則第16號後調整	-	-	-	-	20,891	-
Acquisition of subsidiaries under common control	收購共同控制下的子公司	11,298,040	-	6,595,702	320,569	388,094	97,614
At 1 January 2019 (restated)	於二零一九年一月一日(經重述)	23,982,653	5,818,015	15,443,427	4,436,442	408,985	194,193
Financing cash flows	融資現金流量	(3,251,823)	(2,409,990)	3,423,900	2,644,749	(110,349)	(1,477,735)
Disposal of subsidiaries	出售子公司	(3,325,600)	-	-	-	-	-
New leases entered	新增租賃	-	-	-	-	257,004	-
Foreign exchange	外匯	39,192	61,359	80,172	95,427	-	-
Interest expenses	利息費用	-	11,892	-	-	27,347	1,573,644
At 31 December 2019 (restated)	於二零一九年十二月三十一日(經重述)	17,444,422	3,481,276	18,947,499	7,176,618	582,987	290,102
Financing cash flows	融資現金流量	5,261,286	(1,412,160)	(2,589,181)	(491,616)	(124,355)	(1,427,958)
Acquisition of a subsidiary	收購一家子公司	80,000	-	-	-	-	-
Elimination (note 52)	對銷(附註52)	-	-	(7,219,445)	-	-	-
New leases entered	新增租賃	-	-	-	-	9,250	-
Foreign exchange	外匯	(52,891)	(117,491)	(163,853)	(134,091)	-	-
Interest expenses	利息費用	-	4,133	-	-	28,603	1,517,665
At 31 December 2020	於二零二零年十二月三十一日	22,732,817	1,955,758	8,975,020	6,550,911	496,485	379,809

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 52. MAJOR NON-CASH TRANSACTION

During the year, the Group entered into an agreement with Greenland Holdings for the elimination of the non-trade balances of RMB7,219,445,000 with Greenland Holdings and its subsidiaries, including the part of the consideration of RMB2,683,001,000 for the Acquisition disclosed in note 2.

## 53. EVENT AFTER THE REPORTING PERIOD

On 19 March 2021, Guangdong Greenland Investment Co., Limited\* (廣東綠地投資有限公司) ("**Guangdong Greenland**", which is a wholly-owned subsidiary of the Company, entered into a cooperation agreement with Guangdong SPG Co., Limited\* (廣東盛高置地有限公司) ("**Guangdong SPG**") and others, pursuant to which Guangdong Greenland and Guangdong SP agreed to form a joint venture for the development of the land parcel situated at Luojia Village, Shiji Town, Panyu District, Guangzhou City, Guangdong Province, the PRC\* (中國廣東省廣州市番禺區石基鎮羅家村). The aforesaid formation of a joint venture constitutes a major and connected transaction for the Company under the Listing Rules, details of which are set out in the announcement of the Company dated 21 March 2021.

## 52. 主要非現金交易

年內本集團與綠地控股就與綠地控股及其子公司對銷非貿易結餘人民幣7,219,445,000元(包括附註2所披露的收購事項的部分代價人民幣2,683,001,000元)訂立協議。

## 53. 報告期後事項

於二零二一年三月十九日，本公司全資子公司廣東綠地投資有限公司(「**廣東綠地**」)與廣東盛高置地有限公司(「**廣東盛高**」)及其他公司訂立合作協議，據此，廣東綠地與廣東盛高同意成立合營企業，開發位於中國廣東省廣州市番禺區石基鎮羅家村的地塊。上述合營企業成立構成本公司於上市規則項下的主要及關連交易，詳情載於本公司日期為二零二一年三月二十一日的公告。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 54. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

## 54. 本公司財務狀況表

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
<b>Non-current Assets</b>			
Property, plant and equipment	非流動資產 物業、廠房及設備	8	10
Investments in subsidiaries	子公司投資	13,368,919	12,324,861
		<b>13,368,927</b>	12,324,871
<b>Current Assets</b>			
Financial assets at fair value through profit and loss	流動資產 按公允價值列賬於損益的 金融資產	-	6,397
Trade, other receivables and advance deposits	應收賬款、其他應收款項 及預付賬款	90,309	69,262
Bank balances and cash	銀行結餘及現金	1,108,648	2,369,992
		<b>1,198,957</b>	2,445,651
		<b>14,567,884</b>	14,770,522
<b>CAPITAL AND RESERVES</b>			
Share capital	資本及儲備 股本	1,132,097	1,132,097
Share premium	股份溢價	3,412,872	3,412,872
Reserves	儲備	(2,300,080)	(1,795,518)
Total equity attributable to equity holders of the Company	本公司股權持有人 應佔權益總額	<b>2,244,889</b>	2,749,451
Perpetual securities	永久證券	787,870	788,208
Total equity	權益總額	<b>3,032,759</b>	3,537,659
<b>Non-current Liabilities</b>			
Bonds	非流動負債 債券	-	2,087,795
Interest-bearing loans	計息貸款	836,000	2,807,464
		<b>836,000</b>	4,895,259
<b>Current Liabilities</b>			
Interest-bearing loans	流動負債 計息貸款	1,803,217	89,578
Trade and other payables	應付賬款及其他應付款項	6,940,150	4,854,545
Bonds	債券	1,955,758	1,393,481
Total current liabilities	流動負債總額	<b>10,699,125</b>	6,337,604
Total liabilities	負債總額	<b>11,535,125</b>	11,232,863
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>	<b>14,567,884</b>	14,770,522

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

**54. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)**      **54. 本公司財務狀況表(續)**

		Share premium	Capital redemption reserve	Contributed surplus (note)	Accumulated losses	Perpetual securities	Total
		股份溢價	資本贖回儲備	實繳盈餘 (附註)	累計虧損	永久證券	合計
		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
At 1 January 2019	於二零一九年一月一日	3,412,872	1,231	308,439	(1,509,885)	787,823	3,000,480
(Loss) profit and total comprehensive (expense) income for the year	年度(虧損)溢利及全面(開支)收入總額	-	-	-	(104,121)	46,565	(57,556)
Dividends recognised as distribution	確認為分派的股息	-	-	-	(491,182)	-	(491,182)
Dividends paid to perpetual securities	已付永久證券之股息	-	-	-	-	(46,180)	(46,180)
At 31 December 2019	於二零一九年十二月三十一日	3,412,872	1,231	308,439	(2,105,188)	788,208	2,405,562
Profit and total comprehensive income for the year	年度溢利及全面收入總額	-	-	-	<b>132,993</b>	<b>46,535</b>	<b>179,528</b>
Dividends recognised as distribution	確認為分派的股息	-	-	-	<b>(637,555)</b>	-	<b>(637,555)</b>
Dividends paid to perpetual securities	已付永久證券之股息	-	-	-	-	<b>(46,873)</b>	<b>(46,873)</b>
At 31 December 2020	於二零二零年十二月三十一日	<b>3,412,872</b>	<b>1,231</b>	<b>308,439</b>	<b>(2,609,750)</b>	<b>787,870</b>	<b>1,900,662</b>

Note: The excess of the consolidated net assets represented by the shares of the subsidiaries acquired over nominal value of the shares issued by the Company in exchange under the Reorganisation was transferred to the contributed surplus account in the Company's financial statements.

附註：所收購子公司股份之綜合淨資產超過本公司於重組時發行以交換該等股份面值之差額轉撥至本公司財務報表的實繳盈餘賬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows:

## 55. 本公司主要子公司詳情

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
SPG Investment Ltd.	Investment holding 投資控股	USD1 1美元	British Virgin Islands ('BVI') 英屬處女群島 (「英屬處女群島」)	–	100%	100%
Shanghai Cambridge (Group) Co., Ltd. 上海康橋半島(集團)有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD67,670,000 67,670,000美元	the PRC 中國	Limited Liability Company 有限公司	98.24%	98.24%
Shanghai SPG Property Service Co., Ltd. 上海盛高物業服務有限公司	Property management services 物業管理服務	RMB5,000,000 人民幣5,000,000元	the PRC 中國	Limited Liability Company 有限公司	98.42%	98.42%
Shanghai SPG Hotel Development Co., Ltd. 上海盛高酒店發展有限公司	Hotel operation, property development, sales and lease 酒店營運、房地產開發、銷售及租賃	RMB405,500,000 人民幣405,500,000元	the PRC 中國	Limited Liability Company 有限公司	98.24%	98.24%
Shanghai Oriental Cambridge Property Development Co., Ltd. 上海東方康橋房地產發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB650,000,000 人民幣650,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Shanghai Zhujiu Cambridge Property Development Co., Ltd. 上海珠佳康橋半島房地產開發有限公司	Property development and sales 房地產開發及銷售	RMB280,000,000 人民幣280,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Huangshan SPG Property Development Co., Ltd. 黃山盛高半島房地產發展有限公司	Hotel development and operation 酒店開發及經營	RMB190,000,000 人民幣190,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Kunming SPG Land Development Co., Ltd. 昆明盛高置地發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB42,500,000 人民幣42,500,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的 擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Huangshan Hidden Tiger Club Management Co., Ltd. 黃山卧虎會所管理有限公司	Property management services 物業管理服務	RMB1,000,000 人民幣1,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Kunming SPG Grand City Development Co., Ltd. 昆明盛高大城房地產發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD1,000,000 1,000,000美元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Suzhou Runjian Property Co., Ltd. 蘇州潤建置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB300,000,000 人民幣300,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Suzhou SPG Property Management Co., Ltd. 蘇州盛高物業服務有限公司	Hotel Operations, Property management services 酒店營運、物業管理服務	RMB500,000 人民幣500,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Wuxi Guosheng Property Development Co., Ltd. 無錫國盛房產開發有限公司	Property development, sales and lease 房地產開發、銷售及租賃	HK\$400,000,000 400,000,000港元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Wuxi Shenglian Property Development Co., Ltd. 無錫盛聯房產開發有限公司	Property development, sales and lease 房地產開發、銷售及租賃	HK\$110,500,000 110,500,000港元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Hainan Jianqiao Property Co., Ltd. 海南建橋置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB115,000,000 人民幣115,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Shanghai Huichang Constructing Co., Ltd. 上海卉昌建築工程有限公司	Construction and decoration services 建築及裝修服務	RMB100,000,000 人民幣100,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Changshu SPG Land Development Co., Ltd. 常熟盛高房產開發有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB1,000,000 人民幣1,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Changshu SPG Real Estate Development Co., Ltd. 常熟盛地置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Shanxi SPG Land Development Co., Ltd. 山西盛高置地發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD20,000,000 20,000,000美元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Ningbo SPG Cicheng Property Development Co., Ltd. 寧波盛高慈城房地產發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB600,000,000 人民幣600,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Hangzhou Tuojiang Property Co., Ltd. 杭州拓江置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD582,000,000 582,000,000美元	the PRC 中國	Limited Liability Company 有限公司	50% (note i) (附註i)	50% (note i) (附註i)
Haikou Greenland Hongxiang Property Co., Ltd. 海口綠地鴻翔置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB600,000,000 人民幣600,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Shanghai Daokun Investment Management Co., Ltd. 上海道堃資產管理有限公司	Investing and consulting 投資及諮詢	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Shanghai Hemao Property Co., Ltd. 上海合茂房地產發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB630,000,000 人民幣630,000,000元	the PRC 中國	Limited Liability Company 有限公司	50% (note i) (附註i)	50% (note i) (附註i)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日之擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Nanning Greenland Yingkai Investment Co., Ltd. 南寧綠地嶺愷投資有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB558,500,000 人民幣558,500,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Success Yield Group Limited 成耀集團有限公司	Investment of subsidiaries 投資子公司	USD200 200美元	the BVI 英屬處女群島	Limited Liability Company 有限公司	50% (note i) (附註i)	50% (note i) (附註i)
Xubao Co., Ltd. 旭寶有限公司	Investment of subsidiaries 投資子公司	HK\$2 2港元	the BVI 英屬處女群島	Limited Liability Company 有限公司	50% (note i) (附註i)	50% (note i) (附註i)
Xuzhou Nanbu Property Co., Ltd. 徐州南部房地產開發有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD30,000,000 30,000,000美元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Xuzhou Mingzhi Property Co., Ltd. 徐州銘智房地產開發有限公司	Property development, sales and lease 房地產開發、銷售及租賃	HK\$214,000,000 214,000,000港元	the PRC 中國	Limited Liability Company 有限公司	50% (note i) (附註i)	50% (note i) (附註i)
Shanghai Xiangxuan Investment Management Co., Ltd. 上海翔軒投資管理有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB20,000,000 人民幣20,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Greenland (Kunming) Property Co., Ltd. 綠地集團(昆明)置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB517,272,222 人民幣517,272,222元	the PRC 中國	Limited Liability Company 有限公司	55%	55%
Greenland (Kunming Wuhua) Property Development Co., Ltd. 綠地集團(昆明五華)房地產開發有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB528,000,000 人民幣528,000,000元	the PRC 中國	Limited Liability Company 有限公司	55%	55%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Nanning Greenland Hongkai Property Co., Ltd. 南寧綠地鴻愷置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	HK\$100,000,000 100,000,000港元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Haikou Wuyuan Property Co., Ltd. 海口綠地五源置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB200,000,000 人民幣200,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Hainan Tianhongjiye Industrial Co., Ltd. 海南天泓基業實業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB100,000,000 人民幣100,000,000元	the PRC 中國	Limited Liability Company 有限公司	50.1%	50.1%
Hainan Tianhongjiye Investment Co., Ltd. 海南天泓基業投資有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB180,000,000 人民幣180,000,000元	the PRC 中國	Limited Liability Company 有限公司	50.1%	50.1%
Nanning Greenland Xinyuan Property Co., Ltd. 南寧綠地信源置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Suzhou Lvjie Property Co., Ltd. 蘇州綠杰置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	HK\$3,034,030,000 3,034,030,000港元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Shanghai Greenland Financial Information Services Co., Ltd. 上海綠地金融信息服務有限公司	Financing 融資	RMB100,000,000 人民幣100,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Guangxi Greenland Xintie Property Co., Ltd. 廣西綠地鑫鐵置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB100,000,000 人民幣100,000,000元	the PRC 中國	Limited Liability Company 有限公司	60%	60%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的 擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Suzhou Lvying Property Co., Ltd. 蘇州綠穎置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB20,000,000 人民幣20,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Suzhou Lwwo Amusement Equipment Co., Ltd. 蘇州綠沃遊樂設備有限公司	Commercial management 商業管理	RMB12,750,000 人民幣12,750,000元	the PRC 中國	Limited Liability Company 有限公司	80%	80%
Wuxi Guangcheng Metro Above-Station Property Development Co., Ltd. 無錫廣城地鐵上蓋置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB20,000,000 人民幣20,000,000元	the PRC 中國	Limited Liability Company 有限公司	90%	90%
Wujiang Shenyong Real Estate Development Co., Ltd. 吳江神鷹房地產開發有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	Limited Liability Company 有限公司	99%	99%
Foshan Hongyi Real Estate Investment Co., Ltd. 佛山市鴻億置業投資有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB100,000,000 人民幣100,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Jiaxing Lvzhan Real Estate Co., Ltd. 嘉興綠展置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD135,026,600 135,026,600美元	the PRC 中國	Limited Liability Company 有限公司	70%	70%
Jiaxing Qinghua Real Estate Co., Ltd. 嘉興慶華置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD63,596,400 63,596,400美元	the PRC 中國	Limited Liability Company 有限公司	70%	70%
Jiaxing Tongchuang Real Estate Co., Ltd. 嘉興桐創置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD36,453,600 36,453,600美元	the PRC 中國	Limited Liability Company 有限公司	70%	70%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Zhaoqing Hengchang Industrial Investment Co., Ltd. 肇慶亨昌實業投資有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB300,000,000 人民幣300,000,000元	the PRC 中國	Limited Liability Company 有限公司	70%	70%
Greenland Kunming Dianchi Property Co., Ltd. 昆明綠地滇池置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Greenland Kunming Spring City Property Co., Ltd. 昆明綠地春城置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Greenland Kunming Center Property Co., Ltd. 昆明綠地中心置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Yiwu Lvchuan Property Co., Ltd. 義烏綠創置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Wuxi Lvying Property Co., Ltd. 無錫綠穎置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Shaoxing Lvshen Property Co., Ltd. 紹興綠申置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Nanning Greenland Qixiang Investment Co., Ltd. 南寧綠地麒麟投資有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB30,000,000 人民幣30,000,000元	the PRC 中國	Limited Liability Company 有限公司	60%	60%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的 擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Nanning Overseas Chinese Transport Asset Management Co., Ltd. 南寧僑運資產管理有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Zhaoqing Zhengyu Real Estate Development Co., Ltd. 肇慶正域房地產開發有限公司	Property development, sales 房地產開發、銷售	RMB1,000,000 人民幣1,000,000元	the PRC 中國	Limited Liability Company 有限公司	70%	70%
Nanning Huosong Industrial Investment Co., Ltd. 南寧華嵩產業投資有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Nanning Greenland Haiyue Investment Co., Ltd. 南寧綠地海悅投資有限公司	Property development, sales 房地產開發、銷售	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Haikou Greenland Haichuang Hotel Management Co., Ltd. 海口綠地海創酒店管理有限公司	Hotel development and operation 酒店開發及營運	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Tongxiang Coproduction Information Technology Co., Ltd. 桐鄉合創信息科技有限公司	Software development 軟件開發	RMB30,000,000 人民幣30,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Jiaxing Lvxi Real Estate Co., Ltd. 嘉興綠熙置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	USD130,692,700 130,692,700美元	the PRC 中國	Limited Liability Company 有限公司	70%	70%
Kunming Greenland Dianhai Real Estate Co., Ltd. 昆明綠地滇海置業有限公司	Property development, sales 物業開發、銷售	USD100,000,000 100,000,000美元	the PRC 中國	Limited Liability Company 有限公司	100%	100%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Zhenjiang Dantu District Lvjian Real Estate Development Co., Ltd 鎮江市丹徒區綠建房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	70%	70%
Guangde Lvhang Real Estate Co., Ltd 廣德綠航置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Kunming Diansheng Real Estate Co., Ltd 昆明滇昇置業有限公司	Property development, sales 物業開發、銷售	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Yangzhong Lvqiao Longjing Real Estate Co., Ltd 揚中市綠橋龍庭置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB24,500,000 人民幣24,500,000元	the PRC 中國	Limited Liability Company 有限公司	80%	80%
Suzhou Lvqiang Real Estate Co., Ltd 蘇州綠強置業有限公司	Property development, sales 物業開發、銷售	RMB20,000,000 人民幣20,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Wuzhou Yuegui Real Estate Co., Ltd 梧州粵桂置業有限公司	Property development, sales 物業開發、銷售	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	60%	60%
Nantong Lvbo Real Estate Co., Ltd 南通綠鉞置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	USD155,600,000 155,600,000美元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Suzhou Lvyan Real Estate Co., Ltd 蘇州綠濶置業有限公司	Property development, sales 物業開發、銷售	RMB20,000,000 人民幣20,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Changzhou Mudan Hongdu Real Estate Co., Ltd 常州牡丹弘都房地產有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB358,070,000 人民幣358,070,000元	the PRC 中國	Limited Liability Company 有限公司	100%	98.88%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Wuxi Lvzhu Wenhua Real Estate Development Co., Ltd 無錫綠珠文華房產開發有限公司	Property development, sales 物業開發、銷售	RMB50,000,000 人民幣50,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Yangzhou Lvheng Real Estate Development Co., Ltd 揚州市綠恒房產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB91,190,000 人民幣91,190,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Yangzhou Lvning Real Estate Development Co., Ltd 揚州市綠寧房產開發有限公司	Property development, sales 物業開發、銷售	USD30,000,000 30,000,000美元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Suzhou Lvhan Real Estate Co., Ltd 蘇州綠瀚置業有限公司	Property development, sales and lease 房地產開發、銷售與租賃	RMB30,000,000 人民幣30,000,000元	the PRC 中國	Limited Liability Company 有限公司	97.90% (note ii) (附註ii)	-
Kuming Lvchuan Real Estate Co., Ltd 昆明綠川置業有限公司	Property development, sales and lease 房地產開發、銷售與租賃	RMB125,000,000 人民幣125,000,000元	the PRC 中國	Limited Liability Company 有限公司	100.00% (note ii) (附註ii)	-
Kuming Yaxin Real Estate Development Co., Ltd 昆明雅欣房地產開發有限公司	Property development, sales and lease 房地產開發、銷售與租賃	RMB800,000,000 人民幣800,000,000元	the PRC 中國	Limited Liability Company 有限公司	50.00% (note 49) (附註49)	-
Kuming Lvhui Real Estate Co., Ltd 昆明綠輝置業有限公司	Property development, sales and lease 房地產開發、銷售與租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	Limited Liability Company 有限公司	100.00% (note ii) (附註ii)	-
Hangzhou Lvzhen Real Estate Co., Ltd 杭州綠臻置業有限公司	Property development, sales and lease 房地產開發、銷售與租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	75.00% (note ii) (附註ii)	-
Hangzhou Lvqiang Real Estate Co., Ltd 杭州綠強置業有限公司	Property development, sales and lease 房地產開發、銷售與租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	100.00% (note ii) (附註ii)	-
Jiaxing Tongqing Real Estate Co., Ltd 嘉興桐慶置業有限公司	Property development, sales and lease 房地產開發、銷售與租賃	USD31,508,600 31,508,600美元	the PRC 中國	Limited Liability Company 有限公司	100.00% (note ii) (附註ii)	-



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Wuxin Lvkun Real Estate Development Co., Ltd 無錫綠坤房產開發有限公司	Property development, sales and lease 房地產開發、銷售與租賃	RMB20,000,000 人民幣20,000,000元	the PRC 中國	Limited Liability Company 有限公司	100.00% (note ii) (附註ii)	-
Yancheng Chengbang Real Estate Development Co., Ltd 鹽城誠邦地產開發有限公司	Property development, sales and lease 房地產開發、銷售與租賃	RMB288,000,000 人民幣288,000,000元	the PRC 中國	Limited Liability Company 有限公司	50.00% (note i and ii) (附註i和ii)	-
Changzhou Huanlong Jiangcheng Real Estate Co., Ltd 常州環龍江城置業有限公司	Property development, sales and lease 房地產開發、銷售與租賃	RMB409,000,000 人民幣409,000,000元	the PRC 中國	Limited Liability Company 有限公司	51.00% (note ii) (附註ii)	-
Shanghai Greenland Health Management Co., Ltd 上海綠地健康管理有限公司	Nutrition and health counseling services 營養健康諮詢	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	100.00%	100.00%
Kunming Lvle Health Management Co., Ltd 昆明綠樂健康管理有限公司	Health management services 健康管理服務	RMB6,000,000 人民幣6,000,000元	the PRC 中國	Limited Liability Company 有限公司	100.00% (note ii) (附註ii)	-
Shanghai Lvqiang Molang Nursing Home Co., Ltd 上海綠港莫朗護理院有限公司	Community services for the aged 社區養老服務	RMB2,000,000 人民幣2,000,000元	the PRC 中國	Limited Liability Company 有限公司	79%	79%
Shanghai Xinyu Health Management Co., Ltd 上海欣于健康管理有限公司	Nutrition and health counseling services 營養與健康諮詢服務	RMB30,000,000 人民幣30,000,000元	the PRC 中國	Limited Liability Company 有限公司	79%	79%
Guangxi Haiqi Investment Co., Ltd 廣西海祺投資有限公司	Property development, sales 物業開發、銷售	RMB8,000,000 人民幣8,000,000元	the PRC 中國	Limited Liability Company 有限公司	51%	51%
Wuxi Health Home Real Estate Development Co., Ltd 無錫健康家園房地產開發有限公司	Property development, sales 物業開發、銷售	RMB20,000,000 人民幣20,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日之擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Shengya (Shanghai) Management Co., Ltd 盛亞(上海)管理有限公司	Management consulting 管理諮詢	USD2,000,000 2,000,000美元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Shanghai Bozhi Industrial Co., Ltd. 上海博置實業有限公司	Lease and business services 租賃及商務服務	RMB20,000,000 人民幣20,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Shanghai Xiangwo Apartment Management Co., Ltd 上海享窩公寓管理有限公司	Lease and business services 租賃及商務服務	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Huangshan Cambridge Real Estate Development Co., Ltd. 黃山康橋半島房地產發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Huangshan SPG Land Development Co., Ltd. 黃山盛高置地發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Guangzhou Greenland Real Estate Development Co., Ltd. 廣州綠地房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB1,850,000,000 人民幣1,850,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Guangzhou Lingyue Market Management Co., Ltd 廣州領越市場管理有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB325,000,000 人民幣325,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Guangzhou Haizhu Greenland Real Estate Development Co., Ltd 廣州海珠綠地房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB227,000,000 人民幣227,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Greenland Group Foshan Chancheng Real Estate Co., Ltd 綠地集團佛山禪城置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB1,155,000,000 人民幣1,155,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Greenland Group Foshan Shunde Real Estate Co., Ltd 綠地集團佛山順德置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB483,000,000 人民幣483,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Guangzhou Jierui Real Estate Co., Ltd 廣州傑瑞置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB1,023,380,000 人民幣1,023,380,000元	the PRC 中國	Limited Liability Company 有限公司	70%	70%
Guangzhou Greenland Huadu Real Estate Co., Ltd 廣州綠地花都置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB570,000,000 人民幣570,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Guangzhou Haoxin Real Estate Development Co., Ltd 廣州市浩信房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB1,000,000 人民幣1,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Guangzhou Nanrui Real Estate Co., Ltd 廣州市南瑞置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB1,000,000 人民幣1,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Foshan Jiayi Real Estate Co., Ltd 佛山嘉逸置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	70%	70%
Foshan Bosheng Real Estate Co., Ltd 佛山鉞晟置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB510,000,000 人民幣510,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Greenland Group Foshan Shunde Ivan Real Estate Co., Ltd 綠地集團佛山順德綠安置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB550,000,000 人民幣550,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的 擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Dongguan Hongjing Real Estate Co., Ltd 東莞弘景置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	60%	60%
Foshan Nanhai District Wannui Investment Co., Ltd 佛山市南海區萬瑞投資有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB1,092,960,000 人民幣1,092,960,000元	the PRC 中國	Limited Liability Company 有限公司	50% (note i) (附註i)	50% (note i) (附註i)
Guangdong Greenland Investment Co., Ltd 廣東綠地投資有限公司	Business investment, management service 業務投資、管理服務	RMB500,000,000 人民幣500,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Guangzhou Mantingfang Real Estate Development Co., Ltd 廣州市滿庭芳房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB682,332,442 人民幣682,332,442元	the PRC 中國	Limited Liability Company 有限公司	60%	60%
Guangzhou Feilengcui Real Estate Development Co., Ltd 廣州市翡冷翠房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB444,835,665 人民幣444,835,665元	the PRC 中國	Limited Liability Company 有限公司	60%	60%
Shenzhen Yujianlong Investment Co., Ltd 深圳市鉅鑄龍投資有限公司	Information transmission, software and information technology service 信息傳輸、軟件和信息技術服務	RMB700,000,000 人民幣700,000,000元	the PRC 中國	Limited Liability Company 有限公司	67%	67%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Foshan Luxuan Real Estate Co., Ltd 佛山綠恒置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB402,990,000 人民幣402,990,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Guangzhou Greenport Real Estate Development Co., Ltd 廣州綠港房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB400,000,000 人民幣400,000,000元	the PRC 中國	Limited Liability Company 有限公司	70%	70%
Foshan Liya Cuihu Shangzhu Real Estate Development Co., Ltd 佛山市麗雅翠湖尚築房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB200,000,000 人民幣200,000,000元	the PRC 中國	Limited Liability Company 有限公司	70%	70%
Guangzhou Zengxuan Real Estate Development Co., Ltd 廣州市增軒房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB1,760,930,000 人民幣1,760,930,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Guangzhou Taiwei Real Estate Development Co., Ltd 廣州市泰偉房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB1,561,800,000 人民幣1,561,800,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Jiangmen Lvxiao Real Estate Development Co., Ltd 江門綠曉房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB563,952,000 人民幣563,952,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Guangzhou Xinyue Engineering Management Co., Ltd 廣州市新玥工程管理有限公司	Scientific research and technical service 科學研究及技術服務	RMB5,000,000 人民幣5,000,000元	the PRC 中國	Limited Liability Company 有限公司	60%	60%
Zhanjiang Pilot Real Estate Development Co., Ltd 湛江市領航房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB52,000,000 人民幣52,000,000元	the PRC 中國	Limited Liability Company 有限公司	90%	90%
Shantou Greenland Investment Real Estate Co., Ltd 汕頭綠地投資置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	-	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Lvsheng Real Estate Development Co., Ltd. of Shenzhen Shantou Special Cooperation Zone 深圳市深汕特別合作區綠晟房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB320,000,000 人民幣320,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Yangjiang Lwvan Real Estate Development Co., Ltd 陽江市綠灣房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB360,000,000 人民幣360,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Yangjiang Lvhao Real Estate Development Co., Ltd 陽江市綠浩房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB387,500,000 人民幣387,500,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Yangjiang Lvpan Real Estate Development Co., Ltd 陽江市綠畔房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB602,000,000 人民幣602,000,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Jiangmen Lvru Real Estate Development Co., Ltd 江門綠睿房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB867,319,458 人民幣867,319,458元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Mao ming Lvming Real Estate Development Co., Ltd 茂名市綠茗房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB710,340,000 人民幣710,340,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Guangzhou Lvlong Real Estate Development Co., Ltd 廣州綠龍房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	Limited Liability Company 有限公司	60%	60%
Qingyuan Guangqing Real Estate Development Co., Ltd 清遠市廣清房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB300,000,000 人民幣300,000,000元	the PRC 中國	Limited Liability Company 有限公司	60%	60%
Guangzhou Lvlong Real Estate Co., Ltd 廣州綠龍置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB500,000,000 人民幣500,000,000元	the PRC 中國	Limited Liability Company 有限公司	51%	51%
Guangzhou Yuexin Business Management Co., Ltd 廣州市粵新商業管理有限公司	Leasing and business service 租賃及商務服務	-	the PRC 中國	Limited Liability Company 有限公司	60%	60%



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

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

## 55. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2020 and 2019 are as follows: (Continued)

## 55. 本公司主要子公司詳情(續)

本公司於二零二零年及二零一九年十二月三十一日之主要子公司詳情如下：(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Legal form 法律形式	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權益及所持表決權比例	
					2020 二零二零年	2019 二零一九年
Jieyang lvhao Real Estate Development Co., Ltd 揭陽綠昊房地產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB376,940,000 人民幣376,940,000元	the PRC 中國	Limited Liability Company 有限公司	100%	100%
Foshan Gaoming lvru Real Estate Co., Ltd 佛山市高明綠端置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	-	the PRC 中國	Limited Liability Company 有限公司	70%	70%

Note i: The Group has the right to appoint a majority of directors to the board of directors. Hence the Group has the power over these entities and has the ability to use its power to affect its returns. Therefore, these entities are accounted for as subsidiaries of the Company.

附註i：本集團有權委任董事會的過半數董事。因此，本集團對該等實體擁有權力，並有能力運用其權力影響其回報。有鑑於此，該等實體入賬作為本公司的子公司。

Note ii: The subsidiaries were newly established in 2020.

附註ii：該等子公司於二零二零年新成立。

None of the subsidiaries had issued any debt securities at the end of the year.

年末概無子公司已發行任何債務證券。

No minority interest was individually material to the Group for the year.

年內概無個別少數權益對本集團而言屬重大。

# SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

## 綜合財務資料概要

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

#### 綜合損益及其他全面利潤表

Year ended 31 December 截至十二月三十一日止年度		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	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
<b>Revenue</b>	<b>收益</b>	<b>33,734,423</b>	36,642,555	15,444,246	14,618,872	16,919,188
Cost of sales	銷售成本	<b>(25,485,041)</b>	(25,844,404)	(11,306,122)	(11,035,317)	(14,091,196)
<b>Gross profit</b>	<b>毛利</b>	<b>8,249,382</b>	10,798,151	4,138,124	3,583,555	2,827,992
Other income	其他收入	<b>67,383</b>	43,785	29,346	25,416	-
Other gains and losses	其他收益及虧損	<b>425,977</b>	(211,094)	(659,896)	273,185	197,969
Selling and marketing costs	銷售及市場推廣成本	<b>(1,253,090)</b>	(1,149,987)	(811,226)	(587,187)	(415,567)
Administrative expenses	管理費用	<b>(1,132,825)</b>	(922,454)	(529,847)	(437,517)	(499,687)
Other operating expenses	其他經營開支	<b>(262,508)</b>	(235,554)	(47,817)	(13,403)	(844,073)
Impairment loss under expected credit loss model, net of reversal	預期信貸虧損模式項下減值虧損，扣除撥回	<b>(23,794)</b>	(130,587)	(133,529)	-	-
Gain on disposal of interests in subsidiaries	出售子公司權益的收益	-	1,185,595	487,691	72,063	228
Finance income	融資收入	<b>52,676</b>	117,977	73,195	95,619	70,574
Finance expenses	融資開支	<b>(276,410)</b>	(390,557)	(187,488)	(224,191)	(135,088)
Share of results of associates	應佔聯營公司業績	<b>83,093</b>	(24,049)	(15,354)	(999)	370
Share of results of joint ventures	應佔合營企業業績	<b>543,353</b>	642,645	161,431	139,496	195,015
Gain on disposal of interest in an associate	出售聯營公司權益的收益	<b>49,071</b>	-	-	-	-
Gain (loss) on changes in fair value of investment properties	投資物業公允價值變動收益(虧損)	<b>577,857</b>	968,765	1,226,688	329,268	687,638
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>	<b>7,100,165</b>	10,692,636	3,731,318	3,255,305	2,085,371
Income tax expense	所得稅開支	<b>(3,640,771)</b>	(4,981,541)	(1,750,378)	(1,419,687)	(1,024,852)
<b>Profit for the year from continuing operations</b>	<b>來自持續經營業務的 年內溢利</b>	<b>3,459,394</b>	5,711,095	1,980,940	1,835,618	1,060,519
<b>Discontinued operations</b>	<b>已終止業務</b>					
Profit for the year from discontinued operations	來自已終止業務的 年內溢利	-	-	-	-	180,063
<b>Other comprehensive (expense) income for the year, net of income tax</b>	<b>年內其他全面(開支)收入， 扣除所得稅</b>	<b>(16,389)</b>	13,482	84,255	-	-
<b>Profit and total comprehensive income for the year</b>	<b>年內溢利及全面收入總額</b>	<b>3,443,005</b>	5,724,577	2,065,195	1,835,618	1,240,582
Attributable to:	以下人士應佔：					
Owners of the Company	本公司擁有人	<b>2,591,918</b>	3,896,202	1,820,543	1,319,308	1,112,543
Non-controlling interests	非控股權益	<b>804,552</b>	1,781,810	244,652	516,310	128,039
Owners of perpetual securities	永久證券擁有人	<b>46,535</b>	46,565	-	-	-
Earnings per share	每股盈利					
Basic earnings per share (RMB)	每股基本盈利(人民幣元)	<b>0.94</b>	1.40	0.61	0.46	0.39
Diluted earnings per share (RMB)	每股攤薄盈利(人民幣元)	<b>N/A 不適用</b>	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION (Continued)  
綜合財務資料概要(續)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
綜合財務狀況表

Year ended 31 December 截至十二月三十一日止年度		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	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
<b>Non-current assets</b>	非流動資產	<b>19,546,562</b>	14,591,665	17,975,450	26,996,757	25,532,841
<b>Current assets</b>	流動資產	<b>145,442,006</b>	145,444,480	128,465,767	41,753,039	28,572,266
<b>Non-current liabilities</b>	非流動負債	<b>15,697,332</b>	13,459,098	20,338,172	12,958,482	11,252,236
<b>Current liabilities</b>	流動負債	<b>127,149,404</b>	123,627,664	108,228,688	44,206,424	33,129,177
<b>Total equity attributable to owners of the Company</b>	本公司擁有人應佔權益總額	<b>12,643,252</b>	14,326,516	11,271,496	9,071,306	8,041,975
<b>Perpetual securities</b>	永久證券	<b>787,870</b>	788,208	787,823	787,823	787,823
<b>Non-controlling interests</b>	非控股權益	<b>8,710,710</b>	7,834,659	5,815,038	1,725,761	893,896
<b>Total equity</b>	權益總額	<b>22,141,832</b>	22,949,383	17,874,357	11,584,890	9,723,694

Note:

The results for each of the two years ended 31 December 2020 and the assets and liabilities as of 31 December 2018, 2019 and 2020 are extracted from the 2020 annual report and they have been adjusted for the inclusion Guangzhou Greenland Group on a merger basis (see note 2 to the consolidated financial statements).

The results for each of the three years ended 31 December 2018 and the assets and liabilities as of 31 December 2016 and 2017 have not been adjusted for the acquisition of Guangzhou Greenland Group.

附註：

截至二零二零年十二月三十一日止兩個年度各年的業績及於二零一八年、二零一九年及二零二零年十二月三十一日的資產及負債乃摘自二零二零年年報，並已就按合併基準計入廣州綠地集團(請參閱綜合財務報表附註2)作出調整。

截至二零一八年十二月三十一日止三個年度各年的業績及於二零一六年及二零一七年十二月三十一日的資產及負債概無就收購廣州綠地集團作出調整。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

# Deloitte.

## 德勤

### TO THE SHAREHOLDERS OF GREENLAND HONG KONG HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Greenland Hong Kong Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 173 to 336, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) 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 Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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.

### 致綠地香港控股有限公司股東

*(於開曼群島註冊成立的有限公司)*

### 意見

本行已審核載列於第173至336頁綠地香港控股有限公司(「**貴公司**」)及其子公司(統稱「**貴集團**」)的綜合財務報表，其包括於二零一九年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面利潤表、綜合權益變動表及綜合現金流量表、以及綜合財務報表的附註(包括重大會計政策概要)。

本行認為，綜合財務報表已根據國際會計準則理事會(「**國際會計準則理事會**」)頒佈的國際財務報告準則(「**國際財務報告準則**」)真實而公平地反映貴集團於二零一九年十二月三十一日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

### 意見的基準

本行已根據香港會計師公會(「**香港會計師公會**」)頒佈的香港審計準則(「**香港審計準則**」)進行審計。本行在該等準則下的責任已於本報告「核數師就審計綜合財務報表須承擔的責任」一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(以下簡稱「**守則**」)，本行獨立於貴集團，並已履行守則中的其他道德責任。本行相信，本行所獲得的審計憑證能充足及適當地為本行的審計意見提供基礎。

### 關鍵審計事項

關鍵審計事項為根據本行的專業判斷，認為對本期間綜合財務報表的審計最為重要的事項。該等事項於本行審計整體綜合財務報表及出具意見時處理，而本行不會對該等事項提供獨立的意見。

INDEPENDENT AUDITOR'S REPORT (Continued)  
獨立核數師報告(續)

<b>Key audit matters</b> <b>關鍵審計事項</b>	<b>How our audit addressed the key audit matter</b> <b>我們的審計如何處理關鍵審計事項</b>
<p><b>Valuation of investment properties</b> <b>投資物業估值</b></p> <p>We identified the valuation of investment properties as a key audit matter due to the key management judgement and estimations are required in determining the fair value of investment properties.</p> <p>Management has estimated the fair value of investment properties to be at approximately RMB7,754 million at 31 December 2019. A fair value gain of approximately RMB945 million is recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019, which included an amount of approximately RMB798 million realised during the year through the disposal of subsidiaries.</p> <p>我們識別了投資物業估值為關鍵審計事項，原因是釐定投資物業的公允價值時涉及主要管理人員的判斷及估計。</p> <p>於二零一九年十二月三十一日，管理層已估計投資物業的公允價值約為人民幣7,754,000,000元，並於截至二零一九年十二月三十一日止年度的綜合損益及其他全面利潤表內確認公允價值收益約人民幣945,000,000元，當中包括透過出售子公司而於年內變現的金額約人民幣798,000,000元。</p>	<p>Our procedures in relation to the valuation of investment properties included:</p> <ul style="list-style-type: none"> <li>Evaluating the competence, capabilities and objectivity of the Valuer.</li> </ul> <p>我們有關投資物業估值進行的程序包括：</p> <ul style="list-style-type: none"> <li>評估估值師的勝任能力、才幹及客觀程度。</li> </ul>

INDEPENDENT AUDITOR'S REPORT (Continued)  
獨立核數師報告(續)

**Key audit matters**

關鍵審計事項

**Valuation of investment properties (Continued)**

投資物業估值(續)

The Group has engaged the independent external valuer, Cushman & Wakefield ("C&W") (the "Valuer"), in assisting the management's estimation of the fair value of investment properties.

As disclosed in note 21 to the consolidated financial statements, fair value of investment properties under development are determined using direct comparison approach and fair value of completed investment properties are determined using income capitalisation approach. The revaluations are dependent on certain key inputs that require significant management estimation, including capitalisation rates, average unit market rent and average unit market price.

貴集團已聘請獨立外部估值師戴德梁行(「戴德梁行」)(「估值師」)協助管理層估計投資物業的公允價值。

誠如綜合財務報表附註21所披露，開發中投資物業的公允價值乃採用直接比較法釐定，而已建成投資物業的公允價值乃採用收益資本化法釐定。估值乃取決於若干涉及管理層作出重大估計的主要輸入數據，包括資本化比率、平均單位市場租金及平均單位市場價格。

**How our audit addressed the key audit matter**

我們的審計如何處理關鍵審計事項

- Obtaining the valuation report issued by the Valuer and evaluating the valuation methodology and approach in determining the fair value of investment properties. Obtaining the understanding on the key assumptions and evaluating the appropriateness of the key assumptions included within the valuations, the namely reversionary yield, including unit market rent rate and unit market price on a sample basis;
- Assessing the reasonableness of estimated costs to completion of investment properties under development by comparing, on a sample basis, the previous budgeted costs to actual development costs incurred, and checking to supporting documentation such as quantity surveyors reports and signed contracts; and
- Assessing the accuracy of the information provided by the management to the Valuer by agreeing the rental income and tenancy summary to the respective underlying tenancy agreements, on a sample basis.
- 取得估值師出具的估值報告，並評估用以釐定投資物業公允價值的估值方法及方式。了解主要假設，按抽樣基準評估估值包含的主要假設是否合適，即復歸收益率，包括單位市場租金及單位市場價格；
- 透過按抽樣基準將先前所預算成本與實際產生的開發成本進行比較，以評定發展中物業達至完工的預計成本是否合理，核查證明文件記錄(如工料測量報告及已簽署合約)；及
- 透過按抽樣基準核對租金收入及租賃概要是否與各相關租賃協議相符，以評定管理層向估值師提供之資料之準確程度。

INDEPENDENT AUDITOR'S REPORT (Continued)  
獨立核數師報告(續)

**Key audit matters**

**關鍵審計事項**

**Land appreciation tax provision**

**土地增值稅撥備**

We identified the land appreciation tax ("LAT") provision as a key audit matter due to the significant management judgement exercised by the Group in respect of its provision in accordance with the People's Republic of China (the "PRC") tax laws and regulations.

As disclosed in note 4 to the consolidated financial statements, the Group is subject to LAT in the PRC. The calculation of LAT are highly dependent on the appropriateness of the rates used, which are determined by the appreciation of land value. The appreciation of land value is determined with reference to proceeds of the properties less the estimated deductible expenditures, including the cost of land use rights and all property development expenditures. The Group estimated the deductible expenditures according to the understanding of the relevant PRC tax laws and regulations. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

As at 31 December 2019, the LAT payable amounted to approximately RMB1,133 million and the LAT recognised in the consolidated statement of profit or loss and other comprehensive income statement amounted to approximately RMB1,069 million for the year ended 31 December 2019.

我們識別土地增值稅(「土地增值稅」)撥備為關鍵審計事項，原因是貴集團根據中華人民共和國(「中國」)稅務法律及法規作出撥備，當中涉及管理層作出的重大判斷。

誠如綜合財務報表附註4所披露，貴集團須繳納中國土地增值稅。土地增值稅的計算十分視乎所用比率是否合適，而所用比率乃按土地價值的增加釐定。土地價值的增加乃參考物業所得款項減估計的可扣減開支釐定，包括土地使用權的成本及所有物業開發開支。貴集團根據中國相關稅務法律法規估計可扣減開支。最終稅務結果可能與初步記錄的有所不同，而差額將影響與地方稅局確定稅項當期內所得稅開支及相關所得稅撥備。

於二零一九年十二月三十一日，應付土地增值稅約為人民幣1,133,000,000元，而截至二零一九年十二月三十一日止年度綜合損益及其他全面利潤表內確認的土地增值稅約為人民幣1,069,000,000元。

**How our audit addressed the key audit matter**

**我們的審計如何處理關鍵審計事項**

Our procedures in relation to the provision for LAT included:

- Understanding the basis adopted by the management in respect of the principal assumptions and judgements made in arriving at the provision for LAT;
- Engaging tax specialist to evaluate LAT provision and potential exposures as at 31 December 2019;
- Assessing the Group's assumptions and judgements through our knowledge of the tax circumstances and tax regulation in the PRC and by examining tax filing records and review of correspondence with the tax authorities, where applicable;
- Checking the relevant financial information, such as proceeds from sales of properties, land costs, borrowing costs and the relevant property development expenditures, used in the calculation of provision for LAT to the Group's historical financial data; and
- Assessing the adequacy and appropriateness of the disclosures in respect to the provision for LAT for the year.

我們有關土地增值稅撥備的程序包括：

- 就計算土地增值稅撥備所用主要假設及判斷方面，了解管理層所採納基準；
- 委聘稅務專家評估二零一九年十二月三十一日的土地增值稅撥備及潛在風險；
- 通過我們對中國的稅務狀況及稅務法規的認識，以及藉著查核與稅務當局之間的報稅記錄及審閱與稅務當局之間的信函(倘適用)，評定貴集團的假設及判斷；
- 檢查用於計算土地增值稅撥備的相關財務資料，如銷售物業所得款項、土地成本、借貸成本及相關物業開發開支與本集團過往財務數據；及
- 評定年內土地增值稅撥備方面作出的披露的充足性及合適性。

INDEPENDENT AUDITOR'S REPORT (Continued)  
獨立核數師報告(續)

## OTHER INFORMATION

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

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

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

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

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

In preparing the consolidated financial statements, the directors of the Company 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 of the company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

## 其他資料

貴公司董事須對其他資料負責。其他資料包括年報內所載的資料，但不包括綜合財務報表及本行載於其中的核數師報告。

本行對綜合財務報表的意見並不涵蓋其他資料，本行亦不對該等其他資料發表任何形式的保證結論。

就本行對綜合財務報表的審計，本行的責任乃細閱其他資料，在此過程中，考慮其他資料與綜合財務報表或本行在審計過程中所知悉的情況是否存在重大抵觸或看似存在重大錯誤陳述。基於本行已執行的工作，倘本行認為其他資料存在重大錯誤陳述，本行需要報告該事實。本行就此並無任何事項須報告。

## 董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，並對貴公司董事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。

在編製綜合財務報表時，貴公司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，除非貴公司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。

治理層須負責監督貴集團的財務報告過程。



INDEPENDENT AUDITOR'S REPORT (Continued)  
獨立核數師報告(續)

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

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

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

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

## 核數師就審計綜合財務報表須承擔的責任

本行的目標乃對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本行意見的核數師報告，並按照協定的委聘條款僅向閣下(作為整體)報告，除此之外本報告別無其他目的。本行概不就本報告的內容對任何其他人士負責或承擔責任。合理保證為高水平的保證，但不能保證按照香港審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審計其中一環，本行在整個審核過程中運用專業判斷，保持專業懷疑態度。本行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，作為本行意見的基礎。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出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計在有關情況下屬適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。

## INDEPENDENT AUDITOR'S REPORT (Continued)

## 獨立核數師報告(續)

- Conclude on the appropriateness of the director of the Company's 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.
- 對貴公司董事採用持續經營會計基礎的適當性作出結論，並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。倘本行認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則修訂本行的意見。本行的結論乃基於直至核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營業務。
- 評估綜合財務報表的整體列報方式、結構及內容(包括披露)事項以及綜合財務報表是否公平反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足適當的審計憑證，以便對綜合財務報表發表意見。本行負責貴集團審計的方向、監督及執行。本行為審計意見承擔全部責任。

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

本行與治理層溝通審計的計劃範圍及時間以及重大審計發現等，其中包括本行在審計中識別出內部控制的任何重大不足之處。

**INDEPENDENT AUDITOR'S REPORT** *(Continued)*  
**獨立核數師報告** *(續)*

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

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

The engagement partner on the audit resulting in the independent auditor's report is Li Kin Fai.

本行亦向治理層提交聲明，表明本行已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響本行獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施。

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

出具獨立核數師報告的審計項目合夥人為李建輝。

**Deloitte Touche Tohmatsu***Certified Public Accountants*

Hong Kong

17 April 2020

**德勤•關黃陳方會計師行***執業會計師*

香港

二零二零年四月十七日

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面利潤表

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

			<b>2019</b>	2018
		NOTES	<b>二零一九年</b>	二零一八年
		附註	<b>RMB'000</b>	RMB'000
			<b>人民幣千元</b>	人民幣千元
<b>Revenue</b>	<b>收益</b>	5	<b>17,662,136</b>	15,444,246
Cost of sales	銷售成本		<b>(12,207,094)</b>	(11,306,122)
<b>Gross profit</b>	<b>毛利</b>		<b>5,455,042</b>	4,138,124
Other income	其他收入	7	<b>31,137</b>	29,346
Other gains and losses	其他收益及虧損	8	<b>(211,094)</b>	(659,896)
Selling and marketing costs	銷售及市場推廣成本		<b>(774,076)</b>	(811,226)
Administrative expenses	行政費用		<b>(702,752)</b>	(529,847)
Other operating expenses	其他經營開支		<b>(61,643)</b>	(47,817)
Impairment loss under expected credit loss model	預期信貸虧損模式 項下減值虧損		<b>(67,497)</b>	(133,529)
Gain on disposal of interests in subsidiaries	出售子公司權益的收益	49	<b>1,185,595</b>	487,691
Finance income	融資收入	9	<b>71,655</b>	73,195
Finance costs	融資成本	10	<b>(264,227)</b>	(187,488)
Share of losses of associates	應佔聯營公司虧損		<b>(24,049)</b>	(15,354)
Share of profits of joint ventures	應佔合營企業溢利		<b>14,743</b>	161,431
Gain on changes in fair value of investment properties	投資物業公允價值 變動收益	21	<b>945,466</b>	1,226,688
Profit before tax	除稅前溢利		<b>5,598,300</b>	3,731,318
Income tax expenses	所得稅開支	11	<b>(2,557,163)</b>	(1,750,378)
<b>Profit for the year</b>	<b>年內溢利</b>	12	<b>3,041,137</b>	1,980,940



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2019  
於二零一九年十二月三十一日

	NOTES 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>ASSETS</b>	<b>資產</b>		
<b>Non-Current Assets</b>	<b>非流動資產</b>		
Investment properties	投資物業	21 <b>7,754,000</b>	13,083,000
Property, plant and equipment	物業、廠房及設備	17 <b>1,159,218</b>	1,208,629
Intangible assets	無形資產	18 <b>1,206</b>	1,251
Right-of-use assets	使用權資產	19 <b>78,833</b>	–
Land use rights	土地使用權	19 <b>–</b>	69,315
Equity instruments at fair value through other comprehensive income (“FVTOCI”)	按公允價值列賬於其他全面收入 (「按公允價值列賬於其他全面收入」) 的股權工具	20 <b>312,315</b>	294,340
Properties under development	發展中物業	22 <b>–</b>	13,194,256
Interests in associates	聯營公司權益	23 <b>197,817</b>	206,554
Interests in joint ventures	合營企業權益	24 <b>634,087</b>	619,344
Deferred tax assets	遞延稅項資產	31 <b>506,320</b>	644,169
Restricted bank deposits	受限制銀行存款	29 <b>398,400</b>	–
<b>Total non-current assets</b>	<b>非流動資產總額</b>	<b>11,042,196</b>	29,320,858
<b>Current Assets</b>	<b>流動資產</b>		
Properties under development	發展中物業	22 <b>44,391,733</b>	25,083,825
Completed properties held for sale	已建成交售物業	22 <b>8,941,822</b>	10,170,401
Trade and other receivables and advance deposits	應收賬款及 其他應收款項及預付按金	25 <b>23,023,419</b>	17,538,455
Tax recoverable	可收回稅項	26 <b>1,169,385</b>	944,494
Contract assets	合同資產	27 <b>649,843</b>	839,997
Contract costs	合同成本	28 <b>122,247</b>	54,962
Financial assets at fair value through profit and loss (“FVTPL”)	按公允價值列賬於損益 (「按公允價值列賬於 損益」)的金融資產	<b>6,397</b>	–
Restricted bank deposits	受限制銀行存款	29 <b>2,354,538</b>	2,217,430
Bank balances and cash	銀行結餘及現金	30 <b>7,568,342</b>	4,059,778
<b>Total current assets</b>	<b>流動資產總額</b>	<b>88,227,726</b>	60,909,342
<b>Total assets</b>	<b>資產總額</b>	<b>99,269,922</b>	90,230,200
<b>EQUITY AND LIABILITIES</b>	<b>權益及負債</b>		
<b>Capital And Reserves</b>	<b>資本及儲備</b>		
Share capital	股本	39 <b>1,132,097</b>	1,132,097
Reserves	儲備	40 <b>11,326,416</b>	9,330,298
Equity attributable to owners of the Company	本公司擁有人應佔權益	<b>12,458,513</b>	10,462,395
Perpetual securities	永久證券	41 <b>788,208</b>	787,823
Non-controlling interests	非控股權益	<b>3,344,717</b>	2,694,520
<b>Total equity</b>	<b>權益總額</b>	<b>16,591,438</b>	13,944,738

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

## 綜合財務狀況表(續)

As at 31 December 2019  
於二零一九年十二月三十一日

		NOTES 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>LIABILITIES</b>	<b>負債</b>			
<b>Non-Current Liabilities</b>	<b>非流動負債</b>			
Lease liabilities	租賃負債	35	1,042	–
Interest-bearing loans	計息貸款	32	6,399,050	9,475,268
Bonds	債券	36	2,087,795	1,367,416
Deferred tax liabilities	遞延稅項負債	31	1,477,795	1,822,577
<b>Total non-current liabilities</b>	<b>非流動負債總額</b>		<b>9,965,682</b>	12,665,261
<b>Current Liabilities</b>	<b>流動負債</b>			
Lease liabilities	租賃負債	35	9,974	–
Trade and other payables	應付賬款及其他應付款項	33	33,359,042	29,485,687
Contract liabilities	合同負債	34	32,246,672	24,511,228
Tax payable	應付稅項		2,194,891	1,963,342
Interest-bearing loans	計息貸款	32	3,508,742	3,209,345
Bonds	債券	36	1,393,481	4,450,599
<b>Total current liabilities</b>	<b>流動負債總額</b>		<b>72,712,802</b>	63,620,201
<b>Total liabilities</b>	<b>負債總額</b>		<b>82,678,484</b>	76,285,462
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>99,269,922</b>	90,230,200
<b>Net current assets (liabilities)</b>	<b>流動資產(負債)淨額</b>		<b>15,514,924</b>	(2,710,859)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>26,557,120</b>	26,609,999

The consolidated financial statements on page 173 to 336 were approved and authorised for issue by the board of directors on 17 April 2020 and are signed on its behalf by:

第173至336頁的綜合財務報表於二零二零年四月十七日獲董事會批准及授權刊發，並由以下代表簽署：

**Chen Jun**

陳軍

Chairman of the Board of Directors and Chief Executive Officer  
董事會主席兼行政總裁

**Hou Guangjun**

侯光軍

Chief Operation Officer  
首席營運官

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

	Attributable to owners of the Company 本公司擁有人應佔										Attributable to non-controlling interests 非控股權益應佔	Total 合計
	Share capital 股本	Shares premium 股份溢價	Shares held for share award scheme 股份獎勵計劃所授股份	Merger reserves 合併儲備	Capital redemption reserves 贖回儲備	PRC statutory reserves 中國法定儲備	FYOCI reserves 按公允價值列賬於其他全面收入的儲備	Retained earnings 保留盈利	Subtotal 小計	Perpetual securities 永久證券		
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>At 1 January 2019</b>	1,132,097	3,412,872	(49,279)	455,392	1,231	641,585	89,830	4,778,667	10,462,395	787,823	2,694,520	13,944,738
Profit for the year	-	-	-	-	-	-	-	2,473,818	2,473,818	46,565	520,754	3,041,137
Other comprehensive income	-	-	-	-	-	-	13,482	-	13,482	-	-	13,482
<b>Total comprehensive income</b>	-	-	-	-	-	-	13,482	2,473,818	2,487,300	46,565	520,754	3,054,619
Acquisition of subsidiaries (note 48)	-	-	-	-	-	-	-	-	-	-	6,300	6,300
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	(3,500)	(3,500)
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	283,332	283,332
Dividends recognised as distribution	-	-	-	-	-	-	-	(491,182)	(491,182)	-	(156,689)	(647,871)
Dividends paid to perpetual securities (note 41)	-	-	-	-	-	-	-	-	-	(46,180)	-	(46,180)
Transfer to reserves	-	-	-	-	-	321,874	-	(321,874)	-	-	-	-
<b>As at 31 December 2019</b>	1,132,097	3,412,872	(49,279)	455,392	1,231	963,459	103,312	6,439,429	12,458,513	788,208	3,344,717	16,591,438



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)  
綜合權益變動表(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

	Attributable to owners of the Company 本公司擁有人應佔										Attributable to non-controlling interests 非控股權益	Total 合計
	Share capital 股本	Shares premium 股份溢價	Shares held for share award scheme 股份獎勵計劃所持股份	Merger reserves 合併儲備	Capital redemption reserves 資本贖回儲備	PRC statutory reserves 中國法定儲備	FVTOCI reserves 按公允價值列賬於其他全面收入	Retained earnings 保留盈利	Subtotal 小計	Perpetual securities 永久證券		
<b>At 1 January 2018 (audited)</b> 於二零一八年一月一日 (經審核)	1,132,855	3,416,546	49,279	455,392	1,231	554,550	-	3,560,011	9,071,306	787,823	1,725,761	11,584,890
Adjustments 調整	-	-	-	-	-	-	5,575	45,767	(40,192)	-	1,804	(38,388)
<b>At 1 January 2018 (restated)</b> 於二零一八年一月一日 (經重列)	1,132,855	3,416,546	49,279	455,392	1,231	554,550	5,575	3,514,244	9,031,114	787,823	1,727,565	11,546,502
Profit for the year 年內溢利	-	-	-	-	-	-	-	1,736,288	1,736,288	-	244,652	1,980,940
Other comprehensive income 其他全面收入	-	-	-	-	-	-	84,255	-	84,255	-	-	84,255
<b>Total comprehensive income</b> 全面收入總額	-	-	-	-	-	-	84,255	1,736,288	1,820,543	-	244,652	2,065,195
Acquisition of subsidiaries 收購子公司	-	-	-	-	-	-	-	-	-	-	585,085	585,085
Capital contribution from non-controlling shareholders of subsidiaries 子公司非控股股東出資	-	-	-	-	-	-	-	-	-	-	225,218	225,218
Dividends recognised as distribution 確認為分派的股息	-	-	-	-	-	-	-	(342,114)	(342,114)	-	(88,000)	(430,114)
Dividends paid to perpetual securities 已付永久證券的股息	-	-	-	-	-	-	-	(42,716)	(42,716)	-	-	(42,716)
Repurchase of shares 購回股份	(758)	(3,674)	-	-	-	-	-	-	(4,432)	-	-	(4,432)
Transfer to reserves 轉撥至儲備	-	-	-	-	-	87,035	-	(87,035)	-	-	-	-
<b>As at 31 December 2018</b> 於二零一八年十二月三十一日	1,132,097	3,412,872	49,279	455,392	1,231	641,585	89,830	4,778,667	10,462,395	787,823	2,694,520	13,944,738

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

		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
<b>OPERATING ACTIVITIES</b>	<b>經營活動</b>		
Profit before tax	除稅前溢利	<b>5,598,300</b>	3,731,318
Adjustments for:	調整項目：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>85,699</b>	89,003
Amortisation of intangible assets	無形資產攤銷	<b>45</b>	45
Amortisation of land use rights	土地使用權攤銷	<b>-</b>	1,395
Amortisation of right-of-use assets	使用權資產攤銷	<b>15,089</b>	-
Gains on the change in fair value of investment properties	投資物業公允價值變動收益	<b>(945,466)</b>	(1,226,688)
(Gains) losses from financial assets at FVTPL	按公允價值列賬於損益的金融資產的(收益)虧損	<b>(7,321)</b>	15,247
Foreign exchange loss	匯兌虧損	<b>223,488</b>	655,459
Write-down of completed properties held for sale	已建成待售物業撇減	<b>315,333</b>	-
Impairment loss of contract assets	合同資產減值虧損	<b>(317)</b>	1,403
Impairment loss of trade and other receivables	應收賬款及其他應收款項減值虧損	<b>67,814</b>	132,126
Finance income	融資收入	<b>(71,655)</b>	(73,195)
Finance costs	融資成本	<b>264,227</b>	187,488
Share of losses of associates	應佔聯營公司虧損	<b>24,049</b>	15,354
Share of profits of joint ventures	應佔合營企業溢利	<b>(14,743)</b>	(161,431)
Gain on disposal of interests in subsidiaries	出售子公司權益的收益	<b>(1,185,595)</b>	(487,691)
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益淨額	<b>(246)</b>	(10,810)
<b>Operating cash flows before movements in working capital</b>	<b>營運資金變動前的經營現金流量</b>	<b>4,368,701</b>	2,869,023
Increase in trade and other receivables and advance deposits	應收賬款及其他應收款項及預付按金增加	<b>(7,022,315)</b>	(525,066)
Decrease (increase) in contract assets	合同資產減少(增加)	<b>190,471</b>	(841,400)
Increase in contract costs	合同成本增加	<b>(67,285)</b>	(30,552)
Increase in properties under development and completed properties held for sale	發展中物業及已建成待售物業增加	<b>(6,289,739)</b>	(11,747,784)
Increase in contract liabilities	合同負債增加	<b>7,148,903</b>	8,059,477
Increase in trade and other payables	應付賬款及其他應付款項增加	<b>11,819,056</b>	4,997,257
Net cash generated from operation	營運所得現金淨額	<b>10,147,792</b>	2,780,955
Income tax paid	已付所得稅	<b>(2,147,125)</b>	(1,624,854)
<b>Net cash from operating activities</b>	<b>經營活動所得現金淨額</b>	<b>8,000,667</b>	1,156,101

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)  
綜合現金流量表(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

		Notes	2019	2018
		附註	二零一九年 RMB'000 人民幣千元	二零一八年 RMB'000 人民幣千元
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>			
Interest received	已收利息		<b>85,743</b>	86,315
Proceeds from disposal of interests in subsidiaries	出售子公司權益所得款項	49	<b>622,075</b>	925,807
Proceeds from disposal of investment properties and property, plant and equipment	出售投資物業以及物業、廠房及設備所得款項		<b>334,079</b>	36,803
Net settlement of foreign currency forward contracts	結付外幣遠期合約淨額		<b>924</b>	(113,425)
Withdrawal of restricted bank deposits	提取受限制銀行存款		<b>433,412</b>	4,222,001
Deposit of restricted bank deposits	存放受限制銀行存款		<b>(968,920)</b>	(4,037,936)
Amounts advance to related parties	預付關聯方款項		<b>(2,462,429)</b>	(9,443,780)
Amounts advance to non-controlling shareholders	預付非控股股東款項		<b>(652,354)</b>	(587,693)
Repayment from related parties	關聯方還款		<b>1,999,320</b>	1,470,962
Repayment from non-controlling shareholders	非控股股東還款		<b>465,867</b>	299,325
Consideration received for disposal of subsidiaries in prior year	已收上年度出售子公司的代價		<b>616,800</b>	-
Acquisition of associates	收購聯營公司		<b>(29,400)</b>	-
Acquisition of subsidiaries	收購子公司	48	<b>(24,559)</b>	(1,626,521)
Withdrawal of capital contribution from a joint venture	撤回向一家合營企業出資		-	228,500
Capital injection to associates	向聯營公司注資		-	(228,944)
Acquisition of investment properties	收購投資物業		<b>(646,923)</b>	(1,281,181)
Acquisition of land use right	收購土地使用權		-	(2,067)
Acquisition of property, plant and equipment	收購物業、廠房及設備		<b>(32,222)</b>	(71,221)
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>		<b>(258,587)</b>	(10,123,055)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)  
綜合現金流量表(續)

For the year ended 31 December 2019  
截至二零一九年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
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Interest-bearing loans raised	所籌得計息貸款	7,070,413	4,856,634
Proceeds from issuance of bonds	發行債券所得款項	2,071,211	2,684,863
Repayments of leases liabilities	償還租賃負債	(14,264)	-
Transaction cost paid on issuance of bonds	已付發行債券交易成本	(6,401)	(9,631)
Capital contribution from non-controlling shareholders	非控股股東出資	283,332	225,218
Liquidation of a subsidiary	一家子公司清盤	(3,500)	-
Advance from related parties	來自關聯方預付款	196,150	7,570,042
Advance from non-controlling shareholders	來自非控股股東預付款	775,375	1,611,204
Repayment to related parties	向關聯方還款	(1,807,733)	(884,769)
Repayment to non-controlling shareholders	向非控股股東還款	(113,220)	(693,306)
Repayment of bonds	償還債券	(4,474,800)	(4,146,640)
Repayment of interest-bearing loans	償還計息貸款	(6,560,826)	(2,224,955)
Dividend paid	已付股息	(491,182)	(342,114)
Perpetual securities dividend paid	已付永久證券的股息	(46,180)	(42,716)
Dividend paid to a non-controlling shareholder	向非控股股東派付股息	(156,689)	(88,000)
Interest paid	已付利息	(1,001,333)	(1,017,040)
Payment on repurchase of shares	購回股份付款	-	(4,432)
<b>Net cash (used in) from financing activities</b>	<b>融資活動(所用)所得現金淨額</b>	<b>(4,279,647)</b>	7,494,358
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>現金及現金等價物增加(減少)淨額</b>	<b>3,462,433</b>	(1,472,596)
<b>Cash and cash equivalents at 1 January</b>	<b>於一月一日的現金及現金等價物</b>	<b>4,059,778</b>	5,455,227
Effect of foreign exchange rate changes	匯率變動的影響	46,131	77,147
<b>Cash and cash equivalents at 31 December, represented by bank balances and cash</b>	<b>於十二月三十一日的現金及現金等價物由銀行結餘及現金列示</b>	<b>7,568,342</b>	4,059,778

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 1. GENERAL INFORMATION

Greenland Hong Kong Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 13 April 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 2007, as consolidated and revised) of the Cayman Islands and its share are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”).

Greenland Holdings Corporation Limited (“**Greenland Holdings**”) is the ultimate controlling shareholder of the Company. The address of the Company’s registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies, and principal place of business of the Company is No. 193 Xiehe Road, Changning District, Shanghai, China.

The Company is an investment holding company. The principal activity of its subsidiaries (together with the Company referred to as the “**Group**”) is the development for sale and rental of residential properties in the People’s Republic of China (the “**PRC**”) and the operation of hotels.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

#### New and Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board (“**IASB**”) for the first time in the current year.

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 1. 一般資料

綠地香港控股有限公司(「**本公司**」)於二零零六年四月十三日根據開曼群島公司法第22章(二零零七年經合併及修訂的第3條法例)在開曼群島註冊成立為受豁免有限公司，而其股份在香港聯合交易所有限公司(「**香港聯交所**」)主板上市。

綠地控股集團股份有限公司(「**綠地控股**」)為本公司的最終控股股東。本公司的註冊辦事處地址為Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies，及本公司的主要營業地點位於中國上海市長寧區協和路193號。

本公司為投資控股公司，其子公司(連同本公司統稱「**本集團**」)的主要業務為在中華人民共和國(「**中國**」)開發住宅物業以供銷售及出租以及經營酒店。

綜合財務報表以人民幣(「**人民幣**」)呈列，人民幣亦為本公司的功能貨幣。

### 2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂

#### 本年度強制生效的新訂國際財務報告準則及其修訂

本集團已於本年度首次應用下列由國際會計準則理事會(「**國際會計準則理事會**」)所頒佈的新訂國際財務報告準則及其修訂。

國際財務報告準則第16號	租賃
國際財務報告詮釋委員會第23號	所得稅處理的不確定性
國際財務報告準則第9號的修訂	具負補償特性的提早還款
國際會計準則第19號的修訂	計劃修訂、縮減或支付
國際會計準則第28號的修訂	於聯營公司及合營企業的長期權益
國際財務報告準則的修訂	國際財務報告準則二零一五年至二零一七年週期的年度改進

除下文所述者外，於本年度應用新訂國際財務報告準則及其修訂並無對本集團本年度及過往年度財務狀況及表現及/或該等綜合財務報表所載披露資料產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

### New and Amendments to IFRSs that are mandatorily effective for the current year (Continued)

#### 2.1 IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current year. IFRS 16 superseded IAS 17 *Leases* (“IAS 17”), and the related interpretations.

##### Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after January 1, 2019, the Group applies the definition of a lease in accordance with the requirements set out in IFRS 16 in assessing whether a contract contains a lease.

##### As a lessee

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying IFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained earnings and comparative information has not been restated.

## 2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂(續)

### 本年度強制生效的新訂國際財務報告準則及其修訂(續)

#### 2.1 國際財務報告準則第16號租賃

本集團已於本年度首次應用國際財務報告準則第16號。國際財務報告準則第16號取代國際會計準則第17號租賃(「國際會計準則第17號」)及相關詮釋。

##### 租賃的定義

本集團已選用實際可行權宜方法，將國際財務報告準則第16號應用於先前根據國際會計準則第17號及國際財務報告詮釋委員會第4號決定一項安排是否包含租賃識別為租賃的合約，而不會就先前未識別為包含租賃的合約應用此準則。因此，本集團尚未重新評估於首次應用日期之前已存在的合約。

就於二零一九年一月一日或之後訂立或修訂的合約而言，本集團於評估合約是否包含租賃時根據國際財務報告準則第16號所載規定應用租賃的定義。

##### 作為承租人

本集團已追溯應用國際財務報告準則第16號，並於首次應用日期二零一九年一月一日確認累計影響。

於二零一九年一月一日，本集團按相等於相關租賃負債的金額確認額外租賃負債及使用權資產，並應用國際財務報告準則第16號C8(b)(ii)過渡就任何預付或應計租賃付款作出調整。於首次應用日期的任何差額於期初保留盈利確認，且並無重列比較資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

### New and Amendments to IFRSs that are mandatorily effective for the current year (Continued)

#### 2.1 IFRS 16 Leases (Continued)

As a lessee (Continued)

When applying the modified retrospective approach under IFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under IAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. relied on the assessment of whether leases are onerous by applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative of impairment review;
- ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and
- iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is from 4.74% to 6.65%.

## 2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂(續)

### 本年度強制生效的新訂國際財務報告準則及其修訂(續)

#### 2.1 國際財務報告準則第16號租賃(續) 作為承租人(續)

於過渡期間應用國際財務報告準則第16號項下經修訂追溯法時，本集團將以下實際可行權宜方法應用於先前根據國際會計準則第17號分類為經營租賃的租賃(按個別租賃基準並以相關租賃合約所涉及範圍為限)：

- i. 應用國際會計準則第37號撥備、或然負債及或然資產評估租賃是否繁重，以此作為減值檢討的替代方法；
- ii. 選擇不就租期於首次應用日期起12個月內結束的租賃確認使用權資產及租賃負債；及
- iii. 於首次應用日期計量使用權資產時撇除初始直接成本。

倘就先前分類為經營租賃的租賃確認租賃負債，本集團已於首次應用日期應用相關集團實體的增量借款利率。已採用的加權平均增量借款利率介乎4.74%至6.65%。

		At 1 January 2019 於二零一九年 一月一日 RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承擔	30,340
Lease liabilities discounted at relevant incremental borrowing rates	按相關增量借款利率貼現的租賃負債	29,282
Less: recognition exemption – short-term leases	減：確認豁免－短期租賃	(8,391)
Lease liabilities as at 1 January 2019	於二零一九年一月一日的租賃負債	20,891
Analysed as	分析如下	
Current	即期	12,755
Non-current	非即期	8,136
		20,891

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

### New and Amendments to IFRSs that are mandatorily effective for the current year (Continued)

#### 2.1 IFRS 16 Leases (Continued)

As a lessee (Continued)

The carrying amount of right-of-use assets for own use as at 1 January 2019 comprises the following:

		Right-of-use assets 使用權資產 RMB'000 人民幣千元
Right-of-use assets relating to operating leases recognised upon application of IFRS 16	於應用國際財務報告準則第16號後 確認有關經營租賃的使用權資產	20,891
Reclassified from land use rights (Note)	自土地使用權重新分類(附註)	69,315
		90,206
By class:	按類別劃分:	
Leasehold lands and buildings	租賃土地及樓宇	89,792
Office equipment	辦公設備	414
		90,206

Note: Upfront payments for leasehold lands in the PRC for own used properties were classified as prepaid lease payments as at 31 December 2018. Upon application of IFRS 16, land use rights amounting to RMB69,315,000 were reclassified to right-of-use assets.

## 2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂(續)

### 本年度強制生效的新訂國際財務報告準則及其修訂(續)

#### 2.1 國際財務報告準則第16號租賃(續)

作為承租人(續)

於二零一九年一月一日自用的使用權資產賬面值包括下列各項:

附註: 中國自用物業的租賃土地所涉及前期付款於二零一八年十二月三十一日分類為預付租賃款項。應用國際財務報告準則第16號後, 人民幣69,315,000元土地使用權重新分類為使用權資產。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

### New and Amendments to IFRSs that are mandatorily effective for the current year (Continued)

#### 2.1 IFRS 16 Leases (Continued)

As a lessor

In accordance with the transitional provisions in IFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with IFRS 16 from the date of initial application and comparative information has not been restated.

Upon application of IFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group’s consolidated statement of financial position at 1 January 2019. However, effective 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.

Before application of IFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which IAS 17 applied under trade and other payables. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition. However, the management considered that the impact on the Group’s consolidated statement of financial position at 1 January 2019 is insignificant.

## 2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂(續)

### 本年度強制生效的新訂國際財務報告準則及其修訂(續)

#### 2.1 國際財務報告準則第16號租賃(續)

作為出租人

根據國際財務報告準則第16號的過渡條文，本集團毋須於過渡時就本集團為出租人的租賃作出任何調整，惟須自首次應用日期起根據國際財務報告準則第16號入賬該等租賃，且並無重列比較資料。

應用國際財務報告準則第16號後，有關現有租賃合約項下同一相關資產的已訂立但於首次應用日期後開始的新租賃合約將予入賬，猶如現有租賃於二零一九年一月一日獲修訂。有關應用對本集團於二零一九年一月一日的綜合財務狀況表並無任何影響。然而，自二零一九年一月一日起，有關經修訂租期於修訂後的租賃付款按直線法於經延長租期內確認為收入。

應用國際財務報告準則第16號前，已收取可退回租金按金被視為應付賬款及其他應付款項項下應用國際會計準則第17號的租賃項下權利及義務。根據國際財務報告準則第16號項下租賃付款的定義，該等按金並非與使用權資產有關的付款，並經調整以反映於過渡時的貼現影響。然而，管理層認為，對本集團於二零一九年一月一日的綜合財務狀況表的影響微不足道。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

### New and Amendments to IFRSs that are mandatorily effective for the current year (Continued)

#### 2.2 Impacts on each financial statement line item arising from the application of all new standards

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

## 2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂(續)

### 本年度強制生效的新訂國際財務報告準則及其修訂(續)

#### 2.2 因應用所有新訂準則而對各財務報表項目造成的影響

已對於二零一九年一月一日的綜合財務狀況表中確認的金額作出以下調整。並無納入未受有關變動影響的項目。

		Carrying amounts previously reported at 31 December 2018	Adjustments	Carrying amounts under IFRS 16 at 1 January 2019
		先前於二零一八年十二月三十一日報告的賬面值	調整	根據國際財務報告準則第16號計算於二零一九年一月一日的賬面值
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
		(Audited)		(Restated)
		(經審核)		(經重列)
<b>Non-current Assets</b>	<b>非流動資產</b>			
Land use rights	土地使用權	69,315	(69,315)	–
Right-of-use assets	使用權資產	–	90,206	90,206
<b>Non-current Liabilities</b>	<b>非流動負債</b>			
Lease Liabilities	租賃負債	–	8,136	8,136
<b>Current Liabilities</b>	<b>流動負債</b>			
Lease Liabilities	租賃負債	–	12,755	12,755

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 January 2019 as disclosed above.

附註：就報告截至二零一九年十二月三十一日止年度根據間接法計算的經營活動所得現金流量而言，營運資金的變動已依據上文所披露於二零一九年一月一日的期初綜合財務狀況表計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

### New and amendments to IFRSs in issue but not yet effective:

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

IFRS 17	Insurance Contracts <sup>1</sup>
Amendments to IFRS 3	Definition of a Business <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>5</sup>
Amendments to IAS 1 and IAS 8	Definition of Material <sup>4</sup>
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform <sup>4</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2021.
- <sup>2</sup> Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
- <sup>3</sup> Effective for annual periods beginning on or after a date to be determined.
- <sup>4</sup> Effective for annual periods beginning on or after 1 January 2020.
- <sup>5</sup> Effective for annual periods beginning on or after 1 January 2022.

In addition to the above new and amendments to IFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the *Amendments to References to the Conceptual Framework in IFRS Standards*, will be effective for annual periods beginning on or after 1 January 2020.

Except as described below, the directors of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

## 2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂(續)

### 已頒佈但尚未生效的新訂國際財務報告準則及其修訂：

本集團並無提早應用下列已頒佈但尚未生效的新訂國際財務報告準則及其修訂：

國際財務報告準則第17號	保險合約 <sup>1</sup>
國際財務報告準則第3號	業務的定義 <sup>2</sup>
國際財務報告準則第10號及國際會計準則第28號的修訂	投資者與其聯營公司或合營企業之間出售或注入資產 <sup>3</sup>
國際會計準則第1號的修訂	負債分類為流動或非流動 <sup>5</sup>
國際會計準則第1號及國際會計準則第8號的修訂	重大的定義 <sup>4</sup>
國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號的修訂	利率基準改革 <sup>4</sup>

- <sup>1</sup> 於二零二一年一月一日或之後開始的年度期間生效。
- <sup>2</sup> 就收購日期為二零二零年一月一日或之後開始的首個年度期間開始時或之後的業務合併及資產收購生效。
- <sup>3</sup> 於待定期或之後開始的年度期間生效。
- <sup>4</sup> 於二零二零年一月一日或之後開始的年度期間生效。
- <sup>5</sup> 於二零二二年一月一日或之後開始的年度期間生效。

除上述新訂國際財務報告準則及其修訂外，經修訂財務報告概念框架已於二零一八年頒佈。其後續修訂(國際財務報告準則中對概念框架的提述的修訂)將於二零二零年一月一日或之後開始的年度期間生效。

除下述者外，本公司董事預計，應用新訂國際財務報告準則及其修訂將不會對可預見將來的綜合財務報表造成任何重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

### Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgements. In particular, the amendments:

- include the concept of “obscuring” material information in which the effect is similar to omitting or misstating the information;
- replace threshold for materiality influencing users from “could influence” to “could reasonably be expected to influence”; and
- include the use of the phrase “primary users” rather than simply referring to “users” which was considered too broad when deciding what information to disclose in the financial statements.

The amendments also align the definition across all IFRSs and will be mandatorily effective for the Group’s annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

## 2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂(續)

### 國際會計準則第1號及國際會計準則第8號重大定義之修訂

該等修訂通過納入在作出重要性判斷方面的額外指引及解釋，改進了重大的定義。該等修訂尤其：

- 包含「掩蓋」重要資料的概念，其與遺漏或誤報資料有類似效果；
- 就影響使用者重要性的範圍以「可合理預期影響」取代「可影響」；及
- 包含使用詞組「主要使用者」，而非僅指「使用者」，於決定於財務報表披露何等資料時，該用語被視為過於廣義。

該等修訂亦符合所有國際財務報告準則的定義，並將在本集團於二零二零年一月一日開始的年度期間強制生效。預期應用該等修訂不會對本集團的財務狀況及表現產生重大影響，惟可能會影響綜合財務報表的呈列及披露。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Continued)

### Conceptual Framework for Financial Reporting 2018 (the “New Framework”) and the Amendments to References to the Conceptual Framework in IFRS Standards

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;
- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Consequential amendments have been made so that references in certain IFRSs have been updated to the New Framework, whilst some IFRSs are still referred to the previous versions of the framework. These amendments are effective for annual periods beginning on or after 1 January 2020, with earlier application permitted. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

## 2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂(續)

### 二零一八年財務報告概念框架(「新框架」)及國際財務報告準則中對概念框架的提述的修訂

新框架：

- 重新引入監管及審慎等字眼；
- 引入以權利為重點的新資產定義及可能較其取代的定義更為廣泛的新負債定義，但並無改變區分負債與股權工具的方式；
- 討論過往成本及現值計量方法，並就如何為特定資產或負債選擇計量基準提供額外指引；
- 指出財務表現的主要計量指標為損益，且僅於特殊情況下會使用其他全面收入，及僅用於資產或負債現值變動所產生的收入或開支；及
- 討論不確定性、取消確認、會計單位、報告實體及合併財務報表。

已作出相應修訂以將若干國際財務報告準則中的提述更新為新框架，而若干國際財務報告準則仍然會提述該框架的先前版本。該等修訂於二零二零年一月一日或之後開始的年度期間生效，並允許提前應用。除仍然提述該框架先前版本的特定準則外，本集團將於其生效日期按新框架釐定會計政策，特別是並無按會計準則處理的交易、事件或情況。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**3. SIGNIFICANT ACCOUNTING POLICIES****Statement of compliance**

The consolidated financial statements have been prepared in accordance with IFRSs issued by IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

**Fair value and historical cost**

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are accounted for in accordance with IFRS 16 (since 1 January 2019) or IAS 17 (before application of IFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

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

**3. 重大會計政策****合規聲明**

綜合財務報表乃根據國際會計準則理事會所頒佈的國際財務報告準則編製而成。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則(「**上市規則**」)及香港公司條例所規定的適用披露資料。

**公允價值及歷史成本**

綜合財務報表乃根據歷史成本基準編製而成，惟若干金融工具及投資物業於報告期末乃按下文所載會計政策所闡釋以公允價值計量。

歷史成本一般根據就交換貨品及服務而付出的代價公允價值計算。

公允價值為於計量日期市場參與者於有序交易中出售資產所收取或轉讓負債所支付的價格，而不論該價格是直接觀察所得亦或運用另一估值技術估計得出。在估計資產或負債的公允價值時，本集團會考慮市場參與者於計量日期為該資產或負債進行定價時將會考慮的該等特徵。在該等綜合財務報表中計量及披露的公允價值均在此基礎上予以釐定，但根據國際財務報告準則第16號(自二零一九年一月一日起)或國際會計準則第17號(應用國際財務報告準則第16號之前)入賬處理的租賃交易以及與公允價值有若干類似之處但並非公允價值的計量(例如國際會計準則第2號存貨中的可變現淨值或國際會計準則第36號資產減值中的使用價值)除外。

非金融資產的公允價值計量會考慮市場參與者以最高及最佳效用使用該資產而獲得經濟利益或將該資產售予另一名會以最高及最佳效用使用該資產的市場參與者而獲得經濟利益的能力。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Fair value and historical cost (Continued)

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

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

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

The principal accounting policies are set out below.

#### Basis of consolidation

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

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

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

### 3. 重大會計政策(續)

#### 公允價值及歷史成本(續)

就按公允價值進行交易的金融工具及投資物業以及將於隨後期間使用不可觀察輸入數據計量公允價值的估值技術而言，有關估值技術將予以調整，以使於首次確認時的估值技術結果相等於交易價。

此外，就財務報告而言，公允價值計量根據公允價值計量的輸入數據可觀察性及公允價值計量的輸入數據對其整體的重要性分類為第一層次、第二層次或第三層次，詳情如下：

- 第一層次輸入數據為實體於計量日期可以取得的相同資產或負債於活躍市場的報價(未經調整)；
- 第二層次輸入數據為就資產或負債直接或間接地可觀察的輸入數據(第一層次內包括的報價除外)；及
- 第三層次輸入數據為資產或負債的不可觀察輸入數據。

下文載列主要會計政策。

#### 合併基準

綜合財務報表合併本公司以及受本公司及其子公司控制實體的財務報表。本公司獲得控制權，倘其：

- 可對投資對象行使權力；
- 參與投資對象業務所得可變回報涉及風險或權利；及
- 能運用其權力影響其回報。

倘有事實及情況顯示上文所列三項控制權要素其中一項或以上出現變動，本集團會重新評估其是否對投資對象擁有控制權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

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

### 3. 重大會計政策(續)

#### 合併基準(續)

倘本集團於投資對象的表決權未能佔大多數，而表決權足以賦予本公司實際能力以單方面指揮投資對象的相關活動，即可對投資對象行使權力。本集團於評估本集團於投資對象的表決權是否足以賦予其權力時，會考慮所有相關事實及情況，包括：

- 相對其他表決權持有人所持表決權的數量及分散情況，本集團持有表決權的數量；
- 本集團、其他表決權持有人或其他人士持有的潛在表決權；
- 其他合約安排產生的權利；及
- 顯示本集團目前能夠或不能在需要作出決定時指揮相關活動的任何其他事實及情況(包括於過往股東大會的表決模式)。

子公司綜合入賬乃於本集團取得有關子公司的控制權時開始，並於本集團喪失有關子公司的控制權時終止。具體而言，於年內收購或出售的子公司的收入及開支乃自本集團取得控制權當日起計入綜合損益及其他全面利潤表，直至本集團不再控制有關子公司當日為止。

損益及其他全面收入的每個項目乃歸屬於本公司擁有人及非控股權益。子公司的全面收入總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

如有需要，將對子公司的財務報表作出調整，以令其會計政策與本集團的會計政策貫徹一致。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Basis of consolidation (Continued)

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

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

#### Changes in the Group's interests in existing subsidiaries

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

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

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

### 3. 重大會計政策(續)

#### 合併基準(續)

有關本集團成員公司間交易的所有集團內部資產及負債、權益、收入、開支及現金流量均於綜合賬目時全數抵銷。

於子公司的非控股權益與本集團的權益分開列示，其屬現時擁有權權益，賦予持有人權利於清盤時按比例分佔相關子公司的淨資產。

#### 本集團於現有子公司的權益變動

本集團於子公司的權益變動但並無導致本集團喪失該等子公司的控制權，則入賬列作權益交易。本集團的相關權益部分與非控股權益的賬面值均會作出調整，以反映彼等於子公司的相對權益變動，包括按照本集團與非控股權益的權益比例，將本集團與非控股權益之間的相關儲備重新歸屬。

經非控股權益調整的金額與所付或所收代價的公允價值之間的任何差額，均直接於權益確認並歸屬於本公司擁有人。

倘本集團喪失子公司的控制權，則取消確認該子公司的資產及負債以及非控股權益(如有)。收益或虧損於損益確認，並按(i)所收代價的公允價值及任何保留權益的公允價值的總額及(ii)資產(包括商譽)的賬面值，與本公司擁有人應佔子公司負債之間的差額計算得出。所有先前就該子公司於其他全面收入確認的金額應予入賬，猶如本集團已直接出售該子公司的相關資產或負債(即按適用國際財務報告準則所訂明規定重新分類至損益或直接轉撥至另一權益類別)。於喪失控制權當日在前子公司保留的任何投資的公允價值，將根據國際財務報告準則第9號金融工具(「國際財務報告準則第9號」)被視為其後入賬首次確認的公允價值，或(如適用)首次確認於合營企業或聯營公司投資的成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Business combinations

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

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

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

### 3. 重大會計政策(續)

#### 業務合併

收購業務乃以收購法入賬。業務合併所轉讓代價按公允價值計量，乃按本集團所轉讓資產、所產生對被收購公司前擁有人的負債及所發行以交換被收購公司控制權的股權於收購日期的公允價值總和計算。收購相關成本一般於產生時於損益確認。

於收購日期，已收購可識別資產及已承擔負債乃按其公允價值確認，惟以下除外：

- 遞延稅項資產或負債及有關僱員福利安排的負債或資產乃分別根據國際會計準則第12號*所得稅*及國際會計準則第19號*僱員福利*確認及計量；
- 有關被收購方的股份支付安排的負債或股權工具，或由本集團訂立以取代被收購公司的股份支付安排的股份支付安排，乃於收購日期根據國際財務報告準則第2號*股份支付*計量(見下文的會計政策)；
- 根據國際財務報告準則第5號*持作待售非流動資產及終止經營業務*分類為持作待售資產(或出售組別)乃根據該準則計量；及
- 租賃負債按剩餘租賃付款額(按國際財務報告準則第16號定義)的現值確認和計量，猶如所獲得的租賃在收購日為新租賃，但(a)租賃期在收購日12個月內結束；或(b)相關資產價值低的租賃則除外。使用權資產的確認和計量與相關租賃負債的金額相同，並進行調整以反映與市場條款相比租賃的有利或不利條款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Business combinations (Continued)

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

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

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

### 3. 重大會計政策(續)

#### 業務合併(續)

商譽乃按已轉讓代價、於被收購公司的任何非控股權益金額及收購公司先前於被收購公司持有的股權公允價值(如有)的總額超逾所收購可識別資產及所承擔負債於收購日期的淨額之差額計量。倘經重新評估後，所收購可識別資產及所承擔負債的淨額超逾已轉讓代價、於被收購公司的任何非控股權益金額及收購公司先前於被收購公司持有的股權公允價值(如有)的總和，超出部分將即時於損益中確認為議價購買收益。

屬現時擁有權權益且於清盤時賦予其持有人權利按比例分佔相關子公司淨資產的非控股權益初步按非控股權益應佔被收購公司可識別資產淨值已確認金額的比例計量。

倘本集團在業務合併中轉讓的代價包括或然代價安排，或然代價則按其於收購日期的公允價值計量，並計入作為在業務合併中所轉讓代價的一部分。合資格作計量期間調整的或然代價公允價值變動會作出追溯調整。計量期間調整為於「計量期間」(自收購日期起不可超過一年)取得有關於收購日期存在的事實及情況的額外資料所引致的調整。

或然代價的其後會計處理如不合資格作計量期間調整乃取決於或然代價的分類方式。分類為權益的或然代價不會於其後報告日期重新計量，而其後結算將於權益內入賬。分類為資產或負債的或然代價於其後報告日期重新計量為公允價值，而相應收益或虧損則於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Business combinations (Continued)

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

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

#### Acquisition of a subsidiary not constituting a business

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

### 3. 重大會計政策(續)

#### 業務合併(續)

倘業務合併乃分階段達成，本集團先前持有的被收購公司股權會按收購日期(即本集團取得控制權當日)的公允價值重新計量，而由此產生的收益或虧損(如有)會在損益或其他全面收入(如適用)中確認。於收購日期前，由被收購公司權益產生且先前於其他全面收入中確認並根據國際財務報告準則第9號進行計量的金額，將按照本集團直接出售先前持有權益所需的相同基準入賬。

倘業務合併的初步會計處理於合併發生的報告期末仍未完成，本集團會呈報未完成會計處理的項目的臨時金額。該等臨時金額會在計量期間(見上文)追溯調整，並會確認額外資產或負債，以反映所取得有關於收購日期已存在的事實及情況的新資料，而倘知悉有關資料，將會影響當日確認的金額。

#### 收購不構成業務的子公司

倘本集團收購一組不構成業務的資產或負債，本集團識別及確認個別可識別的所收購資產及所承擔負債，將購買價首先按公允價值分配至投資物業(隨後按公允價值模式計量)及金融資產/金融負債，購買價的餘額按於購買日期的相對公允價值分配至其他可識別資產及負債。該項交易並不導致商譽或議價購買收益。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

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

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

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

The Group's policy for goodwill arising on the acquisition of associates is described below.

### 3. 重大會計政策(續)

#### 商譽

收購業務所產生的商譽按收購業務(見上文的會計政策)當日訂立的成本減任何累計減值虧損(如有)列賬。

為進行減值測試，商譽會被分攤至預期可受惠於合併的協同效益的本集團各現金產生單位(或現金產生單位組別)，即就內部管理而言監控商譽的而且不大於經營分部的最低層級。

獲分攤商譽的現金產生單位或一組現金產生單位每年進行減值測試，或當有跡象顯示該單位可能出現減值則更頻密地進行。就報告期內進行收購所產生的商譽，獲分攤商譽的現金產生單位或一組現金產生單位會於該報告期末前進行減值測試。當現金產生單位的可收回金額低於其賬面值，則首先分攤減值虧損以抵減分攤至該單位或該組現金產生單位的任何商譽的賬面值，其後按單位內各資產的賬面值按比例分攤至單位的其他資產。

出售相關現金產生單位或現金產生單位組別內的任何現金產生單位時，商譽應佔的金額會在釐定出售損益金額時包括在內。當本集團出售屬於現金產生單位(或一組現金產生單位內的現金產生單位)的業務時，所出售商譽的金額按所出售業務及現金產生單位(或現金產生單位組別)的保留部分的相對價值計量。

本集團因收購聯營公司產生的商譽政策載於下文。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments in associates and joint ventures

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

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

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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

### 3. 重大會計政策(續)

#### 於聯營公司及合營企業投資

聯營公司指本集團對其有重大影響力的實體。重大影響力為參與被投資公司的財務及營運決策的權力，但並非對該等政策擁有控制權或共同控制權。

合營企業指一項合營安排，據此，對該安排擁有共同控制權的訂約人士擁有對該合營安排的淨資產的權利。共同控制權指按照合約協定對某項安排所共有的控制權，共同控制權僅在相關活動的決定需要共同享有控制權的各方一致同意時方始存在。

聯營公司及合營企業的業績及資產與負債以權益會計法計入該等綜合財務報表。用作權益會計目的的聯營公司及合營企業的財務報表，乃使用與本集團在類似情況下就類似交易及事件所採用的一致會計政策編製。根據權益法，聯營公司或合營企業投資初步按成本於綜合財務狀況表確認，並於其後調整以確認本集團應佔聯營公司或合營企業的損益及其他全面收入。損益及其他全面收入以外之聯營公司/合營企業的淨資產變動不會入賬，除非該等變動導致本集團持有的所有權權益出現變動。倘本集團應佔聯營公司或合營企業的虧損超出本集團於該聯營公司或合營企業的權益(包括實質上構成本集團於聯營公司或合營企業淨投資一部分的任何長期權益)，本集團會取消確認其應佔的進一步虧損。僅於本集團已產生法律或推定責任或已代表聯營公司或合營企業支付款項的情況下，方會確認額外虧損。

於聯營公司或合營企業投資乃自被投資公司成為聯營公司或合營企業當日起按權益法入賬。收購聯營公司或合營企業投資時，投資成本超出本集團應佔被投資公司的可識別資產及負債的公允價值淨額的任何金額會確認為商譽，並計入該投資的賬面值內。本集團應佔可識別資產及負債的公允價值淨額超出投資成本之任何金額，於重新評估後會即時在收購該投資的期間內於損益確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments in associates and joint ventures (Continued)

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

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

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

### 3. 重大會計政策(續)

#### 於聯營公司及合營企業投資(續)

本集團評估於一家聯營公司或一家合營企業的投資是否可能出現客觀減值跡象。如出現任何客觀證據，則根據國際會計準則第36號將投資的全部賬面值(包括商譽)作為單一資產，透過比較其可收回金額(使用價值及公允價值減銷售成本兩者中的較高者)與其賬面值進行減值測試。任何已確認的減值虧損不分配至任何資產(包括商譽)而構成投資賬面值的一部分。倘其後投資的可收回金額增加，則根據國際會計準則第36號確認該減值虧損撥回。

當本集團不再對聯營公司或合營企業具有重大影響力，其會入賬為出售於被投資方的全部權益，所產生收益或虧損於損益確認。倘本集團保留於前聯營公司或合營企業的權益且該保留權益為國際財務報告準則第9號範圍內的金融資產，本集團會於該日按公允價值計量保留權益，而該公允價值被視為於首次確認時的公允價值。聯營公司或合營企業的賬面值與出售聯營公司或合營企業相關權益的任何保留權益及任何所得款項公允價值之間的差額，會於釐定出售聯營公司或合營企業的收益或虧損時包括在內。此外，本集團會將先前在其他全面收入就該聯營公司或合營企業確認的所有金額入賬，基準與該聯營公司或合營企業直接出售相關資產或負債所需基準相同。因此，該聯營公司或合營企業先前已於其他全面收入確認的收益或虧損，會於出售相關資產或負債時重新分類至損益。本集團會於出售/部分出售相關聯營公司或合營企業時將收益或虧損由權益重新分類至損益(作為重新分類調整)。

當聯營公司投資變為合營企業投資或合營企業投資變為聯營公司投資，本集團會繼續使用權益法。發生該等擁有權權益變動時，不會對公允價值重新計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments in associates and joint ventures (Continued)

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

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

#### Revenue from contracts with customers

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

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

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

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

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

### 3. 重大會計政策(續)

#### 於聯營公司及合營企業投資(續)

倘本集團削減其於聯營公司或合營企業的擁有權權益而本集團繼續使用權益法，若有關收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前已於其他全面收入確認與削減擁有權權益有關的收益或虧損比例重新分類至損益。

倘集團實體與本集團的聯營公司或合營企業進行交易，與有關聯營公司或合營企業進行交易產生的溢利及虧損會在本集團綜合財務報表確認，惟僅以與本集團並無關聯的聯營公司或合營企業權益為限。

#### 來自客戶合約的收益

本集團於履行履約責任時(或就此)確認收益，即與特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時確認收益。

履約責任指一項或一組特定的貨品或服務或基本相同的一系列特定貨品或服務。

倘符合下列其中一項標準，控制權隨時間轉讓，而收益參照相關履約責任的完成進度隨時間確認：

- 在本集團履約時客戶同時收取及耗用由本集團履約所帶來的利益；
- 本集團履約創設或提升於本集團履約時由客戶控制的資產；或
- 本集團履約並無產生對本集團有替代用途的資產，且本集團有強制執行權，以支付至今已履約部分的款項。

否則，收益於客戶獲得特定貨品或服務的控制權時確認。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue from contracts with customers (Continued)

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

#### Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

#### Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

### 3. 重大會計政策(續)

#### 來自客戶合約的收益(續)

合同資產指本集團向客戶轉讓貨品或服務而作為交換有權收取代價但尚未成為無條件的權利。合同資產根據國際財務報告準則第9號評估減值。相反，應收款項代表本集團對代價的無條件權利，即代價僅隨時間推移即會成為到期應付。

合同負債指本集團向客戶轉讓本集團已收取客戶代價(或代價到期應付)的貨品或服務的責任。

與相同合約有關的合同資產及合同負債按淨額基準入賬及呈列。

#### 具有多項履約責任的合約(包括交易價格的分攤)

對於包含一項以上履約責任的合約，本集團按相對獨立的售價基準將交易價格分配至各項履約責任。

不同商品或服務相關的各項履約責任之單獨售價於合約成立時釐定。其指本集團將承諾的商品或服務單獨出售予客戶的價格。倘一項獨立的售價不能直接觀察，本集團採用適當的技術進行估計，以便最終分攤至任何履約責任之交易價格反映本集團預期將承諾的商品或服務轉讓予客戶有權換取的代價金額。

#### 按時間確認收益：計量履約責任的完成進度

履約責任的完成進度乃根據輸出法計量，即透過直接計量迄今已轉讓予客戶的貨品或服務價值，相對合約下承諾提供的餘下貨品或服務的價值確認收益，有關方法最能反映本集團於轉讓貨品或服務控制權方面的履約情況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue from contracts with customers (Continued)

##### Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For advance payments received from customers before the transfer of the associated goods or services in which the Group adjusts for the promised amount of consideration for a significant financing component, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The relevant interest expenses during the period between the advance payments were received and the transfer of the associated goods and services are accounted for on the same basis as other borrowing costs.

##### Principal versus agent

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

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

### 3. 重大會計政策(續)

#### 來自客戶合約的收益(續)

##### 存在重大融資部分

於釐定交易價時，倘向客戶轉讓貨品或服務時(不論以明示或暗示方式)協定的付款時間為客戶或本集團帶來重大融資利益，則本集團就貨幣時間值的影響而調整已承諾的代價金額。於該等情況下，合約含有重大融資部分。不論於合約中以明示呈列或合約訂約方協定的支付條款暗示融資承諾，合約中均可能存在重大融資部分。

就付款與轉讓相關貨品或服務相隔期間不足一年的合約而言，本集團應用可行權宜方法，不就任何重大融資部分調整交易價格。

就於轉讓相關貨品或服務前向客戶收取的預付款項而言，本集團對重大融資部分就承諾代價金額作出調整，本集團採用本集團與客戶之間於合約開始時的單獨融資交易中反映的貼現率。於收取預付款項及轉讓相關貨品及服務的期間內，相關利息費用按其他借貸成本的相同基準入賬。

##### 主事人與代理人

當另一方從事向客戶提供貨品或服務，本集團釐定其承諾的性質是否為提供特定貨品或服務本身的履約責任(即本集團為主事人)或安排由另一方提供該等貨品或服務(即本集團為代理人)。

倘本集團在向客戶轉讓貨品或服務之前控制特定貨品或服務，則本集團為主事人。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue from contracts with customers (Continued)

##### Principal versus agent (Continued)

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

##### Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises sales commissions as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

#### Leases

##### Definition of a lease (upon application of IFRS 16 in accordance with transitions in note 2)

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

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

### 3. 重大會計政策(續)

#### 來自客戶合約的收益(續)

##### 主事人與代理人(續)

倘本集團的履行責任為安排另一方提供特定的貨品或服務，則本集團為代理人。在此情況下，在將貨品或服務轉讓予客戶之前，本集團並不控制另一方提供的特定貨品或服務。當本集團為代理人時，其所確認收益金額為其預期有權就安排由另一方提供的特定貨品或服務而取得的任何費用或佣金。

##### 取得合約的增量成本

取得合約的增量成本乃本集團為取得客戶合約而產生的該等成本，倘並無取得合約則不會產生該等成本。

倘本集團預期可收回該等成本，則本集團將銷售佣金確認為資產。其後該資產按系統化基準攤銷至損益，該基準與向客戶轉讓該資產相關的貨品或服務一致。

倘該等成本將於一年內悉數攤銷至損益，本集團則應用可行權宜方法，支銷取得合約的所有增量成本。

#### 租賃

##### 租賃的定義(根據附註2過渡的應用國際財務報告準則第16號)

倘合約為換取代價而給予在一段時間內控制使用已識別資產之權利，則該合約為租賃或包含租賃。

就於首次應用日期或之後訂立或修訂或由業務合併產生的合約而言，本集團於開始日期或修訂日期或收購日期(按合適)按照國際財務報告準則第16號項下的定義評估合約是否為租賃或包含租賃。除非合約的條款及條件隨後變更，否則有關合約將不予重新評估。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leases (Continued)

*The Group as a lessee (upon application of IFRS 16 in accordance with transitions in note 2)*

*Allocation of consideration to components of a contract*

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

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

#### *Short-term leases*

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

#### *Right-of-use assets*

The cost of right-of-use asset includes:

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

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

### 3. 重大會計政策(續)

#### 租賃(續)

*本集團作為承租人(根據附註2過渡的應用國際財務報告準則第16號)*

*分配代價至合約的組成部分*

就包含一項租賃組成部分及一項或多項額外租賃或非租賃組成部分的合約而言，本集團將合約代價按租賃組成部分的相關獨立價格及非租賃組成部分的獨立價格總額分配予各自租賃組成部分。

非租賃組成部分按其相關獨立價格與租賃組成部分分開。

#### *短期租賃*

本集團對租期自開始日期起計12個月或更短者且並無包含購買權之辦公設備租賃應用短期租賃確認豁免。短期租賃資產的租賃付款於租期內按直線法確認為開支。

#### *使用權資產*

使用權資產的成本包括：

- 租賃負債初始計量金額；
- 於開始日期或之前作出的任何租賃付款，減去任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團涉及拆卸及遷移相關資產，恢復相關資產所在地點或恢復相關資產至租賃條款及條件要求之狀況之估計成本，而該等成本因製造存貨而產生則除外。

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leases (Continued)

*The Group as a lessee (upon application of IFRS 16 in accordance with transitions in note 2) (Continued)*

##### *Right-of-use assets (Continued)*

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

The Group presents right-of-use assets that do not meet the definition of properties under development and completed properties held for sale as a separate line item on the consolidated statement of financial position. The right-of-use assets that meet the definition of properties under development and completed properties held for sale are presented within "properties under development" and "completed properties held for sale".

##### *Refundable rental deposits*

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

##### *Lease liabilities*

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

### 3. 重大會計政策(續)

#### 租賃(續)

*本集團作為承租人(根據附註2過渡的應用國際財務報告準則第16號)(續)*

##### *使用權資產(續)*

本集團合理確定於租期完結時可獲得相關租賃資產擁有權之使用權資產，從開始日期至可使用年期完結計算折舊。否則，使用權資產按其估計可使用年期及租期(以較短者為準)，以直線法計算折舊。

本集團在綜合財務狀況表中將不符合發展中物業及已建成待售物業定義的使用權資產列為單獨的項目。符合發展中物業和已建成待售物業定義的使用權資產在「發展中物業」和「已建成待售物業」項下列示。

##### *可退回租金按金*

已付的可退回租金按金根據國際財務報告準則第9號入賬，並按公允價值初始計量。於初始確認時對公允價值的調整被視為額外租賃付款，並計入使用權資產的成本。

##### *租賃負債*

於租賃開始日期，本集團按於該日尚未支付的租賃付款現值確認及計量租賃負債。於計算租賃付款的現值時，倘租賃的隱含利率無法釐定，則於租賃開始日期使用增量借貸利率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leases (Continued)

The Group as a lessee (upon application of IFRS 16 in accordance with transitions in note 2) (Continued)

Lease liabilities (Continued)

The lease payments include:

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

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

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

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

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

### 3. 重大會計政策(續)

#### 租賃(續)

本集團作為承租人(根據附註2過渡的應用國際財務報告準則第16號)(續)

租賃負債(續)

租賃付款包括：

- 固定付款(包括實質固定付款)減去任何應收租賃優惠；
- 取決於一項指數或比率之浮動租賃付款；
- 剩餘價值擔保之預期支付金額；
- 本集團合理確定將會行使購買權之行使價；及
- 倘租賃條款反映本集團行使終止權，終止租賃所支付之罰金。

於開始日期後，租賃負債就利息增量及租賃付款作出調整。

於出現下列情況時，本集團重新計量租賃負債，並對相關使用權資產作出相應調整：

- 租期有所變動或行使購買權的評估出現變更，於該情況下，相關租賃負債於重新評估日期透過使用經修訂貼現率貼現經修訂租賃款項而重新計量。
- 租賃款項因審閱市場租金後市場租金率有所變動而出現變動，在此情況下，相關租賃負債透過使用初始貼現率貼現經修訂租賃款項而重新計量。

本集團在綜合財務狀況表中將租賃負債作為單獨項目列示。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leases (Continued)

The Group as a lessee (upon application of IFRS 16 in accordance with transitions in note 2) (Continued)

##### Lease modifications

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

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

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

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

##### The Group as a lessee (prior to 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term.

Lease incentives relating to operating leases are considered as integral part of lease payments, the aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

### 3. 重大會計政策(續)

#### 租賃(續)

本集團作為承租人(根據附註2過渡的應用國際財務報告準則第16號)(續)

##### 租賃修訂

倘出現下列情況，本集團將租賃修訂作為一項單獨租賃予以入賬：

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

就並無作為一項單獨租賃入賬的租賃修訂而言，本集團基於透過使用修訂生效日期的經修訂貼現率貼現經修訂租賃款項的經修訂租期重新計量租賃負債。

本集團通過對相關使用權資產進行相應調整以對租賃負債進行重新計量。當修改後的合同包含租賃組成部分和一個或多個其他租賃或非租賃組成部分時，本集團會根據租賃部分的相對獨立價格和非租賃組成部分的獨立價格總額將修改後的合同中的對價分配給每個租賃組成部分。

##### 本集團作為承租人(於二零一九年一月一日前)

當租賃條款將絕大部分有關擁有權的風險及回報轉移至承租人，租賃則歸類為融資租賃。所有其他租賃均歸類為經營租賃。

經營租賃付款，包括獲得經營租賃持有的土地的成本，在租賃期內按直線法確認為開支。

與經營租賃有關的租賃激勵措施被認為是租賃付款的組成部分，激勵措施的總收益按直線法確認為租金支出的減少。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leases (Continued)

##### The Group as a lessor

##### Classification and measurement of leases

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

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Upon application of IFRS 16 on 1 January 2019, variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term.

##### The Group as a lessor (upon application of IFRS 16 in accordance with transitions in note 2)

##### Allocation of consideration to components of a contract

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

##### Refundable rental deposits

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

##### Lease modification

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

### 3. 重大會計政策(續)

#### 租賃(續)

##### 本集團作為出租人

##### 租賃分類及計量

本集團為出租人的租賃分類為融資或經營租賃。只要租賃條款將與相關資產所有權有關的幾乎所有風險和報酬轉移給承租人，合同就被分類為融資租賃。所有其他租賃均分類為經營租賃。

經營租賃的租金收入按相關租賃年期以直線法於損益確認。磋商及安排經營租賃所產生的初始直接成本會加入租賃資產的賬面值，而除按公允價值模式計量之投資物業外，該等成本於租賃期內按直線法確認為開支。於二零一九年一月一日應用國際財務報告準則第16號時，將根據指數或費率估算經營租賃的可變租賃付款額，並將其計入在租賃期內將以直線法確認的租賃付款總額中。

##### 本集團作為出租人(根據附註2過渡的應用國際財務報告準則第16號)

##### 分配代價至合約組成部分

當合約同時包含租賃和非租賃組成部分時，本集團採用國際財務報告準則第15號在合約中將代價分配給租賃和非租賃組成部分。非租賃組成部分根據其相對獨立的銷售價格與租賃部分分開。

##### 可退回租賃按金

已收的可退回租賃按金根據國際財務報告準則第9號入賬，並按公允價值初始計量。於初始確認時對公允價值作出的調整被視為額外租賃付款。

##### 租賃修訂

本集團將經營租賃修訂入賬為自修訂生效日期起計的新租賃，並考慮與原租賃相關的任何預付或應計租賃款項，作為新租賃的部分租賃款項。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

#### Borrowing costs

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

Effective 1 January 2019, any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

### 3. 重大會計政策(續)

#### 外幣

於編製各個別集團實體的財務報表時，以該實體功能貨幣以外的貨幣(外幣)進行的交易，按交易日期的現行匯率確認。於各報告期末，以外幣結算的貨幣項目乃按當日的現行匯率重新換算。以公允價值列賬的外幣計值非貨幣項目，會按釐定公允價值當日的現行匯率重新換算，而以外幣按歷史成本計量的非貨幣項目則不會重新換算。

結付貨幣項目產生的以及重新換算貨幣項目時的匯兌差額於其產生期間在損益中確認，惟有關用作未來生產的在建資產的外幣借貸的匯兌差額除外，其會在其被視為該等外幣借貸利息成本的調整時，計入該等資產的成本。

#### 借貸成本

因收購、興建或生產需要長時間方可達到可使用狀態或出售的資產而直接產生的借貸成本，將加入至該等資產的成本，直至有關資產大致達到可使用狀態或可供出售時為止。

自二零一九年一月一日起，在相關資產準備用於其預期用途或出售後仍未償還的任何特定借款，均計入一般借款池，以計算一般借款的資本化率。在特定借款用於符合條件的資產的支出之前，將其暫時投資所賺取的投資收入從符合資本化條件的借貸成本中扣除。

所有其他借貸成本均於產生的年度於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Taxation

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

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

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

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

### 3. 重大會計政策(續)

#### 稅項

所得稅開支指即期應付稅項及遞延稅項的總和。

即期應付稅項乃按年內應課稅溢利計算。應課稅溢利有別於除稅前溢利，原因為於其他年度的應課稅或可扣稅的收入或開支項目，及毋須課稅或可扣稅的項目。本集團的即期稅項負債乃按報告期末已執行或實際已執行的稅率計算。

遞延稅項就綜合財務報表內資產及負債的賬面值與計算應課稅溢利所用的相應稅基之間的暫時差額而確認。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產一般在可能會有應課稅溢利以供扣減可扣稅暫時差額時確認所有可供扣減暫時差額。倘在某項交易中，商譽或首次確認(業務合併除外)其他資產及負債所產生的暫時差額不會影響應課稅溢利或會計溢利，有關資產及負債則不予確認。此外，倘初始確認商譽產生暫時差額，則不予確認遞延稅項負債。

由子公司及聯營公司投資以及合營企業權益相關的應課稅暫時差額會確認遞延稅項負債，惟倘本集團能夠控制暫時差額的撥回及暫時差額很大機會於可見將來不會撥回則除外。與該等投資有關的可扣稅暫時差額所產生的遞延稅項資產只有在有足夠應課稅溢利可供動用暫時差額的利益並預期於可見將來撥回的情況下方始確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Taxation (Continued)

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

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

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

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

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

### 3. 重大會計政策(續)

#### 稅項(續)

遞延稅項資產的賬面值於報告期末審閱，倘不再可能有足夠應課稅溢利以收回全部或部分資產，則削減遞延稅項資產的賬面值。

遞延稅項資產及負債乃按預期適用於清償負債或變現資產期間的稅率(以報告期末已執行或實際已執行的稅率(及稅法)為基準)計量。

遞延稅項負債及資產計量反映本集團預期於報告期末收回或清償其資產及負債賬面值的方式所產生的稅務結果。

為計量按公允價值模型計量的投資物業的遞延稅項負債或遞延稅項資產，除非假設被推翻，否則有關物業的賬面值乃假設為可通過出售全數收回。當投資物業可予折舊，並旨在隨著時間的推移而非通過出售消耗絕大部分包括在投資物業內的經濟利益的業務模式內持有時，有關假設會被推翻。

就計量本集團確認當中使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先確定減稅額應歸屬於使用權資產或租賃負債。

對於扣除稅項歸因於租賃負債的租賃交易，本集團分別對使用權資產和租賃負債應用國際會計準則第12號*所得稅*要求。由於使用了初始確認豁免，與使用權資產和租賃負債相關的暫時性差異在初始確認時和租賃期內均未確認。因重新計量租賃負債和租賃修訂而對使用權資產和租賃負債的賬面金額進行後續修訂而產生的暫時性差異，在不進行初始確認的豁免情況下在重新計量或修訂之日予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Taxation (Continued)

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

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

#### Government grants

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

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

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

#### Employee benefits

##### Retirement benefit costs and termination benefits

The Group participates in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Group pays a fixed percentage of its qualifying staff's wages as contributions to the plans. Payments to such retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

### 3. 重大會計政策(續)

#### 稅項(續)

當有可強制執行權利將即期稅項資產與即期稅項負債抵銷，並涉及與同一稅務機關對同一應課稅實體徵收的所得稅有關時，則遞延稅項資產及負債可互相對銷。

即期及遞延稅項會在損益中確認，除非其與於其他全面收入確認或直接於權益確認的項目有關(在該情況下，即期及遞延稅項亦分別於其他全面收入或直接於權益確認)。倘即期稅項或遞延稅項源自業務合併的首次入賬，有關稅務影響則計入業務合併入賬。

#### 政府補助

只有在合理確定本集團將會遵守其附帶條件時及將可收取補助時，方會確認政府補助。

政府補助在本集團將補貼擬補償的相關成本確認為開支期間按有系統的基準於損益確認。

就已經產生的開支或虧損收取作為補償的政府補助，或為向本集團提供即時財務支持而收取的政府補助，而無未來相關成本者，乃於可收取時在當期損益內確認。

#### 僱員福利

##### 退休福利成本及離職福利

本集團參加由國家管理的退休福利計劃，該等計劃為界定供款計劃，據此，本集團按合資格員工的工資的固定百分比向該等計劃供款。向該等退休福利計劃支付的款項在僱員已提供可享有該等供款的服務時作為開支扣除。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Employee benefits (Continued)

##### Short-term employee benefits

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

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

##### Property, plant and equipment

Property, plant and equipment, including land and buildings held for use in the production or supply of goods or services, or for administrative purposes other than construction in progress, are stated in the consolidated statement of financial position at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land under IFRS 16 or prepaid lease payments under IAS 17) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

### 3. 重大會計政策(續)

#### 僱員福利(續)

##### 短期僱員福利

短期僱員福利按僱員提供服務時預期應予支付的未折現福利金額確認。除非另一項國際財務報告準則要求或允許將該福利計入資產成本，否則所有短期僱員福利均確認為開支。

扣除已支付的任何款項後，應為僱員產生的福利(例如工資和薪金、年假和病假)確認負債。

##### 物業、廠房及設備

物業、廠房及設備包括持作生產或供應貨品或服務用途，或作行政用途的土地及樓宇(在建工程除外)，乃按成本減累計折舊及累計減值虧損(如有)在綜合財務狀況表列賬。

為生產、供應或行政目的而在建的物業按成本減去任何已確認的減值虧損列賬。成本包括直接歸因於將資產移至使其能夠以管理層預期的方式運作所必需的地點和條件的任何成本，以及對於符合條件的資產而言，根據本集團會計政策，借貸成本資本化。當這些資產準備就緒可用於其預定用途時，便開始以與其他物業資產按相同基礎進行折舊。

如果某物業由於其用途已發生變化而變為投資物業(自所有者終止之日起證明)，則該賬面價值與該項目的公允價值之間的任何差額(包括國際財務報告準則第16號下的相關租賃土地或國際會計準則第17號下的預付租賃付款)在轉讓之日確認為其他全面收益，並累計在物業重估儲備中。在物業的後續出售或報廢時，相關的重估儲備金將直接轉入保留溢利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment (Continued)

##### Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “right-of-use assets” (upon application of IFRS 16) or “land use rights” (before application of IFRS 16) in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

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

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

### 3. 重大會計政策(續)

#### 物業、廠房及設備(續)

##### 於租賃土地及樓宇的所有權權益

當本集團支付包括租賃土地和建築部分的物業的所有權權益時，全部對價按初始確認時的相對公允價值比例分配在租賃土地和建築部分之間。

在能夠可靠分配相關付款的範圍內，作為經營租賃入賬的租賃土地權益被列為「使用權資產」(根據國際財務報告準則第16號的應用)或「土地使用權」(在應用國際財務報告準則第16號之前)在綜合財務狀況表中。當對價未能在非租賃建築部分和相關租賃土地的未分割權益之間可靠分配時，整個物業將分類為物業、廠房和設備。

折舊按撇銷物業、廠房及設備(在建工程除外)項目成本減估計可使用年期的剩餘價值，以直線法確認。估計可使用年期、剩餘價值及折舊方法會於各報告期末審閱，而任何估計變動的影響則按未來基準入賬。

物業、廠房及設備項目於出售或預期不會因繼續使用該資產產生日後經濟利益時取消確認。因出售或淘汰物業、廠房及設備項目所產生的任何收益或虧損按銷售所得款項與該資產的賬面值之間的差額釐定，並在損益中確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including and properties under construction for such purposes).

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

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

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

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

#### Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with effect of any changes in estimate being accounted for a prospective basis.

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

### 3. 重大會計政策(續)

#### 投資物業

投資物業為持有目的在於賺取租金收入及／或資本增值的物業(包括就此等目的之在建物業)。

投資物業初始按成本(包括任何直接應佔支出)計量。首次確認後，投資物業按其公允價值計量，經調整至排除任何預付或應計經營租賃收入。

投資物業公允價值變動所產生的收益或虧損會在產生期間計入損益。

在建投資物業招致的建造成本會資本化為在建投資物業賬面值的一部分。

投資物業於永久不再使用及預期不會因其出售產生日後經濟利益時取消確認。因取消確認物業所產生的任何收益或虧損(按資產的出售所得款項淨額與賬面值之間的差額計算)在物業取消確認的期間內計入損益。

#### 無形資產

分開收購且具有有限可使用年期的無形資產按成本減累計攤銷及累計減值虧損列賬。攤銷乃按其估計可使用年期以直線法確認。估計可使用年期及攤銷方法於各報告期末審閱，而任何估計變動的影響則按未來基準入賬。

無形資產於出售或預期不會因使用該資產產生日後經濟利益時取消確認。因取消確認無形資產所產生的收益或虧損按資產的出售所得款項淨額與賬面值之間的差額計量，並在資產取消確認時於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of property, plant and equipment, right-of-use assets, contract costs and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, intangible assets with finite useful lives and contract costs to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

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

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Before the Group recognises an impairment loss for assets capitalised as contract costs under IFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

### 3. 重大會計政策(續)

#### 物業、廠房及設備、使用權資產、合同成本以及無形資產(商譽除外)減值

於報告期末，本集團審閱其具有有限可使用年期的物業、廠房及設備、無形資產及合同成本的賬面值，以釐定該等資產是否有任何減值虧損跡象。如有任何有關跡象，則估計相關資產的可收回金額，以釐定減值虧損(如有)的程度。

物業、廠房及設備、使用權資產及無形資產的可收回金額乃單獨評估。如不可能個別估計可收回金額，本集團估計該資產所屬現金產生單位的可收回金額。

此外，本集團會評估是否有跡象表明企業資產已出現減值。倘存在有關跡象，而倘能識別合理一致的分配基準，企業資產會獲分配至個別現金產生單位，否則會按可識別的合理且一致的分配基準分配至最小的現金產生單位組別。

根據國際財務報告準則第15號，本集團在將資本化資產減值虧損確認為合同成本前，按適用準則評估及確認任何與相關合約有關的其他資產減值虧損。其後，倘賬面值超過本集團預期就交換相關貨品或服務收取的代價減直接與提供貨品或服務相關而並無確認為開支的成本，則就資本化資產的減值虧損(如有)確認為合同成本。作為合同成本的資本化資產其後計入其所屬的現金產生單位的賬面值，以評估有關現金產生單位減值。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of property, plant and equipment, right-of-use assets, contract costs and intangible assets other than goodwill (Continued)

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

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

### 3. 重大會計政策(續)

#### 物業、廠房及設備、使用權資產、合同成本以及無形資產(商譽除外)減值(續)

可收回金額為公允價值減出售成本與使用價值兩者的較高者。在評估使用價值時，估計未來現金流量將使用可反映當時市場對貨幣時間價值及資產(其未來現金流量估計乃未經調整)特定風險的評估的稅前貼現率貼現至其現值。

倘估計資產(或現金產生單位)的可收回金額低於其賬面值，則將該資產(或現金產生單位)賬面值撇減至其可收回金額。就未能按合理一致基準分配至現金產生單位的企業資產或一部分企業資產而言，本集團會將一組現金產生單位的賬面值(包括分配至該現金產生單位組別的企業資產或一部分企業資產的賬面值)與該組現金產生單位的可收回款項作比較。於分配減值虧損時，則減值虧損將首先分配以調低任何商譽之賬面值(如適用)，其後根據該單位或現金產生單位組別內各資產之賬面值按比例分配至其他資產。資產的賬面值不會扣減至低於其公允價值減出售成本(倘可計量)、其使用價值(倘可釐定)及零中的最高者。將另行分配至資產的減值虧損金額按比例分配至該單位或現金產生單位組別的其他資產。減值虧損即時於損益確認。

倘於其後撥回減值虧損，則將該資產(或現金產生單位或現金產生單位組別)的賬面值調增至經修訂的估計可收回金額，惟增加後的賬面值不得超過該資產(或現金產生單位或現金產生單位組別)於過往年度未曾確認減值虧損而應有的賬面值。減值虧損的撥回即時於損益確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Properties under development

Properties under development, representing leasehold land and buildings located in the PRC under development which are intended to be sold upon completion of development and properties for sale are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets upon the application of IFRS 16, properties under development/completed properties for sale are carried at the lower of cost and net realisable value. Cost comprises the costs of land use rights, construction costs, borrowing costs capitalised and other direct development expenditure. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value represents the estimated selling price for the properties in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. Properties under development for sale are transferred to completed properties for sale upon completion of development.

#### Completed properties for sale

Completed properties for sale are stated at the lower of cost and net realisable value. Cost comprises the costs of land use rights, construction costs, borrowing costs capitalised and other direct development expenditure. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

The Group transfers a property from completed properties for sale to investment property when there is a change in use to hold the property to earn rentals or/and for capital appreciation rather than for sale in the ordinary course of business, which is evidenced by the inception of an operating lease to another party. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

### 3. 重大會計政策(續)

#### 發展中物業

發展中物業，指擬於發展完成時出售的位於中國發展中的租賃土地及建築物，以及待售物業分類為流動資產。除採用國際財務報告準則第16號時根據使用權資產的會計政策以成本模型計量的租賃土地部分外，發展中物業／已建成待售物業以成本與可變現淨值(較低者)列賬。成本包括土地使用權成本、建築成本、資本化借貸成本及其他直接發展支出。成本根據特定的確定基礎釐定，包括分配已發生的相關發展支出以及在適當情況下資本化的借貸成本。可變現淨值指物業在日常業務過程中的估計售價減去估計完工成本及進行銷售所需的估計成本。發展中的待售物業於發展完成後轉移至已建成待售物業。

#### 已建成待售物業

已建成待售物業按成本或可變現淨值兩者的較低者列賬。成本包括土地使用權成本、建造成本、資本化借貸成本及其他直接發展開支。可變現淨值指日常業務過程中的估計售價減去出售所需的估計成本。

倘改變用途，將已建成待售物業由在日常業務過程中出售改為持有物業以賺取租金收入或／及資本增值(證據為出租予另一方的經營租賃開始)，本集團則將已建成待售物業項目轉撥至投資物業。物業於轉撥當日的公允價值與其先前的賬面值之間的差額會在損益中確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

#### Financial instruments

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

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

### 3. 重大會計政策(續)

#### 撥備

當本集團因過往事件而有現時責任，且本集團有可能日後須履行該責任，而且該項責任的金額可以可靠地計量，則會確認撥備。

確認為撥備之金額乃根據於報告期末要履行該項現時責任所須代價的最佳估計，當中考慮圍繞責任的風險及不確定性。倘採用估計用以履行責任所需現金流量來對撥備進行計量，則其賬面值乃該等現金流量的現值(倘金錢的時間值的影響為重大)。

繁重合約項下所產生現時責任乃確認及計量為撥備。當本集團為達致其所擁有合約項下責任而不可避免地產生的費用超出預期自該合約收取的經濟利益時，則被視為存在繁重合約。

#### 金融工具

當集團實體成為工具合約條文之訂約方，則確認金融資產及金融負債。所有以常規方式買賣的金融資產於交易日確認及取消確認。以常規方式買賣指須根據市場規則或慣例訂立之時間內交收資產之金融資產買賣。

金融資產及金融負債初始按公允價值計量，惟與客戶合約產生的應收賬款除外，根據國際財務報告準則第15號計量。收購或發行金融資產及金融負債(按公允價值列賬於損益的金融資產或金融負債除外)直接應佔的交易成本均於初始確認時加入至或扣除自金融資產或金融負債的公允價值(如適用)。收購按公允價值列賬於損益的金融資產或金融負債直接應佔的交易成本即時於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

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

#### Financial assets

##### Classification and subsequent measurement of financial assets

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

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

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

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

### 3. 重大會計政策(續)

#### 金融工具(續)

實際利率法為計算金融資產或金融負債攤銷成本及於相關期間分配利息收入及利息費用的方法。實際利率法為於初始確認時將金融資產或金融負債預期年內或(倘適當)較短期間的估計未來現金收入及付款(包括組成實際利率一部分的所有已付或已收費用及點數、交易成本及其他溢價或折讓)準確折現至賬面淨值的利率。

#### 金融資產

##### 金融資產的分類及其後計量

符合下列條件的金融資產其後按攤銷成本計量：

- 以收取合同現金流量為目的而持有金融資產之經營模式下持有之金融資產；及
- 金融資產之合同條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

符合下列條件的金融資產其後以按公允價值列賬於其他全面收入計量：

- 同時以出售及收取合同現金流量為目的之經營模式下持有之金融資產；及
- 合同條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Classification and subsequent measurement of financial assets (Continued)

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of IFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is held for trading if:

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

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

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### 金融資產的分類及其後計量(續)

所有其他金融資產其後按公允價值列賬於損益計量。惟於首次應用國際財務報告準則第9號/初始確認金融資產當日，倘該股權投資並非持作買賣，亦非由於收購方在國際財務報告準則第3號業務合併所適用的業務合併中確認的或然代價，本集團可不可撤銷地選擇於其他全面收入呈列股權投資公允價值之其後變動。

倘符合下列條件，金融資產持作買賣：

- 其獲收購乃主要為於短期內出售；或
- 於初始確認時，其為本集團共同管理之可識別金融工具組合的一部分，並具有短期套利的近期實際模式；或
- 為未被指定及有效作為對沖工具之衍生工具。

此外，倘如此可消除或大幅減少會計錯配，則本集團可不可撤銷地將須按攤銷成本或按公允價值列賬於其他全面收入計量的金融資產指定為按公允價值列賬於損益計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Classification and subsequent measurement of financial assets (Continued)

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

- (ii) Equity instruments designated as at FVTOCI

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

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

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### 金融資產的分類及其後計量(續)

- (i) 攤銷成本及利息收入
- 利息收入就其後按攤銷成本計量的金融資產及其後按公允價值列賬於其他全面收入計量的債務工具／應收款項採用實際利率法確認。利息收入透過將實際利率用於金融資產賬面總值來計算，惟其後已變為信貸減值的金融資產(見下文)除外。就其後已變為信貸減值的金融資產而言，利息收入透過將實際利率用於自下個報告期起計的金融資產攤銷成本確認。倘信貸減值金融工具的信貸風險降低令金融資產不再出現信貸減值，則利息收入在釐定資產不再出現信貸減值後，透過將實際利率用於自報告期開始起計的金融資產賬面總值來確認。

- (ii) 指定為按公允價值列賬於其他全面收入的股權工具

按公允價值列賬於其他全面收入的股權工具投資隨後按公允價值計量，而公允價值變動產生的收益就虧損於其他全面收入中確認並累計至按公允價值列賬於其他全面收入的儲備，並毋須進行減值評估。於出售股權投資時，累計收益或虧損將不會重新分類至損益，並將轉撥至保留溢利。

當本集團確立收取股息的權利時，該等股權工具投資的股息於損益確認，除非股息明確指收回部分投資成本。股息計入於損益「其他收入」項目內。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

##### Classification and subsequent measurement of financial assets (Continued)

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

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

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

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, other receivables, restricted bank deposits, bank balances and cash) and other items (contract assets and financial guarantee contracts) which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### 金融資產的分類及其後計量(續)

- (iii) 按公允價值列賬於損益的金融資產  
不符合按攤銷成本計量或按公允價值列賬於其他全面收入或指定為按公允價值列賬於其他全面收入標準的金融資產按公允價值列賬於損益計量。

按公允價值列賬於損益的金融資產按各報告期末的公允價值計量，任何公允價值收益或虧損於損益中確認。於損益確認的收益或虧損淨額不包括就金融資產賺取的任何股息或利息，並計入「其他收益及虧損」一欄。

##### 金融資產及其他項目減值，視乎國際財務報告準則第9號減值評估

本集團根據預期信貸虧損(「預期信貸虧損」)模型對金融資產(包括應收賬款、其他應收款項、受限制銀行存款、銀行結餘和現金)以及其他項目(合同資產和金融擔保合同)進行減值評估，視乎國際財務報告準則第9號項下的減值。在各報告日更新預期信貸虧損金額，以反映自初始確認以來信貸風險的變化。

存續期預期信貸虧損指相關工具於其預計年期內所有可能違約事件產生的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指預計於報告日期後12個月內可能發生的違約事件產生的存續期預期信貸虧損部分。評估乃根據本集團過往信貸虧損經驗，並就債務人特定因素、整體經濟狀況以及對於報告日期之當時狀況及未來狀況預測的評估作調整。

本集團經常就應收貿易款項及合同資產(無重大融資組成部分)確認全期預期信貸虧損。該等資產的預期信貸虧損乃就具有巨額結餘的債務人個別及/或使用具有合適分組的撥備矩陣集體予以評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

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

(i) Significant increase in credit risk

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

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

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

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產及其他項目減值，視乎國際財務報告準則第9號減值評估(續)

對於所有其他工具，本集團計量的虧損撥備等於12個月預期信貸虧損，除非自初始確認後信貸風險大幅增加，本集團確認存續期預期信貸虧損。應否確認存續期預期信貸虧損的評估乃基於自初始確認以來發生違約之可能性或風險的顯著增加。

(i) 信貸風險大幅增加

於評估信貸風險自初始確認以來是否大幅增加時，本集團比較於報告日期就金融工具發生違約的風險與於初始確認日期就金融工具發生違約的風險。於作出此評估時，本集團考慮屬合理及可支持的定量及定質資料，包括過往經驗及在並無繁重成本或工作下可得的前瞻性資料。

尤其是，於評估信貸風險是否已大幅增加時已計入下列資料：

- 金融工具的外部(如有)或內部信貸評級的實際或預期嚴重轉差；
- 信貸風險的外部市場指標嚴重轉差(如債務人的信貸息差及信貸違約掉期價格大幅增加)；
- 預期導致債務人滿足其債務責任的能力大幅減少的業務、財務或經濟狀況的現有或預測不利變動；
- 債務人的經營業績實際或預期嚴重轉差；
- 債務人所在的監管、經濟或科技環境的實際或預期重大不利變動，導致債務人滿足其債務責任的能力大幅減少。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

- (i) Significant increase in credit risk (Continued)
- Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

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

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

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產及其他項目減值，視乎國際財務報告準則第9號減值評估(續)

- (i) 信貸風險大幅增加(續)
- 不論上述評估的結果，當合約付款已逾期超過30日，本集團會假定信貸風險自初始確認起大幅增加，除非本集團具有合理及可支持資料展示相反情況。

儘管存在上述情況，倘債務工具於報告日期展示為具有低信貸風險，本集團假設債務工具的信貸風險自初始確認起並無大幅增加。倘i)其違約風險偏低，ii)借方有強大能力於短期滿足其合約現金流量責任，及iii)較長期的經濟及業務狀況存在不利變動，惟將未必削弱借方達成其合約現金流量責任的能力，則債務工具的信貸風險會被釐定為偏低。當債務工具的內部或外部信貸評級為「投資級別」(按照全球理解的釋義)，則本集團會視該債務工具的信貸風險偏低。

就財務擔保合約而言，本集團成為不可撤銷承擔一方的日期被視為減值評估進行初始確認之日期，故於估計信貸風險自財務擔保合約自初始確認起是否有顯著上升時，本集團考慮特定債務人違約風險的變動。

本集團定期監控用以識別信貸風險有否大幅增加的標準之有效性，且修訂標準(如適當)以確保標準能在金額逾期前識別信貸風險大幅增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(ii) Definition of default

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

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產及其他項目減值，視乎國際財務報告準則第9號減值評估(續)

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

無論上述情形如何，本集團認為，當金融資產逾期超過90天，則發生違約，除非本集團有合理且具理據的資料證明更滯後的違約標準屬更合適。

(iii) 信貸減值金融資產

金融資產在一項或以上違約事件(對該金融資產估計未來現金流量構成不利影響)發生時出現信貸減值。金融資產出現信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人的重大財務困難；
- (b) 違反合約(如違約或逾期事件)；
- (c) 借款人的貸款人因有關借款人財務困難的經濟或合約理由而向借款人授出貸款人不會另行考慮的優惠；或
- (d) 借款人將可能陷入破產或其他財務重組。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

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

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產及其他項目減值，視乎國際財務報告準則第9號減值評估(續)

(iv) 撇銷政策

當有資料顯示對手方處於嚴重財務困難及無實際收回可能(例如，對手方已處於清盤狀態或已進行破產程序)，則本集團撇銷金融資產。經考慮法律意見後(倘合適)，被撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撇銷構成取消確認事件。任何其後收回在損益中確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約可能性、違約損失率(即出現違約時的損失幅度)及違約風險的敞口。違約可能性及違約損失率的評估乃按照歷史數據進行，並就前瞻性資料作出調整。預期信貸虧損的估計乃無偏概率加權平均金額，以發生違約的風險為權重確定。

一般而言，預期信貸虧損為本集團根據合約應收的所有合約現金流量與本集團預計收取的現金流量之間的差額，並按初始確認時釐定的實際利率貼現。

就財務擔保合約而言，由於根據擔保工具條款，本集團僅須於債務人違約時作出付款。因此，預期虧損金額為償還持有人所產生信貸虧損的預期款項的現值減本集團預期自持有人、債務人或任何其他方收取的任何金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產及其他項目減值，視乎國際財務報告準則第9號減值評估(續)

(v) 預期信貸虧損的計量及確認(續)

對於無法確定實際利率的財務擔保合約的預期信貸虧損，本集團將採用折現率反映當前市場對貨幣時間價值的評估以及特定於現金流量的風險，但僅限於並且在某種程度上，通過調整折現率而不是調整折現的現金短缺來考慮風險。

倘預期信貸虧損按集體基準計量或迎合個別工具水平證據未必存在的情況，則金融工具按以下基準分組：

- 金融工具性質；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級(如可得)。

分組工作經管理層定期檢討，以確保各組別成份繼續具備類似信貸風險特徵。

利息收入按金融資產的賬面總值計算，除非金融資產出現信貸減值則除外，而在該情況下，利息收入乃按金融資產的攤銷成本計算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with IFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

Except for financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of IFRS 9, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

金融資產及其他項目減值，視乎國際財務報告準則第9號減值評估(續)

(v) 預期信貸虧損的計量及確認(續)

就財務擔保合約，虧損撥備按根據國際財務報告準則第9號釐定的虧損撥備；及初始確認的金額減(如適用)擔保期內已確認收入累計金額的較高者確認。

除財務擔保合約外，本集團通過調整所有金融工具的賬面值在損益中確認減值收益或虧損，而應收賬款和其他應收款項則除外，其相應的調整通過虧損撥備賬予以確認。

##### 取消確認金融資產

僅在獲取資產所產生現金流量的合約權利到期，或將金融資產及該資產所有權的絕大部分風險及回報轉讓予另一實體的情況下，本集團方會取消確認金融資產。

一旦取消確認按攤銷成本計量的金融資產，則該項資產的賬面值與已收及應收代價總額之間的差額會於損益確認。

於取消確認本集團已根據應用國際財務報告準則第9號選擇於初始確認時按公允價值列賬於其他全面收入計量的股權工具投資，先前於投資重估儲備累計的累計收益或虧損並無重新分類至損益，而獲轉撥至保留溢利。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial liabilities and equity

##### Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or equity in accordance with substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

##### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融負債及股本

##### 分類為債務或股本

集團實體發行的債務及股權工具乃根據所訂立合約安排的性質與金融負債及股權工具的定义分類為金融負債或股本。

##### 股權工具

股權工具是能證明在扣除本集團所有負債後在本集團的資產中擁有剩餘權益的任何合約。本集團發行的股權工具乃按已收所得款項扣除直接發行成本確認。

購回本公司自有股權工具乃直接於權益確認及扣減。概不就買賣、發行或註銷本公司自有股權工具而於損益確認收益或虧損。

##### 金融負債

所有金融負債隨後採用實際利率法按攤銷成本或按公允價值列賬於損益計量。

##### 按公允價值列賬於損益的金融負債

倘金融負債(i)為國際財務報告準則第3號所應用收購者於業務合併的或然代價，(ii)持作買賣或(iii)指定為按公允價值列賬於損益，則分類為按公允價值列賬於損益的金融負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial liabilities and equity (Continued)

##### Financial liabilities at FVTPL (Continued)

A financial liability is held for trading if:

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

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

##### Financial liabilities at amortised cost

Financial liabilities including interest-bearing loan, bonds, and trade and other payables are subsequently measured at amortised cost, using the effective interest method.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融負債及股本(續)

##### 分類為債務或股本(續)

倘符合下列條件，金融負債為持作買賣：

- 其獲收購乃主要為於短期內購回；
- 於初始確認時，其為本集團共同管理之可識別金融工具組合的一部分，並具有短期套利的近期實際模式；或
- 為未被指定及有效作為對沖工具之衍生工具。

持作買賣的金融負債除外的金融負債或收購方於業務合併的或然代價可在下列情況下於初步確認時指定為按公允價值列賬於損益：

- 該指定消除或大幅減少可能會出現的計量或確認方面的一致性；或
- 該金融負債構成一組金融資產或金融負債或兩者組合之一部分，而根據本集團制定的風險管理或投資策略，該項資產乃以公允價值為基礎進行管理及評估表現，且有關分組之資料乃按此基準向內部提供；或
- 其構成包含一項或多項嵌入衍生工具的合約之一部分，而國際財務報告準則第9號允許將整個組合合約指定為按公允價值列賬於損益。

##### 按攤銷成本計量的金融負債

金融負債包括計息貸款、債券、應付賬款及其他應付款項，其後以實際利率法按攤銷成本計量。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Financial liabilities and equity (Continued)

##### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

##### Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融負債及股本(續)

##### 財務擔保合約

財務擔保合約乃要求發行人就持有人因特定債務人未能根據債務工具的條款於到期時付款而蒙受的損失，而向持有人支付特定款項的合約。財務擔保合約負債初步按其公允價值計量，其後乃按以下兩者中的較高者計量：

- 根據國際財務報告準則釐定的虧損撥備金額；及
- 初步確認金額減(如適用)於擔保期間確認的累計攤銷。

##### 金融負債的取消確認

當且僅當本集團的責任獲解除、取消或屆滿時，本集團方會取消確認金融負債。所取消確認的金融負債賬面值與已付及應付代價的差額於損益中確認。

##### 衍生金融工具

衍生工具初始按照訂立衍生工具合同之日的公允價值確認，隨後在報告期末重新計量公允價值。產生的收益或虧損於損益中確認。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Derivative financial instruments (Continued)

###### Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

##### Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 衍生金融工具(續)

###### 嵌入衍生工具

嵌入於包含屬於國際財務報告準則第9號範圍的金融資產的複合合約中的衍生工具不應分拆。整個複合合約應整體按攤餘成本或按公允價值分類和其後計量。

一般而言，單一工具中獨立於主合約的多個嵌入衍生工具被視為單一複合嵌入衍生工具，除非該等衍生工具面臨不同風險及未能隨時分開，且彼等各自獨立。

當其滿足衍生工具的定義性風險及特徵與主合約的風險和特徵並無緊密相關，且主合約並非按公允價值列賬於損益計量時，嵌入於包含不屬於國際財務報告準則第9號範圍的金融資產的複合合約中的衍生工具應當作為單獨的衍生工具。

##### 抵銷金融資產及金融負債

僅當本集團目前擁有在法律上可強制執行的權利將已確認金額抵銷，且有意按淨額基準結算或同時變現資產及清償負債時，金融資產及金融負債方會被抵銷，而其淨額會於綜合財務狀況表內呈列。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revisions affects both current and future periods.

##### Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors of the company has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

##### Deferred taxation on investment properties

The Group recognises deferred tax in respect of the changes in fair value of the investment properties based on directors' best estimate assuming future tax consequences through usage of such properties for rental purpose, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognised in the consolidated financial statements should the investment properties are subsequently disposed by the Group, rather than consumed substantially all of the economic benefits embodied in the investment properties by leasing over time. In the event the investment properties are being disposed, the Group may be liable to higher tax upon disposal considering the impact of land appreciation tax.

#### 4. 重大會計判斷及估計不確定因素的主要來源

在應用附註3所述本集團的會計政策時，要求本公司的董事對於無法從其他來源清楚得知的資產和負債的賬面值作出判斷、估計和假設。估計和相關假設以歷史經驗和其他被視為相關的因素為基礎。實際結果可能與該等估計不同。

有關估計及相關假設將持續審閱。倘會計估計的修訂僅影響修訂估計的期間，修訂將僅於該期間確認，倘修訂同時影響現時及未來期間，則於修訂期間及未來期間確認。

##### 應用會計政策的重大判斷

以下為本公司董事於應用本集團會計政策過程中所作出對於綜合財務報表內確認的金額造成最重大影響的重大判斷(下文所載該等相關估計除外)。

##### 投資物業的遞延稅項

假設未來稅務結果乃由於將投資物業作租賃用途而非出售而引致，本集團按董事的最佳估計確認該等物業公允價值變動的遞延稅項。倘投資物業隨後由本集團出售而並非以租賃方式隨時間消耗投資物業的絕大部分經濟利益，則最終稅務結果將有別於綜合財務報表所確認的遞延稅項負債。倘投資物業被出售，鑑於土地增值稅的影響，本集團於出售時可能須繳納較高稅項。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### Valuation of investment properties

Investment properties in the consolidated statement of financial position at 31 December 2019 are carried at their fair values of approximately RMB7,754 million (2018: RMB13,083 million), details of which are disclosed in note 21. The fair values of the investment properties are determined by reference to valuations conducted on these properties by an independent firm of property valuer using property valuation techniques which involve certain assumptions of prevailing market conditions. Favourable or unfavorable changes to these assumptions may result in changes in the fair values of the Group's investment properties and corresponding adjustments to the changes in fair values reported in the consolidated statement of profit or loss and other comprehensive income and the carrying amounts of these properties included in the consolidated statement of financial position.

##### PRC land appreciation taxes

The Group is subject to land appreciation taxes ("LAT") in the PRC. The implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its PRC LAT calculation and payments with most of local tax authorities in the PRC. The calculation of PRC LAT are highly dependent on the appropriateness of the rates used, which are determined by the appreciation of land value. The appreciation of land value is determined with reference to proceeds of the properties less the estimated deductible expenditures, including the cost of land use rights and all property development expenditures. The Group estimated the deductible expenditures according to the understanding of the relevant PRC tax laws and regulations. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

#### 4. 重大會計判斷及估計不確定因素的主要來源(續)

##### 估計不確定因素的主要來源

下文為於報告期末有關未來的主要假設及其他估計不確定因素的主要來源，涉及可能導致下一個財政年度資產及負債賬面值有重大調整的重大風險。

##### 投資物業估值

於二零一九年十二月三十一日的綜合財務狀況表內的投資物業按其公允價值約人民幣7,754,000,000元(二零一八年：人民幣13,083,000,000元)列賬，詳情於附註21披露。投資物業的公允價值乃經參照獨立物業估值師採用物業估值技術對該等物業進行的估值(當中涉及若干現行市況的假設)釐定。該等假設的有利或不利變動可能會導致本集團投資物業的公允價值變動，並對綜合損益及其他全面利潤表內所呈報公允價值變動及計入綜合財務狀況表內的該等物業賬面值作出相應調整。

##### 中國土地增值稅

本集團須支付中國的土地增值稅(「土地增值稅」)。有關稅項的執行及結算在中國各城市不同稅務司法權區有異，而本集團尚未與中國大部分地方稅務機關落實中國土地增值稅的計算及付款方法。中國土地增值稅的計算與所使用根據土地價值增幅釐定的比率的適當性高度相關。土地價值增幅乃經參考物業所得款項減去估計可扣稅開支(包括土地使用權成本及所有物業發展開支)而釐定。本集團按其對相關中國稅務法律及規例的理解估計可扣稅開支。最終稅務結果可能與初步記錄的金額有別，而有關差異將影響地方稅務機關落實有關稅項期間的所得稅開支及相關所得稅撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Key sources of estimation uncertainty (Continued)

###### Deferred tax assets

At 31 December 2019, the Group has recognised deferred tax assets RMB506,320,000 as set out in note 31. The ability to realise the deferred tax assets mainly depends on whether it is probable that future taxable profits will be available against which related tax benefits under the deferred tax assets can be utilised. In cases where the actual future taxable profits generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such a reversal takes place.

###### Impairment of non-financial long-lived assets

If circumstances indicate that the carrying amounts of non-financial long-lived assets (other than investment properties, properties under development, completed properties held for sale and deferred tax assets) may not be recoverable, the assets may be considered impaired and are tested for impairment. An impairment loss is recognised when the asset's recoverable amount has declined below its carrying amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the recoverable amount, the Group estimates the future cash flows to be derived from continuing use and ultimate disposal of the asset and applies an appropriate discount rate to these future cash flows.

###### Write-down of properties under development and completed properties held for sale

Management performs a regular review on the carrying amounts of properties under development and completed properties held for sale. Based on management's review, write-down of properties under development and completed properties held for sale will be made when the estimated net realisable value has declined below the carrying amount.

In determining the net realisable value of completed properties held for sale, management refers to prevailing market data such as recent sales transactions, market survey reports available from independent property valuers and internally available information, as basis for evaluation. As of 31 December 2019, the amount of the write-down of completed properties held for sale was RMB334,875,000 (2018: RMB19,542,000).

#### 4. 重大會計判斷及估計不確定因素的主要來源(續)

##### 估計不確定因素的主要來源(續)

###### 遞延稅項資產

於二零一九年十二月三十一日，本集團確認附註31所載列遞延稅項資產人民幣506,320,000元。變現遞延稅項資產的能力主要視乎是否有可動用遞延稅項資產項下相關稅務利益抵銷的未來應課稅溢利。倘實際產生的未來應課稅溢利少於預期，則可能撥回遞延稅項資產，並將於撥回期間於損益中確認。

###### 非金融長期資產的減值

當情況顯示非金融長期資產(投資物業、發展中物業、已建成待售物業及遞延稅項資產除外)的賬面值可能不可收回時，該等資產可能會被視為已減值及會進行減值測試。當資產的可收回金額跌至低於其賬面值時，則會確認減值虧損。資產的可收回金額乃其公允價值減出售成本與使用價值兩者中的較高者。於釐定可收回金額時，本集團會估計持續使用及最終出售資產所產生的未來現金流量及採用合適折現率折現此等未來現金流量。

###### 發展中物業及已建成待售物業的撇減

管理層對發展中物業及已建成待售物業的賬面值進行定期審閱。根據管理層的審閱，當估計可變現淨值跌至低於賬面值時，將會對發展中物業及已建成待售物業作出撇減。

於釐定已建成待售物業的可變現淨值時，管理層會以最近銷售交易、由獨立物業估值師所提供市場調查報告及內部可得資料等當時市場數據作為評估基準。於二零一九年十二月三十一日，已建成待售物業的撇減金額為人民幣334,875,000元(二零一八年：人民幣19,542,000元)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Key sources of estimation uncertainty (Continued)

##### Write-down of properties under development and completed properties held for sale (Continued)

In respect of properties under development, the net realisable value is the estimated selling price of the completed units (based on the current prevailing market conditions) less estimated selling expenses and estimated cost of completion (if any). These estimates require judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, marketing costs (including price discounts required to stimulate sales) and the estimated costs to completion of properties, the legal and regulatory framework and general market conditions.

##### ECL allowance

The Group recognises a loss allowance for ECL on financial assets including trade receivables, other receivables and other items such as contract assets which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. Significant judgements and estimations are required in determining the impairment assessment including the judgements on grouping basis for the provision matrix and individual assessment and the estimations on the expected loss rates used to calculate the ECL allowance. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. As at 31 December 2019, the carrying amount of trade receivables, contract assets and other receivables are RMB340,804,000, RMB649,843,000 and RMB15,382,918,000 respectively, net of accumulated ECL impairment loss of RMB28,500,000, RMB1,086,000 and RMB268,119,000 respectively.

#### 4. 重大會計判斷及估計不確定因素的主要來源(續)

##### 估計不確定因素的主要來源(續)

##### 發展中物業及已建成待售物業的撇減(續)

就發展中物業而言，可變現淨值為已建成單位的估計售價(根據當前適用市況計算)減估計銷售費用及估計建成所需成本(如有)。此等估計需要透過參考附近地點的最近銷售交易、市場推廣成本(包括促銷所需價格折讓)及建成物業的估計成本、法律及監管架構以及一般市場情況，對預期銷售價格作出判斷。

##### 預期信貸虧損撥備

本集團就受限於國際財務報告準則第9號項下減值的金融資產(包括應收賬款、其他應收款項及其他項目例如合同資產)的預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期予以更新，以反映信貸風險自初始確認以來的變動。於釐定減值評估時須作出重大判斷及估計，包括對撥備矩陣及個別評估按集體基準作出判斷及對計算預期信貸虧損撥備使用的預期虧損率作出估計。於各報告日期，過往觀察違約率會予以重估，而前瞻資料的變動會加以考慮。於二零一九年十二月三十一日，應收賬款、合同資產及其他應收款項賬面值分別為人民幣340,804,000元、人民幣649,843,000元及人民幣15,382,918,000元(扣除累計預期信貸虧損減值虧損分別人民幣28,500,000元、人民幣1,086,000元及人民幣268,119,000元)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 5. REVENUE

## (i) Disaggregation of revenue from contracts with customers

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度		
		Revenue recognised at a point in time 在某時點 確認的收益 RMB'000 人民幣千元	Revenue recognised over time 隨時間 確認的收益 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
<b>Types of goods or services</b>	<b>貨品或服務類型</b>			
Sales of properties and construction management services	物業銷售及建築管理服務	16,636,632	357,960	16,994,592
Hotel and related services	酒店及配套服務	-	133,941	133,941
Property management and other services	物業管理及其他服務	-	457,266	457,266
<b>Revenue from contracts with customers</b>	<b>來自客戶合約的收益</b>	<b>16,636,632</b>	<b>949,167</b>	<b>17,585,799</b>
Leases – rental income	租賃 – 租金收入	-	76,337	76,337
<b>Total revenue</b>	<b>總收益</b>	<b>16,636,632</b>	<b>1,025,504</b>	<b>17,662,136</b>

		For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度		
		Revenue recognised at a point in time 在某時點 確認的收益 RMB'000 人民幣千元	Revenue recognised over time 隨時間 確認的收益 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
<b>Types of goods or services</b>	<b>貨品或服務類型</b>			
Sales of properties and construction management services	物業銷售及建築管理服務	13,029,929	1,801,400	14,831,329
Hotel and related services	酒店及配套服務	-	134,541	134,541
Property management and other services	物業管理及其他服務	-	426,923	426,923
<b>Revenue from contracts with customers</b>	<b>來自客戶合約的收益</b>	<b>13,029,929</b>	<b>2,362,864</b>	<b>15,392,793</b>
Leases – rental income	租賃 – 租金收入	-	51,453	51,453
<b>Total revenue</b>	<b>總收益</b>	<b>13,029,929</b>	<b>2,414,317</b>	<b>15,444,246</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**5. REVENUE (Continued)****(ii) Performance obligations for contracts with customers***Sales of properties*

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customer's specifications with no alternative use. Taking into consideration of the relevant contract terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers. Revenue from sales of residential properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

The Group receives 30%-70% of the contract value as deposits from customers when they sign the sale and purchase agreement. Such advance payment schemes result in contract liabilities being recognised throughout the property construction period.

The Group considers the advance payment schemes contain significant financing component and accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the Group. As this accrual increases the amount of the contract liability during the period of construction, it increases the amount of revenue recognised when control of the completed property is transferred to the customer.

**5. 收益(續)****(ii) 客戶合約的履約責任***銷售物業*

就銷售物業與客戶訂立的合約而言，該等合約所指明的相關物業乃基於客戶的規定而並無作其他用途。經計及相關合約條款、法律環境及相關判例後，本集團得出結論為本集團於向客戶轉讓相關物業前並無擁有可強制執行權利收取款項。因此，銷售住宅物業的收益於向客戶轉讓已建成物業的時間點確認，即於客戶取得該已建成物業的控制權，且本集團擁有即時權利收取付款及可能收取代價時確認。

本集團於簽訂買賣協議時向客戶收取合約價值30%至70%作為訂金。有關預付款項計劃導致合同負債於整個物業興建期間確認。

本集團認為預付款項計劃包括重大融資成分，因此在考慮本集團的信貸特徵後，就貨幣的時間價值對代價的金額進行調整。由於該應計費用將增加興建期間的合同負債金額，其導致已建成物業的控制權轉讓予客戶時確認的收益金額有所增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 5. REVENUE (Continued)

### (ii) Performance obligations for contracts with customers (Continued)

#### *Construction management service*

Revenue from construction management service is recognised over time on input method based on the proportion of construction costs incurred for work performed to date relative to the estimated total construction cost. The construction management fees are billed to the clients periodically on an agreed-upon payment schedule and/or milestone between the customers and the Group. The Group recognised a contract over the period in which construction management service are performed representing the Group's right to consideration for the services performed. Any amount previously recognised as a contract asset is reclassified to trade receivables when the rights become unconditional, which is at the point when billings are issued to the customer. Payments received before the related service is performed are included in the consolidated statement of financial position as contract liabilities. Contract asset and contract liability relating to the same contract are accounted for and presented on a net basis.

The Group does not consider the advance payments pertain to construction management service to have contained significant financing component.

Construction management contract contain variable consideration as the consideration is calculated based on construction costs incurred plus a mark-up. The Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

## 5. 收益(續)

### (ii) 客戶合約的履約責任(續)

#### *建築管理服務*

建築管理服務的收益按迄今所完成工程的建築成本佔估計總建築成本的比例使用輸入法隨時間確認。建築管理費按客戶與本集團的協定付款時間表及/或進度定期向客戶出具發票。本集團於履行建築管理服務期間內確認合同，即本集團就已履行服務收取代價的權利。倘有關權利成為無條件(即向客戶出具發票之時)，任何先前確認為合同資產的金額重新分類為應收賬款。在執行相關服務之前收到的款項作為合同負債列入綜合財務狀況表。與同一合同有關的合同資產和合同負債以淨額入賬並呈列。

本集團認為與建築管理服務有關的預付款不包含重大融資成分。

建築管理合約包括可變代價，原因為代價乃根據已產生建築成本加漲價計算。本集團使用(a)預期價值方法或(b)最有可能的金額以估計其有權獲得的對價金額，取決於哪種方法能夠更好地預測本集團將有權獲得的對價金額。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**5. REVENUE (Continued)****(ii) Performance obligations for contracts with customers (Continued)***Construction management service (Continued)*

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. Therefore, the Group only include the estimated total construction cost that had been reviewed and approved by the clients as basis for progress measurement, as costs not reviewed and approved by the clients could be disputed as non-reimbursable under the terms of the contract.

At the end of each reporting period, the Group updates the estimated total construction cost, which in turn would affect the transaction price (including updating its assessment of whether an estimate of variable consideration is constrained), to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

*Hotel and related service*

The Group's performance obligation from hotel and related services is mainly to provide accommodation services to guests. Revenue from accommodation service is recognised overtime and the progress measured using the output method during the period when the rooms for accommodation are occupied. The hotel and related services fees are billed to the customers after the services provided.

*Property management and other services*

Revenue from property management and other services is recognised over time, and the progress measured using the output method. The property management service fees are billed to the clients periodically (either monthly or quarterly billing period).

**5. 收益(續)****(ii) 客戶合約的履約責任(續)***建築管理服務(續)*

可變對價的估計金額僅在很可能在以後解決與可變對價有關的不確定性時不會在未來導致重大收益沖銷的情況下才包含在交易價格中。因此，本集團僅將已由客戶審查並批准的估計總建築成本作為進度計量的基礎，因為未根據合同條款由客戶審查和批准的成本將會無償而有爭議性。

於各報告期末，本集團更新估計總建築成本，其將影響交易價格(包括更新其對可變代價估計是否出現限制的評估)，以真實呈列於報告期末的當時情況及於報告期內的情況變動。

*酒店及配套服務*

本集團的酒店及配套服務的履約責任主要為向住客提供住宿服務。來自住宿服務的收益隨時間確認，且進度乃按輸出法於入住宿房間的期間內確認。於提供服務後，我們將就酒店及配套服務向客戶出具發票。

*物業管理服務及其他服務*

來自物業管理服務及其他服務的收益隨時間確認，且進度乃使用輸出法計量。本公司定期(每月或季度計算期)向客戶出具發票。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 5. REVENUE (Continued)

### (iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2019 and 2018 and the expected timing of recognising revenue are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Sales of properties</b>	<b>物業銷售</b>		
Within one year	一年內	<b>18,858,357</b>	17,887,377
More than one year but not more than two years	超過一年但兩年內	<b>20,032,449</b>	11,855,971
More than two years	超過兩年	<b>5,135,089</b>	2,620,105
		<b>44,025,895</b>	32,363,453

These amounts disclosed above do not include transaction price allocated to performance obligations which have been satisfied but not yet recognised due to variable consideration constraint.

All hotel and related service and property management and other services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

### (iv) Leases

		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
For operating leases:	就經營租賃：		
Lease payments that are fixed or depend on an index or a rate	固定或取決於指數或利率的租賃付款	<b>76,337</b>	51,453

## 5. 收益(續)

### (iii) 分配至客戶合約剩餘履約責任的交易價格

於二零一九年及二零一八年十二月三十一日，分配至剩餘履約責任(尚未履行或部分未履行)的交易價格及預計確認收益的期限如下：

上文披露的金額並無計入分配至履約責任(已履行但因可變代價限制而尚未確認)的交易價格。

酒店及配套服務以及酒店管理及其他服務的年期全部為一年或以下。按國際財務報告準則第15號所允許，並無披露獲分配至該等未履行合約的交易價格。

### (iv) 租賃

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**6. SEGMENT REPORTING**

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the chief operating decision maker (the "CODM"), Group's senior executive management, reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Group's reportable segments.

- 1) Sales of properties and construction management service: this segment includes development and sales of residential properties and provision of construction management service. Currently the Group's activities in this unit are carried out mainly in Shanghai, Kunming, Wuxi, Suzhou, Haikou, Taiyuan, Huangshan, Hangzhou, Zhaoqing, Xuzhou and Nanning.
- 2) Lease of properties: this segment leases commercial and residential properties to generate rental income and gain from the appreciation in the properties' values in the long term. Currently the Group's major investment property portfolio is located in Shanghai, Suzhou, Nanning, Wuxi, Kunming and Haikou.
- 3) Hotel and related service: this segment operates hotels and service apartments to generate accommodation service and related income. Currently the Group's activities in this unit are carried out in Shanghai and Huangshan.
- 4) Property management and other services: this segment provides property management and other services to external customers and group companies. Currently the Group's activities in this unit are mainly carried out in Shanghai, Kunming, Changshu, Huangshan, Wuxi, Nanning, Suzhou, Haikou, Taiyuan and Xi'an.

**6. 分部報告**

如下文所述，本集團有四個可申報分部，為本集團的策略性業務單位。策略性業務單位提供不同的產品及服務，由於需要不同的技術及營銷策略，因此獨立管理。就各策略性業務單位而言，主要經營決策者（「**主要經營決策者**」，本集團之高層行政管理人員）最少每月審閱內部管理報告。以下概要說明本集團各可申報分部的營運。

- 1) 物業銷售及建築管理服務：本分部包括發展及銷售住宅物業以及提供建築管理服務。目前本集團主要於上海、昆明、無錫、蘇州、海口、太原、黃山、杭州、肇慶、徐州及南寧經營此單位的業務。
- 2) 物業租賃：本分部出租商業及住宅物業以產生租金收入以及長期物業增值的收益。目前本集團的主要投資物業組合位於上海、蘇州、南寧、無錫、昆明及海口。
- 3) 酒店及配套服務：本分部經營酒店及服務式公寓，以產生住宿服務及相關收入。目前本集團於上海及黃山經營此單位的業務。
- 4) 物業管理及其他服務：本分部向外部客戶及集團公司提供物業管理及其他服務。目前本集團主要於上海、昆明、常熟、黃山、無錫、南寧、蘇州、海口、太原及西安經營此單位的業務。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**6. SEGMENT REPORTING (CONTINUED)**

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODM monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment assets include all current and non-current assets with the exception of interests in associates and interests in joint ventures. Segment liabilities include all current and non-current liabilities except for bonds managed at corporate level.

Revenue and expenses are allocated to the reportable segments with reference to the revenue generated and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment results do not include net gain on disposal of equity interests in subsidiaries, share of results of associates, share of results of joint ventures and any other transactions managed at the corporate level.

For the year ended 31 December 2019

**6. 分部報告(續)**

為評估分部表現及於各分部間進行資源配置，本集團之主要經營決策者按以下基準監控各可申報分部之業績、資產及負債：

分部資產包括所有流動及非流動資產(除聯營公司權益及合營企業權益外)。分部負債包括所有流動及非流動負債(除由企業階層管理之債券外)。

收益及開支乃參照可申報分部產生之收益及開支或因分部應佔之資產折舊或攤銷而產生者，分配至該等分部。分部業績並不包括出售子公司股權之收益淨額、應佔聯營公司業績、應佔合營企業業績及任何其他由企業階層管理之交易。

截至二零一九年十二月三十一日止年度

		Sales of properties and construction management services		Hotel and related services	Property management and other services	Total
		物業銷售及建築管理服務	物業租賃			
		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
Revenue from external customers	外部客戶收益	16,994,592	76,337	133,941	457,266	17,662,136
Inter-segment revenue	分部間收益	-	-	-	1,778,602	1,778,602
Reportable segment revenue	可申報分部收益	16,994,592	76,337	133,941	2,235,868	19,440,738
Reportable segment profit	可申報分部溢利	1,054,581	975,996	17,080	13,060	2,060,717
Finance income	融資收入	65,211	293	1,485	4,666	71,655
Finance costs	融資成本	(246,193)	(1,106)	(16,927)	(1)	(264,227)
Gain on changes in fair value of investment properties	投資物業公允價值變動收益	-	945,466	-	-	945,466
Depreciation and amortisation	折舊及攤銷	21,316	-	65,447	14,070	100,833
Write-down of completed properties held for sale	已建成待售物業之撇減	315,333	-	-	-	315,333
Impairment loss of trade and other receivables and contract assets	應收賬款及其他應收款項以及合同資產之減值虧損	58,421	-	1,907	7,169	67,497
Additions to non-current segment assets	增加分部非流動資產	20,422	1,592,389	2,992	17,400	1,633,203
Reportable segment assets	可申報分部資產	95,424,077	7,754,000	634,035	2,022,089	105,834,201
Reportable segment liabilities	可申報分部負債	80,128,597	4,109,818	223,003	1,260,285	85,721,703

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**6. SEGMENT REPORTING (Continued)**

For the year ended 31 December 2018

**6. 分部報告(續)**

截至二零一八年十二月三十一日止年度

		Sales of properties and construction management services 物業銷售及 建築管理服務 RMB'000 人民幣千元	Lease of properties 物業租賃 RMB'000 人民幣千元	Hotel and related services 酒店及 配套服務 RMB'000 人民幣千元	Property management and other services 物業管理及 其他服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue from external customers	外部客戶收益	14,831,329	51,453	134,541	426,923	15,444,246
Inter-segment revenue	分部間收益	-	-	-	589,498	589,498
Reportable segment revenue	可申報分部收益	14,831,329	51,453	134,541	1,016,421	16,033,744
Reportable segment profit	可申報分部溢利	461,071	920,016	1,035	6,293	1,388,415
Finance income	融資收入	69,088	274	244	3,589	73,195
Finance costs	融資成本	(168,243)	(664)	(18,522)	(59)	(187,488)
Gain on changes in fair value of investment properties	投資物業公允價值變動 收益	-	1,226,688	-	-	1,226,688
Depreciation and amortisation	折舊及攤銷	9,045	-	77,780	3,618	90,443
Impairment loss of trade and other receivables and contract assets	應收賬款 及其他應收款項以及 合同資產之減值虧損	127,089	-	3,063	3,377	133,529
Additions to non-current segment assets	增加分部非流動 資產	50,135	4,001,000	642	21,536	4,073,313
Reportable segment assets	可申報分部資產	78,424,276	13,083,000	1,738,365	2,112,126	95,357,767
Reportable segment liabilities	可申報分部負債	65,940,180	6,934,324	1,317,193	1,233,679	75,425,376

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**6. SEGMENT REPORTING (Continued)**  
**Reconciliation of reportable segment revenue, profit, assets and liabilities**

**6. 分部報告(續)**  
**可申報分部收益、溢利、資產及負債的對賬**

		<b>2019</b> 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
<b>Revenue</b>	<b>收益</b>		
Reportable segment revenue	可申報分部收益	<b>19,440,738</b>	16,033,744
Elimination of inter-segment revenue	分部間收益對銷	<b>(1,778,602)</b>	(589,498)
Consolidated revenue	綜合收益	<b>17,662,136</b>	15,444,246
<b>Profit</b>	<b>溢利</b>		
Reportable segment profit	可申報分部溢利	<b>2,060,717</b>	1,388,415
Elimination of inter-segment profits	分部間溢利對銷	<b>(195,869)</b>	(41,243)
Gain on disposal of interests in subsidiaries	出售子公司權益之收益	<b>1,185,595</b>	487,691
Share of losses of associates	應佔聯營公司虧損	<b>(24,049)</b>	(15,354)
Share of profits of joint ventures	應佔合營企業溢利	<b>14,743</b>	161,431
Consolidated profit after income tax	除所得稅後綜合溢利	<b>3,041,137</b>	1,980,940
<b>Assets</b>	<b>資產</b>		
Reportable segment assets	可申報分部資產	<b>105,834,201</b>	95,357,767
Elimination of inter-segment receivables	分部間應收款項對銷	<b>(6,524,495)</b>	(4,957,929)
Elimination of inter-segment investments	分部間投資對銷	<b>(871,688)</b>	(995,536)
Interests in associates	聯營公司權益	<b>197,817</b>	206,554
Interests in joint ventures	合營企業權益	<b>634,087</b>	619,344
Consolidated total assets	綜合資產總額	<b>99,269,922</b>	90,230,200
<b>Liabilities</b>	<b>負債</b>		
Reportable segment liabilities	可申報分部負債	<b>85,721,703</b>	75,425,376
Elimination of inter-segment payables	分部間應付款項對銷	<b>(6,524,495)</b>	(4,957,929)
Bonds	債券	<b>3,481,276</b>	5,818,015
Consolidated total liabilities	綜合負債總額	<b>82,678,484</b>	76,285,462

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**6. SEGMENT REPORTING (Continued)****Geographical information**

In view of the fact that the Group mainly operates in the PRC, no geographical segment information is presented.

**Information about major customers**

For the year ended 31 December 2019, no single customer contributes 10% or more of the total sales of the Group.

For the year ended 31 December 2018, except that a customer contributes approximately RMB1,776,506,000 to the revenue of the Group in respect of the sales of a property and a customer contributes approximately RMB1,801,400,000 to the revenue of the Group in respect of the construction management service, no other single customer contributes 10% or more of the total sales of the Group.

**7. OTHER INCOME**

		<b>2019</b> 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
Forfeited deposits from customers	來自客戶的沒收違約金	<b>13,300</b>	17,135
Government grants (Note)	政府補助(附註)	<b>12,419</b>	8,099
Others	其他	<b>5,418</b>	4,112
		<b>31,137</b>	29,346

Note: The amount of government grants represents the incentive subsidies received from the PRC local district authorities for the business activities carried out by the Group in the district. There are no specific conditions attached to the grants.

**6. 分部報告(續)****地區資料**

由於本集團主要在中國營運，故概無呈列地區分部資料。

**有關主要客戶的資料**

截至二零一九年十二月三十一日止年度，概無單一客戶貢獻本集團總銷售的10%或以上。

截至二零一八年十二月三十一日止年度，除一名客戶就物業銷售向本集團貢獻收益約人民幣1,776,506,000元及一名客戶就建築管理服務向本集團貢獻收益約人民幣1,801,400,000元外，概無單一客戶貢獻本集團總銷售的10%或以上。

**7. 其他收入**

附註：政府補助金額指因本集團於區內進行業務活動而自中國當地地區機關收到的優惠補貼。該等補助並無特定附帶條件。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 8. OTHER GAINS AND LOSSES

## 8. 其他收益及虧損

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Net foreign exchange loss	匯兌虧損淨額	(223,488)	(655,459)
Gains (losses) from financial assets at FVTPL	來自按公允價值列賬於損益的 金融資產收益(虧損)	7,321	(15,247)
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備的 收益淨額	246	10,810
Others	其他	4,827	-
		(211,094)	(659,896)

## 9. FINANCE INCOME

## 9. 融資收入

		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
Interest income on bank deposits and entrusted loans	銀行存款及受託貸款 利息收入	71,655	73,195

## 10. FINANCE COSTS

## 10. 融資成本

		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
Interest expenses on bonds	債券利息費用	331,288	263,424
Interest expenses on interest-bearing loans	計息貸款利息費用	690,428	651,393
Interest expenses on lease liabilities	租賃負債利息費用	673	-
Interest expenses on contract liabilities	合同負債利息費用	829,005	521,267
Less: interest of bonds capitalised	減：資本化的債券利息	(257,598)	(194,247)
interest of interest-bearing loans capitalised	資本化的計息 貸款利息	(500,564)	(572,271)
interest of contract liabilities capitalised	資本化的合同負債利息	(829,005)	(482,078)
Net interest expenses	利息費用淨額	264,227	187,488

The weighted average interest rate of capitalised interest of borrowings and bond is 5.31% (2018: 5.57%) per annum.

資本化的借款及債券利息的加權平均年利率為5.31厘(二零一八年：5.57厘)。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 11. INCOME TAX EXPENSES

## 11. 所得稅開支

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Current tax</b>	<b>即期稅項</b>		
– PRC Enterprise Income Tax ("EIT")	– 中國企業所得稅(「企業所得稅」)	1,235,806	754,927
– PRC LAT	– 中國土地增值稅	1,069,491	667,969
		<b>2,305,297</b>	1,422,896
<b>(Over) under provision in prior years</b>	<b>過往年度(超額撥備) 撥備不足</b>		
– PRC EIT	– 中國企業所得稅	(26,273)	20,147
<b>Deferred tax (notes 31(i) and (ii))</b>	<b>遞延稅項(附註31(i)及(ii))</b>	<b>278,139</b>	307,335
		<b>2,557,163</b>	1,750,378

No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during both years.

**Enterprise Income Tax**

Pursuant to the Enterprise Income Tax Law of the PRC, the Group's main operating companies were subject to PRC Enterprise Income Tax at a rate of 25% (2018: 25%).

In addition, the EIT Law provides that qualified dividend income between two "resident enterprises" that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to a 5% or 10% withholding tax under the EIT Law. A 10% withholding tax rate is applicable to the Group.

由於本集團於兩個年度均無賺取任何須繳納香港利得稅的收入，故並無作出香港利得稅撥備。

**企業所得稅**

根據中國企業所得稅法，本集團的主要營運中公司均須按25%(二零一八年：25%)的稅率繳納中國企業所得稅。

此外，企業所得稅法規定兩間具有直接投資關係的「居民企業」獲豁免就合資格股息收入繳納所得稅。否則，有關股息須根據企業所得稅法繳納5%或10%預扣稅。本集團適用10%預扣稅。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**11. INCOME TAX EXPENSES (Continued)****Land Appreciation Tax**

According to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The income tax expenses for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income accounting as follows:

		<b>2019</b> <b>二零一九年</b> <b>RMB'000</b> <b>人民幣千元</b>	2018 二零一八年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	<b>5,598,300</b>	3,731,318
Tax at the applicable PRC EIT rate of 25%	按中國適用企業所得稅率25%計算的稅項	<b>1,399,575</b>	932,830
Tax effect of income not taxable for tax purposes	就稅務而言不課稅收入的稅務影響	<b>(13,379)</b>	(12,045)
Tax effect of share of results of associates	應佔聯營公司業績的稅務影響	<b>6,012</b>	3,838
Tax effect of share of results of joint ventures	應佔合營企業業績的稅務影響	<b>(3,686)</b>	(40,358)
Tax effect of expenses not deductible for tax purposes	不可抵扣的稅項費用的稅務影響	<b>327,310</b>	272,899
(Over) under provision in respect of prior years	過往年度(超額撥備)撥備不足	<b>(26,273)</b>	42,729
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	<b>111,048</b>	130,004
Utilisation of tax losses previously not recognised	利用過往未確認的稅務虧損	<b>(20,189)</b>	(33,977)
Effect of different tax rate on disposal of subsidiaries (Note)	出售子公司適用稅率不同的影響(附註)	<b>(25,373)</b>	(46,519)
PRC LAT provision for the year	年內中國土地增值稅撥備	<b>1,069,491</b>	667,969
Tax effect of PRC LAT deductible for PRC EIT	可抵扣中國企業所得稅的中國土地增值稅的稅務影響	<b>(267,373)</b>	(166,992)
Income tax expenses for the year	年內所得稅開支	<b>2,557,163</b>	1,750,378

Note: EIT on disposals of subsidiaries is calculated at 10% of the difference between consideration and the registered capital of the relevant subsidiary incorporated in the PRC.

**11. 所得稅開支(續)****土地增值稅**

根據於一九九四年一月一日生效的《中華人民共和國土地增值稅暫行條例》以及於一九九五年一月二十七日生效的《中華人民共和國土地增值稅暫行條例實施細則》的要求，出售或轉讓於中國的國有土地使用權、樓宇及其附屬設施的所有收入須就增值額按介乎30%至60%的累進稅率繳納土地增值稅，惟倘普通住宅房的物業出售的增值額不超過可扣稅項目總額的總和20%，則可獲豁免。

根據綜合損益及其他全面利潤表會計方法，年內所得稅開支可與除稅前溢利對賬如下：

附註：出售子公司的企業所得稅乃按代價與於中國註冊成立的相關子公司註冊股本間差額的10%計算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 12. PROFIT FOR THE YEAR

## 12. 年內溢利

		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
Profit for the year has been arrived at after charging (crediting)	年內溢利 乃經扣除(計入) 以下各項後達致		
Cost of properties sold	已出售物業成本	<b>11,239,292</b>	10,836,197
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)	<b>780,783</b>	656,386
Less: capitalised in properties under development and investment properties under development	減: 發展中物業及 發展中投資物業的 資本化	<b>(189,115)</b>	(171,269)
		<b>591,668</b>	485,117
Auditors' remuneration	核數師酬金		
– audit services	– 審核服務	<b>2,680</b>	2,380
– non-audit services	– 非審核服務	<b>5,680</b>	1,000
		<b>8,360</b>	3,380
Depreciation of property, plant and equipment	物業、廠房及 設備折舊	<b>85,699</b>	89,003
Amortisation of land use rights	土地使用權攤銷	–	1,395
Amortisation of intangible assets	無形資產攤銷	<b>45</b>	45
Amortisation of right-of-use assets	使用權資產攤銷	<b>15,089</b>	–
Amortisation of contract costs	合同成本攤銷	<b>47,148</b>	59,441
		<b>147,981</b>	149,884
Write-down of completed properties held for sale	已建成待售物業的 撇減	<b>315,333</b>	–
Operating lease charges	經營租賃支出	–	27,717
Gross rental income from investment properties	來自投資物業的 租金總收入	<b>76,337</b>	51,453
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	減: 因於年內產生租金收入的 投資物業計提 直接經營開支	<b>(38,068)</b>	(30,604)
Direct operating expenses incurred for investment properties that did not generate rental income during the year	因於年內並無產生租金收入的 投資物業計提 直接經營開支	<b>(7,739)</b>	(7,064)
		<b>30,530</b>	13,785

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 13. DIRECTORS' REMUNERATION

## 13. 董事酬金

		Directors' Fee	Basic salaries, allowances and other benefits	Contributions to retirement benefit schemes	Bonus	Total
		董事袍金	基本薪金、津貼及其他福利	退休福利計劃供款	花紅	合計
		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
<b>For the year ended</b>	<b>截至二零一九年</b>					
<b>31 December 2019</b>	<b>十二月三十一日止年度</b>					
<b>Executive Directors</b>	<b>執行董事</b>					
Mr. Chen Jun	陳軍先生	-	4,170	100	1,880	6,150
Mr. Hou Guangjun	侯光軍先生	-	2,535	100	1,370	4,005
Mr. Wu Zhengkui	吳正奎先生	-	-	-	-	-
Mr. Wang Weixian	王偉賢先生	-	337	32	-	369
Ms. Wang Xuling	王煦菱女士	-	2,340	51	1,169	3,560
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>					
Mr. Cheong Ying Chew, Henry	張英潮先生	337	-	-	-	337
Mr. Fong Wo, Felix, JP	方和先生(太平紳士)	337	-	-	-	337
Mr. Kwan Kai Cheong	關啟昌先生	337	-	-	-	337
Total	合計	1,011	9,382	283	4,419	15,095

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

13. DIRECTORS' REMUNERATION  
(Continued)

## 13. 董事酬金(續)

	Directors' Fee	Basic salaries, allowances and other benefits	Contributions to retirement benefit schemes	Bonus	Total
	董事袍金	基本薪金、津貼及其他福利	退休福利計劃供款	花紅	合計
	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
<b>For the year ended 31 December 2018</b>	<b>截至二零一八年十二月三十一日止年度</b>				
<b>Executive Directors 執行董事</b>					
Mr. Chen Jun 陳軍先生	-	4,742	95	2,023	6,860
Mr. Hou Guangjun 侯光軍先生	-	2,797	95	859	3,751
Mr. Wu Zhengkui 吳正奎先生	-	-	-	-	-
Mr. Wang Weixian 王偉賢先生	-	323	30	-	353
Ms. Wang Xuling 王煦菱女士	-	1,991	17	785	2,793
<b>Independent Non-Executive Directors 獨立非執行董事</b>					
Mr. Cheong Ying Chew, Henry 張英潮先生	323	-	-	-	323
Mr. Fong Wo, Felix, JP 方和先生(太平紳士)	323	-	-	-	323
Mr. Kwan Kai Cheong 關啟昌先生	323	-	-	-	323
Total 合計	969	9,853	237	3,667	14,726

The emolument of the Executive Director Mr. Wu Zhengkui was borne by Greenland Holdings.

執行董事吳正奎先生的酬金由綠地控股承擔。

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

上文所示執行董事酬金主要就彼等提供本公司及本集團事務管理服務而支付。

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

上文所示獨立非執行董事的酬金及就彼等擔任本公司董事而支付。

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during both years.

於兩個年度，概無董事或主要行政人員放棄或同意放棄任何薪酬的安排。

The bonus to executive directors are determined based on the Group's and directors' personal performance.

執行董事的花紅按本集團及董事的個人表現而釐定。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**14. EMPLOYEES' REMUNERATION**

The five highest paid individuals of the Group during the year ended 31 December 2019 comprise three (2018: three) directors of the Company, whose remuneration is disclosed in note 13. Details of remuneration paid to the remaining highest paid individual of the Group are as follows:

		<b>2019</b> 二零一九年 <b>RMB'000</b> 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Basic salary, allowances and other benefits	基本薪金、津貼及其他福利	<b>4,816</b>	5,826
Contributions to retirement benefit schemes	退休福利計劃供款	<b>202</b>	179
Bonus	花紅	<b>2,335</b>	1,327
		<b>7,353</b>	7,332

The number of the five highest paid employees whose remuneration fell within the following bands is as follows:

**14. 僱員酬金**

本集團於截至二零一九年十二月三十一日止年度的五名最高薪酬人士包括本公司三名(二零一八年:三名)董事,其酬金已於附註13披露。向本集團其餘最高薪酬人士支付的酬金詳情如下:

五名最高薪僱員按以下薪酬範圍的人數如下:

		<b>2019</b> 二零一九年 <b>No. of</b> <b>employees</b> 僱員人數	2018 二零一八年 No. of employees 僱員人數
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	<b>1</b>	1
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	<b>1</b>	1
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至4,500,000港元	<b>1</b>	1
HK\$4,500,001 to HK\$5,000,000	4,500,001港元至5,000,000港元	<b>1</b>	1
HK\$6,500,001 to HK\$7,000,000	6,500,001港元至7,000,000港元	<b>1</b>	-
HK\$7,000,001 to HK\$7,500,000	7,000,001港元至7,500,000港元	<b>-</b>	1
		<b>5</b>	5

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 15. DIVIDENDS

## 15. 股息

		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
Dividends for ordinary shareholders of the Company recognised as distribution during the year:	於年內確認為分派的本公司普通股股東股息：		
2018 Final – HK\$0.20 per share (2018: 2017 Final – HK\$0.15 per share)	二零一八年末期—每股0.20港元 (二零一八年：二零一七年末期 —每股0.15港元)	491,182	342,114

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2019 of HK\$0.25 (2018: HK\$0.2) per share in an aggregate amount of HK\$697,971,000 (2018: HK\$558,377,000) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

於報告期結束後，本公司董事建議就截至二零一九年十二月三十一日止年度派付末期股息每股0.25港元(二零一八年：0.2港元)，總額為697,971,000港元(二零一八年：558,377,000港元)，惟須經股東於即將舉行的股東大會上批准後，方可作實。

## 16. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

## 16. 每股盈利

本公司擁有人應佔每股基本盈利按下列數據計算：

		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
Earnings used in the calculation of basic earnings per share (profit for the year attributable to owners of the Company, excluding distribution related to perpetual securities)	計算每股基本盈利所用盈利 (本公司擁有人應佔年內溢利， 不包括與永久證券 相關的分派)	2,473,818	1,691,510

## Number of shares

## 股份數目

		2019 二零一九年 (thousand) (千股)	2018 二零一八年 (thousand) (千股)
Weighted average number of ordinary shares for the purpose of basic earnings per share	就每股基本盈利而言 普通股的 加權平均數	2,769,188	2,770,145

No diluted earnings per share for both 2019 and 2018 were presented as there were no potential ordinary shares in issue for both 2019 and 2018.

由於二零一九年及二零一八年概無已發行的潛在普通股，故並無呈列二零一九年及二零一八的每股攤薄盈利。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 17. PROPERTY, PLANT AND EQUIPMENT

## 17. 物業、廠房及設備

		Buildings	Leasehold improvements	Motor vehicles	Fixtures, fittings and equipment	Construction in progress	Total
		樓宇	租賃物業裝修	汽車	裝置、傢俱及設備	在建工程	合計
		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
<b>Cost</b>	<b>成本</b>						
At 1 January 2018	於二零一八年一月一日	1,277,221	91,569	47,674	341,303	14,682	1,772,449
Addition	添置	1,559	29,080	2,547	34,365	3,670	71,221
Transfer	轉撥	18,352	-	-	-	(18,352)	-
Acquisition of a subsidiary	收購一家子公司	672	-	78	757	-	1,507
Disposal of a subsidiary	出售一家子公司	-	-	-	(492)	-	(492)
Disposals	出售	(672)	(32,439)	(3,020)	(24,000)	-	(60,131)
At 31 December 2018	於二零一八年十二月三十一日	1,297,132	88,210	47,279	351,933	-	1,784,554
Addition	添置	316	13,843	4,588	13,475	-	32,222
Acquisition of subsidiaries (note 48)	收購子公司(附註48)	-	3,806	-	1,070	-	4,876
Disposal of subsidiaries (note 49)	出售子公司(附註49)	-	-	-	(318)	-	(318)
Disposals	出售	(42)	-	(722)	(3,221)	-	(3,985)
At 31 December 2019	於二零一九年十二月三十一日	1,297,406	105,859	51,145	362,939	-	1,817,349
<b>Depreciation</b>	<b>折舊</b>						
At 1 January 2018	於二零一八年一月一日	248,835	55,179	40,124	199,852	-	543,990
Charge for the year	年內折舊	49,561	13,391	2,653	23,398	-	89,003
Disposal of a subsidiary	出售一家子公司	-	-	-	(261)	-	(261)
Disposals	出售	(114)	(32,439)	(2,746)	(21,508)	-	(56,807)
At 31 December 2018	於二零一八年十二月三十一日	298,282	36,131	40,031	201,481	-	575,925
Charge for the year	年內折舊	51,801	12,055	2,759	19,084	-	85,699
Disposal of subsidiaries (note 49)	出售子公司(附註49)	-	-	-	(186)	-	(186)
Disposals	出售	(24)	-	(710)	(2,573)	-	(3,307)
At 31 December 2019	於二零一九年十二月三十一日	350,059	48,186	42,080	217,806	-	658,131
<b>Carrying amounts</b>	<b>賬面值</b>						
At 31 December 2018	於二零一八年十二月三十一日	998,850	52,079	7,248	150,452	-	1,208,629
At 31 December 2019	於二零一九年十二月三十一日	947,347	57,673	9,065	145,133	-	1,159,218

The above items of property, plant and equipment, except for construction in progress, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Buildings	2.25%-4.75%
Leasehold improvements	9.5%
Motor vehicles	9%-19%
Fixtures, fittings and equipment	18%-31.67%

上述物業、廠房及設備項目(在建工程除外)在計及剩餘價值後以直線法按以下年利率折舊：

樓宇	2.25%至4.75%
租賃物業裝修	9.5%
汽車	9%至19%
裝置、傢俱及設備	18%至31.67%



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 18. INTANGIBLE ASSETS

## 18. 無形資產

		RMB'000 人民幣千元
<b>Cost</b>	<b>成本</b>	
At 1 January 2018, 31 December 2018 and 2019	於二零一八年一月一日、二零一八年及 二零一九年十二月三十一日	1,700
<b>Amortisation</b>	<b>攤銷</b>	
At 1 January 2018	於二零一八年一月一日	404
Charge for the year	年內折舊	45
At 31 December 2018	於二零一八年十二月三十一日	449
Charge for the year	年內折舊	45
At 31 December 2019	於二零一九年十二月三十一日	494
<b>Carrying values</b>	<b>賬面值</b>	
At 31 December 2019	於二零一九年十二月三十一日	1,206
At 31 December 2018	於二零一八年十二月三十一日	1,251

Intangible assets represent contractor qualification in PRC for own use purpose, and have finite useful life of 38 years. Such intangible assets are amortised on a straight line basis over the useful life.

無形資產指在中國具有自用目的的承包商資質，有限使用年期為38年。此類無形資產在使用年期內按直線法攤銷。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**19. RIGHT-OF-USE ASSETS/LAND USE RIGHTS****19. 使用權資產／土地使用權****Right-of-use assets****使用權資產**

		<b>Leasehold lands</b>	<b>Leased properties</b>	<b>Office equipment</b>	<b>Total</b>
		租賃土地	租賃物業	辦公設備	總計
		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
<b>As at 1 January 2019</b>	<b>於二零一九年一月一日</b>				
Carrying amount	賬面值	69,315	20,477	414	90,206
<b>As at 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>				
Carrying amount	賬面值	67,921	10,357	555	78,833
<b>For the year ended 31 December 2019</b>	<b>截至二零一九年 十二月三十一日止年度</b>				
Depreciation charge	折舊費用	(1,394)	(13,602)	(93)	(15,089)
Expense relating to short-term leases and other leases with lease terms end within 12 months of the date of initial application of IFRS 16	與短期租賃和租賃期於國際財務報告準則第16號初次應用日期12個月內終止的其他租賃有關的開支				8,469
Total cash outflow for leases	就租賃現金流出總額				22,060
Additions to right-of-use assets	添置至使用權資產				3,716

For both years, the Group leases various offices and equipment for its operations. Lease contracts are entered into for fixed term of 12 months to 3 years. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for office equipment. As at 31 December 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 19.

**Restrictions or covenants on leases**

In addition, lease liabilities of RMB11,016,000 are recognised with related right-of-use assets of RMB10,912,000 as at 31 December 2019. 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.

兩年期間，本集團租賃各種辦公室和設備以進行運營。簽訂租賃合同的固定期限為12個月至3年。本集團在確定租賃期限和評估不可撤銷的期限時，採用合同的定義並確定合同可強制執行的期限。

本集團定期訂立辦公設備短期租賃。於二零一九年十二月三十一日，短期租賃組合與附註19中披露的短期租賃支出的短期租賃組合近似。

**租賃的限制或契約**

此外，於二零一九年十二月三十一日確認人民幣11,016,000元的租賃負債與相關使用權資產人民幣10,912,000元。除了出租人持有的租賃資產中的擔保權益外，租賃協議不施加任何其他契約。租賃資產不得用作借貸抵押。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**19. RIGHT-OF-USE ASSETS/LAND USE RIGHTS (Continued)****Land use rights**

At 31 December 2018, amount represented land use rights located in the PRC.

		2018 二零一八年 RMB'000 人民幣千元
Analysed for reporting purposes as:	就報告目的分析為：	
Non-current asset	非流動資產	69,315

**19. 使用權資產／土地使用權(續)****土地使用權**

於二零一八年十二月三十一日，代表位於中國的土地使用權的金額。

**20. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME****20. 按公允價值列賬於其他全面收入的股權工具**

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Unlisted equity investments	非上市股本投資	<b>312,315</b>	294,340

The above unlisted equity investments represent the Group's equity interest in a private entity established in the PRC. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

上述非上市股本投資指本集團於中國註冊成立的私人實體的股權。該等投資並非持作買賣，而是為長期策略目的而持有。本公司董事已選擇指定該等股權工具投資為按公允價值列賬於其他全面收入計量，原因為彼等認為於損益中確認該等投資公允價值的短期變動將與本集團持有該等投資作長期目的並實現其長遠潛在表現不符。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**21. INVESTMENT PROPERTIES**

The Group leases out various offices and retail stores under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 20 years. The minimum annual lease payment that are fixed or depend on an index or a rate over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee or lessee's option to purchase the property at the end of lease term.

**21. 投資物業**

本集團根據經營租賃出租不同辦公室及零售商舖，租金須每月支付。該等租賃初始租期通常為1至20年。最低年度租賃付款於租期內屬固定或取決於指數或利率。

本集團並無因租賃安排面對外幣風險，原因是所有租賃均以集團實體各自的功能貨幣計值。租賃合同並不包含剩餘價值擔保或承租人於租期結束時購買該物業的選擇權。

		Investment properties	Investment properties under development	Total
		投資物業	發展中投資物業	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
FAIR VALUE	公允價值			
As at 1 January 2018	於二零一八年一月一日	2,646,000	6,436,000	9,082,000
Additions	添置	-	1,310,438	1,310,438
Transfer from completed properties held for sale	轉撥自己建成 待售物業	1,486,543	-	1,486,543
Disposal	出售	(22,669)	-	(22,669)
Transfer	轉撥	406,978	(406,978)	-
Net increase in fair value recognised in profit or loss	在損益確認的公允價值 增加淨額	560,513	666,175	1,226,688
As at 31 December 2018	於二零一八年十二月三十一日	5,077,365	8,005,635	13,083,000
Additions	添置	-	646,923	646,923
Transfer from completed properties held for sale	轉撥自己建成 待售物業	891,766	-	891,766
Transfer	轉撥	7,863,567	(7,863,567)	-
Disposal of subsidiaries (note 49)	出售子公司(附註49)	(7,480,000)	-	(7,480,000)
Disposal	出售	(333,155)	-	(333,155)
Net increase in fair value recognised in profit or loss	在損益確認的公允價值 增加淨額	944,457	1,009	945,466
As at 31 December 2019	於二零一九年十二月三十一日	6,964,000	790,000	7,754,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**21. INVESTMENT PROPERTIES (Continued)**

During the year ended 31 December 2019, certain properties held for sale with carrying amount of RMB891,766,000 (2018: RMB1,486,543,000) was transferred to completed investment properties upon the change in use of the properties evidenced by commencement of leasing agreement for the properties to generate rental income. At the date of transfer, the properties were fair valued by Cushman & Wakefield ("C&W") by reference to income capitalisation approach, the gain on revaluation of properties transferred from properties held for sale to investment properties amounting to RMB34,693,000 (2018: RMB375,457,000) was recognised in the profit or loss.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of the Group's investment properties as at 31 December 2019 and 2018 has been arrived at on the basis of a valuation carried out on the respective dates by C&W, an independent valuer not connected to the Group.

In determining the fair value of the relevant properties, the board of directors of the Company has set up a valuation committee, which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

For completed investment properties, the valuations have been arrived at using income capitalisation approach, where appropriate, by capitalising the net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the respective properties.

**21. 投資物業(續)**

於截至二零一九年十二月三十一日止年度，賬面值為人民幣891,766,000元(二零一八年：人民幣1,486,543,000元)的若干待售物業於該等物業的用途出現變更後被轉撥至已建成投資物業，跡象為就該等物業開展租賃協議以產生租金收入。於轉撥日期，該等物業由戴德梁行(「戴德梁行」)經參照收入資本化法評估公允價值。由待售物業轉撥至投資物業的重估物業收益人民幣34,693,000元(二零一八年：人民幣375,457,000元)於損益中確認。

本集團所有根據經營租賃持有以賺取租金或資本增值的物業權益按公允價值模式計量，並分類及入賬為投資物業。

本集團投資物業於二零一九年及二零一八年十二月三十一日的公允價值乃根據獨立估值師戴德梁行(其與本集團並無關連)於相關日期進行的估值而達致。

為釐定有關物業的公允價值，本公司董事會已成立由本公司首席財務官牽頭的估值委員會，以就計量公允價值釐定合適估值技術及輸入數據。

就已建成投資物業而言，已在適當情況下採用收入資本化法進行估值，方法為將從現有租戶收取的租金收入淨額撥充資本連同就各物業任何潛在復歸收入作出適當扣減計算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**21. INVESTMENT PROPERTIES (Continued)**

For investment properties under construction or development, the valuations have been arrived at assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The key inputs in the valuations include the market value of the completed investment properties, which are estimated with reference to sales evidence of similar properties in the nearest locality, with adjustments made to account for its differences in locations and other factors specific to the respective properties based on the valuer's judgement. Costs of development are also taken into account including construction costs, finance costs and professional fees, as well as developer's profit margin which reflects the remaining risks associated with the development of the properties at the valuation date and the return that the developer would require for bringing them to completion status, which is determined by the valuer based on its analyses of recent land transactions and market value of similar completed properties in the respective locations.

There has been no change to the valuation techniques during the year.

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the level 3 fair value hierarchy as defined in IFRS 13, fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

**21. 投資物業(續)**

就在建或發展中投資物業而言，估值乃基於假設該等投資物業將根據發展規劃及已取得的相關規劃的批覆完工。估值的主要輸入數據包括已建成投資物業的市值(乃參考鄰近地域相似物業的銷售憑證估計，同時，根據估值師判斷的不同地段的差異以及各物業的其他不同特質進行調整)。該估值也將物業的開發成本納入考慮，包括建築成本、融資成本和專業費用，以及開發商的利潤率(於估值日反映物業開發的剩餘風險和開發商在物業開發完工時所期待的回報)，該等因素取決於估值師對近期土地交易和不同地段類似已建成物業市場價值的分析。

於年內，估值技術概無變更。

就評估投資物業公允價值而言，投資物業現有用途即其最大及最佳用途。

下表呈列本集團於報告期末按經常性基準計量的投資物業公允價值，有關公允價值分類為國際財務報告準則第13號公允價值計量所界定的公允價值第三層次架構。公允價值計量所歸入的層次乃經參考以下估值技術所用輸入數據的可觀察性及重要性而釐定：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 21. INVESTMENT PROPERTIES (Continued)

At 31 December 2019, the Group's investment properties are measured at level 3 category of fair value measurement and during the year ended 31 December 2019, there were no transfers into or out of Level 3.

## 21. 投資物業(續)

於二零一九年十二月三十一日，本集團的投資物業按公允價值計量類別的第三層次計量，於截至二零一九年十二月三十一日止年度，第三層次並無轉入或轉出。

	Valuation techniques 估值技術	Key inputs 主要輸入數據	Range 範圍	Relationship of unobservable inputs to fair value 不可觀察輸入數據對公允價值的關係
Completed investment properties and Investment properties under development located in Mainland China 2019: RMB6,409,000,000 2018: RMB4,522,365,000 位於中國內地的已建成投資物業及發展中投資物業 二零一九年： 人民幣6,409,000,000元 二零一八年： 人民幣4,522,365,000元	Income capitalisation approach 收入資本化法	Capitalisation rates 資本化率	3.5%-8.5% 3.5%至8.5%	Note (i) 附註(i)
		Average unit market rent 平均單位市場租金	RMB21 – RMB440 per sq.m per month 每月每平方米人民幣21元至人民幣440元	Note (ii) 附註(ii)
Completed investment properties and Investment properties under development located in Mainland China 2019: RMB1,345,000,000 2018: RMB8,560,635,000 位於中國內地的已建成投資物業及發展中投資物業 二零一九年： 人民幣1,345,000,000元 二零一八年： 人民幣8,560,635,000元	Direct comparison approach 直接比較法	Average unit market price 平均單位市場價格	RMB8,000 – RMB14,000 per sq.m 每平方米人民幣8,000元至人民幣14,000元	Note (ii) 附註(ii)
		Estimated total construction cost to complete 估計建成所需總建築成本	RMB369,101,000 人民幣369,101,000元	Note (iii) 附註(iii)

## Notes:

- (i) A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
- (ii) A significant increase in the market rent used would result in a significant increase in fair value, and vice versa.
- (iii) A significant increase in the cost would result in a significant decrease in fair value, and vice versa.

## 附註：

- (i) 所用資本化率的輕微增加，會導致公允價值大幅減少，反之亦然。
- (ii) 所用市值租金的大幅增加，會導致公允價值大幅增加，反之亦然。
- (iii) 成本的大幅增加，會導致公允價值大幅減少，反之亦然。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 22. PROPERTIES UNDER DEVELOPMENT/ COMPLETED PROPERTIES HELD FOR SALE

## 22. 發展中物業／已建成待售物業

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Properties under development	發展中物業		
Balance at 1 January	於一月一日的結餘	<b>38,278,081</b>	23,921,597
Cost capitalised	成本資本化	<b>19,231,349</b>	24,783,376
Acquisition of subsidiaries (note 48)	收購子公司(附註48)	<b>1,008,437</b>	3,083,526
Disposal of subsidiaries (note 49)	出售子公司(附註49)	<b>(2,614,051)</b>	(2,687,246)
Transfer to completed properties held for sale	轉撥至已建成待售物業	<b>(11,512,083)</b>	(10,823,172)
Balance at 31 December	於十二月三十一日的結餘	<b>44,391,733</b>	38,278,081
Analysed for reporting purposes as:	以報告為目的之分析如下：		
Current assets	流動資產	<b>44,391,733</b>	25,083,825
Non-current assets	非流動資產	-	13,194,256
		<b>44,391,733</b>	38,278,081
Completed properties held for sale	已建成待售物業	<b>8,941,822</b>	10,170,401

All the properties under development and completed properties held for sale are located in the PRC.

所有發展中物業及已建成待售物業均位於中國。

Properties under development and completed properties held for sale that have a plan to develop or sale, and expect to be realised within the Group's normal operating cycle, are classified as current.

計劃發展或出售，及預期可於本集團正常營運週期內變現的發展中物業及已建成待售物業分類為流動。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 22. PROPERTIES UNDER DEVELOPMENT/ COMPLETED PROPERTIES HELD FOR SALE (Continued)

Analysis of leasehold lands:

## 22. 發展中物業／已建成待售物業 (續)

租賃土地分析：

		RMB'000 人民幣千元
<b>As at 1 January 2019</b>	<b>於二零一九年一月一日</b>	
Carrying amount	賬面值	24,207,589
<b>As at 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>	
Carrying amount	賬面值	24,231,647
<b>For the year ended 31 December 2019</b>	<b>截至二零一九年十二月三十一日止年度</b>	
Total cash outflow	現金流出總額	8,627,273
Additions	添置	5,438,551

Effective from 1 January 2019, the carrying amount of leasehold lands is measured under IFRS 16 at cost less any accumulated depreciation and any impairment losses. The residual values are determined as the estimated disposal value of the leasehold land component. No depreciation charge on the leasehold lands taking into account the estimated residual values as at 31 December 2019.

Included in the above figures are properties under development of RMB15,096,262,000 (2018: RMB11,612,711,000) which have been pledged as security for bank loans. No completed properties held for sale are pledged as security for bank loans in 2019 (2018: Nil).

自二零一九年一月一日起，租賃土地的賬面值根據國際財務報告準則第16號按成本扣減任何累計折舊及任何減值虧損計量。剩餘價值按租賃土地組成部分的估計出售價值釐定。於二零一九年十二月三十一日，概無租賃土地折舊支出計及估計剩餘價值。

上述數據包括已抵押以獲取銀行貸款的發展中物業人民幣15,096,262,000元(二零一八年：人民幣11,612,711,000元)。於二零一九年，概無抵押已建成待售物業以獲取銀行貸款(二零一八年：無)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 23. INTERESTS IN ASSOCIATES

## 23. 聯營公司權益

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cost of unlisted investments in associates	聯營公司非上市投資成本	266,315	236,915
Share of post-acquisition losses, net of dividends received	應佔收購後虧損， 扣除已收股息	(68,498)	(30,361)
		<b>197,817</b>	206,554

No associate was individually material to the Group for both years.

於兩個年度概無聯營公司對本集團而言屬個別重大。

Details of each of the Group's associates at the end of the reporting period are as follows:

於報告期末，本集團各聯營公司的詳情如下：

Name of associate 聯營公司名稱	Place of incorporation and principal place of business 註冊成立及主要經營地點	Proportion of ownership interest and voting power held by the Group as at 31 December 本集團於十二月三十一日的 擁有權益及所持表決權比例		Principal activity 主營業務
		2019 二零一九年	2018 二零一八年	
Shanghai Yingkun Investment Limited Partnership Corporation 上海穎堃投資合夥企業(有限合夥)	Shanghai, the PRC 中國上海	23%	23%	Investing and consulting 投資及諮詢
Guangxi Greenland Jinyao Property Co., Ltd. 廣西綠地金耀置業有限公司	Guangxi, the PRC 中國廣西	18% (note i)	18% (note i)	Property development 物業發展
Guangxi Jiuquan Automobile Industry Investment Limited 廣西九曲灣汽車文化產業投資優先公司	Guangxi, the PRC 中國廣西	15% (note ii)	15% (note ii)	Property development 物業發展
Guangxi Yulin Tongzhou Logistics Co., Ltd. 廣西玉林通洲物流有限公司	Guangxi, the PRC 中國廣西	42.5%	42.5%	Property development 物業發展
Guangxi Yulin Tonghe Investment Co., Ltd. 廣西玉林通合投資有限公司	Guangxi, the PRC 中國廣西	42.5%	42.5%	Property development 物業發展
Guangxi Yulin Tongxing Investment Co., Ltd. 廣西玉林通興投資有限公司	Guangxi, the PRC 中國廣西	42.5%	42.5%	Property development 物業發展
Guangxi Yuelv Health Industry Development Co., Ltd 廣西悅綠健康產業發展有限公司	Guangxi, the PRC 中國廣西	49% (note iii)	-	Property development 物業發展
Guangxi Liuzhou Hongyong Investment Co., Ltd 廣西柳州鴻勇投資有限公司	Guangxi, the PRC 中國廣西	49% (note iii)	-	Property development 物業發展
廣西柳州鴻勇投資有限公司	中國廣西	49%(附註iii)	-	物業發展

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**23. INTERESTS IN ASSOCIATES (Continued)**

Notes:

- (i) The Group is able to exercise significant influence over Guangxi Greenland Jinyao Property Co., Ltd because it has the power to appoint one out of six directors of that company under the Articles of Association of that company.
- (ii) The Group is able to exercise significant influence over Guangxi Jiuquwan Automobile Industry Investment Limited because it has the power to appoint one out of five directors of that company under the Articles of Association of that company.
- (iii) The Group is able to exercise significant influence over Guangxi Yuel Health Industry Development Co., Ltd and Guangxi Liuzhou Hongyong Investment Co., Ltd established in 2019 because it has the power to appoint two out of five directors of those companies under the Articles of Association of those companies.

**23. 聯營公司權益(續)**

附註：

- (i) 本集團能夠對廣西綠地金耀置業有限公司行使重大影響力，原因為其根據該公司的組織章程細則有權委任該公司六名董事中之一名。
- (ii) 本集團能夠對廣西九曲灣汽車文化產業投資優先公司行使重大影響力，原因為其根據該公司的組織章程細則有權委任該公司五名董事中之一名。
- (iii) 本集團能夠對於二零一九年成立的廣西悅綠健康產業發展有限公司及廣西柳州鴻勇投資有限公司行使重大影響力，原因為其根據該等公司的組織章程細則有權委任該等公司五名董事中之兩名。

**24. INTERESTS IN JOINT VENTURES****24. 合營企業權益**

		<b>2019</b> <b>二零一九年</b> <b>RMB'000</b> <b>人民幣千元</b>	2018 二零一八年 RMB'000 人民幣千元
Cost of unlisted investments in joint ventures	合營企業非上市投資成本	<b>133,307</b>	133,307
Share of post-acquisition profits, net of dividends received	應佔收購後溢利， 扣除已收股息	<b>500,780</b>	486,037
		<b>634,087</b>	619,344

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**24. INTERESTS IN JOINT VENTURES (Continued)**

Details of each of the Group's joint ventures at the end of reporting period are as follows:

**24. 合營企業權益(續)**

於報告期末，本集團各合營企業的詳情如下：

Name of joint venture 合營企業名稱	Place of incorporation and principal place of business 註冊成立及主要經營地點	Proportion of ownership interest and voting power held by the Group as at 31 December 本集團於十二月三十一日的 擁有權益及所持表決權比例		Principal activity 主營業務
		2019 二零一九年	2018 二零一八年	
Forever Rich Enterprise Limited ("Forever Rich")	Suzhou, Jiangsu Province, the PRC 中國 江蘇省蘇州市	50%	50%	Property development 物業發展
Forever Rich Enterprise Limited ("Forever Rich")	中國 江蘇省蘇州市	50%	50%	物業發展
Haikou Chengjian Green Island Landscape Engineering Co., Ltd ("Haikou Chengjian")	Haikou, Hainan Province, the PRC 中國 海南省海口市	32.5% (Note)	32.5% (Note)	Landscape engineering 園林綠化工程
海口城建綠島景觀綠化工程有限公司 ("海口城建")	中國 海南省海口市	32.5%(附註)	32.5%(附註)	園林綠化工程

Note: In March 2016, Haikou Chengjian was established by the Group and other two shareholders. The Group occupied 32.5% equity interests. According to the Articles of Association of Haikou Chengjian, the Group and other shareholders jointly control Haikou Chengjian. Therefore, Haikou Chengjian is recognised as a joint venture.

附註：於二零一六年三月，海口城建由本集團及另外兩名股東成立。本集團佔有32.5%股權。根據海口城建的組織章程細則，本集團及其他股東共同控制海口城建。因此，海口城建獲確認為合營企業。

**Summarised financial information of a material joint venture**

Summarised financial information in respect of the joint venture that is material to the Group set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with the accounting policies of the Group.

The joint venture is accounted for using the equity method in these consolidated financial statements.

**重大合營企業財務資料概要**

下文載列對本集團而言屬重大的合營企業的財務資料概要。下文所載財務資料概要為合營企業於根據本集團會計政策編製的財務報表所示金額。

合營企業按權益法於該等綜合財務報表入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**24. INTERESTS IN JOINT VENTURES  
(Continued)**

**Summarised financial information of a material joint  
venture (Continued)**

Forever Rich

		<b>2019</b> 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Non-current assets	非流動資產	<b>824,230</b>	413,525
Current assets	流動資產	<b>3,810,404</b>	3,465,555
Current liabilities	流動負債	<b>3,476,538</b>	2,748,910

The above amounts of assets and liabilities include the following:

**24. 合營企業權益(續)**

**重大合營企業財務資料概要(續)**

Forever Rich

上述資產及負債金額包括：

		<b>2019</b> 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
Bank balances and cash	銀行結餘及現金	<b>1,016,529</b>	1,269,942

		<b>2019</b> 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue	收益	<b>97,627</b>	1,041,975
Profit and total comprehensive income for the year	年內溢利及全面收入 總額	<b>27,926</b>	323,505
Dividend received during the year	於年內收取的股息	-	-
The above profit for the year includes the following:	上述年內溢利 包括：		
Depreciation and amortisation	折舊及攤銷	<b>455</b>	309
Finance income	融資收入	<b>66,165</b>	33,469
Income tax expense	所得稅開支	<b>10,238</b>	108,214

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 24. INTERESTS IN JOINT VENTURES (Continued)

### Summarised financial information of a material joint venture (Continued)

#### Forever Rich (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Net assets of Forever Rich	Forever Rich淨資產	1,158,096	1,130,170
Proportion of the Group's ownership interest in Forever Rich	本集團於Forever Rich的擁有權益比例	50%	50%
Carrying amount of the Group's interest in Forever Rich	本集團於Forever Rich權益的賬面值	579,048	565,085

### Aggregate information of the joint venture that is not individually material:

		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
Group's share of total profits (losses) for the year	本集團應佔年內溢利(虧損)總額	780	(321)
Aggregate carrying amount of the Group's interests in the joint venture	本集團於合營企業的權益賬面總值	55,039	54,259

## 24. 合營企業權益(續)

### 重大合營企業財務資料概要(續)

#### Forever Rich(續)

以上財務資料概要與於綜合財務報表確認的合營企業權益賬面值的對賬：

### 並非個別重大合營企業的匯總資料：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 25. TRADE AND OTHER RECEIVABLES AND ADVANCE DEPOSITS

## 25. 應收賬款及其他應收款項及預付按金

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables	應收賬款		
– due from related parties (note i)	– 應收關聯方(附註i)	1,330	5,522
– due from non-related parties in respect of contracts with customers	– 應收非關聯方 (與客戶合約有關)	367,974	278,372
		<b>369,304</b>	283,894
Less: Allowance for credit losses	減：信貸虧損撥備	<b>(28,500)</b>	(41,405)
Trade receivables, net of allowance for credit losses	應收賬款， 扣除信貸虧損撥備	<b>340,804</b>	242,489
Other receivables	其他應收款項		
– due from related parties (note i)	– 應收關聯方(附註i)	7,609,395	6,529,479
– due from non-controlling shareholders of subsidiaries	– 應收子公司非控股股東	3,808,159	4,158,678
– due from non-related parties (note ii)	– 應收非關聯方(附註ii)	1,921,071	2,601,032
– due from subsidiaries disposed of during the year	– 應收於年內出售的子公司	1,572,273	–
– consideration receivable due from a related party	– 應收一名關聯方的代價	287,113	903,913
– consideration receivable due from a third party	– 應收一名第三方的代價	453,026	–
		<b>15,651,037</b>	14,193,102
Less: Allowance for credit losses	減：信貸虧損撥備	<b>(268,119)</b>	(187,400)
Other receivables, net of allowance for credit losses	其他應收款項， 扣除信貸虧損撥備	<b>15,382,918</b>	14,005,702
Advance payments to contractors	預付承包商款項	1,160,750	894,739
Advance to related parties	預付關聯方款項	288,529	138,319
Advance deposits for right-of-use assets for sale	待售使用權資產的預付按金	4,308,034	1,119,312
Other tax prepayments (note iii)	其他預繳稅款(附註iii)	1,542,384	1,137,894
Total	總計	<b>23,023,419</b>	17,538,455

Notes:

- (i) The receivables due from related parties are unsecured and repayable on demand.
- (ii) Non-trade receivable balances, deposits and advances to third parties are expected to be settled or recovered within one year.
- (iii) Other tax prepayments mainly represent prepayment of value-added tax, tax surcharge during the pre-sale stage of certain properties.

附註：

- (i) 應收關聯方款項為無抵押及須於要求時償還。
- (ii) 非貿易應收款項結餘、按金及預付第三方款項預期於一年內清還或收回。
- (iii) 其他預繳稅款主要指因預售若干物業而預繳的增值稅及附加稅。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**25. TRADE AND OTHER RECEIVABLES AND ADVANCE DEPOSITS (Continued)**

In general, the Group provides no credit term to its customers. As at 31 December 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB340,804,000 (2018: RMB242,489,000) which are past due as at the reporting date. Out of the past due balances, RMB109,345,000 (2018: RMB72,750,000) has been past due 90 days or more and is not considered as in default since the directors of the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customer.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates:

		<b>2019</b> 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
0-90 days	0-90日	<b>231,459</b>	169,739
91-180 days	91-180日	<b>4,590</b>	6,673
181-365 days	181-365日	<b>57,286</b>	5,747
Over 365 days	超過365日	<b>47,469</b>	60,330
		<b>340,804</b>	242,489

Details of impairment assessment of trade and other receivables are set out in note 42.

**25. 應收賬款及其他應收款項及預付按金(續)**

本集團一般不會向客戶提供信貸期。於二零一九年十二月三十一日，本集團的應收賬款結餘包括賬面總值為人民幣340,804,000元(二零一八年：人民幣242,489,000元)於報告日期已逾期的應收賬款。於該等逾期結餘中，人民幣109,345,000元(二零一八年：人民幣72,750,000元)已逾期90日或以上且並無被視為違約，原因是本集團董事認為有關結餘按各客戶的還款記錄、財務狀況及當前信譽可以收回。

以下為根據發票日期呈列的應收賬款(扣除信貸虧損撥備)賬齡分析：

應收賬款及其他應收款項的減值評估詳情載於附註42。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**26. TAX RECOVERABLE****26. 可收回稅項**

		<b>2019</b> 二零一九年 <b>RMB'000</b> 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
PRC EIT	中國企業所得稅	<b>573,579</b>	306,870
PRC LAT	中國土地增值稅	<b>595,806</b>	637,624
		<b>1,169,385</b>	944,494

**27. CONTRACT ASSETS****27. 合同資產**

		<b>2019</b> 二零一九年 <b>RMB'000</b> 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Construction management service	建築管理服務	<b>649,843</b>	839,997

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance in achieving specified milestones stipulated in the relevant contracts at the reporting date on construction management service. The contract assets are transferred to trade receivables when the rights become unconditional.

Details of impairment assessment of contract assets are set out in note 42.

合同資產主要有關本集團就已竣工且尚未出具發票的工程收取代價的權利有關，原因為有關權利的條件為本集團於報告日期就建築管理服務的未來表現達致相關合約指明的特定里程碑。當有關權利成為無條件時，合同資產轉撥至應收賬款。

合同資產減值評估詳情載於附註42。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 28. CONTRACT COSTS

## 28. 合同成本

		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
Incremental costs for obtaining property sale contracts	取得物業銷售合同的增量成本	<b>122,247</b>	54,962

Management expects the incremental costs, primarily sale commission paid/payable, as a result of obtaining the property sale contracts are recoverable. The Group has capitalised the amounts and amortised when the related revenue is recognised.

管理層預計可收回因取得物業銷售合同而出現增量成本(主要為已付/應付銷售佣金)。本集團已資本化有關金額，並於確認相關收益時進行攤銷。

The amount of contract costs recognised in profit or loss during the year was RMB47,148,000 (2018: RMB59,441,000).

於年內，於損益中確認的合同成本金額為人民幣47,148,000元(二零一八年：人民幣59,441,000元)。

## 29. RESTRICTED BANK DEPOSITS

## 29. 受限制銀行存款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Deposits for construction and development of properties	建築及發展物業按金	<b>647,590</b>	657,384
Deposits for mortgage loans	按揭貸款按金	<b>1,685,740</b>	1,085,257
Deposits pledged for interest-bearing loans	就計息貸款而抵押的按金	<b>398,400</b>	422,205
Others	其他	<b>21,208</b>	52,584
		<b>2,752,938</b>	2,217,430
Analysed for reporting purposes as:	以報告為目的之分析如下：		
Current	流動	<b>2,354,538</b>	2,217,430
Non-current	非流動	<b>398,400</b>	-
		<b>2,752,938</b>	2,217,430

Restricted bank deposits carry interest at fixed rates which range from 0.35% to 1.10% (2018: 0.35% to 2.75%) per annum.

受限制銀行存款按固定年利率介乎0.35%至1.10%(二零一八年：0.35%至2.75%)計息。

Details of impairment assessment of restricted bank deposits are set out in note 42.

受限制銀行存款的減值評估詳情載於附註42。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**30. BANK BALANCES AND CASH**

Bank balances carry interest at market rates which range from 0.35% to 1.10% (2018: 0.35% to 2.75%) per annum.

As at 31 December 2019, the carrying amount of advance from customers under supervision included in bank balances and cash amounted to RMB1,778,081,000 (2018: RMB619,769,000).

**31. DEFERRED TAXATION**

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Deferred tax assets recognised	已確認遞延稅項資產	<b>603,196</b>	725,067
Net-off with deferred tax liabilities	與遞延稅項負債抵銷	<b>(96,876)</b>	(80,898)
Deferred tax assets	遞延稅項資產	<b>506,320</b>	644,169
Deferred tax liabilities recognised	已確認遞延稅項負債	<b>1,574,671</b>	1,903,475
Net-off with deferred tax assets	與遞延稅項資產抵銷	<b>(96,876)</b>	(80,898)
Deferred tax liabilities	遞延稅項負債	<b>1,477,795</b>	1,822,577

**30. 銀行結餘及現金**

銀行結餘按市場年利率介乎0.35%至1.10% (二零一八年：0.35%至2.75%)計息。

於二零一九年十二月三十一日，計入銀行結餘及現金的受監管預收客戶款項賬面值為人民幣1,778,081,000元(二零一八年：人民幣619,769,000元)。

**31. 遞延稅項**

就綜合財務狀況表之呈列而言，已抵銷若干遞延稅項資產及負債。就財務報告而言之遞延稅項結餘分析如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 31. DEFERRED TAXATION (Continued)

#### (i) Deferred tax assets recognised:

The components of deferred tax assets recognised in the consolidated statement of financial position and the movements during the year were as follows:

		Temporary difference on revenue recognition and related cost of sales	Temporary difference on land appreciation tax and other accruals	Tax losses	ECL provision	Contract liabilities	Total
		收益確認及 有關銷售成本 的暫時差異 RMB'000 人民幣千元	土地增值稅及 其他應計項目 的暫時差異 RMB'000 人民幣千元	稅務虧損 RMB'000 人民幣千元	預期信貸 虧損撥備 RMB'000 人民幣千元	合同負債 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	700,315	147,844	15,749	6,886	13,871	884,665
(Charge) credit to profit or loss	(扣除自)計入損益	(137,839)	81,606	(6,886)	33,382	1,408	(28,329)
Disposal of a subsidiary	出售一家子公司	(124,464)	(6,805)	-	-	-	(131,269)
At 31 December 2018	於二零一八年十二月三十一日	438,012	222,645	8,863	40,268	15,279	725,067
(Charge) credit to profit or loss	(扣除自)計入損益	(211,053)	139,579	-	16,874	-	(54,600)
Disposal of subsidiaries (note 49)	出售子公司(附註49)	-	(67,271)	-	-	-	(67,271)
At 31 December 2019	於二零一九年十二月三十一日	226,959	294,953	8,863	57,142	15,279	603,196

As at 31 December 2019, the Group had unused tax losses of RMB2,410,407,000 (2018: RMB2,482,403,000) available to offset against future profits. Deferred tax assets have been recognised in respect of the tax losses of RMB35,452,000 (2018: RMB35,452,000) at the applicable income tax rates of the respective subsidiaries as at 31 December 2019. No deferred tax assets have been recognised in respect of the remaining tax losses of RMB2,374,955,000 (2018: RMB2,446,951,000) because the management is of the view that it is not probable that the individual subsidiaries concerned can generate profits to utilise the tax losses before the tax losses become expired. The unrecognised tax losses for the year ended 31 December 2019 will expire in the following years ending 31 December.

### 31. 遞延稅項(續)

#### (i) 已確認遞延稅項資產：

已在綜合財務狀況表確認的遞延稅項資產部分及於年內的變動如下：

於二零一九年十二月三十一日，本集團可用來抵銷未來溢利的未動用稅務虧損為人民幣2,410,407,000元(二零一八年：人民幣2,482,403,000元)。於二零一九年十二月三十一日，就稅務虧損按個別子公司適用之所得稅率確認的遞延稅項資產為人民幣35,452,000元(二零一八年：人民幣35,452,000元)。由於管理層認為有關個別子公司不大可能可產生溢利以於稅務虧損到期前動用稅務虧損，因此並未就其餘稅務虧損人民幣2,374,955,000元(二零一八年：人民幣2,446,951,000元)確認遞延稅項資產。於截至二零一九年十二月三十一日止年度的未確認稅務虧損將於其後截至十二月三十一日止年度屆滿。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**31. DEFERRED TAXATION (Continued)****(i) Deferred tax assets recognised: (Continued)**

		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
2019	二零一九年	-	435,435
2020	二零二零年	596,292	629,688
2021	二零二一年	358,475	360,673
2022	二零二二年	501,138	501,138
2023	二零二三年	474,857	520,017
2024	二零二四年	444,193	-
		<b>2,374,955</b>	2,446,951

At the end of the reporting period, the Group has deductible temporary differences of RMB18,165,000 (2018:RMB18,165,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

於報告期末，本集團的可扣稅暫時差額為人民幣18,165,000元(二零一八年：人民幣18,165,000元)。由於不大可能產生可扣稅暫時差額用以抵銷應課稅溢利，故並無就該等可扣稅暫時差額確認遞延稅項資產。

**(ii) Deferred tax liabilities recognised:**

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year were as follows:

**(ii) 已確認遞延稅項負債：**

已在綜合財務狀況表確認的遞延稅項負債部分及於年內的變動如下：

		Revaluation of investment properties	Fair value adjustments	Fair value change on FVTOCI	Contract Cost	Total
		投資物業重估	公允價值調整	公允價值變動	合同成本	合計
		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
At 1 January 2018	於二零一八年一月一日	676,475	327,804	1,858	6,103	1,012,240
Acquisition of subsidiaries	收購子公司	-	584,144	-	-	584,144
Charge (credit) to profit or loss	扣除自(計入)損益	315,551	(44,183)	-	7,638	279,006
Charge to OCI	扣除自其他全面收入	-	-	28,085	-	28,085
At 31 December 2018	於二零一八年 十二月三十一日	992,026	867,765	29,943	13,741	1,903,475
Disposal of subsidiaries (note 49)	出售子公司(附註49)	(556,837)	-	-	-	(556,837)
Charge (credit) to profit or loss	扣除自(計入)損益	236,367	(29,649)	-	16,821	223,539
Charge to OCI	扣除自其他全面收入	-	-	4,494	-	4,494
At 31 December 2019	於二零一九年 十二月三十一日	671,556	838,116	34,437	30,562	1,574,671

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 31. DEFERRED TAXATION (Continued)

#### (ii) Deferred tax liabilities recognised: (Continued)

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB6,439,429,000 (2018: RMB4,778,667,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

### 31. 遞延稅項(續)

#### (ii) 已確認遞延稅項負債：(續)

根據中國企業所得稅法，自二零零八年一月一日起，中國子公司就其所賺取之溢利在宣派股息時須繳交預扣稅。由於本集團可控制撥回暫時性差額之時間，而有關暫時性差額於可預見將來可能不會撥回，故此並無於綜合財務報表內就中國子公司之累計溢利人民幣6,439,429,000元(二零一八年：人民幣4,778,667,000元)所應佔之暫時性差額有關之遞延稅項作出撥備。

### 32. INTEREST-BEARING LOANS

### 32. 計息貸款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Secured bank loans	有抵押銀行貸款	<b>8,042,050</b>	7,038,729
Equity pledged loans	股權抵押貸款	-	3,730,000
Unsecured bank loans	無抵押銀行貸款	<b>1,865,742</b>	1,915,884
		<b>9,907,792</b>	12,684,613
Less: current portion of non-current secured bank loans	減：有抵押銀行長期貸款的即期部分	<b>(1,643,000)</b>	(3,037,909)
current portion of non-current unsecured bank loans	無抵押銀行長期貸款的即期部分	<b>(1,776,164)</b>	(171,436)
unsecured current bank loans	無抵押即期銀行貸款	<b>(89,578)</b>	-
Amount shown under current liabilities	列為流動負債之款項	<b>(3,508,742)</b>	(3,209,345)
Amount shown under non-current liabilities	列為非流動負債之款項	<b>6,399,050</b>	9,475,268

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**32. INTEREST-BEARING LOANS (Continued)**

The Group's borrowings had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Investment properties	投資物業	<b>580,000</b>	578,000
Property, plant and equipment	物業、廠房及設備	<b>447,571</b>	462,552
Properties under development	發展中物業	<b>15,096,262</b>	11,612,711
Restricted bank deposits	受限制銀行存款	<b>398,400</b>	422,205
Equity interests of certain subsidiaries of the Company	本公司若干子公司的股本權益	-	6,423,211
		<b>16,522,233</b>	19,498,679

The loans of the Group were repayable based on repayment schedule set out in relevant loan agreements as follows:

		<b>2019</b>	2018
		<b>二零一九年</b>	二零一八年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Within one year	一年內	<b>3,508,742</b>	3,209,345
Over one year but not exceeding two years	超過一年但不超過兩年	<b>3,872,250</b>	7,905,768
Over two year but not exceeding five years	超過兩年但不超過五年	<b>2,265,800</b>	1,285,500
Over five years	超過五年	<b>261,000</b>	284,000
		<b>9,907,792</b>	12,684,613

**32. 計息貸款(續)**

本集團的借貸以本集團的資產作抵押而相關資產賬面值如下：

本集團的貸款須按相關貸款協議所載的下列還款期限償還：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 32. INTEREST-BEARING LOANS (Continued)

The exposure of the Group's borrowings are as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Variable-rate borrowings	可變利率借貸	<b>9,907,792</b>	12,684,613

The range of effective interest rates of the interest-bearing loans (which are equal to contracted interest rates) are as follows:

		2019 二零一九年	2018 二零一八年
<b>Effective interest rate</b>	<b>實際利率</b>		
Variable-rate borrowings	可變利率借貸	<b>2.47%-6.65%</b>	2.47%-6.08%

The Group's borrowings that are denominated in currencies other the functional currencies of the relevant group entities are set out below:

		HK\$ 港元 RMB'000 人民幣千元	USD 美元 RMB'000 人民幣千元
As at 31 December 2019	於二零一九年十二月三十一日	<b>610,026</b>	<b>1,695,016</b>
As at 31 December 2018	於二零一八年十二月三十一日	543,244	1,804,824

### 32. 計息貸款(續)

本集團借貸承受的風險如下：

計息貸款實際利率(相等於合約利率)的範圍如下：

本集團按相關集團實體的功能貨幣以外的貨幣計值的借貸載列如下：



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 33. TRADE AND OTHER PAYABLES

## 33. 應付賬款及其他應付款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Payables due to related parties	應付關聯方款項		
– trade related	– 貿易相關	536,580	175,986
– non-trade related	– 非貿易相關	7,316,315	8,847,725
		<b>7,852,895</b>	9,023,711
Trade payables	應付賬款	<b>12,630,799</b>	11,745,850
Payable on purchase of land use rights	購買土地使用權應付款項	620,555	620,555
Other taxes payable	其他應付稅項	188,983	209,390
Interest payable	應付利息	105,070	96,579
Dividends payable	應付股息	245	240
Amount due to non-controlling shareholders	應付非控股股東款項	4,873,455	4,115,873
Other payables and accrued expenses	其他應付款項和預提費用	7,087,040	3,673,489
		<b>25,506,147</b>	20,461,976
		<b>33,359,042</b>	29,485,687

The following is an aged analysis of trade payables due to related parties and third parties presented based on the invoice date:

以下為根據發票日期呈列的應付關聯方及第三方的應付賬款賬齡分析：

		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
0-90 days	0-90日	6,316,223	9,312,288
91-180 days	91-180日	5,103,789	637,596
181-365 days	181-365日	365,749	462,261
Over 365 days	超過365日以上	1,381,618	1,509,691
		<b>13,167,379</b>	11,921,836

Trade and other payables are mainly unsecured advances, non-interest bearing and repayable on demand.

應付賬款及其他應付款項主要為無抵押墊款、不計息及按要求償還。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 34. CONTRACT LIABILITIES

## 34. 合同負債

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Sales of properties	物業銷售	<b>32,246,672</b>	24,511,228

As at 1 January 2018, contract liabilities amounted to RMB19,782,530,000.

於二零一八年一月一日，合同負債為人民幣19,782,530,000元。

Revenue of RMB14,145,947,000 (2018: RMB10,627,231,000) was recognised during the year ended 31 December 2019 that was included in the contract liabilities at the beginning of the year.

於截至二零一九年十二月三十一日止年度，已確認收益人民幣14,145,947,000元(二零一八年：人民幣10,627,231,000元)計入本年初的合同負債。

Contract liabilities of RMB20,307,387,000 (2018: RMB13,923,400,000) are expected to be recognised after more than 12 months from the end of the reporting period.

預期合同負債人民幣20,307,387,000元(二零一八年：人民幣13,923,400,000元)將於自報告期結束起計超過十二個月後予以確認。

The Group receives 30% to 70% of the contract value as deposits from customers upon signing the sale and purchase agreement of sales of properties. Such advance payment schemes resulted in contract liabilities being recognised throughout the property construction period.

本集團於簽訂買賣協議時向客戶收取合同價值的30%至70%作為訂金。有關預付款項計劃導致確認合同負債於整個物業興建期間確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 35. LEASES LIABILITIES

## 35. 租賃負債

		2019 二零一九年 RMB'000 人民幣千元
<b>Lease liabilities payable:</b>	<b>應付租賃負債：</b>	
Within one year	一年內	<b>9,974</b>
Over one year but not exceeding two years	超過一年但不超過兩年	<b>900</b>
Over two years but not exceeding five years	超過兩年但不超過五年	<b>142</b>
		<b>11,016</b>
Less: Amount due for settlement with 12 months shown under current liabilities	減：於12個月內到期列為流動負債之償還款項	<b>(9,974)</b>
Amount due for settlement after 12 months shown under non-current liabilities	12個月後到期列為非流動負債之償還款項	<b>1,042</b>

## 36. BONDS

## 36. 債券

		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
A Bond	甲債券	-	3,080,165
B Bond	乙債券	-	1,370,434
C Bond	丙債券	<b>1,393,481</b>	1,367,416
D Bond	丁債券	<b>2,087,795</b>	-
		<b>3,481,276</b>	5,818,015
Less: Amount due within one year shown under current liabilities	減：於一年內到期列為流動負債之款項	<b>(1,393,481)</b>	(4,450,599)
Amount due after one year shown under non-current liabilities	於一年後到期列為非流動負債之款項	<b>2,087,795</b>	1,367,416

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**36. BONDS (Continued)**

On 28 July 2016, the Company issued 3.875% bonds due 2019 (the “**A Bond**”) with an aggregated nominal value of USD450,000,000 at a value equal to 99.301% of the face value. The A Bond is listed on the Hong Kong Stock Exchange. The A Bond carries interest at the rate of 3.875% per annum, payable semi-annually on 28 January and 28 July in arrears and matured and repaid during the year.

On 27 June 2018, the Company issued 7.875% bonds due 2019 (the “**B Bond**”) with an aggregated nominal value of USD200,000,000 at a value equal to 100% of the face value. The B Bond is listed on the Hong Kong Stock Exchange. The B Bond carries interest at the rate of 7.875% per annum, payable semi-annually on 27 December and 27 June in arrears and matured and repaid during the year.

On 17 December 2018, the Company issued 9.875% bonds due 2020 (the “**C Bond**”) with an aggregated nominal value of USD200,000,000 at a value equal to 100% of the face value. The C Bond is listed on the Hong Kong Stock Exchange. The C Bond carries interest at the rate of 9.875% per annum, payable semi-annually on 17 June and 17 December in arrears and will mature on 17 June 2020, unless redeemed earlier. The net proceeds after deducting the direct issuance costs, amounted to USD199,219,000 (equivalent to RMB1,375,886,000).

On 17 July 2019, the Company issued 6.00% bonds due 2021 (the “**D Bond**”) with an aggregated nominal value of USD300,000,000 at a value equal to 100% of the face value. The D Bond is listed on the Hong Kong Stock Exchange. The D Bond carries interest at the rate of 6.00% per annum, payable semi-annually on 17 January and 17 July in arrears and will mature on 17 July 2021, unless redeemed earlier. The net proceeds after deducting the direct issuance costs, amounted to USD299,070,000 (equivalent to RMB2,058,409,000).

The A Bond has the benefit of a keepwell deed from Greenland Holdings Group Company Limited, the intermediate controlling shareholder of the Company.

**36. 債券(續)**

於二零一六年七月二十八日，本公司按等同面值99.301%的價值發行於二零一九年到期總面值450,000,000美元的3.875厘債券(「**甲債券**」)。甲債券於香港聯交所上市。甲債券按年利率3.875厘計息，於每年一月二十八日及七月二十八日每半年期末付息，並於年內到期及償還。

於二零一八年六月二十七日，本公司按等同面值100%的價值發行於二零一九年到期總面值200,000,000美元的7.875厘債券(「**乙債券**」)。乙債券於香港聯交所上市。乙債券按年利率7.875厘計息，於每年十二月二十七日及六月二十七日每半年期末付息，並於年內到期及償還。

於二零一八年十二月十七日，本公司按等同面值100%的價值發行於二零二零年到期總面值200,000,000美元的9.875厘債券(「**丙債券**」)。丙債券於香港聯交所上市。丙債券按年利率9.875厘計息，於每年六月十七日及十二月十七日每半年期末付息，並將於二零二零年六月十七日到期(除非獲提早贖回)。經扣除直接發行成本後的所得款項淨額為199,219,000美元(相等於人民幣1,375,886,000元)。

於二零一九年七月十七日，本公司按等同面值100%的價值發行於二零二一年到期總面值300,000,000美元的6.00厘債券(「**丁債券**」)。丁債券於香港聯交所上市。丁債券按年利率6.00厘計息，於每年一月十七日及七月十七日每半年期末付息，並將於二零二一年七月十七日到期(除非獲提早贖回)。經扣除直接發行成本後的所得款項淨額為299,070,000美元(相等於人民幣2,058,409,000元)。

甲債券附有本公司中介控股股東綠地控股集團有限公司提供的保持良好契據的利益。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**36. BONDS (Continued)**

The B Bond has an embedded issuer's redemption option, the Company may, by giving not more than 30 days' notice to the trustee in writing and to the bondholders, redeem the bond, in whole or in part, at a redemption price equal to 100 percent of their principal amount, together with accrued and unpaid interest.

The C Bond has an embedded issuer's redemption option, the Company may, by giving not less than 15 nor more than 30 days' notice to the trustee in writing and to the bondholders, redeem the bond, in whole or in part, at a redemption price equal to 100 percent of their principal amount, together with accrued and unpaid interest.

The D Bond have an embedded issuer's redemption option, the Company may, by giving not less than 15 nor more than 30 days' notice to the trustee in writing and to the bondholders, redeem the bond, in whole or in part, at a redemption price equal to 100 percent of their principal amount, together with accrued and unpaid interest.

The directors consider the fair value of the issuer's redemption options of the B Bond, C Bond and D Bond are immaterial to the Group as at 31 December 2019.

The Bonds represent the contractually determined stream of future cash flows discounted at the rate of interest determined by the market instruments of comparable credit status taken into account the business risk and financial risk of the Company. The effective interest rate is ranged from 6.167% to 10.162% (2018: 4.355% to 10.162%) per annum for the year ended 31 December 2019.

**36. 債券(續)**

乙債券具有嵌入式發行人贖回權。本公司可透過向受託人及債券持有人發出不多於30日的書面通知，按相等於債券本金額100%的贖回價連同累計未付利息贖回全部或部分債券。

丙債券具有嵌入式發行人贖回權。本公司可透過向受託人及債券持有人發出不少於15日但不多於30日的書面通知，按相等於債券本金額100%的贖回價連同累計未付利息贖回全部或部分債券。

丁債券具有嵌入式發行人贖回權。本公司可透過向受託人及債券持有人發出不少於15日但不多於30日的書面通知，按相等於債券本金額100%的贖回價連同累計未付利息贖回全部或部分債券。

董事認為，於二零一九年十二月三十一日，乙債券、丙債券及丁債券的發行人贖回權的公允價值對本集團而言並不重大。

債券為按利率折現的約定未來現金流量，利率經考慮本公司的業務風險及財務風險後，按照信貸狀況相若的市場工具釐定。截至二零一九年十二月三十一日止年度，實際年利率介乎6.167厘至10.162厘(二零一八年：4.355厘至10.162厘)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**37. EMPLOYEE RETIREMENT SCHEME**

The employees of the Group are members of a state-managed retirement benefit scheme operated by the PRC government. The subsidiaries are required to contribute 20% to 22% of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total expense recognised in profit or loss of RMB58,454,000 (2018:RMB51,556,000) represents contributions payable to these plans by the Group at rates specified in the rule of the plans.

**38. SHARE-BASED PAYMENT****Share award scheme**

The Company adopted a share award scheme on 3 December 2010. The purpose of the share award scheme is to recognise and reward the contribution of the executives and employees (whether serving full-time or part-time) and directors of the Group to the growth and development of the Group through an award of the shares of the Company.

Movements in the number of shares held for the share award scheme is as follows:

	Shares held for the share award scheme 股份獎勵計劃 所持股份 (thousand) (千股)	Awarded shares 獎勵股份 (thousand) (千股)
Outstanding as of 31 December 2019 and 31 December 2018	於二零一九年十二月三十一日及 二零一八年十二月三十一日 尚未行使 22,697	-

As at 31 December 2019, the carrying amount of shares held for the share award scheme was RMB49,279,000 (2018: RMB49,279,000).

**37. 僱員退休計劃**

本集團之僱員均為中國政府管理之國家運營退休福利計劃之成員。該等子公司須按照僱員薪金費用的20%至22%向退休福利計劃供款，以撥支有關福利。就退休福利計劃而言，本集團之唯一責任為作出所訂明供款。

損益中確認的開支總額人民幣58,454,000元(二零一八年：人民幣51,556,000元)乃本集團按該等計劃規則訂明的費率應付該等計劃的供款。

**38. 股份支付****股份獎勵計劃**

本公司於二零一零年十二月三日採納股份獎勵計劃。股份獎勵計劃的目的是通過授予本公司的股份，肯定及獎賞本集團的主管人員、僱員(不論全職或兼職)及董事為本集團的增長及發展所作出的貢獻。

股份獎勵計劃所持股份的數目變動如下：

於二零一九年十二月三十一日，股份獎勵計劃所持股份的賬面值為人民幣49,279,000元(二零一八年：人民幣49,279,000元)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 39. SHARE CAPITAL

## 39. 股本

		As at 31 December 2019 and 2018 於二零一九年及二零一八年 十二月三十一日	
		No. of shares 股份數目 (thousand) (千股)	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.5 each	每股面值0.5港元的普通股	7,000,000	3,500,000
Convertible preferred shares of HK\$0.5 each	每股面值0.5港元的可轉換 優先股	3,000,000	1,500,000
Total	合計	10,000,000	5,000,000

		2019 二零一九年		2018 二零一八年	
		No. of shares 股份數目 (thousand) (千股)	Amount 金額 RMB'000 人民幣千元	No. of shares 股份數目 (thousand) (千股)	Amount 金額 RMB'000 人民幣千元
Ordinary shares, issued and fully paid:	普通股，已發行 及繳足：				
At 1 January	於一月一日	2,791,885	1,132,097	2,793,677	1,132,855
Shares repurchased and cancelled	股份購回及註銷	-	-	(1,792)	(758)
At 31 December	於十二月三十一日	2,791,885	1,132,097	2,791,885	1,132,097

During the year ended 31 December 2018, the Company repurchased its own ordinary shares through the Stock Exchange as follows:

於截至二零一八年十二月三十一日止年度，本公司透過聯交所購回其本身之普通股如下：

Month of repurchase 購回月份	No. of ordinary shares of HK\$0.5 each 每股面值 0.5港元的 普通股數目	Price per share 每股價格		Aggregate consideration paid 已付 總代價 RMB'000 人民幣千元	
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元		
July 2018	二零一八年七月	1,792,000	2.98	2.74	4,432

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**39. SHARE CAPITAL (Continued)**

The above ordinary shares were cancelled upon repurchase.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during both year.

**Convertible preference shares ("CPS")**

The holders of CPS do not have the right to attend and vote at a general meeting (except for the winding up of the Company or for any resolution to vary or abrogate the rights or privileges of such holder or vary the restrictions to which the CPS are subject). The conversion period is any time after issue, provided that the conversion right will be suspended to the extent that it would result in the Company failing to comply with the public float requirement. Each CPS (at the option of the holder) will be convertible at any time (and without payment of any additional consideration) to ordinary shares on a one to one basis. Each CPS will confer on the holder thereof the right to receive dividend *pari passu* with holders of ordinary shares on the basis of the number of ordinary shares into which each CPS may be converted and on an *as converted* basis. On a distribution of assets on liquidation, winding up or a dissolution of the Company, the assets and funds of the Company available for distribution: (a) will first be paid to the holders of CPS *pari passu* among themselves in respect of the aggregate nominal amounts paid up on the CPS held by them; and (b) the remaining assets will be distributed *pari passu* to the holders of any class of shares (including the CPS). The CPS will be transferable without any restriction by the holders thereof. The CPS will be non-redeemable. No application will be made for the listing of the CPS on the Stock Exchange or any other stock exchange.

**40. RESERVES****(a) Share premium**

The application of the share premium account is governed by the Companies Law of the Cayman Islands.

**(b) Merger reserves**

The merger reserves represent the difference between the Company's share of the nominal value of the paid-up capital of the subsidiaries acquired over the nominal value of the ordinary shares issued by the Company.

**39. 股本(續)**

上述普通股已於購回時註銷。

於兩個年度，本公司的子公司概無購買、出售或贖回本公司任何上市證券。

**可轉換優先股(「可轉換優先股」)**

可轉換優先股的持有人將無權出席股東大會及於會上表決(惟為本公司清盤或將更改或廢除有關持有人的權利或特權或更改可轉換優先股所受之限制之任何決議案則除外)。轉換期為發行後的任何時間，惟倘會導致本公司無法遵守任何公眾持股量規定，則轉換權將暫告中止。每股可轉換優先股(按持有人選擇權)將可隨時(且毋須支付任何額外代價)按一對一基準轉換為普通股。每股可轉換優先股將賦予其持有人享有與普通股持有人同等之收取股息權利，基準為按每股可轉換優先股可轉換而成之普通股數目計算以及猶如已予以轉換。當本公司清盤、清算或解散時分派資產，本公司可供分派的資產及資金：(a)將首先就可轉換優先股持有人所持有可轉換優先股的已繳足面值總額向可轉換優先股持有人支付，而彼等之間具同等地位；及(b)餘下資產將向任何類別股份(包括可轉換優先股)的持有人分派，而彼等之間具同等地位。可轉換優先股之持有人轉讓可轉換優先股將不受任何限制。可轉換優先股不可贖回。概不會就可轉換優先股在聯交所或任何其他證券交易所上市提出申請。

**40. 儲備****(a) 股份溢價**

股份溢價賬的動用受開曼群島公司法所規管。

**(b) 合併儲備**

合併儲備指本公司應佔被收購子公司的繳足股本面值與本公司發行的普通股面值的差額。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**40. RESERVES (Continued)****(c) Capital redemption reserve**

Capital redemption reserve represents the nominal value of the shares repurchased which has been paid out of the Company's distributable reserves.

**(d) PRC statutory reserves**

Transfers from retained earnings to PRC statutory reserves were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries incorporated in the PRC and were approved by the respective boards of directors. The statutory reserves consist of:

**(i) General reserve fund**

Transfers from retained earnings to the general reserve fund were made in accordance with the articles of association of the Company's subsidiaries and were approved by the respective boards of directors.

For the entity concerned, the general reserve fund can be used to cover previous years' losses, if any, and may be converted into capital in proportion to equity holders' existing equity holdings, provided that the balance after such conversion is not less than 25% of their registered capital.

**(ii) Enterprise expansion fund**

Transfers from retained earnings to the enterprise expansion fund were made in accordance with the articles of association of the Company's subsidiaries and were approved by the respective boards of directors.

For the entity concerned, the enterprise expansion fund can be used for business development purposes and for working capital purpose. This fund is non-distributable other than upon liquidation. Transfers to this fund must be made before distribution of dividends to the equity holders.

**40. 儲備(續)****(c) 資本贖回儲備**

資本贖回儲備指以本公司可供分派儲備支付之購回股份面值。

**(d) 中國法定儲備**

由保留溢利轉撥至中國法定儲備乃根據有關中國規則及規例與本公司在中國註冊成立之子公司的組織章程細則進行，並獲各自董事會批准。法定儲備包括：

**(i) 法定盈餘公積金**

由保留溢利轉撥至法定盈餘公積金乃根據本公司子公司的組織章程細則進行，並獲各自董事會批准。

就有關的公司而言，法定盈餘公積金可用作彌補上年度虧損(如有)，亦可按股權持有人現時的持股比例兌換為股本，惟兌換後結餘不得少於註冊資本的25%。

**(ii) 企業發展基金**

由保留溢利轉撥至企業發展基金乃根據本公司子公司的組織章程細則進行，並獲各自董事會批准。

就有關的公司而言，企業發展基金可用作業務發展及營運資金。除清盤外，該基金不可分派。須將保留溢利轉撥至該基金後方可向股權持有人分派股息。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**41. PERPETUAL SECURITIES**

On 27 July 2016 (the “**Issue Date**”), the Group issued USD denominated senior perpetual capital securities (“**Perpetual Securities**”) with an aggregate principal amount of USD120,000,000. The Perpetual Securities confer the holders a right to receive distributions at the applicable distribution rate from the Issue Date payable semi-annually in arrears in USD.

The Perpetual Securities only impose contractual obligations on the Group to repay principal or to pay any distributions under certain circumstances which are at the Group’s discretion, they have in substance confer the Group an unconditional right to avoid delivering cash or other financial asset to settle contractual obligations. As a result, the whole instrument is classified as equity, and distributions if and when declared are treated as equity dividends.

Distribution of USD6,750,000 (equivalent to RMB46,180,000) (2018: USD6,750,000 (equivalent to RMB42,716,000)) has been provided and paid by the Company for the year.

**41. 永久證券**

二零一六年七月二十七日(「**發行日期**」)，本集團發行本金總額為120,000,000美元的以美元計值的高級永久資本證券(「**永久證券**」)。永久證券賦予持有人權利，自發行日期起按適用的分派率每半年期末收取以美元支付的分派。

永久證券僅對本集團施加在本集團酌情下償付本金或在若干情況下支付任何分派的合約責任，其實際上賦予本集團避免分發現金或其他金融資產以履行合約責任的無條件權利。因此，整項工具分類作權益，或倘有宣派則在宣派時當作權益股息。

本公司已計提及支付年內分派6,750,000美元(相當於人民幣46,180,000元)(二零一八年：6,750,000美元(相當於人民幣42,716,000元))。

**42. FINANCIAL INSTRUMENTS****(a) Categories of financial instruments**

		<b>2019</b> 二零一九年 <b>RMB'000</b> 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Financial assets</b>	<b>金融資產</b>		
Amortised cost	攤銷成本	<b>26,045,002</b>	20,525,399
Financial assets at FVTPL	按公允價值列賬於損益的金融資產	<b>6,397</b>	-
Equity instruments at FVTOCI	按公允價值列賬於其他全面收入的股權工具	<b>312,315</b>	294,340
		<b>26,363,714</b>	20,819,739
<b>Financial liabilities</b>	<b>金融負債</b>		
Amortised cost	攤銷成本	<b>46,558,882</b>	47,778,685

**42. 金融工具****(a) 金融工具類別**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**42. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies**

The Group's major financial instruments include equity investments at FVTOCI, trade and other receivables, restricted bank deposits, bank balances and cash, financial assets at FVTPL, interest-bearing loans, bonds and trade and other payables. Details of the financial instruments are disclosed in respective notes.

The Group has exposure to the following risks associated with these financial instruments:

- market risk (including currency risk and interest rate risk)
- credit risk
- liquidity risk
- Other price risk

This note presents information about the Group's exposure to each of the above risks, and the Group's objectives, policies and processes for measuring and managing risk.

Management has overall responsibility for the establishment and oversight of the Group's risk management framework. Management establishes policies to identify and analyse the risks faced by the Group, to set up appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Through training and management standards and procedures, management aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**42. 金融工具(續)****(b) 財務風險管理目標及政策**

本集團的主要金融工具包括按公允價值列賬於其他全面收入的股權投資、應收賬款及其他應收款項、受限制銀行存款、銀行結餘和現金、按公允價值列賬於損益的金融資產、計息貸款、債券及應付賬款及其他應付款項。金融工具的詳情披露於相應附註。

本集團面對以下與該等金融工具有關的風險：

- 市場風險(包括外幣風險與利率風險)
- 信貸風險
- 流動性風險
- 其他價格風險

本附註呈列有關本集團涉及上述各項風險、本集團計量管理風險的目標、政策及程序的資料。

管理層全權負責建立並監督本集團的風險管理架構。管理層建立政策是為了辨明和分析本集團面臨的風險，並設置適當的風險限制和控制措施以監控風險是否在限制範圍內。風險管理政策及系統須定期進行審閱以反映市場環境及本集團經營活動的變化。管理層通過其培訓和管理標準及程序，旨在建立具紀律性及建設性的控制環境，使得身處其中的所有僱員明白自身的角色及義務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 42. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial risk management objectives and policies (Continued)

#### Market risk

#### (i) Foreign currency risk

The Group is mainly exposed to the fluctuations in exchange rates between RMB and HK\$/USD. The exposure in HK\$/USD arises mainly from the Group's bank balances and cash, trade and other receivables, trade and other payables, interest-bearing loans, and bonds.

In respect of the monetary assets and liabilities denominated in foreign currencies, the Group manages the net exposures to this risk by utilising forward foreign exchange contracts.

The management closely monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Denominated in HK\$ 以港元計價		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade and other receivables	應收賬款及其他應收款項	390,145	423,132
Bank balances and cash	銀行結餘及現金	119,929	19,753
Trade and other payables	應付賬款及其他應付款項	(835,251)	(742,556)
Interest-bearing loans	計息貸款	(610,026)	(543,244)
Overall exposure	總風險	(935,203)	(842,915)

## 42. 金融工具(續)

### (b) 財務風險管理目標及政策(續)

#### 市場風險

#### (i) 外幣風險

本集團主要面對人民幣與港元／美元之間匯率波動的風險。港元／美元的風險主要來自本集團銀行結餘及現金、應收賬款及其他應收款項、應付賬款及其他應付款項、計息貸款及債券。

有關以外幣計價的貨幣資產及負債，本集團通過遠期外匯合約管理淨風險。

管理層密切監控外匯風險並將於需要時考慮對沖重大外匯風險。

於報告期末，本集團以貨幣資產及貨幣負債計值的外幣賬面值如下。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**42. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)***Market risk (Continued)**(i) Foreign currency risk (Continued)*

Denominated in USD 以美元計價		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade and other receivables	應收賬款及其他應收款項	<b>1,490,453</b>	1,060,995
Bank balances and cash	銀行結餘及現金	<b>2,356,265</b>	1,519,221
Bonds	債券	<b>(3,481,276)</b>	(5,818,015)
Trade and other payables	應付賬款及其他應付款項	<b>(4,005,654)</b>	(7,703,472)
Interest-bearing loans	計息貸款	<b>(1,695,016)</b>	(1,804,824)
Overall exposure	總風險	<b>(5,335,228)</b>	(12,746,095)

## Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% (2018: 5%) increase and decrease in RMB against the relevant foreign currencies. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax profit where RMB strengthens 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the profit and the amounts below would be negative.

		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
Profit or loss	溢利或虧損		
HK\$	港元	<b>35,070</b>	31,609
USD	美元	<b>200,071</b>	477,979
Equity	權益		
HK\$	港元	<b>35,070</b>	31,609
USD	美元	<b>200,071</b>	477,979

**42. 金融工具(續)****(b) 財務風險管理目標及政策(續)***市場風險(續)**(i) 外幣風險(續)*

## 外幣敏感度分析

下表顯示，在人民幣兌以下外幣升值及貶值5%(二零一八年：5%)的情況下本集團的敏感度。5%乃管理層對合理可能的外幣匯率變動的評估。敏感度分析僅包括現有以外幣計值之貨幣項目，並按外幣匯率出現5%變化調整其於年結日之換算數額。下列正數表示人民幣兌相關貨幣升值5%時則除稅後溢利增加。倘人民幣兌相關外幣貶值5%，對溢利會有同等及相反的影響，下述金額會變成負數。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 42. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial risk management objectives and policies (Continued)

#### Market risk (Continued)

##### (ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank deposits, lease liabilities and bonds. (see notes 29, 30, 35 and 36 for details).

The Group is also exposed to cash flow interest rate risk in relation to variable-rate interest-bearing loans (see note 32 for details).

The Group manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. When appropriate and at times of interest rate uncertainty or volatility, interest rate swaps may be used to assist in the Group's management of interest rate exposure.

#### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable rate liabilities, the analysis is prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year.

## 42. 金融工具(續)

### (b) 財務風險管理目標及政策(續)

#### 市場風險(續)

##### (ii) 利率風險

本集團面對有關固定利率銀行存款、租賃負債及債券(詳情見附註29、30、35及36)的公允價值利率風險。

本集團亦面對有關可變利率計息貸款(詳情見附註32)的現金流量利率風險。

本集團通過維持充足的信貸額度以使借貸成本處於可接受水平及通過持續監控該等風險來管理利率淨風險。在適當時及倘利率不明朗或波動，可以使用利率掉期協助本集團管理利率風險。

#### 利率敏感度分析

下述敏感度分析乃根據報告期末非衍生工具利率風險而釐定。就可變利率負債而言，編製該分析時乃假設於報告期末未償還負債金額在全年均為未償還。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**42. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)****Market risk (Continued)***(ii) Interest rate risk (Continued)*

Interest rate profile

The following table details the interest rate profile of the Group's interest-bearing borrowings and bonds by the end of reporting period.

		2019 二零一九年 Effective interest rate 實際利率		2018 二零一八年 Effective interest rate 實際利率	
		RMB'000 人民幣千元		RMB'000 人民幣千元	
Fixed rate borrowings	固定利率借貸				
Lease liabilities	租賃負債	4.74%-6.65%	11,016	-	-
Bonds	債券	7.77%	3,481,276	6.63%	5,818,015
			3,492,292		5,818,015
Variable rate borrowings	可變利率借貸				
Secured interest-bearing loans	有抵押計息貸款	5.59%	8,042,050	4.86%	10,768,729
Unsecured interest-bearing loans	無抵押計息貸款	4.12%	1,865,742	4.08%	1,915,884
			9,907,792		12,684,613
Total borrowings	借貸總額		13,400,084		18,502,628
Fixed rate borrowings as a percentage of total borrowings	固定利率借貸佔借貸總額 百分比		26%		31%

		2019 二零一九年 Effective interest rate 實際利率		2018 二零一八年 Effective interest rate 實際利率	
		RMB'000 人民幣千元		RMB'000 人民幣千元	
Bank balances and cash	銀行結餘及現金	0.35%-1.10%	10,321,280	0.35%-2.75%	6,277,208

**42. 金融工具(續)****(b) 財務風險管理目標及政策(續)****市場風險(續)***(ii) 利率風險(續)*

利率情況

下表詳述於報告期末本集團的計息借貸及債券利率情況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 42. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial risk management objectives and policies (Continued)

#### Market risk (Continued)

##### (iii) Interest rate risk (Continued)

#### Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for interest-bearing loans at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If the market lending interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2019 would have decreased/increased by RMB74,307,000 (2018: decreased/increased by RMB95,135,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank balance and cash and interest-bearing loans.

#### Credit risk and impairment assessment

As at 31 December 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group are arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities in relation to financial guarantees issued by the Group as disclosed in note 44.

The Group's credit risk is primarily attributable to trade receivables, contract assets, other receivables, bank balances and cash and amount of contingent liabilities in relation to the financial guarantees provided by the Group.

## 42. 金融工具(續)

### (b) 財務風險管理目標及政策(續)

#### 市場風險(續)

##### (iii) 利率風險(續)

#### 敏感度分析

下述敏感度分析乃根據報告期末計息貸款利率風險而釐定。就可變利率負債而言，編製該分析時乃假設於報告期末未償還負債金額在全年均為未償還。內部向主要管理人員匯報利率風險採用100個基點增幅或減幅，乃管理層對合理可能的利率變動的評估。

倘市場借貸利率增加/減少100個基點，且所有其他可變值維持不變，本集團截至二零一九年十二月三十一日止年度的除稅後溢利將會減少/增加人民幣74,307,000元(二零一八年：減少/增加人民幣95,135,000元)，主要由於本集團面對可變利率銀行結餘及現金以及計息貸款的利率風險。

#### 信貸風險及減值評估

於二零一九年十二月三十一日，由於對手方未能履行責任及本集團提供的財務擔保導致本集團財務虧損而使本集團承受的最高信貸風險乃來自綜合財務狀況表所述的各類經確認的金融資產的賬面值及附註44披露的有關本集團作出財務擔保的或然負債金額。

本集團的信貸風險主要來自應收賬款、合同資產、其他應收款項、銀行結餘及現金及有關本集團提供財務擔保的或然負債金額。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**42. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)***Credit risk and impairment assessment (Continued)*

*Trade receivables and contract assets arising from contracts with customers*

In order to minimise the credit risk, the Group has policies in place to ensure that sales are made to customers with an appropriate financial strength and/or appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL on trade balances individually or based on provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 26.59% (2018: 35.43%) and 50.33% (2018: 59.27%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively within the sales of properties and construction management service segment.

*Other receivables*

For other receivables, the directors of the Company make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Group also actively monitors the outstanding amounts owed by each debtor and uses internal credit rating to assess whether credit risk has increased significantly since initial recognition. The Group has concentration of credit risk from amounts due from Greenland Holdings of RMB6,194,708,000 (2018: RMB4,591,508,000).

**42. 金融工具(續)****(b) 財務風險管理目標及政策(續)***信貸風險及減值評估(續)*

*來自客戶合約的應收賬款及合同資產*

為盡量降低信貸風險，本集團已制定政策，確保銷售乃以適當財務優勢及／或首期付款的適當百分比向客戶作出。本集團亦有其他監控程序，確保採取跟進行動收回逾期債務。此外，本集團根據預期信貸虧損就貿易結餘進行單獨或根據撥備矩陣進行減值評估。就此而言，本公司董事認為，本集團的信貸風險已大幅降低。

本集團就物業銷售及建築管理服務分部應收本集團最大客戶及五大客戶的賬款總額的信貸風險集中度分別為26.59%(二零一八年：35.43%)及50.33%(二零一八年：59.27%)。

*其他應收款項*

就其他應收款項而言，本公司董事根據過往償付記錄、過往經驗以及合理且具理據支持的前瞻性定量及定性資料，對其他應收款項及按金的可收回性進行定期個別評估。本集團亦積極監控各債務人尚未償還的金額，並使用內部信貸評級評估信貸風險自初始確認以來是否出現大幅增加。本集團應收綠地控股款項人民幣6,194,708,000元(二零一八年：人民幣4,591,508,000元)有信貸風險集中情況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 42. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial risk management objectives and policies (Continued)

#### *Credit risk and impairment assessment (Continued)*

##### *Bank balances and cash and restricted bank deposits*

Bank balances and cash and restricted bank deposits are mainly placed with state-owned financial institutions and reputable banks which are all high-credit-quality financial institutions, therefore the Group's credit risk on liquid funds is limited.

##### *Contingent liabilities in relation to the financial guarantees*

For properties that are still under construction, the Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of the properties. If a customer defaults on the payment of its mortgage during the term of the guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount under the loan and any accrued interest thereon. Under such circumstances, the Group is able to retain the customer's deposits and sell the property to recover any amounts paid by the Group to the bank. Unless the selling price drop significantly, which the probability is remote, the Group would not be in a loss position in selling those properties out. In this regard, the directors of the Company consider that the Group's credit risk in relation to financial guarantees from mortgage loans is largely mitigated.

## 42. 金融工具(續)

### (b) 財務風險管理目標及政策(續)

#### *信貸風險及減值評估(續)*

##### *銀行結餘及現金及受限制銀行存款*

銀行結餘及現金及受限制銀行存款主要存放於國有金融機構及信譽良好的銀行(全部為高信貸品質的金融機構)，因此本集團流動資金的信貸風險有限。

##### *有關財務擔保的或然負債*

就仍在建物業而言，本集團一般就客戶借款以撥支購買物業的按揭貸款向銀行提供擔保。倘客戶於擔保期內未能償還其按揭，持有按揭的銀行可能要求本集團償還貸款項下的未償還金額及任何就此應計利息。於該情況下，本集團能夠保留客戶按金並銷售有關物業，以收回本集團向銀行支付的任何金額。除非售價大幅降低(可能性甚微)外，本集團將不會因銷售該等物業而處於虧損狀況。就此而言，本公司董事認為，本集團有關就按揭貸款提供財務擔保的信貸風險已大幅減少。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**42. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)***Credit risk and impairment assessment (Continued)*

*Contingent liabilities in relation to the financial guarantees (Continued)*

The Group's internal credit risk grading assessment comprises the following categories:

**42. 金融工具(續)****(b) 財務風險管理目標及政策(續)***信貸風險及減值評估(續)*

*有關財務擔保的或然負債(續)*

本集團的內部信貸風險評級評估包括以下分類：

Internal credit rating 內部信貸評級	Description 說明	Trade receivables/ contract assets 應收賬款/合同資產	Other finance assets/ other items 其他金融資產/其他項目
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 對手方的違約風險低，且並無任何逾期款項	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 – 並無信貸減值	12m ECL 12個月預期信貸虧損
Watch list 關注名單	Debtor frequently repays after due date but usually settle after due date 債務人經常於到期日後還款，但通常於到期日後結算	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 – 並無信貸減值	12m ECL 12個月預期信貸虧損
Doubtful 呆賬	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 根據內部或外部資源所得資料，信貸風險自初始確認以來已出現大幅增加	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 – 並無信貸減值	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 – 並無信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產出現信貸減值	Lifetime ECL – credit-impaired 存續期預期信貸虧損 – 信貸減值	Lifetime ECL – credit-impaired 存續期預期信貸虧損 – 信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人有嚴重財政困難，而本集團預期不大可能收回	Amount is written-off 撇銷有關金額	Amount is written-off 撇銷有關金額

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**42. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)****Credit risk and impairment assessment (Continued)**

The tables below detail the credit risk exposures of the Group's financial assets and financial guarantee contracts which are subject to ECL assessment:

**42. 金融工具(續)****(b) 財務風險管理目標及政策(續)****信貸風險及減值評估(續)**

下表詳述須進行預期信貸虧損評估的本集團金融資產及財務擔保合約所面臨的信貸風險：

	Notes 附註	External credit rating 外部信貸評級	Internal credit rating 內部信貸評級	12m or lifetime ECL 12個月或存續期預期信貸虧損	2019 二零一九年 Gross carrying amount 賬面總值 RMB'000 人民幣千元	2018 二零一八年 Gross carrying amount 賬面總值 RMB'000 人民幣千元
<b>Financial assets at amortised cost</b> <b>按攤銷成本計量的金融資產</b>						
Trade receivables 應收賬款	25	N/A 不適用	note iii 附註iii Low risk 低風險 Loss 虧損	Lifetime ECL (provision matrix) 存續期預期信貸虧損(撥備矩陣) Lifetime ECL 存續期預期信貸虧損 Credit-impaired 信貸減值	<b>205,825</b> <b>155,649</b> <b>7,830</b>	115,620 142,539 25,735
					<b>369,304</b>	283,894
Other receivables (note i) 其他應收款項(附註i)	25	N/A 不適用	Low risk 低風險 Watch list 關注名單 Doubtful 呆賬 Loss 虧損	12m ECL 12個月預期信貸虧損 12m ECL 12個月預期信貸虧損 Lifetime ECL – not credit-impaired 存續期預期信貸虧損—並無信貸減值 Lifetime ECL – credit-impaired 存續期預期信貸虧損—信貸減值	<b>3,235,601</b> <b>12,151,667</b> <b>220,384</b> <b>43,385</b>	5,094,621 8,481,376 573,720 43,385
					<b>15,651,037</b>	14,193,102
Bank balances and cash 銀行結餘及現金	30	A3 – Aaa A3 – Aaa	N/A 不適用	12m ECL 12個月預期信貸虧損	<b>7,568,342</b>	4,059,778
Restricted bank deposits 受限制銀行存款	29	A3 – Aaa A3 – Aaa	N/A 不適用	12m ECL 12個月預期信貸虧損	<b>2,752,938</b>	2,217,430
<b>Other items</b> <b>其他項目</b>						
Contract assets (note iv) 合同資產(附註iv)	27	N/A 不適用	Low risk 低風險	Lifetime ECL 存續期預期信貸虧損	<b>650,929</b>	841,400
Financial guarantee contracts (note ii) 財務擔保合約(附註ii)	44	N/A 不適用	Low risk 低風險	12m ECL 12個月預期信貸虧損	<b>13,361,488</b>	11,561,273

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**42. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)****Credit risk and impairment assessment (Continued)**

Notes:

- (i) As part of the Group's credit risk management, the Group applies internal credit rating for other receivables. The following table provides information about the exposure to credit risk for other receivables which are assessed based on internal credit rating at the end of the reporting period within 12m ECL and lifetime ECL (not credit impaired). Debtors with significant outstanding balances or credit-impaired with gross carrying amounts of RMB15,607,652,000 and RMB43,385,000 respectively as at 31 December 2019 (2018: RMB14,149,717,000 and RMB43,385,000) were assessed individually.

Internal credit rating	內部信貸評級	2019 二零一九年		2018 二零一八年	
		Average loss rate 平均虧損率	Other receivables 其他應收款項 RMB'000 人民幣千元	Average loss rate 平均虧損率	Other receivables 其他應收款項 RMB'000 人民幣千元
Low risk	低風險	0.43%	3,235,601	0.31%	5,094,621
Watch list	關注名單	0.80%-3.31%	12,151,667	0.53%-3.21%	8,481,376
Doubtful	呆賬	6.74%	220,384	6.28%	573,720
			<b>15,607,652</b>		14,149,717

During the year ended 31 December 2019, the Group provided RMB80,719,000 (2018: RMB127,214,000) impairment allowance for other receivables, based on the internal credit rating.

**42. 金融工具(續)****(b) 財務風險管理目標及政策(續)****信貸風險及減值評估(續)**

附註：

- (i) 作為本集團信貸風險管理的一部分，本集團就其他應收款項應用內部信貸評級。下表提供有關其他應收款項面臨的信貸風險的資料，其於報告期末乃根據屬於12個月預期信貸虧損及存續期預期信貸虧損(並無信貸減值)的內部信貸評級評估。於二零一九年十二月三十一日，已對賬面總值分別為人民幣15,607,652,000元及人民幣43,385,000元(二零一八年：人民幣14,149,717,000元及人民幣43,385,000元)的重大未償還結餘或信貸減值應收賬款進行單獨評估。

於截至二零一九年十二月三十一日止年度，本集團根據內部信貸評級就其他應收款項計提減值撥備人民幣80,719,000元(二零一八年：人民幣127,214,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 42. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial risk management objectives and policies (Continued)

#### Credit risk and impairment assessment (Continued)

Notes: (Continued)

- (ii) For financial guarantee contracts, the gross carrying amount represents the maximum amount the Group has guaranteed under the respective contracts. The maximum amount that the Group has guaranteed under the respective contracts was RMB13,361,488,000 as at 31 December 2019 (2018: RMB11,561,273,000). At the end of the year, the directors of the Company have performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12m ECL. The directors of the Company considered that the 12m ECL allowance is insignificant at 31 December 2019 and 2018.
- (iii) For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix, grouped by past due status.

## 42. 金融工具(續)

### (b) 財務風險管理目標及政策(續)

#### 信貸風險及減值評估(續)

附註：(續)

- (ii) 就財務擔保合約而言，賬面總值指本集團根據相關合約提供擔保的最高金額。於二零一九年十二月三十一日，本集團根據相關合約提供擔保的最高金額為人民幣13,361,488,000元(二零一八年：人民幣11,561,273,000元)。於年末，本公司董事已進行減值評估，並認為有關財務擔保合約的信貸風險自初始確認以來並無大幅增加。因此，本集團作出財務擔保合約的虧損撥備乃按相當於12個月預期信貸虧損的金額計量。本公司董事認為，於二零一九年及二零一八年十二月三十一日，12個月預期信貸虧損撥備並不重大。
- (iii) 就應收賬款而言，本集團已採用國際財務報告準則第9號的簡化法計量存續期預期信貸虧損的虧損撥備。除具有重大未償還結餘或出現信貸減值的應收賬款外，本集團採用撥備矩陣釐定該等項目的預期信貸虧損，並按逾期狀況分組。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**42. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)***Credit risk and impairment assessment (Continued)*

Notes: (Continued)

(iii) (Continued)

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its property sales, hotel and related services and property management and other services because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at 31 December 2019 within lifetime ECL (not credit impaired). Debtors with significant outstanding balances or credit-impaired with gross carrying amounts of RMB155,649,000 and RMB7,830,000 respectively (2018: RMB142,539,000 and RMB25,735,000) as at 31 December 2019 were assessed individually.

		2019 二零一九年		2018 二零一八年	
		Average loss rate 平均虧損率	Trade receivables 應收賬款 RMB'000 人民幣千元	Average loss rate 平均虧損率	Trade receivables 應收賬款 RMB'000 人民幣千元
<b>Gross carrying amount</b>	<b>賬面總值</b>				
Within 90 days	90日內	4%	141,488	7%	70,121
90-180 days	90-180日	7%	4,962	9%	7,671
180-365 days	180-365日	10%	26,685	10%	4,642
More than 365 days	超過365日	18%	32,690	13%	33,186
			<b>205,825</b>		115,620

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

During the year ended 31 December 2019, the Group provided RMB4,619,000 (2018: RMB89,000) impairment allowance for trade receivables based on the provision matrix and reversed RMB17,524,000 (2018: provided RMB4,823,000) impairment allowance for trade receivables based on the individual assessment.

**42. 金融工具(續)****(b) 財務風險管理目標及政策(續)***信貸風險及減值評估(續)*

附註：(續)

(iii) (續)

作為本集團信貸風險管理的一部分，就物業銷售、酒店及配套服務以及物業管理及其他服務而言，本集團使用應收賬款的賬齡評估客戶的減值，原因為該等客戶由大量具有代表彼等根據合約條款支付所有到期款項的能力的共同風險特徵的小型客戶組成。下表提供有關應收賬款面臨的信貸風險資料，其於二零一九年十二月三十一日乃根據屬於存續期預期信貸虧損(並無信貸減值)的撥備矩陣進行評估。於二零一九年十二月三十一日，已對具有重大未償還結餘或出現信貸減值賬面總值分別為人民幣155,649,000元及人民幣7,830,000元(二零一八年：人民幣142,539,000元及人民幣25,735,000元)的應收賬款進行單獨評估。

估計虧損率乃於應收賬款的預期年期內按過往觀察違約率進行估計，並就毋須花費不必要成本或精力即可獲得的前瞻性資料進行調整。

於截至二零一九年十二月三十一日止年度，本集團根據撥備矩陣就應收賬款計提人民幣4,619,000元(二零一八年：人民幣89,000元)減值撥備，並根據單獨評估就應收賬款撥回人民幣17,524,000元(二零一八年：計提人民幣4,823,000元)減值撥備。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**42. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)****Credit risk and impairment assessment (Continued)**

Notes: (Continued)

- (iv) During the year ended 31 December 2019, the Group assessed the impairment for the contract assets in relation to its construction management service with a significant outstanding balance amounting to approximately RMB650,929,000 (2018: RMB841,400,000) individually and reversed RMB317,000 (2018: provided RMB1,403,000) impairment allowance for contract assets based on the individual assessment.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach.

**42. 金融工具(續)****(b) 財務風險管理目標及政策(續)****信貸風險及減值評估(續)**

附註：(續)

- (iv) 於截至二零一九年十二月三十一日止年度，本集團單獨就具有重大未償還結餘的建築管理服務的合同資產約人民幣650,929,000元(二零一八年：人民幣841,400,000元)評估減值，並根據單獨評估就合同資產撥回人民幣317,000元(二零一八年：計提人民幣1,403,000元)減值撥備。

下表載列根據簡化法就應收賬款及合同資產確認的存續期預期信貸虧損的變動。

		Contract assets		Trade receivables		Total
		合同資產	Trade receivables	Trade receivables	Trade receivables	
		Lifetime ECL (not credit-impaired)	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)		
		存續期預期信貸虧損(並無信貸減值)	存續期預期信貸虧損(並無信貸減值)	存續期預期信貸虧損(信貸減值)		合計
		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
<b>As at 1 January 2018</b>	<b>於二零一八年一月一日</b>	-	10,758	25,735		36,493
Impairment losses recognised	已確認減值虧損	-	2,934	-		2,934
New financial assets originated or purchased	源自或購買的新金融資產	1,403	1,978	-		3,381
<b>As at 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	1,403	15,670	25,735		42,808
Impairment losses reversed	已撥回減值虧損	(317)	(1,540)	(17,905)		(19,762)
New financial assets originated or purchased	源自或購買的新金融資產	-	6,540	-		6,540
<b>As at 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>	1,086	20,670	7,830		29,586



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**42. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)***Credit risk and impairment assessment (Continued)*

The following table shows reconciliation of loss allowances that has been recognised for other receivables.

**42. 金融工具(續)****(b) 財務風險管理目標及政策(續)***信貸風險及減值評估(續)*

下表呈列就其他應收款項的已確認虧損撥備的對賬。

		12m ECL	Lifetime ECL (not credit- impaired)	Lifetime ECL (credit- impaired)	Total
		12個月預期 信貸虧損	存續期預期 信貸虧損 (並無信貸減值)	存續期預期 信貸虧損 (信貸減值)	合計
		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
<b>As at 1 January 2018</b>	<b>於二零一八年一月一日</b>	194	16,607	43,385	60,186
Impairment losses recognised	已確認減值虧損	40,640	19,420	-	60,060
New financial assets originated or purchased	源自或購買的新金融資產	67,154	-	-	67,154
<b>As at 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	107,988	36,027	43,385	187,400
Impairment losses recognised (reversed)	已確認(已撥回)減值虧損	20,752	(21,544)	-	(792)
New financial assets originated or purchased	源自或購買的新金融資產	81,140	371	-	81,511
<b>As at 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>	209,880	14,854	43,385	268,119

*Liquidity risk*

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks to meet its liquidity requirements in the short and longer term.

*流動性風險*

流動性風險為本集團在到期日無法履行其財務義務的風險。本集團的政策為定期監控其流動資金需要及遵守借款契約的情況，確保維持充足的現金儲備及從銀行獲得足夠的已訂約融資額度，以應付本集團短期及較長期的流動資金需求。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**42. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)****Liquidity risk (Continued)**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

**42. 金融工具(續)****(b) 財務風險管理目標及政策(續)****流動性風險(續)**

流動性風險管理的最終責任在於董事會，其已設立合適的流動性風險管理框架，以管理本集團的長、中、短期資金及流動性管理需要。本集團通過維持足夠儲備、銀行融資及儲備借貸融資，以及持續監控預測及實際現金流量，加上將金融資產及負債的到期情況進行匹配，以管理流動性風險。

下表詳述本集團具協定還款期間的非衍生金融負債項下合約承擔的其餘到期情況。下表乃按本集團可能需要付款的最早日為基準，根據金融負債的未貼現現金流量釐定。

		Weighted average effective interest rate 加權平均實際利率 %	Within 1 year or on demand 一年內 或按要求 RMB'000 人民幣千元	Within 2 years but over 1 year 兩年內 但一年以上 RMB'000 人民幣千元	Within 5 years but over 2 years 五年內 但兩年以上 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
<b>31 December 2019</b>	<b>二零一九年十二月三十一日</b>							
Trade and other payables	應付賬款及其他應付款項	-	33,169,814	-	-	-	33,169,814	33,169,814
Variable interest rate loans	可變利率貸款	5.31%	4,119,698	3,865,830	2,771,274	342,120	11,098,922	9,907,792
Bonds	債券	7.77%	1,589,702	2,218,432	-	-	3,808,134	3,481,276
Lease liabilities	租賃負債	4.74%-6.65%	10,493	947	150	-	11,590	11,016
Financial guarantees issued: Maximum amount guaranteed	已出具的財務擔保: 最高擔保額	-	13,361,488	-	-	-	13,361,488	-
			<b>52,251,195</b>	<b>6,085,209</b>	<b>2,771,424</b>	<b>342,120</b>	<b>61,449,948</b>	<b>46,569,898</b>
<b>31 December 2018</b>	<b>二零一八年十二月三十一日</b>							
Trade and other payables	應付賬款及其他應付款項	-	29,276,057	-	-	-	29,276,057	29,276,057
Variable interest rate loans	可變利率貸款	4.74%	3,351,821	8,527,543	1,541,121	392,609	13,813,094	12,684,613
Bonds	債券	6.63%	4,770,353	1,440,414	-	-	6,210,767	5,818,015
Financial guarantees issued: Maximum amount guaranteed	已出具的財務擔保: 最高擔保額	-	11,561,273	-	-	-	11,561,273	-
			<b>48,959,504</b>	<b>9,967,957</b>	<b>1,541,121</b>	<b>392,609</b>	<b>60,861,191</b>	<b>47,778,685</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**42. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)***Liquidity risk (Continued)*

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

*Other price risk*

The Group also invested in unquoted equity securities for investees operating in property developing industry sector for long-term strategic purposes which had been designated as FVTOCI.

*Fair value measurements*

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

*Fair value of the Group's financial asset and financial liability that is measured at fair value on a recurring basis*

A certain financial asset is measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined, as well as the level of the fair value hierarchy into which the fair value measurements are categorised based on the degree to which the inputs to the fair value measurements is observable.

**42. 金融工具(續)****(b) 財務風險管理目標及政策(續)***流動性風險(續)*

上述財務擔保合約金額乃在擔保對手單位作出申索時，本集團根據有關安排被迫全數結付擔保的最高金額。根據於報告期末的預期，本集團認為在有關安排下有關金額應當不需支付。然而，此項估計乃受對手單位就擔保事項作出申索的或然率而變動，而該或然率乃取決於受擔保的由對手單位持有的金融應收款項蒙受信貸虧損的可能性。

*其他價格風險*

本集團亦投資於物業開發行業板塊經營的投資對象之未報價權益證券，其長期戰略目的為將其指定為按公允價值列賬於其他全面收入。

*公允價值計量*

此附註提供有關本集團如何釐定多項金融資產及金融負債的公允價值的資料。

*本集團以經常性基準按公允價值計量的金融資產及金融負債的公允價值*

於各報告期末，有某項金融資產按公允價值計量。下表提供的資料，乃有關該等金融資產及金融負債公允價值如何釐定，以及根據公允價值計量輸入數據可以觀察的程度而分類的公允價值計量的公允價值層級。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 42. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial risk management objectives and policies (Continued)

#### Fair value measurements (Continued)

Fair value of the Group's financial asset and financial liability that is measured at fair value on a recurring basis (Continued)

## 42. 金融工具(續)

### (b) 財務風險管理目標及政策(續)

#### 公允價值計量(續)

本集團以經常性基準按公允價值計量的金融資產及金融負債的公允價值(續)

Financial assets 金融資產		Fair values as at 31 December 於十二月三十一日的公允價值		Fair value hierarchy 公允價值層級	Valuation techniques and key inputs 估值技巧及主要輸入數據
		2019 二零一九年	2018 二零一八年		
Foreign currency structured forward contracts classified as financial assets carried at FVTPL	分類為按公允價值列賬於損益的金融資產的外幣結構性遠期合約	Asset - RMB6,397,000 資產 - 人民幣6,397,000元	Asset - Nil 資產 - 零	Level 2 第二層	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.  折現現金流量。 未來現金流量乃根據遠期外幣匯率(來自報告期末可觀察的遠期外幣匯率)及合約遠期匯率估計,所用折現率乃反映多個對手單位的信貸風險。
Equity instrument carried at FVTOCI	按公允價值列賬於其他全面收入的股權工具	Asset - RMB312,315,000 資產 - 人民幣312,315,000元	Asset - RMB294,340,000 資產 - 人民幣294,340,000元	Level 3 第三層	Asset-based approach. Fair value of the underlying assets and liabilities as valuation date. The higher the fair value of the underlying assets, the higher the fair value; the higher the fair value of the underlying liabilities, the lower the fair value.  資產法。 相關資產及負債於估值日期的公允價值。相關資產的公允價值越高,則公允價值越高;相關負債的公允價值越高,則公允價值越低。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**42. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)**

*Fair value measurements (Continued)*

*Reconciliation of Level 3 fair value measurements*

**42. 金融工具(續)****(b) 財務風險管理目標及政策(續)**

*公允價值計量(續)*

*第三層公允價值計量的對賬*

		<b>Equity instrument carried at FVTOCI</b> 按公允價值列賬 於其他全面收入的 股權工具 RMB'000 人民幣千元
<b>At 1 January 2018</b>	<b>於二零一八年一月一日</b>	174,567
Total gains in other comprehensive income	於其他全面收入的總收益	119,773
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	294,340
Total gains in other comprehensive income	於其他全面收入的總收益	17,975
<b>At 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>	312,315

*Fair value of financial assets and financial liabilities that are not measured at fair value*

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

*並非以公允價值計量的金融資產及金融負債的公允價值*

除下表所詳述外，董事認為綜合財務報表內所確認的金融資產及金融負債的賬面值與公允價值相若。

	<b>2019</b> 二零一九年		2018 二零一八年	
	<b>Carrying amount</b> 賬面值 RMB'000 人民幣千元	<b>Fair value</b> 公允價值 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元	Fair value 公允價值 RMB'000 人民幣千元
Bonds 債券	<b>3,481,276</b>	<b>3,576,669</b>	5,818,015	5,817,193

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**43. CAPITAL RISK MANAGEMENT**

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

Consistent with industry practice, the Group monitors its capital structure on the basis of a net gearing ratio (total interest-bearing loans and bonds less cash and cash equivalents (including restricted cash) over total equity). Therefore, the Group defined debts as interest-bearing loans and bonds.

The Group is not subject to any externally imposed capital requirements.

The Group's risk management committee reviews the capital structure of the Group on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at end of the reporting period was as follows.

		<b>2019</b> <b>二零一九年</b> <b>RMB'000</b> <b>人民幣千元</b>	2018 二零一八年 RMB'000 人民幣千元
Debts	債項	<b>13,389,068</b>	18,502,628
Restricted bank deposits and bank balances and cash	受限制銀行存款及銀行結餘及現金	<b>(10,321,280)</b>	(6,277,208)
Net debts	淨債項	<b>3,067,788</b>	12,225,420
Equity	權益	<b>16,591,438</b>	13,944,738
Net debts to equity ratio	淨債項佔權益比率	<b>18%</b>	88%

**43. 資本風險管理**

本集團管理資本以確保本集團系內公司能夠繼續根據持續經營基準經營，同時透過取得最佳股債平衡，為股東創造最大回報。本集團整體策略與去年保持不變。

根據行業慣例，本集團以負債比率淨額(計息貸款及債券總額減去現金及現金等價物(包括受限制現金)後除以權益總額)作為監控資本架構的基準。因此，本集團界定債項為計息貸款及債券。

本公司並無受外部施加的資本規定所規限。

本集團的風險管理委員會每半年對本集團的資本架構進行審視。委員會審視過程中，會考慮資金成本及各類別資金相關的風險。

報告期末的負債比率如下。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**44. CONTINGENT LIABILITIES**

As at the reporting date, the Group has issued the following guarantees:

The Group has arranged mortgage loan facilities for certain purchasers of property units and provided financial guarantees to secure obligations of such purchasers for repayments. The outstanding guarantees amounted to RMB13,361,488,000 as at 31 December 2019 (as at 31 December 2018: RMB11,561,273,000). Such guarantees terminate upon the earlier of (i) the issuance of the real estate ownership certificate which will generally be available within six months after the buyer takes possession of the relevant properties; and (ii) the satisfaction of the mortgaged loan by the buyer of the properties.

In the opinion of directors of the Company, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition and the directors consider the possibility of default by the parties involved to be remote. Accordingly, no value has been recognised in the statement of financial position as at 31 December 2019 and 2018.

**45. OPERATING LEASE****The Group as lessee**

		2018 二零一八年 RMB'000 人民幣千元
Minimum lease payments paid	於年內支付經營租賃之最低租賃付款	
under operating leases during the year		27,717

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	22,049
In the second to fifth year inclusive	兩年後但五年內	8,291
Total	合計	30,340

**44. 或然負債**

於報告日期，本集團已發出以下擔保：

本集團已為部分物業單位的買方提供按揭貸款，並對該等買方的還款責任提供財務擔保。於二零一九年十二月三十一日，已授出的擔保為人民幣13,361,488,000元（於二零一八年十二月三十一日：人民幣11,561,273,000元）。該等擔保於以下較早期間終止：(i)發出房地產所有權證（一般在買方擁有有關物業後六個月內發出）時；及(ii)物業買方償還按揭貸款時。

本公司董事認為，本集團財務擔保合約於首次確認時的公允價值很低，而董事認為有關訂約方違約的機會極微。因此，並無於二零一九年及二零一八年十二月三十一日的財務狀況表中確認任何價值。

**45. 經營租賃****本集團作為承租人**

於報告期末，本集團就下列到期之不可註銷經營租賃而有未來最低租金付款承擔：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**45. OPERATING LEASE (Continued)****The Group as lessee (Continued)**

Operating lease payments represent rentals payable by the Group for certain office premises. Leases are negotiated for a term ranging from 1 to 20 years with fixed rentals.

**The Group as lessor**

		<b>2019</b> 二零一九年 <b>RMB'000</b> 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Property rental income, net of negligible outgoings under operating leases during the year	物業租金收益，扣除於年內的經營租賃的小額開支	<b>76,337</b>	51,453

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		<b>2019</b> 二零一九年 <b>RMB'000</b> 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Within one year	一年內	<b>96,464</b>	75,538
In the second to fifth year inclusive	兩年後但五年內	<b>307,847</b>	341,876
Over five years	超過五年	<b>126,986</b>	315,555
Total	合計	<b>531,297</b>	732,969

Property rental income represents rentals receivable by the Group. Leases are negotiated for a term ranging from 1 to 16 years with fixed rentals.

**45. 經營租賃(續)****本集團作為承租人(續)**

經營租賃付款指本集團就若干辦公室物業的應付租金。經磋商後之租賃期介乎一至二十年之間，為固定租金。

**本集團作為出租人**

於報告期末，本集團與租戶訂立下列未來最低租賃付款：

物業租金收益指本集團應收租金。經磋商後之租賃期介乎一至十六年之間，為固定租金。

**46. CAPITAL COMMITMENTS****46. 資本承擔**

		<b>2019</b> 二零一九年 <b>RMB'000</b> 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Properties under development and investment properties under development contracted but not provided in the consolidated financial statements	已訂約但未於綜合財務報表撥備的發展中物業及發展中投資物業	<b>11,821,276</b>	13,487,602



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 47. RELATED-PARTY DISCLOSURES

- (i) During the year, the Group entered into the following transactions with related parties:

## 47. 關聯方披露

- (i) 於年內，本集團與關聯方訂立以下交易：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Property management and other services fee	物業管理及其他服務費		
– Greenland Holdings' subsidiaries	– 綠地控股子公司	8,741	5,744
– joint ventures and associates	– 合營企業及聯營公司	2,965	362
– non-controlling shareholders of subsidiaries	– 子公司非控股股東	798	1,835
Construction service provided by Greenland Holdings' subsidiaries	綠地控股子公司提供的建築服務	1,613,625	1,088,522
Interest income arising from amounts due from associates	應收聯營公司款項產生的利息收入	30,619	28,308
Advance to	向下列各項作出預付款項		
– Greenland Holdings	– 綠地控股	1,603,200	4,591,498
– Greenland Holdings' subsidiaries	– 綠地控股子公司	374,871	4,236,019
– associates	– 聯營公司	451,437	440,722
– joint ventures	– 合營企業	32,921	175,541
		2,462,429	9,443,780
Repayment from	來自下列各項的還款		
– Greenland Holdings' subsidiaries	– 綠地控股子公司	1,825,531	1,387,984
– associates	– 聯營公司	173,789	82,978
		1,999,320	1,470,962
Advance from	來自下列各項的預付款項		
– Greenland Holdings' subsidiaries	– 綠地控股子公司	29,271	7,534,040
– associates	– 聯營公司	166,879	36,002
		196,150	7,570,042
Repayment to	向下列各項作出的還款		
– Greenland Holdings	– 綠地控股	-	2
– Greenland Holdings' subsidiaries	– 綠地控股子公司	1,807,733	818,767
– associates	– 聯營公司	-	66,000
		1,807,733	884,769

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

47. RELATED-PARTY DISCLOSURES  
(Continued)

(ii) As at the end of the year, the Group had balances with related parties, which are all unsecured, as follows:

## 47. 關聯方披露(續)

(ii) 於年末，本集團與關聯方的結餘均為無抵押，其載列如下：

		2019 二零一九年						
		Project-related 項目相關		Non-project related 非項目相關		Subtotal 小計		
		Non-interest bearing 免息 RMB'000 人民幣千元	Interest bearing 計息 RMB'000 人民幣千元	Non-Interest bearing 免息 RMB'000 人民幣千元	Interest bearing 計息 RMB'000 人民幣千元	Non-interest bearing 免息 RMB'000 人民幣千元	Interest bearing 計息 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Amounts due from</b>	<b>應收下列各項的款項</b>							
Greenland Holdings	綠地控股	-	-	6,194,708	-	6,194,708	-	6,194,708
Greenland Holdings' subsidiaries	綠地控股子公司	614,459	-	392,498	-	1,006,957	-	1,006,957
Associates	聯營公司	335,189	420,572	-	-	335,189	420,572	755,761
Joint ventures	合營企業	110,325	-	118,595	-	228,920	-	228,920
Shareholder's Company (Note)	股東公司(附註)	-	-	21	-	21	-	21
		<b>1,059,973</b>	<b>420,572</b>	<b>6,705,822</b>	<b>-</b>	<b>7,765,795</b>	<b>420,572</b>	<b>8,186,367</b>
<b>Amounts due to</b>	<b>應付下列各項的款項</b>							
Greenland Holdings	綠地控股	686,730	-	-	-	686,730	-	686,730
Greenland Holdings' subsidiaries	綠地控股子公司	540,238	-	6,421,887	-	6,962,125	-	6,962,125
Associates	聯營公司	202,882	-	-	-	202,882	-	202,882
A director and entities controlled by the director	一名董事及其控制的實體	-	-	1,158	-	1,158	-	1,158
		<b>1,429,850</b>	<b>-</b>	<b>6,423,045</b>	<b>-</b>	<b>7,852,895</b>	<b>-</b>	<b>7,852,895</b>

		2018 二零一八年						
		Project-related 項目相關		Non-project related 非項目相關		Sub Total 小計		
		Non-interest bearing 免息 RMB'000 人民幣千元	Interest bearing 計息 RMB'000 人民幣千元	Non-Interest bearing 免息 RMB'000 人民幣千元	Interest bearing 計息 RMB'000 人民幣千元	Non-interest bearing 免息 RMB'000 人民幣千元	Interest bearing 計息 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Amounts due from</b>	<b>應收下列各項的款項</b>							
Greenland Holdings	綠地控股	-	-	4,591,508	-	4,591,508	-	4,591,508
Greenland Holdings' subsidiaries	綠地控股子公司	1,078,142	-	1,233,458	-	2,311,600	-	2,311,600
Associates	聯營公司	26,500	451,613	-	-	26,500	451,613	478,113
Joint ventures	合營企業	79,325	-	116,674	-	195,999	-	195,999
Shareholder's Company	股東公司	-	-	13	-	13	-	13
		<b>1,183,967</b>	<b>451,613</b>	<b>5,941,653</b>	<b>-</b>	<b>7,125,620</b>	<b>451,613</b>	<b>7,577,233</b>
<b>Amounts due to</b>	<b>應付下列各項的款項</b>							
Greenland Holdings	綠地控股	686,730	-	-	-	686,730	-	686,730
Greenland Holdings' subsidiaries	綠地控股子公司	798,784	-	7,501,026	-	8,299,810	-	8,299,810
Associates	聯營公司	36,013	-	-	-	36,013	-	36,013
A director and entities controlled by the director	一名董事及其控制的實體	-	-	1,158	-	1,158	-	1,158
		<b>1,521,527</b>	<b>-</b>	<b>7,502,184</b>	<b>-</b>	<b>9,023,711</b>	<b>-</b>	<b>9,023,711</b>

Note: Mr. Wang Weixian is a "Shareholder" of the Company. Shareholder's Company represents a company owned by the Shareholder and affiliates.

附註：王偉賢先生為本公司的「股東」。股東公司為該股東及聯屬公司擁有的公司。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**47. RELATED-PARTY DISCLOSURES (Continued)**

- (ii) As at the end of the year, the Group had balances with related parties, which are all unsecured, as follows: (Continued)

In respect of project-related balances with related parties:

- (a) The trade balances due from Greenland Holdings' subsidiaries, joint ventures, associates and non-controlling shareholders of subsidiaries are mainly receivables from property management and other services.
- (b) The project-related balances due from Greenland Holdings and its subsidiaries are mainly prepaid distributions and consideration receivables from disposal of a subsidiary. The project-related balances due to Greenland Holdings and its subsidiaries are mainly project advances and non-interest bearing loans.

The non-project related balances with related parties are mainly unsecured advances and repayable on demand.

The interest bearing balances due from associates of RMB420,572,000 at 31 December 2019 (2018: RMB451,613,000) carried interest at fixed rate of 3.80% to 8.35% (2018: 4.35% to 8.00%) per annum.

**(iii) Compensation of key management personnel**

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 13 and five of the highest payment to employees as disclosed in note 14, was as follows:

		<b>2019</b> 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries and bonus	工資及花紅	<b>21,437</b>	21,089

**47. 關聯方披露(續)**

- (ii) 於年末，本集團與關聯方的結餘均為無抵押，其載列如下：(續)

就與關聯方的項目相關結餘而言：

- (a) 應收綠地控股子公司、合營企業、聯營公司及子公司非控股股東的貿易結餘主要為物業管理及其他服務的應收款項。
- (b) 應收綠地控股及其子公司的項目相關結餘主要為出售一家子公司的預付分派及應收代價。應付綠地控股及其子公司的項目相關結餘主要為項目墊款及免息貸款。

與關聯方的非項目相關結餘主要為無抵押墊款及按要求償還。

於二零一九年十二月三十一日，應收聯營公司的計息結餘人民幣420,572,000元(二零一八年：人民幣451,613,000元)乃按固定年利率3.80%至8.35%(二零一八年：4.35%至8.00%)計息。

**(iii) 關鍵管理人員薪酬**

關鍵管理人員薪酬包括在附註13中披露支付予本公司董事的薪酬和在附註14中披露支付予五位最高薪酬僱員的薪酬，詳情如下：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**48. ACQUISITION OF SUBSIDIARIES**

During the year ended 31 December 2019, the Group acquired the following subsidiaries:

- (i) On 14 February 2019, the Group completed the acquisition of 100% equity interest in Wuxi Healthy Home Real Estate Development Co., Ltd. ("**Wuxi Healthy Home**") from an independent party at consideration of RMB12,903,000. Wuxi Healthy Home is principally engaged in property development business and was acquired so as to continue the expansion of the Group's business in property management. The Group accounted for the acquisition of the 100% of issued share capital of the Wuxi Healthy Home as an acquisition of asset.
- (ii) On 9 May 2019, the Group completed the acquisition of 79% equity interest in Shanghai Xinyu Health Management Co., Ltd. ("**Shanghai Xinyu**") from an independent party at consideration of RMB23,700,000. Shanghai Xinyu is principally engaged in nutrition and health counseling services.

**48. 收購子公司**

於截至二零一九年十二月三十一日止年度，本集團收購以下子公司：

- (i) 於二零一九年二月十四日，本集團完成向獨立方收購無錫健康家園房地產開發有限公司(「**無錫健康家園**」)100%股權，代價為人民幣12,903,000元。無錫健康家園主要從事物業開發業務，獲收購作本集團物業管理業務繼續擴張之用。本集團已將無錫健康家園100%已發行股本收購事項入賬為資產收購。
- (ii) 於二零一九年五月九日，本集團完成向獨立方收購上海欣于健康管理有限公司(「**上海欣于**」)79%股權，代價為人民幣23,700,000元。上海欣于主要從事營養與健康諮詢服務。

		Wuxi Healthy Home 無錫健康家園 RMB'000 人民幣千元	Shanghai Xinyu 上海欣于 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
<b>Consideration transferred</b>	<b>轉讓代價</b>			
Cash	現金	12,903	23,700	36,603
<b>Assets acquired and liabilities recognised at the date of acquisition are as follows:</b>	<b>收購日期的已收購資產及已確認負債載列如下：</b>			
Property, plant and equipment	物業、廠房及設備	10	4,866	4,876
Properties under development	發展中物業	1,008,437	-	1,008,437
Trade and other receivables	應收賬款及其他應收款項	5,246	17,122	22,368
Bank balances and cash	銀行結餘及現金	404	11,640	12,044
Trade and other payables	應付賬款及其他應付款項	(1,001,194)	(3,628)	(1,004,822)
		12,903	30,000	42,903
Non-controlling interests (Note i)	非控股權益(附註i)	-	(6,300)	(6,300)
		12,903	23,700	36,603
<b>Net cash outflow on acquisitions</b>	<b>收購的現金流出淨額</b>			
Cash consideration paid	已付現金代價	12,903	23,700	36,603
Bank balances and cash acquired	已收購銀行結餘及現金	(404)	(11,640)	(12,044)
		12,499	12,060	24,559

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 48. ACQUISITION OF SUBSIDIARIES (Continued)

Notes:

- (i) Non-controlling interest in Shanghai Xinyu recognised at the acquisition date was measured by reference to the proportionate share 21% of recognised amounts of net assets of Shanghai Xinyu and amounted to RMB6,300,000.
- (ii) Included in the profit for the year ended 31 December 2019 are revenue of RMB735,000 and loss of RMB4,147,000 attributable to additional generated by Shanghai Xinyu.
- (iii) Had the acquisition of Shanghai Xinyu been completed on 1 January 2019, the total revenue of the Group would have been RMB17,665,644,000, and the profit for the year would have been RMB3,036,607,000. The pro-forma information is for illustrative purposes only and is not necessarily an indication results of operations of the Group that actually would have been achieved had that the acquisition been completed on 1 January 2019, nor is it intended to be a projection of future results.

## 49. DISPOSAL OF SUBSIDIARIES

On 27 November 2019, the Group disposed of its entire 100% equity interest in Prosper Spring Investments Limited ("**Prosper Spring**") to a third party BSREP III China Retail Holdings Limited ("**BSREP III**") for a cash consideration of approximately RMB3,002,362,000.

## 48. 收購子公司(續)

附註：

- (i) 於收購日期確認的上海欣于非控股權益乃按上海欣于淨資產的已確認金額所佔21%的比例計量，合共人民幣6,300,000元。
- (ii) 截至二零一九年十二月三十一日止年度溢利包括上海欣于額外產生應佔的人民幣735,000元的收益及人民幣4,147,000元的虧損。
- (iii) 倘收購上海欣于已於二零一九年一月一日完成，本集團的收益總額將為人民幣17,665,644,000元，而年內溢利將為人民幣3,036,607,000元。備考資料僅供說明之用，並不一定表示倘收購已於二零一九年一月一日完成時本集團可實際取得的營運業績，亦不擬作為未來業績的預測。

## 49. 出售子公司

於二零一九年十一月二十七日，本集團向第三方BSREP III China Retail Holdings Limited ("**BSREP III**")出售其於旺泉投資有限公司 ("**旺泉**")的全部100%股權，現金代價約為人民幣3,002,362,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 49. DISPOSAL OF SUBSIDIARIES (Continued) 49. 出售子公司(續)

The net assets of Prosper Spring at the date of disposal were as follows:

旺泉於出售日期的淨資產如下：

		RMB'000 人民幣千元
<b>Consideration received:</b>		
Cash received	已收代價：	
Deferred cash consideration (included in other receivables)	已收現金 遞延現金代價(計入其他應收款項)	2,549,336 453,026
		3,002,362
<b>Analysis of assets and liabilities over which control was lost:</b>		
Investment properties	喪失控制權的資產及負債的分析：	
Property, plant and equipment	投資物業	7,480,000
Properties under development	物業、廠房及設備	132
Trade and other receivables and advance deposits	發展中物業	2,614,051
Bank balances and cash	應收賬款及其他應收款項及預付按金	1,705,478
Tax recoverable	銀行結餘及現金	1,927,261
Deferred tax assets	可收回稅項	47,358
Interest-bearing loans	遞延稅項資產	67,271
Deferred tax liabilities	計息貸款	(3,325,600)
Contract liabilities	遞延稅項負債	(556,837)
Trade and other payables	合同負債	(56,812)
Tax payable	應付賬款及其他應付款項	(7,912,937)
	應付稅項	(172,598)
Net assets disposed of	所出售淨資產	1,816,767
<b>Gain on disposal of a subsidiary:</b>		
Consideration received	出售子公司收益：	
Net assets disposed of	已收代價 所出售淨資產	3,002,362 (1,816,767)
Gain on disposal	出售收益	1,185,595
<b>Net cash inflow arising on disposal:</b>		
Total consideration	出售所產生現金流入淨額：	
Less: Bank balances and cash disposed of	總代價 減：所出售銀行結餘及現金	2,549,336 (1,927,261)
Proceeds from disposal of Prosper Spring	出售旺泉所得款項	622,075

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 50. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities:

		Borrowings	Bonds	Loans		Lease Liabilities	Interest payable
				Loans from related parties	from non-controlling shareholders		
		借貸	債券	來自關聯方的貸款	來自非控股股東的貸款	租賃負債	應付利息
		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
At 1 January 2018	於二零一八年一月一日	10,561,812	7,028,658	1,768,095	3,197,975	-	161,951
Financing cash flows	融資現金流量	2,631,679	(1,471,408)	6,685,273	917,898	-	(960,019)
Disposal of a subsidiary	出售一家子公司	(625,000)	-	-	-	-	-
Foreign exchange	外匯	116,122	240,595	394,357	-	-	-
Interest expenses	利息費用	-	20,170	-	-	-	894,647
At 31 December 2018	於二零一八年十二月三十一日	12,684,613	5,818,015	8,847,725	4,115,873	-	96,579
Adjustment upon application of IFRS 16	於應用國際財務報告準則第16號後調整	-	-	-	-	20,891	-
		12,684,613	5,818,015	8,847,725	4,115,873	20,891	96,579
Financing cash flows	融資現金流量	509,587	(2,409,990)	(1,611,583)	662,155	(14,264)	(1,001,333)
Disposal of subsidiaries (note 49)	出售子公司(附註49)	(3,325,600)	-	-	-	-	-
New leases entered	新增租賃	-	-	-	-	3,716	-
Foreign exchange	外匯	39,192	61,359	80,173	95,427	-	-
Interest expenses	利息費用	-	11,892	-	-	673	1,009,824
At 31 December 2019	於二零一九年十二月三十一日	9,907,792	3,481,276	7,316,315	4,873,455	11,016	105,070

## 51. EVENT AFTER THE REPORTING PERIOD

The outbreak of the COVID-19 in early 2020 has adversely impacted global economic activities and market sentiments. A series of precautionary and control measures have been and continued to be implemented across the PRC. The directors of the Company believe there might be possibilities that the construction progress of the projects of the Group will be adversely affected. The directors of the Company will pay close attention to the development of the coronavirus epidemic and its financial impact.

## 50. 來自融資活動產生的負債的對賬

下表詳述本集團融資活動所產生的負債變動(包括現金及非現金變動)。融資活動所產生的負債已經或將會於本集團綜合現金流量表內分類為融資活動現金流量：

## 51. 報告期後事項

COVID-19於二零二零年初爆發，已對全球經濟活動及市場氣氛造成不利影響。中國各地一直並持續實施一系列預防及控制措施。本公司董事認為，本集團項目的工程進度將可能受到不利影響。本公司董事將密切注意有關冠狀病毒疫情的進展及其財務影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY**      **52. 本公司財務狀況表**

		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
<b>Non-current Assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	10	-
Investments in subsidiaries	子公司投資	12,324,861	13,915,102
		<b>12,324,871</b>	13,915,102
<b>Current Assets</b>	<b>流動資產</b>		
Financial assets at fair value through profit and loss ("FVTPL")	按公允價值列賬於損益 (「按公允價值列賬於損益」)的 金融資產	6,397	-
Trade, other receivables and advance deposits	應收賬款、其他應收款項及 預付按金	69,262	89,069
Bank balances and cash	銀行結餘及現金	2,369,992	125,128
		<b>2,445,651</b>	214,197
		<b>14,770,522</b>	14,129,299
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>		
Share capital	股本	1,132,097	1,132,097
Share premium	股份溢價	3,412,872	3,412,872
Reserves	儲備	(1,795,518)	(1,200,215)
Total equity attributable to equity holders of the Company	本公司股權持有人 應佔權益總額	<b>2,749,451</b>	3,344,754
Perpetual securities	永久證券	788,208	787,823
Total equity	權益總額	<b>3,537,659</b>	4,132,577
<b>Non-current Liabilities</b>	<b>非流動負債</b>		
Bonds	債券	2,087,795	1,367,416
Interest-bearing loans	計息貸款	2,807,464	2,003,448
		<b>4,895,259</b>	3,370,864
<b>Current Liabilities</b>	<b>流動負債</b>		
Interest-bearing loans	計息貸款	89,578	603,620
Trade and other payables	應付賬款及其他應付款項	4,854,545	1,571,639
Bonds	債券	1,393,481	4,450,599
Total current liabilities	流動負債總額	<b>6,337,604</b>	6,625,858
Total liabilities	負債總額	<b>11,232,863</b>	9,996,722
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>	<b>14,770,522</b>	14,129,299



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

## 52. 本公司財務狀況表(續)

		Share capital	Share premium	Capital redemption reserve	Contributed surplus (note)	Accumulated losses	Perpetual securities	Total
		股本	股份溢價	資本贖回儲備	(附註)	累計虧損	永久證券	合計
		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	於二零一八年一月一日	1,132,855	3,416,546	1,231	308,439	(1,159,730)	787,823	4,487,164
Profit and total comprehensive income for the year	年度溢利及全面收入總額	-	-	-	-	34,675	-	34,675
Repurchase and logout shares	購回及註銷股份	(758)	(3,674)	-	-	-	-	(4,432)
Dividends recognised as distribution	確認為分派的股息	-	-	-	-	(342,114)	-	(342,114)
Dividends paid to perpetual securities	已付永久證券之股息	-	-	-	-	(42,716)	-	(42,716)
At 31 December 2018	於二零一八年十二月三十一日	1,132,097	3,412,872	1,231	308,439	(1,509,885)	787,823	4,132,577
(Loss) profit and total comprehensive (expense) income for the year	年度(虧損)溢利及全面(開支)收入總額	-	-	-	-	(104,121)	46,565	(57,556)
Dividends recognised as distribution	確認為分派的股息	-	-	-	-	(491,182)	-	(491,182)
Dividends paid to perpetual securities	已付永久證券之股息	-	-	-	-	-	(46,180)	(46,180)
At 31 December 2019	於二零一九年十二月三十一日	<b>1,132,097</b>	<b>3,412,872</b>	<b>1,231</b>	<b>308,439</b>	<b>(2,105,188)</b>	<b>788,208</b>	<b>3,537,659</b>

Note: The excess of the consolidated net assets represented by the shares of the subsidiaries acquired over nominal value of the shares issued by the Company in exchange under the Reorganisation was transferred to the contributed surplus account in the Company's financial statements.

附註：所收購子公司股份之綜合淨資產超過本公司於重組時發行以交換該等股份面值之差額轉撥至本公司財務報表的實繳盈餘賬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

## 53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries as at 31 December 2019 and 2018 are as follows.

## 53. 本公司主要子公司詳情

本公司於二零一九年及二零一八年十二月三十一日之主要子公司詳情如下。

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權權益及所持表決權比例	
				2019 二零一九年	2018 二零一八年
SPG Investment Ltd.	Investment holding 投資控股	USD1 1美元	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	100%	100%
Shanghai Cambridge (Group) Co., Ltd. 上海康橋半島(集團)有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD67,670,000 67,670,000美元	the PRC 中國	98.24%	98.24%
Shanghai SPG Property Service Co., Ltd. 上海盛高物業服務有限公司	Property management services 物業管理服務	RMB5,000,000 人民幣5,000,000元	the PRC 中國	98.42%	98.42%
Shanghai SPG Hotel Development Co., Ltd. 上海盛高酒店發展有限公司	Hotel operation, property development, sales and lease 酒店營運、房地產開發、 銷售及租賃	RMB405,500,000 人民幣405,500,000元	the PRC 中國	98.24%	98.24%
Shanghai Oriental Cambridge Property Development Co., Ltd. 上海東方康橋房地產發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB650,000,000 人民幣650,000,000元	the PRC 中國	100%	100%
Shanghai Zhujia Cambridge Property Development Co., Ltd. 上海珠佳康橋半島房地產開發有限公司	Property development and sales 房地產開發及銷售	RMB280,000,000 人民幣280,000,000元	the PRC 中國	100%	100%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2019 and 2018 are as follows. (Continued)

### 53. 本公司主要子公司詳情(續)

本公司於二零一九年及二零一八年十二月三十一日之主要子公司詳情如下。(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權權益及所持表決權比例	
				2019 二零一九年	2018 二零一八年
Huangshan SPG Property Development Co., Ltd. 黃山盛高半島房地產發展有限公司	Hotel development and operation 酒店開發及經營	RMB190,000,000 人民幣190,000,000元	the PRC 中國	100%	100%
Kunming SPG Land Development Co., Ltd. 昆明盛高置地發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB42,500,000 人民幣42,500,000元	the PRC 中國	100%	100%
Huangshan Hiddentiger Club Management Co., Ltd. 黃山臥虎會所管理有限公司	Property management services 物業管理服務	RMB1,000,000 人民幣1,000,000元	the PRC 中國	100%	100%
Kunming SPG Grand City Development Co., Ltd. 昆明盛高大城房地產發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD1,000,000 1,000,000美元	the PRC 中國	100%	100%
Suzhou Runjian Property Co., Ltd. 蘇州潤建置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB300,000,000 人民幣300,000,000元	the PRC 中國	100%	100%
Suzhou SPG Property Management Co., Ltd. 蘇州盛高物業服務有限公司	Hotel Operations, Property management services 酒店營運、物業管理服務	RMB500,000 人民幣500,000元	the PRC 中國	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2019 and 2018 are as follows. (Continued)

### 53. 本公司主要子公司詳情(續)

本公司於二零一九年及二零一八年十二月三十一日之主要子公司詳情如下。(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的 擁有權益及所持表決權比例	
				2019 二零一九年	2018 二零一八年
Wuxi Guosheng Property Development Co., Ltd. 無錫國盛房產開發有限公司	Property development, sales and lease 房地產開發、銷售及租賃	HK\$400,000,000 400,000,000港元	the PRC 中國	100%	100%
Wuxi Shenglian Property Development Co., Ltd. 無錫盛聯房產開發有限公司	Property development, sales and lease 房地產開發、銷售及租賃	HK\$110,500,000 110,500,000港元	the PRC 中國	100%	100%
Hainan Jianqiao Property Co., Ltd. 海南建橋置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB115,000,000 人民幣115,000,000元	the PRC 中國	100%	100%
Shanghai Huichang Construction Engineering Co., Ltd. 上海卉昌建築工程有限公司	Construction and decoration services 建築及裝修服務	RMB100,000,000 人民幣100,000,000元	the PRC 中國	100%	100%
Changshu SPG Land Development Co., Ltd. 常熟盛高房產開發有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB1,000,000 人民幣1,000,000元	the PRC 中國	100%	100%
Changshu SPG Real Estate Development Co., Ltd. 常熟盛地置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	100%	100%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2019 and 2018 are as follows. (Continued)

### 53. 本公司主要子公司詳情(續)

本公司於二零一九年及二零一八年十二月三十一日之主要子公司詳情如下。(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權權益及所持表決權比例	
				2019 二零一九年	2018 二零一八年
Shanxi SPG Land Development Co., Ltd. 山西盛高置地發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD20,000,000 20,000,000美元	the PRC 中國	100%	100%
Ningbo SPG Cicheng Property Development Co., Ltd. 寧波盛高慈城房地產發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB600,000,000 人民幣600,000,000元	the PRC 中國	100%	100%
Hangzhou Tuojiang Property Co., Ltd. 杭州拓江置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD582,000,000 582,000,000美元	the PRC 中國	50% (note iii) (附註iii)	50% (note iii) (附註iii)
Haikou Greenland Hongxiang Property Co., Ltd. 海口綠地鴻翔置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB600,000,000 人民幣600,000,000元	the PRC 中國	100%	100%
Shanghai Daokun Investment Management Co., Ltd. 上海道堃資產管理有限公司	Investing and consulting 投資及諮詢	RMB10,000,000 人民幣10,000,000元	the PRC 中國	100%	100%
Shanghai Hemao Property Co., Ltd. 上海合茂房地產發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB630,000,000 人民幣630,000,000元	the PRC 中國	50% (note iii) (附註iii)	50% (note iii) (附註iii)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2019 and 2018 are as follows. (Continued)

### 53. 本公司主要子公司詳情(續)

本公司於二零一九年及二零一八年十二月三十一日之主要子公司詳情如下。(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權權益及所持表決權比例	
				2019 二零一九年	2018 二零一八年
Nanning Greenland Yingkai Investment Co., Ltd. 南寧綠地穎愷投資有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB558,500,000 人民幣558,500,000元	the PRC 中國	100%	100%
Success Yield Group Limited 成耀集團有限公司	Investment of subsidiaries 投資子公司	USD200 200美元	the BVI 英屬處女群島	50% (note iii) (附註iii)	50% (note iii) (附註iii)
Xubao Co., Ltd. 旭寶有限公司	Investment of subsidiaries 投資子公司	HK\$2 2港元	the BVI 英屬處女群島	50% (note iii) (附註iii)	50% (note iii) (附註iii)
Xuzhou Nanbu Property Co., Ltd. 徐州南部房地產開發有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD30,000,000 30,000,000美元	the PRC 中國	100%	100%
Xuzhou Mingzhi Property Co., Ltd. 徐州銘智房地產開發有限公司	Property development, sales and lease 房地產開發、銷售及租賃	HK\$214,000,000 214,000,000港元	the PRC 中國	50% (note iii) (附註iii)	50% (note iii) (附註iii)
Shanghai Xiangxuan Investment Management Co., Ltd. 上海翔軒投資管理有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB20,000,000 人民幣20,000,000元	the PRC 中國	100%	100%
Greenland (Kunming) Property Co., Ltd. 綠地集團(昆明)置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB517,272,222 人民幣517,272,222元	the PRC 中國	55%	55%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2019 and 2018 are as follows. (Continued)

### 53. 本公司主要子公司詳情(續)

本公司於二零一九年及二零一八年十二月三十一日之主要子公司詳情如下。(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權權益及所持表決權比例	
				2019 二零一九年	2018 二零一八年
Greenland (Kunming Wuhua) Property Development Co., Ltd. 綠地集團(昆明五華)房地產開發有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB528,000,000 人民幣528,000,000元	the PRC 中國	55%	55%
Shanghai Wuli Property Co., Ltd. 上海五里置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB6,000,000,000 人民幣6,000,000,000元	the PRC 中國	100% (note iv) (附註iv)	100% (note iv) (附註iv)
Nanning Greenland Hongkai Property Co., Ltd. 南寧綠地鴻愷置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	HK\$100,000,000 100,000,000港元	the PRC 中國	100%	100%
Haikou Greenland Wuyuan Property Co., Ltd. 海口綠地五源置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB500,000,000 人民幣500,000,000元	the PRC 中國	100%	100%
Hainan Tianhongjiye Industrial Co., Ltd. 海南天泓基業實業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB100,000,000 人民幣100,000,000元	the PRC 中國	50.1%	50.1%
Hainan Tianhongjiye Investment Co., Ltd. 海南天泓基業投資有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB180,000,000 人民幣180,000,000元	the PRC 中國	50.1%	50.1%
Nanning Greenland Xinyuan Property Co., Ltd. 南寧綠地信源置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**53. PARTICULARS OF PRINCIPAL  
SUBSIDIARIES OF THE COMPANY  
(Continued)**

Details of the Company's principal subsidiaries as at 31 December 2019 and 2018 are as follows. (Continued)

**53. 本公司主要子公司詳情(續)**

本公司於二零一九年及二零一八年十二月三十一日之主要子公司詳情如下。(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權益及所持表決權比例	
				2019 二零一九年	2018 二零一八年
Suzhou Lvjie Property Co., Ltd. 蘇州綠杰置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	HK\$3,034,030,000 3,034,030,000港元	the PRC 中國	100%	100%
Shanghai Greenland Financial Information Services Co., Ltd. 上海綠地金融信息服務有限公司	Financing 融資	RMB100,000,000 人民幣100,000,000元	the PRC 中國	100%	100%
Guangxi Greenland Xintie Property Co., Ltd. 廣西綠地鑫鐵置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB100,000,000 人民幣100,000,000元	the PRC 中國	60%	60%
Suzhou Lyving Property Co., Ltd. 蘇州綠穎置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB20,000,000 人民幣20,000,000元	the PRC 中國	100%	100%
Guangxi Greenland Hengrun Property Development Co., Ltd. 廣西綠地恒潤置業發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB100,000,000 人民幣100,000,000元	the PRC 中國	65% (note v) (附註v)	65% (note v) (附註v)
Suzhou Lvwo Amusement Equipment Co., Ltd. 蘇州綠沃遊樂設備有限公司	Commercial management 商業管理	RMB12,750,000 人民幣12,750,000元	the PRC 中國	80%	80%
Wuxi Guangcheng Metro Above-Station Property Development Co., Ltd. 無錫廣城地鐵上蓋置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB20,000,000 人民幣20,000,000元	the PRC 中國	90%	90%



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2019 and 2018 are as follows. (Continued)

### 53. 本公司主要子公司詳情(續)

本公司於二零一九年及二零一八年十二月三十一日之主要子公司詳情如下。(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的 擁有權益及所持表決權比例	
				2019 二零一九年	2018 二零一八年
Wujiang Shenyng Real Estate Development Co., Ltd. 吳江神鷹房地產開發有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	99%	99%
Foshan Hongyi Real Estate Investment Co., Ltd. 佛山市鴻億置業投資有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB100,000,000 人民幣100,000,000元	the PRC 中國	100%	100%
Jiaxing Lvzhan Real Estate Co., Ltd. 嘉興綠展置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD135,026,600 135,026,600美元	the PRC 中國	70%	70%
Jiaxing Qinghua Real Estate Co., Ltd. 嘉興慶華置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD63,596,400 63,596,400美元	the PRC 中國	70%	70%
Jiaxing Tongchuang Real Estate Co., Ltd. 嘉興桐創置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	USD36,453,600 36,453,600美元	the PRC 中國	70%	70%
Zhaoqing Hengchang Industrial Investment Co., Ltd. 肇慶亨昌實業投資有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB300,000,000 人民幣300,000,000元	the PRC 中國	70%	70%
Kunming Greenland Dianchi Property Co., Ltd. 昆明綠地滇池置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2019 and 2018 are as follows. (Continued)

### 53. 本公司主要子公司詳情(續)

本公司於二零一九年及二零一八年十二月三十一日之主要子公司詳情如下。(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的 擁有權益及所持表決權比例	
				2019 二零一九年	2018 二零一八年
Kunming Greenland Spring City Property Co., Ltd. 昆明綠地春城置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	100%	100%
Kunming Greenland Center Property Co., Ltd. 昆明綠地中心置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	100%	100%
Yiwu Lvchuan Property Co., Ltd. 義烏綠創置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	100%	100%
Wuxi Lvying Property Co., Ltd. 無錫綠穎置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	100%	100%
Shaoxing Lvshen Property Co., Ltd. 紹興綠申置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	100%	100%
Nanning Greenland Qixiang Investment Co., Ltd. 南寧綠地麒翔投資有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB30,000,000 人民幣30,000,000元	the PRC 中國	60%	60%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2019 and 2018 are as follows. (Continued)

### 53. 本公司主要子公司詳情(續)

本公司於二零一九年及二零一八年十二月三十一日之主要子公司詳情如下。(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的 擁有權益及所持表決權比例	
				2019 二零一九年	2018 二零一八年
Nanning Overseas Chinese Transport Asset Management Co., Ltd. 南寧僑運資產管理有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	100%	100%
Zhaoqing Zhengyu Real Estate Development Co., Ltd. 肇慶正域房地產開發有限公司	Property development, sales 房地產開發、銷售	RMB1,000,000 人民幣1,000,000元	the PRC 中國	70%	70%
Nanning Greenland Hongjun Real Estate Co., Ltd. 南寧綠地鴻駿置業有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB1,010,000 人民幣1,010,000元	the PRC 中國	100%	100%
Nanning Huasong Industrial Investment Co., Ltd. 南寧華嵩產業投資有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	100%	100%
Nanning Greenland Haiyue Investment Co., Ltd. 南寧綠地海悅投資有限公司	Property development, sales 房地產開發、銷售	RMB10,000,000 人民幣10,000,000元	the PRC 中國	100%	100%
Haikou Greenland Haichuang Hotel Management Co., Ltd. 海口綠地海創酒店管理有限公司	Hotel development and operation 酒店開發及營運	RMB10,000,000 人民幣10,000,000元	the PRC 中國	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2019 and 2018 are as follows. (Continued)

### 53. 本公司主要子公司詳情(續)

本公司於二零一九年及二零一八年十二月三十一日之主要子公司詳情如下。(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權權益及所持表決權比例	
				2019 二零一九年	2018 二零一八年
Tongxiang Coproduction Information Technology Co., Ltd. 桐鄉合創信息科技有限公司	Software development 軟件開發	RMB30,000,000 人民幣30,000,000元	the PRC 中國	100%	100%
Jiaying Lxix Real Estate Co., Ltd 嘉興綠熙置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	USD130,692,700 130,692,700美元	the PRC 中國	70% (note i) (附註i)	-
Kunming Greenland Dianhai Real Estate Co., Ltd 昆明綠地滇海置業有限公司	Property development, sales 物業開發、銷售	USD100,000,000 100,000,000美元	the PRC 中國	100% (note i) (附註i)	-
Zhenjiang Dantu District Lvjian Real Estate Development Co., Ltd 鎮江市丹徒區綠建房產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB10,000,000 人民幣10,000,000元	the PRC 中國	70% (note i) (附註i)	-
Guangde Lvhang Real Estate Co., Ltd 廣德綠航置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	100% (note i) (附註i)	-
Kunming Diansheng Real Estate Co., Ltd 昆明滇昇置業有限公司	Property development, sales 物業開發、銷售	RMB10,000,000 人民幣10,000,000元	the PRC 中國	100% (note i) (附註i)	-
Yangzhong Lvqiao Longting Real Estate Co., Ltd 揚中市綠橋龍庭置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB24,500,000 人民幣24,500,000元	the PRC 中國	51% (note i) (附註i)	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2019 and 2018 are as follows. (Continued)

### 53. 本公司主要子公司詳情(續)

本公司於二零一九年及二零一八年十二月三十一日之主要子公司詳情如下。(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權權益及所持表決權比例	
				2019 二零一九年	2018 二零一八年
Suzhou Lvqiang Real Estate Co., Ltd 蘇州綠港置業有限公司	Property development, sales 物業開發、銷售	RMB20,000,000 人民幣20,000,000元	the PRC 中國	100% (note i) (附註i)	-
Kunming Lvxiang Real Estate Co., Ltd 昆明綠香置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	USD2,200,000 2,200,000美元	the PRC 中國	100% (note i) (附註i)	-
Wuzhou Yuegui Real Estate Co., Ltd 梧州粵桂置業有限公司	Property development, sales 物業開發、銷售	RMB10,000,000 人民幣10,000,000元	the PRC 中國	60% (note i) (附註i)	-
Nantong Lvbo Real Estate Co., Ltd 南通綠鉞置業有限公司	Property development, sales and lease 物業開發、銷售及租賃	USD155,600,000 155,600,000美元	the PRC 中國	100% (note i) (附註i)	-
Suzhou Lvyun Real Estate Co., Ltd 蘇州綠雲置業有限公司	Property development, sales 物業開發、銷售	RMB20,000,000 人民幣20,000,000元	the PRC 中國	100% (note i) (附註i)	-
Changzhou Mudan Hongdu Real Estate Co., Ltd 常州牡丹弘都房地產有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB358,070,000 人民幣358,070,000元	the PRC 中國	98.88% (note i) (附註i)	-
Wuxi Lvzhu Wenhua Real Estate Development Co., Ltd 無錫綠珠文華房產開發有限公司	Property development, sales 物業開發、銷售	RMB50,000,000 人民幣50,000,000元	the PRC 中國	100% (note i) (附註i)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

**53. PARTICULARS OF PRINCIPAL  
SUBSIDIARIES OF THE COMPANY  
(Continued)**

Details of the Company's principal subsidiaries as at 31 December 2019 and 2018 are as follows. (Continued)

**53. 本公司主要子公司詳情(續)**

本公司於二零一九年及二零一八年十二月三十一日之主要子公司詳情如下。(續)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的擁有權權益及所持表決權比例	
				2019 二零一九年	2018 二零一八年
Yangzhou Lvheng Real Estate Development Co., Ltd 揚州市綠恒房產開發有限公司	Property development, sales and lease 物業開發、銷售及租賃	RMB91,190,000 人民幣91,190,000元	the PRC 中國	100% (note i) (附註i)	-
Yangzhou Lvning Real Estate Development Co., Ltd 揚州市綠寧房產開發有限公司	Property development, sales 物業開發、銷售	USD30,000,000 30,000,000美元	the PRC 中國	100% (note i) (附註i)	-
Shanghai Xinyu Health Management Co., Ltd. 上海欣于健康管理有限公司	Nutrition and health counseling services 營養與健康諮詢服務	RMB30,000,000 人民幣30,000,000元	the PRC 中國	79% (note ii) (附註ii)	-
Guangxi Haiqi Investment Co., Ltd 廣西海祺投資有限公司	Property development, sales 物業開發、銷售	RMB8,000,000 人民幣8,000,000元	the PRC 中國	51% (note i) (附註i)	-
Wuxi Health Home Real Estate Development Co., Ltd 無錫健康家園房地產開發有限公司	Property development, sales 物業開發、銷售	RMB20,000,000 人民幣20,000,000元	the PRC 中國	100% (note ii) (附註ii)	-
Shengya (Shanghai) Management Co., Ltd 盛亞(上海)管理有限公司	Management consulting 管理諮詢	USD2,000,000 2,000,000美元	the PRC 中國	100%	100%
Shanghai Bozhi Industrial Co., Ltd. 上海博置實業有限公司	Lease and business services 租賃及商務服務	RMB20,000,000 人民幣20,000,000元	the PRC 中國	100%	100%
Shanghai Xiangwo Apartment Management Co., Ltd 上海享窩公寓管理有限公司	Lease and business services 租賃及商務服務	RMB10,000,000 人民幣10,000,000元	the PRC 中國	100%	100%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 綜合財務報表附註(續)

For the year ended 31 December 2019  
截至二零一九年十二月三十一日止年度

### 53. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of the Company's principal subsidiaries as at 31 December 2019 and 2018 are as follows. (Continued)

Name of subsidiary 子公司名稱	Principal activities 主要業務	Issued capital 已發行資本	Place of incorporation/ operations 註冊成立/經營地點	Proportion of ownership interest and voting power held by the Company as at 31 December 本公司於十二月三十一日的 擁有權權益及所持表決權比例	
				2019 二零一九年	2018 二零一八年
Huangshan Cambridge Real Estate Development Co., Ltd. 黃山康橋半島房地產發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	100%	100%
Huangshan SPG Land Development Co., Ltd. 黃山盛高置地發展有限公司	Property development, sales and lease 房地產開發、銷售及租賃	RMB50,000,000 人民幣50,000,000元	the PRC 中國	100%	100%

Note i: The subsidiaries were newly established in 2019.

Note ii: The subsidiary was acquired in 2019.

Note iii: The Group has the right to appoint a majority of directors to the board of directors. Hence the Group has the power over these entities and has the ability to use its power to affect its returns. Therefore, these entities are accounted for as subsidiaries of the Company.

Note iv: The subsidiary was disposed in 2019.

Note v: The subsidiary was liquidated in 2019.

Except for SPG Investment Ltd, all the subsidiaries are indirectly held.

None of the subsidiaries had issued any debt securities at the end of the year.

No minority interest was individually material to the Group for the year.

### 53. 本公司主要子公司詳情(續)

本公司於二零一九年及二零一八年十二月三十一日之主要子公司詳情如下。(續)

附註i：該等子公司於二零一九年新成立。

附註ii：該子公司於二零一九年獲收購。

附註iii：本集團有權委任董事會的過半數董事。因此，本集團對該等實體擁有權力，並有能力運用其權力影響其回報。有鑑於此，該等實體入賬作為本公司的子公司。

附註iv：該子公司於二零一九年獲出售。

附註v：該子公司於二零一九年被清盤。

除SPG Investment Ltd外，所有子公司為間接擁有。

年末概無子公司已發行任何債務證券。

年內概無個別少數權益對本集團而言屬重大。

# SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

## 綜合財務資料概要

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

#### 綜合損益及其他全面利潤表

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
<b>Revenue</b>	<b>收益</b>	<b>17,662,136</b>	15,444,246	14,618,872	16,919,188	5,687,953
Cost of sales	銷售成本	<b>(12,207,094)</b>	(11,306,122)	(11,035,317)	(14,091,196)	(4,647,388)
<b>Gross profit</b>	<b>毛利</b>	<b>5,455,042</b>	4,138,124	3,583,555	2,827,992	1,040,565
Other income	其他收入	<b>31,137</b>	29,346	25,416	-	-
Other gains and losses	其他收益及虧損	<b>(211,094)</b>	(659,896)	273,185	197,969	176,430
Selling and marketing costs	銷售及市場推廣成本	<b>(774,076)</b>	(811,226)	(587,187)	(415,567)	(318,911)
Administrative expenses	行政費用	<b>(702,752)</b>	(529,847)	(437,517)	(499,687)	(428,641)
Other operating expenses	其他經營開支	<b>(61,643)</b>	(47,817)	(13,403)	(844,073)	(887,192)
Impairment loss of financial assets and contract assets	金融資產及合同資產減值虧損	<b>(67,497)</b>	(133,529)	-	-	-
Gain on disposal of interests in subsidiaries	出售子公司權益的收益	<b>1,185,595</b>	487,691	72,063	228	590
Finance income	融資收入	<b>71,655</b>	73,195	95,619	70,574	58,947
Finance expenses	融資開支	<b>(264,227)</b>	(187,488)	(224,191)	(135,088)	(199,114)
Share of profits (loss) of associates	應佔聯營公司溢利(虧損)	<b>(24,049)</b>	(15,354)	(999)	370	(1,007)
Share of profit (loss) of joint ventures	應佔合營企業溢利(虧損)	<b>14,743</b>	161,431	139,496	195,015	4
Gain (loss) on changes in fair value of investment properties	投資物業公允價值變動收益(虧損)	<b>945,466</b>	1,226,688	329,268	687,638	1,115,249
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>	<b>5,598,300</b>	3,731,318	3,255,305	2,085,371	556,920
Income tax expense	所得稅開支	<b>(2,557,163)</b>	(1,750,378)	(1,419,687)	(1,024,852)	(540,664)
<b>Profit for the year from continuing operations</b>	<b>來自持續經營業務的年內溢利</b>	<b>3,041,137</b>	1,980,940	1,835,618	1,060,519	16,256
<b>Discontinued operations</b>	<b>已終止業務</b>					
Profit for the year from discontinued operations	來自已終止業務的年內溢利	-	-	-	180,063	15,389
<b>Other comprehensive income for the year, net of income tax</b>	<b>年內其他全面收入，扣除所得稅</b>	<b>13,482</b>	84,255	-	-	-
<b>Profit and total comprehensive income for the year</b>	<b>年內溢利及全面收入總額</b>	<b>3,054,619</b>	2,065,195	1,835,618	1,240,582	31,645
<b>Attributable to:</b>	<b>以下人士應佔：</b>					
Owners of the Company	本公司擁有人	<b>2,487,300</b>	1,820,543	1,319,308	1,112,543	220,240
Non-controlling interests	非控股權益	<b>520,754</b>	244,652	516,310	128,039	(188,595)
Owners of perpetual securities	永久證券擁有人	<b>46,565</b>	-	-	-	-
Earnings per share	每股盈利					
Basic earnings per share (RMB)	每股基本盈利(人民幣元)	<b>0.89</b>	0.61	0.46	0.39	0.08
Diluted earnings per share (RMB)	每股攤薄盈利(人民幣元)	<b>N.A.</b> 不適用	N.A. 不適用	N.A. 不適用	N.A. 不適用	0.08



SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION (Continued)  
 綜合財務資料概要(續)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**綜合財務狀況表**

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
<b>Non-current assets</b>	非流動資產	<b>11,042,196</b>	29,320,858	26,996,757	25,532,841	25,197,091
<b>Current assets</b>	流動資產	<b>88,227,726</b>	60,909,342	41,753,039	28,572,266	24,788,863
<b>Non-current liabilities</b>	非流動負債	<b>9,965,682</b>	12,665,261	12,958,482	11,252,236	12,193,532
<b>Current liabilities</b>	流動負債	<b>72,712,802</b>	63,620,201	44,206,424	33,129,177	30,104,314
<b>Total equity attributable to owners of the Company</b>	本公司擁有人應佔權益總額	<b>12,458,513</b>	10,462,395	9,071,306	8,041,975	6,929,432
<b>Perpetual securities</b>	永久證券	<b>788,208</b>	787,823	787,823	787,823	–
<b>Non-controlling interests</b>	非控股權益	<b>3,344,717</b>	2,694,520	1,725,761	893,896	758,676
<b>Total equity</b>	權益總額	<b>16,591,438</b>	13,944,738	11,584,890	9,723,694	7,688,108

**OUR REGISTERED OFFICE**

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

**OUR PRINCIPAL OFFICE**

Greenland Hong Kong Holdings Limited  
Room 5711, 57th Floor  
The Center  
99 Queen's Road Central  
Hong Kong

**PRINCIPAL PAYING AGENT AND  
REGISTRAR AND TRANSFER AGENT**

**Citibank, N.A., London Branch**  
c/o Citibank, N.A., Dublin Branch  
1 North Wall Quay  
Dublin 1  
Ireland

**TRUSTEE**

**Citicorp International Limited**  
20/F, Citi Tower  
One Bay East  
83 Hoi Bun Road  
Kwun Tong, Kowloon  
Hong Kong

**OUR LEGAL ADVISORS***As to English law*

**Milbank LLP**  
30/F, Alexandra House  
18 Chater Road, Central  
Hong Kong

*As to PRC law*

**AllBright Law Offices**  
11, 12F, Shanghai Tower  
501 Yincheng Middle Road  
Shanghai 200120  
PRC

*As to Cayman Islands law*

**Conyers Dill & Pearman**  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY 1-1111  
Cayman Islands

**LEGAL ADVISORS TO THE JOINT LEAD MANAGERS***As to English law and Hong Kong law*

**Davis Polk & Wardwell**  
18th Floor  
The Hong Kong Club Building  
3A Chater Road  
Hong Kong

*As to PRC law*

**Commerce & Finance Law Offices**  
6F NCI Tower, A12  
Jianguomenwai Avenue  
Beijing 100022  
PRC

**LEGAL ADVISORS TO THE TRUSTEE***As to English law and Hong Kong law*

**Hogan Lovells Lee & Lee**  
50 Collyer Quay  
#10-01 OUE Bayfront  
Singapore 049321

**AUDITOR OF THE COMPANY**

**Deloitte Touche Tohmatsu**  
35th Floor, One Pacific Place  
88 Queensway  
Hong Kong